REPORT AND FINANCIAL STATEMENTS OF ENEL SPA AT DECEMBER 31, **2023**

We live in an increasingly interconnected world where the companies that will continue to thrive in the long run will be those able to act collectively, creating and sharing value with all stakeholders. This is what the graphic design of the Enel Group's Corporate Reporting expresses through the development of connected and balanced forms. Elements inspired by nature, whose movement offers a narration of harmony, growth and evolution.

REPORT AND FINANCIAL STATEMENTS OF ENEL SPA AT DECEMBER 31, **2023**

Paolo Scaroni

Chairman

Flavio Cattaneo

Chief Executive Officer
and General Manager

LETTER TO SHAREHOLDERS AND OTHER STAKEHOLDERS

Dear shareholders and stakeholders,
Last year was marked by an important change in the management of the Enel Group, with the election of the entire Board of Directors and the appointment of the new Chairman in the person of Paolo Scaroni. The Board of Directors in turn entrusted the position of Chief Executive Officer to Flavio Cattaneo.
The extraordinary events that have impacted the global geopolitical and macroeconomic environment have generated unprecedented volatility in the energy system and wrought structural changes in the energy market.
In this context, our new management has delineated the new strategy underpinning the Group's 2024-2026 Business Plan, which envisages: (i) the rigorous allocation of resources to boost the return on capital employed, together with the balancing of risk and return in investment decisions and models; (ii) greater efficiency and effectiveness in processes and organizational structure, seeking to increase accountability and free up financial resources to drive the industrial development of the Group; and (iii) financial and environmental sustainability, confirming our commitments to the energy transition and the electrification of energy consumption, while ensuring a more balanced and sustainable financial structure.
In 2023, Enel confirmed its position as the largest private renewable power generator in the world, with 63 GW of managed capacity (including our growing and necessary battery energy storage capacity) and the largest private electricity distribution company at the global level, with over 70 million end users served by grids that will have to deliver increasing levels of resilience and digitalization to support the electrification of energy consumption. Furthermore, we have the largest customer base among private companies, with some 61 million electricity and gas customers.
The Group's leadership in sustainability has once again been recognized worldwide, underscored by its constant presence in various major sustainability rankings and indices.

70.3
million

End users

63
GW

Renewables capacity managed

The macroeconomic environment

In 2023, global growth proved more resilient than expected at the beginning of the year, thanks to a faster-than-expected reduction in inflation in many economies, supported by the gradual normalization of energy commodity prices and the gradual easing of supply chain bottlenecks. Many governments' energy support programs also helped mitigate the impacts of the turbulence on household incomes and support productive activity in many economies.

However, the results differed among countries: growth was solid in the United States, sustained by the recovery in public and private spending, and in Latin America, where inflation slowed and political and labor market conditions improved. Conversely, much of the euro area experienced an abrupt economic slowdown, reflecting both the restrictive monetary policy stance adopted by the European Central Bank in order to counter inflationary pressures and weak foreign demand, also accompanied by challenging geopolitical developments in the Middle East.

With regard to the energy industry, in 2023, the European gas market displayed a significant downward trend in prices, thanks to high levels of storage and declining demand, with the average reduction in TTF (Title Transfer Facility) prices exceeding 65% compared with 2022, reaching about €35/MWh in the last quarter of 2023. Coal-fired generation also declined, primarily discouraged by the rise in CO_2 prices within the ETS (Emissions Trading System), despite coal prices plunging by 55.5% to an average of $129/ton.

Compared with 2022, electricity prices in Italy and Spain fell sharply, reflecting the decline in energy commodity prices and, in part, growing renewables generation. More specifically, electricity prices in Italy decreased by 58% compared with the previous year, while in Spain they dropped by 48%.

In the metals sector, economic weakness adversely impacted the prices of aluminum and copper, with declines of 16.6% and 3.8% respectively compared with 2022. Metals associated with renewable energy technologies, such as lithium and polysilicon, experienced an even steeper slide in prices as demand contracted.

Performance

Thanks to management actions and our focus on the core business, the Group closed the 2023 financial year having achieved our full-year targets as revised upwards in the 3rd Quarter and announced to the market, with ordinary EBITDA of €22.0 billion and an ordinary net profit of €6.5 billion, up 12% and about 21%, respectively, compared with the previous year. The dividend that will be proposed to shareholders for 2023 amounts to €0.43 per share, 7.5% higher than that for 2022. In terms of cash generation, FFO in 2023 amounted to about €14.8 billion, up more than 60% compared with 2022. Net debt is equal to €60.2 billion, with the net debt to ordinary EBITDA ratio improving from 3.1x to 2.7x. This last indicator does not yet reflect the effects of the proceeds generated by divestments, already announced to investors and subject to binding agreements between the parties, carried out in 2023 as part of the extraordinary plan to reduce the Group's financial debt. Recall that the Plan approved in 2022 to restore a sustainable and balanced Group financial structure provided for the sale of Group investments and other assets of over €12 billion in 2023 alone.

Main events

In 2023, the Group confirmed its hard-won technological leadership in renewables generation and distribution grids.

On the power generation front, in 2023 Enel built out about 5.3 GW of new renewables capacity (including 934 MW of battery storage), reaching a total of approximately 63 GW of installed capacity and a volume of renewables generation of 140 TWh/year. The capacity we operate is also supported by a pipeline of projects in the advanced development phase of up to 160 GW.

In the power distribution segment, our strong commitment to modernizing and digitalizing electricity grids continues, both to increase their resilience to increasingly extreme and frequent climate events and to make them ready to play the role of enablers of the energy transition: during the year, Enel Grids activated almost 540,000 new producer and prosumer[1] connections globally, adding about 8 GW of distributed renewables capacity connected to our grids, reaching a total of some 68 GW of capacity from approximately 2 million producer and prosumer connections.

The development of a portfolio of products dedicated to residential consumers, businesses and municipalities also confirmed the Group's leading role in fostering the energy transition and the electrification of consumption.

In 2023, Enel X Global Retail operated at full capacity with a new, more tightly integrated structure to reap the benefits of bundled packages of electricity, gas, electric mobility, energy efficiency and ultra-fast connectivity services. An example of this is the "Formidabile" offer, launched in Italy at the end of October 2023 and in Spain at the beginning of 2024. Our commitment to improving the customer experience also continues: in 2023 commercial complaints decreased by 12%[2] compared with the previous year, and in February the German Institute for Quality and Finance awarded Enel Energia its "Nr. 1 in Service" quality seal based on customer satisfaction in the electricity and gas sector, with a score of 74.2%, well above the category average of 55.9%.

The new Enel Global Service Function, which groups together Global Information & Communication Technologies, Global Procurement, Global Customer Operations and the newly established Workforce Evolution, continued the Group's digital transformation path, focusing on solutions and advanced technologies, such as artificial intelligence and quantum computing solutions. Thanks in part to the key skills we have developed internally, to date we have over 500 traditional and generative artificial intelligence applications in operation or in the development phase, mainly to support the Generation, Distribution and Retail businesses. Furthermore, the Workforce Evolution unit will promote the evolution of employee skills consistent with these new technological tools and with the strategic repositioning of the Group, in order to foster greater internal control over higher value activities and guarantee our distinctive positioning in the markets and sectors in which the Group is present.

The Group continues to follow the decarbonization roadmap in line with limiting global warming to below 1.5 °C. In 2023, absolute direct and indirect greenhouse gas emissions along the Group's entire value chain, equal to 94.3 $MtCO_{2eq}$, declined by 26.3% compared with 2022, and remain in line with the targets for 2030 and 2040 certified by the Science Based Targets initiative (SBTi).

The financial instruments employed by the Group are also closely linked to sustainability objectives. In 2023, Enel Finance International NV issued euro-denominated sustainability-linked bonds in the amount of €1.5 billion, using multiple key performance indicators (KPIs) to further strengthen Enel's commitment in accelerating the energy transition. For the first time, in fact, a tranche of a publicly placed bond involved the combination of a KPI linked to the EU taxonomy with a KPI linked to the United Nations Sustainable Development Goals (SDGs), while the other tranche of the bond was linked to two KPIs associated with the Group's full decarbonization trajectory through the reduction of direct and indirect greenhouse gas emissions.

These bond issues have enabled us to achieve a ratio between the sources of sustainable financing and the Group's total gross debt of approximately 64%, a level that will rise further over the period of the Plan.

In parallel, in order to reduce debt and strengthen the Group's financial structure, our new management team has revised the divestment plan referred to earlier with a view to portfolio rotation focused on maximizing the value of assets. In this context, the Argentine thermal generation companies Enel Generación Costanera SA and Inversora Dock Sud SA were sold during the year, and agreements were signed for the disposal of the Peruvian electricity distribution and supply company Enel Distribución Perú SAA, the advanced energy services company Enel X Perú SAC and the electricity generator Enel Generación Perú SAA. The divestment of all the investments held by the Group in Romania was also completed. Asset rotation transactions were also completed, including the sale of a portfolio of photovoltaic plants in Chile (416 MW) and the entire geothermal portfolio in the United States, as well as several small solar plants in that country. Finally, in line with the strategy presented to investors on our stewardship approach in non-core countries, acting through the subsidiary Enel Green Power SpA we completed the sale of 50% of the two companies that own all of the Group's renewables operations in Australia to INPEX Corporation, while the sale of 50% of Enel Green Power Hellas to Macquarie Asset Management was finalized.

(1) "Prosumer", a contraction of "producer" and "consumer", is an individual or firm that not only consumes goods and services but also produces them, such as, for example, by installing photovoltaic panels to generate electricity.

(2) Reduction in new complaints for each 10,000 customers.

Strategy and forecasts for 2024-2026

Short-term global uncertainties have forced electricity companies to increase their flexibility and improve the visibility and predictability of prospective returns.
In this context, over the 2024-2026 Plan period the Enel Group plans to focus on:

- profitability, flexibility and resilience through selective capital allocation aimed at optimizing the Group's risk/return profile;
- efficiency and effectiveness as drivers of the Group's operations, based on process simplification, a leaner organization with defined responsibilities and a focus on core geographies in which the Group has an integrated position (Italy, Spain, Brazil, Chile, Colombia and the United States), as well as boosting operational efficiency in order to maximize cash generation and offset inflationary pressures and the higher cost of capital;
- financial and environmental sustainability to pursue value creation with a balance and solid financial structure, addressing the challenges of climate change.

In this scenario, regulated businesses will be at the center of the Group's strategy, with a concentration of investment in geographical areas with a clear and predictable regulatory framework as well as stable macroeconomic environments. Investment decisions on renewables will be more selective, seeking to achieve a positioning that maximizes returns and mitigates risks at the same time. Finally, the Group plans to optimize its customer portfolio and end-to-end processes, enhancing efficiency in customer acquisition and management, improving customer loyalty through bundled offers and promoting the electrification of energy consumption. The generation and retail businesses will be managed in a more integrated manner, with a flexible approach to sourcing strategies in order to maximize profitability along the entire value chain.
In the 2024-2026 period, the Group's gross investments will amount to €35.8 billion, of which €18.6 billion will be allocated to Grids, €12.1 billion to Renewables and €3 billion to Customers.
Thanks to the implementation of a less capital- and risk-intensive business model, investments will have a smaller cash requirement, with expected net investments of about €26.2 billion thanks to access to European grants and financing (up to €3.5 billion) and the use of a diversified co-investment model for renewables projects (a total of about €6.1 billion).
Investments in distribution grids will increase their efficiency, flexibility and resilience: more than half will be allocated to grid strengthening, remote operation, automation and digitalization projects in order to deliver high standards of service quality and reduce power losses. In addition to managing assets, the remainder will be allocated to expanding hosting capacity[3] to meet customer demand for new connections and encourage the integration of distributed generation from renewable resources, all to support the energy transition and the electrification of final energy consumption.
Investments in renewables will add 13.4 GW of new capacity, bringing the Group's total to 73 GW (including energy storage systems) by 2026, with the share of zero-emissions generation growing from 75% to about 86%.
The push for innovation will continue to be a strategic driver: in generation, it will improve plant performance through the introduction of new technologies along the entire value chain. The use of repowering[4] and automation is also expected to increase the efficiency of plants and processes, as will testing of new battery technologies and energy storage systems, whose role will be increasingly important in ensuring the flexibility of electrical systems. In grids, digitalization, new automation models and the introduction of new technologies will enable new approaches to remuneration.
Finally, the Group will continue to pursue the evolution of new technologies that will mature over the medium and long term, such as hydrogen and new small and modular nuclear fission reactors or fusion power.
On the environmental sustainability front, the Group intends to continue reducing its direct and indirect greenhouse gas emissions by achieving the zero-emissions target for all Scopes by 2040, in line with the Paris Agreement and with the 1.5 °C scenario, as certified by the SBTi.
Group ordinary EBITDA is expected to increase to between €23.6 and 24.3 billion in 2026, with a CAGR (Compound Average Growth Rate) of approximately 5%, while our ambition for Group ordinary profit is a rise to between €7.1 and 7.3 billion in 2026, with a CAGR of about 6% compared with 2023, net of differences in scope.
The organic and structural path of reducing the Group's net debt will enable us to achieve a ratio of net debt to EBITDA of about 2.3 by 2026, down from over 3 at the end of 2022.
Finally, as regards shareholder remuneration, the Group has decided to adopt a simple and attractive dividend policy with a minimum fixed DPS (dividend per share) of €0.43 for the 2024-2026 period, with a potential increase up to a payout of 70% of ordinary profit if cash neutrality is achieved.

(3) Capacity of the system to carry additional power.
(4) Upgrading a plant in order to increase efficiency, capacity and output.

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PL Income Statement

BS Statement of Financial Position

CF Statement of Cash Flows

EO Statement of Changes in Equity

OCI Statement of Comprehensive Income

1.
REPORT ON OPERATIONS

ENEL ORGANIZATIONAL MODEL

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

- four Global Business Lines, which are responsible in all the geographical areas in which the Group operates for developing, building, operating and maintaining assets, engaging in trading activities, as well as developing and managing the portfolio of new products and services (in addition to commodities);
- two Countries and one Region, which are responsible for driving financial performance, managing relations with customers, institutions and regulatory authorities, sales of electricity, gas and new products and services at the country level; providing staff services and activities to the global business lines present in the country;
- one Global Service Function, which is responsible for the integrated management of all Group activities relating to the development and governance of digital solutions, procurement processes and strategy, customer management processes and approaches, insourcing processes in collaboration with the People and Organization Function and for maximizing and managing the value real estate portfolio and the related general services;
- six Holding Company Staff Functions, which are focused on policy-making, coordination and strategic control of the entire Group;
- one CEO Office and Strategy, which is responsible for providing support to the CEO in developing and directing the Group's strategic decisions and defining the Group's medium/long-term strategic positioning by developing strategic scenarios that also consider the effects of climate change.

The Holding Company is focused on activities involving a significant degree of policy-making, coordination and control for the Group as a whole. Operating through the Administration, Finance and Control, People and Organization, External Relations, Legal, Corporate, Regulatory and Antitrust Affairs, Security, Audit[5] and CEO Office and Strategy Functions, the Holding Company seeks to:

- manage activities with significant value creation potential for the Group;
- manage activities aimed at protecting the Group from events that could have a negative impact on its financial position, image or business continuity;
- support top management and the Business Lines/Functions/Region/Countries in key strategic decisions concerning those activities and related strategic control issues.

The Holding Company exercises its policy-making, coordination and control role in essentially two ways:

- direct management: in which, in addition to performing the policy-making, coordination and control role, it also has total or prevalent responsibility for performing the associated activities (e.g., finance, M&A, etc.);
- indirect management: in which it plays a policy-making and supervisory role, while execution of operations is essentially delegated to the Business Lines/Functions/Region/Countries on the basis of policies, processes and guidelines. The supervisory role is exercised by way of ex-post control processes.

Furthermore, in order to ensure the effective coordination and development of our activities, a reporting system has been established between the Holding Company functions indicated above and the corresponding staff functions at the Business Line/Function/Region/Country level. This reporting connection envisages that the Head of the Holding Company function and the Head of the Business Line/Function/Region/Country jointly manage the appointment, evaluation and development of the head of the corresponding Holding Company function at the Business Line/Function/Region/Country level.

Each Holding Company function is responsible for defining policies, processes, procedures and organizational structures, within the scope of their remit, for the entire Group.

The Holding Company functions are also charged with managing and supervising the professional families in their respective functions at the Business Line/Function/Region/Country level.

The following summarizes the main responsibilities attributed to the Holding Company, which are exercised by the latter in compliance with company law and the management autonomy of the listed subsidiaries and/or those subject to functional separation, in force in the various countries in which we operate.

(5) The Head of the Audit Function acts under the supervision of the Chairman of the Board of Directors and officially reports to the Board of Directors of Enel SpA while continuing to functionally report to the CEO as director in charge of the Internal Control and Risk Management System.

Administration, Finance and Control

The Administration, Finance and Control Function has the mission of:

- managing the strategic planning, industrial planning, budgeting and reporting processes for the Group; monitoring the evolution of the Group's operating and financial results, identifying any deviations and suggesting possible corrective actions;
- supporting the Group Investment Committee in evaluating investment proposals;
- conducting M&A operations;
- defining the optimal structure of Group capital and the composition of debt, managing loans, liquidity and relations with the international banking system, financial institutions, investors and analysts and managing financial risk and insurance coverage for the entire Group;
- preparing the financial statements of Enel SpA and setting the guidelines and policies for preparing the financial statements of the Group companies;
- preparing an adequate and effective internal control platform for financial and tax information for corporate reporting;
- ensuring tax compliance for Enel SpA and tax planning, guidelines and policies for the Group;
- monitoring and managing commodity, financial and strategic risks as well as any other risk that could potentially affect the Group's value, with a view to optimizing or minimizing their impact.

People and Organization

The People and Organization Function has the mission of:

- defining organizational arrangements in line with Group strategies, guiding change management programs;
- managing the Function budget and the long-term plan at the Group level, defining guidelines and objectives; defining the Group's guidelines for the compensation and benefit process; managing industrial relations;
- developing the Group's technical, professional and managerial skills in accordance with the needs of the business, promoting integration across the business and cultures;
- defining the Group's strategies and guidelines for managing health, safety, the environment, quality and security, ensuring their implementation at the Group level.

External Relations

The External Relations Function has the mission of:

- developing and managing the global Enel brand identity, leveraging the Group's resources, skills and operational excellence;
- managing relations with global media;
- developing and managing internal communication of local and global content and defining the guidelines to be applied at the country level;
- managing and optimizing the Group's online communication channels, including the Group's websites and social network presence;
- characterizing, representing and promoting the Enel Group's position with institutions, both at an international and national level; monitoring legislative developments and identifying and suggesting regulatory proposals that favor the interests of the Group.

Legal, Corporate, Regulatory and Antitrust Affairs

The Legal, Corporate, Regulatory and Antitrust Affairs Function has the mission of:

- providing legal assistance and support to the entire Group, identifying and managing legal issues and litigation and ensuring the compliance of activities carried out by Group companies with applicable laws and regulations;
- managing the corporate governance system and advising on the related issues (including relations with the financial market regulatory authorities and managing the corporate bodies and the system of delegated powers);
- characterizing, representing and promoting the Enel Group's position on regulatory and antitrust issues, representing the Group with European organizations and institutional bodies.

Audit

The Audit Function has the mission of:

- systematically and independently assessing the effectiveness and adequacy of the Enel Group's internal control system;
- supporting each part of the Group in monitoring risks and identifying mitigation actions.

Security

The Security Function has the mission of:

- developing security strategy and guidelines consistent with risk forecasts, regulations and international standards, as well as establishing implementation priorities and objectives at the country level;
- monitoring security risks and threats, including IT risks, at the Group level and implementing effective measures to prevent, counter and mitigate any possible risk or threat to the safety of people, physical and intangible assets and the continuity of business operations.

CEO Office and Strategy

The CEO Office and Strategy Function has the mission of:

- supporting the CEO in defining and coordinating strategic decisions and monitoring the Group's internal activities in relations with key internal and external stakeholders in accordance with the CEO's guidelines and Group positioning;
- defining the Group's strategy, long-term planning and strategic objectives, and guiding the related decision-making processes;
- ensuring the alignment of internal stakeholders with the Group's strategic positioning, the positioning on ESG (Environmental, Social and Governance) issues and the strategy to be implemented in response to climate change, as well as the related external disclosure.

ENEL SHAREHOLDERS

At December 31, 2023, the fully subscribed and paid-up share capital of Enel SpA totaled €10,166,679,946, represented by the same number of ordinary shares with a par value of €1.00 each. Share capital is unchanged compared with that registered at December 31, 2022.

In implementation of the authorization of the Shareholders' Meeting of May 10, 2023 and the subsequent resolution of the Board of Directors adopted on October 5, 2023, Enel has completed a program for the purchase of treasury shares to serve the 2023 LTI Plan for the management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code. More specifically, as a result of transactions carried out between October 16, 2023 and January 18, 2024 in execution of the aforementioned program, the Company has acquired a total of 4,200,000 treasury shares. Accordingly, considering the 7,153,795 treasury shares already held at December 31, 2022 and taking account of the disbursement on September 5, 2023 of 1,268,689 Enel shares to the beneficiaries of the 2019 LTI Plan and the 2020 LTI Plan, at the date of publication of this report the Company holds a total of 10,085,106 treasury shares; at December 31, 2023, during the implementation of the aforementioned program, Enel held a total of 9,262,330 treasury shares.

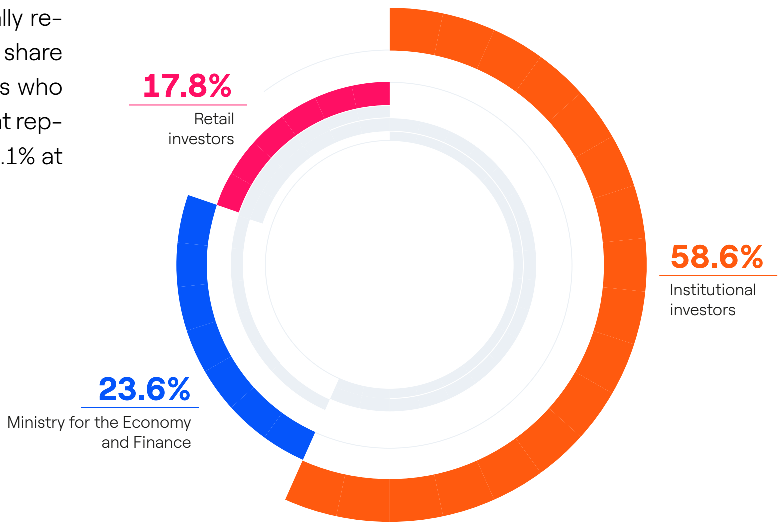
Significant shareholders

At December 31, 2023, based on the shareholders register and the notices submitted to CONSOB and received by the Company pursuant to Article 120 of Legislative Decree 58 of February 24, 1998, as well as other available information, shareholders with an interest of greater than 3% in the Company's share capital included the Ministry for the Economy and Finance (with a 23.585% stake) and BlackRock Inc. (with a 5.023% stake held for asset management purposes).

Composition of shareholder base

Since 1999, Enel has been listed on the Euronext Milan market organized and operated by Borsa Italiana SpA. Enel's shareholders include leading international investment funds, insurance companies, pension funds and ethical funds.

With regard to Environmental, Social and Governance (ESG) investors in Enel, at December 31, 2023, socially responsible investors (SRIs) held around 17.5% of the share capital (from 14.9% at December 31, 2022). Investors who have signed the Principles for Responsible Investment represent 42.8% of the share capital (compared with 42.1% at December 31, 2022).



CORPORATE BOARDS

BOARD OF DIRECTORS

CHAIRMAN
Paolo Scaroni

CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER
Flavio Cattaneo

SECRETARY
Leonardo Bellodi

DIRECTORS
Johanna Arbib
Mario Corsi
Olga Cuccurullo
Dario Frigerio
Fiammetta Salmoni
Alessandra Stabilini
Alessandro Zehentner

BOARD OF STATUTORY AUDITORS

CHAIRMAN
Barbara Tadolini

AUDITORS
Luigi Borré
Maura Campra

ALTERNATE AUDITORS
Carolyn A. Dittmeier
Tiziano Onesti
Piera Vitali

AUDIT FIRM

KPMG SpA

2023

COMPOSITION OF THE BOARD OF DIRECTORS

1 executive director

1 in 2022

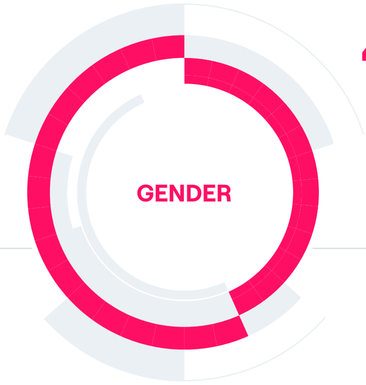
8 non-executive directors

8 in 2022

of which 7 independent [(1)]
8 in 2022

5 men
5 in 2022

4 women
4 in 2022



55.6%
men

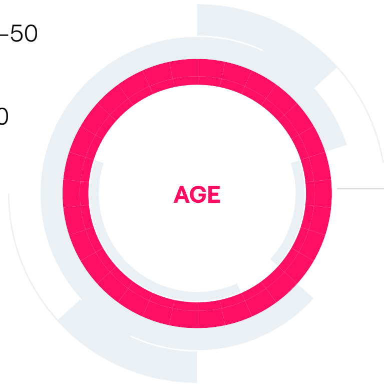
55.6%
in 2022

44.4%
women

44.4%
in 2022

0% 30-50

0% <30



100%
> 50

EXPERTISE

(1) The figures for 2023 and 2022 refer to directors qualifying as independent pursuant to the Consolidated Law on Financial Intermediation and the Italian Corporate Governance Code (2020 edition).
(2) In accordance with the Diversity Policy adopted by the Enel Board of Directors, "international experience" is assessed on the basis of the managerial, professional, academic or institutional activities performed by each director in international environments.

Powers

Board of Directors

The Board is vested by the bylaws with the broadest powers for the ordinary and extraordinary management of the Company, and specifically has the power to carry out all the actions it deems advisable to implement and attain the corporate purpose.

Chairman of the Board of Directors

The Chairman is vested by the bylaws with the powers to represent the Company and to sign on its behalf, presides over Shareholders' Meetings, convenes and presides over the Board of Directors, and ascertains that the Board's resolutions are carried out. Pursuant to a Board resolution of May 12, 2023, the Chairman has been vested with a number of additional non-executive powers.

Chief Executive Officer

The Chief Executive Officer is also vested by the bylaws with the powers to represent the Company and to sign on its behalf, and in addition is vested by a Board resolution of May 12, 2023 with all powers for managing the Company, with the exception of those that are otherwise assigned by law or the bylaws or that the aforesaid resolution reserves for the Board of Directors.

ENEL SHARES

Enel and the financial markets

	2023	2022
Consolidated gross operating profit per share (euro)(1)	1.99	1.96
Consolidated operating profit per share (euro)(1)	1.07	1.10
Group profit per share (euro)(1)	0.34	0.17
Group ordinary profit per share (euro)(1)	0.64	0.53
Dividend per share (euro)(2)	0.43	0.40
Group equity per share (euro)(1)	3.12	2.82
Share price – 12-month high (euro)	6.73	7.20
Share price – 12-month low (euro)	5.17	4.00
Average share price in December (euro)	6.63	5.15
Market capitalization (millions of euro)(3)	67,369	52,325

(1) The number of shares considered to calculate the index is 10,166,679,946 and includes 9,262,330 treasury shares in 2023 and 7,153,795 treasury shares in 2022.
(2) Dividend approved by the Enel SpA Shareholders' Meeting of May 23, 2024 at single call; the amount includes the interim dividend of €0.215 per share approved by the Board of Directors on November 7, 2023 payable as from January 24, 2024.
(3) Calculated on average share price in December.

		at Dec. 31, 2023	at Dec. 31, 2022
Rating			
Standard & Poor's	Outlook	STABLE	NEGATIVE
	Medium/long-term	BBB	BBB+
	Short-term	A-2	A-2
Moody's	Outlook	NEGATIVE	NEGATIVE
	Medium/long-term	Baa1	Baa1
	Short-term	-	-
Fitch	Outlook	STABLE	STABLE
	Medium/long-term	BBB+	BBB+
	Short-term	F2	F2

The global macroeconomic environment in 2023 was characterized by a broad decline in the real economy. The restrictive monetary policy stances adopted by central banks to counter inflationary pressures, the deterioration in financial and credit conditions, and the decline in trade and investment at the global level caused a slowdown in global growth, with GDP estimated to have grown by around 3% on an annual basis (slightly down compared with 2022).

In this context, the main European stock indices – after a 2022 characterized by a general decline – closed 2023 on the rise: FTSE-MIB +28%, Ibex35 +22.8%, DAX +20.3% and CAC40 +16.5%.

The euro area utilities index (EURO STOXX Utilities) closed the year with a gain of +11.9%.

Finally, as regards the Enel stock, 2023 ended with a price of €6.73 per share, a sharp rise (+33.8%) on the previous year, outperforming both the Italian index and the European sectoral index.

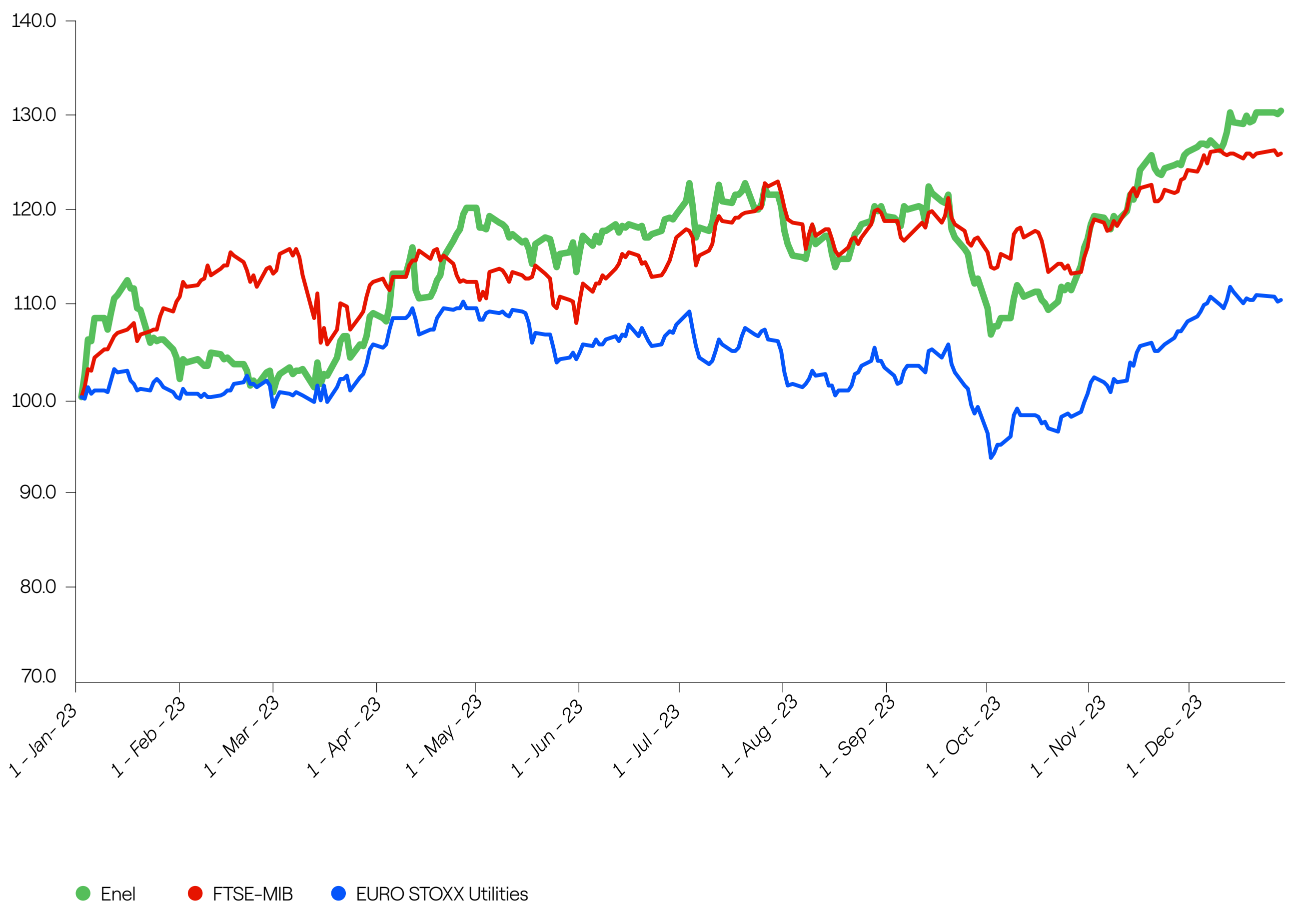
On January 25, 2023 Enel paid an interim dividend of €0.20 per share from 2022 profits and on July 26, 2023 it paid the balance of the dividend for that year in the amount of €0.20. Total dividends distributed in 2023 amounted to €0.40 per share, more than 5% higher than the €0.38 per share distributed in 2022.
On January 24, 2024 an interim dividend of €0.215 per share was paid in respect of ordinary profit for 2023, while the balance of the dividend is scheduled for payment on July 24, 2024.

At December 31, 2023, institutional investors represented 58.6% of share capital (up from 56.7% at December 31, 2022), while the share of individual investors came to 17.8% (as against 19.7% at December 31, 2022). The interest of the Ministry for the Economy and Finance was unchanged at 23.6%.
Socially responsible investors (SRIs) expanded their interest to about 17.5% of share capital at December 31, 2023 (up from 14.9% at December 31, 2022) and represent 29.8% of institutional investors (26.2% at December 31, 2022). Investors who have signed the Principles for Responsible Investment represent 42.8% of share capital (42.1% at December 31, 2022).

For further information we invite you to visit the Investor Relations section of our corporate website (https://www.enel.com/investors/overview), which contains both economic and financial information (annual reports, semi-annual and quarterly reports, presentations to the financial community, analyst estimates and stock market trading trends involving the shares issued by Enel and its main listed subsidiaries, ratings and outlooks assigned by rating agencies) and up-to-date data and documentation of interest to shareholders and bondholders in general (price sensitive press releases, outstanding bonds, bond issue programs, composition of Enel's corporate bodies, bylaws and regulations of Shareholders' Meetings, information and documentation relating to Shareholders' Meetings, procedures and other documentation concerning corporate governance, the Code of Ethics and organizational and management arrangements.

We have also created contact centers for private investors (which can be reached by phone at +39-0683054000 or by e-mail at azionisti.retail@enel.com) and for institutional investors (phone: +39-0683057975; e-mail: investor.relations@enel.com).

PERFORMANCE OF ENEL SHARE PRICE AND THE EURO STOXX UTILITIES AND FTSE-MIB INDICES FROM JANUARY 1, 2023 TO DECEMBER 31, 2023



Source: Bloomberg.

ACTIVITIES OF ENEL SPA

Enel SpA, in its capacity as an industrial holding company, determines strategic objectives for the Group and the subsidiaries, coordinating their activity. The activities that Enel SpA performs as part of its policy-making and coordination function in respect of the other Group companies, as reflected in the organizational structure adopted by the Company, are attributable to the Holding Company Staff Functions, connected with the coordination of governance processes at the Group level, and can be summarized as follows:

- Administration, Finance and Control;
- People and Organization;
- External Relations;
- Legal, Corporate, Regulatory and Antitrust Affairs;
- Audit;
- Security;
- CEO Office and Strategy.

Enel SpA meets the Group's liquidity requirements, mainly using the cash flows generated by ordinary operations and a range of funding sources, appropriately managing any excess liquidity.

SIGNIFICANT EVENTS IN 2023

The most significant events in 2023 involving the Company and the direct subsidiaries are summarized below.

Enel places new perpetual hybrid bonds for €1.75 billion to refinance some of its outstanding hybrid bonds

On January 9, 2023 Enel SpA successfully launched the issuance of non-convertible, subordinated, perpetual hybrid bonds for institutional investors on the European market, denominated in euros with an aggregate principal amount of €1.75 billion (the "New Securities").

The new issue was structured in two series of bonds (€1,000 and €750 million, respectively) non-convertible, subordinated, perpetual hybrid bond, with no fixed maturity, due and payable only in the event of the winding up or liquidation of the Company, as specified in the related terms and conditions.

At the same time, Enel launched voluntary tender offers to repurchase for cash and subsequently cancel, in the total aggregate principal amount equal to the principal amount raised from the New Securities, all or part of the €750-million equity-accounted perpetual hybrid bond with first call date in August 2023, and the repurchase of part of the outstanding $1,250-million hybrid bond maturing September 2073 with call date in September 2023, subject to satisfaction of a number of conditions.

With the conclusion of the voluntary tender offer, Enel:

- repurchased in cash its outstanding perpetual hybrid bond denominated in euros in the total nominal amount of €699,970,000. Subsequently, having satisfied the conditions envisaged in the clean-up call clause, which provided for the option of repurchasing the remaining part of the bond upon exceeding 80% participation in the tender offer, on February 27, 2023 the transaction was settled in the amount of €50,049,000.00, fully redeeming the perpetual hybrid bond;
- repurchased all valid offers received in connection with the US dollar bond in the aggregate principal amount of $411,060,000. In September the bond was fully redeemed with the exercise of the first call date option.

Enel launches a €1.5 billion sustainability-linked bond

On February 14, 2023, Enel Finance International NV launched a dual-tranche sustainability-linked bond for institutional investors for a total of €1.5 billion. The new issue envisages for the first time the use by Enel of multiple Key Performance Indicators (KPIs) per tranche. One tranche of the bond combines a KPI linked to the EU taxonomy with a KPI linked to the United Nations Sustainable Development Goals (SDGs). The other tranche of the bond is linked to two KPIs related to the Group's full decarbonization path through direct and indirect reductions of greenhouse gas emissions.

Enel launches a sustainability-linked share buyback program serving its 2023 Long-Term Incentive Plan

On October 5, 2023, the Board of Directors of Enel SpA, implementing the authorization granted by the Shareholders' Meeting of May 10, 2023 and in compliance with the relevant terms previously disclosed to the market, approved the launch of a share buyback program for a total of 4.2 million shares, equal to approximately 0.041% of Enel's share capital.
The program, which ran from October 16, 2023 until January 18, 2024, was designed to serve the 2023 Long-Term Incentive Plan for the management of Enel and/or of its subsidiaries pursuant to Article 2359 of the Italian Civil Code, which was also approved by the Shareholders' Meeting on May 10, 2023.
As part of the program, Enel purchased a total of 4,200,000 treasury shares at the weighted average price of €6.3145 per share, for a total of about €26 million.

Enel closes the sale of a photovoltaic generation portfolio in Chile to Sonnedix

On October 25, 2023, Enel SpA and its listed subsidiary Enel Chile SA closed the sale of the entire equity interests held by Enel (about 0.009%) and Enel Chile (about 99.991%) in the share capital of Arcadia Generación Solar SA, a Chilean company which owns a portfolio of four operating PV plants, to Sonnedix, an international renewable energy producer. The transaction was closed following the fulfillment of all conditions set forth in the stock purchase agreement signed on July 12, 2023, including receipt of clearance from the Chilean antitrust authority Fiscalía Nacional Económica (FNE).
Pursuant to the above agreement, the purchaser paid a total of €535 million, corresponding to the 100% enterprise value agreed by the parties.
In line with the strategic priorities of the Enel Group, the transaction contributes to the objective of constantly improving our return on capital employed to support future development plans.

Enel finalized the sale of its Romanian operations to PPC

On October 25, 2023, Enel finalized the sale to the Greek company Public Power Corporation SA (PPC) of all the interests held by the Enel Group in Romania, following the fulfillment of all the conditions set forth in the related sale agreement, signed on March 9, 2023.
In line with the agreement, PPC paid a total of about €1,241 million, corresponding to about €1,900 million in terms of enterprise value (on a 100% basis). An earn-out mechanism is also envisaged, involving a potential further post-closing payment based on the future value of the retail business.

DEFINITION OF PERFORMANCE MEASURES

In order to present the results of the Company and analyze its financial structure, Enel has prepared separate reclassified schedules that differ from those envisaged under the IFRS-EU adopted by Enel SpA and presented in the separate financial statements. These reclassified schedules contain different performance measures from those obtained directly from the separate financial statements, in line with the ESMA Guidelines on Alternative Performance Measures (ESMA/2015/1415) published on October 5, 2015. Management believes that these measures are useful in monitoring the performance of the Parent and representative of the financial performance of the business.

As regards those measures, on April 29, 2021 CONSOB issued warning notice no. 5/2021 which gives force to the Guidelines issued on March 4, 2021 by the European Securities and Markets Authority (ESMA) concerning disclosure requirements under Regulation (EU) 2017/1129 (the Prospectus Regulation), which took effect on May 5, 2021 and replace the references to the CESR Recommendations and those contained in Communication no. DEM/6064293 of July 28, 2006 regarding the net financial position.

These Guidelines update the previous CESR Recommendation (ESMA/2013/319, in the revised version of March 20, 2013) with the exception of those concerning the special issuers referred to in Annex no. 29 of Delegated Regulation (EU) 2019/980, which were not converted into Guidelines and remain applicable. They are intended to promote the usefulness and transparency of alternative performance measures 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 measures are as follows.

Gross operating profit: an operating performance indicator, calculated as the sum of "Operating profit", "Depreciation, amortization and impairment" and "Net impairment/(reversals of impairment) on trade receivables and other receivables".

Net non-current assets: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:

- "Deferred tax assets";
- "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:

- "Long-term loan assets (current portion)", "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 borrowings" included in "Other current liabilities".

Gross capital employed: calculated as the algebraic sum of "Net non-current assets" and "Net working capital", "Deferred tax liabilities" and "Deferred tax assets".

Net capital employed: calculated as the algebraic sum of "Gross capital employed", "Provisions for risks and charges" and "Employee benefits".

Net financial debt: a financial structure indicator, calculated as:

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

PERFORMANCE AND FINANCIAL POSITION OF ENEL SPA

Performance

The financial performance of Enel SpA for the years 2023 and 2022 is summarized in the table below:

Millions of euro			
	2023	**2022**	**Change**
Revenue			
Revenue from sales and services	107	116	(9)
Other income	56	17	39
Total	**163**	**133**	**30**
Costs			
Purchase of consumables	-	-	-
Services, leases and rentals	202	206	(4)
Personnel expenses	135	105	30
Other operating costs	47	27	20
Total	**384**	**338**	**46**
Gross operating profit/(loss)	**(221)**	**(205)**	**(16)**
Depreciation, amortization and impairment losses	719	1,330	(611)
Operating profit/(loss)	**(940)**	**(1,535)**	**595**
Net financial income/(expense) and profit/(expense) from equity investments			
Income from equity investments	4,269	8,770	(4,501)
Financial income	1,388	2,563	(1,175)
Financial expense	1,821	2,747	(926)
Total	**3,836**	**8,586**	**(4,750)**
Pre-tax profit/(loss)	**2,896**	**7,051**	**(4,155)**
Income taxes	(136)	(106)	(30)
PROFIT FOR THE YEAR	**3,032**	**7,157**	**(4,125)**

Revenue from sales and services regards revenue for management services, IT assistance and other services provided to subsidiaries. The decrease of €9 million is attributable to reductions in revenue from management services (€5 million) and from IT services and other services (€4 million).

Other income essentially includes the €43 million capital gain from the sale of the 49.5% investment held in the joint venture Rusenergosbyt LLC and the chargeback of costs for Enel SpA personnel seconded to other Group companies (€12 million).

Costs for *purchase of consumables* were essentially unchanged on the previous year.

Costs for *services, leases and rentals* regard services provided by third parties in the amount of €76 million and by Group companies in the amount of €126 million.
Third-party services mainly include system and application

assistance services, communication services, professional and technical services, strategic consulting, business management and organization.
The charges for services provided by Group companies essentially refer to the subsidiaries Enel Global Services Srl and Enel Italia SpA and concern system and application assistance services, services for management of the motor pool and other personal services, management services and administrative services.

Personnel expenses totaled €135 million, an increase of €30 million on 2022, mainly attributable to the change in costs for early-retirement incentive plans implemented by the Company.

Other operating costs amounted to €47 million, an increase of €20 million that mainly reflected the waiver of receivables of the Company and other Group companies in respect of Enel Generación Costanera SA under the Termination Intercompany Agreement signed as part of the agreements for the sale of our assets in Argentina and uncollected receivables due from Rusenergosbyt LLC.

The **gross operating loss** of €221 million reflects a decrease of €16 million from the previous year, attributable to an increase in personnel expenses and other operating expenses, partially offset by an increase in revenue.

Depreciation, amortization and impairment losses amounted to €719 million, a decrease of €611 million on the previous year.
Depreciation and amortization amounted to €51 million, of which €4 million in depreciation and €47 million in amortization.
Impairment losses include the adjustment in the value of the investments in the subsidiary Enel Green Power SpA in the amount of €605 million and the further €46 million adjustment in the value of the investments in subsidiaries in Romania, recognized as non-current assets held for sale, which were sold in October 2023.
The item also includes impairment losses and reversals of impairment on trade receivables and other receivables totaling €16 million, mainly reflecting an increase in provisions for impaired receivables.
In 2022, the item included the adjustment in the value of the investments in subsidiaries in Romania (€995 million), the adjustment of €195 million to the investment in Enel Russia PJSC, which was sold in October 2022, and the adjustment in the value of equity investments in Enel Green Power SpA (in the amount of €228 million), Enel Innovation Hubs Srl (€16 million), and Enel Investment Holding BV (€1 million). It also included reversals of impairment losses on the investments in the subsidiaries Enel Global Trading SpA (€162 million) and Enel Global Services Srl (€1 million).

The **operating loss** came to €940 million, an improvement of €595 million due to lower impairment losses on equity investments.

Income from equity investments amounted to €4,269 million and included dividends approved by subsidiaries which, compared with 2022, show a decrease of €4,501 million, reflecting a decrease in earnings distributed by Enel Italia SpA, which in 2022 had distributed available reserves in the amount of €6,000 million, partly offset by an increase in dividends from Enel Iberia SRLU, Enel Grids Srl and Enel Chile SA.

Net financial expense came to €433 million and essentially reflects interest expense on debt (€853 million), partially offset by commission income on guarantees issued for other companies of the Group (€214 million), interest income on financial assets (€183 million) and net financial income on derivative contracts (€38 million).
Compared with the previous year, net financial expense increased by €249 million, mainly as the result of the decrease in net financial income on derivative instruments (€133 million) and the increase in interest expense on bank borrowings and a number of intercompany loans (€215 million), partially offset by lower interest expense on bonds (€57 million) and the increase in interest income on short-term financial assets (€52 million).

Income taxes for the year showed a creditor position of €136 million, mainly as a result of the reduction in the tax base for corporate income tax (IRES) compared with pre-tax profit due to the exclusion of 95% of the dividends received from the subsidiaries and the deductibility of Enel SpA's interest expense for the Group under the consolidated taxation mechanism in accordance with corporate income tax law (Article 96 of the Consolidated Income Tax Code).
Compared with the previous year, the change of €30 million is mainly due to the decline in estimated taxable income for IRES.

Profit for the year totaled €3,032 million, compared with €7,157 million in 2022. The decrease of €4,125 million mainly reflects the decrease in income from equity investments, partially offset by the decrease in impairment adjustments on equity investments as described above.

Analysis of financial position

Millions of euro

	at Dec. 31, 2023	at Dec. 31, 2022	Change
Net non-current assets:			
- property, plant and equipment and intangible assets	140	144	(4)
- equity investments	60,917	59,952	965
- net other non-current assets/(liabilities)	(300)	(246)	(54)
Total	**60,757**	**59,850**	**907**
Net working capital:			
- trade receivables	167	294	(127)
- net other current assets/(liabilities)	(2,705)	(2,065)	(640)
- trade payables	(135)	(155)	20
Total	**(2,673)**	**(1,926)**	**(747)**
Gross capital employed	**58,084**	**57,924**	**160**
Provisions:			
- employee benefits	(121)	(131)	10
- provisions for risks and charges and net deferred taxes	33	6	27
Total	**(88)**	**(125)**	**37**
Non-current assets classified as held for sale	**-**	**654**	**(654)**
Net capital employed	**57,996**	**58,453**	**(457)**
Total equity	**37,883**	**38,342**	**(459)**
NET FINANCIAL DEBT	**20,113**	**20,111**	**2**

The increase in **net non-current assets** essentially reflected:

- €965 million from an increase in the value of the investments in subsidiaries, which was basically attributable to the following transactions:
  - the establishment on March 23, 2023 of Enel Reinsurance - Compagnia di riassicurazione SpA, 100% owned by Enel SpA with a share capital of €3 million. The establishment of the company is part of the project to re-domicile in Italy the Dutch reinsurance company Enel Insurance NV, the Group's captive insurance company;
  - a capital contribution of €1,502 million to the subsidiary Enel North America Inc. to support the business requirements of its companies and ensure the completion of projects under construction;
  - a capital contribution of €100 million to Enel Insurance NV in order to support its reinsurance business during the transfer of reinsurance operations from the Netherlands to Italy, IVASS having issued the necessary authorizations for the merger of Enel Insurance NV into Enel Reinsurance - Compagnia di riassicurazione SpA and for the company resulting from the merger to engage in reinsurance activities;
  - the sale in December 2023 of the equity investment in the joint venture Rusenergosbyt LLC, carried at €41 million;
  - impairment losses on the investment in Enel Green Power SpA (€605 million), mainly reflecting changes in macroeconomic conditions and the consequent increase in discount rates;
- €54 million from an increase in net other non-current assets/(liabilities), which essentially reflected:
  - a decrease in non-current derivative assets (€88 million) and in non-current derivative liabilities (€43 million);
  - a decrease in other non-current assets (€8 million);
- €4 million from changes in property, plant and equipment and intangible assets, reflecting the net negative balance between depreciation/amortization and capital expenditure during the year.

Net working capital, a negative €2,673 million, went even further negative, by €747 million compared to December 31, 2022, due to the following:

- €640 million for the negative balance of net other current assets/(liabilities) as a result of:
  - an increase in other current liabilities (€1,522 million), mainly due to an increase in tax liabilities for IRES (corporate income tax) and higher payables to Group companies deriving from the VAT Group;
  - an increase in other current assets (€997 million), due to an increase in receivables from Group companies in respect of the Italian IRES tax consolidation mechanism and from Group companies for dividends to be received, offset by a decline in VAT receivables from tax authorities;

- a decrease in current derivative assets (€314 million) and current derivative liabilities (€72 million);
- €127 million for the decrease in trade receivables, of which €115 million due from Group companies;
- €20 million for the decrease in trade payables, of which €10 million due to Group companies.

Net capital employed at December 31, 2023 amounted to €57,996 million and was funded by equity of €37,883 million and net financial debt of €20,113 million.

Equity amounted to €37,883 million, a decrease of €459 million on 2022. The change is mainly attributable to net profit for 2023 in the amount of €2,972 million; the distribution of the dividend for 2022 in the amount of €0.20 per share (for a total of €2,033 million), as approved by the shareholders on May 10, 2023 and the interim dividend for 2023 approved by the Board of Directors on November 7, 2023 and paid as from January 24, 2024 (€0.215 per share for a total of €2,186 million); the issue of perpetual hybrid bonds in the amount of €1,738 million and the repurchase and subsequent cancellation of perpetual hybrid bonds for a total of €752 million; the payment of coupons to holders of perpetual hybrid bonds for a total of €182 million.

Net financial debt amounted to €20,113 million at the end of the year, with a debt-to-equity ratio of 53.09% (52.45% at the end of 2022).

Analysis of the financial structure

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Long-term debt:			
- bank borrowings	1,316	1,527	(211)
- bonds	2,265	4,262	(1,997)
- other lease financing	-	-	-
- loans from subsidiaries	14,274	12,407	1,867
Long-term debt	*17,855*	*18,196*	*(341)*
Long-term loan assets from third parties	(3)	(4)	1
Net long-term debt	**17,852**	**18,192**	**(340)**
Short-term debt/(liquidity):			
- current portion of long-term loans	1,179	1,430	(251)
- short-term bank borrowings	1	25	(24)
- short-term debt payable to Group companies	4,500	3,000	1,500
- cash collateral received	169	365	(196)
Short-term debt	*5,849*	*4,820*	*1,029*
- short-term loans granted to Group companies	(6)	(512)	506
- other short-term financial receivables	(5)	(5)	-
- cash collateral paid	(482)	(389)	(93)
- net short-term financial position with Group companies	(1,973)	2,873	(4,846)
- cash and cash equivalents with banks and short-term securities	(1,122)	(4,868)	3,746
Net short-term debt/(liquidity)	**2,261**	**1,919**	**342**
NET FINANCIAL DEBT	**20,113**	**20,111**	**2**

Net financial debt amounted to €20,113 million and is in line with 2022.

The main financial transactions in 2023 were:

- the early repayment of a $1,250 million hybrid bond maturing in 2073, involved in a voluntary tender offer launched on January 9, 2023 and completed on February 7, with the purpose of repurchasing and subsequently cancelling part of the bond (tender offer), for an amount of $416 million (equivalent to €392 million), and in September with the exercise of the first call date option for the remaining $834 million, equivalent to €781 million;
- the repayment to the subsidiary Enel Finance International NV of a maturing fixed-rate loan of €1,200 million, a short-term revolving credit line of €3,000 million and

partial repayments of other loans totaling €132 million;
- the receipt of a new short-term revolving credit line from Enel Finance International NV in the amount of €4,500 million and a new floating-rate loan of €2,000 million;
- the repayment of the maturing portion of an INA Assitalia bond in the total amount of €97 million;
- the repayment by Enel Global Trading SpA of €506 million on a credit line granted in 2022;
- the combined effect of an increase of €93 million in cash collateral paid and a decrease of €196 million in cash collateral received from counterparties;
- a decrease in the net financial exposure on accounts held with Group companies, reflecting transactions totaling €4,846 million.

Cash and cash equivalents amounted to €1,122 million, a decrease of €3,746 million compared to December 31, 2022, mainly attributable to a decrease in dividends received from Group companies during the year.

Please see the section "Cash flows" for more details.

Cash flows

Millions of euro

	2023	2022	Change
Cash and cash equivalents at the beginning of the year	**4,868**	**952**	**3,916**
Cash flows from operating activities	4,277	8,689	(4,412)
Cash flows from investing activities	(1,007)	(1,647)	640
Cash flows from financing activities	(7,016)	(3,126)	(3,890)
Cash and cash equivalents at the end of the year	**1,122**	**4,868**	**(3,746)**

Cash flows from operating activities in 2023 were a positive €4,277 million (€8,689 million at December 31, 2022), down €4,412 million on 2022, mainly reflecting a decrease in dividends received, partly offset by a decrease in IRES payments on account for Group companies participating in the consolidated taxation mechanism and a decrease in cash requirements connected with the change in net working capital.
During the year, financing activities absorbed cash flows of €7,016 million, essentially reflecting repayments in the period of long-term borrowings (€2,803 million) and perpetual hybrid bonds (€752 million), the payment of dividends (€4,091 million), the net decrease in financial debt (€3,107 million) and the payment of coupons to holders of perpetual hybrid bonds (€182 million), partly offset by the issue of new long-term financing (€2,201 million) and perpetual hybrid bonds (€1,738 million).
Investing activities absorbed cash flows of €1,007 million, essentially reflecting capital contributions to Enel North America Inc. (€1,502 million) and Enel Insurance NV (€100 million), as well as capital contributions to the newly formed Enel Reinsurance - Compagnia di riassicurazione SpA (€3 million), partly offset by the liquidity generated by the sale of companies in Romania and Rusenergosbyt LLC.

The cash requirements of financing and investing activities were funded by the cash flows generated by operating activities in the amount of €4,277 million and the use of cash and cash equivalents, which at December 31, 2023 amounted to €1,122 million (€4,868 million at January 1, 2023).

PERFORMANCE OF THE MAIN SUBSIDIARIES

Millions of euro	Financial statements	Non-current assets		Current assets		Total assets	
		at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Endesa SA(1)	Consolidated	28,825	30,142	12,458	19,925	41,283	50,067
Enel Américas SA	Consolidated	24,021	25,307	9,342	7,275	33,363	32,582
Enel Chile SA	Consolidated	9,507	9,680	2,760	3,370	12,267	13,050
Enel Italia SpA	Consolidated	41,345	38,877	15,739	16,524	57,084	55,401
Enel North America Inc.	Consolidated	13,118	14,226	1,441	2,113	14,559	16,339
Enel Finance International NV	Separate	42,663	43,871	13,648	17,738	56,311	61,609
Enel Grids Srl	Separate	98	75	297	511	395	586
Enel Global Services Srl	Separate	123	144	459	545	582	689
Enel Global Trading SpA	Separate	341	830	14,024	28,008	14,365	28,838
Enel Green Power SpA	Separate	1,855	1,092	873	2,072	2,728	3,164
Enel Holding Finance Srl	Separate	7,872	7,872	2	2	7,874	7,874
Enel Iberia SRLU	Separate	26,287	26,298	1,121	799	27,408	27,097
Enel Innovation Hubs Srl	Separate	-	-	11	9	11	9
Enel Insurance NV(2)	Separate	554	511	545	423	1,099	934
Enel Investment Holding BV	Separate	1	1	5	5	6	6
Enel X Srl	Separate	994	993	172	183	1,166	1,176
Enel X Way Srl	Separate	570	936	74	46	644	982
Enelpower Srl	Separate	1	2	37	38	38	40
Enel Reinsurance - Compagnia di riassicurazione SpA	Separate	-	-	3	-	3	-

(1) For comparative purposes, the figure at December 31, 2022 reflects the restatement effected as a result of the amendment of IAS 12.
(2) For comparative purposes, the figure at December 31, 2022 reflects the restatement effected as a result of the application of IFRS 17.

Non-current liabilities		Current liabilities		Equity		Total equity and liabilities	
at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
19,504	23,627	14,575	20,682	7,204	5,758	41,283	50,067
9,149	10,681	8,806	7,427	15,408	14,474	33,363	32,582
4,133	4,738	3,199	3,485	4,935	4,827	12,267	13,050
27,239	27,714	25,391	23,942	4,454	3,745	57,084	55,401
6,422	6,971	1,986	3,607	6,151	5,761	14,559	16,339
37,823	41,379	8,275	9,944	10,213	10,286	56,311	61,609
24	26	326	241	45	319	395	586
28	33	503	605	51	51	582	689
625	953	11,602	27,505	2,138	380	14,365	28,838
1,647	1,819	414	863	667	482	2,728	3,164
–	–	–	–	7,874	7,874	7,874	7,874
2,706	3,046	1,041	616	23,661	23,435	27,408	27,097
–	–	3	2	8	7	11	9
376	288	156	114	567	532	1,099	934
–	–	1	1	5	5	6	6
112	115	948	868	106	193	1,166	1,176
81	4	256	160	307	818	644	982
1	6	8	8	29	26	38	40
–	–	–	–	3	–	3	–

Millions of euro	Financial statements	Revenue		Costs		Gross operating profit/(loss)	
		at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Endesa SA	Consolidated	25,459	32,896	21,682	27,331	3,777	5,565
Enel Américas SA[1]	Consolidated	11,919	13,469	8,452	9,511	3,467	3,958
Enel Chile SA	Consolidated	4,823	5,402	3,679	4,122	1,144	1,280
Enel Italia SpA	Consolidated	46,259	58,033	37,063	51,849	9,196	6,184
Enel North America Inc.	Consolidated	1,887	2,103	1,241	1,211	646	892
Enel Finance International NV	Separate	2,284	1,667	1,778	1,561	506	106
Enel Grids Srl	Separate	397	690	404	422	(7)	268
Enel Global Services Srl	Separate	898	908	834	819	64	89
Enel Global Trading SpA	Separate	33,683	82,598	32,119	82,464	1,564	134
Enel Green Power SpA	Separate	485	449	408	309	77	140
Enel Holding Finance Srl	Separate	-	-	-	-	-	-
Enel Iberia SRLU	Separate	53	40	65	39	(12)	1
Enel Innovation Hubs Srl	Separate	6	6	6	6	-	-
Enel Insurance NV[2]	Separate	159	154	265	140	(106)	14
Enel Investment Holding BV	Separate	2	1	3	2	(1)	(1)
Enel X Srl	Separate	117	203	108	126	9	77
Enel X Way Srl	Separate	72	47	98	53	(26)	(6)
Enelpower Srl	Separate	-	-	(4)	-	4	-
Enel Reinsurance - Compagnia di riassicurazione SpA	Separate	-	-	-	-	-	-

(1) Profit/(Loss) for the year includes discontinued operations.
(2) For comparative purposes, the figure at December 31, 2022 reflects the restatement effected as a result of the application of IFRS 17.

Amortization, depreciation and impairment losses		Operating profit/(loss)		Net financial income/(expense) and profit/(expense) from equity investments		Pre-tax profit/(loss)		Income taxes		Profit/(Loss) for the year	
at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
2,132	1,878	1,645	3,687	(580)	(200)	1,065	3,487	303	891	762	2,596
1,259	2,402	2,208	1,556	(867)	(934)	1,341	622	622	657	1,084	288
299	286	845	994	154	944	999	1,938	250	512	749	1,426
3,094	3,039	6,102	3,145	(1,355)	(649)	4,747	2,496	1,581	1,586	3,166	910
1,810	418	(1,164)	474	(327)	(186)	(1,491)	288	(360)	97	(1,131)	191
–	–	506	106	(16)	(42)	490	64	140	20	350	44
1	2	(8)	266	(8)	(5)	(16)	261	(8)	(31)	(8)	292
59	68	5	21	(6)	1	(1)	22	(2)	8	1	14
33	32	1,531	102	(43)	(52)	1,488	50	385	62	1,103	(12)
13	596	64	(456)	108	378	172	(78)	(26)	36	198	(114)
–	–	–	–	–	–	–	–	–	–	–	–
–	(1)	(12)	2	1,499	672	1,487	674	(155)	(51)	1,642	725
–	–	–	–	–	–	–	–	–	–	–	–
–	–	(106)	14	–	21	(106)	35	(30)	9	(76)	26
–	–	(1)	(1)	–	–	(1)	(1)	–	–	(1)	(1)
71	43	(62)	34	(24)	(3)	(86)	31	7	(23)	(93)	54
488	17	(514)	(23)	(8)	4	(522)	(19)	(13)	(4)	(509)	(15)
1	–	3	–	1	–	4	–	1	(1)	3	1
–	–	–	–	–	–	–	–	–	–	–	–

PEOPLE CENTRICITY

Enel SpA employees at December 31, 2023 numbered 909. In 2023, the number of employees increased by 20, reflecting the net balance between new hires and terminations.

The following table reports the average number of employees by category with comparative figures for the previous year, as well as the headcount at December 31, 2023.

No.	Average workforce			Headcount
	2023	2022	Change	at Dec. 31, 2023
Senior managers	165	154	11	164
Middle managers	488	449	39	525
Office staff	249	261	(12)	220
Total	**902**	**864**	**38**	**909**

The following table reports changes in the workforce during the year.

Headcount at Dec. 31, 2022	New hires	Terminations	Inward transfers	Outward transfers	Headcount at Dec. 31, 2023
889	48	38	120	110	909

Training and development

The rapid, ongoing evolution of our business and the support of our strategy in a rapidly changing global environment have resulted in a need for new technical and professional skills. For this reason, ongoing employee training and strategies of upskilling (training and empowerment programs to improve performance within a given role) and reskilling (learning new skills and capabilities that enable people to fill new positions) are of increasing importance.
In 2023, in support of these strategies, we provided a total of about 3.1 million hours of training, an average of about 48 hours per employee, exceeding the target of an average of 45.5 hours per employee. Of these, 44.8% were dedicated to up\reskilling, an increase on the previous year (42% in 2022). Total training costs came to about €27 million in 2023.
This was made possible by the upgrading of digital tools and the E-Ducation platform, which gives broad access, including remotely, to training content concerning conduct, technical issues, safety and reskilling, working in cooperation with academic partners.
In 2023, with regard to the development and assessment of Enel's people, we continued with the Open Feedback Evaluation (OFE) program, a mechanism for the constant, 360° collection of feedback from all employees, thereby creating an ongoing dialogue within the organization. The process is conducted on a half-yearly cycle and assesses "Generosity", meaning a propensity for interacting with others; and "Action", i.e. the ability to achieve professional objectives, as assessed by superiors.
With a view to fostering and developing the individual, 2023 saw an increase in the use of tools such as job shadowing, mentoring and coaching.
During 2023, the annual process of managing Succession Plans for management positions saw an increase in the percentage of female successors (47.2%). Together with other confirmed selection criteria for the identification of successors, gender criteria take account of the commitments made by the Enel Group regarding diversity and inclusion, further enhancing these aspects.
Succession planning has also been extended to key non-management positions, involving new position holders (heads of organizational positions). This expansion enabled the identification of new successors, both ready and in the pipeline (with consideration of gender issues), for whom an *ad hoc* development and training program has been developed.

Listening and enhancing wellness

In 2023, listening activities were carried out through the first Global Inclusive Survey exploring people's general perception of inclusion in the working environment at all organizational levels. 48% of eligible people responded (over 61,000). The findings of the survey underscore the good level of perceived general inclusion of people: the average respondent assessment of this aspect was equal to 4.5 out of 6, and 87% of people had either a positive or very positive evaluation.

Since 2021, Enel has developed a global Well-being model using a co-creation approach based on eight pillars: emotional, physical, social, ethical, financial and cultural well-being, a sense of protection and work-life harmony. Following the analysis of the results of the Well-being & Motivation survey, which was launched in 2022 in order to gain an understanding of the evolution of organizational well-being and to refine initiatives designed to improve it, meetings were held to share the findings, using webinars coordinated by management in the various countries. At the global level, projects were developed in 2023 to enhance the well-being of people, teams and managers in the organization. The general well-being index measured by the survey in 2022 was 60% globally. This represents the percentage of respondents who are quite or very satisfied with their general well-being (personal and working life).

Last year was the first year of full operation of the Global Well-being Program, which is intended to increase the awareness of all people on their level of well-being by engaging them through self-assessment tests, webinars, newsletters and other dedicated activities. The program is associated with an incentive mechanism that rewards the virtuous behavior of those who participate in the program every six months. During 2023, over 26,000 employees (43% of Enel's people) actively participated, while over 4,000 rewards were distributed globally to people who used all the content of the program.

The pilot project "Well-being leaders, Happy teams" tested a new intervention method to support teams with lower perceived well-being, using the Well-being Index as the selection criterion. In addition, by listening to the managers of teams with a very high perceived well-being, the project identified distinctive characteristics and virtuous behaviors to disseminated within the Company in order to reinforce well-being-oriented leadership.

To facilitate the diffusion of a culture of well-being and identify situations calling for improvement, the first well-being ambassadors – promoters of enabling behaviors, listening and guidance figures for people who request help – have been selected and trained in the main Group countries.

Services and initiatives that help care for your personal and family mental and physical well-being are also available at the local level. Free or subsidized psychological support services are available for more than 98% of Enel's people, while physical well-being services are available for over 90%. The CReW – Enel Cycle, Run & Walk Challenge project is also active globally: it promotes the physical well-being associated with sustainable mobility, involving over 3,500 Enel participants in 2023.

The levers of inclusion at Enel

At Enel, attention to uniqueness and care for people are key elements for generating well-being and motivation and are levers for creativity, innovation and the achievement of valuable results for our people and the entire organization. The approach to diversity and inclusion is based on the principles of non-discrimination, equal opportunities, personal dignity, inclusion regardless of any form of diversity, and work-life balance. This approach is embodied in a comprehensive set of actions that promote an attention to and expression of individuality, a culture of inclusiveness without prejudice, and a coherent mix of talents, qualities and experience, all of which creates value for our people and for our business, which is transitioning towards a decarbonized economy, acknowledged globally as a flywheel for guiding various forms of diversity towards the world of work.

The approach has been ratified in our Charter for the Individual, a protocol of intent that Enel signed on March 29, 2022, underscoring the importance of personal well-being and integrity in an environment in which well-being, productivity, continuous learning and security can reinforce each other, contributing to the greatest fulfillment of the person and the achievement of results.

The principles expressed in the Charter for the Individual with regard to the participation, well-being, inclusion and security of each worker inspired the renewal in 2023 of the Global Framework Agreement (GFA) – originally signed in 2013 – with the Italian industry federations and the global federations IndustriALL and Public Services International.

Industrial relations are addressed at Group level in accordance with the model envisaged in the GFA, which is recognized as a reference best practice for European and non-European multinationals. The agreement is based on international principles for human rights and business and is inspired by the best and most advanced transnational industrial relations systems used in multinational groups and

key institutions at the international level.
The milestones that have brought us to today began back in 2013 with publication of our Human Rights Policy (updated in 2021). This was followed in 2015 by Enel's adoption of the seven Women's Empowerment Principles (WEPs) promoted by the UN Global Compact and UN Women and the parallel publication of the Diversity and Inclusion Policy, which defines the principles of non-discrimination, equal opportunities, dignity, work-life balance, and inclusiveness regardless of any form of diversity. In 2019, our Workplace Harassment Policy[(6)] introduced the issues of individual respect, integrity and dignity in the workplace into the prevention of all types of harassment. These principles were shared in 2020 in the Statement Against Harassment in the workplace.[(7)] We also created a Digital Accessibility section on the Enel intranet. It is designed to ensure equal opportunities in access to digital systems and information.

In recent years, intensive awareness-raising efforts have enabled the dissemination and strengthening of a culture of inclusion at all levels and in all settings within the organization by way of communication campaigns and local and global events. The most important initiatives undertaken in 2023 include the expansion of local Employee Resources Groups, important networks and/or communities that fuel conversations within the Group on a variety of issues concerning inclusion and diversity and offer an opportunity to sharing views on female empowerment, parenting, caregiving, disability, intergenerational and intercultural relations and the LGBTQ+ community. The delivery of Beyond Bias training courses continued throughout the Group, enabling the identification of the main prejudices that may be encountered in the workplace. Adopting an ironic and surreal tone, the course suggests how to prevent these biases by offering interesting food for for thought. The Workplace Harassment training course describes forms of harassment and discrimination related to age, disability, LGBTQ+ status and sexual orientation. To spread the principles of inclusive design, the training activity "Accessibility and Design for all Awareness" was also offered globally. It represents a design approach whose fundamental objective is the conception and creation of spaces, products and services that are themselves accessible to all. The course aims to raise awareness and train people in an increasingly inclusive culture, spreading awareness of the application Design for All principles.
Promoting a culture of inclusiveness at Enel also involves target setting and measurement. It is an approach that is encapsulated in a comprehensive plan of actions measured using a broad set of KPIs for which commitments approved by the corporate bodies have been made. These commitments include: balancing the percentage of women in hiring processes; increasing the representation of women in senior and middle management and in succession plans; increasing the number of female students involved in awareness initiatives in Science, Technology, Engineering and Math (STEM) fields; promoting projects for the inclusion of employees with disabilities at all stages of the employee journey; and fostering the dissemination of a bias-free culture sensitive to intercultural diversity.

More specifically, our strategy for gender equality is organized into various lines of action. We are working to increase the presence of women in hiring processes, with a positive trend being registered in 2023 as well (52%), confirming the Group's commitment to achieving this goal. In terms of women in management positions, we have seen both the number and the percentage of female managers continue to climb, increasing by 1.3 percentage points in 2023 (from 24.9% in 2022 to 26.2% in 2023). The percentage of women middle managers also increased (from 32.6% in 2022 to 33.1% in 2023). Actions to value the contribution of women throughout the organization, and not just in senior positions, have also continued, and the effects of these efforts will be better seen over the medium to long term, due in part to generational dynamics. Among the actions taken globally, the performance target for "the percentage of women in top management succession plans at the end of 2025" has been confirmed in the 2023 Long-Term Incentive Plan with a weighting of 10% of the total in order to strengthen and lend greater continuity to a policy to establish a suitable platform for management appointments into the coming years.

Over the years, we have also increased our commitment to promote the presence of women in STEM training and careers in collaboration with schools and government, so as to overcome gender stereotypes and promote the importance of STEM and its integration with the humanities. These STEM awareness and orientation initiatives involved more than 7,800 female secondary-school students in 2023 and more than 37,000 female students over the last seven years.[(8)]
On the issue of disabilities, Enel provides equipment, services, working methods and other initiatives to create an inclusive climate for work and relationships for all that provides full autonomy at work regardless of the disability. Worldwide, we have more than 2,000 employees with disabilities. The issue is particularly relevant in Italy (with more than 1,500 employees with disabilities, more than 73% of the Group total).

(6) The Workplace Harassment Policy is an internal corporate publication.
(7) https://www.enel.com/content/dam/enel-com/documenti/investitori/sostenibilita/enel-statement-against-harassment.pdf.
(8) Beginning in 2022, the figure only includes initiatives targeting primary and secondary schools.

Since Enel's participation in the global Valuable 500 initiative in 2019, initiatives involving disability issues have been grouped within the Value for Disability project, aimed at seizing potential business and promoting inclusion among employees and customers with disabilities by designing specific global and local plans of action. The project has engendered widespread commitment to the issue and given rise to initiatives in all countries, with an impact on the inclusion of people with disabilities in relation to the different aspects of their experience in the organization and on cultural change.
Each country with at least one employee with a disability has a focal point for hearing and responding to specific needs and designing dedicated actions, as provided for in the Diversity and Inclusion Policy.

Many countries have also organized initiatives focused on intercultural and intergenerational issues and on the LGBTQ+ community.
Finally, to promote parenthood and caring for all people who find themselves in circumstances that have an impact on work, the Parental Program supporting the parenting experience has continued, as has the expansion of the MaCro@Work Caring Program for employees with chronic disorders and vulnerabilities in the various countries.

The table below shows Enel's commitment to diversity and inclusion, including the percentage of employees with disabilities, the number of women in senior and middle management, and the ratio of the average salaries of women to those of men.

Diversity and inclusion

		2023	2022	Change	
Disabled personnel or personnel belonging to protected categories	%	**3.4**	**3.3**	**0.1**	**3.0%**
Women in senior and middle management	no.	**4,447**	**4,463**	**(16)**	**-0.4%**
Percentage of women in senior and middle management	%	32.5	31.8	0.7	2.2%
Percentage of women in management succession plans	%	47.2	46.1	1.1	2.4%
Percentage of women in senior management succession plans	%	50.4	49.6	0.8	1.6%
Base salary and remuneration ratios					
Ratio of base salary women-to-men:					
- senior manager	%	84.5	83.9	0.6	0.7%
- middle manager	%	93.9	92.8	1.1	1.2%
- office staff	%	92.1	88.8	3.3	3.7%
- blue collar	%	101.4	125.0	-23.6	-18.9%
Ratio of base remuneration women-to-men:					
- senior manager	%	81.4	80.7	0.7	0.9%
- middle manager	%	92.8	91.9	0.9	1.0%
- office staff	%	92.5	89.3	3.2	3.6%
- blue collar	%	102.1	125.4	-23.3	-18.6%

Workplace health and safety

At Enel, people's health, safety and mental and physical integrity are considered the most precious assets, to be protected at every moment of life, at work, at home and in their free time. For this reason, we are committed to developing processes and creating increasingly healthier and safer workspaces, both for employees and for anyone who works with Enel, promoting dedicated training courses in this arena.

To make this commitment clear and evident to all Group employees as well as external stakeholders, Enel has developed and disseminated a Health and Safety Policy, which sets out the guiding principles, strategic objectives, approach and action lines and priorities for continuous improvement of health and safety performance. The areas in which Enel is committed to achieving its targets are also specified: first and foremost we find people, understood both as internal employees and contractors working with the Group, followed by processes and innovative technologies supporting accident prevention. Consistent with the values expressed and assumed in the Health and Safety Policy, a Stop Work Policy has also been issued. It seeks to make Enel employees and contractor companies responsible for managing potential risk situations regarding health, safety and the environment. In fact, all workers can stop any activity deemed risky for health, safety and environmental protection, following a "no blaming" approach.[9]

Enel also promotes, implements and continuously updates its Health and Safety Management Systems, in compliance with the internal policies referred to earlier as well as with the international ISO 45001 standard. Enel SpA's Management System provides guidance and a uniform approach for all Group companies: the business lines and the countries then have the task of implementing that system at the local level, based on the specific features of their regulatory and business environment, and verifying its correct implementation in the field.

		2023	2022	Change	
Hours worked	millions of hours	**385.898**	**427.847**	**(41.949)**	**-9.8%**
Enel	millions of hours	120.546	123.624	(3.078)	-2.5%
Contractors	millions of hours	265.352	304.223	(38.871)	-12.8%
Total Recordable Injuries (TRI)[1]	no.	**726**	**962**	**(236)**	**-24.5%**
Enel	no.	176	153	23	15.0%
Contractors	no.	550	809	(259)	-32.0%
Total Recordable Injury Frequency Rate (TRI FR)[2]	i	**1.88**	**2.25**	**(0.37)**	**-16.4%**
Enel	i	1.46	1.24	0.22	17.7%
Contractors	i	2.07	2.66	(0.59)	-22.2%
Fatal injuries (FAT)	no.	**11**	**6**	**5**	**83.3%**
Enel	no.	3	1	2	-
Contractors	no.	8	5	3	60.0%
Fatal Injury Frequency Rate (FAT FR)	i	**0.029**	**0.014**	**0.015**	**-**
Enel	i	0.025	0.008	0.017	-
Contractors	i	0.030	0.016	0.014	87.5%
Life Changing Accidents (LCA)[3]	no.	**1**	**2**	**(1)**	**-50.0%**
Enel	no.	-	-	-	-
Contractors	no.	1	2	(1)	-50.0%
Life Changing Accidents (LCA) Frequency Rate	i	**0.003**	**0.005**	**(0.002)**	**-40.0%**
Enel	i	-	-	-	-
Contractors	i	0.004	0.007	(0.003)	-42.9%
Lost Time Injury Frequency Rate with days lost (ACC>3 FR)[4]	i	**0.50**	**0.36**	**0.14**	**38.9%**
Enel	i	0.59	0.48	0.11	22.9%
Contractors	i	0.46	0.31	0.15	48.4%
Lost Time Injury Frequency Rate with days lost (LTI FR)[5]	i	**0.61**	**0.50**	**0.11**	**22.0%**
Enel	i	0.72	0.56	0.16	28.6%
Contractors	i	0.56	0.48	0.08	16.7%
High Potential Accidents Frequency Rate (HiPo FR)[6]	i	**0.070**	**0.072**	**(0.002)**	**-2.8%**
Enel	i	0.050	0.057	(0.007)	-12.3%
Contractors	i	0.079	0.079	-	-

(1) Total Recordable Injuries (TRI): this includes all incidents that have caused injuries, including lost time injuries, incidents requiring the administration of first aid, or incidents that did not result in lost time.
(2) Total Recordable Injury Frequency Rate (TRI FR): as for all the frequency rates for the various types of incidents, this is calculated as the ratio of number of events to total hours worked (in millions).
(3) Life Changing Accidents (LCAs): injuries whose health consequences caused permanent changes in the life of the individual (e.g., amputation of a limb, paralysis, extensive and visible scarring, etc.). Beginning with the 2021 reporting cycle, the metric Life Changing Accidents replaced High Consequence Injuries following efforts to standardize safety reporting within the organization. Therefore, the figures for 2020 and 2019 have been recalculated in line with this new approach.
(4) Lost Time Injury Frequency Rate with days lost (ACC>3 FR) is calculated considering accidents in which the worker lost at least three days of work.
(5) Lost Time Injury Frequency Rate (LTI FR) is calculated considering all injuries that have resulted in at least one day of absence from work.
(6) High Potential Accidents Frequency Rate (HiPo FR): all injuries the characteristics of which have a high potential for causing a life-changing or fatal event.

(9) The principle under which no blame or liability is attributable to an employee or contractor who reports a risk situation.

Compared with 2022, the number of accident events with injuries, including first aid (TRI), decreased by 24.5% (726 in 2023 compared with 962 in 2022), mainly due to the reduction in accident events that did not involve days of absence from work. The reduction is mainly attributable to the employees of contractors (-32%), while there was a slight increase in events involving Enel personnel (+15%). The Total Recordable Injury Frequency Rate (TRI FR) followed the same trend, with a decrease of 16.4% (1.88 in 2023 compared with 2.25 in 2022), representing approximately 2 accident events per million hours worked. With regards to hours worked, there was a significant reduction during 2023 compared with the previous year (approximately -10%), mainly linked to the sale of a number of operations, such as Enel Goiás in Brazil at the end of 2022. The Lost Time Injury Frequency Rate with days lost (LTI FR) showed an increase of 22% compared with the previous year (0.61 in 2023 compared with 0.50 in 2022) among both Enel personnel and contractors.
This increase is mainly due to an increase in minor injuries associated with only minimal impacts on worker safety. In fact, the sum of the most serious injuries, i.e. those with the greatest actual or potential impact such as fatal injuries, life-changing injuries (those which produce permanent changes in the life of the injured person) and high-potential incidents (which differ from the former only in the extent of the consequences for the worker but not in the dynamics of the event), was unchanged on 2022 (39 events) and 25% lower than the average for the three previous years. However, the distribution of injuries among the different categories did change, as fatalities increased (11 in 2023 compared with 6 in 2022), while life-changing injuries (1 in 2023 and 2 in 2022) and high-potential incidents (27 in 2023 and 31 in 2022) declined.

Of the 11 fatal injuries in 2023, 9 were associated with electrical risk and 2 with mechanical risk. Three fatal injuries involved Enel personnel (2 employees of Enel Grids in Romania and 1 employee of Enel Grids in Argentina) and 8 contractor personnel (3 in Brazil, 2 in Italy and 1 in Spain who worked for Enel Grids, 1 in Brazil who worked for Enel Green Power Brazil and 1 in Brazil who worked for Enel Servizi).

As regards activities in 2023, Policy no. 106, which provides guidelines for the entire Group concerning the communication, analysis and classification of accidents, was updated in order to strengthen the near miss and safety observation reporting process,[10] increase the attention paid to HiPo events and more effectively trace the root causes of each event to ensure greater effectiveness in action plans and improved health and safety performance.
The inspection process for verifying conduct and compliance with procedures and working methods in the field has also been revised in order to enhance effectiveness. In particular, a data-driven approach has been implemented, based on IT tools and analytical dashboards. It can use evidence from the monitoring and control system to enable evaluation of the performance of organizational units and suppliers, the identification of areas at greatest risk of fatal and life-changing accidents and subsequent management methods.
In 2023, there were 101 cases of Extra Checking on Site (ECoS) involving high-risk areas. This process consists in internal environment and safety assessments designed to verify the adequacy of the organization and processes in a specific area of Group operations, identify any adverse issues and develop corrective actions. These checks are conducted by specialist HSEQ personnel from outside the units being assessed, assisted by technicians specialized in the specific business.

Another area of great attention for the entire Enel Group is the protection of health, a fundamental value for the care and development of our people, not only at work but also in daily life. For this reason, the Enel Group has adopted a structured health management system based on prevention and protection measures and is committed to developing a corporate culture oriented towards the promotion of mental and physical health and organizational well-being and personal work-life balance: to this end Policy no. 179 "Health and Well-being" was updated at the end of July 2023.

The objective of safeguarding workplace safety and the mental and physical integrity of all the people of the Enel Group is the main driver of training, awareness and information activities. To foster the growth of technical skills and a safety culture, support change processes and respond in a timely manner to the needs that emerge from the business, the Group has a structured training management process, designed to transform knowledge into skills and then into behaviors. Overall, in 2023, 1,452 hours of training were provided to Enel staff on workplace health and safety issues.

The Enel Group's approach to contractors is to consider each to be a partner with which we share our essential workplace safety and environmental protection rules. As such, safety is integrated into the tender process, and supplier performance is assessed both as part of the qualification process and when executing the contract by way of numerous controls and other mechanisms, including: the Health, Safety and Environment (HSE) Terms, the Supplier

(10) An unsafe behavior/situation adopted by Enel or contractor personnel or an unsafe/risky situation, to which Enel or contractor personnel could be exposed, which did not give rise to an accident, but which could have caused one.

Performance Management (SPM) process, the Contractor Assessment (CA) process and Evaluation Groups (EGs).(11) In particular, the supplier qualification system provides for a specific evaluation of H&S issues based on the level of H&S risk of the activities associated with the different product groups. As regards workplace and environmental safety checks of contractors, in 2023 we continued to perform CAs at their premises, their construction sites or remotely if an on-site visit was not possible. Specifically, 1,215 CAs were performed across all business lines and countries in which Enel is present.

Enel also recognizes technological innovation as a valid tool for improving health and safety processes. The criteria with which the development priorities of innovative projects are defined are based on a "risk management" logic, seeking primarily to eliminate or reduce the probability of an event occurring depending on feasibility. An example is the Remote Trimming project, developed within Enel Grids, which consists in the use of a robot for pruning vegetation near electricity grids, allowing operators to interact with the device remotely, remaining outside the most dangerous areas and effectively eliminating the risks.

Responsible relations with communities

Listening to the communities in the territories in which Enel operates and promoting inclusive economic and social development to ensure an energy transition that is as fair as possible represent a fundamental pillar of Enel's strategy both in the daily management of business operations and in the planning of new infrastructures. Establishing solid and long-lasting relationships with local communities is essential to guaranteeing the implementation of a sustainable business, while boosting its competitiveness and inclusiveness.

Aware that the Group's activities can have a direct and indirect influence on the communities in which it operates, Enel has adopted a sustainable business approach along the entire value chain, integrating social as well as environmental sustainability criteria into the various processes from very earliest stages of development. This model is consistent with the main international standards in this area (such as the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises), which underpin Enel's commitment to human rights in business practices.

The Group's sustainable business approach is based on careful analysis of the contexts in which we operate. Thanks to proactive dialogue and community engagement initiatives, potential risks, impacts and opportunities are identified in order to implement prevention and mitigation interventions. This approach also includes the principle of "Sustainability by design" to take account of the needs of local communities from the early stages of asset design. The approach also envisages emergency management plans with sustainability actions to be implemented in response to sudden and unexpected events and serious damage, such as critical events impacting Group assets, projects or products as a result of natural disasters or social/community unrest.
This approach has prompted Enel to innovate both the way it manages the business and develops energy products and services. It also leverages the awareness that the activation of virtuous ecosystems, such as partnerships, represents an indispensable factor in facilitating and promoting the identification and implementation of innovative social solutions as part of the transition towards a decarbonized economy.

In 2023, Enel's contribution to the development and social and economic growth of the territories and communities with whom it operates translated into sustainability projects in the various countries in which it operates, involving over 3.9 million beneficiaries, in line with the United Nations Sustainable Development Goals (SDGs), of which over 70% regard projects and initiatives associated with the three SDGs to which the Group has made a commitment (SDG 4, SDG 7, SDG 8).
In line with the SDGs, Enel makes an effective contribution to the progress of local territories, creating value for both communities and our business through professional education and training projects and providing access to reliable and sustainable energy, both through rural and suburban electrification initiatives and by promoting social inclusion for the most vulnerable categories of the population (from a physical, social and economic point of view). For further information on the activities performed, please see the Group's 2023 Sustainability Report.

(11) HSE Terms, a document that defines the obligations with which contractors and their subcontractors must comply concerning health, safety and environment; Supplier Performance Management, a process for controlling the safety performance of companies; Contractor Assessment, analyses of contractors during the qualification phase or in cases where critical issues or low scores emerge in the evaluation of safety indicators during the contracted activities; Evaluation Groups, periodic multidisciplinary meetings across all global business lines and geographical areas for the evaluation of the safety performance of suppliers and the definition of targeted actions and personalized support plans for individual companies.

Sustainable supply chain

		2023	2022	Change	
Active suppliers	no.	14,001	20,434	(6,433)	-31.5%
Suppliers (FTE)	no.	150,820	172,854	(22,034)	-12.7%
Qualified suppliers assessed for ESG issues	%	100	99	1.0	1.0%
Qualified suppliers assessed for social issues (including human rights and health and safety) for all goods categories	%	100	99	1.0	1.0%
Qualified suppliers assessed for environmental issues for all goods categories	%	100	99	1.0	1.0%

Suppliers are the Group's partners along the path of sustainable growth, working to maximize the economic, productive, social and environmental benefits of the transition. Enel is committed every day to creating sustainable, innovative and circular processes that also make it possible to better quantify, and therefore mitigate, the total impacts that suppliers generate, aware of the need to minimize pressures on critical materials and components through technological innovation and continuous recycling and to support the resilience and retraining of its partners.
Purchasing processes are founded on mutual loyalty, transparency and collaboration in accordance with the highest standards of sustainability. For this reason, the selection of partners and the execution of contracts undergo analysis and monitoring throughout the entire procurement process. This is pursued on the basis of clear guidelines, namely codes of conduct, including the Human Rights Policy, the Code of Ethics, the "Zero-Tolerance-of-Corruption" Plan and global compliance programs.
Specifically:

- Enel's global vendor qualification system conducts an analysis of compliance with technical, financial, legal, environmental, human (including health and safety), ethical rights and integrity requirements of the firms that intend to participate in tenders. At December 31, 2023, qualified suppliers totaled 19,692 (of which 100% assessed on the basis of ESG criteria) and of these 8,300 had an active contract during the reporting period;
- the tendering and bargaining process adopts a structured process for defining "sustainability requirements and rewarding factors (K)" which can be used by the various purchasing and monitoring units throughout the period of execution of the contract. The process involves the use of two "libraries", which catalog all the sustainability requirements and Ks grouped into social, environmental and circularity certification macro-categories. At December 31, 2023, 66% of supply contracts provided for the submission of carbon footprint certifications from the contracted vendors.

  Furthermore, specific contractual clauses have been defined, which are included in all works, service and supply contracts and updated periodically to ensure alignment with international best practices. The General Terms of Contract establish that Enel's suppliers, including subcontractors, sub-suppliers, third parties and in general the entire supply chain shall comply with current regulations on pay, contributions, insurance and taxation for all workers employed in any capacity in the execution of the contract. In addition, explicit reference is made to the principles referred to in the relevant ILO Conventions and provisions of law concerning child labor, female labor, equality of treatment, prohibition of discrimination, abuse and harassment; trade union freedom, association and representation; refusal of forced labor; safety and environmental protection and sanitation conditions. In the event of conflict between regulatory sources, the more restrictive shall prevail.
  The clauses[12] also provide that suppliers, subcontractors, sub-suppliers, third parties and in general the entire supply chain shall undertake to prevent any and all forms of corruption.
  The number of FTEs[13] working at Enel worksites at December 31, 2023 totaled 150,820;
- analysis and monitoring is conducted throughout the entire procurement process, making use of specific systems such as, during performance of the contract, the Supplier Performance Management (SPM), whose objective within our collaboration with vendors is not only to undertake any corrective actions in the contract execution phase, but also to encourage a process of improvement using actions that reward the adoption of best practices. The process is based on an objective and systematic collection of data and information relating to the execution of the service covered by the contract. These data are used to produce specific indicators, also called categories (e.g., Health, Safety and Environment, Human Rights & Correctness, and Quality and Punctuality).

(12) Article 29.1.5 of the General Terms of Contract.
(13) FTE = Full Time Equivalent. This corresponds to the number of workers necessary to perform a certain number of hours worked, assuming they are working full time. One FTE therefore corresponds to one person/day.

Meetings with suppliers continued in 2023 with a focus on decarbonization issues, circularity and human rights, with a view to jointly developing practices and common approaches and spur vendors to achieve the sustainability standards demanded by the international community.

More specifically, meetings were organized with the main suppliers in strategic product categories to provide them with technical information on the new tender requirements regarding human rights and other contractual clauses. For more information on the activities carried out, please see the Group's 2023 Sustainability Report.

RESEARCH AND DEVELOPMENT

Enel SpA does not directly engage in research and development, as within the Group those activities are performed by a number of subsidiaries and associates.

Innovation

During 2023, the innovation area was given a new organizational structure that, in line with Group strategy, operates with a view to simplification and focus on its priorities and promotion of an integrated, efficient and effective approach to innovation.
To address business challenges, we adopt an open innovation model, which enables us to connect all areas of the Company with startups, industrial partners, large companies, small and medium-sized enterprises (SMEs), research centers, universities and entrepreneurs – drawing in part on crowdsourcing platforms. The Group's innovation strategy exploits various tools that enable it to develop innovative and sustainable solutions, such as the online crowdsourcing platform openinnovability.com and a global network of Innovation Hubs and Labs, which forms the foundation of the collaboration model with startups and SMEs. While the latter offer innovative projects and new business models, Enel provides its expertise, facilities for the technical and financial validation of the proposed solutions in an industrial environment, and a global network of partners to support their development and possible scale-up. The Innovation Hubs, located in the most relevant innovation ecosystems for the Group, such as Europe and the United States, manage relationships with all the players involved in their respective areas and constitute the main source of scouting for startups and SMEs, responding to the innovation needs manifested by the business lines. Collaboration with external players is thus a key element of the Group's innovation strategy. In fact, the Company has active partnership agreements which cover both the most strategic areas for the Group and those addressing major frontier issues (for example, the promotion of space applications in the energy sector, green hydrogen, and fourth generation nuclear). Through co-development with suppliers, the Group also seeks to implement innovative solutions quickly and effectively at the pre-commercial development level and leverages existing skills and the customization and transfer of solutions already adopted in other productive sectors.
In 2022, we voluntarily adopted the ISO 56002 standard for innovation management. The standard covers all aspects of innovation management, from the birth of an idea to its implementation on a global scale. During 2023, the UNI/PdR 155 practice "Management of sustainable innovation – Guidelines for the management of sustainable innovation processes in companies through open innovation" was developed in collaboration with UNI. The practice was published on the UNI website in December 2023. The document, of a pre-regulatory nature, is intended to offer practical support for any organization that wants to pursue the organizational and production changes necessary to implement an effective internal process of sustainable innovation management.

113

Proofs of Concept, launched to test innovative solutions in 2023

46

solutions in scale-up phase in the business in 2023

2023 saw the continuation of the activities of the innovation communities, multidisciplinary working groups created to innovatively address the most relevant new-technology issues for the business in order to create value for the Group (energy storage, blockchain, drones, metaverse, robotics, sensors, 3D printing, quantum computing, wearables, additive manufacturing, artificial intelligence, materials and hydrogen). The communities also continuously monitor technological improvements and share new business models, value-added services or use cases for types of technology that could be potentially implemented in different areas of the Enel Group.

During 2023, 113 Proofs of Concepts were launched to test new solutions, while 46 innovative solutions were identified by the business for large-scale implementation. Overall, €60 million (including personnel expenses) were invested in innovation.

Digitalization

In 2023, innovation activities in the field of cyber security benefited from the network of Innovation Hubs, as well as from their portfolio of startups and partnerships forged at the Group level.

These interconnections have enabled the sharing of best practices and operating models, as well as the construction and enhancement of info-sharing channels.

The main initiatives in this area are reported below:

- analysis of solutions based on quantum key distribution[14] and quantum safe encryption algorithms[15] to improve understanding of how to go beyond current encryption models threatened by the future expansion of computational capacity offered by quantum computing;
- services and solutions to support software development to analyze open source code and third-party software libraries from the point of view of vulnerabilities and user licenses;
- analysis of browser isolation solutions (isolation of the browser from the network to prevent it from becoming an entry point for malicious actors) and browser security to understand the resilience of central protection techniques compared with distributed approaches;
- further development of solutions that exploit emerging technologies such as artificial intelligence and machine learning to enhance capabilities in detecting IT threats and automating the process of analysis, correlation and response to incidents;
- solutions for identifying vulnerabilities of assets and devices (mobile devices, IoT, web applications, etc.) with the help of innovative techniques;
- review of industrial environments through the implementation of a vulnerability identification process with scripts without impacting the operating environments;
- a study for the implementation of a multifactor authentication system for Company systems, using a "passwordless" technique to replace the password with alternative secure solutions (for example, fingerprint authentication);
- analysis and scouting of solutions for the anonymization and masking of data in non-production environments and definition of the associated policy;
- analysis of solutions to prevent data loss to ensure compliance with protection requirements imposed by internal and external regulations;
- study and analysis of solutions for the management of cryptographic keys and business secrets;
- analysis of new anti-malware solutions to protect industrial environments;
- creation of the Cyber Harbor, an innovation center that brings together cyber security experts, companies, investors and the academic world to foster the creation of innovative and competitive projects in the IT security field for Italy;
- establishment of a communication channel with Italy's National Cybersecurity Authority (NCA) for the creation of the Hyper SOC, an infrastructure for the aggregation, correlation and analysis of events of interest to ensure the early identification of emerging threats and coordinate responses to deal with them effectively.

(14) Cryptographic technique for distributing symmetrical keys based on the principles of quantum physics.
(15) Encryption protocols based on algorithms and characteristics considered sufficiently secure against threats posed by the computational capacity of quantum computers.

MAIN RISKS AND OPPORTUNITIES

In its capacity as an industrial holding company, Enel SpA is exposed to the same risks associated with the Group's business.
In this regard, Enel adopted an internal control and risk management system (ICRMS), in line with the recommendations of the Corporate Governance Code.
Enel has also adopted a risk governance model based on a number of "pillars" as well as a uniform taxonomy of risks (the "risk catalogue") that facilitates their management and organic representation.

The "pillars" of risk governance

Enel has adopted a reference framework for risk governance that is implemented in the real world through the establishment of specific management, monitoring, control and reporting controls for each of the risk categories identified.

The Group's risk governance model is in line with the best national and international risk management practices and is based on the following pillars:

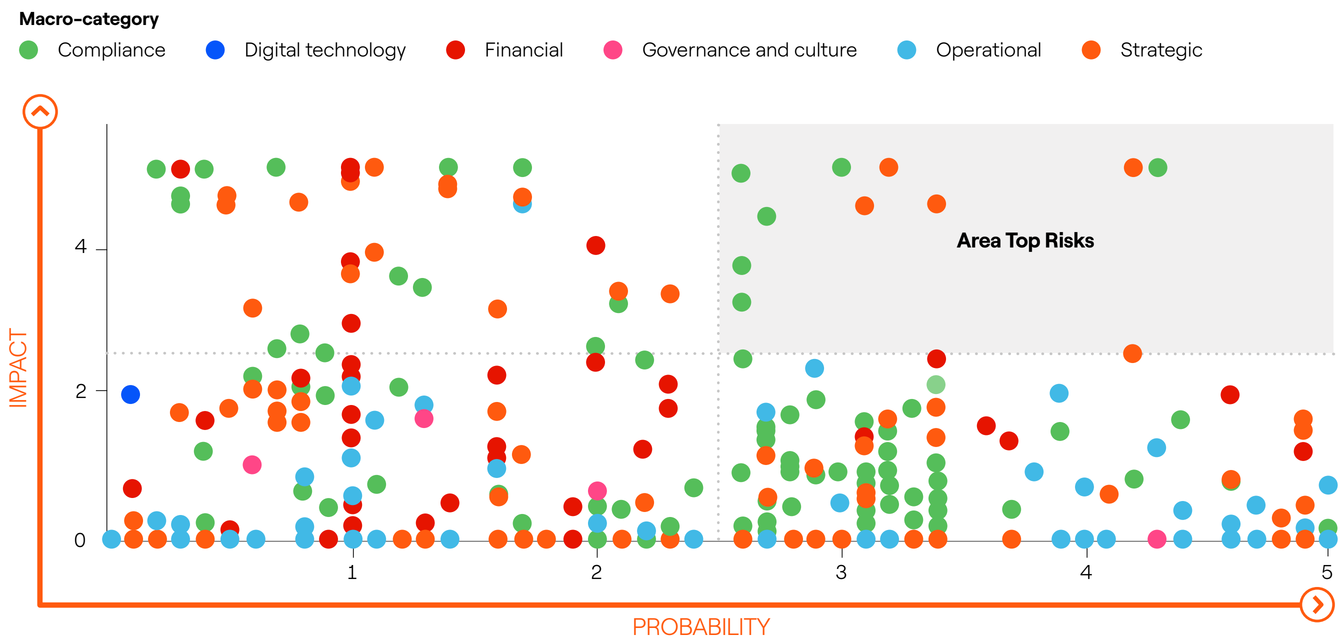
- Lines of defense. The Group's arrangements are structured along three lines of defense for risk management, monitoring and control activities, in compliance with the principle of segregating roles in the main areas in respect of significant risks.
- Group Risk Committee. This body, set up at management level and chaired by the Chief Executive Officer, is responsible for strategic guidance and risk management supervision through:
  - analysis of the main exposures and the main risk issues faced by the Group;
  - adoption of specific risk policies applicable to Group companies, in order to identify roles and responsibilities in risk management, monitoring and control processes, in compliance with the principle of organizational separation between the units responsible for operations and those responsible for monitoring and controlling risks;
  - approval of specific operating limits, authorizing, where necessary and appropriate, exceptions to these limits for specific circumstances or needs;
  - definition of risk response strategies.

  The Group Risk Committee generally meets four times a year and can also be convened, where deemed necessary, by the Chief Executive Officer and the head of the "Risk Control" unit, which forms part of the "Administration, Finance and Control" Function.
- Integrated and widespread system of local risk committees. The presence of specific local risk committees, organized in accordance with the main global business lines and geographical areas of Group operations and chaired by their respective top managers, provides adequate oversight of the most characteristic risks at the local level. The coordination of these committees with the Group Risk Committee facilitates appropriate agreement with Group top management of the infor-

mation and mitigation strategies for the most significant exposures, as well as local implementation of the guidelines and strategies defined at Group level.

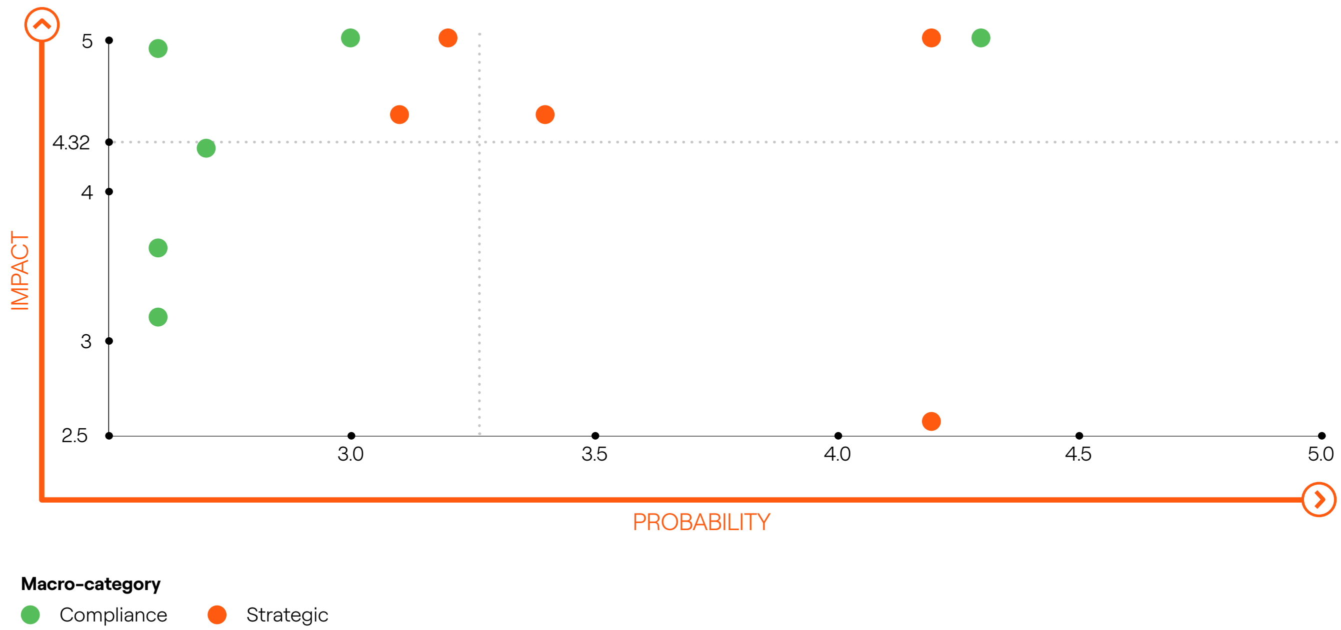
- Risk Appetite Framework (RAF). The Risk Appetite Framework constitutes the reference framework for determining risk appetite and is an integrated and formalized system of elements that enable the definition and application of a single approach to the management, measurement and control of each risk. The RAF is summarized in the Risk Appetite Statement, a document that summarily describes the risk strategies identified and the indicators and/or limits applicable to each risk.
- Risk policies. The allocation of responsibilities, coordination mechanisms and the main control activities are represented in specific policies and organizational documents defined in accordance with specific approval procedures involving the corporate structures directly involved.
- Reporting. Specific and regular information flows on risk exposures and metrics, broken down at Group level and by individual global business line or geographical area, allow Enel's top management and corporate bodies to have an integrated view of the Group's main risk exposures, both current and prospective.
- Risk Landscape Enel Group©. Acting on the basis of its risk governance arrangements and on the international risk management standard ISO 31000:2018, the Group constantly monitors risks using a process supported by a data visualization tool (e-Risk Landscape©). This system collects and organizes information coming from the different geographical areas and business lines of the Group, categorizing them in accordance with the definition in the Group's risk catalogue. The monitoring and control process involves the assignment of metrics based on the risk events' probability of occurrence (likelihood) and the scale of potential economic-financial impact, providing the Group's top management with a dynamically updated view of the Group's risk profile and the associated management and mitigation actions. These dimensions, modulated through representative grids, provide an indication of the level of individual risks.

At December 31, 2023, the Enel Group monitored a set of about 300 risks, 11 of which were identified as Top Risks (with an above average likelihood and significant potential financial impacts), mainly identified as regulatory and legal/tax risks and/or uncertainties.



The Enel Group Risk Landscape© enables the selection and visualization of medium-to-high risks (i.e. excluding highly unlikely and/or low impact events). It is also possible to make a multidirectional selection:
- by category;
- by country/legal entity;
- by business line.

With regard to the Top Risks identified and examined for the Plan period, we find the greater concentration of strategic risks, in particular legislative-regulatory risks (5) in Italy (3) and Spain (2), deriving from exposures to rate revisions, the renewal of concessions and recognition in profitability parameters. As regards the section linked to compliance risks (6), we find a concentration mainly linked to tax risks in Brazil (4) and Italy (1) and legal risks in the United States (1).



The following graphic offers an example of the variability of the main risk clusters in terms of both probability and potential impact in the Top Risk categories. These ranges of variation are representative of the timeline with which the individual risk driver is examined (for example, for a possible evolution of the regulatory framework and ongoing mitigation actions) and the heterogeneity of the type of risks belonging to the same cluster.

The Group risk catalogue

Enel has adopted a risk catalogue that represents a point of reference at the Group level and for all corporate units involved in risk management and monitoring processes. The adoption of a common language facilitates the mapping and comprehensive representation of risks within the Group, thus facilitating the identification of the main types of risk that impact Group processes and the roles of the organizational units involved in their management.

The risk catalogue groups the types of risk into macro-categories, which include, as shown below, strategic, financial and operational risks, (non)-compliance risks, risks related to governance and culture as well as digital technology.

RISKS

STRATEGIC

GOVERNANCE AND CULTURE

DIGITAL TECHNOLOGY

FINANCIAL

OPERATIONAL

COMPLIANCE

The following table shows the list of risks currently identified and classified within the aforementioned macro-categories.

CATEGORY	RISK	DEFINITION
STRATEGIC	Climate changes	Risk of ineffective identification, assessment and management of risks related to climate changes – caused by acute and chronic events (physical risks) and by effects of regulatory, technology and market trends arising from the transition to a lower-carbon economy (transition risks) – through strategic and operating initiatives of adaptation and mitigation of climate risks.
	Competitive landscape	Risk of ineffective identification, assessment and monitoring of evolutionary market trends that may impact Group competitive positioning, growth and profitability.
	Innovation	Risk of ineffective development, delivery and diffusion of innovative solutions caused by technology scouting inadequacy and wrong or incomplete analysis over uncertainty, complexity, sustainability, feasibility degree, market expectations, internal skills or financial commitment of innovative projects.
	Legislative and regulatory development	Risk of adverse evolution of legislative or regulatory landscape, and/or ineffective identification, assessment, management and monitoring of legislative/regulatory evolutions, communication of new compliance duties, execution of advocacy activities and internal gap analysis. Lack of a systematic assessment process on regulatory exposures coming from new strategic and business initiatives.
	Macroeconomic and geopolitical trends	Risk of ineffective identification, assessment and monitoring of global economic, financial, political and social trends and monetary, fiscal and trade policies evolutions.
	Strategic planning and capital allocation	Risk of ineffective strategic planning and capital allocation processes, caused by unreliable scenario assumptions and inability to capture emerging trends or to timely address relevant changes, that may adversely influence decision-making process.

CATEGORY	RISK	DEFINITION
GOVERNANCE AND CULTURE	Corporate culture and ethics	Risk of (i) inadequate integration, within business processes and activities, of the ethical principles defined by the Group, (ii) inability to put in place policies and processes to ensure the respect of diversity and equal opportunity principles and (iii) unsanctioned behaviors of employees and management, in breach with ethical values of the Group.
	Corporate governance	Risk of ineffective corporate governance frameworks/rules and/or lack of integrity and transparency within decision-making processes.
	Stakeholder engagement	Risk to ineffectively engage key stakeholders on Enel's strategic positioning on sustainability and financial goals due to a lack of understanding, anticipating or orienting their expectations, which might cause an incomplete integration of such expectations into Group's business strategy and sustainability planning processes, with a potential negative impact on its reputation and competitiveness.
DIGITAL TECHNOLOGY	Cyber security	Risk of cyber-attacks and sensitive or massive corporate and customers data stealing, ascribable to a lack of security of networks, operating systems and databases.
	Digitalization	Risk of managing ineffective business processes and supporting higher operating costs due to a lack of digitalization in terms of workflows coverage, systems integration and adoption of new technologies.
	IT effectiveness	Risk of ineffective support of IT systems to business processes and operating activities.
	Service continuity	Risk of exposure of IT/OT systems to service interruptions and data losses.
FINANCIAL	Capital structure adequacy and funding access	Risk that company and/or Group debt/equity ratio or the mix between long- and short-term debt may not be adequate to (i) support financial flexibility, (ii) enable free access to a wide range of funding sources and (iii) achieve cost of debt targets.
	Commodity	Risk of (i) adverse commodity market trends and/or prices volatility movements (price risk) and/or (ii) lack of demand or availability of commodities, natural resources and raw materials (volume risk).
	Credit and counterparty	Risk of (i) counterparty's inability to meet payment or delivery contractual obligations, (ii) credit deterioration or default of a counterparty, (iii) significant exposure to a single counterparty (single name concentration) or (iv) to counterparties operating in the same sector or belonging to the same geographical area (sectorial/geographical concentration).
	Foreign exchange rate	Risk of adverse variations in exchange rates, negatively affecting: (i) costs and revenue denominated in foreign currencies with respect to the time at which price conditions were defined or the investment decision was made (economic risk); (ii) revaluations or fair value adjustments of exchange rate-sensitive financial assets and liabilities (transaction risk); (iii) the consolidation of subsidiaries having different accounting currencies (translation risk).
	Interest rate	Risk of adverse fluctuations in interest rates impacting on net financial expense as well as on fair value adjustments of sensitive financial assets and liabilities.
	Liquidity	Risk of incurring into difficulties to meet short-term financial needs as a result of inability or higher costs incurred in (i) raising short-term funds (funding liquidity risk) or (ii) liquidating assets on financial markets (asset liquidity risk).

CATEGORY	RISK	DEFINITION
OPERATIONAL	Asset protection	Risk of financial or reputational losses due to unauthorized access, theft, misappropriation or mismanagement of equipment, plants, strategic information or other physical or intangible assets. Risk of financial or reputational losses due to ineffective safeguarding activity (i.e. insurance and legal activities) of Group financial assets.
	Business interruption	Risk of partial or total interruption of business operations arising from technical failures, assets and plants malfunctions, human errors, sabotages, raw materials unavailability or adverse weather events.
	Customer needs and satisfaction	Risk of failure of Group's products and services in achieving customers' expectations and needs in terms of quality, accessibility, sustainability and innovation.
	Environment	Risk that inappropriate working operations or machineries may adversely impact on the environment quality and ecosystems involved. Risk of a breach in complying with international, country or local environmental laws and regulations.
	Health and safety	Risk that inappropriate working environments, structures, machineries and business operations may negatively impact on health & safety conditions of employees and other stakeholders involved. Risk of a breach in complying with international, country or local laws and regulations on health and safety.
	Intellectual property	Risk of Group's intellectual property infringements or frauds.
	People and organization	Risk of inadequacy of Group's organizational structures or lack of internal skills caused by the absence or inadequacy of training programs, ineffectiveness of incentive schemes, inadequate turnover planning process or inability to define effective employees recruiting processes and retention policies.
	Process efficiency	Risk of incurring higher operating costs or delays as well as reduced revenue streams due to an inadequate management of operating processes and activities, a lack of data quality, incomplete or ineffective monitoring over internal performances and internal reporting.
	Procurement, logistics and supply chain	Risk of ineffective procurement or contract management activities, due to inadequate requirements definition or supplier qualification process, a frequent recourse to direct awarding, scouting activities shortcomings, poor monitoring over the fulfillment of contractual duties, non-application of penalties.
	Service quality management	Risk of third-party/internal service providers inability to meet the agreed required levels of service.

CATEGORY	RISK	DEFINITION
COMPLIANCE	Accounting compliance	Risk of a breach of international and national accounting laws and regulations or incorrect application and/or interpretation of international accounting standards adopted by the Group (IFRS-EU) and national accounting standards (local GAAP).
	Antitrust compliance and consumers' rights	Risk of a breach of antitrust and consumer rights laws and regulations.
	Corruption	Risk of willful misconduct or bribery carried out by persons inside or outside the Group in order to obtain an unfair or illicit advantage.
	Data protection	Risk of a breach of applicable data protection and privacy laws.
	External disclosure	Risk of dissemination of reports, accounting documents, communications or other notices with wrong, inaccurate or incomplete information.
	Financial regulation compliance	Risk of a breach of international or national financial laws and regulations.
	Tax compliance	Risk of a breach in complying with international or national fiscal laws and regulations.
	Compliance with other laws and regulations	Risk of a breach of international, national or local laws and regulations not already specified in the other risk categories (e.g., in electricity markets, distribution, generation, procurement, permitting, stock exchanges).

OUTLOOK

In November 2023, the Group presented its new Strategic Plan for 2024-2026, based on three pillars:

- profitability, flexibility and resilience through selective capital allocation, aimed at optimizing the Enel Group's risk/return profile;
- effectiveness and efficiency as drivers of the Group's operations, based on process simplification, a leaner organization focused on core geographies, and streamlined costs;
- financial and environmental sustainability to pursue value creation in addressing the challenges of climate change.

For the three-year period 2024-2026, the Group mapped out a total gross investment plan of €35.8 billion:

- around €18.6 billion in Grids, focusing on improving quality, resilience and digitalization, and encouraging new connections;
- around €12.1 billion in Renewables, particularly on on-shore wind, solar and battery storage, also leveraging on practices as repowering plants;
- around €3 billion in Customer experience, with an active management of the customer base through multi-play bundled offers, including goods and services in an integrated portfolio available through a single touchpoint for the customer.

As a result of the strategic actions described above, the Enel Group's ordinary EBITDA is expected to increase to between €23.6 billion and €24.3 billion in 2026, while Group net ordinary income is expected to increase to between €7.1 billion and €7.3 billion.

Dividend policy provides for a minimum fixed dividend per share (DPS) of €0.43 for the 2024-2026 period, with a potential increase up to a 70% payout on net ordinary income if cash neutrality is achieved.

The following are planned for 2024:

- investment in distribution grids focusing on geographical areas that have fair and transparent regulatory frameworks in place, in particular in Italy;
- selective investment in renewables, aimed at maximizing the return on capital employed and minimizing risks;
- active management of the customer base through bundled multi-play offers.

In view of the foregoing, the financial targets on which the Group's 2024-2026 Plan is based are reported below.

Financial targets

	2023	2024	2026
Profit growth			
Ordinary EBITDA (€ billions)	22.0	22.1-22.8	23.6-24.3
Ordinary profit (€ billions)	6.5	6.6-6.8	7.1-7.3
Value creation			
Dividend per share (€/share)	0.43	0.43[1]	0.43[1]
		Increase in DPS up to a payout of 70% ordinary profit if cash neutrality is achieved[2]	

(1) Minimum DPS.
(2) Cash neutrality is achieved if funds from operations (FFO) fully cover Group net investment plus dividends in excess of the fixed minimum dividend.

OTHER INFORMATION

Non-EU subsidiaries

At the date of approval by the Board of Directors of the financial statements of Enel SpA for 2023 – March 21, 2024 – the Enel Group meets the "conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries" (hereinafter "non-EU subsidiaries") established by CONSOB with Article 15 of the Markets Regulation (approved with Resolution no. 20249 of December 28, 2017).
Specifically, we report that:

- in application of the materiality criteria for the purposes of consolidation referred to in Article 15, paragraph 2, of the CONSOB Markets Regulation, 49 non-EU subsidiaries of the Enel Group have been identified to which the rules in question apply on the basis of the consolidated accounts of the Enel Group at December 31, 2022;
- they are: 1) 25 Mile Creek Windfarm LLC (a United States company belonging to Enel North America Inc.); 2) 25RoseFarms Holdings LLC (a United States company belonging to Enel North America Inc.); 3) Alta Farms Azure Ranchland Holdings LLC (a United States company belonging to Enel North America Inc.); 4) Alta Farms Wind Project II LLC (a United States company belonging to Enel North America Inc.); 5) Ampla Energia e Serviços SA (a Brazilian company belonging to Enel Américas SA); 6) Aurora Wind Project LLC (a United States company belonging to Enel North America Inc.); 7) Azure Blue Jay Holdings LLC (a United States company belonging to Enel North America Inc.); 8) Azure Sky Wind Project LLC (a United States company belonging to Enel North America Inc.); 9) Blue Jay Solar I LLC (a United States company belonging to Enel North America Inc.); 10) Cimarron Bend Wind Holdings I LLC (a United States company belonging to Enel North America Inc.); 11) Companhia Energética do Ceará - Coelce (a Brazilian company belonging to Enel Américas SA); 12) Eletropaulo Metropolitana Eletricidade de São Paulo SA (a Brazilian company belonging to Enel Américas SA); 13) Empresa Distribuidora Sur SA - Edesur (an Argentine company belonging to Enel Américas SA); 14) Empresa Eléctrica Pehuenche SA (a Chilean company belonging to Enel Chile SA); 15) Enel Américas SA (a Chilean subsidiary of Enel SpA); 16) Enel Argentina SA (an Argentine company belonging to Enel Américas SA); 17) Enel Brasil SA (a Brazilian company belonging to Enel Américas SA); 18) Enel Chile SA (a Chilean subsidiary of Enel SpA); 19) Enel Colombia SA ESP (formerly Emgesa SA ESP, a Colombian company belonging to Enel Américas SA); 20) Enel Distribución Chile SA (a Chilean company belonging to Enel Chile SA); 21) Enel Distribución Perú SAA (a Peruvian company belonging to Enel Américas SA); 22) Enel Finance America LLC (a United States company belonging to Enel North America Inc.); 23) Enel Fortuna SA (a Panamanian company belonging to Enel Américas SA); 24) Enel Generación Chile SA (a Chilean company belonging to Enel Chile SA); 25) Enel Generación Perú SAA (a Peruvian company belonging to Enel Américas SA); 26) Enel Green Power Canada Inc. (a Canadian company belonging to Enel North America Inc.); 27) Enel Green Power Chile SA (a Chilean company belonging to Enel Chile SA); 28) Enel Green Power Diamond Vista Wind Project LLC (a United States company belonging to Enel North America Inc.); 29) Enel Green Power México S de RL de Cv (a Mexican company belonging to Enel Green Power SpA); 30) Enel Green Power North America Inc. (a United States company belonging to Enel North America Inc.); 31) Enel Green Power Perú SAC (a Peruvian company merged into Enel Generación Perú SAA on August 1, 2023); 32) Enel Green Power Rattlesnake Creek Wind Project LLC (a United States company belonging to Enel North America Inc.); 33) Enel Green Power Roseland Solar LLC (a United States company belonging to Enel North America Inc.); 34) Enel Green Power South Africa (Pty) Ltd (a South African company belonging to Enel Green Power SpA); 35) Enel Kansas LLC (a United States company belonging to Enel North America Inc.); 36) Enel North America Inc. (a US subsidiary of Enel SpA); 37) Enel Peru SAC (a Peruvian company belonging to Enel Américas SA); 38) Enel Rinnovabile SA de Cv (a Mexican company belonging to Enel Green Power SpA); 39) Enel Trading North America LLC (a United States company belonging to Enel North America Inc.); 40) Enel X North America Inc. (a United States company belonging to Enel North America Inc.); 41) Geotérmica del Norte SA (a Chilean company belonging to Enel Chile SA); 42) High Lonesome Wind Power LLC (a United States company belonging to Enel North America Inc.); 43) Red Dirt Wind Project LLC (a United States company belonging to Enel North America Inc.); 44) Renovables de Guatemala SA (a Guatemala company

belonging to Enel Américas SA); 45) Rock Creek Wind Project LLC (a United States company belonging to Enel North America Inc.); 46) Seven Cowboy Wind Project LLC (a United States company belonging to Enel North America Inc.); 47) Thunder Ranch Wind Project LLC (a United States company belonging to Enel North America Inc.); 48) Tradewind Energy Inc. (a United States company belonging to Enel North America Inc.); 49) White Cloud Wind Project LLC (a United States company belonging to Enel North America Inc.);
- the balance sheet and income statement of the above companies included in the reporting package used for the purpose of preparing the 2023 consolidated financial statements of the Enel Group will be made available to the public by Enel SpA (pursuant to Article 15, paragraph 1A) of the Markets Regulation) at least 15 days prior to the day scheduled for the Ordinary Shareholders' Meeting called to approve the 2023 financial statements of Enel SpA together with the summary statements showing the essential data of the latest annual financial statements of subsidiaries and associated companies (pursuant to the applicable provisions of Article 77, paragraph 2-*bis*, of the CONSOB Issuers Regulation approved with Resolution no. 11971 of May 14, 1999);
- the articles of association and composition and powers of the control bodies from all the above subsidiaries have been obtained by Enel SpA and are available in updated form to CONSOB where the latter should request such information for supervisory purposes (pursuant to Article 15, paragraph 1B) of the Markets Regulation);
- Enel SpA has verified that the above subsidiaries:
  - provide the auditor of the Parent, Enel SpA, with information necessary to perform annual and interim audits of Enel SpA (pursuant to Article 15, paragraph 1 (letter C-i) of the Markets Regulation);
  - use an administrative and accounting system appropriate for regular reporting to the management and auditor of the Parent, Enel SpA, of income statement, balance sheet and financial data necessary for preparation of the consolidated financial statements (pursuant to Article 15, paragraph 1 (letter C-ii) of the Markets Regulation).

Approval of the separate financial statements

The Shareholders' Meeting called to approve the separate financial statements, as provided for by Article 9.2 of the bylaws of Enel SpA, shall be called within 180 days of the close of the financial year. The use of that time limit rather than the ordinary limit of 120 days from the close of the financial year, permitted under Article 2364, paragraph 2, of the Italian Civil Code, is justified by the fact that the Company is required to prepare consolidated financial statements.

Disclosures on financial instruments

The disclosures on financial instruments required by Article 2428, paragraph 2, no. 6-*bis* of the Italian Civil Code are reported in the following notes to the financial statements: 32 "Financial instruments", 33 "Risk management", 34 "Derivatives and hedge accounting" and 35 "Fair value measurement".

Transactions with related parties

For more information on transactions with related parties, please see note 37.

Own shares

At December 31, 2023, treasury shares are represented by 9,262,330 ordinary shares of Enel SpA with a par value of €1.00 each (7,153,795 at December 31, 2022), purchased through an authorized intermediary for a total of about €59 million.

Atypical or unusual operations

Pursuant to the CONSOB notice of July 28, 2006, the Group did not carry out any atypical or unusual operations in 2023. Such operations include transactions whose significance, size, nature of the counterparties, subject matter, method for calculating the transfer price or timing could give rise to doubts concerning the propriety and/or completeness of disclosure, conflicts of interest, preservation of company assets or protection of non-controlling shareholders.

Subsequent events

Significant events following the close of the year are discussed in note 42.

INCENTIVE SYSTEM

Enel's remuneration policy for 2023, which was adopted by the Board of Directors acting on a proposal of the Nomination and Compensation Committee and approved by the Shareholders' Meeting of May 10, 2023, was formulated on the basis of (i) the recommendations of the Italian Corporate Governance Code published on January 31, 2020; (ii) national and international best practice; (iii) the guidance provided by the favorable vote of the Shareholders' Meeting of May 19, 2022 on the remuneration policy for 2022; (iv) the results of the engagement activity on corporate governance issues pursued by the Company between January and February 2023 with the leading proxy advisors and some Enel's institutional investors; (v) the findings of the benchmark analysis of the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer/General Manager and the non-executive directors of Enel for 2022, which was performed by the independent consultant Mercer.

This policy is intended to (i) foster Enel's sustainable success, which takes the form of creating long-term value for the benefit of shareholders, due consideration of the interests of other key stakeholders, so as to incentivize the achievement of strategic objectives; (ii) attract, retain and motivate personnel with the professional skills and experience required by the sensitive managerial duties entrusted to them, taking into account the remuneration and working conditions of the employees of the Company and the Enel Group; and (iii) promote the corporate mission and values.

The 2023 remuneration policy adopted for the Chief Executive Officer/General Manager and key management personnel envisages:

- a fixed component;
- a short-term variable component (MBO) that will be paid out on the basis of achievement of specific performance objectives. Namely:
  - for the CEO/General Manager, annual objectives have been set for the following components:
    - consolidated net ordinary profit;
    - funds from operations/consolidated net financial debt;
    - commercial complains received at the Group level, accompanied by the following gate objectives: (i) System Average Interruption Duration Index - SAIDI; (ii) commercial complaints on the free commodity market in Italy;
    - workplace injury frequency rate, accompanied by a gate objective represented by fatal injuries;
  - for key management personnel, the respective MBOs identify objective and specific annual goals connected with the Strategic Plan. They are determined jointly by the Administration, Finance and Control Function and the People and Organization Function;
- a long-term variable component linked to participation in specific long-term incentive plans. In particular, for 2023 this component is linked to participation in the 2023 Long-Term Incentive Plan for the management of Enel SpA and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code (2023 LTI Plan), which establishes three-year performance targets for the following:
  - Enel's average TSR (Total Shareholder Return) compared with the average TSR for the EURO STOXX Utilities - EMU index for the 2023-2025 period;
  - ROIC (Return on Invested Capital) - WACC (Weighted Average Cost of Capital), cumulative for 2023-2025;
  - intensity of Scope 1 and Scope 3 GHG emissions related to the Group's Integrated Power operations (gCO_{2eq}/kWh), accompanied by a gate objective represented by the intensity of Scope 1 GHG emissions related to the Group's power generation (gCO_{2eq}/kWh) in 2025;
  - percentage of women in top management succession plans at the end of 2025.

The 2023 LTI Plan establishes that any bonus accrued is represented by an equity component, which can be supplemented – depending on the level of achievement of the various targets – by a cash component. More specifically, of the total incentive vested, the 2023 LTI Plan establishes that: (i) for the CEO/General Manager of Enel, the incentive shall be paid entirely in Enel shares up to 150% of the base value; (ii) for managers reporting directly to the CEO/General Manager of Enel, including key management personnel, the incentive shall be paid entirely in Enel shares up to 100% of the base value; and (iii) for beneficiaries other than those specified under (i) and (ii), the incentive shall be paid entirely in Enel shares up to 65% of the base value. The 2023 LTI Plan provides that the shares to be disbursed pursuant to the latter provisions shall be purchased previously by Enel and/or its subsidiaries. In addition, the disbursement of a significant portion of long-term variable remuneration (70% of the total) is deferred to the second year following the three-year performance period covered by the 2023 LTI Plan.

For more information on the remuneration policy for 2023, please see Enel's "Report on the remuneration policy for 2023 and compensation paid in 2022", which is available on the Company's website (www.enel.com).

2. CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

The corporate governance system of Enel SpA ("Enel" or the "Company") is compliant with the principles set forth in the Italian Corporate Governance Code,(16) adopted by the Company as a "large company" without "concentrated ownership",(17) and with international best practice adopted by the Company, and with international best practice.

The corporate governance system adopted by Enel and the Group is essentially aimed at achieving sustainable success, as it is aimed at creating value for the shareholders over the long term, taking into account the environmental and social importance of the Enel Group's business operations and the consequent need, in conducting such operations, to adequately consider the interests of all relevant stakeholders.

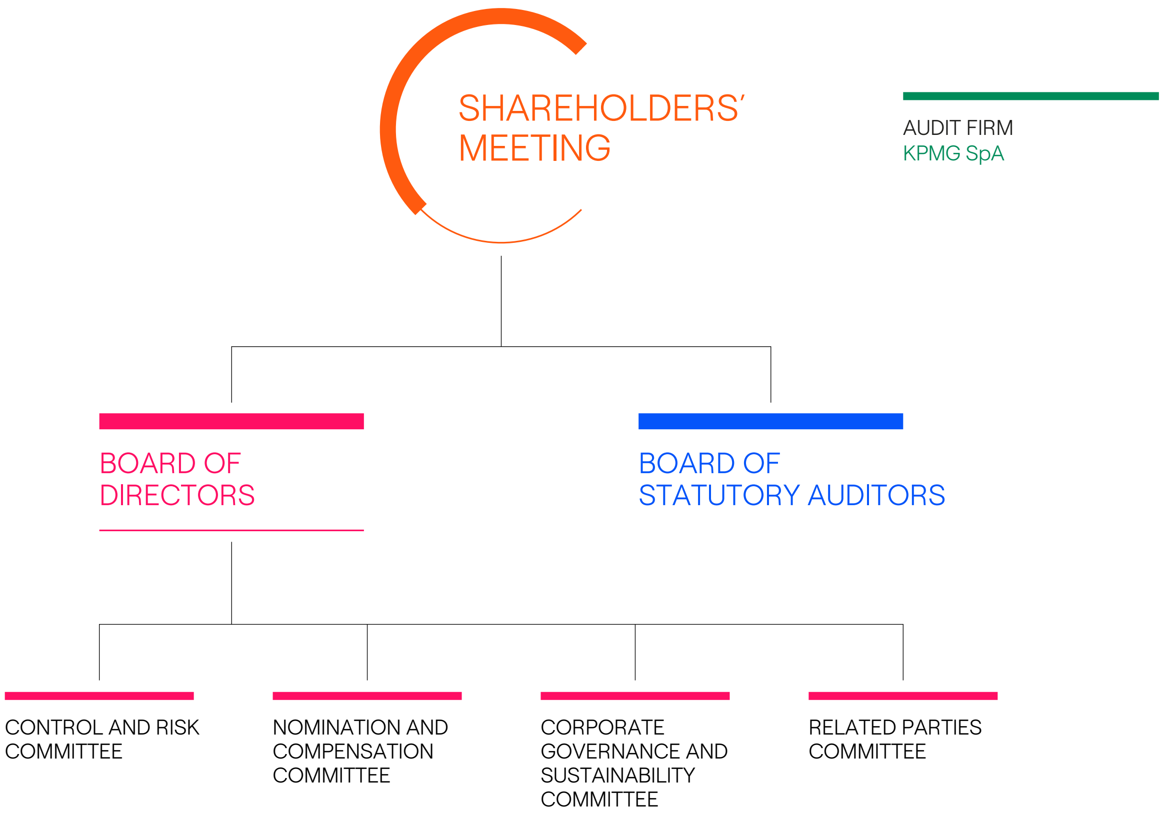
In compliance with Italian legislation governing listed companies, Enel's organization comprises the following bodies:

- a Board of Directors charged with managing the Company, which has established (i) internal Board committees whose functions include the preliminary analysis of issues, the development of recommendations and the performance of advisory functions, in order to ensure the adequate internal allocation of its functions, as well as (ii) a committee for transactions with related parties, which performs the functions envisaged by applicable legislation and specific company procedure;
- a Board of Statutory Auditors charged with monitoring: (i) compliance with the law and the bylaws, and with the principles of sound administration in the performance of company business; (ii) the financial reporting process, as well as the adequacy of the organizational structure, the internal control system and the administrative-accounting system of the Company; (iii) the statutory auditing of the annual accounts and the consolidated accounts, as well as the independence of the Audit Firm; and (iv) the manner in which the corporate governance rules set out in the Corporate Governance Code are actually implemented;
- a Shareholders' Meeting, which is competent to take decisions concerning, among other issues – in ordinary or extraordinary session: (i) the appointment and termination of members of the Board of Directors and the Board of Statutory Auditors and their compensation and any stockholders' suits; (ii) the approval of the separate financial statements and allocation of profit; (iii) the purchase and sale of treasury shares; (iv) remuneration policy and its implementation (v) stock-based compensation plans; (vi) amendments of the bylaws; (vii) mergers and demergers; and (viii) the issue of convertible bonds.

The statutory auditing of the accounts is performed by a specialized firm entered in the appropriate official register. It was engaged by the Shareholders' Meeting on the basis of a reasoned proposal of the Board of Statutory Auditors.

(16) Available from the website of Borsa Italiana (at https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf).

(17) The Corporate Governance Code defines a "large company" as any company whose capitalisation was greater than €1 billion on the last Exchange business day of each of the previous three calendar years, while a "company with concentrated ownership" is any company in which a single shareholder (or a plurality of shareholders which participates in a shareholders' voting agreement) holds, directly or indirectly (through subsidiaries, trustees or third parties), the majority of the votes that can be exercised in the ordinary shareholders' meeting.



For more detailed information on the corporate governance system, please see the Report on Corporate Governance and Ownership Structure of Enel, which has been published on the Company's website (http://www.enel.com, in the "Governance" section).

3.
SEPARATE FINANCIAL STATEMENTS

SEPARATE FINANCIAL STATEMENTS

Income Statement

Euro	Notes	2023	of which with related parties	2022	of which with related parties
Revenue					
Revenue from sales and services	4.a	107,242,614	*107,177,471*	116,051,123	*116,143,487*
Other income	4.b	55,953,225	*12,301,276*	16,663,153	*14,877,215*
	(Subtotal)	**163,195,839**		**132,714,276**	
Costs					
Purchase of consumables	5.a	411,658	*230,382*	386,707	*218,873*
Services, leases and rentals	5.b	201,897,034	*125,570,450*	206,383,096	*132,838,081*
Personnel expenses	5.c	135,217,154		104,681,593	
Depreciation, amortization and impairment losses	5.d	718,632,977		1,329,696,603	
Other operating costs	5.e	47,150,940	*411,287*	26,904,912	*615,302*
	(Subtotal)	**1,103,309,763**		**1,668,052,911**	
Operating loss		**(940,113,924)**		**(1,535,338,635)**	
Income from equity investments	6	4,269,179,595	*4,268,761,567*	8,770,435,089	*8,770,003,874*
Financial income from derivatives	7	906,666,335	*421,215,400*	2,131,015,975	*627,229,150*
Other financial income	8	481,633,806	*386,665,830*	431,697,733	*379,617,287*
Financial expense from derivatives	7	868,999,445	*342,163,853*	1,959,981,967	*1,166,367,143*
Other financial expense	8	952,414,076	*449,181,865*	786,552,405	*309,241,496*
	(Subtotal)	**3,836,066,215**		**8,586,614,425**	
Pre-tax profit		**2,895,952,291**		**7,051,275,790**	
Income taxes	9	(135,857,564)		(106,090,159)	
PROFIT FOR THE YEAR		**3,031,809,855**		**7,157,365,949**	

Statement of Comprehensive Income

Euro	Notes	2023	2022
Profit for the year		**3,031,809,855**	**7,157,365,949**
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		(55,299,318)	294,350,690
Change in the fair value of hedging costs		(45,732)	(3,149,358)
Other comprehensive income/(expense) that may not be subsequently reclassified to profit or loss (net of taxes)			
Remeasurement of net liabilities/(assets) for defined benefit plans		(5,254,233)	13,268,911
Change in the fair value of equity investments in other companies		1,239,631	1,952,292
Total other comprehensive income/(loss)	23	**(59,359,652)**	**306,422,535**
Comprehensive income/(loss) for the year		**2,972,450,203**	**7,463,788,484**

Statement of Financial Position

Euro	Notes				
ASSETS		**at Dec. 31, 2023**		**at Dec. 31, 2022**	
			of which with related parties		*of which with related parties*
Non-current assets					
Property, plant and equipment	10	9,325,876		10,527,976	
Intangible assets	11	130,536,624		133,425,176	
Deferred tax assets	12	105,795,799		146,252,786	
Equity investments	13	60,917,485,264		59,952,466,507	
Non-current financial derivative assets	14	260,558,273	*17,582,012*	348,779,629	*35,499,991*
Other non-current financial assets	15	9,732,013		13,667,732	
Other non-current assets	16	72,985,571	*64,126,969*	81,210,258	*68,953,577*
	(Total)	**61,506,419,420**		**60,686,330,064**	
Current assets					
Trade receivables[(1)]	17	167,063,646	*167,043,846*	294,100,316	*293,729,361*
Income tax assets	18	309,389,752		164,519,486	
Current financial derivative assets	14	76,246,594	*55,833,206*	390,303,368	*85,798,846*
Other current financial assets	19	6,482,654,926	*5,951,617,471*	3,480,039,167	*3,019,086,075*
Other current assets	20	1,581,057,389	*1,552,330,980*	584,062,049	*282,681,908*
Cash and cash equivalents	21	1,122,155,615		4,867,872,963	
	(Total)	**9,738,567,922**		**9,780,897,349**	
Non-current assets classified as held for sale	22	**-**		**654,000,000**	
TOTAL ASSETS		**71,244,987,342**		**71,121,227,413**	

(1) The related-party figures for trade receivables at December 31, 2022 have been calculated more accurately.

Euro	Notes	at Dec. 31, 2023		at Dec. 31, 2022	
LIABILITIES AND EQUITY			*of which with related parties*		*of which with related parties*
Equity					
Share capital		10,166,679,946		10,166,679,946	
Treasury share reserve		(59,391,451)		(47,077,924)	
Equity instruments – perpetual hybrid bonds		6,553,164,779		5,567,477,464	
Other reserves		11,785,045,273		11,835,447,410	
Retained earnings (loss carried forward)		8,591,640,579		5,695,687,373	
Profit for the year(1)		845,973,667		5,124,029,959	
TOTAL EQUITY	23	**37,883,112,793**		**38,342,244,228**	
Non-current liabilities					
Long-term borrowings	24	17,855,165,462	*14,274,103,557*	18,195,966,550	*12,406,766,403*
Employee benefits	25	120,706,096		131,204,919	
Non-current portion of provisions for risks and charges	26	20,741,948		26,699,393	
Deferred tax liabilities	12	43,103,814		98,253,224	
Non-current financial derivative liabilities	14	619,923,490	*104,107,038*	663,170,856	*163,067,356*
Other non-current liabilities	27	20,538,647	*8,512,767*	23,089,469	*8,493,024*
	(Subtotal)	**18,680,179,457**		**19,138,384,411**	
Current liabilities					
Short-term borrowings	24	8,631,664,059	*8,461,461,359*	8,751,561,341	*8,362,050,365*
Current portion of long-term borrowings	24	1,179,258,322	*132,390,869*	1,430,638,032	*1,332,500,814*
Current portion of provisions for risks and charges	26	9,194,092		14,646,861	
Trade payables	28	134,532,360	*86,850,266*	154,478,681	*97,033,054*
Current financial derivative liabilities	14	105,519,013	*19,558,734*	178,393,271	*69,056,412*
Other current financial liabilities	29	226,230,895	*110,995,822*	238,249,602	*94,222,302*
Other current liabilities	31	4,395,296,351	*824,782,216*	2,872,630,986	*739,812,883*
	(Subtotal)	**14,681,695,092**		**13,640,598,774**	
TOTAL LIABILITIES		**33,361,874,549**		**32,778,983,185**	
TOTAL LIABILITIES AND EQUITY		**71,244,987,342**		**71,121,227,413**	

(1) Profit for the year of €3,032 million (€7,157 million in 2022) is reported net of the interim dividend of €2,186 million (€2,033 million in 2022).

Statement of Changes in Equity (note 23)

Euro	Share capital	Share premium reserve	Negative treasury share reserve	Reserve for equity instruments – perpetual hybrid bonds	Legal reserve	Reserve pursuant to Law 292/1993
At January 1, 2022	**10,166,679,946**	**7,495,973,184**	**(36,046,337)**	**5,567,477,464**	**2,033,335,988**	**2,215,444,500**
Other changes	-	-	-	-	-	-
Purchase of treasury shares	-	-	(14,071,647)	-	-	-
Reserve for share-based payments (LTI)	-	42,879	-	-	-	-
Issue of own shares	-	-	3,040,060	-	-	-
Equity instruments – perpetual hybrid bonds	-	-	-	-	-	-
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-
Allocation of 2021 profit						
Distribution of dividends	-	-	-	-	-	-
Coupons to holders of perpetual hybrid bonds	-	-	-	-	-	-
Retaining earnings	-	-	-	-	-	-
2022 interim dividend(1)	-	-	-	-	-	-
Comprehensive income for the year						
Other comprehensive income	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-
At December 31, 2022	**10,166,679,946**	**7,496,016,063**	**(47,077,924)**	**5,567,477,464**	**2,033,335,988**	**2,215,444,500**
Purchase of treasury shares	-	-	(21,028,919)	-		
Reserve for share-based payments (LTI)	-	-	-	-	-	-
Issue of own shares	-	-	8,715,392	-	-	-
Equity instruments – perpetual hybrid bonds	-	-	-	985,687,315	-	-
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-
Allocation of 2022 profit						
Distribution of dividends	-	-	-	-	-	-
Coupons to holders of perpetual hybrid bonds	-	-	-	-	-	-
Retaining earnings	-	-	-	-	-	-
2023 interim dividend(2)	-	-	-	-	-	-
Comprehensive income for the year						
Other comprehensive income	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-
At December 31, 2023	**10,166,679,946**	**7,496,016,063**	**(59,391,451)**	**6,553,164,779**	**2,033,335,988**	**2,215,444,500**

(1) Approved by the Board of Directors on November 3, 2022 and paid as from January 25, 2023.
(2) Approved by the Board of Directors on November 7, 2023 and paid as from January 24, 2024.

	Other reserves	Hedging reserve	Hedging costs reserve	Reserve from measurement of financial assets at FVOCI	Actuarial reserve	Retained earnings	Profit for the year	Total equity
	118,883,477	**(318,200,397)**	**(259,933)**	**(119,746)**	**(34,677,733)**	**4,928,260,660**	**2,830,813,067**	**34,967,564,140**
	1,034	–	–	–	–	–	–	**1,034**
	14,026,715	–	–	–	–	(14,026,715)	–	**(14,071,647)**
	7,525,713	–	–	–	–	–	–	**7,568,592**
	(2,950,806)	–	–	–	–	2,950,806	–	**3,040,060**
	–	–	–	–	–	–	–	**-**
	–	–	–	–	–	(123,434,990)	–	**(123,434,990)**
	–	–	–	–	–	–	(1,931,669,190)	**(1,931,669,190)**
	–	–	–	–	–	70,554,749	(70,554,749)	**-**
	–	–	–	–	–	829,952,104	(828,589,129)	**1,362,975**
	–	–	–	–	–	1,430,759	(2,033,335,989)	**(2,031,905,230)**
	–	294,350,690	(3,149,358)	1,952,292	13,268,911	–	–	**306,422,535**
	–	–	–	–	–	–	7,157,365,949	**7,157,365,949**
	137,486,133	**(23,849,707)**	**(3,409,291)**	**1,832,546**	**(21,408,822)**	**5,695,687,373**	**5,124,029,959**	**38,342,244,228**
	21,073,852	–	–	–	–	(25,643,550)	–	**(25,598,617)**
	(3,311,691)	–	–	–	–	–	–	**(3,311,691)**
	(8,804,646)	–	–	–	–	9,072,425	–	**8,983,171**
	–	–	–	–	–	–	–	**985,687,315**
	–	–	–	–	–	(181,768,696)	–	**(181,768,696)**
	–	–	–	–	–	–	(2,033,335,989)	**(2,033,335,989)**
	–	–	–	–	–	123,434,990	(123,434,990)	**-**
	–	–	–	–	–	2,968,689,739	(2,967,258,980)	**1,430,759**
	–	–	–	–	–	2,168,298	(2,185,836,188)	**(2,183,667,890)**
	–	(55,299,318)	(45,732)	1,239,631	(5,254,233)	–	–	**(59,359,652)**
	–	–	–	–	–	–	3,031,809,855	**3,031,809,855**
	146,443,648	**(79,149,025)**	**(3,455,023)**	**3,072,177**	**(26,663,055)**	**8,591,640,579**	**845,973,667**	**37,883,112,793**

Statement of Cash Flows

Euro	Notes	2023		2022	
			of which with related parties		*of which with related parties*
Pre-tax profit		**2,895,952,291**		**7,051,275,790**	
Adjustments for:					
Depreciation, amortization and impairment losses	5.d	718,632,977		1,329,696,603	
Exchange (gains)/losses on foreign currency assets and liabilities		13,686,853		41,292,295	
Accruals to provisions		6,957,494		13,500,103	
Dividends from subsidiaries, associates and other companies	6	(4,269,179,595)	*(4,268,761,567)*	(8,770,435,089)	*(8,770,003,874)*
Net financial (income)/expense		411,222,943	*(16,527,553)*	125,469,680	*630,833,857*
Cash flows from operating activities before changes in net working capital		**(222,727,037)**		**(209,200,618)**	
Increase/(Decrease) in provisions		(28,866,530)		(74,223,632)	
(Increase)/Decrease in trade receivables	17	111,147,807	*113,669,287*	(19,074,769)	*(18,500,011)*
(Increase)/Decrease in other financial and non-financial assets/ liabilities		1,012,405,770	*(822,418,837)*	573,538,442	*1,028,253,294*
Increase/(Decrease) in trade payables	28	(19,946,322)	*(10,182,788)*	(12,541,935)	*(19,491,987)*
Interest income and other financial income collected		1,080,902,064	*644,093,507*	1,803,097,466	*685,825,927*
Interest expense and other financial expense paid		(1,460,144,722)	*(637,676,049)*	(2,058,692,623)	*(1,055,072,686)*
Dividends from subsidiaries, associates and other companies	6	3,851,190,666	*3,850,786,914*	9,112,358,781	*9,111,955,231*
Income taxes paid		(47,114,592)		(426,270,915)	
Cash flows from operating activities (a)		**4,276,847,104**		**8,688,990,197**	
Investments in property, plant and equipment and intangible assets	10-11	(47,401,080)		(45,254,041)	
Investments in equity investments	13	(1,608,039,876)	*(1,608,039,876)*	(1,739,147,822)	*(1,739,147,822)*
Disinvestments from extraordinary transactions		648,514,204	*648,514,204*	136,635,930	*136,635,930*
Cash flows used in investing activities (b)		**(1,006,926,752)**		**(1,647,765,933)**	
New long-term borrowing	24	2,201,106,190	*2,000,032,661*	4,250,921,203	*410,711*
Repayments of borrowings	24	(2,803,055,864)	*(1,332,805,452)*	(10,465,909,645)	*(5,117,740,779)*
Net change in long-term borrowings/(loan assets)		265,084,305	*1,200,109,945*	(1,159,334,729)	*(1,214,846,241)*
Net change in short-term borrowings/(loans assets)		(3,371,850,065)	*(4,006,272,340)*	8,267,773,610	*8,090,248,848*
Dividends and interim dividends paid	23	(4,090,667,883)		(3,881,594,634)	
Issue of perpetual hybrid bonds	23	1,737,237,500		-	
Redemption of perpetual hybrid bonds	23	(751,550,185)		-	
Coupons paid to holders of perpetual hybrid bonds	23	(181,768,696)		(123,434,990)	
Purchase of treasury shares	23	(20,173,002)		(14,026,715)	
Cash flows from/(used in) financing activities (c)		**(7,015,637,700)**		**(3,125,605,900)**	
Increase/(Decrease) in cash and cash equivalents (a+b+c)		**(3,745,717,348)**		**3,915,618,364**	
Cash and cash equivalents at the beginning of the year	21	4,867,872,963		952,254,599	
Cash and cash equivalents at the end of the year	21	**1,122,155,615**		**4,867,872,963**	

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Form and content of the separate financial statements

Enel SpA has its registered office in Viale Regina Margherita 137, Rome, Italy, and since 1999 has been listed on the *Mercato Telematico Azionario* (Electronic Stock Exchange) organized and operated by Borsa Italiana SpA.
Enel is an energy multinational and is one of the world's leading integrated operators in the electricity and gas industries, with a special focus on Europe and Latin America.
As the Parent, Enel SpA has prepared the consolidated financial statements of the Enel Group as at and for the year ended December 31, 2023, which are published in a separate document.
The publication of these separate financial statements was approved by the Board of Directors on March 21, 2024.
These separate financial statements have been audited by KPMG SpA.

Basis of presentation

These separate financial statements for the year ended December 31, 2023 represent the separate financial statements of the Parent, Enel SpA, and have been prepared in accordance with international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), 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 year. All of these standards and interpretations are hereinafter referred to as the "IFRS-EU".
These separate financial statements have also been prepared in conformity with measures issued in implementation of Article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.
The separate financial statements consist of the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows and the related notes.
The assets and liabilities reported in the statement of financial position are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities included in disposal groups classified as held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the close of the financial year; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.
The income statement classifies costs on the basis of their nature, with separate reporting of profit/(loss) from continuing operations and profit/(loss) from discontinued operations.
The statement of cash flows is prepared using the indirect method, with separate reporting of any cash flows by operating, investing and financing activities associated with discontinued operations.
For more information on cash flows in the statement of cash flows, please see the section "Cash flows" in the Report on Operations.
The separate financial statements have been prepared on a going concern basis using the cost method, with the exception of items measured at fair value in accordance with IFRS, as explained in the measurement criteria for the individual items, and non-current assets and disposal groups classified as held for sale, which are measured at the lower between their carrying amount and the fair value less costs to sell.
The separate financial statements are presented in euro, the functional currency of the Company, and the figures shown in the notes are reported in millions of euro unless stated otherwise.
The separate financial statements provide comparative information in respect of the previous year.

2. Accounting policies

2.1 Focus on non-financial issues

Climate change disclosures

The move towards "net zero" is under way worldwide and the processes of decarbonization and electrification of the global economy are crucial to avoiding the serious consequences of an increase in temperatures of over 1.5 °C.
With this outlook, the Group has set its strategic guidelines as follows:

- allocate capital to support a decarbonized electricity supply;
- enable the electrification of customers' energy demand;
- leverage the creation of value along the value chain;
- bring forward achievement of the sustainable "net zero" goals to 2040.

Considering the risks related to climate change and the provisions of the Paris Agreement, the Group has decided to achieve the carbon neutrality objectives in advance and reflect their impact in assets, liabilities, and profit and loss, highlighting the significant and foreseeable impacts as required under the Conceptual Framework of the international accounting standards.
As regards the effects of issues related to climate change, the Group considers climate change as an implicit element in the application of methodologies and models used to make estimates in the evaluation and/or measurement of certain items. Furthermore, the Company has taken account of the impact of climate change in the significant judgments made by management.
For further details on the financial implications of issues related to climate change, please see note 2.2 "Use of estimates and management judgment" and to the notes relating to specific items.

2.2 Use of estimates and management judgment

Preparing these separate financial statements under IFRS-EU requires management to take decisions and make estimates and assumptions that may impact the carrying amounts of revenue, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities. The estimates and management's judgments are based on previous experience and other factors considered reasonable in the circumstances. They are formulated when the carrying amount of assets and liabilities is not easily determined from other sources. The actual results may therefore differ from these estimates. The estimates and assumptions are periodically revised and the effects of any changes are reflected through profit or loss if they only involve that period. If the revision involves both the current and future periods, the change is recognized in the year in which the revision is made and in the related future periods.
In order to enhance understanding of the separate financial statements, the following sections examine the main items affected by the use of estimates and the cases that reflect management judgments to a significant degree, underscoring the main assumptions used by management in measuring these items in compliance with the IFRS-EU. The critical element of such valuations is the use of assumptions and professional judgments concerning issues that are by their very nature uncertain.
Changes in the conditions underlying the assumptions and judgments could have a substantial impact on future results.
The information included in the financial statements is selected on the basis of a materiality analysis carried out in accordance with the requirements of Practice Statement 2 "Making Materiality Judgments", issued by the International Accounting Standards Board (IASB).

Use of estimates

Recoverability of equity investments

The Company assesses the presence of evidence of impairment of each equity investment at least once a year, consistent with its strategy for managing the legal entities within the Group. If such evidence is found, the assets involved undergo impairment testing. The processes and procedures for determining the recoverable amount of each equity investment are based on assumptions that can be complex and whose nature requires management to use its judgment, especially as regards the identification of evidence of impairment, the forecasting of future profitability over the horizon of the Group business plan, the determination of the normalized cash flows underlying the estimation of terminal value and the determination of long-term growth rates and discount rates applied to forecasts of future cash flows.

Impairment of non-financial assets

Assets such as property, plant and equipment and intangible assets are adjusted for impairment when their carrying amount exceeds their recoverable amount, represented by the higher of their fair value less costs to sell and their value in use.

The recoverable amount is assessed in accordance with the criteria established by IAS 36, which are discussed in greater detail in the appropriate notes to the separate financial statements.

In determining the recoverable amount, the Company generally applies the value in use criterion, i.e. the present value of the future cash flows that are expected to be derived from the asset, discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Future cash flows used to determine value in use are based on the most recent Business Plan, approved by the management, containing forecasts for volumes, revenue, operating costs and investments. These projections cover the next three years. For subsequent years, account is taken of:

- assumptions concerning the long-term evolution of the main variables considered in the calculation of cash flows, as well as the average residual useful life of the assets or the duration of the concessions, based on the specific characteristics of the businesses;
- a long-term growth rate equal to the long-term growth of electricity demand and/or inflation (depending on the country and business) that does not in any case exceed the average long-term growth rate of the market involved.

The recoverable amount is sensitive to the estimates and assumptions used in the calculation of cash flows and the discount rates applied. Nevertheless, possible changes in the underlying assumptions of such amounts could generate different recoverable amounts. The analysis of each group of non-financial assets is unique and requires management to use estimates and assumptions considered prudent and reasonable in the specific circumstances.

Furthermore, in line with its business model and in the context of the energy transition process, the Company has also carefully assessed whether climate change issues have affected the reasonable and supportable assumption used to estimate expected cash flows. In this regard, where necessary, the Company has also taken account of the long-term impact of climate change, in particular by considering in the estimation of the terminal value a long-term growth rate in line with the change in electricity demand determined using energy models for each country.

Information on the main assumptions used to estimate the recoverable amount of assets with reference to the impacts relating to climate change, as well as information on changes in these assumptions, is provided in the applicable notes.

Expected credit losses on financial assets

At each reporting date, the Company recognizes a loss allowance for expected credit losses on trade receivables and other financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets and all other assets in the scope.

Loss allowances for financial assets are based on assumptions about risk of default and on the measurement of expected credit losses. Management uses judgement in making these assumptions and selecting the inputs for the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The expected credit loss (ECL), determined considering probability of default (PD), loss given default (LGD), and exposure at default (EAD), is the difference between all contractual cash flows that are due in accordance with the contract and all cash flows that are expected to be received (including shortfalls) discounted at the original effective interest rate.

For additional details on the general simplified approach used to determine expected credit losses, please see note 32 "Financial instruments".

Based on the specific reference market and the regulatory context of the sector, as well as expectations of recovery after 90 days, for such assets, the Company mainly applies a default definition of 180 days past due to determine expected credit losses, as this is considered an effective indication of a significant increase in credit risk. Accordingly, financial assets that are more than 90 days past due are generally not considered to be in default, except for some specific regulated markets.

For trade receivables and contract assets the Company mainly applies a collective approach based on grouping the receivables into specific clusters. Only if the trade receivables are deemed to be individually significant by management and there is specific information about any significant increase in credit risk does the Company apply an analytical approach.

Based on specific management evaluations, the forward-looking adjustment can be applied considering qualitative and quantitative information in order to reflect possible future events and macroeconomic scenarios, which may affect the risk of the portfolio or the financial instrument.

For additional details on the key assumptions and inputs used, please see note 32 "Financial instruments".

Determining the fair value of financial instruments

The fair value of financial instruments is determined on the basis of prices directly observable in the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximize the use of observable market inputs. In rare circumstances where this is not possible, the inputs are estimated by management taking due account of the characteristics of the instruments being measured.
In accordance with IFRS 13, the Company includes a measurement of credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), in order to adjust the fair value of financial instruments for the corresponding amount of counterparty risk, applying the method indicated in note 35 "Fair value measurement". Changes in the assumptions made in estimating the input data could have an impact on the fair value recognized for those instruments.

Pensions and other post-employment benefits

Some of the Company's employees participate in pension plans offering benefits based on their wage history and years of service. Certain employees are also eligible for other post-employment benefit schemes.
The expenses and liabilities of such plans are calculated on the basis of estimates carried out by consulting actuaries, who use a combination of statistical and actuarial elements in their calculations, including statistical data on past years and forecasts of future costs. Other components of the estimation that are considered include mortality and retirement rates as well as assumptions concerning future developments in discount rates, the rate of wage increases, the inflation rate and trends in healthcare cost.
These estimates can differ significantly from actual developments owing to changes in economic and market conditions, increases or decreases in retirement rates and the lifespan of participants, as well as changes in the effective cost of healthcare.
Such differences can have a substantial impact on the quantification of pension costs and other related expenses.
For further details on the main actuarial assumptions, please see note 25 "Employee benefits".

Provisions for risks and charges

For more details on provisions for risks and charges, please see note 26 "Provisions for risks and charges".
Note 40 "Contingent assets and liabilities" also provides information regarding the most significant contingent liabilities for the Company.

Litigation

The Company is involved in various civil, administrative and tax disputes connected with the normal pursuit of its activities that could give rise to significant liabilities. It is not always objectively possible to predict the outcome of these disputes. The assessment of the risks associated with this litigation is based on complex factors whose very nature requires recourse to management judgments, even when taking account of the contribution of external advisors assisting the Company, about whether to classify them as contingent liabilities or liabilities.
Provisions have been recognized to cover all significant liabilities for cases in which legal counsel feels an adverse outcome is likely and a reasonable estimate of the amount of the loss can be made. Note 40 provides disclosures on the Company's most significant contingent liabilities.

Leases

When the interest rate implicit in the lease cannot be readily determined, the Company uses the incremental borrowing rate (IBR) at the lease commencement date to calculate the present value of the lease payments. This is the interest rate that the lessee would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. When no observable inputs are available, the Company estimates the IBR making assumptions to reflect the terms and conditions of the lease and certain entity-specific estimates.
One of the most significant judgments for Company is determining this IBR necessary to calculate the present value of the lease payments required to be paid to the lessor.
The Company's approach to determining an IBR is based on the assessment of the following three key components: the risk-free rate, which considers the cash flows of the lease payments, the economic environment where the lease contract has been negotiated and the lease term; the credit spread adjustment, in order to calculate an IBR that is specific for the lessee considering any underlying parent or other guarantee; and the lease-related adjustments, in order to reflect in the IBR calculation the fact that the discount rate is directly linked to the type of the underlying asset, rather than being a general incremental borrowing rate. In particular, the risk of default is mitigated for the lessors as they have the right to reclaim the underlying asset itself.

Income taxes

Recovery of deferred tax assets

At December 31, 2023, the separate financial statements report deferred tax assets in respect of tax losses or tax credits to be reversed in subsequent years and income components whose deductibility is deferred in an amount whose recovery is considered by management to be highly probable.
The recoverability of such assets is subject to the achievement of future income sufficient to absorb such tax losses

and to use the benefits of the other deferred tax assets.
Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income together with future tax planning strategies and the tax rates applicable at the date of reversal. However, where the Company should become aware that it is unable to recover all or part of recognized tax assets in future years, the consequent adjustment would be taken to the income statement in the year in which this circumstance arises.
For more detail on deferred tax assets recognized or not recognized, please see note 12 "Deferred tax assets and liabilities".

Management judgment

Determining the useful life of non-financial assets

In determining the useful life of property, plant and equipment and intangible assets with a finite useful life, the Company considers not only the future economic benefits – contained in the assets – obtained through their use, but also many other factors, such as physical wear and tear, the technical, commercial or other obsolescence of the product or service produced with the asset, legal or similar limits (e.g., safety, environmental or other restrictions) on the use of the asset, if the useful life of the asset depends on the useful life of other assets.
Furthermore, in estimating the useful lives of the assets concerned, the Company has taken account of its commitment under the Paris Agreement.

Determination of the existence of control

Under the provisions of IFRS 10, control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is defined as the current ability to direct the relevant activities of the investee based on existing substantive rights.
The existence of control does not depend solely on ownership of a majority investment, but rather it arises from substantive rights that each investor holds over the investee. Consequently, management must use its judgment in assessing whether specific situations determine substantive rights that give the Company the power to direct the relevant activities of the investee in order to affect its returns.
For the purpose of assessing control, management analyses all facts and circumstances including any agreements with other investors, rights arising from other contractual arrangements and potential voting rights (call options, warrants, put options granted to non-controlling shareholders, etc.). These other facts and circumstances could be especially significant in such assessment when the Company holds less than a majority of voting rights, or similar rights, in the investee.
Furthermore, even if it holds more than half of the voting rights in another entity, the Company considers all the relevant facts and circumstances in assessing whether it controls the investee.
The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements considered in verifying the existence of control.
Finally, the assessment of the existence of control did not find any situations of *de facto* control.

Determination of the existence of joint control and of the type of joint arrangement

Under the provisions of IFRS 11, a joint arrangement is an agreement where two or more parties have joint control.
Joint control only exists when the decisions over the relevant activities require the unanimous consent of all the parties that share control.
A joint arrangement can be configured as a joint venture or a joint operation. Joint ventures are joint arrangements whereby the parties that have joint control have rights to the net assets of the arrangement. Conversely, joint operations are joint arrangements whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement.
In order to determine the existence of the joint control and the type of joint arrangement, management must apply judgment and assess its rights and obligations arising from the arrangement. For this purpose, the management considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.
The Company re-assesses whether or not it has joint control if facts and circumstances indicate that changes have occurred in one or more of the elements considered in verifying the existence of joint control and the type of the joint arrangement.

Determination of the existence of significant influence over an associate

Associates are those in which the Company exercises significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee but not exercise control or joint control over those policies. In general, it is presumed that the Company has a significant influence when it has an ownership interest of 20% or more.
In order to determine the existence of significant influence, management must apply judgment and consider all facts and circumstances.

Determination of non-current assets (or disposal groups) held for sale and discontinued operations

An asset is classified as "held for sale" when its sale is highly probable.

To determine whether a sale is highly probable, the Group considers whether:

- management is committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan has been initiated;
- the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except where the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset;
- the actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Classification and measurement of financial assets

At initial recognition, in order to classify financial assets as financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, management assesses both the contractual cash flow characteristics of the instrument and the business model for managing financial assets in order to generate cash flows.

For the purpose of evaluating the contractual cash flow characteristics of the instrument, management performs the SPPI test at an instrument level, in order to determine if it gives rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, performing specific assessment on the contractual clauses of the financial instruments, as well as quantitative analysis, if required.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For more details, please see note 32 "Financial instruments".

Hedge accounting

Hedge accounting is applied to derivatives in order to reflect into the financial statements the effect of risk management strategies of the Company.

Accordingly, at the inception of the transaction the Company documents the hedge relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy. The Company also assesses, both at hedge inception and on an ongoing basis, whether hedging instruments are highly effective in offsetting changes in the fair values or cash flows of hedged items.

On the basis of management's judgment, the effectiveness assessment based on the existence of an economic relationship between the hedging instruments and the hedged items, the dominance of credit risk in the changes in fair value and the hedge ratio, as well as the measurement of the ineffectiveness, is evaluated through a qualitative assessment or a quantitative computation, depending on the specific facts and circumstances and on the characteristics of the hedged items and the hedging instruments.

For cash flow hedges of forecast transactions designated as hedged items, management assesses and documents that they are highly probable and present an exposure to changes in cash flows that affect profit or loss.

For more details on the key assumptions used in assessing effectiveness and measuring the ineffective portion of hedges, please see note 34.1 "Hedge accounting".

Leases

The complexity of the assessment of the lease contracts, and also their long-term expiring date, requires a strong professional judgment for the IFRS 16 application. In particular, for:

- the application of the definition of a lease to the cases typical of the sectors in which the Company operates;
- the identification of the non-lease component in the lease;
- the evaluation of any renewable and termination options included in the lease in order to determine the term of leases, also considering the probability of their exercise and any significant leasehold improvements on the underlying asset;
- the identification of any variable lease payments that depend on an index or a rate to determine where the changes of the latter impact the future lease payments and also the amount of the right-of-use asset;
- the estimate of the discount rate to calculate the present value of the lease payments; further details on assumptions about this rate are provided in the paragraph "Use of estimates".

Uncertainty over income tax treatments

The Company determines whether to consider each uncertain income tax treatment separately or together with one or more other uncertain tax treatments as well as whether to reflect the effect of uncertainty by using the most likely amount or the expected value method, based on which approach better predicts the resolution of the uncertainty for each uncertain tax treatments.

The Company makes significant use of professional judgment in identifying uncertainties about income tax treatments and reviews the judgments and estimates made in the event of a change in facts and circumstances that could change its assessment of the acceptability of a specific tax treatment or the estimate of the effects of uncertainty, or both.

2.3 Material accounting policies

Related parties

Pursuant to IAS 24, related parties are mainly those that share the same controlling entity with Enel SpA, the companies that directly or indirectly are controlled by Enel SpA, the associates or joint ventures (including their subsidiaries) of Enel SpA, or the associates or joint ventures (including their subsidiaries) of any Group company.
Related parties also include entities that operate post-employment benefit plans for employees of Enel SpA or its associates (specifically, the FOPEN and FONDENEL pension funds), as well as the members of the boards of statutory auditors, and their immediate family, and the key management personnel, and their immediate family, of Enel SpA and its subsidiaries. Key management personnel comprise management personnel who have the power and direct or indirect responsibility for the planning, management and control of the activities of the company. They include directors (whether executive or not).

Subsidiaries, associates and joint ventures

The Company controls an entity when it is exposed to or has rights to variable returns deriving from its involvement, regardless of the nature of their formal relationship, and has the ability, through the exercise of its power over the investee, to affect its returns. For more information on the definition of control, please see the section "Determination of the existence of control" in note 2.2 "Use of estimates and management judgment".
Associates comprise those entities in which the Company has a significant influence. Significant influence is the power to participate in the financial and operating policy decisions of investees but not exercise control or joint control over those entities.
Joint ventures are joint arrangements over which the Company exercises joint control and has rights to the net assets of the arrangement. Joint control means sharing control of an arrangement, which only exists when the decisions over the relevant activities require the unanimous consent of all the parties that share control.
Equity investments in subsidiaries, associates and joint ventures are measured at cost. Cost is adjusted for any impairment losses, which are reversed where the reasons for their recognition no longer obtain. The carrying amount resulting from the reversal may not exceed the original cost.
Where the loss pertaining to Enel SpA exceeds the carrying amount of the investment and the Company is obligated to perform the legal or constructive obligations of the investee or in any event to cover its losses, the excess with respect to the carrying amount is recognized in liabilities in the provision for risks and charges.
In the case of a disposal, without economic substance, of an investment to an entity under common control, any difference between the consideration received and the carrying amount of the investment is recognized in equity.

Translation of foreign currency items

Pursuant to "IAS 21 - The Effects of Changes in Foreign Exchange Rates", transactions in currencies other than the functional currency are initially recognized at the spot exchange rate prevailing on the date of the transaction.
Monetary assets and liabilities denominated in a foreign currency other than the functional currency are subsequently translated using the closing exchange rate (i.e. the spot exchange rate prevailing at the reporting date).
Non-monetary assets and liabilities denominated in foreign currency that are recognized at historical cost are translated using the exchange rate at the date of the initial recognition of the transaction. Non-monetary assets and liabilities in foreign currency measured at fair value are translated using the exchange rate at the date that the fair value was determined.
Any exchange differences are recognized through profit or loss.
In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration in foreign currency paid or received, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability associated with the advance consideration.

Fair value measurement

For all fair value measurements and disclosures of fair value that are either required or permitted by the IFRS the Company applies IFRS 13.
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction, between market participants, at the measurement date (i.e. an exit price).
The fair value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the principal market, i.e. the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, it is assumed that the transaction takes place in the most advantageous market to which the

Company has access, i.e. the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Market participants are independent, knowledgeable sellers and buyers who are able to enter into a transaction for the asset or the liability and who are motivated but not forced or otherwise compelled to do so.
When measuring fair value, the Company considers the characteristics of the asset or liability, in particular:

- for a non-financial asset, a fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use;
- for liabilities and own equity instruments, the fair value reflects the effect of non-performance risk, i.e. the risk that an entity will not fulfill an obligation, including among others the credit risk of the Company itself;
- in the case of groups of financial assets and financial liabilities with offsetting positions in market risk or credit risk, managed on the basis of an entity's net exposure to such risks, see for more details note 35.1 "Assets measured at fair value in the statement of financial position" and note 35.2 "Liabilities measured at fair value in the statement of financial position".

In measuring the fair value of assets and liabilities, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Property, plant and equipment

Pursuant to IAS 16, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenses directly attributable to bringing the asset to the location and condition necessary for its intended use.
Subsequent costs are recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the cost incurred to replace a part of the asset will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized in profit or loss as incurred.
Property, plant and equipment, net of its residual value, is depreciated on a straight-line basis over its estimated useful life, which is reviewed annually and, if appropriate, adjusted prospectively. Depreciation begins when the asset is available for use.

The estimated useful life of the main items of property, plant and equipment is as follows:

	Shorter of the term of the contract and residual useful life
Leasehold improvements	40 years
Civil buildings	7 years
Other assets	7 years

Land is not depreciated as it has an indefinite useful life.
Assets recognized under property, plant and equipment are derecognized either upon their disposal (i.e. at the date the recipient obtains control) or when no future economic benefit is expected from their use or disposal.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease applying the definition of a lease under IFRS 16, that is met if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease (i.e. the date the underlying asset is available for use).
The right-of-use asset represents a lessee's right to use an underlying asset for the lease term; it is initially measured at cost, which includes the initial amount of lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset and to restore the underlying asset or the site on which it is located.
The lease liability is initially measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the lessee's incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable.
Variable lease payments that do not depend on an index or a rate are recognized as expenses in the year in which the event or condition that triggers the payment occurs.
After the commencement date, the lease liability is measured at amortized cost using the effective interest method and is remeasured upon the occurrence of certain events.
The Company applies the short-term lease recognition exemption to its lease contracts that have a lease term of 12 months or less from the commencement date. It also ap-

plies the low value assets recognition exemption to lease contracts for which the underlying asset is of low-value whose amount is estimated not material. As example, the Company has leases of certain office equipment (i.e. personal computers, printing and photocopying machines) that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Intangible assets

Pursuant to IAS 38, intangible assets are identifiable assets without physical substance controlled by the Company, when it is probable that the use of such assets will generate future economic benefits and the related cost can be reliably determined.
They are measured at purchase or internal development cost and are recognized as an intangible asset only when the Company can demonstrate the technical feasibility of completing the intangible asset and that it has intention, ability and resources to complete the asset in order to use or sell it.
The cost includes any directly attributable expenses necessary to make the assets ready for their intended use.
Intangible assets with a finite useful life are recognized net of accumulated amortization and any impairment losses.
Amortization is calculated on a straight-line basis over the asset's estimated useful life, which is reassessed at least annually; any changes in amortization policies are reflected on a prospective basis. For more information on the estimation of useful life, please see note 2.2 "Use of estimates and management judgment".
Amortization commences when the asset is ready for use. Consequently, intangible assets not yet available for use are not amortized, but are tested for impairment at least annually.
The Company's intangible assets have a finite useful life.
Intangible assets comprise application software owned by the Company with an expected useful life of between three and five years.

Impairment of non-financial assets

Pursuant to "IAS 36 - Impairment of Assets" at each reporting date, property, plant and equipment, investment property recognized at cost, intangible assets, right-of-use assets, goodwill and equity investments in associates/joint ventures are reviewed to determine whether there is evidence of impairment (using internal and external sources of information).
Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually or more frequently if there is evidence suggesting that the assets may be impaired.
If such evidence exists, the recoverable amount of each asset involved is estimated on the basis of the use of the asset and its future disposal, in accordance with the most recent Group business plan. For more on the estimation of the recoverable amount, please see the section "Use of estimates".
The recoverable amount is calculated for an individual asset unless that asset is not capable of generating incoming cash flows that are largely independent of those generated by other assets or groups of assets.
If the carrying amount of an asset is greater than its recoverable amount, an impairment loss is recognized in profit or loss under "Depreciation, amortization and impairment losses".
If the reasons for a previously recognized impairment loss no longer obtain, the carrying amount of the asset is restored through profit or loss, under "Depreciation, amortization and impairment losses", in an amount that shall not exceed the carrying amount that the asset would have had if the impairment loss had not been recognized and depreciation or amortization had been performed.

Financial instruments

Financial instruments are recognized and measured in accordance with "IAS 32 - Financial Instruments: Presentation" and "IFRS 9 - Financial Instruments".
A financial asset or liability is recognized when, and only when, the Company becomes party to the contractual provision of the instrument (trade date).
Trade receivables arising from contracts with customers, in the scope of IFRS 15, are initially measured at their transaction price (as defined in IFRS 15) if such receivables do not contain a significant financing component or when the Company applies the practical expedient allowed by IFRS 15.
Conversely, the Company initially measures financial assets other than the trade receivables noted above at their fair value plus, in the case of a financial asset not recognized at fair value through profit or loss, transaction costs.
Financial assets are classified at initial recognition as financial assets at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss, on the basis of both:

- the Company's business model for managing financial assets, that is how it manages its financial assets in order to generate cash flows (whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both); and
- the contractual cash flow characteristics of the instrument, to determine whether the instrument gives rise to cash flows that are solely payments of principal and interest (SPPI) based on the SPPI test.

For purposes of subsequent measurement, financial assets are classified in three categories:

- financial assets at amortized cost (debt instruments);
- financial assets designated at fair value through OCI with no reclassification of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

Financial assets measured at amortized cost

This category mainly includes trade receivables, other financial assets and loan assets.

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and whose contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such assets are initially recognized at fair value, adjusted for any transaction costs, and subsequently measured at amortized cost using the effective interest method and are subject to impairment.

Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through other comprehensive income (FVOCI) – Equity instruments

This category includes mainly equity investments in other entities irrevocably designated as such upon initial recognition.

Gains and losses on these financial assets are never reclassified to profit or loss. The Company may transfer the cumulative gain or loss within equity.

Equity instruments designated at fair value through OCI are not subject to impairment testing.

Dividends on such investments are recognized in profit or loss unless they clearly represent a recovery of a part of the cost of the investment.

Financial assets at fair value through profit or loss

This category mainly includes:

- financial assets with cash flows that are not solely payments of principal and interest, irrespective of the business model;
- financial assets held for trading because acquired or incurred principally for the purpose of selling or repurchasing in short term (i.e. securities, financial investments in funds, etc.);
- derivatives, including separated embedded derivatives, held for trading or not designated as effective hedging instruments;
- contingent considerations.

Such financial assets are initially recognized at fair value with subsequent gains and losses from changes in their fair value recognized through profit or loss.

This category also includes equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the income statement when the right of payment has been established.

Impairment of financial assets

At each reporting date, the Company recognizes a loss allowance for expected credit losses on trade receivables and other financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income (FVOCI), contract assets and all other assets within the scope of IFRS 9.

The Company has adopted an impairment model, developed in compliance with IFRS 9, which is based on the determination of expected credit losses (ECL) using a forward-looking approach.

For trade receivables, contract assets and lease receivables, including those with a significant financial component, the Company adopts the simplified approach, determining expected credit losses over a period corresponding to the entire life of the receivable, generally equal to 12 months.

For all financial assets other than trade receivables, contract assets and lease receivables, the Company applies the general approach under IFRS 9, based on the assessment of a significant increase in credit risk since initial recognition.

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

For more information on the impairment of financial assets, please see note 32 “Financial instruments”.

Cash and cash equivalents

This category includes deposits that are available on demand or at very short term, as well as highly liquid financial investments that are readily convertible into a known amount of cash and which are subject to insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents do not include bank overdrafts at the reporting date.

Financial liabilities at amortized cost

This category mainly includes borrowings, trade payables, lease liabilities and debt instruments.
Financial liabilities, other than derivatives, are recognized when the Company becomes a party to the contractual clauses of the instrument and are initially measured at fair value adjusted for directly attributable transaction costs. Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the carrying amount of the financial asset or liability.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss mainly include:
- financial liabilities, held for trading if they are incurred for the purpose of repurchasing in the near term;
- derivative financial instruments entered into by the Company that are not designated as hedging instruments as defined by IFRS 9.

Derecognition of financial assets and liabilities

Financial assets are derecognized whenever one of the following conditions is met:
- the contractual right to receive the cash flows associated with the asset expires;
- the Company has transferred substantially all the risks and rewards associated with the asset, transferring its rights to receive the cash flows of the asset or assuming a contractual obligation to pay such cash flows to one or more beneficiaries under a contract that meets the requirements provided by IFRS 9 (the "pass through test");
- the Company has not transferred or retained substantially all the risks and rewards associated with the asset but has transferred control over the asset.

On derecognition of a financial asset, the Company recognizes the difference between the carrying amount (measured at the date of derecognition) and the consideration received through profit or loss.
Financial liabilities are derecognized when they are extinguished, i.e. when the contractual obligation has been discharged, cancelled or expired.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Derivative financial instruments

Derivative instruments are classified as financial assets or liabilities depending on the positive or negative fair value and they are classified as "held for trading" within "Other business models" and measured at fair value through profit or loss, except for those designated as effective hedging instruments.
All derivatives held for trading are classified as current assets or liabilities.
Derivatives not held for trading purposes, but measured at fair value through profit or loss since they do not qualify for hedge accounting and derivative designated as effective hedging instruments are classified as current or not current on the basis of their maturity date and the Company intention to hold the financial instrument until maturity or not.
For more details about derivatives and hedge accounting, please see note 34.1 "Hedge accounting".

Offsetting financial assets and liabilities

The Company offsets financial assets and liabilities when:
- there is a legally enforceable right to set off the recognized amounts; and
- there is the intention of either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Non-current assets (or disposal groups) classified as held for sale and discontinued operations

In compliance with IFRS 5, non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use.
This classification criterion is applicable only when non-current assets (or disposal groups) are available in their present condition for immediate sale and the sale is highly probable.
For more details on the requirements for determining whether a sale is highly probable, please see note 2.2 "Use of estimates and management judgment".

Employee benefits

Post employment and other long-term benefits

In compliance with IAS 19, the Company determines, separately for each plan, the liabilities related to employee benefits paid upon or after ceasing employment and other long-term benefits accrued during the employment period. The Company uses actuarial assumptions to estimate the amount of the future benefits that employees have accrued at the reporting date (using the projected unit credit method) and calculates the present value of the plans using an appropriate discount rate.

The liability, net of any plan assets, is recognized on an accrual basis over the vesting period of the related rights. These appraisals are performed by independent actuaries.

If the plan assets exceed the present value of the related defined benefit obligation, the surplus (up to the limit of any cap) is recognized as an asset.

As regards the liabilities/(assets) of defined benefit plans, the cumulative actuarial gains and losses from the actuarial measurement of the liabilities, the return on the plan assets (net of the associated interest income) and the effect of the asset ceiling (net of the associated interest) are recognized by the Company in other comprehensive income when they occur. For other long-term benefits, the related actuarial gains and losses are recognized through profit or loss.

The Company is also involved in defined contribution plans under which it pays fixed contributions to a separate entity (a fund) and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Such plans are usually aimed to supplement pension benefits due to employees post-employment. The related costs are recognized in profit or loss on the basis of the amount of contributions paid in the year.

Termination benefits

In compliance with IAS 19, liabilities for benefits due to employees for the early termination of employee service arise out of the Company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recognized at the earlier of the following dates:

- when the Company can no longer withdraw its offer of benefits; and
- when the Company recognizes a cost for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

The liabilities are measured on the basis of the nature of the employee benefits.

Share-based payments

The Company undertakes share-based payment transactions settled with equity instruments as part of the remuneration policy adopted for the Chief Executive Officer and General Manager and for key management personnel.

The most recent long-term incentive plans provide for the grant to recipients of an incentive represented by an equity component (settled with equity instruments) and a monetary component (paid in cash), which will accrue if specific conditions are met. In compliance with IFRS 2, the monetary component is classified as a cash-settled transaction if it is based on the price (or value) of the equity instruments of the company that issued the plan or, in other cases, as another long-term employee benefit. In order to settle the equity component through the bonus award of Enel shares, a program for the purchase of treasury shares to support these plans was approved. For more details on share-based incentive plans, please see note 36 "Share-based payments".

For the equity component, the Company recognizes the services rendered by employees as personnel expenses over the period in which the conditions for remaining in service and for achieving certain results must be satisfied (vesting period) and indirectly estimates their value, and the corresponding increase in equity, on the basis of the fair value of the equity instruments (i.e. the issuer shares) at the grant date.

The overall expense recognized is adjusted at each reporting date until the vesting date to reflect the best estimate available to Enel of the number of equity instruments for which the service and performance conditions other than market conditions will be satisfied at the vesting date.

Conversely, if the incentive based on equity instruments is paid in cash, the Company recognizes the services rendered by employees as personnel expenses over the vesting period and a corresponding liability measured at the fair value of the liability incurred. Subsequently, and until its extinction, the liability is remeasured at fair value at each reporting date, considering the best possible estimate of the incentive that will vest, with changes in fair value recognized under personnel expenses.

Provisions for risks and charges

In compliance with IAS 37, provisions are recognized where there is a legal or constructive obligation as a result of a past event at the end of the reporting period, the settlement of which is expected to result in an outflow of resources whose amount can be reliably estimated.

Where the impact of the time value of money is material, the accruals are determined by discounting expected future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and, if applicable, the risks specific to the liability. If the provision is discounted, the periodic adjustment of the present value for the time factor is recognized as a financial expense.
When the Company expects some or all charges to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. Provisions do not include liabilities to reflect uncertainties in income tax treatments that are recognized as tax liabilities.
Changes in estimates of accruals to the provision are recognized in the income statement in the year in which the changes occur.

Revenue from contracts with customers

The Company recognizes revenue from contracts with customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services using a five-step model provided for in IFRS 15:

- identify the contract with the customer (step 1);
- identify the performance obligations in the contract (step 2);
- determine the transaction price (step 3);
- allocate the transaction price (step 4);
- recognize revenue (step 5).

The Company recognizes revenue when (or as) each performance obligation is satisfied by transferring the promised good or service to the customer.

Financial income and expense from derivatives

Financial income and expense from derivatives include:

- income and expense from derivatives measured at fair value through profit or loss on interest rate and currency risk;
- income and expense from cash flow hedge derivatives on interest rate and currency risks.

Other financial income and expense

For all financial assets and liabilities measured at amortized cost and interest-bearing financial assets classified as at fair value through other comprehensive income, interest income and expense are recognized using the effective interest rate method.

Interest income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.
Other financial income and expense include also changes in the fair value of financial instruments other than derivatives.

Dividends

In compliance with "IFRS 9 - Financial Instruments", dividends are recognized when the unconditional right to receive payment is established.
Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the Shareholders' Meeting and the Board of Directors, respectively.

Income taxes

IAS 12 specifies the requirements for the recognition of current and deferred tax assets and liabilities. The uncertainty in the determination of tax liabilities is defined in accordance with the provisions of "IFRIC 23 - Uncertainty over Income Tax Treatments".

Current income taxes

Current income taxes for the year, which are recognized under "Income tax liabilities" net of payments on account, or under "Tax assets" where there is a credit balance, are determined using an estimate of taxable income and in conformity with the applicable regulations.
In particular, such liabilities and assets are determined using the tax rates and tax laws that are enacted or substantively enacted by the end of the reporting period in the countries where taxable income has been generated.
Current income taxes are recognized in profit or loss with the exception of current income taxes related to items recognized outside profit or loss that are recognized in equity.

Deferred tax liabilities and assets

Deferred tax liabilities and assets are calculated on the temporary differences between the carrying amounts of liabilities and assets in the financial statements and their corresponding amounts recognized for tax purposes on the basis of tax rates in effect on the date the temporary difference will reverse, which is determined on the basis of tax rates that are enacted or substantively enacted as at end of the reporting period.
Deferred tax liabilities are recognized for all taxable temporary differences, except when such liability arises: (i) from the initial recognition of goodwill; or (ii) from the initial recognition of an asset or a liability in a transaction

which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit, and does not give rise to equal taxable and deductible temporary differences; or (iii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.
Deferred tax assets are recognized for all deductible temporary differences, the carryforward of tax losses and unused tax credits. For more information concerning the recoverability of such assets, please see the appropriate section of the discussion of estimates.
Deferred taxes and liabilities are recognized in profit or loss, with the exception of those in respect of items recognized outside profit or loss that are recognized in equity.
Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right to offset current tax assets with current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Uncertainty over income tax treatments

In defining "uncertainty", it shall be considered whether a particular tax treatment will be accepted by the relevant taxation authority. If it is deemed probable that the tax treatment will be accepted (where the term "probable" is defined as "more likely than not"), then the Company recognizes and measures its current/deferred tax asset or liabilities applying the requirements in IAS 12.
Conversely when the Company feels that it is not likely that the taxation authority will accept the tax treatment for income tax purposes, the Company reflects the uncertainty in the manner that best predicts the resolution of the uncertain tax treatment.
For more information on uncertainty over tax treatments, please see note 2.2 "Use of estimates and management judgment".
Since uncertain income tax positions meet the definition of income taxes, the Company presents uncertain tax liabilities/assets as current tax liabilities/assets or deferred tax liabilities/assets.

Guarantee contracts

The Company may issue guarantees directly to non-Group parties, or indirectly to its subsidiaries, of a financial nature when the underlying obligation is a debt security and of a non-financial nature when the guarantees are issued to secure participation in tenders, purchase contracts or fulfillment of contractual obligations.
Financial and non-financial guarantee contracts are measured and recognized by the Company in compliance with "IFRS 9 - Financial Instruments", measuring the guarantee at the higher of:

i. the amount of the expected credit loss (ECL) allowance; and
ii. the fair value calculated as the cumulative amount of income recognized in accordance with IFRS 15.

3. New and amended standards and interpretations

The Company has applied the following standards, interpretations and amendments that took effect as from January 1, 2023.

- *"Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies"*, issued in February 2021. The amendments are intended to provide support in deciding which policies to disclose. In this regard:
  - the amendments to "IAS 1 - Presentation of Financial Statements" require disclosures of "material" accounting policies rather than "significant" policies;
  - the amendments to "IFRS Practice Statement 2 - Making Materiality Judgements" are intended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  In the absence of an IFRS definition of "significant" in the context of disclosures on accounting policies, the term has been replaced with "material". The definition of material was modified in October 2018, and aligned with the IFRS and the Conceptual Framework and, therefore, is widely understood by primary users of financial statements. In accordance with IAS 1, information on accounting policies is material if, either individually or in combination with other information, it could reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of such financial statements. When assessing the materiality of the disclosures on accounting policies, it is appropriate to consider both the magnitude of the transactions, other events or conditions, and their nature. However, although a transaction, other event or condition to which the disclosures on accounting policies refer may be material, this does not imply that the corresponding information is material for the purposes of the financial statements. In this context, the amendments to the IFRS Practice Statement 2 seek to provide guidance on how to determine whether disclosure of an accounting policy is material for financial statement purposes. These amendments aim to: (i) clarify that materiality judgments about disclosures of accounting policies should follow the same guidance in materiality judgments about other information, therefore considering both qualitative and quantitative factors; (ii) underscore the importance of providing information on accounting policies that is specific to the Company; and (iii) provide examples of situations where generic or standardized information, although summarizing or duplicating the requirements of the IFRS, can be considered disclosure of material accounting policies.

  The disclosures on accounting policies have been revised in line with the requirements established by the amendments and have been updated in note 2 "Accounting policies".
- *"Amendments to IAS 8 – Definition of Accounting Estimates"*, issued in February 2021. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The definition of changes in accounting estimates has been replaced with a definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". In order to clarify the interaction between an accounting policy and an accounting estimate, IAS 8 has been amended to state that an accounting standard may require certain financial statement items to be measured at monetary amounts that cannot be directly observed, and therefore must be estimated (since they involve uncertainty in the measurement). In such circumstances, accounting estimates are developed to achieve the objective set out by the accounting policy, including the use of judgments and assumptions based on the latest available, reliable information. The amendments explain how measurement techniques and inputs must be used to develop accounting estimates and establish that measurement techniques include estimation techniques. In order to provide greater guidance, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates unless they result from the correction of prior period errors. Changes in accounting estimates resulting from new information are not corrections of errors.

  The application of the amendments did not have a material impact on these financial statements.
- *"Amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"*, issued in May 2021. The amendments clarify that the exemption from initial recognition provided for by the standard no longer applies to transactions that give rise to taxable and deductible temporary differences of the same amount.

  In general, the initial recognition exemption provided for by IAS 12 prohibits the recognition of deferred assets and liabilities in respect of the initial recognition of assets or liabilities in a transaction that does not constitute a business combination and affects neither accounting profit nor taxable profit. As illustrated, the amendments have narrowed the scope of the exception.

  For transactions (e.g., leases and decommissioning liabilities) subject to the amendments, the related deferred assets and liabilities shall be recognized from the beginning of the first comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings (or other components of equity) as at that date.
- *"Amendments to IAS 12 – International Tax Reform – Pillar II Model Rules"*, issued in May 2023. The changes were introduced in response to the Pillar II rules issued by the OECD, the aim of which is to ensure that large multinational enterprises pay a minimum level of income tax,

generated in a specific period, in each jurisdiction in which they operate. In general, these rules require the application of a top-up tax that brings the total amount of taxes paid in each jurisdiction in which they operate to a minimum of 15%.

The changes introduced:

- a mandatory temporary exception to the accounting for and disclosure of deferred tax assets and liabilities arising from the implementation of the Pillar II rules; and
- disclosure requirements to help users of the financial statements better understand an entity's exposure to income taxes arising from the rule.

In particular, for periods in which Pillar II legislation is enacted but not yet in effect, the entity shall disclose qualitative information (such as information regarding how the entity is affected by Pillar II rules and the main jurisdictions in which exposures might exist) and quantitative information (such as indicating the portion of profits that could be subject to Pillar II income taxes and the average effective tax rate applicable to such profits; or indicating how the entity's average effective tax rate would have changed if Pillar II legislation had been in effect).

- *"IFRS 17 – Insurance Contracts"*, issued in May 2017. The new standard was issued by the IASB to replace IFRS 4, defining the principles for the recognition, measurement, presentation and disclosure of insurance contracts, including reinsurance contracts issued and held and investment contracts with discretionary participation features. The standard applies to insurance contracts compliant with the definition of IFRS 17, regardless of the issuer, but includes various exceptions and exemption options that allow certain types of contracts that meet the definition of insurance contract to be accounted for by applying another standard. Based on the analysis performed, the new standard has had no impact on these financial statements.

The application of these amendments did not have a material impact on these separate financial statements.

Information on the Income Statement

Revenue

4.a Revenue from sales and services – *€107 million*

Millions of euro

	2023	2022	Change
Group companies	107	116	(9)
Third parties	-	-	-
Total revenue from sales and services	**107**	**116**	**(9)**

Revenue from sales and services includes management services provided to the subsidiaries within the management and coordination role as Parent Company (€65 million), IT services (€36 million) and other services (€6 million).

The decrease of €9 million reflected the decrease in revenue from management services (€5 million), IT services and other services (for total €4 million).

Revenue from sales and services breaks down by geographical segment as follows:

- €52 million in Italy (€51 million in 2022);
- €18 million in the European Union (€27 million in 2022);
- €37 million in other countries (€38 million in 2022).

4.b Other income – *€56 million*

"Other income" includes the capital gain of €43 million, on the sale of the 49.5% interest held in the joint venture Rusenergosbyt LLC and the billing of costs for Enel SpA personnel seconded to other Group companies (€10 million) and to Fondazione Centro Studi Enel and Enel Cuore Onlus (€2 million).

Costs

5.a Purchase of consumables

Costs for the purchase of consumables did not change significantly on the previous year.

5.b Services, leases and rentals – *€202 million*

Millions of euro			
	2023	**2022**	**Change**
Services	197	202	(5)
Leases and rentals	5	4	1
Total services, leases and rentals	**202**	**206**	**(4)**

Costs for services include costs for services provided by third parties in the amount of €75 million (€73 million in 2022) and by Group companies in the amount of €122 million (€129 million in 2022).
Costs for services provided by Group companies decreased by €7 million, reflecting a decrease in costs for system services (€9 million), partly offset by the increase in costs for management services (€2 million), while costs provided by third parties increased by €2 million, largely attributable to an increase in costs for IT services partly offset by lower costs for professional services.
Costs for leases and rentals are represented by lease costs for assets owned by the subsidiary Enel Italia SpA (€4 million) and costs for operating leases (€1 million).

5.c Personnel expenses – *€135 million*

Millions of euro				
	Notes	**2023**	**2022**	**Change**
Wages and salaries		87	81	6
Social security contributions		26	26	-
Post-employment benefits	25	7	6	1
Other long-term benefits	25	(3)	1	(4)
Share-based payments		2	5	(3)
Other costs and other incentive plans		16	(14)	30
Total personnel expenses		**135**	**105**	**30**

Personnel expenses increased by €30 million on 2022, mainly attributable to other costs and other incentive plans, in particular reflecting early termination incentive plans adopted by the Company.

The table below shows the average number of employees by category, compared with the previous year, and the actual number of employees at December 31, 2023.

No.	**Average number**			**Headcount**
	2023	**2022**	**Change**	**at Dec. 31, 2023**
Managers	165	154	11	164
Middle managers	488	449	39	525
Office staff	249	261	(12)	220
Total	**902**	**864**	**38**	**909**

5.d Depreciation, amortization and impairment losses – *€719 million*

Millions of euro

	2023	2022	Change
Depreciation	4	4	-
Amortization	47	52	(5)
Impairment losses	668	1,437	(769)
Reversals of impairment losses	-	163	(163)
Total depreciation, amortization and impairment losses	**719**	**1,330**	**(611)**

Depreciation and amortization came to €51 million and includes depreciation of €4 million and amortization of €47 million.
Impairment losses include impairment losses on the equity investments held in the subsidiary Enel Green Power SpA in the amount of €605 million and additional impairment losses of €46 million on the equity investments held in the subsidiaries in Romania, recognized under non-current assets held for sale, which were sold in October 2023. The item also includes impairment losses and reversals of trade and other receivables totaling €16 million, essentially reflecting an increase in provisions for impaired receivables.

In 2022, impairment losses included impairment losses on the equity investments held in the subsidiaries in Romania (€995 million), impairment losses of €195 million on the investment in Enel Russia PJSC sold in October 2022 and impairment losses on the investments in the subsidiaries Enel Green Power SpA (€228 million), Enel Innovation Hubs Srl (€16 million) and Enel Investment Holding BV (€1 million). Reversals of impairment losses were recognized on the investments in the subsidiaries Enel Global Trading SpA (€162 million) and Enel Global Services Srl (€1 million).

For details on the criteria used to determine the impairment losses, please see note 13 "Equity investments" below.

5.e Other operating costs – *€47 million*

Other operating costs increased by €20 million mainly reflecting the waiver of receivables of the Company and other Group companies in respect of Enel Generación Costanera SA under the Termination Intercompany Agreement signed as part of the agreements for the sale of our assets in Argentina and uncollected receivables due from Rusenergosbyt LLC.

6. Income from equity investments – *€4,269 million*

Millions of euro

	2023	2022	Change
Dividends from subsidiaries	**4,269**	**8,761**	**(4,492)**
Enel Américas SA	88	99	(11)
Enel Chile SA	285	28	257
Enel Grids Srl	267	-	267
Enel Iberia SRLU	1,415	648	767
Enel Italia SpA	2,214	7,970	(5,756)
Enel Innovation Hubs Srl	-	16	(16)
Dividends from joint ventures	**-**	**9**	**(9)**
Rusenergosbyt LLC	-	9	(9)
Total income from equity investments	**4,269**	**8,770**	**(4,501)**

The item regards dividends approved by subsidiaries, down by di €4,501 million compared with 2022, mainly reflecting a decrease in the distribution of dividends by Enel Italia SpA, which in 2022 had distributed available reserves in the amount of €6,000 million, partly offset by an increase in dividends distributed by Enel Iberia SRLU, Enel Grids Srl and Enel Chile SA.

At year end, outstanding interim dividends for 2023 included those approved by the subsidiaries Enel Iberia SRLU (€300 million), Enel Américas SA (€88 million) and Enel Chile SA (€24 million), which were collected almost in their entirety in the early months of 2024.

7. Net financial income/(expense) from derivatives – *€38 million*

Millions of euro

	2023	2022	Change
Income from derivatives:			
- on behalf of Group companies:	**762**	**1,796**	**(1,034)**
- income from derivatives at fair value through profit or loss	762	1,796	(1,034)
- on behalf of Enel SpA:	**145**	**335**	**(190)**
- income from cash flow hedge derivatives	121	204	(83)
- income from derivatives at fair value through profit or loss	24	131	(107)
Total income from derivatives	**907**	**2,131**	**(1,224)**
Expense from derivatives:			
- on behalf of Group companies:	**766**	**1,791**	**(1,025)**
- expense from derivatives at fair value through profit or loss	766	1,791	(1,025)
- on behalf of Enel SpA:	**103**	**169**	**(66)**
- expense from cash flow hedge derivatives	67	114	(47)
- expense from derivatives at fair value through profit or loss	36	55	(19)
Total expense from derivatives	**869**	**1,960**	**(1,091)**
TOTAL FINANCIAL INCOME/(EXPENSE) FROM DERIVATIVES	**38**	**171**	**(133)**

Net financial income from derivatives amounted to €38 million (€171 million in 2022).
The decrease of €133 million reflects the decrease in net financial income on cash flow hedge derivatives (€36 million), the decrease of net financial income on derivatives at fair value through profit or loss (€88 million), entered into on behalf of Enel SpA, and the decrease in net financial income on derivatives entered into on behalf of Group companies (€9 million).
For more details on derivatives, please see note 32 "Financial instruments" and note 34 "Derivatives and hedge accounting".

8. Net other financial income/(expense) – *€(471) million*

Millions of euro	2023	2022	Change
Other financial income			
Interest income			
Interest income on short-term financial assets	235	183	52
Total	**235**	**183**	**52**
Exchange gains	32	45	(13)
Other	214	204	10
Total other financial income	**481**	**432**	**49**
Other financial expense			
Interest expense			
Interest expense on bank borrowings	163	88	75
Interest expense on bonds	240	297	(57)
Interest expense on other borrowings	449	309	140
Total	**852**	**694**	**158**
Exchange losses	32	90	(58)
Interest expense on defined benefit plans and other long-term employee benefits	6	1	5
Financial expense on debt management transactions	7	-	7
Other	55	2	53
Total other financial expense	**952**	**787**	**165**
NET OTHER FINANCIAL INCOME/(EXPENSE)	**(471)**	**(355)**	**(116)**

Other financial income amounted to €481 million, an increase of €49 million on the previous year, mainly reflecting:

- an increase of €52 million in interest income on short-term financial assets;
- a decrease of €13 million in exchange gains, mainly reflecting developments in exchange rates associated with net debt denominated in currencies other than the euro.

Other financial expense amounted to €952 million, an increase of €165 million compared with 2022 mainly reflecting:

- an increase of €75 million in financial expense on bank borrowings mainly reflecting the increase in interest rates in 2023, the increase in financial expense on other borrowings, reflecting the use of revolving credit lines with Enel Finance International NV and the intercompany current accounts held with Group companies, in the total amount of €140 million, partly offset by the decrease of €57 million in interest on bonds as a result of the Company's finance strategy to actively manage maturities and the cost of borrowing;
- a decrease of €58 million in exchange losses, reflecting developments in exchange rates associated with net debt denominated in currencies other than the euro;
- an increase of €53 million in other interest and charges on guarantees from third parties, together with €7 million in premiums paid to bond holders as part of the tender offer for the hybrid bond of $1,250 million.

9. Income taxes – *€(136) million*

Millions of euro

	2023	2022	Change
Current taxes	(141)	(111)	(30)
Deferred tax income	-	9	(9)
Deferred tax expense	5	(4)	9
Total taxes	**(136)**	**(106)**	**(30)**

Income taxes for 2023 showed a benefit of €136 million, mainly as a result of the reduction in the tax base for the corporate income tax (IRES) compared with pre-tax profit due to the exclusion of 95% of the dividends received from the subsidiaries and the deductibility of Enel SpA's interest expense for the Group in accordance with corporate income tax law (Article 96 of the Consolidated Income Tax Code).

The following table reconciles the theoretical tax rate with the effective tax rate.

Millions of euro

	2023	%	2022	%
Pre-tax profit	2,896		7,051	
Theoretical corporate income taxes (IRES)	**695**	**24.0%**	**1,692**	**24.0%**
Tax decreases:				
- dividends on equity investments, collected	(973)	-33.6%	(2,072)	-29.4%
- dividends on equity investments, not collected	(5)	-0.2%	-	
- uses of provisions	(12)	-0.4%	(16)	-0.2%
- reversal of previous impairment losses	-		(39)	-0.6%
- other	(47)	-1.6%	(30)	-0.4%
- capital gain on Rusenergosbyt LLC sale	(10)	-0.3%	-	
Tax increases:				
- impairment losses/(gains) for the year	145	5.0%	305	4.3%
- accruals to provisions	12	0.4%	1	
- prior-year expense	8	0.3%	46	0.7%
- other	7	0.2%	9	0.1%
Total current corporate income taxes (IRES)	**(180)**	**-6.2%**	**(104)**	**-1.5%**
Foreign taxes	**39**	**1.3%**	**3**	
Difference on estimated income taxes from prior years	**1**		**(10)**	**-0.1%**
Total deferred tax items	**4**	**0.1%**	**5**	**0.1%**
- of which impact of change in tax rate	-		-	
- of which changes for the year	*5*		*5*	
- of which difference of prior-year estimates	*(1)*		-	
TOTAL INCOME TAXES	**(136)**	**-4.8%**	**(106)**	**-1.5%**

Information on the Statement of Financial Position

Assets

10. Property, plant and equipment – *€9 million*

Millions of euro	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Leasehold improvements	Assets under construction and advances	Total
Cost	1	6	3	5	33	42	-	90
Accumulated depreciation	-	(4)	(3)	(5)	(25)	(41)	-	(78)
Balance at Dec. 31, 2021	**1**	**2**	**-**	**-**	**8**	**1**	**-**	**12**
Capital expenditure	-	-	-	-	2	-	-	2
Entry into service	-	-	-	-	-	-	-	-
Depreciation	-	(1)	-	-	(2)	-		(3)
Total changes	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**	**(1)**
Cost	1	6	3	5	35	42	-	92
Accumulated depreciation	-	(5)	(3)	(5)	(27)	(41)	-	(81)
Balance at Dec. 31, 2022	**1**	**1**	**-**	**-**	**8**	**1**	**-**	**11**
Capital expenditure	-	-	-	-	3	-	-	3
Entry into service	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	(4)	(1)		(5)
Total changes	**-**	**-**	**-**	**-**	**(1)**	**(1)**	**-**	**(2)**
Cost	1	6	3	5	38	42	-	95
Accumulated depreciation	-	(5)	(3)	(5)	(31)	(42)	-	(86)
Balance at Dec. 31, 2023	**1**	**1**	**-**	**-**	**7**	**-**	**-**	**9**

Property, plant and equipment totaled €9 million, a decrease of €2 million compared with December 31, 2022, reflecting the negative balance between depreciation recognized (€5 million) and capital expenditure for 2023 (€3 million).

11. Intangible assets – *€131 million*

Intangible assets, all of which have a finite useful life, break down as follows.

Millions of euro	Industrial patents and intellectual property rights	Other intangible assets under development	Total
Balance at Dec. 31, 2021	**88**	**55**	**143**
Investments	4	38	42
Assets entering service	36	(36)	-
Amortization	(52)	-	(52)
Total changes	**(12)**	**2**	**(10)**
Balance at Dec. 31, 2022	**76**	**57**	**133**
Investments	4	41	45
Assets entering service	-	-	-
Amortization	(47)	-	(47)
Total changes	**(43)**	**41**	**(2)**
Balance at Dec. 31, 2023	**33**	**98**	**131**

Industrial patents and intellectual property rights, in the amount of €33 million (€76 million at December 31, 2022), mainly regard costs incurred in purchasing applications software. Amortization is calculated on a straight-line basis over the item's residual useful life (three years on average).
Other intangible assets under development amounted to €98 million and increased by €41 million, due to investments in information-technology projects related to digital development projects for the computerization of business processes, compliance and reporting of Holding Company Functions, in particular in the areas of Administration, Finance and Control, Legal, Corporate, Regulatory and Antitrust Affairs, External Relations, People and Organization and Audit.

BS
BS

12. Deferred tax assets and liabilities – *€106 million* and *€43 million*

Millions of euro	at Dec. 31, 2022	Increase/ (Decrease) taken to profit or loss	Increase/ (Decrease) taken to equity	at Dec. 31, 2023
Deferred tax assets				
Nature of temporary differences:				
- provisions for risks and charges and impairment losses	4	3	-	7
- derivatives	106	-	(42)	64
- other items	36	(1)	-	35
Total deferred tax assets	**146**	**2**	**(42)**	**106**
Deferred tax liabilities				
Nature of temporary differences:				
- measurement of financial instruments	(98)	-	60	(38)
- other items	-	(5)	-	(5)
Total deferred tax liabilities	**(98)**	**(5)**	**60**	**(43)**
Excess net deferred IRES tax assets after any offsetting	**48**			**63**

Deferred tax assets totaled €106 million (€146 million at December 31, 2022) and essentially regard deferred tax assets on the fair value measurement of cash flow hedges.
Deferred tax liabilities came to €43 million (€98 million at December 31, 2022) and mainly regard deferred taxes on the fair value measurement of cash flow hedge instruments.
The amount of deferred tax assets and liabilities was determined by applying a rate of 24% for IRES.

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13. Equity investments – *€60,917 million*

The table below shows the changes during the year for each investment, with the corresponding carrying amounts at the beginning and end of the year, as well as the list of investments held in subsidiaries, joint ventures, associates and other companies.

Millions of euro	Original cost	Impairment (losses)/gains	Other changes – IFRIC 11 & IFRS 2	Carrying amount	% holding	Capital contributions and loss coverage	Acquisitions/ (Disposals)/ (Liquidations)/ (Repayments)
			at Dec. 31, 2022				
A) Subsidiaries							
Enel Global Services Srl	70	-	1	71	100.0	-	-
Enel Global Thermal Generation Srl	57	(39)	-	18	100.0	-	-
Enel Global Trading SpA	1,401	-	2	1,403	100.0	-	-
Enel Green Power SpA	2,006	(725)	4	1,285	100.0	-	-
Enel Grids Srl	59	-	2	61	100.0	-	-
Enel Holding Finance Srl	7,875	-	-	7,875	100.0	-	-
Enel Iberia SRLU	13,713	-	1	13,714	100.0	-	-
Enel Innovation Hubs Srl	70	(63)	-	7	100.0	-	-
Enel Insurance NV	502	-	-	502	100.0	100	-
Enel Investment Holding BV[1]	4,497	(4,491)	-	6	100.0	-	-
Enel Italia SpA	12,790	-	5	12,795	100.0	-	-
Enel North America Inc.	4,035	-	-	4,035	100.0	1,502	-
Enel Reinsurance - Compagnia di riassicurazione SpA	-	-	-	-	-	-	-
Enel X Srl	239	-	2	241	100.0	-	-
Enel X Way Srl	889	-	-	889	100.0	-	-
Enelpower Srl	189	(163)	-	26	100.0	-	-
Vektör Enerjí Üretím AŞ	-	-	-	-	100.0	-	-
Enel Américas SA	11,658	-	-	11,658	82.3	-	-
Enel Chile SA	2,671	-	-	2,671	64.9	-	-
Enel Finance International NV	2,624	-	-	2,624	25.0	-	-
Enel Green Power Chile SA	-	-	-	-	-	-	-
Total subsidiaries	**65,345**	**(5,481)**	**17**	**59,881**		**1,602**	**-**
B) Joint ventures							
Rusenergosbyt LLC	41	-	-	41	49.5	-	(41)
Total joint ventures	**41**	**-**	**-**	**41**		**-**	**(41)**
C) Associates							
CESI SpA	23	-	-	23	42.7	-	-
Total associates	**23**	**-**	**-**	**23**		**-**	**-**
D) Other companies							
Compañía de Transmisión del Mercosur SA	-	-	-	-	-	-	-
Elcogas SA in liquidation	5	(5)	-	-	4.3	-	-
Empresa Propietaria de la Red SA	5	2	-	7	11.1	-	-
Idrosicilia SpA	-	-	-	-	1.0	-	-
Red Centroamericana de Telecomunicaciones SA	-	-	-	-	11.1	-	-
Total other companies	**10**	**(3)**	**-**	**7**		**-**	**-**
TOTAL EQUITY INVESTMENTS	**65,419**	**(5,484)**	**17**	**59,952**		**1,602**	**(41)**

(1) The balance at December 31, 2023 reflects a more accurate calculation of the aggregate.

Incorporations/ Contributions	Mergers/ Spin-offs	Reclassifications	Value adjustments	Net change	Original cost	Impairment (losses)/gains	Other changes – IFRIC 11 & IFRS 2	Carrying amount	% holding
Changes in 2023					at Dec. 31, 2023				
–	–	–	–	–	70	–	2	72	100.0
–	(57)	–	39	(18)	–	–	–	–	–
–	–	–	–	–	1,401	–	2	1,403	100.0
–	57	–	(644)	(587)	2,063	(1,369)	5	699	100.0
–	–	–	–	–	59	–	3	62	100.0
–	–	–	–	–	7,875	–	–	7,875	100.0
–	–	–	–	–	13,713	–	1	13,714	100.0
–	–	–	–	–	70	(63)	–	7	100.0
–	–	–	–	100	602	–	–	602	100.0
–	–	–	–	–	4,497	(4,492)	–	5	100.0
–	(27)	–	–	(27)	12,763	–	6	12,769	100.0
–	–	–	–	1,502	5,537	–	1	5,538	100.0
3	–	–	–	3	3	–	–	3	100.0
–	–	–	–	–	239	–	3	242	100.0
–	27	–	–	27	916	–	–	916	100.0
–	–	–	–	–	189	(163)	–	26	100.0
–	–	–	–	–	–	–	–	–	100.0
–	–	–	–	–	11,658	–	–	11,658	82.3
–	–	–	–	–	2,671	–	–	2,671	64.9
–	–	–	–	–	2,624	–	–	2,624	25.0
–	–	–	–	–	–	–	–	–	–
3	**–**	**–**	**(605)**	**1,000**	**66,950**	**(6,087)**	**23**	**60,886**	
–	–	–	–	(41)	–	–	–	–	–
–	**–**	**–**	**–**	**(41)**	**–**	**–**	**–**	**–**	
–	–	–	–	–	23	–	–	23	42.7
–	**–**	**–**	**–**	**–**	**23**	**–**	**–**	**23**	
–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	5	(5)	–	–	4.3
–	–	–	1	1	5	3	–	8	11.1
–	–	–	–	–	–	–	–	–	1.0
–	–	–	–	–	–	–	–	–	11.1
–	**–**	**–**	**1**	**1**	**10**	**(2)**	**–**	**8**	
3	**–**	**–**	**(604)**	**960**	**66,983**	**(6,089)**	**23**	**60,917**	

The table below reports changes in equity investments in 2023.

Millions of euro	
Increases	
Formation of Enel Reinsurance - Compagnia di riassicurazione SpA	3
Capital contribution to Enel North America Inc.	1,502
Capital contribution to Enel Insurance NV	100
Revaluation of investment held in Empresa Propietaria de la Red SA	1
Total increases	**1,606**
Decreases	
Impairment loss on Enel Green Power SpA	(605)
Disposal of Rusenergosbyt LLC	(41)
Total decreases	**(646)**
NET CHANGE	**960**

In 2023 the carrying amount of investments in subsidiaries, joint ventures, associates and other companies increased by €960 million as a result of:

- the incorporation on March 23, 2023 of Enel Reinsurance - Compagnia di riassicurazione SpA, a 100% subsidiary of Enel SpA, with a share capital of €3 million. The establishment of the company is part of the project to re-domicile in Italy the Dutch reinsurance company Enel Insurance NV, the Group's captive insurance company. The operation was accomplished through the merger of Enel Insurance NV into Enel Reinsurance - Compagnia di riassicurazione SpA following the IVASS process to obtain authorization for the company to engage in reinsurance activities in Italy and for the cross-border merger of Enel Insurance into Enel Reinsurance - Compagnia di riassicurazione SpA;
- capital contributions, on August 3, 2023 and December 4, 2023, to the subsidiary Enel North America Inc. for a total amount of €1,502 million to support the business requirements of its companies and ensure the completion of projects under construction;
- a capital contribution of €100 million in December 2023 to Enel Insurance NV, the Group's captive reinsurance company, in order to support its reinsurance business during the transfer of reinsurance operations from the Netherlands to Italy, IVASS having issued the necessary authorizations for the merger of Enel Insurance NV into Enel Reinsurance - Compagnia di riassicurazione SpA;
- the disposal in December 2023 of the equity stake held in the joint venture Rusenergosbyt LLC, carried at €41 million;
- the impairment loss of €605 million on the investment in Enel Green Power SpA, mainly reflecting changes in macroeconomic conditions and the consequent increase in discount rates, as well as a decrease in expected growth;
- the increase in the fair value measurement of the equity investment in Empresa Propietaria de la Red SA in the amount of €1 million.

The following corporate transactions did not modify the overall value of the investments held by Enel SpA.
In particular:

- the merger of Enel Global Thermal Generation Srl into Enel Green Power SpA with effect from January 1, 2023;
- with effect from July 1, 2023, the partial demerger of Enel Italia SpA, in respect of the entire interest held in Enel X Mobility Srl, in favor of Enel X Way Italia Srl and, on the same date, the merger of Enel X Mobility Srl into Enel X Way Italia Srl.

In accordance with IFRS 2, the carrying amount of investments in the subsidiaries involved in the Long-term Incentive Plan for 2020, 2021, 2022 and 2023 has also been increased by the fair value of the equity component for the year, recognized in specific equity reserves, in the overall amount of €6 million. In the case of the award of equity instruments to the employees of indirect subsidiaries, the carrying amount of the equity investment in the direct subsidiary was increased.

The following table shows the assumptions used in determining the impairment loss on the investments held in Enel Green Power SpA.

Millions of euro	Original cost	Growth rate(1)	Pre-tax WACC discount rate(2)	Explicit period of cash flows	Terminal value(3)	Carrying amount post impairment	Original cost	Growth rate(1)	Pre-tax WACC discount rate(2)	Explicit period of cash flows	Terminal value(3)	Carrying amount post impairment
	at Dec. 31, 2023						at Dec. 31, 2022					
Enel Green Power SpA	1,285	2.3%	9.8%	3 years	Annuity/23 years	699(4)	1,513	2.5%	8.4%	3 years	Annuity/26 years	1,285

(1) Perpetual growth rate for cash flows after the explicit forecast period, considering the country average including the stand-alone company.
(2) Pre-tax WACC calculated using the iterative method: the discount rate that ensures that the value in use calculated with pre-tax cash flows is equal to that calculated with post-tax cash flows discounted with the post-tax WACC. The assumptions consider the country average including the stand-alone company.
(3) The terminal value has been estimated on the basis of a perpetuity or an annuity with a rising yield for the years indicated in the column.
(4) The carrying amount was impacted by the merger in 2023 with Enel Global Thermal Generation Srl.

The recoverable amount of the equity investments recognized through the impairment tests was estimated by calculating the equity value of the investments through an estimate of their value in use using discounted cash flow models, which involve estimating expected future cash flows and applying an appropriate discount rate, selected on the basis of market inputs such as risk-free rates, betas and market risk premiums. For the purpose of comparing the carrying amount of the investments, the enterprise value resulting from the estimation of future cash flows was converted into the equity value by subtracting the net financial position of the investee. Cash flows were determined on the basis of the best information available at the time of the estimate and drawn for the explicit period from the 2024-2026 Business Plan approved by the Board of Directors of the Company on November 21, 2023, containing forecasts for volumes, revenue, operating costs, capital expenditure, industrial and commercial organization and developments in the main macroeconomic variables (inflation, nominal interest rates and exchange rates) and commodity prices. The explicit period of cash flows considered in impairment testing for these equity investments differs in accordance with the specific features and business cycles of the various companies. The terminal value, on the other hand, was calculated as a perpetuity or annuity with a nominal growth rate equal to the long-term rate of growth in electricity demand and/or inflation (depending on the country and business involved).

With regard to the investments held in the companies Enel Italia SpA, Enel X Way Srl, Enel X Srl, Enel Global Trading SpA, Enel Grids Srl, Enel Insurance NV, Enel Global Services Srl the carrying amount is deemed to be recoverable even if individually greater than equity at December 31, 2023 for each investee. This circumstance is not felt to represent an impairment loss in respect of the investment but rather a temporary mismatch between the two amounts. More specifically, for the companies Enel Italia SpA, Enel X Way Srl, Enel X Srl, Enel Global Trading SpA, Enel Grids Srl, Enel Global Services Srl the negative difference between the carrying amount of the investments and their equity represented a trigger event, following which the equity value of the investments in consideration of their expected future cash flows was determined by means of an impairment test. As a result of this test, a greater value emerged that was not reflected in equity to an extent necessary to confirm the full recoverability of the value of the investments.
It should also be noted that these investments have passed their related impairment tests.

The share certificates for Enel SpA's investments in Italian subsidiaries are held in custody at Monte dei Paschi di Siena.
The following table reports the share capital and equity of the investments in subsidiaries, joint ventures, associates and other investees at December 31, 2023.

	Registered office	Currency	Share capital	Equity (millions of euro)	Prior year profit/(loss) (millions of euro)	% holding	Carrying amount (millions of euro)
A) Subsidiaries							
Enel Global Services Srl	Rome	EUR	10,000	51	1	100.0	72
Enel Global Trading SpA	Rome	EUR	90,885,000	2,138	1,103	100.0	1,403
Enel Green Power SpA	Rome	EUR	272,000,000	-	-	100.0	699
Enel Grids Srl	Rome	EUR	10,100,000	45	(8)	100.0	62
Enel Holding Finance Srl	Rome	EUR	10,000	7,874	-	100.0	7,875
Enel Iberia SRLU	Madrid	EUR	336,142,500	23,661	1,642	100.0	13,714
Enel Innovation Hubs Srl	Rome	EUR	1,100,000	8	-	100.0	7
Enel Insurance NV	Amsterdam	EUR	60,000	567	(76)	100.0	602
Enel Investment Holding BV	Amsterdam	EUR	1,000,000	5	(1)	100.0	5
Enel Italia SpA	Rome	EUR	100,000,000	4,454	3,166	100.0	12,769
Enel North America Inc.	Andover	USD	50	6,151	(1,131)	100.0	5,538
Enel Reinsurance - Compagnia di riassicurazione SpA	Rome	EUR	3,000,000	3	-	100.0	3
Enel X Srl	Rome	EUR	1,050,000	-	-	100.0	242
Enel X Way Srl	Rome	EUR	6,026,000	-	-	100.0	916
Enelpower Srl	Milan	EUR	2,000,000	29	3	100.0	26
Vektör Enerjí Üretím AŞ	Istanbul	TRY	3,500,000	-	-	100.0	-
Enel Américas SA	Santiago	USD	15,799,226,825	15,408	1,084	82.3	11,658
Enel Chile SA	Santiago	CLP	3,882,103,470,184	4,935	749	64.9	2,671
Enel Finance International NV	Amsterdam	EUR	1,478,810,371	10,213	350	25.0	2,624
Enel Green Power Chile SA	Santiago	USD	842,121,531	860	54	0.0	-
B) Associates							
CESI SpA	Milan	EUR	8,550,000	99	(5)	42.7	23
C) Other companies							
Compañía de Transmisión del Mercosur SA	Buenos Aires	ARS	2,025,191,313	1	2	-	-
Elcogas SA in liquidation	Puertollano	EUR	809,690	-	-	4.3	-
Empresa Propietaria de la Red SA	Panama	USD	58,500,000	-		11.1	8
Idrosicilia SpA	Milan	EUR	22,520,000	20	-	1.0	-
Red Centroamericana de Telecomunicaciones SA	Panama	USD	2,700,000	-	-	11.1	-

Equity investments in other companies at December 31, 2023 are all related to unlisted companies. During the transition to IFRS 9, the option of measuring these financial assets at fair value through other comprehensive income was applied.

The investment in Elcogas SA was completely written off in 2014 and since January 1, 2015, the company, in which Enel has a stake of 4.3%, is in liquidation. The profit participation loan of €6 million granted in 2014 has also been written down to take account of accumulated losses.

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022
Equity investments in unlisted companies measured at FVOCI	**8**	**7**
Empresa Propietaria de la Red SA	8	7
Red Centroamericana de Telecomunicaciones SA	-	-
Compañía de Transmisión del Mercosur SA	-	-
Elcogas SA in liquidation	-	-
Idrosicilia SpA	-	-

14. Derivatives – *€261 million, €76 million, €620 million, €106 million*

Millions of euro	Non-current		Current	
	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Derivative financial assets	261	349	76	390
Derivative financial liabilities	620	663	106	178

For more details about the nature, recognition and classification of derivative financial assets and liabilities, please see notes 32 "Financial instruments", and 34, "Derivatives and hedge accounting".

15. Other non-current financial assets – *€10 million*

Millions of euro				
	Notes	at Dec. 31, 2023	at Dec. 31, 2022	Change
Financial prepayments		7	10	(3)
Other non-current financial assets included in debt	15.1	3	4	(1)
Total		**10**	**14**	**(4)**

Financial prepayments essentially refer to the remaining portion of the transaction costs of the revolving credit lines of €10 billion expiring in 2026 and €3.5 billion in 2025, between Enel SpA, Enel Finance International NV and Mediobanca. The item reports the non-current portion of those costs, and their reversal through profit or loss depends on the type of fee involved and the maturity of the credit line.

15.1 Other non-current financial assets included in debt – *€3 million*

Millions of euro			
	at Dec. 31, 2023	at Dec. 31, 2022	Change
Other loan assets	3	4	(1)
Total	**3**	**4**	**(1)**

Other loan assets are accounted for by loans to employees.

16. Other non-current assets – *€73 million*

Millions of euro			
	at Dec. 31, 2023	at Dec. 31, 2022	Change
Tax assets	9	12	(3)
Amounts due from subsidiaries for assumption of supplementary pension plan liabilities	64	69	(5)
Total other non-current assets	**73**	**81**	**(8)**

Tax assets include the residual amount of €9 million due in respect of the claim for reimbursement for excess income tax paid as a result of not partially deducting IRAP in calculating taxable income for IRES purposes. These claims were submitted by Enel SpA on its own behalf for 2003 and on its own behalf and as the consolidating company for 2004-2011.
In 2022 the item included the asset of €3 million, collected in October 2023, arising from the definitive calculation of the withholding tax levied on the dividends of Enel Américas SA pertaining to 2021.

Amounts due from subsidiaries for assumption of supplementary pension plan liabilities refer to amounts due in respect of the assumption by Group companies of their share of the supplementary pension plan. The terms of the agreement state that the Group companies concerned are to reimburse the costs of extinguishing defined benefit obligations of the Parent, which are recognized under employee benefits.
On the basis of actuarial forecasts made using current assumptions, the plan will expire within the following five years.

17. Trade receivables – *€167 million*

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Trade receivables:			
- due from subsidiaries	163	278	(115)
- due from third-party customers	4	16	(12)
Total	**167**	**294**	**(127)**

Trade receivables due from subsidiaries primarily regard the management and coordination services and other activities performed by Enel SpA on behalf of Group companies. The decrease on December 31, 2022 reflects developments in the revenue connected with those services.

Trade receivables from third-party customers concern services of various types. Trade receivables due from subsidiaries break down as follows.

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Subsidiaries			
Edistribución Redes Digitales SLU	5	8	(3)
e-distribuzione SpA	17	16	1
Endesa Energía SA	2	2	-
Endesa Generación SA	3	4	(1)
Endesa SA	8	13	(5)
Enel Américas SA	2	6	(4)
Enel Brasil SA	33	93	(60)
Enel Chile SA	8	9	(1)
Enel Distribución Chile SA	2	5	(3)
Enel Distribución Perú SAA	3	3	-
Enel Energia SpA	4	7	(3)
Enel Generación Chile SA	2	5	(3)
Enel Generación Perú SAA	2	2	-
Enel Global Services Srl	13	12	1
Enel Green Power Chile SA	3	3	-
Enel Green Power Hellas SA	6	3	3
Enel Green Power Italia Srl	2	2	-
Enel Green Power North America Inc.	2	10	(8)
Enel Green Power SpA	3	3	-
Enel Grids Srl	1	1	-
Enel Italia SpA	(1)	(1)	-
Enel North America Inc.	2	3	(1)
Enel Produzione SpA	5	4	1
Enel Romania Srl	-	5	(5)
Enel X Srl	2	3	(1)
Enel X Way Srl	2	4	(2)
E-Distribuţie Banat SA	-	6	(6)
E- Distribuţie Dobrogea SA	-	3	(3)
E- Distribuţie Muntenia SA	-	10	(10)
Gas y Electricidad Generación SAU	2	1	1
Servizio Elettrico Nazionale SpA	1	1	-
Vektör Enerjí Üretím AŞ	8	8	-
Other	21	24	(3)
Total	**163**	**278**	**(115)**

Trade receivables by geographical segment are shown below.

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Italy	57	56	1
EU	31	79	(48)
Non-EU Europe	1	2	(1)
Other	78	157	(79)
Total	**167**	**294**	**(127)**

18. Income tax assets – *€309 million*

Income tax assets at December 31, 2023 essentially regard the Company's IRES credit for estimated current taxes for 2023 and the IRES credit for 2022 (€286 million), the credit for withholding tax on dividends of Enel Chile SA and payments received from Enel X Brasil SA in respect of services (€16 million) and the credit for withholding tax on interest income (€6 million).

19. Other current financial assets – *€6,483 million*

Millions of euro	Notes	at Dec. 31, 2023	at Dec. 31, 2022	Change
Other current financial assets included in net financial debt	19.1	6,428	3,395	3,033
Other sundry current financial assets		55	85	(30)
Total		**6,483**	**3,480**	**3,003**

For more information on "other current financial assets included in debt", please see note 19.1.
"Other current financial assets" essentially refer to receivables in respect of Group companies for interest and other fees deriving from financial services contracts amounting to €9 million (€11 million at December 31, 2022), financial assets in respect of the outcome of derivative positions amounting to €5 million (€20 million at December 31, 2022), current accrued financial income of €35 million (€40 million at December 31, 2022) and current financial prepaid expense of €6 million (€14 million at December 31, 2022).

19.1 Other current financial assets included in debt – *€6,428 million*

Millions of euro	Notes	at Dec. 31, 2023	at Dec. 31, 2022	Change
Loan assets due from Group companies:				
- short-term loan assets (intercompany current accounts)	32.1.1	5,934	2,489	3,445
- short-term financing		6	512	(506)
Total		**5,940**	**3,001**	**2,939**
Loan assets due from others:				
- other loan assets		6	5	1
- cash collateral for margin agreements on OTC derivatives	32.1.1	482	389	93
Total		**488**	**394**	**94**
TOTAL		**6,428**	**3,395**	**3,033**

20. Other current assets – *€1,581 million*

Millions of euro

	at Dec. 31, 2023	at Dec. 31, 2022	Change
Tax assets	13	286	(273)
Other amounts due from Group companies	1,552	283	1,269
Other amounts due	16	15	1
Total	**1,581**	**584**	**997**

Tax assets amounted to €13 million and essentially includes the tax asset of €8 million in respect of the IRES reimbursement for 2011-2014 paid to Enel SpA following an agreement procedure (MAP) begun in 2021 and completed in 2022 with an agreement between the Italian and Spanish tax authorities eliminating the double taxation charged to the multinational group following adjustments made to transfer prices applied in transactions between Enel SpA and its Spanish subsidiaries in 2011, 2012, 2013 and 2014.
The previous year, the item included the residual Enel Group VAT credit (€274 million).

Other amounts due from Group companies essentially regard receivables in respect of the Group companies participating in the consolidated taxation mechanism (€1,120 million), receivables for the interim dividend approved by the subsidiaries Enel Iberia SRLU (€300 million), Enel Américas SA (€88 million) and Enel Chile SA (€24 million), as well as VAT assets in respect of companies participating in the Group VAT mechanism (€18 million).
Other amounts due, equal to €16 million, are substantially in line with the 2022 values.

21. Cash and cash equivalents – *€1,122 million*

Millions of euro

	at Dec. 31, 2023	at Dec. 31, 2022	Change
Bank and post office deposits	1,122	4,868	(3,746)
Total	**1,122**	**4,868**	**(3,746)**

Cash and cash equivalents decreased by €3,746 million on December 31, 2022, reflecting cash flows absorbed by ordinary operations.

Cash flows from operating activities in 2023 were a positive €4,277 million (€8,689 million at December 31, 2022), a decrease of €4,412 million compared with 2022, mainly reflecting a decrease in dividends received, partly offset by a decrease in IRES payments on account for the companies participating in the consolidated tax mechanism, and lower cash requirements connected with the change in net working capital.

During the year, financing activities absorbed cash flows of €7,016 million. This mainly reflected repayments in the period on long-term borrowings (€2,803 million) and perpetual hybrid bonds (€752 million), payment of dividends (€4,091 million), the net reduction in financial debt (€3,107 million) and the payment of coupons to holders of perpetual hybrid bonds (€182 million), partly offset by the issue of new long-term borrowings (€2,201 million) and perpetual hybrid bonds (€1,738 million).

Investing activities absorbed cash flows of €1,007 million, mainly reflecting the capital contributions to the subsidiaries Enel North America Inc. (€1,502 million) and Enel Insurance NV (€100 million), together with the capital contribution to the newly-formed Enel Reinsurance - Compagnia di riassicurazione SpA (€3 million), partly offset by the liquidity generated by the sale of companies in Romania and of Rusenergosbyt LLC.

The cash requirements of investing and financing activities were primarily funded by the contribution of the cash flows generated by operating activities, which were a positive €4,277 million, as well as of cash and cash equivalents, which at December 31, 2023 were €1,122 million (€4,868 million at January 1, 2023).

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22. Non-current assets classified as held for sale

In 2022 non-current assets reclassified as held for sale included the equity investments in E-Distribuţie Muntenia SA, E-Distribuţie Banat SA, E-Distribuţie Dobrogea SA, Enel Energie SA, Enel Energie Muntenia SA and Enel Romania SA, for a total €654 million, following the agreement on the sale to the Greek company Public Power Corporation SA (PPC) of all the equity stakes held by the Enel Group in Romania.
During the year, the item was further adjusted by €46 million before completion of the sale on October 25, 2023 for a total of €1,241 million at the Group level.

The item also included the equity interest held (about 0.009%) in the Chilean company Arcadia Generación Solar SpA, established on January 1, 2023 following the contribution by Enel Green Power Chile SA of a portfolio of four operating PV plants with a total installed capacity of approximately 416 MW.
On October 25, 2023 Enel and the subsidiary Enel Chile SA finalized the sale of the entire stake held in the Chilean company to Sonnedix, an international renewable energy producer, for a total of about €535 million.

Liabilities and equity

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23. Equity – *€37,883 million*

Equity amounted to €37,883 million, a decrease of €459 million on December 31, 2022.
The change is mainly attributable to:

- profit for the year (€2,972 million);
- the distribution of the balance of the dividend for 2022 in the amount of €0.20 per share (for a total of €2,033 million), as approved by the Shareholders' Meeting on May 10, 2023 and the interim dividend for 2023 approved by the Board of Directors on November 7, 2023 and paid as from January 24, 2024 (€0.215 per share for a total of €2,186 million);
- the issue of perpetual hybrid bonds for €1,738 million and the repurchase and subsequent cancellation of perpetual hybrid bonds for a total of €752 million;
- the payment of coupons to holders of perpetual hybrid bonds for a total of €182 million.

Share capital – *€10,167 million*

At December 31, 2023 the fully subscribed and paid-up share capital of Enel SpA totaled €10,166,679,946, represented by the same number of ordinary shares with a par value of €1.00 each.
The share capital is unchanged compared with the amount reported at December 31, 2022.
At December 31, 2023, based on the shareholders register and the notices submitted to CONSOB and received by the Company pursuant to Article 120 of Legislative Decree 58 of February 24, 1998, as well as other available information, shareholders with interests of greater than 3% in the Company's share capital were the Ministry for the Economy and Finance (with a 23.585% stake) and BlackRock Inc. (with a 5.023% stake held for asset management purposes).

Negative treasury share reserve – *€(59) million*

At December 31, 2023, treasury shares are represented by 9,262,330 ordinary shares of Enel SpA with a par value of €1.00 each (7,153,795 at December 31, 2022), purchased through a qualified intermediary for a total amount of about €59 million.
On October 5, 2023, the Board of Directors of the Company, implementing the authorization granted by the Shareholders' Meeting held on May 10, 2023, approved the launch of a share buyback program for 4.2 million, equivalent to about 0.041% of Enel's share capital.
The program, which began on October 16, 2023 and was completed on January 18, 2024, was introduced to serve the 2023 Long-Term Incentive Plan for the management of Enel and/or of its subsidiaries pursuant to Article 2359 of the Italian Civil Code (2023 LTI Plan) which was also approved by Enel's Shareholders' Meeting of May 10, 2023.
As a result of these transactions, a total of 3,377,224 Enel shares (equal to 0.0332% of share capital) were acquired at a volume-weighted average price of €6.2205 per share for a total of €21 million. Moreover, a total of 1,268,689 shares were granted, following achievement of performance targets, to the beneficiaries of the LTI Plans for 2019 and 2020, for €9 million.
As a result of the award and considering the treasury shares already owned, at December 31, 2023 Enel held 9,262,330 treasury shares, equal to about 0.0911% of share capital, serving the Long-Term Incentive Plans (the LTI Plans for 2020, 2021, 2022 and 2023).
In accordance with Article 2357-*ter*, paragraph 2, of the Italian Civil Code, treasury shares do not participate in the distribution of the dividend.
For more details, please see note 36 "Share-based payments".

Perpetual hybrid bonds – *€6,553 million*

On January 9, 2023, Enel SpA launched the issue of non-convertible, subordinated, perpetual hybrid bonds for institutional investors on the European market, denominated in euros, with an aggregate principal amount of €1,750 million.

These bonds were recognized net of transaction costs for a total of €1,738 million.

The issuance is carried out in execution of the resolution of the Company's Board of Directors of December 14, 2022, which authorized Enel to issue, by December 31, 2023, one or more non-convertible subordinated hybrid bonds, including perpetual bonds, in an overall maximum amount of up to €2 billion.

The securities are listed on the regulated market of the Irish Stock Exchange.

At the same time, Enel also launched a voluntary tender offer to repurchase for cash and subsequently cancel the €750 million equity-accounted perpetual hybrid bond with first call date in August 2023 and 2.500% coupon.

With the conclusion of the voluntary tender offer on January 20, 2023, having met the conditions envisaged in the clean-up call clause, the bond was redeemed in full and cancelled in the amount of €752 million, including transaction costs.

During 2023, the Company paid coupons to holders of perpetual hybrid bonds for €182 million.

Other reserves– *€11,784 million*

Share premium reserve – *€7,496 million*

The share premium reserve at December 31, 2023 was equal to €7,496 million, unchanged compared with the previous year.

Legal reserve – *€2,034 million*

The legal reserve, equal to 20.0% of share capital, is unchanged compared with the previous year.

Reserve pursuant to Law 292/1993 – *€2,215 million*

The reserve shows the remaining portion of the adjustments carried out when Enel was transformed from a public entity to a joint-stock company.

In the case of a distribution of this reserve, the tax treatment for capital reserves as defined by Article 47 of the Consolidated Income Tax Code shall apply.

Other reserves – *€146 million*

Other reserves include €19 million related to the reserve for capital grants, which reflects 50% of the grants received from Italian public entities and EU bodies in application of related laws for new works (pursuant to Article 55 of Presidential Decree 917/1986), which is recognized in equity in order to take advantage of tax deferment benefits.

The item also includes the unavailable reserve established for the purchase of treasury shares in the amount of €59 million in execution of the resolutions of the Ordinary Shareholders' Meeting of Enel SpA and the reserves established to recognize the value of the equity component granted to the management of the Company and the subsidiaries as part of the 2019, 2020, 2021, 2022 and 2023 Long-Term Incentive Plans in the amount of €19 million.

It also includes €29 million in respect of the stock option reserve and €20 million for other reserves.

Hedging reserves – *€(83) million*

At December 31, 2023, the item includes the hedging reserve and the hedging costs reserve, which amounted to a negative €83 million overall (net of the positive tax effect of €26 million).

Reserve from measurement of financial assets at FVOCI – *€3 million*

At December 31, 2023, the valuation reserve for financial assets at FVOCI came to €3 million, reflecting the fair value measurement of Empresa Propietaria de la Red SA for €1 million.

Actuarial reserve – *€(27) million*

At December 31, 2023, the actuarial reserve amounted to €27 million (net of the positive tax effect of €6 million). The reserve includes actuarial gains and losses recognized directly in equity, as the corridor approach is no longer permitted under the new version of "IAS 19 - Employee Benefits".

The table below provides a breakdown of changes in the hedging and actuarial reserves in 2022 and 2023.

Millions of euro	At Jan. 1, 2022	Gross gains/ (losses) recognized in equity during the year	Gross released to profit or loss	Taxes	Other changes	at Dec. 31, 2022	Gross gains/ (losses) recognized in equity during the year	Gross released to profit or loss	Taxes	Other changes	at Dec. 31, 2023
Hedging reserve	(318)	464	(54)	(93)	(23)	(24)	(257)	207	17	(23)	(80)
Hedging costs reserve	-	(4)	-	1	-	(3)	-	-	-	-	(3)
Reserve from measurement of financial assets at FVOCI	-	2	-	-	-	2	1	-	-	-	3
Actuarial reserve	(35)	17	-	(4)	-	(22)	(7)	-	2	-	(27)
Gains/(Losses) recognized directly in equity	**(353)**	**479**	**(54)**	**(96)**	**(23)**	**(47)**	**(263)**	**207**	**19**	**(23)**	**(107)**

Retained earnings – *€8,592 million*

For 2023 the item showed an increase of €2,896 million, reflecting:

- the allocation of profit for the year 2022, in execution of the resolutions of the Shareholders' Meeting of May 10, 2023, covering the amounts paid in 2022 as coupons to the holders of perpetual hybrid bonds (€123 million) and the remainder of profit for a total of €2,969 million, including the portion of the undistributed dividend balance in respect of treasury shares held in the portfolio at the record date of July 25, 2023;
- the payment of coupons in the total amount of €182 million to the holders of perpetual hybrid bonds;
- the partial release of the unavailable reserve following the award of treasury shares to the beneficiaries of the LTI Plans for 2019 and 2020, for a total of €9 million;
- a specific unavailable reserve of about €26 million, established for the purchase of treasury shares serving the 2023 LTI Plan;
- waived collection of the 2023 interim dividend on treasury shares held at the record date of January 23, 2024 in the amount of €2 million.

Profit for the year – *€846 million*

Profit for 2023, net of the interim dividend for 2023 of €0.215 per share (for a total of €2,186 million), amounted to €846 million.

The table below shows the availability of reserves for distribution.

Millions of euro			
	at Dec. 31, 2023	**Possible uses**	**Amount available**
Share capital	**10,167**		
Capital reserves:			
- share premium reserve	7,496	ABC	7,496
- equity instruments - perpetual hybrid bonds	6,553		
Income reserves:			
- legal reserve	2,034	B	
- negative treasury share reserve	(59)		
- reserve pursuant to Law 292/1993	2,215	ABC	2,215
- hedging reserve	(83)		
- reserve from measurement of financial assets at FVOCI	3		
- reserve for capital grants	19	ABC	19
- stock option reserve	29	ABC	29(1)(2)
- actuarial reserve	(27)		
- reserve for share-based payments (LTI)	19		
- other	79	ABC	20
Retained earnings/(loss carried forward)	8,592	ABC	8,592
Total	**37,037**		**18,371**
of which amount available for distribution			*18,368*

A: for capital increases.
B: to cover losses.
C: for distribution to shareholders.
(1) Regards lapsed options.
(2) Not distributable in the amount of €3 million regarding options granted by the Parent to employees of subsidiaries that have lapsed.

There are no restrictions on the distribution of the reserves pursuant to Article 2426, paragraph 1(5), of the Italian Civil Code since there are no unamortized start-up and expansion costs or research and development expenditure, or departures pursuant to Article 2423, paragraph 4, of the Italian Civil Code.
It should be noted that, in the three previous years, the available reserve denominated "retained earnings" has been used in the amount of €1,322 million for the distribution of dividends to shareholders.

23.1 Dividends

The table below shows the dividends paid by the Company in 2022 and 2023.

	Amount distributed (in millions of euro)	Dividend per share (in euro)
Dividends distributed in 2022		
Dividends for 2021	3,861	0.38
Interim dividend for 2022[1]	-	-
Special dividends	-	-
Total dividends distributed in 2022	**3,861**	**0.38**
Dividends distributed in 2023		
Dividends for 2022	4,064	0.40
Interim dividend for 2023[2]	-	-
Special dividends	-	-
Total dividends distributed in 2023	**4,064**	**0.40**

(1) Approved by the Board of Directors on November 3, 2022 and paid as from January 25, 2023 (interim dividend per share of €0.20 euro for a total of €2,033 million).
(2) Approved by the Board of Directors on November 7, 2023 and paid as from January 24, 2024 (interim dividend per share of €0.215 for a total of €2,186 million).

Dividends distributed are shown net of the amounts attributable to treasury shares held at the respective record dates. The Company waived collection of dividends on these shares, which were recognized under retained earnings.

The dividend for 2023, equal to €0.43 per share, amounting to a total of €4,372 million (of which €0.215 per share for a total of €2,186 million already paid as an interim dividend), was approved by the Shareholders' Meeting of May 23, 2024, at a single call.

These separate financial statements do not reflect the effects of the distribution of this dividend for 2023 to shareholders, with the exception of liabilities due to shareholders for the 2023 interim dividend approved by the Board of Directors on November 7, 2023 in the maximum potential amount of €2,186 million, and paid as from January 24, 2024 net of the amount pertaining to the 10,085,106 treasury shares held as at the record date of January 23, 2024.

During the year, the Company also paid coupons totaling €182 million to the holders of perpetual hybrid bonds.

23.2 Capital management

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Group. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require. There were no substantive changes in objectives, policies or processes in 2023.

To this end, the Company constantly monitors developments in the level of its debt in relation to equity.

The situation at December 31, 2023 and 2022 is summarized in the following table.

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Non-current financial debt	(17,855)	(18,196)	341
Net current financial debt	(2,261)	(1,919)	(342)
Non-current financial assets and long-term securities	3	4	(1)
Net financial debt	**(20,113)**	**(20,111)**	**(2)**
Equity	**37,883**	**38,342**	**(459)**
Debt/equity ratio	**(0.53)**	**(0.52)**	**(0.01)**

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24. Borrowings – *€17,855 million, €1,179 million, €8,632 million*

Millions of euro	Non-current		Current	
	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Long-term borrowings	17,855	18,196	1,179	1,430
Short-term borrowings	-	-	8,632	8,752

For more details about the nature, recognition and classification of borrowings, please see note 32 "Financial instruments".

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25. Employee benefits – *€121 million*

The Company provides its employees with a variety of benefits, including deferred compensation benefits, additional months' pay, indemnities in lieu of notice, loyalty bonuses, supplementary pension plans, supplementary healthcare plans, additional indemnity for FOPEN pension contributions, FOPEN pension contributions in excess of deductible amount and personnel incentive plans.

The item includes accruals made to cover post-employment benefits under defined benefit plans and other long-term benefits to which employees are entitled by law, by contract, or under other forms of employee incentive schemes.

These obligations, in accordance with IAS 19, were determined using the projected unit credit method.

The following table reports the change during the year in the defined benefit obligation, as well as a reconciliation of the defined benefit obligation with the obligation recognized at December 31, 2023 and at December 31, 2022.

Millions of euro	2023				2022			
	Pension benefits	Health insurance	Other benefits	Total	Pension benefits	Health insurance	Other benefits	Total
CHANGES IN ACTUARIAL OBLIGATION								
Actuarial obligation at January 1	**96**	**27**	**8**	**131**	**123**	**34**	**15**	**172**
Current service cost	-	1	2	**3**	-	1	2	**3**
Interest expense	3	1	-	**4**	1	-	-	**1**
Actuarial (gains)/losses arising from changes in financial assumptions	1	1	-	**2**	(14)	(7)	-	**(21)**
Experience adjustments	5	-	-	**5**	3	1	-	**4**
Other payments	(17)	(2)	(1)	**(20)**	(17)	(2)	(9)	**(28)**
Other changes	-	-	(4)	**(4)**	-	-	-	**-**
Actuarial obligation at December 31	**88**	**28**	**5**	**121**	**96**	**27**	**8**	**131**

Millions of euro		
	2023	2022
(Gains)/Losses taken to profit or loss		
Service cost	3	3
Interest expense	4	1
Total	**7**	**4**

Millions of euro		
	2023	2022
Remeasurement (gains)/losses in OCI		
Actuarial (gains)/losses on defined benefit plans	7	(17)
Total	**7**	**(17)**

The current service cost for employee benefits in 2023 amounted to €7 million (€4 million in 2022).
The main actuarial assumptions used to calculate the liabilities arising from employee benefits, which are consistent with those used the previous year, are set out below.

	2023	2022
Discount rate	3.30%-3.40%	3.60%-3.70%
Rate of wage increases	2.30%-4.30%	2.30%-4.30%
Rate of increase in healthcare costs	3.30%	3.30%

The following table reports the outcome of a sensitivity analysis that demonstrates the effects on the liability for healthcare plans as a result of changes reasonably possible at the end of the year in the actuarial assumptions used in estimating the obligation.

Millions of euro	An increase of 0.5% in discount rate	A decrease of 0.5% in discount rate	An increase of 0.5% in inflation rate	An increase of 0.5% in remuneration	An increase of 0.5% in pensions currently being paid	An increase of 1% in healthcare costs	An increase of 1 year in life expectancy of active and retired employees
Healthcare plans: ASEM	(1)	1	(1)			3	29

26. Provisions for risks and charges – *€30 million*

Provisions for risks and charges cover probable potential liabilities that could arise from legal proceedings and other disputes, without considering the effects of rulings that are expected to be in the Company's favor and those for which any charge cannot be quantified with reasonable certainty.
In determining the balance of the provision, we have taken account of both the charges that are expected to result from court rulings and other dispute settlements for the year and an update of the estimates for positions arising in previous years.

The following table shows changes in provisions for risks and charges.

		Taken to profit or loss				
Millions of euro		Accruals	Reversals	Utilization	Total	
	at Dec. 31, 2022				at Dec. 31, 2023	*of which current portion*
Provision for litigation and other risks and charges:						
- litigation	6	1	(4)	-	3	*2*
- other	6	-	-	(3)	3	*-*
Total	**12**	**1**	**(4)**	**(3)**	**6**	***2***
Provision for early retirement incentives	29	1	-	(6)	24	*7*
TOTAL PROVISIONS FOR RISKS AND CHARGES	**41**	**2**	**(4)**	**(9)**	**30**	***9***

The €3 million decrease in the provision for litigation mainly reflects the reversal to profit or loss of provisions for outstanding disputes. The provision mainly refers to labor disputes.
The provision for other risks and charges, equal to €3 million, decreases due to payment of €3 million in respect of a tax dispute.
The decrease of €5 million in the provision for early retirement incentive plans adopted by the Company reflects uses in the period of €6 million.

27. Other non-current liabilities – *€20 million*

Other non-current liabilities (€23 million at December 31, 2022) regard, in the amount of €8 million, the debt towards Group companies that initially arose following Enel SpA's application (submitted in its capacity as the consolidating company) for reimbursement for 2004-2011 of the additional income taxes paid as a result of not deducting part of IRAP in computing taxable income for IRES purposes. The liability in respect of the subsidiaries is balanced by the recognition of non-current tax assets (note 16).
The item also includes the liability to employees (€8 million) for early termination incentive plans adopted by the Company (€9 million in 2022) and the non-current portion of deferred income in respect of up-front fees made at the time of the establishment of a number of hedging derivative positions in the amount of €4 million (€5 million at December 31, 2022), in previous years, which are released to profit or loss on the basis of the amortization plan for the entire duration of the derivative itself.

28. Trade payables – *€135 million*

Millions of euro			
	at Dec. 31, 2023	at Dec. 31, 2022	Change
Trade payables:			
- due to third parties	48	58	(10)
- due to Group companies	87	97	(10)
Total	**135**	**155**	**(20)**

Trade payables mainly include payables for the provision of services and other activities.

Trade payables due to subsidiaries at December 31, 2023 break down as follows.

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Subsidiaries			
Endesa SA	-	1	(1)
Enel Brasil SA	1	-	1
Enel Global Services Srl	53	54	(1)
Enel Global Trading SpA	1	1	-
Enel Green Power SpA	5	7	(2)
Enel Grids Srl	6	2	4
Enel Iberia SRLU	5	6	(1)
Enel Innovation Hubs Srl	5	5	-
Enel Italia SpA	4	7	(3)
Enel Produzione SpA	1	1	-
Enel X Srl	-	2	(2)
Other	6	11	(5)
Total	**87**	**97**	**(10)**

Trade payables break down by geographical area as follows.

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Suppliers			
Italy	121	134	(13)
EU	7	15	(8)
Non-EU Europe	1	-	1
Other	6	6	-
Total	**135**	**155**	**(20)**

29. Other current financial liabilities – *€226 million*

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Deferred financial liabilities	213	205	8
Other items	13	33	(20)
Total	**226**	**238**	**(12)**

Other current financial liabilities mainly regard interest expense accrued on debt outstanding at year end.
More specifically, deferred financial liabilities mainly consist of interest expense accrued on financial debt, while the other items essentially include amounts due to banks and Group companies that accrued as of December 31, 2023, but were to be settled in the following year, comprising financial expense on hedge derivatives on commodity exchange rates entered into on behalf of Group companies.

30. Net financial position and long-term financial assets and securities – *€20,113 million*

The following table shows the net financial position on the basis of the items on the statement of financial position.

Millions of euro	Notes	at Dec. 31, 2023	at Dec. 31, 2022	Change
Long-term borrowings	24	17,855	18,196	(341)
Short-term borrowings	24	8,632	8,752	(120)
Current portion of long-term borrowings	24	1,179	1,430	(251)
Non-current financial assets included in debt	15.1	3	4	(1)
Current financial assets included in debt	19.1	6,428	3,395	3,033
Cash and cash equivalents	21	1,122	4,868	(3,746)
Total		**20,113**	**20,111**	**2**

The net financial debt at December 31, 2023 and December 31, 2022 is reported below in accordance with Guideline 39, issued on March 4, 2021, by ESMA, applicable as from May 5, 2021, and with warning notice no. 5/2021 issued by CONSOB on April 29, 2021, which replaced references to the CESR Recommendations and those in Communication no. DEM/6064293 of July 28, 2006 regarding the net financial position.

Millions of euro	at Dec. 31, 2023		at Dec. 31, 2022		Change
		of which with related parties		*of which with related parties*	
Liquidity					
Bank and post office deposits	1,122		4,038		(2,916)
Liquid assets	**1,122**		**4,038**		**(2,916)**
Cash equivalents	**-**		**830**		**(830)**
Short-term loan assets	6,428		3,395		3,033
Other current financial assets	**6,428**	*5,934*	**3,395**	*2,489*	**3,033**
Liquidity	**7,550**		**8,263**		**(713)**
Current financial debt					
Current bank debt	(1)		(25)		24
Other short-term borrowings	(8,631)	*(8,462)*	(8,727)	*(8,362)*	96
Current financial debt (including debt instruments)	**(8,632)**		**(8,752)**		**120**
Current portion of long-term bank borrowings	(1,179)		(1,430)		251
Non-current financial debt (current portion)	**(1,179)**		**(1,430)**		**251**
Current financial debt	**(9,811)**		**(10,182)**		**371**
Net current financial debt	**(2,261)**		**(1,919)**		**(342)**
Non-current financial debt					
Long-term bank borrowings	(1,316)		(1,527)		211
Non-bank financing (leases)	-		-		-
Other long-term borrowings	(14,274)		(12,407)		(1,867)
Non-current financial debt (excluding current portion and debt instruments)	**(15,590)**		**(13,934)**		**(1,656)**
Bonds	**(2,265)**		**(4,262)**		**1,997**
Trade payables and other non-interest-bearing non-current liabilities with a significant financing component	**-**		**-**		**-**
Non-current financial debt	**(17,855)**		**(18,196)**		**341**
Net financial debt as per CONSOB instructions	**(20,116)**		**(20,115)**		**(1)**
Long-term loan assets	**3**		**4**		**(1)**
NET FINANCIAL DEBT	**(20,113)**		**(20,111)**		**(2)**

This statement of the net financial position does not include financial assets and liabilities in respect of derivatives, since derivative contracts, even if not designated as hedges for hedge accounting purposes, are in any case entered into by the Group for hedging purposes.
At December 31, 2023 those financial assets and liabilities are reported separately in the statement of financial position under the following items: "Non-current financial derivative assets" in the amount of €261 million (€349 million at December 31, 2022), "Current financial derivative assets" in the amount of €76 million (€390 million at December 31, 2022), "Non-current financial derivative liabilities" in the amount of €620 million (€663 million at December 31, 2022), and "Current financial derivative liabilities" in the amount of €106 million (€178 million at December 31, 2022).

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31. Other current liabilities – *€4,395 million*

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Tax liabilities	1,320	35	1,285
Amounts due to Group companies	825	739	86
Amounts due to employees, recreational/assistance associations	23	20	3
Amounts due to social security institutions	10	9	1
Amounts due to customers for security deposits and reimbursements	2	2	-
Other	2,215	2,068	147
Total	**4,395**	**2,873**	**1,522**

Tax liabilities amounted to €1,320 million, and include amounts due to tax authorities for corporate income tax (IRES) of the companies participating in the national consolidated taxation mechanism (€1,239 million, €30 million at December 31, 2022), liabilities for Group VAT for the 4th Quarter of 2023 of the companies participating in the Enel Group VAT in the amount of €76 million and liabilities for withholdings for payroll employees in the amount of €4 million.
Amounts due to Group companies amounted to €825 million. They consist of €523 million in payables in respect of the IRES liability under the consolidated taxation mechanism (€456 million at December 31, 2022) and €301 million in respect of Group VAT (€283 million at December 31, 2022). The increase of €86 million reflects developments in the debtor positions noted above.
The item "other", equal to €2,215 million, mainly includes the liability for dividends to be paid to shareholders, in the amount of €2,184 million, represented by the liability for the interim dividend for 2023, net of the portion for treasury shares held at the record date of January 23, 2024.

32. Financial instruments

32.1 Financial assets by category

The following table shows the carrying amount for each category of financial assets provided by IFRS 9, broken down into current and non-current financial assets, showing separately hedging derivatives and derivatives measured at fair value through profit or loss.

Millions of euro		Non-current		Current	
	Notes	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Financial assets at amortized cost	32.1.1	**3**	**4**	**8,145**	**8,620**
Financial assets at FVOCI					
Equity investments in other companies	32.1.2	8	7	-	-
Total financial assets at FVOCI		**8**	**7**	**-**	**-**
Financial assets at FVTPL					
Derivative financial assets at FVTPL	34	122	199	76	156
Total financial assets at FVTPL		**122**	**199**	**76**	**156**
Derivative financial assets designated as hedging instruments					
Cash flow hedge derivatives	34	139	150	-	234
Total derivative financial assets designated as hedging instruments		**139**	**150**	**-**	**234**
TOTAL		**272**	**360**	**8,221**	**9,010**

For more details on the recognition and classification of current and non-current derivative financial assets, please see note 34 "Derivatives and hedge accounting".
For more information on fair value measurement, please see note 32.1.2 "Financial assets at fair value through other comprehensive income (FVOCI)".

32.1.1 Financial assets at amortized cost

The following table shows financial assets measured at amortized cost by nature, broken down into current and non-current financial assets.

Millions of euro	Non-current			Current	
	at Dec. 31, 2023	at Dec. 31, 2022	Notes	at Dec. 31, 2023	at Dec. 31, 2022
Cash and cash equivalents	**-**	**-**	21	**1,122**	**4,868**
Trade receivables	**-**	**-**	17	**167**	**294**
Loan assets from Group companies					
Loan assets on intercompany current accounts	-	-	19.1	5,934	2,489
Other financial assets	-	-		15	524
Total financial assets from Group companies	**-**	**-**		**5,949**	**3,013**
Loan assets from others					
Cash collateral for margin agreements on OTC derivatives	-	-	19.1	482	389
Other financial assets	3	4		10	25
Total financial assets from others	**3**	**4**		**492**	**414**
Other financial assets	**-**	**-**		**415**	**31**
TOTAL	**3**	**4**		**8,145**	**8,620**

The main changes compared with 2022 regarded:

- a decrease of €3,746 million in cash and cash equivalents, mainly reflecting lower dividends received during the period from Group companies;
- an increase of €2,936 million in loans assets from Group companies, mainly reflecting the increase in loan assets on the intercompany current account held with Group companies (€3,445 million), partly offset by a decrease in other financial assets (€509 million) attributable to the partial repayment of the revolving credit line issued to Enel Global Trading;
- an increase of €93 million in cash collateral paid to counterparties in derivatives transactions;
- an increase of €384 million in other financial assets, reflecting an increase in dividends authorized by subsidiaries and still outstanding at December 31, 2023.

Impairment losses on financial assets at amortized cost

Financial assets measured at amortized cost at December 31, 2023 amounted to €8,148 million and are recognized net of allowances for expected credit losses, which totaled €26 million at December 31, 2023 (€11 million at the end of 2022).
The Company mainly has the following types of financial assets measured at amortized cost subject to impairment testing:

- cash and cash equivalents;
- trade receivables;
- loan assets;
- other financial assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.
The expected credit loss (ECL) – determined considering probability of default (PD), loss given default (LGD), and exposure at default (EAD) – is the difference between all contractual cash flows that are due in accordance with the contract and all cash flows that are expected to be received (i.e. all shortfalls) discounted at the original effective interest rate.
Depending on the nature of the financial assets and the credit risk information available, the assessment of a significant increase in credit risk may be performed on:

- an individual basis, if the receivables are individually significant and for all receivables which have been individually identified for impairment based on reasonable and supportable information;
- a collective basis, if no reasonable and supportable information is available without undue cost or effort to measure expected credit losses on an individual instrument basis.

When there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof, the gross carrying amount of the financial asset shall be reduced.
A write-off represents a derecognition event (e.g., the right to cash flows is legally or contractually extinguished, transferred or expired).

The following table shows the expected losses for each class of financial asset measured at amortized cost.

Millions of euro						
	at Dec. 31, 2023			at Dec. 31, 2022		
	Gross carrying amount	Expected credit loss allowance	Total	Gross carrying amount	Expected credit loss allowance	Total
Cash and cash equivalents	1,122	-	1,122	4,868	-	4,868
Trade receivables	188	21	167	300	6	294
Loan assets from Group companies	5,949	-	5,949	3,013	-	3,013
Loan assets from others	497	5	492	419	5	414
Other receivables	418	-	418	35	-	35
Total	**8,174**	**26**	**8,148**	**8,635**	**11**	**8,624**

To measure expected credit losses, the Company assesses trade receivables and contract assets with the simplified approach, both on an individual basis and a collective basis.
In the case of individual assessments, PD is generally obtained from external providers.
Otherwise, in the case of collective assessments, trade receivables are grouped on the basis of their shared credit risk characteristics and information on past due positions, considering a specific definition of default.
The Company mainly defines a defaulted position as one that is 180 days past due. Accordingly, beyond this time limit, trade receivables are presumed to be credit impaired.

The following table shows changes in the allowance for expected credit losses on financial assets and trade receivables.

Millions of euro	Expected credit loss allowance					
	Financial assets			Trade receivables		
	Individual	Collective	Total	Individual	Collective	Total
January 1, 2022 IFRS 9	**5**	**-**	**5**	**1**	**6**	**7**
Impairment losses	-	-	-	-	-	
Utilization	-	-	-	(1)	-	(1)
Reversals	-	-	-	-	-	
Total at Dec. 31, 2022 IFRS 9	**5**	**-**	**5**	**-**	**6**	**6**
Impairment losses	-	-	-		17	17
Utilization	-	-	-	-	-	-
Reversals	-	-	-	-	(2)	(2)
Total at Dec. 31, 2023 IFRS 9	**5**	**-**	**5**	**-**	**21**	**21**

32.1.2 Financial assets at fair value through other comprehensive income (FVOCI)

This category mainly includes equity investments in unlisted companies irrevocably designated as such at the time of initial recognition.
Equity investments in other companies, equal to €8 million, are essentially represented by the equity investment held by Enel SpA in Empresa Propietaria de la Red SA.
At December 31, 2023 the fair value of the equity investment was determined on the basis of an independent appraisal using the income approach with the discounted cash flow method.

32.1.3 Financial assets at fair value through profit or loss (FVTPL)

This category exclusively includes current and non-current derivatives used mainly to hedge the debt of Group companies. For more information, please see note 34.2 "Derivatives at fair value through profit or loss".

32.2 Financial liabilities by category

The following table shows the carrying amount for each category of financial liabilities provided by IFRS 9, broken down into current and non-current financial liabilities, showing separately hedging derivatives and derivatives measured at fair value through profit or loss.

Millions of euro		Non-current		Current	
	Notes	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Financial liabilities at amortized cost	32.2.1	**17,855**	**18,196**	**12,143**	**12,428**
Financial liabilities at FVTPL					
Derivative financial liabilities at FVTPL	34	122	197	106	178
Total		**122**	**197**	**106**	**178**
Derivative financial liabilities designated as hedging instruments					
Cash flow hedge derivatives	34	498	466	-	-
Total		**498**	**466**	**-**	**-**
TOTAL		**18,475**	**18,859**	**12,249**	**12,606**

For more details on the recognition and classification of current and non-current derivative financial liabilities, please see note 34 "Derivatives and hedge accounting".
For more details about fair value measurement, please see note 35 "Fair value measurement".

32.2.1 Financial liabilities at amortized cost

The following table shows financial liabilities at amortized cost by nature, broken down into current and non-current financial liabilities.

Millions of euro		Non-current			Current	
	Notes	at Dec. 31, 2023	at Dec. 31, 2022	Notes	at Dec. 31, 2023	at Dec. 31, 2022
Long-term borrowings	24	17,855	18,196		1,179	1,430
Short-term borrowings		-	-	24	8,632	8,752
Trade payables		-	-	28	135	155
Other current financial liabilities		-	-	31	2,197	2,091
Total		**17,855**	**18,196**		**12,143**	**12,428**

Other current financial liabilities essentially include the liability for the dividend to be paid to shareholders, represented by the liability for the interim dividend for 2023 amounting to €2,184 million, net of the portion on treasury shares held at the record date of January 23, 2024.

Borrowings

Long-term borrowings (including the portion falling due within 12 months) – *€19,034 million*

Long-term borrowings, which refer to bonds, bank borrowings and loans from Group companies, denominated in euros and other currencies, including the portion falling due within 12 months (equal to €1,179 million), amounted to €19,034 million at December 31, 2023.

The following table shows the nominal values, carrying amounts and fair values of long-term borrowings at December 31, 2023, including the portion falling due within 12 months, grouped by type of borrowing and type of interest rate. For listed debt instruments, the fair value is given by official prices. For unlisted debt instruments, fair value is determined using valuation techniques appropriate for each category of financial instrument and the associated market data for the reporting date, including the credit spreads of the Group.

Millions of euro	Nominal value	Carrying amount	Current portion	Portion due in more than 12 months	Fair value	Nominal value	Carrying amount	Current portion	Portion due in more than 12 months	Fair value	Carrying amount
	at Dec. 31, 2023					at Dec. 31, 2022					Change
Bonds:											
- fixed rate	2,446	2,433	749	1,684	2,563	3,601	3,584	-	3,584	3,672	(1,151)
- floating rate	678	678	97	581	690	775	775	97	678	823	(97)
Total	**3,124**	**3,111**	**846**	**2,265**	**3,253**	**4,376**	**4,359**	**97**	**4,262**	**4,495**	**(1,248)**
Bank borrowings:											
- floating rate	1,516	1,516	200	1,316	1,545	1,527	1,527	-	1,527	1,548	(11)
Total	**1,516**	**1,516**	**200**	**1,316**	**1,545**	**1,527**	**1,527**	**-**	**1,527**	**1,548**	**(11)**
Non-bank financing:											
- under fixed-rate leases	1	1	1	-	1	1	1	1	-	1	-
Total	**1**	**1**	**1**	**-**	**1**	**1**	**1**	**1**	**-**	**1**	**-**
Loans from Group companies:											
- fixed rate	11,899	11,899	86	11,813	10,343	13,186	13,186	1,286	11,900	10,730	(1,287)
- floating rate	2,507	2,507	46	2,461	2,546	553	553	46	507	568	1,954
Total	**14,406**	**14,406**	**132**	**14,274**	**12,889**	**13,739**	**13,739**	**1,332**	**12,407**	**11,298**	**667**
Total fixed-rate borrowings	**14,346**	**14,333**	**836**	**13,497**	**12,907**	**16,788**	**16,771**	**1,287**	**15,484**	**14,403**	**(2,438)**
Total floating-rate borrowings	**4,701**	**4,701**	**343**	**4,358**	**4,781**	**2,855**	**2,855**	**143**	**2,712**	**2,939**	**1,846**
TOTAL	**19,047**	**19,034**	**1,179**	**17,855**	**17,688**	**19,643**	**19,626**	**1,430**	**18,196**	**17,342**	**(592)**

For more details about the maturity analysis of borrowings, please see note 33 "Risk management", while for more about fair value measurement inputs, please see note 35 "Fair value measurement".

The table below shows long-term borrowings by currency and interest rate.

Long-term borrowings by currency and interest rate

Millions of euro	Carrying amount		Nominal value	Current average nominal interest rate	Current effective interest rate
	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2023		
Euro	**17,476**	**18,047**	**18,050**	**2.5%**	**2.5%**
US dollar	1,495	316	316	6.1%	6.1%
Pound sterling	655	671	681	5.7%	5.9%
Other currencies	-	-	-	0%	0%
Total non-euro currencies	**2,150**	**987**	**997**		
TOTAL	**19,626**	**19,034**	**19,047**		

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

Millions of euro	Nominal value	Repayments	New borrowings	Other	Exchange differences	Nominal value
	at Dec. 31, 2022					at Dec. 31, 2023
Bonds	4,376	(1,269)	-	-	17	3,124
Bank borrowings	1,527	(200)	200	-	(11)	1,516
Non-bank financing	1	(1)	1	-	-	1
Loans from Group companies	13,739	(1,333)	2,000	-	-	14,406
Total	**19,643**	**(2,803)**	**2,201**	**-**	**6**	**19,047**

Compared with December 31, 2022, the nominal value of long-term debt shows an overall decrease of €596 million, mainly due to:

- the repayment of bonds in the amount of €1,269 million, of which €1,172 million in respect of a hybrid bond in US dollars involved in a partial tender offer in the first months of 2023 and entirely repaid in September 2023;
- the repayment of borrowings by Group companies in the amount of €1,333 million, more than offset by a new floating-rate loan of €2,000 million granted by Enel Finance International NV in July 2023.

The following table reports the characteristics of the bank borrowings obtained in 2023.

New borrowings

Type of loan	Issuer	Issue date	Amount financed (millions)	Currency	Interest rate (%)	Type of interest rate	Issue date
Bank borrowings							
	Enel SpA	24.07.2023	200	EUR	Euribor 3M + 0.35%	floating	03.05.2024
Financing from Group companies							
	Enel SpA	31.07.2023	2,000	EUR	Euribor 6M + 0.50%	floating	31.07.2026
Total			**2,200**				

New bank borrowings involved revolving credit lines, entirely repaid at December 31, 2023. Financing from Group companies was granted by Enel Finance International NV.

The main long-term borrowings of Enel SpA are governed by covenants that are commonly adopted in international business practice. These borrowings are mainly represented by the bond issues carried out within the framework of the Global/Euro Medium-Term Notes programs, issues of subordinated unconvertible hybrid bonds, the Revolving Facility Agreement obtained on March 5, 2021 by Enel SpA and Enel Finance International NV from a pool of banks and amended on May 11, 2022 of up to €13.5 billion, the Sustainability-Linked Loan Facility Agreement obtained by Enel SpA on October 15, 2020 from a pool of banks in the amount of up to €1 billion, the loans granted to Enel SpA by UniCredit SpA and the Facility Agreement obtained on October 5, 2021 by Enel SpA from Bank of America Europe Designated Activity Company in the amount of $348,750,000 (equal to €300 million at the signing date), the sustainability-linked financing agreement signed on September 30, 2022 by Enel Finance America LLC (EFA) as the borrower and Enel SpA (as the guarantor) with EKF Denmark's Export Credit Agency (EKF)[18] and Citi for a total of up to $800 million ("EKF facility").

The main covenants in respect of the bond issues in the Global/Euro Medium-Term Notes programs of Enel SpA and Enel Finance International NV (including the green bonds of Enel Finance International NV guaranteed by Enel SpA, which are used to finance the Group's eligible green projects) and those related to bonds issued by Enel Finance International NV on the American market can be summarized as follows:

- negative pledge clauses under which the issuer and the guarantor may not establish or maintain (except under statutory requirement) mortgages, liens or other encumbrances on all or part of its assets or revenue, to secure certain financial borrowings, unless the same restrictions are extended equally or pro rata to the bonds in question;
- *pari passu* clauses, under which bonds and the associated guarantees constitute a direct, unconditional and unsecured obligation of the issuer and the guarantor, do not grant preferential rights among them and have at least the same seniority as other present and future unsubordinated and unsecured bonds of the issuer and the guarantor;
- cross-default clauses, under which the occurrence of a default event in respect of a specified financial liability (above a threshold level) of the issuer, the guarantor or significant subsidiaries constitutes a default in respect of the liabilities in question, which may become immediately repayable.

Since 2019, Enel Finance International NV has issued a number of "sustainable" bonds on the European market (as part of the Euro Medium-Term Notes - EMTN bond issue program) and on the American market, both guaranteed by Enel SpA, linked to the achievement of a number of the Sustainable Development Goals (SDGs) of the United Nations that contain the same covenants as other bonds of the same type. In 2022 Enel Finance America LLC issued sustainability-linked bonds of the same type on the American market, guaranteed by Enel SpA.
The main covenants covering the hybrid bonds of Enel SpA, including the perpetual hybrid bonds that will only be repaid in the event of the dissolution or liquidation of the

(18) Following a reorganization, in 2023 EKF was folded into the Export and Investment Fund of Denmark (EIFO).

Company, can be summarized as follows:

- subordination clauses: each hybrid bond is subordinate to all other bonds of the issuer and has the same seniority as other hybrid financial instruments issued and greater seniority than equity instruments;
- prohibition on mergers with other companies, the sale or leasing of all or a substantial part of the company's assets to another company, unless the latter succeeds in all obligations of the issuer.

The main covenants for the Revolving Facility Agreement and other loan agreements signed by Enel SpA are substantially similar and can be summarized as follows:[19]

- negative pledge clauses, under which the borrower and, in some cases, significant subsidiaries may not establish mortgages, liens or other encumbrances on all or part of their respective assets to secure certain financial liabilities, with the exception of expressly permitted encumbrances;
- disposals clauses, under which the borrower and, in some cases, the subsidiaries of Enel may not dispose of their assets or a significant portion of their assets or operations, with the exception of expressly permitted disposals;
- *pari passu* clauses, under which the payment undertakings of the borrower have the same seniority as its other unsecured and unsubordinated payment obligations;
- change-of-control clauses, which are triggered in the event (i) control of Enel is acquired by one or more parties other than the Italian State or (ii) Enel or any of its subsidiaries transfer a substantial portion of the Group's assets to parties outside the Group such that the financial reliability of the Group is significantly compromised. The occurrence of one of the two circumstances may give rise to (a) the renegotiation of the terms and conditions of the financing or (b) compulsory early repayment of the financing by the borrower;
- cross-default clauses, under which the occurrence of a default event in respect of a specified financial liability (above a threshold level) of the borrower or significant subsidiaries constitutes a default in respect of the liabilities in question, which may become immediately repayable.

The borrowings considered specify events of default typical of international business practice, such as, for example, insolvency, bankruptcy proceedings or the entity ceases trading.
None of the covenants indicated above has been triggered to date.
Lastly, it should be noted that Enel SpA issued certain guarantees in the interest of a number of Group companies in relation to the commitments undertaken within the context of the loan agreements. These guarantees and the associated loan contracts include certain covenants and events of default, some borne by Enel SpA as the guarantor, typical of international business practice.

Debt structure after hedging

The following table shows the effect of the hedges of currency risk on the gross long-term debt structure (including portions maturing in the next 12 months).

(19) The EKF credit line provides for a "reputational damage" clause, under which EKF can request the cancellation of the financial commitment undertaken by it and the early payment of the sums disbursed if it has suffered ascertained harm to its own reputation or that of the Danish State as a result of substantial breach of certain regulations. It also provides for the commitment, also of the guarantor, to ensure compliance with certain environmental and social regulations and standards.

Millions of euro	at Dec. 31, 2023					at Dec. 31, 2022				
	Initial debt structure			Hedged debt	Debt structure after hedging	Initial debt structure			Hedged debt	Debt structure after hedging
	Carrying amount	Nominal value	%			Carrying amount	Nominal value	%		
Euro	**18,047**	**18,050**	**94.77%**	**997**	**19,047**	**17,476**	**17,480**	**89%**	**2,163**	**19,643**
US dollar	316	316	1.66%	(316)	-	1,495	1,498	8%	(1,498)	-
Pound sterling	671	681	3.58%	(681)	-	655	665	3%	(665)	-
Total	**19,034**	**19,047**	**100.0%**	**-**	**19,047**	**19,626**	**19,643**	**100.0%**	**-**	**19,643**

The following table shows the effect of the hedges of interest rate risk on the gross long-term debt outstanding at the reporting date.

%	at Dec. 31, 2023		at Dec. 31, 2022	
	Before hedging	After hedging	Before hedging	After hedging
Floating rate	25.0	18.0	15.0	8.0
Fixed rate	75.0	82.0	85.0	92.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

Short-term borrowings – *€8,632 million*

The following table shows short-term borrowings at December 31, 2023, by type.

Millions of euro	at Dec. 31, 2023	at Dec. 31, 2022	Change
Loans from third parties			
Bank borrowings	-	25	(25)
Bank borrowings (ordinary current account)	1	-	1
Cash collateral for CSAs on OTC derivatives received	169	365	(196)
Total	**170**	**390**	**(220)**
Borrowings from Group counterparties			
Short-term borrowings from Group companies (on intercompany current account)	3,962	5,362	(1,400)
Other short-term borrowings from Group companies	4,500	3,000	1,500
Total	**8,462**	**8,362**	**100**
TOTAL	**8,632**	**8,752**	**(120)**

It should be specified that the fair value of current borrowings equals their carrying amount as the impact of discounting is not significant.

32.2.2 Financial liabilities at fair value through profit or loss (FVTPL)

This category includes solely current and non-current derivative financial liabilities relating mainly to hedges of the debt of Group companies. More information is given in note 34.2 "Derivatives at fair value through profit or loss".

32.2.3 Net gains/(losses)

The following table shows net gains and losses by category of financial instruments, excluding derivatives.

Millions of euro	Net gains/(losses)		*of which: impairment (loss)/gain*
	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023
Financial assets at amortized cost	444	371	-
Financial assets at FVOCI	-	-	-
Financial liabilities at amortized cost	(846)	(695)	-

For more details on net gains and losses on derivatives, please see note 7 "Net financial income/(expense) from derivatives".

33. Risk management

Financial risks

As part of its operations, the Company is exposed to a variety of financial risks, notably interest rate risk, currency risk, credit and counterparty risk and liquidity risk.
Enel SpA has adopted a system for governing financial risks comprising internal committees, dedicated policies and operating limits. The goal is to appropriately mitigate financial risks in order to prevent unexpected variations in financial performance, without ruling out the possibility of seizing any opportunities that may arise.

Interest rate risk and currency risk

As part of its operations as an industrial holding company, Enel SpA is exposed to different market risks, notably the risk of changes in interest rates and exchange rates.
Interest rate risk and currency risk are primarily generated by the presence of financial instruments.
The main financial liabilities held by the Company include bonds, bank borrowings, other borrowings, derivatives, cash collateral for derivatives transactions and trade payables. The main purpose of those financial instruments is to finance the operations of the Company.
The main financial assets held by the Company include loan assets, derivatives, cash deposits provided as collateral for derivatives contracts, cash and cash equivalents and short-term deposits, as well as trade receivables. For more details, please see note 32 "Financial instruments".
The source of exposure to interest rate risk and currency risk did not change with respect to the previous year.
As the Parent, Enel SpA centralizes some treasury management functions and access to financial markets with regard to financial derivatives contracts on interest rates and exchange rates. As part of this activity, Enel SpA acts as an intermediary for Group companies with the market, taking positions that, while they can be substantial, do not however represent an exposure to the above risks for Enel SpA.
In 2023, the Group was positioned below the clearing thresholds for all asset classes established under the EMIR (Regulation (EU) no. 648/2012), maintaining its classification as a non-financial counterparty not subject to clearing obligations.
The volume of transactions in financial derivatives outstanding at December 31, 2023 is reported below, with specification of the notional amount of each class of instrument.
The notional amount of a derivative contract is the amount on which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euro by multiplying the notional amount by the agreed price).
The notional amounts of derivatives reported here do not represent amounts exchanged between the parties and therefore are not a measure of the Company's credit risk exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
Interest rate risk for the Company manifests itself as a change in the flows associated with interest payments on floating-rate financial liabilities, a change in financial terms and conditions in negotiating new debt instruments or as an adverse change in the value of financial assets/liabilities measured at fair value, which are typically fixed-rate debt instruments.
Interest rate risk is managed with the dual goals of reducing the amount of debt exposed to interest rate fluctuations and containing the cost of funds, limiting the volatility of results.
This goal is pursued through the strategic diversification of the portfolio of financial liabilities by contract type, maturity and interest rate, and modifying the risk profile of specific exposures using OTC derivatives, mainly interest rate swaps.

The notional amount of outstanding contracts is reported below.

Millions of euro	Notional amount	
	at Dec. 31, 2023	at Dec. 31, 2022
Interest rate derivatives		
Interest rate swaps	5,652	5,246
Total	**5,652**	**5,246**

The term of such contracts does not exceed the maturity of the underlying financial liability, so that any change in the fair value and/or cash flows of such contracts is offset by a corresponding change in the fair value and/or cash flows of the underlying position.
Interest rate swaps normally provide for the periodic exchange of floating-rate interest flows for fixed-rate interest flows, both of which are calculated on the basis of the notional principal amount.
The notional amount of open interest rate swaps at the end of the year was €5,652 million (€5,246 million at December 31, 2022), of which €1,490 million in respect of hedges of the Company's share of debt, and €4,162 million in respect of hedges of the debt of Group companies with the market intermediated in the same notional amount with those companies. The increase in the overall notional amount is mainly attributable to the following factors:

- new interest rate swap transacted on behalf of e-distribuzione in the total amount of €1,000 million;
- €594 million in interest rate swaps reaching their natural expiry or reduced as a result of amortization.

For more details on interest rate derivatives, please see note 34 "Derivatives and hedge accounting".

The amount of floating-rate debt that is not hedged against interest rate risk is the main risk factor that could impact the income statement (raising borrowing costs) in the event of an increase in market interest rates.
At December 31, 2023, 25% of gross long-term financial debt was floating rate (15% at December 31, 2022). Taking account of hedges of interest rates considered effective pursuant to IFRS 9, 82% of gross long-term financial debt was hedged at December 31, 2023 (92% at December 31, 2022). Including derivatives treated as hedges for management purposes but ineligible for hedge accounting, the ratio is essentially unchanged.

Interest rate risk sensitivity analysis

The Company analyses the sensitivity of its exposure by estimating the effects of a change in interest rates on the portfolio of financial instruments.
More specifically, sensitivity analysis measures the potential impact of market scenarios on equity, for the cash flow hedge component, and on profit or loss, for the fair value hedge component on the fair value of financial derivatives and the portion of gross long-term debt not hedged using financial derivatives.
These scenarios are represented by parallel increases and decreases in the yield curve as at the reporting date.
There were no changes in the methods and assumptions used in the sensitivity analysis compared with the previous year.

With all other variables held constant, pre-tax profit would be affected as follows:

Millions of euro

		at Dec. 31, 2023				at Dec. 31, 2022			
		Pre-tax impact on profit or loss		Pre-tax impact on equity		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	Basis points	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Change in financial expense on gross long-term floating-rate debt in foreign currencies	25	8.5	(8.5)	-	-	3.9	(3.9)	-	-
Change in the fair value of derivatives classified as non-hedging instruments	25	4.5	(4.5)	-	-	3.5	(3.5)	-	-
Change in the fair value of derivatives designated as hedging instruments:									
Cash flow hedges	25	-	-	9.2	(9.2)	-	-	12.0	(12.0)
Fair value hedges	25	-	-	-	-	-	-	-	-

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates.
For Enel SpA, the main source of currency risk is the presence of monetary financial instruments denominated in a currency other than the euro, mainly bonds denominated in foreign currencies.
The exposure to currency risk did not change with respect to the previous year.
For more details, please see note 32 "Financial instruments".

In order to minimize exposure to changes in exchange rates, the Company normally uses a variety of OTC derivatives such as currency forwards and cross currency interest rate swaps. The term of such contracts does not exceed the maturity of the underlying exposure.
Currency forwards are contracts in which the counterparties agree to exchange principal amounts denominated in different currencies at a specified future date and exchange rate (the strike). Such contracts may call for the actual exchange of the two amounts (deliverable forwards) or payment of the difference between the strike exchange rate and the prevailing exchange rate at maturity (non-deliverable forwards).

Cross currency interest rate swaps are used to transform a long-term fixed- or floating-rate liability in foreign currencies into an equivalent floating- or fixed-rate liability in euros. In addition to having notionals denominated in different currencies, these instruments differ from interest rate swaps in that they provide both for the periodic exchange of cash flows and the final exchange of principal.

The following table reports the notional amount of transactions outstanding at December 31, 2023 and December 31, 2022, broken down by type of hedged item.

Millions of euro	Notional amount	
	at Dec. 31, 2023	at Dec. 31, 2022
Foreign exchange derivatives		
Currency forwards:	6,129	14,065
- hedging currency risk on commodities	4,849	10,252
- hedging future cash flows	773	2,656
- other currency forwards	507	1,157
Cross currency interest rate swaps	1,969	3,104
Total	**8,098**	**17,169**

More specifically, these include:

- currency forward contracts with a total notional amount of €4,849 million, of which €2,424 million to hedge the currency risk associated with purchases of energy commodities by Group companies, with matching transactions with the market;
- currency forward contracts with a notional amount of €773 million, to hedge the currency risk associated with other expected cash flows in currencies other than the euro, of which €442 million in market transactions;
- currency forward contracts with a notional amount of €507 million, of which €273 million in market transactions to hedge the currency risk on investment spending (€243 million) and, to a lesser extent, operating expenditure;
- cross currency interest rate swaps with a notional amount of €1,969 million to hedge the currency risk on the debt of Enel SpA or other Group companies denominated in currencies other than the euro.

For more details, please see note 34 "Derivatives and hedge accounting".

An analysis of the Group's debt shows that 5.2% of gross medium- and long-term debt is denominated in currencies other than the euro.

Considering exchange rate hedges and the portion of debt in foreign currency that is denominated in the presentation currency of or the functional currency of the Company, the debt is fully hedged using cross currency interest rate swaps.

Currency risk sensitivity analysis

The Company analyses the sensitivity of its exposure by estimating the effects of a change in exchange rates on the portfolio of financial instruments.
More specifically, sensitivity analysis measures the potential impact of market scenarios on equity, for the cash flow hedge component, and on profit or loss, for the fair value hedge component on the fair value of financial derivatives and the portion of gross long-term debt not hedged using financial derivatives.
These scenarios are represented by the appreciation/depreciation of the euro against all of the foreign currencies compared with the value observed as at the reporting date.
There were no changes in the methods and assumptions used in the sensitivity analysis compared with the previous year.
With all other variables held constant, pre-tax profit would be affected as follows:

Millions of euro

		at Dec. 31, 2023				at Dec. 31, 2022			
		Pre-tax impact on profit or loss		Pre-tax impact on equity		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	Exchange rate	Appreciation of euro	Depreciation of euro	Appreciation of euro	Depreciation of euro	Appreciation of euro	Depreciation of euro	Appreciation of euro	Depreciation of euro
Change in financial expense on gross long-term floating-rate debt in foreign currencies after hedging	10%	-	-	-	-	-	-	-	-
Change in the fair value of derivatives classified as non-hedging instruments	10%	10.1	(12.3)	-	-	(0.1)	0.1	-	-
Change in the fair value of derivatives designated as hedging instruments:									
Cash flow hedges	10%	-	-	(108.2)	132.2	-	-	(186.1)	227.5
Fair value hedges	10%	-	-	-	-	-	-	-	-

Credit and counterparty risk

Credit risk is represented by the possibility of a deterioration in the creditworthiness of a counterparty in a financial transaction that could have an adverse impact on the creditor position. The Company is exposed to credit risk from its financial activities, including transactions in derivatives, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The sources of exposure to credit risk did not change with respect to the previous year.

The Company's management of financial credit risk is based on the selection of counterparties from among leading Italian and international financial institutions with high credit standing considered solvent both by the market and on the basis of internal assessments, diversifying the exposure among them. Credit exposures and associated credit risk are regularly monitored by the departments responsible for monitoring risks under the policies and procedures outlined in the governance rules for managing the Group's risks, which are also designed to ensure prompt identification of possible mitigation actions to be taken.

Within this general framework, Enel SpA entered into margin agreements with the leading financial institutions with which it operates that call for the exchange of cash collateral, which significantly mitigates the exposure to credit risk.

Loan assets

Millions of euro

Staging	Basis for recognizing expected credit loss allowance	Average loss rate (PD*LGD)	Gross carrying amount	Expected credit loss allowance	Carrying amount
	at Dec. 31, 2023				
Performing	12-month ECL	0.08%	6,446	5	6,441
Underperforming	Lifetime ECL		-	-	-
Non-performing			-	-	-
Total			**6,446**	**5**	**6,441**

Trade receivables and other financial assets: collective measurement

Millions of euro	at Dec. 31, 2023			
	Average loss rate (PD*LGD)	Gross carrying amount	Expected credit loss allowance	Carrying amount
Trade receivables				
Trade receivables not past due		136	-	136
Trade receivables past due:				
- 1-180 days	20.12%	13	3	10
- more than 180 days (credit impaired)	45.61%	39	18	21
Total trade receivables		**188**	**21**	**167**
Other financial assets				
Other financial assets not past due		418	-	418
Other financial assets past due		-	-	-
Total other financial assets		**418**	**-**	**418**
TOTAL		**606**	**21**	**585**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The objectives of liquidity risk management policies are:

- ensuring an appropriate level of liquidity for the Company, minimizing the associated opportunity cost;
- maintaining a balanced debt structure in terms of the maturity profile and funding sources.

In the short term, liquidity risk is mitigated by maintaining an appropriate level of unconditionally available resources, including cash and short-term deposits, available committed credit lines and a portfolio of highly liquid assets.

In the long term, liquidity risk is mitigated by maintaining a balanced debt maturity profile and diversifying funding sources in terms of instruments, markets/currencies and counterparties.

At December 31, 2023 Enel SpA had a total of €1,122 million in cash or cash equivalents (€4,868 million at December 31, 2022), and committed lines of credit amounting to €8,250 million, all of which maturing in more than one year (€8,300 million at December 31, 2022).

Maturity analysis

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

Millions of euro	Maturing in				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Bonds:					
- fixed rate	-	749	-	849	835
- floating rate	-	97	97	194	290
Total	**-**	**846**	**97**	**1,043**	**1,125**
Bank borrowings:					
- floating rate	-	200	316	1,000	-
Total	**-**	**200**	**316**	**1,000**	**-**
Non-bank financing:					
- under fixed-rate leases	-	1	-	-	-
Total	**-**	**1**	**-**	**-**	**-**
Loans from Group companies:					
- fixed rate	43	43	86	759	10,968
- floating rate	23	23	46	2,415	-
Total	**66**	**66**	**132**	**3,174**	**10,968**
TOTAL	**66**	**1,113**	**545**	**5,217**	**12,093**

Offsetting financial assets and financial liabilities

The following table reports the net financial assets and liabilities. More specifically, it shows that there are no netting arrangements for derivatives in the separate financial statements since the Company does not plan to offset assets and liabilities. As envisaged by current market regulations and to guarantee transactions involving derivatives, Enel SpA has entered into margin agreements with leading financial institutions that call for the exchange of cash collateral, broken down as shown in the table.

Millions of euro						at Dec. 31, 2023
	(a)	(b)	(c)=(a)-(b)	(d)		(e)=(c)-(d)
				Correlated amounts not offset in the financial statements		
				(d)(i),(d)(ii)	(d)(iii)	
	Gross amounts of recognized financial assets/ (liabilities)	Gross amounts of recognized financial assets/ (liabilities) offset in the statement of financial position	Net amounts of financial assets/ (liabilities) presented in the statement of financial position	Financial instruments	Net portion of financial assets/ (liabilities) guaranteed with cash collateral	Net amount of financial assets/ (liabilities)
FINANCIAL ASSETS						
Derivative assets:						
- on interest rate risk	106	-	106	-	55	161
- on currency risk	231	-	231	-	126	357
Total derivative assets	**337**	**-**	**337**	**-**	**182**	**519**
TOTAL FINANCIAL ASSETS	**337**	**-**	**337**	**-**	**182**	**519**
FINANCIAL LIABILITIES						
Derivative liabilities:						
- on interest rate risk	(163)	-	(163)	-	168	5
- on currency risk	(563)	-	(563)	-	124	(439)
Total derivative liabilities	**(726)**	**-**	**(726)**	**-**	**292**	**(434)**
TOTAL FINANCIAL LIABILITIES	**(726)**	**-**	**(726)**	**-**	**292**	**(434)**
TOTAL NET FINANCIAL ASSETS/ (LIABILITIES)	**(389)**	**-**	**(389)**	**-**	**474**	**85**

34. Derivatives and hedge accounting

The following tables report the notional amount and fair value of derivative financial assets and liabilities by type of hedge relationship and hedged risk, broken down into current and non-current derivative financial assets and liabilities.

The notional amount of a derivative contract is the amount on the basis of which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euros by multiplying the notional amount by the agreed price). Amounts denominated in currencies other than the euro are translated at the closing year exchange rates provided by the World Markets Refinitiv (WMR) Company.

Millions of euro	Non-current					Current				
	Notional amount		Fair value			Notional amount		Fair value		
DERIVATIVE ASSETS	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**Change**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**Change**
Derivatives designated as hedging instruments										
Cash flow hedges:										
- on interest rate risk	1,000	1,000	21	42	(21)	-	-	-	-	-
- on currency risk	950	947	118	108	10	-	1,171	-	234	(234)
Total cash flow hedges	**1,950**	**1,947**	**139**	**150**	**(11)**	**-**	**1,171**	**-**	**234**	**(234)**
Derivatives at FVTPL:										
- on interest rate risk	2,073	1,819	85	129	(44)	8	59	-	-	-
- on currency risk	281	1,630	37	70	(33)	2,961	5,617	76	156	(80)
Total derivatives at FVTPL	**2,354**	**3,449**	**122**	**199**	**(77)**	**2,969**	**5,676**	**76**	**156**	**(80)**
TOTAL DERIVATIVE ASSETS	**4,304**	**5,396**	**261**	**349**	**(88)**	**2,969**	**6,847**	**76**	**390**	**(314)**

Millions of euro	Non-current					Current				
	Notional amount		Fair value			Notional amount		Fair value		
DERIVATIVE LIABILITIES	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**Change**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**Change**
Derivatives designated as hedging instruments										
Cash flow hedges:										
- on interest rate risk	390	2,440	49	43	6	-	-	-	-	-
- on currency risk	739	712	449	423	26	-	-	-	-	-
Total cash flow hedges	**1,129**	**3,152**	**498**	**466**	**32**	**-**	**-**	**-**	**-**	**-**
Derivatives at FVTPL:										
- on interest rate risk	2,059	2,080	85	128	(43)	122	160	29	23	6
- on currency risk	281	660	37	69	(32)	2,884	5,465	77	155	(78)
Total derivatives at FVTPL	**2,340**	**2,740**	**122**	**197**	**(75)**	**3,006**	**5,625**	**106**	**178**	**(72)**
TOTAL DERIVATIVE LIABILITIES	**3,469**	**5,892**	**620**	**663**	**(43)**	**3,006**	**5,625**	**106**	**178**	**(72)**

34.1 Hedge accounting

Derivatives are initially recognized at fair value on the trade date of the contract and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Hedge accounting is applied to derivatives entered into in order to reduce risks such as interest rate risk, currency risk and commodity price risk (including Virtual PPAs) and when all the criteria provided by IFRS 9 are met.

At the inception of the transaction, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether hedging instruments are highly effective in offsetting changes in fair values or cash flows of hedged items.

For cash flow hedges of forecast transactions designated as hedged items, the Company assesses and documents that they are highly probable and present an exposure to changes in cash flows that affect profit or loss.

Depending on the nature of the risk exposure, the Company designates derivatives as either:

- fair value hedges;
- cash flow hedges.

For more details about the nature and the extent of risks arising from financial instruments to which the Company is exposed, please see note 33 "Risk management".

To be effective a hedging relationship shall meet all of the following criteria:

- existence of an economic relationship between hedging instrument and hedged item;
- the effect of credit risk does not dominate the value changes resulting from the economic relationship;
- the hedge ratio defined at designation resulting equal to the one used for risk management purposes (i.e. same quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge the quantity of the hedged item).

Based on the IFRS 9 requirements, the existence of an economic relationship is evaluated by the Company through a qualitative assessment or a quantitative computation, depending on the following circumstances:

- if the underlying risk of the hedging instrument and the hedged item is the same, the existence of an economic relationship will be provided through a qualitative analysis;
- on the other hand, if the underlying risk of the hedging instrument and the hedged item is not the same, the existence of the economic relationship will be demonstrated through a quantitative method in addition to a qualitative analysis of the nature of the economic relationship (i.e. linear regression).

In order to demonstrate that the behavior of the hedging instrument is in line with that of the hedged item, different scenarios will be analyzed.

For hedging of commodity price risk, the existence of an economic relationship is deduced from a ranking matrix that defines, for each possible risk component, a set of all standard derivatives available in the market whose ranking is based on their effectiveness in hedging the considered risk.

In order to evaluate the credit risk effects, the Company considers the existence of risk mitigating measures (collateral, mutual break-up clauses, netting agreements, etc.).

The Company has established a hedge ratio of 1:1 for all the hedging relationships (including commodity price risk hedging) as the underlying risk of the hedging derivative is identical to the hedged risk, in order to minimize hedging ineffectiveness.

The hedge ineffectiveness will be evaluated through a qualitative assessment or a quantitative computation, depending on the following circumstances:

- if the critical terms of the hedged item and hedging instrument match and there are no other sources of ineffectiveness including the credit risk adjustment on the hedging derivative, the hedge relationship will be considered fully effective on the basis of a qualitative assessment;
- if the critical terms of the hedged item and hedging instrument do not match or there is at least one source of ineffectiveness, the hedge ineffectiveness will be quantified applying the dollar offset cumulative method with hypothetical derivative. This method compares changes in the fair values of the hedging instrument and the hypothetical derivative between the reporting date and the inception date.

The main causes of hedge ineffectiveness may be the following:

- basis differences (i.e. the fair value or cash flows of the hedged item depend on a variable that is different from the variable that causes the fair value or cash flows of the hedging instrument to change);
- timing differences (i.e. the hedged item and hedging instrument occur or are settled at different dates);
- quantity or notional amount differences (i.e. the hedged item and hedging instrument are based on different quantities or notional amounts);
- other risks (i.e. changes in the fair value or cash flows of a derivative hedging instrument or hedged item relate to risks other than the specific risk being hedged);

- credit risk (i.e. the counterparty credit risk differently impacts the changes in the fair value of the hedging instruments and hedged items).

Cash flow hedges

Cash flow hedges are applied in order to hedge the Company exposure to changes in future cash flows that are attributable to a particular risk associated with a recognized asset or liability or a highly probable transaction that could affect profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Amounts accumulated in equity are reclassified to profit or loss in the years when the hedged item affects profit or loss (for example, when the hedged forecast sale takes place).

If the hedged item results in the recognition of a non-financial asset (i.e. property, plant and equipment or inventories, etc.) or a non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the amount accumulated in equity (i.e. hedging reserve) shall be removed and included in the initial amount (cost or other carrying amount) of the asset or the liability hedged (i.e. "basis adjustment").

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

For hedging relationships using forwards as a hedging instrument, where only the change in the value of the spot element is designated as the hedging instrument, accounting for the forward element (profit or loss vs OCI) is defined case by case. This approach is actually applied by the Company for hedging of currency risk on renewables assets.

Conversely, for hedging relationships using cross currency interest rate swaps as hedging instruments, the Company separates foreign currency basis spreads, in designating the hedging derivative, and presents them in other comprehensive income (OCI) in the hedging costs reserve.

With specific regard to cash flow hedges of commodity risk, in order to improve their consistency with the risk management strategy, the Company applies a dynamic hedge accounting approach based on specific liquidity requirements (the so-called liquidity-based approach).

This approach requires the designation of hedges through the use of the most liquid derivatives available on the market and replacing them with others that are more effective in covering the risk in question.

Consistent with the risk management strategy, the liquidity-based approach allows the roll-over of a derivative by replacing it with a new derivative, not only in the event of expiry but also during the hedging relationship, if and only if the new derivative meets both of the following requirements:

- it represents a best proxy of the old derivative in terms of ranking;
- it meets specific liquidity requirements.

Satisfaction of these requirements is verified quarterly.

At the roll-over date, the hedging relationship is not discontinued. Therefore, starting from that date, changes in the effective fair value of the new derivative will be recognized in equity (the hedging reserve), while changes in the fair value of the old derivative are recognized through profit or loss.

The Company currently uses these hedge relationships to minimize the volatility of profit or loss.

Reform of benchmarks for the determination of interest rates – IBOR reform

Overview

Interbank Offered Rates ("IBORs") are benchmark rates at which banks can borrow funds on the interbank market on an unsecured basis for a given period ranging from overnight to 12 months, in a specific currency.

In recent years there have been a number of cases of manipulation of these rates by the banks contributing to their calculation. For this reason, regulators around the world have begun a sweeping reform of interest rate benchmarks that includes the replacement of some benchmarks with alternative risk-free rates (the IBOR reform).

The Company's main exposure to IBOR is based on Euribor. Euribor is still considered compliant with the European Benchmarks Regulation (BMR) and this permits market participants to continue to use it for both existing and new contracts.

In line with the most recent guidance issued by the major regulatory bodies, the 1-month, 3-month and 6-month USD LIBOR benchmarks have become unrepresentative from June 30, 2023 and the alternative reference rate is the Secured Overnight Financing Rate (SOFR).

As a result of the IBOR reform, a number of temporary exceptions to the rules on hedge relationships have been allowed in implementation of the amendments to IFRS 9 issued in September 2019 (Phase 1) and August 2020 (Phase 2) to address, respectively:

- pre-replacement issues that impact financial reporting in the period preceding the replacement of an existing interest rate benchmark with an alternative risk-free rate (Phase 1); and

- post-replacement issues that could impact financial reporting when an existing interest rate benchmark is reformed or replaced and there is no longer any initial uncertainty, but hedge contracts and relationships still need to be updated to reflect the new benchmark rates (Phase 2).

Impact of the IBOR reform

In a context of uncertainty regarding the IBOR transition in the various countries, the Company has determined the overall number and nominal value of the contracts impacted by the reform. In addition, a number of contractual amendments have already been implemented in contracts previously indexed to GBP LIBOR during 2021 and others have been implemented during 2023, considering that, as noted above, USD LIBOR benchmarks have become unrepresentative from June 30, 2023.

Debt and derivatives

The Company's floating rate debt is mainly benchmarked against Euribor and is almost entirely hedged using financial derivatives.
At the reporting date, the Company is planning to take no action with regard to Euribor since, as stated above, this benchmark has been comprehensively reformed to comply with the European Benchmarks Regulation. Despite the continuity with Euribor, replacement clauses may be required and could therefore be implemented by the Group in the new contracts in accordance with the evolution of accepted market practice.
During 2023, the Company obtained new dollar loans indexed to SOFR and focused on the implementation of how to change all exposures from USD LIBOR to USD SOFR.
The Company's derivative instruments are managed through contracts that are based on framework agreements defined by the International Swaps and Derivatives Association (ISDA).
The ISDA has revised its standardized contracts in light of the IBOR reform and amended the choices for floating rates within the 2006 ISDA definitions to include replacement clauses that would apply upon the permanent discontinuation of specific key benchmarks. These changes took effect on January 25, 2021. Transactions represented in the 2006 ISDA definitions carried out on January 25, 2021 or later include adjusted floating-rate options (e.g., the choice of floating rate with replacement clause), while transactions completed before that date (previous derivative contracts) continue to be based on the 2006 ISDA definitions.
For this reason, the ISDA published an IBOR Fallback Protocol to facilitate multilateral amendments to include the amended definitions.
As regards Euribor, the Company is assessing whether to: (i) adopt that protocol in the light of its exposure and developments in the IBOR reform or (ii) adjust in advance any contracts impacted bilaterally by the reform.

Hedge relationships

At the reporting date, hedged items and hedging instruments are primarily indexed to Euribor, SOFR and SONIA.
The Company has assessed the impact of uncertainty engendered by the IBOR reform on hedge relationships at December 31, 2023 with reference to both hedging instruments and hedged items. Both the hedged items and the hedging instruments have changed their parameterization from interbank market-based benchmarks (IBORs) to alternative risk-free rates (RFRs) as a result of the contractual amendments that have taken effect.
In particular, in order to manage the uncertainty associated with both hedging instruments and hedged items indexed to some IBOR benchmarks, until June 30, 2023 the Company has continued to apply the temporary exceptions provided for in the amendments to IFRS 9 issued in September 2019 (Phase 1). It was therefore felt that the benchmark indices for determining the interest rates on which the cash flows of the hedged items or the hedging instruments are based would not change as a consequence of the IBOR reform. The exception was applied for the following hedge relationship requirements:

- determining if a forecast transaction is highly probable;
- establishing whether the future hedged cash flows will arise in a discontinued cash flow hedge relationship;
- assessing the economic relationship between the hedged item and the hedging instrument.

The hedge relationships impacted may have become ineffective due to different replacements of existing benchmarks with alternative risk-free benchmarks. In order to avoid that risk, the Company has sought to implement the replacements at the same time.
In addition, the Company changed the reference to USD and GBP LIBOR in its interest rate hedging instruments used in cash flow hedge relationships with the new, economically equivalent, SOFR and SONIA, benchmarks. Consequently, the Company no longer applies the amendments to IFRS 9 issued in September 2019 (Phase 1) to these hedge relationships and is applying the amendments to IFRS 9 issued in August 2020 (Phase 2), modifying the formal designation of the hedge relationship as required by the IBOR reform and without considering this event as a termination of the hedge relationship.
Furthermore, for cash flow hedge relationships, in modifying the description of the hedged item in the hedge relationship, the amounts accumulated in the cash flow hedge reserve were considered on the basis of the alternative benchmark index in relation to which the future hedged cash flows are determined.

Fair value hedges

Fair value hedges are used to protect the Company against exposures to changes in the fair value of assets, liabilities or firm commitment attributable to a particular risk that could affect profit or loss.

Changes in the fair value of derivatives that qualify and are designated as hedging instruments are recognized in the income statement, together with changes in the fair value of the hedged item that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortized to profit or loss over the residual life of the hedged element.

The Company does not currently use such hedging relationships.

For more information on fair value measurement, please see note 35 "Fair value measurement".

34.1.1 Hedge relationship by type of credit risk

Interest rate risk

The following table shows the notional amount and the average rate on instruments hedging interest rate risk on transactions outstanding at December 31, 2023 and December 31, 2022, broken down by maturity.

Millions of euro							
At Dec. 31, 2023	**2024**	**2025**	**2026**	**2027**	**2028**	**Beyond**	**Total**
Interest rate swaps							
Notional amount	-	500	500	-	-	390	1,390
Average IRS rate		*1.63*	*1.78*			*5.07*	

Millions of euro							
At Dec. 31, 2022	**2023**	**2024**	**2025**	**2026**	**2027**	**Beyond**	**Total**
Interest rate swaps							
Notional amount	-	-	500	500	-	390	1,390
Average IRS rate			*1.63*	*1.78*		*4.70*	

The interest rate swaps outstanding at the end of the year and designated as hedging instruments function as a cash flow hedge for the hedged item. The cash flow hedge derivatives refer to the hedging of certain floating-rate bonds issued since 2001 and floating-rate bank loans obtained in 2020 and 2023.

The following table shows the notional amount and the fair value of hedging derivatives on interest rate risk as at December 31, 2023 and December 31, 2022.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Cash flow hedge derivatives	**1,000**	**1,000**	**21**	**42**	**390**	**390**	**(49)**	**(43)**
Interest rate swaps	1,000	1,000	21	42	390	390	(49)	(43)

The slight deterioration in the fair value of derivatives compared with the previous year is mainly attributable to the developments in the medium/long-term segment of the yield curve over the course of 2023 compared with the increase in the short-term segment. This phenomenon is mainly attributable to the impact of restrictive monetary policies implemented by central banks aimed at combating inflation and to market expectations regarding the progressive easing of such policies in the years to come.

The following table shows the cash flows expected in coming years from cash flow hedge derivatives hedging interest rate risk.

Millions of euro	Fair value	Distribution of expected cash flows					
Cash flow hedge derivatives on interest rates	**at Dec. 31, 2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Beyond**
Positive fair value	21	18	3	1	-	-	-
Negative fair value	(49)	(6)	(9)	(9)	(9)	(8)	(14)

The following table shows the impact of interest rate hedge derivatives on the statement of financial position.

Millions of euro	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year
At Dec. 31, 2023			
Interest rate swaps	1,390	(28)	(28)
At Dec. 31, 2022			
Interest rate swaps	1,390	(1)	(1)

The following table shows the impact of hedged items exposed to interest rate risk on the statement of financial position.

Millions of euro	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve
	2023			**2022**		
Floating-rate borrowings	(14)	14	-	(60)	60	-
Total	**(14)**	**14**	**-**	**(60)**	**60**	**-**

The following table shows the impact of cash flow hedges on interest rate risk on profit or loss and on other comprehensive income.

Millions of euro	Total other comprehensive income/ (expense)	Ineffective portion recognized in profit or loss	Income statement item	Hedging costs	Amount reclassified from OCI to profit or loss	Income statement item
At Dec. 31, 2023						
Floating-rate borrowings	(18)	-	-	-	(83)	Financial expense
Total at Dec. 31, 2023	**(18)**	**-**	**-**	**-**	**(83)**	
At Dec. 31, 2022						
Floating-rate borrowings	302	-	-	-	5	Financial income
Total at Dec. 31, 2022	**302**	**-**	**-**	**-**	**5**	

Currency risk

The following table shows the notional amount and the average rate on instruments hedging currency risk on transactions outstanding as at December 31, 2023 and December 31, 2022, broken down by maturity.

Millions of euro							
At Dec. 31, 2023	**2024**	**2025**	**2026**	**2027**	**2028**	**Beyond**	**Total**
Cross currency interest rate swaps (CCIRSs)							
Total notional amount	**-**	**316**	**-**	**-**	**-**	**1,373**	**1,689**
Notional amount for CCIRSs EUR/USD	-	316	-	-	-	-	316
Average contractual exchange rate EUR/USD		*1.16*					
Notional amount for CCIRSs EUR/GBP	-	-	-	-	-	1,373	1,373
Average contractual exchange rate EUR/GBP						*0.68*	

Millions of euro							
At Dec. 31, 2022	**2023**	**2024**	**2025**	**2026**	**2027**	**Beyond**	**Total**
Cross currency interest rate swaps (CCIRSs)							
Total notional amount	**-**	**1,171**	**327**	**-**	**-**	**1,342**	**2,840**
Notional amount for CCIRSs EUR/USD	-	1,171	327	-	-	-	1,498
Average contractual exchange rate EUR/USD		*1.33*	*1.16*				
Notional amount for CCIRSs EUR/GBP	-	-	-	-	-	1,342	1,342
Average contractual exchange rate EUR/GBP						*0.68*	

The following table shows the notional amount and the fair value of instruments hedging currency risk on transactions outstanding as at December 31, 2023 and December 31, 2022, broken down by type of hedged item.

Millions of euro		Fair value		Notional amount	Fair value		Notional amount
		Assets	**Liabilities**		**Assets**	**Liabilities**	
Hedging instrument	**Hedged item**	**at Dec. 31, 2023**			**at Dec. 31, 2022**		
Cross currency interest rate swaps (CCIRSs)	Fixed-rate borrowings in foreign currencies	102	(449)	1,373	-	(107)	2,513
Cross currency interest rate swaps (CCIRSs)	Floating-rate borrowings in foreign currencies	16	-	316	26	-	327
Total		**118**	**(449)**	**1,689**	**26**	**(107)**	**2,840**

The cross currency interest rate swaps outstanding at the end of the year and designated as hedging instruments function as a cash flow hedge for the hedged item. More specifically, these derivatives hedge fixed-rate bonds denominated in foreign currencies and a floating-rate borrowing in US dollars that fell due and was renewed with Bank of America in 2021.

The following table shows the notional amount and the fair value of derivatives on currency risk as at December 31, 2023 and December 31, 2022, broken down by type of hedge.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2023	**at Dec. 31, 2022**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**at Dec. 31, 2023**	**at Dec. 31, 2022**	**at Dec. 31, 2023**	**at Dec. 31, 2022**
Cash flow hedge derivatives	**950**	**2,118**	**118**	**342**	**739**	**723**	**(449)**	**(423)**
Cross currency interest rate swaps	950	2,118	118	342	739	723	(449)	(423)

At December 31, 2023 cross currency interest rate swaps had a notional amount of €1,689 million (€2,840 million at December 31, 2022) and an overall negative fair value of €331 million (a negative €81 million at December 31, 2022).

A partial unwinding of cross currency interest rate swaps was carried out during the early months of the year following the early repurchase of part of the hybrid bond denominated in US dollars. That transaction, together with the natural expiry of the residual portion of that liability and the associated CCIRSs, caused a decrease in the notional amount compared with December 31, 2022. The deterioration of the fair value of cross currency interest rate swaps is mainly attributable to developments in the exchange rate of the euro against the US dollar and the pound sterling and those in the yield curve.

The following table reports the impact on the statement of financial position of instruments hedging currency risk.

Millions of euro	Notional amount	Carrying amount	Fair value used to measure ineffectiveness in the year
At Dec. 31, 2023			
Cross currency interest rate swaps	1,689	(330)	(326)
At Dec. 31, 2022			
Cross currency interest rate swaps	2,840	(81)	(77)

The following table reports the impact on the statement of financial position of hedged items exposed to currency risk.

Millions of euro	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve	Fair value used to measure ineffectiveness in the year	Hedging reserve	Hedging costs reserve
	2023			**2022**		
Fixed-rate borrowings in foreign currencies	342	(342)	(5)	107	(107)	(4)
Floating-rate borrowings in foreign currencies	(16)	16	-	(26)	26	-
Total	**326**	**(326)**	**(5)**	**81**	**(81)**	**(4)**

The following table shows the impact of cash flow hedges on currency risk on profit or loss and on other comprehensive income.

Millions of euro	Total other comprehensive income/(expense)	Ineffective portion recognized in profit or loss	Income statement item	Hedging costs	Amount reclassified from OCI to profit or loss	Income statement item
At Dec. 31, 2023						
Fixed-rate borrowings in foreign currencies	(251)	-		-	(285)	Financial expense
Floating-rate borrowings in foreign currencies	12	-		-	65	Financial income
Total at Dec. 31, 2023	**(239)**	**-**		**-**	**(220)**	
At Dec. 31, 2022						
Fixed-rate borrowings in foreign currencies	97	-		4	(147)	Financial expense
Floating-rate borrowings in foreign currencies	65	-		-	65	Financial income
Total at Dec. 31, 2022	**162**	**-**		**4**	**(82)**	

The following table shows the cash flows expected in coming years from cash flow hedge derivatives on currency risk.

Millions of euro	Fair value	Distribution of expected cash flows					
Cash flow hedge derivatives on exchange rates	at Dec. 31, 2023	2024	2025	2026	2027	2028	Beyond
Positive fair value	118	31	48	31	31	31	282
Negative fair value	(449)	(40)	(41)	(41)	(41)	(41)	(540)

34.1.2 Impact of cash flow hedge derivatives on equity gross of tax effects

Millions of euro	Hedging costs	Gross change in fair value recognized in OCI	Gross change in fair value recognized in profit or loss	Gross change in fair value recognized in profit or loss – Ineffective portion	Hedging costs	Gross change in fair value recognized in OCI	Gross change in fair value recognized in profit or loss	Gross change in fair value recognized in profit or loss – Ineffective portion
	at Dec. 31, 2023				at Dec. 31, 2022			
Interest rate hedges	-	(18)	(83)	-	-	302	5	-
Exchange rate hedges	-	(239)	(220)	-	4	162	(82)	-
Hedging derivatives	**-**	**(257)**	**(303)**	**-**	**4**	**464**	**(77)**	**-**

34.2 Derivatives at fair value through profit or loss

The following table shows the notional amount and the fair value of derivatives at FVTPL as at December 31, 2023 and December 31, 2022 by risk type.

Millions of euro	Notional amount		Fair value assets		Notional amount		Fair value liabilities	
	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022	at Dec. 31, 2023	at Dec. 31, 2022
Derivatives at FVTPL on interest rates	**2,081**	**1,878**	**85**	**129**	**2,181**	**1,978**	**(114)**	**(151)**
Interest rate swaps	2,081	1,878	85	129	2,181	1,978	(114)	(151)
Derivatives at FVTPL on exchange rates	**3,242**	**7,247**	**113**	**226**	**3,166**	**7,082**	**(114)**	**(224)**
Forwards	3,102	7,115	78	202	3,026	6,950	(78)	(199)
Cross currency interest rate swaps	140	132	35	24	140	132	(36)	(25)
Total derivatives at FVTPL	**5,323**	**9,125**	**198**	**355**	**5,347**	**9,060**	**(228)**	**(375)**

At December 31, 2023 the overall notional amount of derivatives at fair value through profit or loss on interest rates and exchange rates came to €10,670 million (€18,185 million at December 31, 2022) with a negative fair value of €30 million (a negative €20 million at December 31, 2022).

Interest rate swaps at the end of the year amounted to €4,262 million. They refer primarily to hedges of the debt of the Group companies with the market (€2,181 million) and intermediated with those companies (€2,081 million). The overall notional amount shows an increase of €406 million on the previous year, mainly due to an interest rate swap in favor of e-distribuzione. The increase was partly offset by a decline in the outstanding principal amount of pre-existing amortizing interest rate swaps.

Forward contracts hedging currency risk had a notional amount of €6,128 million (€14,065 million at December 31, 2022). Currency forwards with external counterparties amounted to €3,140 million (€7,128 million at December 31, 2022), and related mainly to OTC derivatives entered into to mitigate the currency risk associated with the prices of energy commodities within the provisioning process of Group companies and matched with market transactions, expected cash flows in currencies other than the currency of account connected with the acquisition of non-energy commodities and investment goods in the sectors of renewable energy sector (BESS - Battery Energy Storage System) and infrastructure and networks (new generation digital meters), the expected cash flows in currencies other than the euro connected with operating

costs for the provision of cloud services and the expected cash flows in foreign currency in respect of interim dividends authorized by the subsidiaries.
Cross currency interest rate swaps, with a notional amount of €140 million (€132 million at December 31, 2022), relate to hedges of currency risk on the debt of the Group companies denominated in currencies other than the euro and matched with market transactions.

35. Fair value measurement

The Company measures fair value in accordance with IFRS 13 whenever required by the IFRS.
Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability. The best estimate is the market price, i.e. its current price, publicly available and effectively traded on an active, liquid market.
The fair value of assets and liabilities is categorized into a fair value hierarchy that provides three levels defined as follows on the basis of the inputs to valuation techniques used to measure fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities to which the Company has access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

In this note, the relevant disclosures are provided in order to assess the following:

- for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements; and
- for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the year.

For this purpose:

- recurring fair value measurements are those that the IFRSs require or permit in the statement of financial position at the end of each reporting period;
- non-recurring fair value measurements are those that the IFRSs require or permit in the statement of financial position in particular circumstances.

The fair value of derivative contracts is determined using the official prices for instruments traded on regulated markets. The fair value of instruments not listed on a regulated market is determined using valuation methods appropriate for each type of financial instrument and market data as of the close of the reporting period (such as interest rates, exchange rates, volatility), discounting expected future cash flows on the basis of the market yield curve and translating amounts in currencies other than the euro using exchange rates provided by World Markets Refinitiv (WMR) Company. For contracts involving commodities, the measurement is conducted using prices, where available, for the same instruments on both regulated and unregulated markets.
In accordance with the new IFRS, in 2013 the Company included a measurement of credit risk, both of the counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), in order to adjust the fair value of financial instruments for the corresponding amount of counterparty risk.
More specifically, the Company measures CVA/DVA using a Potential Future Exposure valuation technique for the net exposure of the position and subsequently allocating the adjustment to the individual financial instruments that make up the overall portfolio. All of the inputs used in this technique are observable on the market. Changes in the assumptions underlying the estimated inputs could have an effect on the fair value reported for such instruments.
The notional amount of a derivative contract is the amount on which cash flows are exchanged. This amount can be expressed as a value or a quantity (for example tons, converted into euros by multiplying the notional amount by the agreed price).
Amounts denominated in currencies other than the euro are translated into euros at the official exchange rates provided by World Markets Refinitiv (WMR) Company.
The notional amounts of derivatives reported here do not necessarily represent amounts exchanged between the parties and therefore are not a measure of the Company's credit risk exposure.
For listed debt instruments, the fair value is given by official prices. For unlisted instruments the fair value is determined using appropriate valuation techniques for each category of financial instrument and market data at the reporting date, including the credit spreads of Enel.

35.1 Assets measured at fair value in the statement of financial position

The following table shows, for each class of assets measured at fair value on a recurring or non-recurring basis in the statement of financial position, the fair value measurement at the end of the reporting period and the level in the fair value hierarchy into which the fair value measurements are categorized.

Millions of euro		Non-current assets				Current assets			
	Notes	Fair value at Dec. 31, 2023	Level 1	Level 2	Level 3	Fair value at Dec. 31, 2023	Level 1	Level 2	Level 3
Derivatives									
Cash flow hedge derivatives:									
- on interest rate risk		21	-	21	-	-	-	-	-
- on currency risk	34	118	-	118	-	-	-	-	-
Total cash flow hedges		**139**	**-**	**139**	**-**	**-**	**-**	**-**	**-**
Fair value through profit or loss:									
- on interest rate risk	34	85	-	85	-	-	-	-	-
- on currency risk	34	37	-	37	-	76	-	76	-
Total fair value through profit or loss		**122**	**-**	**122**	**-**	**76**	**-**	**76**	**-**
TOTAL		**261**	**-**	**261**	**-**	**76**	**-**	**76**	**-**

35.2 Liabilities measured at fair value in the statement of financial position

The following table reports, for each class of liabilities measured at fair value on a recurring or non-recurring basis in the statement of financial position, the fair value measurement at the end of the reporting period and the level in the fair value hierarchy into which the fair value measurements are categorized.

Millions of euro		Non-current liabilities				Current liabilities			
	Notes	Fair value at Dec. 31, 2023	Level 1	Level 2	Level 3	Fair value at Dec. 31, 2023	Level 1	Level 2	Level 3
Derivatives									
Cash flow hedge derivatives:									
- on interest rate risk	34	49	-	49	-	-	-	-	-
- on currency risk	34	449	-	449	-	-	-	-	-
Total cash flow hedges		**498**	**-**	**498**	**-**	**-**	**-**	**-**	**-**
Fair value through profit or loss:									
- on interest rate risk	34	85	-	85	-	29	-	29	-
- on currency risk	34	37	-	37	-	77	-	77	-
Total fair value through profit or loss		**122**	**-**	**122**	**-**	**106**	**-**	**106**	**-**
TOTAL		**620**	**-**	**620**	**-**	**106**	**-**	**106**	**-**

35.3 Liabilities not measured at fair value in the statement of financial position

The following table shows, for each class of liabilities not measured at fair value in the statement of financial position but for which the fair value shall be disclosed, the fair value at the end of the reporting period and the level in the fair value hierarchy into which the fair value measurements are categorized.

Millions of euro		LIABILITIES			
	Notes	Fair value at Dec. 31, 2023	Level 1	Level 2	Level 3
Bonds:					
- fixed rate	32.2.1	2,563	2,563	-	-
- floating rate	32.2.1	690	65	625	-
Total		**3,253**	**2,628**	**625**	**-**
Bank borrowings:					
- floating rate	32.2.1	1,545	-	1,545	-
Total		**1,545**	**-**	**1,545**	**-**
Non-bank financing:					
- under fixed-rate leases	32.2.1	1	1	-	-
Total		**1**	**1**	**-**	**-**
Loans from Group companies:					
- fixed rate	32.2.1	10,343	-	10,343	-
- floating rate	32.2.1	2,546	-	2,546	-
Total		**12,889**	**-**	**12,889**	**-**
TOTAL		**17,688**	**2,629**	**15,059**	**-**

36. Share-based payments

Starting in 2019, the Shareholders' Meeting of Enel SpA ("Enel" or the "Company") has each year approved the adoption of long-term share-based incentive plans for the management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code. Each of the incentive plans approved (the 2019 Long-Term Incentive Plan, the 2020 Long-Term Incentive Plan, the 2021 Long-Term Incentive Plan, the 2022 Long-Term Incentive Plan, the 2023 Long-Term Incentive Plan, referred to hereinafter, respectively, the "2019 LTI Plan", "2020 LTI Plan", the "2021 LTI Plan", the "2022 LTI Plan", the "2023 LTI Plan" and, jointly, the "Plans") provides for the grant of ordinary Company shares ("Shares") to the respective beneficiaries subject to the achievement of specific performance targets.
Plan beneficiaries are the Chief Executive Officer/General Manager of Enel and Enel Group managers in the positions most directly responsible for company performance or considered to be of strategic interest. The Plans provide for the award to the beneficiaries of an incentive consisting of a monetary component and an equity component. This incentive – determined, at the time of the award, as a base value calculated in relation to the fixed remuneration of the individual beneficiary – may vary depending on the degree of achievement of each of the three-year performance targets by the Plans, ranging from zero up to a maximum of 280% or 180% of the base value in the case, respectively, of the Chief Executive Officer/General Manager or the other beneficiaries.
The Plans establish that, of the total incentive effectively vested, the bonus will be fully paid in Shares (a) for the LTI 2019, 2020, 2021, 2022 and 2023 Plans (i) up to 100% of the base value for the Chief Executive Officer/General Manager (up to 130% for the 2022 LTI Plan), and (ii) up to 50% of the base value for the other beneficiaries (up to 65% for the 2022 LTI Plan); (b) for the LTI 2023 Plan (i) up to 150% of the base value for the Chief Executive Officer/General Manager, (ii) up to 100% of the base value for officers reporting directly to the Chief Executive Officer/General Manager, including key management personnel, and (iii) up to 65% of the base value for the other beneficiaries, other than those indicated under (i) and (ii) above.
The actual award of the bonus under the Plans is subject to the achievement of specific performance targets during the three-year performance period. If these targets are achieved, 30% of both the stock and cash components of the incentive will be paid in the the first year following the end of the performance period and the remaining 70% will be paid in the second year following the end of the performance period. The payment of a substantial portion of long-term variable remuneration (70% of the total) is therefore deferred to the second year following the end of the performance period of the individual Plans.

The following table provides information on the 2019 LTI Plan, the 2020 LTI Plan, the 2021 LTI Plan, the 2022 LTI Plan and the 2023 LTI Plan.
For more information on the characteristics of the Plans, please see the information documents prepared pursuant to Article 84-*bis* of the CONSOB Regulation issued with Resolution no. 11971 of May 14, 1999 (the Issuers Regulation), which are available to the public in the section of Enel's website (www.enel.com) dedicated to the Shareholders' Meetings held respectively on May 16, 2019, May 14, 2020, May 20, 2021, May 19, 2022 and May 10, 2023.

	Grant date	Performance period	Verification of achievement of targets	Payout
2019 LTI Plan	12.11.2019[20]	2019-2021	2022[21]	2022-2023[22]
2020 LTI Plan	17.09.2020[23]	2020-2022	2023[24]	2023-2024[25]
2021 LTI Plan	16.09.2021[26]	2021-2023	2024[27]	2024-2025
2022 LTI Plan	21.09.2022[28]	2022-2024	2025[29]	2025-2026
2023 LTI Plan	05.10.2023[30]	2023-2025	2026[31]	2026-2027

In implementation of the authorizations granted by the Shareholders' Meetings held on the dates indicated above and in compliance with the associated terms and conditions, the Board of Directors approved – at its meetings of September 19, 2019, July 29, 2020, June 17, 2021, June 16, 2022 and October 5, 2023 – the launch of share buyback programs to serve the 2019 LTI Plan, the 2020 LTI Plan, the 2021 LTI Plan, the 2022 LTI Plan, and the 2023 LTI Plan respectively. The number of Shares whose purchase was authorized by the Board of Directors for each Plan, the actual number of Shares purchased, the associated weighted average price and total value are shown below.

(20) The date on which the Board of Directors approved the procedures and timing for granting the 2019 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of November 11, 2019).
(21) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2021, the Board of Directors verified the level of achievement of the performance targets of the 2019 LTI Plan.
(22) On September 5, 2022 the Company awarded part of the equity component of the bonus vested by the beneficiaries of the 2019 LTI Plan, in accordance with the Plan rules. The remainder of the equity component of the bonus vested by the beneficiaries of the 2019 LTI Plan was awarded on September 5, 2023.
(23) The date on which the Board of Directors approved the procedures and timing for granting the 2020 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of September 16, 2020).
(24) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2022, the Board of Directors verified the level of achievement of the performance targets of the 2020 LTI Plan.
(25) On September 5, 2023 the Company awarded part of the equity component of the bonus vested by the beneficiaries of the 2020 LTI Plan, in accordance with the Plan rules.
(26) The date on which the Board of Directors approved the procedures and timing for granting the 2021 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of June 9, 2021).
(27) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2023, the Board of Directors will verify the level of achievement of the performance targets of the 2021 LTI Plan.
(28) The date on which the Board of Directors approved the procedures and timing for granting the 2022 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of June 8, 2022).
(29) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2024, the Board of Directors will verify the level of achievement of the performance targets of the 2022 LTI Plan.
(30) The date on which the Board of Directors approved the procedures and timing for granting the 2023 LTI Plan to the beneficiaries (taking account of the proposal issued by the Nomination and Compensation Committee at its meeting of October 4, 2023).
(31) On the occasion of the approval of the consolidated financial statements of the Enel Group at December 31, 2025, the Board of Directors will verify the level of achievement of the performance targets of the 2023 LTI Plan.

	Purchases authorized by the Board of Directors	Actual purchases		
	Number of Shares	Number of Shares	Weighted average price (euros per Share)	Total value (euros)
2019 LTI Plan	No more than 2,500,000 for a maximum amount of €10,500,000 million	1,549,152[32]	6.7779	10,499,999
2020 LTI Plan	1,720,000	1,720,000[33]	7.4366	12,790,870
2021 LTI Plan	1,620,000	1,620,000[34]	7.8737	12,755,459
2022 LTI Plan	2,700,000	2,700,000[35]	5.1951	14,026,715
2023 LTI Plan	4,200,000	3,377,224[36]	6.2205[37]	21,007,908[38]

As a result of the purchases made to support the 2019 LTI Plan, the 2020 LTI Plan, the 2021 LTI Plan, the 2022 LTI Plan, and the 2023 LTI Plan, and taking into account the award on September 5, 2022 of 435,357 Shares to the beneficiaries of the 2019 LTI Plan and on September 5, 2023 of 1,268,689 Shares to the beneficiaries of the 2019 LTI Plan and the 2020 LTI Plan, at December 31, 2023 Enel holds a total of 9,262,330 treasury shares, equal to about 0.09% of share capital. The share buyback program to serve the 2023 LTI Plan was completed with the purchases made on January 18, 2024. Taking account of the total number of Shares purchased to serve the 2023 LTI Plan, at the publication date of this document Enel holds a total of 10,085,106 treasury shares, equal to about 0.1% of share capital.

The following information concerns the equity instruments granted in 2019, 2020, 2021, 2022 and 2023.

			2023		2022	
	Number of Shares granted at the grant date	Fair value per Share at the grant date	Number of Shares potentially available for award	Number of Shares awarded	Number of Shares potentially available for award	Number of Shares awarded
2019 LTI Plan	1,538,547	6.983	-	956,562[39]	1,021,328	435,357[40]
2020 LTI Plan	1,638,775	7.380	728,265	312,127[41]	1,631,951	-
2021 LTI Plan	1,577,773	7.0010	1,375,671	-	1,577,773	-
2022 LTI Plan	2,398,143	4.8495	2,023,677	-	2,395,323	-
2023 LTI Plan	4,040,820	5.5540	4,040,820	-	-	-

The fair value of those equity instruments is measured on the basis of the market price of Enel Shares at the grant date.[42]
The cost of the equity component is determined on the basis of the fair value of the equity instruments granted and is recognized over the duration of the vesting period through an equity reserve.

(32) Shares purchased in the period between September 23 and December 2, 2019, equal to about 0.015% of share capital.
(33) Shares purchased in the period between September 3 and October 28, 2020, equal to about 0.017% of share capital.
(34) Shares purchased in the period between June 18 and July 21, 2021, equal to about 0.016% of share capital.
(35) Shares purchased in the period between June 17 and July 20, 2022, equal to about 0.026% of share capital.
(36) Number of Shares purchased to serve the 2023 LTI Plan at December 31, 2023. The share buyback program to serve the 2023 LTI Plan, launched on October 16, 2023, was completed with the purchases made on January 18, 2024. The program involved the purchase of a total of 4,200,000 Shares, equal to about 0.04% of share capital, at the weighted average price of €6.3145 per share and with a total value of €26,520,849.002.
(37) Weighted average price of the Shares purchased to serve the 2023 LTI Plan at December 31, 2023.
(38) Total value of the Shares purchased to serve the 2023 LTI Plan at December 31, 2023.
(39) The table shows the number of Shares awarded on September 5, 2023, to the beneficiaries of the 2019 LTI Plan, which make up the remaining portion of the equity component of the bonus vested by the beneficiaries following the achievement of the performance objectives of the Plan.
(40) The table shows the number of Shares awarded on September 5, 2022, to the beneficiaries of the 2019 LTI Plan, which make up part of the equity component of the bonus vested by the beneficiaries following the achievement of the performance objectives of the Plan. The remaining portion of the equity component of the bonus, in accordance with the terms and procedures of the rules of the 2019 LTI Plan, was paid on September 5, 2023.
(41) The table shows the number of Shares awarded on September 5, 2023, to the beneficiaries of the 2020 LTI Plan, which make up part of the equity component of the bonus vested by the beneficiaries following the achievement of the performance objectives of the Plan. Disbursement of the remaining portion of the equity component of the bonus is deferred to 2024, in accordance with the terms and procedures of the rules of the 2020 LTI Plan.
(42) For the 2019 LTI Plan, the grant date is November 12, 2019, i.e. the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2019 LTI Plan to the beneficiaries.
For the 2020 LTI Plan, the grant date is September 17, 2020, i.e. the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2020 LTI Plan to the beneficiaries.
For the 2021 LTI Plan, the grant date is September 16, 2021, i.e. the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2021 LTI Plan to the beneficiaries.
For the 2022 LTI Plan, the grant date is September 21, 2022, i.e. the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2022 LTI Plan to the beneficiaries.
For the 2023 LTI Plan, the grant date is October 5, 2023, i.e. the date of the meeting of the Board of Directors that approved the procedures and timing of the grant under the 2023 LTI Plan to the beneficiaries.

The total costs recognized by the Group through profit or loss amounted to €6 million in 2023 (€11 million in 2022). There have been no terminations or amendments involving the 2019 LTI Plan, the 2020 LTI Plan, the 2021 LTI Plan, the 2022 LTI Plan, or the 2023 LTI Plan.

37. Related parties

Related parties have been identified on the basis of the provisions of the IFRS and the applicable CONSOB measures. The transactions Enel SpA entered into with its subsidiaries mainly involved the provision of services, the sourcing and employment of financial resources, insurance coverage, human resource management and organization, legal and corporate services, and the planning and coordination of tax and administrative activities.

Finally, the Enel Group's corporate governance rules, which are discussed in greater detail in the Report on Corporate Governance and Ownership Structure available on the Company's website (www.enel.com), establish conditions for ensuring that transactions with related parties are performed with transparency and procedural and substantive propriety.

All the transactions are part of routine operations, are carried out in the interest of the Company and are settled on an arm's length basis, i.e. on the same market terms as agreements entered into between two independent parties.

With regard to disclosures on the remuneration of directors, members of the Board of Statutory Auditors, the General Manager and key management personnel, provided for under IAS 24, please see the following tables.

Millions of euro	2023	2022	Change	
Remuneration of members of the Board of Directors and Board of Statutory Auditors and the General Manager				
Short-term employee benefits	5	5	-	-
Termination benefits	5	-	5	-
Share-based payments	1	1	-	-
Total	**11**	**6**	**5**	**83.3%**

Millions of euro	2023	2022	Change	
Remuneration of key management personnel				
Short-term employee benefits	8	13	(5)	-38.5%
Termination benefits	4	-	4	-
Share-based payments	1	2	(1)	-50.0%
Total	**13**	**15**	**(2)**	**-13.3%**

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries (Enel Procedure for Transactions with Related Parties). 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 with Resolution no. 17221 of March 12, 2010, as amended ("CONSOB Regulation"). No related-party transactions requiring disclosure in the financial statements pursuant to the CONSOB Regulation were carried out in 2023.

The following tables summarize commercial, financial and other relationships between the Company and related parties.

Commercial and other transactions

2023

Millions of euro	Trade receivables	Trade payables	Costs		Revenue	
			Goods	Services	Goods	Services
	at Dec. 31, 2023	at Dec. 31, 2023	2023		2023	
Subsidiaries, joint ventures and associates						
3SUN Srl	-	24	-	-	-	-
Agatos Green Power Trino Srl	-	1	-	-	-	-
C&C Uno Energy Srl	1	-	-	-	-	-
Edistribución Redes Digitales SLU	5	1	-	-	-	3
e-distribuzione SpA	64	118	-	-	-	23
E-Solar Srl	-	2	-	-	-	-
Eletropaulo Metropolitana Eletricidade de São Paulo SA	2	-	-	-	-	-
Empresa Distribuidora Sur SA - Edesur	-	-	-	-	-	(1)
Endesa Energía SA	2	-	-	-	-	2
Endesa Generación SA	3	-	-	-	-	2
Endesa Medios y Sistemas SLU	1	-	-	-	-	(1)
Endesa SA	8	-	-	-	-	6
Endesa X Servicios SLU	1	-	-	-	-	-
Enel Américas SA	90	1	-	-	-	2
Enel Brasil SA	32	1	-	1	-	25
Enel Chile SA	33	-	-	-	-	3
Enel Colombia SA ESP	2	-	-	-	-	2
Enel Distribución Chile SA	2	-	-	-	-	1
Enel Distribución Perú SAA	3	-	-	-	-	2
Enel Energia SpA	749	72	-	-	-	4
Enel Finance America LCC	6	-	-	-	-	-
Enel Finance International NV	-	-	-	-	-	2
Enel Generación Chile SA	2	-	-	-	-	2
Enel Generación Perú SAA	2	-	-	-	-	1
Enel Global Services Srl	13	68	-	77	-	1
Enel Global Trading SpA	360	16	-	-	-	3
Enel Green Power Chile SA	3	-	-	-	-	1
Enel Green Power España SLU	1	-	-	-	-	-
Enel Green Power Hellas SA	6	-	-	-	-	-
Enel Green Power Italia Srl	2	53	-	-	-	2
Enel Green Power North America Inc.	2	-	-	-	-	2
Enel Green Power Rus LLC	1	-	-	-	-	-
Enel Green Power SpA	3	36	-	4	-	4
Enel Green Power Sannio Srl	-	1	-	-	-	-
Enel Grids Srl	1	41	-	7	-	1
Enel Iberia SRLU	300	5	-	4	-	-
Enel Innovation Hubs Srl	-	5	-	5	-	-
Enel Italia SpA	2	131	-	27	-	1
Enel North America Inc.	2	1	-	-	-	4
Enel Produzione SpA	26	208	-	-	-	8
Enel Romania SA	-	-	-	1	-	1
Enel Sole Srl	-	2	-	-	-	-
Enel Trading Argentina Srl	2	-	-	-	-	1
Enel X Italia Srl	20	1	-	-	-	-
Enel X International Srl	-	9	-	-	-	-
Enel X North America Inc.	2	-	-	-	-	1
Enel X Srl	2	14	-	-	-	2
Enel X Way Srl	2	11	-	-	-	2
Enel X Way Italia Srl	-	13	-	-	-	-
E-Distribuţie Muntenia SA	-	-	-	-	-	2
Gas y Electricidad Generación SAU	2	-	-	-	-	-
Gridspertise Srl	1	1	-	-	-	-
Maicor Wind Srl	-	9	-	-	-	-
Servizio Elettrico Nazionale SpA	9	74	-	-	-	1
Società Elettrica Trigno Srl	-	1	-	-	-	-
Unión Eléctrica de Canarias Generación SAU	1	1	-	-	-	1
Vektör Enerjí Üretím AŞ	8	-	-	-	-	-
Total	**1,779**	**921**	**-**	**126**	**-**	**116**
Other related parties						
Enel Cuore Onlus	1	-	-	-	-	1
Fondazione Centro Studi Enel	3	-	-	-	-	2
Total	**4**	**-**	**-**	**-**	**-**	**3**
TOTAL	**1,783**	**921**	**-**	**126**	**-**	**119**

2022

Millions of euro	Trade receivables at Dec. 31, 2022	Trade payables at Dec. 31, 2022	Costs 2022 Goods	Costs 2022 Services	Revenue 2022 Goods	Revenue 2022 Services
Subsidiaries, joint ventures and associates						
Edistribución Redes Digitales SLU	8	1	-	-	-	7
e-distribuzione SpA	60	93	-	-	-	22
Empresa Distribuidora Sur SA - Edesur	1	-	-	-	-	-
Endesa Energía SA	2	-	-	-	-	1
Endesa Generación SA	4	-	-	-	-	3
Endesa Medios y Sistemas SLU	2	-	-	-	-	2
Endesa Operaciones y Servicios Comerciales SLU	1	-	-	-	-	-
Endesa SA	13	1	-	-	-	7
Enel Américas SA	6	-	-	-	-	1
Enel Brasil SA	93	1	-	-	-	27
Enel Chile SA	24	-	-	-	-	3
Enel Colombia SA ESP	2	-	-	-	-	1
Enel Distribución Chile SA	5	-	-	-	-	-
Enel Distribución Perú SAA	3	-	-	-	-	2
Enel Energie SA	2	-	-	-	-	-
Enel Energia SpA	105	124	-	-	-	8
Enel Energie Muntenia SA	2	-	-	-	-	-
Enel Finance America LCC	2	-	-	-	-	-
Enel Generación Chile SA	5	-	-	-	-	-
Enel Generación Costanera SA	2	-	-	2	-	2
Enel Generación Perú SAA	2	-	-	-	-	1
Enel Global Services Srl	12	78	-	83	-	1
Enel Global Thermal Generation Srl	1	1	-	-	-	1
Enel Global Trading SpA	5	15	-	-	-	1
Enel Green Power Chile SA	3	-	-	-	-	1
Enel Green Power España SLU	3	-	-	-	-	1
Enel Green Power Hellas SA	3	-	-	-	-	-
Enel Green Power India Private Limited	1	-	-	-	-	-
Enel Green Power Italia Srl	2	212	-	-	-	3
Enel Green Power North America Inc.	10	-	-	-	-	6
Enel Green Power Romania Srl	1	1	-	-	-	-
Enel Green Power Rus LLC	1	-	-	-	-	-
Enel Green Power SpA	9	8	-	3	-	3
Enel Grids Srl	4	50	-	3	-	1
Enel Iberia SRLU	-	6	-	5	-	-
Enel Innovation Hubs Srl	-	5	-	5	-	-
Enel Italia SpA	1	19	-	30	-	-
Enel North America Inc.	4	1	-	-	-	2
Enel Produzione SpA	155	115	-	-	-	3
Enel Romania SA	4	3	-	-	-	1
Enel Servicii Comune SA	2	-	-	-	-	-
Enel Sole Srl	(1)	6	-	-	-	-
Enel Trading Argentina Srl	1	-	-	-	-	1
Enel X Brasil SA	1	-	-	-	-	-
Enel X Italia Srl	1	7	-	-	-	1
Enel X International Srl	9	-	-	-	-	-
Enel X Mobility Srl	-	12	-	-	-	-
Enel X North America Inc.	1	-	-	-	-	1
Enel X Srl	3	21	-	2	-	6
Enel X Way Srl	4	4	-	1	-	4
Enel X Way Italia Srl	-	6	-	-	-	1
E-Distribuţie Banat SA	7	-	-	-	-	1
E-Distribuţie Dobrogea SA	3	-	-	-	-	-
E-Distribuţie Muntenia SA	10	-	-	-	-	1
Gas y Electricidad Generación SAU	1	-	-	-	-	-
Gridspertise Srl	-	15	-	-	-	-
Maicor Wind Srl	4	1	-	-	-	-
Rusenergosbyt LLC	13	-	-	-	-	-
Servizio Elettrico Nazionale SpA	1	38	-	-	-	1
Slovenské elektrárne AS	13	-	-	-	-	1
Società Elettrica Trigno Srl	1	-	-	-	-	-
Unión Eléctrica de Canarias Generación SAU	(1)	1	-	-	-	-
Vektör Enerjí Üretím AŞ	8	-	-	-	-	-
Total	**644**	**845**	**-**	**134**	**-**	**129**
Other related parties						
Fondazione Centro Studi Enel	2	-	-	-	-	2
Gestore dei Servizi Energetici SpA(1)	-	-	-	-	-	-
Total	**2**	**-**	**-**	**-**	**-**	**2**
TOTAL	**646**	**845**	**-**	**134**	**-**	**131**

(1) The balance for trade receivables at December 31, 2022 reflects a more accurate calculation of the aggregate.

Financial transactions

2023

Millions of euro	Loan assets	Borrowings	Guarantees	Costs	Revenue	Dividends
	at Dec. 31, 2023			2023		
Subsidiaries, joint ventures and associates						
Concert Srl	–	4	–	–	–	–
e-distribuzione SpA	–	–	2,297	–	11	–
Eletropaulo Metropolitana Eletricidade de São Paulo SA	–	–	190	–	1	–
Enel Américas SA	–	–	–	–	–	88
Enel Brasil SA	145	–	1,249	–	21	–
Enel Chile SA	–	–	470	–	1	285
Enel Colombia SA ESP	–	–	31	–	–	–
Enel Costa Rica CAM SA	–	–	8	–	–	–
Enel Energia SpA	–	–	456	–	1	–
Enel Energie SA	–	–	–	–	1	–
Enel Finance America LLC	–	–	3,494	–	3	–
Enel Finance International NV	–	19,777	52,691	434	66	–
Enel Generación Perú SAA	2	2	325	3	2	–
Enel Global Services Srl	114	2	14	2	10	–
Enel Global Trading SpA	63	2,703	2,231	239	276	–
Enel Green Power Australia (Pty) Ltd	1	–	118	3	3	–
Enel Green Power Chile Ltda	–	–	78	–	1	–
Enel Green Power Hellas SA	–	–	40	–	6	–
Enel Green Power Italia Srl	–	–	317	–	1	–
Enel Green Power México S de RL de Cv	8	–	716	–	11	–
Enel Green Power Perú SAC	–	–	–	1	3	–
Enel Green Power South Africa (Pty) Ltd	51	–	292	–	6	–
Enel Green Power SpA	–	157	987	8	45	–
Enel Grids Srl	173	–	23	–	7	267
Enel Holding Finance Srl	–	1	–	–	–	–
Enel Iberia SRLU	–	–	–	–	–	1,415
Enel Innovation Hubs Srl	–	3	1	–	–	–
Enel Insurance NV	–	350	282	6	–	–
Enel Investment Holding BV	–	1	–	–	–	–
Enel Italia SpA	4,198	66	7,135	93	235	2,214
Enel North America Inc.	38	–	17,145	–	35	–
Enel Panamá CAM Srl	–	–	9	–	–	–
Enel Produzione SpA	–	–	1,087	–	7	–
Enel Sole Srl	–	–	187	–	1	–
Enel X Advisory Services Srl	84	–	–	–	3	–
Enel X Australia (Pty) Ltd	–	–	5	–	–	–
Enel X International Srl	31	–	–	–	1	–
Enel X Italia Srl	–	–	14	–	–	–
Enel X North America Inc.	2	–	109	–	1	–
Enel X Polska Sp. Zo.o.	–	–	16	–	–	–
Enel X Srl	839	–	4	–	34	–
Enel X UK Limited	–	–	20	–	–	–
Enel X Way Srl	192	–	122	–	7	–
Enel X Way Italia Srl	47	–	49	–	1	–
Enelpower Srl	–	36	–	1	–	–
EnerNOC Ireland Limited	–	–	1	–	–	–
Generadora Montecristo SA	–	–	4	–	–	–
Gridspertise Srl	–	–	–	1	–	–
Nuove Energie Srl	36	–	85	–	3	–
Servizio Elettrico Nazionale SpA	–	–	1,166	–	4	–
Total	**6,024**	**23,102**	**93,468**	**791**	**808**	**4,269**
Other related parties						
Monte dei Paschi di Siena	1	–	–	–	–	–
Total	**1**	**–**	**–**	**–**	**–**	**–**
TOTAL	**6,025**	**23,102**	**93,468**	**791**	**808**	**4,269**

2022

Millions of euro	Loan assets	Borrowings	Guarantees	Costs	Revenue	Dividends
	at Dec. 31, 2022			2022		
Subsidiaries, joint ventures and associates						
Concert Srl	-	3	-	-	-	-
e-distribuzione SpA	-	-	3,588	-	9	-
Eletropaulo Metropolitana Eletricidade de São Paulo SA	-	-	183	-	-	-
Endesa Generación SA	-	-	2,000	-	-	-
EnerNOC Ireland Limited	-	-	6	-	-	-
Enel Américas SA	-	-	-	-	-	99
Enel Brasil SA	124	-	2,389	-	20	-
Enel Chile SA	-	-	289	-	-	28
Enel Colombia SA ESP	2	-	291	-	1	-
Enel Energia SpA	-	-	483	-	1	-
Enel Energie SA	-	-	-	1	-	-
Enel Finance America LLC	-	-	4,887	-	2	-
Enel Finance International NV	2	21,096	57,737	326	84	-
Enel Global Services Srl	164	4	11	7	3	-
Enel Global Thermal Generation Srl	39	-	15	-	1	-
Enel Global Trading SpA	577	893	2,855	740	539	-
Enel Green Power Australia (Pty) Ltd	4	-	219	1	4	-
Enel Green Power Chile Ltda	-	-	1	-	-	-
Enel Green Power Colombia SAS	-	-	-	-	1	-
Enel Green Power Costa Rica SA	-	-	8	-	-	-
Enel Green Power Hellas SA	-	-	594	-	1	-
Enel Green Power India Private Limited	-	-	-	-	1	-
Enel Green Power Italia Srl	-	-	381	-	1	-
Enel Green Power Matimba Newco 1 Srl	-	1	-	2	-	-
Enel Green Power México S de RL de Cv	80	-	700	-	11	-
Enel Green Power Partecipazioni Speciali Srl	-	-	-	1	-	-
Enel Green Power Perú SAC	11	3	384	12	9	-
Enel Green Power Romania Srl	1	-	114	-	-	-
Enel Green Power RSA (Pty) Ltd	-	-	-	-	3	-
Enel Green Power Rus LLC	-	-	50	-	-	-
Enel Green Power South Africa	45	-	666	-	3	-
Enel Green Power SpA	472	9	493	19	16	-
Enel Grids Srl	52	-	17	-	5	-
Enel Holding Finance Srl	-	1	-	-	-	-
Enel Iberia SRLU	-	-	-	-	-	648
Enel Innovation Hubs Srl	-	3	1	-	-	16
Enel Insurance NV	-	244	188	-	1	-
Enel Investment Holding BV	-	1	-	-	-	-
Enel Italia SpA	640	124	10,107	353	221	7,970
Enel North America Inc.	39	-	18,384	-	40	-
Enel Produzione SpA	-	-	1,219	-	1	-
Enel Sole Srl	-	-	259	-	1	-
Enel Trade Energy Srl	1	1	7	-	1	-
Enel X Australia (Pty) Ltd	-	-	5	-	-	-
Enel X International Srl	-	9	-	-	1	-
Enel X Italia Srl	-	-	14	-	-	-
Enel X Mobility Srl	-	-	45	-	-	-
Enel X North America Inc.	1	-	81	-	1	-
Enel X Polska Sp. Zo.o.	-	-	14	-	-	-
Enel X Srl	737	-	1	-	11	-
Enel X UK Limited	-	-	18	-	-	-
Enel X Way Srl	104	-	11	5	1	-
Enel X Way Italia Srl	16	-	1	-	-	-
Enelpower Srl	-	36	-	-	-	-
Generadora Montecristo SA	-	-	2	-	-	-
Gridspertise Srl	-	-	9	8	6	-
Nuove Energie Srl	28	-	85	-	2	-
Parque Eólico Pampa SA	1	-	-	-	-	-
Rusenergosbyt LLC	-	-	-	-	-	9
Servizio Elettrico Nazionale SpA	-	-	1,185	-	4	-
Tynemouth Energy Storage Limited	-	-	-	-	1	-
Total	**3,140**	**22,428**	**109,997**	**1,475**	**1,007**	**8,770**

The impact of transactions with related parties on the statement of financial position, income statement and statement of cash flows is reported in the following tables.

Impact on the statement of financial position

Millions of euro	Total	Related parties	% of total	Total	Related parties	% of total
	at Dec. 31, 2023			at Dec. 31, 2022		
Assets						
Derivatives - non-current	261	18	6.7%	349	35	10.2%
Other non-current assets	73	64	87.7%	81	69	85.1%
Trade receivables	167	167	-	294	294	-
Derivatives - current	76	56	73.5%	390	86	22.0%
Other current financial assets	6,483	5,952	91.8%	3,480	3,019	86.8%
Other current assets	1,581	1,552	98.2%	584	283	48.4%
Liabilities						
Long-term borrowings	17,855	14,274	79.9%	18,196	12,407	68.2%
Derivatives - non-current	620	104	16.8%	663	163	24.6%
Other non-current liabilities	20	9	45.0%	23	8	34.8%
Short-term borrowings	8,632	8,461	98.0%	8,752	8,362	95.5%
Current portion of long-term borrowings	1,179	132	11.2%	1,430	1,333	93.2%
Trade payables	135	87	64.4%	155	97	62.6%
Derivatives - current	106	20	18.9%	178	69	38.8%
Other current financial liabilities	226	111	49.1%	238	94	39.5%
Other current liabilities	4,395	825	18.8%	2,873	740	25.8%

Impact on the income statement

Millions of euro	Total	Related parties	% of total	Total	Related parties	% of total
	2023			2022		
Revenue	163	119	73.0%	133	131	98.5%
Services and rentals and leases	202	126	62.4%	206	133	64.6%
Other operating expenses	47	-	-	27	1	3.7%
Income from equity investments	4,269	4,269	-	8,770	8,770	-
Financial income from derivatives	907	421	46.4%	2,131	627	29.4%
Other financial income	481	387	80.5%	432	380	88.0%
Financial expense from derivatives	869	342	39.4%	1,960	1,166	59.5%
Other financial expense	952	449	47.2%	787	309	39.3%

Impact on cash flows

Millions of euro	Total	Related parties	% of total	Total	Related parties	% of total
	2023			2022		
Cash flows from/(used in) operating activities	4,277	(1,147)	-26.8%	8,689	1,594	18.3%
Cash flows used in investing activities	(1,007)	(960)	95.3%	(1,647)	(1,602)	97.3%
Cash flows used in financing activities	(7,016)	(2,139)	30.5%	(3,126)	1,757	-56.2%

38. Government grants – Disclosure pursuant to Article 1, paragraphs 125-129, of Law 124/2017

Pursuant to Article 1, paragraphs 125-129, of Law 124/2017 as amended, the following provides information on grants received from Italian public agencies and bodies, as well as donations by Enel SpA to companies, individuals and public and private entities. The disclosure comprises: (i) grants received from Italian public entities/State entities; and (ii) donations made by Enel SpA to public or private parties resident or established in Italy.

The following disclosure includes payments in excess of €10,000 made by the same grantor/donor during 2023, even if made through multiple financial transactions. They are recognized on a cash basis.

Pursuant to the provisions of Article 3-*quater* of Decree Law 135 of December 14, 2018, ratified with Law 12 of February 11, 2019, for grants received, please refer to the information contained in the National Register of State Aid referred to in Article 52 of Law 234 of December 24, 2012.

As far as donations made are concerned, the material cases are listed below.

Euro

Beneficiary	Amount	Description of donation
Fondazione Centro Studi Enel	100,000	Enel Foundation grant
Enel Cuore Onlus	590,294	Donation – funds raised from the auction of works of art to support projects identified in 2023
Luiss Guido Carli	65,000	Donation for the production and transmission of scientific, technological and humanistic knowledge, the promotion and organization of research, cultural and professional preparation, the transfer of innovation
Human Foundation	50,000	Donation to promote collaboration between firms, government, local authorities, social enterprises, foundations, institutional investors, businesses and the world of finance to generate and develop innovative solutions to social problems
FGS Onlus	25,000	Donation to promote equal opportunities
Total	**830,294**	

39. Contractual commitments and guarantees

Millions of euro

	at Dec. 31, 2023	at Dec. 31, 2022	Change
Sureties and guarantees given:			
- subsidiaries	91,540	105,114	(13,574)
- joint ventures, associates and other	158	-	158
- own interest	12	16	(4)
- third parties	106	-	106
Total	**91,816**	**105,130**	**(13,314)**

Sureties in the interest of the Company essentially regard a bank surety issued in favor of Banco Centroamericano de Integración Económica (BCIE) in an amount equivalent to €12 million acquired following the merger of Enel South America Srl into Enel SpA in 2017.

Sureties and guarantees issued on behalf of subsidiaries include:

- €50,548 million issued on behalf of Enel Finance International NV securing bonds issued in European and other international markets;
- €20,342 million issued on behalf of various renewable energy companies for the development of new projects under the business plan;
- €4,846 million issued to the European Investment Bank (EIB) for loans granted to e-distribuzione SpA, Enel Produzione SpA, Enel Italia SpA, Enel Green Power SpA, Enel Chile SA, Enel Green Power Italia Srl, Enel Green Power Perú SA, Eletropaulo Metropolitana Eletricidade de São Paulo SA, Enel Sole Srl, Enel X Way Srl and Enel X Way Italia Srl;
- €3,494 million issued on behalf of the US company Enel Finance America LLC, to back the euro commercial paper and bond issue programs on the North American market and the credit line granted by EKF (Denmark's Export Credit Agency) to support the Group's sustainable investments;
- €2,143 million issued on behalf of Enel Finance International NV to back the euro commercial paper program;

- €1,150 million issued by Enel SpA to the Single Buyer on behalf of Servizio Elettrico Nazionale for obligations under the electricity purchase contract;
- €968 million issued to Terna on behalf of e-distribuzione SpA, Enel Global Trading SpA, Enel Produzione SpA, Enel X Italia Srl, Enel Green Power Italia Srl, Enel Energia SpA and Enel Green Power SpA, in respect of agreements for electricity transmission services;
- €760 million as counter-guarantees in favor of the banks that guaranteed the Energy Markets Operator on behalf of Enel Global Trading SpA and Enel Produzione SpA;
- €745 million issued to INPS on behalf of various Group companies whose employees elected to participate in the structural staff reduction plan (Article 4 of Law 92/2012);
- €447 million in favor of Cassa Depositi e Prestiti issued on behalf of e-distribuzione SpA, which received the Enel Grid Efficiency II loan;
- €503 million issued to Snam Rete Gas on behalf of Enel Global Trading SpA, Enel X Italia Srl, Enel Produzione SpA, Enel Energia SpA and Nuove Energie Srl for gas transport capacity;
- €50 million issued to RWE Supply & Trading GmbH on behalf of Enel Global Trading SpA for electricity purchases;
- €50 million issued to E.ON Energy Trading on behalf of Enel Global Trading SpA for trading on the electricity market;
- €40 million issued on behalf of Enel Italia SpA to Excelsia Nove for the performance of obligations under rental contracts;
- €5,456 million issued to various beneficiaries as part of financial support activities by the Parent on behalf of subsidiaries.

Sureties and guarantees issued on behalf of joint ventures, associates and other companies, in the amount of €158 million, regard guarantees issued to various beneficiaries on behalf of Enel Green Power Australia (€118 million) and Enel Green Power Hellas (€40 million) prior to the sale of 50% of the investments held in the two companies during the year.
Sureties and guarantees issued on behalf of third parties, in the amount of €106 million, regard guarantees issued to various beneficiaries and are connected with the sale to the Greek company Public Power Corporation SA of equity interests held by the Enel Group in Romania, completed in October 2023.

Compared with December 31, 2022, the decrease in other sureties and guarantees issued on behalf of subsidiaries is mainly attributable to the disposals of interests held in renewable companies and the reduction of commercial paper issues in line with the Company's liquidity targets.
In its capacity as the Parent, Enel SpA has also granted letters of patronage to a number of Group companies, essentially for assignments of receivables.

40. Contingent assets and liabilities

BEG litigation – Italy, France, Luxembourg

Following an arbitration proceeding initiated by BEG SpA (BEG) in Italy, Enelpower SpA (now Enelpower Srl) obtained a ruling in its favor in 2002, which was upheld by the Court of Cassation in 2010, which entirely rejected the petition for damages with regard to alleged breach by Enelpower of an agreement concerning the assessment of the possible construction of a hydroelectric power station in Albania. Subsequently, BEG, acting through its subsidiary Albania BEG Ambient Shpk (ABA), filed suit against Enelpower and Enel SpA (Enel) in Albania concerning the matter, obtaining a ruling from the District Court of Tirana on March 24, 2009, upheld by the Albanian Court of Cassation, ordering Enelpower and Enel to pay tortious damages of about €25 million for 2004 as well as an unspecified amount of tortious damages for subsequent years. Following the ruling, Albania BEG Ambient demanded payment of more than €430 million.
In November 2016, Enel and Enelpower filed a petition with the Albanian Court of Cassation, asking for the ruling issued by the District Court of Tirana on March 24, 2009 to be voided. The proceeding is still pending.

With a ruling of the Court of Appeal of Rome of March 7, 2022, the further proceedings undertaken by Enel and Enelpower before the Court of Rome were concluded, having sought recognition of BEG's liability for having circumvented the arbitration award rendered in Italy in favor of Enelpower through the aforementioned initiatives undertaken by the subsidiary ABA. With the ruling, the Court of Appeal of Rome upheld the ruling of first instance rendered by the Court of Rome on June 16, 2015, which had denied the petition in the proceeding.
On May 20, 2021, the European Court of Human Rights (ECHR) issued a ruling with which it decided the appeal brought by BEG against the Italian State for violation of Article 6.1 of the European Convention on Human Rights. With this decision, the Court denied BEG's request to reopen the above arbitration proceedings, and also rejected BEG's claim for pecuniary damages amounting to about €1.2 billion due to the absence of a causal link with the disputed conduct, granting it €15,000 in non-pecuniary damages.
Nonetheless, on December 29, 2021, BEG, with an action that the company and its legal counsel deemed unfound-

ed and specious, also decided to sue the Italian State before the Court of Milan, to demand, as a consequence of the ECHR ruling, damages for tortious liability in an amount of about €1.8 billion. In this case, BEG also involved Enel and Enelpower by way of a claim of joint and several liability. With an order of June 14, 2022, the Court of Milan, in accepting the objection of territorial incompetence raised by the State Attorney, declared its incompetence to hear the dispute in favor of the Court of Rome, the court exclusively competent to hear the causes in which the Italian State is involved, ordering BEG to pay the costs of the proceedings in favor of the defendants. BEG did not resume the judgment before the Court of Rome within the legal term of October 14, 2022 and therefore the proceeding was extinguished.
A short time later, on November 3, 2022, BEG resubmitted the same claims for damages of the terminated proceeding, serving a new writ of summons before the Court of Milan against the same defendants, with the exception of the Italian State, which BEG declared not to wishing to agree to this judgement. Enel and Enelpower are preparing their defenses to proceed with the appearance in court in order to contest the claim, which is considered entirely specious and unfounded, like the previous similar initiative. Following the hearing for admission of evidence, the Court issued an order on October 26, 2023 denying the preliminary requests of the plaintiff and, considering the case ready for decision, scheduled final arguments for October 17, 2024.

Proceedings undertaken by Albania BEG Ambient Shpk (ABA) to obtain enforcement of the ruling of the District Court of Tirana of March 24, 2009

Italy
With an appeal notified on September 11, 2023, Albania BEG Ambient Shpk (ABA) initiated a proceeding before the Court of Appeal of Rome against Enel SpA and Enelpower Srl, in order to obtain, pursuant to Article 67 of Law 218/1995, enforcement of the ruling of the Court of Tirana of March 24, 2009. The two companies are preparing their defense to contest the claim for execution in Italy as well. Following the initial hearing, the Court of Appeal adjourned the proceeding until September 18, 2025 for oral arguments.

France
In 2012, ABA filed suit against Enel and Enelpower with the *Tribunal de Grande Instance* in Paris in order to render the ruling of the Albanian court enforceable in France.
On January 29, 2018, the *Tribunal de Grande Instance* rejected ABA claim. Among other issues, the *Tribunal de Grande Instance* ruled that: (i) the Albanian ruling conflicted with an existing decision (the arbitration ruling of 2002) and that (ii) the fact that BEG sought to obtain in Albania what it was not able to obtain in the Italian arbitration proceeding, resubmitting the same claim through ABA, represented fraud.
Subsequently, with a ruling of May 4, 2021, the Paris Court of Appeal denied the appeal by ABA, in full, upholding the ruling at first instance and, in particular, fully upholding the non-compatibility of the Albanian ruling with the arbitration award of 2002, ordering it to reimburse Enel and Enelpower €200,000 each for legal costs.
With a ruling of May 17, 2023 the French *Cour de Cassation* rejected ABA's appeal, thereby definitively denying the ABA's petition for execution.
Following the favorable ruling of the Court of Appeal, Enel initiated a separate proceeding to obtain release of the precautionary attachments granted to ABA of any receivables of Enel in respect of Enel France. With an order of June 16, 2022, the Court of Paris ordered the release of the precautionary attachments while also ordering ABA to pay Enel a total of about €146,000 in damages and legal costs. ABA challenged the aforementioned release order and the appeal was granted by the Paris Court of Appeal with a decision of May 17, 2023. On June 16, 2023 Enel filed a petition and on December 15, 2023 formally appealed that ruling before the French *Cour de Cassation*.

The Netherlands
In 2014, ABA filed suit with the Court of Amsterdam to render the ruling of the Albanian court enforceable in the Netherlands.
Following an initial ruling of June 29, 2016, in favor of ABA, in a ruling of July 17, 2018, the Amsterdam Court of Appeal upheld the appeal advanced by Enel and Enelpower, ruling that the Albanian judgment cannot be recognized and enforced in the Netherlands, as it was arbitrary and manifestly unreasonable and therefore contrary to Dutch public order. Subsequently, the proceeding before the Court of Appeal continued with regard to the subordinate question raised by ABA with which it asked the Dutch court to rule on the merits of the dispute in Albania and in particular the alleged tortious liability of Enel and Enelpower in the failure to build the power plant in Albania. On December 3, 2019, the Amsterdam Court of Appeal issued a definitive ruling in which it rejected any claim made by ABA, thereby confirming the denial of recognition and enforcement of the Albanian ruling in the Netherlands. Moreover, having re-analyzed the merits of the case under Albanian law, the Court found no tortious liability on the part of Enel and Enelpower and ordered ABA to reimburse the companies for the losses incurred in illegitimate conservative seizures, to be quantified as part of a specific procedure, and

the costs of the trial and appeal proceedings.
On July 16, 2021 the Supreme Court completely rejected ABA's appeals, ordering it to reimburse court costs.

Luxembourg

In Luxembourg, again at the initiative of ABA, J.P. Morgan Bank Luxembourg SA was also served with an order for a number of precautionary seizures of any receivables of both Enel Group companies in respect of the bank.
In parallel ABA filed a claim to obtain enforcement of the ruling of the Court of Tirana in Luxembourg. Owing to a number of procedural delays, the proceeding is still in the initial stages and no ruling has been issued. In particular, after several legal representatives appointed by ABA withdrew from the cause, on September 2023 the court suspended the proceeding.

United States and Ireland

In 2014, ABA had initiated two proceedings requesting execution of the Albanian sentence before the courts of the State of New York and Ireland, which both ruled in favor of Enel and Enelpower, respectively, on February 23 and February 26, 2018. Accordingly, there are no lawsuits pending in Ireland or New York State.

Kino arbitration – Mexico

On September 16, 2020, Kino Contractor SA de Cv (Kino Contractor), Kino Facilities Manager SA de Cv (Kino Facilities) and Enel SpA (Enel) were notified of a 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, "Project Companies") in which the Project Companies alleged the violation (i) by Kino Contractor of certain provisions of the EPC Contract and (ii) by Kino Facilities of certain provisions of the Asset Management Agreement, both contracts concerning solar projects owned by the three companies filing for arbitration. Enel – which is the guarantor of the obligations assumed by Kino Contractor and Kino Facilities under the above contracts – has also been called into the arbitration proceeding, but no specific claims have been filed against it for the moment.
The Project Companies, in which Enel Green Power SpA is a non-controlling shareholder, are controlled by CDPQ Infraestructura Participación SA de Cv (which is controlled by Caisse de Dépôt et Placement du Québec) and CKD Infraestructura México SA de Cv.
On August 4, 2023, the arbitration ruling was notified. The arbitration board declared that it did not have jurisdiction against Enel SpA and, in partially granting the claim of the Project Companies, ordered Kino Contractor and Kino Facilities (now Enel Services Mexico SA de Cv - Enel Services) to pay penalties totaling about $77 million, plus interest at an annual rate of 6%. Subsequently, Kino Contractor and Enel Services filed a petition requesting correction of the arbitration award, which was partially granted and, on December 13, 2023, they filed a petition to void the award before the Mexican courts. The proceeding is pending.
In December 2023, the Project Companies filed a suit before the Supreme Court of the State of New York against Enel, in its capacity as guarantor of the obligations assumed by Kino Contractor, to request payment due by the latter under the provisions of the arbitration award. The substance and legal grounds of the suit are being contested in full and the proceeding is pending.

41. Future accounting standards

The following provides a list of accounting standards, amendments and interpretations that will take effect for the Company after December 31, 2023.

- *"Amendments to IAS 1 – Classification of Liabilities as Current or Non-current"*, issued in January 2020. The amendments regard the provisions of IAS 1 concerning the presentation of liabilities. More specifically, the changes clarify:
  - the criteria to adopt in classifying a liability as current or non-current, specifying the meaning of right to defer settlement and that that right must exist at the end of the reporting period;
  - that the classification is unaffected by the intentions or expectations of management about the exercise of the right to defer settlement of a liability;
  - that the right to defer exists if and only if the entity satisfies the terms of the liability at the end of the reporting period, even if the creditor does not verify compliance with those terms until later; and
  - that settlement regards the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments take effect for annual periods beginning on or after January 1, 2024.[43]
- *"Amendments to IAS 1 – Non-current Liabilities with Covenants"*, issued in October 2022. IAS 1 requires classification of liabilities as non-current only where an entity has a right to defer settlement in the 12 months following the reporting date. Nevertheless, the right to do so is often subject to compliance with covenants. The amendments of the standard improve disclosure when the right to defer settlement of a liability for at least 12 months is subject to compliance with covenants and specify that the classification of the liability as current or non-current at the reporting date is not affected by covenants that must be complied with subsequent to the reporting date.

  The amendments take effect for annual periods beginning on or after January 1, 2024.
- *"Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"*, issued in September 2014. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3). The IASB has deferred the effective date of these amendments indefinitely.
- *"Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback"*, issued in September 2022. The amendments require the seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction in proportion to the previous carrying amount of the asset involved in the arrangement and in line with the retained right-of-use. Consequently, the seller-lessee will be allowed to recognize only the amount of any capital gain or loss relating to the rights transferred to the buyer-lessor.

  The amendments do not prescribe specific measurement requirements for liabilities deriving from a leaseback. However, they include examples that illustrate the initial and subsequent measurement of the liability by including variable payments that do not depend on an index or a rate. This representation is a departure from the general accounting model required by IFRS 16, in which variable payments that do not depend on an index or a rate are recognized through profit or loss in the period in which the event or condition that determines these payments occurs. In this regard, the seller-lessee will have to develop and apply an accounting policy to determine the lease payments such that any amount of retained right-of-use gain or loss is not recognized.

  The amendments take effect for annual periods beginning January 1, 2024. In conformity with "IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors", retrospective application is permitted for sale and leaseback transactions entered into after the date of initial application of IFRS 16.
- *"Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"*, issued in August 2023. The amendments require the application of a consistent approach in determining whether a currency is exchangeable for another and, when it is not, in determining the exchange rate to be used and the disclosure to be provided. The amendments will take effect, subject to endorsement, for annual periods beginning January 1, 2025 (earlier application is permitted).
- *"Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements"*, issued in May 2023.

  The amendments clarify the characteristics of supplier finance arrangements and require additional disclosures concerning these agreements in order to assist users of the financial statements in understanding their related impacts on an entity's liabilities, cash flows and exposure to liquidity risk.

  The IASB granted a transitional exemption by requiring neither comparative information in the first year of ap-

(43) In 2020 an amendment was issued to postpone the date of entry into force from January 1, 2023 to January 1, 2024.

plication nor disclosure of specific opening balances. Furthermore, the information requested is applicable only for the first year of application. Accordingly, considering that the amendments will take effect, subject to endorsement, for annual reporting periods beginning on or after January 1, 2024, the new disclosures must be provided no earlier than the annual financial report at December 31, 2024.

The Company is assessing the potential impact of the future application of the new provisions.

42. Events after the reporting period

Enel issues a dual-tranche €1.75 billion sustainability-linked bond in the Eurobond market

On January 16, 2024, Enel Finance International NV issued a dual-tranche sustainability-linked bond for institutional investors in the Eurobond market in the total amount of €1.75 billion.

The issue, which is guaranteed by Enel, envisages the use of two sustainability Key Performance Indicators for each tranche, illustrated in the Sustainability-Linked Financing Framework, last updated in January 2024, confirming Enel's commitment towards the energy transition as well as contributing to the environmental and financial sustainability of the Company's development strategy.

The Framework is aligned with the International Capital Market Association's (ICMA) "Sustainability-Linked Bond Principles" and the Loan Market Association's (LMA) "Sustainability-Linked Loan Principles", as verified by the Second-Party Opinion Provider Moody's Investors Service.

The issue, which has an average term of approximately eight years, has an average coupon of 3.66%.

The proceeds from the issue will be used by EFI to refinance the Group's ordinary financing needs relating to debt maturities.

Enel places a new €900 million perpetual hybrid bond with coupon at 4.750%

On February 20, 2024, Enel SpA issued a non-convertible, subordinated perpetual hybrid bond for institutional investors on the European market, denominated in euros, with an aggregate principal amount of €900 million.

The transaction reflects the Enel Group's financial strategy, aimed at optimizing the cost of capital serving industrial investments within the 2024-2026 Strategic Plan.

The issuance was carried out in execution of the resolution of the Company's Board of Directors of December 18, 2023 which authorized Enel to issue, by December 31, 2024, one or more non-convertible subordinated hybrid bonds.

The non-convertible subordinated perpetual hybrid bond is structured in a single €900 million tranche, has no fixed maturity, and is due and payable only in the event of the winding up or liquidation of the Company, as specified in the relevant terms and conditions.

43. Fees of the Audit Firm pursuant to Article 149-*duodecies* of the CONSOB Issuers Regulation

Fees pertaining to 2023 paid by Enel SpA and its subsidiaries at December 31, 2023 to the Audit Firm and entities belonging to its network for services are summarized in the following table, pursuant to the provisions of Article 149-*duodecies* of the CONSOB Issuers Regulation.

Type of service	Entity providing the service	Fees (millions of euro)
Enel SpA		
Auditing	of which:	
	- KPMG SpA	0.9
	- entities of KPMG network	-
Certification services	of which:	
	- KPMG SpA	1.8
	- entities of KPMG network	-
Other services	of which:	
	- KPMG SpA	-
	- entities of KPMG network	-
Total		**2.7**
Enel SpA subsidiaries		
Auditing	of which:	
	- KPMG SpA	4.6
	- entities of KPMG network	9.5
Certification services	of which:	
	- KPMG SpA	1.3
	- entities of KPMG network	1.2
Other services	of which:	
	- KPMG SpA	-
	- entities of KPMG network	-
Total		**16.6**
TOTAL		**19.3**

Declaration of the Chief Executive Officer and the officer in charge of financial reporting of Enel SpA at December 31, 2023, pursuant to the provisions of Article 154-*bis*, paragraph 5, of Legislative Decree 58 of February 24, 1998 and Article 81-*ter* of CONSOB Regulation no. 11971 of May 14, 1999

1. The undersigned Flavio Cattaneo and Stefano De Angelis, in their respective capacities as Chief Executive Officer and officer in charge of financial reporting of Enel SpA, hereby certify, taking account of the provisions of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:
   a. the appropriateness with respect to the characteristics of the Company and
   b. the effective adoption of the administrative and accounting procedures for the preparation of the separate financial statements of Enel SpA in the period between January 1, 2023 and December 31, 2023.

2. In this regard, we report that:
   a. the appropriateness of the administrative and accounting procedures used in the preparation of the separate financial statements of Enel SpA has been verified in an assessment of the internal control system for financial reporting. The assessment was carried out on the basis of the guidelines set out in the "Internal Controls - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
   b. the assessment of the internal control system for financial reporting did not identify any material issues.

3. In addition, we certify that the separate financial statements of Enel SpA at December 31, 2023:
   a. have been prepared in compliance with the International Financial Reporting Standards recognized in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002;
   b. correspond to the information in the books and other accounting records;
   c. provide a true and fair representation of the financial position, financial performance and cash flows of the issuer.

4. Finally, we certify that the Report On Operations accompanying the separate financial statements of Enel SpA at December 31, 2023 contains a reliable analysis of operations and performance, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Rome, March 21, 2024

Flavio Cattaneo
Chief Executive Officer of Enel SpA

Stefano De Angelis
Officer in charge
of financial reporting of Enel SpA

4.
REPORTS

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF ENEL SPA (PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE 58/1998)

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF ENEL SpA CALLED TO APPROVE THE FINANCIAL STATEMENTS FOR 2023
(pursuant to Article 153 of Legislative Decree 58/1998)

Shareholders,
The current Board of Statutory Auditors of Enel SpA (hereinafter also "Enel" or the "Company") was appointed by the Shareholders' Meeting of May 19, 2022.
During the year ended December 31, 2023 we performed the oversight activities envisaged by law. In particular, pursuant to the provisions of Article 149, paragraph 1, of Legislative Decree 58 of February 24, 1998 (hereinafter the "Consolidated Law on Financial Intermediation") and Article 19, paragraph 1 of Legislative Decree 39 of January 27, 2010 (hereinafter "Decree 39/2010"), we monitored:

- compliance with the law and the corporate bylaws as well as compliance with the principles of sound administration in the performance of the Company's business;
- the Company's financial reporting process and the adequacy of the administrative and accounting system, as well as the reliability of the latter in representing operational events;
- the statutory audit of the annual statutory and consolidated accounts and the independence of the audit firm;
- the adequacy and effectiveness of the internal control and risk management system;
- the adequacy of the organizational structure of the Company, within the scope of our responsibilities;
- the implementation of the corporate governance rules as provided for by the 2020 edition of the Italian Corporate Governance Code (hereinafter, the "Corporate Governance Code"), which the Company has adopted;
- the appropriateness of the instructions given by the Company to its subsidiaries to enable Enel to meet statutory public disclosure requirements.

In performing our checks and assessments of the above issues, we did not find any issues that would merit reporting here.
In compliance with the instructions issued by CONSOB with Communication no. DEM/1025564 of April 6, 2001, as amended, we report the following:

- we monitored compliance with the law and the bylaws and we have no issues to report;

- on a quarterly basis, we received adequate information from the Chief Executive Officer, as well as through our participation in the meetings of the Board of Directors of Enel, on activities performed, general developments in operations and the outlook, and on transactions with the most significant impact on performance or the financial position carried out by the Company and its subsidiaries. The actions approved and implemented appeared to be in compliance with the law and the bylaws and were not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting or otherwise prejudicial to the integrity of the Company's assets. For a discussion of the features of the most significant transactions, please see the report on operations accompanying the separate financial statements of the Company and the consolidated financial statements of the Enel Group for 2023 (in the section "Significant events in 2023");
- we did not find any atypical or unusual transactions conducted with third parties, Group companies or other related parties;
- in the section "Related parties" of the notes to the separate financial statements for 2023 of the Company, the directors describe the main transactions with related-parties – the latter being identified on the basis of international accounting standards and the instructions of CONSOB – carried out by the Company, to which readers may refer for details on the transactions and their financial impact. They also detail the procedures adopted to ensure that related-party transactions are carried out in accordance with the principles of transparency and procedural and substantive fairness. On the basis of our oversight activities, we found that the transactions were carried out in compliance with the approval and execution processes set out in the related procedure – adopted in compliance with the provisions of Article 2391-*bis* of the Italian Civil Code and the implementing regulations issued by CONSOB – described in the report on corporate governance and ownership structure for 2023. All transactions with related parties reported in the notes to the separate financial statements for 2023 of the Company were executed as part of ordinary operations in the interest of the Company and settled on market terms and conditions;
- the Company declares that it has prepared its separate financial statements for 2023 on the basis of international accounting standards (IAS/IFRS) – and the interpretations issued by the IFRIC and the SIC – endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in force at the close of 2023 (hereinafter also the "IFRS-EU"), as well as the provisions of Legislative Decree 38 of February 28, 2005 and its related implementing measures, as it did the previous year.

The Company's separate financial statements for 2023 have been prepared on a going-concern basis. The notes to the separate financial statements give detailed information on the accounting standards and measurement criteria adopted, accompanied by an indication of the standards applied for the first time in 2023, which as indicated in the notes did not have a significant impact in the year under review;

- the separate financial statements for 2023 of the Company underwent the statutory audit by the audit firm, KPMG SpA, which issued an unqualified opinion, including with regard to the consistency of the report on operations and certain information in the report on corporate governance and ownership structure of the Company with the financial statements, as well as compliance with the provisions of law, pursuant to Article 14 of Decree 39/2010 and Article 10 of Regulation (EU) no. 537/2014. The report of KPMG SpA also includes the declaration provided pursuant to Article 14, paragraph 2(e) of Decree 39/2010 stating that the audit firm did not identify any significant errors in the contents of the report on operations;
- the Company declares that it has also prepared the consolidated financial statements of the Enel Group for 2023 on the basis of international accounting standards (IFRS-EU) and the provisions of Legislative Decree 38 of February 28, 2005 and its related implementing measures. The 2023 consolidated financial statements of the Enel Group are also prepared on a going-concern basis. The notes to the consolidated financial statements provide a detailed discussion of the accounting standards and measurement criteria adopted, accompanied by an indication of standards applied for the first time in 2023, which did not have a significant impact in the year under review. Note also that, starting from 2021, in compliance with the provisions of Delegated Regulation (EU) 2019/815 of December 17, 2018 as amended (the "ESEF Regulation"), the Company has (i) drawn up its entire Annual Financial Report (including the separate financial statements and the consolidated financial statements, the respective reports on operations and the associated certifications pursuant to Article 154-*bis*, paragraph 5, of the Consolidated Law on Financial Intermediation) in the single electronic reporting format XHTML (Extensible Hypertext Markup Language), and (ii) marked up (with specific tags) the schedules of the consolidated financial statements and the related explanatory notes using the iXBRL markup language (Inline eXtensible Business Reporting Language), in accordance with the ESEF taxonomy issued annually by ESMA, in order to facilitate the accessibility, analysis and comparability of the annual financial reports;

- the consolidated financial statements for 2023 of the Enel Group underwent statutory audit by the audit firm KPMG SpA, which issued an unqualified opinion, including with regard to the consistency of the consistency of the report on operations and certain information in the report on corporate governance and ownership structure with the consolidated financial statements, as well as compliance with the provisions of law, pursuant to Article 14 of Decree 39/2010 and Article 10 of Regulation (EU) no. 537/2014. The report of KPMG SpA also includes:
  - a discussion of key aspects of the audit report on the consolidated financial statements; and
  - the declaration provided pursuant to Article 14, paragraph 2(e) of Decree 39/2010 and Article 4 of CONSOB Regulation no. 20267 (implementing Legislative Decree 254 of December 30, 2016) concerning, respectively, a statement that the audit firm did not identify any significant errors in the contents of the report on operations and that it verified that the Board of Directors had approved the consolidated non-financial statement.

  Under the terms of its engagement, KPMG SpA also issued unqualified opinions on the financial statements for 2023 of the most significant Italian companies of the Enel Group. Moreover, during periodic meetings with the representatives of the audit firm, KPMG SpA, the latter did not raise any issues concerning the reporting packages of the main foreign companies of the Enel Group, selected by the auditors on the basis of the work plan established for the auditing of the consolidated financial statements of the Enel Group, that would have a sufficiently material impact to be reported in the opinion on those financial statements;
- taking due account of the recommendations of the European Securities and Markets Authority issued on January 21, 2013, and most recently supplemented with the Public Statement of October 25, 2023, to ensure appropriate transparency concerning the methods used by listed companies in testing goodwill for impairment, in line with the recommendations contained in the joint Bank of Italy – CONSOB – ISVAP document no. 4 of March 3, 2010, and in the light of indications of CONSOB in its Communication no. 7780 of January 28, 2016, the compliance of the impairment testing procedure with the provisions of IAS 36 was expressly approved by the Board of Directors of the Company, having obtained a favorable opinion in this regard from the Control and Risk Committee in February 2024, i.e. prior to the date of approval of the financial statements for 2023;

- we examined the Board of Directors' proposal for the allocation of net profit for 2023 and the distribution of available reserves and have no comments in this regard;
- we note that the Board of Directors of the Company certified, following appropriate checks by the Control and Risk Committee and the Board of Statutory Auditors in March 2024, that as at the date on which the 2023 financial statements were approved, the Enel Group continued to meet the conditions established by CONSOB (set out in Article 15 of the Market Rules, approved with Resolution no. 20249 of December 28, 2017) concerning the accounting transparency and adequacy of the organizational structures and internal control systems that subsidiaries established and regulated under the law of non-EU countries must comply with so that Enel shares can continue to be listed on regulated markets in Italy;
- we monitored, pursuant to the aforementioned Article 15 of the Market Rules, the capacity of the administrative-accounting systems of the subsidiaries referred to in the previous bullet point to regularly send management and the audit firm KPMG SpA the performance and financial data necessary for the preparation of the consolidated financial statements of the Enel Group, finding no adverse issues;
- we monitored, within the scope of our responsibilities, the adequacy of the organizational structure of the Company (and the Enel Group as a whole), obtaining information from the competent department heads and in meetings with the boards of auditors or equivalent bodies of a number of the main Enel Group companies in Italy and abroad, for the purpose of the reciprocal exchange of material information. Taking account of the changes in its organizational arrangements, implemented most recently in 2023 and the early months of 2024, the Enel Group, consistent with the vision of the newly appointed top management, has adopted a matrix-based organizational structure, structured into:
  - (i) four global Divisions, which are charged with developing, building, operating and maintaining assets, conducting trading activities and developing and managing the portfolio of products and services in the various geographical areas in which the Group operates. The four global Divisions are divided into: Enel Green Power and Thermal Generation, Global Energy and Commodity Management & Chief Pricing Officer, Enel Grids and Innovability and Enel X Global Retail;
  - (ii) two Countries (Italy and Iberia) and a Region (Rest of the World), which, in each geographical area in which the Group operates, is charged with:

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- achieving economic-financial results, optimizing the balance between customers and generation and ensuring long-term value maximization, as well as the adoption of the highest safety and environmental standards;
- managing relationships with institutions, regulators, media and other stakeholders;
- performing staff and service activities in support of the business lines present at country level, maximizing efficiency and quality;
- managing the integration between the business lines present in their geographical area;
- managing stewardship relationships, coordinating with all the competent structures involved;

(iii) a global service function (Global Services), which is charged with the (i) integrated management of all Group activities connected with the development and governance of digital solutions, purchasing and strategy, customer processes and management models, as well as insourcing processes and (ii) managing the real estate portfolio, maximizing its value, and the related general services;

(iv) six Holding Company Staff Functions, which are charged with the strategic direction, coordination and control activities of the entire Group, broken down as follows: Administration, Finance and Control, Personnel and Organization, External Relations, Legal, Corporate, Regulatory and Antitrust Affairs, Audit and Security;

(v) a CEO Office and Strategy, which is charged with providing support to the CEO in defining and directing the Group's strategic decisions and defining the medium-long term strategic positioning for the entire Group, developing strategic scenarios that also consider the effects of climate change.

We found no issues concerning the adequacy of the organizational system described above in supporting the strategic development of the Company and the Enel Group or the consistency of that system with control requirements;

- we met with the boards of auditors or equivalent bodies of a number of the Group's main companies in Italy and abroad. No material issues emerged from the exchange of information that would require mention here;
- we monitored the independence of the audit firm, having received today from KPMG specific written confirmation that they met that requirement (pursuant to the

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provisions of Article 6, paragraph 2(a), of Regulation (EU) 537/2014) and paragraph 17 of international standard on auditing (ISA Italia) 260 and having discussed the substance of that declaration with the audit partner. In this regard, we also monitored – as provided for under Article 19, paragraph 1(e), of Decree 39/2010 – the nature and the scale of non-audit services provided to the Company and other Enel Group companies by KPMG SpA and the entities belonging to its network. The fees due to KPMG SpA and the entities belonging to its network are reported in the notes to the separate financial statements of the Company. Following our examinations, the Board of Statutory Auditors found no critical issues concerning the independence of KPMG SpA.

We held periodic meetings with the representatives of the audit firm, pursuant to Article 150, paragraph 3, of the Consolidated Law on Financial Intermediation, and no material issues emerged that would require mention in this report.

With specific regard to the provisions of Article 11 of Regulation (EU) 537/2014, KPMG SpA today provided the Board of Statutory Auditors with the "additional report" for 2023 on the results of the statutory audit carried out, which indicates no significant difficulties encountered during the audit or any significant shortcomings in the internal control system for financial reporting or the Enel accounting system that would raise issues requiring mention in the opinion on the separate and consolidated financial statements. The Board of Statutory Auditors will transmit that report to the Board of Directors promptly, accompanied by any comments it may have, in accordance with Article 19, paragraph 1(a), of Decree 39/2010.

As at the date of this report, the audit firm also reported that it did not prepare any management letter for 2023;

- we monitored the financial reporting process, the appropriateness of the administrative and accounting system and its reliability in representing operational events, as well as compliance with the principles of sound administration in the performance of the Company's business and we have no comments in that regard. We conducted our checks by obtaining information from the head of the Administration, Finance and Control department (taking due account of the head's role as the officer responsible for the preparation of the Company's financial reports), examining Company documentation and analyzing the findings of the examinations performed by KPMG SpA. The Chief Executive Officer and the officer responsible for the preparation of the financial reports of Enel issued a statement (regarding the Company's 2023 separate financial statements) certifying (i) the appropriateness with

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respect to the characteristics of the Company and the effective adoption of the administrative and accounting procedures used in the preparation of the financial statements; (ii) the compliance of the content of the financial reports with international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002; (iii) the correspondence of the financial statements with the information in the books and other accounting records and their ability to provide a true and fair representation of the performance and financial position of the Company; and (iv) that the report on operations accompanying the financial statements contains a reliable analysis of operations and performance, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed. The statement also affirmed that the appropriateness of the administrative and accounting procedures used in the preparation of the separate financial statements of the Company had been verified in an assessment of the internal control system for financial reporting (supported by the findings of the independent testing performed by a qualified external advisor) and that the assessment of the internal control system did not identify any material issues. An analogous statement was prepared for the consolidated financial statements for 2023 of the Enel Group;

- we monitored the adequacy and effectiveness of the internal control system, primarily through systematic participation of the head of the Audit department of the Company in the meetings of the Board of Statutory Auditors and holding about half of the meetings jointly with the Control and Risk Committee, as well as through periodic meetings with the body charged with overseeing the operation of and compliance with the organizational and management model adopted by the Company pursuant to Legislative Decree 231/2001. In the light of our examination and in the absence of significant issues, there are no reasons to doubt the adequacy and effectiveness of the internal control and risk management system. In February 2024, the Board of Directors of the Company expressed an analogous assessment of the situation and also noted, in November 2023, that the main risks associated with the strategic targets set out in the 2024-2026 Business Plan were compatible with the management of the Company in a manner consistent with those targets;
- in 2023 no petitions were received by the Board of Auditors nor did we receive any complaints concerning circumstances deemed censurable pursuant to Article 2408 of the Italian Civil Code;

- we monitored the effective implementation of the Corporate Governance Code, verifying the compliance of Enel's corporate governance arrangements with the recommendations of the Code. Detailed information on the Company's corporate governance system can be found in the report on corporate governance and ownership structure for 2023.
  In June 2023, the Board of Statutory Auditors verified that the Board of Directors – following its election by the Shareholders' Meeting of May 10, 2023 - in evaluating the independence of non-executive directors, correctly applied the assessment criteria specified in the Corporate Governance Code and the principle of the priority of substance over form that must inform the application of the Code's recommendations in general, adopting a transparent procedure, the details of which are discussed in the report on corporate governance and ownership structure for 2023.
  With regard to the so-called "self-assessment" of the independence of its members, the Board of Statutory Auditors, in March 2023 ascertained that all standing statutory auditors met the relevant requirements set out in the Consolidated Law on Financial Intermediation and in the Corporate Governance Code.
- in the final part of 2023 and during the first two months of 2024, the Board of Statutory Auditors, with the support of an independent advisory firm, conducted a board review assessing the size, composition and functioning of the Board of Statutory Auditors, as has been done since 2018, similar to the review conducted for the Board of Directors since 2004. This is a best practice that the Board of Statutory Auditors intended to adopt even in the absence of a specific recommendation of the Corporate Governance Code, a "peer-to-peer review" approach, i.e. the assessment not only of the functioning of the body as a whole, but also of the style and content of the contribution provided by each of the auditors. The approach adopted in performing the board review for 2023 and the findings of that review are described in detail in the report on corporate governance and ownership structure for 2023.
- during 2023, the Board of Statutory Auditors also participated in an induction program, characterized by specific studies to update directors and statutory auditors on the corporate governance of the Company and the Enel Group, the structure and operation of the electrical system in general and the activities of the four global Divisions (Enel Green Power and Thermal Generation, Enel Grids, Global Energy and Commodity Management & Chief Pricing Officer, Enel X Global Retail) and the "People and Organization" Holding Company Function;

- we monitored the application of the provisions of Legislative Decree 254 of December 30, 2016 (hereinafter "Decree 254) concerning the disclosure of non-financial and diversity information by certain large undertakings and groups. In performing that activity, we monitored the adequacy of the organizational, administrative, reporting and control system established by the Company in order to enable the accurate representation in the consolidated non-financial statements for 2023 of the activity of the Enel Group, its results and its impacts in the non-financial areas referred to in Article 3, paragraph 1, of Decree 254, and have no comments in this regard. The audit firm, KPMG SpA, has issued, pursuant to Article 3, paragraph 10, of Decree 254 and Article 5 of CONSOB Regulation no. 20267 of January 18, 2018, its certification of the conformity of the information provided in the consolidated non-financial statement with the requirements of applicable law;
- since the listing of its shares, the Company has adopted specific rules (most recently amended in September 2018) for the internal management and processing of confidential information, which also set out the procedures for the disclosure of documentation and information concerning the Company and the Group, with specific regard to inside information. Those rules (which can be consulted on the corporate website) contain appropriate provisions directed at subsidiaries to enable Enel to comply with statutory public disclosure requirements, pursuant to Article 114, paragraph 2, of the Consolidated Law on Financial Intermediation;
- in 2002 the Company also adopted (and has subsequently updated, most recently in February 2021) a Code of Ethics (also available on the corporate website) that expresses the commitments and ethical responsibilities involved in the conduct of business, regulating and harmonizing corporate conduct in accordance with standards of maximum transparency and fairness with respect to all stakeholders;
- with regard to the provisions of Legislative Decree 231 of June 8, 2001 – which introduced into Italian law a system of administrative liability for companies for certain types of offences committed by its directors, managers or employees on behalf of or to the benefit of the company – since July 2002 Enel has adopted a compliance program consisting of a "general part" and various "special parts" concerning the difference offences specified by Legislative Decree 231/2001 that the program is intended to prevent. For a description of the manner in which the model has been adapted to the characteristics of the various Italian companies of the Group, as well as a description of the purposes of the "Enel Global Compliance Program" for the Group's foreign companies, please see the report on corporate governance and

ownership structure for 2023. The structure that monitors the operation and compliance with the program and is responsible for updating it is a collegial body. This body, whose current members were appointed in July 2023, is still composed of three external members who jointly have specific professional expertise on corporate organization matters and corporate criminal law. The Board of Statutory Auditors received adequate information on the main activities carried out in 2023 by that body, including in meetings with its members. Our examination of those activities found no facts or situations that would require mention in this report;

- in 2023, the Board of Statutory Auditors issued the following opinions:
  - a favorable opinion (at the meeting of February 8, 2023) on the 2023 Audit Plan, in accordance with the provisions of Recommendation 33, letter c) of the Corporate Governance Code;
  - a favorable opinion (at the meeting of June 12, 2023) on the appointment of the new officer in charge of financial reporting of Enel, in accordance with the provisions of Article 154-*bis*, paragraph 1, of the Consolidated Law on Financial Intermediation and Article 20.5 of the Company's articles of association;
  - a favorable opinion (at the meeting of July 5, 2023), pursuant to Article 2389, paragraph 3, of the Italian Civil Code, on the remuneration to be paid to the members of the various committees established within the Board of Directors, following the election of the latter by the Shareholders' Meeting of May 10, 2023, taking account of the provisions in this regard of Enel's remuneration policy for 2023, approved with a binding vote by the Shareholders' Meeting itself;
  - a favorable opinion (at the meeting of July 5, 2023) on the attendance fee to be paid to the Magistrate of the State Audit Court delegated to control Enel's financial management for participation in the meetings of the corporate bodies;
  - a favorable opinion (at the meeting of September 20, 2023), pursuant to Article 2389, paragraph 3, of the Italian Civil Code, on the decisions concerning the remuneration and other terms and conditions of employment of top management appointed following the election of the Board of Directors by the Shareholders' Meeting of May 10, 2023, taking account of the provisions in this regard of Enel's remuneration policy for 2023, approved with a binding vote by the Shareholders' Meeting itself;
- a report on the fixed and variable compensation accrued by those who served as Chairman of the Board of Directors, the Chief Executive Officer/General Manager and other directors in 2023 for their respective positions and any compensation

instruments awarded to them is contained in the second section of the Report on Remuneration Policy for 2024 and Remuneration Paid in 2023 referred to in Article 123-ter of the Consolidated Law on Financial Intermediation (for the sake of brevity, "Remuneration Report" hereinafter), approved by the Board of Directors, acting on a proposal of the Nomination and Compensation Committee on April 11, 2024, which will be published in compliance with the time limits established by law. The design of these remuneration instruments is in line with best practices as it complies with the principle of establishing a link with appropriate financial and non-financial performance targets and pursuing the creation of shareholder value over the medium and long term. The proposals to the Board of Directors concerning such forms of compensation and the determination of the associated parameters were prepared by the Nomination and Compensation Committee, which is made up entirely of independent directors, drawing on the findings of benchmark analyses, including at the international level, conducted by an independent consulting firm (the "advisor"). In addition, the second section of the Remuneration Report contains, in compliance with the applicable CONSOB regulations, specific disclosures on the remuneration received in 2023 by the members of the oversight body and by key management personnel (in aggregate form for the latter).

The Board of Statutory Auditors also supervised the process of preparing the remuneration policy for 2024 – described in full in the first section of the Remuneration Report, without finding any critical issues. In particular, oversight activity examined the consistency of the various measures envisaged by that policy with (i) the provisions of Directive (EU) 2017/828 as transposed into Italian law, with (ii) the recommendations of the Italian Corporate Governance Code, as well as with (iii) the results of the benchmark analysis carried out, including at the international level, by an independent consulting firm that the Nomination and Compensation Committee elected to engage.

In addition, during the preparation of the remuneration policy for 2024, the Board of Statutory Auditors - taking account of the recommendations in this regard by the Corporate Governance Code – asked the independent consulting firm to conduct an additional benchmark analysis to ascertain the adequacy of the remuneration paid to the members of the oversight body. This analysis was performed by the advisor with reference to two benchmarks:

- as a benchmark external to Enel, the remuneration of the boards of statutory auditors reported in the documentation published on the occasion of 2023 shareholders' meetings by issuers belonging to a peer group composed of companies belonging the FTSE MIB index ([1]) with a similarly complex business and similar market size and ownership structure to Enel.

- as a benchmark internal to Enel, the remuneration paid to the members of the Board of Directors of Enel (excluding the Chairman and the Chief Executive Officer) in proportion to the number of meetings held.

As regards the external benchmark, the advisor first noted that, on the basis of the data as at December 31, 2022, Enel lies at the extreme upper bound of the size class compared with the peer group, as it significantly exceeds the ninth decile in terms of capitalization and turnover and is between the third quartile and ninth decile in terms of number of employees. At the same time, the analysis found that, compared with the peer group, the remuneration of the members of the Enel Board of Statutory Auditors was instead at the benchmark median for the Chairman and slightly above the median for the other standing Auditors.

As regards the internal benchmark, the advisor conducted a comparison between the average remuneration per meeting paid to the members of the Board of Statutory Auditors and that paid to the members of the Board of Directors of the Company (excluding the Chairman and the Chief Executive Officer), taking into account all meetings in which they respectively participate. This analysis found a significant disparity between the remuneration of the members of the two bodies. The average remuneration per meeting of the directors is more than three times greater than that of the Chairman of the Board of Statutory Auditors and nearly four times that of the other standing members of the Board of Statutory Auditors.

The Board of Statutory Auditors' oversight activity in 2023 was carried out in 24 meetings and with participation in the 15 meetings of the Board of Directors and participation in the annual Shareholders' Meeting, and, through the chairman or one or more of its members, in the 14 meetings of the Control and Risk Committee (held jointly with the Board of Statutory Auditors), in the 14 meetings of the Nomination and Compensation Committee, in the 6 meetings of the Related Parties Committee and in the 7 meetings of the Corporate Governance and Sustainability Committee. The delegated magistrate of the

([1]) The peer group consists of the following 18 companies: A2A, Assicurazioni Generali, Banco BPM, BPER Banca, Eni, Hera, Italgas Leonardo, Mediobanca, Nexi, Pirelli, Poste Italiane, Prysmian, Saipem, Snam, Telecom Italia, Terna and Unicredit.

State Audit Court participated in the meetings of the Board of Statutory Auditors and those of the Board of Directors.

During the course of this activity and on the basis of information obtained from KPMG SpA, no omissions, censurable facts, irregularities or other significant developments were found that would require reporting to the regulatory authorities or mention in this report.

Based on the oversight activity performed and the information exchanged with the independent auditors KPMG SpA, we recommend that you approve the Company's financial statements for the year ended December 31, 2023 in conformity with the proposals of the Board of Directors.

Rome, April 19, 2024

The Board of Auditors

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Barbara Tadolini – Chairman

____

Luigi Borré – Auditor

____

Maura Campra – Auditor

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REPORT OF THE AUDIT FIRM

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Enel S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Enel S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2023, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Enel S.p.A. as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

There are no key audit matters to report.

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European

Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Enel S.p.A.
Independent auditors' report
31 December 2023

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

Other information required by article 10 of Regulation (EU) no. 537/14

On 16 May 2019, the company's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2020 to 31 December 2028.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The company's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2023 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a reports on operation and on corporate governance and ownership structure at 31 December 2023 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the reports on operation and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's separate financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the reports on operation and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's separate financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Rome, 19 April 2024

KPMG S.p.A.

(signed on the original)

Davide Utili
Director of Audit

SUMMARY OF THE RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING OF MAY 23, 2024

The Ordinary Shareholders' Meeting of Enel SpA held in single call on May 23, 2024, in Rome, Via Dalmazia no. 15, adopted the following resolutions:

1. approved the financial statements of Enel SpA for the year ended December 31, 2023, having acknowledged the results of the consolidated financial statements of the Enel Group, which closed with Group's net income of approximately €3,438 million, together with the consolidated non-financial statement, both referred to the financial year 2023;

2. resolved:
   i. to allocate Enel SpA's net income for the year 2023, amounting to €3,031,809,855.45, as follows:
      a. to earmark for distribution to shareholders:
         - €0.215 for each of the 10,156,594,840 ordinary shares in circulation on the ex-dividend date (considering the 10,085,106 treasury shares held by the Company at the "record date" indicated under this specific bullet point), to cover the interim dividend payable from January 24, 2024, with the ex-dividend date of coupon no. 39 having fallen on January 22, 2024 and the "record date" (i.e., the date of the title to the payment of the dividend) falling on January 23, 2024, for an overall amount of €2,183,667,890.60;
         - €0.065 for each of the 10,166,679,946 ordinary shares in circulation on July 22, 2024 (i.e., on the ex-dividend date), net of the treasury shares that will be held by Enel SpA at the "record date" indicated under point (iii) below, as the balance of the dividend, for an overall maximum amount of €660,834,196.49;
      b. to earmark for the reserve named "retained earnings", an overall amount of €181,768,695.60, to cover the amounts paid in 2023, at the maturity of the respective coupons, to the holders of the non-convertible subordinated hybrid bonds with a so-called "perpetual" duration issued by Enel SpA;
      c. to earmark for the reserve named "retained earnings" the remaining part of the net income, for an overall minimum amount of €5,539,072.76, which might increase consistently with the balance of the dividend not paid due to the number of treasury shares that will be held by Enel SpA at the "record date" indicated under point (iii) below;
   ii. to also earmark for distribution to the shareholders, again as the balance of the dividend, a portion of the available reserve named "retained earnings" set aside in the financial statements of Enel SpA (amounting overall as of December 31, 2023, to €8,591,640,579.55), in the amount of €0.15 for each of the 10,166,679,946 ordinary shares in circulation on the "ex-dividend" date of July 22, 2024 (net of the treasury shares that will be held by Enel SpA at the "record date" indicated under point (iii) below), for a maximum total amount of €1,525,001,991.90;
   iii. to pay, before withholding tax, if any, the overall balance of the dividend of €0.215 per ordinary share (of which €0.065 as a distribution of a portion of the remaining net income for the financial year 2023 and €0.15 as a partial distribution of the available reserve named "retained earnings") – net of the treasury shares that will be held by Enel SpA at the "record date" indicated here below – as from July 24, 2024, with the ex-dividend date of coupon no. 40 falling on July 22, 2024 and the "record date" (i.e., the date of the title to the payment of the dividend) falling on July 23, 2024;

3. resolved:
   i. to revoke the resolution concerning the authorization for the acquisition and the disposal of treasury shares approved by the Shareholders' Meeting held on May 10, 2023, without prejudice to the effects of the latter in relation to the acts performed and/or related and consequential thereto;

ii. to authorize the Board of Directors to purchase, in one or more instalments and for a period of 18 months starting from the date of the Shareholders' Meeting resolution, a maximum number of 500 million ordinary shares of the Company, representing approximately 4.92% of the share capital of Enel SpA, up to a maximum outlay of €2 billion; and
iii. to authorize the Board of Directors to dispose, in one or more instalments, for an unlimited period of time, of all or part of the treasury shares held in portfolio, also before having reached the maximum amount of shares that can be purchased, as well as, as the case may be, to buy-back the shares, provided that the treasury shares held by the Company and, if applicable, by its subsidiaries, do not exceed the limit established by above-mentioned authorization to the purchase;

4. approved the long term incentive Plan 2024 reserved to the management of Enel SpA and/or of its subsidiaries pursuant to Article 2359 of the Italian Civil Code, whose features are described in the relevant information document prepared pursuant to Article 84-*bis*, paragraph 1, of the Issuers' Regulation adopted by CONSOB with resolution no. 11971/1999, and to grant the Board of Directors, with the faculty to sub-delegate, all powers necessary for the actual implementation of the aforesaid Plan;

5. with reference to the "Report on the remuneration policy for 2024 and compensations paid in 2023" of Enel SpA, with two separate and distinct votes, approved:
   - with a binding resolution, the first section of the aforementioned Report, drawn up by the Company's Board of Directors pursuant to Article 123-*ter*, paragraph 3, of Legislative Decree no. 58 of February 24, 1998 and containing the description of the Company's policy on the remuneration of the members of the Board of Directors, the General Manager, the key management personnel and the members of the Board of Statutory Auditors related to the financial year 2024, as well as the procedures used for the adoption and implementation of such policy;
   - with a non-binding resolution, the second section of the aforementioned Report, drawn up by the Company's Board of Directors pursuant to Article 123-*ter*, paragraph 4, of Legislative Decree no. 58 of February 24, 1998 and containing the description of the compensations of the members of the Board of Directors and of the Board of Statutory Auditors, of the General Manager and of the key management personnel (for the latter, in aggregate form) related to the financial year 2023.


enel

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