Supplement No. 2 dated 17 September 2021 to the Base Prospectus dated 26 January 2021

ENEL — Società per Azioni
(*incorporated with limited liability in Italy*)
as an Issuer and Guarantor
and
ENEL FINANCE INTERNATIONAL N.V.
(*a limited liability company incorporated in The Netherlands,*
having its registered office at Herengracht 471, 1017 BS Amsterdam, The Netherlands)
as an Issuer

€35,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 26 January 2021, as supplemented by the first supplement dated 4 June 2021 (the "**Base Prospectus**") issued for the purpose of giving information with regard to the issue of notes (the "**Notes**") by ENEL – Società per Azioni ("**ENEL**") and ENEL Finance International N.V. ("**ENEL N.V.**") guaranteed, in the case of Notes issued by ENEL N.V., by ENEL under the €35,000,000,000 Euro Medium Term Note Programme (the "**Programme**") during the period of twelve months after the date of the Base Prospectus.

This Supplement is issued in accordance with Article 23 of Regulation (EU) 2017/1129, as amended or superseded from time to time (the "**Prospectus Regulation**") and constitutes a supplement to the Base Prospectus for the purposes of the Prospectus Regulation.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as the competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or of the quality of the Notes that are the subject of this Supplement. Investors should make their own assessment as to the suitability of investing in the Notes.

The Central Bank has been requested to provide a certificate of approval and a copy of the Base Prospectus and this Supplement to the relevant competent authority in Luxembourg.

Each of ENEL and ENEL N.V. accepts responsibility for the information contained in this Supplement. To the best of the knowledge of ENEL and ENEL N.V., the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The date of this Supplement is 17 September 2021.

This Supplement has been prepared to:

(1) update the cover page of the Base Prospectus;

(2) update the section "*Form of Final Terms*" of the Base Prospectus;

(3) update the section "*Presentation of Financial and Other Information*" of the Base Prospectus;

(4) update the section *“Risk Factors”* of the Base Prospectus;

(5) update the section “*Description of ENEL*” of the Base Prospectus;

(6) incorporate by reference in the section of the Base Prospectus “*Documents Incorporated by Reference*” the latest financial statements of ENEL and ENEL N.V. as well as certain press releases; and

(7) update the paragraph headed “*No significant or material adverse changes*” in the section “*General Information*” of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement. To the extent that there is any inconsistency between (a) any statement in, or incorporated by reference into, the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

Copies of this Supplement may be inspected in physical form free of charge (i) at the registered office of each of ENEL and ENEL N.V. and (ii) at the specified offices of the Agents. This Supplement is also available on the website of Euronext Dublin at https://live.euronext.com/ and on the website of ENEL at https://www.enel.com/investors/investing/medium-term-note-programme.

COVER PAGE

The fifteenth paragraph of the cover page on page 2 of the Base Prospectus is hereby deleted and replaced by the following paragraph:

"ENEL's long-term debt is currently rated "BBB+" (stable outlook) by S&P Global Ratings Europe Limited (France Branch) (together with its affiliates and branches established in the EU, "**S&P**")", "A-" (stable outlook) by Fitch Ratings Ireland Limited (together with its affiliates and branches established in the EU, "**Fitch**") and "Baa1" (stable outlook) by Moody's France S.A.S. (together with its affiliates and branches established in the EU, "**Moody's**"). Each of Moody's, S&P and Fitch is established in the European Union (the "**EU**") and registered under Regulation (EC) No.1060/2009 (as amended) (the "**EU CRA Regulation**") and as such is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the EU and registered under the EU CRA Regulation, or by a credit rating agency established in the United Kingdom (the "**UK**") and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**" and, together with the EU CRA Regulation, the relevant "**CRA Regulation**") will be disclosed in the relevant Final Terms. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**"

FORM OF FINAL TERMS

Paragraph 2 headed "*Ratings*" of Part B (*Other Information*) of the section "*Form of Final Terms*" on page 75 of the Base Prospectus is deleted and replaced by the following paragraph:

"2 **Ratings**

Ratings:	[The Notes to be issued have not been rated. / The Notes to be issued have been rated: [S&P Global Ratings Europe Limited (France Branch): [●]] [Moody's France S.A.S.: [●]] [Fitch Ratings Ireland Limited: [●]] [[Other]: [●] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*) *Insert one (or more) of the following options, as applicable:* [[*Insert credit rating agency/ies*] [is]/[are] established in [the EU] / [the UK] and [has]/[have each] applied for registration under [Regulation (EC) No. 1060/2009 (as amended)]/[Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018], although the result of such application has not yet been notified by the relevant competent authority.] [[*Insert credit rating agency/ies*] [is]/[are] established in [the EU] /[the UK] and registered under [Regulation (EC) No. 1060/2009 (as amended)]/[Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018].] [[*Insert credit rating agency]* is established in [the EU]/[the UK] and is neither registered nor has it applied for registration under [Regulation (EC) No. 1060/2009 (as amended)]/ [Regulation (EC) No 1060/2009 as it forms part of domestic law by

virtue of the European Union (Withdrawal) Act 2018].]

[[*Insert credit rating agency]* is not established in [the EU]/[the UK] but the rating it has given to the Notes is endorsed by [credit rating agency], which is established in [the EU]/[the UK] and registered under [Regulation (EC) No. 1060/2009 (as amended)]/[Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018].]

[[*Insert credit rating agency]* is not established in [the EU]/[the UK] but is certified under [Regulation (EC) No. 1060/2009 (as amended)]/ [Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018].]

[[*Insert credit rating agency]* is not established in [the EU]/ [the UK] and is not certified under [Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**")]/[Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")] and the rating it has given to the Notes is not endorsed by a credit rating agency established in [the EU]/[the UK] and registered under the [EU CRA Regulation]/[UK CRA Regulation].]]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the [UK]/[*insert*] and is [registered with the Financial Conduct Authority in accordance with] / [the rating it has given to the Notes is endorsed by [*UK-based credit rating agency*] registered with the FCA in accordance with] / [certified under] [the UK CRA Regulation]."

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The third sub-paragraph of the paragraph headed "*Alternative Performance Measures*" on pages 9 to 10 of the Base Prospectus is hereby deleted and replaced by the following sub-paragraph:

> "In line with the Guidelines mentioned above, the criteria used to construct the APMs are as follows:

- *Gross operating profit*: an operating performance indicator (otherwise referred to as EBITDA):, calculated as "Operating profit" plus "Depreciation, amortization and impairment losses";
- *Net non-current assets*: calculated as the difference between "Non-current assets" and "Non-current liabilities" with the exception of:
  - "Deferred tax assets";
  - "Securities" and "Other financial assets" included in "Other non-current financial assets";
  - "Long-term borrowings";
  - "Employee benefits";
  - "Provisions for risks and charges (non-current portion)"; and
  - "Deferred tax liabilities";
- *Net working capital*: calculated as the difference between "Current assets" and "Current liabilities" with the exception of:
  - "Current portion of long-term loan assets", "Factoring receivables", "Securities", "Cash collateral" and "Other financial assets" included in "Other current financial assets";
  - "Cash and cash equivalents";
  - "Short-term borrowings" and the "Current portion of long-term borrowings";
  - "Provisions for risks and charges (current portion)"; and
  - "Other financial payables" included in "Other current liabilities";
- *Net assets held for sale*: calculated as the algebraic sum of "Assets held for sale" and "Liabilities held for sale";
- *Net capital employed*: calculated as the sum of "Net non-current assets" and "Net working capital", "Provisions for risks and charges", "Deferred tax liabilities" and "Deferred tax assets", as well as "Net assets held for sale";
- *Net financial debt*: a financial structure indicator, determined by:

- “Long-term borrowings” and “Short-term borrowings and the current portion of long-term borrowings”, taking account of “Short-term financial liabilities” included in “Other current liabilities”;

- net of “Cash and cash equivalents”; and

- net of the “Current portion of long-term loan assets”, “Factoring receivables”, “Cash collateral” and “Other financial assets” included in “Other current financial assets”;

- net of “Securities” and “Other financial assets” included in “Other non-current financial assets”;

- *Capital expenditure*: calculated as the sum of "investments in property, plant and equipment," "investments in intangible assets" and "investments in non-current contract assets";

- *Gross capital employed*: calculated as the sum of "Net Non-Current Assets" and "Net Working Capital”;

- *Net long-term debt*: a financial structure indicator, calculated as the sum of "Long-term bank borrowings," "Bonds" and "Other borrowings," net of "Long-term financial assets and securities"; and

- *Net short-term debt*: a financial structure indicator, calculated as the sum of "Current portion of long-term bank borrowings," "Other short-term bank borrowings," "Bonds (current portion)," "Other borrowings (current portion)," "Commercial paper," "Cash collateral on derivatives and other financing" and "Other short-term financial payables," net of "Long-term financial loans assets (short-term portion)," "Loan assets cash collateral," "Other short-term financial receivables" and "Cash and cash equivalents with banks and short-term securities.".”

RISK FACTORS

The section entitled "*Risk Factors*" on pages 21 to 49 of the Base Prospectus is hereby deleted in its entirety and replaced with the section entitled "*Risk Factors*" set out in Annex 1 to this Supplement.

DESCRIPTION OF ENEL

1. The paragraph headed "*Litigation*" in the section "*Description of ENEL*" on page 168 of the Base Prospectus is deleted and replaced with the following paragraph:

   "In the ordinary course of its business the Group is subject to various civil and administrative proceedings, as well as certain arbitral and criminal proceedings.

   ENEL records provisions in its consolidated balance sheet to cover probable liabilities whenever ENEL's internal and external counsel advise it that an adverse outcome is likely in a given litigation and a reasonable estimate of the amount of the loss can be made. Such provisions amounted to €918 million as of 30 June 2021, compared €820 million as of 31 December 2020 and €845 million as of 30 June 2020.

   For a discussion of contingent liabilities and assets, see Note 29 to the 2021 ENEL Half Year Financial Report for the six month period ended 30 June 2021, Note 38 to the 2020 ENEL Audited Consolidated Financial Statements and Note 29 to the 2020 ENEL Half Year Financial Report for the six month period ended 30 June 2020.

   ENEL does not believe that any active or pending litigation is likely to have a material adverse effect on the financial condition or results of operations of the Group. Please also see "*Risk Factors - ENEL is subject to a large variety of litigation and regulatory proceedings and cannot offer assurances regarding the outcomes of any particular proceedings.*""

2. The third, fourth and fifth paragraphs under the heading "*Strategy*" in the section "*Description of ENEL*" on page 128 of the Base Prospectus are deleted and replaced with the following paragraphs:

   "Over the 2021-2030 decade, that is expected to be characterised by the ever-increasing growth of renewables, electrification and digitalisation of infrastructure, ENEL is placing at the core of its strategy:

   - the acceleration of the energy transition;
   - new business and operating models enabled by platforms; and
   - sustainable and profitable growth.

   All of the above is aimed at continuing to bring significant value shared with all stakeholders as well as returns for shareholders over time.

   During the 2021-2030 decade, utilities, through platform-based multi-layered digital models, are expected to enhance their role as conductors of complex systems, encompassing a multitude of distributed generation assets, which involve the increasingly active role of customers."

DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the Base Prospectus headed "*Documents Incorporated By Reference*" on pages 50 to 55 of the Base Prospectus, adding the following additional documents to be incorporated by reference:

"(cc) the English translation of the half-year financial report at 30 June 2021 of ENEL and related notes thereto ("**2021 ENEL Half Year Financial Report**") which includes the independent auditors' review report on the condensed interim consolidated interim financial statements of ENEL as at and for the six-month period ended 30 June 2021 ("**ENEL'S 2021 Review Report**"), which can be found on ENEL's website at: https://www.enel.com/content/dam/enel-com/documenti/investitori/informazioni-finanziarie/2021/interim/en/half-year-financial-report_30june2021.pdf;

(dd) the half year report of ENEL N.V. for the six months ended 30 June 2021 (the "**2021 EFI Half Year Financial Report**"), available at: https://www.enel.com/content/dam/enel-com/documenti/investitori/informazioni-finanziarie/2021/interim/en/enel-finance-international-nv-interim-condensed-financial-statements_30June2021.pdf;

(ee) the English translation of the press release dated 8 June 2021 and headed "Enel successfully places a triple-tranche 3.25 billion euro sustainability-linked bond in the eurobond market, the largest sustainability-linked transaction ever priced, also launching a tender offer on conventional bonds at the same time", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/06/enel-successfully-places-a-triple-tranche-325-billion-euro-sustainability-linked-bond-in-the-eurobond-market-the-largest-sustainability-linked-transaction-ever-priced-also-launching-a-tender-offer-on-conventional-bonds-at-the-same-time;

(ff) the English translation of the press release dated 15 June 2021 and headed "Enel successfully completes the partial refinancing of four series of conventional bonds", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/06/enel-successfully-completes-the-partial-refinancing-of-four-series-of-conventional-bonds;

(gg) the English translation of the press release dated 17 June 2021 and headed "Enel launches sustainability-linked share buyback program serving its Long-Term Incentive Plan 2021", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/06/enel-launches-sustainability-linked-share-buyback-program-serving-its-long-term-incentive-plan-2021;

(hh) the English translation of the press release dated 8 July 2021 and headed "Enel places record-breaking multi-tranche 4 billion U.S. dollar Sustainability-Linked bond in the U.S. and international markets, further accelerating the achievement of its sustainable finance targets", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/07/enel-places-record-breaking-multi-tranche-4-billion-us-dollar-sustainability-linked-bond-in-the-us-and-international-markets-further-accelerating-the-achievement-of-its-sustainable-finance-targets;

(ii) the English translation of the press release dated 20 July 2021 and headed "Enel Finance International repurchases bonds for an aggregate nominal value of 6,000,000,000 US dollars", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/07/enel-finance-international-repurchases-bonds-for-an-aggregate-nominal-value-of-6000000000-us-dollars-;

(jj) the English translation of the press release dated 22 July 2021 and headed "Enel publishes 2021 second quarter and first half group operating data Report", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/07/enel-publishes-2021-second-quarter-and-first-half-group-operating-data-report;

(kk) the English translation of the press release dated 26 July 2021 and headed "Enel informs about the purchase of treasury shares between July 19th and 21st, 2021 serving the Long-Term Incentive Plan 2021 and about the conclusion of the share buyback program", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/07/enel-informs-about-the-purchase-of-treasury-shares-between-july-19th-and-21st-2021-serving-the-long-term-incentive-plan-2021-and-about-the-conclusion-of-the-share-buyback-program;

(ll) the English translation of the press release dated 29 July 2021 and headed "Enel accelerates growth in first half 2021, capex up 16.3% and annual targets confirmed", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/07/enel-accelerates-growth-in-first-half-2021-capex-up-163-and-annual-targets-confirmed;

(mm) the English translation of the press release dated 2 August 2021 and headed "Enel signs an agreement with ERG to acquire 527 MW of hydro plants", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/08/enel-signs-an-agreement-with-erg-to-acquire-527-mw-of-hydro-plants; and

(nn) the English translation of the press release dated 5 August 2021 and headed "Enel sells 50% of Open Fiber for 2,650 million euros", available on ENEL's website at https://www.enel.com/media/explore/search-press-releases/press/2021/08/enel-sells-50-of-open-fiber-for-2650-million-euros."

Copies of the above documents incorporated by reference into the Base Prospectus can be obtained from the registered office of each of ENEL and ENEL N.V. and from the specified offices of the Paying Agents for the time being in London (being The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom) and are available on ENEL's website at https://www.enel.com/investors/financials.

The following information from the 2021 ENEL Half Year Financial Report, the 2021 EFI Half Year Financial Report and the press releases listed above is incorporated by reference in the Base Prospectus, and the following cross-reference lists are provided to enable investors to identify specific items of information so incorporated. Any information contained in any of the documents specified herein which is not incorporated by reference in the Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus:

Document	**Information incorporated**	**Location**
2021 ENEL Half Year Financial Report	ENEL Group's assets and liabilities, financial position and profits and losses, organizational model, significant events and summary of the regulatory framework in which ENEL Group operates:	
	ENEL Organizational Model	pp. 20–21

Document	Information incorporated	Location
	Significant events in the first half of 2021	pp. 123–127
	Consolidated Income Statement	p. 146
	Statement of Consolidated Comprehensive Income	p. 147
	Statement of Consolidated Financial Position	pp. 148–149
	Statement of Changes in Consolidated Equity	p. 150
	Consolidated Statement of Cash Flows	p. 152
	Notes to the condensed interim consolidated financial statements	pp. 153–197
ENEL'S 2021 Review Report	Report on review of condensed interim consolidated financial statements	pp. 200–201
2021 EFI Half Year Financial Report	Financial information concerning ENEL N.V.'s assets and liabilities, financial position and profit and losses:	
	Statement of comprehensive income	p. 14
	Statement of financial position	p. 15
	Statement of changes in equity	p. 16
	Statement of cash flows	p. 17
	Notes to the financial statements	pp. 18–44
Press Release dated 8 June 2021 and headed "*Enel successfully places a triple-tranche 3.25 billion euro sustainability-linked bond in the eurobond market, the largest sustainability-linked transaction ever priced, also launching a tender offer on conventional bonds at the same time*"	All	
Press Release dated 15 June 2021 and headed "*Enel successfully completes the partial refinancing of four series of conventional bonds*"	All	

Document	Information incorporated	Location
Press Release dated 17 June 2021 and headed "*Enel launches sustainability-linked share buyback program serving its Long-Term Incentive Plan 2021*"	All	
Press Release dated 8 July 2021 and headed "*Enel places record-breaking multi-tranche 4 billion U.S. dollar Sustainability-Linked bond in the U.S. and international markets, further accelerating the achievement of its sustainable finance targets*"	All	
Press Release dated 20 July 2021 and headed "*Enel Finance International repurchases bonds for an aggregate nominal value of 6,000,000,000 US dollars*"	All	
Press Release dated 22 July 2021 and headed "*Enel publishes 2021 second quarter and first half group operating data Report*"	All	
Press Release dated 26 July 2021 and headed "*Enel informs about the purchase of treasury shares between July 19th and 21st, 2021 serving the Long-Term Incentive Plan 2021 and about the conclusion of the share buyback program*"	All	
Press Release dated 29 July 2021 and headed "*Enel accelerates growth in first half 2021, capex up 16.3% and annual targets confirmed*"	Consolidated economic and financial data for the first half of 2021	
	Revenues	pp. 2-3
	Ordinary EBITDA and EBITDA	pp. 4-6
	EBIT	pp. 6-7

Document	Information incorporated	Location
	Group net ordinary income and net income	p. 7
	Financial position	pp. 7-8
	Capital expenditure	p. 8
	Operational highlights for the first half of 2021	pp. 8-11
	Employees	p. 11
	Bond issues and maturing bonds	pp. 12-13
	Recent events	pp. 13-16
	Notes	p. 16
	Accounting standards, data comparability and amendments to the scope of consolidation	p. 16
	Key performance indicators	p. 16-17
	Consolidated Income Statement	p. 18
	Statement of Consolidated Comprehensive Income	p. 19
	Consolidated Statement of Financial Position	pp. 20-21
	Consolidated Statement of Cash Flows	pp. 22-23
Press Release dated 2 August 2021 and headed "*Enel signs an agreement with ERG to acquire 527 MW of hydro plants*"	All	
Press Release dated 5 August 2021 and headed "*Enel sells 50% of Open Fiber for 2,650 million euros*"	All	

GENERAL

GENERAL INFORMATION

The paragraph headed "*No significant or material adverse changes*" on page 232 of the Base Prospectus is deleted and replaced in its entirety by the following paragraph:

"**No significant or material adverse changes**

Except as disclosed in the section entitled "*Risk factors - Risks relating to macro-economic conditions and country risks*" in the paragraph "*The Group faces risks related to the impact of COVID-19"* and in the section "*Description of ENEL - Recent Significant Events – COVID 19*", there has been no material adverse change in the prospects of ENEL N.V., ENEL or ENEL and its subsidiaries taken as a whole since 31 December 2020 and there has been no significant change in the financial performance or financial position of ENEL Group taken as a whole since 30 June 2021."

ANNEX 1

RISK FACTORS

Each Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them and which they may not currently be able to anticipate. In addition, if any of the following risks, or any other risk not currently known, actually occur, the trading price of the Notes could decline and Noteholders may lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus including any document incorporated by reference hereto and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

FACTORS THAT MAY AFFECT THE ISSUERS' AND THE GUARANTOR'S ABILITY TO FULFIL THEIR OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

1. Risks related to the business activities and industries of ENEL

ENEL's ability to successfully execute the Strategic Plan is not assured

On 24 November 2020, ENEL's Board of Directors approved the Group's 2021-2023 Strategic Plan (the "**Strategic Plan**"), which contains the strategic guidelines and growth objectives of the Group for the relevant period, as well as some forecasts with regard to the Group's expected results of operations. The Strategic Plan contemplates, among other things, an investment program of about €40 billion between 2021 and 2023 out of which about €26.4 billion consolidated capex is associated with asset development:

- 60% of which is intended to be devoted to renewables. This is expected to accelerate the decarbonisation process with a progressive substitution of thermal capacity. As a result, the Group's Scope 1 CO_2 emissions are expected to decrease by more than 30%, from 2020 to 2023.
- 33% of which is intended to be invested into Networks supporting the digitalisation of the infrastructure, the improvement of resiliency and quality ratios, and the restructuring of recently acquired assets.
- The remaining portion of which will support the development of other power generation customers (retail commodity and Enel X) sector.

Moreover, the Strategic Plan introduced a new dividend policy that sets a fixed dividend per share ("**DPS**") every year with a CAGR 2020-23 of about +6%.

The Strategic Plan and the projections contained therein are based on a series of assumptions, including among others the evolution of demand and prices for electricity, gas, fuels and average investment costs for the plants in the markets in which the ENEL Group operates, trends in relevant macroeconomic variables, and the evolution of the regulatory frameworks applicable to the ENEL Group. The strategic priorities set forth in the Strategic Plan also include an improvement of the operational efficiency (through digitalisation) and an acceleration of industrial growth as well as group simplification and decarbonisation.

In the event that one or more of the Strategic Plan's underlying assumptions proves incorrect or events evolve differently than as contemplated in the Strategic Plan (including because of events affecting the ENEL Group that may not be foreseeable or quantifiable, in whole or in part, as of the date hereof) the anticipated events and results of operations indicated in the Strategic Plan (and in this Base Prospectus) and in the assumptions underlying the targets and projections could differ from actual events and results of operations.

The Group's funding strategy, which is strongly linked to sustainable instruments, envisages a progressive reduction of the cost of debt during the Strategic Plan period. However, ENEL will need to finance a significant portion of its expected capex and, in the event of a significant variation of certain assumptions relating to industrial and macroeconomic variables, such financing might be more expensive than expected.

In addition, the ENEL Group has implemented two complementary business models (the Ownership model and the Stewardship model), which underpin its medium to long-term growth strategy. Such strategy hinges on a number of business objectives, including the periodic attainment of operating and financial targets and large volumes of investment by the ENEL Group in certain projects. Whether such targets or levels of investment as envisaged by the business models will be realised depends on, and may be affected by, a wide variety of factors, many of which are not within ENEL's control. These factors include demographic changes, economic growth, fuel and energy prices, changes in consumer habits or regulation and the speed of technological innovation that cannot be envisaged as at the date hereof. If any such business objectives are not realised for reasons beyond the ENEL Group's control or for any other reason, the ENEL Group's business prospects, financial condition and results of operations could be adversely affected.

The Strategic Plan should not be unduly relied upon in any way by an investor in making an investment decision with respect to any securities offered hereunder. Furthermore, this Base Prospectus contains certain statements and estimates regarding the ENEL Group's competitive position in certain markets, including with respect to its pre-eminence in particular markets. Such statements are based on the best information available to the ENEL Group's management as of the date hereof. However, the ENEL Group faces competitive risks and its market positions may diverge from those expressed herein as a result of a variety of factors. Any failure by the ENEL Group to execute its Strategic Plan or maintain its market positions could have a material adverse effect upon the ENEL Group, its business prospects, its financial condition and its results of operations.

Furthermore, failure by ENEL to meet certain targets contained in the Step Up Option – as provided for under Condition 5(c) (*Step Up Option*) – may affect the interest payable on the Notes.

The Group relies on time-limited government concessions in order to conduct many of its business activities

ENEL Group companies are concession-holders in Italy for the management of ENEL Group's electricity distribution networks and hydroelectric and geothermal power stations. The ENEL Group's large hydroelectric power stations in Italy are managed under administrative concessions that are set to expire in 2029. The ENEL Group's geothermal power stations in Italy are managed under administrative concessions that are set to expire in 2024. The ENEL Group's large hydroelectric power stations in Italy are managed under administrative concessions that are set to expire in 2029. The ENEL Group's geothermal power stations in Italy are managed under administrative concessions that are set to expire in 2024. The distribution network in Italy is managed under administrative concessions that will expire in 2030.

Endesa's hydroelectric power stations in Spain also operate under administrative concessions, which are set to expire at different dates up to 2067.

Any of the ENEL Group's concessions, including concessions not specifically described above, may not be renewed after they expire or may be renewed on economic terms that are more burdensome for the ENEL Group. In either case, the ENEL Group could experience material and adverse effects upon its business prospects, results of operations and financial condition.

The Group is exposed to risks related to the issuance and revocation of permits, concessions and administrative authorisations for the development, construction and operation of plants

The development, construction and operation of electric power production plants is subject to complex administrative procedures, which requires the procurement of numerous permits from both national and local relevant authorities.

Procedures for obtaining authorisations vary by country and requests may be rejected by the relevant authorities for various reasons or approved with delays which may be significant. The process of obtaining permits can be further delayed or hindered by changes in national or other legislation or regulation or by opposition from communities in the areas affected by a project.

Any failure or delay to obtain permits, concessions and/or necessary authorisations with regard to plants being built, and any revocation, cancellation or non-renewal of permits and/or authorisations in relation to existing plants, and objections by third parties to the issuance of these permits, concessions and authorisation may lead the Group to modify or reduce its development objectives in certain areas or technologies, and may have material adverse effects on the Group's business, financial condition and results of operations.

The ENEL Group faces risks relating to the variability of weather and seasonality and extreme weather events

Electricity and natural gas consumption levels change significantly as a result of climatic changes. Changes in weather conditions can result in significant changes in energy demand and the ENEL Group's sales mix, ultimately impacting turnover and performance of the ENEL Group. More specifically, in warmer periods of the year, gas sales decline, while during periods in which factories are closed for holidays, electricity sales decline. In addition, weather changes (for example, low wind or rain levels) affect the ENEL Group's production from certain renewable resources. In particular, ENEL's electric power generation involves hydroelectric generation and, accordingly, ENEL is dependent upon hydrological conditions prevailing from time to time in the geographic regions where the relevant hydroelectric generation facilities are located. Hydroelectric generation performance is particularly high during the winter and early spring given the more favourable seasonable weather conditions. If hydrological conditions result in droughts or other conditions that negatively affect ENEL's hydroelectric generation business, ENEL's results of operations could be materially adversely affected. Also, adverse weather conditions can affect the regular delivery of energy due to power plants and result in networks damage and the consequent service disruption. The Group is exposed to the risk of damage to assets and infrastructures caused by extreme weather events or natural disasters and, consequentially, to the risk of prolonged unavailability of these assets.

The Group adopts sophisticated monitoring and mitigation measures consistent with internationally recognized Environmental Management Systems (EMS). Although the Group adopts initiatives to monitor, assess and quantify the impacts of the variability of weather and seasonality and extreme events on the Group, significant changes of such nature, and the occurrence of one or more of the events described or other similar events could adversely affect the business prospects, results of operations and financial condition of ENEL.

The ENEL Group is exposed to risks connected with climate change

Climate change may affect the ENEL Group through two channels: physical variable and transition scenario changes. With regard to the risks related to climate change associated with physical variables, and taking the IPCC (The Intergovernmental Panel on Climate Change) pathways as points of reference, ENEL analysed the trends in the following variables and associated operational and industrial phenomena with potential risks: (i) change in mean temperatures and potential increase and/or decrease in energy demand; (ii) change in mean rainfall and snow levels with a potential increase and/or decrease in hydroelectric generation; (iii) change in mean solar radiation and wind with a potential increase and/or decrease in solar and wind generation. However, work to perfect these analyses is ongoing. According to the scenarios used, significant, chronic changes in the variables analysed, even in the event of increases, would have a material impact mainly over the long term. In addition to chronic trends, the frequency and impact of these events have been looked at in terms of extreme events potentially resulting in unexpected physical damage to assets that could have material impact. Furthermore, with regard to the transition toward a more sustainable development, ENEL considers that the following sources of risks may have an impact on ENEL Group's operations and the realisation of its medium and long-term strategic objectives:

- introduction of laws and regulations for getting through the transition and the Paris Agreement introducing stricter emission limits and/or altering the generation mix not driven by price signals;

- increase in the level of competition and convergence of opportunities from diverse fields with opportunities to access new markets, services and/or partnerships or for the entry of new players in the energy industry; and

- regulatory changes with a view to integrating new digital and renewable technologies and to driving infrastructure resilience with potential introduction of new mechanisms of remuneration tied to environmental performance and innovation.

The Group faces risks relating to interruptions in service at its facilities

The ENEL Group is continuously exposed to the risk of malfunctions and/or interruptions in service resulting from events outside of the ENEL Group's control, including accidents, natural disasters (including earthquakes, severe storms and major unfavourable weather conditions) defects or failures in machinery or control systems or components of them. It is also subject to the risk of casualties or other similar extraordinary events. Any such events could result in economic losses, cost increases, or the necessity to revise the ENEL Group's investment plans. Additionally, service interruptions, malfunctions or casualties or other significant events could result in the ENEL Group being exposed to litigation, which could generate obligations to pay damages. Although the ENEL Group has insurance coverage, such coverage may prove insufficient to fully offset the cost of paying such damages. Therefore, the occurrence of one of more of the events described above, or other similar events, could have a material adverse effect on the business prospects, results of operations and financial condition of ENEL.

The Group is exposed to disruptions in its information technology and cyber attacks

The Group depends on its information technology and data processing systems for the efficient operation of its business, including the management of relationships with customers and other parties, and a significant malfunction or disruption in the operation of its systems could disrupt the Group's business and adversely impact its ability to compete. The Group also uses a significant number of systems and other technologies supplied by third parties. Such systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. Breakdowns and interruptions in the IT systems could jeopardise the Group's operations, causing errors in the execution of transactions, inefficient processes, loss of customers, production breakdowns and other business interruptions.

In addition to supporting its operations, the Group uses its information systems to collect and store confidential and sensitive data, including information about its business, clients and employees. As the Group's technology continues to evolve, it is anticipated that the Group will collect and store even more data in the future, and that its systems will increasingly use remote communication features that are sensitive to both wilful and unintentional security breaches. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require the Group to provide notification to the data owners, and that subject the Group to lawsuits, fines and other means of regulatory enforcement.

The organisational complexity of the Group exposes the Group's assets to the risk of cyber-attacks, or threats of intentional disruption, which are increasing in terms of sophistication and frequency, with the consequence that such cyber incidents may remain undetected for long periods of time. Although the Group has adopted a model for managing these risks and, in particular, has adopted a "Cyber Security Framework" to guide and manage cyber security activities, which provides for the involvement of the relevant business areas, compliance with legal requirements and recommendations, the use of the best available technologies, ENEL may be subject to cyber-attacks and other security threats to its IT systems. In such circumstances, the Group could be unable to continue to conduct its business in an effective manner, or to prevent or respond promptly and adequately or to mitigate the adverse effects of breakdowns or interruptions in its IT infrastructure, with possible adverse effects on its reputation, financial condition, assets, business and results of operations.

ENEL is exposed to risks relating to recent and potential future acquisitions and sales of participations

In 2018, the Group acquired control over the Brazilian power distribution company Eletropaulo Metropolitana Eletricidade de São Paulo SA through a voluntary tender offer launched by ENEL's indirect subsidiary Enel Brasil Investimentos Sudeste SA, with an overall investment of €1,541 million. During the course of 2019 and 2020, the Group carried out more acquisitions, particularly in the renewables sector in North America, and increased its stakes in the listed companies Enel Américas and Enel Chile. For further information on relevant acquisitions of the Group, please see the section "*Significant events in 2020*" of the 2020 ENEL Audited Consolidated Financial Statements and the section "*Significant events in the 1st Half of 2021*" of the 2021 ENEL Half Year Financial Report. With respect to both past and future acquisitions and sales of participations, the Group may be exposed to liabilities not detected during the due diligence process or not covered by contractual provisions. Furthermore, other assessments of the acquired business made at the time of the initial investment could prove to be incorrect.

Acquisitions entail an execution risk – the risk that ENEL will not be able to effectively integrate the purchased assets so as to achieve the benefits and synergies expected from such transactions. In addition, acquisitions entail a financial risk – the risk of not being able to recover the purchase costs of acquired assets. ENEL may also incur unanticipated costs or assume unexpected liabilities and losses in connection with companies or assets it acquires.

Any of the above circumstances could have adverse effects on the Group's financial condition, business and results of operations.

The credit agreements and bond agreements that the ENEL Group has entered into contain restrictive covenants that limit its operations

The agreements relating to the long-term financial indebtedness of the Group contain covenants that must be complied with by the borrowers (ENEL and the other companies of the Group) and, in certain instances, by ENEL, as guarantor. The failure to comply with any of them could constitute a default, which could have a material adverse effect upon the Group, its business prospects, its financial condition or its results of operations. In addition, covenants such as "negative pledge" clauses, "material change" clauses and covenants requiring the maintenance of particular financial ratios or credit ratings, constrain the Group's ability to acquire or dispose of assets or incur new debt.

The Group faces risks related to the potential liabilities resulting from energy production through nuclear power plants

The ENEL Group is in the business of nuclear power generation as a result of the ENEL Group's direct interests in Endesa and indirect interests in Slovenské Elektrárne ("**SE**").

Although ENEL believes that Endesa's and SE's nuclear power plants use technologies that are internationally recognised and that they are managed according to international standards, ownership and operation of nuclear power plants nonetheless exposes the ENEL Group to a series of inherent risks, including those relating to the manipulation, treatment, disposal and storage of radioactive substances and the potential adverse effects thereof on the environment and human health.

Under current Spanish law, the Group may incur liabilities of up to €700 million for any nuclear damages caused during the storage, transformation, management, use or transportation of nuclear substances, regardless of the existence of wilful misconduct or negligence. In addition, in 2011 Spain adopted amendments to the relevant law increasing such liability to €1,200 million; such amendments have not yet entered into force pending a ratification process under related EU legislation.

Any nuclear accident or other harmful incident (including resulting from terrorist attacks) could have a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the ENEL Group.

Potential risks also arise in relation to the decommissioning of nuclear power plants. The proposed National Integrated Energy and Climate Plan ("**PNIEC**") includes an orderly decommissioning closure of the nuclear power plant in Spain between 2027 and 2035. The approval of the PNIEC in its current state or any variation thereof could affect the remaining useful life of the facilities and potentially lead to future costs relating to decommissioning works. The Slovakian government has established a fund to finance the present and future costs associated with the decommissioning of nuclear reactors. The deficit of this fund has not been definitively quantified, and the ENEL Group could potentially face future costs relating to decommissioning works at Bohunice and/or Mochovce, in addition to the amounts that are already required to contribute to the aforementioned fund (according to the regulation No. 22/2019 Coll. dated 9 January 2019, the contribution was determined stating the value of yearly contribution for the years 2019 through 2022 in the amount of EUR 41,036,084 per year for Atómové elektrárne Bohunice 2 power plant (EBOV2) and EUR 24,891,727 per year for Atómové elektrárne Mochovce unit 1 and 2 (EMO1&2). These fees will be increased accordingly to cover also the future decommissioning needs of Unit 3 and Unit 4 of Mochovce currently under construction. The fee for the year 2023 and beyond will be determined by the regulation. Following the disposal of part of its interest in SE in July 2016, ENEL owns indirectly a 33% interest in SE and accounts for such investment pursuant to the equity method.

2. Financial risks

The ENEL Group is burdened by significant indebtedness and it must generate sufficient cash flow to service its indebtedness.

As of 30 June 2021, the ENEL Group's Net Financial Debt was equal to €50,418 million, compared to €45,884 million as of 31 March 2021 and €45,415 million as of 31 December 31 2020. The ENEL Group's Net Financial Debt is calculated in accordance with paragraph 127 of Recommendation ESMA/2013/319 and in line with the CONSOB instructions of 28 July 2006, net of financial receivables and long-term securities.

As of 30 June 2021, the repayment schedules of the ENEL Group's Long-Term Debt provided for the repayment of €2,003 million in 2021 and €5,683 million in 2022. The ENEL Group's Net Short-Term Financial Debt (including current maturities of long-term debt) showed a net debtor position and amounted to €1,536 million as of 30 June 2021, compared to a net creditor position which amounted to €1,758 million as of 31 March 2021 and €1,359 million as of 31 December 2020. Any failure by the Group to make any of its scheduled debt repayments, or to reschedule such debt on favourable terms, would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

Changes in the level of liquidity available to ENEL may adversely affect the ENEL Group's results of operations and financial condition

The ENEL Group may not be able to meet its payment commitments or otherwise it may be able to do so only on unfavourable conditions. This may materially and adversely affect the ENEL Group's results of operations and financial condition should the ENEL Group be obliged to incur extra costs to meet its financial commitments or, in the worst-case scenario, threaten the ENEL Group's future as a going concern and lead to insolvency. The ENEL Group's approach to liquidity risk management is to maintain a level of liquidity which is adequate for the ENEL Group to meet its payment commitments over a specific period without resorting to additional sources of financing and to have a prudential liquidity buffer sufficient to meet unexpected cash outlays. In addition, as a measure intended to ensure the ability to meet its medium-long-term payment commitments, the ENEL Group pursues a strategy aimed at diversifying its funding sources and optimising the maturity of its debt. However, these measures may not be sufficient to provide adequate cover of such risk. To the extent they are not, this may adversely affect the ENEL Group's results of operations and financial condition.

ENEL conducts its business in several different currencies and is exposed to exchange rate risks, particularly in relation to the rate of exchange between the Euro and the U.S. dollar

The Group is exposed to exchange rate risks in relation to cash flows connected to the purchase and/or sale of fuels and electricity on the international markets, cash flows related to investments or other financial income or expenses denominated in foreign currencies, such as dividends deriving from non-consolidated foreign subsidiaries, cash flows related to the purchase or sale of equity participations, and indebtedness in currencies different from those used in the countries where the Group has its principal operations. The ENEL Group has significant exposure to fluctuations of the Euro against the U.S. dollar and the currencies of the South American countries in which the ENEL Group is present, which have recently been subject to market volatility. It is worth highlighting that such exchange rate risk is higher in hyperinflationary economies like Argentina (which is a country in which ENEL operates).

With reference to the transaction risk, which is the risk arising from the revaluation of assets and liabilities, the main source of risk is represented by debt denominated in currencies different from the functional currencies of Group companies that hold the debt. At 30 June 2021, 50% of the Group long-term debt was denominated in currencies other than euro, compared to 51% as of 31 December 2020. Taking into account the hedging transactions, such percentage amounted to 17% at 30 June 2021, the same percentage reported at 31 December 2020. Furthermore, the residual exposure to currencies other than the functional currencies is negligible. Any future significant variations in exchange rates affecting the currencies in which the Group operates and/or failure of the Group's related hedging strategy could materially and adversely affect ENEL's and the Group's financial conditions and results of operations.

Revenues and costs denominated in foreign currencies may be significantly affected by exchange rate fluctuations, which may have an impact on commercial margins (*i.e*. economic risk), and commercial and financing payables and receivables denominated in foreign currencies may be significantly affected by conversion rates used for profit and loss computation.

Furthermore, because the ENEL Group's consolidated financial statements are expressed in Euro but the financial statements of several subsidiaries are expressed in other currencies, negative fluctuations, in exchange rates could negatively affect the value of consolidated foreign subsidiaries' assets, income and equity, with a concomitant adverse effect on the Group's consolidated financial statements (*i.e*., translation risk). For instance, due to the translation effect, an appreciation of the Euro against the Group's other significant currencies, including the U.S. dollar, would adversely affect the Group's results.

Exchange rate risk is managed in accordance with the ENEL Group's financial risk management policies, which provide for the stabilisation of the effects of fluctuations in exchange rates to avoid such risk. To this end, the ENEL Group has developed operational processes that ensure the appropriate coverage of exposures through hedging strategies, which typically involve the use of financial derivatives and the posting of cash collateral to the Group's hedging counterparties. However, hedging instruments may not be successful in protecting the Group effectively from adverse exchange rate movements.

Changes in the creditworthiness of the ENEL Group's counterparties may adversely affect the ENEL Group's business and financial condition

The ENEL Group is exposed to credit risk deriving by commercial, commodity and financial operations. Credit risk is intended as the possibility that the ENEL Group's counterparties might not be able to discharge all or part of their obligations due to an unexpected change in the creditworthiness that impacts the creditor position, in terms of insolvency or changes in its market value.

Beginning in the last few years, with the instability and uncertainty of the financial markets and the global economic crisis, average payment times for trade receivables by counterparties have increased.

In this frame, the ENEL Group's general policy calls for the application of criteria in all the main regions/countries/business lines for measuring credit exposures in order to promptly identify any deterioration in credit quality – determining any mitigation actions to implement – and to enable the monitoring and reporting of credit risk exposures at the ENEL Group level. Moreover, in most of the regions/countries/business lines the Group assesses in advance the creditworthiness of each counterparty with which it may establish its largest exposures on the basis of information supplied by independent providers and/or internal models.

In addition, for certain segments of its customer portfolio, the Group also enters into insurance contracts with leading credit bank/insurance companies.

A portion of the ENEL Group's indebtedness is subject to floating interest rates, thus subjecting the Group to the risk of adverse interest rate fluctuations

Market interest rates affect ENEL's Group's results mainly through possible increases in interest expenses on floating rate indexed debt. As at 30 June 2021, the Group's Net Financial Debt was equal to €50,418 million and 30.6% of the Group's Gross financial debt was subject to floating interest rates (compared to 30.3% as at 31 March 2021 and 32.6% as at 31 December 2020). Taking into account the hedge accounting of interest rates considered effective pursuant to the IFRS-EU, 20.5% of the Group's Gross financial debt was exposed to interest rate risk at 30 June 2021 (20.1% at 31 March 2021 and 22.9% at 31 December 2020). Any significant increase in interest rates could therefore lead to an increase in the Group's debt service expenses, which would have a material adverse effect on the Group, its business prospects, its financial condition and its results of operations.

The Group has adopted risk management policies that provide for the hedging of interest rate risk exposure in line with limits and targets assigned by the top management of the Group. Hedging activities typically entail the use of derivative instruments aiming at transforming floating rate liabilities into fixed rate liabilities and sometimes require the posting of cash collateral to the Group's hedging counterparties. Nevertheless, the Group has not eliminated its exposures to interest rate risk and ENEL cannot offer assurance that hedging activities will function as intended and to the extent the Group fails to adequately manage the risks inherent in interest rate volatility, its results of operations may be adversely impacted. In addition, it is possible that the hedging and derivative instruments used by the Group to establish a fixed rate for certain of its floating rate liabilities may lock the Group into interest rates that are ultimately higher than actual market interest rates. Hedging activities could also entail significant costs.

If the Group is required to write down goodwill and other intangible assets, the Group’s financial results would be negatively affected

The Group’s statement of financial position as of 30 June 2021 included €31,868 million of goodwill and other intangible assets or 17.7% of the Group’s total assets. Such goodwill and other intangible assets have arisen principally in connection with the Group’s acquisition of Endesa as well as other businesses, principally in South America.

Goodwill is not amortised, but tested for impairment at the reporting unit level. Intangible assets are generally impaired on a straight line basis over their useful life but are also tested for impairment at least annually. Goodwill is required to be tested for impairment annually and between annual tests if events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. There are numerous risks that may cause the fair value of a reporting unit to fall below its carrying amount, which could lead to the measurement and recognition of goodwill impairment. These risks include, but are not limited to, adverse changes in legal factors or the business climate, an adverse action or assessment by a regulator, the loss of key personnel, a more-likely-than-not expectation that all or a significant portion of a reporting unit may be disposed of, failure to realize anticipated synergies from acquisitions, a sustained decline in market capitalization, significant negative variances between actual and expected financial results, and lowered expectations of future financial results. Should the Group be required to write down its goodwill and other intangible assets following an impairment test, the Group’s results of operations in the relevant period may be materially and adversely affected.

The Group is exposed to the risk related to the fluctuations of fuel, other commodities and electricity prices, and disruptions in their supply

In the ordinary course of business, the ENEL Group is exposed to adverse price fluctuations of commodities and disruptions in their supply based on events outside ENEL’s control. The more relevant risks are related to increases in the purchase prices of electricity, gas, fuel and other commodities. The Group is also exposed to the risk of decreases in the sale prices of electricity and gas in the countries where it operates.

The ENEL Group adopted risk management policies providing principles for the hedging of price risk in line with limits and targets assigned by the top management. Hedging activities typically entail the use of derivative instruments aiming at reducing the risk. Nevertheless, the Group has not eliminated its exposures to these risks and, in addition, hedging contracts for the price of electricity, gas and other commodities are available in the market only for limited forward periods, hence not protecting against adverse price movements in the medium-long term. Consequently, significant variations in gas, fuel, other commodities and electricity prices, and any relevant interruption in supplies, could have a material adverse effect on the business prospects, results of operations and financial condition of the ENEL Group.

As regards electricity sold, the Group mainly uses fixed-price agreements in the form of bilateral physical contracts (PPAs) and financial contracts (e.g. contracts for difference, in which differences are paid to the counterparty, if the market price exceeds the strike price, or to the Group, in the opposite case). The residual exposure related to the uncontracted volume of electricity to be sold is aggregated by homogeneous risk factors and managed by means of hedging transactions on the energy market. Nevertheless, sales agreements and hedging strategies may be ineffective, and significant changes in electricity prices could adversely affect the business prospects, results of operations and financial condition of ENEL.

3. Risks relating to macro-economic conditions and country risks

The Group is vulnerable to any severe slowdown in power demand as a consequence of COVID-19 and other industrial sector weaknesses or potential energy intensity

The environment in which the Group currently operates is marked by the weakness of macroeconomic conditions worldwide, including low levels of consumption and industrial production.

Electricity and gas consumption are strongly affected by the level of economic activity in a given country.

The crises in the banking system and financial markets in recent years, together with other factors, have resulted in economic recessions in many of the countries where the Group operates, such as Italy, Spain, Russia, other countries in the EU, the UK and the United States. In particular, because of temperatures above the seasonal average in the first months of 2020 and then major slowdown deriving from the lock-downs imposed in countries due to the worldwide presence of the COVID-19 pandemic, electricity demand in Italy decreased by 5.3% in 2020 in comparison to 2019 according to Terna (the Italian transmission system operator). In mainland Spain, the demand for electricity decreased by 5.1% in 2020 in comparison to 2019. However, during the first eight months of 2021, electricity demand in Italy and Spain increased by +6.7% and +3.7% respectively in comparison to the first eight months of 2020 recovering to pre-pandemic consumption levels driven by the progressive easing of mobility restrictions and the recovery of the industrial sector.

As regards Latin America, due to the COVID-19 pandemic, in 2020 electricity demand fell significantly in most of the countries in which the Group operates, albeit with different dynamics. While Peru and Colombia were the countries hardest hit by the pandemic, with a decrease in electricity consumption of 7% and 2% respectively compared to 2019, Brazil and Argentina were more resilient, with decreases of -1.3% and -1.2% respectively in 2020 compared to 2019. Chile performed even better, at +0.8% in 2020 in comparison to 2019.

As described for the European countries, even in Latin America, consumption in the first eight months of 2021 is rebounding sharply compared to the same period of the previous year, with a full recovery to pre-pandemic levels. In all the countries mentioned above, electricity demand increased by more than 4.5% and, in particular, Peru and Argentina are the two countries with the greatest rebound, respectively +9.9% and 7.7% compared to the first eight months of 2021 and 2020.

If these economies fail to recover for a significant period of time, or worsen, energy consumption may decrease or continue to decrease in such markets, and this could result in a material adverse effect on the business prospects, results of operations and financial condition of ENEL and the Group.

Risks related to the adverse financial and macroeconomic conditions within the Eurozone

Since 2013 the global economy has grown at a modest pace, curbed by the stagnation of economic activity in parts of Europe, as well as the slow-down of several emerging economies. In the Eurozone, the pace of economic recovery has lagged behind that of other advanced economies following the prior global recession, including as a result of the sovereign debt crisis that affected several European countries, including Italy and Spain. In 2017, the Eurozone's economic recovery was stronger and broader than that observed in previous years, but it was underpinned more by positive sentiment than structural factors.

In 2019, with global conditions deteriorating, the Eurozone's economic growth rate reverted to a lower level. Following five months of negative inflation rates the Eurozone Harmonised Index of Consumer Prices ("**HICP**") continue to move high, rising again in April 2021 from 1.3% y-o-y to 1.6% (Source: Refinitiv). The exceptionally sharp pick-up is driven by a range of factors, including the following:

- continued upward pressure on the energy inflation rate due to higher crude oil prices;
- the annual readjustment of Eurozone HICP item weightings, which takes place in January each year (in particular areas of the economy hit very hard by the COVID-19 pandemic, and where inflation rates have been relatively low like package holidays and clothing and footwear);
- in contrast, the weights of items where demand and inflation rates have been more elevated, such as food, have risen;
- lastly, special factors in Germany, including the unwinding of July 2020's VAT reductions and a rise in the minimum wage.

In the near future the stability of the Eurozone might be further adversely impacted by a number of events, including those related to COVID-19, and the European Central Bank's (the "**ECB**") assessment of the inflation data from January 2020 indicates a cautious outlook.

Despite that, business and consumer confidence are improving amid signs of early easing of government's restrictions and faster vaccine rollout. European monetary policy remains remarkably accommodative in order to support the recovery of the Eurozone's economy. Indeed, the ECB began a new program of Targeted-Long-Term-Refinancing-Operations (TLTRO III) to support the banking sector and reopened the Asset Purchase Program (APP). In light of the Covid-19 pandemic (for further details see "*The Group faces risks related to the impact of COVID-19*"), the ECB recently embarked upon an unprecedented monetary stimulus by establishing an initial €750 billion pandemic emergency purchase programme ("**PEPP**"), the limits of which have been recently increased by €600 billion to a total of €1,350 billion. The PEPP expansion is expected to further ease the ECB's general monetary policy stance, supporting funding conditions in the real economy, especially for businesses and households. The horizon for net purchases under the PEPP is expected to run until March 2022. In any case, the Governing Council will conduct net asset purchases under the PEPP until it determines that the crisis phase of the COVID-19 pandemic is over.

In addition, on 21 July 2020, the governments of the Member States of the European Union agreed upon the establishment of a Recovery Fund of €750 billion, including €390 billion of grants and €360 billion of loans, to be disbursed over the 2021-24 period, as part of the 2021-2027 EU budget. Pursuant to the terms of the final agreement, the volume of grants has been reduced to €390 billion (from the initial €500 billion proposal), the northern countries of the European Union have been allowed to keep their budget rebates and certain compromises with regard to the governance of the Recovery Fund have been included. However, despite the stimulus, any potential draining of liquidity may adversely impact growth in Eurozone countries, including the countries in which the Group operates, with potential negatively impact on the Group's business and results of operations.

The economic recovery of the Eurozone may also be jeopardized by the current political instability affecting several countries, ranging from the United Kingdom's (the "**UK**") withdrawal from the EU (as described in more detail below under "*The UK's withdrawal from the EU may have a negative effect on global economic conditions, financial markets and the ENEL Group's business*"), to the possible exit from the EU of more Member States and/or the replacement of the Euro by one or more successor currencies to which the foregoing could lead. These events could have a detrimental impact on the global economic recovery and the repayment of sovereign and non-sovereign debt in certain countries, as well as on the financial condition of European institutions, further increasing the volatility in the European financial markets and may affect demand for ENEL's goods and services.

There can be no assurance that the economy in Europe will not worsen, nor can there be any assurance that current or future assistance packages or measures granted to certain Eurozone countries will be available or, even if provided, will be sufficient to stabilize the affected countries and markets and secure the position of the Euro. These risks are especially significant in Italy and Spain, where a large proportion of the Group's European operations are concentrated. The economic downturn may also impact the Group's customers, may result in their inability to pay the amounts owed to the Group and may affect demand for ENEL's goods and services. Continuation of further worsening of these difficult financial and macroeconomic conditions could have a material adverse effect upon the Group, its business prospects, its financial condition and its results of operations.

The Group faces risks related to the impact of COVID-19

As has been widely reported in the press, there has been an outbreak of a novel and highly contagious form of coronavirus disease (COVID-19) in China, which has spread throughout the world, including Italy. The outbreak of a novel and highly contagious form of coronavirus disease (COVID-19) (and any future outbreaks) of COVID-19 has led (and may continue to lead) to disruptions in the global economy, and may result in adverse impacts on the global economy in general. The outbreak has been declared as a public health emergency of international concern by the World Health Organization, and the Health and Human Services Secretary has declared a public health emergency in the United States in response to the outbreak. These circumstances have led to volatility in the capital markets and may lead to volatility in or disruption of the credit markets at any time and may adversely affect the value of the Notes. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. There is also growing concern about COVID-19 mutations and in particular the sharp resurgence of COVID-19 in India (the Delta variant), which if it is not brought under control and spreads broadly outside the country, could have a materially negative impact on the global economic recovery.

However, there has been a sustained acceleration of the vaccination rollout since April 2021, notably in the service-dependent Euro area periphery. As of 1 July 2021, the share of the adult population that has received the full COVID-19 vaccination reached 33.2% in Italy, 39.5% in Spain, 38.6% in Germany and over 50% in Iceland, Hungary and Malta (source: Our World in Data).

As a result, the European Commission is now more confident that Member States will have vaccinated up to 70% of the entire adult population of the EU by September 2021, while in the meantime being able to ease restrictions substantially.

Among the advanced economies, the share of the adult population that has received the full COVID-19 vaccination is close to 50% in both the UK and the United States (source: Our World in Data).

Investors should note the risk that the virus, or any governmental or societal response to the virus, may affect the business activities and financial results of the Issuers and the Group, and/or may impact the functioning of the financial system(s) needed to make regular and timely payments under the Notes, and therefore the ability of the Issuers to make payments on the Notes.

For further impacts of the spread of COVID-19 on the Issuers' financial position, please see COVID-19 notes in the following sections: "*Significant events in the 1st Half of 2020", "Group performance and operations*", "*Explanatory notes*" in 2020 ENEL Half Year Financial Report for the six month period ended 30 June 2020 which is incorporated by reference in this Base Prospectus and COVID-19 notes in the following sections: "*Performance and Metrics*" – "*Performance of the Group*" of ENEL's 2020 Annual Report.

The ENEL Group faces risks relating to political, social or economic instability in some of the countries where the Group operates

The Group's activities outside of Italy (in particular Russia and certain South American countries) are subject to a range of country-specific business risks, including changes to government policies or regulations in the countries in which it operates, changes in the commercial practice, the imposition of monetary and other restrictions on the movement of capital for foreign corporations, economic crises, state expropriation of assets, the absence, loss or non-renewal of favourable treaties or similar agreements with foreign tax authorities and general political, social and economic instability. Such countries may also be characterised by inadequate creditors' protection due to a lack of efficient bankruptcy procedures, investment restrictions and significant exchange rate volatility.

Systemic (i.e. not diversifiable) risks, referred to as "country risks", could have a material adverse effect on ENEL's business returns and, in order to effectively monitor them, ENEL regularly carries out a qualitative assessment process of the risks associated with each country where the ENEL Group operates. In addition, ENEL has developed a quantitative model using a shadow rating approach in order to support capital allocation and investments evaluation processes in the context of industrial planning and business development. This model is aimed at detecting Group exposures to socio-political risk factors, as in Latin America.

There can be no assurance that these policies cover all of the potential liabilities which may arise in connection with country risks. Therefore, the occurrence of an event not covered, or only partially covered, could have a material adverse effect upon the ENEL Group, its business prospects, financial condition and results of operations.

Changes in macro-economic, geo-political and market conditions, globally and in the countries in which the ENEL Group operates, as well as any regulatory changes, may adversely affect the ENEL Group's business and financial condition

Given the international span of the Group's operations, changes in the political situation in a country or region or political decisions that have an impact on a specific activity or geographic area, could have a significant impact on demand for the Group's products and services. Additionally, uncertainties regarding future trade arrangements and industrial policies in various countries or regions, both within and outside Europe, such as policies on energy savings and the possible introduction of new customs duties, may create additional macroeconomic risk. In 2018, the U.S. administration began introducing tariffs on various categories of goods, and threatened to introduce further tariffs; in response, the EU, China and other jurisdictions have introduced tariffs on U.S. goods. An escalating trade war may have material adverse effects on the industry in which ENEL operates and on the Group's business, results of operations and financial condition.

Any developments involving the above-mentioned factors could have an adverse impact on the Group's business and operating results as well as the Group's financial condition and assets.

The Group faces risks relating to the process of energy market liberalisation, which continues to unfold in many of the markets in which the Group operates. The Group may face new competition in the markets in which it operates, also due to the evolution of the energy sector

The energy markets in which the ENEL Group operates are undergoing a process of gradual liberalisation, which is being implemented through different approaches and on different timetables in the various countries in which the ENEL Group operates. As a result of the process of liberalisation, new competitors have entered and may in the future continue to enter many of the ENEL Group's markets. It cannot be excluded that the process of liberalisation in the markets in which the ENEL Group operates might continue in the future and, therefore, the ENEL Group's ability to develop its businesses and improve its financial results may be affected by such new competition. In particular, competition in Italy is increasing particularly in the electricity business, in which ENEL competes with other producers and traders within Italy and from outside of Italy who sell electricity in the Italian market to industrial, commercial and residential clients. This could have an impact on the prices paid or received in ENEL's electricity production and trading activities. The ENEL Group may moreover be unable to offset the financial effects of decreases in production and sales of electricity through efficiency improvements, or expansion into new business areas or markets. Moreover, since the energy market is in continuous evolution, the ENEL Group may also face risks related to the technological progress in the sector, such as: (i) the entry in the market of new production processes and innovative products, aimed at replacing the traditional technologies; (ii) the relationship between the costs of technologies and their components; and (iii) a more stringent regulatory framework demanding that market operators adopt technologies necessary to comply with the applicable laws.

Furthermore, as a result of such rapid evolution of the energy sector, new entrants seeking to gain market share by introducing new technology and new products could create increased pricing pressure, in turn reducing profit margins, slowing the pace of any sales increases, increasing marketing expenses or reducing market share, any of which may significantly affect the realisation of the Group's long-term strategic objectives, and/or its operating results and financial condition.

Although the ENEL Group has sought to face the challenge of liberalisation and market evolution by increasing its presence and client base in free (non-regulated) areas of the energy markets in which it competes and by focusing on technological progress and research of business innovation of strategic importance, it may not be successful in doing so.

The UK's withdrawal from the EU may have a negative effect on global economic conditions, financial markets and the ENEL Group's business

On 29 March 2017, the UK delivered to the European Council notice of its intention to withdraw from the EU, pursuant to Article 50 of the Treaty on the European Union. The delivery of such notice started a two-year period during which the UK negotiated with the EU the terms of its withdrawal and of its future relationship with the EU (the "**Article 50 Withdrawal Agreement**"). On 31 January 2020, the UK withdrew from the European Union. According to Articles 126 and 127 of the Article 50 Withdrawal Agreement (approved by the European Parliament on 29 January 2020), the UK entered an implementation period during which it has negotiated its future relationship with the European Union. During this implementation period – which was operated until 31 December 2020 – the Union law continued to apply in the United Kingdom. On 24 December 2020, the EU and UK announced the reaching of an agreement on a trade and cooperation agreement (the "**TCA**"). The TCA was signed on 30 December 2020, applied provisionally as of 1 January 2021 and entered into force on 1 May 2021.

Although the TCA provides a structure for EU and UK cooperation in the future, it may lead to further or reduced cooperation in different areas. As the details of the TCA begin to unfold and as a result of the ongoing political uncertainty as regards the structure of the future relationship between the UK and the EU, the precise impact on the business of the Issuer, including as a result of the TCA, is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

In addition, the UK's decision to withdraw from the EU has also given rise to calls for the governments of other EU member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets, which could in turn depress economic activity and restrict ENEL's access to capital. Until the terms and timing of the UK's exit from the EU are clearer, it is not possible to determine the impact that the UK's departure from the EU and/or any related matters may have on the stability of the Eurozone or the EU and, ultimately, on the business of the Group. As such, no assurance can be given that such matters would not adversely affect the Group, its business prospects, its financial condition, its results of operations, the ability of the ENEL Group to satisfy the relevant obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

ENEL is subject to risks associated with residents' opposition

ENEL currently operates in a vast geographical area, with a presence in over 40 countries and five continents. It conducts business activities that require the development of infrastructure in local areas, which can cause either criticism or potential disputes with communities in some cases. In turn, ENEL may be exposed to potential negative economic-financial and reputational risks due to delays in the execution of projects for new sites or risk that may affect the operational continuity of existing sites. On the other hand, ENEL's commitment to decarbonize its energy mix – with a particular focus on the coal mining phase – could have a potential negative impact in local areas which are heavily dependent on coal operations (extraction and energy generation) in terms of job losses and socio-economic development. This could ultimately expose ENEL to reputational risks or even delay the Group's achievement of the decarbonization goals set out in its Strategic Plan.

4. Legal and regulatory risks

The ENEL Group is subject to different regulatory regimes in all the countries in which it operates. These regulatory regimes are complex and their changes could potentially affect the financial results of the Group.

The Group is subject to the laws of various countries and jurisdictions, including Italy, Spain and the EU, as well as the regulations of particular regulatory agencies, including, in Italy, the Authority for Electricity and Gas (*Autorità di Regolazione per Energia, Reti e Ambiente*) (the "**Authority**") and, in Spain, the Comisión Nacional de los Mercados y la Competencia ("**CNMC**").

These laws and regulations may change and the Group may become subject to new legislation or regulatory requirements that could have a material effect on the Group's business prospects, results of operations and financial condition.

In particular, in Spain, TED/171/2020 of 24 February 2020 amended the remuneration parameters applicable to both standard plants and to certain plants for the generation of electricity from renewable sources, cogeneration and waste, with effect for both from 1 January 2020. Any revision of the remuneration under this regime could adversely affect the business prospects, results of operations and financial condition of ENEL by causing a deviation in the market price.

Sectorial regulation affects many aspects of the Group's business and, in many respects, determines the manner in which the Group conducts its business and sets the fees it charges or obtains for its products and services. For further details on the legislative and regulatory context in which the ENEL Group operates, see also the paragraph entitled "*Regulation*" in the "*Description of ENEL*" section below.

Changes in applicable legislation and regulation, whether at a national or European level, and the manner in which they are interpreted, could negatively impact the ENEL Group's current and future operations, its cost and revenue-earning capabilities and in general the development of its business.

Future changes in the directives, laws and regulations issued by the EU, the Italian Republic, Spain, the Authority, CNMC or governments or authorities in the other countries and/or markets in which the Group operates could materially and adversely affect ENEL's and the Group's business prospects, financial condition and results of operations.

ENEL is subject to a large variety of litigation and regulatory proceedings and cannot offer assurances regarding the outcomes of any particular proceedings

In the ordinary course of its business, the Group is subject to numerous civil (including in relation to antitrust and tax violations) and administrative proceedings, as well as criminal (including in connection with environmental violations, manslaughter and omission of accident prevention measures) and arbitral proceedings. ENEL made provisions in its consolidated financial statements for contingent liabilities related to particular proceedings in accordance with the advice of internal and external legal counsel. Such provisions amounted to €918 million as of 30 June 2021, compared €820 million as of 31 December 2020 and €845 million as of 30 June 2020.

The Group confirms that the assessment of any liability arising from or in connection with a litigation and its potential description in the financial statement of the Group is carried out in full compliance with and according to the applicable international accounting principles and, in particular, pursuant to IAS 37. For further information, see "*Description of ENEL Litigation*" in which the Group provides updated and relevant information concerning the above-mentioned potential liabilities deriving from litigation.

Notwithstanding the foregoing, the Group has not recorded provisions in respect of all of the proceedings to which it is subject. In particular, it has not recorded provisions in cases in which it is not possible to quantify any negative outcome and in cases in which it currently believes that negative outcomes are not likely. There can be no assurance, therefore, that the Group will not be ordered to pay an amount of damages with respect to a given matter for which it has not recorded an equivalent provision, or any provision at all. For further information, see "*Description of ENEL Litigation*". The variability in the outcomes of existing judicial proceedings may determine a situation in which the provisions set aside may not be sufficient to cover the relevant losses. As a consequence, if future losses arising from the pending judicial proceedings are materially in excess of the provisions made, there may be a material adverse effect on the Group's business, cash flow, financial condition and results of operations.

In addition, although the Group maintains internal monitoring systems (including an internal control model pursuant to Italian Legislative Decree No. 231 of June 8, 2001), it may be unable to detect or prevent certain crimes including, inter alia, bribery, corruption, environmental violations, manslaughter, violations of rules regarding health and safety in the workplace committed by its directors, officers, employees or agents, which could lead to civil, criminal and administrative liability for the Group (including in the form of pecuniary sanctions and operational bans), as well as the application of reputational damages.

The Group faces significant costs associated with environmental laws and regulation and may be exposed to significant environmental liabilities

The ENEL Group's businesses are subject to extensive environmental regulation on a national, European, and international scale. Applicable environmental regulations address, among other things, carbon dioxide ("**CO2**") emissions, water and land pollution, the disposal of substances deriving from energy production (including as a result of the decommissioning of nuclear plants), and atmospheric contaminants such as sulphur dioxide ("**SO2**"), nitrogen oxides ("**NOx**") and particulate matter, among other things.

The ENEL Group incurs significant costs to keep its plants and businesses in compliance with the requirements imposed by various environmental and related laws and regulations. Such regulations require the ENEL Group to adopt preventative or remedial measures and influence the ENEL Group's business decisions and strategy. Failure to comply with environmental requirements in the countries where the ENEL Group operates may lead to fines, litigation, loss of licences, permits and authorisations and, in general, to temporary or permanent curtailment of operations. For instance, Law No. 68/2015 has introduced a number of new criminal offences related to environmental liabilities (so called "*ecoreati*") – in particular the environmental pollution, environmental damage, trade and dereliction of radioactive material, criminal conspiracy aiming to carry out an "*ecoreato*" (art. 452-octies of the Italian Criminal Code) – implying new liabilities and, therefore, additional potential expenses, for companies subject to the environmental regulation such as entities belonging to the ENEL Group.

In light of the current public focus on environmental matters, it is not possible to exclude the possibility that more rigorous environmental rules may be introduced at the Italian, Spanish or European level or that more rigorous measures may be introduced in other countries where the Group operates, which could increase costs or cause the Group to face environmental liabilities. Such environmental liabilities could increase costs, including clean-up costs, for the Group. ENEL is not able to foresee the nature or the potential effects of future regulations on its results of operations. Due to tariff regulations and market competition in Italy and other countries in which the Group operates, increases in costs that the Group incurs for environmental protection may not be fully offset by the increases in ENEL's prices. As a result, new environmental regulation could have a material adverse effect on the Group's business prospects, results of operations and financial condition.

Legislation and other regulation concerning CO_2 emissions is one of the key factors affecting the ENEL Group's operations, and is also one of the greatest challenges the ENEL Group faces in safeguarding the environment. With respect to the control of CO_2 emissions, EU legislation governing the CO_2 emissions trading scheme imposes costs for the electricity industry, which could rise substantially in the future. In this context, the instability of the emission allowance market accentuates the difficulties of managing and monitoring the situation. The ENEL Group monitors the development and implementation on EU and Italian legislation, diversifies its generation mix towards the use of low-carbon technologies and resources with a focus on renewables and nuclear power, develops strategies to acquire allowances at competitive prices and enhances the environmental performances of its generation plants, increasing their energy efficiency. However, these measures and strategies undertaken by the ENEL Group to mitigate risks associated with CO_2 regulation and to reduce its CO_2 emissions may be ineffective or insufficient, which could have a material adverse effect on the business prospects, results of operations and the financial condition of ENEL and the ENEL Group. The Group is also subject to numerous EU, international, national, regional and local laws and regulations regarding the impact of its operations on the health and safety of employees, contractors, communities and properties. Breaches of health and safety laws expose the Group's employees to criminal and civil liability and the Group to the risk of liabilities associated with compensation for health or safety damage, as well as damage to its reputation.

The ENEL Group is exposed to a number of different tax uncertainties, which would have an impact on its tax expenses

The ENEL Group is required to pay taxes in multiple jurisdictions in which it operates. The ENEL Group determines the taxes it is required to pay, based on its interpretation of the applicable tax laws and regulations in the jurisdictions in which it operates. Therefore, and as a result of its presence and operation in multiple jurisdictions (including, in addition to Italy and The Netherlands, *inter alia*, Spain, South America, Romania, Russia and the United States), the ENEL Group may be subject to unfavourable changes in the applicable tax laws and regulations, or in the interpretation of such tax laws and regulations by the competent tax authorities. The financial position of the ENEL Group and its ability to service the obligations under its indebtedness, including the Notes, may be adversely affected by new laws or changes in the interpretation of existing tax laws.

The Group is exposed to risks connected with the protection of personal data.

ENEL has the largest customer base in the public services sector (69 million customers), and currently employs some 66,000 people. Consequently, the Group's new business model requires the management of an increasingly large and growing volume of personal data in order to achieve the financial and business results envisaged in the Strategic Plan.

This exposes ENEL to the risks connected with the protection of personal data (an issue that must also take account of the substantial growth in privacy legislation in most of the countries in which ENEL operates). These risks may result in the loss of confidentiality, integrity or availability of the personal information of customers, employees and others (e.g. suppliers), with the risk of incurring fines determined on the basis of global turnover, the prohibition of the use of certain processes and consequent financial losses and reputational harm.

In order to manage and mitigate this risk, ENEL has adopted a model for the global governance of personal data that provides for the establishment of positions responsible for privacy issues at all levels, including the appointment of Data Protection Officers at the global and country levels, and digital compliance tools to map applications and processes and manage risks with an impact on protecting personal data, in compliance with specific local regulations in this field.

5. Risks relating to ENEL's credit ratings and shareholding

ENEL's ability to access credit and bond markets on acceptable terms is in part dependent on its credit ratings, which have come under scrutiny due to its level of debt

ENEL's long-term debt is currently rated "BBB+" (stable outlook) by S&P, "A-" (stable outlook) by Fitch and "Baa1" (stable outlook) by Moody's. The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the EU CRA Regulation as having been issued by S&P, Moody's and Fitch upon registration pursuant to the EU CRA Regulation. S&P, Moody's and Fitch are established in the EU and registered under the EU CRA Regulation. Each of Moody's, S&P and Fitch is included in the list of registered credit rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation. The ratings of S&P and Moody's are near the low-end of the respective rating agency's scale of investment-grade ratings. Fitch's rating is in the upper medium part of the rating agency's scale. ENEL's ability to access the capital markets and other forms of financing (or refinancing), and the costs connected with such activities, depend on the credit ratings assigned to ENEL. In addition, any future downgrade of the sovereign credit rating of Italy and/or Spain or the perception that such a downgrade may occur may adversely affect the markets' perception of ENEL's creditworthiness and have a negative impact on the Group's credit ratings. Any worsening of credit ratings could limit ENEL's ability to access capital markets and other forms of financing (or refinancing), or increase the costs related thereto, with related adverse effects on ENEL's and the Group's business prospects, financial condition and results of operations as well as its ability to implement the Strategic Plan, which contemplates a significant amount of capital expenditure (see "—*ENEL's ability to successfully execute the Strategic Plan is not assured*").

Certain credit agreements entered into by companies belonging to the ENEL Group state that the overall pricing applicable to the loans thereunder may vary according to ENEL's credit rating by S&P or Moody's. Any downgrade could thus adversely affect the amount of interest payable by ENEL. In addition, the possibility of access to the capital markets and to other forms of financing and the associated costs are also dependent, amongst other things, on the rating assigned to the Group.

Therefore, any downgrade of such ratings could limit ENEL's access to the capital markets and could increase the cost of borrowing and/or of the refinancing of existing debt. Any downgrade could therefore have adverse effects on ENEL's and the Group's business prospects, financial condition and results of operations.

ENEL is subject to the de facto control of the Italian Ministry of the Economy and Finance (the "MEF"), which can exercise significant influence (influenza dominante) over matters requiring shareholder approval

As of the date of this Base Prospectus, ENEL is controlled by the MEF – pursuant to Article 2359, first paragraph, no. 2) of the Italian Civil Code, as recalled by Article 93 of the Italian Consolidated Financial Act – which holds a 23.59% direct stake in ENEL's ordinary shares. As long as the MEF remains ENEL's principal shareholder, it can exercise significant influence in matters requiring shareholder approval. More importantly, to date the MEF has managed to appoint the majority of the directors of ENEL, in accordance with the slate-based voting mechanism set forth in Article 14 of ENEL's articles of association. As a result, other shareholders' ability to influence decisions on matters submitted to a vote of ENEL's shareholders may be limited. However, the MEF is not involved in managing and coordinating ENEL, and ENEL makes its management decisions on a fully independent basis in accordance with the structure of duties and responsibilities assigned to its corporate bodies.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

1. Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features (which however are not intended to be an exhaustive description):

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At these times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, with respect to the Clean-up Call Option (Condition 7(e)), there is no obligation on the relevant Issuer to inform investors if and when 80% or more of original aggregate principal amount of the relevant Tranche of Notes has been redeemed or is about to be redeemed, and the relevant Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-up Call Option the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

Fixed/Floating Rate Notes

Certain Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant

Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on such Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Reform of LIBOR and EURIBOR and other interest rate index and equity, commodity and foreign exchange rate index "benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" ("**Benchmarks**") are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a Benchmark.

Key international reforms of Benchmarks include the International Organization of Securities Commission's ("**IOSCO**") proposed Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the EU's Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as Benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

The IOSCO Benchmark Principles aim to create an overarching framework of principles for Benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of Benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the Benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the EU adopted the Benchmarks Regulation. The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation has applied since 1 January 2018, except that the regime for "critical" Benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the "**Market Abuse Regulation**") have applied from 3 July 2016. The Benchmarks Regulation applies to "contributors", "administrators" and "users of" Benchmarks in the EU, and, among other things, (i) requires Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regulatory regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) bans the use of Benchmarks of unauthorised administrators. The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds.

The Benchmarks Regulation could also have a material impact on any listed Notes linked to a Benchmark index, including in any of the following circumstances:

(i) an index which is a Benchmark could not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted; or

(ii) the methodology or other terms of the Benchmark related to a series of Notes could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the Benchmark or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other reforms (or proposals for reform), the discontinuation of or the general increased regulatory scrutiny of Benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

It is not possible to predict with certainty whether, and to what extent a Benchmark will continue to be supported going forwards. This may cause certain Benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The reform of EURIBOR to adopt a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate), or the elimination of LIBOR or any other Benchmark, or changes in the manner of administration of any Benchmark, could require an adjustment to the conditions of the Notes or result in other consequences in respect of any Notes referencing such Benchmarks.

Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, triggering changes in the rules or methodologies used in certain Benchmarks or leading to the disappearance of certain Benchmarks. Any of the above changes, including the disappearance of a Benchmark or changes in the manner of administration of a Benchmark could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting (if listed) or other consequence in relation to Notes linked to such Benchmark. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Floating Rate Notes

Reference rates and indices, including interest rate Benchmarks, such as LIBOR or EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments, have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued, or Benchmarks to be eliminated entirely, or other consequences which cannot be predicted. For example, on 12 July 2018, the UK Financial Conduct Authority (the "**FCA**") announced that the LIBOR benchmark might cease to be a regulated benchmark under the Benchmark Regulation (the "**FCA Announcement**"). The FCA Announcement indicated that steps are being taken to transition from the LIBOR benchmark to alternative interest rate benchmarks following the FCA's announcement on 27 July 2017 that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. In addition, on 5 March 2021, ICE Benchmark Administration Limited ("**IBA**"), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the "**IBA announcement**"). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the "**Second FCA announcement**"). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30th June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changes methodology for a further period after end-2021 (end-June 2023 in the case of US Dollar LIBOR). The Second FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022. The elimination of the LIBOR benchmark or any other Benchmark, or changes in the manner of administration of any Benchmark, could require or result in an adjustment to the interest provisions of the Conditions, or result in other consequences, in respect of any Notes linked to such Benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR which may, depending on the manner in which the LIBOR benchmark is to be determined under the terms and conditions, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available). Amendments to the Conditions and/or relevant fall-back provisions may be required to reflect such discontinuance and there can be no assurance that any such amendments will fully or effectively mitigate all future relevant interest rate risks. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021, while the Federal Reserve's Alternative Reference Rates Committee has recommended SOFR (the Secured Overnight Financing Rate) as the US replacement benchmark for LIBOR.

Separate workstreams have also been developed in Europe over recent years to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("€STR") as the new risk-free rate. €STR was published by the ECB for the first time on 2 October 2019. In addition, on 21 January 2019, the euro risk-free rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds) and on 6 November 2019 such working group issued high-level recommendations for fallback provisions in contracts referencing EURIBOR, which include a recommendation that market participants incorporate fallback provisions in all new financial instruments and contracts referencing EURIBOR. On 25 November 2020, the euro risk-free rate working group published consultations on EURIBOR fallback trigger events and fallback rates. The final recommendations are expected to be published during the second quarter of 2021.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). In circumstances where such Original Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the Original Reference Rate was discontinued. Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

If a Benchmark Event (as defined in Condition 5A) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the relevant Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser. The Independent Adviser shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the relevant Issuer and shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Conditions provide for certain fallback arrangements in the event that an Original Reference Rate and/or any page on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in Condition 5A) otherwise occurs. The IBA announcement and the Second FCA Announcement referred to above each constitutes such a Benchmark event. This will have triggered certain of the fallback arrangements although, the consequences of such fallbacks being triggered are not immediately effective under the Conditions. If a Benchmark Event (as defined in Condition 5A) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the relevant Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser. The Independent Adviser shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the relevant Issuer and shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if any Successor Rate, Alternative Rate or Adjustment Spread is determined by the Independent Adviser, the Conditions provide that the Issuers shall vary the Conditions, if determined by the Independent Adviser, to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, without any requirement for consent or approval of the Noteholders.

The relevant Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes

Where the relevant Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in Notes linked to or referencing the relevant Benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the relevant Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Notes issued, if any, as "Green Bonds" may not be a suitable investment for all investors seeking exposure to green assets

In connection with the issue of "Green Bonds" under the Programme, the relevant Issuer or the Guarantor may request a provider of second-party opinions to issue a second-party opinion confirming that the Eligible Green Projects (as defined under "*Use of Proceeds*" below) have been defined in accordance with the broad categorisation of eligibility for green projects set out by the International Capital Market Association (ICMA) Green Bond Principles (GBP) and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability project (any such second-party opinion, a ‘‘**Green Bond Second-party Opinion’’**). A Green Bond Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Notes in the form of "Green Bonds". A Green Bond Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. In addition, although ENEL and ENEL N.V. may agree at the time of issue of any Green Bonds to certain reporting and use of proceeds (including in the case of certain divestments described under ‘‘*Use of Proceeds’’*) it would not be an event of default under the Notes if ENEL or ENEL N.V. were to fail to comply with such obligations. A withdrawal of the Green Bond Second-party Opinion may affect the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

Moreover, the second party opinion providers and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuers, the Guarantor, any member of the Group, the Dealers, any second party opinion providers or any other person to buy, sell or hold Green Bonds. Noteholders have no recourse against the Issuers, the Guarantor, any of the Dealers or the provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Green Bonds. Any withdrawal of any such opinion or certification or any such opinion or certification attesting that the Group is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Green Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Even if a Green Bond Second-party Opinion is obtained in respect of any series of Green Bonds, however, whilst any issue of Green Bonds will be made in accordance with the ICMA GBP (each as defined under "*Use of Proceeds*" below), as there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "green" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", no assurance is or can be given to investors by the Issuers, the Guarantor, any other member of the Group, the Dealers, any second party opinion providers that the Green Bonds will meet any or all investor expectations regarding the Green Bonds or the Group's targets qualifying as "green" or that any adverse other impacts will not occur in connection with the Group striving to achieve such targets.

Investors should make their own assessment as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of Green Bonds. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

A basis for the determination of the definitions of "green", "sustainable" and "sustainability-linked" has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**Sustainable Finance Taxonomy Regulation**") on the establishment of a framework to facilitate sustainable investment (the "**EU Sustainable Finance Taxonomy**"). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation. A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was approved in principle by the European Commission on 21 April 2021 and was formally adopted on 4 June 2021 for scrutiny by the co-legislators. A second delegated regulation for the remaining objectives is intended to be published in 2022. While the intention is that the Group's Eligible Green Projects (as defined under "*Use of Proceeds*" below) (as amended, supplemented, restated or otherwise updated) would be in alignment with the relevant objectives for the EU Sustainable Finance Taxonomy, until the technical screening criteria for such objectives have been developed it is not known whether the Group's Eligible Green Projects will satisfy those criteria. Accordingly, alignment with the EU Sustainable Finance Taxonomy, once the technical screening criteria are established, is not certain.

Step Up Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics

In January 2021, ENEL updated its framework relating to its sustainability strategy and targets (already adopted in October 2020) to foster the best market practices and present a unified and coherent suite of sustainability linked financing instruments (the "**Sustainability-Linked Financing Framework**"), in accordance with the Sustainability-Linked Bonds Principles (the "**SLBP**") administered by the International Capital Markets Association (ICMA) and the Sustainability-Linked Loan Principles (the "**SLLP**") administered by the Loan Market Association (LMA). The Sustainability-Linked Financing Framework was reviewed by Vigeo Eiris which provided a second party opinion on the relevance and scope of the selected key performance indicators (KPI(s)) and the associated sustainability performance targets (SPTs) and also confirmed the alignment with the SLBP and the SLLP (the "**Sustainability-Linked Financing Framework Second-party Opinion**"). A Sustainability-Linked Financing Framework Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of Step Up Notes issued under the Programme. A Sustainability-Linked Financing Framework Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. A withdrawal of the Sustainability-Linked Financing Framework Second-party Opinion may affect the value of such Step Up Notes and/or may have consequences for certain investors with portfolio mandates to invest in sustainability-linked assets. ENEL does not assume any obligation or responsibility to release any update or revision to the Sustainability-Linked Financing Framework and/or information to reflect events or circumstances after the date of publication of such Sustainability-Linked Financing Framework and, therefore, an update or a revision of the Sustainability-Linked Financing Framework Second-party Opinion may or may not be requested to Vigeo Eiris or other providers of second-party opinions

Moreover, the second party opinion providers and providers of similar opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuers, the Guarantor, any member of the Group, the Dealers, any second party opinion providers, the External Verifier (as defined in Condition 5(c)) or any other person to buy, sell or hold Step Up Notes. Noteholders have no recourse against the Issuers, the Guarantor, any of the Dealers or the provider of any such opinion or certification for the contents of any such opinion or certification, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Step Up Notes. Any withdrawal of any such opinion or certification or any such opinion or certification attesting that the Group is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying on may have a material adverse effect on the value of the Step Up Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Furthermore, although the interest rate relating to the Step Up Notes is subject to upward adjustment in certain circumstances specified in the Conditions, such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. The Notes described above are not being marketed as green bonds since ENEL expects to use the relevant net proceeds for general corporate purposes and therefore ENEL does not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or be subject to any other limitations associated with green bonds.

In addition, the interest rate adjustment in respect of the above-mentioned Step Up Notes depends on a definition of Renewable Energy Installed Capacity or, as the case may be, Direct Green House Gas Emissions, that may be inconsistent with investor requirements or expectations or other definitions relevant to renewable energy and/or greenhouse emissions. ENEL includes within Renewable Energy Installed Capacity electricity generation facility exclusively using any of the following technologies: wind, solar, hydro (including large hydro) and geothermal and any other non-fossil fuel source of generation deriving from natural resources (excluding, for the avoidance of doubt, nuclear energy). ENEL defines Direct Green House Gas Emissions as the Group Scope 1 CO2 equivalent emissions (grams per kWh) from the production of electricity and heat as of a given date reported by ENEL, in its Sustainability Report –Non Financial Statement. In each case, ENEL may or may not request a Sustainability-Linked Financing Framework Second-party Opinion.

If no Sustainability-Linked Financing Framework Second-party Opinion is obtained, there might be no third-party analysis of its definition of Renewable Energy Installed Capacity or Direct Green House Gas Emissions or how such definitions relate to any sustainability-related standards other than the relevant External Verifier’s confirmation of (i) the Renewable Installed Capacity Percentage of ENEL and its consolidated subsidiaries as of 30 June and 31 December in the relevant year and (ii) the Direct Green House Gas Emissions of ENEL and its consolidated subsidiaries as of 31 December in the relevant year, each according to ENEL’s definition thereof.

If such Sustainability-Linked Financing Framework Second-party Opinion is obtained, however, as there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "sustainable" or “sustainability-linked” or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “sustainable” or “sustainability-linked” (and, in addition, the requirements of any such label may evolve from time to time), no assurance is or can be given to investors by the Issuers, the Guarantor, any other member of the Group, the Dealers, any second party opinion providers or the External Verifier that the Step Up Notes will meet any or all investor expectations regarding the Step Up Notes or the Group's targets qualifying as "sustainable" or “sustainability-linked” or that any adverse other impacts will not occur in connection with the Group striving to achieve such targets.

As referred to in the Risk Factor “*Notes issued, if any, as “Green Bonds” may not be a suitable investment for all investors seeking exposure to green assets*” above, a basis for the determination of the definitions of “green”, “sustainable” and “sustainability-linked” has been established pursuant to the Sustainable Finance Taxonomy Regulation on the establishment of the EU Sustainable Finance Taxonomy. While the Group’s sustainability strategy (which embeds the key performance indicators to which the Step Up Notes are linked) and its related investments aim to be aligned with the relevant objectives for the EU Sustainable Finance Taxonomy, until the technical screening criteria for such objectives have been developed it is not known to what extent the investments planned in the Group’s sustainability strategy will satisfy those criteria. Accordingly, once the technical screening criteria are established, there is no certainty to what extent the investments planned in the Group’s sustainability strategy (also underlying the Step Up Notes through their link to certain key performance indicators) will be aligned with the EU Sustainable Finance Taxonomy. Investors should make their own assessment as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party in connection with the offering of Step Up Notes. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

Although ENEL targets (i) increasing the proportion of its total installed capacity constituted by renewable sources and (ii) decreasing its direct greenhouse gas emissions, there can be no assurance of the extent to which it will be successful in doing so or that any future investments it makes in furtherance of these targets will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Adverse environmental or social impacts may occur during the design, construction and operation of any investments ENEL makes in furtherance of this target or such investments may become controversial or criticized by activist groups or other stakeholders. Indeed, a Direct Green House Gas Emissions Event shall not occur in the case of the failure of ENEL to satisfy the Direct Green House Gas Emissions Condition as a result of certain events better described in the Conditions. Lastly, no Event of Default shall occur under the Step Up Notes, nor will the relevant Issuer or, in the case of Notes issued by ENEL N.V., the Guarantor be required to repurchase or redeem such Notes, if ENEL fails to increase its Renewable Energy Installed Capacity.

A portion of the ENEL Group’s indebtedness includes certain triggers linked to sustainability key performance indicators

A portion of the ENEL Group’s indebtedness includes certain triggers linked to sustainability key performance indicators such as total installed capacity and greenhouse gas emissions (see “*Step Up Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics*”) which must be complied with by ENEL, and in respect of which a Step Up Option applies, if applicable in the relevant Final Terms. The failure to meet such sustainability key performance indicators will result in increased interest amounts under such Notes, which would increase the Group's cost of funding and which could have a material adverse effect on the Group, its business prospects, its financial condition or its results of operations.

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or, in the case of ENEL N.V., to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes provide that ENEL N.V. may, at any time, without the consent of the Noteholders or the Couponholders (each as defined below), substitute for itself as principal debtor under the Notes and the Coupons (each as defined below) either ENEL as Issuer or any of ENEL's Subsidiaries, in the circumstances described in Conditions 16(a) and 16(c) of the conditions of the Notes.

The conditions of the Notes also provide that, where ENEL is the Issuer, ENEL may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and Coupons any of ENEL's Subsidiaries, in the circumstances described in Condition 16(b) of the Notes.

In either case, the relevant Subsidiary, failing which, ENEL shall indemnify the Noteholders against certain adverse tax consequences of such substitution, as described in Conditions 16(a)(i), 16(b)(i) and 16 (c)(i) of the Conditions of the Notes, except that neither ENEL nor the relevant Subsidiary shall be liable under such indemnity to pay, *inter alia*, any additional amounts either on account of any tax, duty, assessment or governmental charge that the Noteholder or the Couponholder would have suffered in any case also if the substitution of the relevant Issuer would not have occurred (including any tax benefit deriving from any step-up in the tax value of the Notes or the Coupons triggered by the substitution) or on account of "*imposta sostitutiva*" or of any other withholding or deduction in the event of payment of interest or other amounts paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information.

2. Risks relating to the Clearing Systems, the listing and trading of the Notes and potential conflicts of interest with the Calculation Agent

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuers

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuers will discharge their payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Delisting of the Notes

Application may be made for Notes issued under the Programme to be listed on the official list of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system, including the Luxembourg Stock Exchange, and/or the professional segment (ExtraMOT PRO) of the multi-lateral trading facility (ExtraMOT Market) organised and managed by Borsa Italiana S.p.A. (each, a "**listing**"), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the relevant Issuer to maintain such listing. Notes may be delisted if, for example, listing becomes unduly onerous for the relevant Issuer, the relevant Issuer fails or is unable to comply with any applicable listing rules or other relevant legislation, or if the relevant Issuer experiences severe financial or other difficulties, resulting in the trading of the Notes being suspended and, potentially, delisted. Although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Potential conflicts with the Calculation Agent

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

3. Risks relating to Taxation and Changes in law

The Notes may be subject to withholding tax or substitute tax and, in particular, there is no obligation on the Obligors to pay additional amounts if payments in respect of the Notes issued by ENEL N.V. are made by the Guarantor

All payments in respect of the Notes will be made without deduction or withholding for or on account of tax imposed by any Tax Jurisdiction (as defined in Condition 8 (*Taxation*)), subject as provided in Condition 8 (*Taxation*), except that in certain circumstances, Notes will be subject to a withholding tax or a substitute tax at the rate of 26 per cent. in respect of interest and premium (if any). Condition 8 (*Taxation*) of the Notes provides that in certain cases, neither the Issuer nor the Guarantor (with respect to Notes issued by ENEL N.V. only) will be required to pay any additional amounts to Noteholders in relation to any such withholding.

In particular, and in accordance with Condition 8(g), the Guarantor is under no obligation to gross-up payments of principal and interest made in relation to Notes which are issued by ENEL N.V. and guaranteed by it only, including where any withholding or deduction is required to be made pursuant to article 26 of Italian Presidential Decree No. 600 of 29 September 1973 (as amended or supplemented from time to time).

Any application of such taxes may have a negative effect on a Noteholder's investment in Notes. Prospective purchasers of Notes should consult their tax advisors as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including, in particular, the effect of any state, regional or local tax laws of any country or territory. See also "*Taxation*".

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, save that provisions related to the convening of meetings of holders of Notes issued by ENEL and the appointment of a Noteholders' Representative in respect of any Series of Notes issued by ENEL are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (as the case may be) or administrative practice after the date of this Base Prospectus.

4. Risks related to the market

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. In addition, liquidity may be limited if the relevant Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Notes.