We firmly believe that tax transparency favors sustainable development

Companies, today more than ever, must play an important role by contributing to the economic, social and sustainable progress of the countries in which they operate. This contribution, in addition to the investments made, job opportunities and adequate long-term growth, is also directly linked to a fair tax contribution and transparency as a factor that favors sustainable development.

In times of crisis, such as the COVID-19 pandemic, taxes are even more central to government policies to support those extraordinary measures aimed at limiting the effects on the economic and social system.

The adoption of a clear and public tax strategy, a solid tax risk management & control system and our constant commitment to transparency towards the tax authorities and all stakeholders concretely underline the importance that Enel Group attributes to the fiscal variable and the role it plays on the sustainable development in our society.

With this third Report on Tax Transparency we continue our path, making tax information even more in-depth and, at the same time, by providing an instrument that helps the measurement of our active support for the sustainable development of the countries in which we operate.

Alberto De Paoli
Chief Financial Officer, Enel Group
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1. Enel’s Tax Strategy, Governance and Principles
Enel is an industrial group whose main activity involves energy generation, distribution and sales. The choice of countries where the Group operates is guided by business assessments.

**Tax strategy**

Since 2017, the Enel Group has adopted a tax strategy, as a set of principles and guidelines inspired by values of transparency and legality, which is published on the website: www.enel.com. The Group’s subsidiaries are required to adopt the tax strategy approved by the Parent Company, thereby assuming the responsibility of ensuring it is acknowledged and applied.

**Tax strategy objectives**

Enel S.p.A’s **Board of Directors** sets out the tax strategy of the entire Group, with the aim of ensuring uniform tax management for all entities involved. The strategy is underpinned by the following approach:

- correct and timely determination and settlement of taxes due under the law and implementation of the respective obligations;
- correct management of the tax risk, which is the risk incurred for the violation of tax rules or abuse of the principles and purposes of the tax system.
Tax Transparency approach

Tax strategy principles
The tax strategy principles are the guidelines for Group companies, underpinning their business operations when managing the fiscal variable. The principles also require suitable processes to be adopted to ensure their effectiveness and application.

In line with its sustainability strategy, the Group acts in accordance with the values of honesty and integrity in its tax management, being well aware that tax revenue is one of the main sources of contribution to economic and social development of the countries where it operates.

The Group pursues behavior geared towards compliance with the applicable tax rules and is committed to interpreting them in a way that respects both the substance and form.

The Board of Directors has the role and responsibility of leading the dissemination of a corporate culture based on the values of honesty and integrity and the principle of legality.

The Group maintains collaborative and transparent relations with tax authorities, enabling them - among other things - to gain a full understanding of the facts underlying the application of tax rules.

The Group considers tax to be a business cost and, as such, believes that it must be managed in compliance with the principle of legality, with the aim of safeguarding the Group’s assets and pursuing the primary interest of creating value for shareholders in the medium to long term.
Tax Transparency approach

**Governance**

Enel S.p.A ensures that the tax strategy is acknowledged and applied within the Company through the governance bodies. Its interpretation is left to the Parent Company, through the Tax unit, which also manages its periodic updates.

**Compliance**

The Group entities must respect the principle of legality, by swiftly applying the tax laws of the countries where the Group operates, to ensure that the wording, spirit and purpose of the applicable tax rule or system is respected. Moreover, Enel Group does not undertake behaviors or domestic or cross-border operations that result in purely artificial constructions, that do not reflect the economic reality and from which it is reasonable to expect undue tax advantages, where they conflict with the purpose or spirit of tax provisions or system in question and give rise to double deduction, deduction/non-inclusion or double non-taxation, including as a result of any divergence between the tax systems of different jurisdictions.
Tax Transparency approach

Intercompany transactions

All intercompany transactions follow a transfer pricing policy, which has been adopted by the Enel Group in line with the arm’s length principle, an international standard established by the Model Tax Convention and referred to in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (hereinafter also referred to as the “OECD Guidelines”). Intercompany relations are structured at market prices and conditions, ensuring value creation in the places where the Group conducts its business.

Enel Group, in line with the applicable regulations, encourages the signing of rulings (Advance Pricing Agreements – APAs) with local tax authorities on establishing transfer pricing determination methods, on attributing gains and losses to permanent establishments and on applying rules on cross-border flows between Group entities.

For intercompany financial transactions, Enel Group has adopted a centralized finance model for its subsidiaries, which requires the Group’s two financial companies, Enel Finance International (EFI) and Enel Finance America (EFA), to centralize part of the treasury activities and access to financial markets, and to act as the primary point of reference for the management of the financial or liquidity needs generated by operating entities.

As such, the Group has put internal policies in place to support the methods set out in the OECD Guidelines, which provide for the application of the Comparable Uncontrolled Price - CUP method (which compares the price of goods and/or services transferred in a transaction concluded between associated companies with the price applied in transactions between independent third parties).
Tax Transparency approach

Low-tax jurisdictions
The Group does not invest in or through countries considered to be tax havens for the sole purpose of reducing its tax burden. Such investments may only be proposed if they are supported by sound economic/strategic reasons and have the aim of developing the activities included in the Group’s corporate purpose.

If, in circumstantial situations (for example, in the event of third-pay purchases of a group of companies), structures were found to have been created for the sole purpose of reducing the tax burden or in areas deemed to be tax havens, the Group – failing any viable economic/strategic reasons other than mere tax savings – will commit to removing such structures as quickly as possible.

Tax incentives
Tax incentives are a key, development-oriented mechanism for economic policy, which countries use to stimulate growth and attract investment to support the national policy. The use of tax incentives generally results in a reduction of long-term tax liabilities. Some countries where the Enel Group operates offer various incentives. Enel Group only uses widely applicable tax incentives for all operators, respecting all specific regulations, where the incentives are in line with its industrial and operational objectives and are consistent with the economic substance of its investments.
Tax governance, control and risk management

**Governance body**

In Enel’s organizational model, the Holding Company’s Tax Affairs unit is tasked – among other things – with developing the Group’s tax strategy, identifying, analyzing and managing the various optimization initiatives, monitoring the key tax issues and providing its support to the various Business Lines. Alongside the Holding Function, the Tax Affairs units of the various countries – acting in accordance with the values and principles of the tax strategy set out by the Holding Company – are responsible for managing compliance, tax planning and tax monitoring at local level.

**Organization**

The Enel Group has adopted a set of rules, procedures and standards which are part of the Group’s wider organization and control system and which are considered key points of reference that all parties, depending on their type of relationship with the Group, are required to observe¹. The various policies and procedures applicable both at Group level and country level govern the activities, as well as their management procedures and Tax Affairs responsibilities including in relation to other corporate Functions. These documents are published on the company Intranet and are accessible to all Enel people; they form the general rules of conduct applicable within the Group when carrying out activities. Specifically in relation to taxation, in addition to the tax strategy there are specific organizational documents – both at global and local level – regarding the processes of tax compliance, tax planning, tax monitoring, transfer pricing and tax risk management.

¹For example: Code of Ethics; Zero Tolerance of Corruption Plan; Enel Global Compliance Program (EGCP), corporate policies, models and procedures; the tax strategy; the Internal Control and Risk Management System; the proxy system; the sanctions system referred to in the applicable CCNL (national collective bargaining agreement); any other documentation relating to the current control systems; the relevant accounting standards; procedures and IT applications.
Tax governance, control and risk management

Tax risks

The Group has a Tax Control Framework (TCF) whose main aim is to provide the Tax units with a single and consistent set of guidance for adopting a correct and effective approach to tax risk management within the Group. The framework sets out guidelines and methodological rules so as to consistently assess, monitor and manage the relevant tax risk for the Group companies, in accordance with the principles and guidelines set out by the tax strategy and Tax Risk Policy, and in the awareness that the Group companies operating in different jurisdictions must adopt the TCF with respect for the specific corporate context and domestic regulations of each individual country in question. In this regard, the Group has adopted a Tax Risk Policy whose main objective is to provide unambiguous and consistent guidance to the tax units when implementing the TCF at local level.

In this regard, the Group has adopted a Tax Risk Policy whose main objective is to provide unambiguous and consistent guidance to the tax units when implementing the TCF at local level.

In accordance with the established principles and guidelines, Enel Group aims to proactively manage the tax risk and believes that adopting a TCF can ensure the timely detection, correct measurement and control of the risk tax.

The task of the TCF is to identify the sources of tax risk for the purpose of compliance interpreting tax regulations, while mapping out the respective processes and activities in order to form a network of risk detectors, to be associated with the resulting control measures. In particular, as the set of detectors and control measures identify sources of risk, the TCF can perform a broad spectrum of control. As such, any materialization of the tax risk can be intercepted and managed by each Tax unit in question.

The effectiveness and ongoing updates of the TCF are ensured through periodic monitoring of the risk mapping, regular internal audit processes, as well as through the tax authority systems set out under cooperative compliance regimes (where implemented).

The results from the monitoring of tax risks are periodically brought to the attention of the competent Functions and corporate bodies, including to establish the most appropriate way to mitigate such risks. With regard to significant uncertain tax positions, reference should be made to the information and comments provided in the Integrated Annual Report 2020.

Mechanism for stakeholder reports

For the Enel Group, tax compliance is considered a key aspect of the Company’s ethical and responsible management. As such, the violations that can be reported through the Company’s internal channels also include those relating to tax. The Group’s Code of Ethics is the framework of “ethical management” in which Enel operates, also tying in fully with the tax strategy. There are appropriate provisions on Code of Ethics violations to ensure its effective implementation, and these requirements must also be considered to cover the provisions of the tax strategy.
Enel Group ensures transparency and integrity in its relations with tax authorities, in the event of audits on both the Group companies and third parties. To consolidate this transparency with tax authorities, Enel Group promotes engagement in Cooperative Compliance schemes for companies that integrate the requirements of their respective domestic regulations in order to reinforce their relations. It also complies with the transfer pricing documentation provisions in accordance with OECD Guidelines, taking the “three-tiered approach” which is divided into: Master File, Local File and Country-by-Country Report. Moreover, to avoid double taxation, the Group promotes mutual agreement procedures for the settlement of international disputes (Mutual Agreement Procedure – MAP), which have the direct involvement of tax authorities from the contracting countries. Lastly, Enel consistently acts with a transparent and collaborative approach with all institutions and associations to support the development of effective tax systems in the various countries where it operates.

In 2019, Enel joined the European Business Tax Forum (EBTF), an association that aims to facilitate the public debate on taxation by providing a balanced and comprehensive perspective of the taxes paid by companies. This aim is pursued, in particular, by providing information and tax data to the various stakeholders. The Forum has published two studies relating to the EU/EFTA Total Tax Contribution for the years 2018 and 2019, which are available on the association’s website (ebtforum.org) and which report the aggregate data for the various types of taxes paid by the largest European multinational companies by turnover and/or by stock market capitalization, as well as, for the year 2019, a dedicated section with Country-by-Country Reporting.
2. Context and methodology
Context

In the current economic and social context, tax transparency and the commitment by companies in reporting their impacts on the economic conditions of stakeholders and on economic systems at national and global level are becoming increasingly important. Many international organizations are also focusing their attention on sustainability by promoting numerous initiatives in order to encourage tax transparency.

GRI Standards

In this direction, the Global Sustainability Standards Board (GSSB) of the Global Reporting Initiative (GRI) has defined globally accepted standards for sustainability reporting (GRI Standards), designed to be used by organizations in order to report their impacts on the economy, on the environment and on the society as a whole.

The GRI Standards are in continuity with other widely recognized international standards, such as the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Conventions and the OECD Guidelines for Multinational Enterprises and Tax Administrations.

Among the different Standards, the GSSB has defined one that specifically addresses the issue of taxes as part of the sustainability strategy, i.e. GRI 207: Tax.

In particular, the GRI 207 standard, effective from 1st of January 2021, defines the public reporting requirements on taxation and requires the description of the organizations’ approach to governance and tax strategy and the publication of financial, economic and tax-related information for each jurisdiction in which an organization operates (Country-by-Country Reporting).

In addition GRI 207, in the section “Disclosure 207-4”, recommends the publication of some information regarding the Total Tax Contribution for each jurisdiction in which an organization operates.

Public reporting on tax matters increases transparency by promoting trust and credibility in tax practices adopted by organizations and tax systems. It enables stakeholders to make informed judgments about an organization’s tax positions and supports the development of a socially accepted tax policy.

1https://www.globalreporting.org/how-to-use-the-gri-standards/resource-center/
SustainabiliTax

United Nations - Agenda 2030

In 2015, the UN approved the Agenda 2030 for sustainable development, an action plan for people, planet and prosperity.

The 2030 Agenda for sustainable development defines 17 Sustainable Development Goals (SDGs) - to be achieved by 2030, divided into 169 goals, which represent a guiding “compass” for the countries on the path towards sustainable development.

In this regard, the GSSB in the document “Linking the SDGs and the GRI Standards”¹, has identified SDGs 1 “No Poverty”, 10 “Reduced Inequalities” and 17 “Partnerships for the Goals” as objectives related to GRI 207.

Therefore, the publication of this Tax Transparency Report, which includes the information required by GRI 207, represents Enel’s commitment to achieving SDGs 1, 10 and 17 as an integral part of its sustainability strategy.

WEF - Sustainable Development Impact

In September 2020, during the fourth edition of the Sustainable Development Impact Summit, the International Business Council of the World Economic Forum (WEF) announced a series of measures in relation to the environmental, social and governance commitments of organizations - Environmental, Social, Governance (ESG).

In this context, the document entitled “Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”² aims to improve the way organizations measure and represent their contribution to the ESG.

The document identifies a series of qualitative and quantitative metrics based on four pillars, with the aim of encouraging the convergence, simplification and standardization of non-financial reporting. The four pillars are:

- **Principle of governance**: related to corporate governance.
- **Planet**: related to environmental impacts.
- **People**: related to the importance of employees for organizations.
- **Prosperity**: related to the impact on society, including the payment of taxes.

Within the “Prosperity” pillar, one of the main metrics is represented by taxes, both as taxes paid representing a cost (taxes borne - core metric) and as taxes collected (taxes collected - expanded metric) for each country in which the organization operates.

¹ Available at: https://www.globalreporting.org/media/lbvmxb15/mapping-sdgs-gri-update-march.pdf
SustainabiliTax

Purpose and scope of the report

Acting with honesty and integrity is one of the main cornerstones of our tax strategy, as is our commitment to transparency.

In this context, Enel has decided to publish this Tax Transparency Report, in which the data of the Country-by-Country Report are integrated with the detail of the Tax Contribution in the main economies in which the Group operates, with the aim of underlining the importance that the Group attributes to tax related topics, to their social role and, in general, to transparency as a factor that facilitates sustainable development.

In fact, the Group believes that this integrated model ensures a broad vision and a detailed measurement of the organization’s contributions to economic and social development in the regions/countries in which it operates.

The approach followed also aims to eliminate potential ambiguities that may derive from complex accounting and tax treatments, while supporting and, at the same time, improving other annual financial information and continuing along a pathway targeted at supplying an increasingly in-depth and clear vision of Enel tax position.

As of 2018 (years 2018-2017) Enel has adopted a Total Tax Contribution model for the main countries where it operates, providing evidence of the taxes paid and withheld.

Beginning on 2020, on the other hand, Enel has adopted the integrated model of this Tax Transparency Report. This is prepared consistently with the rules provided for under the OECD Country-by-Country Report and includes information and data for Total Tax Contribution in the main countries where Enel operates. This model is fully aligned with GRI 207 1-4 (Management approach disclosures and Topic-specific disclosures - Country-by-country reporting) and also includes the metrics relating to the taxes paid of the WEF “Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation” (core and expanded).

The data presented in this report relate to the 2020 period. These data, together with analyses of contribution profiles and specific indicators, have been compared with the same data for 2019 by analyzing the trend resulting from this comparison.

The way in which tax information is presented in this report is intended to make it more versatile and easier to read, in order to meet the various parameters required by stakeholders.

1This report analyzes and presents country-by-country reporting data for each jurisdiction in which the Enel Group operates. For the purposes of the Total Tax Contribution, on the other hand, the data of the 16 main countries where Enel has its presence are analyzed (i.e. Italy, Spain, Brazil, Chile, Colombia, Argentina, Peru, Romania, Russia, USA and Canada, Panama, Netherlands, Mexico, Guatemala and Costa Rica), which represent more than 98% of the Group’s revenues and 99% of the income taxes paid.

2Beginning on 2018, the Enel Group presented the Country-by-Country Reports for the years 2016, 2017, 2018 and 2019. This was by way of transmission thereof to the Italian Agenzia delle Entrate which in turn supplied them to the other States with which an agreement is in force for the exchange of information, in compliance with the indications of Action 13 of the BEPS project, as amended. Action 13 is a project in which the OECD and the countries of the G20 have participated to reply in a coordinated and shared manner to the strategies of aggressive tax planning put in place by multinational companies with a view to “artificially shifting” profits in jurisdictions characterized as tax havens.

3In 2019, one year before the entry into force of the standard, the Group published the information required by GRI 207 1-3.

4It should be noted that compared to the report “Total Tax Contribution Enel Group - 2019” some methodological changes have been introduced in order to prepare this Tax Transparency Report in line with the rules provided for the OECD Country-by-Country Report. The data relating to 2019 shown in this report may therefore not correspond to the data presented in the report “Total Tax Contribution Enel Group - 2019”.

PwC TLS Avvocati e Commercialisti
Methodology


The TTC Framework is universal and aims to provide a concise and immediate overview of the taxes paid by the Group in the jurisdictions where it operates. It is structured in a simple, non-technical way, and therefore relatively easy to understand for those with limited knowledge of tax complexities. It includes indicators and benchmarks explaining the overall and significant tax contributions of the Group.

The Tax Transparency Report adopts the cash criterion as a general principle for representing tax data, considering it to be the most adequate for disclosing the actual tax contribution.

The total tax data, as defined and detailed in the following, is determined through the various taxes paid by all the entities in the scope of each tax jurisdiction in the year subject to reporting regardless of the tax year to which the taxes refer.

The Tax Transparency Report, in line with the approach adopted by the OCED and the TTC Framework is built around two essential criteria:

• the definition of tax;
• the classification of the different taxes into categories by differentiating between taxes that constitute an expense for a company (taxes borne) and those that the company pays due to rebate mechanisms, substitution etc. (taxes collected) but that, at any rate, are the result of the company’s own economic activities.

The key points to be born in mind of the methodology adopted are the following:

1 The data for taxes paid includes payments on account, taxes related for previous years, including after assessments, net of refunds obtained. Interest and penalties are not considered.


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1 The data for taxes paid includes payments on account, taxes related for previous years, including after assessments, net of refunds obtained. Interest and penalties are not considered.


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1. The definition of tax and the differentiation between taxes which are a cost to Enel Group and taxes collected by Enel Group

Tax payments to public administrations which, given their characteristics, are in fact taxes are considered taxes even if, for historical or circumstantial reasons, they are not classified as such.

**Taxes borne**: these are a direct costs for Enel. These are the taxes that Enel has paid to the tax authorities of various jurisdictions, i.e. profit taxes, social contributions, property taxes, etc.

**Taxes collected**: these are the taxes that have been paid as a result of economic activities of Enel, but do not constitute a cost for Enel. In this case, Enel collects taxes from other parties on behalf of governments (i.e. income taxes collected from employees under a payroll system). Nevertheless, these taxes should be taken into consideration during the calculation of Total Tax Contribution of Enel, considering these amounts result from the activities of the Group.

The sum of **taxes borne** and **taxes collected** gives the **Total Tax Contribution (TTC)**, a measurement of the Group's effective tax contribution in the jurisdictions where it operates.

Some taxes can be considered either as taxes borne or as taxes collected on the basis of their nature (i.e. irrecoverable VAT is considered as a tax borne and net VAT, which accounts for taxes incurred on products/services supplied by Enel, is considered as a tax collected) or from their incidence (i.e. stamp duty paid by the company is a tax borne, while stamp duty withheld from customers of a company is a tax collected).

From this point of view, the Total Tax Contribution methodology follows the approach adopted by the OECD, which highlights the importance, in the tax system, of the role played by business groups, both as contributors of taxes that imply a cost (so-called "Legal Tax Liability") and as "collectors" of taxes on behalf of third parties (so-called "Legal Remittance Responsibility") as described in the aforementioned Working Paper no. 32.
Methodology

2. TTC Framework classifies taxes under 5 categories for clarification purposes

Total Tax Contribution has been used by companies in different jurisdictions. Since taxes have different names in different countries, PwC TLS has identified the following five tax bases under which taxes, both borne and collected, can be categorized - "the five P's".

**Profit taxes**: this category includes taxes on company profits, that can be both borne (e.g. corporate income tax that may be levied on State or local level, trade tax on business profits, solidarity surcharge, as well as taxes withheld at source) and collected, in the case where they are applied to a third party or to a physical person (e.g. withholding taxes on interest income, royalties, subcontractors and suppliers);

**Property - Property taxes**: taxes on the ownership, use or transfer of tangible or intangible property. This category includes both taxes borne (e.g. taxes on ownership and use of property; capital tax levied on share capital increase; transfer taxes on the acquisition or disposal of assets; net wealth and capital transactions; registration duties, stamp duties related to transfer of real estate; stamp duty on share transfers; tax on financial operations levied on transactions involving foreign loans or financing, etc.), and taxes collected (e.g. rental of business duty collected by the lessee and paid to the government);

**People – Employment taxes**: this category generally includes taxes on employment, including those on income tax and social security payments. Taxes levied on the employer are considered taxes borne (e.g. social security contributions, health insurance, pensions, disability contributions), while taxes levied on the employee are considered as taxes collected (e.g. personal income tax or social security contributions levied on the employee which are normally withheld by the employer);

**Products - Taxes on products and services**: Indirect taxes levied on production, sale or use of goods and services, including taxes and duties levied on international trade and transactions. This category includes taxes that can be paid by businesses with reference to their own consumption of goods and services, notwithstanding that these may be paid to the supplier of the goods and services, rather than directly to the government. This category includes both taxes borne (e.g. consumption tax; turnover tax; excise duties; customs duties; import duties; taxes on insurance contracts; taxes on the use and ownership of motor vehicles; unrecoverable VAT) and taxes collected (e.g. net VAT paid);

**Planet - Environmental taxes**: taxes levied on the supply, use or consumption of goods and services considered harmful to the environment. Examples of taxes borne are: taxes on the value of the electricity production, taxes on the production of nuclear fuels and carbon tax and of taxes collected: tax on electricity and tax on hydrocarbons.

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1 In line with the reporting criteria applied to Revenues and to Profit (Loss) before taxes explained below, the data solely for income taxes paid excludes the portion of same concerning dividends paid by the companies within the scope, as also indicated by the OCSE in the report “Guidance on the Implementation of Country-by-Country Reporting” published in December 2019, point II.7.

2 The classification of taxes as environmental is based on the definition agreed upon for the purposes of the harmonized statistical framework developed jointly, in 1997 by Eurostat, the European Commission, the Organization for Economic Cooperation and Development (OECD) and the International Energy Agency (IEA) according to which environmental taxes "are taxes whose base is a physical unit (or a proxy of a physical unit) of something that has a proven, specific, negative impact on the environment. All taxes on energy and transport are included and all value added type taxes are excluded".

Source: https://stats.oecd.org/glossary/detail.asp?ID=6437
Methodology

3. The special characteristics of Value Added Tax and equivalent taxes are taken into account

Value added tax (and equivalent taxes) is classified as a tax on products and services collected, and its amounts reflects the net payments made by Enel to the tax authorities in the corresponding period.

In light of the way in which VAT works, the figure presented in this report is the difference between VAT payable and the deductible input VAT. The portion of input VAT paid to suppliers but non-deductible for the purposes of the relevant VAT legislation is considered as tax borne on products and services, since it represents a cost for the Group.

4. Main Assumptions made during the preparation of this Report

• Perimeter: falling within the scope of the report are all those companies consolidated using the full consolidation method or the proportional method (hereafter also “entity within the scope”) on the basis of accounting principles used for the drafting of the Consolidated Financial Statements by the Ultimate Parent Entity (Enel S.p.A.). With reference to the list of companies in the Group and their activities, please refer to the specific prospectus in the Integrated Annual Report 2020.

• Currency: the report considers the euro as the currency of reference in that it is the one used by the Parent Company. Since IFRS-EU accounting data are extracted in local currencies, economic data (such as revenues, pre-tax profit, taxes accrued and taxes paid) have been converted into euro at the average exchange rate of the currency, while balance sheet data (tangible fixed assets) have been converted into the euro at the exchange rate in force at year’s end.

However, the companies consolidated using the equity method are excluded. Furthermore, the data of Permanent Establishments are reported in the jurisdiction of their operations and not in the jurisdiction of residence of associated companies. Therefore, the data of the latter do not include the data of the Permanent Establishment. Finally, all Stateless companies of the Enel Group are flow-through entities incorporated in the same Country in which income is imputed and is effectively taxed in the partner company (e.g. the United States).

• Source of economic and financial data: the data represented in the report are expressed on the basis of IFRS-EU accounting principles adopted by the Group and are at stand-alone entity level. Subsequently, these are aggregated by tax jurisdiction. To take account of intercompany relations, the data are represented according to logic of aggregation by tax jurisdiction (that is, the Country in which the entities are resident for tax purposes and with fiscal autonomy) and not a logic of consolidation.

• Rounding: Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated.
Methodology

5. Key tax contribution indicators included in the Tax Transparency Report

- **Current Income Tax Rate**: it represents the incidence of the current tax expense (accounted for) on the profit or loss for the year and is determined as the ratio between corporate income taxes accrued on profit/loss (Current taxes) and the profit before income tax (EBT).

- **Cash Tax Rate**: it represents the incidence of the tax expense, expressed in terms of taxes paid, on the profit or loss for the year and is determined as the ratio between corporate income taxes paid and the profit before income tax (EBT). It indicates the portion of profit before income tax allocated to the payment of income taxes.

- **Effective Tax Rate (ETR)**: it represents the incidence of the tax expense (accounted for) on the profit or loss for the year and is determined as the ratio between corporate income taxes accrued on profit/loss (Current taxes) and the profit before income tax (EBT). Differently from the Current Income Tax Rate, in addition to current taxes, taxes also include (i) any provision for tax debts that are not yet certain as regards either their amount or existence, (ii) adjustments for income taxes relating to prior years, and (iii) prepaid/deferred taxes.

- **Total Tax Contribution Rate (TTCR)**: it provides a concise and complete measurement of the expense for all taxes that the business has effectively paid and is calculated as a percentage of total taxes borne in relation to profit before said taxes. It indicates the portion of profit before taxes borne allocated to the payment of taxes that represent a cost for the Group.

- **TTC with respect to Revenues (turnover)**: it reflects the extent of the contribution made by the Group in relation to the size of its business and is determined as the ratio between Total Tax Contribution (TTC) and the revenues. It indicates the portion of revenues allocated to the payment of taxes, both borne and collected.

As mentioned above, the economic and financial data included in this report are expressed on the basis of the IFRS-EU accounting principles adopted by the Group. However, Current Taxes and Taxes Paid are generally determined on the basis of a taxable income calculated starting from a Profit or Loss for the year under local generally accepted accounting principles ("Local GAAP").

The indicators listed above may therefore be affected by differences between the economic and financial data expressed on the basis of IFRS-EU, adopted for the purposes of this report, and those expressed on the basis of Local GAAP.

6. Minor Countries in which Enel operates in start-up and/or liquidation phase

In some of the Minor Countries in which it operates, Enel is present with entities that are in a pre-operational and/or start-up phase (i.e. France, Portugal, Greece, Australia, Morocco, South Africa, India, Norway, Sweden, Poland, Ethiopia, Kenya, Namibia, China, Indonesia, Singapore, Taiwan) and/or in a liquidation phase (i.e. Croatia, Serbia, Saudi Arabia). In these countries, the amount of current taxes accounted for in the financial statements and taxes paid is significantly affected by tax losses, which are characteristic of the business phases in which entities operating in these countries find themselves.

In fact, the start-up phase represents the initial moment when a new enterprise starts its activities and coincides with the period in which the enterprise incurs a series of initial costs and makes its main investments. During the liquidation phase, on the other hand, the enterprise has ceased operations and consequently does not produce any income.
Business Model

The Enel Group is present in different Countries in 5 continents. Each Country acts in the area of competence from a matrix perspective with respect to the Business Lines, managing activities such as relationships with the area, regulatory matters, the reference retail market and local communications. In order to provide a representation of the business activities carried out in each country according to the value chain, the descriptions of the various areas of activity are provided below:

- **Enel Green Power**
  - The Group operates through this Business Line to accelerate the energy transition, continuing to increase investments in new renewable energy capacity, and manages the decarbonization of its generation mix and the countries in which it operates, always aiming to ensure the safety and capacity of electrical systems.

- **Global Power Generation**
  - This Business Line manages our integrated margin as a single portfolio in which Generation and Retail operations are always balanced effectively. In addition, the line manages all trading operations on international desks.

- **Global Trading**
  - In developing and operating infrastructure that enables the energy transition, the Group ensures the reliability in the supply of energy and the quality of service to communities through resilient and flexible networks, leveraging efficiency, technology and digital innovation, and ensuring appropriate returns on investment and cash generation.

- **Global Infrastructure and Networks**
  - Through its sales relationships with end users, the Group interacts locally with millions of families and companies. Thanks to our technology, the platform model enables us to improve customer satisfaction and the customer experience, while at the same time achieving ever higher levels of efficiency. The business units optimize the supply of power to their customer base, maximizing the value generated by that resource and fostering long-term relationships with customers.

- **End-user Markets**
  - This Business Line is enabling the energy transition by acting as an accelerator for the electrification and decarbonization of customers, helping them to use energy more efficiently, driving circularity and leveraging the assets of the Enel Group through the delivery of innovative “beyond commodity” services.

- **Enel X**
  - The Group operates through this Business Line to accelerate the energy transition, continuing to increase investments in new renewable energy capacity, and manages the decarbonization of its generation mix and the countries in which it operates, always aiming to ensure the safety and capacity of electrical systems.
3. Executive Summary
Enel Group – Key Figures 2020

**Countries in which Enel operates**

- **North America**
  - Revenues: 1.463M€
  - EBT: 169 M€
  - CIT paid: 19 M€
  - TTC: 130 M€

- **Latin America**
  - Revenues: 15.784M€
  - EBT: 1.491M€
  - CIT paid: 555 M€
  - TTC: 3.645M€

- **Europe**
  - Revenues: 66.617M€
  - EBT: 3.809M€
  - CIT paid: 980 M€
  - TTC: 12.325M€

- **Asia**
  - Revenues: 55 M€
  - EBT: -4.7 M€
  - CIT paid: 0.1 M€
  - TTC: n.a.

- **Africa and Oceania**
  - Revenues: 117 M€
  - EBT: -52 M€
  - CIT paid: 1.7 M€
  - TTC: n.a.

---

**Enel’s total tax contribution (TTC) in 2020** is equal to **16.100 million euros** and it represents all the taxes paid by Enel worldwide (approximately 300).

---

1 For the purposes of the TTC (taxes borne, taxes collected) the data of the **16 main countries** in which Enel operates are considered, which represent more than **98% of the Group’s revenues** and **99% of the income tax paid**.

2 The amount indicated is not a consolidated figure but it is the aggregation of third part revenues and cross-border intercompany revenues of the entities within the scope in the reference year. For a complete definition, please refer to the Glossary of the report.
Enel’s Total Tax Contribution remains significant also in 2020 (16.100 million euros), despite the difficult economic conditions deriving from the COVID-19 pandemic, the effects of which have reflected on the demand for electricity and gas and have led to a reduction in Group revenues of approximately 14.348 million euros compared to 2019.

Against a 15% reduction in revenues, Enel's Total Tax Contribution fell by 12.5%.

For every 100 euros of revenues generated, 19.6 euros were used to pay taxes, of which 5.2 taxes borne and 14.4 taxes collected.

The TTC compared to Enel's revenues is higher than the average of the same indicator resulting from the EBTF's² TTC 2020 study, equal to 15.5% and calculated on the basis of the tax contributions of the main companies with headquarters in Europe.

The Total Tax Contribution Rate provides a synthetic and complete measure of the burden for all taxes that the business has effectively paid and is calculated as a percentage of taxes borne compared to the profit before such taxes.

Enel’s TTC rate is higher than the world’s average TTC rate resulting from the Paying Taxes 2020² report issued by the World Bank and the average TTC rate resulting from the EBTF's² TTC 2020 report.

The 11.1% reduction is due to the strong impact on the 2019 result of the impairment² carried out on the plants in relation to the decarbonization process.
Income Tax rates

Among the various existing indicators on corporate income taxes we analyze the following:

- The **Current Income Tax Rate** represents the incidence of the current (accounted for) tax expense on the profit or loss for the year and is determined as the ratio between corporate income taxes accrued on profit/loss (Current taxes) and the profit before income tax (EBT).

- **Current taxes** represent taxes calculated on the basis of the taxable income of the year under the relevant tax rules of each country and they normally differ from taxes paid in the same year as the final payment takes place in the year following the one in which they accrued.

- The **Cash Tax Rate** represents the incidence of the tax expense, expressed in terms of taxes paid, on the profit or loss for the year and is determined as the ratio between the corporate income taxes paid and the profit before income tax (EBT).

- Enel Group's Current Income Tax Rate is equal to 39.7%, higher than the average rate of the OECD member states which equals to 23.27%.

- **Effective Tax Rate** (ETR): represents the incidence of the tax expense (accounted for) on the profit or loss for the year and is determined as the ratio between corporate income taxes accrued on profit/loss (Current Taxes) and the profit before income tax (EBT). Differently from the Current Income Tax Rate, in addition to current taxes, taxes also include (i) any provision for tax debts that are not yet certain as regards either their amount or existence, (ii) adjustments for income taxes relating to prior years, and (iii) prepaid/deferred taxes. For further details on Enel's ETR, please refer to the section 7 on Comparative Indicators (page 113 and following).

Considering all income tax rate metrics (Cash, Current and Effective), Enel always lies above the OECD average.

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1. 23.27% is calculated as the average of the nominal corporate income tax rates in effect in 2020 in each of the OECD member states and takes into account both the nominal rate set at central government level and the nominal rates set at the sub-central level (i.e. regional or local). For more details, visit the following link: stats.oecd.org/Index.aspx?DataSetCode=TABLE_II1
4. Enel Group’s Total Tax Contribution (TTC)
Total Tax Contribution

Total Tax Contribution (also referred to as TTC) of Enel in 2020 amounted to 16.100 million euros: 26% of the Total Tax Contribution relates to payments that represent a cost for Enel (taxes borne) and the remaining 74% relates to payments made as a result of rebate mechanisms, substitution etc. (taxes collected).

### Taxes borne

The taxes borne paid by Enel in 2020 amounted to 4.245 million euros. The main component is related to profit taxes, which represent 37% of the total taxes borne. Environmental taxes and taxes on products and services account for 20% and 19% of the total taxes borne, respectively.

### Taxes Collected

The taxes collected paid by Enel in 2020 amounted to 11.855 million euros. Taxes on products and services (mainly related to VAT) represent 86% of taxes collected. The high incidence of such taxes compared to other categories is due to the specific nature of the activity and the high volume of business generated by Enel, especially in Italy, Spain and Brazil.

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1The total tax contribution considers the data of the 16 main countries in which Enel operates, which represent more than 98% of the Group’s revenues and 99% of the income tax paid.
Enel pays taxes in the territories where she carry out activities and create value for the business.

- Enel’s Total Tax Contribution by geographical area is concentrated for approx. 99% in Europe and Latin America, in line with the distribution of the revenues and profit before income tax.

- In North America the amount of net taxes paid (in particular CIT) is influenced by the method of incentivising the Renewable Energy industry through tax credits\(^1\).

\(^1\)For more details, please refer to USA and Canada’s slide
Total tax contribution by country

The distribution of the total contribution is concentrated for 89% in Italy, Spain and Brazil which represent approx. 80% of Group revenues.

In 2020, the Total Tax Contribution in the main countries decreased compared to 2019 mainly as a result of the reduction in the volume of business affected by the Covid-19 pandemic. In contrast, there was a slight increase in tax contributions in Colombia, Romania, Russia and the Netherlands.
The decrease is mainly due to the reduction in profit taxes and taxes on products and services, respectively equal to 305,0 and 228,3 million euros in 2020. In particular:

- The most significant reductions on profit taxes are recorded in Spain (348,7 million euros) and Chile (10,3 million euros) due to the effect of (i) refunds obtained for excess taxes prepaid in previous financial years, (ii) write-downs due mainly to the process of decarbonization not deducted fiscally in 2019 in Spain, and (iii) tax measures introduced by local authorities to support companies following Covid-19 in Chile; furthermore, there were reductions in Mexico (92,5 million euros), where in 2019 one-off taxes on extraordinary transactions were paid. There were further reductions in profit taxes in Peru, Panama and Russia (for an overall total of 68,6 million euros) mainly due to the reduction in income due to the Covid-19 pandemic. This was partially offset by an increase in profit taxes in Italy of 284,3 million euros, due mainly to greater advance taxes paid in 2020 compared to 2019.

- The main reductions in taxes on products and services are recorded in Brazil for 236,5 million euros resulting from the presence of tax credits due to higher payments made in previous years and in Spain for 27,7 million euros due to a fall in electricity and gas sales linked to the slowdown in economic activity following the COVID-19 pandemic. In contrast, there was an increase of such taxes in Italy of 32,3 million euros, which can be explained by the significant increase in excise duty on coal destined for electricity production, partially offset by the decrease in the consumption of coal as a consequence of the Group’s decarbonization program.

1The advances paid in 2020 were calculated using the historical method and increased due to the increase in taxable income between 2018 and 2019.
In 2020, the amount of taxes collected decreased by 13.0% in consideration of the reduction in revenues by 15%.

The reduction of 1.778 million euros compared to 2019 is due essentially to:

- lower taxes on products and services\(^1\) in Italy, Brazil and Spain for 741,9, 622,1 and 316,1 million euros respectively;
- the reduction in environmental taxes in Spain for 103,2 million euros.

The reduction in taxes on products and services and environmental taxes is attributable to the decline in sales and consumption of electricity and gas related to the slowdown in economic activities resulting from the Covid-19 pandemic. In fact, Enel's revenues in Italy, Brazil and Spain in 2020 decreased overall by 12.049 million euros.

\(^1\)Mainly value added taxes (VAT) in Italy and Spain and ICMS in Brazil.
The concept of **distributed value** refers to the contribution that the company makes to society in general. The distributed value is composed of the sum of the following elements:

- **Taxes borne and collected** (as value distributed to government)
- **Net interest** (as value distributed to creditors)
- **Wages and Salaries** net of taxes (as value distributed to employees)
- **Profit retained for reinvestment or paid as dividends** (as value distributed to shareholders).

The Distributed Tax Value index illustrates the percentage of the value distributed by Enel used to pay taxes borne and collected to public administrations. For the purposes of this calculation, the shareholder value is represented by the amount of Income after tax.

Enel paid to public administrations approximately 65% of the value distributed in 2020 in the form of taxes, both borne and collected. For every **100 euros** of value distributed in 2020, **65** were used for the payment of taxes.
5. Total Tax Contribution (TTC) by country
Key figures in Italy

<table>
<thead>
<tr>
<th>Entities</th>
<th>58</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>42.320 M€</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>28.236 M€</td>
</tr>
</tbody>
</table>

Profit before income tax | 1.533 M€ |
Income tax accrued | 1.038 M€ |
Income tax paid | 1.025 M€ |

Employees | 29.777 |
Wage per employee | 53.452 € |
Taxes per employee | 37.088 € |

77% TTCR 2020 in Italy

Italy contributed to a total of 57% of the Group’s TTC, amounting to 9.133 million euros. 19% of the Total Tax Contribution is represented by taxes borne, while the remaining 81% by taxes collected.

In Italy, VAT Collected represents 50% of the Total Tax Contribution.

1 The taxes on products and services collected include the Canone Rai for approximately 1.255 million euros (equal to 17% of the total taxes collected), in relation to which Enel operates as a withholding agent by charging the amount to the customer and then paying it to the Italian government.
Indicators and trends of Total Tax Contribution in Italy

For every 100 euros of revenues generated, 21.6 euros were used to pay taxes, of which 4.1 taxes borne and 17.5 taxes collected.

The 17% increase is the result of both the increase in taxes borne in 2020 for 317 million euros and the reduction in the same year of the profit before taxes borne for 120 million euros. The reduction in profit before taxes borne is mainly due to (i) the reduction in demand for electricity and write-downs on receivables due to the Covid-19 pandemic, (ii) the direct costs related to the health emergency (costs for sanitation, personal protective equipment and donations).

In 2020, the cash tax rate is broadly in line with the current tax rate.

The important difference between current and nominal tax rate is mainly due to (i) higher incidence of IRAP on profit before income tax, (ii) non deductible write-downs related to certain equity participations.
In 2020, the distributed value amounted to **12.409 million euros**, of which **9.133 million** were paid to public administrations in the form of taxes borne and collected.
In 2020, taxes borne increased by 22.2% compared to 2019.

The increase in taxes borne is mainly the result of:

• an increase in profit taxes of approximately 284 million euros deriving mainly from the greater advance taxes paid in 2020 compared to 2019. Prepaid taxes in 2020 were calculated using the historical method and were higher due to the increase in taxable income between 2018 and 2019.

• an increase in taxes on products and services of about 32 million euros due to the significant increase in excise duty on coal destined for electricity production, partially offset by the decrease in the consumption resulting from the Group's decarbonization program.
In 2020, taxes collected decreased by 9.3% compared to 2019.

The reduction in taxes collected is mainly due to the reduction in taxes on products and services of approximately 742 million euros, essentially due to the lower indirect taxes paid as a result of the drop in sales and consumption of electricity and gas caused by the Covid-19 pandemic.
Key figures in Spain

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Entities</td>
<td>112</td>
</tr>
<tr>
<td>Revenues</td>
<td>16.793 M€</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>22.958 M€</td>
</tr>
</tbody>
</table>

- **Profit before income tax**: 1.637 M€
- **Income tax accrued**: 120 M€
- **Income tax paid**: -136 M€

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Employees</td>
<td>9.659</td>
</tr>
<tr>
<td>Wage per employee</td>
<td>73.043 €</td>
</tr>
<tr>
<td>Taxes per employee</td>
<td>41.074 €</td>
</tr>
</tbody>
</table>

37%

**TTCR 2020 in Spain**

Spain contributed to a total of 17% of the Group’s TTC, amounting to **2.783 million euros**. 38% of the Total Tax Contribution is represented by taxes borne, while the remaining 62% by taxes collected.

In Spain, VAT Collected represents 30% of the Total Tax Contribution.

1 In 2020, other payments were made to public administrations (not included in the TTC) for 76 million euros, of which 48 million euros related to the Bono social and 27 million euros related to the Eficiencia energética.
Indicators and trends of Total Tax Contribution in Spain

For every 100 euros of revenues generated, **16,6 euros** were used to pay taxes, of which **6,3 taxes borne** and **10,3 taxes collected**.

The trend is particularly affected by the non deductible write-downs recorded in 2019 in light of the decarbonization process adopted by the Group for approximately 1,900 million euros, which, in line with local tax regulations, started to generate higher deductible depreciations from 2020 onwards. For further details please refer to the section “Principles of Tax Accounting in a nutshell”.

The current tax rate for the year is affected by the deduction of a part of the write-downs of coal plants recorded in 2019 (see previous box) with an impact of approx. 9.5%, that started the recovery process through tax depreciation. Excluding this extraordinary effect, the current tax rate would have been around 17%. The difference compared to the nominal tax rate is due to the use of tax receivables¹ intended to eliminate double taxation phenomena related to previous years (impact approx. 10%). Taxes payable in the year are negative as they are offset by refunds of 404 million euros for taxes overpaid in 2018 and 2019.

¹This is the tax credit on dividends distributed by Endesa to Enel Iberia. This tax credit was recognized in Spain in order to eliminate economic double taxation, taking into account that the capital gains realized by the former shareholders of Endesa were already being taxed.
In 2020, the distributed value amounted to **5.032 million euros**, of which **2.783 million** were paid to public administrations in the form of taxes borne and collected.
In 2020, taxes borne decreased by 24.0% compared to 2019.

The decrease in taxes borne is essentially the result of a reduction in profit taxes of about 349 million euros arising from:

- refunds obtained for excess taxes prepaid in previous financial years;
- write-downs mainly due to the decarbonization process not deducted for tax purposes in 2019. As a result of the strategy of progressively moving away from coal-fired production, significant plant write-downs were made in 2019, which on the basis of the country’s tax legislation were not deducted in the year but will be deducted in subsequent years over the remaining useful life of the plants.
In 2020, taxes collected decreased by 18.6% compared to 2019.

The reduction of taxes collected is mainly the result of:

- a decrease in taxes on products and services (VAT) and environmental taxes (mainly electricity tax and hydrocarbon tax), respectively for approximately 316 and 103 million euros, due to the decrease in sales and consumption of electricity and gas caused by the Covid-19 pandemic. In fact, Enel's revenues in Spain in 2020 decreased by 2.026 million euros compared to 2019.

- an increase in employment taxes for about 24 million euros, attributable to an overall wage increase following the signing of a new salary agreement.
# Key figures in Brazil

<table>
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<tbody>
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<td>Entities</td>
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<td>Revenues</td>
<td>7,338 M€</td>
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<tr>
<td>Tangible assets</td>
<td>2,602 M€</td>
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</table>

<table>
<thead>
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<th>Category</th>
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<tbody>
<tr>
<td>Profit before income tax</td>
<td>287 M€</td>
</tr>
<tr>
<td>Income tax accrued</td>
<td>112 M€</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>141 M€</td>
</tr>
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</table>

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Employees</td>
<td>10,137</td>
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<tr>
<td>Wage per employee</td>
<td>16,605 €</td>
</tr>
<tr>
<td>Taxes per employees</td>
<td>8,740 €</td>
</tr>
</tbody>
</table>

## 81%

**TTCR 2020 in Brazil**

Brazil contributed to a total of 15% of the Group’s TTC, amounting to **2,489 million euros**. 26% of the Total Tax Contribution is represented by taxes borne, while the remaining 74% by taxes collected.

In Brazil, ICMS (similar to VAT) Collected represents 69% of the Total Tax Contribution.

---

1. In 2020, environmental taxes (borne) amounted to 0.43 million euros.
2. In 2020, other payments were made to public administrations (not included in the TTC) for 0.4 million euros.
For every 100 euros of revenues generated, 33.9 euros were used to pay taxes, of which 8.7 taxes borne and 25.2 taxes collected.

The 2.4% increase is the result of the reduction in profit before taxes borne for 355 million euros, which is more than proportional compared to the reduction in taxes borne. The decrease in profit before taxes borne is mainly due to: (i) the reduction in revenues due to lower sales in 2020 and (ii) the devaluation of the local currency.

The current tax rate is higher than the nominal tax rate for the following reasons: (i) the taxable income is determined starting from the local financial account data which differs from the economic data of the report, as it adopts international accounting principles (IAS/IFRS)\(^1\), (ii) non-deductible provisions relating to the exchange rate effect (BRL/USD) which will be deductible in the following years\(^2\) and (iii) non-deductible provisions relating to incurred personnel-related costs (pension plan) that will be deductible in in following years.

The difference between current tax rate and cash tax rate is due to some tax receivables connected to withholdings paid and accounted for in 2020 which will be recovered from the following year's payments.

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\(^1\) For a more in-depth analysis of the differences between Local GAAP and IAS / IFRS data and their impact on tax rates, please refer to the appendix of the report.

\(^2\) This is a non-deductible provision relating to the exchange rate effect on a debt agreed in dollars but accounted for in BRL. The exchange rate effect will be tax deductible only when the debt is repaid to the lender.
In 2020, the distributed value amounted to **2,944 million euros**, of which **2,489 million** were paid to public administrations in the form of taxes borne and collected.
In 2020, taxes borne decreased by 29,0% compared to 2019.

The reduction in taxes borne is mainly the result of:

- a decrease in taxes on products and services due to the recovery of excess taxes paid in previous years. These credits refer to federal sales taxes (so called "COFINS" and "PIS") intended for social integration and the social security financing.

- a decrease in property taxes of approximately 16 million euros due to:
  - the Financial Tax (IOF) exemption granted by the Brazilian government to support businesses and reduce the economic impact of the Covid-19 pandemic.
  - a reduction in the municipal property tax (IPTU).
In 2020, taxes collected **decreased** by **25.4%** compared to 2019.

The decrease in taxes collected is mainly the result of a **reduction** in taxes on products and services for about **622 million euros** which essentially reflects the lower ICMS (indirect tax equivalent to VAT) paid due to the decrease in sales and consumption of electricity and gas caused by the Covid-19 pandemic. In fact, Enel's revenues in Brazil in 2020 decreased by 1.305 million euros compared to 2019, equal to 15%.
Key figures in Colombia

Entities 11
Revenues 2.087 M€
Tangible assets 3.652 M€

Profit before income tax 740 M€
Income tax accrued 237 M€
Income tax paid 233 M€

Employees 2.191
Wage per employee 30.738 €
Taxes per employee 10.322 €

Colombia contributed to a total of 3% of the Group’s TTC, amounting to 423 million euros. 86% of the Total Tax Contribution is represented by taxes borne, while the remaining 14% by taxes collected.

In Colombia, the profit taxes within the taxes borne represent 55% of the Total Tax Contribution.
Indicators and trends of Total Tax Contribution in Colombia

For every 100 euros of revenues generated, **20,3 euros** were used to pay taxes, of which **17,5 taxes borne** and **2,8 taxes collected**.

The 4,9% increase is the result of both the 2020 increase in taxes borne for 18 million euros and the reduction in the same year of the profit before taxes borne for 68 million euros, the latter mainly connected to (i) lower energy demand in 2020, (ii) higher costs for investment and (iii) negative exchange rate effect.

In 2020, the current tax rate is broadly in line with the nominal tax rate and the cash tax rate.
In 2020, the distributed value amounted to **1.065 million euros**, of which **423 million** were paid to public administrations in the form of taxes borne and collected.

1 Numbers may not add up due to rounding. In this case, the decimal numbers are: 34,3% + 5,4% = 39,7%
In 2020, taxes borne increased by 5.2% compared to 2019.

The increase in taxes borne is mainly the result of:

- an increase in profit taxes of approximately 14 million euros mainly resulting from higher payments made in 2020 compared to those made in 2019, due to the increase in taxable income between 2018 and 2019.
- an increase in taxes on products and services of about 8 million euros, mainly reflecting the non-deductible VAT on higher purchases made in 2020 compared to 2019.
In 2020, taxes collected are in line with 2019. A slight increase of 1.3% is recorded.

The slight increase in taxes collected is the result of:

- an increase in taxes on products and services of approximately 2 million euros resulting from higher VAT paid by two companies.
- an increase in environmental taxes of about 1 million euros arising from higher electricity taxes withheld from final consumers.
- a reduction in profit taxes and employment taxes due to the effect of currency exchange in the conversion of financial accounts. In fact, the absolute value of these taxes (expressed in local currency) in 2020 slightly increased compared to 2019.
### Key figures in Argentina

<table>
<thead>
<tr>
<th>Entities</th>
<th>16</th>
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<tbody>
<tr>
<td>Revenues</td>
<td>1.649 M€</td>
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<tr>
<td>Tangible assets</td>
<td>1.288 M€</td>
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<table>
<thead>
<tr>
<th>Profit before income tax</th>
<th>141 M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax accrued</td>
<td>52 M€</td>
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<tr>
<td>Income tax paid</td>
<td>80 M€</td>
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<table>
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<tr>
<th>Employees</th>
<th>4,074</th>
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<tbody>
<tr>
<td>Wage per employee</td>
<td>17.438 €</td>
</tr>
<tr>
<td>Taxes per employee</td>
<td>7.596 €</td>
</tr>
</tbody>
</table>

#### 65% TTCR 2020 in Argentina

Argentina contributed to a total of 2% of the Group’s TTC, amounting to **285 million euros**. 39% of the Total Tax Contribution is represented by taxes borne, while the remaining 61% by taxes collected.

In Argentina, the taxes on products and services represent 25% of the Total Tax Contribution.
For every 100 euros of revenues generated, **17,3 euros** were used to pay taxes, of which **6,8 taxes borne** and **10,5 taxes collected**.

The 45.3% increase is the result of both the increase in taxes borne in 2020 for 13 million euros and the reduction in the same year of the profit before taxes borne for 340 million euros, the latter mainly due to the effect (i) of lower sales in 2020 compared to 2019 and (ii) hyperinflation (the book values have been restated in order to take into account hyperinflation according to IAS 21 and 29).

The difference between the nominal tax rate and the current tax rate is mainly due to the hyperinflation that generates effects on the accounting of values partially not recognised for tax purposes.

The cash tax rate is higher than the current tax rate mainly due to some withholdings applied on an extraordinary transaction in Brazil and considered among the taxes paid by Argentina.
In 2020, the distributed value\(^1\) amounted to **458 million euros**, of which **285 million** were paid to public administrations in the form of taxes borne and collected.

\(^1\) In cases where the amount of interest income is greater than the amount of interest expense, the value of the net interest is not considered in the calculation of the distributed value. In this case, the amount of net interest is equal to 1.8 million euros.
In 2020, taxes borne increased by 12.8% compared to 2019.

The increase in taxes borne is mainly the result of:

- an increase in profit taxes of approximately 22 million euros due to the higher withholding taxes incurred in 2020 in relation to the extraordinary definition of some contractual arrangements.
- a decrease in taxes on products and services and in employment taxes respectively for around 5 and 3 million euros. While the amount of taxes on products and services and employment taxes (expressed in local currency) in 2020 increased compared to 2019, the translation of these taxes into euro decreased due to a significant devaluation of the local currency.
In 2020, taxes collected decreased by 22.5% compared to 2019.

The decrease in taxes collected is essentially the result of a reduction in taxes on products and services for approximately 47 million euros.

This reduction reflects the significant devaluation of the local currency, as a result of which the translation in euro of taxes on products and services has decreased compared to 2019. The amount of these taxes expressed in local currency in 2020 is in fact increased compared to 2019.
### Key figures in Chile

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Entities</td>
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<tr>
<td>Revenues</td>
<td>3.334 M€</td>
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<tr>
<td>Tangible assets</td>
<td>5.998 M€</td>
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<table>
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<tr>
<th>Profit before income tax</th>
<th>- 40M€</th>
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<tr>
<td>Income tax accrued</td>
<td>344 M€</td>
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<tr>
<td>Income tax paid</td>
<td>3 M€</td>
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<table>
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<tr>
<th>Employees</th>
<th>2.259</th>
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<tbody>
<tr>
<td>Wage per employee</td>
<td>60.238 €</td>
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<tr>
<td>Taxes per employee</td>
<td>7.499 €</td>
</tr>
</tbody>
</table>

Chile\(^1\) contributed to a total of 1% of the Group’s TTC, amounting to **239 million euros**. 17% of the Total Tax Contribution is represented by taxes borne, while the remaining 83% by taxes collected.

In Chile, VAT Collected represents 62% of the Total Tax Contribution.

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\(^1\) TTC rate has not been calculated when Enel is in a loss-making position.

\(^2\) In 2020, other payments were made to public administrations (not included in the TTC) for 5.6 million euros, of which 3.2 million euros for Commercial License.
Indicators and trends of Total Tax Contribution in Chile

TTC to turnover

7,2 %

TTC to turnover

1,2 %

Borne

5,9 %

Collected

For every 100 euros of revenues generated, 7,2 euros were used to pay taxes, of which 1,2 taxes borne and 5,9 taxes collected.

TTC Rate trend in 2019-2020

36,8%

N.A.¹

2019

2020

Despite a negative profit before taxes borne in 2020, due to the impairment recorded for the shutdown of the Bocamina plant as part of the decarbonization process, taxes borne for 41 million were nevertheless paid. For further details please refer to the section “Principles of Tax Accounting in a nutshell”. In the case of negative profit before taxes borne, it was not possible to calculate the rate.

Corporate Tax Rate

In the case of negative profit before income tax, the ratios have not been calculated.

¹ Due to the loss incurred, the TTC Rate indicator has not been calculated and has been indicated as N.A.
Distributed Tax Value in Chile

42%¹

In 2020, the distributed value amounted to **574 million euros**, of which **239 million** were paid to public administrations in the form of taxes borne and collected.

**Wages and Salaries**
- Amount: 136 M€
- Percentage: 24%

**Net Interest**
- Amount: 189 M€
- Percentage: 33%

**Income after Tax**
- Amount: 10 M€
- Percentage: 2%

**Taxes Borne**
- Amount: 41 M€
- Percentage: 7%

**Taxes Collected**
- Amount: 198 M€
- Percentage: 34%

¹ Numbers may not add up due to rounding. In this case, the decimal numbers are: 34.5% + 7.1% = 41.6%
In 2020, taxes borne decreased by 71.6% compared to 2019.

The reduction in taxes borne is mainly the result of:

- a decrease in profit taxes for approximately **110 million euros** deriving from:
  - refunds obtained for excess taxes prepaid in previous financial years amounting to around 89 million euros.
  - suspended tax payments during 2020 as a result of tax measures introduced by local authorities to support businesses in the context of the pandemic.
- an increase in environmental taxes of approximately **7 million euros** mainly due to a thermoelectric plant returned to operation after a breakdown period.

<table>
<thead>
<tr>
<th>Total Tax Borne 2019</th>
<th>Profit Taxes</th>
<th>Property Taxes</th>
<th>Employment Taxes</th>
<th>Taxes on products and services</th>
<th>Environmental Taxes</th>
<th>Total Tax Borne 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>144</td>
<td>(110)</td>
<td>0.17</td>
<td>-</td>
<td>(0.11)</td>
<td>7</td>
<td>41</td>
</tr>
</tbody>
</table>

Data increase
Data decrease
In 2020, taxes collected increased by 2.4% compared to 2019.

The slight increase in taxes collected is mainly the result of:

- an increase in profit taxes of approximately 12 million euros that mainly relates to higher withholding taxes on dividends paid to non-resident third-party shareholders.
- a decrease in taxes on products and services of approximately 6 million euros. While the amount of taxes on products and services (expressed in local currency) in 2020 increased compared to 2019, the translation of these taxes into euro decreased due to the devaluation of the local currency.
Key figures in Romania

<table>
<thead>
<tr>
<th>Entities</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1.406 M€</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>1.993 M€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profit before income tax</th>
<th>223 M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax accrued</td>
<td>24 M€</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>21 M€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>3.248</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage per employee</td>
<td>24.859 €</td>
</tr>
<tr>
<td>Taxes per employee</td>
<td>11.084 €</td>
</tr>
</tbody>
</table>

13% TTCR 2020 in Romania

Romania contributed to a total of 1% of the Group’s TTC, amounting to **222 million euros**. 13% of the Total Tax Contribution is represented by taxes borne, while the remaining 87% by taxes collected.

In Romania, VAT Collected represents 68% of the Total Tax Contribution.

1 In 2020, other payments were made to public administrations (not included in the TTC) for 2.2 million euros.
Indicators and trends of Total Tax Contribution in Romania

For every 100 euros of revenues generated, 15.8 euros were used to pay taxes, of which 2.1 taxes borne and 13.7 taxes collected.

The 14.7% decrease is the result of the increase in profit before taxes borne for a total of 152 million euros. The trend of the ratio is particularly affected by the non-deductible write-downs recorded in previous year, which, in line with local tax regulations, started to generate higher deductible depreciations from 2020 onwards. For further details please refer to the section “Principles of Tax Accounting in a nutshell”.

The difference between the nominal tax rate and the current tax rate is mainly due to write-downs and deductible depreciations as described above.

In 2020, the cash tax rate is broadly in line with the current tax rate.
In 2020, the distributed value\(^1\) amounted to **491 million euros**, of which **222 million** were paid to public administrations in the form of taxes borne and collected.

\(^1\)In cases where the amount of interest income is greater than the amount of interest expense, the value of the net interest is not considered in the calculation of the distributed value. In this case, the amount of net interest is equal to 2.7 million euros.
In 2020, taxes borne increased by 34.6% compared to 2019.

The increase in taxes borne is essentially attributable to an increase in profit taxes for about 7 million euros resulting from:

- an overall increase in commercial activities in Romania which resulted in an increase in profit before income tax compared to 2019.
- payments of taxes relating to previous years incurred following a recalculation of the taxable base for income tax purposes.
In 2020, taxes collected increased by 5.0% compared to 2019.

The increase in taxes collected is mostly the result of:

- an increase in taxes on products and services of approximately 7 million euros (mainly VAT) due to:
  - an overall increase in commercial activities in Romania.
  - payments of taxes relating to previous years incurred following a recalculation of the taxable base for VAT purposes.

- an increase in employment taxes of around 2 million euros due to an increase in wages and salaries.
Key figures in Peru

### Entities
- **12**

### Revenues
- **1.172 M€**

### Tangible assets
- **2.276 M€**

### Profit before income tax
- **269 M€**

### Income tax accrued
- **96 M€**

### Income tax paid
- **79 M€**

### Employees
- **954**

### Wage per employee
- **49.753 €**

### Taxes per employee
- **10.447 €**

### TTCR 2020 in Peru
- **34%**

Peru contributed to a total of **1%** of the Group’s TTC, amounting to **176 million euros**. 56% of the Total Tax Contribution is represented by taxes borne, while the remaining 44% by taxes collected.

In Peru, profit taxes represent **43%** circa of the Total Tax Contribution.
Indicators and trends of Total Tax Contribution in Peru

For every 100 euros of revenues generated, 15,1 euros were used to pay taxes, of which 8,4 taxes borne and 6,7 taxes collected.

The TTC Rate is broadly in line with the previous year.

The difference between the nominal tax rate and the current tax rate is mainly due to the following reasons: (i) non-deductible costs, (ii) the discrepancy between accounting and tax depreciation.

The cash tax rate is lower than the current tax rate due to the suspension of tax payments for the Covid-19 pandemic.

For a more in-depth analysis of the differences between Local GAAP and IAS/IFRS data and their impact on tax rates, please refer to the appendix of the report.
In 2020, the distributed value amounted to **436 million euros**, of which **176 million** were paid to public administrations in the form of taxes borne and collected.

1 Numbers may not add up due to rounding. In this case, the decimal numbers are: 22.5% + 17.9% = 40.4%
In 2020, taxes borne decreased by 28.1% compared to 2019.

The decrease in taxes borne is essentially the result of a reduction in profit taxes of about 36 million euros deriving from lower advance taxes paid in 2020 compared to 2019 due to:

- tax measures introduced by local authorities to support businesses following the Covid-19 pandemic.
- a drop in taxable income due to the Covid-19 pandemic.
In 2020, taxes collected decreased by 11.7% compared to 2019.

The reduction in taxes collected is mainly connected to the decrease in taxes on products and services for about 10 million euros which depends on the lower VAT paid due to the drop in sales and consumption of electricity and gas caused by the Covid-19 pandemic.
Key figures in Russia

- Entities: 14
- Revenues: 553 M€
- Tangible assets: 607 M€

**Profit before income tax**: 52 M€

**Income tax accrued**: 11 M€

**Income tax paid**: 13 M€

**Employees**: 1,475

**Wage per employee**: 19,874 €

**Taxes per employee**: 10,267 €

---

**42%**

TTCR 2020 in Russia

Russia contributed to a total of 1% of the Group’s TTC, amounting to **127 million euros**. 23% of the Total Tax Contribution is represented by taxes borne, while the remaining 77% by taxes collected.

In Russia, VAT Collected represents 73% of the Total Tax Contribution.

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1 In 2020, taxes on products and services and environmental taxes (borne) amounted to 0,01 and 0,03 million euros respectively.

2 In 2020, other payments were made to public administrations (not included in the TTC) for 11,3 million euros, of which 10,6 million euros for Payment for water use.
Indicators and trends of Total Tax Contribution in Russia

For every 100 euros of revenues generated, **22,9 euros** were used to pay taxes, of which **5,2 taxes borne** and **17,7 taxes collected**.

The decrease of the ratio is the result of both the reduction in 2020 of the taxes borne for 21 million euros and the increase in the same year of the profit before taxes borne for 34 million euros. The trend in the TTC Rate is particularly affected by the non-deductible write-downs recorded 2019 within the decarbonization process adopted by the Group for approximately €127 million, which in 2020 resulted in higher deductible depreciations. For further details please refer to the section “Principles of Tax Accounting in a nutshell”.

In 2020, the current tax rate is broadly in line with the nominal tax rate.

The cash tax rate is higher than the current tax rate due to a higher 2019 taxable income reflecting the non-deductible write-downs related to the decarbonization process, which partly led to the higher balance payments in 2020.
In 2020, the distributed value amounted to **208 million euros**, of which **127 million** were paid to public administrations in the form of taxes borne and collected.
In 2020, taxes borne decreased by 41.7% compared to 2019.

The reduction in taxes borne is essentially the result of:

- a decrease in profit taxes of approximately 15 million euros deriving from:
  - the reduction of business activities following the disposal of the Reftinskaya GRES plant which took place at the end of 2019.
  - the decrease of taxable income due to the Covid-19 pandemic.
- a decrease in property taxes and employment taxes, respectively for around 3 and 2 million euros, both connected to the disposal of the Reftinskaya GRES plant.
In 2020, taxes collected increased by 55.8% compared to 2019.

The increase in taxes collected is essentially attributable to:

- an increase in taxes on products and services for about 36 million euros, relating to the VAT paid in 2020 following the disposal of the Reftinskaya GRES plant which took place at the end of 2019.
- a slight decrease in employment taxes for about 1 million euros, related to the reduction in personnel due to the disposal of the Reftinskaya GRES plant.
Key figures in USA and Canada

<table>
<thead>
<tr>
<th>Entities</th>
<th>423</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,296 M€</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>7,306 M€</td>
</tr>
</tbody>
</table>

Profit before income tax | 202 M€
Income tax accrued | 0,04 M€
Income tax paid | 4 M€

Employee | 1,306
Wage per employee | 119,932 €
Taxes per employee | 39,334 €

18%
TTCR 2020 in USA and Canada

USA and Canada contributed to less than 1% of the Group’s TTC, amounting to 89 million euros. 49% of the Total Tax Contribution is represented by taxes borne, while the remaining 51% by taxes collected.

In USA and Canada, employment taxes represent 50% circa of the Total Tax Contribution.

19% TTCR 2020 in USA and Canada

USA and Canada contributed to less than 1% of the Group’s TTC, amounting to 89 million euros. 49% of the Total Tax Contribution is represented by taxes borne, while the remaining 51% by taxes collected.

In USA and Canada, employment taxes represent 50% circa of the Total Tax Contribution.

1 In 2020, environmental taxes (borne) amounted to 0.3 million euros.
Indicators and trends of Total Tax Contribution in the USA and Canada

For every 100 euros of revenues generated, 6.9 euros were used to pay taxes, of which 3.4 taxes borne and 3.5 taxes collected.

The 9.4% increase is mainly the result of the reduction in profit before taxes borne for 253 million euros, due to investments in wind and photovoltaic systems.

In North America, tax measures are in place to stimulate the Renewable Energy business (e.g. tax credits for electricity production, immediate deduction of capitalised expenses). This explains the relatively low level of income taxes especially in financial years with a high volume of investments such as 2020.
In 2020, the distributed value amounted to **489 million euros**, of which **89 million** were paid to public administrations in the form of taxes borne and collected.
In 2020, taxes borne increased by 2.0% compared to 2019.

The trend in taxes borne is the result of:

- an increase in property taxes for about 6 million euros resulting from the purchase of new wind and solar assets.
- a decrease in employment taxes for approximately 6 million euros arising from the deferral of the payment of a portion of social security contributions granted by the local authorities following COVID-19.

<table>
<thead>
<tr>
<th>Total Tax Borne 2019</th>
<th>Profit Taxes</th>
<th>Property Taxes</th>
<th>Employment Taxes</th>
<th>Taxes on products and services</th>
<th>Environmental Taxes</th>
<th>Total Tax Borne 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>(6)</td>
<td>0.2</td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>Data increase</td>
<td>Data decrease</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In 2020, taxes collected are in line with 2019. A slight **decrease** of 0.6% is recorded.

The trend in taxes collected is the result of:

- a **decrease** in taxes on products and services for about **1 million euros** resulting from the lower VAT paid in 2020, due to the ending in 2019 of two projects to which a significant part of the VAT paid in 2019 was referred.

- an **increase** in employment taxes for approximately **1 million euros** mainly due to the higher employment tax withholdings paid in relation to the severance payments.
Key figures in the Netherlands

<table>
<thead>
<tr>
<th>Entities</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>427 M€</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>0,09 M€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profit before income tax</th>
<th>302 M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax accrued</td>
<td>75 M€</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>43 M€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage per employee</td>
<td>73,017 €</td>
</tr>
<tr>
<td>Taxes per employee</td>
<td>34,910 €</td>
</tr>
</tbody>
</table>

15% TTCR 2020 in the Netherlands

The Netherlands contributed to less than 1% of the Group’s TTC, amounting to 60 million euros. 74% of the Total Tax Contribution is represented by taxes borne, while the remaining 26% by taxes collected.

In the Netherlands, profit taxes represent 65% of the Total Tax Contribution.

1 Only for purposes of the Netherlands country section, the item Revenues considers, in relation to financial activities, the net interest income (i.e. net interest income/expense), in line with the reporting practices generally followed in the banking sector. For more details please see the Glossary.

2 In 2020, employment taxes (taxes borne) amounted to 0,2 million euros.
Indicators and trends of Total Tax Contribution in the Netherlands

For every 100 euros of revenues generated, 14.1% euros were used to pay taxes, of which 10.4% taxes borne and 3.7% taxes collected.

The ratio in 2020 is affected by the extraordinary income from the assignment of receivables, that will be followed by payment of taxes in 2021.

In 2020, the current tax rate is broadly in line with the nominal tax rate. The difference between the current tax rate and the cash tax rate is mostly due to the method of determining the tax payments. The advance taxes paid in 2020 were in fact calculated using the historical method on the basis of a lower taxable income in previous years. The resulting differential will be paid in the future years.
In 2020, the distributed value amounted to **459 million euros**, of which **60 million** were paid to public administrations in the form of taxes borne and collected.
In 2020, taxes borne decreased by 8.8% compared to 2019.

The reduction in taxes borne is mainly related to the decrease in profit taxes for about 5 million euros resulting from:

- a reduction in the withholding taxes incurred in relation to interest paid by Enel group foreign entities. These withholdings were reduced following the termination of certain financing agreements.
- an increase in taxes paid in 2020 for 2019, based on the determination of the actual taxable income for 2019.
In 2020, taxes collected *increased* compared to 2019.

The increase in taxes collected is mainly related to the *increase* in environmental taxes for about **15 million euros** which is due to higher taxes on electricity and natural gas withheld from consumers\(^1\).

The increase in these taxes results from the start of commercial activities in the Netherlands by Endesa Energia’s branch from January 2020.

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\(^1\)These are taxes on the consumption of electricity and natural gas (i.e. *Energiebelasting* and *Opslag Duurzame Energie*, ODE) aimed at discouraging the inefficient use of unsustainable energy. These taxes, which are borne by end consumers, are collected by the energy suppliers and paid to the Dutch tax authorities.
## Key figures in Mexico

<table>
<thead>
<tr>
<th>Entities</th>
<th>27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>168 M€</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>1.207 M€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profit before income tax</th>
<th>- 33 M€</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax accrued</td>
<td>9 M€</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>15 M€</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>333</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage per employee</td>
<td>41.970 €</td>
</tr>
<tr>
<td>Taxes per employee</td>
<td>18.166 €</td>
</tr>
</tbody>
</table>

Mexico\(^1\) contributed to less than 1% of the Group’s TTC, amounting to **41 million euros**. 46% of the Total Tax Contribution is represented by taxes borne, while the remaining 54% by taxes collected.

In Mexico, profit taxes represent 38% circa of the Total Tax Contribution.

\(^1\) TTC rate has not been calculated when Enel is in a loss-making position.

\(^2\) In 2020, property taxes (borne) amounted to 0.2 million euros.

\(^3\) In 2020, other payments were made to public administrations (not included in the TTC) for 0.3 million euros.
Indicators and trends of Total Tax Contribution in Mexico

For every 100 euros of revenues generated, **24,4 euros** were used to pay taxes, of which **11,3 taxes borne** and **13,1 taxes collected**.

Despite a negative profit before taxes borne in 2020 also in 2020, mainly due to the contraction in sales revenues, the increase in operating expenses and in financial charges, taxes borne for 19 million were nevertheless paid. In the case of negative profit before taxes borne, it was not possible to calculate the ratio.

In the case of negative profit before income tax, the ratios have not been calculated.

\[ \text{TTC Rate trend in 2019-2020} \]

<table>
<thead>
<tr>
<th>Year</th>
<th>TTC Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>N.A.¹</td>
</tr>
<tr>
<td>2020</td>
<td>N.A.¹</td>
</tr>
</tbody>
</table>

¹ Due to the loss incurred, the TTC Rate indicator has not been calculated and has been indicated as N.A.
In 2020, the distributed value\(^1\) amounted to **124 million euros**, of which **41 million** were paid to public administrations in the form of taxes borne and collected.

\(^1\) In cases where Enel is in a loss-making position, the amount of income after taxes is not considered in the calculation of the distributed tax value. In this case, the amount of income after tax is equal to - 35 million euros.
In 2020, taxes borne **decreased** by **82.9%** compared to 2019.

The decrease in taxes borne is essentially related to the reduction in profit taxes for approximately **93 million euros**, due to one-off taxes paid in 2019 in relation to an extraordinary operation carried out by Enel under the "Build, Sell and Operate" model (BSO), involving the sale of 80% of the share capital of eight companies owning operating and under construction plants.

<table>
<thead>
<tr>
<th>Total Tax Borne 2019</th>
<th>Profit Taxes</th>
<th>Property Taxes</th>
<th>Employment Taxes</th>
<th>Taxes on products and services</th>
<th>Environmental Taxes</th>
<th>Total Tax Borne 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>(93)</td>
<td>0.2</td>
<td>(0.1)</td>
<td>1</td>
<td>-</td>
<td>19</td>
</tr>
</tbody>
</table>

Data increase  | Data decrease

PwC TLS Avvocati e Commercialisti
In 2020, taxes collected are in line with 2019. A slight increase of 3.3% is recorded.

The trend in taxes collected is the result of:

- an increase in taxes on products and services for about 1 million euros deriving mainly from the higher VAT paid in 2020 compared to 2019. The VAT paid increased as a result of:
  - a reduction in the VAT receivables offset, relating to previous years.
  - an increase in commercial activities by two Mexican entities.
- an increase in profit taxes of approximately 1 million euros deriving mainly from higher withholdings tax applied on interest paid.
- a decrease in property taxes of approximately 1 million euros mainly resulting from lower withholding taxes on lease payments made in 2020 compared to 2019. In 2019, the payment of some rent installments relating to 2020 was advanced.
Key figures in Panama

- **Entities**: 9
- **Revenues**: 137 M€
- **Tangible assets**: 339 M€

**Profit before income tax**: 83 M€
- **Income tax accrued**: 27 M€
- **Income tax paid**: 16 M€

**Employees**: 99
- **Wage per employee**: 37,645 €
- **Taxes per employee**: 13,026 €

21% TTCR 2020 in Panama

Panama contributed to less than 1% of the Group’s TTC, amounting to 23 million euros. 76% of the Total Tax Contribution is represented by taxes borne, while the remaining 24% by taxes collected.

In Panama, profit taxes represent 68% circa of the Total Tax Contribution.

In 2020, taxes on products and services (borne) amounted to 0.03 million euros.

In 2020, other payments were made to public administrations (not included in the TTC) for 0.02 million euros.
Indicators and trends of Total Tax Contribution in Panama

For every 100 euros of revenues generated 16.9 euros, were used to pay taxes, of which 12.9 taxes borne and 4.0 taxes collected.

The 15.6% decrease is the result of a reduction in taxes borne (17 million euros) which is more than proportional compared to the reduction in profit before taxes borne (11 million euros). The reduction in taxes borne is due to lower advanced taxes paid as a result of the suspension of payments in the context of the pandemic and the application of the historical method (the payments on account decreased following the reduction in taxable income). Instead, the reduction in profit before taxes borne is mainly due to (i) a decrease in Hydro generation and (ii) a drop in market prices due to the contraction in energy demand. For further details please refer to the section “Principles of Tax Accounting in a nutshell”.

The difference between the nominal tax rate and the current tax rate is mainly due to the company Enel Fortuna, 50% controlled by the Panamanian government and owner of one of the largest hydroelectric plants in Central America, subject to a higher nominal tax rate than the general tax rate of the country (i.e. 30%).

The cash tax rate is lower than the current tax rate due to the suspension of payments mentioned above.
In 2020, the distributed value amounted to **85 million euros**, of which **23 million** were paid to public administrations in the form of taxes borne and collected.
In 2020, taxes borne decreased by 49.4% compared to 2019.

The reduction in taxes borne is mainly related to the decrease in profit taxes for about 17 million euros resulting from lower advanced taxes paid in 2020 compared to 2019 due to:

- a reduction in taxable income between 2018 and 2019. Advanced taxes paid in 2020 were calculated using the historical method and decreased due to the reduction in taxable income between 2018 and 2019.
- tax measures introduced by local authorities to support businesses following the Covid-19 pandemic.
In 2020, taxes collected **increased** by 16.6% compared to 2019.

The increase in taxes collected is mainly due to an **increase** of approximately **1 million euros** in profit taxes, attributable to an increase in withholding taxes on payments to third-party suppliers.
15% TTCR 2020 in Guatemala

Guatemala contributed to less than 1% of the Group’s TTC, amounting to 7 million euros. 37% of the Total Tax Contribution is represented by taxes borne, while the remaining 63% by taxes collected.

In Guatemala, profit taxes represent 27% circa of the Total Tax Contribution.

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In 2020, taxes on products and services (taxes borne) were equal to 0.01 million euros.

In 2020, other payments were made to public administrations (not included in the TTC) for 0.004 million euros.
Indicators and trends of Total Tax Contribution in Guatemala

TTC to turnover

- 15.3% Borne
- 9.7% Collected

TTC Rate trend in 2019-2020

- 17.3% (2019)
- 14.8% (2020)
- Decrease of 2.5%

For every 100 euros of revenues generated 15.3 euros were used to pay taxes, of which 5.6 taxes borne and 9.7 taxes collected.

The decrease of 2.5% is the result of the increase in profit before taxes borne (3 million euros) that is than proportional compared to the increase in taxes borne (0.1 million euros).

The increase of profit before taxes borne reflects the combined effect of a reduction in costs and an increase in revenues due to higher energy generation.

The difference between the nominal tax rate and the current tax rate is mainly due to incentives1 in place at local level for the sale of energy from renewable sources.

In 2020, the cash tax rate is broadly in line with the current tax rate.

1 Some companies use the optional taxation regime based on gross revenues rather than profit.
In 2020, the distributed value amounted to **25 million euros**, of which **7 million euros** were paid to public administrations in the form of taxes borne and collected.

1 In cases where the amount of interest income is greater than the amount of interest expense, the value of the net interest is not considered in the calculation of the distributed value. In this case, the amount of net interest is 0.2 million euros.
In 2020, the Taxes Borne are in line with 2019. A slight increase of 3.8% is recorded (equal to approximately 0.1 million euros).

The trend in taxes borne is the result of:

- a slight *increase* in profit taxes deriving mainly from the change in the taxation regime to which one of the Enel Guatemala entity is subject.
- a *decrease* in taxes on products and services deriving mainly from a lower stamp duty paid in 2020 compared to 2019, when higher taxes were paid following the conclusion of a contract.

In 2020, the taxes collected are in line with 2019. In fact, a slight increase of 3.8% (equal to approximately 0.2 million euros) is recorded.
Key figures in Costa Rica

- **Entities**: 6
- **Revenues**: 22 M€
- **Tangible assets**: 145 M€

Profit before income tax: -5 M€

Income tax accrued: 1 M€

Income tax paid: 0.4 M€

**Employees**: 37

- **Wage per employee**: 45.751 €
- **Taxes per employee**: 15.472 €

In 2020, profit taxes (taxes collected) amounted to 0.01 M€. TTC rate has not been calculated when Enel is in a loss-making position.

Costa Rica contributed to less than 1% of TTC of the Group as a whole, amounting to **3 million euros**. 58% of the Total Tax Contribution is represented by taxes borne, while the remaining 42% by taxes collected.

In Costa Rica, VAT Collected represents 40% of Enel's total tax contribution.

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1TTC rate has not been calculated when Enel is in a loss-making position.
2In 2020, profit taxes (taxes collected) amounted to 0.01 M€
Indicators and trends of Total Tax Contribution in Costa Rica

For every 100 euros of revenues generated, 12.9 euros were used to pay taxes, of which 7.5 taxes borne and 5.4 taxes collected.

Despite a negative profit before taxes borne also in 2020, taxes borne for 2 million were nevertheless paid. In the case of negative profit before taxes borne, it was not possible to calculate the ratio.

In the case of negative profit before income tax, the ratios have not been calculated.

---

1 Due to the loss incurred, the TTC Rate indicator has not been calculated and has been indicated as N.A.
In 2020, the distributed value\(^1\) amounted to **11 million euros**, of which **3 million** were paid to public administrations in the form of taxes borne and collected.

\(^1\)In cases where Enel is in a loss-making position, the amount of income after tax is not considered in the calculation of the distributed tax value. In this case, the amount of income after tax is equal to - 6 M€.
In 2020, Taxes Borne decreased by 61,0% compared to 2019.

The reduction in taxes borne is mainly related to the **decrease** in profit taxes from approximately **3 million euros** deriving from:

- tax receivables arising from excess advance taxes paid in 2019, offset in 2020;
- a drop in the activity of some production plants.

In 2020, Taxes Collected decreased by 56,7% compared to 2019.

The reduction in taxes collected is mainly related to the **decrease** in taxes on products and services of approximately 1 million euros deriving from:

- tax receivables arising from excess advance taxes paid in 2019, offset in 2020;
- a drop in the activity of some production plants.

### Total Tax Borne 2019

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Taxes</td>
<td>4</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>(3)</td>
</tr>
<tr>
<td>Employment Taxes</td>
<td>0,07</td>
</tr>
<tr>
<td>Taxes on products and services</td>
<td>(&lt;0,01)</td>
</tr>
<tr>
<td>Environmental Taxes</td>
<td>-</td>
</tr>
<tr>
<td>Total Tax Borne 2019</td>
<td>2</td>
</tr>
</tbody>
</table>

### Total Tax Collected 2019

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Taxes</td>
<td>3</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>(0,1)</td>
</tr>
<tr>
<td>Employment Taxes</td>
<td>-</td>
</tr>
<tr>
<td>Taxes on products and services</td>
<td>(1)</td>
</tr>
<tr>
<td>Environmental Taxes</td>
<td>-</td>
</tr>
<tr>
<td>Total Tax collected 2019</td>
<td>1</td>
</tr>
</tbody>
</table>
6. Analysis of data from minor countries
Detail of the other countries in which Enel operates

For the sake of completeness the following is a summary of minor countries, for which only income tax accrued and income tax paid are represented.

Minor countries represent 2% of revenues and 1% of the income tax paid of the Group.
Key figures by geographical area - Europe

- In Germany operating losses were recorded, mainly due to extraordinary events which entailed additional costs.
- In France there are entities in the start-up phase.
- In other European countries, the Group is present through entities in the pre-operational phase and/or in liquidation that have overall intangible values. For this reason these countries have been aggregated.

The “Others” category includes the following countries: Croatia, Norway, Poland, Serbia, Slovakia, Sweden, Turkey. As of December 31, 2020, the entity in Bulgaria is not included in the perimeter of Enel Group. Values have been rounded to 0 if less than 0.05.
Key figures by geographical area - Africa and Oceania

- In *Zambia* operating losses were recorded, mainly due to extraordinary events which entailed additional costs.
- In *Australia, Morocco* and *South Africa* there are entities in the start-up phase.
- In the other countries of Africa and Oceania, the Group is present through entities in the pre-operational phase and/or in liquidation that have overall intangible values. For this reason these countries have been aggregated.

The "Others" category includes the following countries: Algeria, Egypt, Ethiopia, Israel, Kenya, Namibia.

Values have been rounded to 0 if less than 0.05.
Key figures by geographical area - Asia

- In **India** there are entities in the start-up phase.
- In the other Asian countries, the Group is present through entities in the pre-operational phase and/or in liquidation that have overall intangible values. For this reason these countries have been aggregated.

The “Others” category includes the following countries: Saudi Arabia, China, Indonesia, Singapore, Taiwan.

Values have been rounded to 0 if less than 0,05.
7. Comparative Indicators
Comparison of the ETR of Enel Group with that of the comparable companies in the electricity sector

The benchmarking of the effective tax rate (Effective Tax Rate – ETR) was performed on the basis of data of main peers of Enel Group. The potential list of such peers is published on "Value Today"¹ and the data represents the largest electric utility companies in the world, as of January 2020. In particular, data used in this analysis refers to the first 20 groups with the highest market shares.


All the peers that have a significant market share on the electric energy market have been considered while performing the benchmarking study, provided that the respective financial data have been available in public sources. The data relating to the year 2020 has been analyzed.

For the calculation of the Effective Tax Rate, the information relating to profit before taxes and income taxes was obtained from the financial statements of the entities/groups published on their respective websites.

In addition, in order to exclude extreme deviations in the ETRs of similar peers, the following adjustments were made:

- Excluded all entries with loss making results of the companies, or with negative amount of tax reported in the financial statements (since in such cases the ETR throws a negative figure)³.

- Excluded the extreme cases by applying the inter quartile range to the ETR of the peers. This facilitates identification of the range of average results within which the majority of the companies are situated. The approach has been explained in more detail in Appendix.

¹ https://www.value.today/world-top-companies/electric-utilities
² The remaining 2 groups by market shares are Enel and Endesa.
³ Data of Duke Energy Corporation, Engie and Xcel Energy were not considered.
Comparison of the ETR of Enel Group with that of the comparable companies in the electricity sector

In 2020, the effective rate\(^1\) (ETR) of the Enel Group was equal to 33.7% and it is significantly higher than the median ETR of other peers in the same industry.

Income tax paid by Enel Group in 2020 amounted to 1,841 million euros, equivalent to 33.7% of profit before income tax (5,463 M€), while income tax paid in 2019 amounted to 836 million euros, equivalent to 19.4% of profit before income tax (4,312 M€).

The increase in taxes in 2020 compared with 2019 is essentially attributable to the deferred tax assets associated with the effect of the impairments recognized in 2019 as part of the decarbonization process undertaken by the Group. In addition, the tax burden increased in reflection to the following events that occurred in 2019 compared to 2020:

- the release of 494 million euros in deferred taxes by Enel Distribuição São Paulo following the merger with Enel Brasil Investimentos Sudeste SA (Enel Sudeste);
- the application of the “patent box” regime on the basis of the agreement reached with the Italian tax authorities, which provides for preferential taxation of 2019 earnings resulting from the use of intellectual property, for 53 million euros;
- a decrease in taxes recognized in Argentina for a total of 35 million euros by two generation companies, as a result of exercising the “revalúo impositivo” subsidized regime, which allows the remeasurement of certain assets for tax purposes resulting in the recognition of deferred tax assets and the greater deductibility of future depreciation;
- the reversal of deferred tax liabilities by EGPNA, as an ancillary effect of the acquisition of a number of companies from EGPNA REP;
- the tax deductibility of goodwill deriving from the merger of GasAtacama into Enel Generación Chile.

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\(^1\) For the purposes of computing the ETR, profit before income tax and income taxes are sourced from Enel S.p.A. consolidated financial statements.
8. Appendix/Glossary
Principles of Tax Accounting in a nutshell

This section of the Report aims to provide a series of “learning pills” useful for understanding the factors that most impact the accounting of taxes and their payment over time, representing in the simplest and most synthetic way the complicated rules of tax treatment. Starting from the concepts and differences between current taxes, taxes paid and theoretical taxes, certain more specific topics with greater impact on the latter will be discussed in more detail, in order to provide a “compass” for easier navigation between the various comments on the trends indicated in the Report.

1. Difference between current taxes, taxes paid and theoretical taxes calculated on the basis of the nominal rate

The nominal rate (also “nominal tax rate”) of income taxes is the rate set out by the relevant tax legislation for the purpose of taxing business income. Applying the nominal rate to the profit before income tax included in the profit and loss account gives the “theoretical taxes”. The latter may also differ greatly from current taxes accounted for as consequence of a series of differences between the “Profit or Loss for the year” shown in the profit and loss account and the “Taxable income” determined according to tax rules. This is because usually the calculation of the taxable income takes place by making upward and/or downward adjustments to the Profit or Loss for the year, based on specific tax rules of the relevant country.

As a result of these adjustments, the profit or loss for the year may differ significantly from the taxable income. The adjustments made to the (accounting) profit or loss for the purpose of determining the taxable income can be permanent or temporary. Permanent differences are the result of definitely non-deductible costs (such as: costs for taxes, vehicle expenses, telephone costs) or definitely non-taxable income (some examples include capital gains from the sale of equity investments and dividends subject to the regime of Participation Exemption - «PEX»).

Temporary differences, on the other hand, are the result of costs and income that are only temporarily non-deductible or taxable but which will become so in later years than the one in which they are recorded. Examples of these temporary differences are the accounting write-downs of assets (impairment), the differences between the tax and accounting depreciation, the deductibility of provisions for risk and more generally the tax relevance of certain costs and revenues on a "cash" basis and not on an "accrual" basis.

Furthermore, other impacts on the accounting recognition of taxes may be caused by tax consolidation regimes¹ which, in some cases (tax losses offset in the consolidated income), may result in the recognition of current tax "revenues" of the consolidated entity.

All the above differences affect the accounting recognition of current taxes as they impact the determination of the taxable income that will be subject to each country's nominal tax rate.

The current taxes of a given tax period, in turn, may not correspond to the taxes paid in the same period as each country generally provides for payment mechanisms (advances and balances) that occur at different times (even in subsequent years) and with calculation methods often based on historical data referred to previous periods.

¹Tax consolidation is a taxation regime granted to groups of companies, under which the results of the group are consolidated for tax purposes.
2. Participation Exemption “PEX”

Most jurisdictions provide tax exemption regimes for dividends and capital gains and a related non-deductibility for capital losses relating to equity participations that meet specific requirements.

These regimes are intended to avoid economic double taxation, which would occur, for example, if the profits of a company were first taxed in the hands of the same company and then, when distributed as dividends, taxed again in the hands of shareholder. With respect to capital gains, the exemption is theoretically justified by the double taxation that would result from the fact that the capital gain is the expression of undistributed profits already taxed or future profits of the same company that will be taxed once realized.

Providing the exemption of dividends and capital gains and non-deductibility of capital losses, these schemes generate permanent differences between the Profit or Loss for the year and taxable income.

Example – Capital gain under the “PEX” regime: In financial year X, a company achieves a profit for the year of 200, of which 100 deriving from a capital gain realized as a result of the sale of a participation. The participation sold meets the requirements of the PEX regime of the relevant tax jurisdiction, which provides for an exemption of 95%. The nominal rate set out by the tax legislation is 20%.

In determining the taxable income relating to year X, the company makes a downward adjustment of 95. Hence, given a profit for the year of 200, the company will have a taxable income of 105 (i.e. 200-95) and current taxes of 21 (i.e. 105*20%). Therefore, against a nominal tax rate of 20%, the company will have a current tax rate of 10,5% (i.e. 21/200).
Principles of Tax Accounting in a nutshell

3. Write-downs of fixed assets

The tax treatment of write-downs of fixed assets provides, in most jurisdiction, provides for limitations on their deductibility as their accounting recognition is of an evaluation nature (impairment). In other words, at the time of their accounting recognition they represent unrealized capital losses that will be tax deductible only when the asset is effectively disposed of from the production process or through the tax depreciation process. This leads to a temporary misalignment between the book value of the asset and its fiscal value that will be recovered in subsequent years through the so-called downward adjustments, equal to the difference between the accounting depreciation calculated on the depreciated cost (lowest) and the tax depreciation calculated on the cost before the depreciation (highest). These mechanisms influence the determination of current and paid taxes compared to the theoretical ones, resulting in higher tax rates in the year of impairment and gradually reduced in subsequent years of recovery of the temporary mismatch.

Example – Plant write-down: In financial year X-1 a company purchases and books a plant at a value of 1,000 which, according to accounting and tax criteria, will be depreciated over 5 years (20% in each year). At the end of financial year X, the company records a write-down of 300. The profit for the year of the company in financial year X and the following 3 years is 500. The nominal rate provided for by the relevant tax legislation is 20%.

Given a profit for the financial year X equal to 500, the company will have a taxable income of 800 (i.e. 500+300), due to the non-deductible write-down of 300 (i.e. upward adjustment of 300). In compliance with the requirements, the company will account for deferred tax assets for 60 (i.e. 300*20%) and current taxes for 160 (i.e. 800*20%), recording a current tax rate of 32% against a nominal tax rate of 20%.

Over the next 3 following financial years, the company will determine the taxable income by making a downward adjustment to the profit for the year of 100 (for each of the 3 financial years), equal to the difference between (i) the accounting depreciation (100) and (ii) the tax depreciation (200).

The taxable income for each of the 3 subsequent years will be equal to 400 (i.e. 500-100) and the current taxes will be equal to 80 (i.e. 400*20%). Against a nominal tax rate of 20%, the company will have a current tax rate of 16% (i.e. 80/500).

On the whole, from year X to year X+3, the sum of the profit for the year, equal to 2,000 (i.e. 500*4) will be equal to the sum of the taxable income, equal to 2,000 (i.e. 800+400*3).
Principles of Tax Accounting in a nutshell

4. Carry forward of losses

Most countries apply loss carry forward and recovery mechanisms. The carry forward of tax losses ensures fair taxation based on the effective ability of companies to pay and is a corrective measure to the distortions arising from the conventional division of the life of a company into financial years. These mechanisms make it possible to deduct from the taxable income of one year tax losses accrued in previous year (loss carry forward), generating in the recovery year current and paid taxes lower than theoretical ones.

Example – Carry forward of past losses: In financial year X−1, a company records a tax loss of 90. In financial year X the company achieves a taxable income of 100.

In determining the taxable income of the financial year X to which the nominal tax rate should be applied, the company will deduct the tax loss for year X−1 (equal to 90) from the profit for the year. Consequently, taxes will be calculated on a taxable income of 10. The use of tax losses will reduce current taxes resulting in a lower value than the theoretical ones.

5. Tax payments on advance and on balance

With regard to the tax payment mechanisms, most countries require payments to be made in advance and on balance to be made at later time (even in different financial year) compared to year of reference.

For example, in the case of income tax, many countries provide that a taxpayer pays taxes in advance on a taxable income that is not yet been realized.

In such cases, the calculation of the advanced tax payments generally takes place on a historical basis (historical method: the advanced payments are determined on the basis of the taxes due for one or more previous years) or on a provisional basis (provisional method: the advanced payments are determined on the basis of taxes expected to be due for the current year).

The method of determining the advanced tax payments described above is one of the main reasons explaining the difference between current taxes and taxes paid, whose trends will tend to align in the medium term.

Example – Payment of advanced taxes using the historical method: In the financial year X−3 a company achieves a taxable income of 200, which, by applying a rate of 25%, gives rise to current taxes of 50. In the financial year X−2 the company achieves a taxable Income of 400, with current taxes of 100. In the financial year X−1 the company achieves a taxable income equal to 0. In the financial year X, the company achieves a taxable income equal to 0.

The relevant tax jurisdiction provides for the payment of advanced taxes according to the historical method for an amount equal to 100% of the taxes due for the previous financial year and a balance payment in the following year.

The effect on current taxes and taxes paid will be as follows:
- Financial year X−2: although current taxes are equal to 100, the company has paid taxes for 50 (100% of the taxes due for year X−3);
- Financial Year x−1: Although current taxes are 0, the company has paid taxes of 150 (100 calculated as 100% of the taxes due for the year x−2 and 50 as the balance of the taxes for the financial year x−2).
- Financial year X: although current taxes are equal to 0, the company has obtained a refund of 100 (referring to the credit balance of year X−1).

The cumulative values of taxes due and taxes paid over time tend to be equal.

1Some jurisdictions apply limits (which may be quantitative and/or temporal) to loss carry-forwards.
Glossary

Revenues: sum of revenues from third parties and cross-border intercompany revenues accounted for by the entities in scope in the pertinent tax jurisdiction in the year of reference.

Third party revenues: the sum of revenues from third parties accounted for by the entities within the scope in the pertinent tax jurisdiction in the year of reference. The term “revenues” is understood in the broadest possible sense to include all revenues, including those from extraordinary operations.

Cross-border intercompany revenues: the sum of revenues from transactions carried out between entities within the scope resident in different jurisdictions in the year of reference, including income from extraordinary operations and excluding dividends.

Tangible assets: the sum of net accountable values of tangible fixed assets resulting from the balance sheet, of all entities within the scope in each tax jurisdiction. Tangible fixed assets do not include cash and cash equivalents, intangible assets or financial assets.

Profit before tax/Profit before income tax - EBT: Sum of profits (losses) before income tax of all entities within the perimeter in each tax jurisdiction generated in the year of reference.

Profit before taxes borne: Sum of profits (losses) before taxes borne of all entities within the perimeter in each tax jurisdiction generated in the year of reference.

Net profit: sum of the net profit, as resulting from the data source used, of all entities within the scope in each tax jurisdiction in the year of reference.

Profit before income tax, profit before taxes borne and net profit include all items related to extraordinary revenues and costs. Intercompany dividends are excluded in order to avoid double counting of these items, in case profits are distributed in the form of dividends to other Group entities. This makes it possible to represent the objective amount of profit before income tax and profit before taxes borne at country level, and to calculate appropriate tax rates, since dividends are usually subject to preferential tax treatments if compared to other types of income (so-called participation exemption).

Corporate income tax (CIT) accrued: the sum of current taxes (i.e. for the current year) on taxable income in the year of reference of all entities within the scope in each tax jurisdiction, independent of whether they have been paid. The data for these does not take account of provisions for tax debts that are not yet certain as regards either their amount or existence, of adjustment of current taxes for previous years and of prepaid and deferred taxes.

Corporate income tax (CIT) paid: sum of corporate income taxes paid in the year of reference by all entities within the scope in each tax jurisdiction, regardless of whether or not they relate to the current year.

Wages and salaries: sum of the wages and salaries of all entities within the scope in each tax jurisdiction in the year of reference. Wages and salaries do not include personal taxes, social security contributions, incentives or benefits and severance costs.

Number of employees: the sum of the number of employees of all entities within the scope in each tax jurisdiction in the year of reference. The sum is calculated on the basis of the number of employees at the end of the period.

The current tax rate is calculated as the ratio of corporate income taxes (CIT) accrued and profit before income tax.

The cash tax rate is calculated as the ratio of corporate income taxes (CIT) paid and profit before taxes.

The Effective Tax Rate (ETR) is determined as the ratio between the tax expense accounted for in the financial account (i.e. including current taxes, any provision for tax debts that are not yet certain as regards either their amount or existence, adjustments for income taxes relating to prior years and of prepaid and deferred taxes) and profit before income tax (EBT).

1 Only for figures and indicators presented in the Netherlands country section, the Revenues of the Group main financial company (i.e. Enel Finance International NV) are represented by net interest income (i.e. net interest income/expense), in consideration of the financial activity carried out by the latter and consistent with the reporting practices generally followed in the banking sector, as for the application of the EU CRD IV directive (e.g. Circular No. 285 of 17 December 2013 of the Bank of Italy).
Glossary

**Total Tax Contribution Rate (TTCR):** the Total Tax Contribution rate is an indicator of taxes borne in relation to profit. The TTCR is calculated as the ratio between taxes borne and profit before taxes borne.

**Other Payments to Government:** these are payments made to public administrations for a right or asset used in the course of business or for the right to explore or extract oil, gas and other minerals from the earth. This includes mining activities, royalties and license fees, etc.

**TTC to turnover:** the TTC to turnover ratio is an indicator that reflects the amount of the Group's contribution in relation to the size of its business. The indicator is calculated as the ratio between TTC and revenues.

**Taxes per employee:** the ratio reflects the level of employment in relation to the related taxes. The indicator is calculated as the ratio between the total taxes related to employment (both borne and collected) and the number of employees (as defined above).

**Distributed value:** the Distributed Tax Value index illustrates the percentage of the value distributed by Enel used to pay taxes borne and collected to public administrations. The value distributed to the community is made up of:

- **Net interest:** sum of the net value of interest expense and interest income of all entities within the scope in each tax jurisdiction in reference year of reference. This amount represents the value distributed to creditors.

- **Income after taxes:** determined on the basis of what is described in the dedicated section. This amount represents the value for the shareholders.

- **Wages and salaries:** determined on the basis of what is described in the dedicated section. This amount represents the value distributed to employees.

- **Taxes borne and collected:** determined on the basis of what is described in the dedicated section. This amount represents the value distributed to public administrations.

The data compiled by PwC TLS includes information received from Enel Group, obtained from its own IT system and its internal working procedures. PwC TLS has analysed the information supplied by Enel and has verified the consistency of the trends and figures reflected. Their origin has neither been verified nor audited.

In relation to the above, this report is based on the tax contribution figures provided as at 31 March 2021. Our analysis ended on 31 March 2021 and there could be significant events that have taken place since this date, which would not be reflected in this report.
## Europe (main countries)

**EUROPE – Main countries**

<table>
<thead>
<tr>
<th>Taxes Borne (cash accounting)</th>
<th>UM</th>
<th>Italy</th>
<th>Spain</th>
<th>Russia</th>
<th>Romania</th>
<th>Netherlands</th>
<th>2020</th>
<th>2019</th>
<th>2020-2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit taxes</td>
<td>€/mil</td>
<td>1.025,4</td>
<td>112,2</td>
<td>13,2</td>
<td>21,1</td>
<td>43,4</td>
<td>990,9</td>
<td>1.067,6</td>
<td>76,8</td>
<td>-7,2%</td>
</tr>
<tr>
<td>Income tax</td>
<td>€/mil</td>
<td>1.025,4</td>
<td>136,2</td>
<td>13,2</td>
<td>21,1</td>
<td>43,4</td>
<td>966,9</td>
<td>1.036,9</td>
<td>70,0</td>
<td>-6,7%</td>
</tr>
<tr>
<td>Property taxes</td>
<td>€/mil</td>
<td>129,9</td>
<td>69,7</td>
<td>5,6</td>
<td>4,1</td>
<td>-</td>
<td>209,4</td>
<td>204,0</td>
<td>5,4</td>
<td>2,6%</td>
</tr>
<tr>
<td>Employment taxes</td>
<td>€/mil</td>
<td>523,2</td>
<td>137,7</td>
<td>9,9</td>
<td>1,9</td>
<td>0,2</td>
<td>672,9</td>
<td>670,1</td>
<td>2,8</td>
<td>0,4%</td>
</tr>
<tr>
<td>Taxes on products and services</td>
<td>€/mil</td>
<td>57,9</td>
<td>201,3</td>
<td>0,0</td>
<td>2,4</td>
<td>0,9</td>
<td>262,5</td>
<td>257,8</td>
<td>4,7</td>
<td>1,8%</td>
</tr>
<tr>
<td>Environmental taxes</td>
<td>€/mil</td>
<td>6,0</td>
<td>763,3</td>
<td>0,0</td>
<td>0,0</td>
<td>-</td>
<td>769,3</td>
<td>739,7</td>
<td>29,6</td>
<td>4,0%</td>
</tr>
<tr>
<td>Taxes Collected (cash accounting)</td>
<td>€/mil</td>
<td>7.390,3</td>
<td>1.723,2</td>
<td>98,1</td>
<td>192,8</td>
<td>-</td>
<td>9.420,2</td>
<td>10.512,4</td>
<td>-1.092,1</td>
<td>-10,4%</td>
</tr>
</tbody>
</table>

**Economic data**

| Third party revenues | €/mil | 40.231,6 | 15.761,0 | 547,6 | 1.401,3 | 2.209,8 | 60.151,3 | 70.670,3 | -10.518,9 | -14,9% |
| Revenue related cross border | €/mil | 2.088,8 | 1.032,4 | 5,5 | 4,9 | 1.531,0 | 4.662,6 | 4.101,5 | 561,1 | 13,7% |
| Profit (loss) before income tax | €/mil | 1.532,8 | 1.637,3 | 52,3 | 223,3 | 301,4 | 3.747,0 | 1.659,5 | 2.087,5 | 125,8% |
| Corporate income tax accrued | €/mil | 1.038,0 | 120,0 | 10,7 | 23,8 | 75,2 | 1.267,8 | 1.358,7 | 90,9 | -6,7% |
| Income after taxes          | €/mil | 513,4 | 1.382,2 | 41,0 | 188,2 | 226,5 | 2.351,3 | 1.112,6 | 1.238,8 | 111,3% |
| Wages and salaries          | €/mil | 1.591,6 | 705,5 | 29,3 | 80,7 | 1,5 | 2.408,7 | 2.431,1 | -22,4 | -0,9% |
| Net interest                | €/mil | - 1.171,1 | - 161,8 | - 10,6 | 2,7 | - 171,3 | - 1.512,1 | - 1.428,9 | - 83,1 | 5,8% |
| Tangible assets             | €/mil | 28.235,7 | 22.958,2 | 606,5 | 1.993,0 | 0,1 | 53.793,4 | 52.949,5 | 844,0 | 1,6% |
| Number of employees         | # | 29.777 | 9.659 | 1,475 | 3.248 | 20 | 44.179 | 45.464 | - 1.285 | -2,8% |
| TTC Rate                    | % | 77,5% | 37,4% | 42,4% | 12,7% | 14,7% |
| Ratio TTC to turnover       | % | 21,6% | 16,6% | 22,9% | 15,8% | 1,6% |
| Taxes Borne in relation to revenues | % | 4,1% | 6,3% | 5,2% | 2,1% | 1,2% |
| Taxes Collected in relation to revenues | % | 17,5% | 10,3% | 17,7% | 13,7% | 0,4% |

**Other Payments to Government (cash accounting)**

<table>
<thead>
<tr>
<th>Tax Transparency</th>
<th>Context</th>
<th>Executive Summary</th>
<th>TTC</th>
<th>TTC by Country</th>
<th>Minor Countries</th>
<th>Comparative Indicators</th>
<th>Appendix/Glossary</th>
</tr>
</thead>
</table>

PwC TLS Avvocati e Commercialisti

123
## North America

<table>
<thead>
<tr>
<th>Taxes Borne (cash accounting)</th>
<th>UM</th>
<th>USA and Canada</th>
<th>Mexico</th>
<th>2020</th>
<th>2019</th>
<th>2020-2019</th>
<th>%</th>
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<td>15.4</td>
<td>19.0</td>
<td>111.3</td>
<td>-</td>
<td>92.4</td>
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<td>8.6</td>
<td>14.5</td>
<td>-</td>
<td>6.0</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
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<td>88.8</td>
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### Economic Data | UM | USA and Canada | Mexico | 2020 | 2019 | 2020-2019 | % |
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<th></th>
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<td></td>
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<td>Ratio TTC to turnover</td>
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<td>6.9%</td>
<td>24.4%</td>
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<tr>
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<td>11.3%</td>
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<td>3.5%</td>
<td>13.1%</td>
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## Latin America

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<tr>
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<th>Chile</th>
<th>Colombia</th>
<th>Argentina</th>
<th>Peru</th>
<th>Panama</th>
<th>Guatemala</th>
<th>Costa Rica</th>
<th>2020</th>
<th>2019</th>
<th>2020-2019</th>
<th>%</th>
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<tr>
<td>Income tax</td>
<td>€/mil</td>
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<td>1.0</td>
<td>1.3</td>
<td>0.2</td>
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<td>35.2</td>
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<td>1.9</td>
<td>0.6</td>
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<td>1.1</td>
<td>-</td>
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<td>4.9%</td>
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<td>4.5</td>
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<td>1.6</td>
<td>4.5</td>
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<td></td>
</tr>
<tr>
<td>Employment taxes</td>
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<td>10.0</td>
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<td>7.8</td>
<td>1.8</td>
<td>-23.4%</td>
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</tbody>
</table>

### Economic Data

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<th>Brazil</th>
<th>Chile</th>
<th>Colombia</th>
<th>Argentina</th>
<th>Peru</th>
<th>Panama</th>
<th>Guatemala</th>
<th>Costa Rica</th>
<th>2020</th>
<th>2019</th>
<th>2020-2019</th>
<th>%</th>
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<tbody>
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<td>0.4</td>
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<td>740.1</td>
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### Tax Rate

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<th>1682.9%</th>
<th>41.8%</th>
<th>64.6%</th>
<th>34.1%</th>
<th>20.8%</th>
<th>14.8%</th>
<th>41.9%</th>
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<tbody>
<tr>
<td>Ratio TTC to turnover</td>
<td>%</td>
<td>33.9%</td>
<td>7.2%</td>
<td>20.3%</td>
<td>17.3%</td>
<td>15.1%</td>
<td>16.9%</td>
<td>15.3%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Taxes Borne in relation to revenues</td>
<td>%</td>
<td>8.7%</td>
<td>1.2%</td>
<td>17.5%</td>
<td>6.8%</td>
<td>8.4%</td>
<td>12.9%</td>
<td>5.6%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Taxes Collected in relation to revenues</td>
<td>%</td>
<td>25.2%</td>
<td>5.9%</td>
<td>2.8%</td>
<td>10.5%</td>
<td>6.7%</td>
<td>4.0%</td>
<td>9.7%</td>
<td>5.4%</td>
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## Europe (minor countries), Africa and Oceania, Asia

### EUROPA – Minor countries

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<th>Bulgaria</th>
<th>France</th>
<th>Germany</th>
<th>Greece</th>
<th>Ireland</th>
<th>Norway</th>
<th>Poland</th>
<th>Portugal</th>
<th>Slovakia</th>
<th>Turkey</th>
<th>United Kingdom</th>
<th>2020</th>
<th>2019</th>
<th>2020-2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third party revenues</td>
<td>€/mil</td>
<td>9.2</td>
<td>277.7</td>
<td>223.2</td>
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<td>-5.4%</td>
</tr>
<tr>
<td>Profit (loss) before income tax</td>
<td>€/mil</td>
<td>4.1</td>
<td>6.7</td>
<td>19.9</td>
<td>27.9</td>
<td>1.0</td>
<td>0.9</td>
<td>2.1</td>
<td>63.6</td>
<td>1.4</td>
<td>2.4</td>
<td>1.2</td>
<td>61.8</td>
<td>48.5</td>
<td>13.4</td>
<td>27.6%</td>
</tr>
<tr>
<td>Corporate income tax accrued</td>
<td>€/mil</td>
<td>0.4</td>
<td>0.1</td>
<td>0.9</td>
<td>6.0</td>
<td>0.0</td>
<td>-</td>
<td>-</td>
<td>9.1</td>
<td>-</td>
<td>0.0</td>
<td>0.3</td>
<td>-3.2</td>
<td>6.7</td>
<td>4.9</td>
<td>147.5%</td>
</tr>
<tr>
<td>Corporate income tax paid</td>
<td>€/mil</td>
<td>0.4</td>
<td>1.6</td>
<td>0.3</td>
<td>0.3</td>
<td>0.0</td>
<td>-</td>
<td>-</td>
<td>10.6</td>
<td>-</td>
<td>0.0</td>
<td>0.1</td>
<td>12.7</td>
<td>1.2</td>
<td>11.4</td>
<td>916.3%</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>€/mil</td>
<td>31.4</td>
<td>23.0</td>
<td>0.7</td>
<td>628.8</td>
<td>1.6</td>
<td>0.1</td>
<td>0.0</td>
<td>16.5</td>
<td>0.0</td>
<td>0.1</td>
<td>9.1</td>
<td>711.3</td>
<td>688.2</td>
<td>23.1</td>
<td>3.4%</td>
</tr>
<tr>
<td>Number of employees</td>
<td>#</td>
<td>6</td>
<td>57</td>
<td>23</td>
<td>114</td>
<td>52</td>
<td>11</td>
<td>13</td>
<td>61</td>
<td>1</td>
<td>2</td>
<td>365</td>
<td>329</td>
<td>36</td>
<td>10.9%</td>
<td></td>
</tr>
</tbody>
</table>

### AFRICA and OCEANIA

<table>
<thead>
<tr>
<th>Economic data</th>
<th>UM</th>
<th>Kenya</th>
<th>Morocco</th>
<th>Zambia</th>
<th>Australia</th>
<th>Algeria</th>
<th>New Zealand</th>
<th>Egypt</th>
<th>South Africa</th>
<th>2020</th>
<th>2019</th>
<th>2020-2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third party revenues</td>
<td>€/mil</td>
<td>0.0</td>
<td>5.5</td>
<td>6.1</td>
<td>13.6</td>
<td>0.5</td>
<td>5.1</td>
<td>-</td>
<td>83.5</td>
<td>114.2</td>
<td>145.6</td>
<td>- 31.4</td>
<td>-21.6%</td>
</tr>
<tr>
<td>Revenue related cross border</td>
<td>€/mil</td>
<td>-</td>
<td>-</td>
<td>2.1</td>
<td>-</td>
<td>0.8</td>
<td>-</td>
<td>0.3</td>
<td>3.2</td>
<td>24.0</td>
<td>- 20.9</td>
<td>-86.9%</td>
<td></td>
</tr>
<tr>
<td>Profit (loss) before income tax</td>
<td>€/mil</td>
<td>-</td>
<td>0.5</td>
<td>2.0</td>
<td>9.4</td>
<td>44.2</td>
<td>0.2</td>
<td>0.8</td>
<td>0.1</td>
<td>51.6</td>
<td>- 7.9</td>
<td>43.6</td>
<td>550.1%</td>
</tr>
<tr>
<td>Corporate income tax accrued</td>
<td>€/mil</td>
<td>-</td>
<td>0.7</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
<td>-</td>
<td>0.2</td>
<td>-</td>
<td>0.8</td>
<td>0.2</td>
<td>0.6</td>
<td>298.8%</td>
</tr>
<tr>
<td>Corporate income tax paid</td>
<td>€/mil</td>
<td>-</td>
<td>0.8</td>
<td>-</td>
<td>0.7</td>
<td>-</td>
<td>-</td>
<td>0.3</td>
<td>1.7</td>
<td>0.6</td>
<td>2.4</td>
<td>-367.6%</td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>€/mil</td>
<td>0.0</td>
<td>1.2</td>
<td>21.4</td>
<td>23.5</td>
<td>0.0</td>
<td>0.0</td>
<td>-</td>
<td>1.147.4</td>
<td>1.193.6</td>
<td>951.9</td>
<td>241.6</td>
<td>25.4%</td>
</tr>
<tr>
<td>Number of employees</td>
<td>#</td>
<td>2</td>
<td>31</td>
<td>6</td>
<td>85</td>
<td>1</td>
<td>9</td>
<td>-</td>
<td>166</td>
<td>300</td>
<td>262</td>
<td>38</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

### ASIA

<table>
<thead>
<tr>
<th>Economic data</th>
<th>UM</th>
<th>Indonesia</th>
<th>China</th>
<th>Israel</th>
<th>Singapore</th>
<th>Japan</th>
<th>India</th>
<th>South Korea</th>
<th>Taiwan</th>
<th>2020</th>
<th>2019</th>
<th>2020-2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third party revenues</td>
<td>€/mil</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>8.0</td>
<td>15.1</td>
<td>24.8</td>
<td>0.1</td>
<td>48.0</td>
<td>53.4</td>
<td>- 5.4</td>
<td>-10.2%</td>
</tr>
<tr>
<td>Revenue related cross border</td>
<td>€/mil</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
<td>0.0</td>
<td>0.2</td>
<td>5.9</td>
<td>0.0</td>
<td>-</td>
<td>6.7</td>
<td>4.6</td>
<td>2.1</td>
<td>46.0%</td>
</tr>
<tr>
<td>Profit (loss) before income tax</td>
<td>€/mil</td>
<td>-</td>
<td>0.3</td>
<td>0.8</td>
<td>0.2</td>
<td>2.7</td>
<td>1.0</td>
<td>3.7</td>
<td>2.5</td>
<td>0.7</td>
<td>4.7</td>
<td>8.9</td>
<td>4.2</td>
</tr>
<tr>
<td>Corporate income tax accrued</td>
<td>€/mil</td>
<td>-</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>-</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>-84.9%</td>
<td></td>
</tr>
<tr>
<td>Corporate income tax paid</td>
<td>€/mil</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.2</td>
<td>-0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>€/mil</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.2</td>
<td>0.3</td>
<td>116.0</td>
<td>1.6</td>
<td>0.2</td>
<td>119.4</td>
<td>78.1</td>
<td>41.3</td>
<td>52.8%</td>
</tr>
<tr>
<td>Number of employees</td>
<td>#</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>19</td>
<td>322</td>
<td>38</td>
<td>6</td>
<td>396</td>
<td>318</td>
<td>78</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

1 As of December 31, 2020, the entity in Bulgaria is not included in the perimeter of Enel Group.
## Exchange rates in 2019 and 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Local currency</th>
<th>Average exchange rate Local currency/Euro</th>
<th>Exchange rates at year-end Local currency/Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Argentina</td>
<td>ARS Argentine Peso</td>
<td>103,15</td>
<td>67,25</td>
</tr>
<tr>
<td>Brazil</td>
<td>BRL Brazilian Real</td>
<td>5,89</td>
<td>4,41</td>
</tr>
<tr>
<td>Canada</td>
<td>CAD Canadian Dollar</td>
<td>1,53</td>
<td>1,49</td>
</tr>
<tr>
<td>Cile</td>
<td>CLP Chilean Peso</td>
<td>903,07</td>
<td>786,58</td>
</tr>
<tr>
<td>Colombia</td>
<td>COP Colombian Peso</td>
<td>4,217,27</td>
<td>3,673,42</td>
</tr>
<tr>
<td>Peru</td>
<td>PEN Peruvian Sol</td>
<td>3,99</td>
<td>3,74</td>
</tr>
<tr>
<td>Romania</td>
<td>RON Romanian Leu</td>
<td>4,84</td>
<td>4,75</td>
</tr>
<tr>
<td>Russia</td>
<td>RUB Russian Rouble</td>
<td>82,72</td>
<td>72,46</td>
</tr>
<tr>
<td>USA</td>
<td>USD US Dollar</td>
<td>1,14</td>
<td>1,12</td>
</tr>
<tr>
<td>Mexico</td>
<td>MXN Mexican Peso</td>
<td>24,53</td>
<td>21,56</td>
</tr>
<tr>
<td>Guatemala</td>
<td>GDQ Guatemalan Quetzal</td>
<td>8,82</td>
<td>8,62</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>CRC Costa Rican colón</td>
<td>668,64</td>
<td>657,54</td>
</tr>
<tr>
<td>Panama</td>
<td>PAB Panamanian balboa</td>
<td>1,14</td>
<td>1,12</td>
</tr>
</tbody>
</table>
Methodology used for the comparative analysis of the effective rates of corporate income taxes

The analysis has been based on the publicly available information of peers of Enel Group. The potential list of such peers is published on Value Today\(^1\). The data represents the largest electric utility companies in the world, as of January 2020. Data used in this analysis refers to the first 20 groups with the highest market shares.

The effective rate of taxation for Corporate Income Tax purposes (ETR), has been calculated as the ratio of Corporate Income Tax expense to Profit before tax, with both of these figures being obtained from the consolidated income statement for the year.

The average figure for the last year for which data is available (2020) has been used, as well as the upper and lower quartiles, to illustrate the findings:

- **Adjusted median**

Our findings in relation to the individual analyses of the companies are based on a statistical analysis of ETRs. In this type of analysis, there are generally elements that distort the average, such as non-recurring transactions or exceptional items (i.e. ETRs with negative values), and these must be eliminated to draw reasonable conclusions from the sample studied.

- **Quartiles**

The upper (75%) and lower (25%) quartiles are also calculated for the sample of companies, indicating the results obtained. This facilitates identification of the range of average results within which the majority of the companies are situated.

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\(^1\) https://www.value.today/world-top-companies/electric-utilities