



**2. CONDENSED
CONSOLIDATED
FINANCIAL STATEMENTS
AT SEPTEMBER 30, 2020**





Condensed Consolidated Income Statement

Millions of euro	Notes	First nine months	
		2020	2019
Total revenue ⁽¹⁾	7.a	48,050	59,332
Total costs ⁽¹⁾	7.b	40,523	52,107
Net income/(expense) from commodity risk management ⁽¹⁾	7.c	(552)	(3,026)
Operating income		6,975	4,199
Financial income		2,886	3,023
Financial expense		4,655	5,024
Net income/(expense) from hyperinflation	2	44	96
Total financial income/(expense)	7.d	(1,725)	(1,905)
Share of income/(expense) from equity investments accounted for using the equity method	7.e	5	(104)
Income before taxes		5,255	2,190
Income taxes	7.f	1,576	647
Net income from continuing operations		3,679	1,543
Net income from discontinued operations		-	-
Net income for the period (shareholders of the Parent Company and non-controlling interests)		3,679	1,543
Attributable to shareholders of the Parent Company		2,921	813
Attributable to non-controlling interests		758	730
<i>Basic earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0,29</i>	<i>0,08</i>
<i>Diluted earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0,29</i>	<i>0,08</i>
<i>Basic earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0,29</i>	<i>0,08</i>
<i>Diluted earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0,29</i>	<i>0,08</i>

(1) The figures for the first nine months of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 in these condensed consolidated financial statements at September 30, 2020).

Statement of Consolidated Comprehensive Income

Millions of euro	First nine months	
	2020	2019
Net income for the period	3,679	1,543
Other comprehensive income recyclable to profit or loss (net of taxes)		
Effective portion of change in the fair value of cash flow hedges	226	(145)
Change in fair value of hedging costs	28	(33)
Share of the other comprehensive income of equity investments accounted for using the equity method	(4)	(40)
Change in the fair value of financial assets at FVOCI	(1)	10
Change in translation reserve	(4,708)	(108)
Other comprehensive income not recyclable to profit or loss (net of taxes)		
Remeasurement of net liabilities/(assets) for employee benefits	(53)	(176)
Change in fair value of equity investments in other entities	4	-
Total other comprehensive income/(loss) for the period	(4,508)	(492)
Total comprehensive income/(loss) for the period	(829)	1,051
Attributable to:		
- shareholders of the Parent Company	143	537
- non-controlling interests	(972)	514

Condensed Consolidated Balance Sheet

Millions of euro	Notes	at Sept. 30, 2020	at Dec. 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment and intangible assets		95,154	99,010
Goodwill		14,070	14,241
Equity investments accounted for using the equity method		1,682	1,682
Other non-current assets ⁽¹⁾		18,405	19,689
Total non-current assets	8.a	129,311	134,622
Current assets			
Inventories		2,647	2,531
Trade receivables		11,527	13,083
Cash and cash equivalents		5,568	9,029
Other current assets ⁽²⁾		14,089	12,060
Total current assets	8.b	33,831	36,703
Assets classified as held for sale	8.c	7	101
TOTAL ASSETS		163,149	171,426
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to the shareholders of the Parent Company	8.d	29,446	30,377
Non-controlling interests		13,968	16,561
Total shareholders' equity		43,414	46,938
Non-current liabilities			
Long-term borrowings		51,073	54,174
Provisions and deferred tax liabilities		15,450	17,409
Other non-current liabilities		12,814	12,414
Total non-current liabilities	8.e	79,337	83,997
Current liabilities			
Short-term borrowings and current portion of long-term borrowings		11,122	7,326
Trade payables		10,001	12,960
Other current liabilities		19,273	20,202
Total current liabilities	8.f	40,396	40,488
Liabilities held for sale	8.g	2	3
TOTAL LIABILITIES		119,735	124,488
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		163,149	171,426

(1) Of which long-term financial receivables and other securities at September 30, 2020 equal respectively to €2,668 million (€2,769 million at December 31, 2019) and €420 million (€416 million at December 31, 2019).

(2) Of which short-term portion of long-term financial receivables, short-term financial receivables and other securities at September 30, 2020 equal respectively to €1,623 million (€1,585 million at December 31, 2019), €2,910 million (€2,522 million at December 31, 2019) and €70 million (€51 million at December 31, 2019).

Statement of Changes in Consolidated Shareholders' Equity

Share capital and reserves attributable to the shareholders of the Parent Company								
Millions of euro	Share capital	Share premium reserve	Treasury share reserve	Equity instruments - perpetual hybrid bonds	Legal reserve	Other reserves	Reserve from translation of financial statements in currencies other than euro	Reserve from measurement of cash flow hedge financial instruments
At December 31, 2018	10,167	7,489	-	-	2,034	2,262	(3,317)	(1,745)
Distribution of dividends	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(1)	-	-	(10)	-	-
Reclassifications	-	7	-	-	-	-	-	-
Monetary revaluation for hyperinflation	-	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-	(139)	41
Comprehensive income for the period	-	-	-	-	-	-	36	(132)
<i>of which:</i>								
- other comprehensive income/(loss)	-	-	-	-	-	-	36	(132)
- net income/(loss) for the period	-	-	-	-	-	-	-	-
At September 30, 2019	10,167	7,496	(1)	-	2,034	2,252	(3,420)	(1,836)
At December 31, 2019	10,167	7,487	(1)	-	2,034	2,262	(3,802)	(1,610)
Distribution of interim dividends	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(7)	(2)	-	-	(5)	-	-
Equity instruments - perpetual hybrid bonds	-	-	-	592	-	-	-	-
Reserve for share-based payments (LTI Bonus)	-	-	-	-	-	3	-	-
Reclassification as result of curtailment of certain defined benefit plans (IAS 19) following signing of 5th Endesa Collective Bargaining Agreement	-	-	-	-	-	-	-	-
Monetary revaluation for hyperinflation	-	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	(257)	(13)
Comprehensive income for the period	-	-	-	-	-	-	(3,012)	248
<i>of which:</i>								
- other comprehensive income/(loss)	-	-	-	-	-	-	(3,012)	248
- net income/(loss) for the period	-	-	-	-	-	-	-	-
At September 30, 2020	10,167	7,480	(3)	592	2,034	2,260	(7,071)	(1,375)

Reserve from measurement of costs of hedging financial instruments	Reserve from measurement of financial instruments at FVOCI	Reserve from equity investments accounted for using the equity method	Reserve from remeasurement of net liabilities/ (assets) of defined benefit plans	Reserve from disposal of equity interests without loss of control	Reserve from acquisitions of non-controlling interests	Retained earnings and loss carried forward	Equity attributable to the shareholders of the Parent Company	Non-controlling interests	Total shareholders' equity
(258)	16	(63)	(714)	(2,381)	(1,623)	19,853	31,720	16,132	47,852
-	-	-	-	-	-	(1,423)	(1,423)	(693)	(2,116)
-	-	-	-	-	-	-	(11)	-	(11)
-	-	-	-	-	(7)	-	-	-	-
-	-	-	-	-	-	80	80	139	219
-	-	-	-	-	74	-	74	869	943
-	-	-	(7)	-	(1)	(2)	(108)	1	(107)
(29)	10	(37)	(124)	-	-	813	537	514	1,051
(29)	10	(37)	(124)	-	-	-	(276)	(216)	(492)
-	-	-	-	-	-	813	813	730	1,543
(287)	26	(100)	(845)	(2,381)	(1,557)	19,321	30,869	16,962	47,831
(147)	21	(119)	(1,043)	(2,381)	(1,572)	19,081	30,377	16,561	46,938
-	-	-	-	-	-	(1,708)	(1,708)	(1,024)	(2,732)
-	-	-	-	-	-	-	(14)	-	(14)
-	-	-	-	-	-	-	592	-	592
-	-	-	-	-	-	-	3	-	3
-	-	-	106	-	-	(106)	-	-	-
-	-	-	-	-	-	78	78	109	187
-	-	-	(28)	-	275	(2)	(25)	(706)	(731)
21	3	(4)	(34)	-	-	2,921	143	(972)	(829)
21	3	(4)	(34)	-	-	-	(2,778)	(1,730)	(4,508)
-	-	-	-	-	-	2,921	2,921	758	3,679
(126)	24	(123)	(999)	(2,381)	(1,297)	20,264	29,446	13,968	43,414

Condensed Consolidated Statement of Cash Flows

Millions of euro	First nine months	
	2020	2019
Income before taxes for the period	5,255	2,190
Adjustments for:		
Net impairment/(reversals) of trade receivables and other receivables	941	721
Depreciation, amortization and other impairment losses	4,789	8,289
Financial (income)/expense	1,725	1,905
Net income of equity investments accounting for using the equity method	(5)	104
Changes in net working capital:		
- inventories	(253)	(81)
- trade receivables	(467)	(482)
- trade payables	(2,323)	(2,129)
- other contract assets ⁽¹⁾	(12)	(57)
- other contract liabilities ⁽¹⁾	(260)	-
- other assets/liabilities	341	882
Interest and other financial expense and income paid and collected	(1,664)	(1,957)
Other changes	(1,507)	(1,714)
Cash flows from operating activities (A)	6,560	7,671
Investments in property, plant and equipment, intangible assets and non-current contract assets	(6,563)	(6,593)
Investments in entities (or business units) less cash and cash equivalents acquired	(29)	(250)
Disposals of entities (or business units) less cash and cash equivalents sold	153	493
(Increase)/Decrease in other investing activities	(43)	(10)
Cash flows from investing/disinvesting activities (B)	(6,482)	(6,360)
Financial debt (new long-term borrowing)	2,124	5,618
Repayments of financial debt ⁽¹⁾	(2,850)	(3,748)
Other changes in net financial debt ⁽¹⁾	2,877	183
Receipts from disposal of equity investments without loss of control ⁽¹⁾	-	-
Payments for acquisitions of equity investments without change of control and other transactions with non-controlling interests ⁽¹⁾	(482)	628
Sale/(Purchase) of own shares	(9)	(1)
Dividends and interim dividends paid	(4,632)	(3,887)
Cash flows from financing activities (C)	(2,972)	(1,207)
Impact of exchange rate fluctuations on cash and cash equivalents (D)	(548)	(22)
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)	(3,442)	82
Cash and cash equivalents at the beginning of the period ⁽²⁾	9,080	6,714
Cash and cash equivalents at the end of the period ⁽³⁾	5,638	6,796

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

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

(3) Of which cash and cash equivalents equal to €5,568 million at September 30, 2020 (€6,753 million at September 30, 2019) and short-term securities equal to €70 million at September 30, 2020 (€43 million at September 30, 2019).

Notes to the condensed consolidated financial statements at September 30, 2020

1. Accounting policies and measurement criteria

The accounting standards adopted, the recognition and measurement criteria and the consolidation criteria and methods used for the condensed consolidated financial statements at September 30, 2020 are the same as those adopted for the consolidated financial statements at December 31, 2019 (please see the related report for more information), with the exception of management's assumptions concerning certain areas of the financial statements as a result of the COVID-19 pandemic, which are discussed below, and amendments to a number of accounting standards. More specifically, as from January 1, 2020 the following amendments of accounting standards have become applicable to the Enel Group.

- > "Amendments to IFRS 3 - *Definition of a Business*"; issued in October 2018, is intended to assist companies in determining whether a set of activities and assets is a business. More specifically, the amendments clarify that a business, considered as an integrated set of activities and assets, must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Accordingly, the amendments clarify that a business cannot exist without including the inputs and substantive processes necessary to produce outputs. The definition of "output", as modified by these amendments, focuses on the goods and services delivered to customers, on investment income and other revenue and excludes returns in the form of lower costs or other economic benefits.
- > "Amendments to IFRS 9, IAS 39 and IFRS 7 - *Interest Rate Benchmark Reform*", issued in September 2019. The amendments: (i) provide for temporary exceptions that enable hedging relationships to continue during the period of uncertainty until alternative risk-free rates are established with the interbank offered rates (IBORs) reform; and (ii) require additional disclosures on hedging relationships di-

rectly affected by the uncertainty. In this regard, note that the reform will impact fair value measurement, the effects of hedge accounting and the net financial results when the alternative rates are defined.

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

> “Amendments to References to the Conceptual Framework in IFRS Standards”, issued in March 2018. The document sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. These amendments accompany the latest version of the “Revised Conceptual Framework for Financial Reporting”, issued in March 2018 and in effect as from January 1, 2020, which includes some new concepts, provides updated definitions and recognition criteria and clarifies some important concepts. The main amendments include:

- an increase in the importance of management’s stewardship of economic resources for financial reporting purposes;
- the restoration of prudence as an element supporting neutrality;
- the definition of reporting entity, which may be a legal entity or a portion of that entity;
- the revision of the definitions of assets and liabilities;
- elimination of the probability threshold in recognition and the addition of guidelines for derecognition;

- the addition of guidelines on various measurement bases; and
- the affirmation that profit or loss is the primary indicator of performance and that, in principle, income and expenses included in other comprehensive income shall be recycled to the income statement when doing so results in the income statement providing more relevant information or a more faithful representation.

Seasonality

The turnover and performance of the Group could be impacted, albeit slightly, by developments in weather conditions. More specifically, in warmer periods of the year, gas sales decline, while during periods in which factories are closed for holidays, electricity sales decline. In view of the slight financial impact of these variations, considering that the Group’s operations are spread across both hemispheres, no additional disclosure (required under IAS 34.21) for developments in the 12 months ended September 30, 2020 is provided.

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

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

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

Past practice was based on the recognition in:

- > “Net income/(expense) from commodity contracts measured at fair value” of changes in the fair value of outstanding derivatives as well as of the effects in profit or loss, at the settlement date, of the derecognition of derivative assets/liabilities deriving from the fair value measurement of those contracts;
- > “Revenue from sales and services” and “Electricity, gas and fuel purchases” of revenue and costs on the settlement date.

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

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

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

Impact on income statement

Millions of euro	Notes	First nine months		
		2019	Effect of IFRIC application	2019
Total revenue	7.a	57,125	2,207	59,332
Total costs	7.b	53,044	(937)	52,107
Net income/(expense) from commodity risk management	7.c	118	(3,144)	(3,026)
Operating income		4,199	-	4,199
Financial income		3,023	-	3,023
Financial expense		5,024	-	5,024
Net income/(expense) from hyperinflation	2	96	-	96
Total financial income/(expense)	7.d	(1,905)	-	(1,905)
Share of income/(expense) from equity investments accounted for using the equity method	7.e	(104)	-	(104)
Income before taxes		2,190	-	2,190
Income taxes	7.f	647	-	647
Net income from continuing operations		1,543	-	1,543
Net income from discontinued operations		-	-	-
Net income for the period (shareholders of the Parent Company and non-controlling interests)		1,543	-	1,543
Attributable to shareholders of the Parent Company		813	-	813
Attributable to non-controlling interests		730	-	730
<i>Basic earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.08</i>	-	<i>0.08</i>
<i>Diluted earnings/(loss) per share attributable to shareholders of the Parent Company (euro)</i>		<i>0.08</i>	-	<i>0.08</i>
<i>Basic earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.08</i>	-	<i>0.08</i>
<i>Diluted earnings/(loss) per share from continuing operations attributable to shareholders of the Parent Company (euro)</i>		<i>0.08</i>	-	<i>0.08</i>

With regard to the details in notes 7.a and 7.b on revenue and costs, respectively, the following tables give a breakdown of the effects of the application of the interpretation on contracts

in commodities with physical settlement that fall within the scope of IFRS 9.

Millions of euro	Notes	First nine months		
		2019	Effect of IFRIC application	2019
Sale of electricity	7.a	33,417	(3,363)	30,054
Sale of fuels	7.a	6,668	(6,130)	538
Sale of environmental certificates	7.a	33	(5)	28
Sale of energy commodities under contracts with physical settlement	7.a	-	11,224	11,224
Gain (loss) on derivatives on sale of commodities with physical settlement	7.a	-	481	481
Total impact of IFRIC application on sales		40,118	2,207	42,325

Millions of euro	Notes	First nine months		
		2019	Effect of IFRIC application	2019
Purchases of electricity	7.b	15,363	(521)	14,842
Gain/(Loss) on derivatives on sale of commodities with physical settlement	7.b	-	1,393	1,393
Total purchases of electricity		15,363	872	16,235
Consumption of fuel for generation and trading and gas for sale to end users	7.b	11,245	(1,410)	9,835
Gain/(Loss) on derivatives on purchase of fuel with physical settlement	7.b	-	(494)	(494)
Total consumption of fuel for generation and trading and gas for sale to end users		11,245	(1,904)	9,341
Materials				
Purchases of environmental certificates	7.b	399	19	418
Gain/(Loss) on derivatives on purchase of environmental certificates with physical settlement	7.b	-	76	76
Total purchases of environmental certificates		399	95	494
Total impact of IFRIC application on purchases		27,007	(937)	26,070
Net income/(expense) from commodity risk management	7.c	118	(3,144)	(3,026)
TOTAL IMPACT OF IFRIC APPLICATION ON PROFIT OR LOSS		13,229	-	13,229

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

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

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

Bearing in mind that the Enel Group acquired control of the Argentine companies on June 25, 2009, the remeasurement of the non-monetary balance-sheet figures was conducted by applying the inflation indices starting from that date. In addition to being already reflected in the opening balance sheet, the accounting effects of that remeasurement also include changes during the period. More specifically, the effect of the

remeasurement of non-monetary items, the components of equity and the components of the income statement recognized in the first nine months of 2020 was recognized in a specific line of the income statement under financial income and expense. The associated tax effect was recognized in taxes for the period.

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

The cumulative changes in the general price indices at December 31, 2019 and September 30, 2020 are shown in the following table.

Periods	Cumulative change in general consumer price index
From July 1, 2009 to December 31, 2018	346,30%
From January 1, 2019 to December 31, 2019	54,46%
From January 1, 2020 to September 30, 2020	22,19%

In the first nine months of 2020, the application of IAS 29 generated net financial income (gross of tax) of €44 million.

The following tables report the effects of IAS 29 on the balance at September 30, 2020 and the impact of hyperinflation on the main income statement items for the first nine months of

2019, differentiating between that concerning the revaluation on the basis of the general consumer price index and that due to the application of the closing exchange rate rather than the average exchange rate for the period in accordance with the provisions of IAS 21 for hyperinflationary economies.

Millions of euro

	Cumulative hyperinflation effect at Dec. 31, 2019	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at September 30, 2020
Total assets	857	224	(211)	870
Total liabilities	164	52	(54)	162
Shareholders' equity	693	172 ⁽¹⁾	(157)	708

(1) The figure includes the net loss for the first nine months of 2019, equal to €15 million.

Millions of euro

	First nine months		
	IAS 29	Exchange differences	Total
Revenue	62	(107)	(45)
Costs	105 ⁽¹⁾	(91) ⁽²⁾	14
Operating income	(43)	(16)	(59)
Net financial income/(expense)	(6)	(1)	(7)
Net income/(expense) from hyperinflation adjustments	44	-	44
Income before taxes	(5)	(17)	(22)
Income taxes	10	(3)	7
Net income for the period (shareholders of the Parent Company and non-controlling interests)	(15)	(14)	(29)
Attributable to shareholders of the Parent Company	1	(6)	(5)
Attributable to non-controlling interests	(16)	(8)	(24)

(1) Includes impact on depreciation, amortization and impairment losses of €38 million.

(2) Includes impact on depreciation, amortization and impairment losses of €(7) million.

3. Restatement of comparative disclosures

The figures presented in the comments and tables of the notes to the condensed consolidated financial statements at September 30, 2020 are consistent and comparable.

Note that the income statement figures at September 30, 2019 have been adjusted for the following circumstances:

1) in the light of the introduction of the new accounting policy, as a result of the IFRIC Agenda Decision of March 2019, for the recognition of contracts for the sale and purchase of non-financial items that are accounted for at fair value through profit or loss in accordance with IFRS 9 and settled with physical settlement, analogous reclassifications of the comparative

balances for 2019 have been performed to ensure the uniformity and comparability of the figures. These reclassifications had no impact on margins or on shareholders' equity. Please see note 2 for further details;

2) with effect from March 31, 2020 in Latin America, the figures pertaining to large customers managed by the generation companies have been reallocated to the End-user Markets Business Line. This change impacted segment reporting but did not have any impact on the overall figures for the Group, although amounts were reclassified within the various Business Lines.

4. Main changes in the scope of consolidation

At September 30, 2020, the scope of consolidation had changed with respect to September 30, 2019 and December 31, 2019, as a result of the following main transactions.

2019

- > Disposal, on March 1, 2019, of 100% of Mercure Srl, a company to which the business unit consisting of the Mercure biomass plant and the related legal relationships had been previously transferred. As provided for in the preliminary agreement reached on May 30, 2018, the provisional price for the transaction was €162 million, equal to the value of the business unit at January 1, 2018. At June 30, 2019, that price was adjusted on the basis of a number of specified variables;
- > acquisition, on March 14, 2019, by Enel Green Power SpA, acting through its US renewables subsidiary Enel North America (formerly Enel Green Power North America), of 100% of 13 companies that own seven operating renewable generation plants from Enel Green Power North America Renewable Energy Partners (EGPNA REP), a joint

venture 50% owned by Enel North America (formerly Enel Green Power North America) and 50% by General Electric Capital's Energy Financial Services;

- > acquisition, on March 27, 2019, by Enel Green Power SpA (EGP), acting through its US renewables subsidiary Enel North America (formerly Enel Green Power North America), of Tradewind Energy, a renewable energy project development company based in Lenexa, Kansas. EGP has incorporated the entire Tradewind development platform, which includes 13 GW of wind, solar and storage projects located in the United States. The agreement also provided for the sale, which took place in June, of Savion, a wholly owned subsidiary of Tradewind;
- > on April 30, 2019, Enel X Italy acquired 100% di YouSave SpA, an Italian company operating in the energy services sector, providing assistance to large electricity consumers;
- > on May 31, 2019, the finalization, acting through the renewables subsidiary Enel Green Power Brasil Participações Ltda, of the disposal of 100% of three renewables plants in Brazil. The total price of the transaction was about R\$2.7 billion, the equivalent of about €603 million.

2020

- > In January 2020, the Wild Plains project company, 100% owned by Tradewind, was sold. The sale did not have an impact on profit or loss;
- > on May 11, 2020 Endesa Energía sold 80% of Endesa Soluciones for €21 million. The interest, which had previously been consolidated on a line-by-line basis, is now accounted for using the equity method;

- > on July 7, 2020, Enel Green Power España acquired 100% of Parque Eólico Tico SLU Tico Solar 1 SLU and Tico Solar 2 SLU for a total of €40 million;
- > on September 14, 2020, Endesa Generación Portugal acquired 100% of Suggestion Power - Unipessoal Lda for €6 million;
- > on September 17, 2020 Enel X International acquired 60% di Viva Labs AS for €2 million.

Other changes

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

- > disposal, in January 2020, of a number of 50% owned joint ventures in Enel North America's hydroelectric portfolio. In December 2019, the entire portfolio had been classified as held for sale in accordance with IFRS 5. The gain recognized in profit or loss was €4 million;
- > in the first nine months of 2020, Enel SpA increased its

interest in Enel Américas by 5.03% under the provisions of share swaps entered into with a financial institution. The Group's total stake is therefore now 65%;

- > Enel SpA increased its interest in Enel Chile by 2.89% under the provisions of two share swaps entered into with a financial institution. The Group's total stake is therefore now 64.93%.

Minor acquisitions

For other minor acquisitions, the Group will determine the fair value of the assets acquired and the liabilities assumed within 12 months of the acquisition date.

Determination of goodwill

	Parque Eólico Tico, Tico Solar 1 and Tico Solar 2	Suggestion Power - Unipessoal Lda	Viva Labs AS
Net assets acquired	40	6	-
Cost of the acquisition	40	6	2
<i>(of which paid in cash)</i>	<i>14</i>	<i>3</i>	<i>2</i>
Goodwill	-	-	2

5. COVID-19

In line with the recommendations of ESMA, contained in the public statements¹ published in March, May and July 2020, and of CONSOB, contained in Warning Notices no. 6/20 of April 9, 2020 and no. 8/20 of July 16, 2020, the Group has carefully monitored the evolution of the COVID-19 pandemic with regard to the main areas affecting it and in the main countries in which it operates, based on the scope of analysis reported in the "Events after the reporting period" section of the notes to the 2019 consolidated financial statements and in the section "COVID-19" in the notes to the condensed consolidated financial statements at June 30, 2020.

The Interim Financial Report at September 30, 2020 provides an update of the disclosure on the COVID-19 pandemic, based on the specific circumstances of the Company and the availability of reliable information, in order to highlight the impacts on business activities, the financial position and the performance of the Group at that date, taking account of the main risks and uncertainties to which the Group is exposed discussed in the Half-Year Financial Report at 30 June 2020,

which readers are invited to consult for further information.

With regard to the assessment of the impact of COVID-19, forecasts for the future evolution of the macroeconomic, financial and business environment in which the Group operates are characterized by a high degree of uncertainty, which could affect the valuations and estimates performed by management in determining the carrying amounts of assets and liabilities affected by greater volatility. At September 30, 2020, the areas of the financial statements that, based on the information available at that date and considering the constantly evolving scenario, are most affected by management estimates and judgments are the following:

- > measurement of non-financial assets: compared with June 30, 2020, there is no additional evidence the assets recognized in the balance sheet may have incurred a reduction in their value that would make it necessary to perform a new estimate of their recoverable value pursuant to "IAS 36 - Impairment of assets". Accordingly, the carrying amounts of the CGU at September 30, 2020, are

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

considered to be fully recoverable, having not incurred any impairment losses as a result of COVID-19;

- > measurement of financial assets: in some cases, in order to take account of the effects of COVID-19 on the impairment of trade receivables, specific adjustments were made with respect to the output of the impairment model adopted by the Group based on "IFRS 9 - Financial instruments" ("post-model adjustments"). They were mainly determined on the basis of an expert credit judgment based on developments in the collection status of certain customer segments. These adjustments led to the recognition of certain writedowns, based on the information available. Please see note 7.b for more details on the impairment of financial assets at September 30, 2020;
- > employee benefits: as a result of the COVID-19 emergency, a number of significant actuarial assumptions used to determine the present value of obligations for defined

benefits to employees pursuant to "IAS 19 - Employee benefits" were updated as at June 30, 2020. No further updates were necessary for the situation at September 30, 2020;

- > provisions for risks and charges: the assumptions underlying the assessment of the possible presence of onerous contracts have been updated. This analysis did not identify any situations that made it necessary to recognize additional provisions due to COVID-19, pursuant to "IAS 37 - Provisions, contingent liabilities and contingent assets";
- > income taxes: where required, tax relief has been recognized, while the timing of the cancellation of the temporary deductible differences and the recoverability of deferred tax assets has been monitored, pursuant to "IAS 12 - Income taxes". There were no significant impacts for the Group.

6. Segment information

The presentation of performance and financial position by business area presented here is based on the approach used by management in monitoring Group performance for the two periods being compared. For more information on the

developments in performance and financial position that characterized the period under review, please see the appropriate section of this Interim Financial Report.

Performance by business area

First nine months of 2020⁽¹⁾

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and other income from third parties	15,241	5,096	13,150	12,682	657	1,234	(10)	48,050
Revenue and other income from transactions with other segments	1,085	188	1,120	8,812	99	55	(11,359)	-
Total revenue	16,326	5,284	14,270	21,494	756	1,289	(11,369)	48,050
Total costs	14,154	1,973	8,556	19,421	688	1,250	(11,249)	34,793
Net income/(expense) from commodity risk management	(831)	65	-	214	-	1	(1)	(552)
Depreciation and amortization	654	962	1,945	262	95	119	21	4,058
Impairment losses	763	18	302	755	11	2	1	1,852
Reversals of impairment losses	(42)	(12)	(28)	(94)	-	(3)	(1)	(180)
Operating income	(34)	2,408	3,495	1,364	(38)	(78)	(142)	6,975
Capital expenditure	376	2,964	2,691	304	159	47	22	6,563

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

First nine months of 2019^{(1) (2) (3) (4)}

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue and income from third parties	22,379	5,233	14,920	14,710	729	1,330	31	59,332
Revenue and other income from transactions with other segments	1,078	303	1,239	9,555	106	55	(12,336)	-
Total revenue	23,457	5,536	16,159	24,265	835	1,385	(12,305)	59,332
Total costs	19,241	2,224	10,011	21,856	728	1,251	(12,214)	43,097
Net income/(expense) from commodity risk management	(3,001)	(20)	-	(4)	-	-	(1)	(3,026)
Depreciation and amortization	907	916	1,964	250	99	124	24	4,284
Impairment losses	4,017	9	265	589	14	2	1	4,897
Reversals of impairment losses	(12)	(9)	(42)	(103)	(2)	(2)	(1)	(171)
Operating income	(3,697)	2,376	3,961	1,669	(4)	10	(116)	4,199
Capital expenditure	498	2,894⁽⁴⁾	2,643	299	171	61	23	6,589

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

(2) The figures for "Revenue and other income" and "Net income/(expense) from commodity risk management" for the first nine months of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 in these condensed consolidated financial statements at September 30, 2020).

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

(4) Does not include €4 million regarding units classified as "held for sale".

Financial position by segment

At September 30, 2020

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Property, plant and equipment	10,484	30,214	35,996	161	616	670	10	78,151
Intangible assets	134	5,033	21,338	3,713	620	448	(313)	30,973
Current and non-current contract assets	7	6	339	-	37	38	71	498
Trade receivables	2,351	1,636	6,647	4,003	324	939	(4,373)	11,527
Other	1,752	1,178	2,824	643	283	705	(484)	6,901
Operating assets	14,728⁽¹⁾	38,067⁽²⁾	67,144	8,520	1,880	2,800	(5,089)	128,050
Trade payables	2,075	1,766	4,783	4,330	294	705	(3,951)	10,002
Current and non-current contract liabilities	97	111	7,156	25	-	4	(50)	7,343
Sundry provisions	3,229	834	3,318	401	33	568	474	8,857
Other	1,219	1,346	7,551	2,458	845	161	(730)	12,850
Operating liabilities	6,620	4,057⁽³⁾	22,808	7,214	1,172⁽⁴⁾	1,438	(4,257)	39,052

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

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

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

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

At December 31, 2019

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

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

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

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

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

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

Millions of euro	at Sept. 30, 2020	at Dec. 31, 2019
Total assets	163,149	171,426
Equity investments accounted for using the equity method	1,682	1,682
Other non-current financial assets	7,125	7,389
Long-term tax receivables included in "Other non-current assets"	1,487	1,587
Other current financial assets	8,956	8,370
Cash and cash equivalents	5,568	9,029
Deferred tax assets	8,462	9,112
Tax receivables	1,819	1,206
Financial and tax assets of "Assets held for sale"	-	80
Segment assets	128,050	132,971
Total liabilities	119,735	124,488
Long-term borrowings	51,073	54,174
Non-current financial liabilities	3,243	2,407
Short-term borrowings	7,691	3,917
Current portion of long-term borrowings	3,431	3,409
Other current financial liabilities	4,354	4,308
Deferred tax liabilities	7,705	8,314
Income tax payable	1,325	209
Other tax payables	1,861	1,082
Financial and tax liabilities of "Liabilities held for sale"	-	-
Segment liabilities	39,052	46,668

Revenue

7.a Revenue - €48,050 million

Millions of euro	First nine months			Change
	2020	2019		
Sale of electricity ⁽¹⁾	25,352	30,054	(4,702)	-15.6%
Transport of electricity	7,932	7,752	180	2.3%
Fees from network operators	681	688	(7)	-1.0%
Transfers from institutional market operators	1,018	1,225	(207)	-16.9%
Sale of gas	1,889	2,405	(516)	-21.5%
Transport of gas	424	453	(29)	-6.4%
Sale of fuels ⁽¹⁾	399	641	(242)	-37.8%
Connection fees to electricity and gas networks	556	575	(19)	-3.3%
Construction contracts	563	533	30	5.6%
Sale of environmental certificates ⁽¹⁾	60	28	32	-
Sale of value-added services ⁽²⁾	594	663	(69)	-10.4%
Other sales and services ⁽²⁾	556	570	(14)	-2.5%
Total IFRS 15 revenue	40,024	45,587	(5,563)	-12.2%
Sale of energy commodities under contracts with physical settlement (IFRS 9) ⁽¹⁾	4,995	11,224	(6,229)	-55.5%
Gain/(Loss) on derivatives on sale of commodities with physical settlement (IFRS 9) ⁽¹⁾	1,669	481	1,188	-
Grants for environmental certificates	244	406	(162)	-39.9%
Sundry reimbursements	210	398	(188)	-47.2%
Gain on sale of subsidiaries, associates, joint ventures, joint operations and non-current assets held for sale	13	235	(222)	-94.5%
Gain on sale of property, plant and equipment and intangible assets	25	21	4	19.0%
Other revenue and income	870	980	(110)	-11.2%
Total revenue	48,050	59,332	(11,282)	-19.0%

(1) The figures for the first nine months of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 4 in these condensed consolidated financial statements at September 30, 2020).

(2) In order to improve presentation, sale of value-added services include the portion connected with services previously included under Other sales and services. In order to ensure the comparability of the reclassified figures, the figures for the first nine months of 2019 have also been reclassified.

In the first nine months of 2020, revenue from the sale of electricity amounted to €25,352 million, a decrease of €4,702 million on the same period of 2019 (-15.6%). The decline essentially reflected:

- > a decrease in revenue from the sale of electricity to end users, mainly owing to the decline in volumes sold in Italy (€887 million) and Spain (€1,064 million), partly in reflection of the COVID-19 emergency;
- > a decrease of revenue posted in Latin America (€2,361 million) due to the depreciation of local currencies against the euro, primarily in Brazil, and to the contraction in volumes

and average prices applied to sales;

- > a reduction in the revenue of Enel Global Trading (€75 million) as a result of a decline in sales on the spot market in Italy, reflecting a decrease in energy prices;
- > a decline in revenue in Russia (€314 million), mainly due to the sale of the coal-fired Reftinskaya plant in October 2019.

The decrease of €516 million in revenue from the sale of gas (-21.5%) compared with the first nine months of 2019, which was largely registered in Spain and Italy, reflected the decline

in volumes sold, partly in reflection of the COVID-19 health emergency.

Revenue from the sale of fuels contracted by €242 million as a result of a decline in volumes handled by Enel Global Trading.

Revenue from the sale of energy commodities under contracts with physical settlement (IFRS 9) decreased by €6,229 million on the same period of 2019, reflecting the decline in prices on the spot market and a contraction in energy traded.

The increase in gains on derivatives on sales of commodities with physical settlement is mainly attributable to contracts on gas and CO₂ allowances, partially offset by a decrease in the fair value of those on electricity.

Grants for environmental certificates decreased by €162 million, with the decline mainly recognized by e-distribuzione due to a reduction in grants received from the Energy and Environmental Services Fund for energy efficiency certificates as a result of the decline in the volumes of such certificates purchased as a result of the decarbonization process initiated by the Group.

“Sundry reimbursements” decreased in reflection of the effect of the recognition in 2019 of a contractual indemnity from a major industrial customer for exercising its option to withdraw from an electricity supply contract with Enel Generación Chile (€160 million, of which €80 million regarding the Thermal Generation and Trading Business Line and €80 million regarding the Enel Green Power Business Line).

Gains from the sale of entities declined by €222 million on the

first nine months of 2019, primarily reflecting the effects of the recognition in 2019 of:

- > the capital gain on the sale of Mercure Srl, a vehicle company to which Enel Produzione had previously transferred the Valle del Mercure biomass plant (€108 million);
- > the negative goodwill (€106 million) deriving from the definitive allocation by independent experts of the purchase price for the acquisition by Enel North America (formerly Enel Green Power North America) of a number of companies from Enel Green Power North America Renewable Energy Partners LLC (EGPNA REP) in the 1st Quarter of 2019.

“Other revenue and income” shows a decrease of €110 million, mainly reflecting the effect of the recognition in 2019 of income for:

- > the early all-inclusive settlement of the second indemnity connected with the disposal in 2009 of the interest held by e-distribuzione in Enel Rete Gas (€50 million);
- > the agreement reached between Edesur and the Argentine government to settle reciprocal outstanding claims originating between 2006 and 2016 (€228 million);
- > the adjustment of the price for the acquisition of eMotorWerks in 2017 in application of a number of contractual clauses (€58 million).

These effects were partly offset by:

- > an increase in income at e-distribuzione for the reimbursement of system charges and network fees under the provisions of the Regulatory Authority for Energy, Networks and the Environment (ARERA) Resolutions no. 50/2018 and no. 568/2019 (€51 million);
- > an increase of €108 million in income from tax partnerships for Enel Green Power North America and €46 million in other revenue from indemnities and disputes.

Costs

7.b Costs - €40,523 million

Millions of euro	First nine months			Change
	2020	2019		
Electricity purchases ⁽¹⁾	11,289	16,235	(4,946)	-30.5%
Consumption of fuel for electricity generation ⁽¹⁾	1,999	3,241	(1,242)	-38.3%
Fuel for trading and gas for sale to end users ⁽¹⁾	5,713	6,510	(797)	-12.2%
Materials ⁽¹⁾	1,299	1,426	(127)	-8.9%
Personnel	3,101	3,461	(360)	-10.4%
Services, leases and rentals	11,237	11,845	(608)	-5.1%
Depreciation, amortization and impairment losses	5,730	9,010	(3,280)	-36.4%
Costs of environmental certificates	502	792	(290)	-36.6%
Other operating expenses	1,159	1,140	19	1.7%
Capitalized costs	(1,506)	(1,553)	47	3.0%
Total	40,523	52,107	(11,584)	-22.2%

(1) The figures for the first nine months of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 in these condensed consolidated financial statements at September 30, 2020).

Costs for electricity purchases declined significantly following the decrease in volumes purchased in an environment of falling prices. The item includes purchases under contracts with physical settlement (IFRS 9) and the results of the measurement at fair value of those contracts, which contracted by €1,522 million compared with the same period of the previous year.

The decrease in costs for the consumption of fuel for electricity generation is mainly attributable to the decrease in the volume of thermal generation as a result of the decline in the use of generation technologies producing high levels of CO₂ emissions as well as decreasing average prices.

The change in inventories includes the writedown of fuel inventories of coal-fired plants in Italy and Spain as a result of the decarbonization process.

The decline in costs for the purchase of fuel for trading and gas for sale to end users reflects the decrease in volumes handled, mainly due to lower production volumes and the reduction in gas purchase costs. The latter was also affected by the financial benefits of the finalization of the price review agreement applied to Nigerian supplies with NLNG.

Costs for materials essentially decreased due to a decline in purchases of CO₂ allowances (€157 million). The change also includes purchases of CO₂ allowances measured at fair value in accordance with IFRS 9, of which €78 million regarding the measurement of outstanding contracts on the basis of the application of the IFRIC Agenda Decision.

In the first nine months of 2020, personnel costs amounted to €3,101 million, a decrease of €360 million. The change mainly reflects:

- > a decrease in costs in Spain, due to the modification of electricity discount benefits for employees and former employees following the contractual renewal and entry into force of the 5th Endesa Collective Bargaining Agreement, which led to the reversal of the associated provision in the amount of €515 million;
- > a decrease in costs in Italy, mainly connected with a decrease in the average workforce.

This change was only partly offset by the recognition in Spain of restructuring costs for activities connected with energy transition plans undertaken by the Group (of which €213 million concerning the decarbonization process) and additional allocations to the provision for early retirement incentive plans (€159 million for the *Acuerdo voluntario de Salida*).

The Enel Group workforce at September 30, 2020 numbered 66,735, of whom 37,051 employed abroad. In the first nine months of 2020, the workforce contacted by 1,518, reflecting the balance between new hires and terminations (-547) and changes in the scope of consolidation (-971), mainly due to the disposal of the Reftinskaya plant in Russia.

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

Balance at December 31, 2019	68,253
Hirings	2,166
Terminations	(2,713)
Change in scope of consolidation	(971)
Balance at September 30, 2020	66,735

The decrease in costs for services, leases and rentals is largely attributable to a reduction in costs for wheeling (-€372 million), mainly in Spain, Chile and Brazil, reflecting a decrease in quantities transported, a decrease in other costs for services connected with the electricity and gas business (-€79 million), mainly registered by Enel Chile, a decrease in costs connected with the value-added services business (-€83 million) and a decline in costs for business travel (-€58 million).

Depreciation, amortization and impairment losses for the first nine months of 2020 decreased mainly due to the effect of writedowns recognized in the first nine months of 2019 on a number of coal-fired plants in Italy, Spain, Chile (Bocamina I and Tarapacá) and Russia (Reftinskaya) for a total of €4,002 million, including the related decommissioning costs. These effects were partially offset by the writedown of the Bocamina II coal plant in Chile in the first nine months of 2020 in the amount of €737 million. These actions were taken to accelerate the Group's energy transition towards decarbonization.

In addition, during the first nine months of 2020, writedowns of trade receivables increased by €218 million compared with the same period of 2019, due in particular to the COVID-19 health emergency, following which, mainly in Italy and Spain, the estimates of the recoverability of trade receivables were revised to take account of the deterioration in the collection status of certain customer segments.

Costs of environmental certificates mainly decreased as a result of the decline in the volume of energy efficiency certificates acquired and a reduction in CO₂ compliance costs, a consequence of the decline in thermal generation.

Other operating expenses show an increase of €72 million in charges for taxes and duties, mainly due to the temporary suspension in Spain, in 2019, of the application of taxes on hydrocarbons used in electricity generation (IVPEE) and on nuclear generation under the provisions of Royal Decree 15/2018 of October 5, 2018 as well as the introduction with effect from July 2020 of a new "eco-tax" in Catalonia. These effects were largely offset by a reduction in other costs, primarily at e-Distribución Redes Digitales due to the voidance of three disciplinary proceedings in the Canary Islands and at e-distribuzione for a reduction in penalties on metering reading by the time limits set by the ARERA and a reduction in costs connected with malfunctioning plants.

In the first nine months of 2020, capitalized costs decreased by €47 million compared with the same period of the previous year, mainly attributable to e-distribuzione as a result of slow-downs caused by the COVID-19 emergency in the performance of various investment projects.

7.c Net income/(expense) from commodity risk management - €552 million

Net expense from commodity risk management amounted to €552 million in the first nine months of 2020 (net expense of €3,026 million in the same period of 2019) and breaks down as follows:

- > net income on cash flow hedge derivatives in the amount of €2 million (net income of €128 million in the first nine months of 2019);
- > net expense on derivatives at fair value through profit or loss in the amount of €554 million (net expense of €3,154 million in the first nine months of 2019).

The figures for the first nine months of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 in these condensed consolidated financial statements at September 30, 2020).

7.d Net financial expense - €1,725 million

Net financial expense decreased by €180 million on the same period of 2019.

More specifically, financial income in the first nine months of 2020 amounted to €2,886 million, a decrease of €137 million on the same period of 2019 (€3,023 million). The change mainly reflect the following factors:

- > a reduction of €365 million in income from derivative instruments, essentially in respect of derivatives designated as cash flow hedges of the risk of fluctuations in exchange rates on loans denominated in foreign currencies;
- > a decrease of €83 million in interest on financial assets, mainly relating to short-term financial instruments (€79 million).

These effects were partially offset by an increase of €409 million in exchange rate gains, mainly reflecting developments in the exchange rates associated with foreign currency loans and mainly regarding Enel Finance International (€538 million) and Enel SpA (€176 million), partially offset by the reduction in exchange rate gains at Enel Américas (-€171 million), Enel Green Power Brasil (-€79 million) and Enel Russia (-€43 million).

Financial expense for the first nine months of 2020 amounted to €4,655 million, a decrease of €369 million compared with the first nine months of 2019. This change is mainly attributable to the following developments:

- > a reduction of €471 million in exchange rate losses, which mainly regarded Enel Finance International (-€585 million) and Enel SpA (-€63 million), partially offset by an increase in exchange rate losses at Enel Américas (€69 million), Enel Green Power Brasil (€67 million) and Enel Global Trading (€32 million);
- > a decrease of €194 million in interest expense on financial liabilities, largely a reduction in interest on bonds (€100 million) and on bank borrowings (€76 million);
- > a reduction of €83 million in financial expense connected with discounting, which includes:
 - the liability for employee benefits (-€53 million), mainly due to the contractual renewal and entry into force of the 5th Endesa Collective Bargaining Agreement, which led to the reversal of the provision for employee electricity discounts;
 - provisions for risks and charges (€30 million), mainly regarding Enel Américas;

- > a decrease of €42 million in financial expense in respect of the recognition of writebacks of financial receivables, mainly by the Endesa Group and Enel Produzione. More specifically, the writeback recognized by Enel Produzione was connected with the fair value adjustment of the receivable from EP Slovakia BV in respect of the unpaid portion of the price for the sale of 50% of Slovak Power Holding BV;
- > a reduction of €32 million in financial expense in respect of the assignment of receivables, for guarantees issued by third parties in the amount of €19 million and an increase of €20 million in capitalized financial charges.

These effects were partially offset by an increase of €575 million in expense on derivatives, essentially regarding derivatives designated as cash flow hedges of the risk of fluctuations in exchange rates on loans denominated in foreign currencies.

Finally, net income from hyperinflation adjustments recognized by the Argentine companies in application of IAS 29 concerning accounting for hyperinflationary economies amounted to €44 million in the first nine months of 2020, a decrease of €52 million on the same period of 2019 (€96 million).

7.e Share of income/(expense) from equity investments accounted for using the equity method - €5 million

The share of income and losses of equity investments accounted for using the equity method in the first nine months of 2020 showed net income of €5 million. The increase of €109 million mainly reflects the recognition in the first nine months of 2019 of the effects of the repurchase of 13 companies from EGPNA REP (€88 million), which led to the recognition of a capital loss by EGPNA REP itself, and the writedown of the investment of Slovak Power in the amount of €31 million as a result of changes in the parameters used to determine the pricing formula.

The change was also positively affected by the €25 million in income recognized in September 2020 in Spain in respect of Nuclenor following the favorable outcome of a dispute.

Other changes reflect the Group's pro-rated share of the results of companies accounted for using the equity method.

7.f Income taxes - €1,576 million

Income taxes for the first nine months of 2020 amounted to €1,576 million, producing an effective income tax rate of 30.0%, compared with 29.5% in the first nine months of 2019. While virtually unchanged between the two periods, the effective rate reflected the effect of the following items recognized in 2019:

- > a reduction in taxes in Italy following an agreement with the tax authorities concerning the optional "patent box" mechanism, which allowed the application of a preferential tax regime for income from the use of intellectual property (+€53 million);
- > a decrease in taxes (€36 million) recognized in Argentina in the 1st Quarter of 2019 by the generation companies Enel Generación Costanera and Central Dock Sud following their election to participate in the preferential "*revalúo impositivo*" mechanism. Subject to payment of a tax in lieu, this mechanism permits the monetary revaluation for tax purposes of certain tangible assets, with the consequent recognition of deferred tax assets and an increase in the

- deductibility of depreciation in the future;
- > the reversal of deferred tax liabilities at EGPNA, the ancillary effect of the acquisition of a number of companies from EGPNA REP;
- > an increase in deferred tax assets as a result of the supervening deductibility of goodwill following the meter of GasAtacama into Enel Generación Chile.

The above effects regarding the first nine months of 2020 were accompanied by a decrease compared with the same period of 2019 in the tax burden in respect of withholding tax on dividends distributed by the sub-holding companies in Chile.

It should also be noted that as at September 30, 2020, the Group had not recognized any significant impact from the fiscal measures taken by the governments of the various countries in which it operates to mitigate the effects of the COVID-19 health emergency and boost the economic recovery.

Assets

8.a Non-current assets - €129,311 million

Property, plant and equipment and intangible assets, including investment property, amounted to €95,154 million at September 30, 2020, a decrease of €3,856 million. The change mainly reflects depreciation, amortization and impairment on those assets (€4,800 million) and exchange rate losses (€6,011 million). These effects were partly offset by investments during the period (€6,563 million).

Goodwill amounted to €14,070 million, a decrease of €171 million, which was entirely ascribable to exchange rate losses in the Latin American countries. More specifically, the change in goodwill is mainly a reflection of the adverse developments in exchange rates, mainly the Brazilian real.

Equity investments accounted for using the equity method amounted to €1,682 million, in line with their value at the end of 2019. The positive effects of changes in respect of:

- > the results attributable to the Group of the companies measured using the equity method, with the greatest contribution coming from Rusenergosbyt and Nuclenor, only

- partially offset by the losses of other companies, in particular OpEn Fiber;
- > changes in OCI reserves relating to cash flow hedge derivatives;
- > capital increases, in particular by OpEn Fiber in the amount of €86 million;
- > the positive effects of the change in the scope of consolidation in Spain as a result of the reduction of the stake held by Endesa Energía SA in Endesa Soluciones SLU, which had previously been consolidated on a full line-by-line basis;

were offset by:

- > dividends distributed in the period in the amount of €52 million, mainly by Runergosbyt and a number of Spanish companies;
- > unfavorable exchange rate developments, especially in respect of the US dollar;
- > the effects of the sale of a number of North American companies.

Other non-current assets include:

Millions of euro	at Sept. 30, 2020	at Dec. 31, 2019	Change	
Deferred tax assets	8,462	9,112	(650)	-7.1%
Receivables and securities included in net financial debt	3,088	3,185	(97)	-3.0%
Other non-current financial assets	4,037	4,204	(167)	-4.0%
Receivables due from institutional market operators	224	232	(8)	-3.4%
Other long-term receivables	2,594 ⁽¹⁾	2,956	(362)	-12.2%
Total	18,405	19,689	(1,284)	-6.5%

(1) The item includes investments in assets from contracts with customers of €324 million.

The reduction for the period essentially reflects:

- > a decrease in deferred tax assets, mainly due to unfavorable exchange rate developments in Latin America, a decline in deferred tax assets linked to changes in the fair value of cash flow hedge derivatives and the reversal of the electricity discount provision in Spain;
- > a decrease in other long-term receivables. The increase of €282 million in receivables in respect of the PIS/COFINS dispute was more than offset by the adverse developments in the Brazilian exchange rate;
- > a decrease in other non-current financial assets, essentially attributable to the reduction of €673 million in financial assets in respect of service concession arrangements in Brazil, partially offset by an increase in the fair value of derivative contracts in the amount of €510 million, mainly regarding derivatives designated as cash flow hedges (€482 million).

8.b Current assets - €33,831 million

Inventories amounted to €2,647 million, an increase of €116 million, mainly in Italy, essentially reflecting the increase in CO₂ allowances as a result of a decline in thermal generation, a reduction in writedowns of the fuel and materials inventories of plants incurring impairment losses, primarily in Italy and Spain, and a reduction in inventories in Russia as a result of the disposal of the Reftinskaya GRES plant in the last quarter of 2019 and exchange rate effects.

Trade receivables amounted to €11,527 million, down €1,556 million, mainly in Italy (€697 million) and Latin America (€693 million), reflecting the deterioration in the collection status of certain customer segments and the depreciation of currencies in Latin America, especially Brazil.

Other current assets break down as follows:

Millions of euro	at Sept. 30, 2020	at Dec. 31, 2019	Change	
Current financial assets included in debt	4,603	4,158	445	10.7%
Other current financial assets	4,353	4,212	141	3.3%
Tax receivables	1,819	1,206	613	50.8%
Receivables due from institutional market operators	1,351	732	619	84.6%
Other short-term receivables	1,963	1,752	211	12.0%
Total	14,089	12,060	2,029	16.8%

The increase for the period, equal to €2,029 million, mainly reflected:

- > an increase in current financial assets included in debt, due mainly to the rise in short-term financial receivables (€384 million), essentially connected with the increase in cash collateral paid to counterparties in derivatives transactions, and in the current portion of medium/long-term financial receivables (€38 million), due primarily to the increase in financial receivables in respect of security deposits;
- > an increase in other current financial assets, mainly due to the fair value measurement of financial derivatives (€4,185 million at September 30, 2020, from €4,065 million at December 31, 2019);
- > an increase in tax credits, essentially regarding credits for

- payments on account by the Parent Company, Enel SpA;
- > an increase in receivables due from institutional market operators, in particular those due from the Energy and Environmental Services Fund, mainly claimed by e-distribuzione (€383 million) and Servizio Elettrico Nazionale (€197 million) in connection with equalization mechanisms;
 - > an increase in other short-term receivables, mainly due to an increase in prepayments (€155 million), largely in respect of fees for water diversion for industrial use, items connected with personnel and insurance premiums, as well as an increase in other receivables and other current assets in respect of third parties.

8.c Assets held for sale - €7 million

The item essentially includes assets measured at their esti-

mated realizable value based on the current state of negotiations that, in view of the decisions taken by management, meet the requirements of IFRS 5 for classification under this item.

The balance at September 30, 2020 mainly regard the Enel Produzione business unit represented by the Ettore Majorana site of Termini Imerese (€4 million) and the plant worth €2 million held by Llano Sanchez Solar Power One SA.

The change in the period largely regarded the sale of a number of hydroelectric investments held by Enel North America, which had previously been classified as held for sale, on which a gain of about €4 million was recognized, and the Rionegro plant in Colombia classified under this item and sold in the first nine months of 2020.

Liabilities and shareholders' equity

8.d Equity attributable to the shareholders of the Parent Company - €29,446 million

The decrease in the first nine months of 2020 in equity attributable to the shareholders of the Parent Company amounted to €931 million, mainly reflecting the distribution of dividends (€1,708 million) and the loss recognized through other comprehensive income (2,778 million), attributable in particular to the decrease in the reserve from the translation of financial statements denominated in foreign currency as a result of the net appreciation of the euro against the foreign currencies of the subsidiaries, especially those in Latin America.

These effects were partially offset by net income recognized through profit or loss (€2,921 million) and the subscription of a perpetual hybrid bond in the amount, net of transaction costs, of €592 million.

8.e Non-current liabilities - €79,337 million

Long-term borrowings amounted to €51,073 million (€54,174 million at December 31, 2019). They consist of bonds in the amount of €40,253 million (€43,294 million at December 31, 2019) and bank debt and other borrowings in the amount of €10,820 million (€10,880 million at December 31, 2019). The reduction of €3,101 million in the item compared with December 31, 2019 reflected a decrease in bonds (€3,040 million), mainly owing to redemptions in the period and exchange rate gains as well as the reduction of €73 million in other borrowings, mainly in respect of liabilities for tax partnerships. These factors were slightly offset by an increase of €13 million in bank borrowings.

Provisions and deferred tax liabilities amounted to €15,450 million at September 30, 2020 (€17,409 million at December 31, 2019) and include:

- > post-employment and other employee benefits totaling €2,760 million, down €1,011 million on December 31, 2019, mainly in Iberia as a result of the reversal of the electricity discount provision following the contractual renewal and the signing of the 5th Endesa Collective Bargaining Agreement, which provides for the modification of certain employee benefits, notably the electricity discount. Another factor was highly adverse exchange rate developments in Latin America;

- > provisions for risks and charges amounting to €4,985 million (€5,324 million at December 31, 2019). The item includes, among others, the litigation provision of €699 million (€938 million at December 31, 2019), whose decrease essentially reflects adverse exchange rate developments in Brazil, the nuclear decommissioning provision of €573 million (€640 million at December 31, 2019), the plant dismantling and site restoration provision of €1,705 million (€1,840 million at December 31, 2019), with the decrease largely reflecting the recalculation of future dismantling costs in Iberia following the revision of the inflation rate, the provision for taxes and duties of €271 million (€312 million at December 31, 2019) and the early retirement incentive provision and the provision for restructuring programs of €1,013 million (€832 million at December 31, 2019), with the increase mainly attributable to Spain following provision for costs that the Group will incur as a result of the acceleration of the energy transition for all the direct and indirect activities connected with the revision of operating processes and models and changes in the roles and skills of employees;

- > deferred tax liabilities amounting to €7,705 million (€8,314 million at December 31, 2019), a decrease of €609 million due to adverse exchange rate developments in Latin America, the impairment of the coal-fired Bocamina II plant in Chile and the decrease in deferred taxation at Enel Global Trading connected with changes in the fair value of cash flow hedge derivatives.

Other non-current liabilities amounted to €12,814 million (€12,414 million at December 31, 2019), an increase of €400 million, largely reflecting the increase in the fair value of financial derivatives (€836 million), essentially in respect of cash flow hedge derivatives (€707 million) and derivatives at FVTPL (€128 million). These factors were partly offset by a reduction in other non-financial liabilities (€436 million), mainly in respect of:

- > exchange rate changes that reduced liabilities by €725 million;
- > a decrease of €82 million in liabilities in respect of contracts with customers, primarily regarding electricity grid connection services;
- > an increase of €315 million in liabilities in respect of the outcome of the PIS/COFINS dispute in Brazil (already discussed under "Other non-current assets").

8.f Current liabilities - €40,396 million

Short-term borrowings and current portion of long-term borrowings increased by €3,796 million. The change was connected with:

- > an increase of €3,774 million in short-term financing, mainly accounted for by:
 - an increase in commercial paper issues (€3,499 million);
 - an increase in short-term bank borrowings (€418 million);
 - a reduction in short-term financing for cash flows to be paid to factoring companies (€146 million);

- > an increase of €22 million in the short-term portion of long-term financing, primarily reflecting:
 - a decrease in bonds (€515 million), mainly due to repayments of maturing securities;
 - an increase in bank borrowings (€564 million).

Trade payables amounted to €10,001 million (€12,960 million at December 31, 2019), down €2,959 million, reflecting normal developments in the supply chain, accentuated by a decline in costs for electricity provisioning and exchange rate developments in Latin America.

Other current liabilities break down as follows:

Millions of euro	at Sept. 30, 2020	at Dec. 31, 2019	Change	
Payables due to customers	1,515	1,669	(154)	-9.2%
Payables due to institutional market operators	4,685	4,507	178	3.9%
Current financial liabilities	4,354	4,308	46	1.1%
Payables due to employees and social security institutions	565	707	(142)	-20.1%
Tax payables	3,186	1,291	1,895	-
Other	4,968	7,720	(2,752)	-35.6%
Total	19,273	20,202	(929)	-4.6%

The change in the period is essentially due:

- > a reduction in other items, mainly reflecting:
 - the payment of dividends during the first nine months of 2019;
 - the full repayment of the liability associated with the purchase, through financial intermediaries (share swaps), of additional shares in Enel Américas and Enel Chile;
 - the reduction in liabilities from contracts with customers;
- > a reduction in payables due to customers, above all in Italy, essentially due to a decrease in security deposits from customers (€45 million) as well as a decline in sundry payables due to customers (€109 million), in line with the decrease the number of customers served;
- > a decrease in payables due to employees and social security institutions, mainly in Italy and Latin America.

These effects were only partially offset by:

- > an increase in tax payables, primarily regarding payables in respect of value added tax and estimated income taxes for the period, taking account of periodic payment arrangements;
- > an increase in payables due to institutional market operators, which mainly concerned Spain, with particular regard to the payable due to the Spanish regulator CNMC (*Comisión Nacional de los Mercados y la Competencia*), taking account of periodic payment arrangements;
- > an increase in current financial liabilities, largely attributable to the increase in FVTPL derivatives (€350 million), offset by a reduction in derivatives designated as cash flow hedges (€145 million), a reduction in accrued financial liabilities (€130 million) and a decrease in financial payables due to the Spanish electricity system (€29 million).

8.g Liabilities held for sale - €2 million

The change for the period is due to the sale of the Rionegro plant in Colombia, which was classified under this item and sold in the first nine months of 2020.

9. Net financial position

Pursuant to the CONSOB instructions of July 28, 2006, the following table reports the net financial position at September 30, 2020 and December 31, 2019, reconciled with net fi-

ancial debt as prepared in accordance with the presentation procedures of the Enel Group.

Millions of euro	at Sept. 30, 2020	at Dec. 31, 2019	Change	
Cash and cash equivalents on hand	26	87	(61)	-70.1%
Bank and post office deposits	5,325	7,910	(2,585)	-32.7%
Other investments of liquidity	217	1,032	(815)	-79.0%
Securities	70	51	19	37.3%
Liquidity	5,638	9,080	(3,442)	-37.9%
Short-term financial receivables	2,910	2,522	388	15.4%
Current portion of long-term financial receivables	1,623	1,585	38	2.4%
Current financial receivables	4,533	4,107	426	10.4%
Bank debt	(997)	(579)	(418)	-72.2%
Commercial paper	(5,783)	(2,284)	(3,499)	-
Current portion of long-term bank borrowings	(1,685)	(1,121)	(564)	-50.3%
Bonds issued (current portion)	(1,391)	(1,906)	515	27.0%
Other borrowings (current portion)	(358)	(382)	24	6.3%
Other short-term financial payables ⁽¹⁾	(925)	(1,101)	176	16.0%
Total current financial debt	(11,139)	(7,373)	(3,766)	-51.1%
Net current financial position	(968)	5,814	(6,782)	-
Debt to banks and financing entities	(8,420)	(8,407)	(13)	-0.2%
Bonds	(40,253)	(43,294)	3,041	7.0%
Other borrowings	(2,400)	(2,473)	73	3.0%
Non-current financial position	(51,073)	(54,174)	3,101	5.7%
NET FINANCIAL POSITION as per CONSOB instructions	(52,041)	(48,360)	(3,681)	-7.6%
Long-term financial receivables and securities	3,088	3,185	(97)	-3.0%
NET FINANCIAL DEBT	(48,953)	(45,175)	(3,778)	-8.4%

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

Other information

10. Related parties

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

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

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

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

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

The following tables summarize transactions with related parties, associated companies and joint arrangements carried out in the first nine months of 2020 and 2019 and outstanding at September 30, 2020 and December 31, 2019.

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Income statement					
Total revenue	-	537	1,824	216	137
Financial income	-	-	-	-	-
Purchases of electricity, gas and fuel	1,421	1,443	781	-	1
Costs for services and other materials	2	26	1,856	2	72
Other operating expenses	1	138	6	-	-
Net income/(expense) from commodity risk management	-	-	2	-	-
Financial expense	-	-	10	-	-

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Balance sheet					
Other non-current asset	-	-	-	-	-
Trade receivables	-	39	551	15	36
Other current assets	-	24	65	77	2
Other non-current liabilities	-	-	3	-	5
Long-term borrowings	-	-	670	-	-
Current portion of long-term borrowings	-	-	89	-	-
Trade payables	577	71	800	1,434	23
Other current liabilities	-	-	20	-	14
Other information					
Guarantees given	-	250	324	-	150
Guarantees received	-	-	148	-	36
Commitments	-	-	116	-	3

Key management personnel	Total first nine months 2020	Associates and joint arrangements	Overall total first nine months 2020	Total in financial statements	% of total
-	2,714	155	2,869	48,050	6.0%
-	-	48	48	3,239	1.5%
-	3,646	142	3,788	17,942	21.1%
-	1,958	103	2,061	13,594	15.2%
-	145	-	145	1,661	8.7%
-	2	-	2	(552)	-0.4%
-	10	37	47	4,964	0.9%

Key management personnel	Total at Sept. 30, 2020	Associates and joint arrangements	Overall total at Sept. 30, 2020	Total in financial statements	% of total
-	-	24	24	18,405	0.1%
-	641	246	887	11,527	7.7%
-	168	90	258	14,089	1.8%
-	8	168	176	12,814	1.4%
-	670	-	670	51,073	1.3%
-	89	-	89	3,431	2.6%
-	2,905	71	2,976	10,001	29.8%
-	34	38	72	19,273	0.4%
-	724	-	724		
-	184	-	184		
-	119	-	119		

Millions of euro

	Single Buyer	EMO	Cassa Depositi e Prestiti Group	ESO	Other
Income statement					
Total revenue	-	1,056	1,622	210	136
Financial income	-	-	-	-	-
Purchases of electricity, gas and fuel	2,067	2,411	601	425	-
Costs for services and other materials	1	42	2,052	3	67
Other operating expenses	2	167	4	1	-
Net income/(expense) from commodity risk management	-	-	11	-	-
Financial expense	-	-	11	-	-

Millions of euro

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

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries (available at <https://www.enel.com/investors/governance/committees>) in implementation of the provisions of Article 2391-bis of the Italian Civil Code and

the implementing regulations issued by CONSOB. In the first nine months of 2020, no transactions were carried out for which it was necessary to make the disclosures required in the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended with Resolution no. 17389 of June 23, 2010.

Key management personnel	Total first nine months 2019	Associates and joint arrangements	Overall total first nine months 2019	Total in financial statements	% of total
-	3,024	215	3,239	59,332	5.5%
-	-	78	78	3,640	2.1%
-	5,504	133	5,637	24,921	22.6%
-	2,165	102	2,267	14,336	15.8%
-	174	-	174	1,932	9.0%
-	11	(3)	8	(3,026)	-0.3%
-	11	11	22	5,545	0.4%

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

11. Contractual commitments and guarantees

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

Millions of euro	at Sept. 30, 2020	at Dec. 31, 2019	Change
Guarantees given:			
- sureties and other guarantees granted to third parties	11,893	11,078	815
Commitments to suppliers for:			
- electricity purchases	67,054	97,472	(30,418)
- fuel purchases	41,702	48,016	(6,314)
- various supplies	1,630	1,034	596
- tenders	3,364	3,522	(158)
- other	4,562	3,391	1,171
Total	118,312	153,435	(35,123)
TOTAL	130,205	164,513	(34,308)

Commitments for electricity amounted to €67,054 million at September 30, 2020, of which €16,719 million refer to the period October 1, 2020-2024, €16,142 million to the period 2025-2029, €13,175 million to the period 2030-2034 and the remaining €21,018 million beyond 2034. Compared with the figures at December 31, 2019, the decrease of €30,418 million essentially reflects the impact of exchange rate changes for companies operating in Latin America, especially in Brazil.

Commitments for the purchase of fuels are determined with reference to the contractual parameters and exchange rates applicable at the end of the period. At September 30, 2020, they amounted to €41,702 million, of which €21,043 million refer to the period October 1, 2020-2024, €11,794 million to the period 2025-2029, €6,028 million to the period 2030-2034 and the remaining €2,837 million beyond 2034.

12. Contingent assets and liabilities

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

Brindisi Sud thermal generation plant - Criminal proceedings against Enel employees

With regard to the appeal lodged with the Court of Cassation on June 22, 2019 against the ruling of the Lecce Court of Appeal of February 8, 2019 concerning the criminal proceeding against a number of Enel Produzione employees on charges of criminal damage and dumping of hazardous substances with regard to the alleged contamination of land adjacent to the Brindisi Sud thermal plant with coal dust, the hearing initially scheduled for April 24, 2020 was postponed until October 1, 2020 owing to the COVID-19 health emergency. On that date, the Court of Cassation voided the ruling of the Court of Appe-

al of Lecce, with referral to another section of the same court for a new proceeding.

With regard to the proceedings before the Court of Vibo Valentia involving a number of Enel Produzione employees on charges of illegal waste disposal in connection with alleged violations concerning the disposal of waste from the Brindisi plant, the prosecution's expert witness testified at the hearing of February 24, 2020. Following the postponement of hearings in all criminal and civil proceedings as part of the measures to counter COVID-19, the hearings in this case resumed on September 7, 2020, when a number of the witnesses of the co-defendants testified. On October 22, 2020, an additional hearing was held to hear witness testimony, with arguments to continue at a hearing already scheduled for November 19, 2020.

Enel Energia and Servizio Elettrico Nazionale antitrust proceeding

With regard to the appeal proceedings pending before the Council of State against the rulings of the Lazio Regional Administrative Court of October 7, 2019, at the trial hearing of May 21, 2020, the rulings taken up for decision. With an order of July 20, 2020, the Council of State (accepting a subordinate petition from the counsel defending the three companies), after the joinder of the three judgments, suspended the judgment and ordered that the issue be submitted for a preliminary ruling before the Court of Justice of the European Union (CJEU) pursuant to Article 267 of the Treaty on the Functioning of the European Union (TFEU), formulating a number of questions aimed at clarifying the interpretation of the concept of "abuse of a dominant position" to be applied to the present case. On September 11 and 18, 2020, the CJEU notified Enel Energia (EE) and Servizio Elettrico Nazionale (SEN) and Enel, respectively, of the initiation of a proceeding pursuant to Article 267 TFEU and that, within a time limit of 70 days from the notices, the three companies have the right to present written briefs on the issues of interpretation submitted by the Council of State to the CJEU.

Pending the opening of the proceedings before the CJEU, Enel, EE and SEN filed a new precautionary petition to the Council of State asking for the suspension of the enforceability of the contested ruling of the Regional Administrative Court, with the hearing to argue the petition being scheduled for November 3, 2020. In parallel, in the first ten days of September the aforementioned companies also presented three separate extraordinary appeals to the Head of State asking for the voidance of the Competition Authority measure of April 3, 2020 denying the request for remission in terms of the payment of the fine presented in the previous month by the companies of the Enel Group.

BEG litigation

Italy

With regard to the proceeding initiated by Enel SpA and Enelpower SpA currently pending before the Rome Court of Appeal asking the Court to ascertain the liability of BEG SpA for having evaded compliance with the arbitration ruling issued in Italy in favor of Enelpower SpA through the legal action taken by Albania BEG Ambient Shpk, the hearing scheduled for May 7, 2020 was postponed until February 18, 2021 owing to the COVID-19 health emergency.

France

With regard to the proceeding initiated by Albania BEG Ambient Shpk to render the ruling of the Albanian court enforceable in France, the hearing before the Paris Court of Appeal was scheduled for February 2, 2021 and the exchange of briefs between the parties was concluded.

The Netherlands

With regard to suit filed by Albania BEG Ambient Shpk to render the ruling of the Albanian court enforceable in the Netherlands, on December 3, 2019, the Amsterdam Court of Appeal issued a ruling in which it quashed the trial court judgment of June 29, 2016, rejecting any claim made by Albania BEG Ambient Shpk. The Court came to this conclusion after affirming its jurisdiction over Albania BEG Ambient Shpk's subordinate claim and re-analyzing the merits of the case under Albanian law. Enel and Enelpower are therefore not liable to pay any amount to Albania BEG Ambient Shpk, which was in fact ordered by the Court of Appeal to reimburse the appellant companies for the losses incurred in illegitimate conservative seizures, to be quantified as part of a specific procedure, and the costs of the trial and appeal proceedings. On March 3, 2020, it was learned that Albania BEG Ambient Shpk had filed an appeal with the Supreme Court of the Netherlands. On April 3, 2020, Enel and Enelpower appeared before the Supreme Court. The parties completed the exchange of briefs on July 17, 2020 and on August 28, 2020 the Supreme Court ordered the Attorney General to issue an opinion on January 8, 2021.

Bono social - Spain

Regarding the request for a preliminary ruling submitted by the Spanish Supreme Court before the Court of Justice of the European Union (CJEU) following the acceptance of the two appeals lodged by the government before the Constitutional Court, the CJEU had initially set October 8, 2020 as the date for the oral discussion of the preliminary ruling, which was however subsequently suspended due to the containment measures introduced in response to the COVID-19 emergency. The CJEU has yet to set a new date for the hearing.

Cibran litigation - Brazil

With regard to the first of six suits filed in 1999 regarding the years from 1995 to 1999 by Cibran against Ampla to obtain damages for alleged losses incurred as a result of the interruption of electricity service by the Brazilian distribution company, on December 16, 2016, Cibran filed an appeal (*Recurso Especial*) against the ruling in Ampla's favor before the *Tribu-*

nal Superior de Justiça, which was denied on June 19, 2020. That ruling took definitive effect on August 24, 2020.

With regard to the second suit, filed in 2006 regarding the years from 1987 to 1994, On November 25, 2019, Cibran filed an appeal against the ruling of the *Tribunal de Justiça* of Rio de Janeiro, which was provisionally denied on September 10, 2020.

Fortaleza - Brazil

With regard to the appeals filed by Central Geradora Termelétrica Fortaleza (CGTF) against the ruling of February 27, 2018 to extinguish the action initiated by CGTF before the ordinary courts and, consequently, to revoke the precautionary measure that had permitted the supply of gas, making it possible to obtain a second favorable ruling but which was subsequently revoked and again appealed by CGTF, the proceeding lapsed following a settlement agreement between the parties reached on August 28, 2020, which terminated all outstanding disputes.

Under the agreement, on September 5, 2020, the arbitration proceeding initiated by Petrobras at the end of January 2018 against CGTF involving the same claims concerning the gas contract was formally completed.

With regard to precautionary measures, the settlement agreement of August 28, 2020 also extinguished the two different types of extraordinary appeal filed by Petrobras with the Supreme Court and the Federal Court of Brasília.

El Quimbo - Colombia

With regard to the so-called "*acciones populares*" (class action suit) filed against the El Quimbo project in 2008 by a number of inhabitants of the area, calling for, among other things, the suspension of the environmental permit, on September 11, 2020, the Court of Huila issued an unfavorable ruling against Emgesa, ordering it to fulfill the obligations already provided for in the environmental permit. The National Environmental Licensing Agency has submitted a request for clarification of the ruling.

Arbitration proceedings in Colombia

With regard to the arbitration proceedings initiated against Codensa and Emgesa by the Grupo Energía de Bogotá (GEB) and now joined into two separate proceedings for each company, on February 24, 2020, GEB filed a revision of the arbitration petition filed against Emgesa, including, among other

things, claims concerning the failure to pursue the corporate purpose and abuse of the exercise of voting rights by Enel Américas and its directors. Emgesa filed a defense brief challenging GEB's new claims. Both of the two suits launched against Emgesa and Codensa are currently suspended due to negotiations by agreement of the parties. The value of the disputes is undetermined and the proceedings are both in the preliminary phase.

Gabčíkovo dispute - Slovakia

With regard to the proceeding to void the VEG Indemnity Agreement, the appeal filed by Vodohospodárska Výstavba Štátny Podnik (VV) was denied, upholding the trial court decision in favor of Slovenské elektrárne (SE). VV filed a further appeal (*dovolanie*) against that decision on March 9, 2020, to which SE replied with a brief submitted on June 8, 2020.

With regard to the suits filed by VV against SE for alleged unjustified enrichment on the part of the latter (estimated at about €360 million plus interest) for the period from 2006 to 2015: (i) for 2006, 2007 and 2008, at the hearing of June 26, 2019, the Court of Bratislava denied the claims of both parties for procedural reasons. The ruling in first instance was appealed by both VV and SE and the appeals concerning 2006 and 2008 are pending. As regard the appeal regarding 2007, in November 2019, SE had filed a request for a preliminary ruling that was denied by the Court of Appeal on January 15, 2020. On August 18, 2020, SE filed an appeal with the Constitutional Court; (ii) for the proceeding regarding 2009, the Court of Bratislava had initially set the date of the first hearing for October 13, 2020, which was then postponed until November 24, 2020; (iii) for the proceeding regarding 2011, the court scheduled the first hearing for November 19, 2020; (iv) with regard to the proceeding concerning 2010 and 2013, the exchange of final pleadings was completed and the hearing of the court of first instance, initially scheduled for May 12, 2020, was postponed until October 6, 2020. On that date, VV asked for the hearing to be postponed until November 6, 2020; and (v) with regard to the proceeding concerning 2014, the hearing of the court of first instance scheduled for October 6, 2020 was postponed until November 6, 2020. Finally, in the proceeding brought by VV before the Court of Bratislava asking for SE to return the fee for the transfer from SE to VV of the technology assets of the Gabčíkovo plant, at the hearing of October 1, 2020, the parties filed their final pleadings and the court set the date for the ruling at November 2, 2020.

Precautionary administrative proceeding and Chucas arbitration

The “*recurso de aclaración y adición*” filed by Chucas on September 11, 2019 with the Supreme Court of Costa Rica was partially upheld on June 8, 2020. The Court’s decision expanded on the ruling of September 5, 2019 with information concerning the admission of evidence deposited by Chucas without, however, modifying the decision concerning the voidance of the arbitration award. On July 15, 2020, Chucas filed a request for arbitration with the Costa Rican-American Chamber of Commerce (AMCHAM CICA) with an estimated value of about \$240 million. On August 14, 2020, the Costa Rican Electricity Institute (ICE) filed a response to Chucas’s arbitration request, requesting the dismissal of the proceeding for a lack of jurisdiction of the arbitration panel. The petition was denied by AMCHAM CICA. In parallel, ICE filed precautionary appeals with the *Tribunal Contencioso Administrativo* against Chucas and the AMCHAM CICA calling for a suspension of the arbitration proceedings under way. The court accepted these appeals on a provisional basis and the arbitration proceeding is currently suspended.

GasAtacama Chile - Chile

On January 15, 2020 the Supreme Court of Chile issued a ruling upholding the decision of the Santiago Court of Appeal reducing the fine levied on GasAtacama Chile by the *Superintendencia de Electricidad y Combustibles* (SEC) on August 4, 2016 concerning information provided by GasAtacama Chile to the *Centro de Despacho Económico de Carga* (CDEC-

SING) between January 1, 2011 and October 29, 2015 from about \$6 million to around \$300,000. The decision became definitive and on March 12, 2020, GasAtacama Chile paid the fine in the amount confirmed by the Supreme Court of Chile. With regard to the suits filed in relation to the above issue by a number of operators of the *Interconectado del Norte Grande* (SING) System, including Aes Gener SA, Eléctrica Angamos SA and Engie Energía Chile SA asking for damages in the amount of about €58 million for the former and about €141 million for the latter, which were subsequently combined into a single proceeding, the preliminary phase is currently suspended due to the state of national emergency imposed in response to the COVID-19 pandemic.

Kino arbitration - Mexico

On September 16, 2020, Kino Contractor SA de Cv (Kino Contractor), Kino Facilities Manager SA de Cv (Kino Facilities) and Enel SpA were notified of a request for arbitration filed by Parque Solar Don José SA de Cv, Villanueva Solar SA de Cv and Parque Solar Villanueva Tres SA de Cv (together, “Project Companies”) alleging the violation of certain provisions of the EPC Contract and the Asset Management Agreement signed respectively with Kino Contractor and Kino Facilities.

The Project Companies, in which Enel Green Power SpA is a minority shareholder, are controlled by Caisse de Dépôt et Placement du Québec (CDPQ) and CKD Infraestructura México SA de Cv (CKD IM). The proceeding is in the preliminary phase and the formation of the arbitration panel is in progress. The claim is provisionally quantified at about \$140 million.

13. Subsequent events

Purchase of treasury shares serving 2020 Long-Term Incentive Plan

On October 6, 2020 Enel SpA announced that between September 28 and October 2, 2020 it had acquired 290,052 treasury shares at a volume-weighted average price of €7.4466 per share on the Mercato Telematico Azionario organized and operated by Borsa Italiana SpA (MTA), for a total of €2,159,909.564.

Subsequently, the Company announced on October 13, October 20, October 27 and October 30, 2020 that it had also acquired on the MTA:

- > between October 5 and October 9, 2020, 251,840 treasury shares at a volume-weighted average price of €7.3988 per share for a total of €1,863,301.419;
- > between October 12 and 16, 2020, 56,420 treasury shares at a volume-weighted average price of €7.5214 per share for a total of €424,355.423;
- > between October 19 and 23, 2020, 18,411 treasury shares at a volume-weighted average price of €7.5229 per share for a total of €138,503.740;
- > between October 26 and 28, 2020, 93,177 treasury shares at a volume-weighted average price of €7.2462 per share for a total of €675,174.534.

The transactions follow up on the announcement on July 29, 2020 concerning the start of a share buyback program, implementing the authorization granted by the Shareholders' Meeting on May 14, 2020 in order to serve the 2020 Long-Term Incentive Plan. As a result of the above transactions, the Program initiated on September 3, 2020, can be considered completed, with the purchase of a total of 1,720,000 Enel shares (equal to 0.016918% of share capital), at a volume-weighted average price of €7.4366 per share for a total of €12,790,870.154.

Considering treasury shares already held in its portfolio, at October 28, 2020, Enel held a total of 3,269,152 treasury shares, equal to 0.032156% of share capital.

Enel successfully launches a £500 million “Sustainability-Linked Bond”, the first sterling-denominated bond of its kind

On October 13, 2020, Enel Finance International NV placed the sterling market's first “Sustainability-Linked Bond”, which is linked to the achievement of Enel's sustainable objective for consolidated installed renewable capacity as a percentage of total consolidated installed capacity, in line with the commitment to achieving the United Nations Sustainable Development Goals.

The issue of £500 million (about €550 million), which is guaranteed by Enel, was targeted at institutional investors and was oversubscribed by almost six times, with total orders of approximately £3 billion and the significant participation of Socially Responsible Investors (SRI), allowing the Enel Group to continue to diversify its investor base.

Enel signs contract for a €1 billion “Sustainability-Linked Loan”

On October 16, 2020, Enel SpA (Enel) signed a €1 billion “Sustainability-Linked Loan” facility agreement with a 6-year term. Structured as a club deal maturing on October 15, 2026, the loan is intended to meet the Group's ordinary financing needs and follows the adoption by Enel of a “Sustainability-Linked Financing Framework” (the Framework), a world's first framework, reviewed by the second-party provider Vigeo Eiris, that presents the entire “Sustainability-Linked” financing strategy across multiple funding solutions (commercial paper, loans and bonds), fully integrating sustainability into the Group's global funding program. The Framework is aligned with the International Capital Market Association's (ICMA) “Sustainability-Linked Bond Principles” and Loan Market Association's (LMA) “Sustainability-Linked Loan Principles”.

In line with the Framework, the loan is linked to the key performance indicator (KPI) of Installed Renewable Capacity Percentage (i.e., consolidated installed renewable capacity as a percentage of total consolidated installed capacity) and to the related achievement of a Sustainability Performance Target (SPT) equal to or greater than 60% by December 31, 2022 (as of June 30, 2020, the figure was equal to 51.9%). Based on the achievement of the SPT by the target date, the credit line provides for a step-up/step-down mechanism that will

impact the interest spread applied to drawings on the line, thus reflecting the value of sustainability. The loan reflects the commitment of Enel, leading private electricity company in the world by installed renewable capacity, to contribute to the achievement of SDG 7.2, i.e. to “increase substantially the share of renewable energy in the global energy mix by 2030.” The signing of this loan is in line with Enel’s financial strategy, which is increasingly characterized by sustainable finance as reflected by the objective to achieve a share of sustainable finance sources on total gross debt equal to 43% in 2022 and 77% in 2030.

Enel launches a consent solicitation for holders of certain hybrid bonds

On October 23, 2020, Enel announced that it had launched a consent solicitation addressed to the holders of a number of subordinated non-convertible hybrid bonds issued by the Company in order to align the terms and conditions of the bonds with those of the perpetual subordinated, non-conver-

tible hybrid bond launched by Enel on September 1, 2020. To this end, the Company called the Meetings of the noteholders of the following bonds, with a total outstanding amount of about €1,797 million (the Bonds), at first and single call on November 26, 2020:

- a) €1,250,000,000 maturing January 10, 2074 with €297,424,000 in circulation (ISIN: XS0954675129);
- b) €750,019,000 maturing November 24, 2078 with €750,019,000 in circulation (ISIN: XS1713463716);
- c) €750,000,000 maturing November 24, 2081 with €750,000,000 in circulation (ISIN: XS1713463559).

The proposed changes to the terms and conditions of the Bonds, submitted for approval by the aforementioned Meetings, establish that (i) the Bonds, which currently have a specified long-term maturity date, would become due and payable and hence have to be repaid by the Company only in the event of winding up or liquidation of the Company; and (ii) the events of default, envisaged in the terms and conditions and additional documentation that regulate the Bonds, would be eliminated.

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

The officer responsible for the preparation of the Company's financial reports, Alberto De Paoli, hereby certifies, pursuant to Article 154-*bis*, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information con-

tained in the Interim Financial Report at September 30, 2020 corresponds with that contained in the accounting documentation, books and records.

Concept design and realization
HNTO – Gruppo HDRÀ ADV

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Enel Società per azioni
Registered Office 00198 Rome - Italy
Viale Regina Margherita, 137
Stock Capital Euro 10,166,679,946 fully paid-in
Companies Register of Rome and Tax I.D. 00811720580
R.E.A. of Rome 756032 VAT Code 00934061003

© ENEL SpA
00198 Roma, Viale Regina Margherita, 137





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