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PRESS RELEASE

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ENEL, NET ORDINARY INCOME UP 17.4%

Consolidated financial highlights

- **Revenues**: 80,327 million euros (75,575 million euros in 2018, +6.3%)
  - *the increase in revenues is mainly attributable to Infrastructure and Networks operations, in particular in Latin America, due to the contribution of Enel Distribuição São Paulo in Brazil and the resolution of previous regulatory issues in Argentina, as well as to Thermal Generation and Trading in Italy, reflecting an increase in trading activities and the effects connected with the application of recent IFRIC[1] interpretations*

- **EBITDA**: 17,704 million euros (16,351 million euros in 2018, +8.3%)

- **Ordinary EBITDA**: 17,905 million euros (16,158 million euros in 2018, +10.8%) net of extraordinary items in the two periods under review
  - *the growth was driven by Infrastructure and Networks operations in Latin America, which benefited from the performance of Enel Distribuição São Paulo and the resolution of previous regulatory issues in Argentina, as well as the increase in margins in Thermal Generation and Trading operations in Spain and Brazil*

- **Group net income**: 2,174 million euros (4,789 million euros in 2018, -54.6%), essentially reflecting the impairment recognized on a number of coal-fired plants

- **Group net ordinary income**: 4,767 million euros (4,060 million euros in 2018, +17.4%) net of extraordinary items in the two periods under review
  - *the increase reflects the improvement in ordinary operating performance*

- **Net financial debt**: 45,175 million euros (41,089 million euros at the end of 2018, +9.9%)
  - *the increase mainly reflects capital expenditure for the period, adverse exchange rate developments and initial application of IFRS 16*

- A total **dividend** proposed for 2019 of 0.328 euros per share (of which 0.16 euros per share already paid as an interim dividend in January 2020)

[1] International Financial Reporting Interpretations Committee

2019 results and objectives of the Group's strategic plan

- **2019 results in line with Group guidance**
  - Networks, renewables and retail again the drivers of growth for the Group
  - Ordinary EBITDA and net ordinary income up by 11% and 17% respectively

- The Group achieved all its strategic objectives for 2019, making the following progress on Group strategy:

  1. Record renewable capacity, with more than 3 GW of new capacity built in 2019, alongside a reduction of 4.1 GW in coal generation;
  2. Increase of 1.2 million customers on the free market, for a total of 17.2 million by December 2019. Increase in second-generation smart meters to 13.1 million, 5.9 million more than 2018;
  3. Operating expenditure fell by 1% in nominal terms, led primarily by overall efficiency gains of about 313 million euros;
  4. The total dividend proposed for 2019 is 0.328 euros per share, 17% more than the dividend paid in 2018.

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Rome, March 19th, 2020 – The Board of Directors of Enel S.p.A. ("Enel" or "the Company"), chaired by Patrizia Grieco, today approved the results for 2019.

Consolidated financial highlights for 2019

REVENUES

The following table reports revenues by **business line**:

Revenues *(millions of euros)*	**2019**	**2018**	**Change**
Thermal Generation and Trading	32,051	27,607	16.1%
Enel Green Power	7,733	8,056	-4.0%
Infrastructure and Networks	21,789	19,968	9.1%
End-user markets	32,544	33,771	-3.6%
Enel X	1,130	1,006	12.3%
Services	1,981	1,938	2.2%
Other, eliminations and adjustments	(16,901)	(16,771)	-0.8%
TOTAL	**80,327**	**75,575**	**6.3%**

- **Revenues in 2019** amounted to 80,327 million euros, an increase of 4,752 million euros (+6.3%) compared with 2018. The increase mainly reflected (i) an increase in revenues of **Infrastructure and Networks**, which benefitted from the June 2018 acquisition of Enel Distribuição São Paulo (1,148 million euros) and the agreement between Edesur and the Argentine government to settle previous regulatory issues (233 million euros); (ii) an increase in revenues from **Thermal Generation and Trading** operations in Italy as a result of increased trading and the effects of the application of recent IFRIC interpretations (3,028 million euros). This positive effect was only partly offset by a decrease in revenues in **End-user markets** in Spain and Italy.
  Other factors include exchange rate losses of 758 million euros, notably in Latin America.

- **Extraordinary items** in revenues in **2019** included the gain of 108 million euros on the disposal of Mercure S.r.l., a vehicle company to which Enel Produzione had previously transferred the Valle del Mercure biomass plant, and 50 million euros in respect of the payment provided for in the agreement reached by e-distribuzione with F2i and 2i Rete Gas for the early all-inclusive settlement of the second indemnity connected with the sale in 2009 of e-distribuzione's interest held in Enel Rete Gas. **Extraordinary items** in revenues in **2018** included 128 million euros in respect of the above agreement reached by e-distribuzione with F2i and 2i Rete Gas and the gain on the sale of EF Solare Italia (65 million euros).

EBITDA and ORDINARY EBITDA

The following table reports EBITDA by **business line**:

EBITDA (*millions of euros*)	2019	2018	Change
Thermal Generation and Trading	1,395	1,117	24.9%
Enel Green Power	4,604	4,608	-0.1%
Infrastructure and Networks	8,278	7,539	9.8%
End-user markets	3,287	3,079	6.8%
Enel X	158	124	27.4%
Services	126	85	48.2%
Other, eliminations and adjustments	(144)	(201)	28.4%
TOTAL	**17,704**	**16,351**	**8.3%**

The following table reports ordinary EBITDA by **business line**:

Ordinary EBITDA (*millions of euros*)	2019	2018	Change
Thermal Generation and Trading	1,616	1,117	44.7%
Enel Green Power	4,634	4,543	2.0%
Infrastructure and Networks	8,228	7,411	11.0%

End-user markets	3,287	3,079	6.8%
Enel X	158	124	27.4%
Services	126	85	48.2%
Other, eliminations and adjustments	(144)	(201)	28.4%
TOTAL	**17,905**	**16,158**	**10.8%**

Ordinary EBITDA amounted to 17,905 million euros in 2019, an increase of 1,747 million euros on 2018 (+10.8%).
Extraordinary items in 2019 that impact EBITDA include: (i) the gain on the disposal of Mercure S.r.l. referred to under revenues, net of charges for the restoration of the plant site in the amount of 14 million euros; (ii) the impairment of fuel and materials/spare part inventories used in the operation of a number of coal-fired plants in Italy and Spain in the total amount of 308 million euros; and (iii) 50 million euros in respect of the payment provided for in the agreement reached by e-distribuzione with F2i and 2i Rete Gas for the early all-inclusive settlement of the second indemnity connected with the sale in 2009 of e-distribuzione's interest in Enel Rete Gas; (iv) the adjustment to fair value of the purchase price of the Greek company Kafireas in the amount of 30 million euros; and (v) ancillary charges of 7 million euros connected with the impairment of the Reftinskaya coal-fired plant in Russia, whose sale was completed in the fourth quarter of 2019.
In 2018, extraordinary items included 128 million euros in respect of the payment provided for in the agreement reached by e-distribuzione with F2i and 2i Rete Gas and the gain of 65 million euros on the disposal of EF Solare Italia.

The increase in ordinary EBITDA is mainly attributable to:

- the growth of **Infrastructure and Networks** operations in the amount of 817 million euros, mainly attributable to (i) distribution activities in Latin America (494 million euros), thanks in particular to the contribution of Enel Distribuição São Paulo and the aforementioned agreement between Edesur and the local government to settle reciprocal pending issues originated in the period from 2006 to 2016, as well as (ii) rate increases in Brazil, Peru and Argentina and (iii) the decrease in charges associated with the purchase of energy efficiency certificates in Italy;
- the increase of 499 million euros posted by **Thermal Generation and Trading**, related essentially to operations (i) in Spain (270 million euros), due to higher production of energy from nuclear as well as to the impact from the suspension of taxes on thermal and nuclear generation and (ii) in Latin America (150 million euros), thanks to the increase in margins recorded by the Fortaleza plant in Brazil and to the recognition of an indemnity for early termination of an electricity supply contract in Chile (80 million euros);
- the 208 million euro increase in the margin of **End-user markets**, mainly due to the acquisition of Enel Distribuição São Paulo in Latin America (86 million euros), operating efficiency in Italy and improved margins registered in Italy and Spain, mainly related to lower energy purchase costs, which more than offset the decrease in volumes sold;
- the 91 million euro increase in the margin of **Enel Green Power**. The increase in the margin is mainly attributable to the indemnity received for the early withdrawal of a major customer from an electricity supply contract in Chile (80 million euros) and the increase in margins due to rising average prices applied, despite the decrease in sales volumes. These effects more than offset capital gains recognized in 2018 for the sale of a number of companies in Mexico and the sale of EFSI in Italy;
- the 34 million euro increase in the margin posted by **Enel X**, mainly reflecting the adjustment of the price for the purchase of eMotorWerks in 2017.

The changes commented above reflect a decrease in costs for lease payments in the amount of 224 million euros, since following the application of IFRS 16 these payments are recognized as right-of-use assets under leased property, plant and equipment and depreciated over the term of the associated leases.

EBIT

The following table reports EBIT by **business line**

EBIT (*millions of euros*)	**2019**	**2018**	**Change**
Thermal Generation and Trading	(3,494)	(118)	-
Enel Green Power	3,276	3,505	-6.5%
Infrastructure and Networks	5,277	4,787	10.2%
End-user markets	2,163	1,958	10.5%
Enel X	(98)	19	-
Services	(75)	(38)	-97.4%
Other, eliminations and adjustments	(171)	(213)	19.7%
TOTAL	**6,878**	**9,900**	**-30.5%**

EBIT in 2019 amounted to 6,878 million euros, down 3,022 million euros (-30.5%) compared with 2018. More specifically, the improvement in EBITDA was more than offset by the increase in depreciation, amortization and impairment losses, which include the impairment recognized in 2019 on a number of coal-fired plants in Italy, Spain, Chile and Russia, which totaled 4,010 million euros.
More specifically in Chile, in the first half of 2019 two plants were impaired by 356 million euros, also reflecting an agreement with the Chilean government for their early closure, while in Russia, following the sale of the coal-fired Reftinskaya plant, a 127 million euro impairment was recognized to take account of the sale price. In Spain, during the third quarter of 2019 the deterioration in the local operating environment due to developments in commodity prices and the operation of the CO_2 emissions market compromised the competitiveness of coal-fired plants. In Italy, in addition to a deterioration in conditions, the change in the remunerating capacity framework on the Capacity Market envisaged a narrowed scope of future participation in this market for plants with higher levels of CO_2 emissions, providing for the exclusion of coal-fired systems from the electricity market. For these reasons the carrying amounts of certain coal-fired plants in Italy and Spain, also including the associated dismantling costs, were written down by a total of 3,527 million euros.

The change also includes the depreciation charges on rights of use over leased assets, which as from January 1st, 2019 are recognized as leased property, plant and equipment and depreciated over the term of the associated leases in application of IFRS 16 (203 million euros).
These factors were only partially offset by the writeback of 265 million euros recognized on gas plants in Italy following impairment tests carried out on the relevant Cash Generating Unit.

GROUP NET INCOME and NET ORDINARY INCOME

	2019	2018	Change	
Group net income	**2,174**	**4,789**	**(2,615)**	**-54.6%**
Indemnity from disposal of interest in Enel Rete Gas	(49)	(128)	79	61.7%
Disposal of interest in Mercure S.r.l.	(97)	-	(97)	-
Impairment of certain assets held by Slovak Power Holding	38	(646)	684	-
Impairment of fuel and spare parts inventories of a number of coal-fired plants in Italy and in Spain	203	-	203	-
Impairment of a number of coal-fired plants in Italy	1,400	-	1,400	-
Impairment of coal-fired plants in Spain	849	-	849	-
Revaluation of gas-fired plants Italy	(188)	-	(188)	-
Impairment of a number of coal-fired plants in Chile	151	-	151	-
Impairment of Reftinskaya coal-fired plant in Russia	60	-	60	-
Other impairments	226	-	226	-
Impairment of Alcúdia plant (Spain)	-	43	(43)	-
Reversal of impairment on Greece CGU and impairment of a number of wind projects	-	(39)	39	-
Gain on sale of EF Solare Italia	-	(64)	64	-
Impairment of Nuove Energie CGU	-	20	(20)	-
Impairment of biomass and solar plants in Italy	-	85	(85)	-
Group net ordinary income	**4,767**	**4,060**	**707**	**17.4%**

In 2019, **Group net ordinary income** amounted to 4,767 million euros, compared with 4,060 million euros in 2018, an increase of 707 million euros (+17.4%). The increase is mainly attributable to the improvement in ordinary operating performance, as well as to the adjustment of deferred tax liabilities in the two periods under review. These factors more than offset:

- an increase in financial expenses mainly due to the first application of IFRS 16 (54 million euros) and the update of non-current liabilities, including employee benefits in Spain and Latin America, which more than offset the decline in financial expenses on debt;
- a 122 million decrease in the performance of joint ventures in the United States, mainly attributable to the effects of the reacquisition of a number of companies from the EGPNA REP joint venture;
- an increase in the share of profit attributable to non-controlling interests as a result of the increase in the contribution of companies in Latin America to Group performance.

FINANCIAL POSITION

The financial position shows **net capital employed** at December 31st, 2019, including net assets held for sale of 98 million euros, equal to **92,113 million euros** (88,941 million euros at December 31st, 2018), which was funded by:

- **equity** pertaining to shareholders of the Parent Company and non-controlling interests of **46,938 million euros** (47,852 million euros at December 31st, 2018);

- **net financial debt** of **45,175 million euros** (41,089 million euros at December 31st, 2018). The 4,086 million euro increase in net financial debt (+9.9%) is the result of (i) investment for the period, (ii) the first application of IFRS 16, which led to the recognition as of January 1st, 2019 of a financial liability of 1,370 million euros, (iii) the acquisition of a number of companies from EGPNA REP, which in addition to a total payment of 225 million euros included the consolidation of the debt of the companies acquired in the amount of 632 million euros, (iv) adverse exchange rate developments amounting to about 1.1 billion euros and (v) the payment of dividends totaling 3,957 million euros.
  The financial needs related to the abovementioned elements were only partly offset by the positive cash flows generated by operations (11,251 million euros), as well as the disposal of a number of companies of Enel Green Power in Brazil and of Thermal Generation in Italy and Russia (Reftinskaya plant), for a total of 960 million euros.

At December 31st, 2019, the **debt/equity ratio** came to **0.96** (0.86 at December 31st, 2018). The change essentially reflected the increase in debt detailed above.

CAPITAL EXPENDITURE

The following table reports capital expenditure by **business line:**

Capital expenditure (millions of euros)	**2019**	**2018**	**Change**
Thermal Generation and Trading	851	839	1.4%
Enel Green Power	4,293	2,784	54.2%
Infrastructure and Networks	3,905	3,830	2.0%
End-user markets	449	374	20.1%
Enel X	270	183	47.5%
Services	134	106	26.4%
Other, eliminations and adjustments	45	36	25.0%
TOTAL [1]	**9,947**	**8,152**	**22.0%**

[1] The figure for 2019 does not include 4 million euros regarding units classified as “held for sale” (378 million euros at December 31st, 2018).

Capital expenditure amounted to 9,947 million euros in 2019, an increase of 1,795 million euros on 2018 (+22%). The growth is essentially connected with the increase in works on distribution grids in Italy and greater investment in wind and solar plants in Spain, Greece, Russia, the United States, Canada, South Africa and Brazil.

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Parent Company's 2019 results

In its capacity as an industrial holding company, the Parent Company Enel sets strategic targets for the Group and coordinates the activities of its subsidiaries. The activities that Enel performs as part of its management and coordination function for the other Group companies comprise holding company activities (coordination of governance processes). Within the Group, Enel also directly manages central treasury operations, ensuring access to the money and capital markets, and handles insurance risk coverage.

Millions of euros	2019	2018	Change
Revenues	114	53	115.09%
EBITDA	(147)	(223)	34.08%
EBIT	(382)	108	-
Net financial expenses and income from equity investments	5,124	3,164	61.95%
Net income for the period	4,792	3,456	38.66%
Net financial debt at December 31st	16,750	15,490	8.13%

Financial highlights for the Parent Company in 2019:

- **Revenues amounted to 114 million euros** and were essentially generated by services rendered to subsidiaries as part of the Parent Company's policy-making and coordination functions. The figure represents an increase of 61 million euros compared with 2018 (+115.09%). The increase is attributable to the growth in revenues from technical and management services for around 16 million euros, as well as adjustments carried out in 2018 in favor of certain subsidiaries.
- **EBITDA was a negative 147 million euros**, an improvement of 76 million euros compared with the previous year (+34.08%) due to the joint effect of the abovementioned increase in revenues from technical and management services and the reduction in other operating expenses, partly offset by an increase in costs for services and for leases and rentals.
- **EBIT was a negative 382 million euros**, a decrease of 490 million euros compared with 2018, taking into account depreciation, amortization and impairment for 235 million euros (compared with a positive 331 million euros in 2018). These impairments mainly refer to interests held in subsidiaries in Romania and Russia.
- **Net financial expenses and income from equity investments were a positive 5,124 million euros** (3,164 million euros in 2018, +61.95%), including net financial expenses of 424 million euros (403 million euros in 2018) and income from equity investments in subsidiaries, associates and other entities of 5,548 million euros (3,567 million euros in 2018).
  The increase in net financial expenses on the previous year, equal to 21 million euros, essentially reflects exchange rate losses and interest income on short-term financial assets, partly offset by net financial income from derivatives positions established for Enel.
  The increase of 1,981 million euros in income from equity investments in subsidiaries, associates and other entities mainly reflects dividends distributed by the subsidiaries Enel Energia, Enel

Iberia and e-distribuzione.

- **Net income for the year amounted to 4,792 million euros**, compared with 3,456 million euros in 2018 (+38.66%).
- **Net financial debt at December 31st, 2019, totaled 16,750 million euros**, up 1,260 million euros on December 31st, 2018 (+8.13%), the result of an increase in net long-term financial debt of 743 million euros and an increase in net short-term borrowings of 517 million euros.

Equity came to 29,586 million euros at December 31st, 2019, up 1,643 million euros on December 31st, 2018. The change is mainly attributable to the distribution of the balance of the dividend for 2018 (1,423 million euros) and the interim dividend for 2019 (1,627 million euros), as well as the recognition of net income for 2019 (4,702 million euros).

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OPERATIONAL HIGHLIGHTS FOR 2019

	2019	2018	Change
Electricity sales (TWh)	**301.7**	295.4	+2.1%
Gas sales (billions of m^3)	**10.5**	11.2	-6.2%
Electricity generated (TWh)	**229.1**	250.3	-8.5%
Electricity distributed (TWh)	**504.0**	484.4[1]	+4.0%
Employees (no.)	**68,253**	69,272	-1.5%

[1] The figure for 2018 was restated in 2019.

Electricity and gas sales

- **Electricity sales** in 2019 amounted to **301.7 TWh,** an increase of 6.3 TWh (+2.1%) on 2018. Specifically this reflects:
  - an increase in quantities sold in Latin America (+13.9 TWh), mainly in Brazil (+14.1 TWh);
  - a decrease in sales in Italy (-6.8 TWh), Spain (-0.2 TWh) and Romania (-0.6 TWh).

- **Natural gas sales** amounted to **10.5 billion cubic meters**, a slight decrease on 2018.

Electricity generated

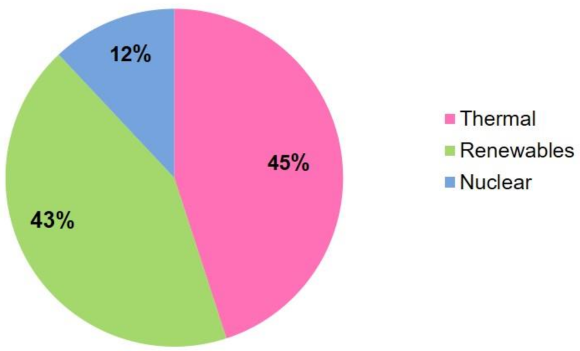
Net electricity generated by the Enel Group in 2019 amounted to **229.1 TWh**[2], a decrease of 21.2 TWh on 2018 (-8.5%), mainly attributable to a decline in generation in Spain, Italy and Russia.
More specifically, the period saw:

- a decrease in thermal generation (-23.9 TWh), mainly due to a reduction in coal-fired generation (-26.8 TWh) in Italy, Spain and Russia (in the latter country, a decrease of 4.9 TWh due to the disposal of the Reftinskaya plant in October 2019);
- an increase in nuclear generation (+2.2 TWh);

[2] 239.3 TWh including some 4 GW of managed renewable capacity.

– a slight increase in renewable generation (+0.5 TWh, composed of: +4.5 TWh of wind power and -3.3 TWh of hydropower), with the increase in installed capacity more than offsetting lower water availability.

Consolidated generation mix of Enel Group plants



For the first time generation from renewable sources, including managed capacity, exceeded that from thermal generation, reaching 110 TWh (108 TWh in 2018, +1.9%), compared with thermal generation of 103 TWh (127 TWh in 2018, -18.9%).

Zero-emission generation reached 55% of the total generation of the Enel Group considering only output from consolidated capacity. It rose to 57% if managed generation capacity[3] is included. *Decarbonization of the generation mix* by 2050 remains the long-term objective of the Enel Group.

Electricity distributed

- **Electricity transported** on the Enel Group distribution network in 2019 amounted to 504.0 TWh, of which 224.6 TWh in Italy and 279.4 TWh abroad.
- The volume of **electricity distributed in Italy** decreased by 1.9 TWh (-0.8%) on 2018:
  – with a slight deterioration compared with electricity demand on the national power grid (-0.6%). The percentage change in demand on the national market amounted to -1.9% in the North, +0.3% in the Center, +2.1% in the South and -0.8% in the Islands. The South and the Islands are mainly served by e-distribuzione; in the Center and North, other major operators account for a total of about 15% of volumes distributed.
- **Electricity distributed outside of Italy** amounted to 279.4 TWh, an increase of 21.5 TWh (+8.3%) on 2018, with most of the increase coming in Brazil (+20 TWh).

EMPLOYEES

- The Enel Group workforce at December 31st, 2019 numbered 68,253 (down 1,019 from the 69,272 at December 31st, 2018). The contraction reflects the impact of:
  – the balance between new hires and terminations (-1,094);
  – and the change in the scope of consolidation (+75), which included the disposal of the Mercure plant by Enel Produzione in Italy, the acquisition in March 2019 of Tradewind in

[3] Capacity not consolidated by the Enel Group but operated under the "Build, Sell and Operate" model.

the United States, the disposal of the Reftinskaya plant in Russia and the acquisition of Paytipper Network S.r.l., FlagPay S.r.l. and Paytipper in Italy.

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STRATEGIC PLAN: PROGRESS ON KEY PILLARS

In 2019, the Enel Group achieved all strategic objectives set for the year, confirming its delivery capacity for industrial growth. In particular, the following progress has been made on the Group's strategy:

1. Generation from renewable capacity again confirmed as the main growth driver with more than 3 GW of new additional capacity built during the year, accompanied by an acceleration in the replacement of conventional generation assets with a reduction of 4.1 GW in coal-fired capacity;

2. The increase in generation from renewables was accompanied by solid growth in the retail segment, where the number of customers on the free market reached 17.2 million, 1.2 million more than at the end of 2018. Progress in the distribution sector was underscored by the installation of 5.9 million second-generation smart meters during the year, reaching a total of 13.1 million installed by the Group;

3. 2019 saw a 1% reduction in operating expenses in nominal terms, mainly due to efficiency gains recorded in the period, which amounted to about 313 million euros;

4. With regards to shareholder remuneration, the total dividend proposed for 2019 is equal to 0.328 euros per share, with an implicit pay-out equal to 70% of the Group's net ordinary income, 17% more than the dividend paid in 2018, in line with the guidance disclosed to financial markets.

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OUTLOOK

The 2020-2022 Strategic Plan, presented in November 2019, is focused on a sustainable and fully-integrated business model that the Group has adopted since 2015. The model is designed to seize the opportunities resulting from the energy transition and linked to two global trends that are sweeping through the energy industry: decarbonization and electrification. The digitalization of grids and the adoption of platforms for all customer-related activities will be enablers of the Group’s strategy, which aims to accelerate the development of renewables alongside a progressive reduction in thermal generation. More specifically, the 2020-2022 Investment Plan envisages that:

- Investments in **decarbonization** will amount to about 14.4 billion euros (50% of total capital expenditure) and will be aimed at developing new renewable capacity and gradually replacing conventional generation assets. Decarbonization’s contribution to EBITDA growth will be equal to 1.4 billion euros over the plan period. Renewable capacity is expected to reach 60% of total capacity in three years, driving the increase in the profitability of the generation fleet and increasing zero CO_2 emission output up to 68% in 2022. The sharp acceleration in the growth of renewables will support the Group’s pursuit of the goal of achieving total decarbonization of its generation mix by 2050;

- About 1.2 billion euros of investment will be dedicated to the **electrification** of energy consumption, leveraging on the growth and diversification of the retail customer base and the efficiencies associated with the transfer of activities to platforms. The expected contribution of these investments to the Group’s EBITDA growth amounts to 0.4 billion euros;

- Around 13 billion euros will be invested in the enablers of the energy transition, **infrastructure** and **ecosystems and platforms**, to improve the quality and resilience of grids through digitalization as well as creating services and infrastructure in support of decarbonization and electrification. The expected contribution to EBITDA growth is about 1.1 billion euros.

Overall, the Group expects to invest 28.7 billion euros over the course of the plan, with an expected EBITDA of 20.1 billion euros in 2022. Investments will directly impact three main SDGs: SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities), therefore contributing to SDG 13 for Climate Action.

Under Enel's dividend policy, over the plan period it will continue to pay out a dividend equal to the greater of 70% of consolidated net ordinary income and a guaranteed minimum dividend per share (DPS), with a compound annual growth rate of 8.6% for the implicit DPS and 7.7% for the minimum DPS.

With regards to the possible consequences of the Coronavirus pandemic evolving throughout the world, the Group has implemented a series of preventive measures to ensure full operation and continuity of service it provides in all of the geographies in which it is present. In light of the first results of the measures implemented, no significant impact on 2020 financial results are expected. The evolution of the situation is being carefully monitored and any significant variation will be communicated.

In 2020, the Group will continue to invest in:

- renewables in support of industrial growth to drive decarbonization, especially in Latin America and North America;
- the digitalization of distribution grids, mainly in Italy and Latin America, with the aim of improving the service quality and increasing grid flexibility as well as resilience;
- the electrification of energy consumption, with the aim of leveraging the expansion of the customer base, and to continuous efficiency improvement, supported by the creation of global business platforms.

Based on the key elements set out above, the 2019 figures and the financial targets underpinning the Group's 2020-2022 Strategic Plan are outlined below.

2019 figures and financial targets					
	2019	***2020***	***2021***	***2022***	***CAGR (%) 2019-22***
Ordinary EBITDA (€bn)	17.9	18.6	19.4	20.1	+3.9%
Net ordinary income (€bn)	4.8	5.4	5.8	6.1	+8.3%
Pay-out ratio	70%	70%	70%	70%	-
Implicit DPS (€/share)	0.328	0.37	0.40	0.42	+8.6%
Minimum dividend per share (€)	0.32	0.35	0.37	0.40	+7.7%

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AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES

Enel's Ordinary Shareholders' Meeting of May 16th, 2019 authorized the Board of Directors to purchase and dispose of treasury shares for eighteen months as from the date of the shareholders' resolution. On September 19th, the Company's Board of Directors, in implementation of that authorization, approved the purchase of treasury shares in the maximum amount of 10.5 million euros and a maximum of 2.5 million shares, equal to about 0.02% of Enel's share capital. The program is designed to serve the 2019 Long-Term Incentive Plan intended for the top management of Enel S.p.A. and/or its subsidiaries pursuant to Article 2359 of Italy's Civil Code, which was also approved by Shareholders' Meeting of May 16th, 2019 pursuant to Article 114-*bis* of the Consolidated Law on Financial Intermediation of February 24th, 1998. Following the purchases made in execution of the Board resolution, as of today Enel holds 1,549,152 shares, equal to around 0.015% of its share capital, while its subsidiaries do not hold Enel shares.

In view of the continuing validity of the reasons for that authorization granted by the Ordinary Shareholders' Meeting of May 16th, 2019, and in consideration of the approach of the expiry of the deadline set by the shareholders, the Board of Directors has therefore thought it advisable to ask the Shareholders' Meeting called, as indicated below, for May 14th, 2020 to **renew the authorization to purchase and subsequently dispose of treasury shares - subject to revocation of the previous authorization -** to be carried out in one or more transactions up to a maximum of 500 million ordinary shares of Enel, representing about 4.92% of share capital, and a total outlay of up to 2 billion euros.

In particular, the Board of Directors deems that the purchase of treasury shares is consistent with Enel's objective to create value for shareholders because, if implemented, it would make it possible to increase their returns. Furthermore, the purchase of treasury shares could be used for the Long-Term Incentive Plan for 2020 for the top management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code which provides for part of the bonus, if vested, to be paid in Enel shares and will be submitted for approval to the Shareholders' Meeting called for May 14th, 2020.

In view of the abovementioned, the purchase and disposal of treasury shares will be intended: (i) to offer shareholders an additional tool for monetizing their investment; (ii) to operate on the market from a medium/long-term investment perspective; (iii) to fulfil the obligations in respect of the Long-Term Incentive Plan for 2020 for the top management of the Enel Group and/or any other equity plans for the directors or employees of Enel or its subsidiaries or associates; (iv) to support the liquidity of Enel shares, in order to facilitate orderly trading and prevent anomalous price movements, as well as to regulate trading and prices in the presence of temporary distortive factors connected with excessive volatility or illiquid trading conditions; and (v) to establish a "securities inventory" to be used in possible extraordinary corporate finance transactions or for other uses considered to be in the financial, operational and/or strategic interests of Enel.

The purchase of treasury shares will be permitted for eighteen months from the date of the authorization resolution. No time limit has been set for the disposal of the treasury shares purchased.

The purchase of treasury shares will be carried out at a price to be specified on a case-by-case basis, having regard to the procedure selected to carry out the transaction, any applicable legislation and market practice, provided that such price in any case does not diverge up or down by more than 10% of the reference price recorded on the Mercato Telematico Azionario, organized and operated by Borsa Italia S.p.A., on the day prior to each individual transaction. The sale or other form of disposition of treasury shares will take place on the terms and conditions from time to time determined by the Board of Directors, in compliance with any limits established by applicable legislation or applicable market practice.

The purchase of treasury shares will be carried out in accordance with one of the following operating procedures identified in Article 144-*bis*, paragraph 1 and 1-*bis*, of the Consob Issuers Regulation: (i) by means of a public tender offer or exchange offer; (ii) on regulated markets or multilateral trading facilities in accordance with the operating procedures established in the organizational and operational rules of such markets, which do not permit the direct matching of buy orders with predetermined sell orders; (iii) through the purchase and sale of derivative instruments traded on regulated markets or on multilateral trading facilities which provide for the physical delivery of the underlying shares, provided that the organizational and operational rules of the market establish purchase procedures that comply with the characteristics set out in Article 144-*bis*, paragraph 1, letter c) of the Consob Issuers Regulation; (iv) with the procedures established in market practice allowed by Consob pursuant to Article 13 of Regulation (EU) no. 596/2014; and (v) on the conditions specified in Article 5 of Regulation (EU) no. 596/2014.

The sale or other form of disposition of treasury shares may take place in the manner considered most appropriate by the Board of Directors and in the interest of the Company and, in any event, in compliance with applicable legislation and applicable market practice.

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SHAREHOLDERS' MEETING AND DIVIDEND

The Board of Directors has convened the **Ordinary Shareholders' Meeting for May 14th, 2020** in a single call, giving the Chairman the power to identify the relevant procedures to be implemented in light of the evolution of the emergency from COVID-19 and the provisions relating to the carrying out of company shareholder meetings under art. 106 of Italian Law Decree of March 17th, 2020, n. 18.

The Meeting was convened in order to:

1. **Approve the separate financial statements and examine the consolidated financial statements for 2019**

2. **Approve the payment of a dividend of 0.328 euros per share,** of which:
   - **0.16** euros per share as a distribution of Enel net income to finance the interim dividend for 2019, in payment as from January 22nd, 2020;
   - **0.168** euros per share as a distribution of Enel net income to finance the balance of the dividend for 2019.

   - **The total dividend is therefore equal to about 3,334 million euros**, against **Group net ordinary income** (i.e. generated by the core business) of **4,767 million euros** and in line with the dividend policy for 2019 disclosed to financial markets, which provides for the payment of a dividend equal to the higher of 0.32 euros per share and 70% of the net ordinary income of the Enel Group. At its meeting of November 12th, 2019, the Board of Directors authorized the distribution of an interim dividend for 2019 of **0.16** euros per share, payment which was carried out as from January 22nd, 2020, with an ex-dividend date for coupon no. 31 of January 20th, 2020 and a record date of January 21st, 2020. The interim dividend was not distributed to the treasury shares held as of that record date in line with relevant legislation. With regards to the balance of the dividend for 2019, equal to **0.168** euros per share, the Board of Directors has proposed a payment date as from July 22nd, 2020, with an ex-dividend date for coupon no. 32 of July 20th, 2020 and a record date of July 21st,

2020. In line with legislation in force, treasury shares in Enel's portfolio at the latter record date will not be accounted for in the balance dividend.

3. **Approve the authorization to purchase and dispose of treasury shares subject to revocation of authorization granted by the Ordinary Shareholders' meeting of May 16th, 2019.**

4. **Approve the appointment of the Board of Directors for expiry of its term of office.**

5. **Approve the adoption of a Long-Term Incentive Plan** ("Incentive Plan"), with a three-year vesting period, which grants the beneficiaries a bonus consisting of one component in Enel shares and a cash component, subject and proportional to the achievement of the following performance objectives over the period 2020-2022: (i) Total Shareholders' Return ("TSR"), measured with reference to the performance of the Enel share compared with that of the Euro Stoxx Utilities index - UEM; (ii) Return on Average Capital Employed ("ROACE"); and (iii) emissions of grams of CO_2 per kWh equivalent produced by the Enel Group in 2022 ("CO_2 Emissions").[4] In particular, the Incentive Plan - which assigns a weight of 50% to the TSR, a weight of 40% to the ROACE and a weight of 10% to CO_2 Emissions - is intended for the Chief Executive Officer/General Manager and the key management personnel of Enel, as well as other managers of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code, as identified during the assignment of the same Plan. The latter, in consideration of the characteristics of its structure, the specified performance targets and the weight attributed to each of them, is aimed at strengthening the alignment of the interests of management with the priority objective of creating sustainable value for the shareholders in the medium to long term.
   For a detailed description of the Incentive Plan, please see the information document, prepared pursuant to Article 114-*bis* of Italy's Consolidated Law on Financial Intermediation and Article 84-*bis* of the Consob Issuers Regulation, which will be made available to the public in accordance with the law.

6. **With reference to the report on the remuneration policy and compensation paid, adopt: (i) a binding resolution on the first section** of this report that illustrates **Enel's policy for the remuneration** of directors, the General Manager, key management personnel and members of the Board of Statutory Auditors, as well as the procedures for the adoption and implementation of the above policy; and (ii) **a non–binding resolution on the second section** of the report that describes the **compensation paid** to the Directors, the General Manager, key management personnel and members of the Board of Statutory Auditors in 2019.

Documentation on the items on the agenda of the Shareholders' Meeting, as required under applicable law, will be made available to the public as provided for by law.

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[4] Emissions resulting from generation by Group plants.

BOND ISSUES AND MATURING BONDS

- The main bond issues carried out in 2019 by Enel Group companies include:
  - a green bond, guaranteed by Enel, with a total value of 1,000 million euros with full repayment at maturity in July 2025, paying a fixed rate of 1.500%, issued in January 2019 by Enel Finance International;
  - a bond with a value of 350 million Brazilian real (equivalent to 77 million euros at December 31st, 2019), paying floating-rate CDI + 0.5% and maturing in March 2023, issued in March 2019 by Enel Distribuição Ceara;
  - a bond with a value of 300 million Brazilian real (equivalent to 66 million euros at December 31st, 2019) paying floating-rate IPCA + 4.5% maturing in March 2024, issued in March 2019 by Enel Distribuição Ceara;
  - a bond with a value of 280,000 million Colombian pesos (equivalent to 76 million euros at December 31st, 2019) maturing in March 2023 and paying a fixed rate of 6.3%, issued in March 2019 by Codensa;
  - a bond with a value of 200,000 million Colombian pesos (equivalent to 54 million euros at December 31st, 2019) paying floating-rate CPI + 3.56% maturing in March 2029, issued in March 2019 by Codensa;
  - a bond with a value of 1,000 million Brazilian real (equivalent to 221 million euros at December 31st, 2019) paying floating-rate 108% CDI maturing in March 2024, issued in April 2019 by Enel Distribuição Rio;
  - a bond with a value of 800 million Brazilian real (equivalent to 177 million euros at December 31st, 2019) paying floating-rate IPCA + 4% maturing in May 2026, issued in June 2019 by Enel Distribuição San Paulo;
  - a bond with a value of 700 million Brazilian real (equivalent to 155 million euros at December 31st, 2019) paying floating-rate CDI + 0.8% maturing in May 2025, issued in June 2019 by Enel Distribuição San Paulo;
  - a General Purpose SDG Linked Bond, guaranteed by Enel, with a value of 1,500 million US dollars (equivalent to 1,336 million euros at December 31st, 2019), with repayment in a single instalment at maturity in September 2024, paying a fixed rate of 2.650%, issued in September 2019 by Enel Finance International;
  - a General Purpose SDG Linked Bond, guaranteed by Enel, issued in October 2019 by Enel Finance International with a total value of 2.5 billion euros, structured in the following tranches:
    - 1,000 million euros paying a fixed rate of 0.00% maturing in June 2024;
    - 1,000 million euros paying a fixed rate of 0.375% maturing in June 2027;
    - 500 million euros paying a fixed rate of 1.125% maturing in October 2034.
  - a bond with a value of 522 million Brazilian real (equivalent to 116 million euros at December 31st, 2019), maturing in October 2029 and paying floating-rate IPCA + 3.7% issued in November 2019 by Enel Green Power Volta Grande;
  - a bond with a value of 283 million Brazilian real (equivalent to 63 million euros at December 31st, 2019) maturing in October 2029 and paying floating-rate IPCA + 3.7% issued in November 2019 by Enel Green Power Volta Grande.

- In May 2019, Enel completed the refinancing of part of its portfolio of non-convertible subordinated hybrid bonds through a non-binding voluntary exchange offer (the "Exchange Offer") for the repurchase of hybrid bonds maturing on January 15th, 2075 and January 10th, 2074, with the concomitant issue of a hybrid bond maturing on May 24th, 2080 with a first call period ending on May 24th, 2025. The difference between the amount exchanged (556 million euros) and the amount reissued (900 million euros) gave rise to a net cash inflow of 344 million euros.

- During the period between January 1st, 2020 and June 30th, 2021, bond issues by Enel Group companies with a total carrying amount of 2,218 million euros are scheduled to reach maturity, of which the main issues are:

  - 410 million euros in respect of a fixed-rate non-convertible subordinated hybrid bond issued by Enel, which the early redemption option was exercised in January 2020;
  - 100 million euros in respect of a fixed-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in January 2020;
  - 481 million euros in respect of a fixed-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in March 2020;
  - 241,090 million Colombian pesos (equivalent to 65 million euros at December 31st, 2019) in respect of a floating-rate bond issued by Emgesa, maturing in May 2020;
  - 100 million Swiss francs (equivalent to 92 million euros at December 31st, 2019) in respect of a fixed-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in June 2020;
  - 400 million pounds sterling (equivalent to 470 million euros at December 31st, 2019) in respect of a fixed-rate bond issued by Enel, maturing in September 2020;
  - 600 million Brazilian real (equivalent to 133 million euros at December 31st, 2019) in respect of a floating-rate bond issued by Enel Distribuição Rio, maturing in December 2020:
  - 736,760 million Colombian pesos (equivalent to 200 million euros at December 31st, 2019) in respect of a fixed-rate bond issued by Emgesa, maturing in January 2021.

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RECENT EVENTS

November 19th, 2019: Enel announced that its US renewable subsidiary Enel North America (formerly Enel Green Power North America) had started construction of the 299 MW Aurora wind farm in North Dakota. Expected to be fully operational by the end of 2020, the construction of the facility will involve an investment of around 450 million US dollars. Aurora is supported by a power purchase agreement (PPA) for the sale of power generated by a portion of the plant to the local utility Basin Electric Power Cooperative and a virtual PPA with Gap Inc. signed earlier in 2019. Once fully operational, the wind farm will be able to generate about 1.3 TWh annually while avoiding the emission of around 850,000 tons of CO_2 per year.

December 3rd, 2019: Enel announced that - as a result of purchases made on December 2nd, 2019 - it had completed the share buy-back program to serve the 2019 Long-Term Incentive Plan for the management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code, program launched on September 23rd, 2019. As part of the program, Enel acquired a total of 1,549,152 treasury shares, equal to around 0.015% of its share capital, at a weighted average price of 6.7779 euros per share, for a total of 10,499,998.93 euros.

December 5th, 2019: Enel announced that it had entered into two share swap transactions (the "Swap Transactions") with a financial institution to increase its equity stake in its listed Chilean subsidiary Enel

Chile S.A. ("Enel Chile") by a maximum of 3% of the subsidiary's share capital, from 61.9% held at that date. Based on these Swap Transactions, Enel may acquire, on dates that are expected to occur no later than the fourth quarter of 2020: (i) up to 1,763,747,209 shares of Enel Chile's common stock, and (ii) up to 6,224,990 of Enel Chile's American Depositary Shares ("ADSs"), each representing 50 shares of Enel Chile's common stock. All of the above ordinary shares and ADSs of Enel Chile total up to 3% of the company's share capital. The number of shares of Enel Chile's common stock and Enel Chile's ADSs actually acquired by Enel pursuant to the Swap Transactions will depend on the ability of the financial institution acting as counterparty to establish its hedge positions with respect to the Swap Transactions.
The Swap transactions are in line with the Enel Group's 2020-2022 Strategic Plan presented to financial markets, which calls for a reduction in non-controlling interests in the Group companies operating in South America.

December 5th, 2019: Enel announced that it had exercised the early redemption option for the non-convertible, subordinated hybrid bond denominated in euros (ISIN XS1014997073), issued and listed on January 15th, 2014 on the Irish Stock Exchange, with a nominal value of 1,000 million euros, paying a 5% coupon and maturing on January 15th, 2075 with a first call date on January 15th, 2020. The transaction is part of the Enel Group's strategy to optimize the structure of its liabilities through the active management of maturities in order to reduce the cost of debt.
On January 15th, 2020 (the first call date), Enel paid the noteholders the outstanding hybrid bond's nominal value equal to about 410 million euros, together with any interest accrued up to the day before the repurchase date. That amount represents the outstanding amount resulting from liability management transactions carried out by the Company throughout the 2018-2019 period.

December 23rd, 2019: Enel announced that it had started operations, through its US renewables subsidiary Enel North America Inc. (formerly Enel Green Power North America) at its 450 MW High Lonesome wind farm in Upton and Crockett Counties, in Texas, the largest operational wind project in the Group's global renewable portfolio. Enel also signed a 12-year renewable power purchase agreement (PPA) with Danone North America, a public benefit corporation, for physical delivery of the electricity produced by a 20.6 MW portion of the wind farm to the food and beverage company, enabling an additional 50 MW expansion of the facility that will increase the plant's total capacity to 500 MW.
In addition, the energy produced by a 295 MW portion of the project will be hedged under a Proxy Revenue Swap (PRS) with the Alternative Risk Transfer unit of the insurer Allianz Global Corporate & Specialty, Inc. (Allianz), and Nephila Climate, a provider of weather and climate risk management products. Under the agreement, High Lonesome will receive fixed payments based on the expected value of future energy production, with adjustments paid depending on how the actual revenues of the project differs from the fixed payment. The PRS for High Lonesome, which is the largest by capacity for a single plant globally and the first agreement of its kind for Enel, was executed in collaboration with REsurety, Inc.
The investment in the construction of the 500 MW plant amounts to around 720 million US dollars. The wind farm is expected to generate around 1.9 TWh annually, while avoiding the emission of more than 1.2 million tons of CO_2 per year.

January 13th, 2020: Enel announced that Enel Green Power Brasil Participações Ltda. ("EGPB"), the Enel Group's Brazilian renewable energy subsidiary, had started operations of the 475 MW section of São Gonçalo photovoltaic plant, located in São Gonçalo do Gurguéia, in Brazil's northeastern state of Piauí. The connection to the grid of São Gonçalo, which is South America's largest PV facility, took place a year ahead of the deadline set by the rules of the 2017 A-4 public tender organized by the Brazilian federal government through the country's energy regulator Agência Nacional de Energia Elétrica (ANEEL). The construction of the 475 MW section of the solar plant involved an investment of around 1.4 billion Brazilian real, equivalent to approximately 390 million US dollars. Once fully up and running, the 475 MW section of the plant will be able to generate over 1,200 GWh per year while avoiding the emission of over 600,000 tons of CO_2 into the atmosphere. Out of 475 MW of installed capacity, 265 MW are supported by 20-year power supply contracts with a pool of distribution companies operating in the country's regulated market. The remaining 210 MW are expected to generate energy for the free market.

More information on these events is available in the associated press releases published in the Enel website at the following address: https://www.enel.com/media/allpressreleases

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NOTES

At 18:00 CET today, March 19th, 2020, a conference call will be held to present the results for 2019 and progress in the 2020-2022 Strategic Plan to financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be available on Enel's website (www.enel.com) in the Investor section from the beginning of the call.
The consolidated income statement, statement of comprehensive income, balance sheet and cash flow statement for the Enel Group and the corresponding statements for the Parent Company Enel are attached below. These statements and the related notes have been submitted to the Board of Statutory Auditors and the external auditors for their evaluation. A descriptive summary of the alternative performance indicators used in this press release is also attached.

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The officer responsible for the preparation of the corporate financial reports, Alberto De Paoli, certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

ACCOUNTING STANDARDS AND CHANGES IN SCOPE OF CONSOLIDATION

As from January 1st, 2019, the new IFRS 16 "Leases", endorsed by the European Union with Regulation (EU) 2017/1986 of October 31st, 2017, was applied for the first time.
At first-time adoption, the Enel Group elected to use the modified retrospective approach, as permitted by the standard, which involved the restatement of a number of balance sheet items at January 1st, 2019. The impact on the balance sheet was as follows:

- an increase of 1,370 million euros in *property, plant and equipment and intangible assets;*
- an increase of 1,311 million euros in *long-term borrowings;*
- an increase of 59 million euros in *short-term borrowings and current portion of long-term borrowings.*

The impact on the income statement, gross of tax effects, was as follows:

- a decrease of 224 million euros in *costs for services, leases and rentals*;
- an increase of 203 million euros in *depreciation*;
- an increase of 54 million euros in *financial expense*.

Unless otherwise specified, the balance sheet figures at December 31st, 2019 exclude assets and liabilities held for sale mainly related to a number of hydro companies accounted for using the equity method held by Enel Green Power North America Inc. (now Enel North America, Inc.), which on the basis of decisions taken by management meet the requirements envisaged by IFRS 5 for classification in that aggregate.

The representation of performance by business area presented here is based on the approach used by management in monitoring Group performance for the two periods under review, taking account of the operational model adopted by the Group.
With regard to operating segment disclosures, note that as of the reporting date of September 30th, 2019, and including the comparative figures, the Enel Group has modified its primary and secondary segments in accordance with the provisions of IFRS 8. Specifically, bearing in mind that in 2019, management, understood as the highest level of operational decision-making for the purpose of adopting decisions on the resources to be allocated to the sector and for measuring and assessing results, has begun to disclose its results to the market on the basis of business areas, the Enel Group has consequently adopted the following segment approach:

- primary sector: business area;
- secondary sector: geographical area.

The business area is therefore the prime discriminant and is the predominant focus of the analyses performed and decisions taken by the management of the Enel Group. This is fully consistent with the internal reporting prepared for these purposes since the results are measured and evaluated primarily for each business area and only subsequently are broken down by country.

In 2019, IFRIC issued an Agenda Decisions clarifying 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.
On that basis, the Group changed its accounting policy for 2019, modifying the classification, with no impact on margins, of the effects of contracts for the purchase or sale of commodities measured at fair value through profit or loss.
The current treatment of such contracts for non-financial items that do not meet the requirements for the own use exemption provides for the recognition:

- under revenues, of changes in fair value on outstanding sale contracts as well as, at the settlement date, of the associated revenues together with the effects in profit or loss of the derecognition of derivative 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 of derecognition of derivative assets/liabilities deriving from the fair value measurement of those contracts.

Accordingly, the figures for 2018 have also been adjusted to take account, for comparative purposes only, of the effects of the clarification.

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KEY PERFORMANCE INDICATORS

This press release uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting standards but which management feel can facilitate the assessment and monitoring of the Group's performance and financial position. In line with CONSOB Communication no. 0092543 of December 3rd, 2015 and the Guidelines issued on October 5th, 2015, by the European Securities and

Markets Authority (ESMA) pursuant to Regulation (EU) no. 1095/2010, the content and basis of calculation of these indicators are as follows:

- **EBITDA**: an indicator of Enel's operating performance, calculated as "EBIT" plus "Depreciation, amortization and impairment losses";
- **Ordinary EBITDA**: is calculated by excluding from EBITDA all items associated with non-recurring transactions such as acquisitions or disposals of companies (for example, capital gains and losses), with the exception of those registered in the renewable energy development sector under the "Build, Sell Operate" model initiated in the fourth quarter of 2016, in which the proceeds of disposals (or any repurchases) of projects represent the result of ordinary activities for the Group.
- **Net financial debt**: an indicator of the Enel financial structure, determined by:
  - "Long-term borrowings" and "Short-term borrowings and the current portion of long-term borrowings", taking account of "Short-term financial payables" included in "Other current liabilities";
  - net of "Cash and cash equivalents";
  - net of "Current portion of long-term financial receivables", "Factoring receivables", "Cash collateral" and "Other financial receivables" included in "Other current financial assets";
  - net of "Securities" and "Other financial receivables" included in "Other non-current financial assets".

  More generally, the net financial debt of the Enel Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26th, 2007, for the definition of the net financial position net of financial receivables and long-term securities.
- **Net capital employed**: calculated as the algebraic sum of "Net non-current assets",[5] "Net current assets"[6] and "Provisions for risks and charges", "Deferred tax liabilities", "Deferred tax assets" and "Net assets held for sale";[7]
- **Group net ordinary income**: defined as that part of "Group net income" generated from ordinary business operations. It is equal to "Group net income" excluding all non-recurring transactions discussed under "Ordinary EBITDA", significant impairment losses and reversals of such losses recognized on assets (including equity-accounted investments and financial assets) following impairment testing as well as the associated tax effects and non-controlling interests.

[5] Determined as the difference between "Non-current assets" and "Non-current liabilities" with the exception of: 1) "Deferred tax assets"; 2) "Securities", "Financial investments in funds or portfolio management products measured at fair value through profit or loss" and "Other financial receivables" included in "Other non-current financial assets"; 3) "Long-term borrowings"; 4) "Employee benefits"; 5) "Provisions for risks and charges (non-current portion)"; and 6) "Deferred tax liabilities".

[6] Defined as the difference between "Current assets" and "Current liabilities" with the exception of: 1) "Current portion of long-term financial receivables", "Factoring receivables", "Securities", "Cash collateral" and "Other short-term financial receivables" included in "Other current financial assets"; 2) "Cash and cash equivalents"; 3) "Short-term borrowings" and the "Current portion of long-term borrowings"; 4) "Provisions for risks and charges (current portion)"; and 5) "Other financial payables" included in "Other current liabilities".

[7] Determined as the difference between "Assets held for sale" and "Liabilities held for sale".

Consolidated Income Statement

Millions of euro

		2019	of which with related parties	2018	of which with related parties
Revenue					
Revenues from sales and services		77,366	*4,804*	73,037	*5,387*
Other revenues and income		2,961	*16*	2,538	*38*
	[Subtotal]	**80,327**		**75,575**	
Costs					
Purchases of energy, gas and fuel		33,755	*7,189*	37,264	*7,737*
Services and other materials		18,580	*2,617*	18,406	*2,644*
Personnel		4,634		4,581	
Net Impairment losses /(Reversals) of trade receivables and other receivables		1,144		1,096	
Depreciation, amortization and other impairment losses		9,682		5,355	
Other operating expenses		7,276	*235*	1,769	*272*
Capitalized costs		(2,355)		(2,264)	
	[Subtotal]	**72,716**		**66,207**	
Net income/(expenses) from commodity derivativates		**(733)**	*11*	**532**	*10*
Operating income		**6,878**		**9,900**	
Financial income from derivatives		1,484		1,993	
Other financial income		1,637	*88*	1,715	*59*
Financial expense from derivatives		1,142		1,532	
Other financial expense		4,518	*46*	4,392	*55*
Net income/(expense) from hyperinflation		95		168	
Share of income/(losses) of equity investments accounted for using the equity method		(122)		349	
Income before taxes		**4,312**		**8,201**	
Income taxes		836		1,851	
Net income from continuing operations		**3,476**		**6,350**	
Net income from discontinued operations		**-**		**-**	
Net income for the year (shareholders of the Parent Company and non-controlling interests)		**3,476**		**6,350**	
Attributable to shareholders of the Parent Company		2,174		4,789	
Attributable to non-controlling interests		1,302		1,561	
Basic earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.21*		*0.47*	
Diluted earnings per share (euro) attributable to ordinary shareholders of the Parent Company		*0.21*		*0.47*	
Basic earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.21*		*0.47*	
Diluted earnings from continuing operations per share (euro) attributable to ordinary shareholders of the Parent Company		*0.21*		*0.47*	

Statement of Consolidated Comprehensive Income

Millions of euro

	2019	2018
Net income for the year	**3,476**	**6,350**
Other comprehensive income recyclable to profit or loss (net of taxes):		
Effective portion of change in the fair value of cash flow hedges	39	(552)
Change in fair value of hedging costs	120	83
Share of the other comprehensive income of equity investments accounted for using the equity method	(57)	(57)
Change in the fair value of financial assets at FVOCI	5	(3)
Change in translation reserve	(481)	(1,287)
Other comprehensive income not recyclable to profit or loss (net of taxes):		
Remeasurements in net liabilities (assets) for defined benefits	(502)	(120)
Change in fair value of equity investments in other entities	-	12
Total other comprehensive income (loss) for the period	**(876)**	**(1,924)**
Total comprehensive income (loss) for the period	**2,600**	**4,426**
Attributable to:		
- shareholders of the Parent Company	1,745	3,667
- non-controlling interests	855	759

Consolidated Balance Sheet

Millions of euro

ASSETS		at Dec. 31, 2019		at Dec. 31, 2018	
			of which with related parties		*of which with related parties*
Non-current assets					
Property, plant and equipment		79,809		76,631	
Investment property		112		135	
Intangible assets		19,089		19,014	
Goodwill		14,241		14,273	
Deferred tax assets		9,112		8,305	
Equity investments accounted for using the equity method		1,682		2,099	
Derivatives		1,383	*15*	1,005	
Non current contract assets		487		346	
Other non-current financial assets (1)		6,006		5,769	
Other non-current assets		2,701		1,272	
	[Total]	**134,622**		**128,849**	
Current assets					
Inventories		2,531		2,818	
Trade receivables		13,083	*896*	13,587	*1,085*
Current contract assets		166		135	
Tax receivables		409		660	
Derivatives		4,065	*8*	3,914	*52*
Other current financial assets (2)		4,305	*27*	5,160	*21*
Other current assets		3,115	*183*	2,983	*165*
Cash and cash equivalents		9,029		6,630	
	[Total]	**36,703**		**35,887**	
Assets classified as held for sale		**101**		**688**	
TOTAL ASSETS		**171,426**		**165,424**	

(1) Of which long-term financial receivables and other securities at December 31, 2019 for €2,769 million (€2,912 million at December 31, 2018) and €416 million (€360 million at December 31, 2018).

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at December 31, 2019 for €1,585 million (€1,522 million at December 31, 2018), €2,512 million (€3,409 million at December 31, 2018) and €61 million (€72 million at December 31, 2018).

Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		at Dec. 31, 2019		at Dec. 31, 2018	
			of which with related parties		*of which with related parties*
Equity attributable to the shareholders of the Parent Company					
Share capital		10,167		10,167	
Reserve treasury shares		(1)		-	
Other reserves		1,130		1,700	
Retained earnings (losses carried forward)		19,081		19,853	
	[Total]	**30,377**		**31,720**	
Non-controlling interests		**16,561**		**16,132**	
Total shareholders' equity		**46,938**		**47,852**	
Non-current liabilities					
Long-term borrowings		54,174	*715*	48,983	*804*
Post-employment and other employee benefits		3,771		3,187	
Provisions for risks and charges – non current		5,324		5,181	
Deferred tax liabilities		8,314		8,650	
Derivatives		2,407		2,609	
Non current contract liabilities		6,301	*151*	6,306	
Other non-current liabilities		3,706		1,901	*86*
	[Total]	**83,997**		**76,817**	
Current liabilities					
Short-term borrowings		3,917		3,616	
Current portion of long-term borrowings		3,409	*89*	3,367	*89*
Provisions for risks and charges - current		1,196		1,312	
Trade payables		12,960	*2,291*	13,387	*2,924*
Income tax payable		209		333	
Derivatives		3,554	*8*	4,343	*35*
Current contract liabilities		1,328	*39*	1,095	*25*
Other current financial liabilities		754		788	
Other current liabilities		13,161	*30*	12,107	*69*
	[Total]	**40,488**		**40,348**	
Liabilities included in disposal groups classified as held for sale		**3**		**407**	
Total liabilities		**124,488**		**117,572**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**171,426**		**165,424**	

Consolidated Statement of Cash Flows

Millions of euro

	2019		2018	
		of which with related parties		*of which with related parties*
Income before taxes for the year	**4,312**		**8,201**	
Adjustments for:				
Net impairment losses /(reversals) trade receivables and other receivables	1,144		1,096	
Depreciation, amortization and other impairment losses	9,682		5,355	
Financial (income)/expense	2,443		2,048	
Net income of equity investments accounting for using the equity method	123		(349)	
Changes in net working capital:	(273)		153	
- Inventories	318		(117)	
- Trade receivables	(877)	*189*	426	*(253)*
- Trade payables	(51)	*(633)*	734	*559*
- Other contract assets[(3)]	(31)		-	
- Other contract liabilities[(3)]	154		750	
- Other assets/liabilities	214	*18*	(1,640)	*71*
Accruals to provisions	515		449	
Utilization of provisions	(1,838)		(1,226)	
Interest income and other financial income collected	1,582	*88*	1,768	*59*
Interest expense and other financial expense paid	(4,235)	*(46)*	(4,342)	*(55)*
(Income)/expense from measurement of commodity contracts	(86)		(71)	
Income taxes paid	(1,850)		(1,721)	
(Gains)/Losses on disposals	(268)		(286)	
Cash flows from operating activities (a)	**11,251**		**11,075**	
Investments in property, plant and equipment	(8,236)		(6,908)	
Investments in intangible assets	(1,023)		(1,351)	
Additions in contract assets due to investments	(692)		(271)	
Investments in entities (or business units) less cash and cash equivalents acquired	(320)		(1,472)	
Disposals of entities (or business units) less cash and cash equivalents sold	688		424	
(Increase)/Decrease in other investing activities	468		(83)	
Cash flows from investing/disinvesting activities (b)	**(9,115)**		**(9,661)**	
Financial debt (new long-term borrowing)	8,899		13,424	
Financial debt (repayments)[(3)]	(5,511)	*(89)*	(12,040)	*(89)*
Financial debt (other net changes)[(3)]	355		1,826	
Proceeds from disposal of equity interests without loss of control[(3)]	-		2	
Payments from acquisition of equity interests without takeover of control[(3)]	530		(1,404)	
Sale/(Purchase) treasury shares	(10)		-	
Dividends and interim dividends paid	(3,957)		(3,444)	
Cash flows from financing activities (c)	**306**		**(1,636)**	
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(76)**		**(185)**	
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**2,366**		**(407)**	
Cash and cash equivalents at beginning of the year [(1)]	6,714		7,121	
Cash and cash equivalents at the end of the year [(2)]	9,080		6,714	

(1) Of which cash and cash equivalents equal to €6,630 million at January 1, 2019 (€7,021 million at January 1, 2018), short-term securities equal to €63 million at January 1, 2019 (€69 million at January 1, 2018) and cash and cash equivalents pertaining to assets held for sale in the amount of €21 million at January 1, 2019 (€31 million at January 1, 2018).
(2) Of which cash and cash equivalents equal to €9,029 million at December 31, 2019 (€6,630 million at December 31, 2018), short-term securities equal to €51 million at December 31, 2019 (€63 million at December 31, 2018) and cash and cash equivalents pertaining to assets held for sale in the amount of €21 million at December 31, 2018.
(3) For a better presentation, these items have been further detailed and in order to ensure the homogeneity and comparability of the data with the previous year, the data referred to 2018 have been reclassified.

Enel SpA - Income Statement

Millions of euro

	2019		2018	
		of which with related parties		*of which with related parties*
Revenues				
Revenues from sales and services	104	*104*	38	*38*
Other revenues and income	10	*9*	15	*12*
(Sub Total)	**114**		**53**	
Costs				
Purchases of consumables	-		1	*1*
Services, leases and rentals	150	*85*	127	*74*
Personnel	111		109	
Depreciation, amortization and impairment losses	235		(331)	
Other operating expenses	-	*1*	39	*5*
(Sub Total)	**496**		**(55)**	
Operating income	**(382)**		**108**	
Income from equity investments	5,548	*5,547*	3,567	*3,556*
Financial income from derivative instruments	1,003	*369*	1,626	*437*
Other financial income	273	*263*	320	*215*
Financial expense from derivative instruments	925	*313*	1,581	*1,033*
Other financial expense	775	*134*	768	*85*
(Sub Total)	**5,124**		**3,164**	
Income before taxes	**4,742**		**3,272**	
Income taxes	(50)		(184)	
NET INCOME FOR THE YEAR	**4,792**		**3,456**	

Enel SpA - Statement of comprehensive income for the year

Millions of euro

	2019	2018
Net income for the year	**4,792**	**3,456**
Other comprehensive income recyclable to profit or loss (net of tax):		
Effective portion of change in the fair value of cash flow hedges	(115)	(6)
Change in the fair value of costs of hedging	30	17
Other comprehensive income recyclable to profit or loss	**(85)**	**11**
Other comprehensive income not recyclable to profit or loss (net of tax):		
Change in the fair value of equity investments designated at fair value through other comprensive income	-	**11**
Remeasurements in net liabilities (assets) for employees benefits	**(5)**	-
Other comprehensive income not recyclable to profit or loss	**(5)**	**11**
Income/(Loss) recognized directly in equity	**(90)**	**22**
COMPREHENSIVE INCOME FOR THE YEAR	**4,702**	**3,478**

Enel SpA - Balance Sheet

Millions of euro

ASSETS		at Dec. 31,2019		at Dec. 31,2018		Change
			of which with related parties		*of which with related parties*	
Non-current assets						
Property, plant and equipment		10		9		1
Intangible assets		67		47		20
Deferred tax assets		336		288		48
Equity investments		47,858		45,715		2,143
Derivatives		945	*332*	793	*306*	152
Other non-current financial assets (1)		200	*191*	136	*125*	64
Other non-current assets		127	*118*	134	*125*	(7)
	(Total)	**49,543**		**47,122**		**2,421**
Current assets						
Trade receivables		255	*257*	191	*189*	64
Income tax receivables		162		165		(3)
Derivatives		143	*16*	92	*14*	51
Other current financial assets (2)		2,883	*1,552*	1,860	*536*	1,023
Other current assets		796	*759*	268	*74*	528
Cash and cash equivalents		4,153		2,007		2,146
	(Total)	**8,392**		**4,583**		**3,809**
TOTAL ASSETS		**57,935**		**51,705**		**6,230**

(1) Of which long-term financial receivables for € 194 million at December 31,2019, € 128 million at December 31, 2018.
(2) Of which short-term financial receivables for € 2,578 million at December 31,2019, € 1,579 million at December 31, 2018.

Millions of euro

LIABILITIES AND SHAREHOLDERS' EQUITY		**at Dec. 31,2019**		at Dec. 31,2018		Change
			of which with related parties		*of which with related parties*	
Shareholders' equity						
Share capital		10,167		10,167		-
Reserves for shares buyback		(1)		-		(1)
Other reserves		11,366		11,464		(98)
Retained earnings (losses carried forward)		4,889		4,279		610
Net income for the year (*)		3,165		2,033		1,132
TOTAL SHAREHOLDERS' EQUITY	(Total)	**29,586**		**27,943**		**1,643**
Non-current liabilities						
Long-term loans		14,206	*6,095*	13,397	*4,141*	809
Post-employment and other employee benefits		216		231		(15)
Provisions for risks and charges		28		45		(17)
Deferred tax liabilities		163		133		30
Derivatives		1,536	*9*	1,395	*20*	141
Other non current liabilities		21	*8*	12	*9*	9
	(Sub Total)	**16,170**		**15,213**		**957**
Current liabilities						
Short-term loans		8,367	*7,834*	5,001	*4,715*	3,366
Current portion of long-term loans		1,102	*46*	806		296
Trade payables		84	*41*	82	*43*	2
Derivatives		183	*76*	355	*53*	(172)
Other current financial liabilities		234	*23*	276	*31*	(42)
Other current liabilities		2,209	*160*	2,029	*317*	180
	(Sub Total)	**12,179**		**8,549**		**3,630**
TOTAL LIABILITIES		**28,349**		**23,762**		**4,587**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**57,935**		**51,705**		**6,230**

(*) In 2019, net income is reported net of interim dividend equal to € 1,627 million (€ 1,423 million at December 31,2018).

Enel SpA - Statement of Cash Flows

Millions of euro

	2019	*of which with related parties*	2018	*of which with related parties*
Income before taxes	**4,742**		**3,272**	
Adjustments for:				
Amortization and impairment losses	235		(331)	
Exchange rate adjustments of foreign currency assets and liabilities	107		40	
Provisions	6		31	
Dividends from subsidiaries, associates and other companies	(5,548)	*(5,547)*	(3,567)	*(3,556)*
Net financial (income)/expense	310	*(186)*	356	*466*
Cash flow from operating activities before changes in net current assets	**(148)**		**(199)**	
Increase/(decrease) in provisions	(38)		(71)	
(Increase)/decrease in trade receivables	(64)	*(67)*	46	*39*
(Increase)/decrease in financial and non-financial assets/liabilities	424	*(497)*	1,330	*985*
Increase/(decrease) in trade payables	1	*(2)*	(54)	*(30)*
Interest income and other financial income collected	608	*423*	803	*422*
Interest expense and other financial expense paid	(1,230)	*(301)*	(1,382)	*(213)*
Dividends from subsidiaries, associates and other companies	5,013	*5,012*	3,510	*3,500*
Income taxes paid (consolidated taxation mechanism)	(571)		(534)	
Cash flow from operating activities (a)	**3,995**		**3,449**	
Investments in property, plant and equipment and intangible assets	(48)		(32)	
Equity investments	(2,351)	*(2,351)*	(2,555)	*(2,544)*
Cash flows from investing/disinvesting activities (b)	**(2,399)**		**(2,587)**	
Long-term financial debt (new borrowing)	3,844	*3,500*	3,500	*2,941*
Long-term financial debt (repayments)	(2,814)	*(1,500)*	(4,426)	
Net change in long-term financial payables/(receivables)	(352)	*(178)*	2,736	*2,816*
Net change in short-term financial payables/(receivables)	2,727	*2,256*	(744)	*1,517*
Dividends paid	(2,845)		(2,410)	
Increase in reserves for shares buyback	(10)		-	
Cash flows from financing activities (c)	**550**		**(1,344)**	
Increase/(decrease) in cash and cash equivalents (a+b+c)	**2,146**		**(482)**	
Cash and cash equivalents at the beginning of the year	2,007		2,489	
Cash and cash equivalents at the end of the year	**4,153**		**2,007**	

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