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Oggetto : Enel accelerates growth in first half 2021,
capex up 16.3% and annual targets
confirmed

Testo del comunicato

Vedi allegato.

PRESS RELEASE

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ENEL ACCELERATES GROWTH IN FIRST HALF 2021, CAPEX UP 16.3% AND ANNUAL TARGETS CONFIRMED

- **Revenues:** 29,853 million euros (33,375 million euros in the first half of 2020, -10.6%)
 - *the change is mainly attributable to Thermal Generation and Trading activities, due to lower trading activities in Italy and to the negative exchange rate effect in Latin America. These reductions were only partially offset by the increase of revenues recorded for Enel Green Power, End-User Markets driven by higher volumes of energy sold, and Enel X activities.*
- **Ordinary EBITDA:** 8,360 million euros (8,794 million euros in the first half of 2020, -4.9%)
 - *the decrease is essentially due to the impacts recognized in the first half of 2020 following the change in the energy discount benefit in Spain, mainly in Infrastructure and Networks as well as in Thermal Generation and Trading, in addition to the adverse exchange rate effect in Latin America. These effects are only partially offset by better margins in the End-User Markets, in Enel X and, in Thermal Generation and Trading, from the recognition of the indemnification related to the CO2 emission rights, assigned for free in Spain by the PNA¹.*
- **EBITDA:** 7,719 million euros (8,645 million euros in the first half of 2020, -10.7%)
- **EBIT:** 4,371 million euros (4,543 million euros in the first half of 2020, -3.8%)
 - *the change mainly reflects the performance of operations, partially offset by lower depreciation, amortization and impairment recorded in the first half of 2021, which were impacted by write-downs, made in previous financial years, of certain coal-fired plants as part of the decarbonization process undertaken by the Group and by lower provisions for bad debts.*
- **Group net ordinary income:** 2,299 million euros (2,405 million euros in the first half of 2020, -4.4%)
 - *the change in ordinary operating income was partially offset by lower net financial expense and a reduction in non-controlling interests*
- **Group net income:** 1,778 million euros (1,947 million euros in the first half of 2020, -8.7%)

¹ Plan Nacional de Asignación de Derechos de Emisión (in English, National Emission Allowance Allocation Plan).

- **Net financial debt:** 50,418 million euros (45,415 million euros at year-end 2020, +11.0%)
 - an increase in the first half of 2021, mainly due to investments for the period, the acquisition of an additional stake in Enel Américas and the adverse exchange rate effect, partially offset by the positive cash flows generated by operating activities
- **Capital expenditure:** 4,813 million euros (4,137 million euros in the first half of 2020, +16.3%)
 - the increase is mainly attributable to growth in capital expenditure in Infrastructure and Networks, End-User Markets and Enel X

Francesco Starace, Enel Group CEO, commented: “In the first half of 2021, we continued our significant industrial growth based on sustainability and technological innovation, recording a 16.3% increase in investments and an acceleration in installed renewable capacity in the period, which will allow us to set another record at the end of the year, bringing new installed capacity to 5.8 GW. In the second quarter of the year, the Group’s performance accelerated solidly and visibly, returning the main operating figures to pre-COVID levels. In light of the trend recorded in the first half of 2021, we confirm the year-end targets of Ordinary EBITDA and Net Ordinary Income, as well as the guaranteed dividend per share of 0.38 euros, up 6% year-on-year.”

Rome, July 29th, 2021 - The Board of Directors of Enel S.p.A. (“Enel” or the “Company”), chaired by Michele Crisostomo, has examined and approved half-year financial report at June 30th, 2021.

Consolidated economic and financial data for the first half of 2021

REVENUES

The following table reports revenues by **Business Line**:

| Revenues (<i>millions of euros</i>) | 1H 2021 | 1H 2020 | Change |
|---------------------------------------|---------------|---------------|---------------|
| Thermal Generation and Trading | 7,492 | 12,276 | -39.0% |
| Enel Green Power | 3,941 | 3,575 | 10.2% |
| Infrastructure and Networks | 9,460 | 9,548 | -0.9% |
| End-User Markets | 15,382 | 14,417 | 6.7% |
| Enel X | 633 | 463 | 36.7% |
| Services | 877 | 824 | 6.4% |
| Other, eliminations and adjustments | (7,932) | (7,728) | -2.6% |
| TOTAL | 29,853 | 33,375 | -10.6% |

The following table shows detailed information from **Thermal Generation and Trading** relating solely to revenues from thermal and nuclear generation:

| Revenues (<i>millions of euros</i>) | 1H 2021 | 1H 2020 | Change |
|--|---------|---------|--------|
| Revenues from thermal generation | 3,999 | 3,497 | 14.4% |
| <i>of which: coal-fired generation</i> | 833 | 853 | -2.3% |
| Revenues from nuclear generation | 737 | 646 | 14.1% |
| Revenues from thermal generation as a percentage of total revenues | 13.4% | 10.5% | |
| <i>of which: revenues from coal-fired generation as a percentage of total revenues</i> | 2.8% | 2.6% | |
| Percentage of revenues from nuclear generation as a percentage of total revenues | 2.5% | 1.9% | |

- Revenues in the first half of 2021** amounted to 29,853 million euros, a decline of 3,522 million euros (-10.6%) compared with the same period in 2020. The reduction in the period is mainly attributable to: (i) lower revenues from **Thermal Generation and Trading** in Italy due to lower trading activities on commodities relating to contracts with physical delivery, as a result of the reduction in traded volumes and prices applied; (ii) lower revenues from the activities of **Infrastructure and Networks**, especially in Italy, due to revenues recognized in the first half of 2020, from the application of Italian Regulatory Authority for Energy, Networks and Environment ARERA Resolutions no. 50/2018 and no. 568/2019 and (iii) the adverse exchange rate effect in Latin America. This decrease was partially offset by: (i) higher revenues in the **End-User Markets**, due to higher quantities of electricity sold; (ii) increased revenues in **Enel Green Power**, mainly in Italy due to price changes and in Brazil, the United States and Canada due to the commissioning of new plants; (iii) increased revenues in **Enel X** related to new commercial initiatives and associated services mainly in Italy and North America.

Revenues in the first half of 2021 from thermal generation alone and included in the results of **Thermal Generation and Trading** amounted to 3,999 million euros, an increase of 502 million euros (+14.4%) compared to the same period of 2020 mainly due to the higher volumes produced and to the trend in prices in the two periods under exam. In particular, revenues from coal-fired generation in the first half of 2021 stand at 2.8% of total revenues, an amount substantially in line with the same period in 2020.

- Revenues in **the first half of 2021** and in the same period in **2020** do not include non-ordinary items.

ORDINARY EBITDA and EBITDA

The following table reports ordinary EBITDA by **Business Line**:

| Ordinary EBITDA (millions of euros) | 1H 2021 | 1H 2020 | Change |
|--|----------------|----------------|---------------|
| Thermal Generation and Trading | 961 | 1,073 | -10.4% |
| Enel Green Power | 2,198 | 2,296 | -4.3% |
| Infrastructure and Networks | 3,488 | 3,849 | -9.4% |
| End-User Markets | 1,645 | 1,591 | 3.4% |
| Enel X | 108 | 25 | - |
| Services | 45 | 37 | 21.6% |
| Other, eliminations and adjustments | (85) | (77) | -10.4% |
| TOTAL | 8,360 | 8,794 | -4.9% |

The following table reports EBITDA by **Business Line**:

| EBITDA (millions of euros) | 1H 2021 | 1H 2020 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Thermal Generation and Trading | 867 | 1,001 | -13.4% |
| Enel Green Power | 2,178 | 2,291 | -4.9% |
| Infrastructure and Networks | 3,137 | 3,816 | -17.8% |
| End-User Markets | 1,571 | 1,582 | -0.7% |
| Enel X | 101 | 23 | - |
| Services | (47) | 10 | - |
| Other, eliminations and adjustments | (88) | (78) | -12.8% |
| TOTAL | 7,719 | 8,645 | -10.7% |

The following tables present the non-ordinary items leading first half 2021 and first half 2020 ordinary EBITDA to EBITDA for the same periods.

| Millions of euros | | 1H 2021 | | | | | | |
|--|--------------------------------|------------------|-----------------------------|------------------|------------|-------------|-------------------------------------|--------------|
| | Thermal Generation and Trading | Enel Green Power | Infrastructure and Networks | End-User Markets | Enel X | Services | Other, eliminations and adjustments | Total |
| Ordinary EBITDA | 961 | 2,198 | 3,488 | 1,645 | 108 | 45 | (85) | 8,360 |
| Restructuring plans for energy transition and digitalization | (28) | (17) | (336) | (73) | (7) | (91) | (3) | (555) |
| Impairments | (62) | - | - | - | - | - | - | (62) |
| Costs related to COVID-19 | (4) | (3) | (15) | (1) | - | (1) | - | (24) |
| EBITDA | 867 | 2,178 | 3,137 | 1,571 | 101 | (47) | (88) | 7,719 |

| Millions of euros | | 1H 2020 | | | | | | |
|---------------------------|--------------------------------|------------------|-----------------------------|------------------|-----------|-----------|-------------------------------------|--------------|
| | Thermal Generation and Trading | Enel Green Power | Infrastructure and Networks | End-User Markets | Enel X | Services | Other, eliminations and adjustments | Total |
| Ordinary EBITDA | 1,073 | 2,296 | 3,849 | 1,591 | 25 | 37 | (77) | 8,794 |
| Impairments | (67) | - | - | - | - | - | - | (67) |
| Costs related to COVID-19 | (5) | (5) | (33) | (9) | (2) | (27) | (1) | (82) |
| EBITDA | 1,001 | 2,291 | 3,816 | 1,582 | 23 | 10 | (78) | 8,645 |

Ordinary EBITDA in the first half of 2021 amounted to 8,360 million euros, a decrease of 434 million euros (-4.9%) compared to the same period of 2020. In particular, the improvement in Enel X's margin, amounting to 83 million euros and recorded mainly in Italy and North America, respectively as a result of the increase in margins on services associated with the new commercial initiatives and on demand response activities, as well as the increase in the margin related to End-User Markets, amounting to 54 million euros, mainly due to higher sales on the free market in Italy, were more than offset by:

- a negative change in **Infrastructure and Networks**, amounting to 361 million euros, mainly due: (i) to the recognition in Spain, in the first half of 2020, of the positive effect resulting from the amendment to the energy discount benefit, following the "5th Endesa Collective Bargaining Agreement", net of the provision for indemnities referring to the early termination on a voluntary basis of the employment relationship registered in the same period; (ii) to higher income, recognized in the first half of 2020 in Italy, resulting from the application of ARERA Resolutions no. 50/2018 and no. 568/2019 and (iii) to the adverse exchange rate effect in Latin America. These negative impacts were partially offset by the increase in margins in Italy, mainly due to the tariff adjustments for 2021 on electricity transport, and by the improvement of margins in Latin America mainly due to the higher volumes of electricity transported;
- a reduction in **Thermal Generation and Trading** activities, amounting to 112 million euros, mainly in Spain, due to the aforementioned change in the energy discount benefit, net of the provision for

voluntary termination incentive plans recognized in the same period, as well as due to the effect of the normalization of the trading activity compared to the first half of 2020. These negative effects were partially offset: (i) by the indemnification of CO₂ emission rights assigned for free by the National Plan of Emissions Rights Allocations (PNA from its Spanish initials) in Spain for the lower recognition of these rights in the past (ii) by an increase in the margin in Italy mainly due to higher volumes of energy produced and the trend in energy prices over the two periods under exam, and (iii) by an improvement in the margin in Latin America, mainly in Colombia and Brazil, due to a positive price effect, only partially offset by the adverse exchange rate effect.

- a decrease in the activity of **Enel Green Power**, amounting to 98 million euros, mainly due: (i) to the reduction in the operating margin in Latin America due to the adverse exchange rate effect and the higher procurement costs incurred to cope with the higher quantities sold, which more than offset the improvement in the margin in Brazil due to the entry into operation of new plants and (ii) the lower margin in Italy mainly due to lower volumes on the spot markets and higher production costs. These effects were partially offset by (i) the improvement in the margin in Spain, which includes the recognition of lower hydroelectric fees following the favorable outcome of a dispute, and (ii) the margin improvement in North America due to the commissioning of new wind and solar power plants, whose positive effects were only partially offset by the net negative settlement of some energy sale contracts resulting from an extreme weather event in Texas.

EBIT

The following table reports EBIT by **Business Line**:

| EBIT (millions of euros) | 1H 2021 | 1H 2020 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Thermal Generation and Trading | 396 | (184) | - |
| Enel Green Power | 1,388 | 1,665 | -16.6% |
| Infrastructure and Networks | 1,838 | 2,346 | -21.7% |
| End-User Markets | 984 | 929 | 5.9% |
| Enel X | 6 | (48) | - |
| Services | (136) | (70) | -94.3% |
| Other, eliminations and adjustments | (105) | (95) | -10.5% |
| TOTAL | 4,371 | 4,543 | -3.8% |

EBIT for the first half of 2021 amounted to 4,371 million euros, a decrease of 172 million euros (-3.8%) compared to the same period in 2020. In particular, the negative change in operating performance discussed above was only partially offset by lower depreciation and impairments in the first half of 2021, impacted by the write-downs carried out in 2019 and 2020 on certain coal-fired plants as part of the decarbonization process undertaken by the Group and lower provision for bad debts compared to the first half of 2020, which recorded a significant negative impact due to the effect of the COVID-19 outbreak on

collection curves. Furthermore, in the first half of 2021, the Group recorded a value adjustment (totaling 165 million euros) on the assets associated with the PH Chucas hydro plant in concession in Costa Rica.

GROUP NET ORDINARY INCOME and NET INCOME

| | 1H 2021 | 1H 2020 | Changes | |
|---|--------------|--------------|--------------|--------------|
| Group net ordinary income | 2,299 | 2,405 | (106) | -4.4% |
| Restructuring plan due to energy transition and digitalization | (387) | - | (387) | - |
| Impairments | (178) | (384) | 206 | +53.6% |
| Costs related to COVID-19 | (16) | (52) | 36 | +69.2% |
| Impairment of certain assets relating to the sale of the interest in Slovenské Elektrárne | 60 | (22) | 82 | +372.7% |
| Group net income | 1,778 | 1,947 | (169) | -8.7% |

In the first half of 2021, **Group net ordinary income** amounted to 2,299 million euros, compared with 2,405 million euros in the same period of 2020, a decrease of 106 million euros (-4.4%). The change is mainly attributable to the negative performance of the result from operations and to the higher level of taxes (93 million euros), mainly due to the effects of the adjustments of current and deferred taxation in Argentina and Spain. These factors are only partially offset by: (i) lower net financial expenses (68 million euros), which benefited from the effect of debt refinancing transactions at more advantageous interest rates during 2020. This effect was partially offset by the impact of the euro-denominated bond repurchase transaction carried out in the first half of 2021; (ii) better results from companies accounted for under the equity method (33 million euros); (iii) lower minority interests in Enel Américas as a result of the Group's reorganization transactions in Latin America.

FINANCIAL POSITION

The financial position shows **net capital employed** at June 30th, 2021, including 639 million euros of net assets held for sale, of **94,832 million euros** (87,772 million euros at December 31st, 2020).

This amount is covered by:

- **equity**, including non-controlling interests, for **44,414 million euros** (42,357 million euros at December 31st, 2020);

- **net financial debt** for **50,418 million euros** (45,415 million euros at December 31st, 2020).

The increase of 5,003 million euros in net financial debt (+11.0%) mainly refers to (i) capital expenditure for the period (4,874 million² euros); (ii) the payment of dividends related to the 2020 financial year totaling 2,408³ million euros, (iii) extraordinary transactions on non-controlling interest for 1,280 million euros, mainly for the acquisition of an additional stake in Enel Américas as a result of the voluntary partial tender offer concluded in April 2021, (iv) the consolidation of the Australian companies' debt for approximately 170 million euros and (v) the adverse exchange rate effect of approximately 950 million euros. The positive cash flow generated by operations (2,676 million euros) and the liquidity generated by the issuance, for 2,214 million euros, of a perpetual non-convertible subordinated hybrid bond, partially offset the financial needs associated with the abovementioned events.

At June 30th, 2021, the **debt/equity ratio** came to **1.14** (1.07 at December 31st, 2020). This change

² Including 61 million euros relating to units classified as assets "held for sale".

³ Including 8 million euros in coupons paid to holders of hybrid perpetual bonds.

essentially reflected the increase in debt detailed above.

CAPITAL EXPENDITURE

The following table reports capital expenditure by **Business Line**:

| Capital expenditure (millions of euros) | 1H 2021 | 1H 2020 | Change |
|---|--------------|--------------|--------------|
| Thermal Generation and Trading | 262 | 239 | 9.6% |
| Enel Green Power | 1,897 | 1,912 | -0.8% |
| Infrastructure and Networks | 2,193 | 1,668 | 31.5% |
| End-User Markets | 262 | 182 | 44.0% |
| Enel X | 138 | 103 | 34.0% |
| Services | 41 | 19 | - |
| Other, eliminations and adjustments | 20 | 14 | 42.9% |
| TOTAL¹ | 4,813 | 4,137 | 16.3% |

¹ The figure for the first half of 2021 does not include 61 million euros regarding units classified as “held for sale”.

Capital expenditure amounted to 4,813 million euros in the first half of 2021, an increase of 676 million euros compared to the same period in 2020 (+16.3%). In particular, the first half of 2021 saw: (i) the growth of **Infrastructure and Networks**’ investments, mainly in Italy, Spain and Latin America primarily for the installation of new Smart Meters and for quality remote control activities; (ii) the increase in investments in **End-User Markets** in Italy and Spain; (iii) the increase in **Enel X**’s investments in Italy in the e-Home business, in electric mobility and digitalization as well as in public lighting in Colombia; (iv) the substantial stability of **Enel Green Power**’s investments where a decrease was registered mainly in South Africa and Mexico, partially offset by higher investments in Chile, Italy, India, Russia, Panama and the United States.

OPERATIONAL HIGHLIGHTS FOR THE FIRST HALF OF 2021

| | 1H 2021 | 1H 2020 | Change |
|--|--------------|-------------------|--------|
| Electricity sales (TWh) | 152.1 | 145.0 | +4.9% |
| Gas sales (billions of m³) | 5.4 | 5.4 ¹ | 0.0% |
| Total net efficient installed capacity (GW) | 85.5 | 84.0 ² | +1.8% |
| • of which renewables (GW)³ | 46.6 | 45.0 ² | +3.6% |

| | | | |
|--------------------------------------|---------------|---------------------|-------|
| Electricity generated (TWh) | 105.8 | 97.6 | +8.4% |
| Electricity distributed (TWh) | 245.7 | 231.1 ⁴ | +6.3% |
| Employees (No.) | 65,923 | 66,717 ² | -1.2% |

¹ Since volumes also include sales to large customers by generation companies in Latin America, the figure for the first half of 2020 has been restated.

² At December 31st, 2020.

³ It should be noted that net efficient installed capacity from renewables, also including managed capacity, amounted to 49.9 GW at June 30th, 2021 and 47.1 GW at December 31st, 2020.

⁴ The figure for the first half of 2020 was recalculated in 2021.

Electricity and gas sales

- **Electricity sales** for the first half of 2021 amounted to **152.1 TWh**, an increase of 7.1 TWh (+4.9%) on the same period in the previous year. In particular, this reflects:
 - an increase in volumes sold in Italy (+2.3 TWh), Spain (+0.4 TWh) and Latin America (+4.5 TWh), mainly in Brazil (+3.1 TWh), Chile (+1.1 TWh) and Peru (+0.7 TWh);
 - lower quantities sold in Argentina (-0.5 TWh);
- **Natural gas sales** in the first half of 2021 amounted to **5.4 billion cubic meters**, in line with the same period of the previous year.

Total net efficient installed capacity

Enel's total net efficient installed capacity in the first half of 2021 amounts to **85.5 GW**, with an increase of 1.5 GW compared to December 31st, 2020, mainly as a result of additional wind capacity installed in Brazil (0.3 GW) and South Africa (0.3 GW), and new solar capacity in the USA (0.5 GW), as well as due to the line-by-line consolidation of certain companies in Australia previously accounted for under the equity method (0.3 GW).

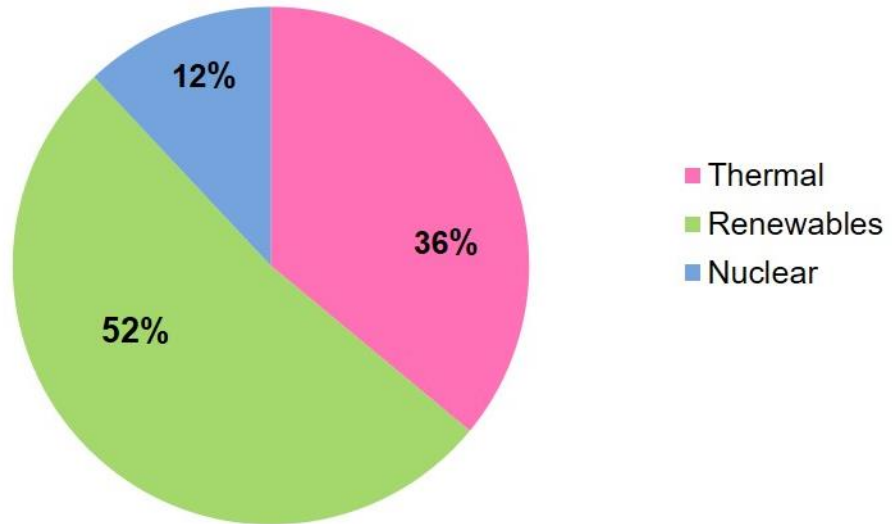
Electricity generated

The net electricity generated by the Enel Group in the first half of 2021 amounted to **105.8 TWh⁴**, an increase of 8.2 TWh compared to the value recorded in the same period of 2020 (+8.4%). In particular, this reflects:

- an increase in renewable generation (+3.7 TWh, of which: +3.2 TWh of wind power and +0.9 TWh of solar power, which offsets a lower production of 0.4 TWh from hydro sources);
- a higher contribution from thermal sources (+4.4 TWh), mainly due to higher production from combined cycle plants (+3.8 TWh) and Oil & Gas (+0.9 TWh), which offset the lower production from coal-fired plants (-0.3 TWh);
- production from nuclear generation, at 12.8 TWh, which is broadly in line (+0.1 TWh) with the same period of 2020.

Generation mix of Enel Group plants

⁴ 110.9 TWh including output from approximately 3.3 GW of managed renewable capacity.



Generation from renewable sources, including volumes produced by managed capacity, far exceeded that from thermal generation, reaching 59.8 TWh (56.2 TWh in the first half of 2020, +6.5%), compared with thermal generation of 38.3 TWh (33.8 TWh in the first half of 2020, +13.1%).

Considering only the production from consolidated capacity, zero-emission generation comes to 64% of total generation of the Enel Group while it is equal to 65% if managed generation capacity⁵ is also included. “Decarbonization of the generation mix” by 2050 remains the long-term objective of the Enel Group.

Electricity distributed

- **Electricity transported** on Enel Group distribution networks in the first half of 2021 amounted to 245.7 TWh, of which 106.4 TWh in Italy and 139.3 TWh abroad.
- The volume of **electricity distributed in Italy** increased by 5.4 TWh (+5.4%) versus the same period of 2020:
 - with a performance in line with electricity demand on the national power grid (+7.8%). The percentage change in demand on the national market amounted to +8.7% in the North, +7.6% in the Center, +6.4% in the South and +6.3% in the Islands. The South and the Islands are mainly served by e-distribuzione; in the Center and the North, other major operators account for a total of about 15% of energy volumes distributed.
- **Electricity distributed outside Italy** amounted to 139.3 TWh, an increase of 9.2 TWh (+7.1%) on the same period in 2020, with most of the increase posted in Spain (+5.4 TWh) and Brazil (+2.4 TWh).

⁵ Capacity not consolidated by the Enel Group but operated under the “Build, Sell and Operate” model.

EMPLOYEES

At June 30th, 2021, **Group workforce numbered 65,923** (66,717 at December 31st, 2020). The change in the first half of 2021 (-794 units) reflects the impact of:

- the balance between new hires and terminations (-817 units);
- changes in the scope of consolidation (+23 units), due to the sale of the company Enel Green Power Bulgaria and the acquisition of the company Cityposte Payment S.p.A. in Italy.

OUTLOOK

During 2020, the COVID-19 outbreak deeply impacted the global economy, as well as people's living and working habits. In this context, the Enel Group has shown significant resilience as a result of an integrated business model along the value chain, a solid financial structure and a high level of digitalization.

The gradual spread of vaccinations has set the stage for a substantial re-start of growth at global level. In the second quarter of the year there was a solid recovery in the Group's operating indicators, not only in terms of electricity generation, distribution and sales to end customers, but also in the acceleration of the construction of new renewable energy capacity.

The acceleration of the recovery has also been an opportunity to reprogram economic activities from a green perspective, especially at European level, promoting investments in the green transition and in digitalization. In this context, in November 2020 the Group presented its Strategic Plan for the period 2021-2023, while providing a vision of the evolution of the business for the next ten years.

In particular, the Strategic Plan envisages the adoption of two business models: the traditional model, known as "Ownership", in which the digital platforms are business enablers, supporting the profitability of investments, and the "Stewardship" model, which catalyzes third-party investments made in collaboration with Enel, or within business-generating platforms.

Through these two models, the Group plans to invest more than 150 billion euros in the 2021-2030 period through the "Ownership" business model and a further 10 billion euros through the "Stewardship" business model, while mobilizing approximately a further 30 billion euros from third parties. As a result of these investments, between 2020 and 2030 the Group's ordinary EBITDA is expected to grow in terms of CAGR by 5%-6%, with net ordinary income growing by 6%-7%, again in terms of CAGR.

Over the 2021-2023 period, the Group expects to invest around 40 billion euros directly: 38 billion euros through the "Ownership" business model and around 2 billion euros through the "Stewardship" business model; while mobilizing 8 billion euros from third parties.

As regards to the investments planned under the "Ownership" business model, it is expected that (i) more than half will be devoted mainly to increasing capacity from renewable sources, estimated at 60 GW on a consolidated basis in 2023, (ii) about 43% will be dedicated to Infrastructure and Networks, with a Group RAB that will reach 48 billion euros in 2023 and (iii) the remaining amount will be allocated to the Customers business, for which a significant increase in terms of value per customer is expected.

Investments under the "Stewardship" business model will be devoted to renewable energy, as well as fiber, e-transport and flexibility services.

Furthermore, over the plan period Enel has defined a simple, predictable and attractive dividend policy: shareholders will receive a fixed dividend per share ("DPS"), guaranteed and increasing over the next three years, with the aim of reaching 0.43 euros per share by 2023.

In 2021 Enel plans:

- an acceleration of investments in renewable energy, to support the industrial growth and within the framework of the decarbonization policy adopted;

- the growth of investments aimed at improving the quality and resilience of distribution networks, especially in Italy and Latin America, as well as their further digitalization;
- the increase in investments devoted to (i) the electrification of consumption, primarily in Italy, with the aim of enhancing the value of the customer base growth, and (ii) continuous efficiency enhancement, supported by the creation of global business platforms.

The guidance provided to the financial markets on the occasion of the 2021-2023 Strategic Plan presentation in November 2020 is confirmed: in 2021, the company expects ordinary EBITDA to be in a range between 18.7-19.3 billion euros, Group net ordinary income to be in a range between 5.4-5.6 billion euros and a guaranteed dividend per share of 0.38 euros.

BOND ISSUES AND MATURING BONDS

- The main bond issues made in the first half of 2021 by Enel Group companies include:
 - a perpetual hybrid subordinated non-convertible multi-tranche bond of 2,250 million euros issued in March 2021 by Enel with no fixed maturity, which may only be redeemed in the event of the winding up or liquidation of the Company, structured as follows:
 - 1,250 million euros, with a fixed annual coupon of 1.375% until the first reset date on September 8th, 2027;
 - 1,000 million euros, with a fixed annual coupon of 1.875% until the first reset date on September 8th, 2030;
 - a bond for a value of 720 million Brazilian real (equivalent to 122 million euros at June 30th, 2021) maturing in April 2031 and which provides for the payment of a variable rate coupon HICP+4.26%, issued in April 2021 by Enel Distribuição São Paulo;
 - a multi-tranche “Sustainability-Linked Bond”, guaranteed by Enel, for a value of 3,250 million euros with repayment in a single instalment, issued in June 2021 by Enel Finance International, structured as follows:
 - 1,000 million euros at a fixed rate of 0.000%, maturing in June 2027;
 - 1,250 million euros at a fixed rate of 0.500%, maturing in June 2030;
 - 1,000 million euros at a fixed rate of 0.875%, maturing in June 2036.
- In the period between July 1st, 2021 and December 31st, 2022, bonds issued by Enel Group companies are expected to mature for a total amount of 5,547 million euros, including:
 - 533 million euros relating to a fixed-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in July 2021;
 - 250 million pounds sterling (equivalent to 291 million euros at June 30th, 2021) relating to a fixed rate hybrid subordinated non-convertible bond issued by Enel, with the first early redemption date in September 2021;
 - 704 million Brazilian real (equivalent to 119 million euros at June 30th, 2021) relating to a floating-rate bond issued by Enel Distribuição São Paulo, maturing in September 2021;
 - 50 million euros relating to a fixed-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in February 2022;
 - 50 million euros relating to a floating-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in February 2022;
 - 50 million euros relating to a floating-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in February 2022;
 - 270,000 million Colombian pesos (equivalent to 60 million euros at June 30th, 2021) relating to a fixed-rate bond issued by Codensa, maturing in March 2022;

- 2,000 million US dollars (equivalent to 1,682 million euros at June 30th, 2021) relating to a fixed-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in May 2022.
- 1,949 million euros relating to a fixed-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in September 2022;
- 300,000 million Colombian pesos (equivalent to 67 million euros at June 30th, 2021) relating to a fixed-rate bond issued by Emgesa, maturing in September 2022;
- 50 million euros relating to a floating-rate bond issued by Enel Finance International and guaranteed by Enel, maturing in November 2022;
- 300,000 million Colombian pesos (equivalent to 67 million euros at June 30th, 2021) relating to a floating-rate bond issued by Emgesa, maturing in December 2022;
- 350 million Brazilian real (equivalent to 59 million euros at June 30th, 2021) relating to a floating-rate bond issued by Enel Distribuição Ceará, maturing in December 2022.

RECENT EVENTS

May 11th, 2021: Enel announced that it has updated, through its US subsidiary Enel Finance America, LLC ("EFA"), its US Commercial Paper Program established in 2019, linking the latter to Sustainable Development Goal (SDG) 13 (Climate Action). The program, the amount of which was increased from the original 3 billion US dollars to 5 billion US dollars, was renewed as the "USD 5,000,000,000 SDG 13 (Climate Action) Target Guaranteed Commercial Paper Program". The program reflects the Enel Group's commitment to achieving a level of greenhouse gas emissions equal to or lower than 148 grams CO_{2eq}/kWh by 2023 and equal to or lower than 82 grams CO_{2eq}/kWh by 2030 (an 80% reduction from the 2017 base year), a target approved by the Science-Based Targets initiative.

The program is part of Enel's financial strategy, which is increasingly characterized by sustainable finance and in line with the objective of achieving a share of sustainable financing sources on the Group's total gross debt equal to 48% in 2023 and more than 70% in 2030, as outlined in the Group's Strategic Plan.

May 20th, 2021: Enel's Ordinary Shareholders' Meeting held in Rome approved Enel's statutory financial statements at December 31st, 2020, while the Group's consolidated financial statements for the same financial year were presented. An overall dividend of 0.358 euros per share was then approved (0.175 euros already paid as an interim dividend in January 2021, which pursuant to relevant legislation was not distributed to the treasury shares held in portfolio on the record date of January 19th, 2021, and the remaining 0.183 euros under payment as the balance of the dividend in July 2021, excluding treasury shares held in portfolio on record date falling on July 20th, 2021).

The Shareholders' Meeting then renewed the authorization for the Board of Directors to purchase and subsequently dispose of treasury shares for a maximum of 500 million shares of the Company, representing approximately 4.92% of the share capital, and a total outlay of up to 2 billion euros, subject to revocation of the previous similar authorization granted by the Ordinary Shareholders' Meeting of May 14th, 2020.

June 8th, 2021: Enel announced that its Dutch subsidiary, Enel Finance International, has launched a multi-tranche "Sustainability-Linked bond" on the Eurobond market for a total amount of 3.25 billion euros, intended for institutional investors as well as for listing on the Euronext Dublin regulated market.

The bond, which is guaranteed by Enel, meets the Group's ordinary financing needs and was oversubscribed 3.5 times, totaling orders of approximately 11.3 billion euros and a significant participation of Socially Responsible Investors (SRI), allowing the Enel Group to continue to diversify its investor base. The three tranches of the bond are linked to the Key Performance Indicator (KPI) of Direct Greenhouse Gas Emissions Amount (Scope 1) at Group level, contributing to the achievement of UN Sustainable Development Goal 13.

The issue is structured in the following three tranches:

- 1,000 million euros at a fixed rate of 0.000%, with settlement date set on June 17th, 2021, and maturity on June 17th, 2027;
- 1,250 million euros at a fixed rate of 0.500%, with settlement date set on June 17th, 2021 and maturity on June 17th, 2030;
- 1,000 million euros at a fixed rate of 0.875%, with settlement date set on June 17th, 2021 and maturity date on June 17th, 2036.

On **June 15th, 2021**, Enel then announced the conclusion of the non-binding voluntary tender offer launched by Enel Finance International on June 8th, 2021 aimed at the repurchase, and subsequent cancellation, of part of the following four series of outstanding conventional bonds in euros:

- 2.5 billion euros Notes issued on September 17th, 2009, due September 14th, 2022 and 5.000% coupon (ISIN XS0452187916);
- 1.0 billion euros Notes issued on October 15th, 2012, due April 17th, 2023 and 4.875% coupon (ISIN XS0842659426);
- 1.5 billion euros Notes issued on January 27th, 2015, due January 27th, 2025 and 1.966% coupon (ISIN XS1176079843);
- 1.3 billion euros Notes issued on June 1st, 2016, due June 1st, 2026 and 1.375% coupon (ISIN XS1425966287).

In line with the Group's current Strategic Plan, the transactions described above will further accelerate the achievement of the Group's targets of sustainable finance sources on Group's total gross debt, set at 48% in 2023 and more than 70% in 2030.

June 10th, 2021: Enel announced that, through its Brazilian renewables subsidiary Enel Green Power Brasil Participações Ltda., it has commissioned the 716 MW Lagoa dos Ventos wind farm, located in the northeastern state of Piauí in Brazil. The construction of the wind farm, the largest currently in operation in South America and Enel Green Power's largest of its kind in the world, required an investment of around 3 billion Brazilian reals, equal to almost 620 million euros.

The Lagoa dos Ventos plant consists of 230 wind turbines and is expected to produce more than 3.3 TWh per year, avoiding the emission of more than 1.9 million tons of CO₂ into the atmosphere. Of the wind farm's total capacity, 510 MW were awarded to Enel Green Power in the Brazilian public tender "A-6" in December 2017 and are associated with 20-year energy supply contracts with a pool of distribution companies operating in the Brazilian regulated market, while the energy produced by the remaining 206 MW will be directed to the free market for sale to retail customers, leveraging Enel's integrated presence in the country.

June 17th, 2021: Enel announced that the Board of Directors has approved, in implementation of the authorization granted by the Shareholders' Meeting of May 20th, 2021 and in compliance with the relevant terms already disclosed to the market, the launch of a share buyback program, for a number of shares equal to 1.62 million (the "Program"), equivalent to approximately 0.016% of Enel's share capital. The Program, serving the Long-Term Incentive Plan 2021 reserved to the management of Enel and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code and launched on June 18th, 2021, was concluded as a result of the purchase transactions executed on July 21st, 2021, as announced on **July 26th, 2021**. For the purposes of executing the Program, Enel appointed an authorized intermediary called to take decisions on the purchases in full independence, also in relation to their timing, and in compliance with the daily price and volume limits consistent with both the authorization granted by the Shareholders'

Meeting of May 20th, 2021 and with the provisions of Article 5 of Regulation (EU) 596/2014 on market abuse and Article 3 of Delegated Regulation (EU) 2016/1052.

The purchases were carried out on the MTA market, so as to ensure equal treatment of shareholders, in compliance with Article 144-bis, paragraph 1, letter b), of Consob Regulation 11971/1999, as well as in accordance with the provisions of the aforementioned Regulation (EU) 596/2014 on market abuse and Article 3 of Delegated Regulation (EU) 2016/1052. With the methods and terms provided for in Article 2 of Delegated Regulation (EU) 2016/1052, Enel then disclosed, by means of a weekly communication to Consob and the market, the purchases carried out by the intermediary. Under the Program, Enel purchased a total of 1,620,000 treasury shares (equal to 0.015934% of the share capital), at a volume-weighted average price of 7.8737 euros per share and for a total consideration of 12,755,458.734 euros. Considering the treasury shares already in its portfolio, Enel holds a total of 4,889,152 treasury shares, equal to 0.048090% of the share capital.

July 1st, 2021: Enel announced that e-distribuzione S.p.A. and the European Investment Bank have signed a Sustainability-Linked loan agreement for 600 million euros, linked to Enel's ability to achieve a direct greenhouse gas emissions target (Scope 1), measured in grams of CO_{2eq} per kWh, equal to or lower than 148 gCO_{2eq}/kWh by 2023, thereby contributing to the United Nations Sustainable Development Goal (SDG) 13. Based on the achievement of this target, the agreement provides for a step-up/step-down mechanism that will trigger a margin adjustment.

July 8th, 2021: Enel announced that its Dutch subsidiary Enel Finance International has launched a multi-tranche Sustainability-Linked Bond in the US and international markets for a total of 4 billion US dollars, equivalent to approximately 3.4 billion euros, intended for institutional investors. The bond is linked to the achievement of Enel's sustainable target related to the reduction of Direct Greenhouse Gas Emissions (Scope 1), contributing to United Nations Sustainable Development Goal 13. The bond, guaranteed by Enel, has been oversubscribed 3 times, totaling orders for an amount of approximately 12 billion US dollars and a significant participation of Socially Responsible Investors (SRI), thus allowing the Enel Group to continue diversifying its investor base.

The issue is structured in the following four tranches:

- 1,250 million US dollars at a fixed rate of 1.375%, with settlement date set on July 12th, 2021 and maturity on July 12th, 2026;
- 1,000 million US dollars at a fixed rate of 1.875%, with settlement date set on July 12th, 2021 and a maturity on July 12th, 2028;
- 1,000 million US dollars at a fixed rate of 2.250%, with settlement date set on July 12th, 2021 and a maturity on July 12th, 2031;
- 750 million US dollars at a fixed rate of 2.875%, with settlement date set on July 12th, 2021 and maturity on July 12th, 2041.

At the same time, Enel Finance International signed new "Sustainability-Linked Cross Currency Swaps" with four banks, to hedge the risks related to the US dollar-euro exchange rate and interest rate. The notable feature of these derivative instruments is the commitment of the counterparties to achieve specific and ambitious Sustainability Performance Targets ("SPT"), with a discount or penalty on the cost of the transaction based on each party's ability to achieve the respective SPT.

July 20th, 2021: Enel announced the cash repurchase by its Dutch subsidiary Enel Finance International of four conventional bonds issued by the latter, guaranteed by Enel itself, for an aggregate nominal value of 6,000,000,000 US dollars, following the exercise of a redemption option provided for in the offering documents of the respective bonds. The repurchase is being carried out as part of the Enel Group's strategy to further accelerate the achievement of its targets of sustainable finance sources on the Group's total gross debt, set at 48% in 2023 and more than 70% in 2030, and to optimize the Group's liability structure through active management of maturities and cost of debt.

More information on these events is available in the related press releases published on the Enel website at the following address: <https://www.enel.com/media/explore/search-press-releases?>

NOTES

At 6:00 p.m. CET today, July 29th, 2021, a conference call will be held to illustrate the results of the first half of 2021 to financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be made available on the Enel website www.enel.com in the “Investors” section from the beginning of the conference call.

Tables reporting the income statement, the statement of comprehensive income for the period, the balance sheet and the cash flow statement for the Enel group are attached below and it should be noted that these schedules and explanatory notes have been submitted to the external auditor for its assessment. A descriptive summary of the “alternative performance indicators” used in this press release is also attached.

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

ACCOUNTING STANDARDS, DATA COMPARABILITY AND AMENDMENTS TO THE SCOPE OF CONSOLIDATION

The balance sheet figures at June 30th, 2021 exclude (unless otherwise indicated) values relating to assets and liabilities held for sale, attributable to certain renewable energy companies held for sale in South Africa, the stake in Open Fiber valued using the equity method and plants held for sale relating to the Enel Produzione business unit consisting of the “Ettore Majorana” site in Termini Imerese, Italy, as well as the plant held by the Panamanian company Llano Sanchez Solar Power One SA.

The data reported and commented on above are therefore homogeneous and comparable in the two periods under comparison.

KEY PERFORMANCE INDICATORS

This press release uses a number of “alternative performance indicators” not envisaged by the IFRS-EU accounting standards adopted by the European Union, but that management feels 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 with the Guidelines published on October 5th, 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation no. 1095/2010/EU, the meaning, content and calculation basis of these indicators are shown below:

- **EBITDA** is an indicator of operating performance and is calculated by adding to “EBIT” (“Operating Profit”) “Depreciation, amortization and impairment”;
- **Ordinary EBITDA** is defined as the “EBITDA” attributable to ordinary operations only, linked to the new business models of Ownership and Stewardship. It excludes costs associated with corporate restructuring plans and costs directly related to the COVID-19 outbreak;
- **Net financial debt** represents an indicator of the financial structure and is determined by:
 - “Long-term borrowings”, “Short-term borrowings” and “Current portion of long-term borrowings”, taking into account “Short-term financial payables” included in “Other current liabilities”;
 - net of “Cash and cash equivalents”;
 - net of “Current portion of long-term financial receivables”, “Current securities” and “Other financial receivables” included in “Other current financial assets”;
 - net of “Non-current securities” and “Other non-current financial receivables” included in “Other non-current financial assets”.

The Enel Group's net financial debt is determined in accordance with the provisions of Guideline No. 39, issued on March 4th, 2021, by ESMA, applicable from May 5th, 2021, and in line with the related Warning Notice No. 5/21 issued by Consob on April 29th, 2021.

Towards this aim, it should be noted that the references to the CESR Recommendations contained in the previous Consob communications are to be understood as having been replaced by the aforementioned ESMA Guidance, including the references in Communication no. DEM/6064293, of July 28th, 2006, concerning net financial position;

- **Net capital employed** is calculated as the algebraic sum of “Net fixed assets”⁶ and “Net working capital”⁷, “Provisions for risks and charges”, “Deferred tax liabilities” and “Deferred tax assets”, and “Net assets held for sale”⁸;
- **Group net ordinary income**: defined as that part of “Group net income” attributable only to ordinary operations linked to the new Ownership and Stewardship business models. It is equal to the “Group net income” adjusted by, mainly, the previously commented items under “Ordinary EBITDA”, net of possible tax effects and non-controlling interests.

⁶ 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)”; 6) “Deferred tax liabilities”.

⁷ 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 “Current portion of long-term borrowings”; 4) “Provisions for risks and charges (current portion)”; 5) “Other financial payables” included in “Other current liabilities”.

⁸ Determined by the difference between “Assets held for sale” and “Liabilities held for sale”.

Consolidated Income Statement

Millions of euro

1st Half

| | 2021 | | 2020 | |
|---|--------------|--|---------------|--|
| | | <i>of which with related parties</i> | | <i>of which with related parties</i> |
| Revenue | | | | |
| Revenue from sales and services | 28,953 | 2,327 | 32,520 | 1,933 |
| Other income | 900 | 4 | 855 | 6 |
| | [Subtotal] | | 33,375 | |
| Costs | | | | |
| Electricity, gas and fuel | 11,968 | 3,641 | 13,769 | 2,306 |
| Services and other materials | 8,399 | 1,525 | 8,332 | 1,308 |
| Personnel expenses | 2,766 | | 1,855 | |
| Net Impairment losses of trade receivables and other financial assets | 458 | | 637 | |
| Depreciation, amortization and other impairment losses | 2,890 | | 3,465 | |
| Other operating costs | 1,291 | 127 | 1,089 | 109 |
| Capitalized costs | (1,234) | | (916) | |
| | [Subtotal] | | 28,231 | |
| Net expenses from commodity derivatives | 1,056 | 6 | (601) | (1) |
| Operating profit | 4,371 | | 4,543 | |
| Financial income from derivatives | 1,205 | | 937 | |
| Other financial income | 1,068 | 41 | 928 | 31 |
| Financial expense from derivatives | 696 | | 759 | |
| Other financial expense | 2,671 | 17 | 2,255 | 29 |
| Net income from hyperinflation | 33 | | 30 | |
| Share of profit/(losses) of equity-accounted investments | 138 | | 13 | |
| Pre-tax profit | 3,448 | | 3,437 | |
| Income taxes | 1,177 | | 1,034 | |
| Profit from continuing operations | 2,271 | | 2,403 | |
| Profit/(Loss) from discontinued operations | - | | - | |
| Profit for the period (owners of the Parent) | 2,271 | | 2,403 | |
| Attributable to owners of the Parent | 1,778 | | 1,947 | |
| Attributable to non-controlling interests | 493 | | 456 | |
| <i>Basic earnings/(loss) per share attributable to owners of the Parent (euro)</i> | <i>0.17</i> | | <i>0.19</i> | |
| <i>Diluted earnings/(loss) per share attributable to owners of the Parent (euro)</i> | <i>0.17</i> | | <i>0.19</i> | |
| <i>Basic earnings/(loss) per share from continuing operations attributable to owners of the Parent (euro)</i> | <i>0.17</i> | | <i>0.19</i> | |
| <i>Diluted earnings/(loss) per share from continuing operations attributable to owners of the Parent (euro)</i> | <i>0.17</i> | | <i>0.19</i> | |

Statement of Consolidated Comprehensive Income

| Millions of euro | 1 st Half | |
|--|----------------------|----------------|
| | 2021 | 2020 |
| Profit for the period | 2,271 | 2,403 |
| Other comprehensive income (expense) that may be subsequently reclassified to profit or loss (net of taxes) | | |
| Effective portion of change in the fair value of cash flow hedges | 430 | 811 |
| Change in fair value of hedging costs | 331 | (154) |
| Share of the other comprehensive income/(expense) of equity -accounted investments | (117) | (2) |
| Change in the fair value of financial assets at FVOCI | 8 | - |
| Change in translation reserve | 495 | (3,319) |
| Other comprehensive income (expense) that may not be subsequently reclassified to profit or loss (net of taxes) | | |
| Remeasurement of net assets for employee benefits | 233 | 33 |
| Change in fair value of equity investments in other entities | - | (1) |
| Total other comprehensive income (expense) for the period | 1,380 | (2,632) |
| Comprehensive income/(expense) for the period | 3,651 | (229) |
| Attributable to: | | |
| - owners of the Parent | 3,062 | 544 |
| - non-controlling interests | 589 | (773) |

Consolidated Statement of Financial Position

Millions of euro

| ASSETS | at June 30, 2021 | at Dec. 31, 2020 | |
|---|------------------|--|--|
| | | <i>of which with related parties</i> | <i>of which with related parties</i> |
| Non-current assets | | | |
| Property, plant and equipment | 81,499 | | 78,718 |
| Investment property | 101 | | 103 |
| Intangible assets | 17,993 | | 17,668 |
| Goodwill | 13,875 | | 13,779 |
| Deferred tax assets | 8,452 | | 8,578 |
| Equity-accounted investments | 795 | | 861 |
| Non-current derivative financial assets | 2,056 | 16 | 1,236 |
| Non current contract assets | 521 | | 304 |
| Other non-current financial assets ⁽¹⁾ | 5,583 | 1,196 | 5,159 |
| Other non-current assets | 3,588 | | 2,494 |
| | [Total] | | 128,900 |
| Current assets | | | |
| Inventories | 3,065 | | 2,401 |
| Trade receivables | 12,175 | 1,202 | 12,046 |
| Current contract assets | 192 | | 176 |
| Tax assets | 1,069 | | 446 |
| Current financial derivative assets | 12,550 | 6 | 3,471 |
| Other current financial assets ⁽²⁾ | 4,385 | 212 | 5,113 |
| Other current assets | 5,599 | 172 | 3,578 |
| Cash and cash equivalents | 4,721 | | 5,906 |
| | [Total] | | 33,137 |
| | 1,514 | | 1,416 |
| Assets classified as held for sale | | | |
| TOTAL ASSETS | 179,733 | | 163,453 |

(1) Of which long-term financial receivables and other securities at June 30, 2021 for €2,342 million (€2,337 million at December 31, 2020) and €427 million (€408 million at December 31, 2020).

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at June 30, 2021 for €1,404 million (€1,428 million at December 31, 2020), €2,737 million (€3,476 million at December 31, 2020) and €84 million (€67 million at December 31, 2020).

Millions of euro

| LIABILITIES AND EQUITY | at June 30, 2021 | | at Dec. 31, 2020 | |
|--|-------------------------|--|-------------------------|--|
| | | <i>of which with related parties</i> | | <i>of which with related parties</i> |
| Equity attributable to owners of the Parent | | | | |
| Share capital | 10,167 | | 10,167 | |
| Treasury share reserve | (26) | | (3) | |
| Other reserves | 2,572 | | (39) | |
| Retained earnings | 18,218 | | 18,200 | |
| [Total] | 30,931 | | 28,325 | |
| Non-controlling interests | 13,483 | | 14,032 | |
| Total equity | 44,414 | | 42,357 | |
| Non-current liabilities | | | | |
| Long-term borrowings | 51,651 | 931 | 49,519 | 984 |
| Employee benefits | 2,590 | | 2,964 | |
| Provisions for risks and charges (non-current portion) | 6,192 | | 5,774 | |
| Deferred tax liabilities | 8,110 | | 7,797 | |
| Non-current financial derivative liabilities | 3,682 | | 3,606 | |
| Non current contract liabilities | 6,193 | 174 | 6,191 | 161 |
| Other non-current liabilities | 4,532 | | 3,458 | |
| [Total] | 82,950 | | 79,309 | |
| Current liabilities | | | | |
| Short-term borrowings | 5,757 | 13 | 6,345 | |
| Current portion of long-term borrowings | 4,708 | 108 | 3,168 | 108 |
| Provisions for risks and charges (current portion) | 1,163 | | 1,057 | |
| Trade payables | 11,302 | 2,051 | 12,859 | 2,205 |
| Income tax liabilities | 889 | | 471 | |
| Current financial derivative liabilities | 11,990 | 1 | 3,531 | |
| Current contract liabilities | 1,246 | 24 | 1,275 | 16 |
| Other current financial liabilities | 665 | | 622 | |
| Other current liabilities | 13,774 | 62 | 11,651 | 37 |
| [Total] | 51,494 | | 40,979 | |
| Liabilities included in disposal groups classified as held for sale | 875 | | 808 | |
| Total liabilities | 135,319 | | 121,096 | |
| TOTAL LIABILITIES AND EQUITY | 179,733 | | 163,453 | |

Consolidated Statement of Cash Flows

Millions of euro

1st Half

| | 2021 | | | 2020 |
|--|----------------|--|--|--|
| | | <i>of which with related parties</i> | | <i>of which with related parties</i> |
| Pre-tax profit | 3,448 | | | 3,437 |
| Adjustments for: | | | | |
| Net impairment losses on trade receivables and other financial assets | 458 | | | 637 |
| Depreciation, amortization and other impairment losses | 2,890 | | | 3,465 |
| Net financial expense | 1,061 | | | 1,119 |
| Net gains from equity-accounted investments | (138) | | | (13) |
| Changes in net working capital: | (2,774) | | | (3,831) |
| - inventories | (643) | | | (196) |
| - trade receivables | (503) | (339) | | 660 |
| - trade payables | (1,294) | (154) | | (3,142) |
| - other contract assets | (14) | | | (7) |
| - other contract liabilities | (66) | | | (118) |
| - other assets/liabilities | (254) | 38 | | (1,028) |
| Accruals to provisions | 915 | | | (199) |
| Utilization of provisions | (601) | | | (515) |
| Interest income and other financial income collected | 729 | 41 | | 810 |
| Interest expense and other financial expense paid | (1,866) | (17) | | (1,859) |
| Net (income)/expense from measurement of commodity contracts | (314) | | | (122) |
| Income taxes paid | (1,158) | | | (891) |
| Net capital gains | 26 | | | 4 |
| Cash flows from operating activities (a) | 2,676 | | | 2,042 |
| Investments in property, plant and equipment | (3,862) | | | (3,466) |
| Investments in intangible assets | (657) | | | (361) |
| Investments in non-current contract assets | (355) | | | (310) |
| Investments in entities (or business units) less cash and cash equivalents acquired | (222) | | | (7) |
| Disposals of entities (or business units) less cash and cash equivalents sold | 56 | | | 88 |
| (Increase)/Decrease in other investing activities | 8 | | | (63) |
| Cash flows used in investing activities (b) | (5,032) | | | (4,119) |
| New long-term borrowings | 4,949 | | | 1,884 |
| Repayments of borrowings | (2,521) | (61) | | (1,941) |
| Other changes in net financial debt | 198 | (74) | | 2,953 |
| Payments for acquisition of equity investments without change of control and other transactions in non-controlling interests | (1,280) | | | (973) |
| Issues/(Redemptions) of hybrid bonds | 2,214 | | | - |
| Purchase treasury shares | (3) | | | - |
| Dividends and interim dividends paid | (2,400) | | | (2,629) |
| Coupons paid to owner of hybrid bonds | (8) | | | - |
| Cash flows from/(used in) financing activities (c) | 1,149 | | | (706) |
| Impact of exchange rate fluctuations on cash and cash equivalents (d) | 22 | | | (374) |

| Increase/(Decrease) in cash and cash equivalents (a+b+c+d) | (1,185) | (3,157) |
|---|----------------|----------------|
| Cash and cash equivalents at beginning of the year ⁽¹⁾ | 6,002 | 9,080 |
| Cash and cash equivalents at the end of the year ⁽²⁾ | 4,817 | 5,923 |

(1) of which cash and cash equivalents equal to €5,906 million at January 1, 2021 (€9,029 million at January 1, 2020), short-term securities equal to €67 million at January 1, 2021 (€51 million at January 1, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €29 million at January 1, 2021.

(2) of which cash and cash equivalents equal to €4,721 million at June 30, 2021 (€5,480 million at June 30, 2020), short-term securities equal to €84 million at June 30 2021 (€83 million at June 30, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €12 million at June 30, 2021.

Fine Comunicato n.0116-67

Numero di Pagine: 25