



# **OPEN POWER FOR A BRIGHTER FUTURE.**

WE EMPOWER SUSTAINABLE PROGRESS.

**INTERIM FINANCIAL REPORT  
AT SEPTEMBER 30, 2021**



**OPEN POWER  
FOR A BRIGHTER  
FUTURE.**

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# ENEL IS OPEN POWER

## VI SI ON

Open Power  
to tackle some  
of the world's  
biggest challenges.

## POS ITI ON ING

Open  
Power

## PUR PO SE

## MI SSI ON

- > Open access to electricity for more people.
- > Open the world of energy to new technology.
- > Open up to new uses of energy.
- > Open up to new ways of managing energy for people.
- > Open up to new partnerships.



# PRINCIPLES OF CONDUCT

- > Make decisions in daily activities and take responsibility for them.
- > Share information, being willing to collaborate and open to the contribution of others.
- > Follow through with commitments, pursuing activities with determination and passion.
- > Change priorities rapidly if the situation evolves.
- > Get results by aiming for excellence.
- > Adopt and promote safe behavior and move pro-actively to improve conditions for health, safety and well-being.
- > Work for the integration of all, recognizing and leveraging individual diversity (culture, gender, age, disabilities, personality etc.).
- > Work focusing on satisfying customers and/or co-workers, acting effectively and rapidly.
- > Propose new solution and do not give up when faced with obstacles or failure.
- > Recognize merit in co-workers and give feedback that can improve their contribution.

**Open Power  
for a brighter  
future.**

**We empower  
sustainable  
progress.**

# VALUES

- > Trust
- > Proactivity
- > Responsibility
- > Innovation







• **ENEL IS OPEN POWER** 2



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# 1

## REPORT ON OPERATIONS



# HIGHLIGHTS

		First nine months		
SDG		2021	2020	Change
	Revenue (millions of euro) <sup>(1)</sup>	57,914	49,465	17.1%
	Gross operating profit (millions of euro)	11,278	12,705	-11.2%
	Ordinary gross operating profit (millions of euro)	12,631	13,146	-3.9%
	Profit attributable to the owners of the Parent (millions of euro)	2,505	2,921	-14.2%
	Ordinary profit attributable to the owners of the Parent (millions of euro)	3,289	3,593	-8.5%
	Net financial debt (millions of euro)	54,389	45,415 <sup>(2)</sup>	19.8%
	Cash flows from operating activities (millions of euro)	5,067	6,560	-22.8%
	Capital expenditure on property, plant and equipment and intangible assets (millions of euro)	7,901 <sup>(3)</sup>	6,563	20.4%
	Total net efficient installed capacity (GW)	86.5	84.0 <sup>(2)</sup>	3.0%
7	Net efficient installed renewables capacity (GW)	47.5	45.0 <sup>(2)</sup>	5.6%
7	Net efficient installed renewables capacity (%)	54.9%	53.6% <sup>(2)</sup>	2.5%
7	Additional efficient installed renewables capacity (GW)	2.60	1.52	71.1%
	Net electricity generation (TWh)	164.2	152.4	7.7%
7	Net renewable electricity generation (TWh)	80.9	77.6	4.3%
9	Electricity distribution and transmission grid (km) <sup>(4)</sup>	2,246,316	2,232,039 <sup>(2)</sup>	0.6%
9	Electricity transported on Enel's distribution grid (TWh) <sup>(4)</sup>	381.5	360.3	5.9%
	End users (no.)	74,980,778	74,294,733	0.9%
9	End users with active smart meters (no.) <sup>(5)</sup>	44,843,287	44,363,498	1.1%
	Electricity sold by Enel (TWh)	232.6	222.0	4.8%
	Retail customers (no.)	69,019,595	69,894,578	-1.3%
	- of which free market <sup>(4)</sup>	24,413,333	23,224,726	5.1%
11	Storage (MW)	195	123 <sup>(2)</sup>	58.5%
11	Charging points (no.) <sup>(4)</sup>	137,955	93,919	46.9%
11	Demand response (MW)	7,689	5,945	29.3%
	No. of employees	66,021	66,717 <sup>(2)</sup>	-1.0%

(1) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

(2) At December 31, 2020.

(3) Does not include €87 million regarding units classified as "held for sale" in the first nine months of 2021.

(4) The figure for 2020 reflects a more accurate calculation of the aggregate.

(5) To ensure a uniform comparison, the figure for 2020 has been adjusted on the basis of the new calculation method, which excludes digital meters with an active contract that are not managed remotely.

# FOREWORD

The Interim Financial Report at September 30, 2021 has been prepared in compliance with Article 154-ter, paragraph 5, of Legislative Decree 58 of February 24, 1998, with the clarification indicated in the following section, and in conformity with the recognition and measurement criteria set out in the international accounting standards (*International Accounting Standards - IAS* and *International Financial Reporting Standards - IFRS*) issued by the International Accounting Standards Board (IASB), as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognized in the European Union pursu-

ant to Regulation (EC) no. 1606/2002 and in effect as of the close of the period.

Article 154-ter, paragraph 5, of the Consolidated Financial Intermediation Act, as amended by Legislative Decree 25/2016, no longer requires issuers to publish an interim financial report at the close of the 1st and 3rd Quarters of the year. The new rules give CONSOB the power to issue a regulation requiring issuers, following an impact analysis, to publish periodic financial information in addition to the annual and semi-annual financial reports. In view of the foregoing, Enel intends to continue voluntarily publishing an interim financial report at the close of the 1st and 3rd Quarters of each year in order to satisfy investor expectations and conform to consolidated best practice in the main financial markets, while also taking due account of the quarterly reporting requirements of a number of major listed subsidiaries.





# ENEL ORGANIZATIONAL MODEL

## C

### ENEL GROUP CHAIRMAN

M. Crisostomo

## CEO

### ENEL GROUP CEO

F. Starace

## HLD Holding Function

### ADMINISTRATION, FINANCE AND CONTROL

A. De Paoli

### COMMUNICATIONS

R. Deambrogio

### INNOVABILITY

E. Ciorra

### PEOPLE AND ORGANIZATION

G. Stratta

### LEGAL AND CORPORATE AFFAIRS

G. Fazio

### AUDIT

S. Fiori

### GLOBAL PROCUREMENT

F. Di Carlo

### GLOBAL CUSTOMER OPERATIONS

N. Melchioni

### GLOBAL DIGITAL SOLUTIONS

C. Bozzoli

## CR

## Country and Region

### ITALY

C. Tamburi

### IBERIA

J. Bogas Gálvez

### EUROPE

S. Mori

### AFRICA, ASIA AND OCEANIA

S. Bernabei

### NORTH AMERICA

E. Viale

### LATIN AMERICA

M. Bezzeccheri

## GBL Global Business Line

Global Infrastructure and Networks	Global Energy and Commodity Management	Global Power Generation	Enel X
A. Cammisecra	C. Machetti	S. Bernabei	F. Venturini



The Enel Group structure is organized into a matrix that comprises:

### GLOBAL BUSINESS LINES

The Global Business Lines are responsible for managing and developing assets, optimizing their performance and the return on capital employed in the various geographical areas in which the Group operates. The business lines are also tasked with improving the efficiency of the processes they manage and sharing best practices at the global level. The Group, which also draws on the work of an Investment Committee <sup>(1)</sup>, benefits from a centralized industrial vision of projects in the various business lines. Each project is assessed not only on the basis of its financial return but also in relation to the best technologies available at the Group level, which reflect the new strategic line adopted, explicitly integrating the SDGs within our financial strategy and promoting a low-carbon business model. Furthermore, each business line contributes to guiding Enel's leadership in the energy transition and in the fight against climate change, managing the associated risks and opportunities in its area of competence. In 2019, Global Power Generation was created with the merger of Enel Green Power and Global Thermal Generation to confirm the Enel Group's leading role in the energy transition, pursuing an integrated process of decarbonization and the sustainable development of renewable capacity. In addition, the Grid Blue Sky project is being implemented. Its objective is to innovate and digitalize infrastructures and networks in order to make them an enabling factor for the achievement of the "Climate Action" objectives, thanks to the progressive transformation of Enel into a platform-based group.

### REGIONS AND COUNTRIES

Regions and countries are responsible for managing relationships with institutional bodies and regulatory authorities, as well as selling electricity and gas, in each of the countries in which the Group is present, while also providing staff and other service support to the business lines. They are also charged with promoting decarbonization and guiding the energy transition towards a low-carbon business model within their areas of responsibility.

The following functions provide support to Enel's business operations:

### GLOBAL SERVICE FUNCTIONS

The Global Service Functions are responsible for managing information and communication technology activities and procurement at the Group level.

During the 1st Half of 2021, a new service function called Global Customer Operations was introduced. Its activities are focused on managing customer activation, invoicing, credit management, customer assistance and the related support processes at the Group level. It is also responsible for:

- > defining and implementing the strategy of global actions regarding customers, increasing customer satisfaction and value and at the same time optimizing service costs and related cash flows;
- > managing customer operational processes, maximizing operational excellence and customer focus and exploiting technology;
- > developing and innovating operating models and solutions for managing the customer's life cycle, maximizing adaptability to internal and external change through market leadership that innovates on the basis of specific data analyses.

The Global Service Functions are also focused on the responsible adoption of measures that allow the achievement of sustainable development objectives, in the specific in managing the supply chain and developing digital solutions to support the development of enabling technologies for the energy transition and the fight against climate change.

### HOLDING COMPANY FUNCTIONS

The Holding Company Functions are responsible for managing governance processes at the Group level. The Administration, Finance and Control function is also responsible for consolidating scenario analysis and managing the strategic and financial planning process aimed at promoting the decarbonization of the energy mix and the electrification of energy demand, key actions in the fight against climate change.

(1) The Group Investment Committee is made up of the heads of Administration, Finance and Control, Innovability, Legal and Corporate Affairs, Global Procurement, and the heads of the Regions and the business lines.

# REFERENCE SCENARIO

## Developments in the main market indicators

### CHANGE IN CONSUMER PRICE INDEX (CPI)

%	First nine months		
	2021	2020	Change
<b>Italy</b>	<b>1.34</b>	<b>-0.03</b>	<b>1.37</b>
Spain	2.07	-0.18	2.25
Russia	6.13	3.08	3.05
Argentina	45.13	43.66	1.47
Brazil	7.55	2.91	4.64
Chile	3.81	3.11	0.70
Colombia	2.94	4.82	(1.88)
Peru	3.31	1.79	1.52

### EXCHANGE RATES

	First nine months		
	2021	2020	Change
Euro/US dollar	1.19	1.12	6.25%
Euro/British pound	0.86	0.89	-3.37%
Euro/Swiss franc	1.09	1.07	1.87%
US dollar/Japanese yen	108.84	107.55	1.20%
US dollar/Canadian dollar	1.25	1.35	-7.41%
US dollar/Australian dollar	1.32	1.48	-10.81%
US dollar/Russian ruble	74.05	70.99	4.31%
US dollar/Argentine peso	93.84	67.51	39.00%
US dollar/Brazilian real	5.33	5.07	5.13%
US dollar/Chilean peso	740	802	-7.73%
US dollar/Colombian peso	3,715	3,706	0.24%
US dollar/Peruvian sol	3.85	3.46	11.27%
US dollar/Mexican peso	20.14	21.80	-7.61%
US dollar/Turkish lira	8.17	6.74	21.22%
US dollar/Indian rupee	73.61	74.23	-0.84%
US dollar/South African rand	14.54	16.75	-13.19%

World economic growth in the 3rd Quarter of 2021 remains strong, albeit slightly slower than in the 2nd Quarter. The relaxation of restrictions, the resumption of economic activity, the spread of vaccination and increased private spending by households, supported by the normalization of accumulated savings, have helped maintain a positive trend. However, inflation remains elevated, hitting new highs in almost all areas. The high cost of materials, the shortage of key components in the production process and price shocks to certain commodities, such as gas, are impacting the level of consumer prices globally, with the latter diverging from the targets of their respective central banks.

In the euro area, the economic recovery continues, with the GDP growth rate reaching 3.4% <sup>(2)</sup> on an annual basis in the 3rd Quarter. The new monetary policy approach of the European Central Bank (ECB), which has adopted a symmetrical target inflation rate of 2%, indicates that current economic conditions require especially persistent monetary support, which could mean that inflation temporarily overshoots its target. In September, inflation reached 3.4% on an annual basis (3% in August), mainly driven by non-energy industrial goods, energy prices, which have continued to rise, the ongoing disruption of the supply chain, which is impacting producer prices, and the increase in inflation in services, led by the tourism sector. The ECB's Governing Council said in September that it will gradually reduce purchases of public and private securities under the Pandemic Emergency Purchase Programme (PEPP) between now and the end of the year, thereby reducing the monetary stimulus.

In Italy, GDP grew by 3.4% on an annual basis in the 3rd Quarter, driven by the resilience of private consumption, thanks to the savings accumulated during the pandemic and the removal of restrictions. Inflation in Italy hit a new high of 2.9% on an annual basis in September 2021.

In Spain, following the revival of household spending, in step with the improvement in confidence boosted by the removal of a significant portion of the pandemic containment measures, and an increasingly effective vaccination campaign (in mid-October over 81% of the population over 12 had completed the vaccination cycle), GDP grew by 4.2% on an annual basis in the 3rd Quarter. The recovery also benefited from the improvement in exports and a strong recovery in demand in sectors linked to tourism and accommodation. Together with Italy, Spain drove inflation in the euro area, recording an inflation rate of 4% on an annual basis in September, boosted by the increase in gas prices, which impacted electricity rates, and by rising price pressures in conjunction with the reopening of retail trade,

consumer services and the tourism sector.

In Russia, GDP growth stood at 5.4% year-on-year in the 3rd Quarter. Inflation in the 3rd Quarter reached 6.8% on an annual basis, exceeding the target of 4% pursued by the central bank. This reflected a number of factors, such as the volatility of the ruble, the rapid recovery of consumer spending, rising wages, slowdowns in the supply chain and increased costs for retailers related to anti-pandemic health measures. Throughout the 3rd Quarter, the Russian central bank increased its reference interest rate, bringing it to 6.75%.

In the United States, at the most recent meeting in Jackson Hole (26-28 August), the Federal Reserve announced that it will begin to taper its securities purchase program by the end of the year. However, the scaling back will be implemented with caution and gradually and will not necessarily lead to an early increase in interest rates. In the 3rd Quarter, the US economy recorded solid GDP growth of 4.7% on an annual basis, which, however, represents a peak. The slowdown in private consumption (due to the proliferation of new variants of the COVID-19 virus) and the reduction in inventories and industrial production (due to bottlenecks in the supply chain) point to more moderate growth in the 4th Quarter. For the 3rd Quarter of the year, the inflation rate stood at 5.3% on an annual basis.

Rising commodity prices and faster-than-expected growth in mainland China and the United States, and subsequent exports to these countries, drove economic growth in Brazil with a 4.8% year-on-year GDP increase in the 3rd Quarter. The solid increase in domestic demand, the upward revision of electricity rates due to more severe drought, the persistence of higher transport and food costs, as well as the weakness of the exchange rate, pushed the inflation rate to 10.3% on an annual basis in September, well above the central bank's target (5.25%). The latter, in an attempt to tame the rise in long-term inflation expectations, has accelerated the pace of its interest rate hikes.

In Argentina, the post-pandemic expansion continues with GDP growth of 6.8% on an annual basis in the 3rd Quarter, down from the 19.6% recorded in the previous quarter. Concerns about inflationary dynamics remain high, with the inflation rate continuing to rise, reaching 50.7% on an annual basis in the 3rd Quarter. Corrective measures by the Argentine government to mitigate price increases will be introduced shortly, including a reduction in the indexation of regulated price components.

In Chile, the strong fiscal and monetary stimulus, combined with the easing of restrictions and the effectiveness of the vaccination campaign, fostered a strong acceleration

(2) GDP growth rates are based on the most recent data available and could therefore be subject to updating.

of growth in both the 2nd and 3rd Quarters, with GDP increasing by 17.2% and 16.6% on an annual basis, respectively. Fixed investment and private consumption increased, the latter sustained by the improvement in the employment rate and the possibility of consumers to withdraw from their pension funds. The inflation rate rose to 4.9% year-on-year in the 3rd Quarter, reflecting base effects related to oil, fuel and gas prices and the reopening of the economy, which pushed up inflation in services, particularly in the hotel industry.

In Peru, the 3rd Quarter of 2021 registered more moderate growth in GDP (5.6% on an annual basis) compared with the 2nd Quarter (around 40% on an annual basis). Political uncertainty following the election of President Pedro Castillo has had an adverse impact on private investment and the exchange rate. However, the vaccination campaign has undergone accelerated substantially, enabling a more rapid reopening of the economy. The inflation rate stood at 4.7% on an annual basis in the 3rd Quarter due to the increase

in the prices of energy, food, transport and services. In an attempt to stem inflation expectations, the central bank raised the interest rate by 50 basis points to 1.0% in September.

After experiencing the worst recession in its history in 2020, the Colombian economy is beginning a strong recovery thanks to the relaxation of restrictions and the resilience of both domestic and foreign demand. GDP growth in the 3rd Quarter of 2021 was 10.4% on an annual basis. Inflation accelerated sharply, deviating from the central bank's target and reaching 4.5% on an annual basis in September. The increase in prices was mainly driven by food, fuel and the education, restaurant and hotel sectors. By contrast with the other central banks in Latin America, the Colombian bank is pursuing a more gradual approach to the process of normalizing interest rates.

## Economic and energy conditions in the first nine months of 2021

### International commodity prices

%	First nine months	
	2021	2020
<b>Market indicators</b>		
Average Brent ICE price (\$/barrel)	67.7	42.6
Average CO <sub>2</sub> price (\$/ton)	48.2	23.8
Average coal price (\$/ton CIF ARA) <sup>(1)</sup>	102.6	47.4
Average gas price (€/MWh) <sup>(2)</sup>	30.2	7.6
Average copper price (\$/ton)	9,183	5,838
Average aluminum price (\$/ton)	2,378	1,632
Average nickel price (\$/ton)	18,024	13,059

(1) API2 index.

(2) TTF index.

The 3rd Quarter of 2021 saw the continuation of strong growth in commodity prices, driven by the recovery of economic activity globally.

Focusing on the oil market, oil price indices remained fairly sta-

ble in the 3rd Quarter, with Brent fluctuating in the \$65-80 a barrel range, slightly higher than the previous quarter. On the one hand, this trend is attributable to the recovery in consumption, albeit to a lesser extent than some market operators had

expected, and on the other hand to the easing of production restrictions imposed by the OPEC+ countries. Nevertheless, the market remains strained, as the supply side is far from normalization, generating considerable support for prices.

Global gas prices have reached new all-time highs. The Asian LNG and European TTF benchmarks almost doubled compared with the values recorded in the 2nd Quarter of this year and increased by 150% compared with the average for the 1st Quarter of 2021, reaching an average of \$13.2/mmbtu and €47/MWh respectively. This increase is attributable to both supply and demand factors. On the demand side, the extension of the heating season to May led to the progressive run-down of stocks. Restoring inventories, combined with higher thermal generation, supported demand this quarter. On the supply side, the shortage of gas attributable to extraordinary maintenance, unexpected closures of a number of production plants and problems related to logistics have produced a shift in LNG flows to Asia. The combination of all these factors generated undersupply in the market, which drove the rise in prices.

Coal prices also increased in this quarter, pushed upwards both by gas prices, due to the competitiveness of fuel switching, and by the restart of the Chinese industrial sector, which has absorbed significant flows from Russia. In

September, API2 recorded a price of over \$200/ton, with an average for the quarter of over \$150/ton.

The CO<sub>2</sub> market experienced an unprecedented rise in 2021, increasing by 84% since January and reaching a record price of €64/ton at the end of September (the average price was €48.2/ton over the first nine months of 2021, compared with an average of €23.8/ton in the same period of 2020). The reasons for this increase are linked to three phenomena: the strong commitment expressed by the European authorities to implement reforms to compress supply further, an increase in speculative activity by private investors in the commodity and the upward trend in gas prices.

In the 3rd Quarter of 2021, developments in metal prices were somewhat diversified. While on the one hand the prices of copper and iron declined as a result of the slowdown in the Chinese economy, aluminum and steel prices registered a considerable rise, mainly due to the capacity cap and the Chinese energy crisis, which prompted rationing of energy supplies. Both phenomena severely limited the production capacity of these metals, driving the increase in prices. Also rising were the prices of lithium and cobalt, demand for which is supported by policies to foster the transition to the green economy.

## Electricity and natural gas markets

### DEVELOPMENTS IN ELECTRICITY DEMAND

3rd Quarter			TWh		First nine months		
2021	2020	Change			2021	2020	Change
<b>84.2</b>	<b>81.6</b>	<b>3.2%</b>	<b>Italy</b>		<b>239.0</b>	<b>225.1</b>	<b>6.2%</b>
61.6	61.9	-0.5%	Spain		181.8	175.8	3.4%
15.0	14.5	3.4%	Romania		46.2	43.4	6.5%
189.8	176.8	7.4%	Russia		600.0	565.5	6.1%
35.9	34.1	5.3%	Argentina		104.0	99.1	4.9%
148.8	145.0	2.6%	Brazil		453.9	431.0	5.3%
20.7	19.1	8.4%	Chile		60.9	58.0	5.0%
19.0	17.8	6.7%	Colombia		54.9	52.3	5.0%

Source: national TSOs.

In the 3rd Quarter of 2021, electricity demand showed strong growth in Italy compared with the same period of 2020 (+3.2%), while in Spain growth slowed marginally (-0.5%). Comparing the first nine months in both years, both countries registered increases, equal to 6.2% and 3.4% respectively. The increase was mainly due to the recovery of economic activity after a 2020 that had registered a major slowdown as a result of the lockdowns imposed in those

countries. The situation was similar in Eastern Europe, where the 3rd Quarter recorded an increase of 7.4% in Russia and 3.4% in Romania.

Demand is also growing in Latin America, with Brazil and Argentina recording increases in electricity demand of 2.6% and 5.3%, respectively, compared with the 3rd Quarter of 2020. Chile and Colombia also posted sharp increases, equal to 8.4% and 6.7%, respectively.

## ELECTRICITY PRICES

	Average baseload price Q3 2021 (€/MWh)	Change in average baseload price Q3 2021 - Q3 2020	Average peakload price Q3 2021 (€/MWh)	Change in average peakload price Q3 2021 - Q3 2020
<b>Italy</b>	<b>124.5</b>	<b>193.8%</b>	<b>134.6</b>	<b>96.5%</b>
Spain	118.2	214.4%	122.0	205.6%
Russia	15.7	11.1%	18.2	13.3%

Electricity prices rose sharply in the 3rd Quarter of 2021, driven by the increase in coal, gas and CO<sub>2</sub> prices. This rise was especially steep in Italy and Spain, which recorded increases on the order of 200% compared with the same pe-

riod last year. Smaller price increases were also recorded in Russia (+11.1% compared with the same period of the previous year).

## NATURAL GAS DEMAND

3rd Quarter				First nine months			
Billions of m <sup>3</sup>				Billions of m <sup>3</sup>			
2021	2020	Change		2021	2020	Change	
<b>13.1</b>	<b>13.5</b>	<b>(0.4)</b>	-3.0% <b>Italia</b>	<b>52.5</b>	<b>49.2</b>	<b>3.3</b>	6.7%
7.3	7.7	(0.4)	-5.2% Spagna	23.2	22.6	0.6	2.7%

Natural gas demand in the 3rd Quarter of 2021 declined compared with the same period of the previous year in both Italy and Spain, which posted decreases of -3.0% and -5.2%, respectively. In both countries, demand recovered in the first nine months of the year, however, thanks to strong

demand in the first part of the year. The last quarter of the period was penalized by the decline in consumption in response to the sharp increase in natural gas prices, combined with the effect of the recovery already under way in the year-earlier quarter.

## NATURAL GAS DEMAND IN ITALY

3rd Quarter				First nine months			
Billions of m <sup>3</sup>				Billions of m <sup>3</sup>			
2021	2020	Change		2021	2020	Change	
3.0	2.9	0.1	3.4% Distribution networks	22.3	20.3	2.0	9.9%
3.3	3.2	0.1	3.1% Industry	10.5	9.7	0.8	8.2%
6.6	7.2	(0.6)	-8.3% Thermal generation	18.5	18.1	0.4	2.2%
0.2	0.2	-	- Other <sup>(1)</sup>	1.2	1.1	0.1	9.1%
<b>13.1</b>	<b>13.5</b>	<b>(0.4)</b>	<b>-3.0% Total</b>	<b>52.5</b>	<b>49.2</b>	<b>3.3</b>	<b>6.7%</b>

(1) Includes other consumption and losses.

Source: Enel based on data from the Ministry for Economic Development and Snam Rete Gas.

Demand for natural gas in Italy in the 3rd Quarter of 2021 stood at 13.1 billion cubic meters, slightly down on the same period of 2020. There was a slight decrease in the thermal generation sector (-8.3%), where high gas prices have prompted substitution with coal technologies, thus

lowering demand compared with the previous year. In the first nine months, however, demand increased compared with 2020 (+6.7%), mainly buoyed by demand for heating in the winter months.

# SIGNIFICANT EVENTS IN THE 3RD QUARTER OF 2021

## e-distribuzione criminal proceeding

On July 1, 2021, e-distribuzione SpA was notified of a proceeding against a number of its employees and managers and e-distribuzione SpA itself pursuant to Legislative Decree no. 231/2001, initiated by the Public Prosecutor's Office of Taranto, following the accident that occurred on the night between June 27 and 28, 2021 in which an employee of a contractor was harmed. The proceeding is in an entirely initial phase and the identification of the persons under investigation is provisional and has been done, in the investigation phase, to enable participation in the non-repeatable technical assessment ordered by the Public Prosecutor. The non-repeatable technical assessments ordered by the Public Prosecutor (pursuant to Article 360 of the Criminal Code) were performed in the presence of the technical consultant appointed by the latter, the consultant appointed by e-distribuzione and a number of the defense counsels of the parties involved. Subsequently, on July 8, 2021, the evidentiary seizure of the plants subject to the expert assessment, imposed as from June 29, 2021, was lifted. The filing of the report by the technical consultant of the Public Prosecutor is still pending, following a 30-day extension of the deadline granted by the Public Prosecutor, which expires in the first week of November 2021.

## Funac and the ICMS tax relief

With regard to Law 20468, promulgated on April 26, 2019, with which the state of Goiás fully revoked the tax relief granted under the provisions of Law 19473 of November 3, 2016, which enabled Celg Distribuição SA (Celg-D, now Enel Distribuição Goiás) to offset payment obligations in respect of the ICMS - *Imposto sobre Circulação de Mercadorias e Serviços* (tax on the circulation of goods and services), at the hearing of July 20, 2021, the Court of the state of Goiás

denied the appeal filed with the Court by Celg-D on September 26, 2019 against the decision that on September 16, 2019 had denied the precautionary petition submitted by Celg-D on May 5, 2019.

In addition, with regard to the writ of mandamus filed by Celg-D on February 25, 2019 with the Court of the state of Goiás, appealing Law 20416, promulgated on February 5, 2019, with which the state of Goiás shortened from January 27, 2015 to April 24, 2012 both the period of operation of the Funac fund (established with Law 17555 of January 20, 2012) and the tax benefit system, subsequently repealed in full by Law 20468, on July 14, 2021, the Court of the state of Goiás raised the issue of constitutional legitimacy before a special section of the same court. In addition, the Brazilian association of electricity distribution companies (ABRADEE) had filed an action for a ruling on constitutionality before the Constitutional Court of Brazil with regard to both laws, which was denied on June 3, 2020 for lack of compliance with formal requirements. On June 24, 2020, ABRADEE filed an appeal against the decision. On September 21, 2020, the Supreme Court of Brazil, without entering into the merits of the case, rejected the appeal of ABRADEE for formal reasons. The appeal filed by ABRADEE on October 15, 2020 was rejected on March 8, 2021 by the Supreme Court of Brazil and the decision became final on April 5, 2021.

## Hydroelectric concessions

With regard to the national regulations governing of large-scale hydroelectric concessions, most recently amended with the "Simplification Decree" (Decree Law 135/2018 ratified with Law 12 of February 11, 2019), which introduced a number of changes regarding the award of these concessions upon their expiry and the valuation of the assets and works associated with them that are to be transferred to the new concession holder, as well as changes in the matter of concession fees, with the establishment of a fixed and a variable portion of the fee, in addition to the obligation to supply free electricity to government entities (220 kWh of power for each kW of average nominal capacity covered by the concession), in addition to Lombardy, Piedmont, Emilia-Romagna, Friuli-Venezia Giulia and the Province of Trento, Calabria and Basilicata have also adopted a regional law implementing the rules. Proceedings initiated by Enel Green Power Italia and Enel Produzione requesting the voidance of measures implementing the individual regional laws and the subsequent payment notices for the dual-component fees and the monetization of free electricity supplies are currently pending before the competent



judicial authorities (Regional Administrative Court and Regional Water Resources Court), as are appeals before the Court Constitutional filed by the Government, in which Enel Green Power Italia and Enel Produzione have participated, asserting that the regional implementing laws violate various constitutional principles.

## Enel places \$4 billion multi-tranche sustainability-linked bond in the US and international markets, further accelerating the achievement of its sustainable finance targets

On July 8, 2021, Enel Finance International NV (EFI) placed a \$4 billion multi-tranche sustainability-Linked bond linked to the achievement of Enel's sustainability objective related to the reduction of direct greenhouse gas emissions (Scope 1), contributing to the United Nations Sustainable Development Goal 13 ("Climate Action"), in line with the Group's "Sustainability-Linked Financing Framework".

The issue was intended to finance the redemption (which took place on July 20, 2021) of four conventional EFI bonds with an aggregate nominal value of \$6 billion. The transaction is part of the Group's strategy to further accelerate the achievement of the Group's targets for sustainable finance sources as a proportion of the Group's total gross debt.

## Purchase of treasury shares serving the Long-Term Incentive Plan for 2021 and completion of the buyback program

Following up on announcements in June concerning the launch of a share buyback program (the Program) to serve the 2021 Long-Term Incentive Plan, in the period between July 5 and 9, 2021, Enel SpA purchased 325,052 treasury shares at a volume-weighted average price of €7.8970 per share on the *Mercato Telematico Azionario* (electronic stock market) organized and operated by Borsa Italiana SpA (MTA), for a total of €2,566,936.997. Subsequently, in the period between July 12 and 16, 2021, 133,607 treasury shares were purchased at a volume-weighted average price of €7.9902 per share, for a total of €1,067,550.823. Finally, in the period between July 19 and 21, 2021, 462,387 treasury shares were purchased at a volume-weighted average price of €7.6787 per share, for a total of €3,550,513.263.

Following all the transactions to purchase treasury shares, the Program, launched on June 18, 2021, can be considered completed, with the purchase of a total of 1,620,000 Enel shares (equal to 0.015934% of share capital) at a volume-weighted average price of €7.8737 per share, for a total of €12,755,458.734.

Considering the treasury shares already owned, at September 30, 2021, Enel holds a total of 4,889,152 treasury shares, equal to 0.048090% of share capital.

## Enel signs an agreement with ERG to acquire 527 MW of hydro plants

On August 2, 2021, the subsidiary Enel Produzione SpA signed an agreement for the acquisition (to be finalized in 2022) of the entire share capital of ERG Hydro Srl (wholly owned by ERG SpA), which holds a portfolio



of hydroelectric plants with an installed capacity of 527 MW and has an enterprise value of €1,000 million, for €1,039 million.

## **Enel sells 50% of OpEn Fiber for €2,650 million**

Following announcements in the previous press releases of December 17, 2020 and April 30, 2021, on August 5, 2021, the contracts for the sale of the entire stake of 50% held in OpEn Fiber were signed, of which 40% to Macquarie Asset Management and 10% to CDP Equity SpA (CDPE). The transaction is scheduled to close in the last quarter of 2021. Specifically, the contract for the sale of 40% of the share capital of OpEn Fiber to Macquarie Asset Management envisages a consideration of €2,120 million, including the transfer of 80% of the Enel portion of the shareholders' loan granted to OpEn Fiber, including accrued interest. The contract for the sale of 10% of OpEn Fiber to CDPE provides for a consideration of €530 million, including the transfer to CDPE of 20% of the Enel portion of the shareholders' loan granted to OpEn Fiber, including accrued interest. The contracts also include the payment of earn-outs to Enel, linked to future and uncertain events, described in the press releases of December 17, 2020 and April 30, 2021 and in the 2021 Half-Year Financial Report.

## **Enel successfully places a €3.5 billion triple-tranche sustainability-linked bond on the Eurobond market, while launching a tender offer for conventional bonds denominated in US dollars**

On September 21, 2021, Enel Finance International NV (EFI) launched a €3.5 billion triple-tranche sustainability-linked bond for institutional investors on the Eurobond

market. The bond is linked to the achievement of Enel's sustainability objective related to the reduction of direct greenhouse gas emissions (Scope 1), contributing to the United Nations Sustainable Development Goal 13 "Climate Action", in line with the Group's "Sustainability-Linked Financing Framework".

At the same time, EFI launched a non-binding voluntary tender offer for the partial repurchase of three series of outstanding conventional bonds, which was completed on October 4, 2021 in the overall amount of about \$1.47 billion, thereby accelerating the achievement of the Group's targets for sustainable finance sources as a proportion of the Group's total gross debt.

## **Enel unveils Gridspertise, the company dedicated to the digital transformation of power grids**

On September 23, 2021, the Enel Group presented Gridspertise, wholly owned by Enel through the subsidiary Enel Global Infrastructure and Networks. The company will leverage Enel's skills in the testing, assessment and large-scale implementation of advanced technologies of the operation of smart grids around the world to provide DSOs with proven solutions.

## **COVID-19**

Like 2020, the first nine months of 2021 were substantially characterized by the spread of the COVID-19 pandemic, with periods of greater diffusion and mortality accompanied by the imposition of drastic social isolation measures and the total or partial closure of all economic, social and sports activities.

Unlike 2020, vaccination campaigns have begun around the world, organized and implemented by governments, with specific vaccination plans for each country that defined phases, priority groups and timelines. The situation differs considerably from country to country, depending on the pandemic situation, the vaccination programs implemented and, above all, the availability of vaccines.

Enel is strongly committed to assisting and supporting employees in participating in vaccination campaigns. In Italy, a protocol was signed between the Government, companies and trade unions in April that offers the possibility for companies to vaccinate their employees in the workplace on a voluntary basis, with the aim of strengthening the national vaccination campaign.

Even before the issue of the protocol, the Enel Group had indicated its willingness to take an active part in supporting the national vaccination campaign and made facilities available throughout the country where it set up vaccination points on the basis of the recommendations issued by the authorities and in line with the national anti-COVID vaccination plan.



# PERFORMANCE OF THE GROUP

The following presents the operating and financial performance of the Group.

## Operations

SDG		First nine months		
		2021	2020	Change
	Net electricity generation (TWh)	164.2	152.4	11.8
	of which:			
7	- renewable (TWh)	80.9	77.6	3.3
	Total net efficient installed capacity (GW)	86.5	84.0 <sup>(1)</sup>	2.5
7	Net efficient installed renewables capacity (GW)	47.5	45.0 <sup>(1)</sup>	2.5
7	Net efficient installed renewables capacity (%)	54.9%	53.6% <sup>(1)</sup>	1.3
7	Additional efficient installed renewables capacity (GW)	2.60	1.52	1.08
9	Electricity transported on the Enel distribution grid (TWh) <sup>(2)</sup>	381.5	360.3	21.2
9	End users with active smart meters (no.) <sup>(3)</sup>	44,843,287	44,363,498	479,789
9	Electricity distribution and transmission grid (km) <sup>(2)</sup>	2,246,316	2,232,039 <sup>(1)</sup>	14,277
	End users (no.)	74,980,778	74,294,733	686,045
	Electricity sold by Enel (TWh)	232.6	222.0	10.6
	Gas sold to end users (billions of m <sup>3</sup> ) <sup>(2)</sup>	6.8	6.8	-
	Retail customers (no.)	69,019,595	69,894,578	(874,983)
	- of which free market <sup>(2)</sup>	24,413,333	23,224,726	1,188,607
11	Demand response (MW)	7,689	5,945	1,744
11	Charging points (no.) <sup>(2)</sup>	137,955	93,919	44,036
11	Storage (MW)	195	123 <sup>(1)</sup>	72

(1) At December 31, 2020.

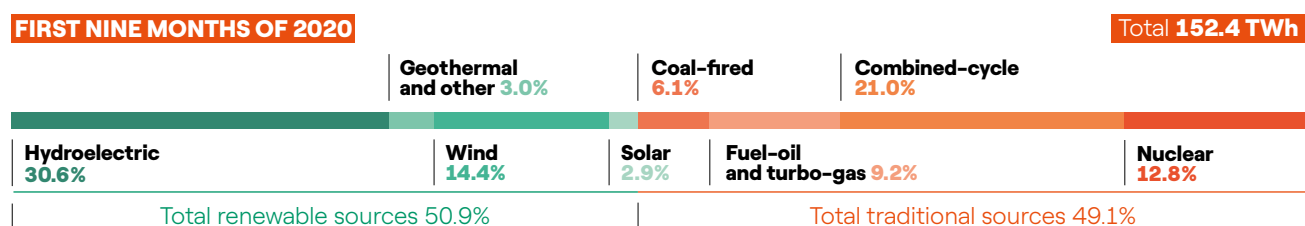
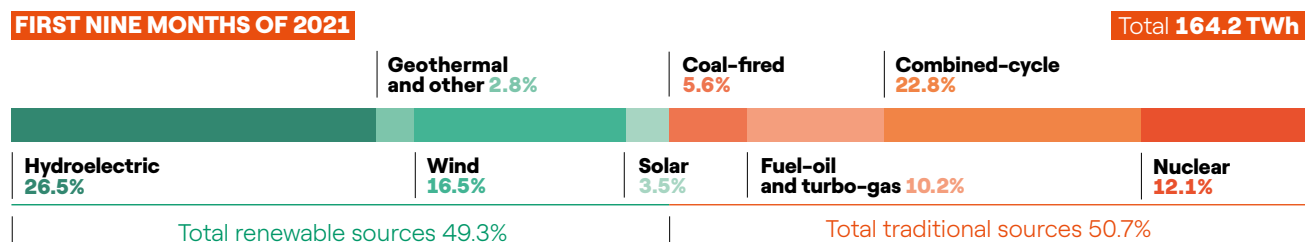
(2) The figures for 2020 reflect a more accurate calculation of the aggregate.

(3) To ensure a uniform comparison, the figure for 2020 has been adjusted on the basis of the new calculation method, which excludes digital meters with an active contract that are not managed remotely.

**Net electricity generated by Enel** in the first nine months of 2021 increased by 11.8 TWh (+7.7%) compared with the same period of 2020, mainly attributable to greater wind generation (+5.2 TWh), notably in Brazil and North Ameri-

ca and an increase in the contribution of combined cycle plants (+5.5 TWh), primarily in Italy and Latin America.

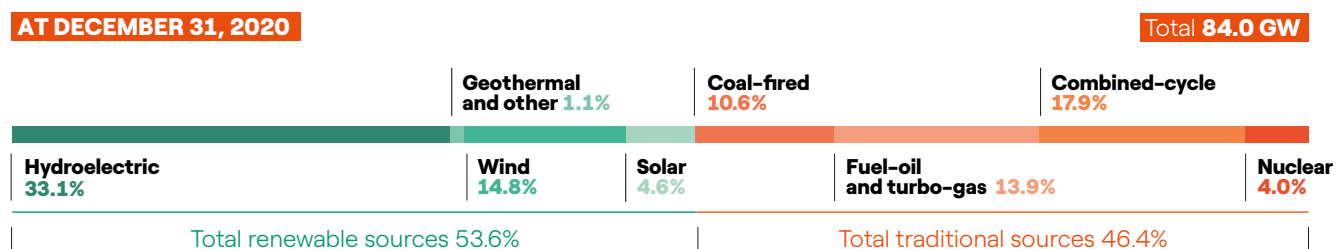
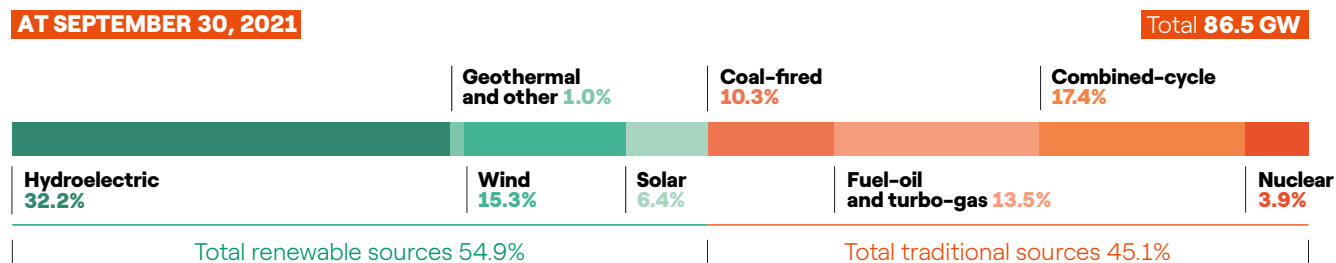
## NET ELECTRICITY GENERATION BY SOURCE (%)



**Net efficient installed capacity** increased by 2.5 GW in the first nine months of 2021, mainly due to the installation of new solar capacity in Latin America (0.9 GW) and the United States (0.5 GW) and wind capacity in Brazil (0.5 GW) and

South Africa (0.3 GW), and the full consolidation of a number of companies in Australia previously accounted for using the equity method (0.3 GW).

## NET EFFICIENT INSTALLED CAPACITY BY SOURCE (%)



**Electricity transported on the Enel distribution network** in the first nine months of 2021 amounted to 381.5 TWh, up 21.2 TWh (+5.9%) compared with the same period of 2020, mainly in Italy (+10.1 TWh), Spain (+5.5 TWh) and Brazil (+2.9 TWh).

2021, mainly in Romania (+235,427) and Spain (+118,085).

The number of **Enel end users with active smart meters** showed an increase of 479,789 in the first nine months of

**Electricity sold by Enel** in the first nine months of 2021 amounted to 232.6 TWh, an increase of 10.6 TWh (+4.8%) compared with the year-earlier period. Quantities sold mainly increased in Italy (+2.8 TWh), Brazil (+4.5 TWh) and Chile (+2.2 TWh).

**Enel charging points** increased by 44,036 the first nine months of 2021 compared with 2020.

Charging points installed for private citizens posted an increase of 39,762, mainly in North America and Italy, while public charging points increased by 4,274, mainly in Italy and Spain.

The Enel Group **workforce** at September 30, 2021 num-

bered 66,021, of whom 36,153 were employed in companies outside of Italy. The decrease of 696 in the first nine months of 2021 reflects the balance between new hires and terminations (-719), partially offset by the change in the consolidation scope (+23), mainly reflecting the sale of Enel Green Power Bulgaria and the acquisition of CityPoste Payment SpA in Italy.

No.	at Sept. 30, 2021	at Dec. 31, 2020	Percentage of total at Sept. 30, 2021	Percentage of total at Dec. 31, 2020
Thermal Generation and Trading	7,960	8,142	12.1%	12.2%
Enel Green Power	8,910	8,298	13.5%	12.4%
Infrastructure and Networks	33,066	34,332	50.1%	51.5%
End-user Markets	6,171	6,324	9.3%	9.5%
Enel X	3,266	2,989	4.9%	4.5%
Services	5,705	5,731	8.6%	8.6%
Other	943	901	1.4%	1.4%
<b>Total</b>	<b>66,021</b>	<b>66,717</b>	<b>100.0%</b>	<b>100.0%</b>

## Group performance

Millions of euro	First nine months			
	2021	2020	Change	
Revenue <sup>(1)</sup>	57,914	49,465	8,449	17.1%
Costs <sup>(1)</sup>	47,725	36,090	11,635	32.2%
Net income/(expense) from commodity management <sup>(1)</sup>	1,089	(670)	1,759	-
<b>Gross operating profit</b>	<b>11,278</b>	<b>12,705</b>	<b>(1,427)</b>	<b>-11.2%</b>
Depreciation, amortization and impairment losses	5,024	5,730	(706)	-12.3%
<b>Operating profit</b>	<b>6,254</b>	<b>6,975</b>	<b>(721)</b>	<b>-10.3%</b>
Financial income	4,208	3,239	969	29.9%
Financial expense	5,960	4,964	996	20.1%
<b>Net financial expense</b>	<b>(1,752)</b>	<b>(1,725)</b>	<b>(27)</b>	<b>-1.6%</b>
<b>Share of profit/(loss) of equity-accounted investments</b>	<b>428</b>	<b>5</b>	<b>423</b>	<b>-</b>
<b>Pre-tax profit</b>	<b>4,930</b>	<b>5,255</b>	<b>(325)</b>	<b>-6.2%</b>
Income taxes	1,662	1,576	86	5.5%
<b>Profit/(Loss) from continuing operations</b>	<b>3,268</b>	<b>3,679</b>	<b>(411)</b>	<b>-11.2%</b>
<b>Profit/(Loss) from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the period (owners of the Parent and non-controlling interest)</b>	<b>3,268</b>	<b>3,679</b>	<b>(411)</b>	<b>-11.2%</b>
Profit attributable to owners of the Parent	2,505	2,921	(416)	-14.2%
Profit attributable to non-controlling interests	763	758	5	0.7%

(1) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

## Revenue

Millions of euro	First nine months			
	2021	2020	Change	
Sale of electricity	29,945	25,352	4,593	18.1%
Transport of electricity	8,088	7,932	156	2.0%
Fees from network operators	663	681	(18)	-2.6%
Transfers from institutional market operators	886	1,018	(132)	-13.0%
Sale of gas	1,917	1,889	28	1.5%
Transport of gas	405	424	(19)	-4.5%
Sale of fuels	1,056	399	657	-
Fees for connection to electricity and gas networks	568	556	12	2.2%
Revenue from construction contracts	699	563	136	24.2%
Sale of commodities under contracts with physical settlement and associated result of measurement of contracts closed in the period <sup>(1)</sup>	10,942	8,079	2,863	35.4%
Other revenue	2,745	2,572	173	6.7%
<b>Total <sup>(1)</sup></b>	<b>57,914</b>	<b>49,465</b>	<b>8,449</b>	<b>17.1%</b>

(1) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

**Revenue** increased by €8,449 million in the first nine months of 2021, reflecting an increase in sales of electricity, especially by the companies in the End-user Markets and Enel Green Power Business Lines due to the entry into service of new plants in Brazil and North America and hydroelectric generation in Italy. These effects were further amplified by the rise in sales achieved in the first nine months of 2021

in respect of contracts for the sale of commodities with physical settlement and of thermoelectric generation connected with the increase in quantities produced, especially in Spain and Latin America due to poor water availability, as well as the increase in revenue registered by distribution companies in Brazil.

## Costs

Millions of euro	First nine months			
	2021	2020	Change	
Electricity purchases <sup>(1)</sup>	15,833	11,238	4,595	40.9%
Consumption of fuel for electricity generation	2,639	1,998	641	32.1%
Fuel for trading and gas for sale to end users <sup>(1)</sup>	11,452	7,006	4,446	63.5%
Materials <sup>(1)</sup>	1,401	1,355	46	3.4%
Personnel expenses	4,128	3,101	1,027	33.1%
Services, leases and rentals	12,213	11,237	976	8.7%
Other operating costs	2,017	1,661	356	21.4%
Capitalized costs	(1,958)	(1,506)	(452)	-30.0%
<b>Total <sup>(1)</sup></b>	<b>47,725</b>	<b>36,090</b>	<b>11,635</b>	<b>32.2%</b>

(1) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.



## Net income/(expense) from commodity management

**Net income from commodity management** associated with trading activities in the first nine months of 2021 in-

creased by €1,759 million compared with the same period of the previous year, mainly due to the fluctuation of market prices and the reclassification discussed in note 2 to the condensed consolidated financial statements at September 30, 2021 relating to outstanding contracts for the purchase and sale of commodities with physical settlement.

## Gross operating profit

Millions of euro	First nine months			
	2021	2020	Change	
Thermal Generation and Trading	1,128	1,341	(213)	-15.9%
Enel Green Power	3,001	3,376	(375)	-11.1%
Infrastructure and Networks	4,942	5,714	(772)	-13.5%
End-user Markets	2,270	2,287	(17)	-0.7%
Enel X	183	68	115	-
Services	(56)	40	(96)	-
Other, eliminations and adjustments	(190)	(121)	(69)	-57.0%
<b>Total</b>	<b>11,278</b>	<b>12,705</b>	<b>(1,427)</b>	<b>-11.2%</b>

The decrease in **gross operating profit** is essentially attributable to:

- > the increase in personnel expenses (€1,027 million), mainly due to an increase in provisions for restructuring and digitalization plans (€595 million), mainly in Italy and Latin America, as well as the reversal of provisions for the electricity discount recognized in the first nine months of 2020 in Spain (€515 million);
- > the provisions recognized in Italy in respect of reconversion costs for certain generation plants as part of the energy transition undertaken by the Group (€374 million);

- > an increase in commodity provisioning costs.

These effects were partially offset by the recognition of an indemnity paid to Endesa (€188 million) relating to the CO<sub>2</sub> emission allowances allocated free of charge under the "Plan Nacional de Asignación de Derechos de Emisión" (PNA).

For an analysis of changes by business line, please see the segment information reported in the section "Results by business line" and elsewhere.

## Ordinary gross operating profit

Millions of euro	First nine months 2021							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
<b>Gross operating profit/(loss)</b>	<b>1,128</b>	<b>3,001</b>	<b>4,942</b>	<b>2,270</b>	<b>183</b>	<b>(56)</b>	<b>(190)</b>	<b>11,278</b>
Charges for energy transition and digitalization	575	40	390	92	12	148	57	1,314
COVID-19 costs	6	5	23	1	-	4	-	39
<b>Ordinary gross operating profit/(loss)</b>	<b>1,709</b>	<b>3,046</b>	<b>5,355</b>	<b>2,363</b>	<b>195</b>	<b>96</b>	<b>(133)</b>	<b>12,631</b>

Millions of euro	First nine months 2020							Total
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	
<b>Gross operating profit/(loss)</b>	<b>1,341</b>	<b>3,376</b>	<b>5,714</b>	<b>2,287</b>	<b>68</b>	<b>40</b>	<b>(121)</b>	<b>12,705</b>
Write-down of fuel and spare-parts inventories at a number of coal plants in Italy, Spain and Chile	124	-	-	-	-	-	-	124
Restructuring plans for the energy transition and digitalization	204	2	-	-	-	7	-	213
Increased costs in application of contractual clauses connected with sale of EFSI	-	3	-	-	-	-	-	3
COVID-19 costs	8	6	39	10	2	35	1	101
<b>Ordinary gross operating profit/(loss)</b>	<b>1,677</b>	<b>3,387</b>	<b>5,753</b>	<b>2,297</b>	<b>70</b>	<b>82</b>	<b>(120)</b>	<b>13,146</b>

## Operating profit

Millions of euro	First nine months			
	2021	2020	Change	
Thermal Generation and Trading	435	(34)	469	-
Enel Green Power	1,858	2,408	(550)	-22.8%
Infrastructure and Networks	2,979	3,495	(516)	-14.8%
End-user Markets	1,360	1,364	(4)	-0.3%
Enel X	30	(38)	68	-
Services	(193)	(78)	(115)	-
Other, eliminations and adjustments	(215)	(142)	(73)	-51.4%
<b>Total</b>	<b>6,254</b>	<b>6,975</b>	<b>(721)</b>	<b>-10.3%</b>

The decrease in operating profit reflected the reduction in gross operating profit discussed above, partly offset by the decrease in impairment losses recognized in the first nine months of 2021 compared with the same period of the previous year.

In particular, operating profit for the first nine months of 2020 was affected by the greater impairment losses on trade receivables compared with 2021 related to COVID-19,

mainly in Italy, and the impairment loss of €737 million recognized on the Bocamina II plant in Chile as a result of its early decommissioning.

In addition, in the first nine months of 2021, an impairment loss totaling €165 million was recognized on the assets associated with the PH Chucas plant operated under a concession arrangement in Costa Rica.



## Ordinary operating profit

Millions of euro	First nine months 2021							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
<b>Operating profit/(loss)</b>	<b>435</b>	<b>1,858</b>	<b>2,979</b>	<b>1,360</b>	<b>30</b>	<b>(193)</b>	<b>(215)</b>	<b>6,254</b>
Charges for energy transition and digitalization	586	40	390	92	12	148	57	1,325
Impairment losses	-	165	12	-	-	-	-	177
COVID-19 costs	6	5	23	1	-	4	-	39
<b>Ordinary operating profit/(loss)</b>	<b>1,027</b>	<b>2,068</b>	<b>3,404</b>	<b>1,453</b>	<b>42</b>	<b>(41)</b>	<b>(158)</b>	<b>7,795</b>

Millions of euro	First nine months 2020							
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
<b>Operating profit/(loss)</b>	<b>(34)</b>	<b>2,408</b>	<b>3,495</b>	<b>1,364</b>	<b>(38)</b>	<b>(78)</b>	<b>(142)</b>	<b>6,975</b>
Impairment losses on the Funac receivable for Enel Distribuição Goiás	-	-	-	10	-	-	-	10
Impairment losses on CIS Interporto di Nola and increased contractual charges connected with sale of EFSI	-	17	-	-	-	-	-	17
Write-down of fuel and spare-parts inventories at a number of coal plants in Italy, Spain and Chile	124	-	-	-	-	-	-	124
Restructuring plans for the energy transition and digitalization	204	2	-	-	-	7	-	213
Impairment losses on a number of coal-fired plants in Italy, Spain and Chile	748	-	-	-	-	-	-	748
Adjustments of depreciation and impairment losses in Guatemala and Costa Rica	-	23	-	-	-	-	-	23
COVID-19 costs	8	6	39	10	2	35	1	101
<b>Ordinary operating profit/(loss)</b>	<b>1,050</b>	<b>2,456</b>	<b>3,534</b>	<b>1,384</b>	<b>(36)</b>	<b>(36)</b>	<b>(141)</b>	<b>8,211</b>

## Group profit

**Group profit** in the first nine months of 2021 amounted to €2,505 million, a decrease of €416 million from the €2,921 million registered in the same period of the previous year (-14.2%). The decline was mainly attributable to the decrease in the operating profit discussed above, compounded by charges associated with the early repayment of a number of loans replaced by new bond issues at more advantageous interest rates and an increase in taxes, attributable in particular

to the effects of tax reforms in Argentina and Colombia and a tax audit at Enel Iberia.

These effects were partially offset by the value adjustment of the investment in Slovak Power Holding and by the reduction of interest expense on debt, which benefited from the impact of refinancing at more advantageous interest rates in 2020 and 2021.

## Group ordinary profit

Millions of euro	First nine months	
	2021	2020
<b>Group profit</b>	<b>2,505</b>	<b>2,921</b>
Charges for energy transition and digitalization	922	527
Impairment losses	133	39
COVID-19 costs	26	66
Value adjustment of certain assets connected with the disposal of Slovenské elektrárne	(297)	40
<b>Group ordinary profit</b>	<b>3,289</b>	<b>3,593</b>

**Group ordinary profit** in the first nine months of 2021 amounted to €3,289 million (€3,593 million in the first nine

months of 2020), a decrease of €304 million on the same period of 2020.

# ANALYSIS OF THE GROUP'S FINANCIAL POSITION AND STRUCTURE

## Net capital employed and associated funding

Changes in and the composition of net capital employed are detailed in the following schedule.

Millions of euro	at Sept. 30, 2021	at Dec. 31, 2020		Change
<b>Net non-current assets:</b>				
- property, plant and equipment and intangible assets	100,912	96,489	4,423	4.6%
- goodwill	13,837	13,779	58	0.4%
- equity-accounted investments	790	861	(71)	-8.2%
- other net non-current assets/(liabilities)	(6,196)	(6,807)	611	9.0%
<b>Total net non-current assets</b>	<b>109,343</b>	<b>104,322</b>	<b>5,021</b>	<b>4.8%</b>
<b>Net working capital:</b>				
- trade receivables	14,573	12,046	2,527	21.0%
- inventories	3,534	2,401	1,133	47.2%
- net receivables due from institutional market operators	(2,527)	(2,755)	228	8.3%
- other net current assets/(liabilities)	(4,236)	(6,977)	2,741	39.3%
- trade payables	(12,917)	(12,859)	(58)	-0.5%
<b>Total net working capital</b>	<b>(1,573)</b>	<b>(8,144)</b>	<b>6,571</b>	<b>80.7%</b>
<b>Gross capital employed</b>	<b>107,770</b>	<b>96,178</b>	<b>11,592</b>	<b>12.1%</b>
<b>Provisions:</b>				
- employee benefits	(2,472)	(2,964)	492	16.6%
- provisions for risks and charges and net deferred taxes	(7,548)	(6,050)	(1,498)	-24.8%
<b>Total provisions</b>	<b>(10,020)</b>	<b>(9,014)</b>	<b>(1,006)</b>	<b>-11.2%</b>
<b>Net assets held for sale</b>	<b>719</b>	<b>608</b>	<b>111</b>	<b>18.3%</b>
<b>Net capital employed</b>	<b>98,469</b>	<b>87,772</b>	<b>10,697</b>	<b>12.2%</b>
<b>Total equity</b>	<b>44,080</b>	<b>42,357</b>	<b>1,723</b>	<b>4.1%</b>
<b>Net financial debt</b>	<b>54,389</b>	<b>45,415</b>	<b>8,974</b>	<b>19.8%</b>

**Net capital employed** at September 30, 2021 amounted to €98,469 million and was funded by equity attributable to the owners of the Parent and non-controlling interests in the amount of €44,080 million and net financial debt of €54,389 million. At September 30, 2021 the debt/equity ratio was 1.23 (1.07 at December 31, 2020).

The increase of €8,974 million in **net financial debt** (+19.8%) is attributable to (i) borrowing needs generated by investment in the period (€7,988 million<sup>(3)</sup>), (ii) the payment of dividends totaling €4,772 million,<sup>(4)</sup> (iii) non-recurring transactions in non-controlling interests (€1,304 million),

primarily reflecting the acquisition of additional interests in Enel Américas as a result of the tender completed in April 2021, (iv) adverse exchange rate developments totaling €1,557 million, (v) an increase in lease liabilities (€447 million) and (vi) the cash-out and consolidation of debt connected with business combinations in Australia, Spain and Italy in the total amount of €277 million. Positive cash flow generated by operations (€5,067 million) and the issue of new hybrid instruments (€2,214 million) partially offset the financial requirements connected with the developments referred to above.

(3) Includes €87 million regarding units classified as "held for sale".

(4) Includes €26 million in coupons paid to holders of hybrid perpetual bonds.

The increase in property, plant and equipment and intangible assets was connected with investment in the period, partially offset by impairment losses recognized on the PH Chucas plant and depreciation and amortization for the period.

The increase in provisions for risks and charges primarily reflected provisions recognized in Italy for the reconversion for certain technical systems (€374 million) and the agreement for the early retirement of management personnel in Italy.

Finally, **equity** increased in particular as a result of the issue of hybrid instruments during the first nine months of 2021.

## Net financial debt

The following schedule shows the composition of and changes in the net financial debt of the Enel Group.

Millions of euro	at Sept. 30, 2021	at Dec. 31, 2020	Change	
<b>Long-term debt:</b>				
- bank borrowings	9,911	8,663	1,248	14.4%
- bonds	41,137	38,357	2,780	7.2%
- other borrowings	2,651	2,499	152	6.1%
<i>Long-term debt</i>	<i>53,699</i>	<i>49,519</i>	<i>4,180</i>	<i>8.4%</i>
Long-term financial assets and securities	(2,833)	(2,745)	(88)	-3.2%
<b>Net long-term debt</b>	<b>50,866</b>	<b>46,774</b>	<b>4,092</b>	<b>8.7%</b>
<b>Short-term debt</b>				-
Bank borrowings:				-
- current portion of long-term bank borrowings	1,236	1,369	(133)	-9.7%
- other short-term bank borrowings	715	711	4	0.6%
<i>Short-term bank borrowings</i>	<i>1,951</i>	<i>2,080</i>	<i>(129)</i>	<i>-6.2%</i>
Bonds (current portion)	2,605	1,412	1,193	84.5%
Other borrowings (current portion)	326	387	(61)	-15.8%
Commercial paper	7,520	4,854	2,666	54.9%
Cash collateral on derivatives and other financing	1,286	370	916	-
Other short-term financial borrowings <sup>(1)</sup>	270	415	(145)	-34.9%
<i>Other short-term debt</i>	<i>12,007</i>	<i>7,438</i>	<i>4,569</i>	<i>61.4%</i>
Long-term loan assets (short-term portion)	(1,554)	(1,428)	(126)	-8.8%
Loan assets - cash collateral	(2,481)	(3,223)	742	23.0%
Other short-term financial assets	(378)	(253)	(125)	-49.4%
Cash and cash equivalents with banks and short-term securities	(6,022)	(5,973)	(49)	-0.8%
<i>Cash and cash equivalents and short-term financial assets</i>	<i>(10,435)</i>	<i>(10,877)</i>	<i>442</i>	<i>4.1%</i>
<b>Net short-term debt</b>	<b>3,523</b>	<b>(1,359)</b>	<b>4,882</b>	-
<b>NET FINANCIAL DEBT</b>	<b>54,389</b>	<b>45,415</b>	<b>8,974</b>	<b>19.8%</b>
<b>Net financial debt of "Assets held for sale"</b>	<b>736</b>	<b>646</b>	<b>90</b>	<b>13.9%</b>

(1) Includes current financial borrowings included under other current financial liabilities.

**Net financial debt**, equal to €54,389 million at September 30, 2021, shows an increase of €8,974 million on December 31, 2020.

At September 30, 2021, **gross financial debt** amounted to €67,657 million, an increase of €8,620 million on December 31, 2020.

## GROSS FINANCIAL DEBT

Millions of euro	at Sept. 30, 2021			at Dec. 31, 2020		
	Gross long-term debt	Gross short-term debt	Gross debt	Gross long-term debt	Gross short-term debt	Gross debt
Gross financial debt	57,866	9,791	67,657	52,687	6,350	59,037
of which:						
<i>Sustainable financing</i>	26,486	6,629	33,115	15,748	3,901	19,649
Sustainable financing/Total gross debt (%)			49%			33%

More specifically, **gross long-term financial debt** (including the current portion) amounted to €57,866 million, of which €26,486 million in financing linked to sustainability objectives, and breaks down as follows:

- > bonds in the amount of €43,742 million, of which €17,890 million in sustainable bonds. Bonds increased by €3,973 million on December 31, 2020, due mainly to the following transactions carried out by Enel Finance International in 2021:
  - the issue of a multi-tranche sustainability-linked bond of €3,250 million and the repurchase of four bonds in the total amount of €1,069 million in June;
  - the issue of a multi-tranche sustainability-linked bond of \$4,000 million (equivalent to €3,455 million at September 30, 2021) and the repurchase of four bonds in the total amount of \$6,000 million (equivalent to €5,183 million at September 30, 2021) in July;
  - the issue of a multi-tranche sustainability-linked bond of €3,500 million in September;
- > bank borrowings in the amount of €11,147 million, of which €8,596 million in sustainable financing; such financing increased by €1,115 million on December 31, 2020, mainly reflecting new financing, only partly offset by repayments during the period. New bank borrowing included:
  - €200 million in respect of a floating-rate loan linked to sustainability objectives granted to Enel SpA;
  - €150 million in respect of a sustainability-linked loan granted by the European Investment Bank to e-distribuzione;
  - €225 million in respect of loans linked to sustainability objectives granted to Endesa;
  - the equivalent of €44 million in respect of a floating rate loan linked to sustainability objectives granted to Enel Chile;
- > other borrowings in the amount of €2,977 million substantially unchanged compared with December 31, 2020.

**Gross short-term financial debt** increased by €3,441 million compared with December 31, 2020 to €9,791 million. It mainly includes commercial paper of €7,520 million, of which €6,629 million connected with sustainability goals, cash collateral on derivatives of €1,286 million and other short-term bank borrowings of €715 million.

It should be noted that during the 2021 Enel Finance America updated its Commercial Paper Issuance Program by linking it to sustainability objectives and increasing the amount from \$3 billion to \$5 billion.

Cash and cash equivalents and short- and long-term financial assets totaled €13,268 million, a decrease of €354 million on December 31, 2020, mainly reflecting the decrease of €742 million in cash collateral paid, only partly offset by an increase in other financial assets and cash and cash equivalents with banks and short-term securities.

## Cash flows

**Cash flows from operating activities** in the first nine months of 2021 were a positive €5,067 million, a decrease of €1,493 million on the same period of 2020, mainly reflecting developments in gross operating profit.

**Cash flows used in investing activities** in the first nine months of 2021 amounted to €8,229 million, while they amounted to €6,482 million in the first nine months of 2020.

Investments in property, plant and equipment, intangible assets and contract assets totaled €7,988 million, an increase on the same period of the previous year. More details are provided in the following section.

Investments in entities (or business units) less cash and cash equivalents acquired amounted to €277 million and

mainly included the acquisition of renewable assets in Spain with a cash outflow of €76 million, the line-by-line consolidation of the net financial debt of a number of Australian companies accounted for using the equity method until December 2020 and other minor acquisitions in Italy.

**Cash flows from financing activities** showed funds generated in the amount of €3,209 million, while in the first nine months of 2020 financing activities had absorbed cash of €2,972 million. The flow in the first nine months of 2021 essentially reflected:

- > the payment of dividends in the amount of €4,746 million, as well as €26 million in coupons paid to holders of hybrid bonds;
- > the cash requirement associated with transactions in non-controlling interests in the amount of €1,304 million, mainly regarding the increase in the interest held in Enel Américas following the tender offer launched on March 15, 2021;

- > the increase of €7,084 million in net financial debt (the balance of repayments and new borrowing and other changes);
- > the liquidity of €2,214 million generated by the issue of a non-convertible subordinated perpetual hybrid bond, net of transaction costs.

In the first nine months of 2021 the cash needs for investment activities totaling €8,229 million fully absorbed cash flows of €5,067 million generated by operations. The shortfall was funded with financing activities in the amount of €3,209 million, with the difference reflected in the change in cash and cash equivalents, which at September 30, 2021 amounted to €6,039 million, compared with €6,002 million at the end of 2020. The change in cash and cash equivalents also reflected the effects of adverse developments in the exchange rates of the various local currencies against the euro in the amount of €10 million.

## Capital expenditure

Millions of euro	First nine months			
	2021	2020	Change	
Thermal Generation and Trading	418	376	42	11.2%
Enel Green Power	3,287 <sup>(1)</sup>	2,964	323	10.9%
Infrastructure and Networks	3,433	2,691	742	27.6%
End-user Markets	431	304	127	41.8%
Enel X	230	159	71	44.7%
Services	71	47	24	51.1%
Other, eliminations and adjustments	31	22	9	40.9%
<b>Total</b>	<b>7,901</b>	<b>6,563</b>	<b>1,338</b>	<b>20.4%</b>

(1) The figure does not include €87 million regarding units classified as "held for sale".

**Capital expenditure** in the first nine months of 2021 amounted to €7,901 million, an increase of €1,338 million compared with the previous year. This was in line with the Paris Agreement on the reduction of CO<sub>2</sub> emissions, and guided by the need to enhance energy efficiency and achieve progress in the energy transition, strategic objectives for the Group.

The largest increase was associated with investments in grids in order to maintain high quality levels in the electricity transport service despite increasingly volatile and unpre-

dictable weather events. In the first nine months of 2021, investment in Italy (€380 million), Spain (€136 million) and Brazil (€181 million) increased, mainly due to the installation of new smart meters, the Grid Blue Sky project and quality remote control activities.

The growth of investments in renewables was particularly concentrated in the United States (€252 million), but also involved Italy (€93 million), Colombia (€80 million), Chile (€74 million), Russia (€61 million), Spain (€32 million) and Panama (€22 million). There was a decrease in capital expenditure in

South Africa (€274 million) and Mexico (€92 million).

Investments in End-user Markets are on the rise, especially in Italy (€80 million), Iberia (€42 million) and Romania (€5 million), essentially for the digitalization of operating procedures for customer management.

The increase in investment by Enel X was mainly concentrated in Italy (€25 million) in the e-Home business with the Vivi Meglio commercial initiative, due to an increase in vol-

umes handled, and in mobility as a result of the increase in capitalization due to the growth in the number of recharging infrastructure installations compared with 2020, and in North America for storage initiatives.

The growth of investments in Thermal Generation and Trading, especially in Italy (€60 million), is attributable to the conversion of a number of coal-fired plants to gas, which produces lower CO<sub>2</sub> emissions.





# RESULTS BY BUSINESS LINE






































The representation of performance by business line 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 as described above.

Specifically bearing in mind that management reports on performance by business line, the Group has therefore adopted the following reporting sectors:

- > primary segment: business line;
- > secondary segment: geographical area.

The business line is therefore the main discriminant in the analyses performed and decisions taken by the management of the Group, and is fully consistent with the internal reporting prepared for these purposes since the results are measured and evaluated first and foremost for each business line and only thereafter are they broken down by country.

The following chart outlines these organizational arrangements.

Holding 							
Regions and countries	Global Business Line					Local businesses	
	Thermal Generation	Trading	Enel Green Power	Infrastructure and Networks	Enel X	End-user Markets	Services
Italy							
Iberia							
Europe							
Africa, Asia and Oceania							
North America							
Latin America							

The organization continues to be based on matrix of business lines (Thermal Generation and Trading, Enel Green Power, Infrastructure and Networks, End-user Markets,

Enel X, Services and Holding/Other) and geographical areas (Italy, Iberia, Europe, Latin America, North America, Africa, Asia and Oceania, Central/Holding).



# Results by business line for the 3rd Quarter of 2021 and 2020

## 3RD QUARTER OF 2021 <sup>(1)</sup>

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue from third parties	6,997	1,794	4,612	8,429	403	7	2	22,244
Revenue from transactions with other segments	2,748	611	858	(198)	-	468	(4,487)	-
<b>Total revenue</b>	<b>9,745</b>	<b>2,405</b>	<b>5,470</b>	<b>8,231</b>	<b>403</b>	<b>475</b>	<b>(4,485)</b>	<b>22,244</b>
Net income/(expense) from commodity management	564	(49)	-	336	-	4	(1)	854
<b>Gross operating profit/(loss)</b>	<b>261</b>	<b>823</b>	<b>1,805</b>	<b>699</b>	<b>82</b>	<b>(9)</b>	<b>(102)</b>	<b>3,559</b>
Depreciation, amortization and impairment losses	222	353	664	323	58	48	8	1,676
<b>Operating profit/(loss)</b>	<b>39</b>	<b>470</b>	<b>1,141</b>	<b>376</b>	<b>24</b>	<b>(57)</b>	<b>(110)</b>	<b>1,883</b>

(1) The figures for the 3rd Quarter of 2021 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

## 3RD QUARTER OF 2020 <sup>(1) (2)</sup>

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue from third parties	3,982	1,250	3,835	6,905	294	-	2	16,268
Revenue from transactions with other segments	1,657	459	887	177	(1)	465	(3,644)	-
<b>Total revenue</b>	<b>5,639</b>	<b>1,709</b>	<b>4,722</b>	<b>7,082</b>	<b>293</b>	<b>465</b>	<b>(3,642)</b>	<b>16,268</b>
Net income/(expense) from commodity management	(351)	8	-	73	-	5	(4)	(269)
<b>Gross operating profit/(loss)</b>	<b>340</b>	<b>1,085</b>	<b>1,898</b>	<b>705</b>	<b>45</b>	<b>30</b>	<b>(43)</b>	<b>4,060</b>
Depreciation, amortization and impairment losses	190	342	749	270	35	38	4	1,628
<b>Operating profit/(loss)</b>	<b>150</b>	<b>743</b>	<b>1,149</b>	<b>435</b>	<b>10</b>	<b>(8)</b>	<b>(47)</b>	<b>2,432</b>

(1) Revenue reflects a more accurate calculation of the aggregate.

(2) The figures for the 3rd Quarter of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

# Results by business line for the first nine months of 2021 and 2020

## FIRST NINE MONTHS OF 2021 <sup>(1)</sup>

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue from third parties	16,332	4,592	12,366	23,574	1,026	17	7	57,914
Revenue from transactions with other segments	6,723	1,754	2,564	38	10	1,335	(12,424)	-
<b>Total revenue</b>	<b>23,055</b>	<b>6,346</b>	<b>14,930</b>	<b>23,612</b>	<b>1,036</b>	<b>1,352</b>	<b>(12,417)</b>	<b>57,914</b>
Net income/(expense) from commodity management	708	(69)	-	449	-	3	(2)	1,089
<b>Gross operating profit/(loss)</b>	<b>1,128</b>	<b>3,001</b>	<b>4,942</b>	<b>2,270</b>	<b>183</b>	<b>(56)</b>	<b>(190)</b>	<b>11,278</b>
Depreciation, amortization and impairment losses	693	1,143	1,963	910	153	137	25	5,024
<b>Operating profit/(loss)</b>	<b>435</b>	<b>1,858</b>	<b>2,979</b>	<b>1,360</b>	<b>30</b>	<b>(193)</b>	<b>(215)</b>	<b>6,254</b>
<b>Capital expenditure</b>	<b>418</b>	<b>3,287 <sup>(2)</sup></b>	<b>3,433</b>	<b>431</b>	<b>230</b>	<b>71</b>	<b>31</b>	<b>7,901</b>

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

(2) Does not include €87 million regarding units classified as "held for sale".

**FIRST NINE MONTHS OF 2020** <sup>(1)(2)(3)</sup>

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	<b>Total</b>
Revenue from third parties	12,180	3,917	11,637	20,980	749	(5)	7	49,465
Revenue from transactions with other segments	5,561	1,367	2,633	512	7	1,294	(11,374)	-
<b>Total revenue</b>	<b>17,741</b>	<b>5,284</b>	<b>14,270</b>	<b>21,492</b>	<b>756</b>	<b>1,289</b>	<b>(11,367)</b>	<b>49,465</b>
Net income/(expense) from commodity management	(949)	65	-	214	-	1	(1)	(670)
<b>Gross operating profit/(loss)</b>	<b>1,341</b>	<b>3,376</b>	<b>5,714</b>	<b>2,287</b>	<b>68</b>	<b>40</b>	<b>(121)</b>	<b>12,705</b>
Depreciation, amortization and impairment losses	1,375	968	2,219	923	106	118	21	5,730
<b>Operating profit/(loss)</b>	<b>(34)</b>	<b>2,408</b>	<b>3,495</b>	<b>1,364</b>	<b>(38)</b>	<b>(78)</b>	<b>(142)</b>	<b>6,975</b>
<b>Capital expenditure</b>	<b>376</b>	<b>2,964</b>	<b>2,691</b>	<b>304</b>	<b>159</b>	<b>47</b>	<b>22</b>	<b>6,563</b>

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

(2) Revenue reflects a more accurate calculation of the aggregate.

(3) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

In addition to the above, the Group also monitors performance by region/country. In the table below, gross operating profit is shown for the two periods under review with

the goal of providing a view of performance not only by business line but also by region/country.

## GROSS OPERATING PROFIT

Millions of euro	Thermal Generation and Trading			Enel Green Power			Infrastructure and Networks			End-user Markets		
	2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
	First nine months			First nine months			First nine months			First nine months		
<b>Italy</b>	<b>(50)</b>	<b>292</b>	<b>(342)</b>	<b>886</b>	<b>1,033</b>	<b>(147)</b>	<b>2,383</b>	<b>2,922</b>	<b>(539)</b>	<b>1,639</b>	<b>1,648</b>	<b>(9)</b>
<b>Iberia</b>	<b>957</b>	<b>722</b>	<b>235</b>	<b>285</b>	<b>312</b>	<b>(27)</b>	<b>1,361</b>	<b>1,585</b>	<b>(224)</b>	<b>393</b>	<b>430</b>	<b>(37)</b>
<b>Latin America</b>	<b>220</b>	<b>213</b>	<b>7</b>	<b>1,278</b>	<b>1,432</b>	<b>(154)</b>	<b>1,124</b>	<b>1,109</b>	<b>15</b>	<b>179</b>	<b>147</b>	<b>32</b>
<i>Argentina</i>	71	71	-	18	26	(8)	-	29	(29)	9	(7)	16
<i>Brazil</i>	82	33	49	246	179	67	623	575	48	87	78	9
<i>Chile</i>	(59)	11	(70)	353	574	(221)	96	121	(25)	30	19	11
<i>Colombia</i>	44	8	36	439	444	(5)	285	266	19	37	39	(2)
<i>Peru</i>	83	90	(7)	99	98	1	120	118	2	16	18	(2)
<i>Panama</i>	(1)	-	(1)	93	79	14	-	-	-	-	-	-
<i>Other countries</i>	-	-	-	30	32	(2)	-	-	-	-	-	-
<b>Europe</b>	<b>58</b>	<b>96</b>	<b>(38)</b>	<b>124</b>	<b>128</b>	<b>(4)</b>	<b>98</b>	<b>100</b>	<b>(2)</b>	<b>58</b>	<b>62</b>	<b>(4)</b>
<i>Romania</i>	(1)	-	(1)	53	58	(5)	98	100	(2)	58	62	(4)
<i>Russia</i>	59	95	(36)	2	(3)	5	-	-	-	-	-	-
<i>Other countries</i>	-	1	(1)	69	73	(4)	-	-	-	-	-	-
<b>North America</b>	<b>(35)</b>	<b>12</b>	<b>(47)</b>	<b>410</b>	<b>446</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<i>United States and Canada</i>	(34)	8	(42)	358	372	(14)	-	-	-	-	-	-
<i>Mexico</i>	(1)	4	(5)	52	74	(22)	-	-	-	3	-	3
<b>Africa, Asia and Oceania</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>	<b>37</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>South Africa</i>	-	-	-	50	35	15	-	-	-	-	-	-
<i>India</i>	-	-	-	2	4	(2)	-	-	-	-	-	-
<i>Other countries</i>	-	-	-	9	(2)	11	-	-	-	-	-	-
<b>Other</b>	<b>(22)</b>	<b>6</b>	<b>(28)</b>	<b>(43)</b>	<b>(12)</b>	<b>(31)</b>	<b>(24)</b>	<b>(2)</b>	<b>(22)</b>	<b>(2)</b>	<b>-</b>	<b>(2)</b>
<b>Total</b>	<b>1,128</b>	<b>1,341</b>	<b>(213)</b>	<b>3,001</b>	<b>3,376</b>	<b>(375)</b>	<b>4,942</b>	<b>5,714</b>	<b>(772)</b>	<b>2,270</b>	<b>2,287</b>	<b>(17)</b>

Enel X			Services			Other			Total		
First nine months			First nine months			First nine months			First nine months		
2021	2020	Change	2021	2020	Change	2021	2020	Change	2021	2020	Change
<b>104</b>	<b>6</b>	<b>98</b>	<b>(34)</b>	<b>65</b>	<b>(99)</b>	-	-	-	<b>4,928</b>	<b>5,966</b>	<b>(1,038)</b>
<b>32</b>	<b>34</b>	<b>(2)</b>	<b>17</b>	<b>2</b>	<b>15</b>	-	-	-	<b>3,045</b>	<b>3,085</b>	<b>(40)</b>
<b>46</b>	<b>60</b>	<b>(14)</b>	<b>(56)</b>	<b>(75)</b>	<b>19</b>	-	-	-	<b>2,791</b>	<b>2,886</b>	<b>(95)</b>
3	2	1	(2)	(3)	1	-	-	-	99	118	(19)
(2)	1	(3)	(13)	(23)	10	-	-	-	1,023	843	180
-	6	(6)	(41)	(49)	8	-	-	-	379	682	(303)
30	35	(5)	-	-	-	-	-	-	835	792	43
14	16	(2)	-	-	-	-	-	-	332	340	(8)
-	-	-	-	-	-	-	-	-	92	79	13
1	-	1	-	-	-	-	-	-	31	32	(1)
<b>7</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	-	-	-	<b>348</b>	<b>391</b>	<b>(43)</b>
6	7	(1)	3	2	1	-	-	-	217	229	(12)
-	-	-	-	-	-	-	-	-	61	92	(31)
1	(4)	5	-	-	-	-	-	-	70	70	-
<b>11</b>	<b>(15)</b>	<b>26</b>	<b>(1)</b>	<b>(2)</b>	<b>1</b>	<b>(1)</b>	-	<b>(1)</b>	<b>387</b>	<b>441</b>	<b>(54)</b>
11	(15)	26	(1)	(2)	1	(1)	-	(1)	333	363	(30)
-	-	-	-	-	-	-	-	-	54	78	(24)
<b>(1)</b>	<b>(1)</b>	-	-	-	-	-	-	-	<b>60</b>	<b>36</b>	<b>24</b>
-	-	-	-	-	-	-	-	-	50	35	15
-	-	-	-	-	-	-	-	-	2	4	(2)
(1)	(1)	-	-	-	-	-	-	-	8	(3)	11
<b>(16)</b>	<b>(19)</b>	<b>3</b>	<b>15</b>	<b>48</b>	<b>(33)</b>	<b>(189)</b>	<b>(121)</b>	<b>(68)</b>	<b>(281)</b>	<b>(100)</b>	<b>(181)</b>
<b>183</b>	<b>68</b>	<b>115</b>	<b>(56)</b>	<b>40</b>	<b>(96)</b>	<b>(190)</b>	<b>(121)</b>	<b>(69)</b>	<b>11,278</b>	<b>12,705</b>	<b>(1,427)</b>





# THERMAL GENERATION AND TRADING



# Operations

## NET ELECTRICITY GENERATION

Millions of kWh	First nine months			
	2021	2020	Change	
Coal-fired plants	9,253	9,292	(39)	-0.4%
Fuel-oil and turbo-gas plants	16,747	14,099	2,648	18.8%
Combined-cycle plants	37,475	31,947	5,528	17.3%
Nuclear plants	19,895	19,523	372	1.9%
<b>Total net generation</b>	<b>83,370</b>	<b>74,861</b>	<b>8,509</b>	<b>11.4%</b>
- of which Italy	15,874	13,003	2,871	22.1%
- of which Iberia	33,057	32,208	849	2.6%
- of which Latin America	18,574	16,515	2,059	12.5%
- of which Europe	15,865	13,135	2,730	20.8%

The increase in thermal generation is essentially attributable to an increase in generation both from combined-cycle plants (5,528 million kWh) and fuel oil and turbo-gas plants (2,648 million kWh). The increase in generation from these

sources was registered in Italy (2,098 million kWh), Russia (2,730 million kWh), Latin America (2,300 million kWh) and Iberia (1,048 million kWh).

## NET EFFICIENT GENERATION CAPACITY

MW	First nine months			
	at Sept. 30, 2021	at Dec. 31, 2020	Change	
Coal-fired plants	8,893	8,903	(10)	-0.1%
Fuel-oil and turbo-gas plants	11,715	11,711	4	-
Combined-cycle plants	15,035	15,009	26	0.2%
Nuclear plants	3,328	3,328	-	-
<b>Total</b>	<b>38,971</b>	<b>38,951</b>	<b>20</b>	<b>0.1%</b>
- of which Italy	12,430	12,414	16	0.1%
- of which Iberia	13,870	13,871	(1)	-
- of which Latin America	7,395	7,406	(11)	-0.1%
- of which Europe	5,276	5,260	16	0.3%

Net efficient thermal generation capacity in the first nine months of 2021 amounted to 38,971 MW, an increase of 20

MW from the end of 2020.

## Performance

3rd Quarter		Millions of euro		First nine months				
2021	2020	Change		2021	2020	Change		
9,745	5,639	4,106	72.8%	Revenue <sup>(1)</sup>	23,055	17,741	5,314	30.0%
261	340	(79)	-23.2%	Gross operating profit	1,128	1,341	(213)	-15.9%
748	604	144	23.8%	Ordinary gross operating profit	1,709	1,677	32	1.9%
39	150	(111)	-74.0%	Operating profit/(loss)	435	(34)	469	-
				Capital expenditure	418	376	42	11.2%

(1) The figures for the first nine months of 2020 and the 3rd Quarters of 2021 and 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

The following table breaks out revenue from thermal and nuclear generation for the Thermal Generation and Trading area.

Millions of euro	First nine months		
	2021	2020	Change
<b>Revenue</b>			
Revenue from thermal generation	7,348	5,426	35.4%
- of which coal-fired generation	1,324	1,213	9.2%
Revenue from nuclear generation	1,029	1,015	1.4%
Revenue from thermal generation as a percentage of total revenue	12.7%	11.0%	
- of which revenue from coal-fired generation as a percentage of total revenue	2.3%	2.5%	
Revenue from nuclear generation as a percentage of total revenue	1.8%	2.1%	

The following tables break down performance by region/country in the first nine months of 2021.

## REVENUE

3rd Quarter		Millions of euro		First nine months				
2021	2020	Change		2021	2020	Change		
6,973	3,884	3,089	79.5%	Italy <sup>(1)</sup>	16,534	12,487	4,047	32.4%
1,856	1,339	517	38.6%	Iberia <sup>(1)</sup>	4,535	3,851	684	17.8%
767	289	478	-	Latin America	1,786	963	823	85.5%
47	32	15	46.9%	- of which Argentina	119	120	(1)	-0.8%
331	38	293	-	- of which Brazil	672	106	566	-
292	136	156	-	- of which Chile	727	472	255	54.0%
52	45	7	15.6%	- of which Colombia	134	140	(6)	-4.3%
45	38	7	18.4%	- of which Peru	134	125	9	7.2%
31	13	18	-	North America	78	21	57	-
152	129	23	17.8%	Europe	393	406	(13)	-3.2%
1	-	1	-	- of which Romania	1	-	1	-
151	129	22	17.1%	- of which Russia	392	404	(12)	-3.0%
-	-	-	-	- of which other countries	-	2	(2)	-
30	31	(1)	-3.2%	Other	79	93	(14)	-15.1%
(64)	(46)	(18)	-39.1%	Eliminations and adjustments	(350)	(80)	(270)	-
<b>9,745</b>	<b>5,639</b>	<b>4,106</b>	<b>72.8%</b>	<b>Total</b>	<b>23,055</b>	<b>17,741</b>	<b>5,314</b>	<b>30.0%</b>

(1) The figures for the first nine months of 2020 and the 3rd Quarters of 2021 and 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

## GROSS OPERATING PROFIT

3rd Quarter		Millions of euro		First nine months				
2021	2020	Change		2021	2020	Change		
(342)	112	(454)	-	Italy	(50)	292	(342)	-
565	117	448	-	Iberia	957	722	235	32.5%
45	88	(43)	-48.9%	Latin America	220	213	7	3.3%
28	21	7	33.3%	- of which Argentina	71	71	-	-
37	13	24	-	- of which Brazil	82	33	49	-
(58)	14	(72)	-	- of which Chile	(59)	11	(70)	-
22	12	10	83.3%	- of which Colombia	44	8	36	-
17	28	(11)	-39.3%	- of which Peru	83	90	(7)	-7.8%
(13)	2	(15)	-	North America	(35)	12	(47)	-
16	19	(3)	-15.8%	Europe	58	96	(38)	-39.6%
-	-	-	-	- of which Romania	(1)	-	(1)	-
16	19	(3)	-15.8%	- of which Russia	59	95	(36)	-37.9%
-	-	-	-	- of which other countries	-	1	(1)	-
(10)	2	(12)	-	Other	(22)	6	(28)	-
<b>261</b>	<b>340</b>	<b>(79)</b>	<b>-23.2%</b>	<b>Total</b>	<b>1,128</b>	<b>1,341</b>	<b>(213)</b>	<b>-15.9%</b>

The decrease in **gross operating profit** in the first nine months of 2021 is mainly attributable to:

- > a reduction of €342 million in profit in Italy, essentially due to the allocation of €374 million for costs connected with plant conversion as part of the energy transition;
- > a reduction of €70 million in profit in Chile due mainly to the recognition of greater costs for the purchase of commodities in the first nine months of 2021;
- > an increase of €235 million in Iberia, attributable mainly to:
  - recognition of the indemnity of €188 million connected with CO<sub>2</sub> emission allowances allocated under the "Plan Nacional de Asignación de Derechos de Emisión" (PNA);
  - an increase in income on commodity risk management;

– a decrease in personnel expenses (–€39 million) due to the recognition in the first nine months of 2020 of provisions (€204 million) for restructuring plans, which were partially offset in the same period by releases of provisions for the electricity discount benefit.

**Ordinary gross operating profit** increased by €32 million compared with the first nine months of 2020. Extraordinary

items recognized in the first nine months of 2021 concerned:

- > restructuring plans for the energy transition and digitalization (€575 million);
- > non-recurring costs incurred in response to the COVID-19 pandemic for the sanitization of workspaces, personal protective equipment, and donations (€6 million).

Extraordinary items for the same period of 2020 totaled €336 million.

## OPERATING PROFIT

3rd Quarter				Millions of euro				First nine months			
2021	2020	Change		2021	2020	Change					
(385)	59	(444)	- Italy	(189)	161	(350)	-				
437	18	419	- Iberia	549	374	175	46.8%				
3	59	(56)	-94.9% Latin America	98	(649)	747	-				
10	9	1	11.1% - of which Argentina	23	28	(5)	-17.9%				
33	11	22	- - of which Brazil	73	26	47	-				
(67)	11	(78)	- - of which Chile	(91)	(765)	674	88.1%				
16	8	8	- - of which Colombia	30	(4)	34	-				
11	20	(9)	-45.0% - of which Peru	63	66	(3)	-4.5%				
(13)	-	(13)	- North America	(35)	11	(46)	-				
7	13	(6)	-46.2% Europe	35	65	(30)	-46.2%				
(1)	-	(1)	- - of which Romania	(2)	-	(2)	-				
8	12	(4)	-33.3% - of which Russia	37	64	(27)	-42.2%				
-	1	(1)	- - of which other countries	-	1	(1)	-				
(10)	2	(12)	- Other	(23)	5	(28)	-				
-	(1)	1	- Eliminations and adjustments	-	(1)	1	-				
<b>39</b>	<b>150</b>	<b>(111)</b>	<b>-74.0% Total</b>	<b>435</b>	<b>(34)</b>	<b>469</b>	<b>-</b>				

The increase in **operating profit** is attributable to the decrease of €682 million in depreciation, amortization and impairment losses as compared with the same period of the previous year, partially offset by the factors described in relation to gross operating profit. More specifically, the decrease in impairment losses is mainly related to the ef-

fect of the impairment losses recognized on the Bocamina II coal-fired plant (€737 million) in the first nine months of 2020 following the Group's decision to accelerate the energy transition towards zero-emission technologies in Chile.

## CAPITAL EXPENDITURE

Millions of euro	First nine months			
	2021	2020	Change	
Italy	150	90	60	66.7%
Iberia	175	179	(4)	-2.2%
Latin America	69	66	3	4.5%
North America	3	1	2	-
Europe	21	40	(19)	-47.5%
Other	-	-	-	-
<b>Total</b>	<b>418</b>	<b>376</b>	<b>42</b>	<b>11.2%</b>

**Capital expenditure** for the first nine months of 2021 essentially refers to Italy and almost entirely concerns expenditure to improve service quality and efficiency, as well

as for compliance with environmental and safety requirements.



# ENEL GREEN POWER



# Operations

## NET ELECTRICITY GENERATION

Millions of kWh	First nine months			
	2021	2020	Change	
Hydroelectric	43,425	46,608	(3,183)	-6.8%
Geothermal <sup>(1)</sup>	4,541	4,581	(40)	-0.9%
Wind	27,103	21,942	5,161	23.5%
Solar	5,749	4,397	1,352	30.7%
Other sources <sup>(1)</sup>	34	31	3	9.7%
<b>Total net generation</b>	<b>80,852</b>	<b>77,559</b>	<b>3,293</b>	<b>4.2%</b>
- of which Italy	18,577	17,668	909	5.1%
- of which Iberia	9,523	9,942	(419)	-4.2%
- of which Latin America	34,518	34,694	(176)	-0.5%
- of which Europe	1,723	1,771	(48)	-2.7%
- of which North America	14,678	12,364	2,314	18.7%
- of which Africa, Asia and Oceania	1,833	1,120	713	63.7%

(1) The 2020 figures reflect a more accurate calculation of electricity generated.

In the first nine months of 2021, electricity generation increased mainly due to an increase in output, largely from wind and solar sources, following the entry into service of new plants, mainly in Brazil and North America.

The most significant changes in wind output occurred in Brazil (+2,497 million kWh), North America (+1,926 million kWh), Iberia (+372 million kWh) and South Africa (+355 million kWh).

Solar generation also increased, largely accounted for by Iberia (+386 million kWh), United States (+367 million kWh), Australia (+338 million kWh), and Brazil (+252 million kWh). Hydroelectric generation decreased overall due to less favorable water conditions in Latin America (-2,959 million kWh) and Iberia (-1,178 million kWh), which was partially offset by increased generation in Italy (+952 million kWh).

## NET EFFICIENT GENERATION CAPACITY

MW	at Sept. 30, 2021	at Dec. 31, 2020	Change	
Hydroelectric	27,834	27,820	14	0.1%
Geothermal	914	882	32	3.6%
Wind	13,237	12,412	825	6.6%
Solar	5,514	3,897	1,617	41.5%
Other sources	5	5	-	-
<b>Total net efficient generation capacity</b>	<b>47,504</b>	<b>45,016</b>	<b>2,488</b>	<b>5.5%</b>
- of which Italy	14,021	13,986	35	0.3%
- of which Iberia	7,791	7,781	10	0.1%
- of which Latin America	15,985	14,554	1,431	9.8%
- of which Europe	1,105	1,141	(36)	-3.2%
- of which North America	7,123	6,643	480	7.2%
- of which Africa, Asia and Oceania	1,479	911	568	62.3%

The increase in net efficient capacity is mainly due to the start of operations of solar plants in the United States, Chile and Brazil and of wind farms in Brazil and South Africa, as

well as to the effect of the full consolidation of a number of companies in Australia that had been accounted for using the equity method until December 31, 2020.

## Performance

3rd Quarter		Millions of euro		First nine months			
2021	2020	Change		2021	2020	Change	
2,405	1,709	696	40.7%	6,346	5,284	1,062	20.1%
823	1,085	(262)	-24.1%	3,001	3,376	(375)	-11.1%
848	1,091	(243)	-22.3%	3,046	3,387	(341)	-10.1%
470	743	(273)	-36.7%	1,858	2,408	(550)	-22.8%
				3,287 <sup>(1)</sup>	2,964	323	10.9%

(1) The figure does not include €87 million regarding units classified as "held for sale".

The following tables break down performance by region/country in the first nine months of 2021.

## REVENUE

3rd Quarter		Millions of euro		First nine months			
2021	2020	Change		2021	2020	Change	
613	492	121	24.6%	1,786	1,584	202	12.8%
118	169	(51)	-30.2%	535	559	(24)	-4.3%
1,321	705	616	87.4%	2,929	2,137	792	37.1%
9	11	(2)	-18.2%	26	34	(8)	-23.5%
627	102	525	-	1,062	335	727	-
348	311	37	11.9%	932	898	34	3.8%
234	198	36	18.2%	640	620	20	3.2%
38	32	6	18.8%	99	98	1	1.0%
36	33	3	9.1%	111	104	7	6.7%
29	18	11	61.1%	59	48	11	22.9%
220	241	(21)	-8.7%	744	700	44	6.3%
169	200	(31)	-15.5%	621	607	14	2.3%
51	41	10	24.4%	123	93	30	32.3%
85	80	5	6.3%	234	244	(10)	-4.1%
46	39	7	17.9%	138	148	(10)	-6.8%
34	38	(4)	-10.5%	89	87	2	2.3%
-	2	(2)	-	-	8	(8)	-
-	1	(1)	-	-	1	(1)	-
42	29	13	44.8%	110	73	37	50.7%
58	75	(17)	-22.7%	173	174	(1)	-0.6%
(52)	(82)	30	36.6%	(165)	(187)	22	11.8%
<b>2,405</b>	<b>1,709</b>	<b>696</b>	<b>40.7%</b>	<b>6,346</b>	<b>5,284</b>	<b>1,062</b>	<b>20.1%</b>

## GROSS OPERATING PROFIT

3rd Quarter		Millions of euro		First nine months			
2021	2020	Change		2021	2020	Change	
236	288	(52)	-18.1%	886	1,033	(147)	-14.2%
29	96	(67)	-69.8%	285	312	(27)	-8.7%
422	479	(57)	-11.9%	1,278	1,432	(154)	-10.8%
7	8	(1)	-12.5%	18	26	(8)	-30.8%
104	61	43	70.5%	246	179	67	37.4%
73	208	(135)	-64.9%	353	574	(221)	-38.5%
155	130	25	19.2%	439	444	(5)	-1.1%
37	35	2	5.7%	99	98	1	1.0%
30	25	5	20.0%	93	79	14	17.7%
16	12	4	33.3%	30	32	(2)	-6.3%
93	141	(48)	-34.0%	410	446	(36)	-8.1%
72	112	(40)	-35.7%	358	372	(14)	-3.8%
21	29	(8)	-27.6%	52	74	(22)	-29.7%
47	48	(1)	-2.1%	124	128	(4)	-3.1%
17	16	1	6.3%	53	58	(5)	-8.6%
3	(1)	4	-	2	(3)	5	-
28	31	(3)	-9.7%	71	68	3	4.4%
-	1	(1)	-	-	6	(6)	-
(1)	1	(2)	-	(2)	(1)	(1)	-
21	15	6	40.0%	61	37	24	64.9%
(25)	18	(43)	-	(43)	(12)	(31)	-
<b>823</b>	<b>1,085</b>	<b>(262)</b>	<b>-24.1%</b>	<b>3,001</b>	<b>3,376</b>	<b>(375)</b>	<b>-11.1%</b>

The change in **gross operating profit** in the first nine months of 2021 is essentially attributable to:

- > a decrease in profit in Latin America, particularly in Chile due to a decline in hydroelectric generation as a result of unfavorable water conditions in the country, which led to higher costs for the provisioning of commodities to supply the greater volumes sold under power purchase agreements (PPAs). This impact was partially offset by an increase in profit in Brazil due to the greater quantities of power generated and sold and to the effect of prices on new PPAs;
- > a decrease in profit on hydroelectric generation in Italy;
- > a decrease in profit in Iberia due mainly to unfavorable water conditions and despite the recognition of lower hydroelectric fees following the favorable outcome of a dispute;
- > a decrease in profit in North America due mainly to the net negative settlement of a swap contract as a result of extreme weather in Texas and a decrease in profit in Mexico on the sale of electricity, primarily for the Salitri-

los plant, at lower average prices than those applied in the same period of the previous year, as well as the effect of the reversal of a provision recognized in 2020 in respect of legal dispute. These effects were partially offset by an increase in tax partnership revenue;

- > an increase in profit in Africa, Asia and Oceania due mainly to the line-by-line consolidation of a number of Australian companies that were accounted for using the equity method at December 31, 2020, as well as an increase in generation at new wind farms in South Africa.

**Ordinary gross operating profit** amounted to €3,046 million (€3,387 million for the first nine months of 2020), reflecting provisions for charges in respect of restructuring plans for the energy transition and digitalization (€40 million) and non-recurring costs incurred in responding to the COVID-19 pandemic for the sanitization of workplaces, the purchase of personal protective equipment and donations (€5 million).

## OPERATING PROFIT

3rd Quarter				Millions of euro				First nine months			
2021	2020	Change		2021	2020	Change					
167	218	(51)	-23.4%	681	803	(122)	-15.2%				
(37)	42	(79)	-	113	164	(51)	-31.1%				
330	365	(35)	-9.6%	851	1,130	(279)	-24.7%				
5	7	(2)	-28.6%	14	23	(9)	-39.1%				
79	46	33	71.7%	186	131	55	42.0%				
35	169	(134)	-79.3%	238	452	(214)	-47.3%				
143	118	25	21.2%	403	405	(2)	-0.5%				
30	26	4	15.4%	79	71	8	11.3%				
26	21	5	23.8%	82	64	18	28.1%				
12	(22)	34	-	(151)	(16)	(135)	-				
4	62	(58)	-93.5%	173	232	(59)	-25.4%				
(8)	42	(50)	-	144	183	(39)	-21.3%				
12	20	(8)	-40.0%	29	49	(20)	-40.8%				
30	32	(2)	-6.3%	75	84	(9)	-10.7%				
11	11	-	-	36	43	(7)	-16.3%				
-	(2)	2	-	(5)	(4)	(1)	-25.0%				
19	23	(4)	-17.4%	45	44	1	2.3%				
-	1	(1)	-	-	4	(4)	-				
-	(1)	1	-	(1)	(3)	2	66.7%				
5	8	(3)	-37.5%	18	11	7	63.6%				
(29)	15	(44)	-	(53)	(17)	(36)	-				
-	1	(1)	-	-	1	(1)	-				
<b>470</b>	<b>743</b>	<b>(273)</b>	<b>-36.7%</b>	<b>1,858</b>	<b>2,408</b>	<b>(550)</b>	<b>-22.8%</b>				

In addition to the factors described in relation to gross operating profit, **operating profit** also decreased as a result of an increase of €175 million in depreciation, amortization and impairment losses. The impairment losses are mainly

attributable to the assets associated with the PH Chucas plant in Costa Rica to account for the deterioration of future earnings at that plant.

## CAPITAL EXPENDITURE

Millions of euro	First nine months			
	2021	2020	Change	
Italy	232	139	93	66.9%
Iberia	345	313	32	10.2%
Latin America	1,107	936	171	18.3%
North America	1,298	1,137	161	14.2%
Europe	166	122	44	36.1%
Africa, Asia and Oceania	127 <sup>(1)</sup>	299	(172)	-57.5%
Other	12	18	(6)	-33.3%
<b>Total</b>	<b>3,287</b>	<b>2,964</b>	<b>323</b>	<b>10.9%</b>

(1) The figure does not include €87 million regarding units classified as "held for sale".

**Capital expenditure** for the first nine months of 2021 increased by €323 million compared with the same period of the previous year. In particular, the change was attributable to:

- > an increase of €171 million in capital expenditure in Latin America attributable mainly to wind and hydroelectric generation, which was partially offset by a decrease in capital expenditure on photovoltaic plants. The increase in capital expenditure was concentrated mainly in Chile, Colombia and Panama. There was a slight drop in capital expenditure in Brazil after numerous plants entered service in 2020;
- > an increase of €161 million in North America, primarily in investment in photovoltaic plants in the United States, which was partially offset by lower capital expenditure on

wind plants in the United States and Mexico as a result of the entry into service of plants constructed in 2020;

- > an increase of €93 million in Italy, mainly for wind and solar plants;
- > an increase of €44 million in capital expenditure in Europe, particularly at the Enel Rus Wind Kola wind farm in Russia;
- > an increase of €32 million in capital expenditure in Iberia, attributable mainly to solar plants;
- > a decrease of €172 million in capital expenditure in Africa, Asia and Oceania due mainly to a reduction in capital expenditure on wind farms in South Africa following the near completion of Round 4, which was partially offset by an increase in capital expenditure in India (Coral and Thar).





# INFRASTRUCTURE AND NETWORKS



# Operations

## ELECTRICITY TRANSPORT

Millions of kWh	First nine months			
	2021	2020	Change	
Electricity transported on Enel's distribution grid <sup>(1)</sup>	381,478	360,263	21,215	5.9%
- of which Italy	169,108	159,039	10,069	6.3%
- of which Iberia	98,601	93,085	5,516	5.9%
- of which Latin America	101,856	96,775	5,081	5.3%
- of which Europe	11,913	11,364	549	4.8%
End users with active smart meters (no.) <sup>(2)</sup>	44,843,287	44,363,498	479,789	1.1%

(1) The figure for 2020 has been restated.

(2) To ensure a uniform comparison, the figure for 2020 has been adjusted on the basis of the new calculation method, which excludes digital meters with an active contract that are not managed remotely.

During the first nine months of 2021, electricity transported on the grid increased (by 5.9%) mainly due to developments in:

- > Italy (+6.3%), with an increase in the demand for electricity distributed to low-, medium-, high- and very-high-voltage customers, while electricity distributed to other distributors was unchanged;
- > Iberia (+5.9%), where the increase was essentially due to the rise in electricity transported by Edistribución Redes

Digitales SL, reflecting the effect of the lockdown imposed in the first nine months of 2020 in response to the COVID-19 pandemic;

- > Latin America (+5.3%), reflecting the increase in volumes transported, mainly in Peru, Colombia and Brazil;
- > Europe (+4.8%), with an increase in electricity distributed in Romania, attributable to both business and residential customers.

## AVERAGE FREQUENCY OF INTERRUPTIONS PER CUSTOMER

	at Sept. 30, 2021	at Dec. 31, 2020	Change	
SAIFI (average no.)				
Italy	1.8	1.7	0.1	5.9%
Iberia	1.4	1.4	-	-
Argentina <sup>(1)</sup>	4.8	4.4	0.4	9.1%
Brazil	5.1	5.4	(0.3)	-5.6%
Chile	1.5	1.5	-	-
Colombia	5.2	5.6	(0.4)	-7.1%
Peru	2.4	2.6	(0.2)	-7.7%
Romania	3.1	3.4	(0.3)	-8.8%

(1) The figures at December 31, 2020 reflect a more accurate calculation of average frequency.

## AVERAGE DURATION OF INTERRUPTIONS PER CUSTOMER

	at Sept. 30, 2021	at Dec. 31, 2020	Change	
SAIDI (average minutes)				
<i>Italy</i> <sup>(1)</sup>	44.0	42.1	1.9	4.5%
<i>Iberia</i> <sup>(1)</sup>	66.1	77.5	(11.4)	-14.7%
<i>Argentina</i> <sup>(1)</sup>	811.0	839.4	(28.4)	-3.4%
<i>Brazil</i>	648.4	678.8	(30.4)	-4.5%
<i>Chile</i>	150.8	171.2	(20.4)	-11.9%
<i>Colombia</i>	399.3	466.6	(67.3)	-14.4%
<i>Peru</i> <sup>(1)</sup>	411.2	418.6	(7.4)	-1.8%
<i>Romania</i>	120.6	134.5	(13.9)	-10.3%

(1) The figures at December 31, 2020 reflect a more accurate calculation of average duration.

As shown in the tables above, service quality has improved in nearly all geographical areas, although the SAIDI in Ar-

gentina remains high, due in particular to faults in high-voltage transmission systems not operated by the Group.

## GRID LOSSES

	at Sept. 30, 2021	at Dec. 31, 2020	Change	
Grid losses (average %)				
<i>Italy</i>	4.7	4.9	(0.2)	-4.1%
<i>Iberia</i> <sup>(1)</sup>	7.1	7.3	(0.2)	-2.7%
<i>Argentina</i>	18.4	18.9	(0.5)	-2.6%
<i>Brazil</i>	13.2	13.4	(0.2)	-1.5%
<i>Chile</i>	5.2	5.2	-	-
<i>Colombia</i>	7.6	7.6	-	-
<i>Peru</i>	8.4	8.8	(0.4)	-4.5%
<i>Romania</i>	9.1	9.2	(0.1)	-1.1%

(1) The figures at December 31, 2020 reflect a more accurate calculation of grid losses.

# Performance

3rd Quarter		Millions of euro		First nine months				
2021	2020	Change		2021	2020	Change		
5,470	4,722	748	15.8%	Revenue	14,930	14,270	660	4.6%
1,805	1,898	(93)	-4.9%	Gross operating profit	4,942	5,714	(772)	-13.5%
1,867	1,904	(37)	-1.9%	Ordinary gross operating profit	5,355	5,753	(398)	-6.9%
1,141	1,149	(8)	-0.7%	Operating profit/(loss)	2,979	3,495	(516)	-14.8%
				Capital expenditure	3,433	2,691	742	27.6%

The following tables break down performance by region/country in the first nine months of 2021.

## REVENUE

3rd Quarter		Millions of euro		First nine months				
2021	2020	Change		2021	2020	Change		
1,803	1,882	(79)	-4.2%	Italy	5,354	5,515	(161)	-2.9%
612	640	(28)	-4.4%	Iberia	1,845	1,892	(47)	-2.5%
2,941	2,090	851	40.7%	Latin America	7,405	6,553	852	13.0%
195	152	43	28.3%	- of which Argentina	483	515	(32)	-6.2%
2,110	1,314	796	60.6%	- of which Brazil	5,033	4,115	918	22.3%
320	339	(19)	-5.6%	- of which Chile	927	953	(26)	-2.7%
156	145	11	7.6%	- of which Colombia	462	448	14	3.1%
160	140	20	14.3%	- of which Peru	500	522	(22)	-4.2%
104	98	6	6.1%	Europe	300	289	11	3.8%
117	88	29	33.0%	Other	311	233	78	33.5%
(107)	(76)	(31)	-40.8%	Eliminations and adjustments	(285)	(212)	(73)	-34.4%
<b>5,470</b>	<b>4,722</b>	<b>748</b>	<b>15.8%</b>	<b>Total</b>	<b>14,930</b>	<b>14,270</b>	<b>660</b>	<b>4.6%</b>

## GROSS OPERATING PROFIT

3rd Quarter		Millions of euro		First nine months				
2021	2020	Change		2021	2020	Change		
885	1,049	(164)	-15.6%	Italy	2,383	2,922	(539)	-18.4%
453	464	(11)	-2.4%	Iberia	1,361	1,585	(224)	-14.1%
433	336	97	28.9%	Latin America	1,124	1,109	15	1.4%
4	6	(2)	-33.3%	- of which Argentina	-	29	(29)	-
255	191	64	33.5%	- of which Brazil	623	575	48	8.3%
39	38	1	2.6%	- of which Chile	96	121	(25)	-20.7%
96	81	15	18.5%	- of which Colombia	285	266	19	7.1%
39	20	19	95.0%	- of which Peru	120	118	2	1.7%
45	45	-	-	Europe	98	100	(2)	-2.0%
(11)	4	(15)	-	Other	(24)	(2)	(22)	-
<b>1,805</b>	<b>1,898</b>	<b>(93)</b>	<b>-4.9%</b>	<b>Total</b>	<b>4,942</b>	<b>5,714</b>	<b>(772)</b>	<b>-13.5%</b>

**Gross operating profit** decreased as a result of an increase in provisions recognized in the first nine months of 2021, especially in Italy, for restructuring and digitalization plans (€355 million) and the effect of the reversal of the provision for the electricity discount recognized in Spain in the 1st half of 2020 (€269 million).

The remainder of the change is attributable to the effect of the increase in profit in Italy in the first nine months of 2020 due essentially to the income associated with the application of Regulatory Authority for Energy, Networks and the Environment (ARERA) Resolutions 50/2018 and 461/2020. The decrease was partially offset by an increase in gross

operating profit in Italy and Brazil thanks to the combined impact of an increase in electricity distributed and rate adjustments.

**Ordinary gross operating profit** amounted to €5,355 million (€5,753 million for the first nine months of 2020), a decrease of €398 million compared with 2020. Extraordinary items include €390 million in provisions for restructuring and digitalization plans and €23 million for COVID-19 costs, which in the first nine months of 2020 had amounted to €39 million.

### OPERATING PROFIT

3rd Quarter			Millions of euro		First nine months			
2021	2020	Change			2021	2020	Change	
597	658	(61)	-9.3%	Italy	1,521	1,827	(306)	-16.7%
267	283	(16)	-5.7%	Iberia	805	1,035	(230)	-22.2%
269	180	89	49.4%	Latin America	647	598	49	8.2%
(3)	4	(7)	-	- of which Argentina	(18)	17	(35)	-
147	87	60	69.0%	- of which Brazil	308	239	69	28.9%
29	27	2	7.4%	- of which Chile	62	87	(25)	-28.7%
73	56	17	30.4%	- of which Colombia	219	187	32	17.1%
23	6	17	-	- of which Peru	76	68	8	11.8%
20	25	(5)	-20.0%	Europe	31	39	(8)	-20.5%
(12)	3	(15)	-	Other	(25)	(4)	(21)	-
<b>1,141</b>	<b>1,149</b>	<b>(8)</b>	<b>-0.7%</b>	<b>Total</b>	<b>2,979</b>	<b>3,495</b>	<b>(516)</b>	<b>-14.8%</b>

The change in **operating profit** is essentially attributable to the factors described in relation to gross operating profit, partially offset by a decrease in impairment losses.

## CAPITAL EXPENDITURE

Millions of euro	First nine months			
	2021	2020	Change	
Italy	1,671	1,291	380	29.4%
Iberia	537	401	136	33.9%
Latin America	1,095	859	236	27.5%
Europe	125	132	(7)	-5.3%
Other	5	8	(3)	-37.5%
<b>Total</b>	<b>3,433</b>	<b>2,691</b>	<b>742</b>	<b>27.6%</b>

The increase in **capital expenditure** is essentially attributable to Italy, Brazil and Spain due to the installation of new smart meters, to the Grid Blue Sky project and to quality remote control activities.





# END-USER MARKETS



# Operations

## ELECTRICITY SALES

Millions of kWh	First nine months			
	2021	2020	Change	
Free market	130,973	119,290	11,683	9.8%
Regulated market	101,602	102,698	(1,096)	-1.1%
<b>Total</b>	<b>232,575</b>	<b>221,988</b>	<b>10,587</b>	<b>4.8%</b>
- of which Italy	70,096	67,303	2,793	4.1%
- of which Iberia	60,124	60,585	(461)	-0.8%
- of which Latin America	95,571	87,533	8,038	9.2%
- of which Europe	6,784	6,567	217	3.3%

The increase in electricity sold in the first nine months of 2021 is due to the greater quantities sold on the free market to business-to-business (B2B) customers, mainly in Italy and Latin America.

Conversely, the regulated market saw a decrease in volumes in the business-to-consumer (B2C) segment due mainly to a decrease in the number of customers compared with the same period of 2020.

## NATURAL GAS SALES

Millions of m <sup>3</sup>	First nine months			
	2021	2020	Change	
Free market	2,329	2,391	(62)	-2.6%
Regulated market	4,469	4,388	81	1.8%
<b>Total <sup>(1)</sup></b>	<b>6,798</b>	<b>6,779</b>	<b>19</b>	<b>0.3%</b>
- of which Italy	2,836	3,060	(224)	-7.3%
- of which Iberia	3,741	3,530	211	6.0%
- of which Latin America <sup>(1)</sup>	121	119	2	1.7%
- of which Europe <sup>(1)</sup>	100	70	30	42.9%

(1) The figures for 2020 reflect a more accurate calculation of volumes sold.

The increase in volumes sold in the first nine months of 2021, mainly in Spain and Romania, was partially offset by

a reduction in consumption in Italy in both customer segments (B2C and B2B).

# Performance

3rd Quarter			Millions of euro		First nine months			
2021	2020	Change			2021	2020	Change	
8,231	7,082	1,149	16.2%	Revenue <sup>(1)</sup>	23,612	21,492	2,120	9.9%
699	705	(6)	-0.9%	Gross operating profit	2,270	2,287	(17)	-0.7%
718	706	12	1.7%	Ordinary gross operating profit	2,363	2,297	66	2.9%
376	435	(59)	-13.6%	Operating profit/(loss)	1,360	1,364	(4)	-0.3%
				Capital expenditure	431	304	127	41.8%

(1) The figures for the first nine months of 2020 and the 3rd Quarters of 2021 and 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

The following tables break down performance by region/country in the first nine months of 2021.

## REVENUE

3rd Quarter				Millions of euro				First nine months			
2021	2020	Change		2021	2020	Change					
4,331	3,556	775	21.8%	Italy	12,351	10,704	1,647	15.4%			
3,216	2,902	314	10.8%	Iberia <sup>(1)</sup>	9,358	8,826	532	6.0%			
361	350	11	3.1%	Latin America	998	1,109	(111)	-10.0%			
-	(1)	1	-	- of which Argentina	-	1	(1)	-			
97	68	29	42.6%	- of which Brazil	232	226	6	2.7%			
23	61	(38)	-62.3%	- of which Chile	68	201	(133)	-66.2%			
195	163	32	19.6%	- of which Colombia	555	524	31	5.9%			
46	59	(13)	-22.0%	- of which Peru	143	157	(14)	-8.9%			
(1)	1	(2)	-	North America	4	-	4	-			
324	272	52	19.1%	Europe	901	852	49	5.8%			
-	1	(1)	-	Eliminations and adjustments	-	1	(1)	-			
<b>8,231</b>	<b>7,082</b>	<b>1,149</b>	<b>16.2%</b>	<b>Total</b>	<b>23,612</b>	<b>21,492</b>	<b>2,120</b>	<b>9.9%</b>			

(1) The figures for the first nine months of 2020 and the 3rd Quarters of 2021 and 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to the condensed consolidated financial statements at September 30, 2021.

## GROSS OPERATING PROFIT

3rd Quarter				Millions of euro				First nine months			
2021	2020	Change		2021	2020	Change					
475	514	(39)	-7.6%	Italy	1,639	1,648	(9)	-0.5%			
143	125	18	14.4%	Iberia	393	430	(37)	-8.6%			
70	42	28	66.7%	Latin America	179	147	32	21.8%			
6	(4)	10	-	- of which Argentina	9	(7)	16	-			
37	23	14	60.9%	- of which Brazil	87	78	9	11.5%			
11	4	7	-	- of which Chile	30	19	11	57.9%			
12	12	-	-	- of which Colombia	37	39	(2)	-5.1%			
4	7	(3)	-42.9%	- of which Peru	16	18	(2)	-11.1%			
(2)	1	(3)	-	North America	3	-	3	-			
15	23	(8)	-34.8%	Europe	58	62	(4)	-6.5%			
(2)	-	(2)	-	Eliminations and adjustments	(2)	-	(2)	-			
<b>699</b>	<b>705</b>	<b>(6)</b>	<b>-0.9%</b>	<b>Total</b>	<b>2,270</b>	<b>2,287</b>	<b>(17)</b>	<b>-0.7%</b>			

**Gross operating profit** for the first nine months of 2021 decreased essentially as a result of the decline in profit in Spain due to the release, in 2020, of the electricity discount provision, while also decreasing in Italy due to provisions for restructuring and digitalization plans, which more than offset the increase in profit on the free market.

**Ordinary gross operating profit** increased by €66 million compared with the first nine months of 2020.

Extraordinary items included provisions for charges in respect of restructuring plans for the energy transition and digitalization (€92 million) and costs incurred in responding to the COVID-19 pandemic for the sanitization of workplaces, the purchase of personal protective equipment and donations (€1 million in 2021, compared with €10 million in 2020).

## OPERATING PROFIT

3rd Quarter		Millions of euro		First nine months				
2021	2020	Change		2021	2020	Change		
317	326	(9)	-2.8%	Italy	1,096	1,084	12	1.1%
97	89	8	9.0%	Iberia	254	275	(21)	-7.6%
(38)	4	(42)	-	Latin America	(32)	(32)	-	-
12	(13)	25	-	- of which Argentina	6	(29)	35	-
(69)	6	(75)	-	- of which Brazil	(91)	(38)	(53)	-
7	(5)	12	-	- of which Chile	14	(2)	16	-
9	10	(1)	-10.0%	- of which Colombia	27	25	2	8.0%
3	6	(3)	-50.0%	- of which Peru	12	12	-	-
(1)	2	(3)	-	North America	3	-	3	-
3	14	(11)	-78.6%	Europe	41	37	4	10.8%
(2)	-	(2)	-	Eliminations and adjustments	(2)	-	(2)	-
<b>376</b>	<b>435</b>	<b>(59)</b>	<b>-13.6%</b>	<b>Total</b>	<b>1,360</b>	<b>1,364</b>	<b>(4)</b>	<b>-0.3%</b>

**Operating profit** includes depreciation, amortization and impairment losses in the amount of €910 million (€923 million for the first nine months of 2020). The decrease in depreciation, amortization and impairment losses, mainly in

Italy and Spain, is attributable to the reduction in impairment losses on trade receivables, which was partly offset by an increase in depreciation and amortization.

## CAPITAL EXPENDITURE

Millions of euro	First nine months			
	2021	2020	Change	
Italy	300	220	80	36.4%
Iberia	120	78	42	53.8%
Europe	11	6	5	83.3%
<b>Total</b>	<b>431</b>	<b>304</b>	<b>127</b>	<b>41.8%</b>

The increase in **capital expenditure** is mainly attributable to the greater capitalization of costs connected with the acquisition of contracts with new customers.



ENEL X

# Operations

	First nine months			Change
	2021	2020		
Demand response capacity (MW)	7,689	5,945	1,744	29.3%
Lighting points (thousands)	2,801	2,749	52	1.9%
Storage (MW)	195	123 <sup>(1)</sup>	72	58.5%
Charging points (no.) <sup>(2)</sup>	137,955	93,919	44,036	46.9%

(1) At December 31, 2020.

(2) The figures for 2020 reflect more accurate calculation of the number of charging points.

Private charging points increased in the first nine months of 2021 by 39,762, mainly in North America and Italy, while

public charging points increased by 4,274, primarily in Italy and Spain.

# Performance

3rd Quarter			Millions of euro		First nine months			
2021	2020	Change			2021	2020	Change	
403	293	110	37.5%	Revenue	1,036	756	280	37.0%
82	45	37	82.2%	Gross operating profit	183	68	115	-
87	45	42	93.3%	Ordinary gross operating profit	195	70	125	-
24	10	14	-	Operating profit/(loss)	30	(38)	68	-
				Capital expenditure	230	159	71	44.7%

The following tables break down performance by region/country in the first nine months of 2021.

## REVENUE

3rd Quarter			Millions of euro		First nine months			
2021	2020	Change			2021	2020	Change	
156	62	94	-	Italy	374	215	159	74.0%
62	56	6	10.7%	Iberia	186	169	17	10.1%
55	79	(24)	-30.4%	Latin America	152	151	1	0.7%
3	3	-	-	- of which Argentina	8	4	4	-
3	11	(8)	-72.7%	- of which Brazil	12	16	(4)	-25.0%
12	13	(1)	-7.7%	- of which Chile	35	40	(5)	-12.5%
24	19	5	26.3%	- of which Colombia	61	56	5	8.9%
12	33	(21)	-63.6%	- of which Peru	35	35	-	-
1	-	1	-	- of which other countries	1	-	1	-
78	69	9	13.0%	North America	196	137	59	43.1%
21	12	9	75.0%	Europe	58	34	24	70.6%
21	12	9	75.0%	Africa, Asia and Oceania	47	40	7	17.5%
37	25	12	48.0%	Other	113	74	39	52.7%
(27)	(22)	(5)	-22.7%	Eliminations and adjustments	(90)	(64)	(26)	-40.6%
<b>403</b>	<b>293</b>	<b>110</b>	<b>37.5%</b>	<b>Total</b>	<b>1,036</b>	<b>756</b>	<b>280</b>	<b>37.0%</b>



## GROSS OPERATING PROFIT

3rd Quarter			Millions of euro		First nine months		
2021	2020	Change		2021	2020	Change	
60	(3)	63	- Italy	104	6	98	-
10	9	1	11.1% Iberia	32	34	(2)	-5.9%
18	37	(19)	-51.4% Latin America	46	60	(14)	-23.3%
-	2	(2)	- of which Argentina	3	2	1	50.0%
(1)	4	(5)	- of which Brazil	(2)	1	(3)	-
4	2	2	- of which Chile	-	6	(6)	-
9	12	(3)	-25.0% - of which Colombia	30	35	(5)	-14.3%
5	17	(12)	-70.6% - of which Peru	14	16	(2)	-12.5%
1	-	1	- of which other countries	1	-	1	-
5	5	-	- North America	11	(15)	26	-
2	-	2	- Europe	7	3	4	-
1	-	1	- Africa, Asia and Oceania	(1)	(1)	-	-
(14)	(3)	(11)	- Other	(16)	(19)	3	15.8%
<b>82</b>	<b>45</b>	<b>37</b>	<b>82.2% Total</b>	<b>183</b>	<b>68</b>	<b>115</b>	<b>-</b>

**Gross operating profit** mainly increased in Italy and North America, due respectively to the recognition of profits on services associated with new commercial initiatives and the demand-response business.

**Ordinary gross operating profit** increased by €125 million compared with the first nine months of 2020.

The only extraordinary item in 2021 is represented by provisions for charges in respect of restructuring plans for the energy transition and digitalization (€12 million), while in the year earlier period the only extraordinary item regarded costs incurred in responding to the COVID-19 pandemic for the sanitization of workplaces, the purchase of personal protective equipment and donations (€2 million).

## OPERATING PROFIT

3rd Quarter			Millions of euro	First nine months			
2021	2020	Change		2021	2020	Change	
28	(14)	42	- Italy	47	(29)	76	-
2	1	1	- Iberia	-	11	(11)	-
15	31	(16)	-51.6% Latin America	34	50	(16)	-32.0%
1	2	(1)	-50.0% - of which Argentina	3	2	1	50.0%
(1)	3	(4)	- - of which Brazil	(3)	(1)	(2)	-
4	2	2	- - of which Chile	-	4	(4)	-
7	11	(4)	-36.4% - of which Colombia	23	33	(10)	-30.3%
3	13	(10)	-76.9% - of which Peru	10	12	(2)	-16.7%
1	-	1	- - of which other countries	1	-	1	-
(7)	(2)	(5)	- North America	(21)	(44)	23	52.3%
1	(1)	2	- Europe	4	(1)	5	-
1	(1)	2	- Africa, Asia and Oceania	(3)	(3)	-	-
(16)	(4)	(12)	- Other	(31)	(22)	(9)	-40.9%
<b>24</b>	<b>10</b>	<b>14</b>	<b>- Total</b>	<b>30</b>	<b>(38)</b>	<b>68</b>	<b>-</b>

The change in **operating profit**, including depreciation, amortization and impairment losses of €153 million (€106 million for the first nine months of 2020), essentially reflects the factors discussed above in relation to gross operating profit, partially offset by an increase in depreciation and amortization in Italy and in impairment losses on receivables for Enel X Srl as well as in Spain.

## CAPITAL EXPENDITURE

Millions of euro	First nine months			
	2021	2020	Change	
Italy	68	43	25	58.1%
Iberia	35	30	5	16.7%
Latin America	27	22	5	22.7%
North America	34	27	7	25.9%
Europe	2	1	1	-
Africa, Asia and Oceania	4	2	2	-
Other	60	34	26	76.5%
<b>Total</b>	<b>230</b>	<b>159</b>	<b>71</b>	<b>44.7%</b>

**Capital expenditure** increased mainly in Italy within the Vivi Meglio business, reflecting an increase in volumes handled, in North American as a result of an increase in storage activities, in Iberia in the e-Home business following an increase in volumes sold compared with 2020, and in Latin

America, mainly in Peru in the e-City business and in Brazil in distributed energy.

Enel X Srl also invested in developing global technology platforms for digital business management.



# SERVICES AND OTHER



# Performance

3rd Quarter		Millions of euro			First nine months			
2021	2020	Change			2021	2020	Change	
539	529	10	1.9%	Revenue	1,537	1,480	57	3.9%
(111)	(13)	(98)	-	Gross operating loss	(246)	(81)	(165)	-
3	2	1	50.0%	Ordinary gross operating loss	(37)	(38)	1	2.6%
(167)	(55)	(112)	-	Operating loss	(408)	(220)	(188)	-85.5%
				Capital expenditure	102	69	33	47.8%

The following tables break down performance by region/country in the first nine months of 2021.

## REVENUE

3rd Quarter		Millions of euro			First nine months			
2021	2020	Change			2021	2020	Change	
187	196	(9)	-4.6%	Italy	552	555	(3)	-0.5%
126	120	6	5.0%	Iberia	329	332	(3)	-0.9%
3	3	-	-	Latin America	15	6	9	-
5	5	-	-	Europe	17	17	-	-
279	278	1	0.4%	Other	787	737	50	6.8%
(61)	(73)	12	16.4%	Eliminations and adjustments	(163)	(167)	4	2.4%
<b>539</b>	<b>529</b>	<b>10</b>	<b>1.9%</b>	<b>Total</b>	<b>1,537</b>	<b>1,480</b>	<b>57</b>	<b>3.9%</b>

## GROSS OPERATING LOSS

3rd Quarter		Millions of euro			First nine months			
2021	2020	Change			2021	2020	Change	
(14)	32	(46)	-	Italy	(34)	65	(99)	-
12	-	12	-	Iberia	17	2	15	-
(19)	(21)	2	9.5%	Latin America	(56)	(75)	19	25.3%
(1)	(1)	-	-	North America	(2)	(2)	-	-
2	-	2	-	Europe	3	2	1	50.0%
(91)	(23)	(68)	-	Other	(174)	(73)	(101)	-
<b>(111)</b>	<b>(13)</b>	<b>(98)</b>	<b>-</b>	<b>Total</b>	<b>(246)</b>	<b>(81)</b>	<b>(165)</b>	<b>-</b>

The increase in the **gross operating loss** in the first nine months of 2021 is mainly attributable to the increase in provisions for personnel expenses related to the restructuring and digitalization plans, which were only partly offset by a decrease in costs incurred in response to the COVID-19 health emergency.

The **ordinary gross operating loss** is in line with the first nine months of 2020. Extraordinary items in 2021 were almost entirely represented by provisions for restructuring plans (totaling €205 million). Costs incurred in response to the COVID-19 pandemic for the sanitization of workplaces, the purchase of personal protective equipment and donations decreased by €32 million compared with the same period of the previous year.

## OPERATING LOSS

3rd Quarter		Millions of euro		First nine months			
2021	2020	Change		2021	2020	Change	
(31)	16	(47)	- Italy	(86)	15	(101)	-
(1)	(9)	8	88.9% Iberia	(20)	(25)	5	20.0%
(20)	(23)	3	13.0% Latin America	(58)	(77)	19	24.7%
-	(1)	1	- North America	(2)	(2)	-	-
1	-	1	- Europe	2	1	1	-
(116)	(38)	(78)	- Other	(244)	(132)	(112)	-84.8%
<b>(167)</b>	<b>(55)</b>	<b>(112)</b>	<b>- Total</b>	<b>(408)</b>	<b>(220)</b>	<b>(188)</b>	<b>-85.5%</b>

**Operating loss** for the first nine months of 2021 is essentially in line with the increase in the gross operating loss,

taking account of the €23 million increase in depreciation, amortization and impairment losses.

## CAPITAL EXPENDITURE

Millions of euro	First nine months			
	2021	2020	Change	
Italy	27	11	16	-
Iberia	17	17	-	-
Latin America	4	1	3	-
Europe	1	-	1	-
Other	53	40	13	32.5%
<b>Total</b>	<b>102</b>	<b>69</b>	<b>33</b>	<b>47.8%</b>

The increase in **capital expenditure** in the first nine months of 2021 is attributable to an increase in spending in Italy in connection with building renovations.



# DEFINITION OF PERFORMANCE INDICATORS

In order to present the results of the Group and analyze its financial structure, for the Interim Financial Report at September 30, 2021, Enel has prepared separate reclassified schedules that differ from the schedules envisaged under the IFRS-EU adopted by the Group. These reclassified schedules contain different performance indicators from those obtained directly from the condensed consolidated financial statements at September 30, 2021, which management believes are useful in monitoring the performance of the Group and representative of the financial performance and position of our business.

With regard to those indicators, on December 3, 2015, CONSOB issued Communication no. 92543/15, which gives force to the Guidelines issued on October 5, 2015, by the European Securities and Markets Authority (ESMA) concerning the presentation of alternative performance measures in regulated information disclosed or prospectuses published as from July 3, 2016. The Guidelines are intended to promote the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

In line with the regulations cited above, the criteria used to construct these indicators are the following.

*Gross operating profit:* an operating performance indicator, calculated as “Operating profit” plus “Depreciation, amortization and impairment losses”.

*Ordinary gross operating profit:* defined as “Gross operating profit” from core businesses connected with the new Ownership and Stewardship business models. It does not include costs connected with corporate restructurings and costs directly attributable to the COVID-19 pandemic.

*Ordinary operating profit:* defined as “Operating profit” from core businesses connected with the new Ownership and Stewardship business models.

It is calculated by adjusting “Operating profit” for the effects of transactions not connected with core operations referred to with regard to gross operating profit and excluding significant impairment losses on assets and/or

groups of assets following impairment testing (including reversals of impairment losses) or classification under “Assets held for sale”.

*Group ordinary profit:* it is defined as “Group profit” generated by Enel’s core business connected with the new Ownership and Stewardship business models.

It is equal to “Group profit” adjusted primarily for the items discussed under “Ordinary operating profit”, net of any tax effects and non-controlling interests.

*Net non-current assets:* calculated as the difference between “Non-current assets” and “Non-current liabilities” with the exception of:

- > “Deferred tax assets”;
- > “Securities” and “Other financial assets” included in “Other non-current financial assets”;
- > “Long-term borrowings”;
- > “Employee benefits”;
- > “Provisions for risks and charges (non-current portion)”;
- > “Deferred tax liabilities”.

*Net working capital:* calculated as the difference between “Current assets” and “Current liabilities” with the exception of:

- > “Current portion of long-term loan assets”, “Factoring receivables”, “Securities”, “Cash collateral” and “Other financial assets” included in “Other current financial assets”;
- > “Cash and cash equivalents”;
- > “Short-term borrowings” and the “Current portion of long-term borrowings”;
- > “Provisions for risks and charges (current portion)”;
- > “Other borrowings” included in “Other current liabilities”.

*Net assets held for sale:* calculated as the algebraic sum of “Assets held for sale” and “Liabilities included in disposal groups held for sale”.

*Net capital employed:* calculated as the sum of “Net non-current assets” and “Net current assets”, “Provisions for risks and charges”, “Deferred tax liabilities” and “Deferred tax assets”, as well as “Net assets held for sale”.

*Net financial debt:* a financial structure indicator, determined by:

- > “Long-term borrowings”, “Short-term borrowings” and “Current portion of long-term borrowings”, taking account of “Short-term financial borrowings” included in “Other current liabilities”;
- > net of “Cash and cash equivalents”;
- > net of the “Current portion of long-term loan assets”, “Current securities” and “Other financial assets” included in “Other current financial assets”;

- > net of “Non-current securities” and “Non-current financial assets” included in “Other non-current financial assets”.

The net financial debt of the Enel Group is calculated in accordance with Guideline 39, issued on March 4, 2021, by ESMA, applicable as from May 5, 2021, and with warning notice no. 5/21 issued by CONSOB on April 29, 2021.

The references to the CESR Recommendations contained in the previous CONSOB communications shall be considered to have been replaced by references to the ESMA Guideline cited above, including the references in Communication no. DEM/6064293 of July 28, 2006 regarding the net financial position.

## Main changes in the scope of consolidation

In the two periods under review, the scope of consolidation changed as a result of a number of transactions. For more information, please see note 2 of the notes to the condensed consolidated financial statements at September 30, 2021.

# OUTLOOK FOR OPERATIONS

In the first nine months of 2021, the progressive roll-out of COVID-19 vaccines has laid the foundations for a substantial resumption of growth at the global level. In this context, the Group registered a solid rebound in its operating indicators, not only in terms of the generation, distribution and sale of electricity to end users, but also the acceleration in the construction of new renewables capacity.

At the same time, the macroeconomic environment of recent months has been strongly impacted by sharp increases in the prices of raw materials such as gas and coal, with a direct impact on the price of electricity. This prompted the authorities of certain European countries to intervene in an attempt to mitigate the increase in electricity prices for end users, implementing measures that have in some cases penalized companies operating in electricity generation and sales.

In this environment, the Enel Group has displayed its resilience thanks to a business model integrated along the value chain, its geographical diversification and a sound financial structure.

The Group was therefore able to continue implementing the Strategic Plan for the period 2021-2023 and the ten-year strategy to 2030, which were presented to investors in November 2020.

In particular, the Strategic Plan envisages the adoption of two business models: a traditional "Ownership" model, in which digital platforms are promoters of the business to

support the profitability of investments, and a "Stewardship" model, which catalyzes investments by third parties in collaboration with Enel or in the context of business-generating platforms. Within these business models, in 2021-2030 the Group plans to invest a total of more than €160 billion, while at the same time mobilizing some €30 billion in additional third-party investment. In 2021-2023, the Group expects to invest around €40 billion directly, while mobilizing €8 billion in investment from third parties.

Over the period covered by the Plan, Enel will implement a simple, predictable and attractive dividend policy: shareholders will receive a fixed, guaranteed and increasing dividend per share (DPS), with the aim of reaching €0.43 per share by 2023.

In line with our medium- and long-term targets, in the remainder of 2021, we envisage the following:

- > an acceleration of investments in renewable energy to support industrial growth and as part of the decarbonization policies we have adopted;
- > further progress in the digitalization of distribution grids, especially in Italy and Latin America, with a view to improving their quality, flexibility and resilience;
- > an increase in investments dedicated (i) to the electrification of energy consumption, above all in Italy, with the goal of leveraging our customer base, and (ii) to achieving ongoing efficiency gains, supported by the development of global business platforms.

The guidance provided to the financial markets on the occasion of the presentation of the 2021-2023 Strategic Plan in November 2020 has not changed: in 2021 the Company expects ordinary EBITDA of between €18.7 and 19.3 billion, ordinary profit of between €5.4 and 5.6 billion and a guaranteed dividend of €0.38 per share.



# 2

## **CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2021**









# Condensed Consolidated Income Statement

Millions of euro	Notes	First nine months	
		2021	2020
Total revenue <sup>(1)</sup>	6.a	57,914	49,465
Total costs <sup>(1)</sup>	6.b	52,749	41,820
Net income/(expense) from commodity management <sup>(1)</sup>	6.c	1,089	(670)
<b>Operating profit</b>		<b>6,254</b>	<b>6,975</b>
Financial income		3,651	2,886
Financial expense		5,476	4,655
Net income/(expense) from hyperinflation	2	73	44
<b>Total financial income/(expense)</b>	6.d	<b>(1,752)</b>	<b>(1,725)</b>
<b>Share of profit/(loss) of equity-accounted investments</b>	6.e	<b>428</b>	<b>5</b>
<b>Pre-tax profit</b>		<b>4,930</b>	<b>5,255</b>
Income taxes	6.f	1,662	1,576
<b>Profit/(Loss) from continuing operations</b>		<b>3,268</b>	<b>3,679</b>
<b>Profit/(Loss) from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the period (owners of the Parent and non-controlling interests)</b>		<b>3,268</b>	<b>3,679</b>
Attributable to owners of the Parent		2,505	2,921
Attributable to non-controlling interests		763	758
<i>Basic earnings/(loss) per share attributable to owners of the Parent (euro)</i>		<i>0.25</i>	<i>0.29</i>
<i>Diluted earnings/(loss) per share attributable to owners of the Parent (euro)</i>		<i>0.24</i>	<i>0.29</i>
<i>Basic earnings/(loss) per share from continuing operations attributable to owners of the Parent (euro)</i>		<i>0.25</i>	<i>0.29</i>
<i>Diluted earnings/(loss) per share from continuing operations attributable to owners of the Parent (euro)</i>		<i>0.24</i>	<i>0.29</i>

(1) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to these condensed consolidated financial statements at September 30, 2021.

# Statement of Consolidated Comprehensive Income

Millions of euro	First nine months	
	2021	2020
<b>Profit for the period</b>	<b>3,268</b>	<b>3,679</b>
<b>Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss (net of taxes)</b>		
Effective portion of change in the fair value of cash flow hedges	35	226
Change in fair value of hedging costs	299	28
Share of the other comprehensive expense of equity-accounted investments	(392)	(4)
Change in the fair value of financial assets at FVOCI	1	(1)
Change in translation reserve	(45)	(4,708)
<b>Other comprehensive income/(expense) that may not be subsequently reclassified to profit or loss (net of taxes)</b>		
Remeasurement of liabilities/(assets) for employee benefits	237	(53)
<b>Change in fair value of equity investments in other companies</b>	<b>-</b>	<b>4</b>
<b>Total other comprehensive income/(expense) for the period</b>	<b>135</b>	<b>(4,508)</b>
<b>Comprehensive income/(expense) for the period</b>	<b>3,403</b>	<b>(829)</b>
<b>Attributable to:</b>		
- owners of the Parent	2,591	143
- non-controlling interests	812	(972)

# Condensed Consolidated Statement of Financial Position

Millions of euro			
	Notes	at Sept. 30, 2021	at Dec. 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and intangible assets		100,912	96,489
Goodwill		13,837	13,779
Equity-accounted investments		790	861
Other non-current assets <sup>(1)</sup>		24,231	17,771
<b>Total non-current assets</b>	7.a	<b>139,770</b>	<b>128,900</b>
<b>Current assets</b>			
Inventories		3,534	2,401
Trade receivables		14,573	12,046
Cash and cash equivalents		5,936	5,906
Other current assets <sup>(2)</sup>		42,681	12,784
<b>Total current assets</b>	7.b	<b>66,724</b>	<b>33,137</b>
<b>Assets classified as held for sale</b>	7.c	<b>1,572</b>	<b>1,416</b>
<b>TOTAL ASSETS</b>		<b>208,066</b>	<b>163,453</b>
<b>LIABILITIES AND EQUITY</b>			
Equity attributable to the owners of the Parent	7.d	30,484	28,325
Non-controlling interests		13,596	14,032
<b>Total equity</b>		<b>44,080</b>	<b>42,357</b>
<b>Non-current liabilities</b>			
Long-term borrowings		53,699	49,519
Provisions and deferred tax liabilities		18,205	16,535
Other non-current liabilities		18,152	13,255
<b>Total non-current liabilities</b>	7.e	<b>90,056</b>	<b>79,309</b>
<b>Current liabilities</b>			
Short-term borrowings and current portion of long-term borrowings		13,879	9,513
Trade payables		12,917	12,859
Other current liabilities		46,281	18,607
<b>Total current liabilities</b>	7.f	<b>73,077</b>	<b>40,979</b>
<b>Liabilities included in disposal groups classified as held for sale</b>	7.g	<b>853</b>	<b>808</b>
<b>TOTAL LIABILITIES</b>		<b>163,986</b>	<b>121,096</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>208,066</b>	<b>163,453</b>

(1) Of which long-term financial assets and other securities at September 30, 2021 equal respectively to €2,407 million (€2,337 million at December 31, 2020) and €426 million (€408 million at December 31, 2020).

(2) Of which short-term portion of long-term financial assets, short-term financial assets and other securities at September 30, 2021 equal respectively to €1,555 million (€1,428 million at December 31, 2020), €2,859 million (€3,476 million at December 31, 2020) and €86 million (€67 million at December 31, 2020).

# Statement of Changes in Consolidated Equity

Share capital and reserves attributable to the owners of the Parent										
Millions of euro	Share capital	Share premium reserve	Treasury share reserve	Reserve for equity instruments - perpetual hybrid bonds	Legal reserve	Other reserves	Translation reserve	Hedging reserve	Hedging costs reserve	
<b>At December 31, 2019</b>	<b>10,167</b>	<b>7,487</b>	<b>(1)</b>	<b>-</b>	<b>2,034</b>	<b>2,262</b>	<b>(3,802)</b>	<b>(1,610)</b>	<b>(147)</b>	
Distribution of dividends	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(7)	(2)	-	-	(5)	-	-	-	-
Equity instruments - perpetual hybrid bonds	-	-	-	592	-	-	-	-	-	-
Reserve for share-based payments (LTI bonus)	-	-	-	-	-	3	-	-	-	-
Reclassification for curtailment of defined benefit plans (IAS 19) following signing of 5th Endesa Collective Bargaining Agreement	-	-	-	-	-	-	-	-	-	-
Monetary restatement for hyperinflation	-	-	-	-	-	-	-	-	-	-
Transactions in non-controlling interests	-	-	-	-	-	-	(257)	(13)	-	-
Comprehensive income/(expense) for the period	-	-	-	-	-	-	(3,012)	248	21	
<i>of which:</i>										
- other comprehensive income (expense)	-	-	-	-	-	-	(3,012)	248	21	
- profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-
<b>At September 30, 2020</b>	<b>10,167</b>	<b>7,480</b>	<b>(3)</b>	<b>592</b>	<b>2,034</b>	<b>2,260</b>	<b>(7,071)</b>	<b>(1,375)</b>	<b>(126)</b>	
<b>At December 31, 2020</b>	<b>10,167</b>	<b>7,476</b>	<b>(3)</b>	<b>2,386</b>	<b>2,034</b>	<b>2,268</b>	<b>(7,046)</b>	<b>(1,917)</b>	<b>(242)</b>	
Distribution of dividends	-	-	-	-	-	-	-	-	-	-
Coupons paid to holders of hybrid bonds	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	20	(20)	-	-	-	-	-	-	-
Purchase of treasury shares for share-based payments (LTI bonus)	-	-	(13)	-	-	43	-	-	-	-
Equity instruments - perpetual hybrid bonds	-	-	-	2,214	-	-	-	-	-	-
Monetary restatement (IAS 29)	-	-	-	-	-	-	-	-	-	-
Change in the consolidation scope	-	-	-	-	-	-	-	(10)	-	-
Transactions in non-controlling interests	-	(2)	-	-	-	-	(1,234)	18	-	-
Comprehensive income/(expense) for the period	-	-	-	-	-	-	152	(164)	306	
<i>of which:</i>										
- other comprehensive income/(expense)	-	-	-	-	-	-	152	(164)	306	
- profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-
<b>At September 30, 2021</b>	<b>10,167</b>	<b>7,494</b>	<b>(36)</b>	<b>4,600</b>	<b>2,034</b>	<b>2,311</b>	<b>(8,128)</b>	<b>(2,073)</b>	<b>64</b>	



Reserve from measurement of financial instruments at FVOCI	Reserve from equity-accounted investments	Actuarial reserve	Reserve from disposal of equity interests without loss of control	Reserve from acquisitions of non-controlling interests	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
<b>21</b>	<b>(119)</b>	<b>(1,043)</b>	<b>(2,381)</b>	<b>(1,572)</b>	<b>19,081</b>	<b>30,377</b>	<b>16,561</b>	<b>46,938</b>
-	-	-	-	-	(1,708)	<b>(1,708)</b>	<b>(1,024)</b>	<b>(2,732)</b>
-	-	-	-	-	-	<b>(14)</b>	-	<b>(14)</b>
-	-	-	-	-	-	<b>592</b>	-	<b>592</b>
-	-	-	-	-	-	<b>3</b>	-	<b>3</b>
-	-	106	-	-	(106)	-	-	-
-	-	-	-	-	78	<b>78</b>	<b>109</b>	<b>187</b>
-	-	(28)	-	275	(2)	<b>(25)</b>	<b>(706)</b>	<b>(731)</b>
3	(4)	(34)	-	-	2,921	<b>143</b>	<b>(972)</b>	<b>(829)</b>
3	(4)	(34)	-	-	-	<b>(2,778)</b>	<b>(1,730)</b>	<b>(4,508)</b>
-	-	-	-	-	2,921	<b>2,921</b>	<b>758</b>	<b>3,679</b>
<b>24</b>	<b>(123)</b>	<b>(999)</b>	<b>(2,381)</b>	<b>(1,297)</b>	<b>20,264</b>	<b>29,446</b>	<b>13,968</b>	<b>43,414</b>
<b>(1)</b>	<b>(128)</b>	<b>(1,196)</b>	<b>(2,381)</b>	<b>(1,292)</b>	<b>18,200</b>	<b>28,325</b>	<b>14,032</b>	<b>42,357</b>
-	-	-	-	-	(1,861)	<b>(1,861)</b>	<b>(1,024)</b>	<b>(2,885)</b>
-	-	-	-	-	(26)	<b>(26)</b>	-	<b>(26)</b>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	(36)	<b>(6)</b>	-	<b>(6)</b>
-	-	-	-	-	-	<b>2,214</b>	-	<b>2,214</b>
-	-	-	-	-	169	<b>169</b>	<b>149</b>	<b>318</b>
-	10	-	-	-	-	-	<b>31</b>	<b>31</b>
-	-	(140)	-	444	(8)	<b>(922)</b>	<b>(404)</b>	<b>(1,326)</b>
1	(394)	185	-	-	2,505	<b>2,591</b>	<b>812</b>	<b>3,403</b>
1	(394)	185	-	-	-	<b>86</b>	<b>49</b>	<b>135</b>
-	-	-	-	-	2,505	<b>2,505</b>	<b>763</b>	<b>3,268</b>
-	<b>(512)</b>	<b>(1,151)</b>	<b>(2,381)</b>	<b>(848)</b>	<b>18,943</b>	<b>30,484</b>	<b>13,596</b>	<b>44,080</b>

# Condensed Consolidated Statement of Cash Flows

Millions of euro	First nine months	
	2021	2020
<b>Pre-tax profit</b>	<b>4,930</b>	<b>5,255</b>
<b>Adjustments for:</b>		
Net impairment/(reversals) of trade receivables and other receivables	696	941
Depreciation, amortization and other impairment losses	4,328	4,789
Net financial expense	1,752	1,725
Net gains from equity-accounted investments	(428)	(5)
Changes in net working capital:	(3,307)	(2,974)
- inventories	(1,141)	(253)
- trade receivables	(3,036)	(467)
- trade payables	361	(2,323)
- other contract assets	(23)	(12)
- other contract liabilities	(58)	(260)
- other assets/liabilities	590	341
Interest income/(expense) and other financial income/(expense) and income paid and collected	(2,091)	(1,664)
Other changes	(813)	(1,507)
<b>Cash flows from operating activities (A)</b>	<b>5,067</b>	<b>6,560</b>
Investments in property, plant and equipment, intangible assets and non-current contract assets	(7,988)	(6,563)
Investments in entities (or business units) less cash and cash equivalents acquired	(277)	(29)
Disposals of entities (or business units) less cash and cash equivalents sold	61	153
(Increase)/Decrease in other investing activities	(25)	(43)
<b>Cash flows used in investing activities (B)</b>	<b>(8,229)</b>	<b>(6,482)</b>
New long-term borrowing	12,579	2,124
Repayments of borrowings	(8,903)	(2,850)
Other changes in net financial debt	3,408	2,877
Payments for acquisition of equity investments without change of control and other transactions in non-controlling interests	(1,304)	(482)
Issues/(Redemptions) of hybrid bonds	2,214	-
Sale/(Purchase) of treasury shares	(13)	(9)
Coupons paid to holders of hybrid bonds	(26)	-
Dividends and interim dividends paid	(4,746)	(4,632)
<b>Cash flows from (used in) financing activities (C)</b>	<b>3,209</b>	<b>(2,972)</b>
<b>Impact of exchange rate fluctuations on cash and cash equivalents (D)</b>	<b>(10)</b>	<b>(548)</b>
<b>Increase/(Decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>37</b>	<b>(3,442)</b>
Cash and cash equivalents at the beginning of the period <sup>(1)</sup>	6,002	9,080
Cash and cash equivalents at the end of the period <sup>(2)</sup>	6,039	5,638

(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 €5,936 million at September 30, 2021 (€5,568 million at September 30, 2020), short-term securities equal to €86 million at September 30, 2021 (€70 million at September 30, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €17 million at September 30, 2021.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT SEPTEMBER 30, 2021

## 1. Accounting policies and measurement criteria

The accounting standards adopted, the recognition and measurement criteria and the consolidation criteria and methods used for the condensed consolidated financial statements at September 30, 2021 are the same as those adopted for the consolidated financial statements at December 31, 2020 (please see the related report for more information) with the exception of a number of amendments to certain accounting standards. In particular, as from January 1, 2021 the following amendments of accounting standards have become applicable to the Enel Group.

> *“Amendment to IFRS 16: COVID 19-related rent concessions beyond 30 June 2021”*, issued on May 28, 2020 in order to permit lessees to not account for rent concessions (rent payment holidays, deferral of lease payments, reductions in rent for a period of time, possibly followed by rent increases in future periods) as lease modifications if they are a direct consequence of the COVID-19 pandemic and meet certain conditions. According to IFRS 16, a lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. Accordingly, rent concessions would represent lease modifications unless they were provided for in the original lease agreement. The amendment applies only to lessees, while lessors are required to apply the current provisions of IFRS 16. The amendment was to be applied until June 30, 2021 but, in consideration of the persistent impact of the

COVID-19 pandemic, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022.

> *“Amendments to IFRS 9, IAS 39, IFRS 7, and IFRS 16 – Interest Rate Benchmark Reform – Phase 2”*, issued in August 2020. The amendments supplement those issued in 2019 (Interest Rate Benchmark Reform – Phase 1) and address issues that could affect financial reporting after a benchmark has been reformed or replaced with an alternative benchmark rate. The objectives of the Phase 2 amendments are to assist companies: (i) in applying the IFRSs when changes occur in contractual cash flows or hedging relationships due to the reform of the benchmarks for determining interest rates; and (ii) in providing information to users of financial statements. In addition, when the Phase 1 exemptions cease to apply, companies are required to amend the documentation of hedging relationship to reflect the changes required under the IBOR reform by the end of the year in which the changes are made (such changes do not constitute the discontinuation of the hedging relationship). When the description of a hedged element in the documentation of the hedging relationship is changed, the amounts accumulated in the hedging reserve shall be considered to be based on the alternative benchmark rate on the basis of which the future hedged cash flows will be determined. The amendments will require providing additional disclosures about the entity’s exposure to the risks arising from the interest rate benchmark reform and related risk management activities.

### Seasonality

The turnover and performance of the Group could be impacted, albeit slightly, by developments in weather conditions. More specifically, in warmer periods of the year, gas sales decline, while during periods in which factories are closed for holidays, electricity sales decline. Similarly, hydroelectric generation performance is particularly high during the winter and early spring given the more favorable seasonable water conditions. In view of the slight financial impact of these variations, further mitigated by the fact that the Group’s operations are spread across both hemispheres and, therefore, the impact of weather-related factors tends to be uniform throughout the year, no additional disclosure (required under IAS 34.21) for developments in the 12 months ended September 30, 2021 is provided.

## 2. Effects of the introduction of new accounting standards and policies

Until June 30, 2021, the Group presented the result of the measurement of contracts for the purchase or sale of commodities with physical settlement but measured at fair value, as they do not meet the requirements for the own use exemption, in the income statement under revenue and expenses. "IFRS 7 - Financial Instruments: Disclosures" permits disclosure net of the measurement of derivatives measured at fair value through profit or loss either in the income statement or in the notes. In this regard, for the purposes of the Interim

Financial Report at September 30, 2021, the Group has opted for net presentation through profit or loss.

In particular, the Group has opted for net presentation of the revenue and expenses deriving from the fair value measurement of outstanding contracts through profit or loss under the item "Net income/(expense) from commodity management".

This change in presentation represents a change in accounting policy, in accordance with "IAS 8 - Accounting Standards, Changes in Accounting Estimates and Errors".

It was therefore necessary to restate for comparative purposes only the income statement balances for previous periods, without impacting either net profit/loss or equity.

The following reclassifications were made to costs, revenue and net income/(expense) from commodity management for the restatement of the comparative figures.

Millions of euro			
	First nine months	1st Half	1st Half
	2020	2021	2020
Result of measurement of sale contracts with physical settlement (IFRS 9)	1,415	5,817	(178)
<b>A - Total impact on "revenue"</b>	<b>1,415</b>	<b>5,817</b>	<b>(178)</b>
Result of measurement of purchase contracts with physical settlement (IFRS 9)	1,297	4,996	22
<b>B - Total impact on "costs"</b>	<b>1,297</b>	<b>4,996</b>	<b>22</b>
<b>C - Net income/(expense) from commodity management</b>	<b>(118)</b>	<b>(821)</b>	<b>200</b>
<b>Impact on operating profit/(loss) (A-B+C)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Argentina – Hyperinflationary economy: impact of the application of IAS 29

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

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

Bearing in mind that the Enel Group acquired control of the Argentine companies on June 25, 2009, the remeasurement of the non-monetary balance sheet figures was conducted by applying the inflation indices starting from that date. In addition to being already reflected in the opening balance sheet, the accounting effects of that remeasurement also include changes during the period. More specifically, the effect of the remeasurement of non-monetary items, the components of equity and the components of the income statement recognized in the first nine months of 2021 was recognized in a specific line of the income statement under financial income and expense. The associated tax effect was recognized in taxes for the period.

In order to also take account of the impact of hyperinflation on the exchange rate of the local currency, the income statement balances expressed in the hyperinflationary cur-

rency have been translated into the Group's presentation currency (euro) applying, in accordance with IAS 21, the closing exchange rate rather than the average rate for the period in order to adjust these amounts to current values.

The cumulative changes in the general price indices from December 31, 2018 to September 30, 2021 are shown in the following table.

Periods	Cumulative change in general consumer price index
From July 1, 2009 to December 31, 2018	346.30%
From January 1, 2019 to December 31, 2019	54.46%
From January 1, 2020 to December 31, 2020	35.41%
From January 1, 2021 to September 30, 2021	35.85%

In the first nine months of 2021, the application of IAS 29 generated net financial income (gross of tax) of €73 million.

nine months of 2021, differentiating between that concerning the revaluation on the basis of the general consumer price index and that due to the application of the closing exchange rate rather than the average exchange rate for the period in accordance with the provisions of IAS 21 for hyperinflationary economies.

The following tables report the effects of IAS 29 on the balance at September 30, 2021 and the impact of hyperinflation on the main income statement items for the first

Millions of euro	Cumulative hyperinflation effect at Dec. 31, 2020	Hyperinflation effect for the period	Exchange differences	Cumulative hyperinflation effect at Sept. 30, 2021
Total assets	962	429	(175)	1,216
Total liabilities	192	133	(15)	310
Equity	770	296 <sup>(1)</sup>	(160)	906

(1) The figure includes the loss for the first nine months of 2021, equal to €22 million.

Millions of euro	First nine months 2021		
	IAS 29 effect	IAS 21 effect	Total effect
Revenue	69	(13)	56
Costs	104 <sup>(1)</sup>	(13) <sup>(2)</sup>	91
<b>Operating profit/(loss)</b>	<b>(35)</b>	<b>-</b>	<b>(35)</b>
Net financial income/(expense)	8	2	10
Net income/(expense) from hyperinflation	73	-	73
<b>Pre-tax profit</b>	<b>46</b>	<b>2</b>	<b>48</b>
Income taxes	68	(1)	67
<b>Profit/(Loss) for the period (owners of the Parent and non-controlling interests)</b>	<b>(22)</b>	<b>3</b>	<b>(19)</b>
Attributable to owners of the Parent	9	(2)	7
Attributable to non-controlling interests	(31)	5	(26)

(1) Includes the impact on depreciation, amortization and impairment losses (€45 million).

(2) Includes the impact on depreciation, amortization and impairment losses (-€1 million).



### 3. Main changes in the consolidation scope

At September 30, 2021, the scope of consolidation had changed with respect September 30, 2020 and December 31, 2020, as a result of the following main transactions.

#### 2020

- > In January 2020, the Wild Plains project company, 100% owned by Tradewind, was sold. The sale did not have an impact on profit or loss.
- > On May 11, 2020 Endesa Energía sold 80% of Endesa Soluciones for €21 million. The interest, which had previously been consolidated on a line-by-line basis, is now accounted for using the equity method.
- > On July 7, 2020 Enel Green Power España acquired 100% of Parque Eólico Tico SLU, Tico Solar 1 SLU and Tico Solar 2 SLU for a total of €40 million.
- > On September 14, 2020 Endesa Generación Portugal acquired 100% of Suggestion Power (Unipessoal) Lda for a total of €6 million.
- > On September 17, 2020 Enel X International acquired 60% of Viva Labs AS for a total of €2 million.

#### 2021

- > On January 8, 2021, Tynemouth Energy Storage was sold for a total €1 million. The sale did not have any significant impact on profit or loss.
- > On January 20, 2021 Enel Green Power Bulgaria was sold for a total €35 million. The sale did not have any significant impact on profit or loss.
- > On March 10, 2021, Enel Green Power Italia acquired 100% of e-Solar Srl, the owner of a photovoltaic project with an authorized capacity of 170.11 MW, for €2.7 million.
- > On March 29, 2021, Enel X Srl acquired 100% of CityPoste Payment SpA, an Italian company that offers consumers access to payment services through both physical and digital channels, enabling them to carry out numerous types of transactions with private- and public-sector entities.
- > In the 1st Quarter of 2021 the consolidation scope changed with the global consolidation of Australian re-

newable energy companies previously accounted for using the equity method due to a change in governance arrangements at the companies, without the acquisition of an additional interest. The purchase price allocation process is still under way and will be completed by December 31, 2021.

- > On May 13, 2021 EGP Solar 1 LLC was sold for a total of about €4 million.
- > In the first nine months of 2021, Enel Green Power España acquired 100% of 30 renewable energy companies for a total €86 million.
- > On September 8, 2021, Enel X North America finalized the disposal of Genability for about €6 million.

#### Other changes

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

- > on March 15, Enel SpA launched a partial voluntary tender offer for up to a maximum of 7,608,631,104 shares of Enel Américas, equal to 10% of the share capital at that date. The offer period began on March 15 and ended on April 13, 2021. The tender offer was subject to the effectiveness of the merger of EGP Américas SpA into Enel Américas SA, which took place on April 1, 2021. The total consideration was €1,271 million. Following completion of the partial voluntary tender offer and the completion of the EGP Américas merger, Enel owns about 82.3% of the outstanding share capital of Enel Américas.

## Acquisition of CityPoste Payment

On March 29, 2021, Enel X Srl acquired 100% of CityPoste Payment SpA, a payment institution authorized to operate by the Bank of Italy, for the provision of payment services, through the digital channel (using a proprietary platform) and the physical channel (its network of points of sale).

The Group will determine the fair value of the assets acquired and the liabilities assumed within 12 months of the acquisition date.

### DETERMINATION OF GOODWILL

Millions of euro	
<b>Net assets acquired</b>	<b>2</b>
<b>Cost of the acquisition</b>	<b>21</b>
<i>(of which paid in cash)</i>	<i>21</i>
Goodwill	19

## Acquisitions of renewable energy companies in Spain

In the first nine months of 2021 Enel Green Power España acquired 100% of 30 renewable energy companies for a total of €86 million for the development and construction of photovoltaic and wind plants in Spain.

### DETERMINATION OF GOODWILL

Millions of euro	
<b>Net assets acquired</b>	<b>86</b>
<b>Cost of the acquisition</b>	<b>86</b>
<i>(of which paid in cash)</i>	<i>75</i>
Goodwill/(Negative goodwill)	-

The total price of the operation amounted to €104 million as it includes the repayment of the acquired companies' debts to the previous owners.

## 4. COVID-19

In line with the recommendations of ESMA, contained in the public statements <sup>(5)</sup> published in March, May, July and October 2020, and CONSOB, contained in Warning Notices no. 6/20 of April 9, 2020, no. 8/20 of July 16, 2020 and no. 1/21 of February 16, 2021, the Group has continued to carefully monitor the evolution of the COVID-19 pandemic with regard to the main areas affected by it and in the main countries in which it operates, as already discussed in the Consolidated Annual Report at December 31, 2020, the Interim Financial Report at March 31, 2021 and the Half-Year Financial Report at June 30, 2021, in order to assess, based on our specific corporate circumstances and the availability of reliable information, the scale of the impact of COVID-19 on operations, performance and financial position of the Group at September 30, 2021. In this regard, note that the figures registered in the first nine months of 2021 were not significantly affected by the COVID-19 pandemic. The changes in revenue and receivables in the comparative periods did not display any anomalous developments attributable to the direct and/or indirect effects of the pandemic.

Nor did non-financial assets and any impairment losses recognized (IAS 36) as well as the measurement of trade receivables (IFRS 9) experience any significant changes in the first nine months of 2021 as a result of the COVID-19 pandemic that would require further discussion.

Finally, in the first nine months of 2021 vaccination campaigns started in the various countries in which the Group operates and Enel is strongly committed to assisting and supporting employees in participating in these campaigns.

(5) ESMA 71-99-1290 of March 11 2020, ESMA 32-63-951 of March 25, 2020, ESMA 31-67-742 of March 27, 2020, ESMA 32-63-972 of May 20, 2020, ESMA 32-61-417 of July 21, 2020 and ESMA 32-63-1041 of October 28, 2020.

## 5. Segment information

The presentation of performance and financial position by business line presented here is based on the approach

used by management in monitoring Group performance for the two periods being compared. For more information on the developments in performance and financial position that characterized the period under review, please see the appropriate section of this Interim Financial Report.

### Performance by business line

#### FIRST NINE MONTHS 2021 <sup>(1)</sup>

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue from third parties	16,332	4,592	12,366	23,574	1,026	17	7	57,914
Revenue from transactions with other segments	6,723	1,754	2,564	38	10	1,335	(12,424)	-
<b>Total revenue</b>	<b>23,055</b>	<b>6,346</b>	<b>14,930</b>	<b>23,612</b>	<b>1,036</b>	<b>1,352</b>	<b>(12,417)</b>	<b>57,914</b>
Total costs	22,635	3,276	9,988	21,791	853	1,411	(12,229)	47,725
Net income/(expense) from commodity management	708	(69)	-	449	-	3	(2)	1,089
Depreciation and amortization	675	963	1,951	307	131	136	24	4,187
Impairment losses	25	186	41	736	26	2	-	1,016
Impairment gains	(7)	(6)	(29)	(133)	(4)	(1)	1	(179)
<b>Operating profit/(loss)</b>	<b>435</b>	<b>1,858</b>	<b>2,979</b>	<b>1,360</b>	<b>30</b>	<b>(193)</b>	<b>(215)</b>	<b>6,254</b>
<b>Capital expenditure</b>	<b>418</b>	<b>3,287</b> <sup>(2)</sup>	<b>3,433</b>	<b>431</b>	<b>230</b>	<b>71</b>	<b>31</b>	<b>7,901</b>

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

(2) Does not include €87 million regarding units classified as "held for sale".

#### FIRST NINE MONTHS 2020 <sup>(1) (2) (3)</sup>

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Revenue from third parties	12,180	3,917	11,637	20,980	749	(5)	7	49,465
Revenue from transactions with other segments	5,561	1,367	2,633	512	7	1,294	(11,374)	-
<b>Total revenue</b>	<b>17,741</b>	<b>5,284</b>	<b>14,270</b>	<b>21,492</b>	<b>756</b>	<b>1,289</b>	<b>(11,367)</b>	<b>49,465</b>
Total costs	15,451	1,973	8,556	19,419	688	1,250	(11,247)	36,090
Net income/(expense) from commodity risk management	(949)	65	-	214	-	1	(1)	(670)
Depreciation and amortization	654	962	1,945	262	95	119	21	4,058
Impairment losses	763	18	302	755	11	2	1	1,852
Impairment gains	(42)	(12)	(28)	(94)	-	(3)	(1)	(180)
<b>Operating profit/(loss)</b>	<b>(34)</b>	<b>2,408</b>	<b>3,495</b>	<b>1,364</b>	<b>(38)</b>	<b>(78)</b>	<b>(142)</b>	<b>6,975</b>
<b>Capital expenditure</b>	<b>376</b>	<b>2,964</b>	<b>2,691</b>	<b>304</b>	<b>159</b>	<b>47</b>	<b>22</b>	<b>6,563</b>

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

(2) Revenue reflects a more accurate calculation of the aggregate.

(3) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to these condensed consolidated financial statements at September 30, 2021.

## Financial position by business line

AT SEPTEMBER 30, 2021

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Property, plant and equipment	10,627	34,107	37,660	252	560	666	11	83,883
Intangible assets	187	4,926	21,362	3,934	768	449	81	31,707
Non-current and current contract assets	1	1	533	-	50	18	122	725
Trade receivables	3,457	2,613	7,286	5,137	463	713	(5,086)	14,583
Other	4,088	913	2,635	2,174	372	695	(2,167)	8,710
<b>Operating assets</b>	<b>18,360<sup>(1)</sup></b>	<b>42,560<sup>(2)</sup></b>	<b>69,476</b>	<b>11,497</b>	<b>2,213</b>	<b>2,541</b>	<b>(7,039)</b>	<b>139,608</b>
Trade payables	3,556	2,867	3,958	5,724	561	798	(4,536)	12,928
Non-current and current contract liabilities	55	152	7,239	38	20	5	(62)	7,447
Sundry provisions	4,173	910	3,623	437	57	659	541	10,400
Other	2,018	1,718	9,786	3,105	186	185	(2,273)	14,725
<b>Operating liabilities</b>	<b>9,802</b>	<b>5,647<sup>(3)</sup></b>	<b>24,606</b>	<b>9,304</b>	<b>824</b>	<b>1,647</b>	<b>(6,330)</b>	<b>45,500</b>

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

(2) Of which €968 million regarding units classified as "held for sale".

(3) Of which €23 million regarding units classified as "held for sale".

AT DECEMBER 31, 2020

Millions of euro	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-user Markets	Enel X	Services	Other, eliminations and adjustments	Total
Property, plant and equipment	10,747	30,655	36,718	154	516	699	10	79,499
Intangible assets	184	4,883	21,490	3,775	676	418	79	31,505
Non-current and current contract assets	4	1	340	-	42	14	79	480
Trade receivables	2,670	2,053	6,493	4,034	358	755	(4,311)	12,052
Other	1,433	1,095	2,674	756	297	769	(812)	6,212
<b>Operating assets</b>	<b>15,038<sup>(1)</sup></b>	<b>38,687<sup>(2)</sup></b>	<b>67,715</b>	<b>8,719</b>	<b>1,889<sup>(3)</sup></b>	<b>2,655</b>	<b>(4,955)</b>	<b>129,748</b>
Trade payables	2,816	2,751	5,405	4,678	426	868	(4,061)	12,883
Non-current and current contract liabilities	147	152	7,172	42	5	8	(60)	7,466
Sundry provisions	3,528	947	3,794	400	46	603	479	9,797
Other	1,133	1,434	7,856	2,245	179	1,101	284	14,232
<b>Operating liabilities</b>	<b>7,624</b>	<b>5,284<sup>(4)</sup></b>	<b>24,227</b>	<b>7,365</b>	<b>656</b>	<b>2,580</b>	<b>(3,358)</b>	<b>44,378</b>

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

(2) Of which €855 million regarding units classified as "held for sale".

(3) Of which €11 million regarding units classified as "held for sale".

(4) Of which €35 million regarding units classified as "held for sale".

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

Millions of euro		
	at Sept. 30, 2021	at Dec. 31, 2020
<b>Total assets</b>	<b>208,066</b>	<b>163,453</b>
Equity-accounted investments	790	861
Other non-current financial assets	10,734	6,395
Non-current tax assets included in "Other non-current assets"	2,420	1,539
Other current financial assets	36,151	8,584
Cash and cash equivalents	5,936	5,906
Deferred tax assets	9,441	8,578
Tax assets	2,384	1,294
Financial and tax assets of "Assets held for sale"	602	548
<b>Segment assets</b>	<b>139,608</b>	<b>129,748</b>
<b>Total liabilities</b>	<b>163,986</b>	<b>121,096</b>
Long-term borrowings	53,699	49,519
Non-current financial derivative liabilities	7,303	3,606
Short-term borrowings	9,711	6,345
Current portion of long-term borrowings	4,168	3,168
Other current financial liabilities	30,724	4,153
Deferred tax liabilities	9,069	7,797
Income tax liabilities	1,198	471
Other tax liabilities	1,783	886
Financial and tax liabilities of "Liabilities included in disposal groups held for sale"	831	773
<b>Segment liabilities</b>	<b>45,500</b>	<b>44,378</b>



# Revenue

## 6.a Revenue – € 57,914 million

Millions of euro	First nine months			
	2021	2020	Change	
Sale of electricity	29,945	25,352	4,593	18.1%
Transport of electricity	8,088	7,932	156	2.0%
Fees from network operators	663	681	(18)	-2.6%
Transfers from institutional market operators	886	1,018	(132)	-13.0%
Sale of gas	1,917	1,889	28	1.5%
Transport of gas	405	424	(19)	-4.5%
Sale of fuels	1,056	399	657	-
Connection fees to electricity and gas networks	568	556	12	2.2%
Construction contracts	699	563	136	24.2%
Sale of environmental certificates	131	60	71	-
Sale of value-added services	762	594	168	28.3%
Other sales and services	552	556	(4)	-0.7%
<b>Total IFRS 15 revenue</b>	<b>45,672</b>	<b>40,024</b>	<b>5,648</b>	<b>14.1%</b>
Sale of energy commodities under contracts with physical settlement	15,159	4,995	10,164	-
Fair value gain/(loss) on derivatives on sale of commodities with physical settlement <sup>(1)</sup>	(4,217)	3,084	(7,301)	-
Grants for environmental certificates	234	244	(10)	-4.1%
Sundry reimbursements	212	210	2	1.0%
Gain on sale of subsidiaries, associates, joint ventures, joint operations and non-current assets held for sale	3	13	(10)	-76.9%
Gain on sale of property, plant and equipment and intangible assets	7	25	(18)	-72.0%
Other revenue and income	844	870	(26)	-3.0%
<b>Total revenue <sup>(1)</sup></b>	<b>57,914</b>	<b>49,465</b>	<b>8,449</b>	<b>17.1%</b>

(1) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to these condensed consolidated financial statements at September 30, 2021.

In the first nine months of 2021 revenue from the “sale of electricity” amounted to €29,945 million, up €4,593 million on the same period of the previous year (+18.1%). The increase is mainly due to:

- > an increase in volumes sold, mainly in Italy (€2,716 million) and Brazil (€1,780 million);
- > the recognition of an indemnity paid to Endesa (equal to €188 million) in respect of CO<sub>2</sub> emission rights assigned free of charge under the “Plan Nacional de Asignación de Derechos de Emisión” (PNA).

The increase of €156 million in revenue from “transport of electricity” compared with the first nine months of 2020 essentially reflects an increase in volumes as well as in the rates established for 2021 in Italy.

“Transfers from institutional market operators” decreased by €132 million, mainly attributable to a decrease in grants for extra-peninsular generation in Spain.

Revenue from the “sale of fuels” increased by €657 million as a result of an increase in volumes traded at rising average prices by Enel Global Trading.

“Sales of value-added services” in the first nine months of 2021 increased by €168 million compared with the same period of the previous year, mainly in Italy in the e-Home business and in North America for demand response activities.

The increase in revenue from the “sale of energy commodities under contracts with physical settlement” (€10,164 million) mainly regards gas sales. This positive effect was partly offset by the poorer performance on the fair value measurements of contracts closed in the first nine months of the year compared with the same period of 2020 (a swing of -€7,301 million), mainly for gas.

The following table shows the net performance of con-

tracts for the purchase or sale of commodities with physical settlement measured at fair value through profit or loss within the scope of IFRS 9.

Millions of euro	First nine months			Change
	2021	2020		
<b>Fair value gain/(loss) on contracts for energy commodities with physical settlement (IFRS 9) closed during the period</b>				
<b>Sale contracts</b>				
Sale of electricity	1,855	1,771	84	4.7%
Fair value gain/(loss) on closed contracts	(310)	437	(747)	-
<b>Total electricity</b>	<b>1,545</b>	<b>2,208</b>	<b>(663)</b>	<b>-30.0%</b>
Sale of gas	13,298	3,220	10,078	-
Fair value gain/(loss) on closed contracts	(3,905)	2,650	(6,555)	-
<b>Total gas</b>	<b>9,393</b>	<b>5,870</b>	<b>3,523</b>	<b>60.0%</b>
Sale of environmental certificates	6	3	3	-
Fair value gain/(loss) on closed contracts	(2)	(3)	1	33.3%
<b>Total environmental certificates</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>Total revenue</b>	<b>10,942</b>	<b>8,078</b>	<b>2,864</b>	<b>35.5%</b>
<b>Purchase contracts</b>				
Purchase of electricity	1,180	2,298	(1,118)	-48.7%
Fair value gain/(loss) on closed contracts	98	(181)	279	-
<b>Total electricity</b>	<b>1,278</b>	<b>2,117</b>	<b>(839)</b>	<b>-39.6%</b>
Purchase of gas	15,528	1,008	14,520	-
Fair value gain/(loss) on closed contracts	(3,239)	2,312	(5,551)	-
<b>Total gas</b>	<b>12,289</b>	<b>3,320</b>	<b>8,969</b>	<b>-</b>
Purchase of environmental certificates	(47)	(44)	(3)	-6.8%
Fair value gain/(loss) on closed contracts	(87)	55	(142)	-
<b>Total environmental certificates</b>	<b>(134)</b>	<b>11</b>	<b>(145)</b>	<b>-</b>
<b>Total expense</b>	<b>13,433</b>	<b>5,448</b>	<b>7,985</b>	<b>-</b>
<b>Net revenue/(expense) on contracts for energy commodities with physical settlement (IFRS 9) closed during the period</b>	<b>(2,491)</b>	<b>2,630</b>	<b>(5,121)</b>	<b>-</b>
<b>Net gain/(loss) from measurement of outstanding contracts for energy commodities with physical settlement (IFRS 9)</b>				
<b>Sale contracts</b>				
Electricity	(1,519)	(102)	(1,417)	-
Gas	(17,753)	(1,220)	(16,533)	-
Environmental certificates	(727)	(93)	(634)	-
<b>Total</b>	<b>(19,999)</b>	<b>(1,415)</b>	<b>(18,584)</b>	<b>-</b>
<b>Purchase contracts</b>				
Electricity	(876)	52	(928)	-
Gas	(16,832)	(1,293)	(15,539)	-
Environmental certificates	(572)	(56)	(516)	-
<b>Total</b>	<b>(18,280)</b>	<b>(1,297)</b>	<b>(16,983)</b>	<b>-</b>
<b>Net gain/(loss) from measurement of outstanding contracts for energy commodities with physical settlement (IFRS 9)</b>	<b>(1,719)</b>	<b>(118)</b>	<b>(1,601)</b>	<b>-</b>
<b>TOTAL NET REVENUE/(EXPENSE) ON CONTRACTS WITH PHYSICAL SETTLEMENT (IFRS 9)</b>	<b>(4,210)</b>	<b>2,512</b>	<b>(6,722)</b>	<b>-</b>

“Other revenue and income” showed a decrease of €26 million due primarily to the effect of the recognition by e-distribuzione of €272 million in the first nine months of 2020 for the reimbursement of system charges (€234 million) and grid fees (€38 million).

This negative effect was partially offset by an increase in income from tax partnerships recognized by Enel Green Power North America (€124 million) and in income from the eco-bonus subsidies for energy and seismic upgrading by Enel X Italia (€102 million).

## Costs

### 6.b Costs – €52,749 million

Millions of euro	First nine months			
	2021	2020	Change	
Electricity purchases <sup>(1)</sup>	15,833	11,238	4,595	40.9%
Consumption of fuel for electricity generation	2,639	1,998	641	32.1%
Fuel for trading and gas for sale to end users <sup>(1)</sup>	11,452	7,006	4,446	63.5%
Materials <sup>(1)</sup>	1,401	1,355	46	3.4%
Personnel	4,128	3,101	1,027	33.1%
Services, leases and rentals	12,213	11,237	976	8.7%
Depreciation, amortization and impairment losses	5,024	5,730	(706)	-12.3%
Costs of environmental certificates	762	502	260	51.8%
Other operating expenses	1,255	1,159	96	8.3%
Capitalized costs	(1,958)	(1,506)	(452)	-30.0%
<b>Total <sup>(1)</sup></b>	<b>52,749</b>	<b>41,820</b>	<b>10,929</b>	<b>26.1%</b>

(1) The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, to take account of the different classification deriving from the end-period fair value measurement of outstanding contracts for the purchase and sale of commodities with physical settlement. The change in classification did not have an impact on margins. For more details, please see note 2 to these condensed consolidated financial statements at September 30, 2021.

“Electricity purchases” increased as a result of an increase in volumes purchased at rising average prices compared with the first nine months of 2020, mainly in Italy (€2,115 million) and Latin America (€1,889 million). The item includes purchases of electricity under contracts with physical settlement (IFRS 9) and the results of the measurement of contracts closed in the first nine months of 2021, which rose by €279 million compared with the corresponding period of 2020.

The rise in costs for “consumption of fuels for electricity generation” reflected an increase in volumes handled.

The increase in costs for the purchase of “fuel for trading and gas for sale to end users” essentially reflects the price effect of commodities, especially gas.

The item includes gas purchases under contracts with physical settlement (IFRS 9) and the results of the measurement of contracts closed in the first nine months of 2021, which fell by €5,551 million compared with the corresponding period of 2020, which takes account of market developments in commodity prices.

In the first nine months of 2021, “personnel” costs amounted to €4,128 million, an increase of €1,027 million. The change mainly reflects:

- > an increase in costs incurred in Italy as a result of the signing of a new framework agreement in application of Article 4, paragraphs 1-7 *ter*, of Law 92/2012, for which provisions of €751 million were recognized for restructuring and digitalization;
- > the effect of a decrease in costs incurred in Spain in the first nine months of 2020, reflecting the reversal of the provision for electricity discount benefits in the amount of €515 million.

These factors were only partly offset by the impact of an increase in costs in Spain, again in the first nine months of 2020, due mainly an additional provision of €159 million recognized for the “*Plan de Salida*” as result of the elimination of the extinguishment option of the individual agreement concerning the suspension of employment relationships for certain individual contracts as a result of the signing of the new collective bargaining agreement cited earlier.

The Enel Group workforce at September 30, 2021 numbered 66,021, of whom 36,153 were employed in compa-

nies outside of Italy. The decrease of 696 in the first nine months of 2021 reflects the balance between new hires and terminations (-719), partially offset by the change in the consolidation scope (+23), mainly reflecting the sale of Enel Green Power Bulgaria and the acquisition of CityPoste Payment SpA in Italy.

The overall change compared with December 31, 2020 breaks down as follows:

<b>Balance at December 31, 2020</b>	<b>66,717</b>
Hirings	3,692
Terminations	(4,411)
Change in consolidation scope	23
<b>Balance at September 30, 2021</b>	<b>66,021</b>

The increase of €976 million in costs for “services, leases and rentals” in the first nine months of 2021 compared with the year earlier period is mainly due to:

- > an increase in other costs for services attributable to higher costs for services connected with the electricity and gas business and those of the value-added services business;
- > provisions recognized for charges connected with the conversion of the plants carried out in Italy for the purposes of the energy transition;
- > an increase in costs for wheeling registered in Italy due to the increase in volumes handled and prices applied, partially offset by a decrease of those costs in Spain due to a decline in average prices.

“Depreciation, amortization and impairment losses” in the first nine months of 2021 decreased significantly, mainly reflecting a decrease in impairment losses on property, plant and equipment and trade receivables (in the total amount of €1,015 million), only partly offset by an increase of €165 million in impairment losses recognized on the PH Chucas hydroelectric plant held under a concession arrangement in Costa Rica.

Impairment losses on property, plant and equipment decreased by €749 million, reflecting the impact of the recognition in the first nine months of 2020 of impairment losses relating to the Bocamina II plant in Chile (€737 million).

Impairment losses on trade receivables decreased by €266 million compared with the year-earlier period due to a decline in writedowns recognized in Italy and Latin America, where last year the impact of the COVID-19 pandemic had

prompted a downwards revision of estimates of the recoverability of trade receivables.

“Costs of environmental certificates” increased by €260 million, reflecting in particular the significant rise in CO<sub>2</sub> prices in the first nine months of the year.

“Other operating expenses” included an increase of €34 million in taxes and duties in Spain, attributable to the tax on the generation of electricity and on fuels used in conventional thermal and nuclear generation.

In the first nine months of 2021 “capitalized costs” increased by €452 million compared with the same period of the previous year, mainly attributable to an increase in investment in distribution plant operated under concession arrangements in Latin America and greater expenditure on infrastructure and grids in Italy in connection with the installation of second-generation meters in the period.

## 6.c Net income/(expense) from commodity management – €1,089 million

Net income from commodity management amounted to €1,089 million in the first nine months of 2021 (net expense of €670 million in the same period of 2020) and breaks down as follows:

- > net expense on the management of derivatives designated as hedging instruments in the amount of €89 million (net income of €2 million in the first nine months of 2020);
- > net income on derivatives at fair value through profit or loss in the amount of €2,897 million (net expense of €554 million in the first nine months of 2020);
- > net expense from the measurement of outstanding contracts for the purchase or sale of energy commodities with physical settlement (IFRS 9) of €1,719 million (net expense of €118 million in the first nine months of 2020). For more information, please see note 2 and note 6.a to these condensed consolidated financial statements at September 30, 2021.

## 6.d Net financial expense – €1,752 million

Net financial expense increased by €27 million on the same period of 2020.

More specifically, financial income in the first nine months of 2021 amounted to €3,651 million, an increase of €765 million on the same period of 2020 (€2,886 million). The change mainly reflects the following factors:

- > an increase of €943 million in income from derivative instruments, essentially in respect of derivative designated as cash flow hedges of the risk of fluctuations in exchange rates for loans denominated in foreign currencies;
- > an increase of €115 million in income on financial assets in respect of public concession arrangements, mainly at the Brazilian companies;
- > the recognition of financial income of €72 million in Spain, essentially for default interest accrued on Endesa's right to be indemnified for the reduction in its past remuneration concerning the grant of CO<sub>2</sub> emissions allowances under the "Plan Nacional de Asignación de Derechos de Emisión" (PNA);
- > an increase of €42 million in income connected with the adjustment of liabilities covered by fair value hedges.

These factors were partly offset by a decrease of €427 million in exchange gains, mainly reflecting developments in exchange rates associated with loans in foreign currency. The change mainly involved Enel Finance International (–€583 million) and Enel SpA (–€178 million), partly offset by an increase in gains at Enel Chile (€180 million), Enel Green Power México (€81 million) and Enel Américas (€66 million).

Financial expense in the first nine months of 2021 amounted to €5,476 million, an increase of €821 million compared with the first nine months of 2020. The change is mainly attributable to the following factors:

- > an increase of €758 million in exchange losses, which mainly involved Enel Finance International (€728 million), Enel SpA (€99 million) and Enel Chile (€170 million), partly offset by the decrease in exchange losses at Enel Américas (–€122 million) and Enel Green Power Brazil (–€141 million);
- > an increase in other expenses, primarily in respect of Enel Finance International (€451 million), essentially for the recognition of financial charges relating to the cash consideration paid in the non-binding voluntary tender offer involving the repurchase and subsequent cancellation of seven series of outstanding conventional bonds;
- > Enel Américas (€80 million), primarily reflecting an increase in financial expense in respect of CAMMESA.

These effects were partially offset by a decrease of €506 million in charges on derivatives, essentially in respect of derivatives designated as cash flow hedges of the risk of fluctuations in exchange rates for loans denominated in foreign currencies.

Finally, net income from hyperinflation adjustments recognized by the Argentine companies in application of IAS 29 concerning accounting for hyperinflationary economies amounted to €73 million in the first nine months of 2021, an increase of €29 million on the same period of 2020 (€44 million).

## 6.e Share of profit/(loss) of equity-accounted investments – €428 million

The share of net profit of equity-accounted investments in the first nine months of 2021 was €428 million. The change of €423 million mainly reflects the value adjustment of the investment in Slovak Power Holding. Other changes reflect the Group's pro-rated share of the profit/loss of equity-accounted companies.

## 6.f Income taxes – €1,662 million

Income taxes for the first nine months of 2021 amounted to €1,662 million, an increase of €86 million.

The effective income tax rate for the first nine months of 2021 was 33.7%, compared with 30% in the first nine months of 2020. The increase in the effective rate essentially reflects the following items:

- > an adjustment of deferred and current taxation following the tax reforms approved by the Argentine and Colombian governments, which involved an increase in the tax rate from 25% to 35% in Argentina and from 30% to 35% in Colombia;
- > an increase in tax provisions by Enel Iberia to adjust deferred tax liabilities;
- > the non-recognition of part of the deferred tax assets associated with the impairment losses on PH Chucas due to the uncertainty of their future recoverability;
- > an increase in taxes related to the reversal of a tax credit of Enel Green Power SpA (€25 million) following the reorganization of the Enel Green Power Business Line in Latin America, which was completed in April 2021.



## Assets

### 7.a Non-current assets - €139,770 million

*Property, plant and equipment and intangible assets*, including investment property, amounted to €100,912 million at September 30, 2021, a decrease of €4,423 million. The change is mainly attributable to depreciation, amortization and impairment losses on those assets (€4,331 million) and exchange losses (€24 million). These impacts were partially offset by investments in the period (€7,901 million).

*Goodwill* amounted to €13,837 million, an increase of €58 million mainly attributable to the exchange gains of the Brazilian companies and the change in the consolidation scope associated with the acquisition of CityPoste Payment SpA (€19 million), partly offset by the PPA for the two Panamanian companies Jagúito Solar and Progreso Solar.

*Equity-accounted investments* amounted to €790 million, a decrease of €71 million on the end of 2020.

The principal negative effects comprised:

- > the negative impact of the pro-rated change in the OCI reserves of equity-accounted companies (€392 million), which mainly regarded the effective portion of Slovak Power Holding's cash flow hedge derivatives;
- > the negative impact of the change the consolidation scope recorded in Australia (€31 million), attributable to the consolidation of the companies belonging to the Enel Green Power Bungala Group, which were previously accounted for using the equity method.

These adverse were offset by:

- > the profits attributable to the Group of equity-accounted companies (€428 million), with the greatest contribution coming from Slovak Power Holding and Rusenergosbyt, only partially offset by the losses of other companies;
- > capital increases, notably OpEn Fiber in the amount of €70 million;
- > dividends distributed during the period (€67 million), mainly by Rusenergosbyt and a number of Spanish companies;
- > exchange rate developments, especially the US dollar.

*Other non-current assets* include:

Millions of euro				
	at Sept. 30, 2021	at Dec. 31, 2020	Change	
Deferred tax assets	9,441	8,578	863	10.1%
Receivables and securities included in net financial debt	2,833	2,745	88	3.2%
Other non-current financial assets	7,901	3,650	4,251	-
Receivables due from institutional market operators	238	186	52	28.0%
Other long-term receivables	3,818 <sup>(1)</sup>	2,612 <sup>(2)</sup>	1,206	46.2%
<b>Total</b>	<b>24,231</b>	<b>17,771</b>	<b>6,460</b>	<b>36.4%</b>

(1) The item includes investments in contract assets of €619 million.

(2) The item includes investments in contract assets of €324 million.

The increase for the period mainly reflects:

- > an increase in “deferred tax assets”, mainly due to the increase in deferred tax assets linked to developments in the fair value of financial derivatives;
- > an increase in “other non-current financial assets”, essentially attributable to the increase in financial assets in respect of service concession arrangements in Latin America of €421 million and the increase in the fair value of derivative contracts of €3,821 million, of which €1,742 million in respect of derivatives designated as cash flow hedges and €2,079 million in respect of derivatives at FVTPL;
- > an increase in “other long-term receivables”, essentially attributable to the increase in long-term tax receivables, which mainly reflects the outcome of the PIS/COFINS dispute in Brazil which, following the notification of the related judgments, led to the recognition of €914 million in greater tax assets and liabilities, and to an increase of

€222 million in non-current contract assets.

## 7.b Current assets – €66,724 million

*Inventories* amounted to €3,534 million, an increase of €1,133 million, most of which was recognized in Italy, essentially reflecting the increase in inventories of CO<sub>2</sub> emissions allowances as a result of the decrease in thermal generation.

*Trade receivables* amounted to €14,573 million, an increase of €2,527 million, mainly recognized in Spain (€1,272 million) and in Latin America (1,033 million).

*Other current assets* break down as follows.

Millions of euro	at Sept. 30, 2021	at Dec. 31, 2020	Change	
Current financial assets included in debt	4,499	4,971	(472)	-9.5%
Other current financial assets	31,652	3,613	28,039	-
Tax assets	2,384	1,294	1,090	84.2%
Amounts due from institutional market operators	1,987	1,258	729	57.9%
Other short-term amounts due	2,159	1,648	511	31.0%
<b>Total</b>	<b>42,681</b>	<b>12,784</b>	<b>29,897</b>	<b>-</b>

The increase in the period of €29,897 million is largely due to:

- > an increase in “other current financial assets”, mainly attributable to the fair value measurement of derivative financial instruments (equal to €31,472 million at September 30, 2021 and €3,470 million at December 31, 2020);
- > an increase in “tax assets” relating essentially to assets for payments on account by the Parent, Enel SpA;
- > an increase in “amounts due from institutional market operators”, primarily attributable to an increase in amounts due from the Energy and Environmental Services Fund, mainly claimed by Servizio Elettrico Nazionale (€630 million) in connection with equalization mechanisms;
- > an increase in “other short-term amounts due”, mainly regarding an increase in prepaid expenses (€128 million), largely in respect of fees for water diversion for industrial use and items connected with personnel, as well as an increase in other receivables and other current assets in respect of third parties.

These factors were partially offset by a decrease in “current financial assets included in debt”, attributable to the reduction of current financial assets (€602 million), essentially related to a decrease in cash collateral paid to counterparties for transactions in derivative contracts.

## 7.c Assets classified as held for sale – €1,572 million

The item essentially includes assets measured at their estimated realizable value based on the current state of negotiations that, in view of the decisions taken by management, meet the requirements of IFRS 5 for classification under this item.

The balance at September 30, 2021 mainly regards a number of renewable energy companies in Africa held for sale (€1,008 million) and the equity-accounted investment in OpEn Fiber (€559 million).

The first nine months of the year also saw the finalization of the disposal of Enel Green Power companies in Bulgaria, which had previously been classified as held for sale.

# Liabilities and equity

## 7.d Equity attributable to the owners of the Parent - €30,484 million

The increase of €2,159 million in the first nine months of 2021 in equity attributable to the owners of the Parent mainly reflects profit for the period (€2,505 million) and the subscription of a non-convertible subordinated hybrid bond in the amount, net of transaction costs, of €2,214 million.

These factors were partially offset by the distribution of dividends and interest payments on perpetual hybrid bonds totaling €1,887 million and a decrease in the translation reserve for financial statements denominated in foreign currencies, due mainly to the change in the consolidation scope with the purchase of 17.3% of Enel Américas.

## 7.e Non-current liabilities - €90,056 million

*Long-term borrowings* amounted to €53,699 million (€49,519 million at December 31, 2020). They consist of bonds totaling €41,137 million (€38,357 million at December 31, 2020), and bank and other borrowings of €12,562 million (€11,162 million at December 31, 2020). The item increased by €4,180 million, essentially due to the increase in bonds (€2,780 million), mainly reflecting the issue in September of a €3,500 million multi-tranche sustainability-linked bond by Enel Finance International, and an increase in bank and other borrowings (€1,400 million), mainly in Latin America, Spain and North America.

*Provisions and deferred tax liabilities* amounted to €18,205 million at September 30, 2021 (€16,535 million at December 31, 2020) and include:

- > post-employment and other employee benefits totaling €2,472 million, down €492 million on December 31, 2020, mainly reflecting an increase in provisions in Brazil and Colombia and uses during the period, primarily in Italy, Brazil and Spain;
- > provisions for risks and charges amounting to €7,920 million (of which €1,256 million at short term). The item

includes, among others, the litigation provision in the amount of €839 million (€820 million at December 31, 2020), the nuclear decommissioning provision in the amount of €599 million (€596 million at December 31, 2020), the plant retirement and site restoration provision in the amount of €2,095 million (€2,116 million at December 31, 2020) and the provision for taxes and duties in the amount of €289 million (€331 million at December 31, 2020). The provision for early retirement incentives and other restructuring plans in the amount of €857 million (€1,067 million at December 31, 2020), which is mainly attributable to Italy and Spain, includes the estimated charges related to binding agreements for the voluntary termination of employment contracts in response to organizational needs, while the provision for restructuring programs connected with the energy transition of €1,336 million (€759 million at December 31, 2020) represents the estimated costs that the Group has provisioned to accelerate the energy transition process, for all direct and indirect activities related to the review of processes and operating models and the roles and skills of employees. The main changes in provisions for risks and charges in the first nine months of the year are mainly attributable to allocations in the period, in Italy, to provisions for environmental charges for the reconversion of plants as part of the energy transition and the adjustment of the provision for environmental certificates due primarily to an increase in prices, the provision for restructuring programs connected with the energy transition in Italy, Brazil and Chile, and new provisions for litigation in Brazil and Spain. Utilization for the period is mainly accounted for by Italy and Spain for provisions for termination incentives and other restructuring plans and provisions for restructuring programs connected with the energy transition;

- > deferred tax liabilities amounting to €9,069 million (€7,797 million at December 31, 2020), with the increase of €1,272 million mainly attributable to the increase (largely in Italy) of deferred taxation connected with developments in the fair value of cash flow hedge derivatives.

*Other non-current liabilities* amounted to €18,152 million (€13,255 million at December 31, 2020), an increase of €4,897 million, which largely reflected:

- > an increase of €3,701 million in other financial liabilities, essentially regarding the fair value of financial derivatives designated as cash flow hedges (€3,058 million) and the fair value of financial derivatives at FVTPL (€638 million);

> an increase of €1,195 million in other liabilities, which mainly includes the recognition of the outcome of the PIS/COFINS dispute in Brazil (discussed under “Other non-current assets”) in the amount of €914 million.

## 7.f Current liabilities – €73,077 million

Short-term borrowings and current portion of long-term borrowings increased by €4,366 million. The change reflected:

> an increase of €3,366 million in short-term borrowings, mainly regarding:

- an increase in commercial paper (€2,666 million);
- an increase in cash collateral and other financing for derivatives transactions (€917 million);
- a reduction in short-term borrowings for cash flows to be paid to factoring companies (€213 million);

- > an increase of €1,000 million in the current portion of long-term borrowings, mainly regarding:
  - an increase in bonds (€1,194 million), mainly attributable to the reclassification of the short-term portion;
  - a decrease in bank borrowings (€133 million).

Other current liabilities break down as follows.

Millions of euro

	at Sept. 30, 2021	at Dec. 31, 2020	Change	
Amounts due to customers	1,913	1,481	432	29.2%
Amounts due to institutional market operators	4,512	4,012	500	12.5%
Current financial liabilities	30,724	4,153	26,571	-
Amounts due to employees and social security institutions	573	644	(71)	-11.0%
Tax liabilities	2,981	1,357	1,624	-
Other	5,578	6,960	(1,382)	-19.9%
<b>Total</b>	<b>46,281</b>	<b>18,607</b>	<b>27,674</b>	<b>-</b>

The change in the period is essentially due to:

- > an increase in “current financial liabilities”, largely attributable to derivatives at FVTPL (€25,248 million) and derivatives designated as cash flow hedges (€1,317 million);
- > an increase in “tax liabilities”, primarily regarding Italy and attributable to liabilities for value-added tax as well as estimated income taxes for the period, taking account of periodic settlement procedures;
- > a reduction in “other” liabilities, mainly attributable to the payment of dividends during the first nine months of 2021, partially offset by the increase in the current portion of provisions for environmental certificates recorded in Italy.

## 7.g Liabilities included in disposal groups classified as held for sale – €853 million

The balance at September 30, 2021 mainly includes the liabilities connected with a number of companies held for sale that operate in the renewable generation sector in Africa (€847 million).

## 8. Net financial position

Pursuant to the CONSOB instructions of July 28, 2006 and in accordance with Guideline 39, issued on March 4, 2021,

by ESMA, applicable as from May 5, 2021, and with warning notice no. 5/21 issued by CONSOB on April 29, 2021, the following table reports the net financial position at September 30, 2021 and December 31, 2020, reconciled with net financial debt as prepared in accordance with the presentation procedures of the Enel Group.

Millions of euro	at Sept. 30, 2021	at Dec. 31, 2020	Change	
<b>Liquidity</b>				
Cash and cash equivalents on hand	6	42	(36)	-85.7%
Bank and post office deposits	5,386	5,699	(313)	-5.5%
<b>Cash</b>	<b>5,392</b>	<b>5,741</b>	<b>(349)</b>	<b>-6.1%</b>
<b>Cash equivalents</b>	<b>544</b>	<b>165</b>	<b>379</b>	<b>-</b>
Securities	86	67	19	28.4%
Short-term loan assets	2,859	3,476	(617)	-17.8%
Current portion of long-term loan assets	1,554	1,428	126	8.8%
<b>Other current financial assets</b>	<b>4,499</b>	<b>4,971</b>	<b>(472)</b>	<b>-9.5%</b>
<b>Liquidity</b>	<b>10,435</b>	<b>10,877</b>	<b>(442)</b>	<b>-4.1%</b>
<b>Current financial debt</b>				
Bank borrowings	(715)	(711)	(4)	-0.6%
Commercial paper	(7,520)	(4,854)	(2,666)	-54.9%
Other current financial debt <sup>(1)</sup>	(1,556)	(785)	(771)	-98.2%
<b>Current financial debt (including debt instruments)</b>	<b>(9,791)</b>	<b>(6,350)</b>	<b>(3,441)</b>	<b>-54.2%</b>
Bank borrowings (current portion)	(1,236)	(1,369)	133	9.7%
Bonds issued (current portion)	(2,605)	(1,412)	(1,193)	-84.5%
Other borrowings (current portion)	(326)	(387)	61	15.8%
<b>Current portion of non-current financial debt</b>	<b>(4,167)</b>	<b>(3,168)</b>	<b>(999)</b>	<b>-31.5%</b>
<b>Current financial debt</b>	<b>(13,958)</b>	<b>(9,518)</b>	<b>(4,440)</b>	<b>-46.6%</b>
<b>Net current financial debt</b>	<b>(3,523)</b>	<b>1,359</b>	<b>(4,882)</b>	<b>-</b>
<b>Non-current financial debt</b>				
Bank borrowings	(9,911)	(8,663)	(1,248)	-14.4%
Other borrowings	(2,651)	(2,499)	(152)	-6.1%
<b>Non-current financial debt (excluding current portion and debt instruments)</b>	<b>(12,562)</b>	<b>(11,162)</b>	<b>(1,400)</b>	<b>-12.5%</b>
<b>Bonds</b>	<b>(41,137)</b>	<b>(38,357)</b>	<b>(2,780)</b>	<b>-7.2%</b>
<b>Trade payables and other non-interest-bearing non-current debt with a significant financing component</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current financial debt</b>	<b>(53,699)</b>	<b>(49,519)</b>	<b>(4,180)</b>	<b>-8.4%</b>
<b>Total financial debt as per CONSOB instructions</b>	<b>(57,222)</b>	<b>(48,160)</b>	<b>(9,062)</b>	<b>-18.8%</b>
<b>Non-current financial assets and long-term securities</b>	<b>2,833</b>	<b>2,745</b>	<b>88</b>	<b>3.2%</b>
<b>NET FINANCIAL DEBT</b>	<b>(54,389)</b>	<b>(45,415)</b>	<b>(8,974)</b>	<b>-19.8%</b>

(1) Includes current borrowings included under other current financial liabilities.

Note that this statement of the net financial position does not include financial assets and liabilities in respect of derivatives, as derivative contracts not designated as hedges are nevertheless entered into by the Group essentially for hedging purposes. In particular, at September 30, 2021 the Group recognized: "non-current financial derivative assets" of

€5,057 million (€1,236 million at December 31, 2020), "current financial derivative assets" of €31,472 million (€3,471 million at December 31, 2020), "non-current financial derivative liabilities" of €7,302 million (€3,606 million at December 31, 2020) and "current financial derivative liabilities" of €30,096 million (€3,531 million at December 31, 2020).



# OTHER INFORMATION

Enel carries out transactions with a number of companies directly or indirectly controlled by the Italian State, the Group's controlling shareholder.

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

## 9. Related parties

As an operator in the field of generation, distribution, transport and sale of electricity and the sale of natural gas,

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

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

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

The following tables summarize transactions with related parties, associated companies and joint arrangements carried out in the first nine months of 2021 and 2020 and outstanding at September 30, 2021 and December 31, 2020.

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Total first nine months 2021	Associates and joint arrangements	Overall total first nine months 2021	Total in financial statements	% of total
<b>Income statement</b>										
Total revenue	-	1.511	207	2.062	158	<b>3.938</b>	286	<b>4.224</b>	<b>57.914</b>	<b>7,3%</b>
Other financial income	-	-	-	-	1	<b>1</b>	70	<b>71</b>	<b>4.208</b>	<b>1,7%</b>
Electricity, gas and fuel	2.273	3.149	-	1.818	-	<b>7.240</b>	166	<b>7.406</b>	<b>32.920</b>	<b>22,5%</b>
Services and other materials	-	38	1	2.089	32	<b>2.160</b>	115	<b>2.275</b>	<b>10.625</b>	<b>21,4%</b>
Other operating expenses	4	165	-	8	1	<b>178</b>	-	<b>178</b>	<b>2.017</b>	<b>8,8%</b>
Net income/(expense) from commodity management	-	-	-	2	-	<b>2</b>	7	<b>9</b>	<b>1.089</b>	<b>0,8%</b>
Other financial expense	-	-	-	7	2	<b>9</b>	17	<b>26</b>	<b>5.960</b>	<b>0,4%</b>

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Total at Sept. 30, 2021	Associates and joint arrangements	Overall total at Sept. 30, 2021	Total in financial statements	% of total
<b>Balance sheet</b>										
Other non-current asset	-	-	-	-	-	-	1,277	<b>1,277</b>	<b>24,231</b>	<b>5.3%</b>
Trade receivables	-	171	9	679	21	<b>880</b>	361	<b>1,241</b>	<b>14,573</b>	<b>8.5%</b>
Other current assets	-	6	65	65	4	<b>140</b>	256	<b>396</b>	<b>42,681</b>	<b>0.9%</b>
Other non-current liabilities	-	-	-	1	4	<b>5</b>	177	<b>182</b>	<b>18,152</b>	<b>1.0%</b>
Long-term borrowings	-	-	-	581	-	<b>581</b>	346	<b>927</b>	<b>53,699</b>	<b>1.7%</b>
Current portion of long-term borrowings	-	-	-	89	-	<b>89</b>	19	<b>108</b>	<b>13,879</b>	<b>0.8%</b>
Trade payables	1,048	316	-	1,064	9	<b>2,437</b>	184	<b>2,621</b>	<b>12,917</b>	<b>20.3%</b>
Other current liabilities	-	-	-	30	43	<b>73</b>	32	<b>105</b>	<b>46,281</b>	<b>0.2%</b>
<b>Other information</b>										
Guarantees given	-	80	-	11	58	<b>149</b>	-	<b>149</b>		
Guarantees received	-	-	-	138	36	<b>174</b>	-	<b>174</b>		
Commitments	-	-	-	416	2	<b>418</b>	-	<b>418</b>		

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Total first nine months 2020	Associates and joint arrangements	Overall total first nine months 2020	Total in financial statements	% of total
<b>Income statement</b>										
Total revenue	-	537	216	1,824	137	<b>2,714</b>	155	<b>2,869</b>	<b>49,465</b>	<b>5.8%</b>
Other financial income	-	-	-	-	-	-	48	<b>48</b>	<b>3,239</b>	<b>1.5%</b>
Electricity, gas and fuel	1,421	1,443	-	781	1	<b>3,646</b>	142	<b>3,788</b>	<b>17,944</b>	<b>21.1%</b>
Services and other materials	2	26	2	1,856	72	<b>1,958</b>	103	<b>2,061</b>	<b>14,901</b>	<b>13.8%</b>
Other operating expenses	1	138	-	6	-	<b>145</b>	-	<b>145</b>	<b>1,661</b>	<b>8.7%</b>
Net income/(expense) from commodity management	-	-	-	2	-	<b>2</b>	-	<b>2</b>	<b>(670)</b>	<b>-0.3%</b>
Other financial expense	-	-	-	10	-	<b>10</b>	37	<b>47</b>	<b>4,964</b>	<b>0.9%</b>

Millions of euro

	Single Buyer	EMO	ESO	Cassa Depositi e Prestiti Group	Other	Total at Dec. 31, 2020	Associates and joint arrangements	Overall total at Dec. 31, 2020	Total in financial statements	% of total
<b>Balance sheet</b>										
Other non-current asset	-	-	-	-	-	-	1,165	<b>1,165</b>	<b>17,771</b>	<b>6.6%</b>
Trade receivables	-	35	15	569	29	<b>648</b>	215	<b>863</b>	<b>12,046</b>	<b>7.2%</b>
Other current assets	-	9	84	63	3	<b>159</b>	195	<b>354</b>	<b>12,784</b>	<b>2.8%</b>
Other non-current liabilities	-	-	-	4	6	<b>10</b>	151	<b>161</b>	<b>13,255</b>	<b>1.2%</b>
Long-term borrowings	-	-	-	625	-	<b>625</b>	359	<b>984</b>	<b>49,519</b>	<b>2.0%</b>
Current portion of long-term borrowings	-	-	-	89	-	<b>89</b>	19	<b>108</b>	<b>3,168</b>	<b>3.4%</b>
Trade payables	554	83	746	748	5	<b>2,136</b>	69	<b>2,205</b>	<b>12,859</b>	<b>17.1%</b>
Other current liabilities	-	-	-	15	14	<b>29</b>	24	<b>53</b>	<b>18,607</b>	<b>0.3%</b>
<b>Other information</b>										
Guarantees given	-	250	-	13	83	<b>346</b>	-	<b>346</b>		
Guarantees received	-	-	-	157	36	<b>193</b>	-	<b>193</b>		
Commitments	-	-	-	102	2	<b>104</b>	-	<b>104</b>		

In November 2010, the Board of Directors of Enel SpA approved a procedure governing the approval and execution of transactions with related parties carried out by Enel SpA directly or through subsidiaries. The procedure (available at <https://www.enel.com/investors/governance/bylaws-rules-policies> in both the version in effect until June 30, 2021 and that amended by the Board of Directors in June 2021, which took effect from July 1, 2021) sets out rules designed to ensure the transparency and procedural and

substantive propriety of transactions with related parties. It was adopted in implementation of the provisions of Article 2391-bis of the Italian Civil Code and the implementing regulations issued by CONSOB. In the first nine months of 2021, no transactions were carried out for which it was necessary to make the disclosures required in the rules on transactions with related parties adopted with CONSOB Resolution no. 17221 of March 12, 2010, as amended.

## 10. Contractual commitments and guarantees

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

Millions of euro	at Sept. 30, 2021	at Dec. 31, 2020	Change
<b>Guarantees given:</b>			
- sureties and other guarantees granted to third parties	7,760	11,451	(3,691)
<b>Commitments to suppliers for:</b>			
- electricity purchases	72,378	67,400	4,978
- fuel purchases	53,025	41,855	11,170
- various supplies	1,393	1,511	(118)
- tenders	4,624	3,604	1,020
- other	6,838	4,348	2,490
<b>Total</b>	<b>138,258</b>	<b>118,718</b>	<b>19,540</b>
<b>TOTAL</b>	<b>146,018</b>	<b>130,169</b>	<b>15,849</b>

Commitments for electricity amounted to €72,378 million at September 30, 2021, of which €18,680 million refer to the period October 1, 2021-2025, €17,393 million to the period 2026-2030, €14,745 million to the period 2031-2035 and the remaining €21,560 million beyond 2035.

Commitments for the purchase of fuels are determined with reference to the contractual parameters and exchange rates applicable at the end of the period (given that

fuel prices vary and are mainly set in foreign currencies). At September 30, 2021 they amounted to €53,025 million, of which €9,674 million refer to the period October 1, 2021-2025, €24,110 million to the period 2026-2030, €11,283 million to the period 2031-2035 and the remaining €7,958 million beyond 2035. "Other" primarily includes commitments for environmental compliance and the increase in volumes envisaged in the new investment plan.

# 11. Contingent assets and liabilities

Compared with the consolidated financial statements at December 31, 2020, which the reader is invited to consult for more information, the following main changes have occurred in contingent assets and liabilities.

## Brindisi plant – Ash dispute

With regard to the criminal investigation initiated by the Public Prosecutor's Office of the Court of Lecce in 2017 concerning the use of fly ash in the cement industry, the Enel power plant in Brindisi was at the center of a criminal investigation which gave rise to the preventive seizure of the plant with the right to operate subject to certain technical requirements, also ordering the seizure of Enel Produzione assets with a value of about €523 million. On August 1, 2018, the Lecce Public Prosecutor lifted its seizure of the plant, with the termination of the judicial custody/administration of the facility and the restitution of the other seized assets to Enel Produzione. During the investigation, on February 2, 2018, an evidentiary hearing was ordered, following which the independent experts appointed by the investigating magistrate prepared a technical report, which was filed on July 16, 2018 in preliminary form and on October 10, 2018 in its definitive version. The report confirmed the non-hazardous nature of the ash, considering it suitable for reuse in the production of cement, as well as the appropriateness of the operation of the plant. However, the preliminary investigation had continued both against the accused individuals and the company pursuant to Legislative Decree 231/2001. On October 10, 2018, the Definitive Technical Report was filed. On December 6, 2018, the investigating magistrate of the Court of Lecce, at the request of the Public Prosecutor, scheduled a hearing for January 22, 2019, to receive testimony from the experts on the report. The investigating magistrate then postponed the hearing until April 15, 2019. Following this hearing, the experts reiterated the accuracy of the assessment and the non-hazardous nature of the ash produced by the thermoelectric plant and the possibility of using that ash in the production of cement.

Subsequently, at the preliminary hearing of March 4, 2021, the defendant's legal representatives discussed the admissibility of the petition of the Region of Puglia Region and the City of Brindisi to join the proceeding as civil plaintiffs. Following the debate, the investigating magistrate did not issue a ruling and adjourned the hearing to September 17,

2021. At this last hearing, the investigating magistrate provisionally granted the petition of the Municipality of Brindisi and the Region of Puglia to join the proceeding as civil plaintiffs. Subsequently, the Public Prosecutor and the civil plaintiffs provided testimony, followed by the initial arguments of the defendants, whose pleadings continued at the hearing of October 22, 2021. Following this hearing, the court issued an indictment for all the defendants, with the trial scheduled to begin before the Court of Brindisi on December 9, 2021.

## Brindisi Sud thermal generation plant – Criminal proceedings against Enel employees

With regard to the referral judgment in the ruling of the Court of Cassation of October 1, 2020, regarding the criminal proceedings involving Enel Produzione – cited as a liable party in civil litigation – and a number of employees of the company accused of causing criminal damage and dumping hazardous substances with regard to the alleged contamination of land adjacent to the Brindisi Sud plant with coal dust, on June 15, 2021, a summons was issued to the defendants before the Criminal Section of the Court of Appeal of Lecce for a hearing scheduled for July 14, 2021, subsequently postponed until September 8, 2021, on which date the Public Prosecutor and the civil plaintiffs presented their arguments. The next hearing is scheduled for November 10, 2021, at which the defendants will submit their pleadings.

With regard to the criminal proceeding pending before the Court of Vibo Valentia involving a number of employees of Enel Produzione for the crime of illegal waste disposal following alleged violations regarding the handling of the disposal of waste produced by the Brindisi thermoelectric plant, the argument phase was completed at the hearing of May 13, 2021, during which the defense submitted their respective pleadings. At the hearing of June 17, 2021, the Court of Vibo Valentia read out the sentence, declaring that it was not necessary to proceed against the defendants as the offenses were time-barred and that no offense pursuant to Article 434, paragraph 2, of the Criminal Code had occurred.



## Enel Energia and Servizio Elettrico Nazionale antitrust proceeding

With regard to the petition for a preliminary ruling before the Court of Justice of the European Union (CJEU) pursuant to Article 267 of the Treaty on the Functioning of the European Union, asking for clarification of the interpretation of the concept of “abuse of a dominant position” to be applied in the currently suspended appeal proceeding initiated by Enel SpA, Enel Energia SpA (EE) and Servizio Elettrico Nazionale SpA (SEN) before the Council of State, the companies submitted their briefs and then EE and SEN took part in the hearing held on September 9, 2021. A public hearing is scheduled for December 9, 2021, at which the presentation of the conclusions by the Advocate General is also expected.

With regard to the proceedings before the Council of State, the hearing scheduled for November 11, 2021 for final arguments has been postponed to a date to be decided pending the conclusion of the proceeding before the CJEU.

## BEG litigation

### France

With regard to the petition of Albania BEG Ambient Shpk (ABA) to obtain recognition of the Albanian ruling in France, on May 4, 2021 the Court of Appeal issued a judgment denying the appeal of ABA in full and ordering it to reimburse Enel and Enelpower €200,000.00 each in legal costs. More specifically, the Court of Appeal fully upheld the ruling of the *Tribunal de Grande Instance of Paris* of January 29, 2018 with regard to the incompatibility of the Albanian ruling with the arbitration award of 2002, which, being considered *res judicata* under French law, does not require exceptional scrutiny by the court. On June 21, 2021, it was learned that ABA had filed an appeal with the Cour de Cassation against the ruling of the Paris Court of Appeal.

### The Netherlands

With regard to the proceeding initiated by ABA to obtain recognition of the Albanian ruling in the Netherlands, on July 16, 2021, the Supreme Court completely denied ABA's claim, ordering it to reimburse court costs. The decision is final and, accordingly, no proceedings are pending in the Netherlands.

## Environmental incentives – Spain

With regard to the investigation initiated – following the EU Commission Decision of November 27, 2017 concerning environmental incentives for thermoelectric plants – by the Directorate General for Competition of the Commission pursuant to Article 108, paragraph 2, of the Treaty on the Functioning of the European Union (TFEU), in order to establish whether the incentive for environmental investment for coal-fired power plants envisaged in Order ITC/3860/2007 constitutes state aid compatible with the internal market, the appeal filed by Gas Natural (now Naturgy) before the Court of Justice of the European Union against the Commission's decision was denied on September 8, 2021.

## “Bono Social” – Spain

Regarding the preliminary question raised by the Spanish Supreme Court before the Court of Justice of the European Union (CJEU) to ascertain the incompatibility of Article 45, paragraph 4, of the Electricity Sector Law no. 24 of December 26, 2013 with the Directive of the European Parliament and of the Council 2009/72/EC of 13 July 2009 regarding Endesa's obligation to finance the “Bono Social” (Social Bonus), on April 15, 2021 the Advocate General issued an opinion in favor of Endesa. On October 14, 2021, the CJEU resolved the preliminary question, recognizing the incompatibility of Article 45, paragraph 4, of Electricity Sector Law 24 of December 26, 2013 with the aforementioned European Directive. The Supreme Court will therefore have to rule on the proceedings that had been reopened at the request of the government, which at present has not requested the restitution of any sum.

## “Endesa I” industrial relations dispute – Spain

With regard to the litigation pursued against Endesa before the Supreme Court at the initiative of the three minority unions to contest the effects of the termination of the 4th Endesa Collective Bargaining Agreement as regards, in particular, the social benefits granted to retired employees, on July 7, 2021, the Supreme Court issued a decision (notified on July 22, 2021) denying the appeals lodged by the those unions in their entirety, confirming trial court ruling

of March 26, 2019. More specifically, the ruling of the Supreme Court affirmed that the social benefits (including the electricity discount) originate exclusively in the collective bargaining agreements for both current employees and retired personnel and their family members, with the consequence that termination of the agreement (as happened in the case of the 4th Collective Bargaining Agreement) resolves the general contractual conditions contained therein for current employees and, in the case of retired personnel and their family members, produces the definitive extinction of all their rights until new conditions are established with the 5th Endesa Collective Bargaining Agreement.

In parallel, numerous individual actions have been filed by retired staff and former employees who had agreed to participate in termination incentive agreements in order to obtain judicial confirmation that the termination of the 4th Endesa Collective Bargaining Agreement did not affect them. Currently, the majority of these proceedings have been suspended or are being suspended, pending the definition of the collective action pending before the Supreme Court, on whose outcome these proceedings depend. Following the ruling sentence of the Supreme Court of July 7, 2021, the suspension of these proceedings will be revoked, despite the fact that it is a decision referring to a “collective dispute”, which, as such, represents a situation of *res judicata* for the individual proceedings concerning the same issue.

## “Endesa II” industrial relations dispute – Spain

With regard to petition for a “collective dispute” initiated by three trade unions with minority representation concerning the cancellation of certain “derogatory provisions” of the 5th Endesa Collective Bargaining Agreement, at the hearing of June 23, 2021, the court postponed the conciliation attempt to October 19, 2021, which was subsequently postponed further until November 4, 2021.

## Cibran litigation – Brazil

With regard to the second petition submitted by Cibran in 2006 with reference to the years 1987 to 1994 in the six suits initiated against Ampla seeking damages for alleged losses incurred as a result of interruptions in the electricity supply provided by the Brazilian distribution company between 1987 and 2002, the appeal (*agravo de instrumento*) filed by Cibran on January 29, 2021 against the ruling of the *Tribunal de Justiça* was denied by the *Superior Tribunal de Justiça* on June 8, 2021. On June 22, 2021, Cibran filed an

appeal (*agravo interno*) with the *Superior Tribunal de Justiça* and the proceeding is pending.

## El Quimbo – Colombia

CAs regards the *acción popular* brought by a number of fish farming companies over the alleged impact that filling the Quimbo basin would have on fishing in the Betania basin downstream from Quimbo, on February 1, 2021, Emgesa was notified of the ruling of the Court of Huila, which while acknowledging that the oxygenation system implemented by the company has mitigated the risks associated with the protection of fauna in the Betania basin, imposed a series of obligations on the environmental authorities involved, as well as on Emgesa itself. In particular, the latter is required to implement a decontamination project to ensure that the water in the basin does not generate risks for the flora and fauna of the river, which will be subject to verification by ANLA, and to make permanent the operation of the oxygenation system, adapting it to comply with the parameters established by ANLA. On March 4, 2021, Emgesa appealed this ruling before the Council of State.

## Arbitration proceedings in Colombia

With regard to the arbitration proceedings initiated in October 2018 by Grupo Energía de Bogotá (GEB) against Enel Américas SA before the *Centro de Arbitraje y Conciliación de la Cámara de Comercio de Bogotá* for an alleged breach of contract in relation to the non-distribution of dividends in the 2016, 2017 and 2018 financial years for the companies Emgesa and Codensa and for the failure to comply with certain provisions of the shareholders’ agreement, at the hearing on July 8, 2021, the arbitration tribunal approved the conciliation agreement reached by the parties on May 7, 2021 and, at the request of the parties, terminated the arbitration proceeding. With regard to the arbitration proceedings initiated against Codensa and Emgesa by GEB, which were subsequently joined into two separate proceedings for each company, on July 14, 2021, GEB formally withdrew the claims against Emgesa and Codensa following the termination of the arbitration proceedings against Enel Américas on July 8, 2021. Consequently, on July 15, 2021, the arbitration tribunal accepted the GEB’s withdrawal of its petition in the arbitration against Codensa and declared the proceeding terminated. With regard to the arbitration proceeding against Emgesa, at the hearing of July 23, 2021, the arbitration tribunal accepted GEB’s withdrawal of its action and declared the procedure closed. The two arbitrations proceedings are therefore concluded.

## Gabčíkovo dispute – Slovakia

With regard to the proceeding initiated by Vodohospodárska Výstavba Štátny Podnik (VV) to ascertain and declare the invalidity of the VEG Indemnity Agreement, on March 24, 2021, the Supreme Court voided the decision previously issued by the Court of Appeal of Bratislava in favor of Slovenské elektrárne (SE), referring the judgment to the same Court of Appeal. On July 21, SE filed an appeal with the Slovakian Constitutional Court, which denied the petition on August 11, 2021. The proceeding is currently pending before the Court of Appeal of Bratislava.

With regard to the suits filed by VV against SE for alleged unjustified enrichment (estimated at about €360 million plus interest) for the period from 2006 to 2015: (i) for the proceeding concerning 2007, the appeal filed by SE on August 18, 2020 was denied on September 18, 2021 and the proceeding is continuing before the Court of Appeal; (ii) for the proceeding concerning 2009, the first hearing, scheduled by the Court of Bratislava for October 13, 2020, was postponed a number of times and has now been postponed to a date to be determined, while the parties are exchanging briefs; (iii) for the proceeding concerning 2015, the court scheduled an initial hearing for April 22, 2021, which was subsequently postponed until September 23, 2021 and then January 27, 2022.

## Precautionary administrative proceeding and Chucas arbitration

With regard to the arbitration proceeding initiated by PH Chucas SA (Chucas) before the *Cámara Costarricense-Norteamericana de Comercio* (AMCHAM CICA) against the *Instituto Costarricense de Electricidad* (ICE), on May 19, 2021, Chucas filed its arbitration petition complete with preliminary requests, quantifying the value of its claim at about \$362 million (about €305 million). On June 23, 2021, ICE filed its defense, arguing that the forum lacked jurisdiction and challenged Chucas's claims, without formulating a counterclaim. On August 4, 2021, the arbitration panel rejected ICE's petition concerning lack of jurisdiction and the

issue is currently being considered by the First Section of the Supreme Court. The arbitration proceeding will remain suspended pending the Supreme Court's ruling on the jurisdiction issue.

## Kino arbitration – Mexico

With regard to the request for arbitration filed by Parque Solar Don José SA de Cv, Villanueva Solar SA de Cv and Parque Solar Villanueva Tres SA de Cv (together, the Project Companies), of which Enel Green Power SpA is a minority shareholder and which are controlled by CDPQ Infraestructura Participación SA de CV (in turn controlled by Caisse de Dépôt et Placement du Québec - CDPQ) and CKD Infraestructura México SA de CV (CKD IM), against Kino Contractor SA de CV, Kino Facilities Manager SA de CV and Enel SpA for violation of two contracts concerning solar projects owned by the three companies filing for arbitration, the claim has been provisionally quantified at about \$140 million, while Kino Contractor and Kino Facilities have provisionally quantified their claim at about \$18 million. The arbitration panel has been formed and the parties are exchanging briefs.

## Income taxes – IRPJ/CSLL – Eletropaulo

On 5 October 2021, Eletropaulo<sup>(6)</sup> received an assessment notice from the Brazilian tax authorities contesting the deductibility for income tax purposes (*Imposto de Renda Pessoa Jurídica - IRPJ and Contribuição Social sobre o Lucro Líquido - CSLL*) of the amortization of the surplus value generated by non-recurring transactions carried out before the acquisition of the company by the Enel Group. In particular, the contested period runs from 2017 to 2019. The company, deeming its arguments sound, will defend its actions by filing an appeal by the statutory deadline. The total value of the dispute at September 30, 2021 is about €109 million.

(6) The trading name of Eletropaulo is Enel Distribuição São Paulo.

## 12. Subsequent events

### Early redemption of bonds issued by EFI in US dollars

On October 5, 2021, in the light of the results at the early expiry date of the tender offer launched on September 21, Enel Finance International NV repurchased and canceled conventional bonds totaling \$3.25 billion.

### Consent solicitation for hybrid bond holders

On October 28, 2021, Enel SpA launched a consent solicitation aimed at holders of a non-convertible subordinated hybrid bond issued by the Company in the amount of €900 million, seeking to align its terms and conditions with those of the non-convertible subordinated hybrid perpetual bonds issued by Enel in 2020 and 2021.

# DECLARATION OF THE OFFICER RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL REPORTS PURSUANT TO THE PROVISIONS OF ARTICLE 154-BIS, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998

The officer responsible for the preparation of the Company's financial reports, Alberto De Paoli, hereby certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation, that the accounting information contained in the Interim Financial Report at September 30, 2021 corresponds with that contained in the accounting documentation, books and records.





Concept design and realization

**HNTO**

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By

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Disclaimer

This Report issued in Italian  
has been translated into  
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of international readers

Enel

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