

**ENDESA, S.A.**  
**and Subsidiaries**

**Consolidated Management Report**  
**for the nine-month period**  
**ended 30 September 2021**

(Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

**Madrid, 3 November 2021**

(Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED MANAGEMENT REPORT FOR**  
**FOR THE NINE-MONTH PERIOD ENDED**  
**30 SEPTEMBER 2021**

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**NINE-MONTH PERIOD ENDED**  
**30 SEPTEMBER 2021**

## 1. Most significant figures.

Main figures	SDGs (1)	Unit	January - September 2021	January - September 2020	% Var.
Revenue		€M	18,603	12,959	43.6
Gross Operating Income (EBITDA) (2)		€M	3,125	3,136	(0.4)
Net income		€M	1,459	1,511	(3.4)
Net ordinary income (2)		€M	1,459	1,700	(14.2)
Net financial debt (2)		€M	10,000 (3)	6,899 (4)	44.9
Cash flows from operating activities		€M	862	1,969	(56.2)
Gross investments in property, plant and equipment and intangible assets		€M	1,394	1,161	20.1
Net installed capacity		MW	21,660 (3)	21,652 (4)	0.0
Net installed mainland renewable capacity	7	MW	7,713 (3)	7,719 (4)	(0.1)
Net installed mainland renewable capacity	7	%	45 (3)	45 (4)	-
Additional installed renewable capacity	7	MW	86 (3)	391 (4)	(78.0)
Electricity generation (5)		GWh	42,581	42,150	1.0
Generation of renewable electricity	7	GWh	9,523	9,943	(4.2)
Distribution and transmission networks	9	Km	316,092 (3)	315,365 (4)	0.2
Energy distributed (6)	9	GWh	98,601	93,206	5.8
End users (7)		Thousands	12,337 (3)	12,291 (4)	0.4
Digitalised customers Ratio (8)	9	%	100.0 (3)	100.0 (4)	-
Net electricity sales (9)		GWh	60,124	60,585	(0.8)
Number of customers (electricity) (10) (11)		Thousands	10,173 (3)	10,420 (4)	(2.4)
Deregulated market (12)		Thousands	5,623 (3)	5,690 (4)	(1.2)
Public and private electricity charging stations	11	Units	8,442 (3)	7,072 (4)	19.4
Final headcount		No. of employees	9,266 (3)	9,591 (4)	(3.4)

€M = millions of euros.

(1) Sustainable Development Goals.

(2) See definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

(3) At 30 September 2021.

(4) At 31 December 2020.

(5) At power plant busbars.

(6) Energy supplied to customers, with or without a contract, ancillary consumption of generators and output towards other grids (transmission or distributors).

(7) Customers of distribution companies.

(8) Number of digitalised customers / End users (%).

(9) Sales to end customers.

(10) Supply points.

(11) Customers of supply companies.

(12) Customers of deregulated supply companies.

## 2. Basis of presentation of the Consolidated Financial Statements.

ENDESA's Consolidated Financial Statements for the nine-month period ended 30 September 2021 were prepared in accordance with the International Financial Reporting Standards ("IFRSs") and the interpretations of the IFRS Interpretations Committee ("IFRIC"), as adopted by the European Union at the reporting date, pursuant to Regulation (EC) 1606/2002, of 19 July, of the European Parliament and of the Council and other provisions of the financial reporting regulatory framework applicable to ENDESA.

The accounting policies, bases of presentation and measurement bases used to prepare ENDESA's Consolidated Financial Statements for the nine-month period ended 30 September 2021 are the same as those explained in Notes 2 and 3 to the Consolidated Financial Statements for the year ended 31 December 2020, except for the new International Financial Reporting Standards (IFRS) and IFRIC interpretations

published in the Official Journal of the European Union, which were first applied by ENDESA in the Consolidated Financial Statements for the nine-month period ended 30 September 2021, following the going-concern principle by applying the cost method, with the exception of the items that, in accordance with the International Financial Reporting Standards (IFRS), are measured at fair value. Items in the Consolidated Income Statement are classified by cost type.

At the date of approval of this Consolidated Management Report, the modifications and reforms adopted by the European Union applicable to the years beginning on 1 January 2021 were as follows:

Standards, amendments and interpretations	Mandatory application: Years beginning on
Amendments to IFRS 4 "Insurance Contracts" – Deferral of IFRS 9 "Financial Instruments".	1 January 2021
Interest Rate Benchmark Reform – Phase 2 - Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosure Initiative", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases".	1 January 2021
Amendments to IFRS 16 "Leases" – COVID-19-Related Rent Concessions beyond 30 June 2021.	1 April 2021

The adoption of the previous amendments and reforms did not have a significant impact on the Consolidated Financial Statements for the nine months ended 30 September 2021.

### 3. Reference scenario.

#### 3.1. Performance of the main market indicators.

Market indicators	January - September 2021	January - September 2020	% Var.
Arithmetic average price in the wholesale electricity market (€/MWh) <sup>(1)</sup>	78.5	31.9	146.1
ICE Brent average price (\$/bbl) <sup>(2)</sup>	68.0	41.0	65.9
Average price of carbon dioxide (CO <sub>2</sub> ) emission rights (€/t) <sup>(3)</sup>	45.4	26.9	68.8
Average price of coal (€/MWh) <sup>(4)</sup>	102.5	53.3	92.3
Average price of gas (€/MWh) <sup>(5)</sup>	30.3	12.5	142.4

(1) Source: Iberian Energy Market Operator - Polo Español (OMIE).

(2) Source: ICE: Brent Crude Futures.

(3) Source: ICE: ECX Carbon Financial Futures Daily.

(4) Source: Api2 index.

(5) Source: TTF index.

Year-end exchange rates <sup>(1)</sup>	30 September 2021	31 December 2020	Difference
Closing exchange rate (Euro / US Dollar)	1.1577	1.2270	(0.0693)
Closing exchange rate (Euro / Sterling Pound)	0.8608	0.8980	(0.0372)

(1) Source: Thomson Reuters.

Average exchange and interest rates	January - September 2021	January - September 2020	Difference
Average exchange rate (Euro / US Dollar) <sup>(1)</sup>	1.1961	1.1247	0.0714
6-month Euribor (period average) <sup>(2)</sup>	(0.52)	(0.32)	(0.20)

(1) Source: Thomson Reuters.

(2) Source: Bloomberg.

Percentage (%)	30 September 2021	30 September 2020	
Estimated annual inflation <sup>(1)</sup>			
Spain		4.0	(0.4)

(1) Source: INE (Spanish Official Statistics Institute).

## 3.2. Electricity and gas market.

### Electricity.

The changes in electricity demand at 30 September 2021 and 2020 are as follows:

Percentage (%)				
Trends in electricity demand <sup>(1)</sup>	Without adjusting effects for working days and temperature		Adjusted for effects of working days and temperature	
	January - September 2021	January - September 2020	January - September 2021	January - September 2020
	Mainland	3.4	(6.1)	3.5
Non-mainland Territories (TNP)	4.2	(14.3)	5.5	(26.2)

(1) Source: Red Eléctrica de España, S.A. (REE). At power plant busbars.

In the period January-September 2021, accumulated mainland electricity demand adjusted for the effects of working days and temperature rose by 3.5%, (-6.4% in January-September 2020).

Accumulated electricity demand in Non-mainland Territories (TNP), adjusted for the effect of working days and temperature, ended the first nine months of 2021 with a 11.4% increase in the Balearic Islands and a 0.5% decrease in the Canary Islands (-20.4% and -10.2%, respectively, in January-September 2020).

At 30 September 2021 and 2020, mainland electricity demand in the territories in which ENDESA distributes electricity, was as follows:

Percentage (%)			
Changes in mainland electricity demand: ENDESA area <sup>(1)</sup>		January - September 2021	January - September 2020
<b>ENDESA</b>		<b>2.2</b>	<b>(5.2)</b>
Industrial		1.4	(7.3)
Services		7.5	2.7
Residential		(2.3)	(11.0)
<b>ENDESA adjusted for the effects of working days and temperature</b>		<b>2.3</b>	<b>(6.0)</b>

(1) Source: In-house.

The period January-September 2021 was characterised by extraordinarily high prices, with the arithmetic average price in the wholesale electricity market standing at Euro 78.5/MWh (+146.1%), mainly, due to changes in the prices of commodities and carbon dioxide (CO<sub>2</sub>) emission rights.

The contribution of renewable energies to total cumulative mainland production in the period January-September 2021 was 50.0% (57.7% in the period January-September 2020).

At 30 September 2021, ENDESA held the following electricity market shares:

Percentage (%)		
Market share (electricity) <sup>(1)</sup>	30 September 2021	31 December 2020
Mainland generation <sup>(2)</sup>	17.7	18.0
Distribution	42.8	42.9
Supply	29.6	32.4

(1) Source: In-house.

(2) Includes renewable energies.

### Gas.

The changes in gas demand at 30 September 2021 and 2020 were as follows:

Percentage (%)

Trend in gas demand <sup>(1)</sup>	January - September 2021	January - September 2020
Domestic Spanish market	0.1	(10.6)
Domestic Spanish - conventional	6.9	(7.1)
Electricity sector	(17.9)	(19.4)

(1) Source: Enagás, S.A.

During the period January-September 2021, conventional demand for gas increased by 6.6%.

At 30 September 2021, ENDESA had the following gas market share:

Percentage (%)

Market share (gas) <sup>(1)</sup>	30 September 2021	31 December 2020
Deregulated market	14.9	14.3

(1) Source: In-house.

## 4. Significant events in the period.

### 4.1. Consolidation scope.

In the period January-September 2021, the following transactions were carried out:

Companies	Transaction	Date	Activity	Stake at 30 September 2021 (%)		Stake at 31 December 2020 (%)	
				Control	Economic	Control	Economic
Arena Power Solar 11, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 12, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 13, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 4, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 5, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 6, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 33, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 34, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 35, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 9, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 10, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Energía Eólica Galerna, S.L.U.	Acquisition	26 March 2021	Wind	100.00	100.00	-	-
Energía Eólica Gregal, S.L.U.	Acquisition	26 March 2021	Wind	100.00	100.00	-	-
Energía Eólica Abrego, S.L.U.	Acquisition	17 May 2021	Wind	100.00	100.00	-	-
Energía Base Natural, S.L.U.	Acquisition	17 May 2021	Photovoltaic	100.00	100.00	-	-
Energía y Naturaleza, S.L.U.	Acquisition	17 May 2021	Photovoltaic	100.00	100.00	-	-
Empresa De Alumbrado Eléctrico De Ceuta, S.A.	Acquisition	9 June 2021	Supplier and distribution	96.41	96.41	96.37	96.37
Ateca Renovables, S.L. <sup>(1)</sup>	Formed	18 June 2021	Photovoltaic	50.00	50.00	-	-
Terrer Renovables, S.L. <sup>(1)</sup>	Formed	18 June 2021	Photovoltaic	29.57	29.57	-	-
Planta Eólica Europea, S.A.U. <sup>(2)</sup>	Acquisition	24 June 2021	Wind	100.00	100.00	56.12	56.12
Infraestructuras San Serván 220, S.L. <sup>(1)</sup>	Acquisition	27 July 2021	Photovoltaic	30.80	30.80	-	-
FRV Corchitos I, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Corchitos II Solar, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Zamora Solar 1, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Zamora Solar 3, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Tarifa, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Villalobillos S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Gibalbin -Jerez, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Puerto Santa María Energía I, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
FRV Puerto Santa María Energía II, S.L.U.	Acquisition	27 July 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 13, S.L.U.	Acquisition	29 July 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 12, S.L.U.	Acquisition	29 July 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 20, S.L.U.	Acquisition	29 July 2021	Photovoltaic	100.00	100.00	-	-

(1) Companies included in the Consolidated Financial Statements by the equity method for a total amount of Euro 1 million

(2) This transaction had an impact of Euro 1 million on equity.

## Corporate operations in the renewable energy business.

In the period January-September 2021, the main corporate operations formalised correspond to the renewables business.

The total transaction price was Euro 104 million, of which Euro 29 million were still payable at 30 September 2021, subject to compliance with certain contractual clauses (see section 6.5. Statement of Cash Flows of this Consolidated Management Report).

Of the total amount, Euro 87 million related to the price of the shareholding in those companies and Euro 17 million to the subordinated debt that the acquired companies assumed with their former shareholders.

The acquisition of these companies led to an accounting entry of Euro 85 million under “Intangible assets” in the Consolidated Statement of Financial Position, relating almost in full to the value of the licences to develop photovoltaic plant projects.

The companies are currently applying for permits and licences to carry out their projects and/or are in the construction phase. Therefore, exploitation has not yet started on the renewable energy facilities, and no ordinary revenue has been generated.

ENDESA's objective with this acquisition of wind farms and photovoltaic plants under development will be to reinforce its presence in the Iberian generation market by extending the renewable asset portfolio in its production "mix".

## 4.2. COVID-19 Health Crisis.

Information relating to the main impacts for ENDESA with respect to the COVID-19 Health Crisis are described in Note 2.2.1 to the Consolidated Financial Statements for the year ended 31 December 2020.

ENDESA is constantly monitoring the evolution of the COVID-19 pandemic, together with the changes in macroeconomic, financial and trade variables, as well as the regulatory measures in force, to update the estimate of the possible effects on the Consolidated Financial Statements, in line with the recommendations of the European Securities and Markets Authority (ESMA) and the Spanish Securities Market Commission (“CNMV”). These effects are detailed below in the following sections of this Consolidated Management Report:

Matters	Sections	Contents
Derivatives and hedge transactions	5.2.1	Compliance with the criteria established by the regulations to apply hedges.
Credit risk	5.2.2	Impact of the health crisis.
Income tax	5.2.6	Recovery of deferred tax assets.
Leases	6.2	Effect of the health crisis on the lease arrangements signed.
Financial debt	6.2	Refinancing of financial debt.
Liquidity risk	6.2	Financial transactions arranged.
Investments	6.6	Impact of the health crisis on the implementation of the investment plan.

Taken together, the effects of the health crisis in the period January-September 2021 did not have a significant impact on gross operating income (EBITDA) or operating income (EBIT) (negative impact of Euro 81 million and Euro 104 million, respectively, in the period January-September 2020, in addition to the costs accruing from the Public Accountability Plan, in the amount of Euro 17 million).

## 5. Performance of ENDESA's operations and results in the period January-September 2021.

### 5.1. Operating performance.

Operating figures	SDGs (1)	Unit	January - September 2021	January - September 2020	% Var.
Electricity generation (2)		GWh	42,581	42,150	1.0
Generation of renewable electricity	7	GWh	9,523	9,943	(4.2)
Gross installed capacity		MW	22,474 (3)	22,465 (4)	0.0
Net installed capacity		MW	21,660 (3)	21,652 (4)	0.0
Net installed mainland renewable capacity	7	MW	7,7138 (3)	7,719 (4)	(0.1)
Net installed mainland renewable capacity	7	%	45 (3)	45 (4)	-
Additional installed renewable capacity	7	MW	86 (3)	391 (4)	(78.0)
Energy distributed (5)	9	GWh	98,601	93,206	5.8
Digitalised customers (6)	9	Thousands	12,460 (3)	12,389 (4)	0.6
Distribution and transmission networks	9	km	316,092 (3)	315,365 (4)	0.2
End users (7)		Thousands	12,337 (3)	12,291 (4)	0.4
Digitalised customers Ratio (8)		(%)	100.0 (3)	100.0 (4)	-
Gross electricity sales (2)		GWh	66,348	66,414	(0.1)
Net electricity sales (9)		GWh	60,124	60,585	(0.8)
Gas sales (10)		GWh	58,270	48,762	19.5
Number of customers (electricity) (11) (12)		Thousands	10,173 (3)	10,420 (4)	(2.4)
Deregulated market (13)		Thousands	5,623 (3)	5,690 (4)	(1.2)
Public and private electricity charging stations	11	Units	8,442 (3)	7,072 (4)	19.4
Public lighting points	11	Units	101 (3)	100 (4)	1.0
Final headcount		No. of employees	9,266 (3)	9,591 (4)	(3.4)
Average headcount		No. of employees	9,304	9,772	(4.8)

(1) Sustainable Development Goals.

(2) At power plant busbars.

(3) At 30 September 2021.

(4) At 31 December 2020.

(5) Energy supplied to customers, with or without a contract, ancillary consumption of generators and output towards other grids (transmission or distribution).

(6) Activated smart meters.

(7) Customers of distribution companies.

(8) Number of digitalised customers / End users (%).

(9) Sales to end customers.

(10) Without in-house generation consumption.

(11) Supply points.

(12) Customers of supply companies.

(13) Customers of deregulated supply companies.

### Electricity generation.

ENDESA's electricity production in the period January-September 2021 was 42,581 GWh, up 1.0% on the same period of the previous year, as follows:

GWh	January - September 2021	January - September 2020	% Var.
<b>Electricity Generation (1)</b>			
<b>Mainland</b>	<b>34,495</b>	<b>34,560</b>	<b>(0.2)</b>
Renewable energy plants	9,523	9,943	(4.2)
Hydroelectric	4,864	6,042	(19.5)
Wind (2)	3,853	3,481	10.7
Photovoltaic (3)	805	420	91.7
Rest	1	-	N/A
Nuclear power	19,895	19,523	1.9
Coal	415	975	(57.4)
Combined cycle (CCGT)	4,662	4,119	13.2
<b>Non-mainland Territories (TNP)</b>	<b>8,086</b>	<b>7,590</b>	<b>6.5</b>
Coal	47	55	(14.5)
Fuel-gas	2,965	3,184	(6.9)
Combined cycle (CCGT)	5,074	4,351	16.6
<b>TOTAL</b>	<b>42,581</b>	<b>42,150</b>	<b>1.0</b>

(1) At power plant busbars.

(2) The period January-September 2021 includes 84 GWh corresponding to Non-mainland Territories (TNP) (92 GWh January-September 2020).

(3) The period January-September 2021 includes 38 GWh corresponding to Non-mainland Territories (TNP) (0 GWh January-September 2020).



Non-emitting renewable and nuclear technologies accounted for 85.3% of ENDESA's mainland generation mix in the period January-September 2021, compared with 85.5% for the rest of the sector (85.3% and 79.9%, respectively, in the period January-September 2020).

### Gross and net installed capacity.

ENDESA's gross and net installed capacity at 30 September 2021 was 22,474 MW and 21,660 MW, respectively, as detailed below:

Gross installed capacity	30 September 2021		31 December 2020		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
<b>Mainland</b>	<b>17,738</b>	<b>78.9</b>	<b>17,729</b>	<b>78.9</b>	<b>0.1</b>
Renewable energy plants <sup>(1) (2)</sup>	7,834	34.9	7,825	34.8	0.1
Hydroelectric	4,787	21.3	4,793	21.3	(0.1)
Wind <sup>(3)</sup>	2,422	10.8	2,423	10.8	(0.0)
Photovoltaic <sup>(4)</sup>	625	2.8	609	2.7	2.6
Nuclear power	3,453	15.4	3,453	15.4	-
Coal	2,627	11.6	2,627	11.7	-
Combined cycle (CCGT)	3,824	17.0	3,824	17.0	-
<b>Non-mainland Territories (TNP)</b>	<b>4,736</b>	<b>21.1</b>	<b>4,736</b>	<b>21.1</b>	<b>-</b>
Coal	260	1.2	260	1.2	-
Fuel-gas	2,619	11.7	2,619	11.7	-
Combined cycle (CCGT)	1,857	8.2	1,857	8.3	-
<b>TOTAL</b>	<b>22,474</b>	<b>100.0</b>	<b>22,465</b>	<b>100.0</b>	<b>0.0</b>

(1) At 30 September 2021 and 31 December 2020, the additional capacity was 15 MW and 391 MW, respectively.

(2) At 30 September 2021, mainland gross installed renewable energy capacity accounted for 44% of the total mainland gross installed capacity (44% at 31 December 2020).

(3) At 30 September 2021 and 31 December 2020, it included 40 MW corresponding to Non-mainland Territories (TNP).

(4) At 30 September 2021, it included 37 MW corresponding to Non-mainland Territories (TNP) (22 MW at 31 December 2020).

Net installed capacity	30 September 2021		31 December 2020		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
<b>Mainland</b>	<b>17,397</b>	<b>80.3</b>	<b>17,388</b>	<b>80.3</b>	<b>0.1</b>
Renewable energy plants <sup>(1) (2)</sup>	7,790	36.0	7,781	35.9	0.1
Hydroelectric	4,743	21.9	4,749	21.9	(0.1)
Wind <sup>(3)</sup>	2,422	11.2	2,423	11.2	(0.0)
Photovoltaic <sup>(4)</sup>	625	2.9	609	2.8	2.6
Nuclear power	3,328	15.4	3,328	15.4	-
Coal	2,523	11.6	2,523	11.7	-
Combined cycle (CCGT)	3,756	17.3	3,756	17.3	-
<b>Non-mainland Territories (TNP)</b>	<b>4,263</b>	<b>19.7</b>	<b>4,264</b>	<b>19.7</b>	<b>(0.0)</b>
Coal	241	1.1	241	1.1	-
Fuel-gas	2,334	10.8	2,334	10.8	-
Combined cycle (CCGT)	1,688	7.8	1,689	7.8	(0.1)
<b>TOTAL</b>	<b>21,660</b>	<b>100.0</b>	<b>21,652</b>	<b>100.0</b>	<b>0.0</b>

(1) At 30 September 2021 and 31 December 2020, the additional capacity was 15 MW and 391 MW, respectively.

(2) At 30 September 2021, mainland net installed renewable energy capacity accounted for 45% of the total mainland net installed capacity (45% at 31 December 2020).

(3) At 30 September 2021 and 31 December 2020, it included 40 MW corresponding to Non-mainland Territories (TNP).

(4) At 30 September 2021, it included 37 MW corresponding to Non-mainland Territories (TNP) (22 MW at 31 December 2020).

### Electricity and gas sales.

#### Electricity.

At 30 September 2021, ENDESA had 10,173,048 electricity customers, down 2.4% on 31 December 2020, as shown in the following breakdown:

Thousands				
Number of customers (Electricity) <sup>(1) (2)</sup>	30 September 2021	31 December 2020	% Var.	
Regulated market	4,550	4,730	(3.8)	
Mainland Spain	3,877	4,020	(3.6)	
Non-mainland Territories (TNP)	673	710	(5.2)	
Deregulated market	5,623	5,690	(1.2)	
Mainland Spain	4,355	4,444	(2.0)	
Non-mainland Territories (TNP)	831	838	(0.8)	
Outside Spain	437	408	7.1	
<b>TOTAL</b>	<b>10,173</b>	<b>10,420</b>	<b>(2.4)</b>	
<b>Revenue / Supply points <sup>(3)</sup></b>	<b>1.3</b>	<b>1.1</b>	<b>-</b>	

(1) Supply points.

(2) Customers of supply companies.

(3) Relationship between annualised revenue from electricity sales and the number of electricity supply points (Thousands of euros / Supply points).

ENDESA's gross and net sales to these customers in the period January-September 2021 totalled 66,348 GWh and 60,124 GWh, respectively, similar to those of January-September 2020, as follows:

GWh

	Gross electricity sales <sup>(1)</sup>			Net electricity sales <sup>(2)</sup>		
	January - September 2021	January - September 2020	% Var.	January - September 2021	January - September 2020	% Var.
Regulated price	9,591	9,886	(3.0)	8,151	8,523	(4.4)
Deregulated market	56,757	56,528	0.4	51,973	52,062	(0.2)
Spanish	48,479	49,022	(1.1)	44,167	44,974	(1.8)
Outside Spain	8,278	7,506	10.3	7,806	7,088	10.1
<b>TOTAL</b>	<b>66,348</b>	<b>66,414</b>	<b>(0.1)</b>	<b>60,124</b>	<b>60,585</b>	<b>(0.8)</b>

(1) At power plant busbars.  
(2) Sales to end customers.

## Gas.

At 30 September 2021, ENDESA had 1,664,715 gas customers, down 0.5% on the number of existing customers at 31 December 2020, as shown in the following breakdown:

Thousands

Number of customers (gas) <sup>(1)</sup>	30 September 2021	31 December 2020	% Var.
Regulated market	235	233	0.9
Mainland Spain	212	209	1.4
Non-mainland Territories (TNP)	23	24	(4.2)
Deregulated market	1,430	1,440	(0.7)
Mainland Spain	1,233	1,252	(1.5)
Non-mainland Territories (TNP)	70	71	(1.4)
Outside Spain	127	117	8.5
<b>TOTAL</b>	<b>1,665</b>	<b>1,673</b>	<b>(0.5)</b>
Revenue / Supply points <sup>(2)</sup>	1.3	1.1	-

(1) Supply points.  
(2) Relationship between annualised revenue from gas sales and the number of gas supply points (Thousands of euros / Supply points).

In the period January-September 2021, ENDESA sold 58,270 GWh to customers in the natural gas market, up 19.5% on January-September 2020.

GWh

Gas sales	January - September 2021	January - September 2020	% Var.
Deregulated market	29,875	28,037	6.6
Regulated market	826	722	14.4
International market	12,792	12,279	4.2
Wholesale business	14,777	7,724	91.3
<b>TOTAL <sup>(1)</sup></b>	<b>58,270</b>	<b>48,762</b>	<b>19.5</b>

(1) Excluding own generation consumption.

## Electricity distribution.

Supply quality measures	January - September 2021	January - September 2020	% Var.
Energy distributed (GWh) <sup>(1)</sup>	98,601	93,206	5.8
Energy losses (%) <sup>(2)</sup>	7.1	7.2	-
Installed Capacity Equivalent Interruption Time (Average) – ICEIT (Minutes) <sup>(3)</sup>	47.9	39.7	20.7
Duration of Interruptions in the Distribution Grid – SAIDI (Minutes) <sup>(4)</sup>	66.1	76.5	(13.6)
Number of Interruptions in the Distribution Grid – SAIFI <sup>(4)</sup>	1.4	1.4	-

(1) Energy supplied to customers with or without a contract, ancillary consumption of generators and output towards other grids (transmission or distribution).  
(2) Input of energy in the distribution grid (or energy injected into the distribution grid), less distributed energy divided among the energy input to the distributor (or energy injected into the distribution grid).  
(3) Criteria of the Spanish regulator Includes figures for the Installed Capacity Equivalent Interruption Time (ICEIT) in-house, scheduled and transmission.  
(4) Source: In-house. Figures for the last 12 months.

## Workforce.

The tables below show ENDESA's final and average headcounts:

Number of employees	Final headcount						% Var.
	30 September 2021			31 December 2020			
	Male	Female	Total	Male	Female	Total	
Generation and Supply	3,704	1,110	4,814	3,596	1,041	4,637	3.8
Distribution	2,363	466	2,829	2,503	440	2,943	(3.9)
Structure and others <sup>(1)</sup>	856	767	1,623	1,136	875	2,011	(19.3)
<b>TOTAL</b>	<b>6,923</b>	<b>2,343</b>	<b>9,266</b>	<b>7,235</b>	<b>2,356</b>	<b>9,591</b>	<b>(3.4)</b>

(1) Structure and services.

Number of employees	Average headcount						% Var.
	January - September 2021			January - September 2020			
	Male	Female	Total	Male	Female	Total	
Generation and Supply	3,706	1,094	4,800	4,046	1,112	5,158	(6.9)
Distribution	2,420	447	2,867	2,502	434	2,936	(2.4)
Structure and others <sup>(1)</sup>	880	757	1,637	893	785	1,678	(2.4)
<b>TOTAL</b>	<b>7,006</b>	<b>2,298</b>	<b>9,304</b>	<b>7,441</b>	<b>2,331</b>	<b>9,772</b>	<b>(4.8)</b>

(1) Structure and services.

## 5.2. Analysis of results.

ENDESA reported net income of Euro 1,459 million in the period January-September 2021, a decrease of 3.4% on the Euro 1,511 million reported in the same period of the previous year.

Net ordinary income in the period January-September 2021 amounted to Euro 1,459 million, down 14.2% with respect to the same period of the previous year.

The table below presents the details of the most relevant figures in ENDESA's Consolidated Income Statement in the period January-September 2021 and their fluctuations compared with the same period of the previous year:

Millions of Euros	Most significant figures		
	January - September 2021	January - September 2020	% Var.
<b>Revenue</b>	<b>18,603</b>	<b>12,959</b>	<b>43.6</b>
<b>Procurements and services</b>	<b>(14,075)</b>	<b>(8,562)</b>	<b>64.4</b>
<b>Contribution margin <sup>(1)</sup></b>	<b>4,528</b>	<b>4,397</b>	<b>3.0</b>
Self-constructed assets	182	161	13.0
Personnel expenses	(681)	(516)	32.0
Other fixed operating expenses	(904)	(906)	(0.2)
<b>Gross operating income (EBITDA) <sup>(1)</sup></b>	<b>3,125</b>	<b>3,136</b>	<b>(0.4)</b>
Depreciation and amortisation, and impairment losses	(1,177)	(1,104)	6.6
<b>Operating income (EBIT) <sup>(1)</sup></b>	<b>1,948</b>	<b>2,032</b>	<b>(4.1)</b>
<b>Net financial profit/(loss) <sup>(1)</sup></b>	<b>(12)</b>	<b>(82)</b>	<b>(85.4)</b>
<b>Income before tax</b>	<b>1,926</b>	<b>1,988</b>	<b>(3.1)</b>
<b>Net income <sup>(1)</sup></b>	<b>1,459</b>	<b>1,511</b>	<b>(3.4)</b>
<b>Net ordinary income <sup>(1)</sup></b>	<b>1,459</b>	<b>1,700</b>	<b>(14.2)</b>

(1) See the definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

Gross operating income (EBITDA) in the period January-September 2021 stood at Euro 3,125 million (-0.4%).

Operating income (EBIT) in the period January-September 2021 fell by 4.1% with respect to the same period of the previous year, to Euro 1,948 million.

### 5.2.1. Revenue.

In the period January-September 2021, revenue stood at Euro 18,603 million, up Euro 5,644 million (+43.6%) on that obtained in the period January-September 2020.

The table below presents the detail of revenue in the period January-September 2021 and its variations compared with the same period in the previous year:

Millions of Euros

	Revenue			
	January - September 2021	January - September 2020	Difference	% Var.
Sales	13,535	12,314	1,221	9.9
Other operating income	5,068	645	4,423	685.7
<b>TOTAL</b>	<b>18,603</b>	<b>12,959</b>	<b>5,644</b>	<b>43.6</b>

### Sales

The table below presents the details of ENDESA's sales in the period January-September 2021 and of their variations with respect to the same period of the previous year:

Millions of Euros

	Sales			
	January - September 2021	January - September 2020	Difference	% Var.
Electricity sales	9,946	8,879	1,067	12.0
Sales to the deregulated market	6,571	6,175	396	6.4
Sales to the Spanish deregulated market	5,716	5,399	317	5.9
Sales to customers in deregulated markets outside Spain	855	776	79	10.2
Sales at regulated prices	1,737	1,368	369	27.0
Wholesale market sales	967	410	557	135.9
Compensation from Non-mainland Territories (TNP)	653	811	(158)	(19.5)
Remuneration for investment in renewable energies	-	100	(100)	(100.0)
Other electricity sales	18	15	3	20.0
Gas sales	1,574	1,393	181	13.0
Sales to the deregulated market	1,527	1,351	176	13.0
Sales at regulated prices	47	42	5	11.9
Regulated revenue from electricity distribution	1,537	1,584	(47)	(3.0)
Other sales and services rendered	478	458	20	4.4
<b>TOTAL</b>	<b>13,535</b>	<b>12,314</b>	<b>1,221</b>	<b>9.9</b>

#### Electricity sales to deregulated market customers.

In the period January-September 2021, sales on the deregulated market amounted to Euro 6,571 million (+6.4%), in accordance with the following details:

- Sales in the Spanish deregulated market amounted to Euro 5,716 million, up Euro 317 million (+5.9%) with respect to the same period of the previous year due, mainly, to the evolution of the unit price.
- Revenue from sales to customers in deregulated markets outside of Spain amounted to Euro 855 million, up Euro 79 million (+10.2%) with respect to the same period of the previous year due, mainly, to the changes in the unit price.

#### Electricity sales at a regulated price.

These sales generated revenue of Euro 1,737 million, up 27.0% on the period in the period January-September 2020, due mainly to the increased price.

#### Electricity sales in the wholesale market.

Revenue from wholesale market sales in the period January-September 2021 amounted to Euro 967 million and includes, in the amount of Euro 188 million, the recognition by ENDESA of its right to be compensated for the internalisation of the CO<sub>2</sub> emission rights assigned free of charge under the National Emission Rights

Allocation Plan (“PNA”), which it does not have a legal duty to bear (see section 5.2.3 Net Financial Result of this Consolidated Management Report).

### Gas sales.

Revenue from gas sales in the period January-September 2021 rose to Euro 1,574 million, up Euro 181 million (+13.0%) on the same period of 2020, as follows:

- Gas sales in the deregulated market totalled Euro 1,527 million, up Euro 176 million (+13.0%) on those of January-September 2020, due mainly to the increase in the number of physical units sold.
- Revenue from gas sales to customers at a regulated price amounted to Euro 47 million, up Euro 5 million (11.9%) on the same period of the previous year due, mainly, to the increase in the number of physical units sold.

### Compensation from Non-mainland Territories (TNP).

In the period January-September 2021, compensation for Non-mainland Territories (TNP) generation cost overruns amounted to Euro 653 million, down Euro 158 million (-19.5%) on the same period in the previous year, due mainly to the increased arithmetic average price in the wholesale electricity market.

### Electricity distribution.

In the period January-September 2021, ENDESA distributed 98,601 GWh of power in the Spanish market, a year-on-year increase of 5.8% compared with January-September 2020.

Regulated revenue from the distribution activity in the period January-September 2021 amounted to Euro 1,537 million, representing a reduction of Euro 47 million (-3.0%) with respect to the same period in the previous year, due mainly to the new financial remuneration rate applicable from 1 January 2021.

### Other operating income

The table below presents the details of Other operating income in the period January-September 2021 and of its variations compared with the same period in the previous year:

	Other operating income			
	January - September 2021	January - September 2020	Difference	% Var.
Changes in energy stock derivatives	4,754	371	4,383	1,181.4
Grants released in profit or loss <sup>(1)</sup>	33 <sup>(2)</sup>	15	18	120.0
Recognition of liabilities from contracts with customers in profit or loss	123	121	2	1.7
Rendering of services at facilities	2	2	-	-
Trading rights	29	30	(1)	(3.3)
Third party compensations	17	14	3	21.4
Other	110	92	18	19.6
<b>TOTAL</b>	<b>5,068</b>	<b>645</b>	<b>4,423</b>	<b>685.7</b>

(1) The period January-September 2021 included Euro 22 million related to capital grants and Euro 11 million of operating grants (Euro 4 million and Euro 11 million, respectively, in the period January-September 2020).

(2) Includes the recognition of a grant at Empresa Carbonífera del Sur ENCASUR, S.A.U, in the amount of Euro 10 million, granted to cover non-recurring costs arising from the closure of coal production units under the Spanish Closure Plan for uncompetitive coal mining.

In the period January-September 2021, Other operating income totalled Euro 5,068 million, up Euro 4,423 million (+685.7%) with respect to the amount recognised in the period January-September 2020, due largely to the Euro 4,383 million increase in revenue from the valuation and settlement of energy stock derivatives, arising mainly from changes in the valuation and settlement of electricity and gas derivatives.

This income is considered jointly with the Euro 4,139 million increase in costs under the same heading recognised in "Other variable procurements and services" in the Consolidated Income Statement (see section 5.2.2. Operating expenses of this Consolidated Management Report).

The derivatives and hedging transactions performed by ENDESA relate mainly to transactions arranged to hedge foreign currency risk or commodity price risk (electricity, fuel and CO<sub>2</sub> emission rights), the purpose of which is to eliminate or significantly reduce these risks in the underlying hedged transactions. In the current context, ENDESA has reviewed that the criteria established by the regulations to apply hedge accounting continue to be complied with.

## 5.2.2. Operating expenses.

Operating expenses in the period January-September 2021 amounted to Euro 16,655 million, up 52.4% on the same period of the previous year.

The table below presents the detail of operating expenses in the period January-September 2021 and their variations compared with the same period in the previous year:

	Operating expenses			
	January - September 2021	January - September 2020	Difference	% Var.
Procurements and services	14,075	8,562	5,513	64.4
Power purchases	3,844	2,681	1,163	43.4
Fuel consumption	1,019	853	166	19.5
Transmission expenses	3,665	3,736	(71)	(1.9)
Other variable procurements and services	5,547	1,292	4,255	329.3
Self-constructed assets	(182)	(161)	(21)	13.0
Personnel expenses	681	516	165	32.0
Other fixed operating expenses	904	906	(2)	(0.2)
Depreciation and amortisation, and impairment losses	1,177	1,104	73	6.6
<b>TOTAL</b>	<b>16,655</b>	<b>10,927</b>	<b>5,728</b>	<b>52.4</b>

### Procurements and services (variable costs).

Procurements and services expenses (variable costs) in the period January-September 2021 totalled Euro 14,075 million, up 64.4% on the same period of the previous year.

The changes in these costs in the period January-September 2021 were as follows:

- Power purchases rose by Euro 1,163 million (+43.4%) to Euro 3,844 million, mainly as a result of the increased arithmetic average price in the wholesale electricity market, which stood at Euro 78.5/MWh (+146.1%).

In the period January-September 2020, this heading included an amount equal to Euro 19 million (Euro 14 million, net of the tax effect) corresponding to the impairment of inventories at mainland coal-fired plants (see section 5.2.7. Net income of this Consolidated Management Report).

- Fuel consumption stood at Euro 1,019 million, with an increase of Euro 166 million (+19.5%) with respect to the same period of the previous year, due mainly to changes in commodity prices (see section 3.1. Performance of the main market indicators of this Consolidated Management Report).
- "Other variable procurements and services" in the Consolidated Income Statement stood at Euro 5,547 million, up Euro 4,255 million (+329.3%) on the same period of the previous year, as follows:

Millions of Euros

	Other variable procurements and services			
	January - September 2021	January - September 2020	Difference	% Var.
Changes in energy stock derivatives	4,316	177	4,139	2,338.4
Carbon dioxide (CO <sub>2</sub> ) emission rights	214	168	46	27.4
Tax on electricity production	152	166	(14)	(8.4)
Treatment of radioactive waste	164	160	4	2.5
Street lighting / works licences	146	127	19	15.0
Nuclear charges and taxes	90	94	(4)	(4.3)
Social Bonus	44	37	7	18.9
Catalonia environmental tax	82	29	53	182.8
Water tax	(9)	23	(32)	(139.1)
Other	348	311	37	11.9
<b>TOTAL</b>	<b>5,547</b>	<b>1,292</b>	<b>4,255</b>	<b>329.3</b>

This amount includes:

- The increase of Euro 4,139 million with respect to the amount recognised in the period January-September 2020 in the expenses relating to the measurement and settlement of energy derivatives, due mainly to the changes in the measurement and settlement of electricity and gas derivatives, which are considered jointly with the increase of Euro 4,383 million in the revenue under this item recognised in “Other operating income” in the Consolidated Income Statement (see section 5.2.1. Revenue of this Consolidated Management Report).
- The increase of Euro 46 million (27.4%) in carbon dioxide (CO<sub>2</sub>) emission rights, due to the changes in their average price (68.8%) (see section 3.1. Performance of the main market indicators of this Consolidated Management Report).
- The decrease of Euro 14 million (-8.4%) in the Electricity Production tax due, among other reasons, to the extension of the temporary suspension regarding the tax on the value of electricity production, in accordance with the publication of Royal Decree Law 17/2021, of 14 September 2021 (see section 8. Regulatory Framework of this Consolidated Management Report).
- The increase of Euro 53 million in the expense relating to the tax on facilities affecting the environment in the Catalonia Autonomous Community as a result of the publication of Law 5/2020, of 29 April 2020, of the Catalanian Government in the second quarter of 2020.
- In the period January-September 2021, the changes in fees payable on hydroelectric production includes, among other things, the reversal of Euro 48 million due to the declaration of the unenforceability of the State water tax under the Supreme Court ruling of 19 April 2021 (see section 5.2.3. Net Financial Result of this Consolidated Management Report).

### Fixed operating expenses.

The table below presents the detail of fixed operating expenses in the first nine months of 2021 and their variations compared with the same period of the previous year:

Millions of Euros

	Fixed operating expenses			
	January - September 2021	January - September 2020	Difference	% Var.
Self-constructed assets	(182)	(161)	(21)	13.0
Personnel expenses	681	516	165	32.0
Other fixed operating expenses	904	906	(2)	(0.2)
<b>TOTAL</b>	<b>1,403</b>	<b>1,261</b>	<b>142</b>	<b>11.3</b>

In the period January-September 2021, the fixed operating costs amounted to Euro 1,403 million, which represents an increase of Euro 142 million (+11.3%), in comparison with January-September 2020, mainly as a result of the following aspects:

- The implementation in the period January-September 2020 of the “V ENDESA Framework Collective Bargaining Agreement”, which generated a positive impact of Euro 515 million on the Consolidated Income Statement (Euro 386 million, net of the tax effect).
- The charge in the period January-September 2020 to certain provisions for workforce restructuring as part of the “Agreement on Voluntary Measures to Suspend or Terminate Employment Contracts”, amounting to Euro 372 million in the Consolidated Income Statement. This amount included Euro 213 million (Euro 160 million, net of the tax effect), in conformity with ENDESA's decarbonisation commitment (see section 5.2.7. Net income of this Consolidated Management Report).
- The updating of provisions for current workforce restructuring plans led to an impact of less than Euro 1 million in the Consolidated Income Statement in the period January-September 2021 (Euro 47 million, positive, in the period January-September 2020).
- The recognition in the period January-September 2020 of a cost of Euro 17 million corresponding to the Public Responsibility Plan for the COVID-19 Health Crisis (see section 4.2. COVID-19 Health Crisis and 5.2.7. Net income of this Consolidated Management Report).

Excluding the effects described in the foregoing paragraphs, fixed operating expenses in the period January-September 2021 would have fallen by Euro 31 million (-2.2%) on the same period in the previous year, due, among other reasons, to the reduction of ENDESA's average workforce (-4.8%) (see section 5.1. Operating performance of this Consolidated Management Report).

### Depreciation and amortisation, and impairment losses

The table below presents the detail of depreciation and amortisation, and impairment losses in the period January-September 2021 and of their variations with respect to the same period of the previous year:

Millions of Euros

	Depreciation and amortisation, and impairment losses			
	January - September 2021	January - September 2020	Difference	% Var.
<b>DEPRECIATION AND AMORTISATION</b>	<b>1,117</b>	<b>1,062</b>	<b>55</b>	<b>5.2</b>
Provision for the depreciation of property, plant and equipment	943	902	41	4.5
Provision for amortisation of intangible assets	174	160	14	8.8
<b>IMPAIRMENT LOSSES</b>	<b>60</b>	<b>42</b>	<b>18</b>	<b>42.9</b>
<b>Non-financial assets</b>	<b>-</b>	<b>(29)</b>	<b>29</b>	<b>(100.0)</b>
Provision for impairment losses on property, plant and equipment and investment property	-	(27) <sup>(1)</sup>	27	(100.0)
Provision for impairment losses on intangible assets	-	(2)	2	(100.0)
<b>Financial assets</b>	<b>60</b>	<b>71</b>	<b>(11)</b>	<b>(15.5)</b>
Provision for impairment losses on receivables from contracts with customers	60	81	(21)	(25.9)
Provision for impairment losses on other financial assets	-	(10)	10	(100.0)
<b>TOTAL</b>	<b>1,177</b>	<b>1,104</b>	<b>73</b>	<b>6.6</b>

(1) Includes the reversal for the impairment of non-financial assets (Euro 1 million) and the update of dismantling provisions (Euro 26 million).

Depreciation and amortisation, and impairment losses in the period January-September 2021 amounted to Euro 1,177 million, up Euro 73 million (+6.6%) with respect to the same period of the previous year, as a result, mainly of the increased depreciation and amortisation charge amounting to Euro 55 million, due, among other matters, of the investment drive performed at electricity production and distribution facilities, in line with ENDESA's Strategic Plan (see Section 6.6. Investments of this Consolidated Management Report).



In the period January-September 2021, impairment losses of financial assets amounted to Euro 60 million, and corresponding in full, to the impairment losses on accounts receivable on contracts with customers (Euros 81 million in the period January-September 2020). Its evolution is due, mainly, to the current backdrop of economic recovery in Spain and Portugal and the intensification of collection management, which was temporarily suspended in the period January-September 2020, due to the extraordinary measures in response to the economic situation caused by COVID-19.

### 5.2.3. Net Financial Result.

The Company incurred net financial loss in the periods January-September 2021 and 2020, in the amounts of Euro 12 million and Euro 82 million, negative and respectively.

The table below presents the detail of net financial profit/(loss) in the first nine months of 2021 and its variations compared with the same period in the previous year:

Millions of Euros		Net financial profit/(loss) <sup>(1)</sup>			
	January - September 2021	January - September 2020	Difference	% Var.	
Net financial expense <sup>(1)</sup>	(8)	(90)	82	(91.1)	
Financial income	114	24	90	375.0	
Financial expense	(122)	(114)	(8)	7.0	
Net exchange differences	(4)	8	(12)	(150.0)	
<b>TOTAL</b>	<b>(12)</b>	<b>(82)</b>	<b>70</b>	<b>(85.4)</b>	

(1) See definition in Appendix I - Alternative Performance Measure (APMs) of this Consolidated Management Report.

In the period January-September 2021, net financial expense amounted to Euro 8 million, down Euro 82 million (-91.1%) on the same period of the previous year

In the first nine months of 2021, net exchange differences were negative in the amount of Euro 4 million (Euro 8 million, positive, in the period January-September 2020). The variation is due mainly to the fluctuations in the Euro/ US dollars exchange rate for January-September 2021 compared to the same period of the previous year and its impact on financial debt, in US dollars (USD), associated with rights of use corresponding to charter agreements for the transmission of liquefied natural gas (LNG).

In analysing changes in net financial expense in the period January-September 2021, the following effects need to be taken into account:

Millions of Euros		Net financial expense <sup>(1)</sup>			
	January - September 2021	January - September 2020	Difference	% Var.	
Net expense in respect of financial liabilities at amortised cost	(98)	(99)	1	(1.0)	
Income from financial assets at amortised cost	-	2	(2)	(100.0)	
Update of provisions for workforce restructuring plans, dismantling of facilities and impairment of financial assets in accordance with IFRS 9 "Financial Instruments"	4	1	3	300.0	
Interest on the late payment of 2016-2017 income tax	-	7	(7)	(100.0)	
Late-payment interest on the compensation of carbon dioxide (CO <sub>2</sub> ) emission rights for 2006 and State water tax	84	-	84	N/A	
Other	2	(1)	3	(300.0)	
<b>TOTAL</b>	<b>(8)</b>	<b>(90)</b>	<b>82</b>	<b>(91.1)</b>	

(1) Net financial expense = Financial income - Financial expense.

Net expenses for financial liabilities at amortised cost amounted to Euro 98 million, down Euro 1 million (-1.0%) on those recognised in the same period of the previous year, due to the combination of the following effects (see section 6.2. Financial management of this Consolidated Management Report):

- The lower average cost of gross financial debt fell from 1.7% in the period January-September 2020 to 1.5% in the period January-September 2021.
- The increase in average gross financial debt between both periods, which rose from Euro 8,044 million in the period January-September 2020 to Euro 8,911 million in the period January-September 2021.

The net financial expense for the period January-September 2021 includes Euro 72 million for late payment interest in relation to ENDESA's right to be compensated for the reduction of its remuneration as a generating company, in the amount of the internalisation of the CO<sub>2</sub> emission rights allocated free of charge by the National Emissions Allocation Plan ("PNA"), which it does not have a legal duty to bear, and the late payment interest stemming from the declaration of the unenforceability of the state water tax under the Supreme Court ruling of 19 April 2021 (see section 5.2.1 Revenue and 5.2.2. Operating expenses of this Consolidated Management Report).

#### 5.2.4. Net profit/(loss) of companies accounted for using the equity method.

In the periods January-September 2021 and 2020, the net income of the companies accounted for using the equity method amounted to Euro 13 million and Euro 39 million, respectively, as follows:

Millions of Euros		Net profit/(loss) of companies accounted for using the equity method	
	January - September 2021	January - September 2020	
<b>Associates</b>	<b>(1)</b>	<b>(2)</b>	
Tecnatom, S.A.	(2)	(3)	
Gorona del Viento El Hierro, S.A.	1	-	
Boiro Energía, S.A.	(1)	-	
Other	1	1	
<b>Joint Ventures</b>	<b>14</b>	<b>41</b>	
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	4	5	
Nuclenor, S.A.	-	25	
Énergie Électrique de Tahaddart, S.A.	1	1	
Suministradora Eléctrica de Cádiz, S.A.	3	2	
Other	6	8	
<b>TOTAL</b>	<b>13</b>	<b>39</b>	

#### Nuclenor, S.A.

In the period January-September 2020, gains from the ownership interest of 50% in Nuclenor, S.A., amounting to Euro 25 million, included the effect of Ruling 84/2020 of the Constitutional Court, of 15 July 2020, declaring the non-constitutionality of the environmental tax caused by certain uses of catchment waters by wind farms and by the high-voltage electricity transmission facilities, regulated by the consolidated legal provisions of the Castile and Leon Autonomous Community in the area of own and assigned taxes.

#### 5.2.5. Gains/(losses) on disposal of assets.

In the period January-September 2021, gains/(losses) on disposal of assets amounted to Euro 23 million compared to Euro 1 million, both negative, in the period January-September 2020, as follows:

Millions of Euros		Gains/(losses) on disposal of assets	
	January - September 2021	January - September 2020	
<b>Non-financial assets</b>	<b>(3)</b>	<b>17</b>	
Transfer of optical fibre use rights	-	4	
Other gains and losses	(3)	13	
Disposals of investments in group companies and other	-	-	
Disposals of property, plant and equipment <sup>(1)</sup>	(3)	13 <sup>(2)</sup>	
<b>Financial assets</b>	<b>(20)</b>	<b>(18)</b>	
Factoring transaction fees	(20)	(18)	
<b>TOTAL</b>	<b>(23)</b>	<b>(1)</b>	

(1) Corresponds to gains generated by the sale of land and buildings.

(2) Includes gross capital gains generated, totalling Euro 7 million, as a result of the sale of a photovoltaic facility located at Paraje El Acebuche-Retamar (Almería).

## 5.2.6. Income tax.

From January-September 2021, the income tax expense amounted to Euro 461 million, down Euro 12 million (-2.5%) with respect to the amount recognised in the period January-September 2020.

The effective rate for the period January-September 2021 stood at 23.9% due, mainly, to the materialisation of relief and credit in the amount allocated to results, to the recognition of provisions not deductible for tax purposes and to the limitation in the exemption of dividends and gains from 1 January 2021 (23.7% in the period January-September 2020).

At the date of approval of this Consolidated Management Report, the recovery of deferred tax assets is not affected by the current context and the effective rate does not reflect any legislative changes affecting income tax.

## 5.2.7. Net income.

Net income attributable to the Parent in the period January-September 2021 amounted to Euro 1,459 million, representing a drop of Euro 52 million (-3.4%) with respect to the amount obtained in the same period of the previous year.

Net ordinary income attributable to the Parent in the period January-September 2021 and 2020 amounted to Euro 1,459 million and Euro 1,700 million, respectively, as follows:

Millions of Euros				
	January - September 2021	January - September 2020	Difference	% Var.
<b>Net income</b> <sup>(1)</sup>	<b>1,459</b>	<b>1,511</b>	<b>(52)</b>	<b>(3.4)</b>
Net impairment losses on non-financial assets <sup>(2)</sup>	-	14	(14)	(100.0)
Mainland coal-fired thermal power plants, inventories and other materials	-	14	(14)	(100.0)
Net initial charge to the Decarbonisation Plan	-	160	(160)	(100.0)
Net expenses relating to the Public Responsibility Plan for the COVID-19 Health Crisis	-	15	(15)	(100.0)
<b>Net ordinary income</b> <sup>(3)</sup>	<b>1,459</b>	<b>1,700</b>	<b>(241)</b>	<b>(14.2)</b>

(1) Net income = Net income of the Parent.

(2) Over Euro 10 million.

(3) See definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

## Economic indicators.

Euros			
Key figures	January - September 2021	January - September 2020	% Var.
Net ordinary earnings per share	1.378	1.606	(14.2)
Net earnings per share	1.378	1.427	(3.4)
Cash flow per share	0.814	1.860	(56.2)
Book value per share	6.474 <sup>(2)</sup>	6.909 <sup>(3)</sup>	(6.3)

(1) See the definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

(2) At 30 September 2021.

(3) At 31 December 2020.

Profitability indicators (%)	January - September 2021	January - September 2020
Return on equity	26.54	27.77
Return on assets	5.10	7.01
Economic profitability	11.79	12.49
Return on capital employed (ROCE)	5.23	6.38
Return on invested capital (ROIC)	11.44	12.85

(1) See the definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

## 6. Equity and financial analysis.

### 6.1. Net invested capital and financing.

Below are the details of the breakdown and changes in ENDESA's net invested capital at 30 September 2021 and 31 December 2020:

Millions of Euros

	30 September 2021	31 December 2020	Difference	% Var.
<b>Net non-current assets:</b>				
Property, plant and equipment and intangible assets	23,154	22,753	401	1.8
Goodwill	462	462	-	-
Investments accounted for using the equity method	199	217	(18)	(8.3)
Other net non-current assets/(liabilities)	(4,389)	(4,350)	(39)	0.9
<b>Total net non-current assets (1)</b>	<b>19,426</b>	<b>19,082</b>	<b>344</b>	<b>1.8</b>
<b>Net working capital:</b>				
Trade receivables for sales and services and other receivables	10,696	3,151	7,545	239.4
Inventories	1,121	1,077	44	4.1
Other net current assets/(liabilities)	1,106	1,091	15	1.4
Suppliers and other payables	(11,861)	(6,194)	(5,667)	91.5
<b>Total net working capital (1)</b>	<b>1,062</b>	<b>(875)</b>	<b>1,937</b>	<b>(221.4)</b>
<b>Gross invested capital (1)</b>	<b>20,488</b>	<b>18,207</b>	<b>2,281</b>	<b>12.5</b>
<b>Deferred tax assets and liabilities and provisions:</b>				
Provisions for pensions and other similar obligations	(603)	(701)	98	(14.0)
Other provisions	(3,333)	(3,480)	147	(4.2)
Deferred tax assets and liabilities	453	338	115	34.0
<b>Total deferred tax assets and liabilities and provisions (1)</b>	<b>(3,483)</b>	<b>(3,843)</b>	<b>360</b>	<b>(9.4)</b>
<b>Non-current assets classified as held for sale and discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>
<b>Net invested capital (1)</b>	<b>17,005</b>	<b>14,364</b>	<b>2,641</b>	<b>18.4</b>
<b>Equity</b>	<b>7,005</b>	<b>7,465</b>	<b>(460)</b>	<b>(6.2)</b>
<b>Net financial debt (1)</b>	<b>10,000</b>	<b>6,899</b>	<b>3,101</b>	<b>44.9</b>

(1) See the definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

At 30 September 2021, net invested capital stood at Euro 17,005 million. The changes in the period January-September 2021 were as follows:

- The increase in "Property, plant and equipment and intangible assets" amounted to Euro 401 million (+1.8%), as a result mainly of gross investments in the period January-September 2021, amounting to Euro 1,394 million, partially offset by the period amortisation charge amounting to Euro 1,117 million (see sections 5.2.2. Operating Expenses and 6.6. Investments of this Consolidated Management Report).
- The increase in "Net Working Capital" in the amount of Euro 1,937 million (+221.4%), mainly as a result of the payment, during the period January-September 2021, of the dividend charged against 2020 results in the amount of euros 2,132 million, the increase of collateral deposits to operate in financial markets in the amount of euros 161 million and the evolution, between both periods, of the customer and creditor headings for the valuation and settlement of energy commodity derivatives (see Sections 5.2. Analysis of Results, 6.5. Cash Flows and 9.2. Dividends of this Consolidated Management Report).

### 6.2. Financial Management

#### Financial debt.

At 30 September 2021, ENDESA had net financial debt of Euro 10,000 million, an increase of Euro 3,101 million (+44.9%) on that existing at 31 December 2020.

The reconciliation of ENDESA's gross and net financial debt at 30 September 2021 and 31 December 2020 is as follows:

Millions of Euros

	Reconciliation of financial debt			
	30 September 2021	31 December 2020	Difference	% Var.
Non-current financial debt	6,187	5,937	250	4.2
Current financial debt	4,387	1,372	3,015	219.8
<b>Gross financial debt (1)</b>	<b>10,574</b>	<b>7,309</b>	<b>3,265</b>	<b>44.7</b>
Cash and cash equivalents	(568)	(403)	(165)	40.9
Financial derivatives recognised in financial assets	(6)	(7)	1	(14.3)
<b>Net financial debt</b>	<b>10,000</b>	<b>6,899</b>	<b>3,101</b>	<b>44.9</b>

(1) At 30 September 2021, it includes Euro 22 million corresponding to financial derivatives recognised under financial liabilities (Euro 36 million at 31 December 2020).

In order to analyze the evolution of the net financial debt it is necessary to take into account, among other aspects, the payment of dividends that ENDESA, S.A. has made to its shareholders during the period January-September 2021 in the amount of Euro 2.0136 gross per share, which has meant a disbursement of Euro 2,132 million (see Sections 6.5. Cash Flows and 9.2. Dividends of this Consolidated Management Report), as well as the increase of Euro 444 million in the balances tied up in collateral deposits as a result of operations in the commodities and energy derivatives markets.

### Structure.

The structure of ENDESA's gross financial debt at 30 September 2021 and 31 December 2020 was as follows:

Millions of Euros

	Structure of gross financial debt			
	30 September 2021	31 December 2020	Difference	% Var.
Euro	10,370	7,222	3,148	43.6
US dollar (USD)	204	87	117	134.5
<b>TOTAL</b>	<b>10,574</b>	<b>7,309</b>	<b>3,265</b>	<b>44.7</b>
Fixed rate	5,167	4,716	451	9.6
Floating rate	5,407	2,593	2,814	108.5
<b>TOTAL</b>	<b>10,574</b>	<b>7,309</b>	<b>3,265</b>	<b>44.7</b>
Sustainable financing (%) (1)	57	45	-	-
Average life (years) (1)	4.2	4.6	-	-
Average cost (%) (1)	1.5	1.7	-	-

(1) See the definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

At 30 September 2021, 49% of gross financial debt earned fixed interest while 51% earned floating interest. At this date, 98% of the Company's gross financial debt was denominated in euros.

### Maturity.

At 30 September 2021, the breakdown of the nominal value of gross financial debt without derivatives by maturity was as follows:

Millions of Euros

	Carrying amount 30 September 2021 (1)	Nominal value		Maturity				Subsequent years
		Current	Non-current	2021	2022	2023	2024	
Bonds and other negotiable securities	3,715	3,694	12	2,561	1,133	-	-	12
Bank financial debt	2,427	134	2,296	1	138	180	479	1,632
Other financial liabilities	4,410	555	3,855	491	85	78	3,076	680
Financial debt associated with rights of use	913	80	833	20	79	76	75	663
Other	3,497	475	3,022	471	6	2	3,001	17
<b>TOTAL</b>	<b>10,552</b>	<b>4,383</b>	<b>6,163</b>	<b>3,053</b>	<b>1,356</b>	<b>258</b>	<b>3,555</b>	<b>2,324</b>

(1) Not including Euro 22 million corresponding to financial derivatives.

### Main financial transactions.

The main financial transactions in the period January-September 2021 were as follows:

- ENDESA has registered a new Euro Commercial Paper (ECP) SDG7 emissions programme for Euro 4,000 million, the outstanding balance being Euro 3,697 million at 30 September 2021, renewable with the backing of irrevocable bank credit lines. This Programme incorporates sustainability objectives, in line with ENDESA's Strategic Plan.
- Likewise, at the date of authorisation of this Consolidated Management Report, the following financial transactions were performed, all of which incorporated sustainability goals:

Millions of Euros

Transactions	Counterparty	Signature date	Maturity date	Amount
Loan <sup>(1) (2)</sup>	CaixaBank, S.A., Bankia, S.A. and Kutxabank, S.A.	25 March 2021	25 March 2024	300
Line of credit <sup>(1) (2)</sup>	CaixaBank, S.A., Bankia, S.A. and Kutxabank, S.A.	25 March 2021	25 March 2024	250
Lines of credit <sup>(1) (3)</sup>	Various banks	25 March 2021	25 March 2025	1,955
Line of credit <sup>(1)</sup>	BNP Paribas	25 March 2021	25 March 2025	100
Loan <sup>(4)</sup>	CaixaBank, S.A.	31 March 2021	15 April 2028	150
Line of Credit <sup>(1)</sup>	Deutsche Bank, S.A.E.	28 April 2021	28 April 2025	70
Intercompany credit line <sup>(1) (5)</sup>	ENEL Finance International N.V.	25 May 2021	25 May 2025	1,700
Loan <sup>(4)</sup>	Unicaja Banco, S.A.	28 June 2021	28 June 2028	75
Loan <sup>(4)</sup>	Kutxabank, S.A.	30 July 2021	30 July 2028	75
Loan <sup>(4)</sup>	Cajasur Banco S.A.U.	30 July 2021	30 July 2028	50
Loan <sup>(4)</sup>	Unicaja Banco, S.A.	15 October 2021	15 October 2026	125
Loan <sup>(4)</sup>	Kutxabank, S.A.	15 October 2021	15 October 2026	75
Loan <sup>(4)</sup>	Various banks	27 October 2021	27 October 2028	100
<b>TOTAL</b>				<b>5,025</b>

- (1) Transactions described as sustainable on including the performance indicator (KPI) in relation to ENDESA's commitment to ensure that its net installed mainland capacity from renewable sources is 55% of the total net installed capacity at 31 December 2022.
- (2) Corresponds to a financial transaction in "Club Deal" format in force renewed at the signature date.
- (3) Corresponds to nine credit lines in force renewed at the signature date.
- (4) The credit conditions of this transactions are tied, for the first time for ENDESA, to the objective established in the Company's Strategic Plan to reduce specific emission of Scope 1 carbon dioxide (CO<sub>2</sub>) equivalent to 150g CO<sub>2</sub>eq/kWh in 2023.
- (5) The formalisation of this credit line coincides with the cancellation of two lines of credit that ENDESA held with ENEL Finance International N.V. until that date, for the amount of Euro 1,000 million and Euro 700 million, respectively.

At the date of approval of this Consolidated Management Report, ENDESA had not had to resort to refinancing for its financial debt as a consequence of the health crisis caused by COVID-19.

Likewise, in the period January-September 2021, ENDESA did not modify, renegotiate or cancel clauses contained in those lease arrangements in which it acts as lessee hence, consequently, no modifications were made to either the asset for the right of use that constitutes the entitlement to use the leased asset or the liability representing the present value of the obligation to make lease payments during its term.

### Financial stipulations.

Certain ENDESA companies' loans and financial debt contain the usual covenants in this type of agreement. At the date of approval of this Consolidated Management Report, neither ENDESA, S.A. nor any of its subsidiaries were in breach of their financial obligations or any obligations that could require early repayment of their liabilities.

### Liquidity

At 30 September 2021, ENDESA's liquidity rose to Euro 4,629 million (Euro 4,493 million at 31 December 2020), as detailed below:

	Liquidity			
	30 September 2021	31 December 2020	Difference	% Var.
Cash and cash equivalents	568	403	165	40.9
Unconditional availability in credit lines <sup>(1)</sup>	4,061	4,090	(29)	(0.7)
<b>TOTAL</b>	<b>4,629</b>	<b>4,493</b>	<b>136</b>	<b>3.0</b>
Debt maturity coverage <sup>(number of months) (2)</sup>	20	17	3	17.6

(1) At 30 September 2021 and 31 December 2020, Euro 1,700 million relate to the available credit line with ENEL Finance International N.V.

(2) See the definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

ENDESA has a solid financial position and unconditional credit lines contracted with first-tier entities available for significant amounts.

Treasury investments considered to be "Cash and cash equivalents" are highly liquid and involve no risks of changes in value, mature within three months of their contract date and accrue interest at the market rates for such instruments.

The undrawn credit lines also secure the refinancing of current financial debt presented under "Non-current financial debt" in the accompanying Consolidated Statement of Financial Position, which amounted to Euro 32 million at 30 September 2021 (Euro 33 million at 31 December 2020).

At 30 September 2021, ENDESA had negative working capital of Euro 3,253 million. The undrawn amount on its non-current lines of credit, together with its current assets, provide sufficient coverage of the Company's current payment obligations and provide assurance that ENDESA will be able to obtain sufficient financial resources to continue to operate, and to realise its assets and settle its liabilities for the amounts shown in the consolidated statement of financial position.

### 6.3. Capital management.

In the period January-September 2021, ENDESA followed the same capital management policy as that described in Note 14.1.12 to the Consolidated Financial Statements for the year ended 31 December 2020.

#### Capital.

At 30 September 2021, ENDESA, S.A. had share capital of Euro 1,270,502,540.40, represented by 1,058,752,117 shares with a par value of Euro 1.2 each, fully subscribed and paid and all admitted for trading on the Spanish Stock Exchanges.

At 30 September 2021, the ENEL Group, through ENEL Iberia, S.L.U., held 70.1% of ENDESA, S.A.'s share capital.

At that date, no other shareholder held more than 10% of the share capital of ENDESA, S.A.

#### Leverage.

The consolidated leverage level is defined as an indicator to monitor financial position, whose details at 30 September 2021 and at 31 December 2020 are as follows:

Millions of Euros

	Leverage		% Var.
	30 September 2021	31 December 2020	
<b>Net financial debt:</b>	<b>10,000</b>	<b>6,899</b>	<b>44.9</b>
Non-current financial debt	6,187	5,937	4.2
Current financial debt	4,387	1,372	219.8
Cash and cash equivalents	(568)	(403)	40.9
Financial derivatives recognised in financial assets	(6)	(7)	(14.3)
<b>Equity:</b>	<b>7,005</b>	<b>7,465</b>	<b>(6.2)</b>
Of the Parent	6,854	7,315	(6.3)
Of non-controlling interests	151	150	0.7
<b>Leverage (%) <sup>(1)</sup></b>	<b>142.76</b>	<b>92.42</b>	<b>N/A</b>

(1) See the definition in Appendix I. Alternative Performance Measures (APMs) of this Consolidated Management Report.

The Directors of ENDESA, S.A. consider that its leverage enables it to optimise the cost of capital while maintaining a high solvency ratio.

At the date on which this Consolidated Management Report was approved, ENDESA, S.A. had no commitments to obtain funds through its own sources of finance.

## Financial indicators.

Financial indicators <sup>(1)</sup>	30 September 2021	31 December 2020
Liquidity ratio	0.81	0.73
Solvency ratio	0.88	0.91
Debt ratio (%)	58.81	48.03
Debt coverage ratio	2.44	1.82
Net financial debt / Fixed assets <sup>(2)</sup> (%)	42.24	29.64
Net financial debt / Funds from operations <sup>(3)</sup>	3.82	2.23
(Funds from operations + interest expenses) / interest expenses <sup>(4)</sup>	22.83	28.83

(1) See definition in Appendix I Alternative Performance Measures (APMs) of this Consolidated Management Report.

(2) Fixed Assets = Property, Plant and Equipment + Investment Property + Intangible Assets + Goodwill.

(3) Annualised Funds from Operations.

(4) For the periods January-September 2021 and January-September 2020, respectively

## 6.4. Management of credit ratings.

ENDESA's credit ratings are as follows:

	Credit rating						
	30 September 2021 <sup>(1)</sup>				31 December 2020 <sup>(1)</sup>		
	Non-current	Current	Outlook	Date of last report	Non-current	Current	Outlook
Standard & Poor's	BBB+	A-2	Stable	26 November 2020	BBB+	A-2	Stable
Moody's	Baa1	P-2	Stable	14 January 2021	Baa1	P-2	Stable
Fitch	A-	F2	Stable	30 April 2021	A-	F2	Stable

(1) At the respective dates of approval of the Consolidated Management Report.

ENDESA's credit rating is influenced by the rating of its Parent ENEL, according to the methods employed by rating agencies, and, on the date of approval of this Consolidated Management Report, it has been classified as "investment grade" by all the rating agencies.

ENDESA works to maintain its investment grade credit rating to be able to efficiently access money markets and bank financing, and to obtain preferential terms from its main suppliers.

## 6.5. Cash flows.

At 30 September 2021 and 31 December 2020, cash and cash equivalents were as follows (see section 6.2. Financial management of this Consolidated Management Report):

Millions of Euros	Cash and cash equivalents			
	30 September 2021	31 December 2020	Difference	% Var.
Cash in hand and at banks	568	403	165	40.9
Other cash equivalents	-	-	-	N/A
<b>TOTAL</b>	<b>568</b>	<b>403</b>	<b>165</b>	<b>40.9</b>

ENDESA's net cash flows in the first nine months of 2021 and 2020, classified by activity (operating, investing and financing) were as follows:

Millions of Euros	Statement of cash flows			
	January - September 2021	January - September 2020	Difference	% Var.
Net cash flows from operating activities	862	1,969	(1,107)	(56.2)
Net cash flows from investing activities	(1,670)	(1,297)	(373)	28.8
Net cash flows from financing activities	973	(625)	1,598	(255.7)

In the period January-September 2021, net cash flows from operating activities (Euro 862 million) and from financing activities (Euro 973 million) enabled net cash flows to be used in investing activities (Euro 1,670 million).



## Net cash flows from operating activities.

In the period January-September 2021, net cash flows from operating activities amounted to Euro +862 million (Euro +1,969 million in the first nine months of 2020), as follows:

Millions of Euros

	January - September 2021	January - September 2020	Difference	% Var.
Gross profit before tax and non-controlling interests	1,926	1,988	(62)	(3.1)
Adjustments for:	722	897	(175)	(19.5)
Depreciation and amortisation, and impairment losses	1,177	1,104	73	6.6
Other adjustments (net)	(455)	(207)	(248)	119.8
Changes in working capital:	(1,285)	(530)	(755)	142.5
Trade and other receivables	(2,173)	104	(2,277)	(2,189.4)
Inventories	(392)	(241)	(151)	62.7
Current financial assets	14	(39)	53	(135.9)
Trade payables and other current liabilities <sup>(1)</sup>	1,266	(354)	1,620	(457.6)
Other cash flows from operating activities:	(501)	(386)	(115)	29.8
Interest received	19	23	(4)	(17.4)
Dividends received	30	22	8	36.4
Interest paid <sup>(2)</sup>	(90)	(84)	(6)	7.1
Income tax paid	(215)	(164)	(51)	31.1
Other receipts from and payments for operating activities <sup>(3)</sup>	(245)	(183)	(62)	33.9
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>862</b>	<b>1,969</b>	<b>(1,107)</b>	<b>(56.2)</b>

(1) In 2020, Euro 17 million were included corresponding to the Public Responsibility Plan and to COVID-19-related procurement purchases (see section 4.2. COVID-19 Health Crisis of this Consolidated Management Report).

(2) Includes interest paid on financial debt for rights of use amounting to Euro 25 million in January-September 2021 and Euro 25 million in January-September 2020.

(3) Corresponding to payments of provisions.

The variations in the different items determining the net cash flows from operating activities include:

- Euros 237 million reduction in gross income before taxes and minority interests, depreciation, amortization and other adjustments to income.
- Changes in working capital between the two periods amounting to Euro 755 million, mainly as a result of the decrease in trade payables of Euro 1,620 million, the negative performance of trade and other receivables (Euro 2,277 million) and increased payments for inventories (Euro 151 million), positive changes in regulatory receivables of Euro 53 million (Euro +157 million for the tariff deficit, Euro -209 million for compensation for generation cost overruns in Non-mainland Territories (TNP) and Euro +105 million for the remuneration of investment in renewable energies).
- The variation in income tax in both periods amounting to Euro 51 million.

In the period January-September 2021, ENDESA has also continued with its active management policy for current assets and liabilities, focusing, among other aspects, on the improvement of processes, the factoring of receivables and agreements extending payment periods with suppliers.

At 30 September 2021, 31 December 2020 and 30 September 2020, working capital comprised the following items:

Millions of Euros

	Working capital		
	January - September 2021	31 December 2020	30 September 2020
<b>Current Assets <sup>(1)</sup></b>	<b>13,580</b>	<b>5,831</b>	<b>5,735</b>
Inventories	1,121	1,077	917
Trade and other receivables	11,091	3,577	3,560
Current financial assets	1,368	1,177	1,258
Compensation for extra-costs of generation in Non-mainland Territories (TNP)	751	602	501
Collection rights for the financing of the deficit of regulated activities	190	277	458
Remuneration of distribution activity	196	246	221
Other	231	52	78
<b>Current Liabilities <sup>(2)</sup></b>	<b>13,014</b>	<b>7,183</b>	<b>5,986</b>
Current provisions	496	477	399
Trade payables and other current liabilities	12,518	6,706	5,587
Dividend of the Parent	-	741	-
Other	12,518	5,965	5,587

(1) Does not include "Cash and cash equivalents" or Asset financial derivatives corresponding to financial debt.

(2) Does not include "Current financial debt" or Liability financial derivatives corresponding to financial debt.

### Net cash flows from investing activities.

In January-September 2021, net cash flows used in investing activities amounted to Euro -1,670 million (Euro -1,297 million in the period January-September 2020) and include, inter alia:

- Net cash flows used in the acquisition of property, plant and equipment and intangible assets:

Millions of Euros

	Sections	January - September 2021	January - September 2020
<b>Acquisitions of property, plant and equipment and intangible assets</b>		<b>(1,309)</b>	<b>(1,234)</b>
Acquisitions of property, plant and equipment <sup>(1)</sup>	6.6	(1,018)	(833)
Acquisitions of intangible assets	6.6	(212)	(137)
Facilities transferred from customers		71	29
Non-current asset suppliers		(150)	(243)
<b>Proceeds from sale of property, plant and equipment and intangible assets</b>		<b>5</b>	<b>18</b>
<b>Grants and other deferred income</b>		<b>71</b>	<b>68</b>
<b>TOTAL</b>		<b>(1,233)</b>	<b>(1,148)</b>

(1) In January-September 2021, additions for rights of use amounting to Euro 164 million are not included (Euro 141 million in January-September 2020).

- Net cash payments for investments and/or receipts from disposals of holdings in Group companies:

Millions of Euros

	Sections	January - September 2021	January - September 2020
<b>Investments in Group companies</b>		<b>(89)</b>	<b>(17)</b>
Companies acquired by ENEL Green Power España, S.L.U. (EGPE)	4.1	(89) <sup>(1)</sup>	(14)
Suggestion Power, Unipessoal, Lda.		-	(3)
<b>Disposals of investments in Group companies</b>		<b>-</b>	<b>21</b>
ENDESA Soluciones, S.L.	4.1	-	21
<b>TOTAL</b>		<b>(89)</b>	<b>4</b>

(1) Includes payments corresponding to Parque Eólico Tico, S.L.U. acquired in 2020, and the companies Renovables La Pedrera, S.L.U. and Renewable Mediavilla, S.L.U. acquired in 2019, for a total of Euros 15 million. These amounts were pending payment at the acquisition date, dependent on compliance with certain contractual clauses.

- Net cash payments used in acquisitions and/or disposals of other investments:

Millions of Euros

		January - September 2021	January - September 2020
<b>Purchase of other investments</b>		<b>(367)</b>	<b>(199)</b>
Remuneration of non-current distribution activity		(158)	(160)
Collateral deposits		(161)	-
Other financial assets		(48)	(39)
<b>Proceeds from sale of other investments</b>		<b>19</b>	<b>46</b>
Collateral deposits		-	28
Other financial assets		19	18
<b>TOTAL</b>		<b>(348)</b>	<b>(153)</b>

### Net cash flows from financing activities.

In the period January-September 2021, net cash flows from financing activities amounted to Euro +973 million (Euro -625 million in the period January-September 2020) and mainly include the following aspects:

– Cash flows from equity instruments:

Millions of Euros

	January - September 2021	January - September 2020
Funds contribution by San Francisco de Borja, S.A.	-	3
Funds contribution by Bosa del Ebro, S.L.	(3)	-
Acquisition of non-controlling interest in Planta Eólica Europea, S.A.U.	(1)	-
Return of contribution of ENDESA Soluciones, S.L.	4	-
<b>TOTAL</b>	<b>-</b>	<b>3</b>

– Drawdowns of non-current financial debt:

Millions of Euros

	Sections	January - September 2021	January - September 2020
Drawdowns on bank loans CaixaBank, S.A., Bankia, S.A., Kutxabank, S.A., Unicaja Banco S.A.U. y Cajasur Banco S.A.U.	6.2	350	300
Drawdowns on credit line with ENEL Finance International N.V.	6.2	-	500
Drawdowns on the green loan arranged with the European Investment Bank (EIB)		-	35
Drawdowns on credit lines		32	7
Other		2	12
<b>TOTAL</b>		<b>384</b>	<b>854</b>

– Reimbursements of non-current financial debt:

Millions of Euros

	January - September 2021	January - September 2020
Repayment of ENEL Finance International N.V. credit line	-	(500)
Repayment of other credit lines	-	(41)
Other	(5)	(6)
<b>TOTAL</b>	<b>(5)</b>	<b>(547)</b>

– Amortisation and drawdowns of current financial debt:

Millions of Euros

	Sections	January - September 2021	January - September 2020
<b>Drawdowns</b>			
Issues of Euro Commercial Paper (ECP)	6.2	10,784	11,875
Collateral deposits		444	3
Other		17	31
<b>Depreciation and amortisation</b>			
Amortisation of Euro Commercial Paper (ECP)	6.2	(8,247)	(11,160)
Payments of right-of-use contracts		(56)	(49)
Amortisation of European Investment Bank (EIB) Green Loan		(174)	(40)
Other		(33)	(28)
<b>TOTAL</b>		<b>2,735</b>	<b>632</b>

– Dividends paid:

Millions of Euros

	Sections	January - September 2021	January - September 2020
Dividends of the Parent paid	6.2 and 9.2	(2,132)	(1,562)
Dividends paid to Non-controlling Interests <sup>(1)</sup>		(9)	(5)
<b>TOTAL</b>		<b>(2,141)</b>	<b>(1,567)</b>

(1) Corresponding to companies of ENEL Green Power España, S.L.U. (EGPE).

## 6.6. Investments.

In the period January-September 2021, ENDESA made gross investments of Euro 1,414 million. Of this amount, Euro 1,394 million related to Property, plant and equipment and Intangible assets and the remaining Euro 20 million to Financial investments, as follows:

Millions of Euros		Investments <sup>(1)</sup>		
	January - September 2021	January - September 2020	% Var.	
Generation and Supply	670	573	16.9	
Non-mainland Territories generation (TNP)	40	54	(25.9)	
Other generation and supply	630	519	21.4	
Distribution	506	386	31.1	
Structure and Others <sup>(2)</sup>	6	65	(90.8)	
<b>TOTAL PP&amp;E <sup>(3) (4)</sup></b>	<b>1,182</b>	<b>1,024</b>	<b>15.4</b>	
Generation and Supply	161	100	61.0	
Non-mainland Territories generation (TNP)	-	-	N/A	
Other generation and supply	161	100	61.0	
Distribution	31	19	63.2	
Structure and Others <sup>(2)</sup>	20	18	11.1	
<b>TOTAL INTANGIBLE ASSETS <sup>(4)</sup></b>	<b>212</b>	<b>137</b>	<b>54.7</b>	
<b>FINANCIAL INVESTMENTS</b>	<b>20</b>	<b>12</b>	<b>66.7</b>	
<b>TOTAL GROSS INVESTMENTS</b>	<b>1,414</b>	<b>1,173</b>	<b>20.5</b>	
Capital grants and transferred facilities	(142)	(97)	46.4	
Generation and Supply	(2)	(5)	(60.0)	
Distribution	(140)	(92)	52.2	
<b>TOTAL NET INVESTMENTS <sup>(5)</sup></b>	<b>1,272</b>	<b>1,076</b>	<b>18.2</b>	

(1) Does not include corporate acquisitions made during the period (see section 4.1. Consolidation Scope of this Consolidated Management Report).

(2) Structure, services and adjustments.

(3) In the period January-September 2021, additions for rights of use amounting to Euro 164 million were included (Euro 141 million in the period January-September 2020).

(4) In the period January-September 2021, Euro 1,316 million were included, 94.4%, relating to investments in products, services and technologies low in carbon (Euro 1,016 million, 87.5%, in the period January-September 2020).

(5) Net investments = Gross investments - Capital grants and transferred facilities.

### Property, plant and equipment investments.

In the period January-September 2021, gross investment in generation included investments in the construction of electricity generation plants based on renewable energy sources, amounting to Euro 292 million (Euro 267 million in the period January-September 2020), and recognition of a right-of-use asset corresponding to the land where some renewable energy generation facilities are located, amounting to Euro 34 million.

Likewise, gross supply investments relate mainly to the recognition of a right of use asset, corresponding to the charter contract for a methane tanker to ship liquefied natural gas (LNG), amounting to Euro 126 million, and to the performance of activities related to new products and services, amounting to Euro 11 million (Euro 13 million in the period January-September 2020).

Gross investments in distribution related to grid extensions and expenditure aimed at optimising the functioning of the grid for greater efficiency and service quality.

Gross structural and other investments in the period January-September 2020 included the recognition of a right-of-use asset for Euros 58 million, corresponding to the renewal of the lease contract for ENDESA's headquarters.

At 30 September 2021, the COVID-19 Health Crisis had not caused any significant impact on the start-up dates of the projects in the investment plan.

### Intangible Assets.

Gross investments in intangible assets in the period January-September 2021 correspond to IT applications and ongoing investments in ICT activities in the sum of Euro 111 million and to the capitalisation of incremental costs incurred from the obtainment of contracts with customers for Euro 96 million (Euro 72 million and Euro 60 million, respectively, in the period January-September 2020).

## Financial investments.

Gross investments in the period January-September 2021 include, primarily, various financial loans.

## 7. Earnings by segment.

In carrying out its business activities, ENDESA's organisation prioritises its core business of electricity and gas generation, distribution, and sale as well as related services. Therefore, the financial information analysed by the Executive Committee of the Company Management for the purposes of taking its decisions is the Segment information, which includes:

- Generation and Supply;
- Distribution;
- Structure, mainly including the balances and transactions of holding companies of the investments or holdings, and of companies providing financing and services; and
- Consolidation adjustments and eliminations, including the inter-segment consolidation eliminations and adjustments.

The corporate organisation of ENDESA essentially matches these Segments. Therefore, the allocation established in the Segment reporting presented below is based on the financial information of the companies making up each Segment.

The following is a breakdown of the most significant figures in the Consolidated Income Statement among ENDESA's businesses in the period January-September 2021 and 2020:

Millions of Euros

	January - September 2021						
	Generation and Supply				Distribution	Structure and Others <sup>(1)</sup>	Total
	Non-mainland Territories generation (TNP)	Other Generation and Supply	Adjustments	Total			
<b>Revenue</b>	<b>1,398</b>	<b>16,120</b>	<b>(715)</b>	<b>16,803</b>	<b>1,930</b>	<b>(130)</b>	<b>18,603</b>
Sales	1,394	11,219	(717)	11,896	1,748	(109)	13,535
Other operating income	4	4,901	2	4,907	182	(21)	5,068
<b>Procurements and services</b>	<b>(948)</b>	<b>(13,780)</b>	<b>709</b>	<b>(14,019)</b>	<b>(132)</b>	<b>76</b>	<b>(14,075)</b>
<b>Contribution Margin <sup>(2)</sup></b>	<b>450</b>	<b>2,340</b>	<b>(6)</b>	<b>2,784</b>	<b>1,798</b>	<b>(54)</b>	<b>4,528</b>
Self-constructed assets	2	75	-	77	92	13	182
Personnel expenses	(60)	(295)	1	(354)	(193)	(134)	(681)
Other fixed operating expenses	(105)	(703)	5	(803)	(265)	164	(904)
<b>Gross operating income (EBITDA) <sup>(2)</sup></b>	<b>287</b>	<b>1,417 <sup>(3)</sup></b>	<b>-</b>	<b>1,704</b>	<b>1,432</b>	<b>(11)</b>	<b>3,125</b>
Depreciation and amortisation, and impairment losses	(78)	(580)	-	(658)	(471)	(48)	(1,177)
<b>Operating Income (EBIT) <sup>(2)</sup></b>	<b>209</b>	<b>837</b>	<b>-</b>	<b>1,046</b>	<b>961</b>	<b>(59)</b>	<b>1,948</b>
<b>Net financial profit/(loss) <sup>(2)</sup></b>	<b>(11)</b>	<b>26</b>	<b>-</b>	<b>15</b>	<b>(42)</b>	<b>15</b>	<b>(12)</b>
<b>Income before tax</b>	<b>198</b>	<b>850</b>	<b>-</b>	<b>1,048</b>	<b>921</b>	<b>(43)</b>	<b>1,926</b>
<b>Net income <sup>(2)</sup></b>	<b>171</b>	<b>631</b>	<b>-</b>	<b>802</b>	<b>694</b>	<b>(37)</b>	<b>1,459</b>
<b>Net ordinary income <sup>(2)</sup></b>	<b>171</b>	<b>631</b>	<b>-</b>	<b>802</b>	<b>694</b>	<b>(37)</b>	<b>1,459</b>

(1) Structure, Services and Adjustments.

(2) See definition in Appendix I Alternative Performance Measures (APMs) of this Consolidated Management Report.

(3) Includes the gross operating income (EBITDA) of ENEL Green Power España, S.L.U. (EGPE) amounting to Euro 243 million.

Millions of Euros

	January - September 2020						
	Generation and Supply				Distribution	Structure and Others <sup>(1)</sup>	Total
	Non-mainland Territories generation (TNP)	Other Generation and Supply	Adjustments	Total			
<b>Revenue</b>	<b>1,156</b>	<b>10,412</b>	<b>(443)</b>	<b>11,125</b>	<b>1,971</b>	<b>(137)</b>	<b>12,959</b>
Sales	1,151	9,931	(443)	10,639	1,789	(114)	12,314
Other operating income	5	481	-	486	182	(23)	645
<b>Procurements and services</b>	<b>(833)</b>	<b>(8,130)</b>	<b>439</b>	<b>(8,524)</b>	<b>(122)</b>	<b>84</b>	<b>(8,562)</b>
<b>Contribution Margin <sup>(2)</sup></b>	<b>323</b>	<b>2,282</b>	<b>(4)</b>	<b>2,601</b>	<b>1,849</b>	<b>(53)</b>	<b>4,397</b>
Self-constructed assets	-	52	-	52	94	15	161
Personnel expenses	(75)	(290)	-	(365)	(7)	(144)	(516)
Other fixed operating expenses	(132)	(648)	4	(776)	(287)	157	(906)
<b>Gross operating income (EBITDA) <sup>(2)</sup></b>	<b>116</b>	<b>1,396 <sup>(3)</sup></b>	<b>-</b>	<b>1,512</b>	<b>1,649</b>	<b>(25)</b>	<b>3,136</b>
Depreciation and amortisation, and impairment losses	(75)	(524)	-	(599)	(464)	(41)	(1,104)
<b>Operating Income (EBIT) <sup>(2)</sup></b>	<b>41</b>	<b>872</b>	<b>-</b>	<b>913</b>	<b>1,185</b>	<b>(66)</b>	<b>2,032</b>
<b>Net financial profit/(loss) <sup>(2)</sup></b>	<b>(14)</b>	<b>(41)</b>	<b>-</b>	<b>(55)</b>	<b>(32)</b>	<b>5</b>	<b>(82)</b>
<b>Income before tax</b>	<b>27</b>	<b>856</b>	<b>-</b>	<b>883</b>	<b>1,166</b>	<b>(61)</b>	<b>1,988</b>
<b>Net income <sup>(2)</sup></b>	<b>33</b>	<b>640</b>	<b>-</b>	<b>673</b>	<b>888</b>	<b>(50)</b>	<b>1,511</b>
<b>Net ordinary income <sup>(2)</sup></b>	<b>54</b>	<b>788</b>	<b>-</b>	<b>842</b>	<b>888</b>	<b>(30)</b>	<b>1,700</b>

(1) Structure, Services and Adjustments.

(2) See definition in Appendix I Alternative Performance Measures (APMs) of this Consolidated Management Report.

(3) Includes the gross operating income (EBITDA) of ENEL Green Power España, S.L.U. (EGPE) amounting to Euro 133 million.

## 7.1. Generation and supply.

The main figures in the period January-September 2021 and their variations with respect to the same period of the previous year are as follows:

Millions of Euros

	Generation and supply			
	January - September 2021	January - September 2020	Difference	% Var.
<b>Contribution margin</b>	2,784	2,601	183	7.0
<b>Gross operating income (EBITDA)</b>	1,704	1,512	192	12.7
<b>Operating Income (EBIT)</b>	1,046	913	133	14.6

### Contribution margin.

In the period January-September 2021, the contribution margin totalled Euro 2,784 million, up Euro 183 million year-on-year (+7.0%%), due to the change in commodity prices.

### Gross operating income (EBITDA).

Gross Operating Income (EBITDA) amounted to Euro 1,704 million (+12.7%) in the period January-September 2021. The following factors must be taken into account when analysing the changes in the period January-September 2021:

- The 7.0% increase in the contribution margin.
- The implementation, in the period January-September 2020, of the "V ENDESA Framework Collective Agreement", with a positive impact of Euro 215 million.
- The recording, in the period January-September 2020, of certain provisions for workforce restructuring amounting to Euro 235 million.
- The updates of the provisions for current workforce restructuring plans for Euro +4 million January-September 2021 (Euro +18 million in the period January-September 2020).

### Operating income (EBIT)

In the period January-September 2021, operating income (EBIT) was Euro 1.046 million, up Euro 133 million, mainly as a result of:

- The increase of 12.7% in Gross Operating Income (EBITDA).
- The increased amortisation and depreciation charge of Euro 39 million includes, among other matters, the start-up of renewable energy generation assets.

### 7.2. Distribution.

The main figures in the period January-September 2021 and the variations with respect to the same period of the previous year are as follows:

	Distribution			
	January - September 2021	January - September 2020	Difference	% Var.
Contribution margin	1,798	1,849	(51)	(2.8)
Gross operating income (EBITDA)	1,432	1,649	(217)	(13.2)
Operating Income (EBIT)	961	1,185	(224)	(18.9)

### Contribution margin.

The contribution margin in the period January-September amounted to Euro 1,798 million, which represents a decrease of Euro 51 million (-2.8%) compared with the same period in the previous year. This can mostly be attributed to the reduction in regulated revenue from distribution activities, totalling Euro 47 million (-3.0%), basically owing to the new financial remuneration rate applicable from 1 January 2021.

### Gross operating income (EBITDA).

Gross operating income (EBITDA) amounted to Euro 1,432 million, (-13.2%) in the period January-September 2021. The following factors must be taken into account when analysing the changes in the period January-September 2021 with respect to the same period of the previous year:

- The negative performance of the contribution margin (-2.8%).
- The implementation in the period January-September 2020 of the “V ENDESA Framework Collective Bargaining Agreement”, generating a positive impact in the Income Statement of Euro 269 million.
- The recording, in the period January-September 2020, of certain provisions for workforce restructuring amounting to Euro 91 million.
- The updates of the provisions for current workforce restructuring plans amounting to Euro +1 million in the period January-September 2021 (Euro +9 million in the period January-September 2020).

### Operating income (EBIT)

Operating income (EBIT) in the period January-September 2021 dropped by Euro 224 million year on year (-18.9%), mainly as a result of the 13.2% decrease in Gross operating income (EBITDA).

### 7.3. Structure and Others.

The main figures in the period January-September 2021 and their variations with respect to the same period of the previous year are as follows:

Millions of Euros

	Structure and others			
	January - September 2021	January - September 2020	Difference	% Var.
Contribution margin	(54)	(53)	(1)	1.9
Gross operating income (EBITDA)	(11)	(25)	14	(56.0)
Operating Income (EBIT)	(59)	(66)	7	(10.6)

### Contribution margin.

The contribution margin in the period January-September 2021 stood at Euro -54 million, in line with the same period of 2020.

### Gross operating income (EBITDA).

Gross operating income (EBITDA) in the period January-September 2021 was improved by Euro 14 million compared with the same period of the previous year, mainly as a result of:

- The implementation, in the period January-September 2020, of the "V ENDESA Framework Collective Agreement", generating a positive impact of Euro 31 million.
- The recording, in the period January-September 2020, of certain provisions for workforce restructuring amounting to Euro 46 million.
- The updates of the provisions for current workforce restructuring for Euro -5 million in the period January-September 2021 (Euro +20 million in the period January-September 2020).
- The recognition in the period January-September 2020 of a cost of Euro 17 million corresponding to the Public Responsibility Plan for the COVID-19 Health Crisis (see section 4.2. COVID-19 Health Crisis of this Consolidated Management Report).

### Operating income (EBIT)

Operating Income (EBIT) in the period January-September 2021 increased by Euro 7 million compared with the same period of the previous year, mainly as a result of the changes in Gross operating income (EBITDA).

## 8. Regulatory Framework.

From a regulatory perspective, the main novelties during the period January-September 2021 were as follows:

### 2021 electricity tariff

On 29 December 2020, Order TEC/1271/2020, of 22 December 2020, was published in the Official State Gazette, establishing various costs for the electricity system for 2021, and extending electricity access tariffs until the entry into force of the tariffs set by the Spanish Markets and Competition Commission ("CNMC").

On 23 March 2021, the Resolution of 18 March 2021 of the Spanish Markets and Competition Commission ("CNMC") was published in the Official State Gazette, approving the prices of the access tariffs for energy transmission and distribution networks applicable from 1 June 2021.

Lastly, on 15 September 2021, Royal Decree Law 17/2021, of 14 September 2021, was published, reducing electricity charges by around 96% since it was implemented until 31 December 2021.



### **Natural gas tariff for 2021.**

Spanish Markets and Competition Commission (“CNMC”) Circular 6/2020, of 22 July 2020, approved the methodology for the calculation of transmission tariffs, local networks and natural gas regasification and, among other aspects, established that the “CNMC” must set the values of the access tariffs for regasification facilities and, where appropriate, the billing terms of the conduction terminal of the transmission and distribution tariffs, applicable from 1 October 2020.

On 29 December 2020, the Official State Gazette published the Resolution of 21 December of the Directorate-General for Energy Policy and Mines, establishing the Last Resort Tariff (LRT) for natural gas to be applied from 1 January 2021, resulting in an average increase of 4.6% and 6.3%, depending on whether Last Resort Tariff 1 (LRT1) or Last Resort Tariff 2 (LRT2) was applied, due to the increase in the cost of the raw material. These values remained valid during the whole of the first semester of 2021, since they did not meet the necessary condition that the cost of the raw material varies by less than +/- 2% to be updated.

On 30 June 2021, the Official State Gazette published the Resolution of 24 June 2021 of the Directorate-General for Energy Policy and Mines, establishing the Last Resort Tariff (LRT) for natural gas to be applied from 1 July 2021, resulting in an increase of 2.9% and 3.9%, depending on whether Last Resort Tariff 1 (LRT1) or Last Resort Tariff 2 (LRT2) was applied, due to the increase in the cost of the raw material.

Likewise, on 29 September 2021, the Resolution of 26 September 2021, of the Directorate-General for Energy Policy and Mines was published, which establishes the Natural Gas Last Resort Tariff (LRT) to be applied from 1 October 2021 which, pursuant to Royal Decree Law 17/2021, of 14 September 2021, results in an increase of 0.9%, 4.6% and 11.2%, depending on whether the Last Resort Tariff 1 (LRT1), Last Resort Tariff 2 (LRT2) or Last Resort Tariff 3 (LRT3) applies, respectively.

### **Energy efficiency.**

On 25 March 2021, Order TED/275/2021, of 18 March 2021, establishing the contribution to the Energy Efficiency National Fund for 2021, was published in the Official State Gazette (“BOE”), with the percentage applicable to ENDESA amounting to Euro 27.7 million.

### **Social Bonus.**

On October 18, 2021, Order TED/1124/2021, dated 8 October 2021, was published in the Official State Gazette (“BOE”), which establishes the distribution of financing for the 2021 Social Bonus, with the proposed percentage for ENDESA, S.A. being 34.72%.

### **Strategic Energy and Climate Framework.**

On 31 March 2021, the joint Resolution of the Directorate-General for Energy Policy and Mines and the Spanish Climate Change Office, of 25 March 2021, was published in the Official State Gazette (“BOE”), setting forth the Agreement of the Council of Ministers of 16 March 2021, adopting the final version of the National Integrated Energy and Climate Plan (“PNIEC”) 2021-2030, once the consultations and preliminary proceedings had been completed and approved by the European Commission.

Likewise, on 21 May 2021, Law 7/2021, of 20 May 2021, on Climate Change and the Energy Transition, was published in the Official State Gazette (“BOE”), after completing its passage through parliament.

### **Plan for the Recovery, Transformation and Resilience of the Economy.**

On 7 October 2020, the Government presented the Plan for the Recovery, Transformation and Resilience of the Economy to respond to the challenges of the next decade, focusing on four transformations needed to modernise and boost Spain's economy: ecological transition, digital transformation, gender equality and social and territorial cohesion.

The Plan for the Recovery, Transformation and Resilience of the Economy will involve a significant volume of public and private investment in the coming years, which will be financed with funds from the European Union Recovery Plan (“Next Generation EU”), enabling Spain to obtain up to Euro 140 billion, of which Euro 69.5 billion will be non-refundable and the rest loans. In order to expedite the timetable to implement this Plan, the

Government included Euro 27 billion as an advance on these funds pursuant to Law 11/2020, of 30 December, on the General State Budgets for 2021.

On 27 April 2021, the Council of Ministers approved the final wording of the aforementioned Plan, which was ultimately approved by the European Council on 13 July 2021. Approval by the European Council will enable the release of Euro 9 billion to Spain as pre-financing, representing 13% of the total assigned to it.

Likewise, on 30 September 2021, Order HFP/1030/2021, of 29 September 2021, was published in the Official State Gazette (“BOE”) to set up the system to manage the Recovery, Transformation and Resilience Plan, which includes the necessary guidelines to guarantee the coordinated compliance with the execution of the Plan, as well as Order HFP/1031/2021, of September 29 2021, which establishes the procedure and format of the information to be provided by the State, Autonomous and Local Public Sector Entities for monitoring compliance with milestones and objectives and budgetary and accounting execution of the measures of the components of the Recovery, Transformation and Resilience Plan.

### **Royal Decree 148/2021, of 9 March 2021, establishing the methodology to calculate electricity system charges.**

On 18 March 2021, Royal Decree 148/2021, of 9 March 2021, was published in the Official State Gazette (“BOE”), establishing the methodology to calculate electricity system charges.

This Royal Decree complements the electricity transmission and distribution tariffs, which are set by the Spanish Markets and Competition Commission (“CNMC”).

The methodology approved is for joint application with the new transmission and distribution tariffs of the Spanish Markets and Competition Commission (“CNMC”) after 1 June 2021.

In this regard, on 22 April 2021, Order TED/371/2021, of 19 April 2021, approving the electricity system charges that will apply from 1 June 2021, was published in the Official State Gazette.

### **Energy Storage Strategy.**

On 9 February 2021, the Council of Ministers approved the Energy Storage Strategy, an element considered to be crucial for the transition to an emissions-neutral economy and the effective integration of renewable energies into the electricity system.

The Energy Storage Strategy quantifies storage needs in line with those envisaged in the National Integrated Energy and Climate Plan (“PNIEC”) 2021-2030 and the target for climate neutrality before 2050, from the 8.3 GW currently available to around 20 GW in 2030 and 30 GW in 2050. Furthermore, all the technologies forming energy storage are classified according to the applicable method and system, the actions for their effective deployment are identified, together with the regulatory challenges for the participation of storage in electricity markets, taking into account the market access procedures and their role in the price structure and signals. In addition, the economic challenges they represent are analysed, in conjunction with the need for industrial policies that encourage their financing.

### **Draft law on the remuneration of CO<sub>2</sub> not emitted.**

On 1 June 2021, the Council of Ministers began to process a Draft Law on the remuneration of CO<sub>2</sub> not emitted on the electricity market. After completing the preliminary consultation phase, on 3 August 2021, the Council of Ministers agreed its approval as a Draft Law, which was submitted to the Congress of Deputies to be processed, currently under way.

This draft law establishes a reduction of remuneration for mainland production facilities that do not emit greenhouse gases that were in operation before 25 October 2003, in proportion to the higher revenue obtained by adding the value of the CO<sub>2</sub> emission rights that exceed €20.67/tCO<sub>2</sub> for marginal emission technologies to the wholesale market price. This excludes plants equal to or below 10 MW, whenever they came on-stream, and those with a remuneration regime regulated under article 14 of Law 24/2013, of 26 December 2013, on the Electricity Sector.

The funds collected will be used to finance capacity mechanisms and the remaining rate charges (mainly renewable energies and timing mismatches), except for 10% which will be used, with respect to the public administrations, to jointly finance the cost of supplying highly vulnerable customers at risk of social exclusion.

### **Royal Decree Law 12/2021, of 24 June 2021, adopting urgent measures on energy taxation.**

On 25 June 2021, Royal Decree Law 12/2021, of 24 June 2021, was published in the Official State Gazette, establishing urgent tax measures to mitigate the effects of the increase in electricity prices for consumers. This Royal Decree Law includes the following measures:

- Reduction of value added tax (VAT) from 21% to 10%, until 31 December 2021, for contracted electricity supplies of equal to or less than 10 kW, provided that the arithmetic average price in the daily market over the last calendar month before the month of the last day of the billing period exceeds Euro 45/MWh, and the customers are recipients of the Social Bonus that are highly vulnerable or at risk of social exclusion
- Temporary suspension of the tax on the value of electricity production during the third quarter of 2021, which was extended until 31 December 2021 by Royal Decree Law 17/2021, of 14 September 2021.

The Royal Decree Law also establishes that if there is a surplus of revenue in the electricity sector in 2020, this will be applied in full to cover the timing mismatches in 2021.

### **Proposed market capacity Order.**

The Ministry of Ecological Transition and Demographic Challenge (“MITECO”) has initiated the processing of a proposed order creating a capacity market in the mainland electricity system. This proposal is based on an auction system (“pay as bid”), which would be used to contract the final capacity (MW) requirements detected in the demand coverage analyses performed by the System Operator, Red Eléctrica de España, S.A.U. (REE).

The auction system is open to existing and new generating, storage and demand management facilities, setting down certain requirements for the maximum emissions of CO<sub>2</sub> emission rights for the participating facilities.

The draft Order regulates aspects related to the various types of auctions planned, the rights and obligations of capacity service providers, including their remuneration regime or penalty system in the event of non-compliance by the providers.

### **Proposed Royal Decree on closed electricity distribution grids.**

On 11 June 2021 the Ministry of Ecological Transition and Demographic Challenge (“MITECO”), implementing the provisions of Royal Decree-Law 20/2018, of 7 December 2018, began to process a Royal Decree regulating the specific conditions and requirements of closed electricity distribution grids and their owners, and the administrative authorisation procedure and circumstances for their revocation.

## **Renewable energy auctions.**

Based on Order TED/1161/2020, of 4 December 2020, regulating the first auction mechanism for the granting of the economic renewable energy regime and establishing the indicative timetable for the 2020-2025 period, on 9 September 2021, the Resolution of 8 September 2021, of the Secretary of State for Energy was published in the Official State Gazette (“BOE”), convening the second auction for the granting of the renewable energy economic regime under the above-mentioned Order. This auction envisages an allocation of 3,300 MW and it was held on 19 October 2021, a total of 3,124 MW have been awarded.

## **Royal Decree Law 16/2021, of 3 August 2021, adopting social protection measures to address situations of social and economic vulnerability.**

On 4 August 2021, Royal Decree-Law 16/2021 of 3 August 2021, was published in the Official State Gazette (“BOE”), setting forth social protection measures to address situations of social and economic vulnerability. Among other matters, in the area of energy, the prohibition on the suspension of the supply of electricity, water and natural gas and access to the Social Bonus by certain groups in a situation of economic vulnerability, resulting from the health crisis, was extended until 31 October 2021. These measures have been extended until 28 February 2022 with the publication on 27 October 2021 in the Official State Gazette (“BOE”) of Royal Decree Law 21/2021, of 26 October 2021, extending social protection measures to address situations of social and economic vulnerability.

## **Urgent measures to mitigate the impact of the escalation of natural gas prices in gas and electricity retail markets, consumer protection and introduction of transparency in the wholesale and retail electricity and natural gas markets.**

On 15 September 2021, Royal Decree Law 17/2021, of 14 September 2021, was published in the Official State Gazette (“BOE”), establishing urgent measures to mitigate the impact of the escalation of natural gas prices on gas and electricity retail markets, which has been validated by the Congress of Deputies on 14 October 2021. Additionally, this provision has been complemented with the publication on 27 October 2021 of Royal Decree Law 23/2021, dated 26 October 2021, on urgent energy measures for the protection of consumers and the introduction of transparency in the wholesale and retail electricity and natural gas markets. Likewise, on the same date, Royal Decree Law 21/2021, dated 26 October 2021, extending social protection measures to address situations of social and economic vulnerability, was published.

The main aspects deriving from these provisions are as follows:

- Since it entered into force, on 16 September 2021, and until 31 March 2022, a payment obligation was established for the non-emitting generation facilities in a proportional amount to the supposed increased earnings obtained as a result of the inclusion in wholesale electricity prices of the value of natural gas prices. This excludes plants with a remuneration regime regulated under article 14 of Electricity Sector Law 24/2013, of 26 December 2013, and those with power of 10 MW or less. The amount resulting from this revenue reduction will be earmarked to reduce the System charges. Likewise, the scope of the payment obligation will not apply to the energy covered by fixed price and term contracts prior to Royal Decree Law 17/2021, nor to the energy covered by new fixed price contracts with coverage for a period equal to or greater than one year. In the event that in these forward contracting instruments part of the energy is partially indexed to the market price, only the proportional non-indexed part will be excluded. Producers will submit monthly a responsible statement and supporting documentation of the energy covered by forward instruments. In addition, it is established that producers and marketers must periodically inform the National Markets and Competition Commission (“CNMC”) of the forward contracting instruments, both physical and financial, between companies of the same business group or with third parties.
- Market mechanisms are established to encourage long-term contracts, through long-term power purchase contract auctions, to which up to a maximum of 25% of the lowest value in 10 years of manageable inframarginal non-emitting production is linked that does not have specific remuneration nor is the successful bidder at renewable energy auctions. Sellers will be those electricity producers that are deemed to be dominant operators in electricity generation. And buyers may be suppliers (except those of the groups that are leading electricity operators) and direct consumers, together with benchmark suppliers in the terms set by the resolution of the announcement. In accordance with market circumstances, the first auction will be held before 31 December 2021.

- A minimum vital supply is established for vulnerable consumers, that are in default four months after the first payment request, establishing limited power by law that guarantees minimum comfort, which cannot be exceeded during the period of six months in which the supply cannot be cut off.
- The minimum amount of aid to the beneficiaries of the thermal social voucher is increased from 25 to 35 euros, with immediate application, and also, the budget allocated for the same in 2021 is increased by Euro 100 million, up to a total of Euro 202.5 million.
- The discounts of the electricity social bonus until 31 March 2022 are increased from 25% to 60% for the vulnerable consumer, and from 40% to 70% for the severe vulnerable consumer.
- Suppliers will have to inform customers of any intention to modify the contract one month in advance, including a price comparison and an estimate of the annual cost, before and after such modification. They must also publish and send to the National Markets and Competition Commission (“CNMC”) transparent, comparable and updated information on the prices of the available offers at all times, including the conditions on contract termination and additional services required by the contract.
- Tax and budgetary measures are established, specifically to extend the temporary suspension of the tax on the price of electricity production and the reduction of the excise tax on electricity from 5.1% to 0.5% to 31 December 2021, and the increase by Euro 900 million, up to a maximum of Euro 2,000 million, of the revenues to be earmarked in 2021 to the electricity system in relation to the CO<sub>2</sub> emission rights auctions.
- In the area of natural gas, it is limited to the effect of the Last Resort Tariff (LRT) of the increased cost of the raw material, which will be passed on in a deferred manner.
- Lastly, the Water Law was amended to avoid sudden withdrawals of reservoirs over 50 hm<sup>3</sup>, hence a minimum and maximum system of monthly withdrawals and a monthly reserve system were established.

### **Preliminary public consultation to modify the Small Consumer Voluntary Price (SCVP)**

On 1 October 2021, the Ministry of Ecological Transition and Demographic Challenge launched a preliminary public consultation to analyse the amendment of the Small Consumer Voluntary Price (SCVP) regulations, and to collect proposals that enable their volatility to be reduced and their design to be optimised with a view to the energy transition process.

### **Measures to promote residential refurbishment activities**

Within the framework of the Recovery, Transformation and Resilience Plan, on 6 October 2021, Royal Decree Law 19/2021, of 5 October, was published in the Official State Gazette (“BOE”), establishing urgent measures to boost building refurbishment activities. This Royal Decree Law establishes, among other aspects, new personal income tax credits, which will be applied to the amounts invested in refurbishment works that contribute to improve the energy efficiency of the main home and at residential buildings, accredited through the energy efficiency certificate and, furthermore, it establishes the creation of a guarantee facility by the Official Credit Institute (“ICO”) to partially cover the financing of refurbishment works that contribute to improve energy efficiency.

Likewise, on 6 October 2021, Royal Decree Law 853/2021, of 5 October 2021, was published in the Official State Gazette (“BOE”), regulating aid programmes in the area of residential refurbishment and social housing within the Recovery, Transformation and Resilience Plan. This Royal Decree, among other aspects, regulates six aid programmes: from one to five, linked to refurbishment and improved energy efficiency at homes, and six, to the promotion of the building of subsidised housing. The programmes will be organised through the direct transfer of funds to the Autonomous Communities and the Cities of Ceuta and Melilla, and these will apply through the announcement of aid in their respective territorial areas.

## 9. Other Information.

### 9.1. Stock market information.

The changes in the share price of ENDESA, S.A. and the major benchmark indexes in the periods January-September 2021 and 2020 were as follows:

Percentage (%)			
Share price performance <sup>(1)</sup>	January - September 2021	January - September 2020	
<b>ENDESA, S.A.</b>	<b>(22.1)</b>		<b>(4.0)</b>
Ibex-35	9.0		(29.7)
Euro Stoxx 50	13.9		(14.7)
Euro Stoxx Utilities	(8.0)		(0.3)

(1) Source: Madrid Stock Exchange.

Stock market information		30 September 2021	31 December 2020	% Var.
Market capitalisation <sup>(1)</sup>	Millions of Euros	18,443	23,663	(22.1)
Number of shares outstanding		1,058,752,117	1,058,752,117	-
Nominal share value	Euros	1.2	1.2	-
Cash <sup>(2)</sup>	Millions of Euros	6,546	9,696	(32.5)
Continuous market				
	Shares			
Trading volume <sup>(3)</sup>		305,414,789	430,957,400	(29.1)
Average daily trading volume <sup>(4)</sup>		1,590,702	1,676,877	(5.1)
Price to Earnings Ratio (P.E.R.)		9.81	11.10	-
Price to earnings ratio (PER) <sup>(1)</sup>		9.81	16.97	-
Price / Book value <sup>(1)</sup>		2.69	3.23	-

(1) See definition in Appendix I, Alternative Performance Measures (APMs) of this Consolidated Management Report.

(2) Cash = Sum of all the transactions performed on the shares during the reference period (Source: Madrid Stock Exchange).

(3) Trading Volume = Total volume of ENDESA, S.A. securities traded in the period (Source: Madrid Stock Exchange).

(4) Average Daily Trading Volume = Arithmetic mean of stock in ENDESA, S.A. traded per session during the period (Source: Madrid Stock Exchange).

Euros			
ENDESA share price <sup>(1)</sup>	January - September 2021	January - September 2020	% Var.
Maximum	23.650	26.120	(9.5)
Minimum	17.420	15.500	12.4
Period average	21.438	22.402	(4.3)
Period close	17.420	22.830	(23.7)

(1) Source: Madrid Stock Exchange.

The main global stock markets managed to maintain the accumulated earnings at the end of the first nine months of the year, encouraged by the improved macroeconomic prospects following the pandemic, and despite the threat of adjustment caused by increased global inflation as a result of the significant rise reported to date by raw materials.

Against this optimistic backdrop, Spain's IBEX-35 index ended the third quarter of the year 2021 with a cumulative rise of 9%, at 8,796.3 points, with 9 of its 35 securities on negative ground. Noteworthy among these securities with negative returns were the shares of the electricity sector, highly pressured by the regulatory uncertainty caused by the approval by the Government of a package of measures to attempt to contain the rising electricity prices in the country, with a direct negative impact on the sector (see section 8. Regulatory Framework of this Consolidated Management Report).

ENDESA shares are among the most penalised, and ended September with a cumulative fall of 22.1% at Euro 17.42 per share, the minimum listing of the year, far from the annual maximum of Euro 23.65 per share marked on 28 May 2021.

Part of this negative stock market return could be offset by the dividend yield of 9.01% received by the shareholders once the final dividend had been paid with a charge to 2020 earnings, in 1 July 2021 (Euro 1,3136 gross per share); hence, a total of Euro 2,0136 gross per share was paid by ENDESA in the year. Taking this into account, total cumulative shareholder return by ENDESA's shareholder at the end of September, calculated as the sum of the stock market return and dividend yield, was -13.05%.

At 30 September 2021, market capitalisation stood at Euro 18,443 million.

## 9.2. Dividends.

The Board of Directors of ENDESA, S.A. operates an economic-financial strategy to generate a significant amount of cash to maintain Company debt levels and maximise shareholder remuneration. This also achieves the objective of ensuring the sustainability of the business project undertaken.

As a result of this economic-financial strategy, at a meeting on 25 November 2020 the Board of Directors of ENDESA, S.A. approved the following shareholder remuneration policy for 2020-2023, unless any exceptional circumstances arise, which will be duly reported:

- For 2020, the ordinary dividend per share to be distributed in respect of these years will be equivalent to 100% of net ordinary income attributable to the Parent as per the Consolidated Financial Statements of the Group headed by the Company.
- For 2021, the Board of Directors will ensure that the ordinary dividend per share that is agreed to be distributed for the year is equal to 80% of the net ordinary income attributable to the Parent as per the Group's Consolidated Financial Statements.
- For the 2022 and 2023 financial years, the Board of Directors of ENDESA, S.A. will ensure that the ordinary dividend per share that is agreed to be distributed for the year is equal to 70% of the net ordinary income attributable to the Parent as per the Group's Consolidated Financial Statements.

The intention of the Board of Directors is that the ordinary dividend should be paid solely in cash in two instalments (January and July) on a given date to be determined in each case, which will be duly notified.

Without prejudice to the foregoing, ENDESA's capacity to pay out dividends to its shareholders depends on numerous factors, including the generation of profit and the availability of unrestricted reserves. Therefore, no assurance can be given that dividends will be paid out in future years or as to the amount of such dividends, if paid.

Approval was given at ENDESA, S.A.'s General Shareholders' Meeting of 30 April 2021 to pay shareholders a total dividend charged against 2020 profit for a gross amount of Euro 2,0136 per share (Euro 2,132 million in total).

The breakdown of these dividends is as follows:

Sections	Approval date	Euros per share, gross	Amount (Millions of Euros)	Payment date
Interim dividend	25 November 2020	0.700	741	4 January 2021
Final dividend	30 April 2021	1.3136	1,391	1 July 2021
<b>Total dividend paid against 2020 profit</b>	6.5	<b>2.0136</b>	<b>2,132</b>	

In accordance with the foregoing, details of ENDESA, S.A.'s dividends per share in 2020 and 2019 are as follows:

		2020	2019	% Var.
Share capital	Millions of Euros	1,270.5	1,270.5	-
Number of shares		1,058,752,117	1,058,752,117	-
Consolidated net ordinary income	Millions of Euros	2,132	1,562	36.5
Consolidated net income	Millions of Euros	1,394	171	715.2
Individual net income	Millions of Euros	2,330	1,642	41.9
Net ordinary earnings per share <sup>(1)</sup>	Euros	2.0136	1.475	36.5
Net earnings per share <sup>(1)</sup>	Euros	1.317	0.162	715.2
Gross dividend per share	Euros	2.0136 <sup>(2)</sup>	1.475 <sup>(3)</sup>	-
Consolidated ordinary pay-out <sup>(1)</sup>	%	100.0	100.0	-
Consolidated pay-out <sup>(1)</sup>	%	152.9	913.3	-
Individual pay-out <sup>(1)</sup>	%	91.5	95.1	-

(1) See definition in Appendix I - Alternative Performance Measures (APMs) of this Consolidated Management Report.

(2) Interim dividend equal to Euro 0.7 gross per share paid on 4 January 2021 plus the final dividend equal to Euro 1.3136 gross per share paid on 1 July 2021.

(3) Interim dividend of Euro 0.7 gross per share, paid out on 2 January 2020, plus the final dividend of Euro 0.775 gross per share paid out on 1 July 2020.

### **9.3. Main risks and uncertainties.**

In the period January-September 2021, ENDESA followed the same risk management policy described in its Consolidated Financial Statements for the year ended 31 December 2020.

In this context, the classification and measurement of financial instruments and the hedge transactions are the same as those described in these Consolidated Financial Statements.

The information regarding the main risks and uncertainties associated with ENDESA's activity is described in section 7 of the Consolidated Management Report for the year ended 31 December 2020.



## **APPENDIX I**

### **Alternative Performance Measures (APMs)**

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of alternative performance measures (APMs)		Relevance of use
			January - September 2021	January - September 2020	
Gross Operating Income (EBITDA)	€M	Income - Procurements and services + Work carried out by the Group for its assets - Personnel expenses - Other fixed operating expenses.	€3,125 M = €18,603 M - €14,075 M + €182 M - €681 M - €904 M	€3,136 M = €12,959 M - €8,562 M + €161 M - €516 M - €906 M	Measure of operating return excluding interest, taxes, provisions and depreciation and amortisation.
Operating income (EBIT)	€M	EBITDA - Depreciation and amortisation, and impairment losses.	€1,948 M = €3,125 M - €1,177 M	€2,032 M = €3,136 M - €1,104 M	Measure of operating return excluding interest and taxes
Net ordinary income	€M	Net ordinary income = Net income of the Parent - Net gain/(loss) on disposal of non-financial assets (greater than Euro 10 million) - Net impairment losses on non-financial assets (greater than Euro 10 million) - Initial net expenses of personnel under workforce restructuring plans relating to the Decarbonisation Plan and the digitalisation of processes - Net expenses corresponding to the Public Responsibility Plan for the COVID-19 Health Crisis.	€1,459 M = €1,459 M - €0 M + €0 M - €0 M - €0 M	€1,700 M = €1,511 M - €0 M + €14 M - €160 M - €15 M	Measure of profit for the period isolating non-recurring effects of more than Euro 10 million.
Contribution margin	€M	Income - Procurements and services	€4,528 M = €18,603 M - €14,075 M	€4,397 M = €12,959 M - €8,562 M	Measure of operating profitability taking into account direct variable production costs
Procurements and services	€M	Power purchases + Fuel consumption + Transmission expenses + Other variable procurements and services	€14,075 M = €3,844 M + €1,019 M + €3,665 M + €5,547 M	€8,562 M = €2,681 M + €853 M + €3,736 M + €1,292 M	Goods and services for production
Net financial profit/(loss)	€M	Financial income - Financial expense + Net exchange differences	€(12) M = €114 M - €122 M - €4 M	€(82) M = €24 M - €114 M + €8 M	Measure of financial cost
Net financial expense	€M	Financial income - Financial expense	€(8) M = €114 M - €122 M	€(90) M = €24 M - €114 M	Measure of financial cost
Net investments	€M	Gross investments - transferred facilities and capital grants	€1,272 M = €1,414 M - €142 M	€1,076 M = €1,173 M - €97 M	Measure of investment activity
Ordinary return on equity	%	Net ordinary income of the Parent / ((Equity of the Parent (n) + Equity of the Parent (n-1)) / 2)	26.54% = (((1,459 - 195) * 12 months / 9 months) €M + €195 M) / ((€6,854 M + €7,315 M) / 2)	27.77% = (((1,700 - 107) * 12 months / 9 months) €M + €107 M) / ((€8,380 M + €7,688 M) / 2)	Measure of the capacity to generate profits on shareholder investments
Ordinary return on assets	%	Net ordinary income of the Parent / ((Total assets (n) + Total assets (n-1)) / 2)	5.10% = (((1,459 M - 195) * 12 months / 9 months) €M + €195 M) / ((€41,647 M + €32,062 M) / 2)	7.01% = (((1,700 - 107) * 12 months / 9 months) €M + €107 M) / ((€31,661 M + €31,981 M) / 2)	Measure of business profitability
Economic profitability	%	EBIT / ((PP&E (n) + PP&E (n-1)) / 2)	11.79% = (((1,948 - 188) * 12 months / 9 months) €M + €188 M) / ((€21,634 M + €21,354 M) / 2)	12.49% = (((2,032 - 143) * 12 months / 9 months) €M + €143 M) / ((€21,286 M + 21,329 M) / 2)	Measure of the capacity to generate income from invested assets or capital
Return on capital employed (ROCE)	%	Operating profit after tax / ((Non-current assets (n) + Non-current assets (n-1) / 2) + (Current assets (n) + Current assets (n-1) / 2))	5.23% = (((1,481.7 - 141) * 12 months / 9 months) €M + €141 M) / ((27,499 + 25,828) / 2 + (14,148 + 6,234) / 2) €M	6.38% = (((1,548.5 - 107) * 12 months / 9 months) €M + €107 M) / ((25,656 + 25,881) / 2 + (6,005 + 6,100) / 2) €M	Measure of return on capital employed
Return on invested capital (ROIC)	%	Operating income after taxes / (Net equity of the Parent + Net financial debt)	11.44% = (((1,481.7 - 141) * 12 months / 9 months) €M + €141 M) / ((€6,854 M + €10,000 M)	12.85% = (((1,548.5 - 107) * 12 months / 9 months) €M + €107 M) / ((€8,380 M + €7,407 M)	Measure of return on capital invested
Funds from operations	€M	Cash flows from operating activities + Changes in working capital - Work carried out by the group for its assets	€1,965 M = €862 M + €1,285 M - €182 M	€2,338 M = €1,969 M + €530 M - €161 M	Measure of cash generated by the company's business available to make investments, amortise debt and distribute dividends to shareholders
Interest expenses	€M	Interest paid	€90 M	€84 M	Measure of interest payments
Net ordinary earnings per share	€	Net ordinary income of the Parent / Number of shares at the end of the period	€1.378 = €1,459 M / 1,058,752,117 shares	€1.606 = €1,700 M / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share at the end of the year.
Net earnings per share	€	Net ordinary income of the Parent / Number of shares at the end of the period	€1.378 = €1,459 M / 1,058,752,117 shares	€1.427 = €1,511 M / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share at the end of the year
Cash flow per share	€	Net cash flow from operating activities / Number of shares at the end of the period	€0.814 = €862 M / 1,058,752,117 shares	€1.860 = €1,969 M / 1,058,752,117 shares	Measure of the portion of funds generated corresponding to each share at the end of the year.

M€ = millions of euros; € = euros.

n = 30 September of the year being calculated.

n-1 = 31 December of the year before the year being calculated.

(1) Annualised income, discounting the effects, net of the tax effect, amounting to Euro 195 million, described in section 5.2. Earnings Analysis of this Consolidated Management Report.

(2) Annualised income, discounting the effects, amounting to Euro 188 million, described in section 5.2.1. Revenue of this Consolidated Management Report.

(3) Annualised income, discounting the effects, net of the tax effect, amounting to Euro 141 million, described in section 5.2.1. Revenue of this Consolidated Management Report.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of alternative performance measures (APMs)		Relevance of use
			30 September 2021	31 December 2020	
Net financial debt	€M	Non-current financial debt + Current financial debt – Cash and cash equivalents – Financial derivatives recognised under financial assets	€10,000 M = €6,187 M + €4,387 M - €568 M - €6 M	€6,899 M = €5,937 M + €1,372 M - €403 M - €7 M	Current and non-current financial debt, less cash and financial investments equivalent to cash
Sustainable financing	%	Sustainable gross financial debt / Gross financial debt	57% = €6,030 M / €10,574 M	45% = €3,264 M / €7,309 M	Measure of the weight of gross financial debt with sustainability clauses as a share of total gross financial debt
Leverage	%	Net financial debt / Equity	142.76% = €10,000 M / €7,005 M	92.42% = €6,899 M / €7,465 M	Measure of the weight of external funds in the financing of business activities
Debt ratio	%	Net financial debt / (Equity + Net financial debt)	58.81% = €10,000 M / (€7,005 M + €10,000 M)	48.03% = €6,899 M / (€7,465 M + €6,899 M)	Measure of the weight of external funds in the financing of business activities
Average life of gross financial debt	Number of years	(Principal * Number of days validity) / (Principal outstanding at the end of the period * Number of days in the period)	4.2 years = 44,483 / 10,546	4.6 years = 33,484 / 7,268	Measure of the duration of financial debt to maturity
Average gross financial debt	€M	(Total Drawdowns or Debt Positions * Number of Days in force of each Provision or Position) / (Cumulative Number of Days in Force)	€8,911 M	€8,104 M	Measure of average gross financial debt in the period to calculate the average cost of gross financial debt.
Average cost of gross financial debt	%	(Cost of gross financial debt) / Gross average financial debt	1.5% = ((€ 99 M * (12 months / 9 months) + €4 M) / €8,911 M)	1.7% = €139 M / €8,104 M	Measure of the effective rate of financial debt
Debt maturity coverage	Number of months	Maturity period (months) of core debt that could be covered with the liquidity available	20 months	17 months	Measure of the capacity to meet debt maturities
Liquidity ratio	N/A	Current assets / Current liabilities.	0.81 = €14,148 M / €17,401 M	0.73 = €6,234 M / €8,555 M	Measure of the capacity to meet short term commitments
Solvency ratio	N/A	(Equity + Non-current liabilities) / Non-current assets	0.88 = (€7,005 M + €17,241 M) / €27,499 M	0.91 = (€7,465 M + €16,042 M) / €25,828 M	Measure of the capacity to meet obligations
Debt coverage ratio	N/A	Net financial debt / Gross operating income (EBITDA)	2.44 = €10,000 M / ((€3,125 – 188) * 12 months / 9 months) €M + €188 M) (1)	1.82 = €6,899 M / €3,783 M	Measure of the amount of available cash flow to meet principal payments on financial debt.
Fixed assets	€M	Property, plant and equipment + Real estate investments + Intangible assets + Goodwill	€23,673 M = €21,634 M + €57 M + €1,520 M + €462 M	€23,273 M = €21,354 M + €58 M + €1,399 M + €462 M	Assets of the Company, whether tangible or intangible, not convertible into short-term liquidity, necessary for the Company to operate and not intended for sale.
Total net non-current assets	€M	Property, plant and equipment + Intangible assets + Goodwill + Investments accounted for using the equity method + Real estate investments + Non-current financial assets - Deferred income - Other non-current assets - Financial derivatives recognised under non-current financial assets	€19,426 M = €21,634 M + €1,520 M + €462 M + €199 M + €57 M + €1,703 M - €4,528 M - €1,615 M - €6 M	€19,082 M = €21,354 M + €1,399 M + €462 M + €217 M + €58 M + €947 M - €4,517 M - €831 M - €7 M	Measure of non-current assets excluding deferred tax assets, less the value of deferred income and other non-current liabilities.
Total net working capital	€M	Trade and other receivables + Inventories + Current financial assets - Financial derivatives recognised under current financial assets + Current income tax assets - Current income tax liabilities - Suppliers and other payables	€1,062 M = €10,696 M + €1,121 M + €1,368 M - €0 M + €395 M - €657 M - €11,861 M	€(875) M = €3,151 M + €1,077 M + €1,177 M - €0 M + €426 M - €512 M - €6,194 M	Measure of current assets excluding cash and financial investments equivalent to cash, less suppliers and other payables and current income tax liabilities
Gross invested capital	€M	Total net non-current assets + Total net working capital	€20,488 M = €19,426 M + €1,062 M	€18,207 M = €19,082 M - €875 M	Total net non-current assets plus total net working capital
Total Provisions and Deferred Tax Assets and Liabilities	€M	- Provisions for Pensions and Similar Obligations - Other Non-Current Provisions - Current Provisions + Deferred Tax Assets - Deferred Tax Liabilities	€(3,483) M = - €603 M - €2,837 M - €496 M + €1,924 M - €1,471 M	€(3,843) M = - €701 M - €3,003 M - €477 M + €1,391 M - €1,053 M	Measurement of provisions and deferred tax assets and liabilities
Net invested capital	€M	Gross capital invested – Total Provisions and deferred tax assets and deferred tax liabilities + Net non-current assets held for sale and discontinued operations	€17,005 M = €20,488 M - €3,483 M + €0 M	€14,364 M = €18,207 M - €3,843 M + €0 M	Measure of gross invested capital plus total provisions and deferred tax assets and liabilities and non-current assets held for sale and discontinued operations
Book value per share	€	Equity of the Parent / Number of shares at the end of the period	€6.474 = €6,854 M / 1,058,752,117 shares	€6.909 = €7,315 M / 1,058,752,117 shares	Measure of the portion of equity corresponding to each share at the end of the year.
Market capitalisation	€M	Number of shares at the end of the period * Share price at the end of the period	€18,443 M = 1,058,752,117 shares * €17.420	€23,663 M = 1,058,752,117 shares * €22.350	Measure of total enterprise value according to the share price
Price to earnings ratio (PER) ordinary	N/A	Share price at the end of the period / Net ordinary earnings per share	9.81 = €17.420 / ((€1.378 – 0.184) * 12 months / 9 months) € + €0.184) (2)	11.10 = €22.350 / €2.0136	Measure indicating the number of times that net ordinary earnings per share can be divided into the market price of the shares.
Price to earnings ratio (PER)	N/A	Share price at the end of the period / Net earnings per share	9.81 = €17.420 / ((€1.378 – 0.184) * 12 months / 9 months) + €0.184) (2)	16.97 = €22.350 / €1.317	Measure indicating the number of times earnings per share can be divided into the market price of the shares.
Price / Book value	N/A	Market capitalisation / Equity of the Parent	2.69 = €18,443 M / €6,854 M	3.23 = €23,663 M / €7,315 M	Measure comparing total enterprise value according to the share price with the carrying amount

ME = millions of euros; € = euros.

(1) Annualised income, discounting the effects, amounting to Euro 188 million, described in section 5.2.1. Revenue of this Consolidated Management Report.

(2) Annualised income, discounting the effects, net of the tax effect, amounting to Euro 195 million, described in section 5.2. Earnings Analysis of this Consolidated Management Report).

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of alternative performance measures (APMs)		Relevance of use
			2020	2019	
Consolidated ordinary pay-out	%	(Gross Dividend per Share * Number of Shares at the end of the period) / Net Ordinary Income of the Parent.	100.0% = (€2.0136 * 1,058,752,117 shares) / €2,132 M	100.0% = (€1.475 * 1,058,752,117 shares) / €1,562 M	Measure of the part of ordinary income obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Consolidated pay-out	%	Gross dividend per share * Number of shares at the end of the period / Profit of the Parent for the year	152.9% = (€2.0136 * 1,058,752,117 shares) / €1,394 M	913.3% = (€1.475 * 1,058,752,117 shares) / €171 M	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Individual pay-out	%	(Gross dividend per share * Number of shares at the end of the period / Profit of ENDESA, S.A. for the year	91.5% = (€2.0136 * 1,058,752,117 shares) / €2,330 M	95.1% = (€1.475 * 1,058,752,117 shares) / €1,642 M	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (individual company)

M€ = millions of euros; € = euros.

## **APPENDIX II**

### **Consolidated Financial Statements for the nine-month period ended 30 September 2021**

(Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2021 AND 31 DECEMBER 2020**

Millions of Euros

	30 September 2021 <sup>(1)</sup>	31 December 2020 <sup>(2)</sup>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>	<b>27,499</b>	<b>25,828</b>
Property, plant and equipment	21,634	21,354
Investment property	57	58
Intangible assets	1,520	1,399
Goodwill	462	462
Investments accounted for using the equity method	199	217
Non-current financial assets	1,703	947
Deferred tax assets	1,924	1,391
<b>CURRENT ASSETS</b>	<b>14,148</b>	<b>6,234</b>
Inventories	1,121	1,077
Trade and other receivables	11,091	3,577
Trade receivables for sales and services and other receivables	10,696	3,151
Current income tax assets	395	426
Current financial assets	1,368	1,177
Cash and cash equivalents	568	403
Non-current assets held for sale and discontinued operations	-	-
<b>TOTAL ASSETS</b>	<b>41,647</b>	<b>32,062</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>7,005</b>	<b>7,465</b>
Of the Parent	6,854	7,315
Of non-controlling interests	151	150
<b>NON-CURRENT LIABILITIES</b>	<b>17,241</b>	<b>16,042</b>
Deferred income	4,528	4,517
Non-current provisions	3,440	3,704
Provisions for pensions and other similar obligations	603	701
Other non-current provisions	2,837	3,003
Non-current financial debt	6,187	5,937
Other non-current liabilities	1,615	831
Deferred tax liabilities	1,471	1,053
<b>CURRENT LIABILITIES</b>	<b>17,401</b>	<b>8,555</b>
Current financial debt	4,387	1,372
Current provisions	496	477
Provisions for pensions and other similar obligations	-	-
Other current provisions	496	477
Trade payables and other current liabilities	12,518	6,706
Suppliers and other payables	11,861	6,194
Current income tax liabilities	657	512
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,647</b>	<b>32,062</b>

(1) Unaudited.

(2) Audited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
**FOR THE PERIODS JANUARY – SEPTEMBER 2021 AND 2020**

Millions of Euros

	January - September 2021 <sup>(1)</sup>	January - September 2020 <sup>(1)</sup>
<b>REVENUE</b>	<b>18,603</b>	<b>12,959</b>
Sales	13,535	12,314
Other operating income	5,068	645
<b>PROCUREMENTS AND SERVICES</b>	<b>(14,075)</b>	<b>(8,562)</b>
Power purchases	(3,844)	(2,681)
Fuel consumption	(1,019)	(853)
Transmission expenses	(3,665)	(3,736)
Other variable procurements and services	(5,547)	(1,292)
<b>CONTRIBUTION MARGIN</b>	<b>4,528</b>	<b>4,397</b>
Self-constructed assets	182	161
Personnel expenses	(681)	(516)
Other fixed operating expenses	(904)	(906)
<b>GROSS OPERATING INCOME (EBITDA)</b>	<b>3,125</b>	<b>3,136</b>
Depreciation and amortisation, and impairment losses	(1,177)	(1,104)
<b>OPERATING INCOME (EBIT)</b>	<b>1,948</b>	<b>2,032</b>
<b>FINANCIAL LOSS</b>	<b>(12)</b>	<b>(82)</b>
Financial income	114	24
Financial expense	(122)	(114)
Net exchange differences	(4)	8
Net profit/(loss) of companies accounted for using the equity method	13	39
Gains/(losses) on other investments	-	-
Losses on disposal of assets	(23)	(1)
<b>PROFIT BEFORE TAX</b>	<b>1,926</b>	<b>1,988</b>
Income tax	(461)	(473)
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>1,465</b>	<b>1,515</b>
<b>PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>	<b>1,465</b>	<b>1,515</b>
Parent	1,459	1,511
Non-controlling interests	6	4
<b>BASIC NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)</b>	<b>1.38</b>	<b>1.43</b>
<b>DILUTED NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Euros)</b>	<b>1.38</b>	<b>1.43</b>
<b>BASIC NET EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (Euros)</b>	<b>-</b>	<b>-</b>
<b>DILUTED NET EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS (Euros)</b>	<b>-</b>	<b>-</b>
<b>BASIC NET EARNINGS PER SHARE (Euros)</b>	<b>1.38</b>	<b>1.43</b>
<b>DILUTED NET EARNINGS PER SHARE (Euros)</b>	<b>1.38</b>	<b>1.43</b>

(1) Unaudited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS JANUARY – SEPTEMBER 2021 AND 2020**

Millions of Euros

	January - September 2021 <sup>(1)</sup>	January - September 2020 <sup>(1)</sup>
Gross profit before tax and non-controlling interests	1,926	1,988
Adjustments for:	722	897
Depreciation and amortisation, and impairment losses	1,177	1,104
Other adjustments (net)	(455)	(207)
Changes in working capital:	(1,285)	(530)
Trade and other receivables	(2,173)	104
Inventories	(392)	(241)
Current financial assets	14	(39)
Trade payables and other current liabilities	1,266	(354)
Other cash flows from operating activities:	(501)	(386)
Interest received	19	23
Dividends received	30	22
Interest paid	(90)	(84)
Income tax paid	(215)	(164)
Other receipts from and payments for operating activities	(245)	(183)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>862</b>	<b>1,969</b>
Acquisitions of property, plant and equipment and intangible assets	(1,309)	(1,234)
Proceeds from sale of property, plant and equipment and intangible assets	5	18
Investments in Group companies	(89)	(17)
Disposals of investments in Group companies	-	21
Purchase of other investments	(367)	(199)
Proceeds from sale of other investments	19	46
Cash flows from changes in the consolidation scope	-	-
Grants and other deferred income	71	68
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,670)</b>	<b>(1,297)</b>
Cash flows from equity instruments	-	3
Drawdowns of non-current financial debt	384	854
Repayment of non-current financial debt	(5)	(547)
Net cash flows from current financial debt	2,735	632
Dividends of the Parent paid	(2,132)	(1,562)
Dividends paid to non-controlling interests	(9)	(5)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>973</b>	<b>(625)</b>
<b>TOTAL NET CASH FLOWS</b>	<b>165</b>	<b>47</b>
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>165</b>	<b>47</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>403</b>	<b>223</b>
Cash in hand and at banks	403	223
Other cash equivalents	-	-
<b>END CASH AND CASH EQUIVALENTS</b>	<b>568</b>	<b>270</b>
Cash in hand and at banks	568	270
Other cash equivalents	-	-

(1) Unaudited.



**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE**  
**PERIODS JANUARY – SEPTEMBER 2021 AND 2020**

Millions of Euros

	January - September 2021 <sup>(1)</sup>			January - September 2020 <sup>(1)</sup>		
	Of the Parent	Of non- controlling interests	Total	Of the Parent	Of non- controlling interests	Total
<b>CONSOLIDATED PROFIT FOR THE PERIOD</b>	<b>1,459</b>	<b>6</b>	<b>1,465</b>	<b>1,511</b>	<b>4</b>	<b>1,515</b>
<b>OTHER COMPREHENSIVE INCOME:</b>						
<b>REVENUE AND EXPENSES RECOGNISED DIRECTLY IN EQUITY</b>	<b>(476)</b>	<b>-</b>	<b>(476)</b>	<b>(146)</b>	<b>-</b>	<b>(146)</b>
<b>Items that can be reclassified to profit or loss:</b>	<b>(520)</b>	<b>-</b>	<b>(520)</b>	<b>(163)</b>	<b>-</b>	<b>(163)</b>
Cash flow hedges	(698)	-	(698)	(213)	-	(213)
Translation differences	-	-	-	-	-	-
Companies accounted for using the equity method	5	-	5	(1)	-	(1)
Other revenue and expense recognised directly in equity	-	-	-	-	-	-
Tax effect	173	-	173	51	-	51
<b>Items that cannot be reclassified to profit or loss:</b>	<b>44</b>	<b>-</b>	<b>44</b>	<b>17</b>	<b>-</b>	<b>17</b>
From revaluation/(reversal of revaluation) of property, plant and equipment and intangible assets	-	-	-	-	-	-
From measurement of financial instruments	-	-	-	-	-	-
Financial assets at fair value	-	-	-	-	-	-
Other revenue/(expenses)	-	-	-	-	-	-
Actuarial gains and losses and other adjustments	55	-	55	23	-	23
Tax effect	(11)	-	(11)	(6)	-	(6)
<b>AMOUNTS TRANSFERRED TO INCOME STATEMENT AND/OR INVESTMENTS</b>	<b>(54)</b>	<b>-</b>	<b>(54)</b>	<b>148</b>	<b>-</b>	<b>148</b>
Cash flow hedges	(74)	-	(74)	194	-	194
Translation differences	-	-	-	-	-	-
Companies accounted for using the equity method	-	-	-	-	-	-
Other revenue and expense recognised directly in equity	-	-	-	-	-	-
Tax effect	20	-	20	(46)	-	(46)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>929</b>	<b>6</b>	<b>935</b>	<b>1,513</b>	<b>4</b>	<b>1,517</b>

(1) Unaudited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR**  
**THE PERIOD JANUARY - SEPTEMBER 2021**

Millions of Euros

	Equity attributable to the Parent <sup>(1)</sup>						Non-controlling Interests	Total Equity
	Capital and reserves					Adjustments due to changes in value		
	Capital	Share premium, reserves and interim dividend	Treasury shares and own equity instruments	Profit for the period	Other equity instruments			
<b>Beginning balance at 1 January 2021</b>	1,271	4,726	(2)	1,394	-	(74)	150	7,465
Adjustments due to changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of errors	-	-	-	-	-	-	-	-
<b>Adjusted beginning balance</b>	<b>1,271</b>	<b>4,726</b>	<b>(2)</b>	<b>1,394</b>	<b>-</b>	<b>(74)</b>	<b>150</b>	<b>7,465</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>1,459</b>	<b>-</b>	<b>(574)</b>	<b>6</b>	<b>935</b>
<b>Transactions with shareholders or owners</b>	<b>-</b>	<b>(1,391)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>(1,396)</b>
Capital increases/(decreases)	-	-	-	-	-	-	(2)	(2)
Conversion of liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	(1,391)	-	-	-	-	(2)	(1,393)
Transactions with own equity instruments (net)	-	-	-	-	-	-	-	-
Increases/(decreases) due to business combinations	-	-	-	-	-	-	-	-
Other transactions with shareholders or owners	-	-	-	-	-	-	(1)	(1)
<b>Other changes in equity</b>	<b>-</b>	<b>1,394</b>	<b>-</b>	<b>(1,394)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
Share-based payments	-	-	-	-	1	-	-	1
Transfers between equity items	-	1,394	-	(1,394)	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
<b>Ending balance at 30 September 2021</b>	<b>1,271</b>	<b>4,773</b>	<b>(2)</b>	<b>1,459</b>	<b>1</b>	<b>(648)</b>	<b>151</b>	<b>7,005</b>

(1) Unaudited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR**  
**THE PERIOD JANUARY - SEPTEMBER 2020**

Millions of Euros

	Equity attributable to the Parent <sup>(1)</sup>						Non-controlling Interests	Total equity
	Capital and reserves					Adjustments due to changes in value		
	Capital	Share premium, reserves and interim dividend	Treasury shares and own equity instruments	Profit for the period	Other equity instruments			
<b>Beginning balance at 1 January 2020</b>	1,271	6,187		171		59	149	7,837
Adjustments due to changes in accounting policies	-			-		-	-	
Corrections of errors	-			-		-	-	
<b>Adjusted beginning balance</b>	1,271	6,187		171		59	149	7,837
<b>Total comprehensive income</b>	-	17		1,511		(15)	4	1,517
<b>Transactions with shareholders or owners</b>	-	(821)		-		-	1	(820)
Capital increases/(decreases)	-			-		-	3	3
Conversion of liabilities into equity	-			-		-	-	
Dividends paid	-	(821)		-		-	(2)	(823)
Transactions with own equity instruments (net)	-			-		-	-	
Increases/(decreases) due to business combinations	-			-		-	-	
Other transactions with shareholders or owners	-			-		-	-	
<b>Other changes in equity</b>	-	171		(171)		-	-	
Share-based payments	-			-		-	-	
Transfers between equity items	-	171		(171)		-	-	
Other changes	-			-		-	-	
<b>Ending balance at 30 September 2020</b>	1,271	5,554		1,511		44	154	8,534

(1) Unaudited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2021**

Millions of Euros

	30 September 2021 <sup>(1)</sup>				
	Generation and Supply	Distribution	Structure	Consolidation adjustments and eliminations	Total
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>14,030</b>	<b>13,452</b>	<b>28,896</b>	<b>(28,879)</b>	<b>27,499</b>
Property, plant and equipment	9,427	12,038	169	-	21,634
Investment property	-	52	5	-	57
Intangible assets	1,219	187	114	-	1,520
Goodwill	361	97	4	-	462
Investments accounted for using the equity method	174	21	4	-	199
Non-current financial assets	1,356	773	28,458	(28,884)	1,703
Deferred tax assets	1,493	284	142	5	1,924
<b>Current assets</b>	<b>12,540</b>	<b>1,457</b>	<b>908</b>	<b>(757)</b>	<b>14,148</b>
Inventories	954	167	-	-	1,121
Trade and other receivables	10,444	906	484	(743)	11,091
Current financial assets	974	383	25	(14)	1,368
Cash and cash equivalents	168	1	399	-	568
Non-current assets held for sale and discontinued operations	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>26,570</b>	<b>14,909</b>	<b>29,804</b>	<b>(29,636)</b>	<b>41,647</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>5,786</b>	<b>3,202</b>	<b>16,941</b>	<b>(18,924)</b>	<b>7,005</b>
Of the Parent	5,643	3,194	16,941	(18,924)	6,854
Of non-controlling Interests	143	8	-	-	151
<b>Non-Current liabilities</b>	<b>9,276</b>	<b>9,450</b>	<b>8,439</b>	<b>(9,924)</b>	<b>17,241</b>
Deferred income	48	4,480	-	-	4,528
Non-current provisions	2,271	842	272	55	3,440
Non-current financial debt	4,710	3,360	8,075	(9,958)	6,187
Other non-current liabilities	1,132	477	32	(26)	1,615
Deferred tax liabilities	1,115	291	60	5	1,471
<b>Current Liabilities</b>	<b>11,508</b>	<b>2,257</b>	<b>4,424</b>	<b>(788)</b>	<b>17,401</b>
Current financial debt	575	8	3,851	(47)	4,387
Current provisions	333	90	73	-	496
Trade payables and other current liabilities	10,600	2,159	500	(741)	12,518
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,570</b>	<b>14,909</b>	<b>29,804</b>	<b>(29,636)</b>	<b>41,647</b>

(1) Unaudited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2020**

Millions of Euros

	31 December 2020 <sup>(1)</sup>				Total
	Generation and Supply	Distribution	Structure	Consolidation adjustments and eliminations	
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>13,046</b>	<b>13,420</b>	<b>29,814</b>	<b>(30,452)</b>	<b>25,828</b>
Property, plant and equipment	9,191	11,983	180	-	21,354
Investment property	-	52	6	-	58
Intangible assets	1,092	183	124	-	1,399
Goodwill	361	97	4	-	462
Investments accounted for using the equity method	194	20	3	-	217
Non-current financial assets	1,285	777	29,341	(30,456)	947
Deferred tax assets	923	308	156	4	1,391
<b>Current assets</b>	<b>4,859</b>	<b>1,353</b>	<b>1,236</b>	<b>(1,214)</b>	<b>6,234</b>
Inventories	957	120	-	-	1,077
Trade and other receivables	3,089	717	973	(1,202)	3,577
Current financial assets	652	515	22	(12)	1,177
Cash and cash equivalents	161	1	241	-	403
Non-current assets held for sale and discontinued operations	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>17,905</b>	<b>14,773</b>	<b>31,050</b>	<b>(31,666)</b>	<b>32,062</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>5,542</b>	<b>2,512</b>	<b>18,224</b>	<b>(18,813)</b>	<b>7,465</b>
Of the Parent	5,400	2,504	18,224	(18,813)	7,315
Of non-controlling Interests	142	8	-	-	150
<b>Non-Current liabilities</b>	<b>7,913</b>	<b>9,600</b>	<b>10,143</b>	<b>(11,614)</b>	<b>16,042</b>
Deferred income	43	4,564	-	(90)	4,517
Non-current provisions	2,375	933	341	55	3,704
Non-current financial debt	4,459	3,348	9,657	(11,527)	5,937
Other non-current liabilities	353	476	80	(78)	831
Deferred tax liabilities	683	279	65	26	1,053
<b>Current liabilities</b>	<b>4,450</b>	<b>2,661</b>	<b>2,683</b>	<b>(1,239)</b>	<b>8,555</b>
Current financial debt	129	8	1,277	(42)	1,372
Current provisions	343	83	51	-	477
Trade payables and other current liabilities	3,978	2,570	1,355	(1,197)	6,706
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,905</b>	<b>14,773</b>	<b>31,050</b>	<b>(31,666)</b>	<b>32,062</b>

(1) Audited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED INCOME STATEMENTS FOR**  
**THE PERIOD JANUARY - SEPTEMBER 2021**

Millions of Euros

	January - September 2021 <sup>(1)</sup>				
	Generation and Supply	Distribution	Structure	Consolidated adjustments and eliminations	Total
<b>REVENUE</b>	<b>16,803</b>	<b>1,930</b>	<b>397</b>	<b>(527)</b>	<b>18,603</b>
Sales	11,896	1,748	397	(506)	13,535
Other operating income	4,907	182	-	(21)	5,068
<b>PROCUREMENTS AND SERVICES</b>	<b>(14,019)</b>	<b>(132)</b>	<b>(37)</b>	<b>113</b>	<b>(14,075)</b>
Power purchases	(3,836)	(8)	-	-	(3,844)
Fuel consumption	(1,019)	-	-	-	(1,019)
Transmission expenses	(3,656)	(8)	-	(1)	(3,665)
Other variable procurements and services	(5,508)	(116)	(37)	114	(5,547)
<b>CONTRIBUTION MARGIN</b>	<b>2,784</b>	<b>1,798</b>	<b>360</b>	<b>(414)</b>	<b>4,528</b>
Self-constructed assets	77	92	13	-	182
Personnel expenses	(354)	(193)	(145)	11	(681)
Other fixed operating expenses	(803)	(265)	(239)	403	(904)
<b>GROSS OPERATING INCOME (EBITDA)</b>	<b>1,704</b>	<b>1,432</b>	<b>(11)</b>	<b>-</b>	<b>3,125</b>
Depreciation and amortisation, and impairment losses	(658)	(471)	(48)	-	(1,177)
<b>OPERATING INCOME (EBIT)</b>	<b>1,046</b>	<b>961</b>	<b>(59)</b>	<b>-</b>	<b>1,948</b>
<b>FINANCIAL PROFIT/LOSS</b>	<b>15</b>	<b>(42)</b>	<b>15</b>	<b>-</b>	<b>(12)</b>
Financial income	101	7	443	(437)	114
Financial expense	(81)	(49)	(429)	437	(122)
Net exchange differences	(5)	-	1	-	(4)
Net profit/(loss) of companies accounted for using the equity method	10	3	-	-	13
Gains/(losses) on other investments	-	-	143	(143)	-
Losses on disposal of assets	(23)	(1)	1	-	(23)
<b>PROFIT BEFORE TAX</b>	<b>1,048</b>	<b>921</b>	<b>100</b>	<b>(143)</b>	<b>1,926</b>
Income tax	(241)	(226)	6	-	(461)
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>807</b>	<b>695</b>	<b>106</b>	<b>(143)</b>	<b>1,465</b>
<b>PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>	<b>807</b>	<b>695</b>	<b>106</b>	<b>(143)</b>	<b>1,465</b>
Parent	802	694	106	(143)	1,459
Non-controlling interests	5	1	-	-	6

(1) Unaudited.

**ENDESA, S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED INCOME STATEMENTS FOR**  
**THE PERIOD JANUARY - SEPTEMBER 2020**

Millions of Euros

	January - September 2020 <sup>(1)</sup>				
	Generation and Supply	Distribution	Structure	Consolidated adjustments and eliminations	Total
<b>REVENUE</b>	<b>11,125</b>	<b>1,971</b>	<b>393</b>	<b>(530)</b>	<b>12,959</b>
Sales	10,639	1,789	379	(493)	12,314
Other operating income	486	182	14	(37)	645
<b>PROCUREMENTS AND SERVICES</b>	<b>(8,524)</b>	<b>(122)</b>	<b>(32)</b>	<b>116</b>	<b>(8,562)</b>
Power purchases	(2,676)	(5)	-	-	(2,681)
Fuel consumption	(853)	-	-	-	(853)
Transmission expenses	(3,725)	(9)	-	(2)	(3,736)
Other variable procurements and services	(1,270)	(108)	(32)	118	(1,292)
<b>CONTRIBUTION MARGIN</b>	<b>2,601</b>	<b>1,849</b>	<b>361</b>	<b>(414)</b>	<b>4,397</b>
Self-constructed assets	52	94	15	-	161
Personnel expenses	(365)	(7)	(154)	10	(516)
Other fixed operating expenses	(776)	(287)	(247)	404	(906)
<b>GROSS OPERATING INCOME (EBITDA)</b>	<b>1,512</b>	<b>1,649</b>	<b>(25)</b>	<b>-</b>	<b>3,136</b>
Depreciation and amortisation, and impairment losses	(599)	(464)	(41)	-	(1,104)
<b>OPERATING INCOME (EBIT)</b>	<b>913</b>	<b>1,185</b>	<b>(66)</b>	<b>-</b>	<b>2,032</b>
<b>FINANCIAL PROFIT/LOSS</b>	<b>(55)</b>	<b>(32)</b>	<b>5</b>	<b>-</b>	<b>(82)</b>
Financial income	23	12	414	(425)	24
Financial expense	(86)	(44)	(409)	425	(114)
Net exchange differences	8	-	-	-	8
Net profit/(loss) of companies accounted for using the equity method	36	3	-	-	39
Gains/(losses) on other investments	-	-	915	(915)	-
Losses on disposal of assets	(11)	10	-	-	(1)
<b>PROFIT BEFORE TAX</b>	<b>883</b>	<b>1,166</b>	<b>854</b>	<b>(915)</b>	<b>1,988</b>
Income tax	(207)	(277)	11	-	(473)
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>676</b>	<b>889</b>	<b>865</b>	<b>(915)</b>	<b>1,515</b>
<b>PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>	<b>676</b>	<b>889</b>	<b>865</b>	<b>(915)</b>	<b>1,515</b>
Parent	673	888	865	(915)	1,511
Non-controlling interests	3	1	-	-	4

(1) Unaudited.