

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

**Quarterly Report  
for the three-month period ended  
31 March 2020**

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

**Madrid, 4 May 2020**

- **Consolidated Financial Statements for the three-month period ended 31 March 2020.**
- **Consolidated Management Report for the three-month period ended 31 March 2020.**



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

**Consolidated  
Financial Statements  
for the three-month period ended  
31 March 2020**

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AT 31 MARCH 2020 AND 31 DECEMBER 2019**

Millions of Euros

	31 March 2020 <small>(1)</small>	31 December 2019 <small>(2)</small>	Difference	% Var.
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>	<b>25,787</b>	<b>25,881</b>	<b>(94)</b>	<b>(0.4)</b>
Property, Plant and Equipment	21,166	21,329	(163)	(0.8)
Investment Property	61	61	-	-
Intangible Assets	1,357	1,375	(18)	(1.3)
Goodwill	462	462	-	-
Investments Accounted for using the Equity Method	233	232	1	0.4
Non-Current Financial Assets	1,100	908	192	21.1
Deferred Tax Assets	1,408	1,514	(106)	(7.0)
<b>CURRENT ASSETS</b>	<b>6,820</b>	<b>6,100</b>	<b>720</b>	<b>11.8</b>
Inventories	1,245	1,177	68	5.8
Trade and other Receivables	3,962	3,485	477	13.7
Current Financial Assets	1,422	1,215	207	17.0
Cash and Cash Equivalents	191	223	(32)	(14.3)
Non-Current Assets Held for Sale and Discontinued Operations	-	-	-	n/a
<b>TOTAL ASSETS</b>	<b>32,607</b>	<b>31,981</b>	<b>626</b>	<b>2.0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>	<b>8,742</b>	<b>7,837</b>	<b>905</b>	<b>11.5</b>
Of the Parent Company	8,591	7,688	903	11.7
Of non-Controlling Interests	151	149	2	1.3
<b>NON-CURRENT LIABILITIES</b>	<b>15,529</b>	<b>15,679</b>	<b>(150)</b>	<b>(1.0)</b>
Deferred Income	4,550	4,576	(26)	(0.6)
Non-Current Provisions	3,095	3,686	(591)	(16.0)
Non-Current Interest-Bearing Loans and Borrowings	5,998	5,652	346	6.1
Other non-Current Liabilities	739	678	61	9.0
Deferred Tax Liabilities	1,147	1,087	60	5.5
<b>CURRENT LIABILITIES</b>	<b>8,336</b>	<b>8,465</b>	<b>(129)</b>	<b>(1.5)</b>
Current Interest-Bearing Loans and Borrowings	1,576	955	621	65.0
Current Provisions	634	576	58	10.1
Trade Payables and other Current Liabilities	6,126	6,934	(808)	(11.7)
Liabilities Associated with non-Current Assets classified as Held for Sale and Discontinued Operations	-	-	-	n/a
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,607</b>	<b>31,981</b>	<b>626</b>	<b>2.0</b>

(1) Unaudited

(2) Audited

**ENDESA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
**FOR THE PERIODS JANUARY - MARCH 2020 AND 2019**

Millions of Euros

	January - March 2020 (1)	January - March 2019 (1)	Difference	% Var.
<b>INCOME</b>	<b>5,069</b>	<b>5,085</b>	<b>(16)</b>	<b>(0.3)</b>
Revenue	4,580	5,001	(421)	(8.4)
Other Operating Revenues	489	84	405	482.1
<b>PROCUREMENTS AND SERVICES</b>	<b>(3,455)</b>	<b>(3,632)</b>	<b>(177)</b>	<b>(4.9)</b>
Energy Purchases	(1,040)	(1,284)	(244)	(19.0)
Fuel Consumption	(352)	(490)	(138)	(28.2)
Transmission Expenses	(1,312)	(1,419)	(107)	(7.5)
Other Variable Procurements and Services	(751)	(439)	312	71.1
<b>CONTRIBUTION MARGIN</b>	<b>1,614</b>	<b>1,453</b>	<b>161</b>	<b>11.1</b>
Self-Constructed Assets	47	38	9	23.7
Personnel Expenses	144	(258)	(402)	(155.8)
Other Fixed Operating Expenses	(329)	(305)	24	7.9
<b>GROSS PROFIT FROM OPERATIONS (EBITDA)</b>	<b>1,476</b>	<b>928</b>	<b>548</b>	<b>59.1</b>
Depreciation and Amortisation, and Impairment Losses	(358)	(406)	(48)	(11.8)
<b>PROFIT FROM OPERATIONS (EBIT)</b>	<b>1,118</b>	<b>522</b>	<b>596</b>	<b>114.2</b>
<b>NET FINANCIAL PROFIT / (LOSS)</b>	<b>(10)</b>	<b>(53)</b>	<b>43</b>	<b>(81.1)</b>
Financial Income	31	5	26	520.0
Financial Expense	(39)	(60)	(21)	(35.0)
Net Exchange Differences	(2)	2	(4)	(200.0)
Net Profit / (Loss) of Companies Accounted for using the Equity Method	4	12	(8)	(66.7)
Gains / (Losses) from other Investments	-	-	-	n/a
Gains / (Losses) on Disposal of Assets	(6)	(8)	2	(25.0)
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>1,106</b>	<b>473</b>	<b>633</b>	<b>133.8</b>
Income Tax Expense	(260)	(107)	153	143.0
<b>PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>846</b>	<b>366</b>	<b>480</b>	<b>131.1</b>
<b>PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>PROFIT FOR THE PERIOD</b>	<b>846</b>	<b>366</b>	<b>480</b>	<b>131.1</b>
Parent Company	844	363	481	132.5
Non-Controlling Interests	2	3	(1)	(33.3)

(1) Unaudited

**ENDESA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS JANUARY - MARCH 2020 AND 2019**

Millions of Euros

	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>
Profit Before Tax	1,106	473
Adjustments for:	(82)	522
Depreciation and Amortisation, and Impairment Losses	358	406
Other Adjustments (Net)	(440)	116
Changes in Working Capital	(759)	(611)
Trade and Other Accounts Receivables	(57)	(168)
Inventories	(219)	(94)
Current Financial Assets	(166)	(71)
Trade Payables and Other Current Liabilities	(317)	(278)
Other Cash Flows from / (used in) Operating Activities:	11	(49)
Interest Received	4	5
Dividends Received	1	-
Interest Paid	(13)	(8)
Income Tax Paid	74	36
Other Receipts from and Payments for Operating Activities	(55)	(82)
<b>NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>276</b>	<b>335</b>
Acquisitions of Property, Plant and Equipment and Intangible Assets	(409)	(451)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets	1	5
Purchase of Investments in Group Companies	-	(1)
Proceeds from Sale of Investments in Group Companies	-	-
Purchase of other Investments	(116)	(99)
Proceeds from Sale of other Investments	1	9
Cash flows from Changes in the Consolidation Scope	-	-
Grants and other Deferred Income	15	10
<b>NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(508)</b>	<b>(527)</b>
Cash Flows from Equity Instruments	-	-
Proceeds from Borrowings, non-Current	350	335
Repayment of Borrowings, non-Current	(2)	(180)
Net Cash Flows used in Current Borrowings	598	769
Dividends of the Parent Company Paid	(741)	(741)
Payments to non-Controlling Interests	(5)	-
<b>NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>200</b>	<b>183</b>
<b>TOTAL NET CASH FLOWS</b>	<b>(32)</b>	<b>(9)</b>
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents	-	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(32)</b>	<b>(9)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>223</b>	<b>244</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>191</b>	<b>235</b>

(1) Unaudited

**ENDESA S.A. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**

**FOR THE PERIODS JANUARY - MARCH 2020 AND 2019**

Millions of Euros

	January - March 2020 (1)			January - March 2019 (1)		
	Of the Parent Company	Of Non-Controlling Interests	Total	Of the Parent Company	Of Non-Controlling Interests	Total
<b>PROFIT FOR THE PERIOD</b>	<b>844</b>	<b>2</b>	<b>846</b>	<b>363</b>	<b>3</b>	<b>366</b>
<b>OTHER COMPREHENSIVE INCOME:</b>						
<b>INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>	<b>(7)</b>	<b>-</b>	<b>(7)</b>	<b>177</b>	<b>-</b>	<b>177</b>
<b>Items that Can Be Reclassified to Profit or Loss:</b>	<b>(17)</b>	<b>-</b>	<b>(17)</b>	<b>177</b>	<b>-</b>	<b>177</b>
Cash Flow Hedges	(19)	-	(19)	242	-	242
Translation Differences	(1)	-	(1)	-	-	-
Companies Accounted for using the Equity Method	(1)	-	(1)	(2)	-	(2)
Other Income and Expenses Recognised directly in Equity	-	-	-	-	-	-
Tax Effect	4	-	4	(63)	-	(63)
<b>Items not to Be Reclassified to Profit or Loss in Subsequent Periods:</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</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 Income / (Expenses)	-	-	-	-	-	-
From Actuarial Gains and Losses and other Adjustments	13	-	13	-	-	-
Tax Effect	(3)	-	(3)	-	-	-
<b>AMOUNTS TRANSFERRED TO INCOME STATEMENT AND/OR INVESTMENTS</b>	<b>66</b>	<b>-</b>	<b>66</b>	<b>(46)</b>	<b>-</b>	<b>(46)</b>
Cash Flow Hedges	87	-	87	(64)	-	(64)
Translation Differences	-	-	-	-	-	-
Companies Accounted for using the Equity Method	-	-	-	-	-	-
Other Income and Expenses Recognised directly in Equity	-	-	-	-	-	-
Tax Effect	(21)	-	(21)	18	-	18
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>903</b>	<b>2</b>	<b>905</b>	<b>494</b>	<b>3</b>	<b>497</b>

(1) Unaudited

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

Millions of Euros

	Equity attributable to the Parent Company <sup>(1)</sup>						Non-Controlling Interests	Total equity
	Capital and reserves							
	Share Capital	Share premium, Reserves and interim dividend	Treasury shares and own equity instruments	Profit for the period	Other equity instruments	Valuation adjustments		
BALANCE AT 1 JANUARY 2020	1,271	6,187	-	171	-	59	149	7,837
Adjustments due to Changes in Accounting Policies	-	-	-	-	-	-	-	-
Correction of Errors	-	-	-	-	-	-	-	-
ADJUSTED BALANCE AT 1 JANUARY 2020	1,271	6,187	-	171	-	59	149	7,837
TOTAL COMPREHENSIVE INCOME	-	10	-	844	-	49	2	905
TRANSACTIONS WITH SHAREHOLDERS OR OWNERS	-	-	-	-	-	-	-	-
Capital Increases / (Reductions)	-	-	-	-	-	-	-	-
Conversion of Liabilities into Equity	-	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-
Transactions with Treasury Shares or Own Equity Instruments (Net)	-	-	-	-	-	-	-	-
Increases / (Reductions) due to Business Combinations	-	-	-	-	-	-	-	-
Other Transactions with Shareholders and Owners	-	-	-	-	-	-	-	-
OTHER CHANGES IN EQUITY	-	171	-	(171)	-	-	-	-
Share-Based Payments	-	-	-	-	-	-	-	-
Transfers between Equity Items	-	171	-	(171)	-	-	-	-
Other Changes	-	-	-	-	-	-	-	-
BALANCE AT 31 MARCH 2020	1,271	6,368	-	844	-	108	151	8,742

(1) Unaudited



**ENDESA S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD JANUARY - MARCH 2019**

Millions of Euros

	Equity attributable to the Parent Company <sup>(1)</sup>						Non-Controlling Interests	Total equity
	Capital and reserves							
	Share Capital	Share premium, Reserves and interim dividend	Treasury shares and own equity instruments	Profit for the period	Other equity instruments	Valuation adjustments		
BALANCE AT 1 JANUARY 2019	1,271	6,416	-	1,417	-	(67)	144	9,181
Adjustments due to Changes in Accounting Policies	-	-	-	-	-	-	-	-
Correction of Errors	-	-	-	-	-	-	-	-
ADJUSTED BALANCE AT 1 JANUARY 2019	1,271	6,416	-	1,417	-	(67)	144	9,181
TOTAL COMPREHENSIVE INCOME	-	-	-	363	-	131	3	497
TRANSACTIONS WITH SHAREHOLDERS OR OWNERS	-	-	-	-	-	-	-	-
Capital Increases / (Reductions)	-	-	-	-	-	-	-	-
Conversion of Liabilities into Equity	-	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-
Transactions with Treasury Shares or Own Equity Instruments (Net)	-	-	-	-	-	-	-	-
Increases / (Reductions) due to Business Combinations	-	-	-	-	-	-	-	-
Other Transactions with Shareholders and Owners	-	-	-	-	-	-	-	-
OTHER CHANGES IN EQUITY	-	1,417	-	(1,417)	-	-	-	-
Share-Based Payments	-	-	-	-	-	-	-	-
Transfers between Equity Items	-	1,417	-	(1,417)	-	-	-	-
Other Changes	-	-	-	-	-	-	-	-
BALANCE AT 31 MARCH 2019	1,271	7,833	-	363	-	64	147	9,678

(1) Unaudited

**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2020**

Millions of Euros

	31 March 2020 <sup>(1)</sup>				
	Generation and Supply	Distribution	Structure and Services	Consolidation Adjustments and Eliminations	Total
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>	<b>13,374</b>	<b>13,624</b>	<b>30,602</b>	<b>(31,813)</b>	<b>25,787</b>
Property, Plant and Equipment	9,136	11,906	124	-	21,166
Investment Property	-	55	6	-	61
Intangible Assets	1,017	210	130	-	1,357
Goodwill	361	97	4	-	462
Investments Accounted for using the Equity Method	212	18	3	-	233
Non-Current Financial Assets	1,656	1,068	30,200	(31,824)	1,100
Deferred Tax Assets	992	270	135	11	1,408
<b>CURRENT ASSETS</b>	<b>5,712</b>	<b>1,287</b>	<b>572</b>	<b>(751)</b>	<b>6,820</b>
Inventories	1,138	107	-	-	1,245
Trade and other Receivables	3,556	609	525	(728)	3,962
Current Financial Assets	855	556	34	(23)	1,422
Cash and Cash Equivalents	163	15	13	-	191
Non-Current Assets Held for Sale and Discontinued Operations	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>19,086</b>	<b>14,911</b>	<b>31,174</b>	<b>(32,564)</b>	<b>32,607</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>	<b>6,604</b>	<b>3,491</b>	<b>17,521</b>	<b>(18,874)</b>	<b>8,742</b>
Of the Parent Company	6,460	3,484	17,521	(18,874)	8,591
Of non-Controlling Interests	144	7	-	-	151
<b>NON-CURRENT LIABILITIES</b>	<b>7,715</b>	<b>9,256</b>	<b>11,529</b>	<b>(12,971)</b>	<b>15,529</b>
Deferred Income	41	4,529	-	(20)	4,550
Non-Current Provisions	2,077	708	288	22	3,095
Non-Current Interest-Bearing Loans and Borrowings	4,570	3,226	11,140	(12,938)	5,998
Other non-Current Liabilities	258	476	43	(38)	739
Deferred Tax Liabilities	769	317	58	3	1,147
<b>CURRENT LIABILITIES</b>	<b>4,767</b>	<b>2,164</b>	<b>2,124</b>	<b>(719)</b>	<b>8,336</b>
Current Interest-Bearing Loans and Borrowings	104	8	1,498	(34)	1,576
Current Provisions	494	91	49	-	634
Trade Payables and other Current Liabilities	4,169	2,065	577	(685)	6,126
Liabilities Associated with non-Current Assets classified as Held for Sale and Discontinued Operations	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,086</b>	<b>14,911</b>	<b>31,174</b>	<b>(32,564)</b>	<b>32,607</b>

(1) Unaudited

**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2019**

Millions of Euros

	31 December 2019 <sup>(1)</sup>				
	Generation and Supply	Distribution	Structure and Services	Consolidation Adjustments and Eliminations	Total
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>	<b>13,514</b>	<b>13,592</b>	<b>30,429</b>	<b>(31,654)</b>	<b>25,881</b>
Property, Plant and Equipment	9,231	11,968	130	-	21,329
Investment Property	-	55	6	-	61
Intangible Assets	1,027	213	135	-	1,375
Goodwill	361	97	4	-	462
Investments Accounted for using the Equity Method	211	18	3	-	232
Non-Current Financial Assets	1,638	920	30,015	(31,665)	908
Deferred Tax Assets	1,046	321	136	11	1,514
<b>CURRENT ASSETS</b>	<b>4,940</b>	<b>1,380</b>	<b>1,527</b>	<b>(1,747)</b>	<b>6,100</b>
Inventories	1,064	113	-	-	1,177
Trade and other Receivables	3,038	710	1,460	(1,723)	3,485
Current Financial Assets	664	541	34	(24)	1,215
Cash and Cash Equivalents	174	16	33	-	223
Non-Current Assets Held for Sale and Discontinued Operations	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>18,454</b>	<b>14,972</b>	<b>31,956</b>	<b>(33,401)</b>	<b>31,981</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>	<b>6,079</b>	<b>3,108</b>	<b>17,524</b>	<b>(18,874)</b>	<b>7,837</b>
Of the Parent Company	5,937	3,101	17,524	(18,874)	7,688
Of non-Controlling Interests	142	7	-	-	149
<b>NON-CURRENT LIABILITIES</b>	<b>7,468</b>	<b>8,926</b>	<b>12,099</b>	<b>(12,814)</b>	<b>15,679</b>
Deferred Income	42	4,553	-	(19)	4,576
Non-Current Provisions	2,420	948	295	23	3,686
Non-Current Interest-Bearing Loans and Borrowings	4,098	2,631	11,724	(12,801)	5,652
Other non-Current Liabilities	200	476	22	(20)	678
Deferred Tax Liabilities	708	318	58	3	1,087
<b>CURRENT LIABILITIES</b>	<b>4,907</b>	<b>2,938</b>	<b>2,333</b>	<b>(1,713)</b>	<b>8,465</b>
Current Interest-Bearing Loans and Borrowings	102	8	876	(31)	955
Current Provisions	444	74	58	-	576
Trade Payables and other Current Liabilities	4,361	2,856	1,399	(1,682)	6,934
Liabilities Associated with non-Current Assets classified as Held for Sale and Discontinued Operations	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,454</b>	<b>14,972</b>	<b>31,956</b>	<b>(33,401)</b>	<b>31,981</b>

(1) Audited

**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD JANUARY - MARCH 2020**

Millions of Euros

	31 March 2020 <sup>(1)</sup>				
	Generation and Supply	Distribution	Structure and Services	Consolidation Adjustments and Eliminations	Total
<b>INCOME</b>	<b>4,459</b>	<b>656</b>	<b>135</b>	<b>(181)</b>	<b>5,069</b>
Revenue	4,023	592	130	(165)	4,580
Other Operating Revenues	436	64	5	(16)	489
<b>PROCUREMENTS AND SERVICES</b>	<b>(3,443)</b>	<b>(43)</b>	<b>(9)</b>	<b>40</b>	<b>(3,455)</b>
Energy Purchases	(1,038)	(2)	-	-	(1,040)
Fuel Consumption	(352)	-	-	-	(352)
Transmission Expenses	(1,309)	(3)	-	-	(1,312)
Other Variable Procurements and Services	(744)	(38)	(9)	40	(751)
<b>CONTRIBUTION MARGIN</b>	<b>1,016</b>	<b>613</b>	<b>126</b>	<b>(141)</b>	<b>1,614</b>
Self-Constructed Assets	15	29	3	-	47
Personnel Expenses	72	118	(47)	1	144
Other Fixed Operating Expenses	(304)	(93)	(72)	140	(329)
<b>GROSS PROFIT FROM OPERATIONS (EBITDA)</b>	<b>799</b>	<b>667</b>	<b>10</b>	<b>-</b>	<b>1,476</b>
Depreciation and Amortisation, and Impairment Losses	(185)	(159)	(14)	-	(358)
<b>PROFIT FROM OPERATIONS (EBIT)</b>	<b>614</b>	<b>508</b>	<b>(4)</b>	<b>-</b>	<b>1,118</b>
<b>NET FINANCIAL PROFIT / (LOSS)</b>	<b>(13)</b>	<b>(6)</b>	<b>9</b>	<b>-</b>	<b>(10)</b>
Financial Income	17	10	179	(175)	31
Financial Expense	(27)	(16)	(171)	175	(39)
Net Exchange Differences	(3)	-	1	-	(2)
Net Profit / (Loss) of Companies Accounted for using the Equity Method	4	-	-	-	4
Gains / (Losses) from other Investments	-	-	-	-	-
Gains / (Losses) on Disposal of Assets	(6)	-	-	-	(6)
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>599</b>	<b>502</b>	<b>5</b>	<b>-</b>	<b>1,106</b>
Income Tax Expense	(133)	(123)	(4)	-	(260)
<b>PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>466</b>	<b>379</b>	<b>1</b>	<b>-</b>	<b>846</b>
<b>PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>	<b>466</b>	<b>379</b>	<b>1</b>	<b>-</b>	<b>846</b>
Parent Company	464	379	1	-	844
Non-Controlling Interests	2	-	-	-	2

(1) Unaudited

**ENDESA S.A. AND SUBSIDIARIES**  
**BREAKDOWN CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD JANUARY - MARCH 2019**

Millions of Euros

	31 March 2019 <sup>(1)</sup>				
	Generation and Supply	Distribution	Structure and Services	Consolidation Adjustments and Eliminations	Total
<b>INCOME</b>	<b>4,454</b>	<b>686</b>	<b>133</b>	<b>(188)</b>	<b>5,085</b>
Revenue	4,422	619	128	(168)	5,001
Other Operating Revenues	32	67	5	(20)	84
<b>PROCUREMENTS AND SERVICES</b>	<b>(3,630)</b>	<b>(43)</b>	<b>(4)</b>	<b>45</b>	<b>(3,632)</b>
Energy Purchases	(1,281)	(3)	-	-	(1,284)
Fuel Consumption	(490)	-	-	-	(490)
Transmission Expenses	(1,416)	(3)	-	-	(1,419)
Other Variable Procurements and Services	(443)	(37)	(4)	45	(439)
<b>CONTRIBUTION MARGIN</b>	<b>824</b>	<b>643</b>	<b>129</b>	<b>(143)</b>	<b>1,453</b>
Self-Constructed Assets	7	29	2	-	38
Personnel Expenses	(133)	(75)	(52)	2	(258)
Other Fixed Operating Expenses	(279)	(96)	(69)	139	(305)
<b>GROSS PROFIT FROM OPERATIONS (EBITDA)</b>	<b>419</b>	<b>501</b>	<b>10</b>	<b>(2)</b>	<b>928</b>
Depreciation and Amortisation, and Impairment Losses	(228)	(163)	(15)	-	(406)
<b>PROFIT FROM OPERATIONS (EBIT)</b>	<b>191</b>	<b>338</b>	<b>(5)</b>	<b>(2)</b>	<b>522</b>
<b>NET FINANCIAL PROFIT / (LOSS)</b>	<b>(32)</b>	<b>(19)</b>	<b>(2)</b>	<b>-</b>	<b>(53)</b>
Financial Income	5	1	144	(145)	5
Financial Expense	(34)	(20)	(151)	145	(60)
Net Exchange Differences	(3)	-	5	-	2
Net Profit / (Loss) of Companies Accounted for using the Equity Method	12	-	-	-	12
Gains / (Losses) from other Investments	-	-	-	-	-
Gains / (Losses) on Disposal of Assets	(8)	-	-	-	(8)
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>163</b>	<b>319</b>	<b>(7)</b>	<b>(2)</b>	<b>473</b>
Income Tax Expense	(32)	(77)	1	1	(107)
<b>PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>131</b>	<b>242</b>	<b>(6)</b>	<b>(1)</b>	<b>366</b>
<b>PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>	<b>131</b>	<b>242</b>	<b>(6)</b>	<b>(1)</b>	<b>366</b>
Parent Company	128	242	(6)	(1)	363
Non-Controlling Interests	3	-	-	-	3

(1) Unaudited

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

**Consolidated Management Report**  
**for the three-month period**  
**ended 31 March 2020**

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

**Madrid, 4 May 2020**

**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED MANAGEMENT REPORT**  
**FOR THE THREE-MONTH PERIOD ENDED**  
**31 MARCH 2020**

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**ENDESA, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED MANAGEMENT REPORT FOR THE THREE-MONTH**  
**PERIOD ENDED 31 MARCH 2020**

**1. Business trends and results in the first quarter of 2020.**

**1.1. Consolidated results.**

**ENDESA reported net income of Euros 844 million (+132.5%) in the first quarter of 2020.**

ENDESA obtained net income of Euros 844 million in the first quarter of 2020, an increase of 132.5% on the Euros 363 million obtained in the same period of the previous year.

The evolution of ENDESA's net income in the January-March 2020 period was due mainly to the coming into force of the "V ENDESA Framework Collective Agreement" and the recording of certain provisions for workforce restructuring relating to the "Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts" which generated a net positive impact of Euros 267 million (see Section 1.2.2. Operating Expenses in this Consolidated Management Report).

The breakdown of net income and net ordinary income for the first quarter of 2020 among ENDESA's businesses and their variation relative to the same period of the previous year is presented hereunder (see Section 1.3. Results by Segment in this Consolidated Management Report):

Millions of Euros

	Net Income <sup>(2)</sup>				Net ordinary income <sup>(3)</sup>			
	January - March 2020	January - March 2019	% Var.	% Contribution to Total	January - March 2020	January - March 2019	% Var.	% Contribution to Total
Generation and Supply	464	128	262.5	55.0	451	128	252.3	54.3
Distribution	379	242	56.6	44.9	379	242	56.6	45.6
Structure and Others <sup>(1)</sup>	1	(7)	(114.3)	0.1	1	(7)	(114.3)	0.1
<b>TOTAL</b>	<b>844</b>	<b>363</b>	<b>132.5</b>	<b>100.0</b>	<b>831</b>	<b>363</b>	<b>128.9</b>	<b>100.0</b>

(1) Structure, Services and Adjustments.

(2) Net Income = Net Income of the Parent Company.

(3) Net ordinary income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over Euros 10 million) - Net Impairment Losses on Non-Financial Assets (over Euros 10 million).

**1.2. Analysis of results.**

The table below presents the details of the most significant figures in ENDESA's Consolidated Income Statement for the first quarter of 2020 and their variation relative to the same period of the previous year:

Millions of Euros

	Most Significant Figures		
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	% Var.
<b>Income</b>	<b>5,069</b>	<b>5,085</b>	<b>(0.3)</b>
<b>Procurements and Services</b>	<b>(3,455)</b>	<b>(3,632)</b>	<b>(4.9)</b>
<b>Contribution Margin <sup>(2)</sup></b>	<b>1,614</b>	<b>1,453</b>	<b>11.1</b>
Self-constructed Assets	47	38	23.7
Personnel expenses	144	(258)	(155.8)
Other Fixed Operating Expenses	(329)	(305)	7.9
<b>EBITDA <sup>(3)</sup></b>	<b>1,476</b>	<b>928</b>	<b>59.1</b>
Depreciation, Amortisation and Impairment Losses	(358)	(406)	(11.8)
<b>EBIT <sup>(4)</sup></b>	<b>1,118</b>	<b>522</b>	<b>114.2</b>
<b>Net Financial Income/(Expense) <sup>(5)</sup></b>	<b>(10)</b>	<b>(53)</b>	<b>(81.1)</b>
<b>Income before Tax</b>	<b>1,106</b>	<b>473</b>	<b>133.8</b>
<b>Net Income <sup>(6)</sup></b>	<b>844</b>	<b>363</b>	<b>132.5</b>
<b>Net Ordinary Income <sup>(7)</sup></b>	<b>831</b>	<b>363</b>	<b>128.9</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

(2) Contribution margin = Income - Procurements and Services.

(3) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.

(4) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.

(5) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.

(6) Net Income = Net Income of the Parent Company.

(7) Net ordinary income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over Euros 10 million) - Net Impairment Losses on Non-Financial Assets (over Euros 10 million).



EBITDA amounted to Euros 1,476 million (+59.1%) in the first quarter of 2020.

EBIT for the first quarter of 2020 was Euros 1,118 million, representing an increase of 114.2% compared with the same period of the previous year.

Excluding the effects of the “V ENDESA Framework Collective Agreement” and certain provisions for workforce restructuring relating to the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts” for the amount of Euros 356 million (See Section 1.2.2. Operating Costs in this Consolidated Management Report), EBITDA and EBIT for the first quarter of 2020 would have increased by 20.7% and 46.0% respectively compared with the same period of the previous year.

### 1.2.1. Income.

Income in the first quarter of 2020 totalled Euros 5,069 million, Euros 16 million (-0.3%) less than in the first quarter of 2019.

The table below shows the details of Income in the first quarter of 2020 and its variation compared with the same period in the previous year:

Millions of Euros

	Income			
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Revenue from sales	4,580	5,001	(421)	(8.4)
Other operating income	489	84	405	482.1
<b>TOTAL</b>	<b>5,069</b>	<b>5,085</b>	<b>(16)</b>	<b>(0.3)</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

### Market situation.

In the first quarter of 2020, electricity demand trends were as follows:

- Total mainland electricity demand fell by 3.2% year-on-year (-2.8% adjusted for working days and temperature).
- Cumulative electricity demand in Non-Mainland Territories (“TNP”) ended the first quarter of 2020 with declines of 5.0% in the Balearic Islands and 1.4% in the Canary Islands compared with the same period of the previous year (-3.2% and -1.0% respectively when corrected for the effects of working days and temperature).

The first quarter of 2020 was characterised by lower prices, with the arithmetic average price on the wholesale electricity market at Euros 34.9/MWh (-36.5%) mainly as a result of the fall in demand, the increased role played by energy from renewable sources, the reduction in the price of carbon dioxide (CO<sub>2</sub>) emission rights and changes in commodity prices.

The contribution of energy from renewable sources to total mainland production in the first quarter of 2020 was 59.7% (53.8% in the first quarter of 2019).

In this context:

- ENDESA's electricity production in the first quarter of 2020 was 15,143 GWh, 11.1% lower than in the same period of the previous year, as detailed below:

GWh

Electricity Generation <sup>(1)</sup>	January - March 2020	January - March 2019	% Var.
<b>Mainland</b>	<b>12,374</b>	<b>14,163</b>	<b>(12.6)</b>
Renewables	3,737	2,596	44.0
Hydroelectric	2,249	1,483	51.7
Wind <sup>(2)</sup>	1,398	1,108	26.2
Photovoltaic	90	5	1,700.0
Nuclear	7,201	7,084	1.7
Coal	352	3,527	(90.0)
Combined Cycles (CCGT) <sup>(3)</sup>	1,084	956	13.4
<b>Non-Mainland Territories ("TNP")</b>	<b>2,769</b>	<b>2,869</b>	<b>(3.5)</b>
Coal	-	532	(100.0)
Fuel-gas	1,153	1,449	(20.4)
Combined Cycles (CCGT) <sup>(3)</sup>	1,616	888	82.0
<b>TOTAL</b>	<b>15,143</b>	<b>17,032</b>	<b>(11.1)</b>

(1) In power plant busbars.

(2) In the period January-March 2020 it includes 26 GWh corresponding to Non-Mainland Territories ("TNP") (24 GWh in the period January-March 2019).

(3) Corresponding to natural gas.

- Non-emitting, renewable and nuclear technologies represented 72.2% of ENDESA's generation mix in the first quarter of 2020, compared to 56.8% reached in the first quarter of 2019, and compared with 84.7% for the rest of the sector (79.8% in the first quarter of 2019).

At 31 March 2020, ENDESA held the following electricity market shares:

- 19.5% in mainland electricity generation.
- 43.2% in electricity distribution.
- 33.3% in electricity supply.

In the first quarter of 2020, conventional gas demand was down by 1.3% year on year, and at 31 March 2020 ENDESA had a market share of 14.5% in gas sales to customers in the deregulated market.

## Sales.

The table below presents the details of ENDESA's Revenue from sales in the first quarter of 2020 and their variation compared with the same period of the previous year:

Millions of Euros

	Sales			
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Electricity sales	3,255	3,526	(271)	(7.7)
Deregulated market sales	2,239	2,335	(96)	(4.1)
Deregulated market sales - Spain	1,966	2,075	(109)	(5.3)
Deregulated market sales - outside Spain	273	260	13	5.0
Sales at regulated prices	466	595	(129)	(21.7)
Wholesale market sales	138	299	(161)	(53.8)
Compensation for Non-mainland Territories ("TNP")	371	272	99	36.4
Remuneration for Renewable Energy Investment	35	20	15	75.0
Other electricity sales	6	5	1	20.0
Gas sales	632	769	(137)	(17.8)
Deregulated market sales	606	734	(128)	(17.4)
Sales at regulated prices	26	35	(9)	(25.7)
Regulated revenue from electricity distribution	524	550	(26)	(4.7)
Other sales and services rendered	169	156	13	8.3
<b>TOTAL</b>	<b>4,580</b>	<b>5,001</b>	<b>(421)</b>	<b>(8.4)</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

## Electricity sales in the deregulated market.

At 31 March 2020, ENDESA had 5,818,674 electricity customers in the deregulated market, similar to the number of customers at 31 December 2019 (-0.2%), as detailed below:

- 4,590,828 (-0.6%) in the Spanish mainland market.
- 861,323 (+0.2%) in the Non-Mainland Territories (“TNP”) market.
- 366,523 (+4.9%) in deregulated markets outside Spain.

ENDESA sold a net total of 18,608 GWh to these customers in the first quarter of 2020, a 2.4% decrease on the same quarter of 2019, as per the following breakdown:

- 15,989 GWh (-3.6%) in the Spanish deregulated market.
- 2,619 GWh (+6.0%) in deregulated markets outside Spain.

In economic terms, sales in the deregulated market in the first quarter of 2020 totalled Euros 2,239 million (-4.1%), as per the following breakdown:

- Sales in the Spanish deregulated market totalled Euros 1,966 million, Euros 109 million or -5.3% down on the figure for the same period of the previous year, due basically to the decline in the number of physical units sold.
- Revenue from sales to customers in deregulated markets outside Spain amounted to Euros 273 million, up by Euros 13 million (+5.0%) year on year, mainly due to increased in the numbers of customers and of physical units sold in Portugal.

#### **Sales of electricity at regulated prices.**

In the first quarter of 2020 ENDESA sold 2,913 GWh to customers to whom regulated prices applied, through its ‘supplier of reference’ subsidiary, 8.6% less than in the first quarter of 2019.

These sales entailed revenue of Euros 466 million, which was 21.7% lower than the figure for the first quarter of 2019, basically as a result of the decline in the number of physical units sold.

#### **Gas sales.**

At 31 March 2020, ENDESA had 1,654,012 gas customers, almost unchanged (+0.3%) from the number of customers at 31 December 2019, as per the following breakdown:

- 230,245 (+0.0%) in the regulated market.
- 1,423,767 (+0.4%) in the deregulated market.

ENDESA sold 20,903 GWh to customers in the natural gas market in the first quarter of 2020, which represents a decrease of 8.1% relative to the first quarter of 2019.

In economic terms, revenue from gas sales totalled Euros 632 million in the first quarter of 2020, down by Euros 137 million (-17.8%) on the figure for the first quarter of 2019, as per the following breakdown:

- Gas sales in the deregulated market totalled Euros 606 million, Euros 128 million (-17.4%) less than the figure for the first quarter of 2019, due basically to the decrease in the number of physical units sold and to the lower sales price in the “Business to Business” (B2B) market.
- Revenue from gas sales to customers at regulated prices amounted to Euros 26 million, Euros 9 million (-25.7%) less than in the first quarter of 2019, due basically to the decline in the number of physical units sold.

## Compensation for generation in Non-Mainland Territories ("TNP")

During the first quarter of 2020, compensation for the extra costs of generation in Non-Mainland Territories ("TNP") amounted to Euros 371 million, representing an increase of Euros 99 million (+36.4%) compared with the same period of the previous year, due basically to the evolution of production of energy and mainland market price.

## Electricity distribution.

During the first quarter of 2020, ENDESA distributed 28,394 GWh in the Spanish market, 2.6% less than in the first quarter of 2019.

Regulated revenue from the distribution activity during the first quarter of 2020 amounted to Euros 524 million, a reduction of Euros 26 million (-4.7%) compared to the same period last year.

## Other operating income.

The table below presents the detail of other operating income in the first quarter of 2020 and its variation compared with the same period in the previous year:

Millions of Euros

	Other Operating Income			
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Change in energy stocks derivatives	409	-	409	N/A
Grants released to income <sup>(2)</sup>	6	5	1	20.0
Allocation to Profit and Loss of Liabilities under Contracts with Customers	41	38	3	7.9
Trading rights	12	14	(2)	(14.3)
Third Party Indemnities	3	7	(4)	(57.1)
Others	18	20	(2)	(10.0)
<b>TOTAL</b>	<b>489</b>	<b>84</b>	<b>405</b>	<b>482.1</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

(2) For the period January-March 2020 this includes Euros 2 million relating to capital grants and Euros 4 million of operating grants (Euros 1 million and Euros 4 million respectively in the period January-March 2019).

In the first quarter of 2020, other operating income amounted to Euros 489 million, representing an increase of Euros 405 million (+482.1%) compared with the same period of the previous year, basically as a result of the Euros 409 million increase in income from the valuation and settlement of commodities, mainly, from the valuation and settlement of gas derivatives, which was partly offset by the Euros 301 million (+456.1%) increase in expenses for this same item recognised under Other Variable Procurements and Services in the Consolidated Income Statement (see Section 1.2.2. Operating Expenses in this Consolidated Management Report).

The derivatives and hedging transactions entered into by ENDESA basically concern transactions arranged to hedge foreign currency risk or the price risk on commodities (electricity, fuel and CO<sub>2</sub> emission rights) and their purpose is to eliminate or significantly reduce these risks in the underlying hedged transactions. In the current context, ENDESA has checked to make sure that they continue to meet the criteria established by the regulations for applying hedge accounting.

## 1.2.2. Operating costs.

Operating costs totalled Euros 3,951 million in the period January-March 2020, 13.4% less than in the same period of the previous year.

The table below presents the details of operating expenses in the first quarter of 2020 and their variation relative to the same period of the previous year:

Millions of Euros

	Operating expenses			
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Procurements and Services	3,455	3,632	(177)	(4.9)
Energy purchases	1,040	1,284	(244)	(19.0)
Fuel consumption	352	490	(138)	(28.2)
Transmission expenses	1,312	1,419	(107)	(7.5)
Other Variable Procurements and Services	751	439	312	71.1
Self-constructed Assets	(47)	(38)	(9)	23.7
Personnel expenses	(144)	258	(402)	(155.8)
Other Fixed Operating Expenses	329	305	24	7.9
Depreciation, Amortisation and Impairment Losses	358	406	(48)	(11.8)
<b>TOTAL</b>	<b>3,951</b>	<b>4,563</b>	<b>(612)</b>	<b>(13.4)</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

## Procurements and services (variable costs)

Procurements and services (variable costs) totalled Euros 3,455 million in the first quarter of 2020, 4.9% less than in the same period of the previous year.

The evolution of these costs in the first quarter of 2020 was as follows:

- Energy purchases decreased by Euros 244 million (-19.0%) to Euros 1,040 million as a consequence, basically, of the decrease in the arithmetic average price in the wholesale electricity market (Euros 34.9/MWh; -36.5%)
- Fuel consumption amounted to Euros 352 million, with a decrease of Euros 138 million (-28.2%) due to the lower thermal production of the period (-42.8%).
- Other Variable Procurements and Services in the Consolidated Income Statement totalled Euros 751 million, up by Euros 312 million (+71.1%) on the same period of the previous year. This change mainly reflects:

Millions of Euros

	Other Variable Procurements and Services			
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Change in energy stocks derivatives	367	66	301	456.1
Carbon dioxide (CO <sub>2</sub> ) emission rights	53	104	(51)	(49.0)
Tax on Electricity Production	68	-	68	N/A
Water Tax	11	11	-	-
Catalan Nuclear Tax	-	13	(13)	(100.0)
"Social Bonus" discount	12	6	6	100.0
Rate of Occupancy of the Public Road /Street lighting	45	51	(6)	(11.8)
Radioactive Waste Treatment	59	49	10	20.4
Nuclear Tax	32	33	(1)	(3.0)
Other	104	106	(2)	(1.9)
<b>TOTAL</b>	<b>751</b>	<b>439</b>	<b>312</b>	<b>71.1</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

This amount includes:

- The increase of Euros 301 million relative to the amount recognised in the first quarter of 2019 in expenses from the valuation and settlement of commodities, mainly, from the valuation and settlement of gas derivatives, which was partly offset by the Euros 409 million increase in income for this same item recognised under Other Operating Income in the Consolidated Income Statement (see Section 1.2.1. Revenue in this Consolidated Management Report).
- The increase of Euros 68 million in the Tax on Electricity Production due to the suspension of this tax during the first quarter of 2019 in accordance with Royal Decree Law 15/2018 of 5 October 2018.
- The decrease of Euros 51 million (-49.0%) in CO<sub>2</sub> emission rights due to the reduction in the average price (-9.2%) and the lower thermal production of the period (-42.8%).

## Fixed operating costs.

The table below presents the details of fixed operating costs in the first quarter of 2020 and their variation relative to the same period of the previous year:

Millions of Euros

	Fixed Operating Costs			
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Self-constructed Assets	(47)	(38)	(9)	23.7
Personnel expenses	(144)	258	(402)	(155.8)
Other Fixed Operating Expenses	329	305	24	7.9
<b>TOTAL</b>	<b>138</b>	<b>525</b>	<b>(387)</b>	<b>(73.7)</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

In the first quarter of 2020 fixed operating costs amounted to Euros 138 million, representing a decrease of Euros 387 million (-73.7%) compared with the first quarter of 2019. To analyse the changes during the first quarter of 2020, the following effects must be taken into account:

– Negotiation of the “V ENDESA Framework Collective Agreement”:

After more than two years of fruitless negotiations, on 4 December 2019, the majority trade union in ENDESA, General Workers Union (UGT), and ENDESA agreed to submit to a “binding equity arbitration” some of the most significant aspects discussed in the negotiation of the “V ENDESA Framework Collective Agreement”.

ENDESA and the majority union, the General Workers Union (UGT), agreed before the Interconfederal Mediation and Arbitration Service (“SIMA”) the procedure and matters subject to arbitration, and that the terms of the decision of the arbitrator would be incorporated into the Collective Agreement that was agreed upon. Following the appointment by common accord of Mr Manuel Pimentel Siles as sole arbitrator, the procedure was carried out during the months of December 2019 and January 2020 in the terms agreed by the parties, ending with the issue of a mandatory Arbitration Award on 21 January 2020.

In accordance with the agreement between the parties, the content of the Arbitration Award and other aspects resulting from the agreement at the negotiating table not submitted to arbitration were incorporated into the “V ENDESA Framework Collective Agreement” which was approved and signed by the Company and the Trade Union Section of the majority union General Workers' Union (UGT), effective from 23 January 2020. At the date of approval of this Consolidated Management Report it is pending publication in the Official State Gazette. On that same date, 23 January 2020, the new “Framework Agreement on Guarantees” and “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts” were signed, in this case by all unions represented in ENDESA.

The “V ENDESA Framework Collective Agreement” establishes changes to certain social benefits, basically the one corresponding to the electricity rate for employees, also including retired personnel, which led to the following accounting entries:

- Valuation of the previous actuarial liability for the uninsured defined benefit commitments as of the effective date of the “V ENDESA Framework Collective Agreement”, which had a net impact of Euros 10 million, positive, on the Consolidated Statement of Other Comprehensive Income for the period January-March 2020.
- Valuation of the new actuarial liability at the effective date of the “V ENDESA Framework Collective Agreement”, taking account of the new commitments assumed, mainly in relation to electricity supply, which had a positive impact of Euros 515 million on the Consolidated Income Statement for the period January-March 2020. (Euros 386 million net of the tax effect) (see Sections 1.1. Consolidated Results, 1.2. Analysis of results and 1.2.6. Income Tax of this Consolidated Management Report).

– Workforce restructuring plans:

- Recalculation of the present value of the provisions for workforce restructuring plans in force, also taking into account the stipulations of the “V ENDESA Framework Collective

Agreement”, which had a positive impact of Euros 43 million on the Consolidated Income Statement for the period January-March 2020 (Euros 12 million, negative, in the period January-March 2019).

- Recognition of a provision for an amount of Euros 159 million on the Consolidated Income Statement for the period January-March 2020 (Euros 119 million net of the tax effect) (see Sections 1.1. Consolidated Results, 1.2. Analysis of results and 1.2.6. Income Tax of this Consolidated Management Report) as a consequence of the communication made to the union representation regarding the waiver of the right to terminate individual agreements on suspension of the employment relationship for certain individual contracts signed with employees in the context of the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts”

Without taking into account the effects on personnel expenses described in the foregoing paragraphs, fixed operating costs for the first quarter of 2020 would have increased by Euros 24 million (+ 4.7%) compared with the same period of the previous year as a consequence, mainly, of the increases in repair and upkeep expenses and also, taxes and fees.

### Depreciation and amortisation and impairment losses.

The table below presents the details of depreciation and amortisation and impairment losses in the first quarter of 2020 and their variation relative to the same period of the previous year:

Millions of Euros				
	Depreciation, Amortisation and Impairment Losses			
	January - March 2020 (1)	January - March 2019 (1)	Difference	% Var.
<b>DEPRECIATION AND AMORTISATION</b>	<b>352</b>	<b>383</b>	<b>(31)</b>	<b>(8.1)</b>
Provision for the depreciation of property, plant and equipment	298	327	(29)	(8.9)
Provision for the amortisation of intangible assets	54	56	(2)	(3.6)
<b>IMPAIRMENT LOSSES</b>	<b>6</b>	<b>23</b>	<b>(17)</b>	<b>(73.9)</b>
<b>Non-Financial Assets</b>	<b>(18)</b>	<b>(1)</b>	<b>(17)</b>	<b>1,700.0</b>
Impairment of property, plant and equipment and investment property	(16)	(1)	(15)	1,500.0
Impairment of intangible assets	(2)	-	(2)	N/A
<b>Financial Assets</b>	<b>24</b>	<b>24</b>	<b>-</b>	<b>-</b>
Addition to provision for Impairment of Accounts Receivable from Contracts with Customers	22	23	(1)	(4.3)
Addition to provision for Impairment losses on other Financial Assets	2	1	1	100.0
<b>TOTAL</b>	<b>358</b>	<b>406</b>	<b>(48)</b>	<b>(11.8)</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

Depreciation and amortisation and impairment losses in the first quarter of 2020 amounted to Euros 358 million, Euros 48 million (-11.8%) less than in the same period of the previous year, basically as a consequence of the reduction in depreciation charges due to the value adjustments for impairment of the mainland coal-fired power plants recognised in 2019 in accordance with the decision adopted on 27 September 2019 to decommission them.

### 1.2.3. Net financial income/(expense).

Net financial income/(expense) in the first quarters of 2020 and 2019 was negative in the amounts of Euros 10 million and Euros 53 million respectively.

The table below presents the details of net financial income/(expense) in the first quarter of 2020 and their variation relative to the same period of the previous year:

Millions of Euros				
	Net Financial Income/(Expense) (1)			
	January - March 2020 (2)	January - March 2019 (2)	Difference	% Var.
<b>Net Financial Expense (3)</b>	<b>(8)</b>	<b>(55)</b>	<b>47</b>	<b>(85.5)</b>
Financial Income	31	5	26	520.0
Financial Expense	(39)	(60)	21	(35.0)
Net Exchange Differences	(2)	2	(4)	(200.0)
<b>TOTAL</b>	<b>(10)</b>	<b>(53)</b>	<b>43</b>	<b>(81.1)</b>

(1) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.

(2) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

(3) Net Financial Expense = Financial Income - Financial Expense.



In the first quarter of 2020, net financial expense totalled Euros 8 million, Euros 47 million (-85.5%) less than in the same period of the previous year.

In the first quarter of 2020, net exchange differences amounted to Euros 2 million, negative, (Euros 2 million, positive, in the first quarter of 2019).

In considering the evolution of net financial expense in the first quarter of 2020 the following effects need to be taken into account:

	Net Financial Expense <sup>(1)</sup>			
	January - March 2020 <sup>(2)</sup>	January - March 2019 <sup>(2)</sup>	Difference	% Var.
Expense in respect of Financial Liabilities at Amortised Cost	(33)	(33)	-	-
Income from Financial Assets at Amortised Cost	-	1	(1)	(100.0)
Update of Provisions for Workforce Restructuring Plans and Dismantling of Facilities	25	(19)	44	(231.6)
Other	-	(4)	4	(100.0)
<b>TOTAL</b>	<b>(8)</b>	<b>(55)</b>	<b>47</b>	<b>(85.5)</b>

(1) Net Financial Expense = Financial Income - Financial Expense.

(2) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

In the first quarter of 2020, the recalculation of the present value of provisions for current workforce restructuring plans and dismantling of facilities led to a decrease in financial expenses of Euros 44 million due to the evolution of interest rates.

Expenses in respect of financial liabilities at amortised cost held steady at Euros 33 million due to the combination of the following effects (see Section 4.1. Financial Management in this Consolidated Management Report):

- The lower average cost of gross financial debt, which fell from 1.8% in the first quarter of 2019 to 1.7% in the first quarter of 2020.
- The increase in average gross financial debt between the two periods, from Euros 7,438 million in the first quarter of 2019 to Euros 7,735 million in the first quarter of 2020.

#### 1.2.4. Net income of companies accounted for using the equity method.

In the first quarters of 2020 and 2019, companies accounted for using the equity method contributed net income of Euros 4 million and Euros 12 million respectively, broken down as follows:

	Net Profit/(Loss) of Companies accounted for using the Equity Method	
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>
<b>Associates</b>	-	5
Tecnatom, S.A.	-	2
Gorona del Viento El Hierro, S.A.	-	1
Others	-	2
<b>Joint Ventures</b>	4	7
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	2	3
Others	2	4
<b>TOTAL</b>	<b>4</b>	<b>12</b>

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

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

In the first quarters of 2020 and 2019, the result on the sale of assets amounted to Euros 6 million and Euros 8 million respectively, both negative, and consisted fundamentally of factoring commissions paid.

#### 1.2.6. Corporate income tax.

In the first quarter of 2020, corporate income tax expense amounted to Euros 260 million, Euros 153 million (+143.0%) more than the amount recognised for the first quarter of 2019, mainly as a result of the impact of the "V ENDESA Framework Collective Agreement" and certain provisions for workforce restructuring relating to the "Agreement on Voluntary Measures for the Suspension or Termination of



Employment Contracts", amounting to Euros 356 million, with a tax effect amounting to Euros 89 million (see Section 1.2.2. Operating Costs in this Consolidated Management Report).

The effective rate in the period January to March 2020 was 23.5% (22.6% in January-March 2019).

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 is not impacted by legislative changes affecting Income tax.

### 1.2.7. Net Income

Net income attributable to the Parent in the first quarter of 2020 came to Euros 844 million, an increase of Euros 481 million (+132.5%) compared with the amount obtained in the same period of the previous year.

Net ordinary income attributable to the Parent in the first quarter of 2020 amounted to Euros 831 million (+128.9%), as per the following breakdown:

Millions of Euros					
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.	
<b>Net Income <sup>(2)</sup></b>	<b>844</b>	<b>363</b>	<b>481</b>	<b>132.5</b>	
Net Reversals of Impairment Losses on Non-Financial Assets <sup>(3)</sup>	(13)	-	(13)	N/A	
<b>Net ordinary income <sup>(4)</sup></b>	<b>831</b>	<b>363</b>	<b>468</b>	<b>128.9</b>	

(1) See the Consolidated Income Statements for the periods January - March 2020 and 2019.

(2) Net Income = Net Income of the Parent Company.

(3) Greater than Euros 10 million.

(4) Net ordinary income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over Euros 10 million) - Net Impairment Losses on Non-Financial Assets (over Euros 10 million).

### 1.3. Results by Segment.

The following is a breakdown of the most significant figures in the Consolidated Income Statement among ENDESA's Businesses during the first quarters of 2020 and 2019:

Millions of Euros							
	January - March 2020						
	Generation and Supply				Distribution	Structure and Others <sup>(1)</sup>	Total
	Generation in Non-Mainland Territories ("TNP")	Other generation and supply	Adjustments	Total			
<b>Income</b>	<b>496</b>	<b>4,113</b>	<b>(150)</b>	<b>4,459</b>	<b>656</b>	<b>(46)</b>	<b>5,069</b>
Revenue from sales	495	3,679	(151)	4,023	592	(35)	4,580
Other Operating Income	1	434	1	436	64	(11)	489
<b>Procurements and Services</b>	<b>(345)</b>	<b>(3,247)</b>	<b>149</b>	<b>(3,443)</b>	<b>(43)</b>	<b>31</b>	<b>(3,455)</b>
<b>Contribution Margin <sup>(2)</sup></b>	<b>151</b>	<b>866</b>	<b>(1)</b>	<b>1,016</b>	<b>613</b>	<b>(15)</b>	<b>1,614</b>
Self-constructed Assets	-	15	-	15	29	3	47
Personnel expenses	(8)	80	-	72	118	(46)	144
Other Fixed Operating Expenses	(50)	(255)	1	(304)	(93)	68	(329)
<b>EBITDA <sup>(3)</sup></b>	<b>93</b>	<b>706 <sup>(8)</sup></b>	<b>-</b>	<b>799</b>	<b>667</b>	<b>10</b>	<b>1,476</b>
Depreciation, Amortisation and Impairment Losses	(28)	(157)	-	(185)	(159)	(14)	(358)
<b>EBIT <sup>(4)</sup></b>	<b>65</b>	<b>549</b>	<b>-</b>	<b>614</b>	<b>508</b>	<b>(4)</b>	<b>1,118</b>
<b>Net Financial Income/(Expense) <sup>(5)</sup></b>	<b>(4)</b>	<b>(9)</b>	<b>-</b>	<b>(13)</b>	<b>(6)</b>	<b>9</b>	<b>(10)</b>
<b>Income before Tax</b>	<b>61</b>	<b>538</b>	<b>-</b>	<b>599</b>	<b>502</b>	<b>5</b>	<b>1,106</b>
<b>Net Income <sup>(6)</sup></b>	<b>52</b>	<b>412</b>	<b>-</b>	<b>464</b>	<b>379</b>	<b>1</b>	<b>844</b>
<b>Net ordinary income <sup>(7)</sup></b>	<b>52</b>	<b>399</b>	<b>-</b>	<b>451</b>	<b>379</b>	<b>1</b>	<b>831</b>

(1) Structure, Services and Adjustments.

(2) Contribution margin = Income - Procurements and Services.

(3) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.

(4) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.

(5) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.

(6) Net Income = Net Income of the Parent Company.

(7) Net ordinary income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over Euros 10 million) - Net Impairment Losses on Non-Financial Assets (over Euros 10 million).

(8) Includes the EBITDA of ENEL Green Power España, S.L.U. (EGPE) amounting to Euros 51 million.

Millions of Euros

	January - March 2019						
	Generation and Supply				Distribution	Structure and Others <sup>(1)</sup>	Total
	Generation in Non-Mainland Territories ("TNP")	Other generation and supply	Adjustments	Total			
Income	459	4,226	(231)	4,454	686	(55)	5,085
Revenue from sales	455	4,198	(231)	4,422	619	(40)	5,001
Other Operating Income	4	28	-	32	67	(15)	84
Procurements and Services	(328)	(3,531)	229	(3,630)	(43)	41	(3,632)
Contribution Margin <sup>(2)</sup>	131	695	(2)	824	643	(14)	1,453
Self-constructed Assets	1	6	-	7	29	2	38
Personnel expenses	(23)	(110)	-	(133)	(75)	(50)	(258)
Other Fixed Operating Expenses	(47)	(234)	2	(279)	(96)	70	(305)
EBITDA <sup>(3)</sup>	62	357 <sup>(8)</sup>	-	419	501	8	928
Depreciation, Amortisation and Impairment Losses	(35)	(193)	-	(228)	(163)	(15)	(406)
EBIT <sup>(4)</sup>	27	164	-	191	338	(7)	522
Net Financial Income/(Expense) <sup>(5)</sup>	(6)	(26)	-	(32)	(19)	(2)	(53)
Income before Tax	20	143	-	163	319	(9)	473
Net Income <sup>(6)</sup>	21	107	-	128	242	(7)	363
Net ordinary income <sup>(7)</sup>	21	107	-	128	242	(7)	363

(1) Structure, Services and Adjustments.

(2) Contribution margin = Revenue - Procurements and Services.

(3) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.

(4) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.

(5) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.

(6) Net Income = Net Income of the Parent Company.

(7) Net ordinary income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over Euros 10 million) - Net Impairment Losses on Non-Financial Assets (over Euros 10 million).

(8) Includes the EBITDA of ENEL Green Power España, S.L.U. (EGPE) amounting to Euros 65 million.

### 1.3.1. Contribution Margin

#### Generation and Supply Segment.

The contribution margin of the Generation and Supply Segment in the first quarter of 2020 amounted to Euros 1,016 million, representing an increase of Euros 192 million (+ 23.3%) compared with the same period of the previous year, fundamentally as a consequence of the decrease in electricity prices, the arithmetic average price of wholesale market, which stood at Euros 34.9/MWh (-36.5%) and of the lower thermal production of the period (-42.8%).

#### Distribution Segment.

The contribution margin of the Distribution Segment in the first quarter of 2020 amounted to Euros 613 million, representing a decrease of Euros 30 million (-4.7%) compared with the same period of the previous year, due mainly to the Euros 26 million (-4.7%) reduction in regulated income from the distribution activity.

#### Structure and Others.

The contribution margin of Structure and Others in the first quarter of 2020 was Euros 15 million, negative, in line with the amount for the same period of 2019.

### 1.3.2. EBITDA

#### Generation and Supply Segment.

EBITDA for this segment amounted to Euros 799 million, (+90.7%) in the first quarter of 2020. The following factors must be taken into account when looking at EBITDA for the first quarter of 2020:

- The 23.3% increase in the contribution margin.
- The income recognised as a consequence of the changes in social benefits, due to the entry into force of the "V ENDESA Framework Collective Agreement", for an amount of Euros 215 million.

- The update of the provisions for current workforce restructuring plans (Euros 16 million, positive, in the first quarter of 2020 and Euros 6 million, negative, in the first quarter of 2019).
- The provisioning of Euros 29 million in respect of workforce restructuring in the context of the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts”.

### Distribution Segment.

For the first quarter of 2020, EBITDA for this Segment was Euros 667 million (+33.1%), including *inter alia*:

- The negative evolution of the contribution margin (-4.7%).
- The income recognised as a consequence of the changes in social benefits, due to the entry into force of the “V ENDESA Framework Collective Agreement”, for an amount of Euros 269 million.
- The update of the provisions for workforce restructuring plans (Euros 7 million, positive, in the first quarter of 2020 and Euros 4 million, negative, in the first quarter of 2019).
- The provisions of Euros 91 million in respect of workforce restructuring in the context of the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts”.

### Structure and Others.

EBITDA for the first quarter of 2020 of Structure and Others came to Euros 10 million, positive, representing an increase of Euros 2 million (+25.0%) relative to the same period of the previous year (Euros 8 million, positive) and includes, *inter alia*:

- The income recognised as a consequence of the changes in social benefits, due to the entry into force of the “V ENDESA Framework Collective Agreement”, for an amount of Euros 31 million.
- The update of the provisions for current workforce restructuring plans (Euros 20 million, positive, in the first quarter of 2020 and Euros 2 million, negative, in the first quarter of 2019).
- The provisioning of Euros 39 million in respect of workforce restructuring in the context of the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts”.

### 1.3.3. EBIT

#### Generation and Supply Segment.

In the first quarter of 2020, EBIT of the Generation and Supply Segment was Euros 614 million (+221.5%), mainly as a result of:

- A 90.7% increase in EBITDA.
- The decrease of Euros 43 million (-18.9%) in Depreciation, Amortisation and Impairment Losses in the Consolidated Income Statement as a consequence, fundamentally, of the reduction in the depreciation charge due to the value adjustment for impairment of the mainland coal-fired thermal power plants recognised in 2019 in accordance with the decision adopted to decommission them.

#### Distribution Segment.

EBIT for the Distribution Segment in the first quarter of 2020 grew by Euros 170 million (+50.3%) relative to the same period of the previous year, mainly as a result of the 33.1% increase in EBITDA.

## Structure and Others.

EBIT of the Structure and Others Segment for the first quarter of 2020 improved by Euros 3 million, due basically to the positive evolution of EBITDA.

## 2. Other information.

### 2.1. Scope of Consolidation.

In the first quarter of 2020, the following transactions were carried out:

Transaction	Date	Activity	Stake at 31 March 2020 (%)		Stake at 31 December 2019 (%)		
			Control	Ownership	Control	Ownership	
Empresa de Alumbrado Eléctrico de Ceuta, S.A. <sup>(1)</sup>	Acquisition	18 February 2020	Supply and Distribution	96.37	96.37	96.29	96.29
Energía Ceuta XXI Comercializadora de Referencia, S.A.U. <sup>(1)</sup>	Acquisition	18 February 2020	Supply	100.00	96.37	100.00	96.29
Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A.U. <sup>(1)</sup>	Acquisition	18 February 2020	Distribution	100.00	96.37	100.00	96.29
Hidromondego - Hidroeléctrica do Mondego, Lda. <sup>(2)</sup>	Final winding up	12 March 2020	Electricity production and retailing	-	-	100.00	100.00

(1) Interest acquired by ENDESA Red, S.A.U. for an amount of less than Euros 1 million.

(2) The gross profit generated amounted to Euros 2 million.

### 2.2. Dividends.

The Board of Directors of ENDESA, S.A. operates an economic-financial strategy aimed at generating a significant amount of cash that allows the Company on the one hand to hold its level of debt steady and on the other to 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, unless any exceptional circumstances arise, which will be duly announced, at a meeting on 26 November 2019 the Board of Directors of ENDESA, S.A. approved the following shareholder remuneration policy for 2019-2022:

- Financial years 2019 to 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 financial year 2021, 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 80% of the net ordinary income attributable to the Parent Company as per the Group's Consolidated Financial Statements.
- For financial year 2022, 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 Company as per the Group's Consolidated Financial Statements.

The intention of the Board of Directors is that the ordinary dividend will 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, and 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.

With regard to the year 2019, at its meeting held on 26 November 2019, the Board of Directors of ENDESA, S.A. resolved to distribute to its shareholders an interim dividend from 2019 profits in a gross

amount of Euros 0.70 per share, for a total of Euros 741 million, which was paid on 2 January 2020 (See Sections 4.1. Financial Management and 4.2. Cash Flows in this Consolidated Management Report).

The proposed appropriation of profit for 2019 to be presented by the Board of Directors of ENDESA, S.A. for approval at the General Shareholders' Meeting to be held on 5 May 2020 will be a total gross dividend of Euros 1.475 per share, for a total of Euros 1,562 million.

Taking into account the interim dividend referred to in the foregoing paragraph, the complementary dividend in respect of 2019 will be a gross amount of Euro 0.775 per share.

### **3. Regulatory Framework.**

From a regulatory perspective, the main highlights during the period were as follows:

#### **Electricity tariff for 2020.**

Order TEC/1258/2019 of 20 December 2019 establishing access tariffs for 2020 was published in the Official State Gazette on 28 December 2019. In accordance with said Order, the access tariffs remain unchanged until the entry into force of the tariffs set by the National Commission on Markets and Competition (CNMC).

#### **Natural gas tariff for 2020.**

On 28 December 2019, Order TEC/1259/2019 of 20 December 2019 was published in the Official State Gazette (BOE), establishing access tariffs for gas for 2020, which remain unchanged, and on 30 December 2019 the Resolution of 23 December of the General Directorate for Energy Policy and Mines was published in the BOE, establishing the Last Resort Tariff (TUR in the Spanish abbreviation) for natural gas applicable from 1 January 2020, implying an average reduction of 3.3% for TUR1 and 4.2% for TUR2 due to lower raw material costs.

#### **Energy Efficiency.**

Order TED/287/2020 of 23 March 2020 establishes a contribution by ENDESA to the National Fund for Energy Efficiency of Euros 28 million in respect of its 2020 obligations.

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

On 23 January 2020, the Ministry for the Ecological Transition and the Demographic Challenge published the Strategic Environmental Study of the Draft of the Integrated National Energy and Climate Plan (PNIEC) 2021-2030, opening a period of public consultation.

#### **Order revising the remuneration parameters for facilities under specific remuneration regimes.**

Order TED/171/2020 of 24 February 2020, published in the Official State Gazette on 28 February 2020, updates the remuneration parameters for standard facilities applicable to certain facilities producing electricity from renewable energy sources, cogeneration and waste, for application to the regulatory period starting on 1 January 2020. This Order updates the values that will be applicable in the second regulatory period (2020-2025) for the various parameters that determine the remuneration of these facilities, in accordance with the methodology established in the relevant general regulations, and without prejudice to the periodic update mechanisms established therein. The values of the different parameters are applicable from 1 January 2020, in accordance with the provisions of Royal Decree Law 17/2019 of 22 November 2019. The Order also approves the market price provided for each year of the 2020-2022 semi-period.

## **Draft of the Seventh General Radioactive Waste Plan.**

On 16 March 2020, the Ministry for the Ecological Transition and the Demographic Challenge announced that it had received from ENRESA (the national radioactive waste management agency) the Draft of the Seventh General Radioactive Waste Plan, which it will start to study and process. This procedure includes the environmental assessment, the public information process to receive input from civil society and the mandatory consultations with the Nuclear Safety Council and the Autonomous Regions. Subsequently, the Ministry for the Ecological Transition and the Demographic Challenge will carry out a technical analysis of the complete file to formulate the Strategic Environmental Declaration of the General Radioactive Waste Plan, a step prior to its approval by the Council of Ministers. Subsequently, it must be reported to Parliament and will also be forwarded to the European Commission, in compliance with the EU directive on radioactive waste management.

## **Declaration of the state of alarm as a consequence of the advance of COVID-19 and regulatory measures approved.**

On 11 March 2020, the World Health Organisation (WHO) raised the level of the public health emergency caused by COVID-19 to that of a pandemic. The rapid evolution of events, at the national and international levels, requires the adoption of immediate and effective measures to face this situation. The extraordinary circumstances prevailing constitute without a doubt an unprecedented health crisis of enormous magnitude, due both to the large number of citizens affected and the extraordinary risk to their rights. As a consequence, on 14 March 2020, Royal Decree 463/2020 of 14 March 2020 was published in the Official State Gazette, declaring a state of alarm for the management of the health crisis situation caused by COVID-19.

At the same time, and in order to counteract the economic and social impact of this exceptional situation, the Spanish government approved a series of legislative provisions encompassing various measures on all fronts to face this impact. Specifically, and among others, 18 March 2020 saw the publication of Royal Decree Law 8/2020 of 17 March 2020 on extraordinary urgent measures to face the economic and social impact of COVID-19, and on 1 April 2020, Royal Decree Law 11/2020 of 31 March 2020 was published, adopting urgent complementary measures in the social and economic fields to deal with COVID-19.

With regard to the Electricity Sector, the most relevant urgent measures adopted are the following:

- **Social Bonus:** The validity of the ‘Social Bonus’ (special reduced rate for electricity) is extended until 15 September 2020 for beneficiaries for whom the 2-year period of validity established in Royal Decree 897/2017 of 6 October 2017 expires before that date. At the same time, the right to the Social Bonus is extended to customers with supply points in their name, or any member of their family unit, with the status of self-employed or self-employed professionals, and who are entitled to benefit because they have had to cease their activity or have seen their billing significantly reduced, and meet certain income levels in the immediately preceding year, this right being limited to the period for which these circumstances persist, with a maximum of 6 months.
- **Guarantee of supply:** During the month following the entry into force of Royal Decree Law 8/2020 of 17 March 2020, the supply of electricity, water and natural gas to consumers who have the status of vulnerable, highly vulnerable or at risk of social exclusion in accordance with the criteria laid down in Royal Decree 897/2017 of 6 October 2017, may not be cut off. This arrangement will have a validity of one month, although it may be extended by Royal Decree Law. Notwithstanding the foregoing, Royal Decree Law 11/2020 of 31 March 2020 extended this guarantee, establishing that, during the state of alarm, the supply of electricity, water, natural gas and other petroleum derivatives to natural persons in their habitual residence may not be cut off except for reasons of safety of supply, people and facilities.
- **Flexibility measures for electricity supply contracts of self-employed and businesses:** During the state of alarm, self-employed persons and businesses with supply points in their name may suspend or amend their contracts in order to contract another alternative offer with their supplier to adapt to new consumption guidelines, without charge or penalty. They may also change power or access toll. When the state of alarm ends, there will be a period of 3 months to reactivate the contract or modify the power, which will be carried out at no cost, except in certain situations. In



future General State Budget Laws approved after the entry into force of Royal Decree Law 11/2020, of 31 March 2020, the corresponding items will be included to compensate the Electricity Sector for the reduction in income that these measures entail. Similar measures are contemplated for the Natural Gas Sector.

- Suspension of supply invoices: During the state of alarm, self-employed persons and SMEs with supply points in their name may ask their supplier or distributor as the case may be, by remote (non-physical) means, to suspend payment of bills corresponding to billing periods that contain days covered by the state of alarm. In this case, the supplier will be exempt from paying transmission and distribution tolls to the distributor until such time as the customer pays the bill in full. The supplier will also be exempt from paying VAT, the special tax on electricity, and, where applicable, the special tax on hydrocarbons for electricity generation until the customer pays the full invoice or until 6 months have elapsed from the end of the state of alarm. Once the state of alarm is over, the debt will be regularised in equal parts in the invoices of the billing periods that make up the following 6 months. Likewise, suppliers who see their income reduced, or distributors whose toll income is reduced, may request the guarantees defined in Royal Decree Law 8/2020 of 17 March 2020 or any other line created for this purpose.
- Rights of access: The term is extended for those access rights that expired on 31 March 2020 and the new term is set at 2 months after the end of the state of alarm or its extensions.

In this context, likewise, through Order SND/260/2020 of 19 March 2020, the activation of the interruptibility demand management service for economic (as opposed to technical) reasons has been suspended while the state of alarm is in force.

## 4. Liquidity and Capital Resources.

### 4.1. Financial Management

#### Financial debt.

At 31 March 2020, ENDESA's net financial debt stood at Euros 7,376 million, an increase of Euros 999 million (+15.7%) compared with 31 December 2019.

The reconciliation of ENDESA's gross and net financial debt at 31 March 2020 and 31 December 2019 is as follows:

Millions of Euros					
	Reconciliation of Financial Debt				
	31 March 2020 <sup>(1)</sup>	31 December 2019 <sup>(1)</sup>	Difference	% Var.	
Non-current financial debt	5,998	5,652	346	6.1	
Current financial debt	1,576	955	621	65.0	
<b>Gross Financial Debt <sup>(2)</sup></b>	<b>7,574</b>	<b>6,607</b>	<b>967</b>	<b>14.6</b>	
Cash and Cash Equivalents	(191)	(223)	32	(14.3)	
Financial derivatives recognised in Financial Assets	(7)	(7)	-	-	
<b>Net Financial Debt</b>	<b>7,376</b>	<b>6,377</b>	<b>999</b>	<b>15.7</b>	

(1) See the Consolidated Statements of Financial Position at 31 March 2020 and 31 December 2019.

(2) At 31 March 2020, this includes Euros 27 million corresponding to financial derivatives recognised under financial liabilities (Euros 7 million at 31 December 2019).

In analysing the evolution of net financial debt it must be borne in mind that on 2 January 2020 ENDESA, S.A. paid its shareholders an interim dividend against 2019 results of Euros 0.7 per share (gross), for a pay-out of Euros 741 million (see Sections 2.2. Dividends and 4.2. Cash Flows in this Consolidated Management Report).

The structure of ENDESA's gross financial debt at 31 March 2020 and 31 December 2019 was as follows:

Millions of Euros

	Structure of Gross Financial Debt			
	31 March 2020	31 December 2019	Difference	% Var.
Euros	7,465	6,498	967	14.9
US dollar (USD)	109	109	-	-
<b>TOTAL</b>	<b>7,574</b>	<b>6,607</b>	<b>967</b>	<b>14.6</b>
Fixed rate	4,673	4,639	34	0.7
Floating rate	2,901	1,968	933	47.4
<b>TOTAL</b>	<b>7,574</b>	<b>6,607</b>	<b>967</b>	<b>14.6</b>
Average Life (years) <sup>(1)</sup>	4.9	5.2	-	-
Average Cost (%) <sup>(2)</sup>	1.7	1.8	-	-

(1) Average Life of the Gross Financial Debt (number of years) = (Principal \* Number of Days of Validity) / (Principal Outstanding at the Close of the Period \* Number of Days in the Period).

(2) Average Cost of Gross Financial Debt (%) = Cost of Gross Financial Debt / Average Gross Financial Debt.

At 31 March 2020, gross financial debt at fixed rates was 62% while the remaining 38% corresponded to variable rates. At this date, 99% of the gross financial debt was denominated in euros.

At 31 March 2020, the breakdown of the nominal value of borrowings, excluding derivatives by maturity, was as follows:

Millions of Euros

	Carrying amount 31 March 2020 <sup>(1)</sup>	Nominal Value		Maturities				
		Current	Non-current	2020	2021	2022	2023	Subsequent
Bonds and other negotiable securities	1,410	1,390	12	1,390	-	-	-	12
Bank borrowings	2,359	98	2,263	62	92	606	190	1,411
Other financial liabilities	3,778	88	3,690	62	91	70	54	3,501
<b>TOTAL</b>	<b>7,547</b>	<b>1,576</b>	<b>5,965</b>	<b>1,514</b>	<b>183</b>	<b>676</b>	<b>244</b>	<b>4,924</b>

(1) Not including Euros 27 million corresponding to financial derivatives.

Certain ENDESA companies' loans and borrowings contain the usual covenants in this type of agreement. At the date of approval of this Consolidated Management Report, there has been no variation with respect to what is described in the Consolidated Financial Statements for the year ended 31 December 2019 in relation to the status of compliance with financial obligations or any type of obligation that could give rise to an early maturity of its financial commitments.

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

Similarly, ENDESA has not amended, renegotiated or cancelled any clauses contained in lease agreements in which it acts as lessor and/or lessee, and therefore in contracts in which ENDESA acts as lessee, neither the right-of-use asset nor the liability represented by the present value of the obligation to make the lease payments during the term thereof has been modified.

### Main financial transactions.

In the first quarter of 2020, ENDESA maintained the Euro Commercial Paper (ECP) programme through ENDESA, S.A., and the outstanding balance at 31 March 2020 was Euros 1,390 million, renewable with the backing of irrevocable bank credit lines.

The financial markets to which ENDESA regularly recurs have reacted with a significant rise in risk aversion (see Section 5. COVID-19 Health Crisis of this Consolidated Management Report).

In order to strengthen its liquidity position and ensure the continuity of business activity, the following financial operations have been negotiated, some of them already formalized as of the date of approval of this Consolidated Management Report:



Millions of Euros

	Counterparty	Date of Signing	Expiry Date	Amount
Loan	Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	300
Credit Line	Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	250
Credit Line <sup>(1) (2)</sup>	Ibercaja Banco, S.A.	7 May 2020	30 April 2022	50
Intercompany Credit Line <sup>(2)</sup>	ENEL Finance International, N.V.	7 May 2020	6 May 2022	700
<b>TOTAL</b>				<b>1,300</b>

(1) Existing credit line renewed at the date of signing and increased by Euros 50 million.

(2) Transaction pending signing at the date of approval of this Consolidated Management Report.

## Liquidity.

At 31 March 2020, ENDESA had liquidity of Euros 2,915 million (Euros 3,300 million at 31 December 2019) as detailed below:

Millions of Euros

	Liquidity			
	31 March 2020	31 December 2019	Difference	% Var.
Cash and Cash Equivalents	191	223	(32)	(14.3)
Unconditional availability in credit lines <sup>(1)</sup>	2,724	3,077	(353)	(11.5)
<b>TOTAL</b>	<b>2,915</b>	<b>3,300</b>	<b>(385)</b>	<b>(11.7)</b>
Debt Maturity Coverage (number of months) <sup>(2)</sup>	23	26	(3)	(11.5)

(1) At 31 March 2020 and 31 December 2019, Euros 1,000 million corresponded to the available committed and irrevocable credit line arranged with ENEL Finance International, N.V.

(2) Coverage of debt maturities (number of months) = Maturity period (number of months) of core debt that could be covered with the liquidity available.

ENDESA has a sound financial position and unconditional credit lines contracted with top-level institutions for significant amounts. This, together with the implementation of specific plans to improve and efficiently manage liquidity, is expected to enable the company to deal with the impact of the difficult economic situation.

Treasury investments considered as cash and cash equivalents are highly liquid and entail no risk of changes in value, mature within 3 months of their contract date and accrue interest at the market rates for such instruments.

## Leverage.

The level of consolidated leverage is defined as an indicator for monitoring the financial situation, data at 31 March 2020 and 31 December 2019 being as follows:

Millions of Euros

	Leverage		
	31 March 2020 <sup>(1)</sup>	31 December 2019 <sup>(1)</sup>	% Var.
<b>Net Financial Debt:</b>	<b>7,376</b>	<b>6,377</b>	<b>15.7</b>
Non-current Financial Debt	5,998	5,652	6.1
Current Financial Debt	1,576	955	65.0
Cash and Cash Equivalents	(191)	(223)	(14.3)
Financial Derivatives Recognised in Financial Assets	(7)	(7)	-
<b>Equity:</b>	<b>8,742</b>	<b>7,837</b>	<b>11.5</b>
Of the Parent	8,591	7,688	11.7
Of Non-Controlling Interests	151	149	1.3
<b>Leverage (%) <sup>(2)</sup></b>	<b>84.37</b>	<b>81.37</b>	<b>N/A</b>

(1) See the Consolidated Statements of Financial Position at 31 March 2020 and 31 December 2019.

(2) Leverage (%) = Net Financial Debt/Equity.

## Credit Rating.

ENDESA's credit ratings are as follows:

	Credit Rating					
	31 March 2020 <sup>(1)</sup>			31 December 2019 <sup>(1)</sup>		
	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook
Standard & Poor's	BBB+	A-2	Stable	BBB+	A-2	Stable
Moody's	Baa2	P-2	Positive	Baa2	P-2	Positive
Fitch	A-	F2	Stable	A-	F2	Stable

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

ENDESA's credit rating is strongly influenced by the rating of its parent company ENEL in accordance with the methods used by the rating agencies, and at the date of approval of this Consolidated Management Report it is classified as "investment grade" by all the rating agencies.

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

## 4.2. Cash Flows.

At 31 March 2020 and 31 December 2019, the amount of cash and cash equivalents breaks down as follows (see Section 4.1. Financial Management in this Consolidated Management Report):

Millions of Euros				
	Cash and Cash Equivalents			
	31 March 2020 <sup>(1)</sup>	31 December 2019 <sup>(1)</sup>	Difference	% Var.
Cash in Hand and at Banks	191	223	(32)	(14,3)
Other Cash Equivalents	-	-	-	-
<b>TOTAL</b>	<b>191</b>	<b>223</b>	<b>(32)</b>	<b>(14,3)</b>

(1) See the Consolidated Statements of Financial Position as of 31 March 2020 and 31 December 2019.

In the first quarters of 2020 and 2019, ENDESA's net cash flows, classified by activities (operating, investing and financing) were as follows:

Millions of Euros				
	Statement of cash flows			
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Net cash flows from operating activities	276	335	(59)	(17,6)
Net cash flows from/(used in) investing activities	(508)	(527)	19	(3,6)
Net cash flows from financing activities	200	183	17	9,3

(1) See the Consolidated Statements of Cash Flows for the three-month periods ended 31 March 2020 and 2019.

In the first quarter of 2020, net cash flows generated by operating activities (Euros 276 million), net cash flows from financing activities (Euros 200 million) and the Euros 32 million reduction in cash and cash equivalents covered the net cash flows used in investing activities (Euros 508 million).

### Net cash flows from operating activities

In the first quarter of 2020, net cash flows from operating activities amounted to Euros 276 million (Euros 335 million in the first quarter of 2019), with the following breakdown:

Millions of Euros				
	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>	Difference	% Var.
Profit before tax and non-controlling interests	1,106	473	633	133,8
Adjustments for:	(82)	522	(604)	(115,7)
Depreciation and amortisation and impairment losses	358	406	(48)	(11,8)
Other adjustments (net)	(440)	116	(556)	(479,3)
Changes in working capital:	(759)	(611)	(148)	24,2
Trade and other receivables	(57)	(168)	111	(66,1)
Inventories	(219)	(94)	(125)	133,0
Current financial assets	(166)	(71)	(95)	133,8
Trade Payables and Other Current Liabilities	(317)	(278)	(39)	14,0
Other cash flows from/(used in) operating activities:	11	(49)	60	(122,4)
Interest received	4	5	(1)	(20,0)
Dividends received	1	-	1	N/A
Interest paid	(13)	(8)	(5)	62,5
Corporate Income tax paid	74	36	38	105,6
Other proceeds from/(payments for) operating activities <sup>(2)</sup>	(55)	(82)	27	(32,9)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>276</b>	<b>335</b>	<b>(59)</b>	<b>(17,6)</b>

(1) See the Consolidated Cash Flow Statement for the periods January-March 2020 and 2019.

(2) Corresponding to payments of provisions.

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

- The higher profit before tax and non-controlling interests net of depreciation and amortisation and other adjustments for the period (Euros 29 million).
- Changes in working capital between the two periods amounting to Euros 148 million, mainly as a result of increased payments to trade creditors (Euros 39 million), the positive evolution of trade and other receivables (Euros 111 million), increased payments for inventories (Euros 125 million) and greater amounts of compensation received for extra costs of generation in Non-Mainland Territories (“TNP”) (Euros 24 million).
- The variation in the payment of Corporate Income Tax between the two periods amounting to Euros 38 million.

In the first quarter of 2020, the Company 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 terms with suppliers.

At 31 March 2020, 31 December 2019 and 31 March 2019, working capital comprised the following items:

Millions of Euros

Sections	Working Capital		
	31 March 2020	31 December 2019	31 March 2019
<b>Current Assets <sup>(1)</sup></b>	<b>6,629</b>	<b>5,877</b>	<b>5,726</b>
Inventories	1,245	1,177	1,450
Trade and other receivables	3,962	3,485	3,168
Current financial assets	1,422	1,215	1,108
Compensation for Extra Costs of Generation in Non-Mainland Territories (“TNP”)	716	561	688
Collection Rights for the Financing of the Deficit of Regulated Activities	392	389	239
Remuneration of Distribution Activity	190	178	102
Others	124	87	79
<b>Current Liabilities <sup>(2)</sup></b>	<b>6,760</b>	<b>7,510</b>	<b>5,709</b>
Current provisions	634	576	670
Trade Payables and Other Current Liabilities	6,126	6,934	5,039
Parent Company Dividend	2.2 and 4.1	741	-
Others	6,126	6,193	5,039

(1) Excluding Cash and cash equivalents and financial derivative assets corresponding to financial debt.

(2) Excluding Current Financial Debt and financial derivative liabilities corresponding to financial debt.

### Net cash flows used in investing activities

In the first quarter of 2020, net cash flows used in investment activities amounted to Euros 508 million (Euros 527 million in the first quarter of 2019) and included, *inter alia*, net cash payments for the acquisition of property, plant and equipment and intangible assets:

Millions of Euros

Sections	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>
<b>Acquisition of property, plant and equipment and intangible assets</b>	<b>(409)</b>	<b>(451)</b>
Acquisition of property, plant and equipment <sup>(2)</sup>	(187)	(347)
Acquisition of intangible assets	(36)	(29)
Facilities transferred from customers	5	9
Suppliers of property, plant and equipment	(191)	(84)
<b>Proceeds from sales of property, plant and equipment and intangible assets</b>	<b>1</b>	<b>5</b>
<b>Grants and other deferred income</b>	<b>15</b>	<b>10</b>
<b>TOTAL</b>	<b>(393)</b>	<b>(436)</b>

(1) See the Consolidated Statements of Cash Flows for the three-month periods ended 31 March 2020 and 2019.

(2) In the January-March 2020 period, it does not include recognition of right-of-use assets amounting to Euros 45 million.

## Net cash flows used in financing activities.

In the first quarter of 2020, net cash flows used in financing activities came to Euros 200 million, positive (Euros 183 million, positive in the first quarter of 2019), and included the following:

### – Drawdowns of non-current financial debt:

Millions of Euros

	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>
Drawdowns of the European Investment Bank (EIB) Green Loan	-	335
Drawdowns of credit lines	350	-
<b>TOTAL</b>	<b>350</b>	<b>335</b>

(1) See the Consolidated Statements of Cash Flows for the three-month periods ended 31 March 2020 and 2019.

### – Repayment of non-current financial debt:

Millions of Euros

	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>
Repayment of Credit Lines	-	(171)
Others	(2)	(9)
<b>TOTAL</b>	<b>(2)</b>	<b>(180)</b>

(1) See the Consolidated Statements of Cash Flows for the three-month periods ended 31 March 2020 and 2019.

### – Drawdowns and repayments of current financial debt:

Millions of Euros

	Sections	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>
<b>Drawdowns</b>			
Euro Commercial Paper (ECP) issues	4.1	2,518	2,844
Others		46	26
<b>Repayments</b>			
Euro Commercial Paper (ECP) repayments	4.1	(1,924)	(2,044)
Payments of Right-of-Use Contracts		(18)	(14)
Others		(24)	(43)
<b>TOTAL</b>		<b>598</b>	<b>769</b>

(1) See the Consolidated Statements of Cash Flows for the three-month periods ended 31 March 2020 and 2019.

### – Dividends paid:

Millions of Euros

	Sections	January - March 2020 <sup>(1)</sup>	January - March 2019 <sup>(1)</sup>
Payment of Parent Company Dividends	2.2 and 4.1	(741)	(741)
Dividends paid to non-controlling interests <sup>(2)</sup>		(5)	-
<b>TOTAL</b>		<b>(746)</b>	<b>(741)</b>

(1) See the Consolidated Statements of Cash Flows for the three-month periods ended 31 March 2020 and 2019.

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

### 4.3. Investments.

In the first quarter of 2020, ENDESA's gross investments totalled Euros 271 million (Euros 395 million in the first quarter of 2019), as per the following breakdown:

Millions of Euros

	Investments <sup>(1)</sup>		
	January - March 2020	January - March 2019	% Var.
Generation and Supply	138	233	(40.8)
Generation in Non-Mainland Territories ("TNP")	14	5	180.0
Other generation and supply	124	228	(45.6)
Distribution	92	113	(18.6)
Structure and Others <sup>(2)</sup>	2	1	100.0
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT <sup>(3) (4)</sup></b>	<b>232</b>	<b>347</b>	<b>(33.1)</b>
Generation and Supply	26	22	18.2
Other generation and supply	26	22	18.2
Distribution	6	4	50.0
Structure and Others <sup>(2)</sup>	4	3	33.3
<b>TOTAL INTANGIBLE ASSETS <sup>(4)</sup></b>	<b>36</b>	<b>29</b>	<b>24.1</b>
<b>FINANCIAL INVESTMENTS</b>	<b>3</b>	<b>19</b>	<b>(84.2)</b>
<b>TOTAL GROSS INVESTMENTS</b>	<b>271</b>	<b>395</b>	<b>(31.4)</b>
Capital grants and Facilities Sold	(20)	(19)	5.3
Distribution	(20)	(19)	5.3
<b>TOTAL NET INVESTMENTS <sup>(5)</sup></b>	<b>251</b>	<b>376</b>	<b>(33.2)</b>

(1) Does not include company acquisitions carried out during the year (see Section 2.1. Scope of Consolidation in this Consolidated Management Report).

(2) Structure, Services and Adjustments.

(3) In the January-March 2020 period, it includes recognition of right-of-use assets amounting to Euros 45 million.

(4) In the January-March 2020 period, it includes investments for low-carbon products, services and technologies amounting to Euros 254 million (Euros 363 million in the January-March 2019 period).

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

#### Investments in property, plant and equipment.

Gross investments in generation in the first quarter of 2020 relate mainly to investments for the construction of power plants based on renewable sources for an amount of Euros 47 million.

Gross investments in supply correspond mainly to the development of activity related to new products and services amounting to Euros 5 million.

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

#### Intangible assets.

Gross investments in intangible assets in the first quarter of 2020 mainly correspond to computer software and ongoing investments in systems and telecommunications activity (ICT) for the sum of Euros 17 million, notably including those associated with the strategic digitisation objective, and the capitalisation of incremental costs incurred in obtaining customer contracts for the sum of Euros 19 million.

#### Financial investments.

Gross investments in the first quarter of 2020 include, primarily, guarantees and deposits for Euros 16 million.

## 5. COVID-19 Health Crisis.

The coronavirus epidemic (COVID-19) was first reported to the World Health Organisation (WHO) at the end of December 2019.

On 11 March 2020, the World Health Organisation (WHO) confirmed that the COVID-19 health emergency had reached the level of a pandemic.

To contain the effects of the infection, while awaiting of an available vaccine, the governments of the various countries have adopted numerous containment measures, essentially aimed at restricting the free movement of people, which may be maintained or increased, depending on its effectiveness and the future spread of the virus.

Taking into account the complexity of the markets due to their globalisation and the absence, for the moment, of an effective medical treatment of the virus, the consequences for ENDESA's operations are uncertain and will depend to a large extent on how the pandemic evolves and spreads in the coming months, as well as on the reaction and ability to adapt of all the economic agents affected.

In this context, during the period the Directors and the Management of ENDESA have monitored the evolution of this situation, adopted preventive measures and developed specific initiatives in accordance with the provisions of the World Health Organization (WHO) and the authorities. In this respect, Directors and the Management have implemented specific mitigation plans and made a preliminary evaluation of the current situation based on the best information available, although due to the above-mentioned considerations, this information may not be complete. Regarding mitigation plans, and following the directives of the ENEL Group, ENDESA has taken numerous actions to adopt the most appropriate procedures to prevent the effects of contagion in the workplace. In addition, ENDESA has also shown its commitment by adopting various measures to support the main entities dedicated to medical and social care in the communities and territories where it operates.

During the period, business continuity management is supported by:

- Encouraging as many employees as possible to work from home if they are not in critical positions. This way of working was introduced some years ago and thanks to investments in digitalisation it allows people to work remotely with the same level of efficiency and productivity. This decision is in line with other preventive measures adopted since the beginning of the health emergency such as suspension of travel, non-participation in internal and external events, closure of stores and offices to the public and provision of personal protective equipment for employees.
- The use of digitised infrastructures that contribute to the normal operation of production assets, the continuity of the electricity supply and the remote management of all activities relating to the market and customer relations.

During the first quarter of 2020, ENDESA followed the same risk management policy described in the Consolidated Financial Statements for the year ended 31 December 2019, and the risks that may affect ENDESA's operations continue to be those exposed in the Consolidated Management Report for the year ended 31 December 2019.

ENDESA carries out a large part of its activities under regulated frameworks and during the state of health alarm derived from COVID-19, its activities have been classified as essential activities, so ENDESA has continued to carry out its activity adjusting its protocols when necessary and being aware that the current context could modify the probability and impact of any of the risks to which it is exposed. To this end, among the risk factors that affect the Company and that could be modified by the new situation, the following stand out:

- Adverse economic conditions due to uncertainty about the impact of COVID-19 may have a negative impact on demand for energy and on the ability of the Company's counterparties to meet their payment commitments.

- The impact of COVID-19 and the measures established to mitigate its spread could limit the access to financial markets and the terms on which it obtains financing, consequently affecting its business, its results, its financial situation and its cash flows.
- The confinement and contagion of the population due to COVID-19 could be a limiting factor, due to ENDESA's need to have people and contractors to carry out work.
- The COVID-19 health crisis could affect the availability of materials and ENDESA's ability to put new plants into operation and efficiently operate and maintain current ones.
- Changes in prices, demand and other factors generated by COVID-19 could affect electricity and natural gas supply contracts, or associated hedges, since these are signed on the basis of certain assumptions regarding future market prices for electricity and natural gas and these have changed.
- ENDESA's business activities are carried out in an environment of fierce competition. ENDESA's ability to acquire new customers may be affected by the restrictions imposed by the management of the COVID-19 health crisis.

Based on this, and in compliance with the recent recommendations from European Securities and Markets Authority (ESMA) of 11 March 2020, internal analyses have been launched to evaluate the actual and potential impacts of COVID-19 on business activities, on the financial situation and on economic performance, fundamentally concerning the following dimensions of analysis:

- Forecast of potential macroeconomic impacts.
- Forecast of the potential prices of electricity and gas in the energy markets and other commodities.
- Estimation of the impacts on the demand for electricity and gas.
- Analysis of possible delays in supplies and fulfilment of contracts, at the supply chain level.
- Monitor of the financial markets and liquidity situation.

From the analyses performed, it was concluded that the Company's business, results, financial position and cash flows could be affected, although at the date of approval of this Consolidated Management Report there was no evidence of significant impact arising from the health crisis (COVID-19).

In the coming months, constant supervision of the evolution and continuous monitoring of changes in macroeconomic, financial and trade variables will continue in order to have the best estimate of possible impacts in real time, as well as to allow, if necessary, for their mitigation with reaction and contingency plans.

## **APPENDIX I**

### **Statistical Appendix**



## Industrial Data

Electricity Generation <sup>(1)</sup>	January - March 2020		January - March 2019		% Var.
	GWh	Percentage (%)	GWh	Percentage (%)	
<b>Mainland</b>	<b>12,374</b>	<b>81.7</b>	<b>14,163</b>	<b>83.2</b>	<b>(12.6)</b>
Renewables	3,737	24.7	2,596	15.2	44.0
Hydroelectric	2,249	14.9	1,483	8.7	51.7
Wind <sup>(2)</sup>	1,398	9.2	1,108	6.5	26.2
Photovoltaic	90	0.6	5	-	1,700.0
Nuclear	7,201	47.5	7,084	41.6	1.7
Coal	352	2.3	3,527	20.7	(90.0)
Combined Cycles (CCGT) <sup>(3)</sup>	1,084	7.2	956	5.7	13.4
<b>Non-Mainland Territories</b>	<b>2,769</b>	<b>18.3</b>	<b>2,869</b>	<b>16.8</b>	<b>(3.5)</b>
Coal	-	-	532	3.1	(100.0)
Fuel-gas	1,153	7.6	1,449	8.5	(20.4)
Combined Cycles (CCGT) <sup>(3)</sup>	1,616	10.7	888	5.2	82.0
<b>TOTAL</b>	<b>15,143</b>	<b>100.0</b>	<b>17,032</b>	<b>100.0</b>	<b>(11.1)</b>

(1) In power plant busbars.

(2) In the period January-March 2020 it includes 26 GWh corresponding to Non-Mainland Territories ("TNP") (24 GWh in the period January-March 2019).

(3) Corresponding to natural gas.

Gross Installed Capacity	31 March 2020		31 December 2019		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
<b>Mainland</b>	<b>19,481</b>	<b>80.5</b>	<b>19,498</b>	<b>80.5</b>	<b>(0.1)</b>
Renewables <sup>(1) (2)</sup>	7,435	30.8	7,452	30.8	(0.2)
Hydroelectric	4,792	19.8	4,79	19.8	-
Wind <sup>(3)</sup>	2,291	9.5	2,308	9.5	(0.7)
Photovoltaic	352	1.5	352	1.5	-
Nuclear	3,443	14.2	3,443	14.2	-
Coal	4,780	19.7	4,780	19.7	-
Combined Cycles (CCGT) <sup>(4)</sup>	3,823	15.8	3,823	15.8	-
<b>Non-Mainland Territories</b>	<b>4,733</b>	<b>19.5</b>	<b>4,733</b>	<b>19.5</b>	<b>-</b>
Coal	260	1.1	260	1.1	-
Fuel-gas	2,619	10.8	2,619	10.8	-
Combined Cycles (CCGT) <sup>(4)</sup>	1,854	7.6	1,854	7.6	-
<b>TOTAL</b>	<b>24,214</b>	<b>100.0</b>	<b>24,231</b>	<b>100.0</b>	<b>(0.1)</b>

(1) At 31 March 2020 and 31 December 2019, the additional capacity was 36 MW and 926 MW respectively.

(2) At 31 March 2020, the mainland gross installed capacity of renewable sources represents 38.1% of the total mainland gross installed capacity (38.0% as of 31 December 2019).

(3) At 31 March 2020 and 31 December 2019, it includes 40 MW corresponding to Non-Mainland Territories ("TNP").

(4) Corresponding to natural gas.

Net Installed Capacity	31 March 2020		31 December 2019		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
<b>Mainland</b>	<b>19,049</b>	<b>81.7</b>	<b>19,066</b>	<b>81.6</b>	<b>(0.1)</b>
Renewables <sup>(1) (2)</sup>	7,391	31.7	7,408	31.7	(0.2)
Hydroelectric	4,748	20.4	4,748	20.3	-
Wind <sup>(3)</sup>	2,291	9.8	2,308	9.9	(0.7)
Photovoltaic	352	1.5	352	1.5	-
Nuclear	3,318	14.2	3,318	14.2	-
Coal	4,584	19.7	4,584	19.6	-
Combined Cycles (CCGT) <sup>(4)</sup>	3,756	16.1	3,756	16.1	-
<b>Non-Mainland Territories</b>	<b>4,264</b>	<b>18.3</b>	<b>4,299</b>	<b>18.4</b>	<b>(0.8)</b>
Coal	241	1.0	241	1.0	-
Fuel-gas	2,334	10.0	2,334	10.0	-
Combined Cycles (CCGT) <sup>(4)</sup>	1,689	7.3	1,724	7.4	(2.0)
<b>TOTAL</b>	<b>23,313</b>	<b>100.0</b>	<b>23,365</b>	<b>100.0</b>	<b>(0.2)</b>

(1) At 31 March 2020 and 31 December 2019, the additional capacity was 36 MW and 926 MW respectively.

(2) At 31 March 2020, net mainland installed capacity based on renewable sources represented 38.6% of total net mainland installed capacity (38.6% at 31 December 2019).

(3) At 31 March 2020 and 31 December 2019, it includes 40 MW corresponding to Non-Mainland Territories ("TNP").

(4) Corresponding to natural gas.

GWh

Gross electricity sales <sup>(1)</sup>	January - March 2020	January - March 2019	% Var.
Regulated Price	3,450	3,806	(9.4)
Deregulated market	20,410	21,087	(3.2)
Spanish	17,643	18,480	(4.5)
Outside Spain	2,767	2,607	6.1
<b>TOTAL</b>	<b>23,860</b>	<b>24,893</b>	<b>(4.1)</b>

(1) In power plant busbars.

GWh

Net electricity sales <sup>(1)</sup>	January - March 2020	January - March 2019	% Var.
Regulated Price	2,913	3,187	(8.6)
Deregulated market	18,608	19,057	(2.4)
Spanish	15,989	16,586	(3.6)
Outside Spain	2,619	2,471	6.0
<b>TOTAL</b>	<b>21,521</b>	<b>22,244</b>	<b>(3.3)</b>

(1) Sales to end customers.

Thousands

Number of customers (Electricity) <sup>(1) (2)</sup>	31 March 2020	31 December 2019	% Var.
Regulated market	4,771	4,807	(0.7)
Mainland Spain	4,046	4,074	(0.7)
Non-Mainland Territories ("TNP")	725	733	(1.1)
Deregulated market	5,819	5,828	(0.2)
Mainland Spain	4,591	4,619	(0.6)
Non-Mainland Territories ("TNP")	861	859	0.2
Outside Spain	367	350	4.9
<b>TOTAL</b>	<b>10,590</b>	<b>10,635</b>	<b>(0.4)</b>
<b>Income / Supply Points <sup>(3)</sup></b>	<b>0.3</b>	<b>1.3</b>	-

(1) Supply points.

(2) Customers of the supply companies.

(3) Ratio of revenues from electricity sales to the number of electricity supply points (Thousands of euros / Supply Point). Corresponding to the first quarter of 2020 and the year 2019 respectively.

Percentage (%)

Trends in electricity demand <sup>(1)</sup>	January - March 2020	January - March 2019
Mainland <sup>(2)</sup>	(3.2)	(2.8)
Non-Mainland Territories ("TNP") <sup>(3)</sup>	(2.7)	(0.9)

(1) Source: Red Eléctrica de España, S.A. (REE).

(2) Corrected for the effects of working days and temperature: -2.8% in the first quarter of 2020 and -2.1% in the first quarter of 2019.

(3) Corrected for the effects of working days and temperature: -4.4% in the first quarter of 2020 and +3.3% in the first quarter of 2019.

Percentage (%)

Market share (electricity) <sup>(1)</sup>	31 March 2020	31 December 2019
Mainland Generation	19.5	18.3
Distribution	43.2	44.1
Supply	33.3	34.1

(1) Source: In-house.

GWh

Gas sales	January - March 2020	January - March 2019	% Var.
Deregulated market	12,219	13,970	(12.5)
Regulated market	538	612	(12.1)
International market	5,417	6,334	(14.5)
Wholesale business	2,729	1,838	48.5
<b>TOTAL <sup>(1)</sup></b>	<b>20,903</b>	<b>22,754</b>	<b>(8.1)</b>

(1) Excluding own generation consumption.

Thousands

Number of customers (gas) <sup>(1)</sup>	31 March 2020	31 December 2019	% Var.
Regulated market	230	230	-
Mainland Spain	206	206	-
Non-Mainland Territories ("TNP")	24	24	-
Deregulated market	1,424	1,419	0.4
Mainland Spain	1,253	1,255	(0.2)
Non-Mainland Territories ("TNP")	72	72	-
Outside Spain	99	92	7.6
<b>TOTAL</b>	<b>1,654</b>	<b>1,649</b>	<b>0.3</b>
<b>Income / Supply Points <sup>(2)</sup></b>	<b>0.4</b>	<b>1.5</b>	-

(1) Supply points.

(2) Ratio of revenues from gas sales to the number of gas supply points (Thousands of euros / Supply Point). Corresponding to the first quarter of 2020 and the year 2019 respectively.

Percentage (%)

Trend in demand for gas <sup>(1)</sup>	January - March 2020	January - March 2019
Domestic (Spain) market	(4.9)	2.4
Domestic (Spain) - conventional	(1.3)	(1.8)
Electricity sector	(23.6)	31.4

(1) Source: Enagás, S.A.

Percentage (%)

Market share (gas) <sup>(1)</sup>	31 March 2020	31 December 2019
Deregulated market	14.5	15.6

(1) Source: In-house.

Distribution Business	31 March 2020	31 December 2019	% Var.
Distribution and Transmission Networks (km.)	316,614	316,320	0.1
Digitalised Customers <sup>(1)</sup>	12,237	12,178	0.5
End Users <sup>(2)</sup>	12,240	12,235	0.0
Ratio of Digitalised Customers <sup>(3)</sup>	100.0	99.5	0.5
Public and Private Recharging Points (Units)	5,112	5,000	2.2

(1) Smart meters activated (Thousands).

(2) Customers of distribution companies (Thousands).

(3) Number of Digitalised Customers / End Users (%).

Supply Quality Measures	January - March 2020	January - March 2019	% Var.
Energy Distributed (GWh) <sup>(1)</sup>	28,394	29,166	(2.6)
Energy Losses (%) <sup>(2)</sup>	12.2	12.2	-
Installed Capacity Equivalent Interruption Time (Average) – (ICEIT) (Minutes) <sup>(3)</sup>	21.0	10.1	107.9
System Average Interruption Duration Index – SAIDI (Minutes) <sup>(2)</sup>	75.6	72.8	3.8
System Average Interruption Frequency Index – SAIFI <sup>(2)</sup>	1.4	1.4	-

(1) In power plant busbars.

(2) Source: In-house.

(3) According to the calculation procedure set down by Royal Decree 1995/2000, of 1 December 2000.

## Workforce.

Number of Employees

	Headcount at end of period							% Var.
	31 March 2020			31 December 2019				
	Male	Female	Total	Male	Female	Total		
Generation and Supply	4,157	1,132	5,289	4,153	1,143	5,296	(0.1)	
Distribution	2,522	439	2,961	2,527	442	2,969	(0.3)	
Structure and Others <sup>(1)</sup>	892	801	1,693	893	794	1,687	0.4	
<b>TOTAL</b>	<b>7,571</b>	<b>2,372</b>	<b>9,943</b>	<b>7,573</b>	<b>2,379</b>	<b>9,952</b>	<b>(0.1)</b>	

(1) Structure and services

Number of Employees

Number of Employees	Average headcount							% Var.
	January - March 2020			January - March 2019				
	Male	Female	Total	Male	Female	Total		
Generation and Supply	4,109	1,111	5,220	4,063	1,046	5,109	2.2	
Distribution	2,500	432	2,932	2,508	437	2,945	(0.4)	
Structure and Others <sup>(1)</sup>	885	780	1,665	862	759	1,621	2.7	
<b>TOTAL</b>	<b>7,494</b>	<b>2,323</b>	<b>9,817</b>	<b>7,433</b>	<b>2,242</b>	<b>9,675</b>	<b>1.5</b>	

(1) Structure and services

## Financial Data

Millions of Euros

	Consolidated Income Statement		
	January - March 2020	January - March 2019	% Var.
Revenue from sales	4,580	5,001	(8.4)
Procurements and Services	(3,455)	(3,632)	(4.9)
Contribution margin <sup>(1)</sup>	1,614	1,453	11.1
EBITDA <sup>(2)</sup>	1,476	928	59.1
EBIT <sup>(3)</sup>	1,118	522	114.2
Net Financial Income/(Expense) <sup>(4)</sup>	(10)	(53)	(81.1)
Income before Tax	1,106	473	133.8
Net Income <sup>(5)</sup>	844	363	132.5
Net Ordinary Income <sup>(6)</sup>	831	363	128.9

(1) Contribution margin = Income - Procurements and Services.

(2) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.

(3) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.

(4) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.

(5) Net income/(loss): Profit/(loss) of the Parent.

(6) Net ordinary income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over Euros 10 million) - Net Impairment Losses on Non-Financial Assets (over Euros 10 million).

Euros

Valuation parameters			
	January - March 2020	January - March 2019	% Var.
Net Ordinary Earnings per Share <sup>(1)</sup>	0.785	0.343	128.9
Net Earnings per Share <sup>(2)</sup>	0.797	0.343	132.5
Cash Flow per Share <sup>(3)</sup>	0.261	0.316	(17.6)
Book Value per Share <sup>(4)</sup>	8.114 <sup>(5)</sup>	7.261 <sup>(6)</sup>	11.7

(1) Net ordinary earnings per share = Net ordinary income of the Parent / No. of shares at the end of the period.

(2) Net earnings per share = Net income of the Parent / No. of shares at the end of the period.

(3) Cash flow per share = Net cash flows from operating activities / No. of shares at the end of the period.

(4) Book value per share = Equity of the Parent / No. of shares at the end of the period.

(5) At 31 March 2020.

(6) At 31 December 2019.

Millions of Euros

	Consolidated Statement of Financial Position		
	31 March 2020	31 December 2019	% Var.
Total assets	32,607	31,981	2.0
Equity	8,742	7,837	11.5
Net Financial Debt <sup>(1)</sup>	7,376	6,377	15.7

(1) Net financial debt = Non-current interest-bearing loans and borrowings + Current interest-bearing loans and borrowings – Cash and cash equivalents – Derivatives recognised as financial assets.

Profitability Indicators (%)	January - March 2020	January - March 2019
Return on equity <sup>(1)</sup>	31.00	15.64
Return on assets <sup>(2)</sup>	7.81	4.55
Economic profitability <sup>(3)</sup>	16.02	9.52
Return on Capital Employed (ROCE) <sup>(4)</sup>	8.11	5.06
Return on Capital Invested (RCI) <sup>(5)</sup>	16.41	9.83

(1) Return on equity = Ordinary Profit/(loss) of the Parent / Average equity of the Parent.

(2) Return on assets = Ordinary Profit/(loss) of the Parent / Average total assets.

(3) Economic profitability = EBIT / Average property, plant and equipment.

(4) Return on Capital Employed = Operating profit after tax / (Average non-current assets + Average current assets).

(5) Return on Capital Invested (RCI) = Operating Income After Taxes / (Net Equity of the Parent Company + Net Financial Debt)

Financial Indicators	31 March 2020	31 December 2019
Liquidity ratio <sup>(1)</sup>	0.82	0.72
Solvency ratio <sup>(2)</sup>	0.94	0.91
Debt Ratio <sup>(3)</sup> (%)	45.76	44.86
Debt coverage ratio <sup>(4)</sup>	1.53	1.66
Net Financial Debt <sup>(5)</sup> / Fixed Assets <sup>(6)</sup> (%)	32.01	27.46
Net Financial Debt <sup>(5)</sup> / Funds from Operations <sup>(7)</sup>	1.87	2.05
	January - March 2020	January - March 2019
(Funds from Operations <sup>(7)</sup> + Interest Expense <sup>(8)</sup> / Interest Expense <sup>(8)</sup> )	77.00	114.50

(1) Liquidity = Current assets / Current liabilities.  
 (2) Solvency = (Equity + Non-current liabilities) / Non-current assets.  
 (3) Debt ratio = Net financial debt / (Equity + Net financial debt) (%).  
 (4) Debt coverage = Net financial debt / EBITDA.  
 (5) Net financial debt = Non-current interest-bearing loans and borrowings + Current interest-bearing loans and borrowings – Cash and cash equivalents – Derivatives recognised as financial assets.  
 (6) Fixed Assets = Property, Plant and Equipment + Investment Property + Intangible Assets + Goodwill.  
 (7) Funds from Operations = Cash Flows from Operating Activities - Changes in Working Capital - Work carried out by the Group for its Assets.  
 (8) Interest Expenses = Interest Payments (see Section 4.2. Cash Flows in this Consolidated Management Report).

## Rating.

	Credit Rating					
	31 March 2020 <sup>(1)</sup>			31 December 2019 <sup>(1)</sup>		
	Long-term	Short-term	Outlook	Long-term	Short-term	Outlook
Standard & Poor's	BBB+	A-2	Stable	BBB+	A-2	Stable
Moody's	Baa2	P-2	Positive	Baa2	P-2	Positive
Fitch	A-	F2	Stable	A-	F2	Stable

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

## Stock Market Information.

Percentage (%)

Share price performance <sup>(1)</sup>	January - March 2020	January - March 2019
<b>ENDESA, S.A.</b>	<b>(18.2)</b>	<b>13.0</b>
Ibex-35	(28.9)	8.2
Euro Stoxx 50	(25.6)	11.7
Euro Stoxx Utilities	(13.7)	10.2

(1) Source: Madrid Stock Exchange.

Euros

ENDESA share price <sup>(1)</sup>	January - March 2020	2019	% Var.
High	26.120	25.490	2.5
Low	15.500	20.070	(22.8)
Period average	22.752	22.948	(0.9)
Closing Price	19.470	23.790	(18.2)

(1) Source: Madrid Stock Exchange.

Stock market information		31 March 2020	31 December 2019	% Var.
Market capitalisation <sup>(1)</sup>	Millions of Euros	20,614	25,188	(18.2)
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	2,401	9,280	(74.1)
Madrid stock exchange	Shares			
Trading volume <sup>(3)</sup>		108,998,949	404,075,920	(73.0)
Average daily trading volume <sup>(4)</sup>		1,703,109	1,584,611	7.5
Price to Earnings Ratio (P.E.R.) Ordinary <sup>(5)</sup>		8.17	16.13	-
Price to Earnings Ratio (P.E.R.) <sup>(6)</sup>		8.01	147.30	-
Price / Carrying amount <sup>(7)</sup>		2.40	3.28	-

- (1) Market Cap = No. of shares at the end of the period \* Share price at the end of the period.  
 (2) Cash = Sum of all the operations made over the value in the reference period (Source: Madrid Stock Exchange).  
 (3) Trading Volume = Total volume of stock in ENDESA, S.A. traded in the period (Source: Madrid Stock Exchange).  
 (4) Average daily trading volume = Arithmetic mean of shares in ENDESA, S.A. traded per session during the period (Source: Madrid Stock Exchange).  
 (5) Price to Earnings Ratio (P.E.R.) Ordinary = Share price at the end of the period / Net earnings per share.  
 (6) Price to Earnings Ratio (P.E.R.) = Share price at the end of the period / Net earnings per share.  
 (7) Price to Book Value = Market capitalisation / Equity of the Parent.

## Dividends.

		2019	2018	% Var.
Share capital	Millions of Euros	1,270.50	1,270.50	-
Number of Shares		1,058,752,117	1,058,752,117	-
Consolidated Net Ordinary Income	Millions of Euros	1,562	1,511	3.4
Consolidated Net Income	Millions of Euros	171	1,417	(87.9)
Individual Net Income	Millions of Euros	1,642	1,511	8.7
Net Ordinary Earnings per Share <sup>(1)</sup>	Euros	1.475	1.427	3.4
Net Earnings per Share <sup>(2)</sup>	Euros	0.162	1.338	(87.9)
Gross Dividend per Share	Euros	1.475 <sup>(3)</sup>	1.427 <sup>(4)</sup>	3.4
Consolidated Ordinary Pay-Out <sup>(5)</sup>	%	100.0	100.0	-
Consolidated pay-out <sup>(6)</sup>	%	913.3	106.6	-
Individual pay-out <sup>(7)</sup>	%	95.1	100.0	-

(1) Net ordinary earnings per share (Euros) = Net ordinary income of the Parent/ No. of Shares at the end of the period.

(2) Net earnings per share (Euros) = Profit/(loss) of the Parent/ No. of shares at the end of the period.

(3) Gross interim dividend of Euros 0.7 per share paid on 2 January 2020, plus a complementary gross dividend of Euros 0.775 per share pending approval by the ENDESA, S.A. General Shareholders' Meeting.

(4) Gross interim dividend of Euros 0.7 per share, paid out on 2 January 2019 plus the gross final dividend of Euros 0.727 per share paid out on 2 July 2019.

(5) Consolidated ordinary pay-out (%) = (Gross dividend per share \* Shares at the end of the reporting period) / Net ordinary income of the Parent.

(6) Consolidated pay-out (%) = (Gross dividend per share \* Number of shares at the end of the reporting period) / Profit/(loss) of the Parent.

(7) Individual pay-out (%) = (Gross dividend per share \* Number of shares at the end of the reporting period) / Profit/(loss) of ENDESA, S.A.

## **APPENDIX II**

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

Alternative performance measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs)		Relevance of Use
			January - March 2020	January - March 2019	
EBITDA <sup>(1)</sup>	Millions of Euros	Income - Procurements and services + Work carried out by the Group for its assets - Personnel expenses - Other fixed operating expenses	1,476 MME = 5,069 MME - 3,455 MME + 47 MME + 144 MME - 329 MME	928 MME = 5,085 MME - 3,632 MME + 38 MME - 258 MME - 305 MME	Measure of operating profitability excluding interest, taxes, provisions and depreciation and amortisation.
EBIT <sup>(1)</sup>	Millions of Euros	EBITDA - Depreciation and amortisation and impairment losses.	1,118 MME = 1,476 MME - 358 MME	522 MME = 928 MME - 406 MME	Measure of operating profitability excluding interest and taxes.
Net ordinary income	Millions of Euros	Net Income of the Parent Company - Net Gains or Losses on Disposal of Non-Financial Assets (greater than Euros 10 million) - Net Impairment Losses on Non-Financial Assets (greater than Euros 10 million)	831 MME = 844 MME - 0 MME - 13 MME	363 MME = 363 MME - 0 MME + 0 MME	Measurement of profit for the period isolating non-recurring effects of more than Euros 10 million.
Contribution Margin <sup>(1)</sup>	Millions of Euros	Income - Procurements and services	1,614 MME = 5,069 MME - 3,455 MME	1,453 MME = 5,085 MME - 3,632 MME	Measure of operating profitability taking account of direct variable production costs.
Procurements and Services <sup>(1)</sup>	Millions of Euros	Power purchases + Fuel consumption + Transport costs + Other variable procurements and services	3,455 MME = 1,040 MME + 352 MME + 1,312 MME + 751 MME	3,632 MME = 1,284 MME + 490 MME + 1,419 MME + 439 MME	Goods and services for production.
Net Financial Income/(Expense) <sup>(1)</sup>	Millions of Euros	Financial income - Financial expense + Net exchange differences	(10) MME = 31 MME - 39 MME - 2 MME	(53) MME = 5 MME - 60 MME + 2 MME	Measure of financial costs
Net Financial Expense <sup>(1)</sup>	Millions of Euros	Financial income - Financial expense	(8) MME = 31 MME - 39 MME	(55) MME = 5 MME - 60 MME	Measure of financial costs
Net investments	Millions of Euros	Gross investments - Capital grants and facilities transferred	251 MME = 271 MME - 20 MME	376 MME = 395 MME - 19 MME	Measure of investment activity
Return on equity	%	Net ordinary income of the Parent / ((Equity of the Parent (n) + Equity of the Parent (n-1) / 2)	31.00% = ((831 - 267) * 12 months / 3 months) MME + 267 MME <sup>(4)</sup> / ((8,591 + 7,688) / 2) MME	15.64% = (363 * 12 months / 3 months) MME / ((9,531 + 9,037) / 2) MME	Measure of the capacity to generate profits on shareholder investments
Return on assets	%	Net ordinary income of the Parent / ((Total assets (n) + Total assets (n-1) / 2)	7.81% = (((831 - 267) * 12 months / 3 months) MME + 267 MME <sup>(4)</sup> / ((32,607 + 31,981) / 2) MME	4.55% = (363 * 12 months / 3 months) MME / ((32,211 + 31,656) / 2) MME	Measure of business profitability
Economic profitability	%	EBIT / (PP&E (n) + PP&E (n) + PP&E (n-1) / 2)	16.02% = (((1,118 - 356) * 12 months / 3 months) MME + 356 MME <sup>(5)</sup> / ((21,166 + 21,329) / 2) MME	9.52% = (522 * 12 months / 3 months) MME / ((22,038 + 21,840) / 2) MME	Measure of the capacity of the assets and capital invested to generate income
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)	8.11% = (((855.2 - 267) * 12 months / 3 months) MME + 267 MME <sup>(4)</sup> / ((25,787 + 25,881) / 2 + (6,820 + 6,100) / 2) MME	5.06% = (403.9 * 12 months / 3 months) MME / ((26,250 + 26,001) / 2 + (5,961 + 5,655) / 2) MME	Measure of return on capital employed
Return on Capital Invested (RCI)	%	Operating Income After Taxes / (Net Equity of the Parent Company + Net Financial Debt)	16.41% = (((855.2 - 267) * 12 months / 3 months) MME + 267 MME <sup>(4)</sup> / ((8,591 MME + 7,376 MME)	9.83% = (403.9 * 12 months / 3 months) MME / (9,531 MME + 6,897 MME)	Measure of return on capital invested
Funds from Operations	Millions of Euros	Cash Flows from Operating Activities + Changes in Working Capital - Work carried out by the Group for its Assets	988 MME = 276 MME + 759 MME - 47 MME	908 MME = 335 MME + 611 MME - 38 MME	Measure of cash generated by the company's business available to make investments, amortise debt and distribute dividends to shareholders.
Interest expenses	Millions of Euros	Interest paid	13 MME	8 MME	Measure of interest payments
Ordinary Earnings per Share	Euros	Net ordinary income of the Parent company / Number of shares at the end of the period	0.785 € = 831 MME / 1,058,752,117 shares	0.343 € = 363 MME / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share outstanding.
Earnings per Share <sup>(1)</sup>	Euros	Profit/(loss) of the Parent / No. of shares at the end of the period	0.797 € = 844 MME / 1,058,752,117 shares	0.343 € = 363 MME / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share outstanding.
Cash Flow per Share <sup>(3)</sup>	Euros	Net cash flow from operating activities / Number of shares at the end of the reporting period	0.261 € = 276 MME / 1,058,752,117 shares	0.316 € = 335 MME / 1,058,752,117 shares	Measure of the portion of funds generated corresponding to each share outstanding.
<b>31 March 2020</b>					
Net Financial Debt <sup>(2)</sup>	Millions of Euros	Non-current borrowings + Current borrowings - Cash and cash equivalents - Financial derivatives recognised under financial assets	7,376 MME = 5,998 MME + 1,576 MME - 191 MME - 7 MME	6,377 MME = 5,652 MME + 955 MME - 223 MME - 7 MME	Short- and long-term financial debt, less cash and financial investment equivalent to cash
Leverage <sup>(2)</sup>	%	Net financial debt / Equity	84.37% = 7,376 MME / 8,742 MME	81.37% = 6,377 MME / 7,837 MME	Measure of the weight of external funds in the financing of business activities.
Debt Ratio <sup>(2)</sup>	%	Net financial debt / (Equity + Net financial debt)	45.76% = 7,376 MME / (8,742 MME + 7,376 MME)	44.86% = 6,377 MME / (7,837 MME + 6,377 MME)	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)	4.9 years = 37,256 / 7,541	5.2 years = 34,031 / 6,581	Measure of the duration of financial debt to maturity
Average Cost of Gross Financial Debt	%	(Cost of gross financial debt) / Average gross financial debt	1.7% = (33 * 12 months / 3 months) MME / 7,735 MME	1.8% = 135 MME / 7,431 MME	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	23 months	26 months	Measure of the capacity to meet debt maturities
Liquidity Ratio <sup>(2)</sup>	N/A	Current assets / Current liabilities.	0.82 = 6,820 MME / 8,336 MME	0.72 = 6,100 MME / 8,465 MME	Measure of the capacity to meet short-term commitments.
Solvency Ratio <sup>(2)</sup>	N/A	(Equity + Non-current liabilities) / Non-current assets	0.94 = (8,742 MME + 15,529 MME) / 25,787 MME	0.91 = (7,837 MME + 15,679 MME) / 25,881 MME	Measure of the capacity to meet obligations.
Debt Coverage Ratio <sup>(1) (2)</sup>	N/A	Net financial debt / EBITDA	1.53 = 7,376 MME / (((1,476 - 356) * 12 months / 3 months) + 356) MME <sup>(5)</sup>	1.66 = 6,377 MME / 3,841 MME	Measure of the amount of available cash flow to meet payments of principal on financial debt.
Fixed assets	Millions of Euros	Property, Plant and Equipment + Real Estate Investments + Intangible Assets + Goodwill	23,046 MME = 21,166 MME + 61 MME + 1,357 MME + 462 MME	23,227 MME = 21,329 MME + 61 MME + 1,375 MME + 462 MME	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.
Book Value per Share <sup>(2)</sup>	Euros	Equity of the Parent / Number of shares at the end of the period	8.114 € = 8,591 MME / 1,058,752,117 shares	7.261 € = 7,688 MME / 1,058,752,117 shares	Measure of the portion of equity corresponding to each share outstanding.
Market Capitalisation	Millions of Euros	Number of shares at the end of the period * Share price at the end of the period	20,614 MME = 1,058,752,117 shares * 19.470 €	25,188 MME = 1,058,752,117 shares * 23.790 €	Measure of the market value of the Company according to the share price.
Price to Earnings Ratio (P.E.R.) Ordinary	N/A	Share price at the end of the period / Net ordinary earnings per share	8.17 = 19.470 € / (((0.785 - 0.252) * 12 months / 3 months) + 0.252) MME <sup>(4)</sup> €	16.13 = 23.790 € / 1.475 €	Measure indicating the number of times net ordinary earnings per share can be divided into the market price of the shares.
Price to Earnings Ratio (P.E.R.)	N/A	Share price at the end of the period / Net earnings per share	8.01 = 19.470 € / (((0.797 - 0.252) * 12 months / 3 months) + 0.252) MME <sup>(4)</sup> €	147.30 = 23.790 € / 0.162 €	Measure indicating the number of times net earnings per share can be divided into the market price of the shares.
Price / Book Value	N/A	Market Capitalisation / Equity of the Parent	2.40 = 20,614 MME / 8,591 MME	3.28 = 25,188 MME / 7,688 MME	Measure comparing market value of the Company according to the share price with the carrying amount.
<b>2019</b>					
Consolidated pay-out	%	(Gross dividend per share * No. of shares at the end of the period) / Profit for the year of the parent	913.3% = (1.475 € * 1,058,752,117 shares) / 171 MME	106.6% = (1.427 € * 1,058,752,117 shares) / 1,417 MME	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (consolidated Group).
Consolidated ordinary pay-out	%	(Gross dividend per share * No. of shares at the end of the reporting period) / Net ordinary income of the Parent	100.0% = (1.475 € * 1,058,752,117 shares) / 1,562 MME	100.0% = (1.427 € * 1,058,752,117 shares) / 1,511 MME	Measure of the portion of net ordinary income 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) / Net Income for the year of ENDESA, S.A.	95.1% = (1.475 € * 1,058,752,117 shares) / 1,642 MME	100.0% = (1.427 € * 1,058,752,117 shares) / 1,511 MME	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (individual company)

MME = Millions of Euros; € = Euros.

n = 31 March of the year being calculated.

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

(1) See the Consolidated Income Statements for the three-month periods ended 31 March 2020 and 2019.

(2) See the Consolidated Statements of Financial Position at 31 March 2020 and 31 December 2019.

(3) See the Consolidated Statements of Cash Flows for the three-month periods ended 31 March 2020 and 2019.

(4) Annualized result discounting the effects, net of tax, for an amount of Euros 267 million, described in Section 1.2.2. Operating Costs of this Consolidated Management Report.

(5) Annualized result discounting the effects, for an amount of Euros 356 million, described in Section 1.2.2. Operating Costs of this Consolidated Management Report.