

ENDESA, S.A.
and Subsidiaries

Consolidated Management Report
for the three-month period
ended 31 March 2021

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.

Madrid, 5 May 2021

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ENDESA, S.A. AND SUBSIDIARIES
CONSOLIDATED MANAGEMENT REPORT FOR
THREE MONTHS ENDED
31 MARCH 2021

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ENDESA, S.A. AND SUBSIDIARIES
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1. Most significant figures.

Main figures	SDG (1)	Unit	January - March 2021	January - March 2020	% Var.
Revenue		€M	4,993	5,069	(1.5)
Gross operating income (EBITDA) (2)		€M	1,019	1,476	(31.0)
Net income		€M	491	844	(41.8)
Net ordinary income (3)		€M	491	831	(40.9)
Net Financial Debt (4)		€M	7,496 (5)	6,899 (6)	8.7
Cash flows from operating activities		€M	583	276	111.2
Gross investments in property, plant and equipment and intangible assets		€M	276	268	3.0
Net installed capacity		MW	21,651 (5)	21,652 (6)	(0.0)
Net Installed Mainland Renewable Capacity	7	MW	7,718 (5)	7,719 (6)	(0.0)
Net Installed Mainland Renewable Capacity	7	%	45 (5)	45 (6)	-
Additional Installed Renewable Capacity	7	MW	1 (5)	391 (6)	(99.7)
Electricity Generation		GWh	14,800	15,143	(2.3)
Generation of Renewable Electricity	7	GWh	4,360	3,737	16.7
Distribution and transmission networks	9	km	315,708 (5)	315,365 (6)	0.1
Energy distributed (7)	9	GWh	32,595	30,557	6.7
End Users (8)		Thousands	12,311 (5)	12,291 (6)	0.2
Digitalised Customers (9)	9	Thousands	12,421 (5)	12,389 (6)	0.3
Net electricity sales (10)		GWh	20,733	21,521	(3.7)
Number of Customers (Electricity) (11) (12)		Thousands	10,308 (5)	10,420 (6)	(1.1)
Deregulated Market		Thousands	5,627 (5)	5,690 (6)	(1.1)
Public and Private Electricity Charging Stations	11	Units	7,514 (5)	7,072 (6)	6.3
Final headcount		No. of employees	9,473 (5)	9,591 (6)	(1.2)

€M = Millions of euros.

(1) Sustainable Development Goals.

(2) Gross Operating Income (EBITDA) = Income - Procurements and Services + Self-constructed Assets - Personnel Expenses - Other Fixed Operating Expenses.

(3) Net Ordinary Income = Net Income Attributable to the Parent - Net Gains/(losses) on Disposals of Non-financial Assets (exceeding Euro 10 million) - Net impairment Losses on Non-financial Assets (exceeding Euro 10 million) - Initial Net Provision for Personnel Expenses for Workforce Restructuring Plans relating to the Decarbonisation Plan and to Process Digitalisation - Net Expenses relating to the Public Responsibility Plan for the COVID-19 Health Crisis.

(4) Net Financial Debt = Non-current Financial Debt + Current Financial Debt - Cash and Cash Equivalents - Financial Derivatives recognised under Financial Assets.

(5) At 31 March 2021.

(6) At 31 December 2020.

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

(8) Customers of distribution companies.

(9) Smart meters activated.

(10) Sales to end customers.

(11) Supply points.

(12) Customers of supply companies.

2. Basis of presentation of the Consolidated Financial Statements.

ENDESA's Consolidated Financial Statements for the three-month period ended 31 March 2021 were prepared in accordance with the International Financial Reporting Standards ("IFRSs") and the interpretations of the IFRS Interpretations Committee ("IFRIC"), as adopted by the European Union at the reporting date pursuant to Regulation (EC) 1606/2002, of 19 July 2002, of the European Parliament and of the Council and other provisions of the financial reporting regulatory framework applicable to ENDESA.

The accounting policies, bases of presentation and measurement bases used to prepare ENDESA's Consolidated Financial Statements for the three-month period ended 31 March 2021 are the same as those explained in Notes 2 and 3 to the Consolidated Financial Statements for the year ended 31 December 2020, except for the new International Financial Reporting Standards (IFRS) and IFRIC interpretations published in the Official Journal of the European Union and which were first applied by ENDESA in the Consolidated Financial Statements for the three-month period ended 31 March 2021, and following the going-concern principle by applying the cost method, with the exception of the items that, in accordance with the International Financial Reporting Standards (IFRS), are measured at fair value. Items in the Consolidated Income Statement are classified by cost type.

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

Standards, amendments and interpretations	Mandatory application: annual periods beginning on
Amendments to IFRS 4 "Insurance Contracts" – Deferral of IFRS 9 "Financial Instruments".	1 January 2021
Interest Rate Benchmark Reform – Phase 2 - Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosure Initiative", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases".	1 January 2021

The application of these foregoing amendments did not have a significant impact on the Consolidated Financial Statements for the three-month period ended 31 March 2021.

3. Reference Scenario.

3.1. Performance of the main market indicators.

Market indicators	January-March 2021	January-March 2020	% Var.
Arithmetic Average price on the wholesale electricity market (€/MWh) ⁽¹⁾	45.2	34.9	29.5
ICE Brent Average price (\$/bbl) ⁽²⁾	61.3	50.8	20.7
Average price of the carbon dioxide (CO ₂) emission rights(€/t) ⁽³⁾	37.6	22.8	64.9
Average price of coal (€/MWh) ⁽⁴⁾	67.3	49.0	37.3
Average price of gas (€/MWh) ⁽⁵⁾	18.6	9.7	91.8

(1) Source: Operador del Mercado Ibérico de Energía – Polo Español (OMIE).

(2) Source: ICE: Brent Crude Futures.

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

(4) Source: Api2 index.

(5) Source: TTF index.

Exchange and interest rates	31 March 2021	31 March 2020	Difference
Average exchange rate (Euro / US Dollar) ^{(1) (2)}	1.2048	1.1025	0.1023
Closing exchange rate (Euro / US Dollar) ⁽²⁾	1.1731	1.0954	0.0777
Closing exchange rate (Euro / Pound Sterling) ⁽²⁾	0.8520	0.8867	(0.0347)
6-month Euribor (period average) ^{(1) (3)}	(0.52)	(0.35)	(0.17)

(1) Corresponds to the periods January-March 2021 and 2020, respectively.

(2) Thomson Reuters.

(3) Bloomberg.

Percentage (%)	31 March 2021	31 March 2020
Inflation ⁽¹⁾		
Spain	1.3	0.1

(1) Source: INE (Spanish Official Statistics Institute). Estimated annual inflation.

3.2. Electricity and Gas Market.

Electricity.

In the first quarter of 2021, electricity demand trends were as follows:

- Cumulative mainland electricity demand rose by 0.6% year-on-year (-0.4% adjusted for working days and temperature).
- The accumulated electricity demand in non-mainland Territories (“TNP”), affected to a large extent by the COVID-19 healthcare crisis closed the first quarter of 2021 with a 1.7% reduction in the Balearic Islands and a 13.2% decrease in the Canary Islands compared with the same period of the previous year (-3.7% and -13.3% respectively, adjusted for the effect of working days and temperature).

The changes in electricity demand at 31 March 2021 and 2020 are as follows:

Percentage (%)		
Trends in electricity demand ⁽¹⁾	January - March 2021	January - March 2020
Mainland ⁽²⁾	0.6	(3.2)
Non-mainland Territories (“TNP”) ⁽³⁾	(8.3)	(2.7)

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

(2) Adjusted for working days and temperature: -0.4% from January-March 2021 and -2.8% from January-March 2020.

(3) Adjusted for working days and temperature: -9.5% from January-March 2021 and -4.4% from January-March 2020.

At 31 March 2021 and 2020, the changes in mainland electricity demand in the territory in which ENDESA distributes electricity, by Activity segments, is as follows:

Percentage (%)		
Changes in mainland electricity demand: ENDESA Area ⁽¹⁾	January - March 2021	January - March 2020
ENDESA ⁽²⁾	0.4	(2.7)
Industrial	(2.3)	(3.9)
Services	(2.2)	(2.8)
Residential	5.7	(1.4)

(1) Source: Prepared internally.

(2) Adjusted for working days and temperature: +0.1% from January-March 2021 and -3.9% from January-March 2020.

The first quarter of 2021 saw higher prices, with the arithmetic average price in the electricity wholesale market standing at Euro 45.2/MWh (+29.5%), mainly due to increased demand and fluctuating raw material prices.

The contribution of renewable energies to total mainland production in the first quarter of 2021 was 56.3% (59.7% in the first quarter of 2020).

At 31 March 2021, ENDESA held the following electricity market shares:

Percentage (%)		
Market share (electricity) ⁽¹⁾	31 March 2021	31 December 2020
Mainland generation ⁽²⁾	18.8	18.0
Distribution	42.0	42.9
Supply	30.6	32.4

(1) Source: Prepared internally.

(2) Includes renewable energies.

Gas.

In the first quarter of 2021, conventional gas demand rose by 1.9% year on year, and at 31 March 2021 ENDESA had secured a market share of 15.2% in gas sales to customers in the deregulated market.

The changes in gas demand at 31 March 2021 and 2020 are as follows:

Percentage (%)		
Trend in demand for gas ⁽¹⁾	January - March 2021	January - March 2020
Domestic Market	(2.3)	(4.9)
Domestic Conventional	1.9	(1.3)
Electricity Sector	(22.9)	(23.6)

(1) Source: Enagás, S.A.

At 31 March 2021, ENDESA held the following gas market share:

Percentage (%)		
Market share (gas) ⁽¹⁾	31 March 2021	31 December 2020
Deregulated market	15.2	14.3

(1) Source: Prepared internally.

4. Significant events in the period.

4.1. Consolidation scope

In the first quarter of 2021, the following transactions were carried out:

Companies	Transaction	Date	Activity	Stake at 31 March 2021 (%)		Stake at 31 December 2020 (%)	
				Control	Ownership	Control	Ownership
Arena Power Solar 11, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 12, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 13, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 4, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 5, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 6, S.L.U.	Acquisition	25 February 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 33, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 34, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Arena Power Solar 35, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 9, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Savanna Power Solar 10, S.L.U.	Acquisition	15 March 2021	Photovoltaic	100.00	100.00	-	-
Energía Eólica Galerna, S.L.U.	Acquisition	26 March 2021	Wind	100.00	100.00	-	-
Energía Eólica Gregal, S.L.U.	Acquisition	26 March 2021	Wind	100.00	100.00	-	-

Corporate acquisitions in the renewable energy business.

During the first quarter of 2021, all corporate acquisitions formalised correspond to the renewables business.

The total transaction price was Euro 46 million, of which Euro 26 million were still payable at 31 March 2021, subject to compliance with certain contractual stipulations (see section 6.5 Cash Flows of this Consolidated Management Report).

The acquisition of these companies led to an accounting entry under "Intangible assets" in the consolidated statement of financial position of Euro 46 million, virtually relating in full to the value of the licences for the development of wind farms and photovoltaic plants.

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

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

4.2. COVID-19 health crisis.

Given the complexity of the current situation, ENDESA is constantly monitoring the evolution of the COVID-19 pandemic, together with the changes in macroeconomic, financial and trade variables, as well as the regulatory measures in force, to update the estimate of the possible effects on the Consolidated Financial Statements, in line with the recommendations of the European Securities and Markets Authority (ESMA) and the Spanish Securities Market Commission (CNMV).

In accordance with the foregoing, the information relating to the main impacts for ENDESA related to the COVID-19 health crisis are described in the following notes to the Consolidated Financial Statements for the year ended 31 December 2020 and sections of this consolidated management report at 31 March 2021:

Matters	Reference ⁽¹⁾	Sections	Contents
Going concern	2.1	-	Impact of the health crisis on the activities performed by the Group companies.
Impairment test	3e.5	-	Stressed sensitivity analysis in view of the current uncertainty.
Demand	-	3.2	Negative impact of the pandemic on electricity and gas demand over the coming months, which may affect electricity and natural gas supply contracts or associated coverage over the coming months.
Regulatory Framework	4	-	Declaration of the State of Alarm and regulatory measures approved.
Leases	6.1.1 and 6.1.2	6.2	Effect of the health crisis on the lease arrangements signed.
Investment	6.2	6.6	Impact of the pandemic on the implementation of the investment plan.
Insurance	6.4, 7.1 and 11.3	-	Effect of the pandemic on the insurance contracts arranged.
Inventories	11.2	-	Effect of the economic context on the contracts with "take or pay" clauses.
Credit risk	12.1, 19.5 and 28	5.2.2	Impact of the health crisis and containment measures adopted to determine the expected loss for impairment.
Provisions	16.1, 16.2.1 and 16.2.2	-	Actuarial assumptions used.
Financial debt	17.2.2	6.2	Financial debt refinancing processes as a consequence of the health crisis.
Liquidity risk	19.4	6.2	Financial transactions formalised to reinforce the liquidity position and ensure the continuity of business activities in the current context.
Classification of financial assets	18.1	-	Modification of the business model and of the contractual characteristics of the cash flows from financial assets, and reclassification among the categories of such assets.
Derivatives and hedge transactions	18.3	5.2.1	Compliance with the criteria established by the regulations to apply hedges.
Fair value measurement	18.6.1	-	Changes in the measurement bases used to determine the fair value.
Concentration risk	19.6	-	Effect of the pandemic on the concentration risk.
Income tax	21.1 and 31	5.2.6	Recovery of deferred tax assets and impact on the effective income tax rate due to legislative changes adopted to mitigate the effects of the health crisis.
Public Responsibility Plan	27, 32.1 and 33.2.1	-	Accrual and payment of expenses related with the COVID-19 health crisis.
COVID-19 health crisis	38	-	Measures adopted by the Company and economic-financial impacts of COVID-19.

(1) Notes to the Consolidated Financial Statements for the year ended 31 December 2020.

Overall, during the first quarter of 2021, the effects of the health crisis did not have a significant impact on EBITDA or EBIT.

5. Changes in ENDESA's operations and profit and loss in the first quarter of 2021.

5.1. Operating performance.

Operating figures	SDG ⁽¹⁾	Unit	January-March 2021	January-March 2020	% Var.
Electricity Generation		GWh	14,800	15,143	(2.3)
Generation of Renewable Electricity	7	GWh	4,360	3,737	16.7
Gross installed capacity		MW	22,464 ⁽²⁾	22,465 ⁽³⁾	(0.0)
Net installed capacity		MW	21,651 ⁽²⁾	21,652 ⁽³⁾	(0.0)
Net Installed Mainland Renewable Capacity	7	MW	7,718 ⁽²⁾	7,719 ⁽³⁾	(0.0)
Net Installed Mainland Renewable Capacity	7	%	45 ⁽²⁾	45 ⁽³⁾	-
Additional Installed Renewable Capacity	7	MW	1 ⁽²⁾	391 ⁽³⁾	(99.7)
Energy distributed ⁽⁴⁾	9	GWh	32,595	30,557	6.7
Digitalised Customers ⁽⁵⁾	9	Thousands	12,421 ⁽²⁾	12,389 ⁽³⁾	0.3
Distribution and transmission networks	9	km	315,708 ⁽²⁾	315,365 ⁽³⁾	0.1
End Users ⁽⁶⁾		Thousands	12,311 ⁽²⁾	12,291 ⁽³⁾	0.2
List of Digitalised Customers ⁽⁷⁾		(%)	100.0 ⁽²⁾	100.8 ⁽³⁾	-
Gross electricity sales ⁽⁸⁾		GWh	23,189	23,860	(2.8)
Net electricity sales ⁽⁹⁾		GWh	20,733	21,521	(3.7)
Gas sales ⁽¹⁰⁾		GWh	22,491	20,903	7.6
Number of Customers (Electricity) ^{(11) (12)}		Thousands	10,308 ⁽²⁾	10,420 ⁽³⁾	(1.1)
Deregulated Market		Thousands	5,627 ⁽²⁾	5,690 ⁽³⁾	(1.1)
Public and Private Electricity Charging Stations	11	Units	7,514 ⁽²⁾	7,072 ⁽³⁾	6.3
Final headcount		No. of employees	9,473 ⁽²⁾	9,591 ⁽³⁾	(1.2)
Average headcount		No. of employees	9,448	9,817	(3.8)

(1) Sustainable Development Goals.

(2) At 31 March 2021.

(3) At 31 December 2020.

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

(5) Activated smart meters.

(6) Customers of distribution companies.

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

(8) At power plant busbars.

(9) Sales to end customers.

(10) Excluding own generation consumption.

(11) Supply points.

(12) Customers of supply companies.

Electricity Generation.

ENDESA's electricity production during the first quarter of 2021 was 14,800 GWh, 2.3% lower than the same period of the previous year, as detailed below:

GWh				
Electricity Generation ⁽¹⁾	January - March 2021	January - March 2020	% Var.	
Mainland	12,351	12,374	(0.2)	
Renewable energy plants	4,360	3,737	16.7	
Hydroelectric	2,356	2,249	4.8	
Wind ⁽²⁾	1,855	1,398	32.7	
Photovoltaic ⁽³⁾	149	90	65.6	
Nuclear power	6,909	7,201	(4.1)	
Coal	214	352	(39.2)	
Combined cycle (CCGT)	868	1,084	(19.9)	
Non-Mainland Territories ("TNP")	2,449	2,769	(11.6)	
Fuel-gas	966	1,153	(16.2)	
Combined cycle (CCGT)	1,483	1,616	(8.2)	
TOTAL	14,800	15,143	(2.3)	

(1) At power plant busbars.

(2) The period from January-March 2021 includes 240 GWh corresponding to Non-mainland Territories ("TNP") (26 GWh in the period from January-March 2020).

(3) The period from January-March 2021 includes 7 GWh corresponding to Non-mainland Territories ("TNP") (0 GWh in the period from January-March 2020).

Non-emitting renewable and nuclear technologies accounted for 91.1% of ENDESA's mainland generation mix in the first quarter of 2021, compared with 88.4% in the first quarter of 2020, with 90.8% for the rest of the sector (84% in the first quarter of 2020).

Gross and net installed capacity

ENDESA's gross and net installed capacity during the first quarter of 2021 was 22,464 MW and 21,651 MW, respectively, as detailed below:

Gross installed capacity	31 March 2021		31 December 2020		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
Mainland	17,728	78.9	17,729	78.9	(0.0)
Renewables ^{(1) (2)}	7,823	34.8	7,825	34.8	(0.0)
Hydroelectric	4,791	21.3	4,793	21.3	(0.0)
Wind ⁽³⁾	2,422	10.8	2,423	10.8	(0.0)
Photovoltaic ⁽⁴⁾	610	2.7	609	2.7	0.2
Nuclear power	3,453	15.4	3,453	15.4	-
Coal	2,628	11.7	2,627	11.7	0.0
Combined cycle (CCGT)	3,824	17.0	3,824	17.0	-
Non-Mainland Territories ("TNP")	4,736	21.1	4,736	21.1	-
Coal	260	1.2	260	1.2	-
Fuel-gas	2,619	11.7	2,619	11.7	-
Combined cycle (CCGT)	1,857	8.2	1,857	8.3	-
TOTAL	22,464	100.0	22,465	100.0	0.0

(1) At 31 March 2021 and 31 December 2020, additional capacity was 1 MW and 391 MW, respectively.

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

(3) At 31 March 2021 and 31 December 2020, it included 40 MW relating to Non-mainland Territories ("TNP").

(4) At 31 March 2021 and 31 December 2020, it included 22 MW relating to Non-mainland Territories ("TNP").

Net installed capacity	31 March 2021		31 December 2020		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
Mainland	17,387	80.3	17,388	80.3	(0.0)
Renewables ^{(1) (2)}	7,780	35.9	7,781	35.9	(0.0)
Hydroelectric	4,748	21.9	4,749	21.9	(0.0)
Wind ⁽³⁾	2,422	11.2	2,423	11.2	(0.0)
Photovoltaic ⁽⁴⁾	610	2.8	609	2.8	0.2
Nuclear power	3,328	15.4	3,328	15.4	-
Coal	2,523	11.7	2,523	11.7	-
Combined cycle (CCGT)	3,756	17.3	3,756	17.3	-
Non-Mainland Territories ("TNP")	4,264	19.7	4,264	19.7	-
Coal	241	1.1	241	1.1	-
Fuel-gas	2,334	10.8	2,334	10.8	-
Combined cycle (CCGT)	1,689	7.8	1,689	7.8	-
TOTAL	21,651	100.0	21,652	100.0	(0.0)

(1) At 31 March 2021 and 31 December 2020, additional capacity was 1 MW and 391 MW, respectively.

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

(3) At 31 March 2021 and 31 December 2020, it included 40 MW relating to Non-mainland Territories ("TNP").

(4) At 31 March 2021 and 31 December 2020, it included 22 MW relating to Non-mainland Territories ("TNP").

Electricity and gas sales.

Electricity.

At 31 March 2021, ENDESA had 10,307,508 electricity customers, down 1.1% on 31 December 2020, as shown in the following breakdown:

Thousands

Number of customers (Electricity) ^{(1) (2)}	31 March 2021	31 December 2020	% Var.
Regulated market	4,681	4,730	(1.0)
Mainland Spain	3,978	4,020	(1.0)
Non-mainland Territories ("TNP")	703	710	(1.0)
Deregulated market	5,627	5,690	(1.1)
Mainland Spain	4,371	4,444	(1.6)
Non-mainland Territories ("TNP")	834	838	(0.5)
Outside Spain	422	408	3.4
TOTAL	10,308	10,420	(1.1)
Revenue / Supply points ⁽³⁾	1.2	1.1	-

(1) Supply points.

(2) Customers of supply companies.

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

ENDESA's gross and net sales to these customers in the first quarter of 2021 totalled 23,189 GWh and 20,733 GWh, down 2.8% and 3.7%, respectively, with respect to the first quarter of 2020, as follows:

GWh

Gross electricity sales ⁽¹⁾	January - March 2021	January - March 2020	% Var.
Regulated Price	3,658	3,450	6.0
Deregulated market	19,531	20,410	(4.3)
Spanish	16,799	17,643	(4.8)
Outside Spain	2,732	2,767	(1.3)
TOTAL	23,189	23,860	(2.8)

(1) At power plant busbars.

GWh

Net electricity sales ⁽¹⁾	January - March 2021	January - March 2020	% Var.
Regulated Price	3,058	2,913	5.0
Deregulated market	17,675	18,608	(5.0)
Spanish	15,115	15,989	(5.5)
Outside Spain	2,560	2,619	(2.3)
TOTAL	20,733	21,521	(3.7)

(1) Sales to end customers.

Gas.

At 31 March 2021, ENDESA had 1,659,441 gas customers, down 0.8% on 31 December 2020, as shown in the following breakdown:

Thousands

Number of customers (gas) ⁽¹⁾	31 March 2021	31 December 2020	% Var.
Regulated market	234	233	0.4
Mainland Spain	210	209	0.5
Non-mainland Territories ("TNP")	24	24	-
Deregulated market	1,425	1,440	(1.0)
Mainland Spain	1,234	1,252	(1.4)
Non-mainland Territories ("TNP")	71	71	-
Outside Spain	120	117	2.6
TOTAL	1,659	1,673	(0.8)
Revenue / Supply points ⁽²⁾	1.6	1.1	-

(1) Supply points.

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

In the first quarter of 2021, ENDESA sold 22,491 GWh to customers in the natural gas market, up 7.6% on the first quarter of 2020.

GWh

Gas sales	January - March 2021	January - March 2020	% Var.
Deregulated market	12,570	12,219	2.9
Regulated market	569	538	5.8
International market	5,721	5,417	5.6
Wholesale business	3,631	2,729	33.1
TOTAL ⁽¹⁾	22,491	20,903	7.6

(1) Excluding own generation consumption.

Distribution of Energy.

Supply Quality Measures	January - March 2021	January - March 2020	% Var.
Energy Distributed (GWh) ⁽¹⁾	32,595	30,557	6.7
Energy Losses (%) ⁽²⁾	8.4	8.2	-
Installed Capacity Equivalent Interruption Time (Average) – ICEIT (Minutes) ⁽³⁾	15.8	13.0	21.5
Duration of Interruptions in the Distribution Grid – SAIDI (Minutes) ⁽⁴⁾	79.5	75.6	5.2
Number of Interruptions in the Distribution Grid – SAIFI ⁽⁴⁾	1.5	1.4	7.1

(1) Energy supplied to customers, with or without contract, auxiliary consumption of generators and outflows to other grids (transmission or distributors).

(2) Energy inputs to the distribution grid (or energy injected to the distribution grid) less distributed energy divided by energy inputs to the distributor (or energy injected to the distribution grid).

(3) Spanish Regulatory Criteria. Includes Own TIEPI, Programmed and Transport data.

(4) Source: Prepared internally. Data corresponding to the last 12 months.

Workforce.

The tables below show ENDESA's final average headcounts:

Number of employees

	Final headcount						% Var.
	31 March 2021			31 December 2020			
	Male	Female	Total	Male	Female	Total	
Generation and supply	3,547	1,039	4,586	3,596	1,041	4,637	(1.1)
Distribution	2,480	447	2,927	2,503	440	2,943	(0.5)
Structure and others ⁽¹⁾	1,116	844	1,960	1,136	875	2,011	(2.5)
TOTAL	7,143	2,330	9,473	7,235	2,356	9,591	(1.2)

(1) Structure and Services.

Number of employees

	Average headcount						% Var.
	January-March 2021			January-March 2020			
	Male	Female	Total	Male	Female	Total	
Generation and supply	3,543	1,024	4,567	4,109	1,111	5,220	(12.5)
Distribution	2,485	438	2,923	2,500	432	2,932	(0.3)
Structure and others ⁽¹⁾	1,113	845	1,958	885	780	1,665	17.6
TOTAL	7,141	2,307	9,448	7,494	2,323	9,817	(3.8)

(1) Structure and Services.

5.2. Analysis of results.

ENDESA reported net income of Euro 491 million in the first quarter of 2021, a decrease of 41.8% compared to the Euro 844 million reported in the same period of the previous year.

To analyse its performance, it is necessary to take into account the following effects:

- The net income for the period from January-March 2020 included a net positive impact of Euro 267 million due to the entry into force of the “V ENDESA Framework Collective Bargaining Agreement” and the recognition of certain workforce restructuring provisions relating to the “Agreement on Voluntary Measures to Suspend or Extinguish Labour Contracts” (see section 5.2.2. Operating expenses of this consolidated management report).

- The net income for the period January-March 2021 includes a positive net impact of Euro 194 million corresponding to ENDESA's right to be compensated for the reduction in its remuneration as a generating company in the amount of the internalization of the carbon dioxide (CO₂) emission rights assigned free of charge under the National Emission Rights Allocation Plan (NAP), which it is not legally obliged to bear (see Sections 5.2.1.)

Net ordinary income for the period January-March 2021 amounted to Euro 491 million, a decrease of 40.9% compared to the same period of the previous year.

The table below presents the detail of the most relevant figures in ENDESA's Consolidated Income Statement in the first quarter of 2021 and its variation compared with the same period in the previous year:

Millions of Euros

	Most significant figures		
	January - March 2021	January - March 2020	% Var.
Revenue	4,993	5,069	(1.5)
Procurements and Services	(3,461)	(3,455)	0.2
Contribution Margin ⁽¹⁾	1,532	1,614	(5.1)
Self-constructed assets	41	47	(12.8)
Personnel expenses	(235)	144	(263.2)
Other fixed operating expenses	(319)	(329)	(3.0)
Gross Operating Income (EBITDA) ⁽²⁾	1,019	1,476	(31.0)
Depreciation and amortisation, and impairment losses	(404)	(358)	12.8
Operating Income (EBIT) ⁽³⁾	615	1,118	(45.0)
Net Financial Profit/(loss) ⁽⁴⁾	39	(10)	(490.0)
Profit before tax	653	1,106	(41.0)
Net income ⁽⁵⁾	491	844	(41.8)
Net ordinary income ⁽⁶⁾	491	831	(40.9)

(1) Contribution Margin = Revenue - Procurements and Services.

(2) Gross Operating Income (EBITDA) = Revenue - Procurements and Services + Self-constructed assets - Personnel Expenses - Other Fixed Operating Expenses.

(3) Operating Income (EBIT) = Gross Operating Income (EBITDA) - Amortisation and Impairment Losses.

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

(5) Net Income = Net Income Attributable to the Parent.

(6) Net Ordinary Income = Net Income Attributable to the Parent - Net Income on Sales of Non-Financial Assets (exceeding Euro 10 million) - Net Impairment Losses on Non-Financial Assets (exceeding Euro 10 million) - Initial Net Provision for Personnel Expenses for Workforce Restructuring Plans relating to the Decarbonisation Plan and to Process Digitalisation - Net Expenses relating to the Public Responsibility Plan for the COVID-19 Health Crisis.

Gross operating income (EBITDA) for the first quarter of 2021 stood at Euro 1,019 million (-31.0%).

Operating income (EBIT) in the first quarter of 2021 dropped by 45% compared to the same period in the previous year, standing at Euro 615 million.

5.2.1. Revenue.

In the first quarter of 2021, revenue stood at Euro 4,993 million, down Euro 76 million (-1.5%) on those obtained in the first quarter in 2020.

Below are details of the revenue for the first quarter of 2021 and its variations with respect to the same period last year:

Millions of Euros

	Revenue			
	January - March 2021	January - March 2020	Difference	% Var.
Sales	4,658	4,580	78	1.7
Other operating income	335	489	(154)	(31.5)
TOTAL	4,993	5,069	(76)	(1.5)

Sales

Below are details of ENDESA's sales for the first quarter of 2021 and of their variations with respect to the same period of the previous year:

Millions of Euros

	Sales			
	January - March 2021	January - March 2020	Difference	% Var.
Electricity sales	3,325	3,255	70	2.2
Sales to the deregulated market	2,153	2,239	(86)	(3.8)
Sales to the Spanish deregulated market	1,868	1,966	(98)	(5.0)
Sales to customers in deregulated markets outside Spain	285	273	12	4.4
Sales at regulated prices	543	466	77	16.5
Wholesale market sales	337	138	199	144.2
Compensation from Non-mainland Territories ("TNP")	259	371	(112)	(30.2)
Remuneration for investment in Renewable Energies	27	35	(8)	(22.9)
Other electricity sales	6	6	-	-
Gas sales	665	632	33	5.2
Sales to the deregulated market	634	606	28	4.6
Sales at regulated prices	31	26	5	19.2
Regulated revenue from electricity distribution	510	524	(14)	(2.7)
Other sales and services rendered	158	169	(11)	(6.5)
TOTAL	4,658	4,580	78	1.7

Electricity sales to deregulated market customers.

In the first quarter of 2021, sales on the deregulated market amounted to Euro 2,153 million (-3.8%), in accordance with the following details:

- Sales on the Spanish deregulated market were Euro 1,868 million, down Euro 98 million (-5.0%) with respect to the same period of the previous year due, mainly, to the decrease in the physical units sold.
- Revenue from sales to customers on deregulated markets outside of Spain amounted to Euro 285 million, up Euro 12 million (+4.4%) with respect to the same period of the previous year due, mainly, to the changes in the unitary price.

Electricity sales at a regulated price.

These sales generated an income of Euro 543 million, up 16.5% on the first quarter of 2020 as a result mainly of the increased price.

Sales of electricity in the wholesale market.

Revenues from sales to the wholesale market in the first quarter of 2021 amounted to Euro 337 million and include, in the amount of Euro 188 million, the recognition by ENDESA of the right to be indemnified in the amount of the internalization of the carbon dioxide (CO₂) emission rights allocated free of charge by the National Emission Rights Allocation Plan (NAP), which it has no legal duty to bear (see Section 5.2. Analysis of results of this Consolidated Management Report).

Gas sales.

Revenue from gas sales in the first quarter of 2021 amounted to Euro 665 million, up Euro 33 million (+5.2%) on those of the first quarter of 2020, as follows:

- Gas sales on the deregulated market were Euro 634 million, up Euro 28 million (+4.6%) on those of the first quarter of 2020, due mainly to the increase in the physical units sold.
- Income from gas sales to customers at a regulated price amounted to Euro 31 million, up Euro 5 million (19.2%) on the same period in the previous year due, mainly, to the increase in the physical units sold.

Compensation from Non-mainland Territories (“TNP”).

In the first quarter of 2021, the compensation for cost overruns from the generation of Non-mainland Territories (“TNP”), amounted to Euro 259 million, which meant a decrease of Euro 112 million (-30.2%) on the same period of the previous year, mainly due to the lower production in the period, due to the decreased demand and the changes in commodity prices (see section 3.1. Changes in the main market indicators in this consolidated management report).

Electricity distribution.

During the first quarter of 2021, ENDESA distributed 32,595 GWh on the Spanish market, 6.7% more than in the first quarter of 2020.

Regulated revenue from the distribution activity in the first quarter of 2021 amounted to Euro 510 million, representing a reduction of Euro 14 million (-2.7%) with respect to the same period in the previous year, due mainly, to the new value of the financial remuneration rate applicable as from 1 January 2021.

Other operating income

The table below presents the detail of other operating income in the first quarter of 2021 and its variation compared with the same period in the previous year:

Millions of Euros				
	Other operating income			
	January - March 2021	January - March 2020	Difference	% Var.
Changes in energy stock derivatives	258	409	(151)	(36.9)
Grants released to income ⁽¹⁾	7	6	1	16.7
Recognition of liabilities from contracts with customers in profit or loss	41	41	0	0.0
Trading rights	10	12	(2)	(16.7)
Third party compensation	2	3	(1)	(33.3)
Other	17	18	(1)	(5.6)
TOTAL	335	489	(154)	(31.5)

(1) In the period January-March 2021, Euro 3 million were included corresponding to Grants related to assets and Euro 4 million corresponding to Grants related to operations (Euro 2 million and Euro 4 million, respectively, in the period from January-March 2020).

In the first quarter of 2021, the amount of Other operating income stood at Euro 335 million, representing a decrease of Euro 154 million (-31.5%) with respect to the amount recognised in the first quarter of 2020, as a result mainly of the decrease of Euro 151 million (-36.9%) in the income for the measurement and settlement of derivatives from energy stocks due mainly to the changes in the measurement and settlement of gas derivatives considered, together with the decrease of Euro 103 million (-28.1%) in the expenses in this regard, recognised under “Other Variable Procurements and Services” in the Consolidated Income Statement (see section 5.2.2. Operating Expenses of this Consolidated Management Report).

The derivatives and hedging transactions performed by ENDESA relate mainly to transactions arranged to hedge foreign currency risk or commodity price risk (electricity, fuel and carbon dioxide (CO₂) emission rights, the purpose of which is to eliminate or significantly reduce these risks in the underlying hedged transactions. In the current context, ENDESA has reviewed that the criteria established by the regulations to apply hedge accounting continue to be complied with.

5.2.2. Operating expenses.

Operating expenses totalled Euro 4,378 million in the January-March 2021 period, 10.8% more than in the same period the previous year.

The table below presents the detail of operating expenses in the first quarter of 2021 and its variation compared with the same period in the previous year:

Millions of Euros

	Operating expenses			
	January - March 2021	January - March 2020	Difference	% Var.
Procurements and services	3,461	3,455	6	0.2
Energy Purchases	1,144	1,040	104	10.0
Fuel Consumption	273	352	(79)	(22.4)
Transport Expenses	1,347	1,312	35	2.7
Other Variable Procurements and Services	697	751	(54)	(7.2)
Self-constructed Assets	(41)	(47)	6	(12.8)
Personnel expenses	235	(144)	379	(263.2)
Other Fixed Operating Expenses	319	329	(10)	(3.0)
Depreciation and Amortisation and Impairment Losses	404	358	46	12.8
TOTAL	4,378	3,951	427	10.8

Procurements and services (variable costs).

The costs for procurements and services (variable costs) of the first quarter of 2021 amounted to Euro 3,461 million with an increase of 0.2% with respect to the same period of the preceding year.

The performance regarding these costs for the first quarter 2021 was:

- Energy Purchases rose by Euro 104 million (+10.0%) to Euro 1,144 million, mainly as a result of the increased arithmetic average price in the wholesale electricity market, which stood at Euro 45.2/MWh (+29.5%).
- Fuel consumption stood at Euro 273 million, with a decrease of Euro 79 million (-22.4%) with respect to the same period last year, due to reduced thermal production in the period (-16.0%), mainly in Non-mainland Territories (“TNP”).
- “Other variable procurements and services” in the Consolidated Income Statement stood at Euro 697 million, down by Euro 54 million (-7.2%) on the same period last year, as follows:

Millions of Euros

	Other Variable Procurements and Services			
	January - March 2021	January - March 2020	Difference	% Var.
Changes in energy stock derivatives	264	367	(103)	(28.1)
CO ₂ emission rights	60	53	7	13.2
Tax on electricity production	72	68	4	5.9
Treatment of radioactive waste	57	59	(2)	(3.4)
Street lighting / works licences	48	45	3	6.7
Nuclear charges and taxes	31	32	(1)	(3.1)
Social Bonus	14	12	2	16.7
Catalonia Environmental Tax	29	-	29	N/A
Hydraulic Charge	15	11	4	36.4
Other	107	104	3	2.9
TOTAL	697	751	(54)	(7.2)

This amount includes:

- The reduction of Euro 103 million (-28.1%) with respect to the amount recognised in the first quarter of 2020 of the expenses relating to the measurement and settlement of energy derivatives due mainly to the changes in the measurement and settlement of gas derivatives which are considered jointly with the decrease of Euro 151 million (-36.9%) in the revenue under this item recognised in “Other operating income” in the Consolidated Income Statement (see section 5.2.1. Revenue of this Consolidated Management Report).
- The expense of Euro 29 million in the first quarter of 2021, relating to the tax on facilities affecting the environment in the Catalonia Autonomous Community as a result of the publication of Law 5/2020, of 29 April 2020, of the Catalonia Regional Government.

Fixed Operating Expenses

Below are details of the Fixed Operating Expenses in the first quarter of 2021 and of their variations with respect to the same period last year:

Millions of Euros

	Fixed Operating Expenses			
	January - March 2021 ⁽¹⁾	January - March 2020	Difference	% Var.
Self-constructed Assets	(41)	(47)	6	(12.8)
Personnel Expenses	235	(144)	379	(263.2)
Other Fixed Operating Expenses	319	329	(10)	(3.0)
TOTAL	513	138	375	271.7

In the first quarter of 2021, the Fixed Operating Expenses amounted to Euro 513 million, which represents an increase of Euro 375 million (+271.7%), in comparison with the first quarter of 2020, mainly as a result of the following aspects:

- The implementation in the period January-March 2020 of the “V ENDESA Framework Collective Bargaining Agreement” and the recognition of certain workforce restructuring provisions relating to the “Agreement on Voluntary Measures to Suspend or Extinguish Labour Contracts”, had a positive effect on the Income Statement in the amount of Euro 356 million (Euro 267 million, net of the tax effect) (see section 5.2. Analysis of results in this Consolidated Management Report).
- Changes in the update of provisions for the workforce restructuring plans in force led to an impact of Euro 4 million in the Consolidated Income Statement for January-March 2021 (Euro 43 million, positive, in the period from January-March 2020).
- The period provision for compensation and other risks of a tax and employment nature amounting to Euro 1 million in the first quarter of 2021 (Euro 14 million in the first quarter of 2020).

Without taking into account the effects described in the previous paragraphs, the Fixed Operating Expenses in the first quarter of 2021 would have fallen by Euro 15 million (-2.9%) on the same period last year in line with the Company's fixed cost containment policy.

Depreciation and Amortisation and Impairment Losses

The table below presents the detail of Depreciation and Amortisation and Impairment Losses at ENDESA sales in the first quarter of 2021 and its variation compared with the same period in the previous year:

Millions of Euros

	Depreciation and Amortisation and Impairment Losses			
	January - March 2021	January - March 2020	Difference	% Var.
DEPRECIATION AND AMORTISATION	372	352	20	5.7
Provision for the depreciation of property, plant and equipment	317	298	19	6.4
Provision for amortisation of intangible assets	55	54	1	1.9
IMPAIRMENT LOSSES	32	6	26	433.3
Non-financial assets	-	(18)	18	(100.0)
Provision for impairment losses on property, plant and equipment and investment property	-	(16)	16	(100.0)
Provision for impairment losses on intangible assets	-	(2)	2	(100.0)
Financial assets	32	24	8	33.3
Provision for impairment losses on receivables from contracts with customers	32	22	10	45.5
Provision for impairment losses on other financial assets	-	2	(2)	(100.0)
TOTAL	404	358	46	12.8

Depreciation and amortisation and impairment losses for the first quarter of 2021 amounted to Euro 404 million, up Euro 46 million (+12.8%) with respect to the same period last year, as a result mainly of the rise in net impairment losses for Euro 26 million.

In the January-March 2021 period, impairment losses amounted to Euro 32 million, an increase of Euro 26 million compared with the same period of the previous year. This variation includes an increase of Euro 10

million corresponding to impairment losses from customer contracts partially related to the economic situation caused by COVID-19.

5.2.3. Net Financial Profit/(loss)

Net Financial Profit/(loss) in the first quarter of 2021 and in the first quarter of 2020 amounted to Euro +39 million and to Euro -10 million, respectively.

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

Millions of Euros

	Net Financial Profit/(loss) ⁽¹⁾			
	January - March 2021	January - March 2020	Difference	% Var.
Net Financial Expense ⁽³⁾	41	(8)	49	(612.5)
Financial income	83	31	52	167.7
Financial expense	(42)	(39)	(3)	7.7
Net exchange differences	(2)	(2)	-	-
TOTAL	39	(10)	49	(490.0)

(1) Net Financial Profit/(Loss) = Financial Income - Financial Expenses + Net Exchange Differences.

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

In the first quarter of 2021, Net Financial Expense amounted to Euro 41 million, down Euro 49 million (612.5%) on the same period last year

To analyse the variations in Net Financial Expense during the first quarter of 2021, the following effects must be taken into account:

Millions of Euros

	Net Financial Expense ⁽¹⁾			
	January - March 2021	January - March 2020	Difference	% Var.
Net Expenses for Financial Liabilities at Amortised Cost	(35)	(33)	(2)	6.1
Update of provisions for workforce restructuring plans, plant dismantling and impairment of financial assets in accordance with IFRS 9 Financial Instruments	6	25	(19)	(76.0)
Late-Payment Interest on Compensation on Carbon Dioxide Emission Rights Carbon (CO ₂) for 2006	70	-	70	-
TOTAL	41	(8)	49	(612.5)

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

The net financial expense for the period January-March 2021 includes, in the amount of Euro 70 million, late-payment interest in relation to ENDESA's right to be compensated for the reduction in its remuneration as a generating company in the amount of the internalization of the carbon dioxide (CO₂) emission rights assigned free of charge under the National Emission Rights Allocation Plan (NAP), which it is not legally obliged to bear (see Section 5.2. Analysis of results of this Consolidated Management Report).

Net expenses for financial liabilities at amortised cost amounted to Euro 35 million, up Euro 2 million (+6.1%) on those recognised in the same period last year, due to the combination of the following effects (see section 6.2. Financial Management of this Consolidated Management Report):

- The average cost of gross financial debt remained constant (1.7% during the first quarter of 2021 and 2020.
- The increase in the gross average financial debt between both periods, which rose from Euro 7,735 million in the first quarter of 2020 to Euro 8,240 million in the first quarter of 2021.

5.2.4. Gains/(losses) of Companies accounted for using the Equity Method

In the first quarters of 2021 and 2020, the net income of the companies accounted for using the equity method amounted to Euro 5 million and Euro 4 million, respectively, as follows:

Millions of Euros

	Net Gains/(losses) of Companies accounted for using the Equity Method	
	January - March 2021	January - March 2020
Associates	1	-
Tecnatom, S.A.	1	-
Joint Ventures	4	4
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	1	2
Suministradora Eléctrica de Cádiz, S.A.	1	-
Other	2	2
TOTAL	5	4

5.2.5. Gains/(losses) on disposal of assets

In the first quarters of 2021 and 2020, the loss from the sale of assets amounted to Euro 6 million, and includes mainly the expense for factoring transaction fees.

5.2.6. Income tax.

In the first quarter of 2021, the income tax expense amounted to Euro 159 million, down Euro 101 million (-38.8%) with respect to the amount recognised in the first quarter of 2020, mainly as a result of the changes in gross operating income (EBITDA) and operating income (EBIT) (see section 5.2. Analysis of results in this Consolidated Management Report).

The effective rate in January-March 2021 stood at 24.4% (23.5% in January-March 2020), as a result mainly of the lower materialisation of relief for the production of tangible movable property in the Canary Islands.

At the date of approval of this Consolidated Management Report, the recovery of deferred tax assets was not affected by the current context and the effective rate does not register impacts due to legislative changes that affect Income Tax.

5.2.7. Net Income

The net income attributable to the Parent in the first quarter of 2021 amounted to Euro 491 million, representing a drop of Euro 353 million with respect to the amount obtained in the same period last year.

Net ordinary income attributable to the Parent in the first quarter of 2021 and 2020 stood at Euro 491 million and Euro 831 million, respectively, as follows:

Millions of Euros

	January - March 2021	January - March 2020	Difference	% Var.
Net income ⁽¹⁾	491	844	(353)	(41.8)
Net Impairment Losses on Net Financial Assets ⁽²⁾	-	(13)	13	(100.0)
Mainland Coal-fired Thermal Power Plants, Inventories and other Materials	-	(13)	13	(100.0)
Net ordinary income ⁽³⁾	491	831	(340)	(40.9)

(1) Net Income = Net Income Attributable to the Parent.

(2) Exceeding Euro 10 million.

(3) Net Ordinary Income = Net Income Attributable to the Parent - Net gains/(losses) on Disposals of Non-financial Assets (exceeding Euro 10 million) - Net Impairment Losses on Non-financial Assets (exceeding Euro 10 million) - Initial Net Provision for Personnel Expenses for Workforce Restructuring Plans relating to the Decarbonisation Plan and to Process Digitalisation - Net Expenses relating to the Public Responsibility Plan for the COVID-19 Health Crisis.

Economic Indicators.

Euros

Key figures	January - March 2021	January - March 2020	% Var.
Net ordinary earnings per share ⁽¹⁾	0.464	0.785	(40.9)
Net earnings per share ⁽²⁾	0.464	0.797	(41.8)
Cash flow per share ⁽³⁾	0.551	0.261	111.1
Carrying Amount per Share ⁽⁴⁾	7.513 ⁽⁵⁾	6.909 ⁽⁶⁾	8.7

(1) Net Ordinary Earnings per Share = Net Ordinary Income attributable to the Parent / Number of Shares at the end of the Reporting Period.

(2) Net Earnings per Share = Net Income Attributable to the Parent / Number of Shares at the end of the Reporting Period.

(3) Cash Flow per Share = Net Cash Flows from Operating Activities / Number of Shares at the end of the Reporting Period.

(4) Carrying Amount per Share = Equity of the Parent / Number of Shares at the end of the Reporting Period.

(5) At 31 March 2021.

(6) At 31 December 2020

Profitability indicators (%)	January - March 2021	January - March 2020
Return on equity ⁽¹⁾	18.10	31.00
Return on assets ⁽²⁾	4.27	7.81
Economic profitability ⁽³⁾	8.91	16.02
Return on capital employed (ROCE) ⁽⁴⁾	4.45	8.11
Return on Invested Capital (ROIC) ⁽⁵⁾	9.31	16.41

(1) Return on Equity = Net Ordinary Income attributable to the Parent / Average Equity of the Parent.

(2) Return on Assets = Net Ordinary Income attributable to the Parent / Total Average Assets.

(3) Economic Profitability = Operating Income (EBIT) / Average Property, Plant and Equipment.

(4) Return on Capital Employed (ROCE) = Operating Income after Tax / (Average Non-current Assets + Average Current Assets)

(5) Return on Invested Capital (ROIC) = Operating Income after Tax / (Equity of the Parent + Net Financial Debt).

6. Equity and Financial Analysis.

6.1. Net Invested Capital and Financing.

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

Millions of Euros

	31 March 2021	31 December 2020	Difference	% Var.
Net Non-current Assets:				
Property, Plant and Equipment and Intangible Assets	22,661	22,753	(92)	(0.4)
Goodwill	462	462	-	-
Investments Accounted for using the Equity Method	223	217	6	2.8
Other Net Non-Current Assets/(Liabilities)	(4,268)	(4,350)	82	(1.9)
Total Net Non-Current Assets ⁽¹⁾	19,078	19,082	(4)	(0.0)
Net Working Capital:				
Trade and other receivables	3,653	3,151	502	15.9
Inventories	1,120	1,077	43	4.0
Other Net Current Assets/(Liabilities)	899	1,091	(192)	(17.6)
Suppliers and other payables	(5,292)	(6,194)	902	(14.6)
Total Net Working Capital ⁽²⁾	380	(875)	1,255	(143.4)
Gross Invested Capital ⁽³⁾	19,458	18,207	1,251	6.9
Deferred Tax Assets and Liabilities and Provisions:				
Provisions for Pensions and Similar Obligations	(698)	(701)	3	(0.4)
Other provisions	(3,435)	(3,480)	45	(1.3)
Deferred Tax Assets and Liabilities	277	338	(61)	(18.0)
Total Deferred Tax Assets and Liabilities and Provisions	(3,856)	(3,843)	(13)	0.3
Non-current Assets classified as Held for Sale and Discontinued Operations	-	-	-	N/A
Net Invested Capital ⁽⁴⁾	15,602	14,364	1,238	8.6
Equity ⁽⁶⁾	8,106	7,465	641	8.6
Net Financial Debt ^{(5) (7)}	7,496	6,899	597	8.7

(1) Total Net Non-Current Assets = Property, Plant and Equipment + Intangible Assets + Goodwill + Equity Method Investments + Real Estate Investments + Non-Current Financial Assets - Deferred Income - Other Non-Current Liabilities - Financial Derivatives recorded in Non-Current Financial Assets.

(2) Total Net Working Capital = Trade Receivables for Sales and Services and other Accounts Receivable + Inventories + Current Financial Assets - Financial Derivatives recorded in Current Financial Assets + Current Corporate Income Tax Assets - Current Corporate Income Tax Liabilities - Suppliers and other Creditors.

(3) Gross Invested Capital = Total Net Non-Current Assets + Total Net Working Capital.

(4) Net Invested Capital = Gross Invested Capital - Provisions for Pensions and Similar Obligations - Other Non-Current Provisions - Current Provisions + Deferred Tax Assets - Deferred Tax Liabilities + Net Non-Current Assets Held for Sale and Discontinued Operations.

(5) Net Financial Debt = Non-Current Financial Debt + Current Financial Debt - Cash and Cash Equivalents - Financial Derivatives recorded in Financial Assets.

(6) See section 6.3. Capital Management of this Consolidated Management Report.

(7) See section 6.2. Financial Management of this Consolidated Management Report.

At 31 March 2021, net invested capital stood at Euro 15,602 million and its changes in the first quarter of 2021 were as follows:

- The decrease in "Property, Plant and Equipment and Intangible Assets" amounted to Euro 92 million (-0.4%), as a result mainly to the depreciation and amortisation charge, amounting to Euro 372 million (see section 5.2.2. Operating Expenses of this Consolidated Management Report), not offset by investments in

January-March 2021 amounting to Euro 276 million (see Section 6.6. Investments of this Consolidated Management Report).

- The increase in "Net Working Capital" totalling Euro 1,255 million (+143.4%), mainly as a result of the payment of the 2020 interim dividend on 4 January 2021, in the sum of Euro 741 million (see sections 6.5. Cash flows and 9.2. Dividends of this Consolidated Management Report).

6.2. Financial Management.

Financial Debt.

At 31 March 2021, ENDESA had net financial debt of Euro 7,496 million, an increase of Euro 597 million (+8.7%), with respect to that existing at 31 December 2020.

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

Millions of Euros

	Reconciliation of Financial debt			
	31 March 2021	31 December 2020	Difference	% Var.
Non-current financial debt	5,908	5,937	(29)	(0.5)
Current financial debt	2,069	1,372	697	50.8
Gross Financial Debt⁽¹⁾	7,977	7,309	668	9.1
Cash and cash equivalents	(474)	(403)	(71)	17.6
Financial derivatives recognised under financial assets	(7)	(7)	-	-
Net financial debt	7,496	6,899	597	8.7

(1) At 31 March 2021, Euro 26 million were included, corresponding to financial derivatives recognised under Financial Liabilities (Euro 36 million at 31 December 2020).

When assessing the variations in net financial debt, it must be borne in mind that on 4 January 2021 ENDESA, S.A. paid shareholders an interim dividend out of 2020 profit, for a gross amount of Euro 0.70 per share, involving a pay-out of Euro 741 million (see sections 6.5. Cash flows and 9.2. Dividends of this Consolidated Management Report).

Structure.

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

Millions of Euros

	Structure of gross financial debt			
	31 March 2021	31 December 2020	Difference	% Var.
Euro	7,890	7,222	668	9.2
US dollar (USD)	87	87	-	-
TOTAL	7,977	7,309	668	9.1
Fixed rate	4,742	4,716	26	0.6
Floating rate	3,235	2,593	642	24.8
TOTAL	7,977	7,309	668	9.1
Sustainable financing (%) ⁽¹⁾	49	45	-	-
Average life (years) ⁽²⁾	4.5	4.6	-	-
Average cost (%) ⁽³⁾	1.7	1.7	-	-

(1) Sustainable financing (%) = Sustainable gross financial debt / Gross financial debt.

(2) Average life of the gross financial debt (no. of years) = (Principal * no. of days in force) / (Principal in force at the end of the Reporting Period * no. of days in the period).

(3) Average cost of gross financial debt (%) = (Cost of gross financial debt) / Gross average financial debt.

At 31 March 2021, the gross financial debt at fixed interest rates accounted for 59% while 41% was at floating rates. At this date, 99% of the Company's gross financial debt was denominated in euros.

Maturity.

At 31 March 2021, the breakdown of the nominal value of gross financial debt without derivatives by maturity was as follows:

Millions of Euros

	Carrying amount 31 March 2021 ⁽¹⁾	Nominal value		Maturity				
		Current	Non-current	2021	2022	2023	2024	Subsequent years
Bonds and other marketable securities	1,855	1,837	12	1,837	-	-	-	12
Bank borrowings	2,223	100	2,125	67	156	190	491	1,321
Other financial debts	3,873	132	3,741	114	63	61	3,055	580
TOTAL	7,951	2,069	5,878	2,018	219	251	3,546	1,913

(1) Excludes Euro 26 million corresponding to financial derivatives.

Main financial transactions.

In the first quarter of 2021, ENDESA maintained the SDG 7 Euro Commercial Paper (ECP) emissions programme through ENDESA, S.A., and the outstanding balance thereof at 31 March 2021 was equal to Euro 1,837 million, and its renewal is backed by irrevocable bank credit lines. This Programme incorporates sustainability objectives, in line with ENDESA's Strategic Plan.

Likewise, at the date of approval of this Consolidated Management Report, the following financial transactions were performed, all of which incorporated sustainability goals:

Millions of Euros

Operations	Counterparty	Signature Date	Maturity Date	Amount
Loan ^{(1) (2)}	CaixaBank, S.A., Bankia, S.A. and Kutxabank, S.A.	25 March 2021	25 March 2024	300
Line of credit ^{(1) (2)}	CaixaBank, S.A., Bankia, S.A. and Kutxabank, S.A.	25 March 2021	25 March 2024	250
Lines of Credit ^{(1) (3)}	Various banks	25 March 2021	25 March 2025	1,955
Line of credit ⁽¹⁾	BNP Paribas	25 March 2021	25 March 2025	100
Loan ⁽⁴⁾	CaixaBank, S.A.	31 March 2021	15 April 2028	150
Line of credit ⁽¹⁾	Deutsche Bank, S.A.E.	28 April 2021	28 April 2025	70
TOTAL				2,825

(1) Transactions described as sustainable on including the performance indicator (KPI) in relation to ENDESA's commitment that its mainland net installed capacity from renewable sources is 55% of the total mainland net installed capacity at 31 December 2022.

(2) Corresponds to a financial transaction in "Club Deal" format in force renewed at the signature date.

(3) Corresponds to the new credit lines in force renewed at the signature date.

(4) The credit conditions of this transactions are tied for the first time at ENDESA to the objective established in the Company's Strategic Plan to reduce specific Scope 1 carbon dioxide (CO₂) emissions equivalent to 150 g CO₂eq/kWh in 2023.

At 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.

Likewise, during the first quarter of 2021, ENDESA did not modify, renegotiate or cancel clauses contained in those lease arrangements in which it acts as lessee hence, consequently, modifications were not made to either the asset for the right of use that represents the right of use of the leased asset or the liability that represents the present value of the obligation to make lease payments during its term.

Financial stipulations

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

Liquidity

At 31 March 2021, ENDESA had liquidity of Euro 4,462 million (Euro 4,493 million at 31 December 2020), as detailed below:

Millions of Euros

	Liquidity			
	31 March 2021	31 December 2020	Difference	% Var.
Cash and cash equivalents	474	403	71	17.6
Unconditionally available on credit lines ⁽¹⁾	3,988	4,090	(102)	(2.5)
TOTAL	4,462	4,493	(31)	(0.7)
Coverage of debt maturities ^(number of months) ⁽²⁾	35	17	18	105.9

(1) At 31 March 2021 and 31 December 2020, Euro 1,000 million correspond to the committed irrevocable credit line available with ENEL Finance International, N.V. Also, at 31 March 2021 and 31 December 2020, Euro 700 million correspond to the new credit line available with ENEL Finance International, N.V.

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

Treasury investments considered as "Cash and Cash Equivalents" have high liquidity and entail no risk of changes in value, mature within three months from their contract date and accrue interest at the market rates for such instruments.

At 31 March 2021, ENDESA had negative working capital of Euro 1,773 million. The undrawn amount on the Company's long-term credit lines provide assurance that the ENDESA can obtain sufficient financial resources to continue to operate, realise its assets and settle its liabilities for the amounts shown in the Consolidated Statement of Financial Position.

The undrawn credit lines also secure the refinancing of current financial debt presented under "Non-current Financial Debt " in the accompanying Consolidated Statement of Financial Position, which amounted to Euro 34 million at 31 March 2021 (Euro 33 million at 31 December 2020).

The amount of these credit lines, together with the current assets, provides sufficient coverage of ENDESA's short-term payment obligations.

To this end, ENDESA has a strong financial position and unconditional lines of credit contracted with top-tier entities available for significant amounts. This, together with the implementation of specific plans to improve and efficiently manage liquidity, is estimated to enable the impact of the economic situation to be addressed (see section 4.2. COVID-19 Health Crisis of this Consolidated Management Report).

6.3. Capital Management

In the first three months of 2021, ENDESA followed the same capital management policy as that described in Note 14.1.12 to the Consolidated Financial Statements for the year ended 31 December 2020.

Capital.

At 31 March 2021, ENDESA, S.A. had share capital of Euro 1,270,502,540.40, represented by 1,058,752,117 shares with a par value of Euro 1.2 each, fully subscribed and paid up and all admitted for trading on the Spanish Stock Exchanges.

At 31 March 2021, the ENEL Group, through ENEL Iberia, S.L.U., held 70.1% of ENDESA, S.A.'s share capital.

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

Leverage.

ENDESA considers its consolidated leverage to be an indicator to monitor its financial position. Details of this ratio at 31 March 2021 and 31 December 2020 are as follows:

Millions of Euros

	Leverage		% Var.
	31 March 2021	31 December 2020	
Net financial debt:	7,496	6,899	8.7
Non-current financial debt	5,908	5,937	(0.5)
Current financial debt	2,069	1,372	50.8
Cash and cash equivalents	(474)	(403)	17.6
Financial derivatives recognised under financial assets	(7)	(7)	-
Equity:	8,106	7,465	8.6
Of the Parent	7,954	7,315	8.7
Of non-controlling interests	152	150	1.3
Financial (%) ⁽¹⁾	92.47	92.42	-

(1) Leverage (%) = Net financial debt / equity.

ENDESA, S.A.'s directors consider that its leverage will enable it to optimise the cost of capital while maintaining a high solvency ratio. Therefore, in due consideration of expectations of earnings and the investment plan, the future dividend policy will maintain a leverage to achieve the aforementioned capital management target.

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

Financial indicators.

Financial indicators	31 March 2021	31 December 2020
Liquidity ratio ⁽¹⁾	0.79	0.73
Solvency ratio ⁽²⁾	0.93	0.91
Debt Ratio ⁽³⁾ (%)	48.05	48.03
Debt coverage ratio ⁽⁴⁾	2.13	1.82
Net Financial Debt ⁽⁵⁾ / Fixed Assets ⁽⁶⁾ (%)	32.34	29.64
Net Financial Debt ⁽⁵⁾ / Funds from Operations ⁽⁷⁾	1.97	2.23
Funds from Operations ⁽⁷⁾ + Interest Expenses ⁽⁸⁾ / Interest Expenses ⁽⁸⁾ ⁽⁹⁾	60.56	77.00

(1) Liquidity = Current Assets / Current Liabilities.

(2) Solvency = (equity + non-current liabilities) / non-current assets.

(3) Debt = net financial debt / (equity + net financial debt) (%).

(4) Debt Hedge = Net Financial Debt / Gross Operating Income (EBITDA).

(5) Net Financial Debt = Non-current Financial Debt + Current Financial Debt – Cash and Cash Equivalents – Financial Derivatives recognised under 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 Current Capital - Self-constructed Assets.

(8) Interest expenses = Interest Paid (see section 6.5. of Cash Flows of this Consolidated Management Report).

(9) It relates to the periods from January-March 2021 and January-March 2020, respectively.

6.4. Management of Credit Ratings.

ENDESA's credit ratings are as follows:

	Credit rating						
	31 March 2021 ⁽¹⁾				31 December 2020 ⁽¹⁾		
	Long term	Short term	Outlook	Date of Last Report	Long term	Short term	Outlook
Standard & Poor's	BBB+	A-2	Stable	26 November 2020	BBB+	A-2	Stable
Moody's	Baa1	P-2	Stable	14 January 2021	Baa1	P-2	Stable
Fitch	A-	F2	Stable	30 April 2021	A-	F2	Stable

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

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

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

6.5. Cash flows.

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

Millions of Euros

	Cash and cash equivalents			
	31 March 2021	31 December 2020	Difference	% Var.
Cash in hand and at banks	474	403	71	17.6
Cash equivalents	-	-	-	-
TOTAL	474	403	71	17.6

ENDESA's net cash flows in the first quarters of 2021 and 2020, classified by operating, investing and financing activities, were as follows:

Millions of Euros

	Statement of cash flows			
	January - March 2021	January - March 2020	Difference	% Var.
Net Cash Flows from Operating Activities	583	276	307	111.2
Net Cash Flows from Investing Activities	(445)	(508)	63	(12.4)
Net cash flows from financing activities	(67)	200	(267)	(133.5)

In the first quarter of 2021, net cash flows generated by operating activities (Euro 583 million) helped to cover the net payments arising from investing activities (Euro 445 million) and financing activities (Euro 67 million).

Net cash flows from operating activities

In the first quarter of 2021, net cash flows from operating activities amounted to Euro +583 million (Euro +276 million in the first quarter of 2020), as follows:

Millions of Euros

	January - March 2021	January - March 2020	Difference	% Var.
Profit before tax and non-controlling interests	653	1,106	(453)	(41.0)
Adjustments for:	422	(82)	504	(614.6)
Depreciation and amortisation, and impairment losses	404	358	46	12.8
Other adjustments (net)	18	(440)	458	(104.1)
Changes in current capital:	(411)	(759)	348	(45.8)
Trade and other receivables	(203)	(57)	(146)	256.1
Inventories	(177)	(219)	42	(19.2)
Current financial assets	27	(166)	193	(116.3)
Trade payables and other current liabilities	(58)	(317)	259	(81.7)
Other cash flows from operating activities:	(81)	11	(92)	(836.4)
Interest received	5	4	1	25.0
Dividends received	1	1	-	-
Interest paid ⁽¹⁾	(16)	(13)	(3)	23.1
Income tax paid	(2)	74	(76)	(102.7)
Other receipts from and payments for operating activities ⁽²⁾	(69)	(55)	(14)	25.5
NET CASH FLOWS FROM OPERATING ACTIVITIES	583	276	307	111.2

(1) Includes interest paid on financial debts for rights of use amounting to Euro 8 million and Euro 8 million, respectively.

(2) Corresponding to payments of provisions.

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

- The higher cash flow from the net amount of gross income before taxes and controlling interests and the depreciation and amortisation and other adjustments of income (Euro 51 million).

- Changes in current capital between both periods amounting to Euro 348 million, mainly as a result of the decrease in trade payables of Euro 259 million, of the negative performance of trade and other receivables (Euro 146 million) and the lower payments for inventories (Euro 42 million), the positive changes in receivables for offsetting extra-costs of Non-mainland Territories generation ("TNP") (Euro 80 million) and the positive variations in receivables for the tariff deficit (Euro 104 million).
- The variation in income tax between both periods amounting to Euro 76 million.

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

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

Millions of Euros

Sections	Working capital		
	January - March 2021	31 December 2020	31 March 2020
Current Assets ⁽¹⁾	6,346	5,831	6,629
Inventories	1,120	1,077	1,245
Trade and other receivables	4,099	3,577	3,962
Current financial assets	1,127	1,177	1,422
Compensation for extra-costs of non-mainland territories generation ("TNP")	676	602	716
Collection rights for financing of the shortfall of regulated activities	176	277	392
Remuneration of the distribution activity	225	246	190
Other	50	52	124
Current Liabilities ⁽²⁾	6,524	7,183	6,760
Current provisions	558	477	634
Trade payables and other current liabilities	5,966	6,706	6,126
Dividend of the Parent	6.2 and 9.2	741	-
Other	5,966	5,965	6,126

(1) Excludes cash and cash equivalents and derivatives recognised as financial assets corresponding to financial debt.

(2) Excludes "Current Financial Debt" and Liability Financial Derivatives corresponding to financial debt.

Net cash flows from investing activities.

In the first quarter of 2021, net cash flows used in investing activities totalled Euro +445 million (Euro +508 million in the first quarter of 2020) and include, among other aspects:

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

Millions of Euros

Sections	January - March 2021	January - March 2020
Acquisitions of property, plant and equipment and intangible assets	(392)	(409)
Acquisitions of Property, Plant and Equipment ⁽¹⁾	(217)	(187)
Acquisitions of intangible assets	(55)	(36)
Facilities transferred from customers	15	5
Suppliers of property, plant and equipment	(135)	(191)
Proceeds from sale of property, plant and equipment and intangible assets	2	1
Grants and other deferred income	18	15
TOTAL	(372)	(393)

(1) From January-March 2021, additions for rights of use amounting to Euro 4 million are not included (Euro 45 million from January-March 2020).

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

Millions of Euros

	Sections	January - March 2021	January - March 2020
Investments in Group companies		(20)	-
Companies acquired by ENEL Green Power España, S.L.U. (EGPE)	4.1	(20)	-
TOTAL		(20)	-

Net cash flows from financing activities.

In the first quarter of 2021, cash flows from financing activities amounted to Euro -67 million (+Euro 200 million in the first quarter of 2020), mainly including the following aspects:

- Cash flows from equity instruments:

Millions of Euros

	January - March 2021	January - March 2020
Return of Contribution of ENDESA Soluciones, S.L.	4	-
Return of Contribution to Non-Controlling Interests of Bosa del Ebro, S.L.	(1)	-
TOTAL	3	-

- Drawdowns of Non-current Financial Debt:

Millions of Euros

	January - March 2021	January - March 2020
Drawdowns from credit lines	32	350
TOTAL	32	350

- Repayments of the following non-current Financial Debt:

Millions of Euros

	January - March 2021	January - March 2020
Other	(3)	(2)
TOTAL	(3)	(2)

- Drawdowns and Repayments of Current Financial Debt:

Millions of Euros

	Sections	January - March 2021	January - March 2020
Drawdowns			
Issues of Euro Commercial Paper (ECP)	6.2	2,416	2,518
Other		24	46
Amortisation and Depreciation			
Redemptions of Euro Commercial Paper (ECP)	6.2	(1,740)	(1,924)
Payments for Rights of Use Agreements		(17)	(18)
Repayment of European Investment Bank (EIB) Green Loan		(33)	-
Other		(5)	(24)
TOTAL		645	598

- Dividends Paid:

Millions of Euros

	Sections	January - March 2021	January - March 2020
Dividends of the Parent Paid	6.2 and 9.2	(741)	(741)
Dividends paid to Non-controlling Interests ⁽¹⁾		(3)	(5)
TOTAL		(744)	(746)

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

6.6. Investments.

In the first quarter of 2021, ENDESA made gross investments of Euro 283 million. Of this amount, Euro 276 million related to Property, Plant and Equipment and Intangible Assets and the remaining Euro 7 million to Financial Investments, as follows:

Millions of Euros

	Investments ⁽¹⁾		
	January - March 2021	January - March 2020	% Var.
Generation and supply	91	138	(34.1)
Non-mainland Territories generation ("TNP")	6	14	(57.1)
Other generation and supply	85	124	(31.5)
Distribution	128	92	39.1
Structure and Others ⁽²⁾	2	2	-
TOTAL PP&E ^{(3) (4)}	221	232	(4.7)
Generation and supply	40	26	53.8
Non-mainland Territories generation ("TNP")	-	-	N/A
Other generation and supply	40	26	53.8
Distribution	14	6	133.3
Structure and Others ⁽²⁾	1	4	(75.0)
TOTAL INTANGIBLE ASSETS ⁽⁴⁾	55	36	52.8
FINANCIAL INVESTMENTS	7	3	133.3
TOTAL GROSS INVESTMENTS	283	271	4.4
Grants related to Assets and Transferred Facilities	(33)	(20)	65.0
Generation and supply	-	-	N/A
Distribution	(33)	(20)	65.0
TOTAL NET INVESTMENTS ⁽⁵⁾	250	251	(0.4)

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

(2) Structure, Services and Adjustments.

(3) From January-March 2021, additions for rights of use amounting to Euro 4 million are included (Euro 45 million from January-March 2020).

(4) The period from January-March 2021 includes investments for products, services and technologies low in carbon amounting to Euro 262 million (Euro 254 million from January-March 2020).

(5) Net Investments = Gross Investments - Grants related to Assets and Transferred Facilities.

Investment in Property, Plants and Equipment.

In the first quarter of 2021, gross investment in generation includes investments for the construction of electricity generation facilities from renewable sources, for Euro 41 million (Euro 47 million in the first quarter of 2020).

Likewise, in the period from January-March 2021, gross supply investments mainly related to the development of the activities related to new products and services for Euro 4 million (Euro 5 million in the period from January-March 2020).

Gross distribution investments related to grid extensions and investments aimed at optimising its functioning for greater efficiency and service quality.

As of 31 March 2021, the COVID-19 health crisis has not caused significant impacts in relation to the start-up dates of the projects foreseen in the investment plan.

Investment in Intangible Assets.

Gross investments in intangible assets in the first quarter of 2021 correspond to IT applications and ongoing investments in ICT activities in the sum of Euro 31 million and to the capitalisation of incremental costs incurred from the obtainment of customer contracts for Euro 24 million (Euro 17 million and Euro 19 million, respectively, in the first quarter of 2020).

Financial investments.

Gross investments in the first quarter of 2021 include, primarily, various financial loans.

7. Segment Information.

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

- Generation and Supply;
- Distribution;
- Structure, mainly including the balances and transactions of holding companies and financing and service provision companies; and
- Consolidation Adjustments and Eliminations, including the inter-segment consolidation eliminations and adjustments.

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

The table below presents the detail of the most relevant figures of the Consolidated Income Statement among ENDESA's business areas in the first quarters of 2021 and 2020:

Millions of Euros

	January-March 2021						
	Generation and Supply				Distribution	Structure and Others ⁽¹⁾	Total
	Non-mainland Territories generation ("TNP")	Other Generation and Supply	Adjustments	Total			
Revenue	406	4,139	(147)	4,398	641	(46)	4,993
Sales	405	3,858	(148)	4,115	579	(36)	4,658
Other operating income	1	281	1	283	62	(10)	335
Procurements and Services	(278)	(3,312)	146	(3,444)	(44)	27	(3,461)
Contribution Margin ⁽²⁾	128	827	(1)	954	597	(19)	1,532
Self-constructed assets	1	15	-	16	25	-	41
Personnel expenses	(22)	(103)	-	(125)	(67)	(43)	(235)
Other fixed operating expenses	(26)	(265)	1	(290)	(79)	50	(319)
Gross Operating Income (EBITDA) ⁽³⁾	81	474 ⁽⁸⁾	-	555	476	(12)	1,019
Depreciation and amortisation, and impairment losses	(31)	(196)	-	(227)	(162)	(15)	(404)
Operating Income (EBIT) ⁽⁴⁾	50	278	-	328	314	(27)	615
Net Financial Profit/(loss) ⁽⁵⁾	(3)	54	-	51	(15)	3	39
Profit before tax	47	329	-	376	300	(23)	653
Net income ⁽⁶⁾	36	247	-	283	227	(19)	491
Net ordinary income ⁽⁷⁾	36	247	-	283	227	(19)	491

(1) Structure, Services and Adjustments.

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

(3) Gross Operating Income (EBITDA) = Revenue - Procurements and Services + Self-constructed assets - Personnel Expenses - Other Fixed Operating Expenses.

(4) Operating Income (EBIT) = Gross Operating Income (EBITDA) - Amortisation and Impairment Losses.

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

(6) Net Income = Net Income Attributable to the Parent.

(7) Net Ordinary Income = Net Income Attributable to the Parent - Net Income on Sales of Non-Financial Assets (exceeding Euro 10 million - Net Impairment Losses on Non-Financial Assets (exceeding Euro 10 million) - Initial Net Provision for Personnel Expenses for Workforce Restructuring Plans relating to the Decarbonisation Plan and to Process Digitalisation - Net Expenses relating to the Public Responsibility Plan for the COVID-19 Health Crisis.

(8) Includes Gross Operating Income (EBITDA) of ENEL Green Power España, S.L.U. (EGPE) amounting to Euro 67 million.

Millions of Euros

	January-March 2020						
	Generation and supply				Distribution	Structure and Others ⁽¹⁾	Total
	Non-mainland Territories generation ("TNP")	Other Generation and Supply	Adjustments	Total			
Revenue	496	4,113	(150)	4,459	656	(46)	5,069
Sales	495	3,679	(151)	4,023	592	(35)	4,580
Other operating income	1	434	1	436	64	(11)	489
Procurements and Services	(345)	(3,247)	149	(3,443)	(43)	31	(3,455)
Contribution Margin ⁽²⁾	151	866	(1)	1,016	613	(15)	1,614
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)
Gross Operating Income (EBITDA) ⁽³⁾	93	706 ⁽⁸⁾	-	799	667	10	1,476
Depreciation and amortisation and impairment losses	(28)	(157)	-	(185)	(159)	(14)	(358)
Operating Income (EBIT) ⁽⁴⁾	65	549	-	614	508	(4)	1,118
Net Financial Profit/(loss) ⁽⁵⁾	(4)	(9)	-	(13)	(6)	9	(10)
Profit before tax	61	538	-	599	502	5	1,106
Net income ⁽⁶⁾	52	412	-	464	379	1	844
Net ordinary income ⁽⁷⁾	52	399	-	451	379	1	831

(1) Structure, Services and Adjustments.

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

(3) Gross Operating Income (EBITDA) = Revenue - Procurements and Services + Self-constructed assets - Personnel Expenses

Other Fixed Operating Expenses.

(4) Operating Income (EBIT) = Gross Operating Income (EBITDA) - Amortisation and Impairment Losses.

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

(6) Net Income = Net Income Attributable to the Parent.

(7) Net Ordinary Income = Net Income Attributable to the Parent - Net Income on Sales of Non-Financial Assets (exceeding Euro 10 million) - Net Impairment Losses on Non-Financial Assets (exceeding Euro 10 million) - Initial Net Provision for Personnel Expenses for Workforce Restructuring Plans relating to the Decarbonisation Plan and to Process Digitalisation - Net Expenses relating to the Public Responsibility Plan for the COVID-19 Health Crisis.

(8) Includes Gross Operating Income (EBITDA) of ENEL Green Power España, S.L.U. (EGPE) amounting to Euro 51 million.

7.1. Generation and Supply Segment.

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

Millions of Euros

	Generation and Supply Segment			
	January - March 2021	January - March 2020	Difference	% Var.
Contribution margin	954	1,016	(62)	(6.1)
Gross Operating Income EBITDA	555	799	(244)	(30.5)
Operating Income (EBIT)	328	614	(286)	(46.6)

Contribution Margin.

In the first quarter of 2021, the contribution margin in the Generation and Supply segment totalled Euro 954 million, down Euro 62 million year on year (-6.1%), with a cumulative arithmetic price of Euro 45.2/MWh; +29.5%) on the wholesale electricity market and of commodities price, which has been partially offset by the registration of the right to compensation for the reduction in remuneration as a generating company in the amount of the internalization of carbon dioxide (CO₂) emission rights allocated free of charge by the National Allocation Plan for Emission Rights (NAP), which it has no legal duty to bear.

Gross Operating Income EBITDA.

Gross Operating Income (EBITDA) for the Generation and Supply Segment amounted to Euro 555 million (-30.5%) in the first quarter of 2021. The following factors must be taken into account when analysing the changes for the first quarter of 2021:

- The 6.1% reduction in the contribution margin.

- The updates of the provisions for current workforce restructuring plans for Euro 4 million (negative) in the first quarter of 2021 and Euro 16 million (positive) in the first quarter of 2020).
- The implementation in the period January-March 2020 of the “V ENDESA Framework Collective Bargaining Agreement” and the recognition of a restructuring provision relating to the “Agreement on Voluntary Measures to Suspend or Extinguish Labour Contracts”, generating a positive impact in the Income Statement of Euro 186 million.

Operating Income (EBIT)

In the first quarter of 2021, Operating Income (EBIT) for the Generation and Supply segment was Euro 328 million, down Euro 286 million, mainly as a result of:

- The decrease of 30.5% in Gross Operating Income (EBITDA).
- The increase in impairment losses of Euro 33 million compared to the same period of the previous year. This variation includes, among other items, impairment losses from contracts with customers partially related to the economic situation caused by COVID-19.

7.2. Distribution Segment.

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

Millions of Euros				
	Distribution Segment			
	January - March 2021	January - March 2020	Difference	% Var.
Contribution Margin	597	613	(16)	(2.6)
Gross Operating Income EBITDA	476	667	(191)	(28.6)
Operating Income (EBIT)	314	508	(194)	(38.2)

Contribution Margin.

The contribution margin of the Distribution Segment in the first quarter of 2021 increased to Euro 597 million, which represents a decrease of Euro 16 million (-2.6%) year on year; this can mainly be attributed to the drop in regulated income from the distribution activity, totalling Euro 14 million (-2.7%), mainly as a result of the new financial remuneration rate value applicable as of 1 January 2021.

Gross Operating Income EBITDA.

Gross Operating Income (EBITDA) for the Distribution Segment amounted to Euro 476 million (-28.6%) in the first quarter of 2021. The following factors must be taken into account when analysing the changes for the first quarter of 2021 with respect to the same period last year:

- The negative performance of the contribution margin (-2.6%).
- The updates of the provisions for current workforce restructuring plans for Euro 2 million (negative) in the first quarter of 2021 and Euro 7 million (positive) in the first quarter of 2020).
- The implementation in the period January-March 2020 of the “V ENDESA Framework Collective Bargaining Agreement” and the recognition of a provision for workforce restructuring relating to the “Agreement on Voluntary Measures to Suspend or Extinguish Labour Contracts”, generating a positive impact in the Income Statement of Euro 178 million.

Operating Income (EBIT)

Operating Income (EBIT) for the Distribution Segment in the first quarter of 2021 dropped by Euro 194 million year on year (-38.2%), mainly as a result of the 28.6% decrease in Gross Operating Income (EBITDA).

7.3. Structure and Others Segment.

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

	Structure and Others Segment			
	January - March 2021	January - March 2020	Difference	% Var.
Contribution margin	(19)	(15)	(4)	26.7
Gross Operating Income EBITDA	(12)	10	(22)	(220.0)
Operating Income (EBIT)	(27)	(4)	(23)	575.0

Contribution Margin.

The contribution margin of the Structure and Other Segment in the first quarter of 2021 amounted to Euros 19 million, negative, in line with the amount for the same period of the 2020 financial year.

Gross Operating Income EBITDA.

Gross Operating Income (EBITDA) in the first quarter of 2021 in the Structure and Others Segment was down by Euro 22 million year-on-year, mainly as a result of:

- The updates of the provisions for current workforce restructuring plans for Euro +2 million in the first quarter of 2021 and Euro +20 million in the first quarter of 2020).
- The implementation in the period January-March 2020 of the “V ENDESA Framework Collective Bargaining Agreement” and the recognition of a provision for workforce restructuring costs relating to the “Agreement on Voluntary Measures to Suspend or Extinguish Labour Contracts”, generating a negative impact in the Income Statement of Euro 8 million.

Operating Income (EBIT)

Operating Income (EBIT) in the first quarter of 2021 in the Structure and Others Segment was down by Euro 23 million year-on-year, mainly as a result of Gross Operating Income (EBITDA):

8. Regulatory Framework.

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

2021 electricity tariff

On 29 December 2020, Order TEC/1271/2020 was published in the Official State Gazette, of 22 December 2020, which sets out various costs of the Electricity System for the 2021 financial year, and extends electricity access tariffs until the entry into force of tariffs set by the Spanish Markets and Competition Commission (“CNMC”).

2021 natural gas tariff

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

On 29 December 2020, the Resolution, of 21 December, of the Directorate-General for Energy Policy and Mines, was published, which establishes the Natural Gas Last Resort Tariff (LRT) to be applied from 1 January 2021, resulting in an average increase of 4.6% and 6.3%, depending on whether Last Resort Tariff 1 (LRT1) or Last Resort Tariff 2 (LRT2), respectively, applies, due to the increase in the cost of raw materials.

Energy Efficiency.

On 25 March 2021, Order TED/275/2021, of 18 March 2021, establishing the contribution to the Energy Efficiency National Fund for 2021, was published in the Official State Gazette, and the percentage for ENDESA amounted to Euro 27.7 million.

Strategic energy and climate framework.

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

Likewise, on 8 April 2021, the Congress's Ecological Transition and Demographic Challenge Commission approved the Draft Law on Climate Change and Energy Transition, which will now be transferred to the Senate to continue its parliamentary procedure.

Royal Decree 148/2021, establishing the methodology to calculate Electricity System charges.

On 18 March 2021, Royal Decree 148/2021, of 9 March 2021, was published in the Official State Gazette, establishing the calculation methodology for Electricity System charges.

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

The methodology approved will apply jointly to the new transmission and distribution tolls of the Spanish Markets and Competition Commission (CNMC) and not before 1 January 2021.

Energy Storage Strategy.

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

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

9. Other Information.

9.1. Stock market information

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

Percentage (%)			
Share price performance ⁽¹⁾		January-March 2021	January-March 2020
ENDESA, S.A.		0.9	(18.2)
Ibex-35		6.3	(28.9)
EuroStoxx 50		10.3	(25.6)
EuroStoxx Utilities		(0.3)	(13.7)

(1) Source: Madrid Stock Exchange.

Stock market information		31 March 2021	31 December 2020	% Var.
Market capitalisation ⁽¹⁾	Millions of Euros	23,885	23,663	0.9
Number of shares		1,058,752,117	1,058,752,117	-
Nominal share value	Euros	1.2	1.2	-
Cash ⁽²⁾	Millions of Euros	2,213	9,696	(77.2)
Continuous market	Shares			
Trading volume ⁽³⁾		100,992,599	430,957,400	(76.6)
Average daily trading volume ⁽⁴⁾		1,603,057	1,676,877	(4.4)
Price to Earnings Ratio (P.E.R.) Ordinary ⁽⁵⁾		17.26	11.10	-
Price to earnings ratio (PER) ⁽⁶⁾		17.26	16.97	-
Price / Carrying amount ⁽⁷⁾		3.00	3.23	-

(1) Market Cap = Number of Shares at the end of the Reporting Period * Price at the end of the Reporting Period.

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

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

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

(5) Price to Earnings Ratio (P.E.R.) Ordinary = Price at the end of the Reporting Period / Net Ordinary Earnings per Share.

(6) Price to Earnings Ratio (P.E.R.) = Price at the end of the Reporting Period / Net Earnings per Share.

(7) Price / Carrying Amount = Market Cap / Equity of the Parent.

Euros				
ENDESA share price ⁽¹⁾		January-March 2021	2020	% Var.
Maximum		22.850	26.120	(12.5)
Minimum		20.320	15.500	31.1
Period average		21.781	22.677	(4.0)
Period close		22.560	22.350	0.9

(1) Source: Madrid Stock Exchange.

Despite the fact that the signs of economic recovery are not clear, the optimism boosted by the vaccination campaign against COVID-19 and the stimulation of Governments and Central Banks enabled the main stock market indexes to end the first quarter of 2021 positively. The Spanish IBEX-35 was not an exception, rising by 6.27%, to 8,580 points.

Of the 35 securities on the IBEX-35, 28 of them ended the quarter with gains, including ENDESA, with a rise of 0.94% to close at Euro 22.56 per share.

The fluctuations in ENDESA's shares compare favourably with the fall of 0.26% suffered by the European sectoral index Eurostoxx Utilities in the same period.

ENDESA's securities marked their quarterly low on 3 March at Euro 20.32 per share, leading to a fall of 9.1%. From that level, they managed to recover ground in recent weeks until reaching their maximum on 30 March of Euro 22.85, up 2.2% on the level at which they began the year.

At the end of the quarter, the market cap was Euro 23,885 million, placing ENDESA as the security with the eighth highest capitalisation on the IBEX-35.

9.2. Dividends

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

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

- For 2020: The ordinary dividend per share to be distributed with a charge to the year will be 100% of net ordinary profit attributed to the Parent in the Consolidated Financial Statements of the Group headed by this company.
- For 2021, the ENDESA, S.A. Board of Directors will seek that the ordinary dividend per share agreed to be distributed with a charge to that year be equal to 80% of the net ordinary profit attributed to the Parent Company in the Group's Consolidated Financial Statements.
- For 2022 and 2023, the Board of Directors of ENDESA, S.A. will endeavour to ensure that the ordinary dividend per share to be agreed to be distributed with a charge to the year is 70% of the net ordinary profit attributed to the Parent in the Group's Consolidated Financial Statements.

The intention of the Board of Directors of ENDESA, S.A. 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 disclosed.

Notwithstanding 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, the Company cannot ensure that dividends will be paid out in future years or the amount of such dividends if paid.

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

Including the interim dividend of Euro 0.70 gross per share (Euro 741 million), paid on 4 January 2021 (see sections 6.2. Financial Management and 6.5. Cash Flow of this Consolidated Management Report), the final dividend paid against 2020 profit amounts to Euro 1,3136 gross per share (Euro 1,391 million) and will be paid on 1 July 2021.

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

		2020	2019	% Var.
Share capital	Millions of Euros	1,270.5	1,270.5	-
Number of shares		1,058,752,117	1,058,752,117	-
Consolidated net ordinary income	Millions of Euros	2,132	1,562	36.5
Consolidated net income	Millions of Euros	1,394	171	715.2
Individual net income	Millions of Euros	2,330	1,642	41.9
Net Ordinary earnings per share ⁽¹⁾	Euros	2.0136	1.475	36.5
Net earnings per share ⁽²⁾	Euros	1.317	0.162	715.2
Gross dividend per share	Euros	2.0136 ⁽³⁾	1.475 ⁽⁴⁾	-
Consolidated Ordinary Pay-out ⁽⁵⁾	%	100.0	100.0	-
Consolidated Pay-out ⁽⁶⁾	%	152.9	913.3	-
Individual Pay-out ⁽⁷⁾	%	91.5	95.1	-

(1) Net Ordinary Earnings per Share (Euros) = Net Ordinary Income of the Parent / Number of Shares at Year-end

(2) Net Earnings per Share (Euros) = Profit/(loss) of the Parent / Number of Shares at Year-end.

(3) Interim Dividend equal to Euro 0.7 gross per share paid on 4 January 2021 plus the final dividend equal to Euro 1,3136 gross per share approved by ENDESA, S.A.'s General Shareholders' Meeting, which will be paid on 1 July 2021.

(4) Interim dividend of Euro 0.7 gross per share, paid out on 2 January 2020, plus the final dividend of Euro 0,775 gross per share paid on 1 July 2020.

(5) Consolidated Ordinary Pay-out (%) = (Gross Dividend per Share * Number of Shares at Year-end) / Net Ordinary Income of the Parent.

(6) Consolidated Pay-out (%) = (Gross Dividend per Share * Number of Shares at Year-end) / Profit/(loss) of the Parent.

(7) Pay-Out Individual (%) = (Gross Dividend per Share * Number of Shares at Year-end) / Profit/(loss) of ENDESA, S.A.

9.3. Main Risks and Uncertainties.

During the first quarter of 2021, ENDESA followed the same general risk management policy described in its Consolidated Financial Statements for the year ended 31 December 2020.

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

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

ANNEX I

Alternative Performance Measures (APMs)

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs)		Relevance of use
			January – March 2021	January – March 2020	
Gross Operating Income (EBITDA)	€M	Income - Procurements and Services + Self-constructed assets - Personnel Expenses - Other Fixed Operating Expenses.	Euro 1,019 M = Euro 4,993 M - Euro 3,461 M + Euro 41 M - Euro 235 M - Euro 319 M	Euro 1,476 M = Euro 5,069 M - Euro 3,455 M + Euro 47 M - Euro 144 M - Euro 329 M	Measure of operating return excluding interest, taxes, provisions and amortisation
Operating Income (EBIT)	€M	EBITDA - Depreciation and amortisation, and impairment losses.	Euro 615 M = Euro 1,019 M - Euro 404 M	Euro 1,118 M = Euro 1,476 M - Euro 358 M	Measure of operating return excluding interest and taxes
Net Ordinary Income	€M	Net Ordinary Income = Net Income Attributable to the Parent - Net Income on Sales of Non-Financial Assets (exceeding Euro 10 million) - Net Impairment Losses on Non-Financial Assets (exceeding Euro 10 million) - Initial Net Provision for Personnel Expenses for Workforce Restructuring Plans relating to the Decarbonisation Plan and to Process Digitalisation - Net Expenses relating to the Public Responsibility Plan for the COVID-19 Health Crisis.	Euro 491 M = Euro 491 M - Euro 0 M + Euro 0 M - Euro 0 M - Euro 0 M	Euro 831 M = Euro 844 M - Euro 0 M + Euro 13 M - Euro 0 M - Euro 0 M	Measure of profit for the period stripping out extraordinary items in excess of Euro 10 million.
Contribution margin	€M	Revenue - Procurements and services	Euro 1,532 M = Euro 4,993 M - Euro 3,461 M	Euro 1,614 M = Euro 5,069 M - Euro 3,455 M	Measure of operating returns considering direct variable production costs
Procurements and services	€M	Energy Purchases + Fuel Consumption + Transport Expenses + Other Variable Procurements and Services	Euro 3,461 M = Euro 1,144 M + Euro 273 M + Euro 1,347 M + Euro 697 M	Euro 3,455 M = Euro 1,040 M + Euro 352 M + Euro 1,312 M + Euro 751 M	Goods and services for production
Net Financial Profit(loss)	€M	Financial Income - Financial Expense + Net Exchange Differences	Euro 39 M = Euro 83 M - Euro 42 M - Euro 2 M	Euro (10) M = Euro 31 M - Euro 39 M - Euro 2 M	Measure of financial cost
Net Financial Expense	€M	Financial income - Financial expense	Euro 41 M = Euro 83 M - Euro 42 M	Euro (8) M = Euro 31 M - Euro 39 M	Measure of financial cost
Net Investments	€M	Gross Investments - Grants related to Assets and Transferred Facilities	Euro 250 M = Euro 283 M - Euro 33 M	Euro 251 M = Euro 271 M - Euro 20 M	Measure of investing activity
Return on equity	%	Net Ordinary Income attributable to the Parent / ((Equity of the Parent (n) + Equity of the Parent (n-1)) / 2)	18.10% = (Euro ((491-194) * 12 months / 3 months) M + Euro 194 M) / Euro ((7,954 + 7,315) / 2) M	31.00% = (Euro ((831 - 267) * 12 months / 3 months) M + Euro 267 M) / Euro ((8,591 + 7,688) / 2) M	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	4.27% = (Euro ((491-194) * 12 months / 3 months) M + Euro 194 M) / Euro ((32,627 + 32,062) / 2) M	7.81% = (Euro ((831 - 267) * 12 months / 3 months) M + Euro 267 M) / Euro ((32,607 + 31,981) / 2) M	Measure of business profitability
Economic profitability	%	Operating Income (EBIT) / ((PP&E (n) + PP&E (n-1)) / 2)	8.91% = (Euro ((615-188) * 12 months / 3 months) M + Euro 188 M) / Euro ((21,216 + 21,354) / 2) M	16.02% = (Euro ((1,118 - 356) * 12 months / 3 months) M + Euro 356 M) / Euro ((21,166 + 21,329) / 2) M	Measure of the capacity to generate income from invested assets or capital
Return on capital employed (ROCE)	%	Operating Income after Tax / ((Non-current Assets (n) + Non-current Assets (n-1)) / 2) + ((Current Assets (n) + Current Assets (n-1)) / 2)	4.45% = (Euro ((465.3 - 141) * 12 months / 3 months) M + Euro 141 M) / Euro ((25,804 + 25,828) / 2 + (6,820 + 6,234) / 2) M	8.11% = (Euro ((855.2 - 267) * 12 months / 3 months) M + Euro 267 M) / Euro ((25,767 + 25,881) / 2 + (6,820 + 6,100) / 2) M	Measure of the return on capital employed
Return on Invested Capital (ROIC)	%	Operating Income after Tax / (Equity of the Parent + Net Financial Debt)	9.31% = Euro (((465.3-141) * 12 months / 3 months) M + Euro 141 M) / Euro (7,954 M + Euro 7,496 M)	16.41% = Euro (((855.2 - 267) * 12 months / 3 months) M + Euro 267 M) / (Euro 8,591 M + Euro 7,376 M)	Measure of the return on invested capital
Funds from Operations	€M	Cash Flows from Operating Activities - Changes in Current Capital - Self-constructed Assets	Euro 953 M = Euro 583 M + Euro 411 M - Euro 41 M	Euro 988 M = Euro 276 M + Euro 759 M - Euro 47 M	Measure of the cash generated by the company's business available to make investments, repay debt and distribute dividends to shareholders
Interest Expenses	€M	Interest paid	Euro 16 M	Euro 13 M	Measure of interest paid
Net ordinary earnings per share	€	Net Ordinary Income of the Parent / Number of Shares at the end of the Reporting Period	Euro 0,464 = Euro 491 M / 1,058,752,117 shares	Euro 0,785 = Euro 831 M / 1,058,752,117 shares	Measure of the portion of net ordinary income corresponding to each share outstanding
Net Earnings per Share	€	Net Income of the Parent / Number of Shares at the end of the Reporting Period	Euro 0,464 = Euro 491 M / 1,058,752,117 shares	Euro 0,797 = Euro 844 M / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share outstanding
Cash Flow per Share	€	Net Cash Flow of the Operating Activities / Shares at the close of the period	Euro 0,551 = Euro 583 M / 1,058,752,117 shares	Euro 0,261 = Euro 276 M / 1,058,752,117 shares	Measure of the portion of funds corresponding to each share outstanding

ME = 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) Annualised income, discounting the effects, net of the tax effect, amounting to Euro 194 million, described in section 5.2. Analysis of results in this Consolidated Management Report.

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

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

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs)		Relevance of use
			31 March 2021	31 March 2020	
Net financial debt	€M	Non-current Financial Debt + Current Financial Debt – Cash and Cash Equivalents – Financial Derivatives recognised under Financial Assets	Euro 7,496 M = Euro 5,908 M + Euro 2,069 M – Euro 474 M – Euro 7 M	Euro 6,899 M = Euro 5,937 M + Euro 1,372 M – Euro 403 M – Euro 7 M	Short and long-term financial debt, less cash and financial investment cash equivalents
Sustainable Financing	%	Sustainable Gross Financial Debt / Gross Financial Debt	49% = Euro 3,907 M / Euro 7,977 M	45% = Euro 3,264 M / Euro 7,309 M	Measure of the weight of gross financial debt with sustainability clauses over total gross financial debt.
Leverage	%	Net financial debt / Equity	92.47% = Euro 7,496 M / Euro 8,106 M	92.42% = Euro 6,899 M / Euro 7,465 M	Measure of the weighting of external funds in the financing of business activities
Debt Ratio	%	Net financial debt / (Equity + Net financial debt)	48.05 = Euro 7,496 M / (Euro 8,106 M + Euro 7,496 M)	48.03% = Euro 6,899 M / (Euro 7,465 M + Euro 6,899 M)	Measure of the weighting of external funds in the financing of business activities
Average Life of Gross Financial Debt	Number of Years	(Principal * Number of Valid Days) / (Valid Principal at the end of the Reporting Period * Number of Days in the Reporting Period)	4.5 years = 36,047 / 7,947	4.6 years = 33,484 / 7,268	Measure of the duration of financial debt to maturity
Average Cost of Gross Financial Debt	%	(Cost of Gross Financial Debt) / Gross Average Financial Debt	1.7% = Euro (33 * 12 months / 3 months) + Euro 4 M / Euro 8,240 M	1.7% = Euro 139 M / Euro 8,104 M	Measure of the effective rate of financial debt
Debt Coverage Ratio	Number of Months	Maturity period (no. of months) for vegetative debt that could be covered with the liquidity available	35 months	17 months	Measure of the capacity to meet debt maturities
Liquidity Ratio	N/A	Current assets / Current liabilities.	0.79 = Euro 6,820 M / Euro 8,593 M	0.73 = Euro 6,234 M / Euro 8,555 M	Measure of the capacity to meet short term commitments
Solvency Ratio	N/A	(Equity + Non-Current liabilities) / Non-current assets	0.93 = (Euro 8,106 M + Euro 15,928 M) / Euro 25,807 M	0.91 = (Euro 7,465 M + Euro 16,042 M) / Euro 25,828 M	Measure of the capacity to meet obligations
Debt Coverage Ratio	N/A	Net financial debt / EBITDA	2.13 = Euro 7,496 M / (Euro ((1,019 - 188) * 12 months / 3 months) M + Euro 188 M) ⁽¹⁾	1.82 = Euro 6,899 M / Euro 3,783 M	Measure of the amount of available cash flow to meet payments of principal on financial debt
Fixed assets	€M	Property, Plant and Equipment + Investment Property + Intangible Assets + Goodwill	Euro 23,180 M = Euro 21,216 M + Euro 57 M + Euro 1,445 M + Euro 462 M	Euro 23,273 M = Euro 21,354 M + Euro 58 M + Euro 1,399 M + Euro 462 M	Tangible or intangible assets of the Company, not convertible into liquid assets at short term, necessary for the functioning of the Company and not earmarked for sale
Total Net Non-Current Assets	€M	Property, Plant and Equipment + Intangible Assets + Goodwill + Investments Accounted for by the Equity Method + Real Estate Investments + Non-Current Financial Assets - Deferred Income - Other Non-Current Liabilities - Financial Derivatives recorded under Non-Current Financial Assets	Euro 19,078 M = Euro 21,216 M + Euro 1,445 M + Euro 462 M + Euro 223 M + Euro 57 M + Euro 1,046 M - Euro 4,509 M - Euro 855 M - Euro 7 M	19,082 M = Euro 21,354 M + Euro 1,399 M + Euro 462 M + Euro 217 M + Euro 58 M + Euro 947 M - Euro 4,517 M - Euro 831 M - Euro 7 M	Measurement of non-current assets excluding deferred tax assets less the value of deferred income and other non-current liabilities.
Total Net Working Capital	€M	Trade and other receivables + Inventories + Current Financial Assets - Financial Derivatives recorded in Current Financial Assets + Current Corporate Income Tax Assets - Current Corporate Income Tax Liabilities - Suppliers and other Creditors	Euro 380 M = Euro 3,653 M + Euro 1,120 M + Euro 1,127 M - Euro 0 M + Euro 446 M - Euro 674 M - Euro 5,292 M	Euro (875) M = Euro 3,151 M + Euro 1,077 M + Euro 1,177 M - Euro 0 M + Euro 426 M - Euro 512 M - Euro 6,194 M	Measurement of current assets excluding cash and cash equivalent financial investments less value of suppliers and other creditors and current corporate income tax liabilities
Gross Invested Capital	€M	Total Net Non-Current Assets + Total Net Current Assets + Total Net Working Capital	Euro 19,458 M = Euro 19,078 M + Euro 380 M	Euro 18,207 M = Euro 19,082 M + (875) M	Total net non-current assets plus total net working capital
Net Invested Capital	€M	Gross Invested Capital - Provisions for Pensions and Similar Obligations - Other Non-Current Provisions - Current Provisions + Deferred Tax Assets - Deferred Tax Liabilities + Net Non-Current Assets Held for Sale and from Discontinued Operations	Euro 15,602 M = Euro 19,458 M - Euro 698 M - Euro 2,877 M - Euro 558 M + Euro 1,358 M - Euro 1,081 M + Euro 0 M	Euro 14,364 M = Euro 18,207 M - Euro 701 M - Euro 3,003 M - Euro 477 M + Euro 1,391 M - Euro 1,053 M + Euro 0 M	Measure of gross invested capital less provisions and deferred tax assets and liabilities
Carrying Amount per Share	€	Equity of the Parent / Number of shares at the end of the reporting period	Euro 7,513 = Euro 7,954 M / 1,058,752,117 shares	Euro 6,909 = Euro 7,315 M / 1,058,752,117 shares	Measure of the portion of own funds corresponding to each share outstanding
Market capitalisation	€M	Number of Shares at the end of the Reporting Period * Price at the end of the Reporting Period	Euro 23,885 M = 1,058,752,117 shares * Euro 22,560	Euro 23,663 M = 1,058,752,117 shares * Euro 22,350	Measure of the Company's market value according to the share price
Price to Earnings Ratio (P.E.R.) Ordinary	N/A	Price at the end of the Reporting Period / Net Ordinary Earnings per Share	17.26 = Euro 22,560 / (((0,464 – 0,183) * 12 months / 3 months) + 0,183) ⁽²⁾	11.10 = 22,350 € / 2,0136 €	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 reporting period / Net earnings per share	17.26 = Euro 22,560 / (((0,464 – 0,183) * 12 months / 3 months) + 0,183) ⁽²⁾	16.97 = 22,350 € / 1,317 €	Measure indicating the number of times net earnings per share can be divided into the market price of the shares
Price / Carrying amount	N/A	Market capitalisation / Equity of the Parent	3.00 = Euro 23,885 M / Euro 7,954 M	3.23 = Euro 23,663 M / Euro 7,315 M	Measure comparing the Company's market value according to the share price with the carrying amount.

			2020	2019	
Consolidated ordinary Pay-out	%	(Gross Dividend per Share * Number of Shares at the end of the Reporting Period) / Net Ordinary Income of the Parent	100.0% = (Euro 2,0136 * 1,058,752,117 shares) / Euro 2,132 M	100.0% = (Euro 1,475 * 1,058,752,117 shares) / Euro 1,562 M	Measure of the part of ordinary income obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Consolidated Pay-Out	%	Gross Dividend per Share * Number of Shares at the end of the Reporting Period / Profit for the Year of the Parent	152.9% = (Euro 2,0136 * 1,058,752,117 shares) / Euro 1,394 M	913.3% = (Euro 1,475 * 1,058,752,117 shares) / Euro 171 M	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Individual Pay-Out	%	(Gross Dividend per Share * Number of Shares at the end of the Reporting Period / Profit for the Year of the ENDESA, S.A.	91.5% = (Euro 2,0136 * 1,058,752,117 shares) / Euro 2,330 M	95.1% = (Euro 1,475 * 1,058,752,117 shares) / Euro 1,642 M	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (individual company)

M€ = millions of euros; € = euros.

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

(2) Annualised income, discounting the effects, net of the tax effect, amounting to Euro 194 million, described in section 5.2. Analysis of results in this Consolidated Management Report).

ANNEX II

Consolidated Financial Statements for the three-month period ended 31 March 2021

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.

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

Millions of Euros

	31 March 2021 ⁽¹⁾	31 December 2020 ⁽²⁾
ASSETS		
NON-CURRENT ASSETS	25,807	25,828
Property, plant and equipment	21,216	21,354
Investment property	57	58
Intangible Assets	1,445	1,399
Goodwill	462	462
Investments accounted for using the equity method	223	217
Non-current financial assets	1,046	947
Deferred tax assets	1,358	1,391
CURRENT ASSETS	6,820	6,234
Inventories	1,120	1,077
Trade and other receivables	4,099	3,577
Trade and other receivables	3,653	3,151
Current income tax assets	446	426
Current financial assets	1,127	1,177
Cash and cash equivalents	474	403
Non-current assets held for sale and discontinued operations	-	-
TOTAL ASSETS	32,627	32,062
EQUITY AND LIABILITIES		
EQUITY	8,106	7,465
Of the Parent	7,954	7,315
Share capital	1,271	1,271
Share premium and reserves	6,120	5,467
(Treasury Shares)	(2)	(2)
Profit for the Period attributed to the Parent	491	1,394
Interim dividend	-	(741)
Valuation adjustments	74	(74)
Of Non-controlling Interests	152	150
NON-CURRENT LIABILITIES	15,928	16,042
Deferred income	4,509	4,517
Non-current provisions	3,575	3,704
Provisions for Pensions and Similar Obligations	698	701
Other non-current provisions	2,877	3,003
Non-current financial debt	5,908	5,937
Other non-current liabilities	855	831
Deferred tax liabilities	1,081	1,053
CURRENT LIABILITIES	8,593	8,555
Current financial debt	2,069	1,372
Current provisions	558	477
Provisions for Pensions and Similar Obligations	-	-
Other current provisions	558	477
Trade payables and other current liabilities	5,966	6,706
Suppliers and other payables	5,292	6,194
Current income tax liabilities	674	512
Liabilities associated with non-current assets classified as held for sale and discontinued operations	-	-
TOTAL EQUITY AND LIABILITIES	32,627	32,062

(1) Unaudited.

(2) Audited.

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

Millions of Euros

	January - March 2021 ⁽¹⁾	January - March 2020 ⁽¹⁾
REVENUE	4,993	5,069
Sales	4,658	4,580
Other operating income	335	489
PROCUREMENTS AND SERVICES	(3,461)	(3,455)
Energy Purchases	(1,144)	(1,040)
Fuel Consumption	(273)	(352)
Transport Expenses	(1,347)	(1,312)
Other Variable Procurements and Services	(697)	(751)
CONTRIBUTION MARGIN	1,532	1,614
Self-constructed assets	41	47
Personnel expenses	(235)	144
Other fixed operating expenses	(319)	(329)
GROSS OPERATING INCOME	1,019	1,476
Depreciation and Amortisation and Impairment Losses	(404)	(358)
PROFIT FROM OPERATIONS	615	1,118
FINANCIAL PROFIT/(LOSS)	39	(10)
Financial Income	83	31
Financial Expense	(42)	(39)
Net Exchange Differences	(2)	(2)
Gains/(losses) of Companies Accounted for using the Equity Method	5	4
Gains/(losses) from other investments	-	-
Gains/(losses) on disposal of assets	(6)	(6)
PROFIT BEFORE TAX	653	1,106
Income tax	(159)	(260)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	494	846
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-
PROFIT FOR THE PERIOD	494	846
Parent company	491	844
Non-controlling interests	3	2
BASIC NET EARNINGS PER SHARE FOR CONTINUING OPERATIONS (Euros)	0.46	0.80
DILUTED NET EARNINGS PER SHARE FOR CONTINUING OPERATIONS (Euros)	0.46	0.80
BASIC NET EARNINGS PER SHARE FOR DISCONTINUED OPERATIONS (Euros)	-	-
DILUTED NET EARNINGS PER SHARE FOR DISCONTINUED OPERATIONS (Euros)	-	-
BASIC NET EARNINGS PER SHARE (Euros)	0.46	0.80
DILUTED NET EARNINGS PER SHARE (Euros)	0.46	0.80

(1) Unaudited data.

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

Millions of Euros

	January - March 2021 ⁽¹⁾	January - March 2020 ⁽¹⁾
Profit before tax and non-controlling interests	653	1,106
Adjustments for:	422	(82)
Depreciation and amortisation, and impairment losses	404	358
Other adjustments (net)	18	(440)
Changes in current capital:	(411)	(759)
Trade and other receivables	(203)	(57)
Inventories	(177)	(219)
Current financial assets	27	(166)
Trade payables and other current liabilities	(58)	(317)
Other cash flows from operating activities:	(81)	11
Interest received	5	4
Dividends received	1	1
Interest paid	(16)	(13)
Income tax paid	(2)	74
Other receipts from and payments for operating activities	(69)	(55)
NET CASH FLOWS FROM OPERATING ACTIVITIES	583	276
Acquisitions of Property, Plant and Equipment and Intangible Assets	(392)	(409)
Proceeds from sale of property, plant and equipment and intangible assets	2	1
Investments in Group companies	(20)	-
Proceeds from sale of Investments in Group companies	-	-
Purchase of other investments	(59)	(116)
Proceeds from sale of other investments	6	1
Cash flows from changes in the consolidation scope	-	-
Grants and other deferred income	18	15
NET CASH FLOWS FROM INVESTING ACTIVITIES	(445)	(508)
Cash Flows from Equity Instruments	3	-
Drawdowns of Non-current financial debt	32	350
Repayment of non-current financial debt	(3)	(2)
Net cash flows used in current financial debt	645	598
Dividends of the Parent Paid	(741)	(741)
Dividends paid to Non-controlling Interests	(3)	(5)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(67)	200
TOTAL NET CASH FLOWS	71	(32)
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	71	(32)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	403	223
Cash in hand and at banks	403	223
Cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT 31 MARCH	474	191
Cash in hand and at banks	474	191
Cash equivalents	-	-

(1) Unaudited data.

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

Millions of Euros

	January - March 2021 ⁽¹⁾			January - March 2020 ⁽¹⁾		
	Of the Parent	Of non- controlling interests	Total	Of the Parent	Of non- controlling interests	Total
PROFIT FOR THE PERIOD	491	3	494	844	2	846
OTHER COMPREHENSIVE INCOME:						
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY	123	-	123	(7)	-	(7)
Items that can be Reclassified to Profit or Loss:	123	-	123	(17)	-	(17)
Cash flow hedges	160	-	160	(19)	-	(19)
Translation differences	-	-	-	(1)	-	(1)
Companies accounted for using the Equity Method	4	-	4	(1)	-	(1)
Other Income and Expense recognised directly in Equity	-	-	-	-	-	-
Tax Effect	(41)	-	(41)	4	-	4
Items that cannot be reclassified to profit or loss:	-	-	-	10	-	10
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)	-	-	-	-	-	-
Actuarial gains and losses and other adjustments	-	-	-	13	-	13
Tax effect	-	-	-	(3)	-	(3)
AMOUNTS TRANSFERRED TO INCOME STATEMENT AND/OR INVESTMENTS	25	-	25	66	-	66
Cash flow hedges	33	-	33	87	-	87
Translation differences	-	-	-	-	-	-
Companies accounted for using the equity method	-	-	-	-	-	-
Other income and expense recognised directly in equity	-	-	-	-	-	-
Tax Effect	(8)	-	(8)	(21)	-	(21)
TOTAL COMPREHENSIVE INCOME	639	3	642	903	2	905

(1) Unaudited data.

ENDESA, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
THE PERIOD JANUARY – MARCH 2021

Millions of Euros

	Equity attributable to the Parent ⁽¹⁾						Non-controlling Interests	Total Equity
	Capital and reserves							
	Capital	Share premium, reserves and interim dividend	Treasury shares	Profit/(loss) for the period	Other equity instruments	Valuation adjustments		
Balance at 1 January 2021	1,271	4,726	(2)	1,394	-	(74)	150	7,465
Adjustments due to changes in accounting policies	-	-	-	-	-	-	-	-
Corrections of errors	-	-	-	-	-	-	-	-
Adjusted balance at 1 January	1,271	4,726	(2)	1,394	-	(74)	150	7,465
Total comprehensive income	-	-	-	491	-	148	3	642
Transactions with shareholders or owners	-	-	-	-	-	-	(1)	(1)
Capital Increases/(reductions)	-	-	-	-	-	-	(1)	(1)
Conversion of liabilities into equity	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Transactions with Own Equity Instruments (net)	-	-	-	-	-	-	-	-
Increases/(reductions) due to Business Combinations	-	-	-	-	-	-	-	-
Other transactions with Shareholders or Owners	-	-	-	-	-	-	-	-
Other Changes in Equity	-	1,394	-	(1,394)	-	-	-	-
Share-based Payments	-	-	-	-	-	-	-	-
Transfers between Equity Items	-	1,394	-	(1,394)	-	-	-	-
Other Changes	-	-	-	-	-	-	-	-
End Balance at 31 March 2021	1,271	6,120	(2)	491	-	74	152	8,106

(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 ⁽¹⁾						Non-controlling Interests	Total equity
	Capital and reserves							
	Capital	Share premium, reserves and interim dividend	Treasury shares	Profit/(loss) 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	-	-	-	-	-	-	-	-
Corrections of errors	-	-	-	-	-	-	-	-
Adjusted balance at 1 January	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 Own Equity Instruments (net)	-	-	-	-	-	-	-	-
Increases/(reductions) due to Business Combinations	-	-	-	-	-	-	-	-
Other transactions with Shareholders or Owners	-	-	-	-	-	-	-	-
Other Changes in Equity	-	171	-	(171)	-	-	-	-
Share-based Payments	-	-	-	-	-	-	-	-
Transfers between Equity Items	-	171	-	(171)	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
End Balance at 31 March 2020	1,271	6,368	-	844	-	108	151	8,742

(1) Unaudited.

ENDESA, S.A. AND SUBSIDIARIES
BREAKDOWN CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2021

Millions of Euros

	31 March 2021 ⁽¹⁾				
	Generation and Supply	Distribution	Structure	Consolidated adjustments and eliminations	Total
ASSETS					
Non-current assets	12,982	13,398	29,711	(30,284)	25,807
Property, plant and equipment	9,086	11,953	177	-	21,216
Investment property	-	52	5	-	57
Intangible assets	1,143	187	115	-	1,445
Goodwill	361	97	4	-	462
Investments accounted for using the equity method	198	21	4	-	223
Non-current financial assets	1,287	788	29,260	(30,289)	1,046
Deferred tax assets	907	300	146	5	1,358
Current assets	5,629	1,090	985	(884)	6,820
Inventories	987	133	-	-	1,120
Trade and other receivables	3,755	558	657	(871)	4,099
Current financial assets	718	398	24	(13)	1,127
Cash and cash equivalents	169	1	304	-	474
Non-current assets held for sale and discontinued operations	-	-	-	-	-
TOTAL ASSETS	18,611	14,488	30,696	(31,168)	32,627
EQUITY AND LIABILITIES					
Equity	6,011	2,738	18,218	(18,861)	8,106
Of the Parent	5,867	2,730	18,218	(18,861)	7,954
Of Non-controlling Interests	144	8	-	-	152
Non-Current liabilities	8,058	9,300	9,970	(11,400)	15,928
Deferred income	46	4,554	-	(91)	4,509
Non-current provisions	2,294	907	318	56	3,575
Non-current financial debt	4,623	3,087	9,559	(11,361)	5,908
Other non-current liabilities	376	478	32	(31)	855
Deferred tax liabilities	719	274	61	27	1,081
Current Liabilities	4,542	2,450	2,508	(907)	8,593
Current financial debt	158	8	1,948	(45)	2,069
Current Provisions	407	92	59	-	558
Trade payables and other current liabilities	3,977	2,350	501	(862)	5,966
Liabilities Associated with Non-current Assets Classified as held for Sale and Discontinued Operations	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	18,611	14,488	30,696	(31,168)	32,627

(1) Unaudited data.

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

Millions of Euros

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

(1) Audited.

ENDESA, S.A. AND SUBSIDIARIES
BREAKDOWN CONSOLIDATED INCOME STATEMENTS FOR
THE PERIOD JANUARY – MARCH 2021

Millions of Euros

	January-March 2021 ⁽¹⁾				
	Generation and Supply	Distribution	Structure	Consolidated adjustments and eliminations	Total
REVENUE	4,398	641	105	(151)	4,993
Sales	4,115	579	105	(141)	4,658
Other operating income	283	62	-	(10)	335
PROCUREMENTS AND SERVICES	(3,444)	(44)	(11)	38	(3,461)
Energy Purchases	(1,142)	(2)	-	-	(1,144)
Fuel Consumption	(273)	-	-	-	(273)
Transport Expenses	(1,344)	(3)	-	-	(1,347)
Other Variable Procurements and Services	(685)	(39)	(11)	38	(697)
CONTRIBUTION MARGIN	954	597	94	(113)	1,532
Self-constructed assets	16	25	-	-	41
Personnel expenses	(125)	(67)	(47)	4	(235)
Other fixed operating expenses	(290)	(79)	(57)	107	(319)
GROSS OPERATING INCOME/(LOSS)	555	476	(10)	(2)	1,019
Depreciation and Amortisation and Impairment Losses	(227)	(162)	(15)	-	(404)
OPERATING INCOME/(LOSS)	328	314	(25)	(2)	615
FINANCIAL PROFIT/LOSS	51	(15)	3	-	39
Financial income	77	2	219	(215)	83
Financial expense	(25)	(17)	(215)	215	(42)
Net Exchange Differences	(1)	-	(1)	-	(2)
Gains/(losses) of Companies Accounted for using the Equity Method	4	1	-	-	5
Gains/(losses) from other investments	-	-	-	-	-
Gains/(losses) on disposal of assets	(7)	-	1	-	(6)
PROFIT/(LOSS) BEFORE TAX	376	300	(21)	(2)	653
Income tax	(90)	(73)	4	-	(159)
PROFIT/(LOSS) AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	286	227	(17)	(2)	494
PROFIT/(LOSS) AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD	286	227	(17)	(2)	494
Parent company	283	227	(17)	(2)	491
Non-controlling interests	3	-	-	-	3

(1) Unaudited data.

ENDESA, S.A. AND SUBSIDIARIES
BREAKDOWN CONSOLIDATED INCOME STATEMENTS FOR
THE PERIOD JANUARY – MARCH 2020

Millions of Euros

	January-March 2020 ⁽¹⁾				
	Generation and Supply	Distribution	Structure	Consolidated adjustments and eliminations	Total
REVENUE	4,459	656	135	(181)	5,069
Sales	4,023	592	130	(165)	4,580
Other operating income	436	64	5	(16)	489
PROCUREMENTS AND SERVICES	(3,343)	(43)	(9)	40	3,455
Energy Purchases	(1,038)	(2)	-	-	(1,040)
Fuel Consumption	(352)	-	-	-	(352)
Transport Expenses	(1,309)	(3)	-	-	(1,312)
Other Variable Procurements and Services	(744)	(38)	(9)	40	(751)
CONTRIBUTION MARGIN	1,016	613	126	(141)	1,614
Self-constructed assets	15	29	3	-	47
Personnel expenses	72	118	(47)	1	144
Other fixed operating expenses ⁽⁵⁾	(304)	(93)	(72)	140	(329)
GROSS OPERATING INCOME/(LOSS)	799	667	10	-	1,476
Depreciation and Amortisation and Impairment Losses	(185)	(159)	(14)	-	(358)
OPERATING INCOME/(LOSS)	614	508	(4)	-	1,118
FINANCIAL PROFIT/LOSS	(13)	(6)	9	-	(10)
Financial income	17	10	179	(175)	31
Financial expense	(27)	(16)	(171)	175	(39)
Net Exchange Differences	(3)	-	1	-	(2)
Gains/(losses) of Companies Accounted for using the Equity Method	4	-	-	-	4
Gains/(losses) from other investments	-	-	-	-	-
Gains/(losses) on disposal of assets	(6)	-	-	-	(6)
PROFIT/(LOSS) BEFORE TAX	599	502	5	-	1,106
Income tax	(133)	(123)	(4)	-	(260)
PROFIT/(LOSS) AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	466	379	1	-	846
PROFIT/(LOSS) AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD	466	379	1	-	846
Parent company	464	379	1	-	844
Non-controlling interests	2	-	-	-	2

(1) Unaudited data.