

ENDESA RECEIVES FIRST GREEN LOAN FROM INSTITUTO DE CRÉDITO OFICIAL

- **The Euros 300 million will be earmarked to finance the construction of 789 MW at wind and solar plants in six different regions.**

Madrid, 13 May 2019 – Endesa has received the first ever green loan awarded by the Instituto de Crédito Oficial (ICO). This type of financing is intended to help companies invest in energy efficiency measures or those which promote renewable energy generation.

The Euros 300 million loan awarded to Endesa will be paid back over 12 years with a two-year grace period on the loan principal. It will be earmarked to construct and commission wind and solar farms in 2019 with a joint capacity of 789 MW located in Aragón, Castilla la Mancha, Extremadura, Galicia, Murcia and Castilla y León. Overall, Endesa plans to invest more than Euros 1.8 billion in renewables by 2021 to develop around 2,000 new MW.

In classifying this loan as green, the ICO, Spain's State Finance Agency, uses the guidelines issued by the Loan Market Association (LMA), the association which has as its key objective improving liquidity, efficiency and transparency in the primary and secondary syndicated loan markets in Europe, the Middle East and Africa (EMEA). These green loan principles were published in March 2018 and provide a high-level framework of market standards and guidelines allowing for consistent methodology to be applied across the wholesale green loan market based around the following four core components: providing clarification on the use of proceeds; establishing a process for project evaluation and selection; ensuring correct management of proceeds; and making and keeping readily available up to date information on the use of proceeds to be renewed annually until fully drawn. Endesa, as with all other borrowers applying for these kinds of loans, must fully comply with these principles.

The investment to be financed by this loan is contained in Endesa's 2019-2021 Strategic Plan which has as one of its objectives achieving full decarbonisation of its generation mix by 2050 through the rigorous use of renewable energies and the optimisation of other generation technologies during the transition period.

With this objective, which is aligned with the Spanish government's National Integrated Energy and Climate Plan which states that 42% of energy consumed in Spain by 2030 must be from renewable sources, Endesa is leading the way in transforming the country's energy model to a



sustainable one based on electrifying demand and generating energy using renewable and non-pollutant sources. The investment is also in line with the United Nations Sustainable Development Goals (SDGs).

Endesa was awarded 540 MW wind and 339 MW solar power in the auctions held in May and July 2017 for new renewable electricity facilities in Spain. Total investment in these facilities will be over Euros 800 million up to 2020. The additional 879 MW capacity won will double Endesa's current renewable assets.

Endesa currently manages 6,526 MW of renewable capacity in Spain of which 4,710 MW is conventional hydro generation while the remaining 1,818 MW comes from wind power (1,750 MW), mini-hydro power (54 MW) and other renewables (14 MW).

The **Instituto de Crédito Oficial** (rated Baa1 by Moody's) is a state-owned bank attached to the Ministry of Economy and Business, via the State Secretariat for Economy and Enterprise Support. From a legal point of view it is a credit institution and is financed via fixed income issuances. Its main function is to promote economic activities contributing to growth and the development of the country.