ANNEX I

GENERAL

1st	HALF-YEARLY FINANCIAL REPORT FOR FINANCIAL YEAR	2020

REPORTING DATE 30/06/2020

I, IDENTIFICATION DATA

Registered Company Name: ENDESA, S,A,	
Registered Address: Ribera del Loira Street, 60 – 28042 Madrid	Tax Identification Number A-28023430

II, SUPPLEMENTARY INFORMATION TO PREVIOUSLY RELEASED PERIODIC INFORMATION

Explanation of the main modifications with respect to the previously released periodic information:
(To be completed only in the situations indicated in Section B) of the instructions)

III, STATEMENT(S) BY THE PERSON(S) RESPONSIBLE FOR THE INFORMATION

To the best of our knowledge, the accompanying condensed annual financial statements, which have been prepared in accordance with applicable accounting principles, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or of the undertakings included in the consolidated financial statements taken as a whole, and the interim management report includes a fair review of the information required,

Comments on the above statement(s):

Person(s) responsible for this information:

Name/Company Name	Office
Juan Sánchez-Calero Guilarte	CHAIRMAN
Francesco Starace	VICE CHAIRMAN
José D, Bogas Gálvez	CHIEF EXECUTIVE OFFICER
Alberto de Paoli	DIRECTOR
Miquel Roca Junyent	DIRECTOR
Alejandro Echevarría Busquet	DIRECTOR
María Patrizia Grieco	DIRECTOR
Antonio Cammisecra	DIRECTOR
Ignacio Garralda Ruíz de Velasco	DIRECTOR
Francisco de Lacerda	DIRECTOR
Alicia Koplowitz y Romero de Juseu	DIRECTOR
Pilar González de Frutos	DIRECTOR
Eugenia Bieto Caubet	DIRECTOR

In accordance with the power delegated by the board of directors, the board secretary certifies that the half-yearly financial report has been signed by the directors,

Date this half-yearly financial report was signed by the corresponding governing body: 27/07/2020

IV, SELECTED FINANCIAL INFORMATION

1, INDIVIDUAL BALANCE SHEET (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) (1/2)

Units: Thousand euros

ASSETS		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) NON-CURRENT ASSETS	**40**	**19,150,505**	**19,160,437**
1, Intangible assets:	30	110,491	117,736
a) Goodwill	31		
b) Other intangible assets	32	110,491	117,736
2, Property, plant and equipment	33	1,665	1,659
3, Investment property	34		
4, Long-term investments in group companies and associates	35	18,893,320	18,893,179
5, Long-term financial investments	36	29,649	30,068
6, Deferred tax assets	37	115,380	117,795
7, Other non-current assets	38		
B) CURRENT ASSETS	**85**	**807,678**	**1,145,171**
1, Non-current assets held for sale	50		
2, Inventories	55		
3, Trade and other receivables:	60	192,779	163,673
a) Trade receivables	61		
b) Other receivables	62	192,779	163,673
c) Current tax assets	63		
4, Short-term investments in group companies and associates	64	481,834	914,872
5, Short-term financial investments	70	27,680	35,304
6, Prepayments and accrued income	71	1,246	97
7, Cash and cash equivalents	72	104,139	31,225
TOTAL ASSETS (A + B)	**100**	**19,958,183**	**20,305,608**

Comments

IV, SELECTED FINANCIAL INFORMATION

1, INDIVIDUAL BALANCE SHEET (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS) (2/2)

Units: Thousand euros

EQUITY AND LIABILITIES		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) EQUITY (A,1 + A,2 + A,3)	195	**8,192,587**	**8,205,569**
A,1) CAPITAL AND RESERVES	180	**8,215,220**	**8,218,698**
1, Capital:	171	1,270,503	1,270,503
a) Authorised capital	161	1,270,503	1,270,503
b) *Less: Uncalled capital*	162		
2, Share premium	172	88,800	88,800
3, Reserves	173	1,443,000	1,441,136
4, Less: Treasury stock	174		
5, Profit and loss in prior periods	178	4,597,407	4,516,957
6, Other shareholder contributions	179	319	319
7, Profit (loss) for the period	175	815,191	1,642,109
8, Less: Interim dividend	176		(741,126)
9, Other equity instruments	177		
A,2) VALUATION ADJUSTMENTS	188	(22,633)	(13,129)
1, Available-for-sale financial assets	181		
2, Hedging transactions	182	(22,633)	(13,129)
3, Others	183		
A,3) GRANTS, DONATIONS AND BEQUESTS RECEIVED	194		
B) NON-CURRENT LIABILITIES	120	**9,231,119**	**10,153,844**
1, Long-term provisions	115	248,108	253,058
2, Long-term debts:	116	2,062,257	1,856,464
a) Debt with financial institutions and bonds and other marketable securities	131	2,028,195	1,835,223
b) Other financial liabilities	132	34,062	21,241
3, Long-term payables to group companies and associates	117	6,887,231	8,010,799
4, Deferred tax liabilities	118	33,523	33,523
5, Other non-current liabilities	135		
6, Long-term accrual accounts	119		
C) CURRENT LIABILITIES	130	**2,534,477**	**1,946,195**
1, Liabilities associated with non-current assets held for sale	121		
2, Short-term provisions	122	44,723	55,569
3, Short-term debts:	123	1,677,955	1,075,699
a) Debt with financial institutions and bonds and other marketable securities	133	82,974	49,191
b) Other financial liabilities	134	1,594,981	1,026,508
4, Short-term payables to group companies and associates	129	660,264	636,581
5, Trade and other payables:	124	151,343	178,154
a) Suppliers	125		
b) Other payables	126	151,343	178,154
c) Current tax liabilities	127		
6, Other current liabilities	136		
7, Current accrual accounts	128	192	192
TOTAL EQUITY AND LIABILITIES (A + B + C)	200	**19,958,183**	**20,305,608**

Comments

IV, SELECTED FINANCIAL INFORMATION

2, INDIVIDUAL PROFIT AND LOSS STATEMENT (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

			PRESENT CURR, PERIOD (2nd HALF YEAR)	PREVIOUS CURR, PERIOD (2nd HALF YEAR)	CURRENT CUMULATIVE 30/06/2020	PREVIOUS CUMULATIVE 30/06/2019
(+)	Revenue	205			1,053,983	526,500
(+/-)	Change in inventories of finished products and work in progress	206				
(+)	Own work capitalised	207			597	441
(-)	Supplies	208			(160)	(106)
(+)	Other operating revenue	209			1,780	3,321
(-)	Personnel expenses	217			(90,623)	(91,671)
(-)	Other operating expenses	210			(87,317)	(69,526)
(-)	Depreciation and amortisation charge	211			(13,974)	(14,404)
(+)	Allocation of grants for non-financial assets and other grants	212				
(+)	Reversal of provisions	213			2,748	2,437
(+/-)	Impairment and gain (loss) on disposal of non-current assets	214				
(+/-)	Other profit (loss)	215			(3)	(869)
=	**OPERATING PROFIT (LOSS)**	245			**867,031**	**356,123**
(+)	Finance income	250			3,854	2,636
(-)	Finance costs	251			(88,280)	(100,546)
(+/-)	Changes in fair value of financial instruments	252			717	674
(+/-)	Exchange differences	254			2,621	3,001
(+/-)	Impairment and gain (loss) on disposal of financial instruments	255				
=	**NET FINANCE INCOME (COSTS)**	256			**(81,088)**	**(94,235)**
=	**PROFIT (LOSS) BEFORE TAX**	265			**785,943**	**261,888**
(+/-)	Income tax expense	270			29,248	24,110
=	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES**	280			**815,191**	**285,998**
(+/-)	Profit (loss) for the period from discontinued operations, net of tax	285				
=	**PROFIT (LOSS) FOR THE PERIOD**	300			**815,191**	**285,998**

EARNINGS PER SHARE		Amount (X,XX euros)	Amount (X,XX euros)	Amount (X,XX euros)	Amount (X,XX euros)
Basic	290			0.77	0.27
Diluted	295			0.77	0.27

Comments

IV, SELECTED FINANCIAL INFORMATION
3, INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
a) INDIVIDUAL STATEMENT OF RECOGNISED INCOME AND EXPENSE (PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
A) PROFIT (LOSS) FOR THE PERIOD (from the profit and loss account)	305	815,191	285,998
B) INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	310	(10,728)	(22,278)
1, From measurement of financial instruments:	320		
a) Available-for-sale financial assets	321		
b) Other income/(expenses)	323		
2, From cash flow hedges	330	(16,291)	(19,661)
3, Grants, donations and bequests received	340		
4, From actuarial gains and losses and other adjustments	344	1,988	(10,043)
5, Other income and expense recognised directly in equity	343		
6, Tax effect	345	3,575	7,426
C) TRANSFERS TO PROFIT OR LOSS	350	2,715	
1, From measurement of financial instruments:	355		
a) Available-for-sale financial assets	356		
b) Other income/(expenses)	358		
2, From cash flow hedges	360	3,620	
3, Grants, donations and bequests received	366		
4, Other income and expense recognised directly in equity	365		
5, Tax effect	370	(905)	
TOTAL RECOGNISED INCOME/(EXPENSE) FOR THE PERIOD (A + B + C)	400	807,178	263,720

Comments

IV, SELECTED FINANCIAL INFORMATION

3, INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

B, INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (1/2)

(PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros		Capital and Reserves					Valuation adjustments	Grants, donations and bequests received	Total Equity
CURRENT PERIOD		Capital	Share premium and Reserves	Treasury stock	Profit (loss) for the period	Other equity instruments			
Opening balance at 01/01/2020	**3010**	**1,270,503**	**5,306,086**		**1,642,109**		**(13,129)**		**8,205,569**
Adjustments for changes in accounting policy	**3011**								
Adjustment for errors	**3012**								
Adjusted opening balance	**3015**	**1,270,503**	**5,306,086**		**1,642,109**		**(13,129)**		**8,205,569**
I, Total recognised income/(expense) in the period	**3020**		**1,491**		**815,191**		**(9,504)**		**807,178**
II, Transactions with shareholders or owners	**3025**		**(820,533)**						**(820,533)**
1, Capital increases/ (reductions)	**3026**								
2, Conversion of financial liabilities into equity	**3027**								
3, Distribution of dividends	**3028**		(820,533)						**(820,533)**
4, Net trading with treasury stock	**3029**								
5, Increases/ (reductions) for business combinations	**3030**								
6, Other transactions with shareholders or owners	**3032**								
III, Other changes in equity	**3035**		**1,642,109**		**(1,642,109)**	**373**			**373**
1, Equity-settled share-based payment	**3036**					373			373
2, Transfers between equity accounts	**3037**		1,642,109		(1,642,109)				
3, Other changes	**3038**								
Closing balance at 30/06/2020	**3040**	**1,270,503**	**6,129,153**		**815,191**	**373**	**(22,633)**		**8,192,587**

Comments

IV, SELECTED FINANCIAL INFORMATION

3, INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

B, INDIVIDUAL STATEMENT OF TOTAL CHANGES IN EQUITY (2/2)

(PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros		Capital and Reserves					Valuation adjustments	Grants, donations and bequests received	Total Equity
PREVIOUS PERIOD		Capital	Share premium and Reserves	Treasury stock	Profit (loss) for the period	Other equity instruments			
Opening balance at 01/01/2019 (comparative period)	3050	1,270,503	5,310,007		1,510,858				8,091,368
Adjustments for changes in accounting policy	3051								
Adjustment for errors	3052								
Adjusted opening balance (comparative period)	3055	1,270,503	5,310,007		1,510,858				8,091,368
I, Total recognised income/(expense) in the period	3060		(7,532)		285,998		(14,746)		263,720
II, Transactions with shareholders or owners	3065		(769,713)						(769,713)
1, Capital increases/ (reductions)	3066								
2, Conversion of financial liabilities into equity	3067		(769,713)						(769,713)
3, Distribution of dividends	3068								
4, Net trading with treasury stock	3069								
5, Increases/ (reductions) for business combinations	3070								
6, Other transactions with shareholders or owners	3072								
III, Other changes in equity	3075		1,510,858		(1,510,858)				
1, Equity-settled share-based payment	3076								
2, Transfers between equity accounts	3077		1,510,858		(1,510,858)				
3, Other changes	3078								
Closing balance at 30/06/2019 (comparative period)	3080	1,270,503	6,043,620		285,998		(14,746)		7,585,375

Comments

IV, SELECTED FINANCIAL INFORMATION
4, INDIVIDUAL STATEMENT OF CASH FLOWS
(PREPARED USING PREVAILING NATIONAL ACCOUNTING STANDARDS)

Units: Thousand euros

			CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)**	435	**1,194,059**	**1,225,132**
1	**Profit (loss) before tax**	405	**785,943**	**261,888**
2	**Adjustments to profit (loss):**	410	**(812,901)**	**(277,810)**
(+)	Depreciation and amortisation charge	411	13,974	14,404
(+/-)	Other net adjustments to profit (loss)	412	(826,875)	(292,214)
3	**Changes in working capital**	415	**(52,940)**	**(32,360)**
4	**Other cash flows from operating activities:**	420	**1,273,957**	**1,273,414**
(-)	Interest paid	421	(91,128)	(84,642)
(+)	Dividends received	422	1,341,487	1,367,980
(+)	Interest received	423	2,851	2,651
(+/-)	Income tax recovered/(paid)	430	41,746	6,394
(+/-)	Other sums received/(paid) from operating activities	425	(20,999)	(18,969)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)**	460	**(17,071)**	**(22,630)**
1	**Payments for investments:**	440	**(17,938)**	**(24,006)**
(-)	Group companies, associates and business units	441		
(-)	Property, plant and equipment, intangible assets and investment property	442	(15,750)	(22,254)
(-)	Other financial assets	443	(2,188)	(1,752)
(-)	Non-current assets and liabilities classified as held-for-sale	459		
(-)	Other assets	444		
2	**Proceeds from sale of investments**	450	**867**	**1,376**
(+)	Group companies, associates and business units	451		
(+)	Property, plant and equipment, intangible assets and investment property	452		
(+)	Other financial assets	453	867	1,376
(+)	Non-current assets and liabilities classified as held-for-sale	461		
(+)	Other assets	454		
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3)**	490	**(1,104,074)**	**(1,199,124)**
1	**Sums received/(paid) in respect of equity instruments**	470		
(+)	Issuance	471		
(-)	Redemption	472		
(-)	Acquisition	473		
(+)	Disposal	474		
(+)	Grants, donations and bequests received	475		
2	**Sums received/(paid) in respect of financial liability instruments:**	480	**(362,948)**	**(457,998)**
(+)	Issuance	481	850,021	1,778,699
(-)	Repayment and redemption	482	(1,212,969)	(2,236,697)
3	**Payment of dividends and remuneration on other equity instruments**	485	**(741,126)**	**(741,126)**
D)	**EFFECT OF FOREIGN EXCHANGE RATE CHANGES**	492		
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)**	495	**72,914**	**3,378**
F)	**CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD**	499	**31,225**	**12,575**
G)	**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E + F)**	500	**104,139**	**15,953**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
(+)	Cash on hand and at banks	550	104,139	15,953
(+)	Other financial assets	552		
(-)	*Less: Bank overdrafts repayable on demand*	553		
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	600	**104,139**	**15,953**

Comments

IV, SELECTED FINANCIAL INFORMATION

5, CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ADOPTED IFRS) (1/2)

Units: Thousand euros

ASSETS		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) NON-CURRENT ASSETS	**1040**	**25,786,000**	**25,881,000**
1. Intangible assets:	**1030**	1,803,000	1,837,000
a) Goodwill	**1031**	462,000	462,000
b) Other intangible assets	**1032**	1,341,000	1,375,000
2. Property, plant and equipment	**1033**	21,307,000	21,329,000
3. Investment property	**1034**	60,000	61,000
4. Investments accounted for using the equity method	**1035**	237,000	232,000
5. Non-current financial assets	**1036**	835,000	812,000
a) At fair value through profit or loss	**1047**	6,000	5,000
Of which, “*Designated upon initial recognition*”	**1041**	6,000	5,000
b) At fair value through other comprehensive income	**1042**		
Of which, “*Designated upon initial recognition*”	**1043**		
c) At amortised cost	**1044**	829,000	807,000
6. Non-current derivatives	**1039**	264,000	96,000
a) Hedging	**1045**	211,000	87,000
b) Other	**1046**	53,000	9,000
7. Deferred tax assets	**1037**	1,280,000	1,514,000
8. Other non-current assets	**1038**		
B) CURRENT ASSETS	**1085**	**6,109,000**	**6,100,000**
1. Non-current assets held for sale	**1050**		
2. Inventories	**1055**	853,000	1,177,000
3. Trade and other receivables:	**1060**	2,958,000	2,922,000
a) Trade receivables	**1061**	1,901,000	2,110,000
b) Other receivables	**1062**	540,000	521,000
c) Current tax assets	**1063**	517,000	291,000
4. Current financial assets	**1070**	1,188,000	1,215,000
a) At fair value through profit or loss	**1080**		
Of which, “*Designated upon initial recognition*”	**1081**		
b) At fair value through other comprehensive income	**1082**		
Of which, “*Designated upon initial recognition*”	**1083**		
c) At amortised cost	**1084**	1,188,000	1,215,000
5. Current derivatives	**1076**	731,000	563,000
a) Hedging	**1077**	249,000	163,000
b) Other	**1078**	482,000	400,000
6. Other current assets	**1075**		
7. Cash and cash equivalents	**1072**	379,000	223,000
TOTAL ASSETS (A + B)	**1100**	**31,895,000**	**31,981,000**

Comments

IV. SELECTED FINANCIAL INFORMATION

5. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ADOPTED IFRS) (2/2)

Units: Thousand euros

EQUITY AND LIABILITIES		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) EQUITY (A.1 + A.2 + A.3)	1195	**8,246,000**	**7,837,000**
A.1) CAPITAL AND RESERVES	1180	8,354,000	8,450,000
1. Capital	1171	1,271,000	1,271,000
a) Authorised capital	1161	1,271,000	1,271,000
b) *Less: Uncalled capital*	1162		
2. Share premium	1172	89,000	89,000
3. Reserves	1173	5,866,000	7,660,000
4. *Less: Treasury stock*	1174		
5. Prior Periods' profit and loss	1178		
6. Other member contributions	1179		
7. Profit (loss) for the period attributable to the parent company	1175	1,128,000	171,000
8. *Less: Interim dividend*	1176		(741,000)
9. Other equity instruments	1177		
A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME	1188	(260,000)	(762,000)
1. Items that are not reclassified to profit or loss for the period	1186	(401,000)	(821,000)
a) Equity instruments through other comprehensive income	1185		
b) Others	1190	(401,000)	(821,000)
2. Items that may subsequently be reclassified to profit or loss for the period	1187	141,000	59,000
a) Hedging transactions	1182	186,000	102,000
b) Translation differences	1184	1,000	1,000
c) Share in other comprehensive income for investments in joint ventures and others	1192	(46,000)	(44,000)
d) Debt instruments at fair value through other comprehensive income	1191		
e) Others	1183		
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY (A.1 + A.2)	1189	**8,094,000**	**7,688,000**
A.3) NON-CONTROLLING INTERESTS	1193	152,000	149,000
B) NON-CURRENT LIABILITIES	1120	15,408,000	15,679,000
1. Grants	1117	4,552,000	4,576,000
2. Long-term provisions	1115	3,054,000	3,686,000
3. Long-term financial liabilities:	1116	5,920,000	5,632,000
a) Debt with financial institutions and bonds and other marketable securities	1131	2,154,000	1,963,000
b) Other financial liabilities	1132	3,766,000	3,669,000
4. Deferred tax liabilities	1118	1,114,000	1,087,000
5. Non-current derivatives	1140	135,000	45,000
a) Hedging	1141	115,000	37,000
b) Other	1142	20,000	8,000
6. Other non-current liabilities	1135	633,000	653,000
C) CURRENT LIABILITIES	1130	8,241,000	8,465,000
1. Liabilities associated with non-current assets held for sale	1121		
2. Short-term provisions	1122	313,000	576,000
3. Short-term financial liabilities:	1123	1,527,000	954,000
a) Debt with financial institutions and bonds and other marketable securities	1133	1,447,000	861,000
b) Other financial liabilities	1134	80,000	93,000
4. Trade and other payables:	1124	5,843,000	6,473,000
a) Suppliers	1125	2,996,000	3,884,000
b) Other payables	1126	2,111,000	2,204,000
c) Current tax liabilities	1127	736,000	385,000
5. Current derivatives	1145	558,000	462,000
a) Hedging	1146	216,000	179,000
b) Other	1147	342,000	283,000
6. Other current liabilities	1136		
TOTAL EQUITY AND LIABILITIES (A + B + C)	1200	**31,895,000**	**31,981,000**

Comments

IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED PROFIT AND LOSS STATEMENT (ADOPTED IFRS)

Units: Thousand euros

			PRESENT CURR. PERIOD (2nd HALF YEAR)	PREVIOUS CURR. PERIOD (2nd HALF YEAR)	CURRENT CUMULATIVE 30/06/2020	PREVIOUS CUMULATIVE 30/06/2019
(+)	Revenue	1205			8,265,000	9,473,000
(+/-)	Change in inventories of finished products and work in progress	1206				
(+)	Own work capitalised	1207			97,000	99,000
(-)	Supplies	1208			(5,961,000)	(6,901,000)
(+)	Other operating revenue	1209			528,000	231,000
(-)	Personnel expenses	1217			(95,000)	(505,000)
(-)	Other operating expenses	1210			(671,000)	(626,000)
(-)	Depreciation and amortisation charge	1211			(707,000)	(755,000)
(+)	Allocation of grants for non-financial assets and other grants	1212			90,000	87,000
(+/-)	Impairment of non-current assets	1214			9,000	(3,000)
(+/-)	Gain (loss) on disposal of non-current assets	1216			6,000	9,000
(+/-)	Other profit (loss)	1215				
=	**OPERATING PROFIT (LOSS)**	1245			**1,561,000**	**1,109,000**
(+)	Finance income	1250			17,000	13,000
	a) Interest income calculated using the effective interest rate method	1262			1,000	1,000
	b) Other	1263			16,000	12,000
(-)	Finance costs	1251			(77,000)	(106,000)
(+/-)	Changes in fair value of financial instruments	1252				(2,000)
(+/-)	Gain (loss) from reclassification of financial assets at amortised cost to financial assets at fair value	1258				
(+/-)	Gain (loss) from reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value	1259				
(+/-)	Exchange differences	1254			2,000	
(+/-)	Impairment loss/reversal on financial instruments	1255			10,000	
(+/-)	Gain (loss) on disposal of financial instruments	1257			(11,000)	(17,000)
	a) Financial instruments at amortised cost	1260			(11,000)	(17,000)
	b) Other financial instruments	1261				
=	**NET FINANCE INCOME (COSTS)**	1256			**(59,000)**	**(112,000)**
(+/-)	Profit (loss) of equity-accounted investees	1253			11,000	17,000
=	**PROFIT (LOSS) BEFORE TAX**	1265			**1,513,000**	**1,014,000**
(+/-)	Income tax expense	1270			(382,000)	(232,000)
=	**PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING ACTIVITIES**	1280			**1,131,000**	**782,000**
(+/-)	Profit (loss) for the period from discontinued operations, net of tax	1285				
=	**CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD**	1288			**1,131,000**	**782,000**
	A) Profit (loss) for the period attributable to the parent company	1300			1,128,000	776,000
	B) Profit (loss) attributable to non-controlling interests	1289			3,000	6,000

EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
Basic	1290			1.07	0.73
Diluted	1295			1.07	0.73

Comments

IV. SELECTED FINANCIAL INFORMATION

7. CONSOLIDATED OTHER COMPREHENSIVE INCOME (IFRS ADOPTED)

Units: Thousand euros

		PRESENT CURR. PERIOD (2nd HALF YEAR)	PREVIOUS CURR. PERIOD (2nd HALF YEAR)	CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
A) CONSOLIDATED PROFIT (LOSS) FOR THE PERIOD (from the profit and loss statement)	1305			**1,131,000**	**782,000**
B) OTHER COMPREHENSIVE INCOME – ITEMS THAT ARE NOT RECLASSIFIED TO PROFIT OR LOSS:	1310			**17,000**	**(174,000)**
1. From revaluation/(reversal of revaluation) of property, plant and equipment and intangible assets	1311				
2. From actuarial gains and losses	1344			23,000	(219,000)
3. Share in other comprehensive income of investments in joint ventures and associates	1342				
4. Equity instruments through other comprehensive income	1346				
5. Other income and expenses that are not reclassified to profit or loss	1343				
6. Tax effect	1345			(6,000)	45,000
C) OTHER COMPREHENSIVE INCOME – ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS:	1350			**82,000**	**80,000**
1. Hedging transactions:	1360			112,000	113,000
a) Valuation gains/(losses)	1361			(56,000)	125,000
b) Amounts transferred to profit or loss	1362			168,000	(12,000)
c) Amounts transferred to initial carrying amount of hedged items	1363				
d) Other reclassifications	1364				
2. Translation differences:	1365				
a) Valuation gains/(losses)	1366				
b) Amounts transferred to profit or loss	1367				
c) Other reclassifications	1368				
3. Share in other comprehensive income of investments in joint ventures and associates:	1370			(2,000)	(5,000)
a) Valuation gains/(losses)	1371			(2,000)	(5,000)
b) Amounts transferred to profit or loss	1372				
c) Other reclassifications	1373				
4. Debt instruments at fair value through other comprehensive income:	1381				
a) Valuation gains/(losses)	1382				
b) Amounts transferred to profit or loss	1383				
c) Other reclassifications	1384				
5. Other income and expenses that may subsequently be reclassified to profit or loss:	1375				
a) Valuation gains/(losses)	1376				
b) Amounts transferred to profit or loss	1377				
c) Other reclassifications	1378				
6. Tax effect	1380			(28,000)	(28,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A + B + C)	1400			**1,230,000**	**688,000**
a) Attributable to the parent company	1398			1,227,000	682,000
b) Attributable to non-controlling interests	1399			3,000	6,000

Comments

IV. SELECTED FINANCIAL INFORMATION

8. CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY (ADOPTED IFRS) (1/2)

Units: Thousand euros		Equity attributable to the parent company						Non-controlling interests	Total Equity
		Capital and Reserves					Valuation adjustments		
CURRENT PERIOD		Capital	Share premium and Reserves	Treasury stock	Profit (loss) for the period attributable to the parent company	Other equity instruments			
Opening balance at 01/01/2020	**3110**	**1,271,000**	**6,187,000**		**171,000**		**59,000**	**149,000**	**7,837,000**
Adjustments for changes in accounting policy	**3111**								
Adjustment for errors	**3112**								
Adjusted opening balance	**3115**	**1,271,000**	**6,187,000**		**171,000**		**59,000**	**149,000**	**7,837,000**
I. Total comprehensive income/(expense) for the period	**3120**		17,000		1,128,000		82,000	3,000	1,230,000
II. Transactions with shareholders or owners	**3125**		(821,000)						(821,000)
1. Capital increases/(reductions)	**3126**								
2. Conversion of financial liabilities into equity	**3127**								
3. Distribution of dividends	**3128**		(821,000)						(821,000)
4. Net trading with treasury stock	**3129**								
5. Increase/(decrease) for business combinations	**3130**								
6. Other transactions with shareholders or owners	**3132**								
III. Other changes in equity	**3135**		171,000		(171,000)				
1. Equity-settled share-based payment	**3136**								
2. Transfers between equity accounts	**3137**		171,000		(171,000)				
3. Other changes	**3138**								
Closing balance at 30/06/2020	**3140**	**1,271,000**	**5,554,000**		**1,128,000**		**141,000**	**152,000**	**8,246,000**

Comments

IV. SELECTED FINANCIAL INFORMATION

8. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (ADOPTED IFRS) (2/2)

Units: Thousand euros

PREVIOUS PERIOD		Equity attributable to the parent company						Non-controlling interests	Total equity
		Capital and Reserves					Valuation adjustments		
		Capital	Share premium and Reserves	Treasury stock	Profit (loss) for the period attributable to the parent company	Other equity instruments			
Opening balance at 01/01/2019 (comparative period)	3150	**1,271,000**	**6,416,000**		**1,417,000**		**(67,000)**	**144,000**	**9,181,000**
Adjustments for changes in accounting policy	3151								
Adjustment for errors	3152								
Adjusted opening balance (comparative period)	3155	**1,271,000**	**6,416,000**		**1,417,000**		**(67,000)**	**144,000**	**9,181,000**
I. Total comprehensive income/(expense) for the period	3160		(174,000)		776,000		80,000	6,000	688,000
II. Transactions with shareholders or owners	3165		(770,000)						(770,000)
1. Capital increases/ (reductions)	3166							6,000	6,000
2. Conversion of financial liabilities into equity	3167								
3. Distribution of dividends	3168		(770,000)					(6,000)	(776,000)
4. Net trading with treasury stock	3169								
5. Increase/ (decrease) for business combinations	3170								
6. Other transactions with shareholders or owners	3172								
III. Other changes in equity	3175		1,417,000		(1,417,000)				
1. Equity-settled share-based payment	3176								
2. Transfers between equity accounts	3177		1,417,000		(1,417,000)				
3. Other changes	3178								
Closing balance at 30/06/2019 (comparative period)	3180	**1,271,000**	**6,889,000**		**776,000**		**13,000**	**150,000**	**9,099,000**

Comments

IV. SELECTED FINANCIAL INFORMATION

9.A. CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) (ADOPTED IFRS)

Units: Thousand euros

			CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
A)	**CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)**	1435	**995,000**	**907,000**
1.	**Profit (loss) before tax**	1405	1,513,000	1,014,000
2.	**Adjustments to profit (loss):**	1410	355,000	974,000
(+)	Depreciation and amortisation charge	1411	760,000	794,000
(+/-)	Other net adjustments to profit (loss)	1412	(405,000)	180,000
3.	**Changes in working capital**	1415	(692,000)	(809,000)
4.	**Other cash flows from operating activities:**	1420	(181,000)	(272,000)
(-)	Interest paid	1421	(70,000)	(62,000)
(-)	Payment of dividends and remuneration on other equity instruments	1430		
(+)	Dividends received	1422	9,000	10,000
(+)	Interest received	1423	15,000	15,000
(+/-)	Income tax recovered/(paid)	1424	(22,000)	(72,000)
(+/-)	Other sums received/(paid) from operating activities	1425	(113,000)	(163,000)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2 + 3)**	1460	**(821,000)**	**(993,000)**
1.	**Payments for investments:**	1440	(915,000)	(1,045,000)
(-)	Group companies, associates and business units	1441		(2,000)
(-)	Property, plant and equipment, intangible assets and investment property	1442	(776,000)	(903,000)
(-)	Other financial assets	1443	(139,000)	(140,000)
(-)	Non-current assets and liabilities classified as held-for-sale	1459		
(-)	Other assets	1444		
2.	**Proceeds from sale of investments**	1450	46,000	25,000
(+)	Group companies, associates and business units	1451	23,000	
(+)	Property, plant and equipment, intangible assets and investment property	1452	4,000	13,000
(+)	Other financial assets	1453	19,000	12,000
(+)	Non-current assets and liabilities classified as held-for-sale	1461		
(+)	Other assets	1454		
3.	**Other cash flows from investing activities**	1455	48,000	27,000
(+)	Dividends received	1456		
(+)	Interest received	1457		
(+/-)	Other sums received/(paid) from investing activities	1458	48,000	27,000
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2 + 3 + 4)**	1490	**(18,000)**	**296,000**
1.	**Sums received/(paid) in respect of equity instruments**	1470		6,000
(+)	Issuance	1471		6,000
(-)	Redemption	1472		
(-)	Acquisition	1473		
(+)	Disposal	1474		
2.	**Sums received/(paid) in respect of financial liability instruments:**	1480	728,000	1,038,000
(+)	Issuance	1481	9,260,000	6,731,000
(-)	Repayment and redemption	1482	(8,532,000)	(5,693,000)
3.	**Payment of dividends and remuneration on other equity instruments**	1485	(746,000)	(748,000)
4.	**Other cash flows from financing activities**	1486		
(-)	Interest paid	1487		
(+/-)	Other sums received/(paid) from financing activities	1488		
D)	**EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE**	1492		
E)	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)**	1495	**156,000**	**210,000**
F)	**CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD**	1499	**223,000**	**244,000**
G)	**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E + F)**	1500	**379,000**	**454,000**

	COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
(+)	Cash on hand and at banks	1550	379,000	454,000
(+)	Other financial assets	1552		
(-)	*Less: Bank overdrafts repayable on demand*	1553		
	TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1600	**379,000**	**454,000**

IV. SELECTED FINANCIAL INFORMATION

10. DIVIDENDS PAID

		CURRENT PERIOD			PREVIOUS PERIOD		
		Euros / share (X,XX)	Amount (thousand euros)	No. of shares to be delivered	Euros / share (X,XX)	Amount (thousand euros)	No. of shares to be delivered
Ordinary shares	2158	0.70	741,126		0.70	741,126	
Other shares (non-voting shares, redeemable shares, etc.)	2159						
Total dividends paid	**2160**	**0.70**	**741,126**		**0.70**	**741,126**	
a) Dividends charged to profit and loss	2155	0.70	741,126		0.70	741,126	
b) Dividends charged to reserves or share premium	2156						
c) Dividends in kind	2157						
d) Flexible payment	2154						

IV. SELECTED FINANCIAL INFORMATION

11. SEGMENT INFORMATION

Units: Thousand euros

GEOGRAPHIC AREA		Distribution of revenue by geographic area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Spanish market	2210	1,051,866	524,207	7,316,000	8,510,000
International market	2215	2,117	2,293	949,000	963,000
a) European Union	2216	1,685	1,947	925,000	930,000
a.1) Euro Area	2217	1,585	1,870	925,000	912,000
a.2) Non-Euro Area	2218	100	77		18,000
b) Other	2219	432	346	24,000	33,000
TOTAL	2220	1,053,983	526,500	8,265,000	9,473,000

SEGMENTS		CONSOLIDATED			
		Ordinary revenue		Profit (loss)	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Generation and Supply	2221	7,661,000	8,520,000	529,000	293,000
Distribution	2222	1,309,000	1,377,000	634,000	523,000
Structure and Services	2223	252,000	279,000	885,000	296,000
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
(-) Adjustments and elimination of ordinary revenue between segments	2230	(339,000)	(385,000)	(917,000)	(330,000)
TOTAL of reportable segments	2235	**8,883,000**	**9,791,000**	**1,131,000**	**782,000**

IV. SELECTED FINANCIAL INFORMATION

12. AVERAGE WORKFORCE

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE WORKFORCE	2295	**1,316**	**1,287**	**9,818**	**9,692**
Men	2296	641	630	7,491	7,435
Women	2297	675	657	2,327	2,257

IV. SELECTED FINANCIAL INFORMATION

13. REMUNERATION RECEIVED BY DIRECTORS AND MANAGERS

DIRECTORS:		Amount (thousand euros)	
Item of remuneration:		CURRENT PERIOD	PREVIOUS PERIOD
Remuneration for membership on the board and/or board committees	2310	1,002	917
Salaries	2311	448	690
Variable remuneration in cash	2312	741	1,677
Share-based remuneration systems	2313	43	
Termination benefits	2314		9,615
Long-term savings systems	2315	474	626
Other items	2316	32	3,555
TOTAL	2320	**2,740**	**17,080**

		Amount (thousand euros)	
MANAGERS:		CURRENT PERIOD	PREVIOUS PERIOD
Total remuneration paid to managers	2325	6,237	5,843

IV. SELECTED FINANCIAL INFORMATION

14. RELATED-PARTY TRANSACTIONS AND BALANCES (1/2)

Units: Thousand euros

EXPENSES AND REVENUE		CURRENT PERIOD				
		Significant shareholders	Directors and managers	Group employees, companies and entities	Other related parties	Total
1) Finance costs	2340	49,000				49,000
2) Leases	2343					
3) Services received	2344	22,000			3,000	25,000
4) Purchase of inventories	2345	121,000				121,000
5) Other expenses	2348	401,000				401,000
TOTAL EXPENSES (1 + 2 + 3 + 4 + 5)	2350	593,000			3,000	596,000
6) Finance income	2351	3,000				3,000
7) Dividends received	2354					
8) Services rendered	2356	7,000			18,000	25,000
9) Sale of inventories	2357	127,000				127,000
10) Other income	2359	451,000				451,000
TOTAL REVENUE (6 + 7 + 8 + 9 + 10)	2360	588,000			18,000	606,000

OTHER TRANSACTIONS:		CURRENT PERIOD				
		Significant shareholders	Directors and managers	Group employees, companies and entities	Other related parties	Total
Financing agreements: loans and capital contributions (lender)	2372		1,000			1,000
Financing agreements: loans and capital contributions (borrower)	2375	3,700,000				3,700,000
Guarantees and collateral given	2381		7,000			7,000
Guarantees and collateral received	2382	122,000				122,000
Commitments assumed	2383	22,000				22,000
Dividends and other earnings distributed	2386	520,000				520,000
Other transactions	2385	9,000				9,000

BALANCES ON THE REPORTING DATE:		CURRENT PERIOD				
		Significant shareholders	Directors and managers	Group employees, companies and entities	Other related parties	Total
1) Trade receivables	2341	761,000				761,000
2) Loans and credit given	2342		1,000			1,000
3) Other receivables	2346	711,000				711,000
TOTAL RECEIVABLES (1 + 2 + 3)	2347	1,472,000	1,000			1,473,000
4) Trade payables	2352	1,416,000				1,416,000
5) Loans and credit received	2353	3,000,000				3,000,000
6) Other payment obligations	2355	688,000				688,000
TOTAL PAYABLES (4 + 5 + 6)	2358	5,104,000				5,104,000

IV. SELECTED FINANCIAL INFORMATION
14. RELATED-PARTY TRANSACTIONS AND BALANCES (2/2)

Units: Thousand euros

EXPENSES AND REVENUE		PREVIOUS PERIOD Significant shareholders	Directors and managers	Group employees, companies and entities	Other related parties	Total
1) Finance costs	6340	46,000				46,000
2) Leases	6343					
3) Services received	6344	17,000			10,000	27,000
4) Purchase of inventories	6345	85,000				85,000
5) Other expenses	6348	330,000				330,000
TOTAL EXPENSES (1 + 2 + 3 + 4 + 5)	6350	478,000			10,000	488,000
6) Finance income	6351	1,000				1,000
7) Dividends received	6354					
8) Services rendered	6356	8,000			1,000	9,000
9) Sale of inventories	6357	22,000				22,000
10) Other income	6359	132,000				132,000
TOTAL REVENUE (6 + 7 + 8 + 9 + 10)	6360	163,000			1,000	164,000

OTHER TRANSACTIONS:		PREVIOUS PERIOD Significant shareholders	Directors and managers	Group employees, companies and entities	Other related parties	Total
Financing agreements: loans and capital contributions (lender)	6372		1,000			1,000
Financing agreements: loans and capital contributions (borrower)	6375	3,000,000				3,000,000
Guarantees and collateral given	6381		7,000			7,000
Guarantees and collateral received	6382	120,000				120,000
Commitments assumed	6383	150,000				150,000
Dividends and other earnings distributed	6386	520,000				520,000
Other transactions	6385	2,000				2,000

BALANCES ON THE REPORTING DATE:		PREVIOUS PERIOD Significant shareholders	Directors and managers	Group employees, companies and entities	Other related parties	Total
1) Trade receivables	6341	582,000				582,000
2) Loans and credit given	6342		1,000			1,000
3) Other receivables	6346	365,000				365,000
TOTAL RECEIVABLES (1+2+3)	6347	947,000	1,000			948,000
4) Trade payables	6352	1,377,000			2,000	1,379,000
5) Loans and credit received	6353	3,004,000				3,004,000
6) Other payment obligations	6355	310,000				310,000
TOTAL PAYABLES (4+5+6)	6358	4,691,000			2,000	4,693,000

Endesa, S.A.

Individual Interim Condensed Financial Statements

30 June 2020

Interim Management's Report

2020

(With Limited Review Report thereon)

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

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Limited Review Report on the Individual Interim Condensed Financial Statements

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

To the Shareholders of
Endesa, S.A., commissioned by the Company's Directors

LIMITED REVIEW REPORT ON THE INDIVIDUAL INTERIM CONDENSED FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying individual interim condensed financial statements (hereinafter the "condensed interim financial information") of Endesa, S.A. (the "Company"), which comprise the statements of financial position at 30 June 2020, the income statement, the statement of changes in equity, statement of cash flows and the explanatory notes, all of which are condensed and interim, for the six-month period then ended. The directors of the Company are responsible for the preparation of this condensed interim financial information in accordance with the accounting principles and minimum content set out in articles 12 and 13 of Royal Decree 1362/2007 and in Circular 3/2018 of the Spanish National Securities Market Commission. Our responsibility is to express a conclusion on this interim financial information based on our limited review.

Scope of Review

We conducted our limited review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying condensed interim financial information.

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information for the six-month period ended 30 June 2020 has not been prepared, in all material respects, in accordance with the accounting principles and minimum content set out in articles 12 and 13 of Royal Decree 1362/2007 and in Circular 3/2018 of the Spanish National Securities Market Commission, for the preparation of condensed interim financial information.

Emphasis of Matter

We draw your attention to the accompanying note 2.1, of the interim condensed financial information which states that the accompanying interim financial information does not include all the information that would be required in a complete set of financial statements prepared in accordance with the financial reporting framework applicable to the entity in Spain. The accompanying interim condensed financial information should therefore be read in conjunction with the Company's annual accounts for the year ended 31 December 2019. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying interim management's report for the six-month period ended 30 June 2020 contains such explanations as the directors consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial information presented, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The interim management's report is not an integral part of the interim condensed financial information. We have verified that the accounting information contained therein is consistent with that disclosed in the interim condensed financial information for the six-month period ended 30 June 2020. Our work as auditors is limited to the verification of the interim management's report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Company.

Paragraph on Other Matters

This report has been prepared at the request of the directors in relation to the publication of the six-monthly financial report required by article 119 of Royal Legislative Decree 4/2015 of 23 October 2015 approving the amended Securities Market Law.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Estíbaliz Bilbao Belda

27 July 2020

ENDESA, S.A.

Individual Interim Condensed Financial Statements for the six-month period ended 30 June 2020

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

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

ENDESA, S.A.

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2020 AND 31 DECEMBER 2019

Millions of euros

	Note	30 June 2020 (unaudited)	31 December 2019
ASSETS			
NON-CURRENT ASSETS		**19,150**	**19,161**
Intangible assets		**111**	**118**
Patents, licences, trademarks and similar		2	5
Software applications		109	113
Property, plant and equipment		**1**	**2**
Land and buildings		-	-
Technical Installations and other Property, Plant and Equipment		1	2
Long-Term investments in Group Companies and Associates	3 and 10.1	**18,893**	**18,893**
Equity instruments		18,893	18,893
Loans to companies		-	-
Derivatives		-	-
Long-Term Financial Investments	3	**30**	**30**
Equity instruments		4	4
Loans to third parties		4	4
Derivatives		-	1
Other financial assets		22	21
Deferred tax assets		**115**	**118**
CURRENT ASSETS		**808**	**1,145**
Trade and other receivables		**193**	**164**
Other receivables		43	36
Receivables from Group Companies and Associates	10.1	134	125
Receivable from employees		16	1
Current tax assets		-	-
Other receivables from Public Administrations		-	2
Short-Term Investments in Group Companies and Associates	3 and 10.1	**482**	**915**
Loans to companies		104	111
Derivatives		1	2
Other financial assets		377	802
Short-Term Financial Investments	3	**28**	**35**
Loans to third parties		11	10
Derivatives		17	25
Other financial assets		-	-
Short-Term Accruals		**1**	**-**
Cash and cash equivalents		**104**	**31**
Cash in hand and at banks		104	31
TOTAL ASSETS		**19,958**	**20,306**

Notes 1 to 13 included in the accompanying Condensed Explanatory Notes form an integral part of the Statements of Financial Position at 30 June 2020 and 31 December 2019.

ENDESA, S.A.

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2020 AND 31 DECEMBER 2019

Millions of euros

	Note	30 June 2020 (unaudited)	31 December 2019
EQUITY AND LIABILITIES			
EQUITY	4	**8,192**	**8,206**
Capital and reserves		**8,215**	**8,219**
Share capital		**1,271**	**1,271**
Registered capital		1,271	1,271
Issue premium		**89**	**89**
Reserves		**1,443**	**1,441**
Legal and statutory		254	254
Other reserves		1,189	1,187
Retained earnings/accumulated losses		**4,597**	**4,517**
Retained earnings		4,597	4,517
Other shareholder contributions		**-**	**-**
Profit/(loss) for the year		**815**	**1,642**
Interim dividend		**-**	**(741)**
Value adjustments		**(23)**	**(13)**
Hedging transactions		(23)	(13)
NON-CURRENT LIABILITIES		**9,231**	**10,153**
Long-Term Provisions	5	**248**	**253**
Obligations in respect of Long-Term Employee Benefits		56	78
Provisions for workforce restructuring plans		131	121
Other provisions		61	54
Long-Term Debts	6	**2,062**	**1,856**
Bank borrowings		2,028	1,835
Finance lease payables		1	1
Derivatives		30	17
Other financial liabilities		3	3
Long-Term Debts to Group Companies and Associates	6 and 10.1	**6,887**	**8,010**
Debts to Group Companies and Associates		6,887	8,009
Derivatives		-	1
Deferred tax liabilities		**34**	**34**
CURRENT LIABILITIES		**2,535**	**1,947**
Short-Term Provisions	5	**45**	**56**
Provisions for workforce restructuring plans		36	47
Other provisions		9	9
Short-Term Debts	6	**1,678**	**1,076**
Bank borrowings		83	49
Finance lease payables		1	1
Derivatives		2	3
Other financial liabilities		1,592	1,023
Short-Term Debts to Group Companies and Associates	6 and 10.1	**660**	**637**
Debts to Group Companies and Associates		61	75
Derivatives		16	27
Other financial liabilities		583	535
Trade and other payables		**152**	**178**
Group company and associate suppliers	10.1	50	47
Sundry creditors		73	95
Personnel (remuneration payable)		22	29
Other payables to Public Administrations		7	7
TOTAL EQUITY AND LIABILITIES		**19,958**	**20,306**

Notes 1 to 13 included in the accompanying Condensed Explanatory Notes form an integral part of the Statements of Financial Position at 30 June 2020 and 31 December 2019.

ENDESA, S.A.

INCOME STATEMENTS FOR THE SIX-MONTH PERIODS

ENDED 30 JUNE 2020 AND 2019

Millions of euros

	Note	January -June 2020 (Unaudited)	January -June 2019 (Unaudited)
CONTINUING OPERATIONS			
Net revenue	8.1	**1,054**	**527**
Provision of services		137	144
Dividend income from Group Companies and Associates	10.1	917	383
Self-constructed assets		**1**	**-**
Procurements		**-**	**-**
Work performed by other companies		-	-
Other Operating Income		**2**	**3**
Ancillary and other administrative income		2	3
Personnel Expenses	8.3	**(91)**	**(92)**
Wages and salaries and similar		(71)	(75)
Social Charges		(18)	(17)
Provisions		(2)	-
Other operating expenses	8.4	**(88)**	**(70)**
External services		(49)	(50)
Taxes other than income tax		(3)	(1)
Other administrative expenses		(36)	(19)
Depreciation and amortisation of non-current assets		**(14)**	**(14)**
Provision surpluses		**3**	**2**
Impairment losses in Group companies and associates		**-**	**-**
Other gains/losses		**-**	**(1)**
EBIT		**867**	**355**
Financial Income	8.5	**4**	**3**
From marketable securities and receivables relating to fixed assets		**4**	**3**
Group Companies and Associates	10.1	-	1
Other		4	2
Financial expense	8.5	**(88)**	**(100)**
Interest on borrowings from Group Companies and Associates	10.1	(80)	(86)
Interest on debts to third parties		(7)	(7)
Provision adjustments		(1)	(7)
Change in fair value of financial instruments		**1**	**1**
Trading Portfolio and others		1	1
Exchange gains/(losses)		**2**	**3**
NET FINANCE INCOME/(EXPENSE)		**(81)**	**(93)**
PROFIT BEFORE TAX		**786**	**262**
Corporate Income tax		**29**	**24**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**815**	**286**
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS, NET OF TAX		**-**	**-**
PROFIT/(LOSS) FOR THE YEAR		**815**	**286**

Notes 1 to 13 included in the accompanying Condensed Explanatory Notes form an integral part of the Income Statements for the six-month periods ended 30 June 2020 and 2019.

ENDESA, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2020 AND 2019

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSES FOR THE SIX MONTHS ENDED 30 June 2020 AND 2019

Millions of euros

	Note	January -June 2020 (Unaudited)	January -June 2019 (Unaudited)
RESULT FROM THE INCOME STATEMENT		**815**	**286**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY			
From cash flow hedges		(17)	(20)
From Actuarial Gains and Losses and other Adjustments	5.1	2	(10)
Tax effect		4	8
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		**(11)**	**(22)**
TRANSFERS TO PROFIT AND LOSS			
From cash flow hedges		4	-
Tax effect		(1)	-
TOTAL TRANSFERS TO PROFIT AND LOSS		**3**	**-**
TOTAL RECOGNISED INCOME/(EXPENSE)		**807**	**264**

The accompanying condensed explanatory notes 1 to 13 are an integral part of the statements of recognised income and expenses for the six months ended 30 June 2020 and 2019.

ENDESA, S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND 2019

B) STATEMENTS OF TOTAL CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND 2019

Millions of euros

	30 June 2020 (unaudited)						
	Capital and reserves						
	Share capital (Note 4.1)	Issue premium (Note 4.2)	Reserves and retained earnings/accumulated losses	Profit/(loss) for the year	(Interim dividend) (Note 4.4)	Value Adjustments	Total Equity
Balance at 31 December 2019	**1,271**	**89**	**5,958**	**1,642**	**(741)**	**(13)**	**8,206**
TOTAL RECOGNISED INCOME/(EXPENSE)	**-**	**-**	**2**	**815**	**-**	**(10)**	**807**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends paid	-	-	-	-	-	-	-
Other changes in equity	**-**	**-**	**80**	**(1,642)**	**741**	**-**	**(821)**
Distribution of profit	-	-	80	(1,642)	741	-	(821)
Balance at 30 June 2020	**1,271**	**89**	**6,040**	**815**	**-**	**(23)**	**8,192**

Millions of euros

	30 June 2019 (unaudited)						
	Capital and reserves						
	Share capital (Note 4.1)	Issue premium (Note 4.2)	Reserves and retained earnings/accumulated losses	Profit/(loss) for the year	(Interim dividend) (Note 4.4)	Value Adjustments	Total Equity
Balance at 31 December 2018	**1,271**	**89**	**5,961**	**1,511**	**(741)**	**-**	**8,091**
TOTAL RECOGNISED INCOME/(EXPENSE)	**-**	**-**	**(7)**	**286**	**-**	**(15)**	**264**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends paid	-	-	-	-	-	-	**-**
Other changes in equity	**-**	**-**	**-**	**(1,511)**	**741**	**-**	**(770)**
Distribution of profit	-	-	-	(1,511)	741	-	(770)
Balance at 30 June 2019	**1,271**	**89**	**5,954**	**286**	**-**	**(15)**	**7,585**

The accompanying condensed explanatory notes 1 to 13 are an integral part of the statements of total changes in equity for the six months ended 30 June 2020 and 2019.

ENDESA, S.A.

STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS

ENDED 30 JUNE 2020 AND 2019

Millions of euros

	Note	January -June 2020 (Unaudited)	January -June 2019 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		**1,194**	**1,225**
Profit before tax		**786**	**262**
Adjustments for:		**(814)**	**(279)**
Income from dividends	8.1 and 10.1	(917)	(383)
Depreciation and amortisation of non-current assets		14	14
Impairment losses		-	1
Changes in provisions		7	(8)
Financial Income	8.5	(4)	(3)
Financial expense	8.5	88	100
Exchange gains/(losses)		(1)	1
Change in the fair value of financial instruments		(1)	(1)
Changes in working capital		**(53)**	**(32)**
Other cash flows from operating activities		**1,275**	**1,274**
Interest paid		(91)	(84)
Dividends received	3.1.1	1,342	1,368
Interest received		3	3
Income tax received/(paid)		42	6
Other proceeds/(payments)		(21)	(19)
CASH FLOWS FROM INVESTING ACTIVITIES		**(17)**	**(23)**
Payments for investments		**(18)**	**(24)**
Group Companies and Associates		-	-
Property, plant and equipment and intangible assets		(16)	(22)
Other financial assets		(2)	(2)
Proceeds from sale of investments		**1**	**1**
Other financial assets		1	1
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(1,104)**	**(1,199)**
Grants, donations and bequests received		-	-
Proceeds from and (Payments) for Financial Liability Instruments		**(363)**	**(458)**
Issue		850	1,779
Redemption and repayment		(1,213)	(2,237)
Dividends and remuneration of other equity instruments paid		**(741)**	**(741)**
Dividends	4.4	(741)	(741)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**73**	**3**
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**31**	**13**
CASH AND CASH EQUIVALENTS AT 30 JUNE		**104**	**16**

Notes 1 to 13 included in the Condensed Explanatory Notes to the Financial Statements are an integral part of the Statements of Cash Flows for the six-month periods ended 30 June 2020 and 2019.

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

ENDESA, S.A.

CONDENSED EXPLANATORY NOTES OF THE INDIVIDUAL INTERIM FINANCIAL STATEMENTS

CORRESPONDING TO THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2020

Contents.

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

ENDESA, S.A.

CONDENSED EXPLANATORY NOTES OF THE INTERIM FINANCIAL STATEMENTS CORRESPONDING TO THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2020

1. Activity and Interim Condensed Financial Statements of the Company.

ENDESA, S.A. (hereinafter “the Company”) was incorporated with limited liability under Spanish law on 18 November 1944 under the name Empresa Nacional de Electricidad, S.A. and changed its name to ENDESA, S.A. pursuant to a resolution adopted by the shareholders at the General Shareholders’ Meeting on 25 June 1997. Its registered offices and headquarters are at Calle Ribera del Loira 60, Madrid.

Its corporate purpose is the electricity business in all its various industrial and commercial areas; the exploitation of primary energy resources of all types; the provision of industrial services, particularly in the areas of telecommunications, water and gas and those preliminary or supplementary to the Group’s corporate purpose, and the management of the corporate Group, comprising investments in other companies.

The Company carries out its corporate objects in Spain and abroad directly or through its investments in other companies.

To comply with Electricity Sector Law 24/2013 of 26 December 2013, derogating from previous Law 54/1997 of 27 November 1997 on the electricity sector, ENDESA, S.A. underwent a corporate restructuring to separate its various electricity activities. Since then, ENDESA, S.A.’s activity has focused primarily on administration and services for its business group, comprising the investments detailed in these condensed explanatory notes.

The Company’s shares are officially admitted to trading on the Spanish Stock Exchanges.

The financial statements for the year ended 31 December 2019 were authorised by the Board of Directors on 24 February 2020 and approved by the shareholders at the General Meeting on 05 May 2020 and filed with the Madrid Trade & Companies Register.

The Company holds interests in subsidiaries, joint ventures and associates. Consequently, in accordance with prevailing legislation, the Company is the parent of a group of companies. In accordance with generally accepted accounting principles and standards, consolidated financial statements must be prepared to present truly and fairly the financial position of the business Group, the results of its operations, changes in its equity and its cash flows. Details of investments in Group companies, jointly-controlled entities and associated companies are included in Note 3.1.

The Consolidated Financial Statements of ENDESA, S.A. and its subsidiaries for the year ended 31 December 2019 were approved by the Board of Directors on 24 February 2020, ratified by the shareholders at the General Shareholders' Meeting on 05 May 2020, and filed with the Madrid Trade & Companies Register.

On 27 July 2020, the Board of Directors of ENDESA, S.A. approved the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020 in accordance with prevailing legislation, pursuant to International Financial Reporting Standards (IFRS).

The key data in the Interim Consolidated Financial Statements of ENDESA, S.A., and its subsidiaries in the six months ended 30 June 2020 and the year ended 31 December 2019 are as follows:

Millions of euros

	30 June 2020 (unaudited)	31 December 2019
Total Assets	**31,895**	**31,981**
Equity	**8,246**	**7,837**
Of the Parent	8,094	7,688
Of Non-Controlling Interests	152	149

Millions of euros

	January -June 2020 (Unaudited)	January -June 2019 (Unaudited)
Revenue	**8,883**	**9,791**
Profit after tax from continuing operations	**1,131**	**782**
Profit after tax from discontinued operations	**-**	**-**
Profit/(loss) for the year	**1,131**	**782**
Of the Parent	1,128	776
Of Non-Controlling Interests	3	6

At 30 June 2020 and 31 December 2019, the ENEL Group, through ENEL Iberia, S.L.U., held 70.101% of ENDESA, S.A.'s share capital, giving it control over Company (see Note 4.1).

The ENEL Group's Consolidated Financial Statements for the year ended 31 December 2019 were approved by the General Shareholders' Meeting held on 14 May 2020 and filed with the Rome and Madrid Trade & Companies Registers.

2. Basis of preparation of the Interim Condensed Financial Statements and Condensed Explanatory Notes.

2.1. True and fair presentation.

The Interim Condensed Financial Statements and Condensed Explanatory Notes, which were approved by the Company's Directors at the meeting of its Board of Directors on 27 July 2020, have been prepared in accordance with the half-yearly financial reporting requirements set down in article 119 of the Legislative Royal Decree 4/2015 of 23 October 2015, approving the Consolidated Text of the Securities Market Act, and in accordance with the principles and content contained in Articles 12 and 13 of Royal Decree 1362/2007, of 19 October 2007, on transparency requirements in relation to information about issuers whose securities are admitted to trading on an official secondary market or other regulated market in the European Union and Circular 3/2018, of 28 June, on periodic information about issuers whose securities are admitted to trading on regulated markets with regard to half-yearly financial reports. Specifically, the accompanying Interim Condensed Financial Statements have been authorised for issue with the content required to meet the conditions established by Circular 3/2018, of 28 June 2018.

These Interim Condensed Financial Statements and Condensed Explanatory Notes have been prepared in accordance with generally-accepted accounting principles and standards in Spain, although they do not include all the information required for the Condensed Financial Statements for a full year, and therefore, for greater understanding, should be read in conjunction with the financial statements for the year ended 31 December 2019.

Further, these Interim Condensed Financial Statements and Condensed Explanatory Notes for the six-month period ended 30 June 2020 have been prepared on the basis of the accounting principles and valuation methods established by Law 16/2007, of 4 July 2007, which reforms and adapts commercial legislation as regards accounting practices for international harmonisation based on the European Union standard and the General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November 2007, in addition to the amendments to the General Chart of Accounts established by Royal Decree 1159/2010, of 17 September 2010, and Royal Decree 602/2016, of 2 December 2016.

The accompanying Interim Condensed Financial Statements and Condensed Explanatory Notes reflect a true and fair view of the Company's equity and financial position at 30 June 2020, and the results of its operations, changes in equity and cash flows for the six-month period then ended, and have been prepared on the basis of the Company's accounting records.

2.2. Accounting principles

The accounting principles and criteria applied in preparing these Interim Condensed Financial Statements and Condensed Explanatory Notes are those set out in the Spanish General Chart of Accounts and Notes 2 and 4 to the financial statements for the year ended 31 December 2019. All mandatory accounting principles with an effect on equity, the financial position and profit or loss were applied in preparing these Interim Condensed Financial Statements.

2.3. Responsibility for information and estimates.

These Interim Condensed Financial Statements and Condensed Explanatory Notes were approved at the Board of Directors' meeting held on 27 July 2020 and the Company's management is responsible for the information contained therein, which expressly states that all principles and criteria of the Spanish General Chart of Accounts have been applied.

In preparing the accompanying Interim Condensed Financial Statements, the Company's Directors made estimates to measure certain assets, liabilities, income, expenses and commitments included therein. The estimates necessary to prepare these Interim Condensed Financial Statements were basically the same as those described in Note 2.3 to the Financial Statements for the year ended 31 December 2019. There were no changes with respect to the estimates used in those Financial Statements that had a significant impact on the Interim Condensed Financial Statements.

In addition, the calculation of the amount included in the item "Corporate Income Tax" in the accompanying Interim Condensed Financial Statements was based on the best estimate of the tax rate expected to apply to the related annual periods. As a result, changes in estimates of the annual tax rate could require the amount recognised for the six months ended 30 June 2020 to be adjusted in future reporting periods.

Although these estimates have been based on the best information available at the date of preparation of these Interim Condensed Financial Statements, future events could require the estimates to be increased or decreased in subsequent years. Changes in estimates are made prospectively and the effects recognised in the corresponding financial statements for future years.

2.4. Going concern.

At 30 June 2020, the Company has negative working capital of €1,727 million as a result of its financial and cash management policy. In this regard, the Company's estimated statements of liquidity, together with the undrawn amount on its long-term credit facilities (see Note 6.5), provide assurance that the Company can obtain sufficient financial resources to continue to operate, realise its assets and settle its liabilities for the amounts shown in the accompanying Statement of Financial Position.

In the current context, after the outbreak of COVID-19, the main activities to which the companies in which ENDESA, S.A. is engaged have been classified as essential activities and are carried out under regulated frameworks. This is why has been obliged to continue carrying out its activities, without any events having occurred that might affect the going concern principle. Up to the date of approval of these Interim Condensed Financial Statements, ENDESA, S.A. has continued to provide its services and, although it had to adapt some processes to the circumstances derived from the health crisis, its ability to provide services has not been significantly compromised.

The Company's Directors have therefore prepared the accompanying Interim Condensed Financial Statements on a going-concern basis.

2.5. Functional and presentation currency

The Condensed Interim Financial Statements are presented in millions of euros. The Company's functional and presentation currency is the euro.

2.6. Comparative information.

For purposes of comparison, the statements of financial position in these Interim Condensed Financial Statements present, in addition to the figures for the six months ended 30 June 2020, comparative figures forming part of the financial statements for the year ended 31 December 2019 approved by the General Shareholders' Meeting on 5 May 2020.

The Interim Condensed Financial Statements present, for comparative purposes, al, of the items from the Income Statement, Statement of Changes in Equity, Statement of Cash Flows and the Notes to the Financial Statements, in addition to the figures for the six-month period ended 30 June 2020, those corresponding to the six-month period ended on 30 June 2019.

2.7. Grouping of items

Certain items on the Statement of Financial Position, Income Statement, Statement of Changes in Equity and Statement of Cash Flows are presented in groups for easier understanding, though significant data are set out as breakdowns in the notes to the Interim Condensed Financial Statements and Condensed Explanatory Notes.

3. Long-term and short-term financial assets.

The details and movements of the items "Long-term financial investments in Group companies and associates" and "Long-term financial investments" in the accompanying Statement of Financial Position at 30 June 2020 are as follows.

Millions of euros

	Note	Balance at 31 December 2019	Additions	Derecognitions	Transfers and other	Balance at 30 June 2020
Long-Term Investments in Group Companies and Associates	**3.1 and 10.1**	**18,893**	**-**	**-**	**-**	**18,893**
Equity instruments	3.1.1	18,893	-	-	-	18,893
Equity interests in Group Companies and Associates		18,893	-	-	-	18,893
Impairment losses		-	-	-	-	-
Loans to companies	3.1.2	-	-	-	-	-
Loans to companies		54	-	-	-	54
Impairment losses		(54)	-	-	-	(54)
Derivatives	3.4	-	-	-	-	-
Long-Term Financial Investments	**3.2**	**30**	**1**	**(1)**	**-**	**30**
Equity instruments	3.2.1	4	-	-	-	4
Long-Term Financial Investments		5	-	-	-	5
Impairment losses		(1)	-	-	-	(1)
Loans to third parties	3.2.2	4	-	-	-	4
Loans to third parties		4	-	-	-	4
Impairment losses		-	-	-	-	-
Derivatives	3.4	1	-	(1)	-	-
Other financial assets	3.2.3	21	1	-	-	22
TOTAL LONG-TERM FINANCIAL ASSETS		**18,923**	**1**	**(1)**	**-**	**18,923**

The details under the items “Short-Term Financial Investments in Group Companies and Associates” and “Short-Term Current Financial Assets” in the accompanying Statement of Financial Position at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

	Note	30 June 2020	31 December 2019
Short-Term Investments in Group Companies and Associates	**10.1**	**482**	**915**
Loans to companies	3.1.2	104	111
Loans to Group Companies and Associates		104	111
Impairment losses		-	-
Derivatives	3.4	1	2
Other financial assets	3.1.1	377	802
Short-Term Financial Investments		**28**	**35**
Loans to third parties		11	10
Loans to third parties		11	10
Derivatives	3.4	17	25
TOTAL SHORT-TERM FINANCIAL ASSETS		**510**	**950**

3.1. Long-Term and Short-Term Investments in Group Companies and Associates.

3.1.1. Equity instruments

Details of the Company’s investments in equity instruments of Group companies and associates at 30 June 2020, as well as the most significant information regarding each investment at those dates, are as follows:

Group Companies and Associates **The Six-Month Period ended on 30 June 2020**			**Millions of euros**												
Company [1]	**Activity**	**% Direct Ownership**	**Share capital**	**Reserves**	**Interim dividend**	**Profit/(loss) for the year**		**Total equity**	**Grants, donations and bequests received**	**Value Adjustments**	**Total Equity**	**Carrying amount**			**Dividends Received** (Notes 8.1 and 10.1)
Registered office						**EBIT**	**Net profit/(loss)**					**Cost**	**Impairment in the period**	**Accumulated impairment**	
Group companies:															
ENDESA Energía, S.A.U. – Madrid [2]	Supply of Energy Products	100%	15	1,300	-	750	552	1,867	-	187	2,054	1,134	-	-	65
ENDESA Generación, S.A.U. – Seville [2]	Electricity Generation and Supply	100%	1,940	2,809	-	(3)	(25)	4,724	43	(289)	4,478	5,891	-	-	-
ENDESA Red, S.A.U. – Madrid [2]	Distribution activities	100%	720	2,104	(335)	853	634	3,123	4,675	(184)	7,614	2,440	-	-	800
International ENDESA, B.V. - Netherlands	International financial transaction company	100%	15	7	-	-	-	22	-	-	22	18	-	-	-
ENDESA Medios y Sistemas, S.L.U. – Madrid	Provision of services	100%	90	70	-	5	4	164	-	-	164	167	-	-	-
ENDESA Financiación Filiales, S.A.U. – Madrid	Financing of ENDESA, S.A.´s subsidiaries	100%	4,621	4,622	(42)	84	63	9,264	-	-	9,264	9,242	-	-	52
Rest of the Group			-	-	-	-	-	-	-	-	-	1	-	-	-
TOTAL												**18,893**	**-**	**-**	**917**

(1) Unaudited figures.

(2) Figures related to information of the consolidated subgroup.

These companies do not have publicly listed share prices.

Most significant changes in the six months ended 30 June 2020.

There were no significant changes in the six months ended 30 June 2020.

At 30 June 2020 and 31 December 2019, the item “Other Financial Assets” under “Short-Term Investments in Group Companies and Associates” includes dividends receivable amounting to €377 million and €802 million, respectively, as detailed below:

Millions of euros

	Note	30 June 2020	31 December 2019
ENDESA Red, S.A.U.		335	632
ENDESA Financiación Filiales, S.A.U.		42	21
ENDESA Energía, S.A.U.		-	149
TOTAL	10.1	**377**	**802**

3.1.2. Long-Term and Short-Term Loans and Advances to Group Companies and Associates.

At 30 June 2020 and 31 December 2019, the loan granted to Elcogas, S.A. was recognised under the item “Long-term Loans to Group Companies and Associates” and is completely written off.

At 30 June 2020 and 31 December 2019, the item “Short-Term Loans to Group Companies and Associates” includes the amounts receivable from ENEL Iberia, S.L.U. corresponding to income tax for the amount of €104 million and €111 million, respectively.

3.1.3. Impairment test.

During the first half of 2020 and 2019, no impairment loss was recorded on investments in Group, Multigroup and Associate companies.

Note 4d.3 “Investments in the Equity of Group Companies, Multi-group and Associates” of the Notes to the Financial Statements corresponding to the year ended 31 December 2019 establishes that investments in Group Companies, Multigroup and Associates they are initially valued at cost and subsequently adjusted by the accumulated amount of the valuation adjustments for impairment.

In the current context, ENDESA, S.A. is monitoring the evolution of macroeconomic and operating variables in order to monitor the impact of the COVID-19 health crisis on demand and prices for electricity and gas, in the short, medium and long term and, where appropriate, assess whether there are signs of impairment.

As at 30 June 2020, taking into account the current evolution of the Group companies and the available information, ENDESA, S.A. estimates that there are no indications of impairment that require updating the estimate of recoverable value of assets.

3.2. Long-term and short-term financial investments.

3.2.1. Equity instruments

At both 30 June 2020 and 31 December 2019, the holdings in equity instruments amounted to €4 million.

3.2.2. Long-term loans to third parties.

As at both 30 June 2020 and 31 December 2019, €4 million was also recognised in this item as “Long-term loans to staff”.

At 30 June 2020 and 31 December 2019, impairment losses on "Loans to third parties" is less than €1 million, with no significant movements having taken place in the six-month period ended 30 June 2020.

3.2.3. Other long-term financial assets.

At 30 June 2020, this item included €22 million for the deposit made to guarantee payment for future services from the employees who are members of the ENDESA, S.A. defined benefit pension scheme (€21 million at 31 December 2019) (see Note 5.1).

3.3. Items recognised in profit and loss and in equity.

In the six months ended 30 June 2020 and 2019, the applications made in the income statement and equity linked to financial assets grouped by the different categories are as follows:

Millions of euros

	January - June 2020		January - June 2019	
	(Loss)/Profit	Equity	(Loss)/Profit	Equity
Loans and receivables	1	-	2	-
Assets at Fair Value Through Profit and Loss	(5)	-	(8)	-
Held for trading	(5)	-	(8)	-
TOTAL	**(4)**	**-**	**(6)**	**-**

3.4. Financial assets at fair value with changes through profit or loss.

In the six-month period ended 30 June 2020 and 2019, the changes in the long-term and short-term fair value of "Financial Assets at Fair Value through Profit or Loss" are as follows:

Millions of euros

	Fair Value at 31 December 2019	Change in fair value of derivatives	Settlements of Derivatives	Other movements	Fair Value at 30 June 2020
Financial Assets at Fair Value Through Profit and Loss	**28**	**23**	**(28)**	**(5)**	**18**
Long Term	1	-	-	(1)	-
Short Term	27	23	(28)	(4)	18
TOTAL	**28**	**23**	**(28)**	**(5)**	**18**

Millions of euros

	Fair Value at 31 December 2018	Change in fair value of derivatives	Settlements of Derivatives	Other movements	Fair Value at 30 June 2019
Financial Assets at Fair Value Through Profit and Loss	**69**	**33**	**(41)**	**-**	**61**
Long Term	11	5	-	(6)	10
Short Term	58	28	(41)	6	51
TOTAL	**69**	**33**	**(41)**	**-**	**61**

3.5. Financial investment commitments.

At 30 June 2020 and 31 December 2019, ENDESA, S.A. had no agreements that included commitments to make financial investments of a significant amount.

4. Equity and dividends.

At 30 June 2020 and 2019, the breakdown of equity and movements during the period are shown in the statement of changes in equity that form part of the Company's financial statements.

Details of the Company's equity at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros	Note	30 June 2020	31 December 2019
Share capital	4.1	1,271	1,271
Issue premium	4.2	89	89
Reserves	4.3	1,443	1,441
Retained earnings/accumulated losses		4,597	4,517
Profit/(loss) for the year		815	1,642
Interim dividend	4.4	-	(741)
Value adjustments	4.5	(23)	(13)
TOTAL		**8,192**	**8,206**

4.1. Share capital.

At 30 June 2020 and 31 December 2019, ENDESA, S.A. had share capital of €1,270,502,540.40, represented by 1,058,752,117 bearer shares with a par value of €1.20 each, subscribed and fully paid and all admitted to trading on the Spanish stock exchanges. All the shares have the same voting and profit-sharing rights.

At 30 June 2020 and 31 December 2019, ENEL Group, through ENEL Iberia, S.L.U., held 70.101% of ENDESA, S.A.'s share capital. At these dates, no other shareholder held more than 10% of the share capital of ENDESA, S.A.

4.2. Issue premium

The issue premium arises from the Company's corporate restructuring transactions. Article 303 of the Consolidated Text of the Corporate Enterprises Act expressly permits the use of the balance of the issue premium to increase capital and does not establish any specific restrictions as to its availability.

Nonetheless, at 30 June 2020, €41 million of the issue premium were restricted to the extent that they were subject to tax deductions applied in prior years (€43 million at 31 December 2019).

4.3. Reserves.

Details of the Company's reserves at 30 June 2020 and 31 December 2019 are as follows.

Millions of euros	30 June 2020	31 December 2019
Legal reserve	254	254
Revaluation reserve	404	404
Reserve for Amortised Capital	102	102
Reserve for Redenomination of Capital to Euros	2	2
Reserve for actuarial gains and losses and other adjustments	(12)	(24)
Other reserves	693	703
Merger reserve	667	667
Other Unrestricted Reserves	26	36
Voluntary and other reserves	26	36
TOTAL	**1,443**	**1,441**

4.3.1 Reserve for actuarial gains and losses and other adjustments.

At 30 June 2020 and 31 December 2019, this amounts recognised in this reserve derive from actuarial gains and losses recognised in equity (see Note 5.1).

4.4. Dividends.

Approval was given at ENDESA, S.A.'s General Shareholders' Meeting of 5 May 2020 to pay shareholders a total dividend for 2019 in a gross amount of €1.475 per share, representing a total of €1,562 million. The breakdown of these dividends is as follows:

Millions of euros

	Approval date	Euros per share, gross	Amount	Payment date
Interim dividend	26 November 2019	0.700	741	2 January 2020
Final dividend	5 May 2020	0.775	821	1 July 2020
Total dividend paid against 2019 profit		**1.475**	**1,562**	

4.5. Value adjustments.

The movement in the item “Valuation adjustments” in the accompanying Statement of Financial Position is shown in the Statement of Recognised Income and Expenses that forms part of these Interim Condensed Financial Statements.

5. Long and short term provisions.

Details of long-term and short-term provisions in the accompanying Statement of Financial Position at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

	Note	30 June 2020	31 December 2019
Long-Term Provisions			
Long-Term Employee Benefits		56	78
Provisions for Pensions and Similar Obligations (1)	5.1	31	56
Other employee benefits		25	22
Provisions for workforce restructuring plans	5.2	131	121
Workforce reduction plans		-	-
Contract Suspensions		131	121
Other provisions	5.3	61	54
TOTAL		**248**	**253**
Short-Term Provisions			
Provisions for workforce restructuring plans		36	47
Workforce reduction plans		-	14
Contract Suspensions		36	33
Other provisions		9	9
TOTAL		**45**	**56**

(1) Includes post-employment benefits other than pension plans for €14 million at 30 June 2020 and €39 million at 31 December 2019.

5.1. Provisions for pensions and other similar obligations

At 30 June 2020 and 31 December 2019, details of the present value of the Company’s obligations in respect of post-employment benefits and other long-term benefits and associated plan assets are as follows:

Millions of euros

	30 June 2020	31 December 2019
Present value of commitments	**85**	**112**
Active employees	21	30
Former employees	37	35
Employees taking early retirement	27	47
Fair value of defined benefit plan assets	**(54)**	**(56)**
NET TOTAL	**31**	**56**

Movement in the actuarial liabilities assumed in relation to defined benefit scheme obligations in the first half of 2020 was as follows:

Millions of euros

	Note	January - June 2020
Opening actuarial liability		**112**
Amounts charged to profit and loss for the period		**-**
Financial expense	8.5	-
Actuarial gains and losses		**(1)**
Applications		**(26)**
Personnel income		(23)
Payments		(3)
Closing actuarial liability		**85**

Changes in the market value of defined benefit plan assets in the first half of 2020 are as follows:

Millions of euros

	Note	January - June 2020
Opening market value		**56**
Estimated benefit	8.5	-
Company contribution		-
Payments		(3)
Actuarial gains and losses		1
Closing market value		**54**
Opening liabilities/(assets) balance		**56**
Final liabilities/(assets) balance		**31**

Plan assets.

The main characteristics of defined benefit plan assets as a percentage of total assets, at 30 June 2020 and 31 December 2019 are as follows:

	Percentage (%)	
	30 June 2020	**31 December 2019**
Shares	34	35
Fixed-income assets	48	51
Other (cash)	18	14
TOTAL	**100**	**100**

Actuarial assumptions.

The most significant actuarial assumptions considered in the calculations at 30 June 2020 and 31 December 2019 are as follows:

		30 June 2020	31 December 2019
Mortality Tables		PERM / F2000	PERM / F2000
Technical interest rate		1.07% - 1.13%	1.07% - 1.14%
Expected return on plan assets		1.08%	1.09%
CPI	(1)	2.00%	2.00%
Increase in healthcare costs		3.20%	3.20%

(1) Annual rate for review of pensions and salary increases.

Other information.

After more than two years of fruitless negotiations, on 4 December 2019, the majority trade union in ENDESA, General Workers Union (UGT), and ENDESA agreed to submit to a "binding equity arbitration" some of the most significant aspects discussed in the negotiation of the "5th ENDESA Framework Collective Agreement".

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

In accordance with the agreement between the parties, the content of the Arbitration Award and other aspects resulting from the agreement at the negotiating table not submitted to arbitration were incorporated into the "5th ENDESA Framework Collective Agreement" which was approved and signed by the Company and the Trade Union Section of the General Workers' Union (UGT), and has general effect since 23 January 2020, being published in the Official State Gazette on 17 June 2020. Also on 23 January 2020, the new "Framework Agreement on Guarantees" and "Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts" were signed, in this case by all the unions represented in ENDESA.

The "5th ENDESA Framework Collective Agreement" establishes changes to certain social benefits, basically the one corresponding to the electricity rate for employees, also including retired personnel, which led to the following accounting entries:

- Valuation of the previous actuarial liability for the uninsured defined benefit commitments at the effective date of the "5th ENDESA Framework Collective Agreement, which had a net positive impact of €2 million gross on the Statement of Recognised Income and Expenditure for the six-month period ended 30 June 2020.
- Valuation of the new actuarial liability at the effective date of the "5th ENDESA Framework Collective Agreement", taking account of the new commitments assumed, mainly in relation to electricity supply, which had a positive impact of €23 million in the Income Statement for the six-month period ended on 30 June 2020.

5.2. Provisions for workforce restructuring plans.

Movements in this long-term provision in the first half of 2020 are as follows:

Millions of euros

	Note	Workforce restructuring plans	Contract Suspensions	Total
Opening balance		**-**	**121**	**121**
Amounts charged to profit and loss for the period		**-**	**34**	**34**
Personnel Expenses	8.3	-	33	33
Financial expense	8.5	-	1	1
Applications		**-**	**(24)**	**(24)**
Personnel income	8.3	(12)	-	(12)
Financial Income	8.5	-	(1)	(1)
Transfers and other		12	(23)	(11)
Closing balance		**-**	**131**	**131**

Actuarial assumptions.

The assumptions used in the actuarial calculation of the obligations arising under these workforce restructuring plans at 30 June 2020 and 31 December 2019 are as follows:

	Workforce restructuring plans		Contract Suspensions	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Interest Rate	0.31%	0.27%	0.31%	0.27%
Future increase in guarantee	N/A	N/A	1.00%	2.00%
Increase in other items	N/A	N/A	2.00%	2.00%
CPI	2.00%	2.00%	N/A	N/A
Salary review	1.00%	2.00%	Na	Na
Mortality Tables	PERM / F2000	PERM / F2000	PERM / F2000	PERM / F2000

Other information.

On 28 January 2020, the Company informed the union representation that it will not exercise its power to terminate from the individual pact to suspend the employment relationship for certain individual contracts signed with employees under the "Agreement on Voluntary Measures of Suspension or Termination of Employment Contracts".

For this reason, the Company recorded in the six-month period ended 30 June 2020 the cost that it must assume during the period for which, in accordance with this commitment, it cannot prevent the contract from being suspended. The amount corresponding to this concept has amounted to a total of €33 million (€39 million of initial provision and an update of said amount for €6 million of income).

5.3. Other long-term provisions.

The movements and details of the item “Other long-term provisions” on the liabilities side of the accompanying Statement of Financial Position in the first half of 2020 are as follows:

Millions of euros

	January - June 2020
Opening balance	**54**
Charges	**12**
Applications	**(5)**
Closing balance	**61**

Litigation and arbitration.

In the six-month period ended 30 June 2020, the following significant changes have occurred in relation to the Company's litigation and arbitration described in Note 11.3 of the Notes to the Financial Statements for the year ended 31 December 2019:

The Company’s Directors do not expect that any additional significant liabilities to those already recognised in the accompanying statements of financial position will arise as a result of the above-mentioned lawsuit.

6. Long-term and short-term financial liabilities.

6.1. Long-term and short-term financial liabilities.

At 30 June 2020, details and movements in the items “Long-Term Debts” and “Long-Term Debts with Group Companies and Associates” in the accompanying Statement of Financial Position are as follows:

Millions of euros

	Note	Balance at 31 December 2019	Drawdowns	Amortisations	Transfers to Short-Term and others	Balance at 30 June 2020
Long-Term Debts		**1,856**	**300**	**(68)**	**(26)**	**2,062**
Bank borrowings		1,835	300	(68)	(39)	2,028
Finance lease payables		1	-	-	-	1
Derivatives		17	-	-	13	30
Other financial liabilities		3	-	-	-	3
Long-Term Debts to Group Companies and Associates	10.1	**8,010**	**-**	**(1,122)**	**(1)**	**6,887**
Debts to Group Companies and Associates		8,009	-	(1,122)	-	6,887
Derivatives	6.3	1	-	-	(1)	-
TOTAL		**9,866**	**300**	**(1,190)**	**(27)**	**8,949**

Details of the items “Short-Term Debts” and “Short-Term Debts with Group Companies and Associates” in the accompanying Statement of Financial Position at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

	Note	30 June 2020	31 December 2019
Short-Term Debts		**1,678**	**1,076**
Bank borrowings		83	49
Finance lease payables		1	1
Derivatives	6.3	2	3
Other Financial Liabilities (1)		1,592	1,023
Short-Term Debts to Group Companies and Associates	**10.1**	**660**	**637**
Debts to Group Companies and Associates		61	75
Derivatives	6.3	16	27
Other Financial Liabilities (2)		583	535
TOTAL		**2,338**	**1,713**

(1) Including at 30 June 2020 the final dividend payable by ENDESA, S.A. to shareholders that are not part of the ENEL Group for the amount of €245 million (interim dividend of €221 million at 31 December 2019) (see Note 4.4) in addition to the outstanding balance of Euro Commercial Paper (ECP) issuances for the amount of €1,346 million (€796 million at 31 December 2019).

(2) At 30 June 2020, this includes the final dividend payable by ENDESA, S.A. to ENEL Iberia, S.L.U. amounting to €575 million (interim dividend of €520 million at 31 December 2019) (see Note 4.4).

The composition of the items “Long-Term Bank Borrowings” and “Short-Term Bank Borrowings” and “Long-Term Debts with Group Companies and Associates” and “Short-Term Debts with Group Companies and Associates” at 30 June 2020 and 31 December 2019, is as follows:

Millions of euros

	Note	30 June 2020		31 December 2019	
		Long-Term	Short-Term	Long-Term	Short-Term
Bank borrowings		**2,028**	**83**	**1,835**	**49**
Credit lines		1	3	68	3
European Investment Bank (EIB) loan		1,427	80	1,467	46
Instituto de Crédito Oficial (ICO) loan		300	-	300	-
Other Credits Received		300	-	-	-
Debts to Group Companies and Associates	**10.1**	**6,887**	**61**	**8,009**	**75**
ENEL Finance International, N.V.		3,000	16	3,000	16
ENDESA Financiación Filiales, S.A.U.		3,887	31	5,009	37
Other debts		-	14	-	22

In the first half of 2020, ENDESA, S.A. registered a new Euro Commercial Paper (ECP) SDG7 issuance programme for the amount of €4,000 million, with the outstanding balance at 30 June 2020 equal to €1,346 million, renewable with the backing of irrevocable bank credit lines. This programme incorporates, for the first time, sustainability objectives in line with ENDESA's Strategic Plan.

To reinforce the liquidity position and ensure the continuity of business activity, the following financial operations were formalised in the first half of 2020:

Millions of euros

	Counterparty	Date of Signing	Expiry Date	Amount
Loan (1)	Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	300
Credit Line (1)	Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	250
Intercompany Line of Credit	ENEL Finance International, N.V.	3 June 2020	3 June 2022	700
TOTAL				**1,250**

(1) Including sustainability clauses.

At 30 June 2020, the main transactions included in the balance of the items “Long-Term Bank Borrowings” and “Short-Term Bank Borrowings” and “Long-Term Debts with Group Companies and Associates” and “Short-Term Debts with Group Companies and Associates” are as follows:

Millions of euros

	30 June 2020				
	Limit	Long-Term	Short-Term	Conditions	Maturity
Bank Borrowings		**2,028**	**83**		
Credit lines	2,394	1	3	Floating interest rate	Until 19 April 2022
European Investment Bank (EIB) (1)	1,508	1,427	80	Floating interest rate	Until 20 March 2034
Instituto de Crédito Oficial (ICO) (2)	300	300	-	Floating interest rate	Until 09 May 2031
Club Deal (3)	300	300	-	Floating interest rate	Until 19 April 2022
Debts to Group Companies and Associates		**6,887**	**61**		
Credit line with ENEL Finance International, N.V. (4)	1,000	-	-	Margin of 55 bps and Commitment Fee of 18 bps	30 June 2022
Credit line with ENEL Finance International, N.V. (4)	700	-	-	Margin of 80 bps and Commitment Fee of 25 bps	3 June 2022
Inter-company loan from ENEL Finance International, N.V. (5)	3,000	3,000	16	Fixed interest rate 3.0%	29 October 2024
Current account with ENDESA Financiación Filiales, S.A.U. (6)		3,887	31	Average interest rate of 1.8%	1 July 2021
Current account with ENDESA Financiación Filiales, S.A.U. (7)		-	-	-	1 October 2023
Other debts		-	14	-	-
Other financial liabilities		**-**	**1,592**		
European Commercial Paper (ECP) (8)	4,000	-	1,346	Floating interest rate	Annual Renovation
Other financial liabilities		-	246	-	-
TOTAL		**8,915**	**1,736**		

(1) On 21 December 2018, ENDESA, S.A. arranged financing with the European Investment Bank (EIB) for an amount of €335 million, which was drawn down on 19 March 2019.
(2) On 10 May 2019, ENDESA, S.A. arranged financing with Instituto de Crédito Oficial (ICO) for an amount of €300 million.
(3) On 17 April 2020, ENDESA, S.A. signed a syndicated financing linked to sustainability objectives with Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A., for an amount of €300 million.
(4) Committed and irrevocable credit facility (see Note 10.1).
(5) On 23 October 2014, ENDESA, S.A. signed a long-term inter-company loan with ENEL Finance International, N.V. for an amount of €4,500 million. On 30 June 2015, ENDESA, S.A. made a partial repayment of €1,500 million on this loan. At 30 June 2020, interest accrued and unpaid on this loan totals €16 million.
(6) The Company has a current account financing contract with ENDESA Financiación Filiales, S.A.U. that is automatically renewable for five-year periods and expires on 1 July 2021 unless either party notifies its intention of not renewing it at least 13 months prior to the end of the period. The interest rate applicable to the current account will be determined by ENDESA Financiación Filiales, S.A.U., and will be equal to the average cost of gross debt for the ENDESA Group (or any other that may replace it in the future) published by the Finance Department in the month immediately preceding the interest period in question, and which may be revised, as the case may be, based on said actual rate existing at the end of the interest period. Under this contract the Company can draw down the amounts required to cover its financial needs and invest its surpluses to regulate its cash flows. There is no limit on the cash drawdowns that can be made between the parties. At 30 June 2020, interest accrued and unpaid on this credit facility totals €31 million.
(7) The Company has a cash pooling account in foreign currency with ENDESA Financiación Filiales, S.A.U. for a term of five years, currently maturing on 1 October 2023. It is automatically renewable for five-year periods at maturity unless either party notifies the other of its decision not to renew the account before the end of the period.
(8) This corresponds to the outstanding balance of Euro Commercial Paper (ECP) pursuant to the new issuance programme registered by ENDESA, S.A. on 07 May 2020.

Other debts

In addition, at 30 June 2020, the item "Short-Term Debts with Group Companies and Associates" includes a deposit received from Nuclenor, S.A. for €3 million (€15 million at 31 December 2019).

At 30 June 2020, the item "Short-Term Debts with Group Companies and Associates" also includes the amount payable to ENEL Iberia, S.L.U. corresponding to Value Added Tax for the amount of €11 million (€7 million at 31 December 2019).

6.2. Items recognised in profit and loss and in equity.

In the six months ended 30 June 2020 and 2019, the applications made in the income statement and equity linked to short-term and long-term financial liabilities grouped by the different categories are as follows:

Millions of euros

	January - June 2020		January - June 2019	
	(Loss)/Profit	Equity	(Loss)/Profit	Equity
Debts and payables	(81)	-	(90)	-
Financial liabilities at fair value with changes through profit or loss	8	-	8	-
Held for trading	8	-	8	-
Hedging derivatives	(4)	(13)	(3)	(19)
TOTAL	**(77)**	**(13)**	**(85)**	**(19)**

6.3. Financial liabilities at fair value with changes through profit or loss

During the six-month period ended 30 June 2020 and 2019, the change in the fair value of the long-term and short-term "Financial Liabilities at Fair Value through Profit or Loss" was as follows:

Millions of euros

	Fair Value at 31 December 2019	Change in fair value of derivatives	Settlement of derivatives	Other movements	Fair Value at 30 June 2020
Financial liabilities held for trading	**31**	**20**	**(28)**	**(5)**	**18**
Long Term	1	-	-	(1)	-
Short Term	30	20	(28)	(4)	18
TOTAL	**31**	**20**	**(28)**	**(5)**	**18**

Millions of euros

	Fair Value at 31 December 2018	Change in fair value of derivatives	Settlement of derivatives	Other movements	Fair Value at 30 June 2019
Financial liabilities held for trading	**70**	**33**	**(41)**	**-**	**62**
Long Term	12	4	-	(6)	10
Short Term	58	29	(41)	6	52
TOTAL	**70**	**33**	**(41)**	**-**	**62**

6.4. Financial stipulations.

ENDESA, S.A.'s borrowings are subject to the usual covenants in contracts of this type. In no case do these covenants include the obligation to maintain financial ratios breach of which could lead to early repayment of the debt being called for.

At 30 June 2020 and 31 December 2019, ENDESA, S.A. was not in breach of covenants or any other financial obligations that would require early repayment of its liabilities.

The Company's Directors do not consider that these clauses will change the long/short-term classification in the accompanying Statement of Financial Position at 30 June 2020.

Information concerning the covenants on the Company's borrowings is set out in Note 12.7 to the Financial Statements of ENDESA, S.A. for the year ended 31 December 2019. Some of the most significant information is detailed below:

Millions of euros

Clauses	Transactions	Covenants	Outstanding debt	
			30 June 2020	**31 December 2019**
Related to Credit Rating	Financial transactions with the European Investment Bank (EIB) and Instituto de Crédito Oficial (ICO)	Additional or renegotiated guarantees in the event of credit rating downgrade	1,702	1,702
Relating to change of control.	Loans and other agreements with financial institutions and ENEL Finance International, N.V.	Early repayment may be required in the event of a change of control of ENDESA, S.A.	5,108 (1)	4,814 (1)
Related to asset transfers	Financial transactions with the European Investment Bank (EIB) and Instituto de Crédito Oficial (ICO)	Restrictions if debt exceeds between 7% and 10% of ENDESA's consolidated assets (2)	1,808	1,814

(1) The amount signed by ENDESA was €7,058 million at 30 June 2020 (€5,814 million at 31 December 2019).
(2) Above these percentages, restrictions would generally apply only if no equivalent consideration were received or if ENDESA, S.A.'s solvency were to be significantly and negatively affected.

6.5. Other matters.

At 30 June 2020 and 31 December 2019, ENDESA, S.A. had undrawn credit facilities totalling €4,090 million and €3,077 million, respectively, of which €1,700 million and €1,000 million, respectively, correspond to the committed and irrevocable credit facilities signed with ENEL Finance International, N.V. (see Note 10.1).

7. Risk management and control policy.

In the six-month period ended 30 June 2020, ENDESA, S.A. followed the same general risk management policy as described in Note 13 of the Notes to the Financial Statements for the year ended 31 December 2019.

7.1. Interest rate and exchange rate risks

The financial instruments and hedging classes have the same characteristics as those described in the Financial Statements for the year ended 31 December 2019.

The derivatives held by the ENDESA, S.A. relate mainly to transactions arranged to hedge interest and exchange rate risks, the purpose of which is to eliminate or significantly reduce these risks in the underlying hedged transactions. In the current context, ENDESA, S.A. has checked to make sure that they continue to meet the criteria established by the regulations for applying hedge accounting.

7.2. Liquidity risk.

At 30 June 2020 and at 31 December 2019, the liquidity position of ENDESA, S.A. was as follows:

Millions of euros

	30 June 2020			31 December 2019		
	Current	Non-current	Total	Current	Non-current	Total
Cash and Cash Equivalents	104	-	104	31	-	31
Unconditional undrawn credit facilities (1)	2	4,088	4,090	20	3,057	3,077
Liquidity	**106**	**4,088**	**4,194**	**51**	**3,057**	**3,108**

(1) At 30 June 2020 and 31 December 2019, €1,000 million and €1,000 million, respectively, correspond to the committed and irrevocable credit line available with ENEL Finance International N.V. In addition, at 30 June 2020, €700 million correspond to the credit facility available with ENEL Finance International, N.V.

At 30 June 2020, ENDESA, S.A. had negative working capital of €1,727 million. The undrawn amount on the Company's long-term credit lines provide assurance that ENDESA, S.A. can obtain sufficient financial resources to continue its operations, realise its assets and settle its liabilities for the amounts shown in the Statement of Financial Position.

ENDESA, S.A. has a solid financial situation and unconditional credit lines contracted with first-rate entities available for significant amounts. This, together with the implementation of specific plans for the improvement and efficient management of liquidity, it is estimated that it will allow to face the impact caused by the difficulties of the economic situation.

However, in order to strengthen its liquidity position and ensure business continuity, ENDESA, S.A. has formalised a series of financial transactions (see Note 6.1).

7.3. Credit risk.

ENDESA, S.A. mainly trades with counterparties in the Group of companies to which it belongs and therefore is exposed to limited credit risk.

As regards credit risk in relation to financial instruments, the risk policies followed by ENDESA, S.A. consist in placing its cash surpluses as set forth in the risk management policy, which requires top-tier counterparties in the markets it operates in.

At 30 June 2020, the greatest exposure to cash positions held with a counterparty was €82 million of a total of €104 million, this counterparty has a rating of A- (€14 million of a total of €31 million at 31 December 2019, the counterparty having a rating of A+).

8. Income and expenses.

The amounts corresponding to the six-month periods ending on 30 June 2020 and 2019 of the Company's main items of income and expense are detailed below

8.1. Revenue

Details of the item "Net Revenue" in the accompanying Income Statement for the six-month period ended 30 June 2020 and 2019 by category and geographical markets are as follows:

Millions of euros

	Note	January - June 2020			January - June 2019		
		Spain	Other EU	Total	Spain	Other EU	Total
Provision of services	10.1	136	1	137	142	2	144
Dividend income from Group Companies and Associates	3.1.1 and 10.1	917	-	917	383	-	383
TOTAL		**1,053**	**1**	**1,054**	**525**	**2**	**527**

The item "Dividend income from Group Companies and Associates" contains dividends distributed by Group companies (see Note 3.1.1) detailed below:

Millions of euros

Company	January - June 2020	January - June 2019
ENDESA Red, S.A.U.	800	320
ENDESA Energía, S.A.U.	65	-
ENDESA Financiación Filiales, S.A.U.	52	55
ENDESA Medios y Sistemas, S.L.U.	-	8
TOTAL	**917**	**383**

8.2. Impairment losses in Group companies and associates

There were no impairment losses in the six-month period ended 30 June 2020 (see Notes 3.1.1 and 10.1).

8.3. Personnel expenses.

In the six-month period ended 30 June 2020 and 2019, details of the item "Personnel Expenses" in the accompanying Income Statement are as follows:

Millions of euros

	Note	January - June 2020	January - June 2019
Wages and salaries		**58**	**57**
Termination benefits		**13**	**18**
Social Charges		**18**	**17**
Social security		10	10
Other		8	7
Provisions		**2**	**-**
Obligations in respect of Long-Term Employee Benefits		(19)	4
Obligations for workforce reduction plans	5.2	(12)	(1)
Obligations for suspension of contracts	5.2	33	(3)
TOTAL		**91**	**92**

In the six-month period ended 30 June 2020, the income recorded as a consequence of the modification of company benefits is mainly included derived from the entry into force of the "5th ENDESA Framework Collective Agreement", for an amount of €23 million, as well as the endowment of provisions for the restructuring of the workforce for an amount of €33 million under the "Agreement on Voluntary Measures Suspension or Termination of Employment Contracts" (this amount includes an initial allocation of €39 million and an update for valuation of €6 million of income).

8.4. Other operating expenses

In the six months ended 30 June 2020 and 2019, details of the item “Other Operating Expenses” in the accompanying Income Statement are as follows:

Millions of euros

	January - June 2020	January - June 2019
External services	**49**	**50**
Leases and royalties	5	5
Other repairs and upkeep costs	1	-
Independent professional services	8	8
Banking and similar services	1	1
Advertising and public relations	7	8
Other external services	27	28
Taxes other than income tax	**3**	**1**
Other administrative expenses	**36**	**19**
TOTAL	**88**	**70**

In the six-month period 30 June 2020 the item “Leases and Levies” includes expenses relating to contracts of this type arranged with Group Companies and Associates for the amount of €4 million (€4 million in the six-month period ended 30 June 2019) (see Note 10.1).

In the six-month period to 30 June 2020 the item “Other Operating Expenses” also includes other services received from Group Companies and Associates for the amount of €22 million (€21 million in the six-month period ended 30 June 2019) (see Note 10.1).

ENDESA, S.A., within its commitment to society, has designed a Public Responsibility Plan for direct aid to the purchase of material, special supply conditions and donations to alleviate the main health and social needs caused by the COVID-19 health crisis. At 30 June 2020, the amount accrued for this item, including purchases of supplies related to COVID-19, has amounted to €12 million.

8.5. Financial income and expense.

In the six months ended 30 June 2020 and 2019, the breakdown of financial income and expense on the accompanying income statement is as follows:

Millions of euros

	Note	January - June 2020	January - June 2019
Financial Income		**4**	**3**
From marketable securities and other non-current loans		4	3
Interest on loans to Group Companies and Associates	10.1	-	1
Interest on loans to third parties		4	2
Loans and credits		3	1
Expected return on defined benefit plan assets	5.1	-	1
Workforce restructuring plans	5.2	1	-
Suspension of contract		1	-
Financial expense		**(88)**	**(100)**
Interest on borrowings from Group Companies and Associates	6.2 and 10.1	(80)	(86)
Interest on debts to third parties	6.2	(7)	(7)
Provision adjustments		(1)	(7)
For Long-Term Employee Benefits		-	(1)
Post-employment Benefits	5.1	-	(1)
Workforce reduction plans	5.2	-	-
Suspension of contract	5.2	(1)	(6)

9. Guarantees to third parties, commitments and other contingent liabilities

Information concerning guarantees to third parties and other contingent liabilities is set out in Note 17.1 to the Financial Statements of ENDESA, S.A. for the year ended 31 December 2019. The most significant amounts at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

Company	Purpose of guarantee	30 June 2020	31 December 2019
International ENDESA, B.V.	Financing obtained and financial derivatives	12	12
ENDESA Generación, S.A.U.	Long-Term Gas Contracts	54	54
ENDESA Energía, S.A.U.	Gas contracts	69	114
ENDESA Generación, S.A.U.	Energy Contracts	31	-
Tauste Energía Distribuida, S.L.	Financing	20	-
Explotaciones Eólicas Santo Domingo de Luna, S.A.	Financing	25	-
Nuclenor, S.A.	Insurance	7	-
ENDESA Generación, S.A.U.	Elecgas, S.A. electricity production (tolling)	381	391
Group Companies	Workforce Restructuring Plans	25	30
Group Companies	Other commitments	2,921	2,712
ENEL Green Power España, S.L.U. (EGPE)		1,453	1,270
ENDESA Energía, S.A.U.		887	810
ENDESA Generación, S.A.U.		146	192
Energía XXI Comercializadora de Referencia,		117	117
Edistribución Redes Digitales, S.L.U.		84	105
Gas y Electricidad Generación, S.A.U.		33	33
Empresa Carbonífera del Sur, S.A.U.		16	16
ENDESA Ingeniería, S.L.U.		11	16
Unión Eléctrica de Canarias Generación, S.A.U.		13	13
Other		161	140
TOTAL		**3,545**	**3,313**

ENDESA, S.A.'s management does not expect the guarantees issued to result in significant liabilities for the Company.

ENDESA, S.A. has the commitment to provide ENDESA Financiación Filiales, S.A.U. with the financing required to enable this company to honour its commitments to finance Spanish ENDESA Group companies and their subsidiaries.

ENEL, S.p.A. granted a guarantee in favour of ENDESA, S.A. for the amount of US$137 million (approximately €122 million) to comply with the contracts signed with Corpus Christi Liquefaction, LLC.

10. Related party transactions.

During the six months ended 30 June 2020 and 2019, the Directors, or persons acting on their behalf, did not carry out transactions with the Company (or any of its subsidiaries) that do not correspond to the normal course of business or were not carried out in keeping with prevailing market conditions.

In the six-month period ended 30 June 2020, the amount of transactions carried out with other related parties connected to certain members of the Company's Board of Directors did not exceed €3 million in total, and corresponded to transactions in the ordinary course of the Company's business, in all cases on an arm's length basis (€4 million in the six-month period ended 30 June 2019).

Transactions carried out with related parties in the six months ended 30 June 2020 and 2019 all correspond to normal activities and were carried out under normal market conditions.

10.1. Related-party transactions and balances.

Details of related-party transactions in the six months ended 30 June 2020 and 2019 are as follows:

Millions of euros

	Note	January - June 2020					
		Significant shareholders	**Directors and executives**	**Group Companies**	**Associates**	**Other related parties**	**Total**
Financial expense	8.5	-	-	(80)	-	-	(80)
Personnel Expenses		-	-	(1)	-	-	(1)
Leases	8.4	-	-	(4)	-	-	(4)
Services received	8.4	(3)	-	(19)	-	(3)	(25)
Other Expenses		-	-	(12)	-	-	(12)
Exchange gains/(losses)		-	-	(10)	-	-	(10)
Change in fair value of financial instruments		-	-	(2)	-	-	(2)
TOTAL EXPENSES		**(3)**	**-**	**(116)**	**-**	**(3)**	**(122)**
Dividends received	8.1	-	-	917	-	-	917
Provision of services	8.1	-	-	137	-	-	137
Other income		-	-	2	-	-	2
TOTAL INCOME		**-**	**-**	**1,056**	**-**	**-**	**1,056**
Dividends and other Distributed Benefits		**520**	**-**	**-**	**-**	**-**	**520**
Other Operations: Purchase of Intangible Assets		**-**	**-**	**5**	**-**	**-**	**5**

Millions of euros

	Note	January - June 2019					
		Significant shareholders	**Directors and executives**	**Group Companies**	**Associates**	**Other related parties**	**Total**
Financial expense	8.5	-	-	(86)	-	-	(86)
Personnel Expenses		-	-	(1)	-	-	(1)
Leases	8.4	-	-	(4)	-	-	(4)
Services received	8.4	(2)	-	(19)	-	(4)	(25)
Other Expenses		-	-	(22)	-	-	(22)
Exchange gains/(losses)		-	-	(5)	-	-	(5)
Change in fair value of financial instruments		-	-	(17)	-	-	(17)
TOTAL EXPENSES		**(2)**	**-**	**(132)**	**-**	**(4)**	**(138)**
Financial Income	8.5	-	-	1	-	-	1
Dividends received	8.1	-	-	383	-	-	383
Provision of services	8.1	1	-	143	-	-	144
Other income		-	-	3	-	-	3
TOTAL INCOME		**1**	**-**	**530**	**-**	**-**	**531**
Dividends and other Distributed Benefits		**520**	**-**	**-**	**-**	**-**	**520**
Other Operations: Purchase of Intangible Assets		**-**	**-**	**7**	**-**	**-**	**7**

In addition, the Company has signed with ENDESA Energía, S.A.U. and ENEL Global Trading, S.p.A. contracts for the sale of liquefied natural gas (LNG) for which it transfers, under the same conditions, the purchases that the Company has contracted with Corpus Christi Liquefaction, LLC for the fulfilment of the aforementioned contracts. This operation is considered an intermediation and is presented netted in the Income Statement under the item "Procurements". Its amount comes to €292 million of income in the six-month period ended 30 June 2020 (€40 million in the six-month period ended 30 June 2019).

At 30 June 2020 and 31 December 2019, balances with related parties recognised in the Statement of financial position are as follows:

Millions of euros

	Note	30 June 2020					
		Significant shareholders	Directors and executives (Note 10.2)	Group Companies	Associates	Other related parties	Total
Long-Term Financial Investments	3	**-**	**-**	**18,893**	**-**	**-**	**18,893**
Equity instruments		-	-	18,893	-	-	18,893
Loans to companies		-	-	-	-	-	-
Derivatives		-	-	-	-	-	-
Trade and Other Receivables		**4**	**-**	**130**	**-**	**-**	**134**
Short-Term Financial Investments	3	**104**	**-**	**378**	**-**	**-**	**482**
Loans to companies		104	-	-	-	-	104
Derivatives		-	-	1	-	-	1
Other financial assets		-	-	377	-	-	377
Long-Term Debts	6.1	**-**	**-**	**(6,887)**	**-**	**-**	**(6,887)**
Long-Term Debts to Group Companies and Associates		-	-	(6,887)	-	-	(6,887)
Derivatives		-	-	-	-	-	-
Short-Term Debts	6.1	**(586)**	**-**	**(71)**	**(3)**	**-**	**(660)**
Short-Term Debts to Group Companies and Associates		(11)	-	(47)	(3)	-	(61)
Derivatives		-	-	(16)	-	-	(16)
Other financial liabilities		(575)		(8)	-	-	(583)
Trade and other payables		**(9)**	**-**	**(41)**	**-**		**(50)**
Guarantees received	9	**122**	**-**	**-**	**-**	**-**	**122**
Guarantees provided	9	**-**	**7**	**3,545**	**-**	**-**	**3,552**
Financing agreements		**-**	**1**	**-**	**-**	**-**	**1**

Millions of euros

	Note	31 December 2019					
		Significant shareholders	Directors and executives (Note 10.2)	Group Companies	Associates	Other related parties	Total
Long-Term Financial Investments	3	**-**	**-**	**18,893**	**-**	**-**	**18,893**
Equity instruments		-	-	18,893	-	-	18,893
Loans to companies		-	-	-	-	-	**-**
Derivatives		-	-	-	-	-	**-**
Trade and Other Receivables		**4**	**-**	**121**	**-**	**-**	**125**
Short-Term Financial Investments	3	**111**	**-**	**804**	**-**	**-**	**915**
Loans to companies		111	-	-	-	-	111
Derivatives		-	-	2	-	-	2
Other financial assets		-	-	802	-	-	802
Long-Term Debts	6.1	**-**	**-**	**(8,010)**	**-**	**-**	**(8,010)**
Long-Term Debts to Group Companies and Associates		-	-	(8,009)	-	-	(8,009)
Derivatives		-	-	(1)	-	-	(1)
Short-Term Debts	6.1	**(527)**	**-**	**(95)**	**(15)**	**-**	**(637)**
Short-Term Debts to Group Companies and Associates		(7)	-	(53)	(15)	-	(75)
Derivatives		-	-	(27)	-	-	(27)
Other financial liabilities		(520)	-	(15)	-	-	(535)
Trade and other payables		**(6)**	**-**	**(41)**	**-**	**-**	**(47)**
Guarantees received	9	**122**	**-**	**-**	**-**	**-**	**122**
Guarantees provided	9	**-**	**7**	**3,313**	**-**	**-**	**3,320**
Financing agreements		**-**	**1**	**-**	**-**	**-**	**1**

As at 30 June 2020, ENDESA, S.A. has two committed and irrevocable intercompany credit lines with ENEL Finance International, N.V., for an amount of €1,000 million and €700 million, respectively (a single intercompany credit line for an amount of €1,000 million as at 31 December 2019). As at 30 June 2020 and 31 December 2019, there was no amount drawn on these credit lines (see Note 6.2).

10.2. Information regarding the Directors and Senior Management.

10.2.1. Remuneration of the Board of Directors.

The following remuneration and other benefits were received by Directors in the six months ended 30 June 2020 and 2019, based on the position held:

Thousands of Euros

Item	Directors	
	Amount	
	January - June 2020	January - June 2019
Remuneration for belonging to the Board of Directors and/or Board Committees	1,002	917
Salaries	448	690
Variable remuneration in cash	741	1,677
Share-based payment plans	43	-
Termination benefits (1)	-	9,615
Long-term savings schemes	474	626
Other Items (2)	32	3,555
TOTAL	**2,740**	**17,080**

(1) At 30 June 2019, this includes the payment corresponding to Mr Prado on termination of his contract as Company Chairman on 12 April 2019.

(2) At 30 June 2019, this includes compensation of €3,205,000 paid to Mr Prado as part of his non-competition agreement, and a commitment not to work for any company engaged in activities similar to those of ENDESA, S.A. for a period of two years. Additionally, at 30 June 2019 life insurance premiums for Directors of €234 million are included.

10.2.2. Remuneration of Senior management.

The following remuneration was received by Senior management in the six months ended 30 June 2020 and 2019:

Thousands of Euros

Item	Executives	
	Amount	
	January - June 2020	January - June 2019
Remuneration received	4,804	4,470
TOTAL	**4,804**	**4,470**

At 30 June 2020 and 2019, there were 12 and 13 Senior managers, respectively.

At 30 June 2020 and 31 December 2019, in terms of remuneration, the Company had not issued any guarantees to Senior managers who are not also Executive Directors.

At 30 June 2020 and 2019, the Company had all its early retirement and pension obligations with Directors and Senior Managers covered.

10.2.3. Other disclosures concerning the Board of Directors.

In accordance with Article 229 of the Corporate Enterprises Act, the direct or indirect situations of conflict of interest involving members of the Board of Directors with the interest of the Company, along with how they were handled in the first half of 2020, are as follows:

- The Executive Director, in his capacity as Director of ENEL Iberia S.L.U., appointed by Enel, S.p.A., had conflicts of interest when authorising transactions with Enel, S.p.A. or Enel Group companies. In all the situations arising in the first half of 2020, the Executive Director did not participate in the related items on the agenda of the Board of Directors meeting.
- The Proprietary Directors, appointed by ENEL, S.p.A., had a conflict of interest when authorising transactions with ENEL, S.p.A. or ENEL Group companies. In all the situations arising in the first half of 2020, the Proprietary Directors did not participate in the related items on the agenda of the Board of Directors meeting.

In the first half of 2020 and 2019 there were no damages caused by acts or omissions of the Directors that would have required use to be made of the third-party liability insurance premium held through ENDESA, S.A.

Distribution by gender: At 30 June 2020 and 31 December 2019, the Board of Directors of ENDESA, S.A. is made up of 13 directors, 4 of which are women (11 directors, two of whom were women, at 31 December 2019).

10.2.4. Share-based payment plans tied to the ENDESA, S.A. share price.

ENDESA, S.A.'s variable long-term remuneration is articulated through the so-called Loyalty and Strategic Incentive Plans, whose main purpose is to strengthen the commitment of employees who occupy positions of greater responsibility in achieving the Group's strategic objectives. The Plan is structured through successive three-year programmes, which start every year from 1 January 2010. Since 2014, the plans have foreseen a deferral of the payment and the need for the Executive to be active on the date of liquidation thereof; and payments are made on 2 dates: 30% of the incentive will be paid, and the remaining 70%, if applicable, 2 years after the end of the Plan.

Loyalty plans.

The information relating to ENDESA, S.A.'s Loyalty Plans is detailed in Note 18.3.5 of the ENDESA, S.A.'s Financial Statements for the year ended 31 December 2019.

The amount accrued in relation to these Loyalty Plans in the first half 2020 totalled €2 million (€2 million in the first half of 2019).

2020-2022 Strategic Incentive Plan.

On 5 May 2020, the Ordinary General Meeting of Shareholders of ENDESA, S.A. approved the Long-Term Variable Remuneration Plan called "2020-2022 Strategic Incentive Plan" whose main purpose is to reward the contribution to the sustainable fulfilment of the Strategic Plan of the people who occupy positions of greater responsibility, and among which are included the Executive Directors of ENDESA, S.A. The main characteristics of this plan are the following:

- The performance period will be 3 years, starting from 1 January 2020.
- The Incentive Plan provides for the allocation of an incentive consisting of the right to receive: (i) a number of ordinary shares of ENDESA, S.A. and (ii) a monetary amount, referenced to a base incentive (target), subject to the conditions and possible variations under the Plan mechanism.
- The Plan has a deferred payment: in the year following the end of the Plan, 30% of the incentive will be paid, if applicable, and the remaining 70%, if applicable, 2 years after the end of the Plan.

Regarding the total accrued incentive, the Plan foresees that up to 50% of the base incentive (target) will be fully disbursed in Shares.

The monetary amount to satisfy is calculated as the difference between the total amount of the incentive earned and the part to be paid in Shares.

The accrual of the 2020-2022 Strategic Incentive Plan is linked to the fulfilment of three targets during the performance period:

a) Performance of the average "Total Shareholder Return" (TSR) of ENDESA, S.A. in relation to the performance of the average TSR of the Euro-Stoxx Utilities index, selected as the benchmark for the peer group. This parameter will be weighted at 50% of the total incentive.

b) Return on Average Capital Employed (ROACE[1]) objective accumulated over the accrual period. The target for ENDESA's average accumulated capital employed represents the relationship between

[1] Return on Average Capital Employed (ROACE) (%) = Ordinary EBIT / Average Net Capital Invested (Average NCI).

ordinary Operating Profit (ordinary EBIT[2]) and average Net Invested Capital (average NIC[3]), cumulatively for the 2020-2022 period.

This parameter will be weighted at 40% of the total incentive.

c) Reduction in carbon dioxide (CO_2) emissions by ENDESA. This parameter will be weighted at 10% of the total incentive.

For each of the targets a threshold level beyond which the target is considered met and two performance levels for targets that have been overachieved is established for each target - performance beyond the first level equals 150% and performance beyond the second level constitutes maximum achievement of 180%. Therefore, the level of variable remuneration would be between 0% and 180% of the base incentive.

The amount accrued by this Plan during the first half of 2020 has been €0.8 million, corresponding €0.2 million to the estimation of the payments based on shares that will be settled in equity instruments and €0.6 million to the estimate of the Plan payments to be settled in cash.

ENDESA has not yet proceeded to acquire its own shares to attend the settlement of the Plan.

11. Other information.

11.1. Personnel.

In the six months ended 30 June 2020 and 2019, the Company's average headcount, by category and gender, was as follows:

Number of Employees

	January - June 2020		Total	January - June 2019		Total
	Men	Women		Men	Women	
Executives	96	30	126	101	27	128
Middle Management	440	441	881	423	422	845
Administration staff and operatives	105	204	309	106	208	314
TOTAL EMPLOYEES	**641**	**675**	**1,316**	**630**	**657**	**1,287**

At 30 June 2020 and 31 December 2019, the breakdown of the headcount by category and gender was as follows.

Number of Employees

	30 June 2020		Total	31 December 2019		Total
	Men	Women		Men	Women	
Executives	96	30	126	96	31	127
Middle Management	442	452	894	446	445	891
Administration staff and operatives	109	208	317	106	208	314
TOTAL EMPLOYEES	**647**	**690**	**1,337**	**648**	**684**	**1,332**

The average number of employees in the six months ended 30 June 2020 and 2019 with a disability greater than or equal to 33%, by category and gender, was as follows:

Number of Employees

	January - June 2020		Total	January - June 2019		Total
	Men	Women		Men	Women	
Middle Management	3	4	7	3	3	6
Administration staff and operatives	4	4	8	4	4	8
TOTAL EMPLOYEES	**7**	**8**	**15**	**7**	**7**	**14**

11.2. Insurance.

The Company has taken out insurance policies to cover the risk of damage to property, plant and equipment of the parent company and the subsidiaries in which it has a shareholding of 50% or more or of which it has effective control. The limits and coverage are appropriate to the types of risk and country of operation.

[2] Ordinary EBIT (Millions of euros) = EBIT adjusted for unbudgeted extraordinary effects.
[3] Average Net Capital Invested (Average NCI) (Millions of euros) = ((Equity + Net Financial Debt – Cash and cash equivalents) n + (Equity + Net Financial Debt – Cash and other cash equivalents) n-1) / 2.

Additionally, for certain assets, the possible loss of profits that could result from stoppages at the plants is covered.

Possible claims against the Company by third parties due to the performance of its activity are also covered.

During the first half of 2020, ENDESA has not detected significant impacts in relation to the insurance that it has formalised as of the date of approval of the Interim Condensed Financial Statements.

12. Events after the reporting period.

No significant events took place between 30 June 2020 and the date of approval of these Interim Condensed Financial Statements.

13. Explanation added for translation to English.

These Individual Interim Condensed Financial Statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company that conform to generally accepted accounting principles in Spain may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

ENDESA, S.A.

Management Report for the Six-Month Period Ended 30 June 2020

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

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

ENDESA, S.A.

MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD

ENDED 30 JUNE 2020

Contents.

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

ENDESA, S.A.

MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD

ENDED 30 JUNE 2020

1. Business performance.

ENDESA, S.A. is a holding company and its income essentially depends on the dividends from its subsidiaries and its expenses from the cost of its debt. Provisions for investments can also be made or reversed based on changes in the value of its subsidiaries.

Revenue in the first half of 2020 totalled €1,054 million, of which €917 million correspond to dividend income from Group Companies and Associates, and €137 million to income for the provision of services to subsidiaries.

In the first half of 2020, ENDESA, S.A.'s dividend income was as follows:

Millions of euros

Company	Dividend
ENDESA Red, S.A.U.	800
ENDESA Energía, S.A.U.	65
ENDESA Financiación Filiales, S.A.U.	52
TOTAL	**917**

In the six-month period ended 30 June 2020, operating income totalled €1,060 million, while operating expenses were €193 million, generating profit from operations for the period of €867 million.

Personnel expenses for the first half of 2020 mainly include income recorded as a consequence of the modification of employee benefits derived from the entry into force of the "5th ENDESA Framework Collective Agreement", for an amount of €23 million, as well as the endowment of provisions for the restructuring of the workforce for an amount of €33 million under the "Agreement on Voluntary Measures of Suspension or Termination of Employment Contracts".

A financial loss amounting to €81 million was reported in the first half of 2020, primarily as a consequence of the financial expenses on debt with Group Companies and Associates amounting to €80 million.

Pre-tax profit for the period was €786 million.

In the first half of 2020, income of €29 million was recognised from accrued income tax. This is because the dividends received from Group companies, which are the Company's main source of income, are not taxed. These companies' profits have already been taxed in the consolidated income tax return filed for the Group, represented in Spain by ENEL Iberia, S.L.U.

Net income in the first half of 2020 was €815 million.

2. Main financial transactions.

The main financial transactions made in the first half of 2020 are:

In the first half of 2020, ENDESA, S.A. registered a new Euro Commercial Paper (ECP) SDG7 issuance programme for the amount of €4,000 million, with the outstanding balance at 30 June 2020 equal to €1,346 million, renewable with the backing of irrevocable bank credit lines. This programme incorporates, for the first time, sustainability objectives in line with ENDESA's Strategic Plan.

To strengthen the liquidity position and ensure the continuity of business activity, the following financial transactions have been formalised during the period:

Millions of euros

	Notes	Counterparty	Date of Signing	Expiry Date	Amount
Loan (1)		Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	300
Credit Line (1)		Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	250
Intercompany Line of Credit	10.1	ENEL Finance International, N.V.	3 June 2020	3 June 2022	700
TOTAL					**1,250**

(1) Includes sustainability clauses.

3. Events after the reporting period.

No other significant events took place between 30 June 2020 and the date of approval of this management report.

4. COVID-19 Health Crisis.

The coronavirus epidemic (COVID-19) was first reported to the World Health Organization (WHO) in late December 2019.

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

During the period, and in order to contain the effects of the infection, while waiting for an available vaccine, the governments of the different countries have adopted numerous containment measures, essentially aimed at restricting the free movement of people, which can be maintained or increased, depending on its effectiveness and the future spread of the virus.

In Spain, on 14 March 2020, the Government declared a state of alarm throughout the national territory to deal with the emergency situation caused by the COVID-19 and, after successive extensions, on 22 June 2020, the country entered the so-called “new normality” after the expiry of the state of alarm and extraordinary measures, including those that limited freedom of movement. From that moment on, a series of protocols for prevention, containment and coordination were adopted, which are making it possible to face and control the pandemic until the health crisis situation officially ends.

ENDESA carries out a large part of its activities under regulated frameworks and during the state of health alarm derived from COVID-19, its activities have been classified as essential, which is why it has continued to develop them, adjusting its protocols when necessary.

During this period, business continuity management has relied on the Out-of-Office Work (OOW) method for non-critical positions, introduced a few years ago in the organisation, and which, thanks to investments in digitalisation, has made it possible to work remotely with the same level of efficiency and productivity. Likewise, measures and procedures have been applied that are helping to work safely and reduce the risks of infection. The Return Plan with the maximum guarantees of safety at work is allowing the progressive incorporation of the sales force. Meanwhile, the use of digitalised infrastructure that contributes to the normal operation of production assets, the continuity of the electricity supply and the remote management of all activities relating to the market and customer relations.

Taking into account the complexity of the markets due to their globalisation and the absence, for the moment, of an effective medical treatment of the virus, the current context has changed the probability and impact of some of the risks to which ENDESA is exposed, although the consequences for ENDESA’s operations are uncertain and will depend to a large extent on how the pandemic evolves and spreads in the coming months, as well as on the reaction and ability to adapt of all the economic agents affected.

Based on abovementioned and in compliance with the recent recommendations by the European Securities and Markets Authority (ESMA) of 11 March 2020, ENDESA, S.A., as the parent company of its Group of companies, launched an internal analysis to assess the actual and potential impact of COVID-19 on its business activities, financial situation and economic performance:

- Forecast of potential macroeconomic impacts.
- Forecast of potential electricity and gas prices on the energy and other commodity markets.
- Estimating impacts on electricity and gas demand
- Analysis of possible delays in supplies and contract compliance, at the supply chain level.
- Monitoring of financial markets and the liquidity situation.

Among the risk factors that affect to the subsidiaries of ENDESA and that could be exacerbated by a virus resurgence or by the extension of the economic crisis, the following stand out:

- Adverse economic conditions due to the crisis following the COVID-19 pandemic may prolong the negative impact on electricity and gas demand during the second half of 2020. To this end, during the first half of 2020, accumulated peninsular demand for electrical energy fell by 7.8% compared to the same period in the previous year, accumulated demand for electrical energy in the Non-Peninsular Territories (TNP) fell by 13.2% and conventional gas demand by 8.5%.

- ENDESA's commercial activities are carried out in an environment of high competition. ENDESA's capacity to contract new customers could continue to be affected after a resurgence of the limitations imposed by the management of the health crisis which limits physical visits to customers. At 30 June 2020, ENDESA had 5,766,913 electricity customers in the deregulated market, 1.0% less than at 31 December 2019. At the same date, ENDESA's gas customers in the deregulated market were 1,425,230, 0.4% more than at 31 December 2019.

- Adverse economic conditions due to the crisis following the COVID-19 pandemic may have a negative impact on ENDESA's counterparties' ability to meet their payment commitments. In this regard, Royal Decree Law 26/2020 of 7 July on economic recovery measures to address the impact of COVID-19 on transport and housing, which came into force on 9 July, extends until 30 September 2020 the period during which the supply of electricity and gas to natural persons in their homes may not be suspended for reasons other than security of supply.

  During the first half of 2020, the highest provisions recorded in commercial customers related to COVID-19 amounted to €20 million.

- Variations in demand as a result of a resurgence in COVID-19 could affect electricity and natural gas supply contracts, or the associated hedges, as these are signed on the basis of certain assumptions regarding future market prices for electricity and natural gas and these have been modified. In this regard, the prices on the commodity markets (Brent, gas, coal prices, European Union Allowance (EUAs)) in this period have been more volatile.

- A new massive contagion of COVID-19, and consequently, a new confinement, could be limiting factors for ENDESA, due to its need to have contractors available to carry out work. In this regard, the actions carried out on the supply chain have enabled ENDESA to continue its investment efforts without any significant incidents. Gross material investment in the January-June 2020 period amounted to €717 million and no material impact is expected with respect to the project start-up dates.

– A resurgence of COVID-19 in the coming months could limit ENDESA's access to capital markets and change the terms on which it obtains financing, consequently affecting its activity, results, financial position and cash flows. To this end, ENDESA has a solid financial position and unconditional credit lines contracted with first-rate entities available for significant amounts. This, together with the implementation of specific plans for the improvement and efficient management of liquidity, it is estimated that it will allow to face the impact caused by the difficulties of the economic situation (see section 2. Main financial transactions in this Management Report).

In the same way that has been done to date, in the coming months, constant monitoring of developments and continuous monitoring of changes in macroeconomic, financial and trade variables will continue in order to update the estimate of possible impacts in real time, as well as allowing, where appropriate, their mitigation with reaction and contingency plans.

5. Risk management policy and the principal risks associated with ENDESA's business

The information related to the risk management and control policy is included in Note 7 of the Condensed Explanatory Notes to the Interim Financial Statements corresponding to the six-month period ended 30 June 2020 and in Note 13 of the Notes to the Financial Statements of ENDESA, S.A. for the year ended on 31 December 2019.

6. Policy on derivative financial instruments

Information on derivative financial instruments is provided in Note 14 of the Notes to the Financial Statements of ENDESA, S.A., for the year ended 31 December 2019.

7. Human resources

Information concerning personnel is included in Note 11.1 of the Condensed Explanatory Notes to the Interim Condensed Financial Statements for the six-month period ended on 30 June 2020.

8. Treasury shares

The Company did not hold any treasury shares at 30 June 2020 and did not carry out any transactions involving treasury shares in the six months ended on 30 June 2020.

9. Environmental protection.

Information on environmental activities is provided in Note 20 to the financial statements of ENDESA, S.A. for the year ended 31 December 2019.

10. Research and development activities.

The Company did not carry out any research and development activities directly as these fall within the remit of its subsidiaries.

11. Information on average payment period to suppliers.

Information on the average payment period to suppliers is provided in Note 19.3 to the Financial Statements of ENDESA, S.A. for the year ended 31 December 2019.

27 July 2020

Endesa, S.A.

Interim Condensed Consolidated Financial Statements

30 June 2020

Consolidated Interim Management's Report

2020

(With Limited Review Report thereon)

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

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Limited Review Report on the Interim Condensed Consolidated Financial Statements

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

To the Shareholders of
Endesa, S.A., commissioned by the Directors of Endesa, S.A.

LIMITED REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the interim condensed consolidated financial statements of Endesa, S.A. (the "Company”) and subsidiaries, which comprise the statement of financial position at 30 June 2020, the statement of income, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows (all consolidated and condensed) and the consolidated condensed explanatory notes for the six-month period then ended. The Directors of the Company are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” as adopted by the European Union, for the preparation of condensed interim financial information, pursuant to article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation regulating the audit of accounts in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim condensed consolidated financial statements.

KPMG Auditores, S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.
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N.I.F. B-78510153

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements for the six-month period ended 30 June 2020 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", as adopted by the European Union, for the preparation of interim condensed consolidated financial statements, pursuant to article 12 of Royal Decree 1362/2007.

Emphasis of Matter

We draw your attention to the accompanying note 2.2, which states that these interim condensed consolidated financial statements do not include all the information that would be required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim consolidated financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2019. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim management's report for the six-month period ended 30 June 2020 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the consolidated interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim management's report is not an integral part of the interim condensed consolidated financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim condensed consolidated financial statements for the six-month period ended 30 June 2020. Our work is limited to the verification of the consolidated management's report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Endesa, S.A. and subsidiaries.

Paragraph on Other Matters

This report has been prepared at the request of the Directors of the Company in relation to the publication of the six-monthly financial report required by article 119 of Royal Legislative Decree 4/2015 of 23 October 2015 approving the amended Securities Market Law enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Estíbaliz Bilbao Belda

27 July 2020

ENDESA, S.A.

and Subsidiaries

Interim Condensed Consolidated Financial Statements for the Six Month Period ended 30 June 2020

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

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

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 AND 31 DECEMBER 2019

Millions of euros

	Notes	30 June 2020 (Unaudited)	31 December 2019
ASSETS			
NON-CURRENT ASSETS		**25,786**	**25,881**
Property, plant and equipment	4	21,307	21,329
Investment Property		60	61
Intangible assets	5	1,341	1,375
Goodwill	6	462	462
Investments accounted for using the equity method	7	237	232
Non-current Financial Assets	14	1,099	908
Deferred tax assets	16.1	1,280	1,514
CURRENT ASSETS		**6,109**	**6,100**
Inventories	8	853	1,177
Trade and other receivables	9	3,689	3,485
Customers for Sales & Services and other Debtors		3,172	3,194
Current income tax assets		517	291
Current financial assets	14	1,188	1,215
Cash and Cash Equivalents	10	379	223
Non-current assets held for sale and discontinued operations		-	-
TOTAL ASSETS		**31,895**	**31,981**
EQUITY AND LIABILITIES			
EQUITY	11	**8,246**	**7,837**
Of the Parent		8,094	7,688
Share capital		1,271	1,271
Share premium and reserves		5,554	6,928
Profit/(loss) of the Parent		1,128	171
Interim dividend		-	(741)
Valuation adjustments		141	59
Of Non-Controlling Interests		152	149
NON-CURRENT LIABILITIES		**15,408**	**15,679**
Deferred income		4,552	4,576
Non-current provisions	12.1	3,054	3,686
Provisions for Pensions and other Similar Provisions		609	1,148
Other non-current provisions		2,445	2,538
Non-current Financial Debt	13.1	5,952	5,652
Other non-current Liabilities		736	678
Deferred tax liabilities	16.2	1,114	1,087
CURRENT LIABILITIES		**8,241**	**8,465**
Current Financial Debt	13.1	1,527	955
Current provisions	12.1	313	576
Provisions for Pensions and other Similar Provisions		-	-
Other current provisions		313	576
Trade Payables and Other Current Liabilities	17	6,401	6,934
Suppliers and other payables		5,665	6,549
Current income tax liabilities		736	385
Liabilities associated with non-current assets classified as held for sale and discontinued operations		-	-
TOTAL EQUITY AND LIABILITIES		**31,895**	**31,981**

The Notes 1 to 24 described in the Explanatory Notes form an integral part of the Consolidated Statements of Financial Position at 30 June 2020 and 31 December 2019.

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME FOR THE HALF-YEAR PERIODS ENDED 30 JUNE 2020 AND 2019

Millions of euros

	Notes	January - June 2020 (unaudited)	January - June 2019 (unaudited)
INCOME		**8,883**	**9,791**
Sales	19.3	8,265	9,473
Other Operating Income	19.3	618	318
PROCUREMENTS AND SERVICES		**(5,961)**	**(6,901)**
Energy purchases		(1,809)	(2,418)
Fuel consumption		(570)	(876)
Transmission expenses		(2,523)	(2,666)
Other Variable Procurements and Services		(1,059)	(941)
CONTRIBUTION MARGIN		**2,922**	**2,890**
Self-constructed Assets		97	99
Personnel Expenses		(95)	(505)
Other Fixed Operating Expenses		(609)	(590)
EBITDA		**2,315**	**1,894**
Depreciation, Amortisation and Impairment Losses		(760)	(794)
EBIT		**1,555**	**1,100**
NET FINANCE INCOME/(EXPENSE)		**(48)**	**(96)**
Financial Income		27	16
Financial Expense		(77)	(112)
Net Exchange Differences		2	-
Net Profit/(Loss) of Companies accounted for using the Equity Method	7	11	17
Gains/(losses) from other investments		-	-
Gains/(losses) on disposal of assets		(5)	(7)
PROFIT/(LOSS) BEFORE TAX		**1,513**	**1,014**
Corporate Income tax		(382)	(232)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS		**1,131**	**782**
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS		**-**	**-**
PROFIT/(LOSS) FOR THE PERIOD		**1,131**	**782**
Parent company		1,128	776
Non-controlling interests		3	6
BASIC EARNINGS PER SHARE OF CONTINUING OPERATIONS (in EUR)		***1.07***	***0.73***
DILUTED EARNINGS PER SHARE OF CONTINUING OPERATIONS (in EUR)		***1.07***	***0.73***
BASIC EARNINGS PER SHARE OF DISCONTINUED OPERATIONS (in EUR)		***-***	***-***
DILUTED EARNINGS PER SHARE OF DISCONTINUED OPERATIONS (in EUR)		***-***	***-***
BASIC EARNINGS PER SHARE (in EUR)		***1.07***	***0.73***
DILUTED EARNINGS PER SHARE (in EUR)		***1.07***	***0.73***

Notes 1 to 24 described in the Explanatory Notes are an integral part of the Consolidated Statements of Cash Flows for the six-month periods ended 30 June 2020 and 2019.

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 2019

Millions of euros

	Notes	January - June 2020 (unaudited) Of the Parent	January - June 2020 (unaudited) Of Non-Controlling Interests	January - June 2020 (unaudited) Total	January - June 2019 (unaudited) Of the Parent	January - June 2019 (unaudited) Of Non-Controlling Interests	January - June 2019 (unaudited) Total
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**1,128**	**3**	**1,131**	**776**	**6**	**782**
OTHER COMPREHENSIVE INCOME:							
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY		**(28)**	**-**	**(28)**	**(85)**	**-**	**(85)**
Items that may be Reclassified to Profit or Loss:		**(45)**	**-**	**(45)**	**89**	**-**	**89**
Cash flow hedges		(56)	-	(56)	125	-	125
Translation differences		-	-	-	-	-	-
Companies accounted for using the equity method		(2)	-	(2)	(5)	-	(5)
Other income and expense recognised directly in equity		-	-	-	-	-	-
Tax Effect		13	-	13	(31)	-	(31)
Items that cannot be reclassified to profit and loss:		**17**	**-**	**17**	**(174)**	**-**	**(174)**
Revaluation/(reversal of revaluation) of property, plant and equipment and intangible assets		-	-	-	-	-	-
From measurement of financial instruments		-	-	-	-	-	-
Financial assets at Fair Value		-	-	-	-	-	-
Other income / (expense)		-	-	-	-	-	-
From Actuarial Gains and Losses and other Adjustments	12.1.1	23	-	23	(219)	-	(219)
Tax effect		(6)	-	(6)	45	-	45
AMOUNTS TRANSFERRED TO PROFIT & LOSS AND/OR INVESTMENTS		**127**	**-**	**127**	**(9)**	**-**	**(9)**
Cash flow hedges		168	-	168	(12)	-	(12)
Translation differences		-	-	-	-	-	-
Companies accounted for using the equity method		-	-	-	-	-	-
Other income and expense recognised directly in equity		-	-	-	-	-	-
Tax Effect		(41)	-	(41)	3	-	3
TOTAL COMPREHENSIVE INCOME		**1,227**	**3**	**1,230**	**682**	**6**	**688**

Notes 1 to 24 described in the Explanatory Notes are an integral part of the Consolidated Statements of Other Comprehensive Income for the six-month periods ended 30 June 2020 and 2019.

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

Millions of euros

(Unaudited)	Notes	Equity of the Parent						Non-controlling interests	Total Equity Net profit/(loss)
		Capital and reserves					Valuation adjustments		
		Capital (Note 11.1)	Share premium, reserves and interim dividend	Treasury shares and own equity instruments	Profit/(loss) for the period	Other equity instruments			
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 opening balance		**1,271**	**6,187**	**-**	**171**	**-**	**59**	**149**	**7,837**
Total comprehensive income		**-**	**17**	**-**	**1,128**	**-**	**82**	**3**	**1,230**
Transactions with shareholders or owners		**-**	**(821)**	**-**	**-**	**-**	**-**	**-**	**(821)**
Capital Increases/(reductions)		-	-	-	-	-	-	-	-
Conversion of liabilities into equity		-	-	-	-	-	-	-	-
Dividends paid	11.3	-	(821)	-	-	-	-	-	(821)
Transactions with treasury shares or 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		-	-	-	-	-	-	-	-
Balance at 30 June 2020		**1,271**	**5,554**	**-**	**1,128**	**-**	**141**	**152**	**8,246**

Notes 1 to 24 described in the Explanatory Notes are an integral part of the Consolidated Statement of Changes in Equity for the six-month period ended 30 June 2020.

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

Millions of euros

(Unaudited)	Notes	Equity of the Parent						Non-controlling interests	Total equity
		Capital and reserves							
		Capital (Note 11.1)	Share premium, reserves and interim dividend	Treasury shares and own equity instruments	Profit/(loss) for the period	Other equity instruments	Valuation adjustments		
Balance at 1 January 2019		**1,271**	**6,416**	**-**	**1,417**	**-**	**(67)**	**144**	**9,181**
Adjustments due to changes in accounting policies		-	-	-	-	-	-	-	-
Corrections of errors		-	-	-	-	-	-	-	-
Adjusted opening balance		**1,271**	**6,416**	**-**	**1,417**	**-**	**(67)**	**144**	**9,181**
Total comprehensive income		**-**	**(174)**	**-**	**776**	**-**	**80**	**6**	**688**
Transactions with shareholders or owners		**-**	**(770)**	**-**	**-**	**-**	**-**	**-**	**(770)**
Capital Increases/(reductions)		-	-	-	-	-	-	6	**6**
Conversion of liabilities into equity		-	-	-	-	-	-	-	-
Dividends paid	11.3	-	(770)	-	-	-	-	(6)	(776)
Transactions with treasury shares or own equity instruments (net)		-	-	-	-	-	-	-	-
Increases/(reductions) due to business combinations		-	-	-	-	-	-	-	-
Other transactions with shareholders or owners		-	-	-	-	-	-	-	-
Other changes in equity		**-**	**1,417**	**-**	**(1,417)**	**-**	**-**	**-**	**-**
Share-based payments		-	-	-	-	-	-	-	-
Transfers between equity items		-	1,417	-	(1,417)	-	-	-	-
Other changes		-	-	-	-	-	-	-	-
Balance at 30 June 2019		**1,271**	**6,889**	**-**	**776**	**-**	**13**	**150**	**9,099**

Notes 1 to 24 described in the Explanatory Notes are an integral part of the Consolidated Statement of Changes in Equity for the six-month period ended 30 June 2019.

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2020 AND 2019

Millions of euros

	Notes	January - June 2020 (unaudited)	January - June 2019 (unaudited)
Gross profit before tax and non-controlling interests		1,513	1,014
Adjustments for:		355	974
Depreciation and amortisation and impairment losses		760	794
Other adjustments (net)		(405)	180
Changes in working capital:		(692)	(809)
Trade and other receivables		255	70
Inventories		(174)	(132)
Current financial assets		35	(299)
Trade Payables and Other Current Liabilities		(808)	(448)
Other cash flows from/(used in) operating activities:		(181)	(272)
Interest received		15	15
Dividends received		9	10
Interest paid		(70)	(62)
Corporation tax paid		(22)	(72)
Other receipts and payments in respect of operating activities		(113)	(163)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**18.1**	**995**	**907**
Acquisition of property, plant and equipment and intangible assets	18.2	(776)	(903)
Proceeds from sales of property, plant and equipment and intangible assets	18.2	4	13
Equity investments in Group Companies	18.2	-	(2)
Disposals of investments in Group Companies	18.2	21	-
Purchase of other investments		(139)	(140)
Proceeds from disposals of other investments		21	12
Cash flows from changes in the scope of consolidation		-	-
Grants and other deferred income	18.2	48	27
NET CASH FLOWS FROM INVESTING ACTIVITIES	**18.2**	**(821)**	**(993)**
Cash Flows from equity instruments	18.3	-	6
Drawdowns of Non-Current Financial Debt	13.1 and 18.3	809	643
Repayment of non-current borrowings	13.1 and 18.3	(574)	(205)
Net cash flows used in current borrowings	13.1 and 18.3	493	600
Dividends of the Parent paid	11.3 and 18.3	(741)	(741)
Dividends Payments to Non-controlling Interests	18.3	(5)	(7)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**18.3**	**(18)**	**296**
TOTAL NET CASH FLOWS		**156**	**210**
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**156**	**210**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**10**	**223**	**244**
Cash in hand and at banks		223	244
Other Cash Equivalents		-	-
CASH AND CASH EQUIVALENTS AT PERIOD-END	**10**	379	**454**
Cash in hand and at banks		379	454
Other Cash Equivalents		-	-

The accompanying explanatory Notes 1 to 24 are an integral part of the Consolidated Statements of Cash Flows for the six-month period ended 30 June 2020 and 2019.

ENDESA, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR

THE SIX MONTH PERIOD ENDED 30 JUNE 2020

Contents.

ENDESA, S.A. AND SUBSIDIARIES

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

1. Group activity and Interim Condensed Consolidated Financial Statements.

ENDESA, S.A. (hereinafter, "the Parent" or the "Company") and its subsidiaries make up the ENDESA Group (hereinafter, "ENDESA"). The Company's registered and head offices are at Calle Ribera del Loira, 60, Madrid.

The Company was incorporated with limited liability under Spanish law in 1944 under the name Empresa Nacional de Electricidad, S.A. and changed its name to ENDESA, S.A. pursuant to a resolution adopted by the shareholders at the General Shareholders' Meeting on 25 June 1997.

Its corporate object is the electricity business in its various industrial and commercial areas; the exploitation of primary energy resources of all types; the provision of industrial services, particularly in the areas of telecommunications, water and gas and those preparatory or supplementary to the Group's corporate object, and the management of the corporate Group, comprising investments in other companies. ENDESA carries out the activities forming its corporate object in Spain and abroad directly or through its investments in other companies.

In view of the areas of business carried on by ENDESA companies, transactions are not highly cyclical or seasonal.

ENDESA's Consolidated Financial Statements for the year ended 31 December 2019 were approved by the shareholders at the General Shareholders' Meeting held on 5 May 2020 and filed with the Madrid Trade & Companies Register.

The Company forms part of the ENEL Group, the Parent of which is ENEL, S.p.A., which is governed by Italian legislation. Its registered office is at Viale Regina Margherita, 137, Rome, Italy. In Spain, the ENEL Group is headed by ENEL Iberia, S.L.U., with registered office at Calle Ribera del Loira, 60, Madrid. At 30 June 2020, the ENEL Group, through ENEL Iberia, S.L.U., holds 70,101% of ENDESA, S.A.'s share capital (see Note 11.1).

The ENEL Group's Consolidated Financial Statements for the year ended 31 December 2019 were approved by the General Shareholders' Meeting held on 14 May 2020 and filed with the Rome and Madrid Trade & Companies Registers.

The presentation currency of the Parent is the euro and the figures shown herein (unless stated otherwise) are in millions of euros.

2. Basis of presentation of the Interim Condensed Consolidated Financial Statements.

2.1. Accounting principles

ENDESA's Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020 were approved by the Directors of the Parent Company at a Board meeting held 27 July 2020 and prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRIC) as adopted by the European Union at the reporting date pursuant to Regulation (EC) No. 1606/2002, of 19 July 2002, of the European Parliament and of the Council and other provisions of the financial reporting framework applicable to ENDESA.

These Interim Condensed Consolidated Financial Statements present fairly the equity and financial position of ENDESA at 30 June 2020, as well as the consolidated comprehensive income, consolidated operating performance, changes in consolidated equity and consolidated cash flows for the six months then ended.

The Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020 were prepared in accordance with the same basis of presentation and measurement criteria standards as described in Notes 2 and 3 to the Consolidated Financial Statements for the year ended 31 December 2019, except for the change in the accounting estimate for the useful life of Generator 1 of the Ascó nuclear power plant (see Note 2.2) and the new International Financial Reporting Standards (IFRS) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) published in the Official Journal of the European Union, which were first applied by ENDESA in the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020, in accordance with the going concern principle and using the cost method, except for the items valued at fair value in accordance with the IFRS. Items in the Consolidated Income Statement are classified by types of costs.

In the current context, after the outbreak of COVID-19, the activities to which ENDESA companies are engaged have been classified as essential activities and are carried out under regulated frameworks. This is why ENDESA has been obliged to continue carrying out its activities, without any events having occurred that might affect the going concern principle. Up to the date of approval of these Interim Condensed Consolidated Financial Statements, ENDESA has continued to provide its services without conditions other than those prior to the emergence of COVID-19 and, although it had to adapt some processes to the circumstances derived from the health crisis, its ability to provide services has not been significantly compromised.

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020 have been prepared from the accounting records of the Company and those of the rest of the companies comprising ENDESA.

Each company prepares its financial statements in accordance with the accounting policies and standards prevailing in the country in which it operates. When necessary, in the consolidation process adjustments and reclassifications have been made to the financial statements of subsidiaries to bring their accounting policies and standards into line with IFRS and IFRIC interpretations.

At the date of authorisation for issue of these Interim Condensed Consolidated Financial Statements, the following changes in accounting policies had occurred:

a) Standards and interpretations endorsed by the European Union applied for the first time in the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

Standards, Amendments to Standards and Interpretations	Mandatory Application: Financial Years Starting on or after
Improvements to the references in the conceptual framework of International Financial Reporting Standards.	1 January 2020
Definition of Material - Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".	1 January 2020
Amendments to IFRS 3 "Business Combinations".	1 January 2020
Reform of the Reference Interest Rate - Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Valuation" and IFRS 7 "Financial Instruments: Disclosures."	1 January 2020

The application of these modifications and improvements has not had a significant impact on the Interim Condensed Consolidated Financial Statements corresponding to the 6-month period ended 30 June 2020.

b) Standards and interpretations issued by the International Accounting Standards Board (IASB) pending approval by the European Union.

The International Accounting Standards Board (IASB) has approved the following International Financial Reporting Standards (IFRS), which could affect ENDESA but are still pending endorsement by the European Union at the approval date of these Interim Condensed Consolidated Financial Statements:

Standards, Amendments to Standards and Interpretations	Mandatory Application: (1) Financial Years Starting on or after
Modification to IFRS 16 “Leases” - Rent Reductions Related to COVID-19.	1 June 2020
Modifications to IAS 1 “Presentation of Financial Statements” - Classification of Liabilities as Current or Non-Current.	1 January 2022 (2)
Amendments to IFRS 3 “Business Combinations”, IAS 16 “Property, Plant and Equipment”, IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and Annual Improvements 2018-2020.	1 January 2022
Amendments to IFRS 4 “Insurance Contracts” - Deferral of IFRS 9 “Financial Instruments”.	1 January 2021
IFRS 17 “Insurance Contracts” and including Modifications.	1 January 2023
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Indefinitely postponed

(1) If adopted without changes by the European Union.
(2) The International Financial Reporting Standards Board (IASB) has issued a “Draft Standard” to defer the effective date to 1 January 2023.

At the date of approval of these Interim Condensed Consolidated Financial Statements, ENDESA’s management is assessing the impact of the standards, if endorsed by the European Union, on the consolidated financial statements, and this analysis has not yet been concluded.

2.2. Responsibility for information and estimates.

The Company's management is responsible for the contents of the Interim Condensed Consolidated Financial Statements, which were authorised for issue at the Board of Directors' Meeting held on 27 July 2020, and expressly states that all IFRS polices and criteria have been applied.

ENDESA’s Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020 have been prepared from the accounting records of the Company and those of the rest of the companies comprising ENDESA at that date, and include all the significant disclosures required of IAS 34 Interim Financial Reporting, in accordance with article 12 of Royal Decree 1362/2007, of 19 October 2007, but not the full set of disclosures as required by IFRS in a complete set of financial statements. Therefore, for an appropriate understanding, they should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019.

In preparing the accompanying Interim Condensed Consolidated Financial Statements, ENDESA's Directors made estimates to measure certain assets, liabilities, income, expenses and commitments included therein. The estimates necessary to prepare the Interim Condensed Consolidated Financial Statements were basically the same as those described in Note 2.2 to the consolidated financial statements for the year ended 31 December 2019. There were no changes with respect to those used in the consolidated financial statements that had a significant impact on the Interim Condensed Consolidated Financial Statements for the six month period ended 30 June 2020, with the exception of the modification of the useful life of Group I of the Ascó nuclear power plant to 46 years and 9 months, effective 1 April 2020.

The effect of this change on the Consolidated Income Statement for the first half of 2020 has been a higher depreciation expense of €4 million in the depreciation charge relative to the previous year.

The calculation of the income included in the item “Corporate Income Tax” in the accompanying Interim Condensed Consolidated Financial Statements was based on the best estimate of the tax rate expected to apply to the related annual periods. As a result, changes in estimates of the annual tax rate could require the amount recognised for the six months ended 30 June 2020 to be adjusted in future reporting periods.

As of the date of approval of these Interim Condensed Consolidated Financial Statements, the effective rate does not register impacts due to legislative changes that affect Corporate Income Tax .

2.3. Subsidiaries.

Subsidiaries are the investees, which the Parent controls, directly or indirectly, through power over the investee, exposure, or rights, to variable returns from involvement with the investee and the ability to use power over the investee to affect those returns. In this respect, a company is exposed to variable returns from its involvement with the investee when the returns from its involvement have the potential to vary as a result of the investee's performance, and the company has the ability to use its power to affect these variable returns.

Control arises from substantive rights over the investee, whereby ENDESA Management applies its judgement to assess whether these substantive rights give it the power to direct the investee's significant activities in order to affect its returns. To this end, account is taken of all the facts and circumstances pertaining in assessing whether or not it controls an investee, and factors such as contracts with third parties, rights deriving from other contractual agreements and actual and potential voting rights are analysed, potential voting rights for this purpose meaning those held by ENDESA or third parties that are exercisable or convertible at the accounting close.

When events occur that affect control of the investee, exposure to variable returns due to continued involvement, or the ability to use control of the investee to influence its returns, the existence of control of the investee is reassessed.

Subsidiaries are fully consolidated (see Note 2.7 to the consolidated financial statements for the year ended 31 December 2019).

At 30 June 2020 and 31 December 2019, ENDESA had no structured entities as defined in IFRS 12 Disclosure of Interests in Other Entities, designed in such a way that voting rights and similar rights do not constitute the main factor for the purposes of defining control.

Six months ended 30 June 2020 and 2019.

Companies added to the consolidation scope

No companies were included in the consolidation scope in the six-month period ended 30 June 2020.

During the six-month period ending on 30 June 2019, the following subsidiaries were included in the scope of consolidation:

	Transaction	Activity	Companies added January - June 2019			
			Stake at 30 June 2019 (%)		Stake at 31 December 2018 (%)	
			Control	Ownership	Control	Ownership
Energía Neta Sa Caseta Llucmajor, S.L.U. (1)	Acquisition	Photovoltaic	100.00	100.00	-	-
ENDESA Energía Renovable, S.L.U. (2)	Incorporation	Supply	100.00	100.00	-	-
Baleares Energy, S.L.U. (1)	Acquisition	Photovoltaic	100.00	100.00	-	-
Baikal Enterprise, S.L.U. (1)	Acquisition	Photovoltaic	100.00	100.00	-	-

(1) Companies acquired by ENEL Green Power España, S.L.U. (EGPE) totalling €2 million, of which less than €1 million are pending payment at 30 June 2019 (see section 18.2.
(2) Company established by ENDESA Energía, S.A.U.

Companies removed.

The following companies were removed from the consolidation scope in the six-month period ended 30 June 2020 and 2019:

	Transaction	Activity	Removals of Companies January - June 2020				Removals of Companies January - June 2019			
			Stake at 30 June 2020 (%)		Stake at 31 December 2019 (%)		Stake at 30 June 2019 (%)		Stake at 31 December 2018 (%)	
			Control	Ownership	Control	Ownership	Control	Ownership	Control	Ownership
ENDESA Soluciones, S.L. (1)	Sale	Supply of Energy Products And Services	20.00	20.00	100.00	100.00	-	-	-	-
Hidromondego - Hidroeléctrica do Mondego, Lda. (1)	Final winding up	Electricity Production and Supply	-	-	100.00	100.00	100.00	100.00	100.00	100.00
Eólica del Noroeste, S.L. (2)	Sale	Wind	-	-	-	-	-	-	51.00	51.00

(1) On 11 May 2020, ENDESA Energía, S.A.U. formalised the sale of 80.00% of this Subsidiary Company, which has become an Associate Company (see Notes 2.4 and 7). The gross gain on the divestment transaction was less than €1 million, negative.
(2) The gross profit generated amounted to €2 million, positive.
(3) The gross gain on the divestment transaction was less than €1 million, positive.

Changes

The following changes occurred in the percentage control and economic stake of the following subsidiaries in the six months ended 30 June 2020 AND 2019:

	Transaction	Activity	Variations of Companies January - June 2020				Variations of Companies January - June 2019			
			Stake at 30 June 2020 (%)		Stake as at 31 December 2019 (%)		Stake at 30 June 2019 (%)		Stake at 31 December 2018 (%)	
			Control	Ownership	Control	Ownership	Control	Ownership	Control	Ownership
Empresa de Alumbrado Eléctrico de Ceuta, S.A. (1)	Acquisition	Supply and Distribution	96.37	96.37	96.29	96.29	96.29	96.29	96.29	96.29
Energía Ceuta XXI Comercializadora de Referencia, S.A.U. (1)	Acquisition	Supply	100.00	96.37	100.00	96.29	100.00	96.29	100.00	96.29
Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A.U. (1)	Acquisition	Distribution	100.00	96.37	100.00	96.29	100.00	96.29	100.00	96.29
ENEL Green Power Granadilla, S.L.U. (2)	Acquisition	Wind	-	-	-	-	-	-	65.00	65.00

(1) Interest acquired by ENDESA Red, S.A.U. for an amount of less than €1 million.
(2) Impact on equity of less than €1 million.

2.4. Associates.

Associates are entities in which the Parent has significant influence, directly or indirectly. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by ENDESA or other entities, are taken into account when assessing whether it has significant influence.

In general, where ENDESA holds a stake above 20%, it is presumed that it has significant influence.

Associates are accounted for using the equity method (see Note 3h to the consolidated financial statements for the year ended 31 December 2019).

Six months ended 30 June 2020 and 2019.

Companies added to the consolidation scope

As a result of the loss of control over ENDESA Soluciones, S.L., through the sale transaction of 80.0% of the stake held by ENDESA Energía, S.A.U., this is now considered an Associate Company (see Notes 2.3 and 7).

No companies were Associate Company was added to the consolidation scope in the six-month period ended 30 June 2019.

Companies removed.

No Associate Companies were excluded from the consolidation scope in the six-month period ended 30 June 2020:

The following Associate Companies were removed from the consolidation scope in the six-month period ended 30 June 2019:

	Transaction	Activity	Removals of Companies January - June 2019			
			Stake at 30 June 2019 (%)		Stake at 31 December 2018 (%)	
			Control	Ownership	Control	Ownership
Ufefys, S.L. (in Liquidation) (1)	Sale	Renewable Energy	-	-	40.00	40.00
Erecosalz, S.L. (In Liquidation) (2)	Extinction	Power Generation	-	-	33.00	33.00

(1) The gross gain on the divestment transaction was less than €1 million, positive.
(2) The figures for this company were not material.

Changes

In the six-month periods ended 30 June 2020 and 30 June 2019 there were no changes in the percentage control or economic stakes of Associate Companies.

2.5. Joint Arrangements.

A joint arrangement is an agreement that gives two or more parties joint control, whereby the unanimous consent of all parties sharing control is required for decisions to be taken with respect to major activities.

Joint arrangements may be joint operations or joint ventures, depending on the rights and obligations of the parties to the agreement.

In order to determine the type of joint arrangement from a contractual arrangement at the accounting close, management assesses the legal contents and structure of the arrangement, the terms agreed by the parties and other relevant factors and issues. If any changes are made to the contractual features of a joint arrangement, these factors and issues are reassessed.

Joint operations

Joint operations are entities governed by a Joint Arrangement whereby ENDESA and the other parties have rights to their assets and obligations with respect to the liabilities.

Joint operations are consolidated using proportionate consolidation, combining the proportionate share of the assets and liabilities of the operation as described in Note 2.7 to the consolidated financial statements for the year ended 31 December 2019.

Six months ended 30 June 2020 and 2019.

Inclusions, exclusions and changes

In the periods ended 30 June 2020 and 2019, no joint operations were included in the consolidation scope, there were no changes in the percentage control or economic stake, and no exclusions.

Joint ventures

Joint ventures are companies governed by a joint arrangement whereby ENDESA and the other parties have rights over the net assets.

Joint ventures are accounted for using the equity method (see Note 3h to the consolidated financial statements for the year ended 31 December 2019).

Six months ended 30 June 2020 and 2019.

Inclusions, exclusions and changes

No joint ventures were included in the consolidation scope in the six months ended 30 June 2020 and 2019, and there were no exclusions or changes in the percentage control or economic stakes.

2.6. Other investments.

The impact of the financial indicators of ENDESA’s investees that are not considered subsidiaries, joint operations, joint ventures or associates on the fair presentation required in the Interim Condensed Consolidated Financial Statements.

3. Industry regulation.

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

Electricity tariff for 2020.

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

Natural gas tariff for 2020.

On 28 December 2019, Order TEC/1259/2019, of 20 December, was published in the Official State Gazette (BOE), establishing access tariffs for gas for 2020, which remain unchanged, and on 30 December 2019 the Resolution of 23 December of the General Directorate for Energy Policy and Mines was published in the BOE, establishing the Last Resort Tariff (TUR in the Spanish abbreviation) for natural gas applicable from 1 January 2020, implying an average reduction of 3.3% for TUR1 (for consumers of less than 5,000 kWh/year) and 4.2% for TUR2 (for consumers of more than 5,000 kWh/year), due to lower raw material costs.

On 30 June 2020, the Resolution of 23 June 2020, of the General Directorate for Energy Policy and Mines, was published in the Official State Gazette (BOE), publishing the new rate of last resort for natural gas that will come into effect from 1 July 2020, resulting in an average reduction of 4.5% and 6.0% depending on whether it is the Last Resort Fee 1 (TUR1) or the Last Resort Fee 2 (TUR2), respectively, due to the reduction in the cost of the raw material.

Energy Efficiency.

Order TED/287/2020, of 23 March 2020, establishes a contribution by ENDESA to the National Fund for Energy Efficiency of €27 million in respect of its 2020 obligations.

"Bono Social" discount rate.

On 28 January 2020 the process of hearings on the proposal for an Order establishing the distribution of financing of the Bono Social discount rate for 2020, the percentage proposed for ENDESA, S.A. being 35.57%.

Strategic Framework for Energy and Climate.

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

Likewise, the Government has sent the Draft Law on Climate Change and Energy Transition to the "Cortes Generales". It includes the following aspects, among others:

- It would set two time paths: by 2030, objectives of reducing GHG emissions by at least 20% compared with 1990, generating 70% of electricity from renewable sources, and improving energy efficiency by at least 35% compared with the trend scenario; and by 2050, achieving climate-neutrality and a 100% renewable electricity system.
- Renewable energy promotion measures through a remuneration framework based on the long-term recognition of a fixed energy price.
- The new hydraulic concessions will be aimed at supporting the integration of non-manageable renewables.
- Introduction of new parties in the Electricity Sector as owners of storage facilities or independent aggregators.

- Limits are established in the exploitation of hydrocarbons, restricting fossil fuel subsidies and reviewing their taxation.

- Promotion of energy efficiency measures and use of renewables in the field of building.

- Boosting of electric mobility with the aim of having a fleet of vehicles without direct emissions of carbon dioxide (CO_2) in 2050 and that from 2040 the new passenger cars/light commercial vehicles would have no direct emissions. Likewise, the establishment of low-emission areas in municipalities with more than 50,000 inhabitants and island territories and the obligation to develop recharging infrastructures at petrol stations are pursued no later than 2023.

- Mobilisation of resources for the fight against climate change: At least €450 million of the proceeds from auctions of carbon dioxide (CO_2) rights will be used annually to cover costs of the Electric System.

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

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

Draft of the Seventh General Radioactive Waste Plan.

The Ministry for the Ecological Transition and the Demographic Challenge has initiated the ordinary strategic environmental assessment procedure of the Seventh General Radioactive Waste Plan (PGRR). The procedure includes the environmental assessment, the public information process to receive input from civil society and the mandatory consultations with the Nuclear Safety Council and the Autonomous Regions. Subsequently, the Ministry for the Ecological Transition and the Demographic Challenge will carry out a technical analysis of the complete file to formulate the Strategic Environmental Declaration of the General Radioactive Waste Plan, a step prior to its approval by the Council of Ministers. Subsequently, it must be reported to Parliament and will also be forwarded to the European Commission, in compliance with the EU directive on radioactive waste management.

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

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

At the same time, and in order to counteract the economic and social impact of this exceptional situation, the Spanish government approved a series of legislative provisions encompassing various measures on all fronts to face this impact. Specifically, and among others, 18 March 2020 saw the publication of Royal Decree-Law 8/2020, of 17 March 2020, on extraordinary urgent measures to face the economic and social impact of COVID-19, and on 1 April 2020, Royal Decree-Law 11/2020, of 31 March 2020, was published, adopting urgent complementary measures in the social and economic fields to deal with COVID-19 and on 8 July 2020, Royal Decree-Law 26/2020, of 7 July, on economic recovery measures to address the impact of COVID-19 in the areas of transport and housing was published.

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

- "Bono Social" discount rate: The validity of the 'Bono Social' (special reduced rate for electricity) is extended until 30 September 2020 for beneficiaries for whom the 2-year period of validity established in Royal Decree 897/2017 of 6 October 2017 expires before that date. At the same time, the right to the "Bono Social" discount rate is extended to customers with supply points in their name, or any member of their family unit, with the status of self-employed or self-employed professionals, and who are entitled to benefit because they have had to cease their activity or have seen their billing significantly reduced, and meet certain income levels in the immediately preceding year, this right being limited to the period for which these circumstances persist, with a maximum of 6 months.

- Guarantee of supply: During the month following the entry into force of Royal Decree-Law 8/2020, of 17 March 2020, the supply of electricity, water and natural gas to consumers who have the status of vulnerable, highly vulnerable or at risk of social exclusion in accordance with the criteria laid down in Royal Decree 897/2017, of 6 October 2017, may not be cut off. This term, initially one month in force and extended during the state of alarm, has been extended, by Royal Decree-Law 26/2020, of 7 July 2020, until 30 September 2020, establishing that the supply of electricity, water, natural gas and other petroleum derivatives to natural persons in their habitual residence, except for reasons of security of supply, people and facilities.

- Flexibility measures for electricity supply contracts of self-employed and businesses: During the state of alarm, self-employed persons and businesses with supply points in their name may suspend or amend their contracts in order to contract another alternative offer with their supplier to adapt to new consumption guidelines, without charge or penalty. They may also change power or access toll. When the state of alarm ends, there will be a period of 3 months to reactivate the contract or modify the power, which will be carried out at no cost, except in certain situations. In future General State Budget Laws approved after the entry into force of Royal Decree-Law 11/2020, of 31 March 2020, the corresponding items will be included to compensate the Electricity Sector for the reduction in income that these measures entail. Similar measures are contemplated for the Natural Gas Sector.

- Suspension of supply invoices: During the state of alarm, self-employed persons and SMEs with supply points in their name may ask their supplier or distributor as the case may be, by remote (non-physical) means, to suspend payment of bills corresponding to billing periods that contain days covered by the state of alarm. In this case, the supplier will be exempt from paying transmission and distribution tolls to the distributor until such time as the customer pays the bill in full. The supplier will also be exempt from paying VAT, the special tax on electricity, and, where applicable, the special tax on hydrocarbons for electricity generation until the customer pays the full invoice or until 6 months have elapsed from the end of the state of alarm. However, under no circumstances has ENDESA exercised its option to defer the payment of these taxes. Once the state of alarm is over, the debt will be regularised in equal parts in the invoices of the billing periods that make up the following 6 months. Likewise, suppliers who see their income reduced, or distributors whose toll income is reduced, may request the guarantees defined in Royal Decree-Law 8/2020 of 17 March 2020 or any other line created for this purpose.

- Rights of access: The term is extended for those access rights that expired on 31 March 2020 and the new term is set at 2 months after the end of the state of alarm or its extensions.

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

The main impacts for ENDESA related to the COVID-19 health crisis are detailed in Notes 4.4, 9.1, 13.2.2 and 15.3.

European Commission Decision C(2020)3401 on power generation activity in the Non-Peninsular Territories (TNP)

On 28 May 2020, the European Commission approved the regulatory scheme established in Royal Decree 738/2015 of 31 July 2015, in relation to electricity production activity in the Non-Peninsular Territories (TNP), concluding that it meets the criteria for Services of General Economic Interest and is compatible with the internal market. The scheme is initially approved until 31 December 2025 in the case of the Balearic Islands and until 31 December 2029 in the case of the Canary Islands, Ceuta and Melilla, and the Kingdom of Spain may request that it be maintained prior to these dates.

Proposal for an order for the revision of fuel prices in the Non-Mainland Territories (TNP).

Order TEC/1260/2019, of 26 December 2019, revises the technical and economic parameters for the remuneration of generation facilities in the Electricity Systems of the non-mainland territories (TNP) for the second regulatory period (2020-2025). In relation to fuel prices, the aforementioned Order established that within 3 months, product and logistics prices will be reviewed by Ministerial Order, with effect from 1 January 2020, and the processing of this Order began on 20 February 2020.

Royal Decree-Law 23/2020, of 23 June 2020, which approves measures in the field of energy and in other areas for economic recovery.

On 24 June 2020, Royal Decree-Law 23/2020, of 23 June 2020, was published, approving measures in the field of energy and in other areas for economic reactivation. The most relevant aspects of this Royal Decree-Law are the following:

- Improvement of the regulation of access permits and connection to the grid of renewable energies, to avoid speculation, considering specific mechanisms to grant access capacity in network nodes affected by just transition processes. In relation to this matter, it should be noted that the Ministry for Ecological Transition and the Demographic Challenge has initiated the processing of a Draft Royal Decree on access and connection to the electricity transmission and distribution networks.

- New auction model for future renewable energy developments, based on the long-term recognition of a fixed price for energy, distinguishing between different technologies. Small projects and demonstrators may be exempted from auctions.

- Introduction of new figures: storage owners, independent aggregators and renewable energy communities.

- Simplification of procedures for renewable installations and their electrical infrastructure, rapid recharge infrastructures (250 kW) and demonstrations or R&D and innovation projects.

- The accumulated surplus of the Electric System may be used to cover imbalances in 2019 and 2020.

- Increase of the maximum limit of remunerative investment in distribution in 2020-2022, going from 0.13% to 0.14% of Gross Domestic Product (GDP).

- The purpose of the Institute for the Just Transition is defined, which will seek to reduce the impacts on employment and the depopulation of areas affected by the transition process.

Proposal for a Royal Decree on the remuneration regime for renewable energy.

On 26 June 2020, the processing of a Royal Decree Project that develops the new remuneration scheme for future renewable energy developments foreseen in Royal Decree-Law 23/2020, of 23 June 2020, has begun. This remuneration regime (called the Economic Renewable Energy Regime "REER") will be based on the long-term recognition of the price of energy.

The Renewable Energy Economic Regime (REER) will be granted through auctions regulated by Ministerial Order, which may distinguish between different technologies according to their technical characteristics, size, manageability, location or technological maturity. The product to be auctioned will be the installed power, electrical energy or a combination of both, and the price per unit of electrical energy will be offered in €/MWh.

Regarding the remuneration of energy, the price to be received for each unit sold in the daily or intraday market will be the award price (for adjustment and balance services, it will be the price of the respective markets). Alternatively, it can be established that up to 50% of the energy sold in the daily or intraday market is sold directly at the market price and is not subject to the award price.

All the facilities of this Regime will participate in the market and the Operador del Mercado Ibérico de Energía - Polo Español (OMIE) will carry out a settlement for differences between the daily or intraday market prices and the award price of the facilities, the difference being adjusted against the national purchasing units of the market.

On the other hand, penalties are contemplated for energy commitments which are not delivered.

An auction calendar will be approved for a minimum period of 5 years, updateable at least annually, and which may include deadlines, frequency, capacity and technologies.

Law 5/2020, of 29 April 2020, of the Generalitat de Cataluña.

On 2 June 2020, Law 5/2020, of 29 April 2020, of the Generalitat de Cataluña, on fiscal, financial, administrative and public sector measures and creation, has been published in the Official State Gazette (BOE) tax on facilities that affect the environment.

Among other aspects, this Law includes the creation and regulation of a tax on facilities that affect the environment in the area of the Autonomous Community of Catalonia. Specifically, this new tax is imposed on the production, storage, transformation and transport of electrical energy in Catalonia. In the field of generation, energy production is taxed with a general rate of €5/MWh, which will be €1/MWh for combined cycles, excluding in any case hydraulic generation and generation with renewable sources, as well as with biomass, biogas, high-efficiency cogeneration or with slurry. In the field of transport, a quota is established based on the voltage level of the facilities, with those with a voltage lower than 30 kV and evacuation facilities of renewable production being exempt.

Spanish Reserve Fund for Guarantees of Electrointensive Entities (FERGEI).

During 2018, and as a result of Royal Decree-Law 20/2018, of 7 December 2018, on urgent measures to boost economic competitiveness in the sector of industry and commerce in Spain, the Government announced the preparation of a Statute for electrointensive industrial consumers, that collect their peculiarities. In 2019, the processing of a draft Royal Decree was initiated in this regard, which regulates the figure of the electro-intensive consumer, the potential compensation mechanisms that they could avail themselves of, as well as their obligations. Likewise, said project regulates the possibility of granting guarantees to the subscription by electro-intensive consumers of long-term contracts with electricity suppliers, especially from renewable installations that do not receive specific remuneration, and which was completed with a Draft Law that regulated a fund to cover the risks of these contracts.

In this sense, on 27 June 2020, Royal Decree-Law 24/2020, of 26 June 2020, on social measures to reactivate employment and protect self-employment and competitiveness of the industrial sector, in which the Spanish Reserve Fund for Guarantees of Electrointensive Entities (FERGEI) is created, for the coverage by the State of the risks derived from medium and long-term purchase and sale operations of subscribed electricity supply by consumers who have the status of electrointensive consumers. This Fund will be endowed with €200 million per year, to cover a maximum of €600 million of investment in 3 years.

Methodology for calculating the charges of the Electric and Gas Systems.

On 7 July 2020, the Ministry for the Ecological Transition and the Demographic Challenge began the hearing of two Royal Decree projects with the methodologies for calculating the charges of the Electric and Gas Systems, which will complement the methodologies for calculating the Access tolls to be approved by the National Commission of Markets and Competition (CNMC).

Royal Decree 647/2020, of 7 July 2020, on network codes.

On 8 July 2020, Royal Decree 647/2020, of 7 July 2020, which regulates aspects necessary for the implementation of the connection network codes of certain electrical installations.

This Royal Decree includes certain elements associated with the adaptation of Spanish regulations to the European network codes set forth in Regulations (EU) 2016/631, 2016/1388 and 2016/1447 of the European Commission, of 14 April, 17 August and 26 August, respectively, which establish the framework of minimum technical requirements for design and operation that generation facilities, demand and high-voltage systems connected to direct current must comply with for connection to the electricity grid. It also includes other modifications on other provisions, such as Royal Decree 413/2014, of 6 June 2014, which regulates the activity of producing electrical energy from renewable energy sources, cogeneration and waste, or Royal Decree 738/2015, of 31 July 2015, which regulates the generation activity in the Electrical Systems of the Non-Mainland Territories (TNP).

4. Property, plant and equipment.

The composition of this item from the Consolidated Statement of Financial Position at 30 June 2020 and movements in the first half of 2020 were as follows:

Millions of euros

Property, plant and equipment in use and under construction	Balance at 31 December 2019	Inclusion/(Exclusion) of Companies (1)	Investments (Note 4.2)	Depreciation, Amortisation, and Impairment Losses (2)	Derecognitions	Transfers and other (3)	Balance at 30 June 2020
Land and buildings	640	-	134	(30)	(9)	12	747
Electricity generation facilities:	7,947	-	22	(276)	-	94	7,787
Hydroelectric power plants	819	-	-	(16)	-	3	806
Coal-fired/fuel-oil plants	471	-	-	(46)	-	71	496
Nuclear power plants	2,841	-	10	(127)	-	(25)	2,699
Combined cycle plants	2,135	-	-	(46)	-	21	2,110
Renewables	1,681	-	12	(41)	-	24	1,676
Transmission and distribution facilities	11,470	-	16	(292)	-	200	11,394
Low- and medium-voltage, measuring and remote control equipment and other installations	11,470	-	16	(292)	-	200	11,394
Other property, plant and equipment	222	(27)	6	(34)	(3)	17	181
Property, plant and equipment under construction	1,050	-	539	31	-	(422)	1,198
TOTAL	**21,329**	**(27)**	**717**	**(601)**	**(12)**	**(99)**	**21,307**

(1) Corresponds to the derecognition of assets related to value added services as a consequence of the loss of control over ENDESA Soluciones, S.L. (see Notes 2.3, 2.4 and 7).
(2) Includes the reversal of impairment losses amounting to €1 million (see Note 19.2.1).
(3) Includes allocation to property, plant and equipment of changes in the estimated costs of dismantling the facilities (see Note 12.1.3).

4.1. Rights of use.

The breakdown of rights of use assets, included under the item “Property, plant and equipment” in the Consolidated Statement of Financial Position at 30 June 2020 and movements in the first half of 2020 were as follows:

Millions of euros

Right-of-use assets	Balance at 31 December 2019	Additions	Derecognitions	Depreciation and amortisation, and impairment losses	Transfers and other (1)	Balance at 30 June 2020
Land and buildings	179	134	(8)	(15)	-	290
Electricity generation facilities:	362	-	-	(12)	17	367
Combined cycle plants	362	-	-	(12)	17	367
Renewables	-	-	-	-	-	-
Other property, plant and equipment	123	6	(1)	(10)	-	118
TOTAL	**664**	**140**	**(9)**	**(37)**	**17**	**775**

(1) From the property, plant and equipment in progress.

During the first half of 2020 and 2019, the effect of the rights of use assets in the Consolidated Income Statements is as follows:

Millions of euros

	Notes	January - June 2020	January - June 2019
Provision for amortisation of rights of use assets		37	26
Interest expenses on borrowings associated with rights of use		16	8
Financial Expense	18.1	16	8
Exchange gains/(losses)		-	-
Expenses for Short-Term Leases and/or Low-Value Assets (1)		2	2
Expenses relating to variable payments in operating leases		-	1
Total effect in the Consolidated Income Statement		**55**	**37**

(1) Leases expiring in the 12 months following first time application and/or where the value of the underlying assets is less than USD 5,000.

4.1.1. Rights of use as lessee

At 30 June 2020, the most significant lease contracts under which ENDESA is the lessee are as follows:

- ENDESA Generación, S.A.U. signed a tolling agreement with Elecgas, S.A. (a company in which ENDESA Generación, S.A.U. holds a 50% interest), for 25 years (15 remaining), whereby Elecgas, S.A. makes the entire production capacity of its plant available to ENDESA Generación, S.A.U. and undertakes to transform the gas supplied into electricity in exchange for a financial charge.

- Edistribución Redes Digitales, S.L.U. has entered into finance lease contracts for office buildings located mostly in Barcelona, Lérida and Zaragoza, with a remaining duration of around 7 years.

- On 28 May 2020, ENDESA Operations and Commercial Services, S.L.U. sold a property located on Avenida Ramón y Cajal (Seville) to a third party for an amount of €2 million, generating a gross capital gain of €1 million. Simultaneously, this property has been leased by ENDESA Medios y Sistemas, S.L.U. for a minimum term of 5 years, for which ENDESA has registered an asset, for the corresponding right of use conserved, for an amount of less than €1 million and a liability, for the net present value of the obligation to make its payments, for an amount of €1 million.

- On 29 May 2020, ENDESA Medios y Sistemas, S.L.U. has renewed the lease of ENDESA's headquarters, located in Ribera del Loira (Madrid), until the year 2030. Said renewal has meant the registration of a greater right of use, and a greater liability, for the net present value of the obligation to make payments thereof until that date, both amounting to €68 million, with the outstanding debt of this contract at 30 June 2020 of €106 million.

- Lease agreements corresponding to the right to use the land where certain renewable generation facilities are located. These are long-term contracts, with automatic renewal clauses and with maturities between 2022 and 2080. The consideration for these contracts is fixed by combining an amount based on installed capacity (MW) and production (GWh).

- Charter contracts for the transport of liquefied natural gas (LNG).

- Technical equipment for which contracts are concluded to cover occasional availability services based on operational needs.

- Vehicle leasing contracts.

At 30 June 2020, the item "Property, Plant and Equipment" in the Consolidated Statement of Financial Position includes €775 million, corresponding to the carrying amount of assets under lease contracts (€664 million as at 31 December 2019) (see Note 4.1).

Also, at 30 June 2020, the items "Non-Current Financial Debt" and "Current Financial Debt" in the Statement of Financial Position include €748 million and €60 million, respectively, relating to the financial liabilities for rights of use arising from lease contracts (€646 million and €64 million, respectively, at 31 December 2019) (see Note 13.1).

In general, the amount of lease contracts with purchase options coincides with the amount of the last instalment.

During the six-month period ended 30 June 2020, ENDESA did not modify, renegotiate or cancel clauses contained in those lease agreements in which it acts as lessee and, consequently, neither the asset nor the liability representing the present value of the obligation to make the lease payments over the lease term was modified by the right of use of the leased asset nor the liability represented by the present value of the obligation to make the lease payments during the term of the lease.

4.1.2. Rights of use as lessor.

Finance leases

At 30 June 2020 and 31 December 2019, ENDESA had entered into no finance lease contracts where it acts as lessor.

Operating leases

At 30 June 2020, the most significant operating lease contracts in which ENDESA acts as the lessor are those that ENDESA Energía, S.A.U. has formalised relating to contracts with third parties, corresponding to fixed assets, for the supply of other products and services.

In the framework of the sale transaction of 80% of the investment in ENDESA Soluciones, S.L. subscribed on 11 May 2020, ENDESA Energía, S.A.U. has ceased to act as lessor in most of these operating lease contracts (see Notes 2.3 and 7).

Rental income recognised in the first half of 2019 totalled €3 million (€4 million in the first half of 2019).

During the six-month period ended 30 June 2020, ENDESA has not modified, renegotiated or cancelled clauses contained in those lease agreements in which it acts as lessor.

4.2. Main investments.

Details of investments in property, plant and equipment in the six months ended 30 June 2020 and 2019 are as follows:

Millions of euros

	Property, plant and equipment (1)	
	January - June 2020	January - June 2019
Generation and Supply	411	619
Distribution	235	220
Structure and Others (2)	71	4
TOTAL	**717**	**843**

(1) Does not include corporate acquisitions for the period.
(2) Structure, Services and Adjustments.

Gross investments in generation in the first half of 2020 relate mainly to investments for the construction of power plants based on renewable sources for an amount of €192 million. They also include the recognition of an asset for right of use, corresponding to the land where certain renewable generation facilities are located, for an amount of €65 million (see Note 4.1.1).

Gross investments in supply correspond mainly to the development of activity related to new products and services amounting to €8 million.

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

Gross investments in structure and other, include the recognition of an asset for right of use, corresponding to the renewal of the lease of ENDESA's head office, located in Ribera del Loira (Madrid) (see Note 4.1.1).

4.3. Acquisition commitments.

ENDESA had commitments to purchase property, plant and equipment for €830 million at 30 June 2020 (€851 million at 31 December 2019):

Millions of euros

	30 June 2020 (1) (2)	31 December 2019 (1) (2)
Generation and Supply	584 (3)	708
Distribution	246	143
Structure and Others (4)	-	-
TOTAL	**830**	**851**

(1) None of these amounts have been committed with Group companies nor correspond to joint ventures.
(2) It includes €221 million and €215 million, respectively, related to assets for use rights.
(3) It includes €32 million corresponding to auctions held in 2019, for the construction of renewable generation assets in the Non-Mainland Territories (TNP) of the Balearic and Canary Islands.
(4) Structure, Services and Adjustments

The commitments relating to generation assets mainly correspond to investments destined to the production base and will materialise after the second half of 2020.

In the 2019 financial year, ENDESA, through the company ENEL Green Power España, S.L.U. (EGPE), was awarded a power of 16.1 MW wind and 72.4 MW photovoltaic, in the 2 auctions carried out by the Ministry for the Ecological Transition and the Demographic Challenge and the Institute for Energy Diversification and Savings (IDAE), in the Non-Mainland Territories (TNP) of the Canary Islands and Balearic Islands, respectively.

Based on this and ENDESA's objective of reinforcing its presence in the Iberian generation market by expanding the portfolio of renewable assets in its production mix, as of 30 June 2020, it has committed €310 million to Material investments related to electrical energy production facilities from renewable sources, of which €32 million correspond to the auctions mentioned in the previous paragraph.

The commitments relating to distribution assets include investments aimed at expanding or improving the network, with a focus on digitalising the network, strengthening and increasing the resilience of assets, improving service quality and transforming processes and systems.

4.4. Other information.

Impairment test.

No significant net impairment losses were recognised on property, plant and equipment in the first half of 2020 and 2019 (see Notes 19.2.1 and 19.2.2).

Note 3e "Impairment of Non-Financial Assets" in the Notes to the Consolidated Financial Statements corresponding to the year ended 31 December 2019 establishes that, throughout the year and, in any case, on the closing date of the same, it is evaluated if there is any indication that an asset could have suffered an impairment loss, and, in such case, an estimate is made of the recoverable amount of said asset to determine, where appropriate, the amount of the necessary write-off.

In the current context, ENDESA is monitoring the evolution of macroeconomic and operating variables in order to monitor the impact of the COVID-19 health crisis on demand and prices for electricity and gas, in the short, medium and long term, and, where appropriate, assess whether there are signs of impairment.

As of 30 June 2020, taking into account the current evolution and the available information, ENDESA estimates that there are no indications of impairment that require updating the estimate of the recoverable value of the assets (see Note 3).

Insurance.

ENDESA and its subsidiaries have taken out insurance policies to cover the risk of damage to their property, plant and equipment and any claims that could be filed against them in their business activities. ENDESA believes that these policies provide sufficient coverage for the risks to which it is exposed.

During the period January-June 2020, ENDESA has not detected any significant impacts in relation to the insurance that it has formalised as of the date of approval of the Interim Condensed Consolidated Financial Statements corresponding to the six-month period ended 30 June 2020.

Other information.

No significant intangible assets were derecognised from this item in the Consolidated Statement of Financial Position in the six-month periods ended 30 June 2020 and 2019.

In accordance with the Resolutions of 29 June 2020 of the General Directorate for Energy Policy and Mines, ENDESA Generación, S.A.U. has received authorisation for the closure of the Teruel Thermal Power Plant (Teruel), and at the closure of generators 3, 4 and 5 of the Thermal Power Plant of Compostilla II (León), whose net book value as of that date was null. The closure must be made within a period of 12 months from the date of said Resolutions and its dismantling within a maximum period of 4 years from the date the closure becomes effective.

5. Intangible assets.

The composition of this item from the Consolidated Statement of Financial Position at 30 June 2020 and movements in the first half of 2020 were as follows:

Millions of euros

	Balance at 31 December 2019	Inclusion/(exclusion) of companies	Investments (Note 5.1)	Amortisation, and impairment losses (1)	Derecognitions	Transfers and other	Balance at 30 June 2020
Software applications	510	-	36	(59)	-	-	487
Concessions	36	-	-	1	(3)	-	34
Cost of customer acquisition	128	-	36	(20)	-	-	144
Others	701	-	-	(25)	-	-	676
TOTAL	**1,375**	**-**	**72**	**(103)**	**(3)**	**-**	**1,341**

(1) Includes the reversal of impairment losses for €2 million (see Note 19.2.1).

5.1. Main investments.

Details of investments in intangible assets in the six months ended 30 June 2020 and 2019 are as follows:

Millions of euros

	Intangible investments (1)	
	January - June 2020	January - June 2019
Generation and Supply	55	54
Distribution	11	15
Structure and Others (2)	6	9
TOTAL	**72**	**78**

(1) Does not include corporate acquisitions for the period.
(2) Structure, Services and Adjustments.

Gross investments in intangible assets in the first half of 2020 correspond to IT applications and ongoing investments in ICT activities for the sum of €36 million and the capitalisation of incremental costs incurred in the acquisition of customer contracts for the sum of €36 million.

5.2. Acquisition commitments.

At 30 June 2020, ENDESA had future commitments to purchase intangible assets amounting to €65 million (€27 million at 31 December 2019), corresponding primarily to computer software:

Millions of euros

	30 June 2020 (1)	31 December 2019 (1)
Generation and Supply	59	21
Distribution	-	-
Structure and Others (2)	6	6
TOTAL	**65**	**27**

(1) None of these amounts has been committed with Group companies nor corresponds to joint ventures.
(2) Structure, Services and Adjustments.

5.3. Other information.

Impairment test.

No significant impairment losses were recognised on intangible assets in the first half of 2020 and 2019 (see Notes 19.2.1 and 19.2.2).

As of 30 June 2020, taking into account the current evolution and the available information, ENDESA estimates that there are no indications of impairment that require updating the estimate of the recoverable value of the assets.

Other information.

No significant intangible assets were derecognised from this item in the Consolidated Statement of Financial Position in the six-month periods ended 30 June 2020 and 2019.

6. Goodwill

At 30 June 2020 and 31 December 2019, the composition of this item in the Consolidated Statement of Financial Position is as follows:

Millions of euros

	30 June 2020	31 December 2019
ENEL Green Power España, S.L.U. (EGPE) (1)	296	296
Eléctrica del Ebro, S.A.U. (2)	2	2
Empresa de Alumbrado Eléctrico de Ceuta, S.A. (2)	21	21
Systems and Telecommunications Activity (ICT) (3)	143	143
TOTAL	**462**	**462**

(1) Assigned to the Iberian Peninsula Generation Cash-Generating Unit (CGU) (see Note 19.2).
(2) Assigned to the Distribution Cash-Generating Unit (CGU) (see Note 19.2).
(3) Assigned to the Iberian Peninsula Generation Cash-Generating Unit (CGU) (€65 million), Distribution (€74 million) and ENDESA, S.A. (€4 million) (see Note 19.2).

All goodwill relates to the geographical area of Spain.

6.1. Other information.

Impairment test.

No significant impairment losses were recognised on intangible assets in the first half of 2020 and 2019 (see Notes 19.2.1 and 19.2.2).

As of 30 June 2020, taking into account the current evolution and the available information, ENDESA estimates that there are no indications of impairment that require updating the estimate of the recoverable value of the assets.

7. Investments accounted for using the equity method.

At 30 June 2020 and 31 December 2019, the composition of this item in the Consolidated Statement of Financial Position is as follows:

Millions of euros

	30 June 2020	31 December 2019
Associates	90	81
Joint Ventures	147	151
TOTAL	**237**	**232**

Details of ENDESA's main associates and joint ventures accounted for using the equity method and movements in the first half of 2020 are as follows:

Millions of euros

	Balance at 31 December 2019	Additions/(Exclusions) of companies	Investments or increases	Disposals or Reductions	Share of profit/(loss) of equity-accounted investees	Dividends	Transfers and other	Balance at 30 June 2020
Associates	**81**	**6**	**-**	**-**	**2**	**-**	**1**	**90**
Tecnatom, S.A.	31	-	-	-	1	-	-	32
Elcogas, S.A. (In Liquidation)	-	-	-	-	-	-	-	-
Gorona del Viento El Hierro, S.A.	12	-	-	-	-	-	-	12
Boiro Energía, S.A.	9	-	-	-	-	-	-	9
Compañía Eólica Tierras Altas, S.A.	9	-	-	-	-	-	-	9
ENDESA Soluciones, S.L.	-	6	-	-	-	-	-	6
Others	20	-	-	-	1	-	1	22
Joint Ventures	**151**	**-**	**-**	**-**	**9**	**(10)**	**(3)**	**147**
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	57	-	-	-	4	-	-	61
Front Marítim del Besòs, S.L.	37	-	-	-	-	-	-	37
Nuclenor, S.A.	-	-	-	-	-	-	-	-
Énergie Électrique de Tahaddart, S.A.	26	-	-	-	-	(2)	-	24
Suministradora Eléctrica de Cádiz, S.A.	11	-	-	-	1	-	-	12
Others	20	-	-	-	4	(8)	(3)	13
TOTAL	**232**	**6**	**-**	**-**	**11**	**(10)**	**(2)**	**237**

During the six-month period ended on 30 June 2020, the data for equity of associates and joint ventures used to prepare these Interim Condensed Consolidated Financial Statements correspond to the individual companies, except for Tecnatom, S.A., which correspond to its Consolidated Financial Statements.

These companies do not have publicly listed share prices.

ENDESA Soluciones, S.L.

On 3 April 2020, ENDESA Energía, S.A.U., as Sole Partner of ENDESA Soluciones, S.L., has agreed to a capital increase in said company for a total amount of €29 million materialised through a non-monetary contribution of assets dedicated to services value added and a monetary contribution, amounting to €27 million (see Note 4) and €2 million, respectively.

On May 11, 2020, ENDESA Energía, S.A.U. has sold 80% of its stake in ENDESA Soluciones, S.L. to Infracapital (3moon), S.L.U. for an amount of €21 million, net of the cash available in the company sold (see Note 18.2). The gross gain generated by the divestment transaction amounted to less than €1 million (see Note 2.3).

On 30 June 2020, ENDESA Energía, S.A.U. has sold assets dedicated to value-added services to ENDESA Soluciones, S.L. for an amount of €2 million, whose net book value was €3 million, generating a loss of €1 million.

8. Inventories.

At 30 June 2020 and 31 December 2019, the composition of this item in the Consolidated Statement of Financial Position is as follows:

Millions of euros

	30 June 2020	31 December 2019
Energy stocks:	509	591
Coal	88	115
Nuclear fuel	259	276
Fuel oil	73	90
Gas	89	110
Other inventories	297	290
Carbon dioxide (CO_2) emission rights	135	408
Value corrections	(88)	(112)
TOTAL	**853**	**1,177**

8.1. Carbon dioxide (CO_2) emission rights.

The 2019 and 2018 greenhouse gas (CO_2) emission rights were cancelled in the six-month periods ended 30 June 2020 and 2019, resulting in the derecognition of inventories of €364 million and €365 million, respectively (17 million tonnes and 31 million tonnes, respectively).

At 30 June 2020, the provision for rights to be delivered to cover these CO_2 emissions under current liabilities in the Consolidated Statement of Financial Position amounted to €105 million (€364 million at 31 December 2019) (see Note 12.1).

8.2. Acquisition commitments.

Inventory purchase commitments amounted to €20,337 million at 30 June 2020 (€19,578 million at 31 December 2019), of which a portion corresponds to agreements that have "take or pay" clauses.

Millions of euros

	Future purchase commitments at 30 June 2020 (1)						
	CO_2 emission rights (2)	Electricity	Nuclear fuel	Fuel oil	Gas	Others	Total
2020-2024	22	-	306	-	5,617	15	5,960
2025-2029	-	-	68	110	6,404	-	6,582
2030-2034	-	-	-	-	5,488	-	5,488
2035 – Other	-	-	-	-	2,307	-	2,307
TOTAL	**22**	**-**	**374**	**110**	**19,816**	**15**	**20,337**

(1) None of these amounts corresponds to joint ventures.
(2) Commitments with Group companies (Note 20.1.2)

At 30 June 2020 and 31 December 2019, commitments to acquire inventories includes the commitment to acquire liquefied natural gas under contracts arranged in 2014 with Corpus Christi Liquefaction, LLC, part of which are guaranteed by ENEL, S.p.A. (see Note 20.1.2).

The Company's Directors consider that ENDESA will be able to fulfil these obligations and, therefore, they do not expect any contingency to arise in this respect.

8.3. Other information.

Valuation adjustments.

In the first half of 2020, an impairment was recognised in respect of stocks of coal and other materials relating to the mainland coal-fired plants amounting to €9 million, in connection with the decommissioning of these facilities in the 2019 financial year.

Insurance.

ENDESA has taken out insurance policies to cover the risk of damage to its inventories. It considers that coverage provided by these policies is sufficient.

During the period January-June 2020, ENDESA has not detected significant impacts in relation to the insurance that it has formalised as of the date of approval of the Interim Condensed Consolidated Financial Statements corresponding to the six-month period ended 30 June 2020.

Other information.

At 30 June 2020 and at 31 December 2019, ENDESA had not pledged material amounts of inventories to secure the repayment of debts.

9. Trade and other receivables.

At 30 June 2020 and 31 December 2019, the composition of this item in the Consolidated Statement of Financial Position is as follows:

Millions of euros

	Notes	30 June 2020	31 December 2019
Customers for Sales & Services and other Debtors	**14**	**2,342**	**2,483**
Trade receivables for sales and services		2,283	2,479
Electricity trade receivables		1,824	1,891
Gas trade receivables		280	433
Receivables from other transactions		88	83
Receivables from Group Companies and Associates	20.1.3 and 20.2	91	72
Assets from contracts with customers		17	15
Other receivables		513	456
Other receivables from third parties		404	377
Other receivable from Group companies and associates	20.1.3	109	79
Value corrections	9.1	(471)	(467)
Trade receivables for sales and services		(382)	(369)
Assets from contracts with customers		(1)	(1)
Other receivables		(88)	(97)
Derivatives (1)	**14 and 14.3.1**	**731**	**563**
Hedging derivatives		249	163
Derivatives not designated as hedging instruments		482	400
Tax assets		**616**	**439**
Current income tax		517	291
Value added tax (VAT) receivable		83	133
Other taxes		16	15
TOTAL		**3,689**	**3,485**

(1) Includes €572 million with Group companies and associates at 30 June 2020 (€431 million at 31 December 2019) (see Notes 20.1.3 and 20.2).

Balances included under this item of the Consolidated Statement of Financial Position do not generally earn interest.

Since usual meter reading periods do not match the financial reporting date, ENDESA makes an estimate of unbilled sales made by its supply companies ENDESA Energía, S.A.U., Energía XXI Comercializadora de Referencia, S.L.U. and Energía Ceuta XXI Comercializadora de Referencia, S.L.U. which are pending billing.

At 30 June 2020, the cumulative balances of unbilled electricity and gas sales are recognised under Trade and other receivables of the accompanying Consolidated Statement of Financial Position and total €908 million and €237 million respectively (€876 million and €411 million, respectively, at 31 December 2019).

At 30 June 2020 and 31 December 2019, the current assets of contracts with customers mainly correspond to contracts for the execution of works arranged between ENDESA Ingeniería, S.L.U. and Red Eléctrica de España, S.A.U. (REE), which will be in force until 2025. In the first half of 2020, these assets generated income of €11 million recognised under the item "Sales" in the Consolidated Income Statement (€19 million in the first half of 2019).

At 30 June 2020, ENDESA has future service commitments in place for the amount of €24 million relating to contracts for the execution of works arranged with Red Eléctrica Española, S.A.U. (REE) (€20 million at 31 December 2019).

9.1. Other information.

Valuation adjustments.

During the six-month periods ended 30 June 2020 and 2019, movements in the item "Valuation adjustments" were as follows:

Millions of euros

	Notes	January - June 2020	January - June 2019
Opening balance		**467**	**474**
Charges	19.2.1 and 19.2.2	62	36
Applications		(58)	(67)
Closing balance		**471**	**443**

At 30 June 2020 and 2019, virtually all valuation adjustments relate to trade receivables for sales of electricity.

ENDESA, based on the judgment of experts and in accordance with the recommendations of the European Securities and Markets Authority (ESMA), has registered a prospective adjustment to incorporate the deterioration derived from the health crisis caused by the COVID-19 into the expected loss calculation and the containment measures adopted.

The effect of this adjustment has been a higher expense for allocating impairment losses on accounts receivable from contracts with customers amounting to €20 million compared to the same period of the previous year (see Note 3).

Other information.

Factoring transactions were carried out during the first half of 2020 and 2019. The undue balances at 30 June 2020 and 2019, amounted to €769 million and €601 million, respectively, which were derecognised from the Consolidated Statement of Financial Position. These transactions had costs of €11 million and €17 million, respectively, recognised under the item “Gains/(losses) on Sale of Assets” in the Consolidated Income Statement.

10. Cash and cash equivalents.

At 30 June 2020 and 31 December 2019, the composition of this item in the Consolidated Statement of Financial Position is as follows:

Millions of euros

	Notes	30 June 2020	31 December 2019
Cash in hand and at banks		379	223
Other Cash Equivalents		-	-
TOTAL	14	**379**	**223**

At 30 June 2020 and 31 December 2019, the breakdown of this item in the Consolidated Statement of Financial Position by currency is as follows:

Millions of euros

	Currency	
	30 June 2020	31 December 2019
Euro	377	221
Pound Sterling (GBP)	2	2
TOTAL	**379**	**223**

Short-term cash investments mature within 3 months from acquisition date and earn interest at market interest rates for this type of deposit.

There were no investments in sovereign debt at 30 June 2020 and 31 December 2019.

At 30 June 2020 and at 31 December 2019, the balance of cash and cash equivalents includes €9 million corresponding to the debt service reserve account set up by certain ENDESA renewable energy subsidiaries by virtue of the project finance loans arranged (see Note 13.2.3).

11. Equity and dividends.

At 30 June 2020 and 31 December 2019, the composition of this item in the Consolidated Statement of Financial Position is as follows:

Millions of euros

	Notes	30 June 2020	31 December 2019
Total equity of the Parent		**8,094**	**7,688**
Share capital	11.1	1,271	1,271
Issue premium		89	89
Legal reserve		254	254
Revaluation reserve		404	404
Other reserves		106	106
Valuation adjustments		141	59
Translation differences		1	1
Unrealised valuation adjustments		140	58
Reserve for actuarial gains and losses		(401)	(821)
Retained earnings		6,230	7,067
Interim dividend		-	(741)
Total equity of non-controlling interests		**152**	**149**
TOTAL EQUITY		**8,246**	**7,837**

In the six months ended 30 June 2020, ENDESA followed the same capital management policy as described in Note 14.1.11 to the consolidated financial statements for the year ended 31 December 2019.

ENDESA's credit ratings assigned by credit rating agencies, reflecting investment grade levels, are as follows:

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

(1) At the respective dates of approval of the Consolidated Financial Statements.

The Parent's Directors consider that the ratings assigned by the agencies would enable the Parent to tap the financial markets on reasonable terms if need be.

11.1. Share capital.

At 30 June 2020 and 31 December 2019, ENDESA, S.A. had share capital of €1,270,502,540.40, represented by 1,058,752,117 shares with a par value of €1.20 each, subscribed and fully paid and all admitted to trading on the Spanish stock exchanges.

At 30 June 2020 and 31 December 2019, ENEL Group, through ENEL Iberia, S.L.U., held 70.101% of ENDESA, S.A.'s share capital.

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

11.2. Reserve for actuarial gains and losses.

At 30 June 2020 and at 31 December 2019, the amounts registered in this reserve derived from actuarial gains and losses recognised in equity (see Note 12.1.1).

11.3. Dividends

Approval was given at ENDESA, S.A.'s General Shareholders' Meeting of 5 May 2020 to pay shareholders a total dividend for 2019 in a gross amount of €1.475 per share, representing a total of €1,562 million. The breakdown of these dividends is as follows:

Millions of euros

	Notes	Approval date	Euros per share, gross	Amount	Payment date
Interim dividend	18.3	26 November 2019	0.700	741	2 January 2020
Final dividend		5 May 2020	0.775	821	1 July 2020
Total dividend paid against 2019 profit	**17**		**1.475**	**1,562**	

12. Non-current and current provisions

12.1. Non-current and current provisions

At 30 June 2020 and 31 December 2019, the composition of the Non-current provisions and current provisions on the Consolidated Statement of Financial Position is as follows:

Millions of euros

	Notes	30 June 2020		31 December 2019	
		Non-current	Current	Non-current	Current
Provisions for Pensions and other Similar Provisions	12.1.1	609	-	1,148	-
Provisions for workforce restructuring plans	12.1.2	518	181	496	181
Workforce reduction plans		47	36	60	57
Contracts suspensions		471	145	436	124
Carbon dioxide (CO_2) emission rights	8.1	-	105	-	364
Other provisions	12.1.3	1,927	27	2,042	31
TOTAL		**3,054**	**313**	**3,686**	**576**

12.1.1. Provisions for pensions and other similar obligations

Net actuarial liabilities.

The breakdown of the net actuarial liability at 30 June 2020 and 2019 and its movements during the first half of 2020 and 2019 were as follows:

Millions of euros

	January - June 2020	January - June 2019
Opening Net Actuarial Liability	**1,148**	**989**
Net interest expense	4	8
Service costs in the period	6	6
Benefits paid in the period	(7)	(17)
Contributions in the period	(3)	(3)
Other movements	(516) (1)	(3)
Actuarial (gains) losses arising from changes in demographic assumptions	-	-
Actuarial (gains) losses arising from changes in financial assumptions	1	214
Actuarial (gains) losses arising from experience adjustments	(48)	45
Actuarial return on plan assets excluding interest expense	24	(40)
Changes in consolidation scope	-	-
Closing Net Actuarial Liability (2)	**609**	**1,199**

(1) It includes €515 million corresponding to the difference between the valuation of the previous actuarial liability and of the new actuarial liability as of the effective date of the "5th ENDESA Framework Collective Agreement", considering the new commitments assumed in relation, mainly, to electricity supply.
(2) Includes post-employment benefits other than pension plans for €342 million at 30 June 2020 (€908 million at 30 June 2019).

Actuarial assumptions.

The assumptions used when calculating the actuarial liability in respect of uninsured defined benefit obligations at 30 June 2020 and 31 December 2019 were as follows:

	30 June 2020	31 December 2019
Interest Rate	1.07% - 1.13%	1.07% - 1.14%
Mortality Tables	PERM / F2000	PERM / F2000
Expected return on plan assets	1.08%	1.09%
Salary increase(1)	0.00% - 1.00%	2.00%
Increase in the cost of health care	3.20%	3.20%

(1) Benchmark percentage for estimating salary increases.

The interest rate applied to discount the commitments is obtained from a curve constructed using the yields on corporate bond issues by companies with a “AA” credit rating and based on the estimated term over which the obligations deriving from each commitment will be settled.

Plan assets.

The main categories of defined benefit plan assets as a percentage of total assets, at 30 June 2020 and 31 December 2019 are as follows:

Percentage (%)

	30 June 2020	31 December 2019
Fixed income assets (1)	48	51
Equities (1)	34	35
Investment property and other	18	14
TOTAL	**100**	**100**

(1) Includes shares and bonds of ENEL Group companies in the amount of €26 million at 30 June 2020 (€22 million at 31 December 2019).

The breakdown of the fair value of fixed income securities by geographical area at 30 June 2020 and 31 December 2019 is as follows:

Millions of euros

Country	30 June 2020	31 December 2019
Spain	52	81
United States	48	27
Luxembourg	38	34
Italy	27	39
Germany	17	22
France	16	19
United Kingdom	16	16
Netherlands	5	7
Belgium	1	2
Other	52	66
TOTAL	**272**	**313**

At 30 June 2020 and 31 December 2019, the value of defined benefit plan assets placed in sovereign debt instruments is as follows:

Millions of euros

Country	30 June 2020	31 December 2019
Spain	32	52
Italy	15	26
France	3	4
Germany	1	3
Other	31	23
TOTAL	**82**	**108**

Shares and fixed income instruments have quoted prices in active markets. The expected return on plan assets was estimated taking into account forecasts for the main fixed income and equity markets and assuming that the various asset classes would have similar weights to those of the preceding year. The average real rate of return in the first half of 2020 was -4.12% (+9.33% in the 2019 financial year).

Currently, the investment strategy and risk management are the same for all plan participants, with no correlation strategy between assets and liabilities.

The classification of defined benefit plan assets measured at fair value by fair value hierarchy at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

	30 June 2020				31 December 2019			
	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Defined benefit plan assets	566	487	47	32	614	522	51	41

The valuation of assets classified as Level 3 is determined based on valuation reports prepared by the corresponding management company.

Amounts recognised in the consolidated income statement and consolidated statement of other comprehensive income.

In the first half of 2020 and 2019, amounts recognised for defined-benefit and defined contribution pension obligations in the Consolidated Income Statement were as follows:

Millions of euros

	January - June 2020	January - June 2019
Plan assets	**505**	**(14)**
Current Cost during the Period (1)	(6)	(6)
Net finance costs	(4)	(8)
Other Current Costs During the Period	515 (2)	-
Defined contribution	**(25)**	**(23)**
Current Cost during the Period (3)	(25)	(23)
TOTAL	**480**	**(37)**

(1) In the first half of 2020, it includes €2 million of the current cost relating to employees who opted to take early retirement, which had been recognised previously under the item "Provisions for workforce restructuring plans" and transferred during the period to the item "Provisions for Pensions and Other Similar Obligations" (€3 million in the first half of 2019).
(2) Corresponds to the difference between the valuation of the previous actuarial liability and of the new actuarial liability as of the effective date of the "5th ENDESA Framework Collective Agreement", considering the new commitments assumed in relation, mainly, to electricity supply.
(3) In the first half of 2020 and 2019, €16 million and €16 million were also contributed, respectively, which had been previously included under provisions for workforce restructuring plans.

In the first half of 2020 and 2019, amounts recognised for defined-benefit pension obligations in the Consolidated Statement of Other Comprehensive Income are as follows:

Millions of euros

	January - June 2020	January - June 2019
Actuarial return on plan assets excluding interest expense	(24)	40
Actuarial gains and losses	47	(259)
TOTAL	**23**	**(219)**

Other information.

After more than two years of fruitless negotiations, on 4 December 2019, the majority trade union in ENDESA, General Workers Union (UGT), and ENDESA agreed to submit to a "binding equity arbitration" some of the most significant aspects discussed in the negotiation of the "5th ENDESA Framework Collective Agreement".

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

In accordance with the agreement between the parties, the content of the Arbitration Award and other aspects resulting from the agreement at the negotiating table not submitted to arbitration were incorporated into the “5th ENDESA Framework Collective Agreement” which was approved and signed by the Company and the Trade Union Section of the General Workers’ Union (UGT), and has general effect since 23 January 2020, being published in the Official State Gazette on 17 June 2020. Also on 23 January 2020, the new “Framework Agreement on Guarantees” and “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts” were signed, in this case by all the unions represented in ENDESA.

The “5th ENDESA Framework Collective Agreement” establishes changes to certain social benefits, basically the one corresponding to the electricity rate for employees, also including retired personnel, which led to the following accounting entries:

- Valuation of the previous actuarial liability for the uninsured defined benefit commitments at the effective date of the “5th ENDESA Framework Collective Agreement”, which had a positive impact of €10 million on the Consolidated Statement of Other Comprehensive Income for the six-month period up to 30 June 2020.
- Valuation of the new actuarial liability at the effective date of the “5th ENDESA Framework Collective Agreement”, taking account of the new commitments assumed, mainly in relation to electricity supply, which had a positive impact of €515 million on the Consolidated Income Statement for the six-month period ended on 30 June 2020 (€386 million net of the tax effect).

Additionally, as at 30 June 2020, ENDESA has updated the actuarial liability for defined benefit commitments with a net positive impact of €7 million, in the Statement of Other Consolidated Global Income for the period January-June 2020.

12.1.2. Provisions for workforce restructuring plans.

In the first half of 2020, the movement of the non-current provisions for workforce restructuring plans was as follows:

Millions of euros

	Workforce reduction plans	Contract suspensions	Total
Balance at 31 December 2019	**60**	**436**	**496**
Amounts charged to the Income Statement of the period	**(18)**	**133**	**115**
Personnel Expenses	(18)	134	116
Net financial profit/(loss)	-	(1)	(1)
Transfers to Short-Term and Others	5	(98)	(93)
Balance at 30 June 2020	**47**	**471**	**518**

Actuarial assumptions.

The assumptions used in the actuarial calculation of the obligations arising under these workforce restructuring plans at 30 June 2020 and 31 December 2019 were as follows:

	Workforce restructuring plans		Contracts suspensions	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Interest Rate	0.31%	0.27%	0.31%	0.27%
Future increase in guarantee	N/A	N/A	1.00%	2.00%
Increase in other items	N/A	N/A	2.00%	2.00%
CPI	2.00%	2.00%	N/A	N/A
Salary Review	1.00%	2.00%	Na	Na
Mortality Tables	PERM / F2000	PERM / F2000	PERM / F2000	PERM / F2000

Other information.

On 28 January 2020, ENDESA informed the union representation that it will not exercise its power to terminate from the individual pact to suspend the employment relationship for certain individual contracts signed with employees under the “Agreement on Voluntary Measures of Suspension or Termination of Employment Contracts”. For this reason, ENDESA has recorded in the semester period ended 30 June 2020 the cost that it must assume during the period for which, in accordance with this commitment, it cannot prevent the contract from being suspended for an amount of €159 million (€119 million, net of tax effect).

12.1.3. Other provisions.

In the first half of 2020, the movement in the item “Other non-current provisions” was as follows:

Millions of euros

	Notes	Provisions for litigation, termination benefits and other legal or contractual obligations	Provisions for decommissioning costs	Total
Balance at 31 December 2019		**510**	**1,532**	**2,042**
Operating expenses		-	(4)	(4)
Charges		42	-	42
Reversals		(42)	(4)	(46)
Net financial profit/(loss)		2	1	3
Net provisions charged to property, plant and equipment	4	-	(99)	(99)
Payments		(2)	(6)	(8)
Transfers and other		(5)	(2)	(7)
Balance at 30 June 2020		**505**	**1,422**	**1,927**

This item includes, inter alia, the costs that ENDESA must incur to dismantle some of its plants and certain electricity distribution facilities. The interest rates applied for the financial update of these charges, depending on the remaining useful life of the associated asset, have been placed in the following ranges:

%

	30 June 2020	31 December 2019
Discount Rate	0.0 – 0.1	0.0 – 1.3

At 30 June 2020, there were no provisions for onerous contracts.

12.2. Litigation, arbitration and contingent assets.

The main changes in litigation and arbitration proceedings involving ENDESA companies in the six months ended 30 June 2020 from those described in Note 16.3 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2019 are as follows:

– On 11 May 2009, the Ministry for Energy, Tourism and Digital Agenda (currently Ministry for the Ecological Transition and the Demographic Challenge) issued a Ministerial Order imposing four distinct fines, for a combined value of €15 million, on ENDESA Generación, S.A.U. as the operator of the Ascó I nuclear plant, in connection with a radioactive particle leak in December 2007, on the basis that the company had committed four serious violations contrary to the Nuclear Energy Act, Law 25/1964, of 29 April. This Order was appealed against before the High Court, and on 1 December 2009 it ruled to stay the execution of the decision under challenge. ENDESA paid into court a bank guarantee covering the value of the fine. At the date of authorisation of these Consolidated Condensed Interim Financial Statements, the Spanish High Court has suspended the appeal proceedings under its ruling of 6 April 2011, for as long as the decision on the criminal proceedings 111/2011 remain pending at the Court of First Instance no. 1 in Gandesa (Tarragona). In addition, the Director General of Energy Policy and Mines imposed two fines of a combined value of €90,000 for minor infringements relating to the same incidents. These fines were contested in administrative proceedings, and later in judicial review and with respect to which a) regarding that of €15,000, appealed against before the Central Judicial Review Court, a Judgement was handed down on 3 July 2012, dismissing the appeal and the fine was paid, and b) the fine of €75,000 was appealed against before the Madrid High Court of Justice, judicial review number 189/2010, and the procedure was suspended by the Order of 16 July 2012, due to the existing criminal proceedings. As for criminal proceedings, by Order of 25 May 2018, of the Court of Gandesa, the Preliminary Investigation in Summary Proceedings are transformed for transfer to the Prosecutor and accusations of the scope of the accusation and they request oral judgement (or dismissal) in 5 days, or exceptionally additional proceedings. It alludes to the complexity of the enormous evidence produced and contradiction of the opinions, which could only be resolved in the oral proceedings. On 7 June 2018, an appeal was filed by the Ascó-Vandellós II Nuclear Association, AIE, before the Provincial Court of Tarragona, which issued an order dated 8 May 2020 in which it upholds the Appeal. The complaint made was dismissed, as the Provincial Court considered that the result of the tests did not establish that the alleged crimes had been committed and that it had not been established that exposure to ionising radiation had caused serious danger to the life or health of the people, or for the environment. Neither had it been proven that there was commission of a crime against the health of the 316 workers, nor of documentary falsification. Now the proceedings in the contentious-administrative appeals filed against the aforementioned sanctions will be reopened.

– A lawsuit regarding the proceedings initiated by the Inspection in 2017 of ENEL Green Power España, S.L.U. (EGPE) is ongoing (EGPE) in relation to the Corporate Income Tax for the financial years 2010 to 2013. The main issue under discussion concerns the applicability or otherwise of the tax neutrality regime to the merger of ENEL Green Power España, S.L.U. (EGPE) by absorption of ENEL Unión Fenosa Renovables, S.A. in 2011. On 10 December 2019, a dismissal resolution was obtained from the Central Economic-Administrative Court on the Corporate Income Tax for 2011 (as regards the position of ENEL Green Power España, S.L.U. (EGPE) as successor to ENEL Unión Fenosa Renovables, SA) and it has been decided to file an appeal before the National High Court. Likewise, on 16 June 2020, a partial resolution was received for the Corporate Income Tax for the financial years 2010 to 2013, where the effects of the application of the tax neutrality regime in that period are discussed, which, in the same way, has decided to continue appealing before the National High Court. There is a guarantee covering the suspension of the debt.

The Directors of ENDESA consider that the provisions recognised in the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020 adequately cover the risks relating to litigation, arbitration and claims, and do not expect these issues to give rise to any liability not already provided for.

Given the nature of the risks covered by these provisions, it is impracticable to determine a reasonable timetable of payment dates, if any.

During the six-month period ended on 30 June 2020, the amounts paid in connection with litigation in the six-month period ended 30 June 2019 totalled €1 million (€50 million paid in the six-month period ended 30 June 2019).

13. Financial debt.

13.1. Current and non-current borrowings.

The composition of the item "Current borrowings" and "Non-current borrowings" on the Consolidated Statement of Financial Position at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

	30 June 2020				
	Nominal Value	Carrying amount			Fair value
		Non-current	Current	Total	
Bonds and other negotiable securities	1,358	20	1,346	1,366	1,366
Bank borrowings	2,237	2,134	101	2,235	2,347
Other borrowings (1)	3,846	3,766	80	3,846	4,406
Total borrowings excluding derivatives	**7,441**	**5,920**	**1,527**	**7,447**	**8,119**
Derivatives	865	32	-	32	32
TOTAL	**8,306**	**5,952**	**1,527**	**7,479**	**8,151**

(1) Includes financial debts associated with non-current usage rights (€748 million) and current (€60 million) (see Note 4.1).

Millions of euros

	31 December 2019				
	Nominal Value	Carrying amount			Fair value
		Non-current	Current	Total	
Bonds and other negotiable securities	808	20	796	816	816
Bank borrowings	2,010	1,943	65	2,008	2,146
Other borrowings (1)	3,762	3,669	93	3,762	4,251
Total borrowings excluding derivatives	**6,580**	**5,632**	**954**	**6,586**	**7,213**
Derivatives	900	20	1	21	21
TOTAL	**7,480**	**5,652**	**955**	**6,607**	**7,234**

(1) Includes financial debts associated with non-current rights of use (€646 million) and current (€64 million) (see Note 4.1).

At 30 June 2020, the breakdown of the nominal value of borrowings, excluding derivatives by maturity, was as follows:

Millions of euros

	Carrying amount at 30 June 2020	Nominal Value		Maturities				
		Current	Non-current	2020	2021	2022	2023	Subsequent
Bonds and other negotiable securities	1,366	1,346	12	1,346	-	-	-	12
Bank borrowings	2,235	101	2,136	57	89	490	190	1,411
Other financial liabilities	3,846	80	3,766	45	68	62	58	3,613
TOTAL	**7,447**	**1,527**	**5,914**	**1,448**	**157**	**552**	**248**	**5,036**

The movement in the nominal value of non-current borrowings excluding derivatives in the six months ended 30 June 2020 is as follows:

Millions of euros

	Nominal value at 31 December 2019	Does not create cash flows		Creates cash flows		Nominal value at 30 June 2020
		Additions/(Disposals)	Transfers	Repayments and redemptions (Note 18.3)	New borrowings (Note 18.3)	
Bonds and other negotiable securities	12	-	-	-	-	12
Bank borrowings	1,945	-	(47)	(69)	307	2,136
Other financial liabilities	3,669	133	(33)	(505)	502	3,766
TOTAL	**5,626**	**133**	**(80)**	**(574)**	**809**	**5,914**

The movement in the nominal value of current borrowings excluding derivatives in the six months ended 30 June 2020 is as follows:

Millions of euros

	Nominal value at 31 December 2019	Does not create cash flows		Creates cash flows		Nominal value at 30 June 2020
		Additions/(Disposals)	Transfers	Repayments and redemptions (Note 18.3)	New borrowings (Note 18.3)	
Bonds and other negotiable securities	796	-	1	(7,881)	8,430	1,346
Bank borrowings	65	-	47	(14)	3	101
Other financial liabilities	93	1	31	(63)	18	80
TOTAL	**954**	**1**	**79**	**(7,958)**	**8,451**	**1,527**

The average interest on gross financial debt in the six months ended 30 June 2020 and 2019 was 1.8% and 2.0%, respectively.

13.2. Other matters.

13.2.1. Liquidity.

At 30 June 2020, ENDESA's liquidity stood at €4,469 million (€3,300 million at 31 December 2019) as detailed below:

Millions of euros

	Notes	Liquidity	
		30 June 2020	31 December 2019
Cash and Cash Equivalents	10	379	223
Unconditional availability in credit facilities (1)		4,090	3,077
TOTAL		**4,469**	**3,300**

(1) At 30 June 2020 and 31 December 2019, €1,000 million correspond to the credit facility available with ENEL Finance International, N.V. In addition, at 30 June 2020, €700 million correspond to the credit facility available with ENEL Finance International, N.V. (see Notes 13.2.2 and 20.1.2).

The undrawn credit facilities guarantee the refinancing of current borrowings presented under the item “Non-Current Borrowings” in the accompanying Consolidated Statement of Financial Position, which amounted to €32 million at 30 June 2020 (€29 million at 31 December 2019) (see Note 13.1).

The amount of these credit facilities, together with the current assets, provides sufficient coverage of ENDESA's short-term payment obligations (see Note 15.2).

13.2.2. Main transactions

As of the date of approval of these Interim Condensed Consolidated Financial Statements ENDESA has not had to resort to refinancing processes for its financial debt as a consequence of the health crisis caused by COVID-19 (see Note 3).

In the first half of 2020, ENDESA S.A. registered a new Euro Commercial Paper (ECP) SDG7 issuance programme for €4,000 million, with the outstanding balance at 30 June 2020 equal to €1,346 million, renewable with the backing of irrevocable bank credit lines. This programme incorporates, for the first time, sustainability objectives in line with ENDESA's Strategic Plan.

To strengthen its liquidity position and ensure the continuity of business activity, the following financial transactions were formalised during the first half of 2020:

Millions of euros

	Notes	Counterparty	Date of Signing	Expiry Date	Amount
Loan (1)		Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	300
Credit Line (1)		Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	250
Intercompany Line of Credit	20.1.2	ENEL Finance International, N.V.	3 June 2020	3 June 2022	700
TOTAL					**1,250**

(1) Include sustainability clauses.

13.2.3. Financial stipulations.

Certain ENDESA subsidiaries are subject to compliance with certain obligations stipulated in their financing contracts (covenants) that are standard in contracts of this nature.

At 30 June 2020, neither ENDESA, S.A. nor any of its subsidiaries were in breach of their financial obligations or of any type of obligation that might give rise to early maturity of their financial commitments.

ENDESA's Directors do not consider that these clauses will change the current/non-current classification in the accompanying Consolidated Statement of financial position at 30 June 2020.

Financial stipulations.

The financing contracts of ENDESA, S.A. and International ENDESA B.V., which carry out the bulk of ENDESA's financing activity in Spain, contain no obligations whereby failure to maintain certain financial ratios would lead to breach of contract and early termination.

Bond issues by International ENDESA, B.V. under its "Global Medium Term Notes" programme and bank financing arranged by ENDESA, S.A. contain the following clauses:

– Negative pledge clauses, whereby neither the issuers nor ENDESA, S.A. may issue mortgages, liens or other encumbrances on their assets to secure certain types of bonds, unless similar guarantees are issued on the bonds in question.

– *Pari passu* clauses, whereby the debts and guarantees have at least the same ranking as any other existing or future unsecured or non-subordinated debts issued by ENDESA, S.A. as guarantor, or by the issuers.

In the case of outstanding bond issues made by International ENDESA B.V. under its "Global Medium Term Notes" programmes (€12 million outstanding at 30 June 2020 and 31 December 2019) these contain:

– Cross-default clauses, whereby debt must be prepaid in the event of default (over and above a certain amount) on the settlement of certain obligations of ENDESA, S.A. as guarantor, or of the issuers.

Credit rating clauses.

At 30 June 2020 and 31 December 2019, ENDESA, S.A. had entered into financial transactions with the European Investment Bank (EIB) and with the "Instituto de Crédito Oficial" ("ICO") amounting to €1,702 million, which could require additional guarantees or renegotiation if its credit rating were downgraded to below certain levels.

Clauses related to the change of control.

At 30 June 2020, ENDESA, S.A. has loans and other borrowings from banks and ENEL Finance International, N.V. of approximately €7,058 million, with an outstanding debt of €5,108 million, which might have to be repaid early in the event of a change of control over ENDESA, S.A. (€5,814 million and €4,814 million, respectively, at 31 December 2019).

Clauses related to the assignment of assets.

Part of the debt of ENDESA S.A. includes restrictions if a certain percentage of ENDESA's consolidated assets is surpassed, which varies for the related transactions from 7% to 10%.

Above these percentages, restrictions would generally apply only if no equivalent consideration were received or if ENDESA, S.A.'s solvency were to be significantly and negatively affected.

As at 30 June 2020 and 31 December 2019, the amount of financial debt affected by these clauses amounts to €1,808 million.

Project financing.

At 30 June 2020, certain ENDESA subsidiaries operating in the renewable energy business and financed through project finance had financial debt of €84 million (€91 million at 31 December 2019) (see Note 22.1), which included the following clauses:

- These debts and their associated derivatives with a negative net market value of €2 million (€3 million at 31 December 2019) might have to be settled early as a result of a change of control.

- Pledges of shares granted as assurance of compliance with obligations under contract to financial institutions for the amount of the outstanding borrowings.

- Restrictions of sales of assets consisting of obtaining the authorisation of most lenders, and in certain cases, of allocating the amount of their sale to repay debt.

- Restrictions in the distribution of profits to shareholders, subject to the fulfilment of certain conditions.

- The obligation to recognise a debt service reserve account (see Note 10).

Clauses related to compliance with ratios.

At 30 June 2020, certain ENDESA subsidiaries that operate in the renewable generation business were obliged to comply with specific annual debt servicing coverage ratios (ADSCR). Regarding the same, all the outstanding debt as at 30 June 2020 complies with said ratios.

14. Financial instruments,

The classification of financial instruments in the consolidated statement of financial position at 30 June 2020 and 31 December 2019 is as follows:

Millions of euros

	Notes	30 June 2020		31 December 2019	
		Non-current	Current	Non-current	Current
Financial asset instruments					
Derivatives	14.3.1	264	731	96	563
Financial Assets		835	1,188	812	1,215
Customers for Sales & Services and other Debtors	9	-	2,342	-	2,483
Cash and Cash Equivalents	10	-	379	-	223
TOTAL	**14.1**	**1,099**	**4,640**	**908**	**4,484**
Financial liability instruments					
Derivatives	14.3.2	135	558	45	462
Borrowings	13.1	5,920	1,527	5,632	954
Other liabilities		633	-	653	-
Trade Payables and Other Current Liabilities	17	-	4,624	-	5,587
TOTAL	**14.2**	**6,688**	**6,709**	**6,330**	**7,003**

14.1. Classification of financial asset instruments.

The classification of financial asset instruments by class and category in the consolidated statement of financial position at 30 June 2020 and 31 December 2019 is as follows:

Millions of euros

	Notes	30 June 2020		31 December 2019	
		Non-current	Current	Non-current	Current
Financial assets measured at amortised cost		**829**	**3,909**	**807**	**3,921**
Financial Assets		829	1,188	807	1,215
Customers for Sales & Services and other Debtors	9	-	2,342	-	2,483
Cash and Cash Equivalents	10	-	379	-	223
Financial assets at fair value with changes through profit and loss		**59**	**482**	**14**	**400**
Equity instruments	14.3.1	6	-	5	-
Derivatives not designated as hedging instruments	14.3.1	53	482	9	400
Financial assets at fair value with changes through Other Comprehensive Income		-	-	**-**	**-**
Hedging derivatives	**14.3.1**	**211**	**249**	**87**	**163**
TOTAL		**1,099**	**4,640**	**908**	**4,484**

In the current context, ENDESA has not modified its business model and the characteristics of the contractual cash flows of its financial assets have not been significantly modified, therefore there has been no reclassification between their categories.

14.2. Classification of financial liabilities instruments.

The classification of financial liabilities instruments by class and category in the consolidated statement of financial position at 30 June 2020 and 31 December 2019 is as follows:

Millions of euros

	Notes	30 June 2020		31 December 2019	
		Non-current	Current	Non-current	Current
Financial liabilities measured at amortised cost		**6,533**	**6,151**	**6,265**	**6,541**
Borrowings	13.1	5,900	1,527	5,612	954
Other liabilities		633	-	653	-
Trade Payables and Other Current Liabilities	17	-	4,624	-	5,587
Financial liabilities at fair value with changes through profit or loss		**40**	**342**	**28**	**283**
Financial Debt (1)	13.1 and 14.3.2	20	-	20	-
Derivatives not designated as hedging instruments	14.3.2	20	342	8	283
Hedging derivatives	**14.3.2**	**115**	**216**	**37**	**179**
TOTAL		**6,688**	**6,709**	**6,330**	**7,003**

(1) Corresponds in its entirety to financial liabilities that, from the start of the transaction, are underlyings of fair value hedges and are measured at fair value with changes through profit and loss.

14.3. Fair value measurement.

14.3.1. Fair value measurement of categories of financial assets.

The classifications of financial assets measured at fair value in the consolidated statements of financial position by fair value hierarchy at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

	Notes	30 June 2020				31 December 2019			
		Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Equity instruments	14.1	6	-	-	6	5	-	-	5
Debt derivatives	14	8	-	8	-	7	-	7	-
Interest rate hedges		8	-	8	-	7	-	7	-
Fair value hedges		8	-	8	-	7	-	7	-
Physical Derivatives	14	256	11	211	34	89	4	85	-
Foreign currency hedges		17	-	17	-	18	-	18	-
Cash flow hedges		17	-	17	-	18	-	18	-
Price hedges		186	4	148	34	62	-	62	-
Cash flow hedges		186	4	148	34	62	-	62	-
Derivatives not designated as hedging instruments	14.1	53	7	46	-	9	4	5	-
Total non-current assets		**270**	**11**	**219**	**40**	**101**	**4**	**92**	**5**
Physical Derivatives	9 and 14.1	731	57	673	1	563	39	524	-
Foreign currency hedges		48	-	48	-	55	-	55	-
Cash flow hedges		48	-	48	-	55	-	55	-
Price hedges		201	19	181	1	108	11	97	-
Cash flow hedges		201	19	181	1	108	11	97	-
Derivatives not designated as hedging instruments		482	38	444	-	400	28	372	-
Inventories	8	2	2	-	-	3	2	1	-
Total current assets		**733**	**59**	**673**	**1**	**566**	**41**	**525**	**-**

14.3.2. Fair value measurement of categories of financial liabilities.

The classifications of financial assets measured at fair value in the Consolidated Statements of Financial Position by fair value hierarchy at 30 June 2020 and 31 December 2019 were as follows:

Millions of euros

	Notes	30 June 2020				31 December 2019			
		Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
Bonds and other negotiable securities	14.2	20	-	20	-	20	-	20	-
Debt derivatives	13.1 and 14	32	-	32	-	20	-	20	-
Interest rate hedges		30	-	30	-	17	-	17	-
Cash flow hedges		30	-	30	-	17	-	17	-
Derivatives not designated as hedging instruments		2	-	2	-	3	-	3	-
Physical Derivatives	14	103	4	80	19	25	2	23	-
Foreign currency hedges		25	-	25	-	1	-	1	-
Cash flow hedges		25	-	25	-	1	-	1	-
Price hedges		60	-	41	19	19	-	19	-
Cash flow hedges		60	-	41	19	19	-	19	-
Derivatives not designated as hedging instruments	14.2	18	4	14	-	5	2	3	-
Total non-current liabilities	**14.2**	**155**	**4**	**132**	**19**	**65**	**2**	**63**	**-**
Debt derivatives	13.1 and 14	-	-	-	-	1	-	1	-
Derivatives not designated as hedging instruments	14.2	-	-	-	-	1	-	1	-
Physical Derivatives	14 and 17	558	76	482	-	460	71	389	-
Foreign currency hedges		8	-	8	-	5	-	5	-
Cash flow hedges		8	-	8	-	5	-	5	-
Price hedges		208	26	182	-	173	32	141	-
Cash flow hedges		208	26	182	-	173	32	141	-
Derivatives not designated as hedging instruments	14.2	342	50	292	-	282	39	243	-
Other hedges	14 and 17	-	-	-	-	1	-	1	-
Total current liabilities	**14.2**	**558**	**76**	**482**	**-**	**462**	**71**	**391**	**-**

14.3.3. Other matters.

In the six-month period ended 30 June 2020, ENDESA used the same hierarchy levels to measure the fair value of non-current and current assets and liabilities as those detailed in Note 3o to the consolidated financial statements for the year ended 31 December 2019, with no transfers between levels.

In addition, in the six months ended 30 June 2020, ENDESA used the same valuation standards to establish the fair value as those detailed in Note 3g.5 and 3o to the Consolidated Financial Statements for the year ended 31 December 2019.

In the current context, at 30 June 2020, ENDESA has checked to make sure that they continue to meet the criteria established by the regulations for applying hedge accounting.

During the first half of 2020, the movement of derivative financial instruments valued at Level 3 fair value is as follows:

Millions of euros

	January - June 2020
Opening balance	**-**
Gains/(losses) in the Consolidated Income Statement	-
Gains/(losses) recognised in Other Comprehensive Income	16
Closing balance	**16**

The fair value of the derivative financial instruments classified in Level 3 has been determined by applying the discounted cash flow method. In the projections of these cash flows, they are considered, in the short and medium term, the market curves, otherwise, for the long term, the construction methodology of a model based on mathematical hypotheses of the market evolution is used, based on ENDESA's experience in the markets in which it operates and, where the prices that will be under energy production premises are determined, considering the different production technologies, and their operating and maintenance costs.

At 30 June 2020, none of the possible foreseeable scenarios of the above assumptions would result in a significant change in the fair value of the financial instruments classified in this Level.

15. Risk management policy.

In the six months ended 30 June 2020, ENDESA followed the same general risk management policy as described in Note 19 to the consolidated financial statements for the year ended 31 December 2019.

15.1. Interest rate, exchange rate and commodity price risks

The financial instruments and hedging classes have the same characteristics as those described in the Consolidated Financial Statements for the year ended 31 December 2019.

The derivatives held by ENDESA relate mainly to transactions arranged to hedge interest rate risk, foreign currency risk or the price risk on commodities such as fuel oil and on electricity, CO_2 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 checked to make sure that they continue to meet the criteria established by the regulations for applying hedge accounting.

15.2. Liquidity risk.

As at 30 June 2020 and 31 December 2019, ENDESA's liquidity position has undergone significant changes and is as follows:

Millions of euros

	Notes	Liquidity			
		30 June 2020	31 December 2019	Difference	% Var.
Cash and Cash Equivalents	10	379	223	156	70.0
Unconditional availability in credit facilities (2)		4,090	3,077	1,013	32.9
TOTAL		**4,469**	**3,300**	**1,169**	**35.4**

(1) At 30 June 2020 and 31 December 2019, €1,000 million correspond to the credit facility available with ENEL Finance International, N.V. In addition, at 30 June 2020, €700 million correspond to the credit facility available with ENEL Finance International, N.V. (see Notes 13.2.1, 13.2.2 and 20.1.2).

At 30 June 2020, ENDESA had negative working capital of €2,132 million as a result of its cash management policy. The undrawn amount under the Company's long-term credit facilities provides assurance that ENDESA has sufficient financial resources to continue its operations, realise its assets and settle its liabilities for the amounts recorded in the Statement of Financial Position.

ENDESA has a solid financial situation and unconditional credit lines contracted with first-rate entities available for significant amounts. This, together with the implementation of specific plans for the improvement and efficient management of liquidity, it is estimated that it will allow to face the impact caused by the difficulties of the economic situation.

However, in order to strengthen its liquidity position and ensure the continuity of business activity, ENDESA has formalised a series of financial operations (see Note 13.2.2).

15.3. Credit risk.

ENDESA, based on the judgment of experts and in accordance with the recommendations of the European Securities and Markets Authority (ESMA), has registered a prospective adjustment to incorporate the deterioration derived from the health crisis caused by COVID-19 into the expected loss calculation and the containment measures adopted. (see Notes 3 and 9.1).

15.4. Concentration risk

ENDESA is exposed to customer and supplier concentration risk in its activity.

In this context, the possible fall of a specific customer or supplier should not have a significant effect on the risk of concentration, given that the concentration of customers and suppliers is low and the capacity to replace suppliers is generally high, as It is described in Note 19.6 of the Notes to the Consolidated Financial Statements corresponding to the year ended 31 December 2019, without prejudice to the follow-up that ENDESA is carrying out regarding the evolution of said concentration risk.

16. Deferred tax assets and liabilities.

16.1. Deferred tax assets.

The composition of this item from the Consolidated Statement of Financial Position at 30 June 2020 and movements in the first half of 2020 were as follows:

Millions of euros

	Deferred tax assets				
	Balance at 31 December 2019	**Debit / (credit) to profit or loss**	**Debit / (credit) to equity**	**Transfers and other**	**Balance at 30 June 2020**
Depreciation and amortisation of property, plant and equipment and intangible assets	503	(92)	-	5	416
Others	1,011	(135)	(7)	(5)	864
TOTAL	**1,514**	**(227)**	**(7)**	**-**	**1,280**

In the current context, as at the date of approval of these Interim Condensed Consolidated Financial Statements, the recovery of deferred tax assets at ENDESA has not been affected.

16.2. Deferred tax liabilities.

The composition of this item from the Consolidated Statement of Financial Position at 30 June 2020 and movements in the first half of 2020 were as follows:

Millions of euros

	Deferred tax liabilities				
	Balance at 31 December 2019	**Debit / (credit) to profit or loss**	**Debit / (credit) to equity**	**Transfers and other**	**Balance at 30 June 2020**
Accelerated depreciation and amortisation of assets for tax purposes	554	(6)	-	1	549
Others	533	4	28	-	565
TOTAL	**1,087**	**(2)**	**28**	**1**	**1,114**

17. Trade payables and other current liabilities.

Details of this item at 30 June 2020 and 31 December 2019 are as follows:

Millions of euros

	Notes	30 June 2020	31 December 2019
Trade Payables and Other Current Liabilities	14	**4,624**	**5,587**
Suppliers and other payables		2,996	3,884
Dividend payable	11.3	822	747
Other payables		529	689
Current liabilities on contracts with customers		277	267
Derivatives	14.3.2	**558**	**461**
Hedging derivatives		216	179
Derivatives not designated as hedging instruments		342	282
Tax liabilities		**1,219**	**886**
Current income tax		736	385
Value Added Tax (VAT) payable		17	84
Other taxes		466	417
TOTAL		**6,401**	**6,934**

At 30 June 2020 and 31 December 2019, the item "Dividends payable" mainly includes the following dividends corresponding to ENDESA, S.A.:

Millions of euros

	Notes	Dividend payable to date	Euros per share, gross	Amount	Payment date
Interim dividend	18.3	31 December 2019	0.700	741	2 January 2020
Final dividend		30 June 2020	0.775	821	1 July 2020
Total dividend paid against 2019 profit	11.3		**1.475**	**1,562**	

At 30 June 2020, the amount of trade payables discounted with financial entities for managing payment to suppliers (confirming) recognised under the item "Trade Payables and Other Current Liabilities" in the Consolidated Statement of Financial Position totalled €36 million (€111 million at 31 December 2019).

During the six-month periods ended 30 June 2020 and 2019, the financial income accrued by the confirming contracts amounted to less than €1 million.

At 30 June 2020, the estimate of invoices receivable for electricity and gas toll costs arising from energy supplied and not invoiced amounted to €308 million and €50 million, respectively (€268 million and €82 million, respectively, at 31 December 2019) and was included under the item "Trade Payables and Other Current Liabilities" in the Consolidated Statement of Financial Position.

18. Statement of cash flows.

At 30 June 2020, cash and cash equivalents stood at €379 million (€223 million at 31 December 2019) (see Note 10).

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

Millions of euros

	Statement of cash flows	
	January - June 2020	January - June 2019
Net cash flows from operating activities	995	907
Net cash flows from/(used in) investing activities	(821)	(993)
Net cash flows from financing activities	(18)	296

In the first half of 2020, the net cash flows generated by the operating activities (€995 million) have made it possible to attend to the net investments necessary for the development of ENDESA's Businesses (€821 million).

18.1. Net cash flows from operating activities

In the first half of 2020, net cash flows from operating activities amounted to €995 million (€907 million in the first half of 2019) which are as follows:

Millions of euros

	January - June 2020	January - June 2019
Gross profit before tax and non-controlling interests	1,513	1,014
Adjustments for:	355	974
Depreciation and amortisation and impairment losses	760	794
Other adjustments (net)	(405)	180
Changes in working capital:	(692)	(809)
Trade and other receivables	255	70
Inventories	(174)	(132)
Current financial assets	35	(299)
Trade payables and other current liabilities (1)	(808)	(448)
Other cash flows from/(used in) operating activities:	(181)	(272)
Interest received	15	15
Dividends received	9	10
Interest paid (2)	(70)	(62)
Corporation income tax paid	(22)	(72)
Other proceeds from/(payments for) operating activities (3)	(113)	(163)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**995**	**907**

(1) As part of its commitment to society, ENDESA has designed a Public Responsibility Plan to provide direct aid for the purchase of materials, special supply conditions and donations to meet the main health and social needs caused by the COVID-19 health crisis. The amount disbursed in this connection and the purchases of supplies relating to COVID-19 totalled €12 million (€10 million, net of tax effect) (see Note 19.2.1).
(2) Includes interest paid on financial liabilities for rights of use for €16 million and €8 million, respectively (see Note 4.1).
(3) Corresponding to provisions payments.

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

– The lower profit before tax and non-controlling interests net of depreciation and amortisation and other adjustments for the period (€120 million).

– Changes in working capital between the two periods amounting to €117 million, mainly as a result of increased payments to trade creditors (€360 million), the positive evolution of trade and other receivables (€185 million), increased payments for inventories (€42 million) and greater amounts of compensation received for extra costs of generation in Non-Mainland Territories (€225 million).

– The variation in the payment of Corporate Income Tax in the two periods amounting to €50 million.

– The decrease in other net payments from operating activities amounting to €50 million.

In the first half of 2020, the Company has also continued with its active management policy for working assets and liabilities, focusing on, among other aspects, the improvement of processes, the factoring of receivables and agreements extending payment periods with suppliers.

At 30 June 2020, 31 December 2019 and 30 June 2019, working capital comprised the following items:

Millions of euros

	Notes	Working Capital		
		30 June 2020	31 December 2019	30 June 2019
Current Assets (1)		**5,730**	**5,877**	**5,551**
Inventories	8	853	1,177	1,115
Trade and other receivables	9	3,689	3,485	3,089
Current financial assets	14	1,188	1,215	1,347
Compensation for Extra Costs of Generation in Non-Mainland Territories		519	561	886
Collection Rights for the Financing of the Deficit of Regulated Activities		375	389	260
Remuneration of Distribution Activity		203	178	120
Others		91	87	81
Current Liabilities (2)		**6,714**	**7,510**	**6,285**
Current provisions	12.1	313	576	378
Trade Payables and Other Current Liabilities	17	6,401	6,934	5,907
Parent Company Dividend	11.3	821	741	770
Others		5,580	6,193	5,173

(1) Excluding "Cash and cash equivalents" and financial derivative assets corresponding to financial debt.
(2) Excluding Current Financial Debt and financial derivative liabilities corresponding to financial debt.

18.2. Net cash flows used in investing activities

In the first half of 2020, net cash flows used in investment activities amounted to €821 million (€993 million in the first half of 2019) and include, among other aspects:

– Net cash payments used to acquire property, plant and equipment and intangible assets:

Millions of euros

	Notes	January - June 2020	January - June 2019
Acquisition of property, plant and equipment and intangible assets		**(776)**	**(903)**
Acquisition of property, plant and equipment (1)	4.2	(577)	(843)
Acquisition of intangible assets	5.1	(72)	(78)
Facilities transferred from customers		21	21
Suppliers of property, plant and equipment		(148)	(3)
Proceeds from sales of property, plant and equipment and intangible assets		**4**	**13**
Grants and other deferred income		**48**	**27**
TOTAL		**(724)**	**(863)**

(1) In the January-June 2020 period it does not include recognition of right-of-use assets amounting to €140 million (see Note 4.1).

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

Millions of euros

	Notes	January - June 2020	January - June 2019
Equity investments in Group Companies		**-**	**(2)**
Companies acquired by ENEL Green Power España, S.L.U. (EGPE)	2.3	-	(2)
Disposals of investments in Group Companies		**21**	**-**
ENDESA Soluciones, S.L.	2.3, 2.4 and 7	21	-
TOTAL		**21**	**(2)**

18.3. Net cash flows used in financing activities.

In the first half of 2020, the cash flows from financing activities came to €18 million (€296 million in the first half of 2019), mainly including the following aspects:

– Cash flows in respect of equity instruments:

Millions of euros

	January - June 2020	January - June 2019
Funds contribution by Bosa del Ebro, S.L.	-	6
TOTAL	**-**	**6**

– Drawdowns of non-current financial debt:

Millions of euros

	Notes	January - June 2020	January - June 2019
Drawdowns on the loan from Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	13.2.2	300	-
Drawdowns on credit facility with ENEL Finance International, N.V.	13.2.2	500	-
Drawdowns of the European Investment Bank (EIB) Green Loan		-	335
Drawdowns of the Official Credit Institute (ICO) Green Loan		-	300
Drawdowns of other credit facilities		-	6
Others		9	2
TOTAL	**13.1**	**809**	**643**

– Reimbursements from non-current financial debt:

Millions of euros

	Notes	January - June 2020	January - June 2019
Repayments of ENEL Finance International N.V. credit facility		(500)	-
Repayment of other credit facilities		(67)	(199)
Others		(7)	(6)
TOTAL	**13.1**	**(574)**	**(205)**

– Amortisations and drawdowns of current financial debt:

Millions of euros

	Notes	January - June 2020	January - June 2019
Drawdowns			
Euro Commercial Paper (ECP) issues	13.2.2	8,430	6,047
Others		21	41
Amortisations			-
Euro Commercial Paper (ECP) repayments	13.2.2	(7,881)	(5,400)
Payments of Right-of-Use Contracts		(34)	(25)
Others		(43)	(63)
TOTAL	**13.1**	**493**	**600**

– Dividends payments:

Millions of euros

	Notes	January - June 2020	January - June 2019
Payments of Parent Company Dividends	11.3 and 17	(741)	(741)
Payments of Dividends, non-controlling interests (1)		(5)	(7)
TOTAL		**(746)**	**(748)**

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

19. Segment information.

19.1. Basis of segmentation.

In carrying out its business activities, ENDESA's organisation prioritises its core business of electricity and gas generation, distribution and supply as well as related services. Therefore, the financial information analysed by the executive committee for the purposes of taking its decisions is the segment information, which includes:

- Generation, together with 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. Transactions between Segments form part of normal business activities in terms of their purpose and terms and conditions.

Transactions between Segments form part of normal business activities in terms of their purpose and terms and conditions.

External customers did not represent 10% or more of the income of any ENDESA segment in the six-month periods ended 30 June 2020 and 2019.

19.2. Segment information.

Segment information in the Consolidated Income Statements, and Consolidated Statements of Cash Flows for the year ended 30 June 2020 and 2019 and the Consolidated Statements of Financial Position at 30 June 2020 and 31 December 2019 is as follows:

19.2.1. Segment Information: Income statement for January-June 2020 and Statement of Financial Position at 30 June 2020.

Millions of euros

	January - June 2020				
	Generation and Supply (1)	Distribution (2)	Structure (3)	Consolidated adjustments and eliminations	Total
INCOME	**7,661**	**1,309**	**252**	**(339)**	**8,883**
Sales (Note 19.3)	7,149	1,191	242	(317)	8,265
Other operating income (Note 19.3)	512	118	10	(22)	618
PROCUREMENTS AND SERVICES	**(5,933)**	**(80)**	**(20)**	**72**	**(5,961)**
Energy purchases	(1,806)	(3)	-	-	(1,809)
Fuel consumption	(570)	-	-	-	(570)
Transmission expenses	(2,517)	(6)	-	-	(2,523)
Other Variable Procurements and Services	(1,040)	(71)	(20)	72	(1,059)
CONTRIBUTION MARGIN	**1,728**	**1,229**	**232**	**(267)**	**2,922**
Self-constructed Assets	32	58	7	-	97
Personnel Expenses	(59) (4)	57 (4)	(98) (4)	5	(95)
Other Fixed Operating Expenses (4)	(534)	(178)	(156)	259	(609)
GROSS OPERATING PROFIT	**1,167**	**1,166**	**(15)**	**(3)**	**2,315**
Depreciation, Amortisation and Impairment Losses	(421)	(313)	(26)	-	(760)
EBIT	**746**	**853**	**(41)**	**(3)**	**1,555**
NET FINANCE INCOME/(EXPENSE)	**(38)**	**(17)**	**7**	**-**	**(48)**
Financial Income	17	9	281	(280)	27
Financial Expense	(56)	(26)	(275)	280	(77)
Net Exchange Differences	1	-	1	-	2
Net Profit/(Loss) of Companies accounted for using the Equity Method	10	1	-	-	11
Gains/(losses) from other investments	-	-	914	(914)	-
Gains/(losses) on disposal of assets	(11)	6	-	-	(5)
PROFIT/(LOSS) BEFORE TAX	**707**	**843**	**880**	**(917)**	**1,513**
Corporate Income tax	(178)	(209)	5	-	(382)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**529**	**634**	**885**	**(917)**	**1,131**
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**
PROFIT/(LOSS) FOR THE PERIOD	**529**	**634**	**885**	**(917)**	**1,131**
Parent company	527	633	885	(917)	1,128
Non-controlling interests	2	1	-	-	3

(1) Includes reversals for impairment of property, plant and equipment (€1 million) (see Note 4) and intangible assets (€7 million) and impairment allowance for commercial insolvencies (€63 million) (see Note 9.1).

(2) Includes the reversal of impairment of intangible assets (€2 million) (see Note 5) and financial assets (€9 million).

(3) Includes net reversals of impairment of trade credit losses (€1 million) (see Note 9.1) and financial assets (€1 million).

(4) Includes the income recorded as a result of the change in social benefits resulting from the entry into force of the "Fifth ENDESA Framework Collective Bargaining Agreement", amounting to €215 million, €269 million and €31 million, respectively (see Note 12.1.1). They also include provisions for workforce restructuring amounting to €29 million, €91 million and €39 million, respectively, under the "Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts" (see Note 12.1.2).

(5) ENDESA, as part of its commitment to society, has designed a Public Responsibility Plan for direct aid to the purchase of material, special supply conditions and donations to alleviate the main health and social needs caused by the COVID-19 health crisis. The amount accrued for this concept and the purchases of supplies related to COVID-19, amounted to €12 million (€10 million, net of tax effect) (see Note 18.1).

Millions of euros

	30 June 2020				
	Generation and Supply	Distribution	Structure	Consolidated adjustments and eliminations	Total
ASSETS					
Non-current assets	**13,525**	**13,319**	**30,367**	**(31,425)**	**25,786**
Property, plant and equipment	9,221	11,897	189	-	21,307
Investment Property	-	54	6	-	60
Intangible assets	1,015	201	125	-	1,341
Goodwill (Note 6)	361	97	4	-	462
Investments accounted for using the equity method	215	19	3	-	237
Non-current Financial Assets	1,830	796	29,910	(31,437)	1,099
Deferred tax assets	883	255	130	12	1,280
Current assets	**4,814**	**1,268**	**1,201**	**(1,174)**	**6,109**
Inventories	744	109	-	-	853
Trade and other receivables	3,311	582	935	(1,139)	3,689
Current financial assets	617	571	35	(35)	1,188
Cash and Cash Equivalents	142	6	231	-	379
Non-current assets held for sale and discontinued operations	-	-	-	-	-
TOTAL ASSETS	**18,339**	**14,587**	**31,568**	**(32,599)**	**31,895**
EQUITY AND LIABILITIES					
Equity	**6,639**	**2,951**	**17,534**	**(18,878)**	**8,246**
Of the Parent	6,494	2,944	17,534	(18,878)	8,094
Of Non-Controlling Interests	145	7	-	-	152
Non-Current liabilities	**7,703**	**9,133**	**11,134**	**(12,562)**	**15,408**
Deferred income	43	4,529	-	(20)	4,552
Non-current provisions	2,080	670	249	55	3,054
Non-current Financial Debt	4,592	3,139	10,778	(12,557)	5,952
Other non-current Liabilities	256	475	48	(43)	736
Deferred tax liabilities	732	320	59	3	1,114
Current liabilities	**3,997**	**2,503**	**2,900**	**(1,159)**	**8,241**
Current Financial Debt	110	7	1,444	(34)	1,527
Current provisions	180	86	47	-	313
Trade Payables and Other Current Liabilities	3,707	2,410	1,409	(1,125)	6,401
Liabilities Associated with Non-current Assets Classified as held for Sale and Discontinued Operations	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**18,339**	**14,587**	**31,568**	**(32,599)**	**31,895**

19.2.2. Segment Information: Income statement for January - June 2019 and Statement of Financial Position at 31 December 2019.

Millions of euros

	January - June 2019				
	Generation and Supply (1)	Distribution (2)	Structure	Consolidated adjustments and eliminations	Total
INCOME	**8,520**	**1,377**	**279**	**(385)**	**9,791**
Sales (Note 19.3)	8,306	1,243	269	(345)	9,473
Other operating income (Note 19.3)	214	134	10	(40)	318
PROCUREMENTS AND SERVICES	**(6,893)**	**(83)**	**(16)**	**91**	**(6,901)**
Energy purchases	(2,413)	(5)	-	-	(2,418)
Fuel consumption	(876)	-	-	-	(876)
Transmission expenses	(2,660)	(6)	-	-	(2,666)
Other Variable Procurements and Services	(944)	(72)	(16)	91	(941)
CONTRIBUTION MARGIN	**1,627**	**1,294**	**263**	**(294)**	**2,890**
Self-constructed Assets	27	65	7	-	99
Personnel Expenses	(260)	(141)	(110)	6	(505)
Other Fixed Operating Expenses	(525)	(193)	(157)	285	(590)
GROSS OPERATING PROFIT	**869**	**1,025**	**3**	**(3)**	**1,894**
Depreciation, Amortisation and Impairment Losses	(465)	(300)	(29)	-	(794)
EBIT	**404**	**725**	**(26)**	**(3)**	**1,100**
NET FINANCE INCOME/(EXPENSE)	**(54)**	**(36)**	**(6)**	**-**	**(96)**
Financial Income	17	2	224	(227)	16
Financial Expense	(66)	(38)	(235)	227	(112)
Net Exchange Differences	(5)	-	5	-	-
Net Profit/(Loss) of Companies accounted for using the Equity Method	18	(1)	-	-	17
Gains/(losses) from other investments	-	-	327	(327)	-
Gains/(losses) on disposal of assets	(7)	-	-	-	(7)
PROFIT/(LOSS) BEFORE TAX	**361**	**688**	**295**	**(330)**	**1,014**
Corporate Income tax	(68)	(165)	1	-	(232)
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**293**	**523**	**296**	**(330)**	**782**
PROFIT AFTER TAX FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**
PROFIT/(LOSS) FOR THE PERIOD	**293**	**523**	**296**	**(330)**	**782**
Parent company	287	523	296	(330)	776
Non-controlling interests	6	-	-	-	6

(1) Includes provisions for impairment of trade credit losses (€41 million) (see Note 9.1) and financial assets (€3 million).
(2) Includes reversals due to impairment of commercial insolvencies (€5 million) (see Note 9.1) and provisions for impairment of financial assets (€1 million).

Millions of euros

	31 December 2019				
	Generation and Supply	Distribution	Structure	Consolidated adjustments and eliminations	Total
ASSETS					
Non-current assets	**13,514**	**13,592**	**30,429**	**(31,654)**	**25,881**
Property, plant and equipment	9,231	11,968	130	-	21,329
Investment Property	-	55	6	-	61
Intangible assets	1,027	213	135	-	1,375
Goodwill (Note 6)	361	97	4	-	462
Investments accounted for using the equity method	211	18	3	-	232
Non-current Financial Assets	1,638	920	30,015	(31,665)	908
Deferred tax assets	1,046	321	136	11	1,514
Current assets	**4,940**	**1,380**	**1,527**	**(1,747)**	**6,100**
Inventories	1,064	113	-	-	1,177
Trade and other receivables	3,038	710	1,460	(1,723)	3,485
Current financial assets	664	541	34	(24)	1,215
Cash and Cash Equivalents	174	16	33	-	223
Non-current assets held for sale and discontinued operations	-	-	-	-	-
TOTAL ASSETS	**18,454**	**14,972**	**31,956**	**(33,401)**	**31,981**
EQUITY AND LIABILITIES					
Equity	**6,079**	**3,108**	**17,524**	**(18,874)**	**7,837**
Of the Parent	5,937	3,101	17,524	(18,874)	7,688
Of Non-Controlling Interests	142	7	-	-	149
Non-Current liabilities	**7,468**	**8,926**	**12,099**	**(12,814)**	**15,679**
Deferred income	42	4,553	-	(19)	4,576
Non-current provisions	2,420	948	295	23	3,686
Non-current Financial Debt	4,098	2,631	11,724	(12,801)	5,652
Other non-current Liabilities	200	476	22	(20)	678
Deferred tax liabilities	708	318	58	3	1,087
Current liabilities	**4,907**	**2,938**	**2,333**	**(1,713)**	**8,465**
Current Financial Debt	102	8	876	(31)	955
Current provisions	444	74	58	-	576
Trade Payables and Other Current Liabilities	4,361	2,856	1,399	(1,682)	6,934
Liabilities Associated with Non-current Assets Classified as held for Sale and Discontinued Operations	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**18,454**	**14,972**	**31,956**	**(33,401)**	**31,981**

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19.2.3. Segment Information: Statements of Cash Flows for the periods of January-June 2020 and 2019.

Millions of euros

Statement of cash flows	January - June 2020				January - June 2019			
	Generation and Supply	Distribution	Structure, Services and Adjustments	TOTAL	Generation and Supply	Distribution	Structure, Services and Adjustments	TOTAL
Net cash flows from operating activities	269	814	(88)	995	333	708	(134)	907
Net cash flows from/(used in) investing activities	(518)	(237)	(66)	(821)	(582)	(268)	(143)	(993)
Net cash flows from financing activities	217	(586)	351	(18)	238	(437)	495	296

19.3. Other information.

During the first half of 2020 and 2019, the breakdown of the item "Sales", from the Consolidated Income Statement, by Segments, regarding income from ordinary activities from contracts with customers, is as follows:

Millions of euros

	January - June 2020	January - June 2019
Generation and Supply	**7,149**	**8,306**
Electricity sales	5,810	6,792
Deregulated market sales	4,065	4,571
Deregulated market sales - Spain	3,561	4,062
Deregulated market sales - other than Spain	504	509
Sales at regulated prices	872	1,058
Wholesale market sales	239	478
Compensation for non-mainland territories	555	626
Remuneration for Renewable Energy Investment	69	49
Other electricity sales	10	10
Gas sales	1,083	1,243
Deregulated market sales	1,048	1,194
Sales at regulated prices	35	49
Other sales and services rendered	256	271
Distribution	**1,191**	**1,243**
Regulated income from electricity distribution	1,055	1,104
Other sales and services rendered	136	139
Structure and Others (1)	**(75)**	**(76)**
Other sales and services rendered	(75)	(76)
TOTAL	**8,265**	**9,473**

(1) Structure, Services and Adjustments

In the first half of 2020 and 2019, details of the item "Other operating income" on the Consolidated Income Statement, by segment, are as follows:

Millions of euros

	January - June 2020	January - June 2019
Generation and Supply	**512**	**214**
Change in energy derivatives	463	152
Grants released to income (1)	4	3
Trading rights	16	24
Third Party Indemnities	2	2
Others	27	33
Distribution	**118**	**134**
Grants released to income (1)	6	7
Allocation to Profit and Loss of Liabilities under Contracts with Customers	82	78
Provision of Services in Facilities	1	1
Trading rights	2	4
Third Party Indemnities	5	5
Others	22	39
Structure and Others (2)	**(12)**	**(30)**
Third Party Indemnities	-	-
Others	(12)	(30)
TOTAL (3)	**618**	**318**

(1) For the first half of 2020 this includes €8 million relating to capital grants and €2 million of operating grants (€9 million and €1 million respectively in the first half of 2019).
(2) Structure, Services and Adjustments.
(3) Includes €116 million relating to income from ordinary activities of contracts with customers in the first half of 2020 (€129 million in the first half of 2019).

The breakdown of sales from external customers by the main geographical areas where ENDESA operates in the six-month periods ended 30 June 2020 and 2019 is as follows:

Millions of euros

Country	January - June 2020			January - June 2019		
	Sales	Other Operating Income	Income	Sales	Other Operating Income	Income
Spain	7,316	258	7,574	8,510	168	8,678
Portugal	487	17	504	481	7	488
Italy	128	339	467	34	128	162
France	173	3	176	277	3	280
Germany	103	-	103	84	-	84
Holland	24	-	24	28	2	30
United Kingdom	9	-	9	18	6	24
Others	25	1	26	41	4	45
TOTAL	**8,265**	**618**	**8,883**	**9,473**	**318**	**9,791**

20. Related party balances and transactions.

Related parties are parties over which ENDESA, directly or indirectly via one or more intermediate companies, exercises control or joint control or has significant influence, or which are key members of the ENDESA management team.

Key members of the ENDESA management team are those with the authority and responsibility to plan, direct and control ENDESA's business either directly or indirectly, including any member of the Board of Directors.

Transactions between the Company and its subsidiaries and joint operation entities, which are related parties, form part of the Company's normal business activities (in terms of their purpose and conditions) and have been eliminated on consolidation. Therefore, they are not disclosed in this Note.

For information purposes, all companies belonging to the ENEL Group and not included in ENDESA's Consolidated Financial Statements were considered significant shareholders.

The amount of transactions carried out in the six-month period ended 30 June 2020 with other related parties of certain members of the Board of Directors combined does not exceed €21 million (less than €11 million in the six-month period ended 30 June 2019).

All transactions with related parties are at arm's length.

20.1. Expenses and income and other transactions.

During the first half of 2020 and 2019, the relevant balances and transactions with related parties were as follows:

20.1.1. Expenses and income.

Millions of euros

	January - June 2020				
	Significant shareholders	Directors and Senior management personnel	ENDESA employees, companies or Entities	Other related parties	Total
Financial expense	49	-	-	-	49
Leases	-	-	-	-	-
Services received	22	-	-	3	25
Purchases of inventories	121	-	-	-	121
Other Expenses	401	-	-	-	401
Negative changes in the fair value of the derivative financial instruments for electricity and other energy products.	322	-	-	-	322
Energy purchases	49	-	-	-	49
Management or cooperation contracts	30	-	-	-	30
TOTAL EXPENSES	**593**	**-**	**-**	**3**	**596**
Financial Income	3	-	-	-	3
Dividends received	-	-	-	-	-
Provision of services	7	-	-	18	25
Sales of inventories	127	-	-	-	127
Other income (1)	451	-	-	-	451
Positive changes in the fair value of the derivative financial instruments for electricity and other energy products.	447	-	-	-	447
Power sales	2	-	-	-	2
Management or cooperation contracts	1	-	-	-	1
Leases	1	-	-	-	1
TOTAL INCOME	**588**	**-**	**-**	**18**	**606**

(1) Includes €107 million recognised in the Consolidated Statement of Other Comprehensive Income.

Millions of euros

	January - June 2019				
	Significant shareholders	Directors and Senior management personnel	ENDESA employees, companies or Entities	Other related parties	Total
Financial expense	46	-	-	-	46
Leases	-	-	-	-	-
Services received	17	-	-	10	27
Purchases of inventories	85	-	-	-	85
Other Expenses (1)	330	-	-	-	330
Negative changes in the fair value of the derivative financial instruments	261	-	-	-	261
Energy purchases	40	-	-	-	40
Management or cooperation contracts	29	-	-	-	29
TOTAL EXPENSES	**478**	**-**	**-**	**10**	**488**
Financial Income	1	-	-	-	1
Dividends received	-	-	-	-	-
Provision of services	8	-	-	1	9
Sales of inventories	22	-	-	-	22
Other income	132	-	-	-	132
Positive changes in the fair value of the derivative financial instruments for electricity and other energy products.	127	-	-	-	127
Power sales	3	-	-	-	3
Management or cooperation contracts	1	-	-	-	1
Leases	1	-	-	-	1
TOTAL INCOME	**163**	**-**	**-**	**1**	**164**

(1) Includes €17 million recognised in the Consolidated Statement of Other Comprehensive Income.

20.1.2. Other transactions.

Millions of euros

	Notes	January - June 2020				
		Significant shareholders	Directors and Senior management personnel	ENDESA employees, companies or Entities	Other related parties	Total
Financing agreements: Loans and capital contributions (lender)		-	1	-	-	1
Financing agreements: Loans and Capital Contributions (Borrower) (1)		3,700	-	-	-	3,700
Guarantees provided		-	7	-	-	7
Guarantees Received (2)	8.2	122	-	-	-	122
Commitments Acquired (3)	8.2	22	-	-	-	22
Dividends and other Distributed Benefits	11.3	520	-	-	-	520
Other Operations (4)		9	-	-	-	9

(1) Corresponds to the outstanding balance of the intercompany loan signed with ENEL Finance International N.V. Additionally ENDESA has two committed and irrevocable credit facilities arranged with ENEL Finance International N.V. for the amount of €1,000 million and €700 million, respectively, which at 30 June 2020 had not been drawn down (see Notes 13.2.1 and 13.2.2).
(2) Includes the guarantee received from ENEL, SpA for the fulfilment of the contract for the purchase of liquefied natural gas (LNG) from Corpus Christi Liquefaction, LLC.
(3) Corresponds to commitments to purchase stocks of carbon dioxide (CO2) emission rights.
(4) Includes purchase of property, plant and equipment, intangible or other assets

Millions of euros

	Notes	January - June 2019				
		Significant shareholders	Directors and Senior management personnel	ENDESA employees, companies or Entities	Other related parties	Total
Financing agreements: Loans and capital contributions (lender)		-	1	-	-	1
Financing agreements: Loans and Capital Contributions (Borrower) (1)		3,000	-	-	-	3,000
Guarantees provided		-	7	-	-	7
Guarantees Received (2)	8.2	120	-	-	-	120
Commitments Acquired (3)		150	-	-	-	150
Dividends and other Distributed Benefits		520	-	-	-	520
Other Operations (4)		2	-	-	-	2

(1) Corresponds to the outstanding balance of the intercompany loan signed with ENEL Finance International N.V. Additionally ENDESA has a committed and irrevocable credit facility arranged with ENEL Finance International N.V. for the amount of €1,000 million, which at 30 June 2019 had not been drawn down (see Note 13.2.1).
(2) Includes the guarantee received from ENEL, SpA for the fulfilment of the contract for the purchase of liquefied natural gas (LNG) from Corpus Christi Liquefaction, LLC.
(3) Corresponds to commitments to purchase stocks of carbon dioxide (CO2) emission rights.
(4) Includes purchase of property, plant and equipment, intangible or other assets

During the first half of 2020 and 2019 the Directors, or persons acting on their behalf, did not carry out transactions with the Company, or with its subsidiaries, that do not correspond to the normal course of business or were not carried out in keeping with prevailing market conditions.

20.1.3. Balances at the end of the period.

At 30 June 2020 and 31 December 2019, balances held with significant shareholders are as follows:

Millions of euros

	Notes	30 June 2020				
		Significant shareholders	Directors and Senior management personnel	ENDESA employees, companies or Entities	Other related parties	Total
Customers and trade receivables	9	761	-	-	-	761
Loans and credits granted		-	1	-	-	1
Other collection rights		711	-	-	-	711
TOTAL RECEIVABLES		**1,472**	**1**	**-**	**-**	**1,473**
Suppliers and trade payables		1,416	-	-	-	1,416
Loans and credits received		3,000	-	-	-	3,000
Other payment obligations		688	-	-	-	688
TOTAL PAYABLES		**5,104**	**-**	**-**	**-**	**5,104**

Millions of euros

	Notes	31 December 2019				
		Significant shareholders	Directors and Senior management personnel	ENDESA employees, companies or Entities	Other related parties	Total
Customers and trade receivables	9	582	-	-	-	582
Loans and credits granted		-	1	-	-	1
Other collection rights		365	-	-	-	365
TOTAL RECEIVABLES		**947**	**1**	**-**	**-**	**948**
Suppliers and trade payables		1,377	-	-	2	1,379
Loans and credits received		3,004	-	-	-	3,004
Other payment obligations		310	-	-	-	310
TOTAL PAYABLES		**4,691**	**-**	**-**	**2**	**4,693**

20.2. Associates and Joint Ventures.

At 30 June 2020 and 31 December 2019, the information on trade receivables for sales and services, and credits and guarantees issued to Associates and Joint ventures is:

Millions of euros

	Notes	Associates		Joint Ventures		Joint Operations	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Trade receivables for sales and services	9	9	-	2	-	-	-
Credits		63	66	-	-	3	3
Guarantees Issued		-	-	-	-	-	-

In the first half of 2020 and 2019 transactions made with associates, joint ventures and joint operations entities not eliminated on consolidation are as follows:

Millions of euros

	Associates		Joint Ventures		Joint Operations	
	January - June 2020	January - June 2019	January - June 2020	January - June 2019	January - June 2020	January - June 2019
Income	1	-	1	1	-	-
Expenses	(9)	(8)	(12)	(13)	(18)	(25)

20.3. Remuneration and other benefits of Directors and Senior management personnel.

The following remuneration and other benefits were received by Directors in the six-month periods ended 30 June 2020 and 2019:

Thousands of Euros

Item	Directors	
	Amount	
	January - June 2020	January - June 2019
Remuneration for belonging to the Board of Directors and/or Board Committees	1,002	917
Salaries	448	690
Variable remuneration in cash	741	1,677
Share-based payment plans	43	-
Termination benefits (1)	-	9,615
Long-term savings schemes	474	626
Other items (2)	32	3,555
TOTAL	**2,740**	**17,080**

(1) At 30 June 2019, this includes the payment corresponding to Mr Prado on termination of his contract as Company Chairman on 12 April 2019.
(2) At 30 June 2019, this includes compensation of €3,205,000 paid to Mr Prado as part of his non-competition agreement, and a commitment not to work for any company engaged in activities similar to those of ENDESA, S.A. for a period of two years. Additionally, at 30 June 2019 life insurance premiums for Directors of €234 million are included.

The following remuneration was received by Senior management in the six months ended 30 June 2020 and 2019:

Thousands of Euros

Item	Executives	
	Amount	
	January - June 2020	January - June 2019
Remuneration received	6,237	5,843
TOTAL	**6,237**	**5,843**

At 30 June 2020 and 2019, there were 16 and 17 Senior managers, respectively.

At 30 June 2020 and 31 December 2019, in terms of remuneration, the Company had not issued any guarantees to Senior managers who are not also Executive Directors.

At 30 June 2020 and 2019, the Company had all its early retirement and pension obligations with directors and Senior managers covered.

20.4. Conflicts of interest.

In accordance with Article 229 of the Corporate Enterprises Act, the direct or indirect situations of conflict of interest involving members of the Board of Directors with the interest of the Company, along with how they were handled in the first half of 2020, were as follows:

– The Executive Director, in his capacity as Director of ENEL Iberia S.L.U., appointed by Enel, S.p.A., had conflicts of interest when authorising transactions with Enel, S.p.A. or Enel Group companies. In all the situations arising in the first half of 2020, the Executive Director did not participate in the related items on the agenda of the Board of Directors meeting.

– The Proprietary Directors, appointed by ENEL, S.p.A., had a conflict of interest when authorising transactions with ENEL, S.p.A. or ENEL Group companies. In all the situations arising in the first half of 2020, the Proprietary Directors did not participate in the related items on the agenda of the Board of Directors meeting.

In the first half of 2020 and 2019 there were no damages caused by acts or omissions of the Directors that would have required use to be made of the third-party liability insurance premium held through ENDESA, S.A.

Distribution by gender: At 30 June 2020, the Board of Directors of ENDESA, S.A. was composed of 13 directors, 4 of which are women (11 directors, two of whom were women, at 31 December 2019).

20.5. Share-based payment plans tied to the ENDESA, S.A. share price.

ENDESA's long-term variable remuneration is arranged through the so-called Loyalty and Strategic Incentive Plans, whose main purpose is to strengthen the commitment of employees who occupy positions of greater responsibility in achieving the Group’s strategic objectives. The Plan is structured through successive three-year programmes, which start every year from 1 January 2010. Since 2014, the plans have foreseen a deferral of the payment and the need for the Executive to be active on the date of liquidation thereof; and payments are made on 2 dates: 30% of the incentive will be paid, and the remaining 70%, if applicable, 2 years after the end of the Plan.

20.5.1. Loyalty plans.

The information relating to ENDESA, S.A.'s Loyalty Plans is detailed in Note 34.3.5 of the Consolidated Financial Statements for the year ended 31 December 2019.

The amount accrued in relation to these Loyalty Plans during the first half of 2020 totalled €3 million (€3 million in the first half of 2019).

20.5.2. 2020-2022 Strategic Incentive Plan:

On 5 May 2020, the Ordinary General Meeting of Shareholders of ENDESA, S.A. approved the long-term Variable Remuneration Plan called "2020-2022 Strategic Incentive Plan" whose main purpose is to reward the contribution to the sustainable fulfilment of the Strategic Plan of the people who occupy positions of greater responsibility, and among which are included the Executive Directors of ENDESA, S.A. The main characteristics of this plan are the following:

– The performance period will be 3 years, starting from 1 January 2020.

– The Incentive Plan provides for the allocation of an incentive consisting of the right to receive: (i) a number of ordinary shares of ENDESA, S.A. and (ii) a monetary amount, referenced to a base incentive (target), subject to the conditions and possible variations under the Plan mechanism.

– The Plan has a deferred payment: in the year following the end of the Plan, 30% of the incentive will be paid, if applicable, and the remaining 70%, if applicable, 2 years after the end of the Plan.

Regarding the total accrued incentive, the Plan foresees that up to 50% of the base incentive (target) will be fully disbursed in Shares.

The monetary amount to satisfy is calculated as the difference between the total amount of the incentive earned and the part to be paid in Shares.

The accrual of the 2020-2022 Strategic Incentive Plan is linked to the fulfilment of three targets during the performance period:

a) Performance of the average "Total Shareholder Return" (TSR) of ENDESA, S.A. in relation to the performance of the average TSR of the Euro-Stoxx Utilities index, selected as the benchmark for the peer group. This parameter will be weighted at 50% of the total incentive.

b) Return on Average Capital Employed (ROACE[1]) objective accumulated over the accrual period. The target for ENDESA's average accumulated capital employed represents the relationship between ordinary Operating Profit (ordinary EBIT[2]) and average Net Invested Capital (average NIC[3]), cumulatively for the 2020-2022 period.

   This parameter will be weighted at 40% of the total incentive.

c) Reduction in carbon dioxide (CO_2) emissions by ENDESA. This parameter will be weighted at 10% of the total incentive.

For each of the targets a threshold level beyond which the target is considered met and two performance levels for targets that have been overachieved is established for each target - performance beyond the first level equals 150% and performance beyond the second level constitutes maximum achievement of 180%. Therefore, the level of variable remuneration would be between 0% and 180% of the base incentive.

The amount accrued by this Plan during the first half of 2020 has been €1.2 million, corresponding to €0.3 million corresponding to the estimate of the payments based on shares that will be settled in equity instruments and €0.9 million to the estimate of the Plan payments to be settled in cash.

ENDESA has not yet proceeded to acquire its own shares to attend the settlement of the Plan.

[1] "Return On Average Capital Employed" (ROACE) (%) = Resultado de Explotación Ordinario (EBIT Ordinario) / Capital Neto Invertido Medio (CIN Medio).
[2] Resultado de Explotación Ordinario (EBIT Ordinario) (Millones de Euros) = Resultado de Explotación (EBIT) corregido de efectos extraordinarios no presupuestados.
[3] Capital Neto Invertido Medio (CIN Medio) (Millones de Euros) = ((Patrimonio Neto + Deuda Financiera Neta - Efectivo y otros Medios Líquidos Equivalentes) $_n$ + (Patrimonio Neto + Deuda Financiera Neta - Efectivo y otros Medios Líquidos Equivalentes) $_{n-1}$) / 2.

21. Workforce.

ENDESA's final and average headcounts, by segment, professional category and gender, are as follows:

Number of Employees

	Headcount at end of period					
	30 June 2020			31 December 2019		
	Men	Women	Total	Men	Women	Total
Executives	222	55	277	221	53	274
Middle Management	2,362	1,141	3,503	2,319	1,123	3,442
Administration staff and operatives	4,966	1,178	6,144	5,033	1,203	6,236
TOTAL EMPLOYEES	**7,550**	**2,374**	**9,924**	**7,573**	**2,379**	**9,952**

Number of Employees

	Headcount at end of period					
	30 June 2020			31 December 2019		
	Men	Women	Total	Men	Women	Total
Generation and Supply	4,127	1,133	5,260	4,153	1,143	5,296
Distribution	2,519	439	2,958	2,527	442	2,969
Structure and Others (1)	904	802	1,706	893	794	1,687
TOTAL EMPLOYEES	**7,550**	**2,374**	**9,924**	**7,573**	**2,379**	**9,952**

(1) Structure and services

Number of Employees

	Average headcount					
	January - June 2020			January - June 2019		
	Men	Women	Total	Men	Women	Total
Executives	221	53	274	237	50	287
Middle Management	2,313	1,104	3,417	2,179	1,046	3,225
Administration staff and operatives	4,957	1,170	6,127	5,019	1,161	6,180
TOTAL EMPLOYEES	**7,491**	**2,327**	**9,818**	**7,435**	**2,257**	**9,692**

Number of Employees

	Average headcount					
	January - June 2020			January - June 2019		
	Men	Women	Total	Men	Women	Total
Generation and Supply	4,104	1,111	5,215	4,070	1,060	5,130
Distribution	2,499	434	2,933	2,500	434	2,934
Structure and Others (1)	888	782	1,670	865	763	1,628
TOTAL	**7,491**	**2,327**	**9,818**	**7,435**	**2,257**	**9,692**

(1) Structure and services

In the first half of both 2020 and 2019, the average number of employees in Joint Operation Entities was 829.

22. Other information.

22.1. Other commitments and guarantees.

At 30 June 2020 and 31 December 2019, there were guarantees provided to third parties for the following concepts and amounts:

Millions of euros

	Notes	30 June 2020	31 December 2019
Property, plant and equipment as a guarantee for financing received	13.2.3	84	91
Short-Term and Long-Term Gas Contracts		153	168
Lease agreement for methane tankers		154	153
TOTAL		**391**	**412**

At 30 June 2020 and 31 December 2019, the detail of the guarantees issued to ENDESA's associates, joint ventures and joint operation companies is shown in Note 20.2.

In relation to the guarantees provided by ENDESA to third parties, during the first half of 2020, none of them has become in default.

ENDESA considers that any additional liabilities arising from guarantees given at 30 June 2020 would not be material.

There are no further commitments to those described in Notes 4.2, 5.1, and 8.2 of the Interim Condensed Consolidated Financial Statements.

23. Events after the reporting period.

On 7 July 2020, an agreement was signed, through ENEL Green España, S.L.U. (EGPE), which formalised the acquisition of the following companies:

Company	Technology	MW Potentially Installable	Stake to 7 July 2020 (%)	Stake at 31 December 2019 (%)
			Control	Control
Parque Eólico Tico, S.L.	Wind	180	100.00	-
Tico Solar 1, S.L.	Photovoltaic	50	100.00	-
Tico Solar 2, S.L.	Photovoltaic	34	100.00	-

Through this acquisition of wind and solar projects, ENDESA reinforces its presence in the Iberian Peninsula generation market, expanding the portfolio of renewable assets in its production mix.

The acquired companies are in the processing of permits and licenses for the development of these projects, therefore the construction of renewable energy facilities has not started.

Except for the matters referred to in the foregoing paragraphs, no other significant events have taken place between 30 June 2020 and the date of authorisation for issue of the Interim Consolidated Financial Statements that have not been reflected therein.

24 Explanation added for translation to English

These Interim Condensed Consolidated Financial Statements are presented on the basis of IFRSs, as adopted by the European Union. Consequently, certain accounting practices applied by the Group that conform to IFRSs may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevail.

ENDESA, S.A.

and Subsidiaries

Consolidated Management Report for the six-month period ended 30 June 2020

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

Madrid, 27 July 2020

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

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

Contents.

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

ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

1. Business trends and results in the first half of 2020.

1.1. Consolidated results.

ENDESA reported net income of €1,128 million (+45.4%) in the first half of 2020.

ENDESA obtained net income of €1,128 million in the first quarter of 2020, an increase of 45.4% on the €776 million obtained in the same period of the previous year.

The increase in ENDESA's net income in the January-June 2020 period was due mainly to the coming into force of the "5th ENDESA Framework Collective Agreement" and the "Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts" which generated a net positive impact of €267 million (see Section 1.3.2. Operating Expenses in this Consolidated Management Report).

Isolating the impacts described in the previous paragraph, net income and net ordinary income attributed to the Parent in the first half of 2020 would have increased by 11.0% with respect to the same period in the previous year.

The breakdown of net income and net ordinary income for the first quarter of 2020 among ENDESA's businesses and their variation relative to the same period of the previous year is presented hereunder (see Section 1.4. Results by Segment in this Consolidated Management Report):

Millions of euros

	Net Income (2)				Net Ordinary Income (3)			
	January - June 2020	January - June 2019	% Var.	% Contribution to Total	January - June 2020	January - June 2019	% Var.	% Contribution to Total
Generation and Supply	527	287	83.6	46.7	527	287	83.6	46.7
Distribution	633	523	21.0	56.1	633	523	21.0	56.1
Structure and Others (1)	(32)	(34)	(5.9)	(2.8)	(32)	(34)	(5.9)	(2.8)
TOTAL	**1,128**	**776**	**45.4**	**100.0**	**1,128**	**776**	**45.4**	**100.0**

(1) Structure, Services and Adjustments.
(2) Net Income = Net Income of the Parent Company.
(3) Net Ordinary Income = Net Income of the Parent Company - Net Gains and Losses on Disposals of Non-Financial Assets (over €10 million) - Net Losses due to Impairment of Non-Financial Assets (over €10 million).

The net income and the net ordinary income for the first half of 2020 include an expense for the amount of €10 million, net of tax effect, corresponding to the Public Responsibility Plan and purchases of supplies related to the COVID-19 health crisis (see Section 5. COVID-19 Health Crisis).

1.2. Changes in Accounting Principles.

The accounting policies used in the preparation of this Consolidated Management Report are the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2019, with the exception of the following new standards, amendments and interpretations adopted by the European Union and applied for the first time in the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020:

Standards, Amendments to Standards and Interpretations	Mandatory Application: Financial Years Starting on or
Improvements to the references in the conceptual framework of International Financial Reporting Standards.	1 January 2020
Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".	1 January 2020
Amendments to IFRS 3 "Business Combinations".	1 January 2020
Reform of the Reference Interest Rate - Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Valuation" and IFRS 7 "Financial Instruments: Disclosures."	1 January 2020

The application of these standards, interpretations and amendments had no significant impact on the Interim Condensed Consolidated Financial Statements for the first half of 2020.

1.3. Analysis of results.

The table below presents the detail of the most relevant figures in ENDESA's Consolidated Income Statement in the first half of 2020 and its variation compared with the same period in the previous year:

Millions of euros

	Reference (1)	Most Significant Figures		
		January - June 2020	January - June 2019	% Var.
Income	19.3	**8,883**	**9,791**	**(9.3)**
Procurements and Services		**(5,961)**	**(6,901)**	**(13.6)**
Contribution Margin (2)		**2,922**	**2,890**	**1.1**
Self-constructed Assets		97	99	(2.0)
Personnel Expenses		(95)	(505)	(81.2)
Other Fixed Operating Expenses		(609)	(590)	3.2
Gross Operating Profit (EBITDA) (3)		**2,315**	**1,894**	**22.2**
Depreciation, Amortisation and Impairment Losses		(760)	(794)	(4.3)
Operating Profit (EBIT) (4)		**1,555**	**1,100**	**41.4**
Net Financial Income/(Expense) (5)		**(48)**	**(96)**	**(50.0)**
Income before Tax		**1,513**	**1,014**	**49.2**
Net Income (6)		**1,128**	**776**	**45.4**
Net Ordinary Income (7)		**1,128**	**776**	**45.4**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) Contribution margin = Income - Procurements and Services.
(3) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.
(4) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.
(5) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.
(6) Net Income = Net Income of the Parent Company.
(7) Net Ordinary Income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over €10 million) - Net Impairment Losses on Non-Financial Assets (over €10 million).

EBITDA amounted to €2,315 million (+22.2%) in the first quarter of 2020.

EBIT for the first quarter of 2020 was €1,555 million, representing an increase of 41.4% compared with the same period of the previous year.

Isolating the impacts registered in relation to the “5th Framework Collective Agreement of ENDESA” and certain provisions for staff restructuring related to the “Agreement on Voluntary Measures of Suspension or Termination of Employment Contracts”, for the amount of €356 million (see Section 1.3.2. Operating Costs of this Consolidated Management Report), gross operating profit (EBITDA) and operating profit (EBIT) for the first half of 2020 would have increased 3.4% and 9.0%, respectively, compared to same period of the previous year.

1.3.1. Income.

Income in the first half of 2020 totalled €8.883 million, €908 million (-9.3%) less than income posted in the first half of last year.

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

Millions of euros

	Reference (1)	Income			
		January - June 2020	January - June 2019	Difference	% Var.
Sales		8,265	9,473	(1,208)	(12.8)
Other Operating Income		618	318	300	94.3
TOTAL	19.3	**8,883**	**9,791**	**(908)**	**(9.3)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

Market situation.

The emergence of COVID-19 has caused a sharp decline in the demand for electricity (see Section 5. COVID-19 Health Crisis in this Consolidated Management Report). In the first half of 2020, electricity demand trends were as follows:

– Total mainland electricity demand fell by 7.8% year-on-year (-7.8% adjusted for working days and temperature).

– Cumulative electricity demand in Non-Mainland Territories ended the first quarter of 2020 with declines of 18.6% in the Balearic Islands and 10.1% in the Canary Islands compared with the same period of the previous year (-17.9% and -10.0% respectively when corrected for the effects of working days and temperature).

The first half of 2020 has been characterised by lower prices, with the arithmetic average price in the wholesale electricity market standing at €29.0/MWh (-44.0%), mainly as a consequence of the decrease in demand and the evolution of raw material prices.

The contribution of renewable energies to total mainland production in the first half of 2019 was 59.7% (52.1% in the first half of 2019).

In this context:

– ENDESA's electricity production during the first half of 2019 was 27,584 GWh, i.e., 9.2% lower than the first half of the previous year, as detailed below:

GWh

Electricity Generation (1)	January - June 2020	January - June 2019	% Var.
Mainland	**22,601**	**24,707**	**(8.5)**
Renewables	7,396	4,923	50.2
Hydroelectric	4,714	2,849	65.5
Wind (2)	2,424	2,059	17.7
Photovoltaic	258	14	1,742.9
Biomass	-	1	(100.0)
Nuclear	12,672	13,212	(4.1)
Coal	664	4,116	(83.9)
Combined Cycle (CCGT) (3)	1,869	2,456	(23.9)
Non-Mainland Territories	**4,974**	**5,668**	**(12.2)**
Coal	(9) (4)	871	(101.0)
Fuel-gas	2,042	2,890	(29.3)
Combined Cycle (CCGT) (3)	2,941	1,907	54.2
TOTAL	**27,575**	**30,375**	**(9.2)**

(1) In power plant busbars.
(2) In the period January-June 2020 it includes 28 GWh corresponding to Non-Mainland Territories (49 GWh in the period January-June 2019).
(3) Corresponding to natural gas.
(4) Own consumption.

– Non-emitting, renewable and nuclear technologies represented 72.8% of ENDESA's generation mix in the first half of 2020, exceeding the 59.7% reached in the first half of 2019, and compared with 83.5% for the rest of the sector (78.1% in the first half of 2019).

At 30 June 2020, ENDESA held the following electricity market shares:

– 17.5% in mainland electricity generation.

– 43.7% in electricity distribution.

– 33.0% in electricity supply.

In the first half of 2020, conventional gas demand was down by 8.5% year on year, and at 30 June 2020, ENDESA had secured a market share of 14.4% in gas sales to customers in the deregulated market.

Sales.

The table below presents the detail of ENDESA sales in the first half of 2020 and its variation compared with the same period in the previous year:

Millions of euros

	Reference (1)	Sales			
		January - June 2020	January - June 2019	Difference	% Var.
Electricity sales		5,810	6,792	(982)	(14.5)
Deregulated market sales		4,065	4,571	(506)	(11.1)
Deregulated market sales - Spain		3,561	4,062	(501)	(12.3)
Deregulated market sales - other than Spain		504	509	(5)	(1.0)
Sales at regulated prices		872	1,058	(186)	(17.6)
Wholesale market sales		239	478	(239)	(50.0)
Compensation for non-mainland territories		555	626	(71)	(11.3)
Remuneration for Renewable Energy Investment		69	49	20	40.8
Other electricity sales		10	10	-	-
Gas sales		1,083	1,243	(160)	(12.9)
Deregulated market sales		1,048	1,194	(146)	(12.2)
Sales at regulated prices		35	49	(14)	(28.6)
Regulated income from electricity distribution		1,055	1,104	(49)	(4.4)
Other sales and services rendered		317	334	(17)	(5.1)
TOTAL	**19.3**	**8,265**	**9,473**	**(1,208)**	**(12.8)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

Electricity sales in the deregulated market.

At 30 June 2020, ENDESA had 5,766,913 electricity customers in the deregulated market, down (-1.0%) from the number of customers at 31 December 2019, as per the following breakdown:

– 4,524,025 (-2.1%) in the Spanish mainland market.

– 853,265 (-0.7%) in the non-mainland territories (TNP) market.

– 389,623 (+11.4%) in deregulated markets outside Spain.

ENDESA sold a net total of 33,515 GWh to these customers in the first half of 2020, a 10.6% decrease compared the same half of 2019, as per the following breakdown:

– 28,885 GWh (-11.2%) in the Spanish deregulated market.

– 4,630 GWh (-6.4%) in deregulated markets outside Spain.

In economic terms, sales on the deregulated market in the first half of 2020 totalled €4,065 million (-11.1%), with the following breakdown:

– Sales in the Spanish deregulated market totalled €3,561 million, €501 million or -12.3% down on the figure for the same period of the previous year, due basically to the decline in the number of physical units sold.

– Income from sales to customers in deregulated markets outside of Spain amounted to €504 million (-1.0%), similar to the same period last year.

Sales of electricity at regulated prices.

In the first quarter of 2020 ENDESA sold 5,523 GWh to customers to whom regulated prices applied, through its subsidiary Comercializadora de Referencia, 2.4% less than in the first half of 2019.

These sales entailed an income of €872 million, which is 17.6% lower than the figure in the first half of 2019 as a result of the decrease in physical units sold.

Gas sales.

At 30 June 2020, ENDESA had 1,657,059 gas customers, almost unchanged (+0.5%) from the number of customers at 31 December 2019, as per the following breakdown:

- 231,829 (+0.9%) in the regulated market.
- 1,425,230 (+0.4%) in the deregulated market.

ENDESA sold 33,995 GWh to customers in the natural gas market in the first half of 2020, which represents a 13.4% decrease on the first half 2019 figure.

In economic terms, income from gas sales totalled €1,083 million in the first half of 2020, down €160 million (-12.9%) on the figure for the first half of 2019, as follows:

- Gas sales in the deregulated market totalled €1,048 million, which is €146 million (-12.2%) less than the figure for the first half of 2019, due mainly to the decrease in the number of physical units sold and the lower selling price in the “Business to Business” (B2B) market.
- Income from gas sales to customers at regulated prices amounted to €35 million, €14 million (-28.6%) less than in the first quarter of 2019, due basically [to the decline in the number of physical units sold].

Compensation for generation in Non-Mainland Territories (TNP).

In the first half of 2020, compensation for the extra costs of generation in Non-Mainland Territories (TNP) amounted to €555 million, representing a decrease of €71 million (-11.3%) compared with the same period of the previous year, due basically to the reduction of energy production, caused by the decrease in demand, and the evolution of commodity prices..

Electricity distribution.

During the first half of 2020, ENDESA distributed 50,274 GWh in the Spanish market, which is 7.9% less compared with the first half of 2019.

Regulated income from distribution activity during the first half of 2020 amounted to €1,055 million, which represents a reduction of €49 million (-4.4%) compared to the same period of the previous year, mainly due to the application of the new remuneration parameters that come into force for the regulatory period 2020-2025.

Other Operating Income.

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

Millions of euros

	Reference (1)	Other Operating Income			
		January - June 2020	January - June 2019	Difference	% Var.
Change in energy derivatives		463	152	311	204.6
Grants released to income (2)		10	10	-	-
Allocation to Profit and Loss of Liabilities under Contracts with Customers		82	78	4	5.1
Provision of Services in Facilities		1	1	-	-
Trading rights		18	28	(10)	(35.7)
Third Party Indemnities		7	7	-	-
Others		37	42	(5)	(11.9)
TOTAL	**19.3**	**618**	**318**	**300**	**94.3**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) For the first half of 2020 this includes €8 million relating to capital grants and €2 million of operating grants (€9 million and €1 million respectively in the first half of 2019).

In the first half of 2020, other operating income amounted to €618 million, representing an increase of €300 million (+94.3%) compared with the amount recorded in the first half of 2019, basically as a result of the €311 million increase (+204.6%) in income from the valuation and settlement of energy derivatives, due mainly to the evolution of the valuation and settlement of gas derivatives, which was partly offset by the increase of €142 million (+68.9%) in expenses for this same item recognised under the item “Other Variable Procurements and Services” in the Consolidated Income Statement (see Section 1.3.2. Operating Expenses in this Consolidated Management Report).

The derivatives and hedging transactions entered into by ENDESA basically concern transactions arranged to hedge foreign currency rate or the price risk on commodities such as electricity, fuel, CO_2 emission rights, Certified Emission Reductions (CERN) and Emission Reduction Units (ERUs), and their purpose is to eliminate or significantly reduce these risks in the underlying hedged transactions. In the current context, ENDESA has checked to make sure that they continue to meet the criteria established by the regulations for applying hedge accounting.

1.3.2. Operating costs.

Operating costs totalled €7.328 million in the January-June 2020 period, 15.7% less than in the same period the previous year.

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

Millions of euros

	Operating expenses			
	January - June 2020	January - June 2019	Difference	% Var.
Procurements and Services	5,961	6,901	(940)	(13.6)
Energy purchases	1,809	2,418	(609)	(25.2)
Fuel consumption	570	876	(306)	(34.9)
Transmission expenses	2,523	2,666	(143)	(5.4)
Other Variable Procurements and Services	1,059	941	118	12.5
Self-constructed Assets	(97)	(99)	2	(2.0)
Personnel Expenses	95	505	(410)	(81.2)
Other Fixed Operating Expenses	609	590	19	3.2
Depreciation, Amortisation and Impairment Losses	760	794	(34)	(4.3)
TOTAL	**7.328**	**8,691**	**(1,363)**	**(15.7)**

Procurements and services (variable costs)

Procurements and services (variable costs) totalled €5,961 million in the first half of 2020, 13.6% less than in the same period the previous year.

The performance of these costs for the first half of 2020 was:

– Energy purchases decreased by €609 million (-25.2%) to €1,809 million as a consequence, mainly, of the decrease in physical units and the arithmetic average price in the wholesale electricity market of €29.0/MWh (-44.0%).

– Fuel consumption amounted to €570 million, with a decrease of €306 million (-34.9%) due to the lower thermal production in the period (-38.7%).

– The item “Other Variable Procurements and Services” in the Consolidated Income Statement totalled €1,059 million, up by €118 million (+12.5%) on the same period of the previous year, as follows:

Millions of euros

	Other Variable Procurements and Services			
	January - June 2020	January - June 2019	Difference	% Var.
Change in energy derivatives	348	206	142	68.9
Carbon dioxide (CO_2) emission rights	102	185	(83)	(44.9)
Tax on Electricity Production	106	73	33	45.2
Water Tax	17	31	(14)	(45.2)
Catalan Nuclear Tax	-	(27)	27	(100.0)
“Bono Social” discount rate	23	20	3	15.0
Works licences/Street lighting	81	99	(18)	(18.2)
Treatment of radioactive waste	104	91	13	14.3
Nuclear Tax	62	59	3	5.1
Others	216	204	12	5.9
TOTAL	**1,059**	**941**	**118**	**12.5**

This amount includes:

- The increase of €142 million (+68.9%) in respect to the amount recognised in the first half of 2019 in expenses on the valuation and settlement of energy derivatives, which was partly offset by the €311 million increase (+204.6%) in income for this same item recognised under the item “Other Operating Income” in the Consolidated Income Statement (see Section 1.3.1. Income in this Consolidated Management Report).

- The decrease of €83 million (-44.9%) in CO_2 emission rights due to the lower thermal production in the period (-38.7%).

- The increase of €33 million (+45.2%) in the Tax on Electricity Production due to the suspension of this tax during the first quarter of 2019 in accordance with Royal Decree Law 15/2018 of 5 October 2018.

- The reversal of €27 million in the Catalan nuclear tax registered in 2019 as a result of the declaration of unconstitutionality according to the ruling of the Constitutional Court of 12 April 2019.

Fixed operating costs.

The table below presents the detail of fixed operating expenses in the first half of 2020 and its variation compared with the same period in the previous year:

Millions of euros

	Fixed Operating Costs			
	January - June 2020	January - June 2019	Difference	% Var.
Self-constructed Assets	(97)	(99)	2	(2.0)
Personnel Expenses	95	505	(410)	(81.2)
Other Fixed Operating Expenses	609	590	19	3.2
TOTAL	**607**	**996**	**(389)**	**(39.1)**

In the first half of 2020 fixed costs increased to €607 million, a decrease of €389 million (-39.1%) compared to the first half of 2019. To analyse the changes during the first half of 2020, the following effects must be taken into account:

– Negotiation of the “5th ENDESA Framework Collective Agreement”:

  After more than two years of fruitless negotiations, on 4 December 2019, the majority trade union in ENDESA, General Workers Union (UGT), and ENDESA agreed to submit to a “binding equity arbitration” some of the most significant aspects discussed in the negotiation of the “5th ENDESA Framework Collective Agreement”.

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

  In accordance with the agreement between the parties, the content of the Arbitration Award and other aspects resulting from the agreement at the negotiating table not submitted to arbitration were incorporated into the “5th ENDESA Framework Collective Agreement” which was approved and signed by the Company and the Trade Union Section of the General Workers’ Union (UGT), and has general effect since 23 January 2020, being published in the Official State Gazette on 17 June 2020. Also on 23 January 2020, the new “Framework Agreement on Guarantees” and “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts” were signed, in this case by all the unions represented in ENDESA.

  The “5th ENDESA Framework Collective Agreement” establishes changes to certain social benefits, basically the one corresponding to the electricity rate for employees, also including retired personnel, which led to the following accounting entries:

  - Valuation of the previous actuarial liability for the uninsured defined benefit commitments at the effective date of the “5th ENDESA Framework Collective Agreement”, which had a positive impact of €10 million on the Consolidated Statement of Other Comprehensive Income for the period January-June 2020.

  - Valuation of the new actuarial liability at the effective date of the “5th ENDESA Framework Collective Agreement”, taking account of the new commitments assumed, mainly in relation to electricity supply, which had a positive impact of €515 million on the Consolidated Income Statement for the period January-June 2020 (€386 million net of the tax effect) (see Section 1.1. Consolidated Results, 1.3. Analysis of Results and 1.3.6. Corporate Income Tax in this Consolidated Management Report).

  Additionally, at 30 June 2020, ENDESA has updated the valuation of the actuarial liability for defined benefit commitments with a net positive impact of €7 million, in the Consolidated Statement of Other Comprehensive Income for the period January-June 2020.

– Workforce restructuring plans:

  - Recalculation of the present value of the provisions for workforce restructuring plans in force, also taking into account the stipulations of the “5th ENDESA Framework Collective Agreement”, which had a positive impact of €44 million on the Consolidated Income Statement for the period January-June 2020 (€4 million, negative, in the period January-June 2019).

  - Registration of a provision for the amount of €159 million in the Consolidated Income Statement for the period January-June 2020 (€119 million, net of tax effect) (see Sections 1.1. Consolidated Results, 1.3. Analysis of Results and 1.3.6. Corporate Income Tax in this Consolidated Management Report) as a result of the communication made to the trade union representatives regarding the failure to exercise the power to terminate the individual agreement to suspend the employment relationship for certain individual contracts entered into with employees under the "Agreement on Voluntary Measures of Suspension or Termination of Employment Contracts".

Without taking into account the effects on personnel expenses described in the foregoing paragraphs, fixed operating costs for the first quarter of 2020 would have increased by €15 million (+1.5%) compared with the same period of the previous year as a consequence, mainly, of donations under the Public Responsibility Plan and purchases of supplies related to the COVID-19 health crisis (see Section 5. COVID-19 Health Crisis in this Consolidated Management Report).

Depreciation and amortisation and impairment losses.

The table below presents the detail of depreciation and amortisation, and impairment losses in the first half of 2020 and its variation compared with the same period in the previous year:

Millions of euros

	Depreciation, Amortisation and Impairment Losses			
	January - June 2020	January - June 2019	Difference	% Var.
AMORTISATIONS	**707**	**755**	**(48)**	**(6.4)**
Provision for the depreciation of property, plant and equipment	602	644	(42)	(6.5)
Provision for the amortisation of intangible assets	105	111	(6)	(5.4)
IMPAIRMENT LOSSES	**53**	**39**	**14**	**35.9**
Non-Financial Assets	**(3)**	**(1)**	**(2)**	**200.0**
Impairment of property, plant and equipment and investment property	(1)	(1)	-	-
Other Property, Plant and Equipment and Investment Property	(1)	(1)	-	-
Impairment of intangible assets	(2)	-	(2)	N/A
Other Intangible Assets	(2)	-	(2)	N/A
Financial Assets	**56**	**40**	**16**	**40.0**
Addition to provision for Impairment of Accounts Receivable from Contracts with Customers	62	36	26	72.2
Addition to provision for Impairment losses on other Financial Assets	(6)	4	(10)	(250.0)
TOTAL	**760**	**794**	**(34)**	**(4.3)**

Depreciation and amortisation, and impairment losses in the first half of 2020 totalled €760 million, up €34 million (-4.3%) on the same period of the previous year, mainly as a result of the following aspects:

– Reduction in depreciation expense amounting to €77 million, due to the deterioration of the mainland coal-fired power plants registered in the 2019 financial year in accordance with the decision taken on 27 September 2019 to discontinue the activities of them.

– Increase in amortisation expense amounting to €13 million due to the commissioning of generation assets from renewable sources in 2019.

– Increase in impairment losses from customer contracts, amounting to €26 million, mainly related to the economic situation caused by COVID-19 (see Section 5. COVID-19 Health Crisis in this Consolidated Management Report).

Without taking into account the effects described in the preceding paragraphs, the amortisation expense for the first half of 2020 would have increased by €4 million euros (+0.5%) compared to the first half of 2019.

1.3.3. Net financial income/(expense).

Net financial income/(expense) in the first halves of 2020 and 2019 was negative in the amounts of €48 million and €96 million respectively.

The table below presents the detail of net financial profit/(loss) in the first half of 2020 and its variation compared with the same period in the previous year:

Millions of euros

	Net Financial Income/(Expense) (1)			
	January - June 2020	January - June 2019	Difference	% Var.
Net Financial Expense (2)	(50)	(96)	46	(47.9)
Financial Income	27	16	11	68.8
Financial Expense	(77)	(112)	35	(31.3)
Net Exchange Differences	2	-	2	N/A
TOTAL	**(48)**	**(96)**	**48**	**(50.0)**

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

In the first half of 2020, net financial expense totalled €50 million, €46 million (-47.9%) less than in the same period of the previous year.

In the first half of 2020, net exchange differences amounted to a negative amount of €2 million (nil amount in the first half of 2019).

The following effects should be considered when assessing the net financial loss during the first half of 2020:

Millions of euros

	Net Financial Expense (1)			
	January - June 2020	January - June 2019	Difference	% Var.
Expense in respect of Financial Liabilities at Amortised Cost	(66)	(66)	-	-
Income from Financial Assets at Amortised Cost	1	1	-	-
Update of Provisions for Workforce Restructuring Plans, Dismantling of Facilities and Impairment of Financial Assets in accordance with IFRS 9 "Financial Instruments"	9	(32)	41	(128.1)
Interest on late payment of Corporate Income Tax 2016-2017	7	-	7	N/A
Others	(1)	1	(2)	(200.0)
TOTAL	**(50)**	**(96)**	**46**	**(47.9)**

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

Also, expenses in respect of financial liabilities at amortised cost held steady at €66 million due to the combination of the following effects (see Section 4.1. Financial Management in this Consolidated Management Report):

- The lower average cost of gross financial debt, which has risen from 1.81% in the first half of 2019 to 1.75% in the first half of 2020.

- The increase in average gross financial debt in both periods, which went from €7,476 million in the first half of 2019 to €7,822 million in the first half of June 2020.

On the other hand, as a consequence of the Constitutional Court Judgment regarding the unconstitutionality of Royal Decree-Law 2/2016, of 30 September 2016, income of €7 million has been registered, corresponding to the default interest of the amounts of fractional payments for Corporate Income Tax for the 2016 and 2017 financial years for the difference between the previous effective rate and the increased rate introduced by this Royal Decree-Law, now annulled.

1.3.4. Net income of companies accounted for using the equity method.

In the first quarters of 2020 and 2019, companies accounted for using the equity method contributed net income of €11 million and €17 million respectively, broken down as follows:

Millions of euros

	Net Profit/(Loss) of Companies accounted for using the Equity Method	
	January - June 2020	January - June 2019
Associates	**2**	**6**
Tecnatom, S.A.	1	2
Gorona del Viento El Hierro, S.A.	-	1
Others	1	3
Joint Ventures	**9**	**11**
Tejo Energia - Produção e Distribuição de Energia Eléctrica, S.A.	4	5
Énergie Électrique de Tahaddart, S.A.	-	1
Suministradora Eléctrica de Cádiz, S.A.	1	-
Others	4	5
TOTAL	**11**	**17**

1.3.5. Gains/(losses) on disposal of assets.

In the first half of 2020, gains/(losses) on disposal of assets amounted to €5 million compared to €7 million, both negative, in the first half of 2019, the detail being as follows:

Millions of euros

	Reference (1)	Gains/(losses) on disposal of assets	
		January - June 2020	January - June 2019
Non-Financial Assets		**6**	**10**
Transfer of Optical Fibre Use Rights		4	-
Other gains/losses		2	10
Disposals of Investments in Group Companies and Other		-	1
Disposals of property, plant and equipment (2)		2	9
Financial Assets		**(11)**	**(17)**
Factoring transaction fees	9.1	(11)	(17)
TOTAL		**(5)**	**(7)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) Corresponds to capital gains generated by the sale of land and buildings.

1.3.6. Corporate income tax.

In the first half of 2020, the expense for Corporate Income Tax rose to €382 million, with an increase of €150 million (+64.7%) compared to the amount registered in the first half of 2019, mainly as a result of the impacts registered in relation to the “5th ENDESA Framework Collective Agreement” and certain provisions for restructuring of the workforce related to the “Agreement on Voluntary Measures of Suspension or Termination of Employment Contracts”, for a total amount of €356 million, whose tax effect has amounted to €89 million (see Section 1.3.2. Operating Expenses in this Consolidated Management Report).

The effective rate for the period January-June 2020 stands at 25.2% as a consequence, fundamentally, of a lower materialisation of bonuses and deductions in quota attributed to results, the allocation of non-deductible provisions, the adjustment of tax losses at the Portuguese branch of ENDESA Energía, S.A.U. following the closure of the Inspectorate General and other non-deductible expenses (22.9% in the period January-June 2019).

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

1.3.7. Net Income

Net income attributed to the Parent in the first half of 2020 came to €1,128 million, an increase of €352 million (+45.4%) compared to the amounts obtained in the same period of the previous year.

Isolating the impacts recorded in relation to the "Fifth ENDESA Framework Collective Bargaining Agreement" and certain provisions for workforce restructuring relating to the "Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts", amounting to€ 267 million, net of tax effect (see Section 1.3.2. Operating Costs in this Consolidated Management Report), net income and net ordinary income attributed to the Parent Company in the first half of 2020 would have increased by 11.0% compared to the same period in the previous year.

Both results include an expense amounting to €10 million, net of tax effect, corresponding to the Public Responsibility Plan and purchases of supplies related to the COVID-19 health crisis (see Section 5. COVID-19 Health Crisis in this Consolidated Management Report).

1.4. Results by Segment.

Segment information is included in Note 19.2 to the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

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

Millions of euros

	January - June 2020						
	Generation and Supply				Distribution	Structure and Others (1)	Total
	Generation in Non-Mainland Territories	Other Generation and Supply	Adjustments	Total			
Income	**755**	**7,173**	**(267)**	**7,661**	**1,309**	**(87)**	**8,883**
Sales	752	6,663	(266)	7,149	1,191	(75)	8,265
Other Operating Income	3	510	(1)	512	118	(12)	618
Procurements and Services	**(559)**	**(5,638)**	**264**	**(5,933)**	**(80)**	**52**	**(5,961)**
Contribution Margin (2)	**196**	**1,535**	**(3)**	**1,728**	**1,229**	**(35)**	**2,922**
Self-constructed Assets	-	32	-	32	58	7	97
Personnel Expenses	(30)	(29)	-	(59)	57	(93)	(95)
Other Fixed Operating Expenses	(86)	(451)	3	(534)	(178)	103	(609)
Gross Operating Profit (EBITDA) (3)	**80**	**1,087 (8)**	**-**	**1,167**	**1,166**	**(18)**	**2,315**
Depreciation, Amortisation and Impairment Losses	(44)	(377)	-	(421)	(313)	(26)	(760)
Operating Profit (EBIT) (4)	**36**	**710**	**-**	**746**	**853**	**(44)**	**1,555**
Net Financial Income/(Expense) (5)	**(9)**	**(29)**	**-**	**(38)**	**(17)**	**7**	**(48)**
Income before Tax	**27**	**680**	**-**	**707**	**843**	**(37)**	**1,513**
Net Income (6)	**21**	**506**	**-**	**527**	**633**	**(32)**	**1,128**
Net Ordinary Income (7)	**21**	**506**	**-**	**527**	**633**	**(32)**	**1,128**

(1) Structure, Services and Adjustments.
(2) Contribution margin = Income - Procurements and Services.
(3) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.
(4) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.
(5) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.
(6) Net Income = Net Income of the Parent Company.
(7) Net Ordinary Income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over €10 million) - Net Impairment Losses on Non-Financial Assets (over €10 million).
(8) Includes the EBITDA of ENEL Green Power España, S.L.U. (EGPE) amounting to €87 million.

Millions of euros

	January - June 2019						
	Generation and Supply				Distribution	Structure and Others (1)	Total
	Generation in Non-Mainland Territories	Other Generation and Supply	Adjustments	Total			
Income	**965**	**8,019**	**(464)**	**8,520**	**1,377**	**(106)**	**9,791**
Sales	963	7,808	(465)	8,306	1,243	(76)	9,473
Other Operating Income	2	211	1	214	134	(30)	318
Procurements and Services	**(700)**	**(6,654)**	**461**	**(6,893)**	**(83)**	**75**	**(6,901)**
Contribution Margin (2)	**265**	**1,365**	**(3)**	**1,627**	**1,294**	**(31)**	**2,890**
Self-constructed Assets	2	25	-	27	65	7	99
Personnel Expenses	(46)	(214)	-	(260)	(141)	(104)	(505)
Other Fixed Operating Expenses	(97)	(431)	3	(525)	(193)	128	(590)
Gross Operating Profit (EBITDA) (3)	**124**	**745 (8)**	**-**	**869**	**1,025**	**-**	**1,894**
Depreciation, Amortisation and Impairment Losses	(69)	(396)	-	(465)	(300)	(29)	(794)
Operating Profit (EBIT) (4)	**55**	**349**	**-**	**404**	**725**	**(29)**	**1,100**
Net Financial Income/(Expense) (5)	**(12)**	**(42)**	**-**	**(54)**	**(36)**	**(6)**	**(96)**
Income before Tax	**43**	**335**	**(17)**	**361**	**688**	**(35)**	**1,014**
Net Income (6)	**47**	**257**	**(17)**	**287**	**523**	**(34)**	**776**
Ordinary Net Income (7)	**47**	**257**	**(17)**	**287**	**523**	**(34)**	**776**

(1) Structure, Services and Adjustments.
(2) Contribution margin = Income - Procurements and Services.
(3) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.
(4) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.
(5) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.
(6) Net Income = Net Income of the Parent Company.
(7) Ordinary Net Income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over €10 million) - Net Impairment Losses on Non-Financial Assets (over €10 million).
(8) Includes the EBITDA of ENEL Green Power España, S.L.U. (EGPE) amounting to €117 million.

1.4.1. Contribution Margin

Generation and Supply Segment.

The contribution margin of the Generation and Supply Segment in the first half of 2020 amounted to €1,728 million, representing an increase of €101 million (+6.2%) compared with the same period of the previous year, fundamentally as a consequence [of the decrease in electricity prices, the cumulative arithmetic price of which stood at €29.0/MWh in the wholesale electricity market (-44.0%) and of the lower thermal production of the period (-38.7%).

Distribution Segment.

The contribution margin of the Distribution Segment in the first half of 2020 amounted to €1,229 million, representing a decrease of €65 million (-5.0%) compared with the same period of the previous year, due mainly to the reduction of €49 million (-4.4%) in regulated income from the distribution activity, mainly as a result of the application of new remuneration parameters that come into force for the regulatory period 2020-2025.

Structure and Others.

The contribution margin of Structure and Others in the first half of 2020 was a negative figure of -€35 million, in line with the amount for the same period of the 2019 financial year.

1.4.2. EBITDA

Generation and Supply Segment.

The gross operating profit (EBITDA) for this segment amounted to €1,167 million (+34.3%) in the first half of 2020. The following factors must be taken into account when looking at EBITDA for the first half of 2020:

– The increase of 6.2% in the contribution margin.

– The income recognised as a consequence of the changes in employee benefits, due to the entry into force of the “5th ENDESA Framework Collective Agreement”, for an amount of €215 million.

– The recalculation of the present value of the provisions for current workforce restructuring plans (+€16 million in the first half of 2020 and -€5 million in the first half of 2019).

– The provisioning of €29 million in respect of suspensions of employment contracts in the context of the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts”.

Distribution Segment.

For the first quarter of 2020, the gross operating profit (EBITDA) for this Segment was €1,166 million (+13.8%), including, *inter alia*:

– The negative evolution of the contribution margin (-5.0%).

– The income recognised as a consequence of the changes in employee benefits, due to the entry into force of the “5th ENDESA Framework Collective Agreement”, for an amount of €269 million.

– The recalculation of the present value of the provisions for current workforce restructuring plans (+€8 million in the first half of 2020 and -€2 million in the first half of 2019).

– The provisioning for workforce restructuring of €91 million within the framework of the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts”.

Structure and Others.

For the first half of 2020, the gross operating profit (EBITDA) for this Segment came to €18 million, including *inter alia*:

– The income recognised as a consequence of the changes in employee benefits, due to the entry into force of the “5th ENDESA Framework Collective Agreement”, for an amount of €31 million.

– The recalculation of the present value of the provisions for current workforce restructuring plans (+€20 million in the first half of 2020 and +€3 million in the first half of 2019).

– The provisioning for workforce restructuring of €39 million within the framework of the “Agreement on Voluntary Measures for the Suspension or Termination of Employment Contracts”.

– The expenditure on donations corresponding to the Public Responsibility Plan and purchases of supplies related to COVID-19 for an amount of €12 million (see Section 5. COVID-19 Health Crisis in this Consolidated Management Report).

1.4.3. EBIT

Generation and Supply Segment.

In the first half of 2020, the operating profit (EBIT) of the Generation and Supply Segment was €746 million (+84.7%), mainly as a result of:

– A 34.3% increase in EBITDA.

– The reduction in depreciation expense amounting to €77 million, due to the impairment of mainland coal-fired power plants.

– The increase in amortisation expense amounting to €13 million due to the commissioning of generation assets from renewable sources in the 2019 financial year.

– The increase in impairment losses from contracts with customers, amounting to €22 million, mainly related to the economic situation caused by COVID-19 (see Section 5. COVID-19 Health Crisis in this Consolidated Management Report).

Distribution Segment.

The operating profit (EBIT) for the Distribution Segment in the first half of 2020 gross operating profit (EBITDA grew by €128 million (+17.7%) relative to the same period of the previous year, mainly as a result of the 13.8% increase in gross operating profit (EBITDA).

Structure and Others.

The operating profit (EBIT) of the first half of 2020 of Structure and Others amounted to a negative figure of -€44 million.

2. Scope of Consolidation.

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

	Transaction	Date	Activity	Stake as at 30 June 2020 (%)		Stake as at 31 December 2019 (%)	
				Control	Ownership	Control	Ownership
ENDESA Soluciones, S.L. (1)	Sale	11 May 2020	Supply of Energy Products And Services	20.00	20.00	100.00	100.00
Empresa de Alumbrado Eléctrico de Ceuta, S.A. (2)	Acquisition	18 February 2020	Supply and Distribution	96.37	96.37	96.29	96.29
Energía Ceuta XXI Comercializadora de Referencia, S.A.U. (2)	Acquisition	18 February 2020	Supply	100.00	96.37	100.00	96.29
Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A.U. (2)	Acquisition	18 February 2020	Distribution	100.00	96.37	100.00	96.29
Hidromondego - Hidroeléctrica do Mondego, Lda. (3)	Final winding up	12 March 2020	Electricity Production and Supply	-	-	100.00	100.00

(1) The gross loss was less than €1 million.
(2) Interest acquired by ENDESA Red, S.A.U. for an amount of less than €1 million, positive.
(3) The gross profit generated amounted to €2 million.

3. Regulatory Framework.

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

Electricity tariff for 2020.

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

Natural gas tariff for 2020.

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

On 30 June 2020, the Resolution of 23 June 2020, of the General Directorate for Energy Policy and Mines, was published in the Official State Gazette (BOE), publishing the new last resort tariff for natural gas that will come into effect from 1 July 2020, resulting in an average reduction of 4.5% and 6.0% depending on whether it is the Last Resort Tariff 1 (TUR1) or the Last Resort Tariff 2 (TUR2), respectively, due to the reduction in the cost of the raw material.

Energy Efficiency.

Order TED/287/2020, of 23 March 2020, establishes a contribution by ENDESA to the Spanish National Fund for Energy Efficiency of €27 million in respect of its 2020 obligations.

“Bono Social” discount rate.

On 28 January 2020 the process of hearings on the proposal for an Order establishing the distribution of financing of the Bono Social discount rate for 2020, the percentage proposed for ENDESA, S.A. being 35.57%.

Strategic Framework for Energy and Climate.

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

Likewise, the Government has sent the Draft Law on Climate Change and Energy Transition to the “Cortes Generales”. It includes the following aspects, among others:

- It would set two time paths: by 2030, objectives of reducing GHG emissions by at least 20% compared with 1990, generating 70% of electricity from renewable sources, and improving energy efficiency by at least 35% compared with the trend scenario; and by 2050, achieving climate-neutrality and a 100% renewable electricity system.
- Renewable energy promotion measures through a remuneration framework based on the long-term recognition of a fixed energy price.
- The new hydraulic concessions will be aimed at supporting the integration of non-manageable renewables.
- Introduction of new parties in the Electricity Sector as owners of storage facilities or independent aggregators.

- Limits are established in the exploitation of hydrocarbons, restricting fossil fuel subsidies and reviewing their taxation.

- Promotion of energy efficiency measures and use of renewables in the field of building.

- Boosting of electric mobility with the aim of having a fleet of vehicles without direct emissions of carbon dioxide (CO_2) in 2050 and that since 2040 the new passenger cars/light commercial vehicles have no direct emissions. Likewise, the establishment of low-emission areas in municipalities with more than 50,000 inhabitants and island territories and the obligation to develop recharging infrastructures at petrol stations are pursued no later than 2023.

- Mobilisation of resources for the fight against climate change: At least €450 million of the proceeds from auctions of carbon dioxide (CO_2) rights will be used annually to cover costs of the Electric System.

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

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

Draft of the Seventh General Radioactive Waste Plan.

The Ministry for the Ecological Transition and the Demographic Challenge has initiated the ordinary strategic environmental assessment procedure of the Seventh General Radioactive Waste Plan (PGRR). The procedure includes the environmental assessment, the public information process to receive input from civil society and the mandatory consultations with the Nuclear Safety Council and the Autonomous Regions. Subsequently, the Ministry for the Ecological Transition and the Demographic Challenge will carry out a technical analysis of the complete file to formulate the Strategic Environmental Declaration of the General Radioactive Waste Plan, a step prior to its approval by the Council of Ministers. Subsequently, it must be reported to Parliament and will also be forwarded to the European Commission, in compliance with the EU directive on radioactive waste management.

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

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

At the same time, and in order to counteract the economic and social impact of this exceptional situation, the Spanish government approved a series of legislative provisions encompassing various measures on all fronts to face this impact. Specifically, and among others, 18 March 2020 saw the publication of Royal Decree-Law 8/2020, of 17 March 2020, on extraordinary urgent measures to face the economic and social impact of COVID-19, and on 1 April 2020, Royal Decree-Law 11/2020, of 31 March 2020, was published, adopting urgent complementary measures in the social and economic fields to deal with COVID-19 and on 8 July 2020, Royal Decree-Law 26/2020, of 7 July, on economic recovery measures to address the impact of COVID-19 in the areas of transport and housing was published.

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

- "Bono Social" discount rate: The validity of the 'Bono Social' (special reduced rate for electricity) is extended until 30 September 2020 for beneficiaries for whom the 2-year period of validity established in Royal Decree 897/2017 of 6 October 2017 expires before that date. At the same time, the right to the "Bono Social" discount rate is extended to customers with supply points in their name, or any member of their family unit, with the status of self-employed or self-employed professionals, and who are entitled to benefit because they have had to cease their activity or have seen their billing significantly reduced, and meet certain income levels in the immediately preceding year, this right being limited to the period for which these circumstances persist, with a maximum of 6 months.

- Guarantee of supply: During the month following the entry into force of Royal Decree-Law 8/2020, of 17 March 2020, the supply of electricity, water and natural gas to consumers who have the status of vulnerable, highly vulnerable or at risk of social exclusion in accordance with the criteria laid down in Royal Decree 897/2017, of 6 October 2017, may not be cut off. This term, initially one month in force and extended during the state of alarm, has been extended, by Royal Decree-Law 26/2020, of 7 July 2020, until 30 September 2020, establishing that the supply of electricity, water, natural gas and other petroleum derivatives to natural persons in their habitual residence, except for reasons of security of supply, people and facilities.

- Flexibility measures for electricity supply contracts of self-employed and businesses: During the state of alarm, self-employed persons and businesses with supply points in their name may suspend or amend their contracts in order to contract another alternative offer with their supplier to adapt to new consumption guidelines, without charge or penalty. They may also change power or access toll. When the state of alarm ends, there will be a period of 3 months to reactivate the contract or modify the power, which will be carried out at no cost, except in certain situations. In future General State Budget Laws approved after the entry into force of Royal Decree-Law 11/2020, of 31 March 2020, the corresponding items will be included to compensate the Electricity Sector for the reduction in income that these measures entail. Similar measures are contemplated for the Natural Gas Sector.

- Suspension of supply invoices: During the state of alarm, self-employed persons and SMEs with supply points in their name may ask their supplier or distributor as the case may be, by remote (non-physical) means, to suspend payment of bills corresponding to billing periods that contain days covered by the state of alarm. In this case, the supplier will be exempt from paying transmission and distribution tolls to the distributor until such time as the customer pays the bill in full. The supplier will also be exempt from paying VAT, the special tax on electricity, and, where applicable, the special tax on hydrocarbons for electricity generation until the customer pays the full invoice or until 6 months have elapsed from the end of the state of alarm. However, under no circumstances has ENDESA exercised its option to defer the payment of these taxes. Once the state of alarm is over, the debt will be regularised in equal parts in the invoices of the billing periods that make up the following 6 months. Likewise, suppliers who see their income reduced, or distributors whose toll income is reduced, may request the guarantees defined in Royal Decree-Law 8/2020, of 17 March 2020, or any other line created for this purpose.

- Rights of access: The term is extended for those access rights that expired on 31 March 2020 and the new term is set at 2 months after the end of the state of alarm or its extensions.

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

European Commission Decision C(2020)3401 on power generation activity in the Non-Peninsular Territories (TNP)

On 28 May 2020, the European Commission approved the regulatory scheme established in Royal Decree 738/2015 of 31 July 2015, in relation to electricity production activity in the Non-Peninsular Territories (TNP), concluding that it meets the criteria for Services of General Economic Interest and is compatible with the internal market. The scheme is initially approved until 31 December 2025 in the case of the Balearic Islands and until 31 December 2029 in the case of the Canary Islands, Ceuta and Melilla, and the Kingdom of Spain may request that it be maintained prior to these dates.

Proposal for an order for the revision of fuel prices in the Non-Mainland Territories (TNP).

Order TEC/1260/2019, of 26 December 2019, revises the technical and economic parameters for the remuneration of generation facilities in the Electricity Systems of the Non-Mainland Territories (TNP) for the second regulatory period (2020-2025). In relation to fuel prices, the aforementioned Order established that within 3 months, product and logistics prices will be reviewed by Ministerial Order, with effect from 1 January 2020, and the processing of this Order began on 20 February 2020.

Royal Decree-Law 23/2020, of 23 June 2020, which approves measures in the field of energy and in other areas for economic recovery.

On 24 June 2020, Royal Decree-Law 23/2020, of 23 June 2020, was published, approving measures in the field of energy and in other areas for economic reactivation. The most relevant aspects of this Royal Decree-Law are the following:

- Improvement of the regulation of access permits and connection to the grid of renewable energies, to avoid speculation, considering specific mechanisms to grant access capacity in network nodes affected by just transition processes. In relation to this matter, it should be noted that the Ministry for Ecological Transition and the Demographic Challenge has initiated the processing of a draft Royal Decree on access and connection to the electricity transmission and distribution networks.
- New auction model for future renewable energy developments, based on the long-term recognition of a fixed price for energy, distinguishing between different technologies. Small projects and demonstrators may be exempted from auctions.
- Introduction of new figures: storage owners, independent aggregators and renewable energy communities.
- Simplification of procedures for renewable installations and their electrical infrastructure, rapid recharge infrastructures (250 kW) and demonstrations or R&D and innovation projects.
- The accumulated surplus of the Electric System may be used to cover imbalances in 2019 and 2020.
- Increase of the maximum limit of remunerative investment in distribution in 2020-2022, going from 0.13% to 0.14% of Gross Domestic Product (GDP).
- The purpose of the Institute for the Just Transition is defined, which will seek to reduce the impacts on employment and the depopulation of areas affected by the transition process.

Proposal for a Royal Decree on the remuneration regime for renewable energy.

On 26 June 2020, the processing of a Royal Decree Project that develops the new remuneration scheme for future renewable energy developments foreseen in Royal Decree-Law 23/2020, of 23 June 2020, has begun. This remuneration regime (called the Economic Renewable Energy Regime "REER") will be based on the long-term recognition of the price of energy.

The Renewable Energy Economic Regime ("REER") will be granted through auctions regulated by Ministerial Order, which may distinguish between different technologies according to their technical characteristics, size, manageability, location or technological maturity. The product to be auctioned will be the installed power, electrical energy or a combination of both, and the price per unit of electrical energy will be offered in €/MWh.

Regarding the remuneration of energy, the price to be received for each unit sold in the daily or intraday market will be the award price (for adjustment and balance services, it will be the price of the respective markets). Alternatively, it can be established that up to 50% of the energy sold in the daily or intraday market is sold directly at the market price and is not subject to the award price.

All the facilities of this Regime will participate in the market and the Operador del Mercado Ibérico de Energía - Polo Español (OMIE) will carry out a settlement for differences between the daily or intraday market prices and the award price of the facilities, the difference being adjusted against the national purchasing units of the market.

On the other hand, penalties are contemplated for energy commitments that are not delivered.

An auction calendar will be approved for a minimum period of 5 years, updateable at least annually, and which may include deadlines, frequency, capacity and technologies.

Law 5/2020, of 29 April 2020, of the Generalitat de Cataluña.

On 2 June 2020, Law 5/2020, of 29 April 2020, of the Generalitat de Cataluña, on fiscal, financial, administrative and public sector measures and creation, has been published in the Official State Gazette (BOE) tax on facilities that affect the environment.

Among other aspects, this Law includes the creation and regulation of a tax on facilities that affect the environment in the area of the Autonomous Community of Cataluña. Specifically, this new tax is imposed on the production, storage, transformation and transport of electrical energy in Cataluña. In the field of generation, energy production is taxed with a general rate of €5/MWh, which will be €1/MWh for combined cycles, excluding in any case hydraulic generation and generation with renewable sources, as well as with biomass, biogas, high-efficiency cogeneration or with slurry. In the field of transport, a quota is established based on the voltage level of the facilities, with those with a voltage lower than 30 kV and evacuation facilities of renewable production being exempt.

Spanish Reserve Fund for Guarantees of Electrointensive Entities (FERGEI).

During 2018, and as a result of Royal Decree-Law 20/2018, of 7 December 2018, on urgent measures to boost economic competitiveness in the sector of industry and commerce in Spain, the Government announced the preparation of a Statute for electrointensive industrial consumers, that collect their peculiarities. In 2019, the processing of a draft Royal Decree was initiated in this regard, which regulates the figure of the electro-intensive consumer, the potential compensation mechanisms that they could avail themselves of, as well as their obligations. Likewise, said project regulates the possibility of granting guarantees to the subscription by electro-intensive consumers of long-term contracts with electricity suppliers, especially from renewable installations that do not receive specific remuneration, and which was completed with a Draft Law that regulated a fund to cover the risks of these contracts.

In this sense, on 27 June 2020, Royal Decree-Law 24/2020, of 26 June 2020, on social measures to reactivate employment and protect self-employment and competitiveness of the industrial sector, in which the Spanish Reserve Fund for Guarantees of Electrointensive Entities (FERGEI) is created, for the coverage by the State of the risks derived from medium and long-term purchase and sale operations of subscribed electricity supply by consumers who have the status of electrointensive consumers. This Fund will be endowed with €200 million per year, to cover a maximum of €600 million of investment in 3 years.

Methodology for calculating the charges of the Electric and Gas Systems.

On 7 July 2020, the Ministry for the Ecological Transition and the Demographic Challenge began the hearing of two Royal Decree projects with the methodologies for calculating the charges of the Electric and Gas Systems, which will complement the methodologies for calculating the Access tolls to be approved by the National Commission of Markets and Competition (CNMC).

Royal Decree 647/2020, of 7 July 2020, on network codes.

On 8 July 2020, Royal Decree 647/2020, of 7 July 2020, which regulates aspects necessary for the implementation of the connection network codes of certain electrical installations.

This Royal Decree includes certain elements associated with the adaptation of Spanish regulations to the European network codes set forth in Regulations (EU) 2016/631, 2016/1388 and 2016/1447 of the European Commission, of 14 April, 17 August and 26 August, respectively, which establish the framework of minimum technical requirements for design and operation that generation facilities, demand and high-voltage systems connected to direct current must comply with for connection to the electricity grid. It also includes other modifications on other provisions, such as Royal Decree 413/2014, of 6 June 2014, which regulates the activity of producing electrical energy from renewable energy sources, cogeneration and waste, or Royal Decree 738/2015, of 31 July 2015, which regulates the generation activity in the Electrical Systems of the Non-Mainland Territories (TNP).

4. Liquidity and Capital Resources.

4.1. Financial management.

Financial debt.

At 30 June 2020, ENDESA's net financial debt stood at €7,092 million, an increase of €715 million (+11.2%) compared with 31 December 2019.

The reconciliation of ENDESA's gross and net financial debt at 30 June 2020 and 31 December 2019 is as follows:

Millions of euros

	Reference (1)	Reconciliation of Financial Debt			
		30 June 2020	31 December 2019	Difference	% Var.
Non-Current Financial Debt	13.1	5,952	5,652	300	5.3
Current Financial Debt	13.1	1,527	955	572	59.9
Gross Financial Debt (2)		**7,479**	**6,607**	**872**	**13.2**
Cash and Cash Equivalents	10	(379)	(223)	(156)	70.0
Financial Derivatives Recognised in Financial Assets	14.3.1	(8)	(7)	(1)	14.3
Net Financial Debt		**7,092**	**6,377**	**715**	**11.2**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) At 30 June 2020, this includes €32 million corresponding to financial derivatives recognised under financial liabilities (€21 million at 31 December 2019).

In analysing the evolution of net financial debt, it must be borne in mind that on 2 January 2020 ENDESA paid its shareholders an interim dividend against 2019 results of €0.70 per share, for a pay-out of €741 million (see Sections 4.2. Cash flows and 4.4. Dividends of this Consolidated Management Report).

The structure of ENDESA's gross financial debt at 30 June 2020 and 31 December 2019 was as follows:

Millions of euros

	Structure of Gross Financial Debt			
	30 June 2020	31 December 2019	Difference	% Var.
Euros	7,376	6,498	878	13.5
U.S. Dollar (USD)	103	109	**(6)**	**(5.5)**
TOTAL	**7,479**	**6,607**	**872**	**13.2**
Fixed rate	4,719	4,639	80	1.7
Floating rate	2,760	1,968	792	40.2
TOTAL	**7,479**	**6,607**	**872**	**13.2**
Average life (years) (1)	4.9	5.2	-	-
Average cost (2)	1.8	1.8	-	-

(1) Average life of gross financial debt (years) = (Principal * Number of valid days) / (Valid principal at the close of the period * Number of days in the period).
(2) Average cost of gross financial debt (%) = (Cost of gross financial debt) / Average gross financial debt.

At 30 June 2020, 63% of the gross financial debt was at fixed interest rates, while 37% was at floating rates. At this date, 99% of the gross financial debt was denominated in euros.

Certain ENDESA companies' loans and borrowings contain the usual covenants in this type of agreement. At the date of approval of this Consolidated Management Report, neither ENDESA, S.A. nor any of its subsidiaries were in breach of their financial obligations or of any type of obligation that might give rise to early maturity of their financial commitments.

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

Similarly, during the six-month period ended on 30 June 2020, ENDESA has not amended, renegotiated or cancelled any clauses contained in lease agreements in which it acts as [lessor] and/or lessee, and therefore in contracts in which ENDESA acts as lessee, neither the right-of-use asset nor the liability represented by the present value of the obligation to make the lease payments during the term thereof has been modified.

Main financial transactions.

In the first half of 2020, ENDESA, S.A. has registered a new Euro Commercial Paper (ECP) SDG7 issuance programme worth €4,000 million, with the outstanding balance at 30 June 2020 equal to Euro 1,346 million, the renewal of which is backed by irrevocable credit lines. This programme incorporates, for the first time, sustainability objectives, in line with ENDESA's Strategic Plan

To strengthen its liquidity position and ensure the continuity of business activity, the following financial transactions were formalised during the first half of 2020:

Millions of euros

	Reference (1)	Counterparty	Date of Signing	Expiry Date	Amount
Loan (2)		Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	300
Credit Line (2)		Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	17 April 2020	19 April 2022	250
Intercompany Line of Credit	13.2.2 and 20.1.2	ENEL Finance International, N.V.	3 June 2020	3 June 2022	700
TOTAL					**1,250**

(1) Explanatory Notes that form part of the Interim Consolidated Financial Statements for the six months ended 30 June 2020.

Liquidity.

At 30 June 2020, ENDESA had liquidity of €4,469 million (€3,300 million at 31 December 2019) as detailed below:

Millions of euros

	Reference (1)	Liquidity			
		30 June 2020	31 December 2019	Difference	% Var.
Cash and Cash Equivalents	10	379	223	156	70.0
Unconditional availability in credit facilities (2)		4,090	3,077	1,013	32.9
TOTAL		**4,469**	**3,300**	**1,169**	**35.4**
Debt Maturity Coverage (number of months) (3)		23	26	-	-

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) At 30 June 2020 and 31 December 2019, €1,000 million correspond to the credit facility available with ENEL Finance International, N.V. In addition, at 30 June 2020, €700 million correspond to the new credit facility available with ENEL Finance International, N.V. (see Notes 13.2.1, 13.2.2, 15.2 and 20.1.2 from the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020).
(3) Coverage of debt maturities (number of months) = Maturity period (number of months) for vegetative debt that could be covered with the liquidity available.

ENDESA has a solid financial situation and unconditional credit lines contracted with first-rate entities available for significant amounts. This, together with the implementation of specific plans for the improvement and efficient management of liquidity, it is estimated that it will allow to face the impact caused by the difficulties of the economic situation.

The undrawn credit facilities guarantee the refinancing of current borrowings presented under the item "Non-Current Borrowings" in the accompanying Consolidated Statement of Financial Position, which amounted to €32 million at 30 June 2020 (€29 million at 31 December 2019) (see Note 13.1 from the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020).

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

Restrictions that could affect the drawdown of funds by ENDESA are described in Notes 10 and 13.2.3 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020.

Leverage.

The level of consolidated leverage is defined as an indicator for monitoring the financial situation, data at 30 June 2020 and 31 December 2019 being as follows:

Millions of euros

	Reference (1)	Leverage		% Var.
		30 June 2020	31 December 2019	
Net Financial Debt:		**7,092**	**6,377**	**11.2**
Non-current Financial Debt	13.1	5,952	5,652	5.3
Current Financial Debt	13.1	1,527	955	59.9
Cash and Cash Equivalents	10	(379)	(223)	70.0
Financial Derivatives Recognised in Financial Assets	14.3.1	(8)	(7)	14.3
Equity:	**11**	**8,246**	**7,837**	**5.2**
Of the Parent		8,094	7,688	5.3
Of Non-Controlling Interests		152	149	2.0
Leverage (%) (2)		**86.01**	**81.37**	**N/A**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) Leverage (%) = Net Financial Debt/Equity.

Credit Rating.

ENDESA's credit ratings are as follows:

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

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

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

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

4.2. Cash flows.

At 30 June 2020 and 31 December 2019, the amount of cash and cash equivalents breaks down as follows (see Section 4.1. Financial Management in this Consolidated Management Report):

Millions of euros

	Reference (1)	Cash and Cash Equivalents			
		30 June 2020	31 December 2019	Difference	% Var.
Cash in hand and at banks		379	223	156	70.0
Other Cash Equivalents		-	-	-	-
TOTAL	10	**379**	**223**	**156**	**70.0**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

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

Millions of euros

	Statement of cash flows			
	January - June 2020	January - June 2019	Difference	% Var.
Net cash flows from operating activities	995	907	88	9.7
Net cash flows from investing activities	(821)	(993)	172	(17.3)
Net cash flows from financing activities	(18)	296	(314)	(106.1)

In the first half of 2020, the net cash flows generated by the operating activities (€995 million) have made it possible to attend to the net investments necessary for the development of ENDESA's Businesses (€821 million).

Net cash flows from operating activities

In the first half of 2020, net cash flows from operating activities amounted to €995 million, up 9.7% compared to the same period in the previous year (€907 million in the first half of 2019), and are as follows:

Millions of euros

	Reference (1)	January - June 2020	January - June 2019	Difference	% Var.
Gross Profit Before Taxes and Non-Controlling Interests		1,513	1,014	499	49.2
Adjustments for:		355	974	(619)	(63.6)
Depreciation and amortisation and impairment losses		760	794	(34)	(4.3)
Other adjustments (net)		(405)	180	(585)	(325.0)
Changes in working capital:		(692)	(809)	117	(14.5)
Trade and other receivables		255	70	185	264.3
Inventories		(174)	(132)	(42)	31.8
Current financial assets		35	(299)	334	(111.7)
Trade payables and other current liabilities (2)		(808)	(448)	(360)	80.4
Other cash flows from/(used in) operating activities:		(181)	(272)	91	(33.5)
Interest received		15	15	-	-
Dividends received		9	10	(1)	(10.0)
Interest paid (3)		(70)	(62)	(8)	12.9
Corporation tax paid		(22)	(72)	50	(69.4)
Other Proceeds from/(Payments for) Operating Activities (4)		(113)	(163)	50	(30.7)
NET CASH FLOWS FROM OPERATING ACTIVITIES	18.1	**995**	**907**	**88**	**9.7**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) In the January-June 2020 period, it includes €12 million corresponding to the Public Responsibility Plan and purchases of supplies related to COVID-19 (see Section 5. COVID-19 Health Crisis in this Consolidated Management Report and Notes 18.1 and 19.2.1 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020).
(3) Includes interest paid on financial liabilities for rights of use for €16 million and €8 million, respectively (see Note 4.1 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020).
(4) Corresponding to provisions payments.

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

- The lower gross profit before tax and non-controlling interests net of depreciation and amortisation and other adjustments for the period (€120 million).
- Changes in working capital between the two periods amounting to €117 million, mainly as a result of increased payments to trade creditors (€360 million), the positive evolution of trade and other receivables (€185 million), increased payments for inventories (€42 million) and greater amounts of compensation received for extra costs of generation in Non-Mainland Territories (€225 million).
- The variation in the payment of Corporate Income Tax in the two periods amounting to €50 million.
- The decrease in other net payments from operating activities amounting to €50 million.

In the first half of 2020, the Company has also continued with its active management policy for working assets and liabilities, focusing on, among other aspects, the improvement of processes, the factoring of receivables and agreements extending payment periods with suppliers.

At 30 June 2020, 31 December 2019 and 30 June 2019, working capital comprised the following items:

Millions of euros

	Reference (1)	Sections	Working Capital		
			30 June 2020	31 December 2019	30 June 2019
Current Assets (2)			**5,730**	**5,877**	**5,551**
Inventories	8		853	1,177	1,115
Trade and other receivables	9		3,689	3,485	3,089
Current financial assets	14		1,188	1,215	1,347
Compensation for Extra Costs of Generation in Non-Mainland Territories			519	561	886
Collection Rights for the Financing of the Deficit of Regulated Activities			375	389	260
Remuneration of Distribution Activity			203	178	120
Others			91	87	81
Current Liabilities (3)			**6,714**	**7,510**	**6,285**
Current provisions	12.1		313	576	378
Trade Payables and Other Current Liabilities	17		6,401	6,934	5,907
Parent Company Dividend	11.3	4.4	821	741	770
Others			5,580	6,193	5,173

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) Excluding "Cash and cash equivalents" and "Financial Derivative Assets" corresponding to financial debt.
(3) Excluding Current Financial Debt and financial derivative liabilities corresponding to financial debt.

Net cash flows used in investing activities

In the first half of 2020, net cash flows used in investment activities amounted to €821 million, 17.3% lower than in the same period of the previous year (€993 million in the first half of 2019) and include, among other aspects:

- Net cash payments used to acquire property, plant and equipment and intangible assets:

Millions of euros

	Reference (1)	Sections	January - June 2020	January - June 2019
Acquisition of Property, Plant and Equipment and Intangible Assets			**(776)**	**(903)**
Acquisition of Property, Plant and Equipment (2)	4.2	4.3	(577)	(843)
Acquisition of intangible assets	5.1	4.3	(72)	(78)
Facilities transferred from customers			21	21
Suppliers of property, plant and equipment			(148)	(3)
Proceeds from sales of property, plant and equipment and intangible assets			**4**	**13**
Grants and other deferred income			**48**	**27**
TOTAL			**(724)**	**(863)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) In the January-June 2020 period, it does not include recognition of right-of-use assets amounting to €140 million (see Note 4.1 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020).

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

Millions of euros

	Reference (1)	January - June 2020	January - June 2019
Equity investments in Group Companies		**-**	**(2)**
Companies acquired by ENEL Green Power España, S.L.U. (EGPE)	2.3	-	(2)
Disposals of investments in Group Companies		**21**	**-**
ENDESA Soluciones, S.L.	2.3, 2.4 and 7	21	-
TOTAL		**21**	**(2)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

Net cash flows used in financing activities.

In the first half of 2020, the cash flows from financing activities came to €18 million (€296 million in the first half of 2019), mainly including the following aspects:

– Cash flows in respect of equity instruments:

Millions of euros

	January - June 2020	January - June 2019
Funds contribution by Bosa del Ebro, S.L.	-	6
TOTAL	**-**	**6**

– Drawdowns of non-current financial debt:

Millions of euros

	Reference (1)	Section	January - June 2020	January - June 2019
Drawdowns on the loan from Caixabank, S.A., Bankia, S.A. and Kutxabank, S.A.	13.2.2	4.1	300	-
Drawdowns on credit facility with ENEL Finance International, N.V.	13.2.2	4.1	500	-
Drawdowns of the European Investment Bank (EIB) Green Loan			-	335
Drawdowns of the Official Credit Institute (ICO) Green Loan			-	300
Drawdowns of other credit facilities			-	6
Others			9	2
TOTAL	**13.1**		**809**	**643**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

– Reimbursement of non-current financial debt:

Millions of euros

	Reference (1)	January - June 2020	January - June 2019
Repayments of ENEL Finance International N.V. credit facility		(500)	-
Repayment of other credit facilities		(67)	(199)
Others		(7)	(6)
TOTAL	**13.1**	**(574)**	**(205)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

– Drawdowns and repayments of current financial debt:

Millions of euros

	Reference (1)	Sections	January - June 2020	January - June 2019
Drawdowns				
Euro Commercial Paper (ECP) issues	13.2.2	4.1	8,430	6,047
Others			21	41
Amortisations				
Euro Commercial Paper (ECP) repayments	13.2.2	4.1	(7,881)	(5,400)
Payments of Right-of-Use Contracts			(34)	(25)
Others			(43)	(63)
TOTAL	**13.1**		**493**	**600**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.

– Dividends payments:

Millions of euros

	Reference (1)	Sections	January - June 2020	January - June 2019
Payment of Parent Company Dividends	11.3 and 17	4.4	(741)	(741)
Dividends paid to non-controlling interests (2)			(5)	(7)
TOTAL			**(746)**	**(748)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) Corresponding to companies of ENEL Green Power España, S.L.U. (EGPE).

4.3. Investments.

In the first half of 2020, ENDESA made gross investments of €797 million. Of this amount, €789 million were related to investments in property, plant and equipment and intangible assets, and the remaining €8 million to financial investments, as follows:

Millions of euros

	Reference (1)	Investments (2)		
		January - June 2020	January - June 2019	% Var.
Generation and Supply		411	619	(33.6)
Generation in Non-Mainland Territories		31	19	63.2
Other Generation and Supply		380	600	(36.7)
Distribution		235	220	6.8
Structure and Others (3)		71	4	1,675.0
TOTAL PROPERTY, PLANT & EQUIPMENT (4) (5)	**4.2**	**717**	**843**	**(14.9)**
Generation and Supply		55	54	1.9
Generation in Non-Mainland Territories		-	-	-
Other Generation and Supply		55	54	1.9
Distribution		11	15	(26.7)
Structure and Others (3)		6	9	(33.3)
TOTAL INTANGIBLE ASSETS (5)	**5.1**	**72**	**78**	**(7.7)**
FINANCIAL INVESTMENTS		**8**	**35**	**(77.1)**
TOTAL GROSS INVESTMENTS		**797**	**956**	**(16.6)**
Capital grants and Facilities Sold		(69)	(43)	60.5
Generation and Supply		(4)	(1)	300.0
Distribution		(65)	(42)	54.8
TOTAL NET INVESTMENTS (6)		**728**	**913**	**(20.3)**

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) Does not include company acquisitions carried out during the period (see Section 2. Scope of Consolidation in this Consolidated Management Report).
(3) Structure, Services and Adjustments.
(4) In the January-June 2020 period, it includes registrations for use rights amounting to €140 million (see Note 4.1 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the Six Month Period ended 30 June 2020).
(5) In the first half of 2020, it includes €613 million relating to investments for low-carbon products, services and technologies (€847 million in the first half of 2019).
(6) Net investments = Gross investments - Capital grants and facilities sold.

Investments in property, plant and equipment.

Gross investments in generation in the first half of 2020 relate mainly to investments for the construction of power plants based on renewable sources for an amount of €192 million. They also include the recognition of an asset for right of use, corresponding to the land where certain renewable generation facilities are located, for an amount of €65 million (see Note 4.1.1 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the Six Month Period ended 30 June 2020).

The decrease in gross investments in Generation and Supply" (-33.6%) compared to the first half of 2019 is mainly due to the fact that in that period the investments corresponded mainly to the construction of the wind and photovoltaic power awarded in the auctions held in 2017 and which was put into operation in the financial year 2019.

Gross investments in supply correspond mainly to the development of activity related to new products and services amounting to €8 million.

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

Gross investments in structure and other, include the recognition of an asset by right of use, corresponding to the renewal of the lease of ENDESA's head office, located in Ribera del Loira (Madrid) (see Note 4.1.1 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the Six Month Period ended 30 June 2020).

Investments in intangible assets.

Gross investments in intangible assets in the first half of 2020 mainly correspond to computer software and ongoing investments in ICT activities for the sum of €36 million and the capitalisation of incremental costs incurred corresponding to the acquisition of customer contracts for the sum of €36 million.

Financial investments.

Gross investments in the first half of 2020 mainly include different financial credits.

4.4. Dividends.

At its meeting held on 26 November 2019, the Board of Directors of ENDESA, S.A. approved the following shareholder remuneration policy for 2019-2022:

- Financial years 2019 to 2020: The ordinary dividend per share to be distributed in respect of these years will be equivalent to 100% of ordinary net income attributable to the Parent as per the Consolidated Financial Statements of the Group headed by the Company.

- For financial year 2021, the Board of Directors of ENDESA, S.A. will ensure that the ordinary dividend per share that is agreed to be distributed for the year is equal to 80% of the net ordinary income attributable to the Parent Company as per the Group's Consolidated Financial Statements.

- For the 2022 financial year, the Board of Directors of ENDESA, S.A. will ensure that the ordinary dividend per share that is agreed to be distributed for the year is equal to 70% of the net ordinary income attributable to the Parent Company as per the Group's Consolidated Financial Statements.

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

Approval was given at ENDESA, S.A.'s General Shareholders' Meeting of 5 May 2020 to pay shareholders a total dividend for 2019 in a gross amount of €1.475 per share, representing a total of €1,562 million. The breakdown of these dividends is as follows:

Millions of euros

	Reference (1)	Sections	Approval date	Euros per share, gross	Amount	Payment date
Interim dividend	18.3	4.2	26 November 2019	0.700	741	2 January 2020
Final dividend			5 May 2020	0.775	821	1 July 2020
Total Dividend paid against 2019 Profit	**11.3 and 17**			**1.475**	**1,562**	

(1) Explanatory Notes that form part of the Interim Consolidated Financial Statements for the six months ended 30 June 2020.

5. COVID-19 Health Crisis.

The coronavirus epidemic (COVID-19) was first reported to the World Health Organization (WHO) in late December 2019.

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

During the period, and in order to contain the effects of the infection, while waiting for an available vaccine, the governments of the different countries have adopted numerous containment measures, essentially aimed at restricting the free movement of people, which can be maintained or increased, depending on its effectiveness and the future spread of the virus.

In Spain, on 14 March 2020, the Government declared a state of alarm throughout the national territory to deal with the health emergency situation caused by the COVID-19 and, after successive extensions, on 22 June 2020, the country entered the so-called "new normality" after the expiry of the state of alarm and extraordinary measures, including those that limited freedom of movement. From that moment on, a series of protocols for prevention, containment and coordination were adopted, which are making it possible to face and control the pandemic until the health crisis situation officially ends.

ENDESA carries out a large part of its activities under regulated frameworks and during the state of alarm derived from COVID-19, its activities have been classified as essential, which is why it has continued to develop them, adjusting its protocols when necessary.

During this period, business continuity management has relied on the Out-of-Office (OOW) method for non-critical positions, introduced a few years ago in the organisation, and which, thanks to investments in digitalisation, has made it possible to work remotely with the same level of efficiency and productivity. Likewise, measures and procedures have been applied that are helping to work safely and reduce the risks of infection. The Return Plan with the maximum guarantees of safety at work is allowing the progressive incorporation of the sales force. Meanwhile, the use of digitalised infrastructure that contributes to the normal operation of production assets, the continuity of the electricity supply and the remote management of all activities relating to the market and customer relations.

As part of its commitment to society, ENDESA has designed a Public Responsibility Plan to provide direct aid for the purchase of materials, special supply conditions and donations to meet the main health and social needs caused by the COVID-19 health crisis. The amount accrued for this concept and the purchases of supplies related to COVID-19, amounted to €12 million (€10 million euros, net of tax effect).

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

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

- Forecast of potential macroeconomic impacts.

- Forecast of the potential prices of electricity and gas in the energy markets and other commodities.

- Estimation of the impacts on the demand for electricity and gas.

– Analysis of possible delays in supplies and fulfilment of contracts, at the supply chain level.

– Monitoring of financial markets and liquidity situation.

Among the risk factors that affect ENDESA and that could be exacerbated by a virus resurgence or by the extension of the economic crisis, the following stand out:

– Adverse economic conditions due to the crisis following the COVID-19 pandemic may prolong the negative impact on electricity and gas demand during the second half of 2020. To this end, during the first half of 2020, the accumulated mainland demand for electrical energy decreased by 7.8% compared to the same period of the previous year, the accumulated demand for electrical energy in the Non-Mainland Territories (TNP) fell by 13.2% and conventional gas demand by 8.5%.

– ENDESA's business activities are carried out in an environment of fierce competition. ENDESA's ability to contract new customers could continue to be affected after a flare-up due to the limitations imposed by the management of the health crisis that limits physical visits to customers. At 30 June 2020, ENDESA had 5,766,913 electricity customers in the deregulated market, a 1.8% increase on the number of customers at 31 December 2019. On that same date, the number of ENDESA's gas customers in the deregulated market was 1,425,230, 0.4% higher than the number of existing customers as at 31 December 2019.

– The adverse economic conditions due to the crisis after the COVID-19 pandemic may have a negative impact on the ability of ENDESA's counterparties to meet their payment commitments. Along these lines, Royal Decree Law 26/2020, of 7 July 2020, on economic reactivation measures to face the impact of COVID-19 in the areas of transport and housing, which entered into force on 9 July, extends the period until 30 September 2020 that exceptionally, the supply of electricity and gas in the principal residence may not be suspended for reasons other than security of supply, to consumers who are natural persons.

  During the first half of 2020, the largest provisions recorded in trade customers related to COVID-19 amounted to €20 million.

– Variations in demand as a result of a resurgence of COVID-19 could affect electricity and natural gas supply contracts, or associated hedges, since these are signed on the basis of certain assumptions regarding future market prices for electricity and natural gas and these have changed. In this sense, the prices in the "commodities" markets (Brent, gas, coal price, European Union Allowance (EUAs)) in this period have experienced greater volatility.

– A new massive contagion of COVID-19 and, consequently, a new confinement, could be limiting factors for ENDESA, due to the need to have contractors available to carry out work. In this regard, the actions carried out on the supply chain have enabled ENDESA to continue its investment efforts without any significant incidents. Gross material investment in the January-June 2020 period amounted to €717 million and no material impact is expected with respect to the project start-up dates.

– A resurgence of COVID-19 in the coming months could limit ENDESA's access to capital markets and change the terms on which it obtains financing, consequently affecting its activity, results, financial position and cash flows. To this end, ENDESA has a solid financial position and unconditional credit lines contracted with first-rate entities available for significant amounts. This, together with the implementation of specific plans for the improvement and efficient management of liquidity, it is estimated that it will allow to face the impact caused by the difficulties of the economic situation (see section 2. Main financial transactions in this Consolidated Management Report).

In the same way that has been done to date, in the coming months, constant monitoring of developments and continuous monitoring of changes in macroeconomic, financial and trade variables will continue in order to update the estimate of possible impacts in real time, as well as allowing, where appropriate, their mitigation with reaction and contingency plans.

6. Major risks and uncertainties in the second half of 2020.

During the first half of 2020, ENDESA followed the same general risk management policy described in its consolidated financial statements for the year ended 31 December 2019.

For this period, the financial instruments and types of hedges had the same characteristics as those described in the previously mentioned Consolidated Financial Statements.

The information regarding the main risks and uncertainties associated with ENDESA's activity is described in section 7. Main risks and uncertainties associated with ENDESA's activity of the Consolidated Management Report for the year ended 31 December 2019.

With the global expansion of the economic crisis, which had its origin in the COVID-19 health crisis (see Section 5. COVID-19 Health Crisis of this Consolidated Management Report), and in the event of a possible resurgence of the virus after the summer, ENDESA faces a greater uncertainty and its business could be affected by adverse economic and political conditions in Spain, Portugal, the euro zone and in international markets. ENDESA's sales in the second half of 2020 will largely be affected by gas and electricity demand in Spain during the period, which in turn will be shaped by the Spanish economy and, mostly, by growth in GDP and the increase in unemployment.

Also, the main risks and uncertainties ENDESA faces in the second half of 2020 arise mostly from the following:

- ENDESA’s activities are subject to extensive regulation, and regulatory changes could have an adverse impact on its business activities, results, financial position and cash flows (see Section 3. Regulatory Framework of this Consolidated Management Report and Note 3 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020).

- Rainfall and wind potential levels will also affect electricity production costs and market price, in turn affecting margins in the second half of 2020.

- Electricity prices and fuel prices on the wholesale market, specifically, coal, gas and CO_2 emission rights, will impact business costs and sales prices. Although ENDESA has fuel price hedges in place and has finalised contracts for power sold to customers for the next few months, fluctuations in both the market price for fuel and for electricity will affect the Group’s costs and income, and therefore, margins.

- The possible evolution of interest rates will have an impact on ENDESA’s results in the second half of 2020 because of the portion of the Group’s net financial debt held at floating interest rates. To mitigate this impact, ENDESA hedges interest rate risk by entering into derivatives.

- The profit and loss, and fair value of investees over which ENDESA does not exercise control, and which are accounted for in the consolidated financial statements using the equity method may also affect earnings in the second half of 2020 (see section 1.3.4. Net income of companies accounted for using the equity method of this Consolidated Management Report and Note 7 from the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020).

- ENDESA is also subject to certain legal proceedings which, when resolved, may impact the consolidated financial statements (see Notes 16.3 to the Consolidated Financial Statements for the year ended 31 December 2019 and 12.2 of the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020).

7. Information on related-party transactions.

Information concerning related-party transactions is included in Note 20 from the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020.

8. Other information.

There were no one-off events involving significant amounts during the first half of 2020 other than those discussed herein.

Therefore, during the first half of 2020 no new significant contingent liabilities arose other than those described in the consolidated financial statements for the year ended 31 December 2019.

Information on lawsuits, arbitration proceedings and contingent assets is included in Note 12.2 from the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020.

9. Events after the reporting period.

Information concerning events after the reporting period is included in Note 23 from the Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2020.

APPENDIX I

Statistical Appendix

Industrial Data

Electricity Generation (1)	January - June 2020		January - June 2019		% Var.
	GWh	Percentage (%)	GWh	Percentage (%)	
Mainland	**22,601**	**82.0**	**24,707**	**81.3**	**(8.5)**
Renewables	7,396	26.8	4,923	16.2	50.2
Hydroelectric	4,714	17.1	2,849	9.4	65.5
Wind (2)	2,424	8.8	2,059	6.8	17.7
Photovoltaic	258	0.9	14	-	1,742.9
Biomass	-	-	1	-	(100.0)
Nuclear	12,672	46.0	13,212	43.5	(4.1)
Coal	664	2.4	4,116	13.6	(83.9)
Combined Cycle (CCGT) (3)	1,869	6.8	2,456	8.0	(23.9)
Non-Mainland Territories	**4,974**	**18.0**	**5,668**	**18.7**	**(12.2)**
Coal	(9) (4)	-	871	2.9	(101.0)
Fuel-gas	2,042	7.4	2,890	9.5	(29.3)
Combined Cycle (CCGT) (3)	2,941	10.6	1,907	6.3	54.2
TOTAL	**27,575**	**100.0**	**30,375**	**100.0**	**(9.2)**

(1) In power plant busbars.
(2) In the period January-June 2020 it includes 28 GWh corresponding to Non-Mainland Territories (49 GWh in the period January-June 2019).
(3) Corresponding to natural gas.
(4) Own consumption.

Gross Installed Capacity	30 June 2020		31 December 2019		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
Mainland	**17,342**	**78.6**	**19,498**	**80.5**	**(11.1)**
Renewables (1) (2)	7,449	33.8	7,452	30.8	(0.0)
Hydroelectric	4,792	21.7	4,792	19.8	-
Wind (3)	2,305	10.4	2,308	9.5	(0.1)
Photovoltaic	352	1.7	352	1.5	-
Nuclear	3,443	15.6	3,443	14.2	-
Coal	2,627	11.9	4,780	19.7	(45.0)
Combined Cycle (CCGT) (4)	3,823	17.3	3,823	15.8	**-**
Non-Mainland Territories	**4,733**	**21.4**	**4,733**	**19.5**	**-**
Coal	260	1.2	260	1.1	-
Fuel-gas	2,619	11.9	2,619	10.8	-
Combined Cycle (CCGT) (4)	1,854	8.3	1,854	7.6	-
TOTAL	**22,075**	**100.0**	**24,231**	**100.0**	**(8.9)**

(1) At 30 June 2020 and 31 December 2019, the additional capacity was 28 MW and 926 MW respectively.
(2) At 30 June 2020, gross mainland installed capacity based on renewable sources represented 42.7% of total gross mainland installed capacity (38.0% at 31 December 2019).
(3) At 30 June 2020 and 31 December 2019, it includes 40 MW corresponding to Non-Mainland Territories.
(4) Corresponding to natural gas.

Net Installed Capacity	30 June 2020		31 December 2019		% Var.
	MW	Percentage (%)	MW	Percentage (%)	
Mainland	**17,002**	**80.0**	**19,066**	**81.6**	**(10.8)**
Renewables (1) (2)	7,405	34.8	7,408	31.7	(0.0)
Hydroelectric	4,748	22.3	4,748	20.3	-
Wind (3)	2,305	10.8	2,308	9.9	(0.1)
Photovoltaic	352	1.7	352	1.5	-
Nuclear	3,318	15.6	3,318	14.2	-
Coal	2,523	11.9	4,584	19.6	(45.0)
Combined Cycle (CCGT) (4)	3,756	17.7	3,756	16.1	-
Non-Mainland Territories	**4,263**	**20.0**	**4,299**	**18.4**	**(0.8)**
Coal	241	1.1	241	1.0	-
Fuel-gas	2,334	11.0	2,334	10.0	-
Combined Cycle (CCGT) (4)	1,688	7.9	1,724	7.4	(2.1)
TOTAL	**21,265**	**100.0**	**23,365**	**100.0**	**(9.0)**

(1) At 30 June 2020 and 31 December 2019, the additional capacity was 28 MW and 926 MW respectively.
(2) At 30 June 2020, net mainland installed capacity based on renewable sources represented 43.3% of total net mainland installed capacity (38.6% at 31 December 2019).
(3) At 30 June 2020 and 31 December 2019, it includes 40 MW corresponding to Non-Mainland Territories.
(4) Corresponding to natural gas.

GWh

Gross electricity sales (1)	January - June 2020	January - June 2019	% Var.
Regulated Price	6,440	6,673	(3.5)
Deregulated market	36,468	41,057	(11.2)
Spanish	31,568	35,845	(11.9)
Outside Spain	4,900	5,212	(6.0)
TOTAL	**42,908**	**47,730**	**(10.1)**

(1) In power plant busbars.

GWh

Net electricity sales (1)	January - June 2020	January - June 2019	% Var.
Regulated Price	5,523	5,658	(2.4)
Deregulated market	33,515	37,476	(10.6)
Spanish	28,885	32,532	(11.2)
Outside Spain	4,630	4,944	(6.4)
TOTAL	**39,038**	**43,134**	**(9.5)**

(1) Sales to end customers.

Thousands

Number of customers (Electricity) (1) (2)	30 June 2020	31 December 2019	% Var.
Regulated market	4,779	4,807	(0.6)
Mainland Spain	4,056	4,074	(0.4)
Non-Mainland Territories	723	733	(1.4)
Deregulated market	5,767	5,828	(1.0)
Mainland Spain	4,524	4,619	(2.1)
Non-Mainland Territories	853	859	(0.7)
Outside Spain	390	350	11.4
TOTAL	**10,546**	**10,635**	**(0.8)**
Income / Supply Points (3)	**0.6**	**1.3**	**-**

(1) Supply points.
(2) Customers of the supply companies.
(3) Ratio of income from electricity sales to the number of electricity supply points (Thousands of euros / Supply Point) for the period from January to June 2020 and the 2019 financial year, respectively.

Percentage (%)

Trends in electricity demand (1)	January - June 2020	January - June 2019
Mainland (2)	(7.8)	(2.2)
Non-Mainland Territories (3)	(13.2)	(1.4)

(1) Source: Red Eléctrica de España, S.A. (REE). In power plants busbars
(2) Adjusted for working days and temperature: -7.8% in the first half of 2020 and -2.3% in the first half of 2019.
(3) Adjusted for working days and temperature: -23.1% in the first half of 2020 and +0.1% in the first half of 2019.

Percentage (%)

Market share (electricity) (1)	30 June 2020	31 December 2019
Mainland Generation	17.5	18.3
Distribution	43.7	44.1
Supply	33.0	34.1

(1) Source: In-house.

GWh

Gas sales	January - June 2020	January - June 2019	% Var.
Deregulated market	20,391	24,279	(16.0)
Regulated market	650	782	(16.9)
International market	9,047	10,867	(16.7)
Wholesale business	3,907	3,330	17.3
TOTAL (1)	**33,995**	**39,258**	**(13.4)**

(1) Excluding own generation consumption.

Thousands

Number of customers (gas) (1)	30 June 2020	31 December 2019	% Var.
Regulated market	232	230	0.9
Mainland Spain	208	206	1.0
Non-Mainland Territories	24	24	-
Deregulated market	1,425	1,419	0.4
Mainland Spain	1,247	1,255	(0.6)
Non-Mainland Territories	72	72	-
Outside Spain	106	92	15.2
TOTAL	**1,657**	**1,649**	**0.5**
Income / Supply Points (2)	**0.7**	**1.5**	**-**

(1) Supply points.
(2) Ratio of income from gas sales to the number of gas supply points (Thousands of euros / Supply Point) for the period from January to June 2020 and the 2019 financial year, respectively.

Percentage (%)

Trend in demand for gas (1)	**January - June 2020**	**January - June 2019**
Domestic market	(11.3)	9.3
Domestic - conventional	(8.5)	(0.2)
Electricity sector	(21.2)	65.6

(1) Source: Enagás, S.A.

Percentage (%)

Market share (gas) (1)	**30 June 2020**	**31 December 2019**
Deregulated market	14.4	15.6

(1) Source: In-house.

Distribution Business	**30 June 2020**	**31 December 2019**	**% Var.**
Distribution and Transmission Networks (km)	316,930	316,320	0.2
Digitised Customers (1)	12,278	12,178	0.8
End Users (2)	12,250	12,235	0.1
Ratio of Digitalised Customers (3)	100.2	99.5	0.7
Public and Private Recharging Points (Units)	5,693	5,000	13.9

(1) Smart meters activated (Thousands).
(2) Customers of distribution companies (Thousands).
(3) Number of Digitalised Customers / End Users (%).

Supply Quality Measures	**January - June 2020**	**January - June 2019**	**% Var.**
Energy Distributed (GWh) (1)	50,274	54,593	(7.9)
Energy Losses (%) (2)	10.3	9.9	4.0
Installed Capacity Equivalent Interruption Time (Average) – (ICEIT) (Minutes) (3)	22.1 (4)	22.9	(3.5)
Duration of Distribution Network Interruptions – SAIDI (Minutes) (2)	72.3	72.8	(0.7)
Number of Distribution Network Interruptions – SAIFI (2)	1.4	1.3	7.7

(1) In supplier busbars.
(2) Source: Own elaboration according to the criterion used by the National Commission of Markets and Competition (CNMC) for the calculation of the incentives and penalties corresponding to the reduction of losses in the distribution networks.
(3) According to the calculation procedure set down by Royal Decree 1995/2000, of 1 December.
(4) Data adjusted for the effects of storm "Gloria" (4.0 minutes)

Workforce.

Number of Employees

	Headcount at end of period						
	30 June 2020			**31 December 2019**			**% Var.**
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	
Generation and Supply	4,127	1,133	5,260	4,153	1,143	5,296	(0.7)
Distribution	2,519	439	2,958	2,527	442	2,969	(0.4)
Structure and Others (1)	904	802	1,706	893	794	1,687	1.1
TOTAL	**7,550**	**2,374**	**9,924**	**7,573**	**2,379**	**9,952**	**(0.3)**

(1) Structure and services

Number of Employees

	Average headcount						
	January - June 2020			**January - June 2019**			**% Var.**
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	
Generation and Supply	4,104	1,111	5,215	4,070	1,060	5,130	1.7
Distribution	2,499	434	2,933	2,500	434	2,934	(0.0)
Structure and Others (1)	888	782	1,670	865	763	1,628	2.6
TOTAL	**7,491**	**2,327**	**9,818**	**7,435**	**2,257**	**9,692**	**1.3**

(1) Structure and services

Financial Data

Millions of euros

	Consolidated Income Statement		
	January - June 2020	January - June 2019	% Var.
Sales	8,265	9,473	(12.8)
Procurements and Services	(5,961)	(6,901)	(13.6)
Contribution margin (1)	2,922	2,890	1.1
EBITDA (2)	2,315	1,894	22.2
Operating Profit (EBIT) (3)	1,555	1,100	41.4
Net Financial Income/(Expense) (4)	(48)	(96)	(50.0)
Income before Tax	1,513	1,014	49.2
Net Income (5)	1,128	776	45.4
Net Ordinary Income (6)	1,128	776	45.4

(1) Contribution margin = Income - Procurements and Services.
(1) EBITDA = Income - Procurements and Services + Self-constructed Assets - Personnel expenses - Other fixed operating expenses.
(2) EBIT = EBITDA - Depreciation and Amortisation and Impairment Losses.
(3) Net Financial Income/(Expense) = Financial Income - Financial Expense + Net Exchange Differences.
(4) Net income/(loss): Profit/(loss) of the Parent.
(5) Net Ordinary Income = Net Income of the Parent Company - Net Gains/Losses on Disposals of Non-Financial Assets (over €10 million) - Net Impairment Losses on Non-Financial Assets (over €10 million).

Euros

Valuation parameters	January - June 2020	January - June 2019	% Var.
Net Ordinary Earnings per Share (1)	1.065	0.733	45.4
Net Earnings per Share (2)	1.065	0.733	45.4
Cash Flow per Share (3)	0.940	0.857	9.7
Book Value per Share (4)	7.645 (5)	8.452 (6)	5.3

(1) Net Ordinary Income per Share = Net Ordinary Income of the Parent / No. of shares at the end of the period.
(2) Net earnings per share = Net income of the Parent/ No. of shares at the end of the period.
(3) Cash flow per share = Net cash flows from operating activities / No. of shares at the end of the period.
(4) Book value per share = Equity of the Parent / No. of shares at the end of the period.
(5) At 30 June 2020.
(6) At 31 December 2019.

Millions of euros

	Reference (1)	Consolidated Statement of Financial Position		
		30 June 2020	31 December 2019	% Var.
Total assets		31,895	31,981	(0.3)
Equity	11	8,246	7,837	5.2
Net Financial Debt (2)	13	7,092	6,377	11.2

(1) Explanatory Notes that form part of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2020.
(2) Net financial debt = Non-current interest-bearing loans and borrowings + Current interest-bearing loans and borrowings – Cash and cash equivalents – Derivatives recognised as financial assets.

Profitability Indicators (%)	January - June 2020	January - June 2019
Return on equity (1)	25.21	17.26
Return on assets (2)	6.23	4.84
Economic profitability (3)	12.92	9.98
Return on capital employed (ROCE) (4)	6.44	5.29
Return on Capital Invested (RCI) (5)	13.55	10.78

(1) Return on Equity = Net Ordinary Income of the Parent / Average Equity of the Parent.
(2) Return on Assets = Ordinary Income of the Parent / Average Total Assets.
(3) Economic Profitability = EBIT / Average Property, Plant and Equipment.
(4) Return on Capital Employed (ROCE) = Operating Profit After Tax / (Average Non-Current Assets + Average Current Assets).
(5) Return on Capital Invested (RCI) = Operating Income After Taxes / (Net Equity of the Parent Company + Net Financial Debt)

Financial Indicators	30 June 2020	31 December 2019
Liquidity ratio (1)	0.74	0.72
Solvency ratio (2)	0.92	0.91
Debt Ratio (3) (%)	46.24	44.86
Debt coverage ratio (4)	1.66	1.66
Net Financial Debt (5) / Fixed Assets (6) (%)	30.61	27.46
Net Financial Debt (5) / Funds from Operations (7)	2.23	2.05
	January - June 2020	January - June 2019
(Funds from Operations (7) + Interest Expense (8)) / Interest Expense (8)	23.71	27.08

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

Rating.

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

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

Stock Market Information.

Percentage (%)

Share price performance (1)	January - June 2020	January - June 2019
ENDESA, S.A.	**(7.8)**	**12.3**
Ibex-35	(24.3)	7.7
Euro Stoxx 50	(13.6)	15.7
Euro Stoxx Utilities	(0.7)	13.5

(1) Source: Madrid Stock Exchange.

Euros

ENDESA share price (1)	January - June 2020	2019	% Var.
High	26.120	25.490	2.5
Low	15.500	20.070	(22.8)
Period average	21.751	22.948	(5.2)
Closing Price	21.930	23.790	(7.8)

(1) Source: Madrid Stock Exchange.

Stock market information		30 June 2020	31 December 2019	% Var.
Market capitalisation (1)	Millions of euros	23,218	25,188	(7.8)
Number of Shares Outstanding		1,058,752,117	1,058,752,117	-
Nominal Share Value	Euros	1.2	1.2	-
Cash (2)	Millions of euros	5,084	9,280	(45.2)
Madrid stock exchange	Shares			
Trading volume (3)		234,539,784	404,075,920	(42.0)
Average daily trading volume (4)		1,861,427	1,584,611	17.5
Price to Earnings Ratio (P.E.R.) Ordinary (5)		11.67	16.13	-
Price to Earnings Ratio (P.E.R.) (6)		11.67	147.30	-
Price / Carrying amount (7)		2.87	3.28	-

(1) Market Cap = No. of shares at the end of the period * Share price at the end of the period.
(2) Cash = Sum of all the operations made over the value in the reference period (Source: Madrid Stock Exchange).
(3) (3) Trading volume = Total volume of stock of ENDESA, S.A. traded in the period (Source: Madrid Stock Exchange).
(4) Average daily trading volume = Arithmetic mean of shares in ENDESA, S.A. traded per session during the period (Source: Madrid Stock Exchange).
(5) Price to Earnings Ratio (P.E.R.) Ordinary = Price at the End of the Period / Ordinary Net Income per Share (discounting the effects, net of tax effect, for an amount of €267 million, described in Section 1.3.2. Operating Expenses in this Consolidated Management Report).
(6) Price to Earnings Ratio (P.E.R.) = Price at the End of the Period / Net Income per Share (discounting the effects, net of tax effect, for an amount of €267 million, described in Section 1.3.2. Operating Expenses in this Consolidated Management Report).
(7) Price / Carrying amount = Market capitalisation / Equity of the Parent.

Dividends.

		2019	2018	% 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	1,562	1,511	3.4
Consolidated Net Income	Millions of euros	171	1,417	(87.9)
Individual Net Income	Millions of euros	1,642	1,511	8.7
Net Ordinary Earnings per Share (1)	Euros	1.475	1.427	3.4
Net Earnings per Share (2)	Euros	0.162	1.338	(87.9)
Gross Dividend per Share	Euros	1.475 (3)	1.427 (4)	3.4
Consolidated Ordinary Pay-Out(5)	%	100.0	100.0	-
Consolidated pay-out (6)	%	913.3	106.6	-
Individual pay-out (7)	%	95.1	100.0	-

(1) Net Ordinary earnings per share (EUR) = Net ordinary income of the Parent/ No. of Shares at the end of the period.
(2) Net Earnings per Share (EUR) = Profit/(loss) of the Parent/ No. of Shares at the end of the period.
(3) Gross interim dividend of €0.70 per share paid on 2 January 2020, plus a complementary gross dividend of €0.775 per share pending approval by the ENDESA, S.A. General Shareholders' Meeting.
(4) Gross interim dividend of €0.70 per share, paid out on 2 January 2019 plus the gross final dividend of €0.727 per share paid out on 2 July 2019.
(5) Consolidated ordinary pay-out (%) = (Gross dividend per share * Shares at the end of the reporting period) / Net ordinary income of the Parent.
(6) Consolidated pay-out (%) = (Gross dividend per share * Number of shares at the end of the reporting period) / Profit/loss) of the Parent.
(7) Individual pay-out (%) = (Gross dividend per share * Number of shares at the end of the reporting period) / Profit/(loss) of ENDESA, S.A.

APPENDIX II

Alternative Performance Measures (APMs)

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs)		Relevance of Use
			January - June 2020	January - June 2019	
EBITDA (1)	€ M	Income - Procurements and services + Work carried out by the Group for its assets - Personnel expenses - Other fixed operating expenses	€2,315 M = €8,883 M - €5,961 M + €97 M - €95 M - €609 M	€1,894 M = €9,791 M - €6,901 M + €99 M - €505 M - €590 M	Measure of operating return excluding interest, taxes, provisions and amortisation.
EBIT (1)	€ M	EBITDA - Depreciation and amortisation and impairment losses.	€1,555 M = €2,315 M - €760 M	€1,100 M = €1,894 M - €794 M	Measure of operating return excluding interest and taxes.
Net ordinary income	€ M	Net Income of the Parent Company - Net Gains or Losses on Disposal of Non-Financial Assets (greater than €10 million) - Net Impairment Losses on Non-Financial Assets (greater than €10 million))	€1,128 M = €1,128 M - €0 M - €0 M	€776 M = €776 M - €0 M + €0 M	Measurement of profit for the period isolating non-recurring effects of more than €10 million.
Contribution Margin (1)	€ M	Income - Procurements and services	€2,922 M = €8,883 M - €5,961 M	€2,890 M = €9,791 M - €6,901 M	Measurement of operating profitability taking account of direct variable production costs
Procurements and Services (1)	€ M	Energy purchases + Fuel consumption + Transport expenses + Other variable procurements and services	€5,961 M = €1,809 M + €570 M + €2,523 M + €1,059 M	€6,901 M = €2,418 M + €876 M + €2,666 M + €941 M	Goods and services for production.
Net Financial Income/(Expense) (1)	€ M	Financial income - Financial expense +- Net exchange differences	€(48) M = €27 M - €77 M + €2 M	€(96) M = €16 M - €112 M + €0 M	Measure of financial costs
Net Financial Expense (1)	€ M	Financial income - Financial expense	€(50) M = €27 M - €77 M	€(96) M = €16 M - €112 M	Measure of financial costs
Net investments	€ M	Gross investments - Capital grants and facilities transferred	€728 M = €797 M - €69 M	€913 M = €956 M - €43 M	Measure of investment activity
Return on equity	%	Ordinary Net Profit (Loss) of the Parent / ((Equity of the Parent (n) + Equity of the Parent (n-1)) / 2)	25.21% = ((€(1,128-267 * 12 months / 6 months) M + €267 M) (4) / €((8,094 + 7,688) / 2) M	17.26% = (€776 * 12 months / 6 months) / €((8,949 + 9,037) / 2) M	Measure of the capacity to generate profits on shareholder investments
Return on assets	%	Ordinary Net Income of the Parent / ((Total assets (n) + Total assets (n-1)) / 2)	6.23% = €(((1,128-267 * 12 months / 6 months) M + €267 M) (4) / €((8,094 + 31,981) / 2) M	4.84% = (€776 * 12 months / 6 months) / €((32,492 + 31,656) / 2) M	Measure of business profitability
Economic profitability	%	EBIT / (PP&E (n) + PP&E (n) + PP&E (n-1) / 2)	12.92% = €(((1,555-356 * 12 months / 6 months) M + €356 M) (5) / €((21,307 + 21,329) / 2) M	9.98% = (€1,100 M * 12 months / 6 months) / €((22,259 + 21,840) / 2) M	Measure of the capacity of the assets and capital invested to generate income
Return on capital employed (ROCE)	%	Operating profit after tax / ((Non-current assets (n) + Non-current assets (n-1) / 2) + (Current assets (n) + Current assets (n-1) / 2))	6.44% = ((€(1,162.4 - 267) * 12 months / 6 months) M + €267 M) (4) / €((25,786 + 25,881) / 2 + (6,109 + 6,100) / 2) M	5.29% = (€848.3 M * 12 months / 6 months) / €((26,487 + 26,001) / 2 + (6,005 + 5,655) / 2) M	Measure of return on capital employee
Return on Capital Invested (RCI)	%	Operating Income After Taxes / (Net Equity of the Parent Company + Net Financial Debt)	13.55% = ((€(1,162.4 - 267) * 12 months / 6 months) M + €267 M) (4) / (€8,094 M + €7,092 M)	10.78% = (€(848.3 million * 12 months / 6 months) M + (€8,949 M + €6,795 M)	Measure of return on capital invested
Funds from Operations	€ M	Cash Flows from Operating Activities + Changes in Working Capital - Work carried out by the Group for its Assets	€1,590 M = €995 M + €692 M - €97 M	€1,617 M = €907 M + €809 M - €99 M	Measure of cash generated by the company's business available to make investments, amortise debt and distribute dividends to shareholders.
Interest expenses	€ M	Interest paid	€70 M	€62 M	Measure of interest payments
Ordinary Earnings per Share	€	Ordinary Net Income of the Parent company / Number of shares at the end of the period	€1.065 = €1,128 M / 1,058,752,117 shares	€0.733 = €776 M / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share outstanding.
Earnings per Share (1)	€	Profit/(loss) of the Parent / No. of shares at the end of the period	€1.065 = €1,128 M / 1,058,752,117 shares	€0.733 = €776 M / 1,058,752,117 shares	Measurement of the portion of net income corresponding to each share outstanding.
Cash flow per share (3)	€	Net cash flow from operating activities / Number of shares at the end of the reporting period	€0.940 = €995 M / 1,058,752,117 shares	€0.857 = €907 M / 1,058,752,117 shares	Measurement of the portion of funds generated corresponding to each share outstanding.
			30 June 2020	31 December 2019	
Net Financial Debt (2)	€ M	Non-current borrowings + Current borrowings – Cash and cash equivalents – Financial derivatives recognised under financial assets	€7,092 M = €5,952 M + €1,527 M - €379 M - €8 M	€6,377 M = €5,652 M + €955 M - €223 M - €7 M	Short- and long-term financial debt, less cash and financial investment equivalent to cash
Leverage (2)	%	Net financial debt / Equity	86.01% = €7,092 M / €8,246 M	81.37% = €6,377 M / €7,837 M	Measurement of the weight of external funds in the financing of business activities
Debt Ratio (2)	%	Net financial debt / (Equity + Net financial debt)	46.24% = €7,092 M / (€8,246 M + €7,092 M)	44.86% = €6,377 M / (€7,837 M + €6,377 M)	Measurement of the weight of external funds in the financing of business activities.
Average Life of Gross Financial Debt	No. of Years	(Principal * Number of days validity) / (Principal outstanding at the end of the period * Number of days in the period)	4.9 years = 36,232 / 7,441	5.2 years = 34,031 / 6,581	Measurement of the duration of financial debt to maturity
Average Cost of Gross Financial Debt	%	(Cost of gross financial debt) / Average gross financial debt	1.8% = €(68 * (12 months / 6 months + 1) M / €7,822 M	1.8% = €135 M / €7,431 M	Measurement of the effective rate of financial debt.
Debt maturity coverage	No. of Months	Maturity period (months) of core debt that could be covered with the liquidity available	23 months	26 months	Measure of the capacity to meet debt maturities
Liquidity Ratio (2)	N/A	Current assets / Current liabilities.	0.74 = €6,109 M / €8,241 M	0.72 = €6,100 M / €8,465 M	Measurement of the capacity to meet short-term commitments.
Solvency Ratio (2)	N/A	(Equity + Non-current liabilities) / Non-current assets	0.92 = (€8,246 M + 15,408 m) / €25,786 M	0.91 = (€7,837 M + 15,679 M) / €25,881 M	Measurement of the capacity to meet obligations.
Debt Coverage Ratio (1) (2)	N/A	Net financial debt / EBITDA	1.66 = €7,092 M / €(((2,315 - 356) * (12 months / 6 months + 356) (5) M	1.66 = €6,377 M / €3,841 M	Measurement of the amount of available cash flow to meet payments of principal on financial debt.
Fixed assets	€ M	Property, Plant and Equipment + Real Estate Investments + Intangible Assets + Goodwill	€23,170 M = €21,307 M + €60 M + €1,341 M + €462 M	€23,227 M = €21,329 M + €61 M + €1,375 M + €462 M	Assets of the Company, whether tangible or intangible, not convertible into short-term liquidity, necessary for the Company to operate and not intended for sale.
Book Value per Share (2)	€	Equity of the Parent / Number of shares at the end of the reporting period	€7.645 = €8,094 M / 1,058,752,117 shares	€7.261 = €7,688 M / 1,058,752,117 shares	Measure of the portion of equity corresponding to each share outstanding.
Market Capitalisation	€ M	Number of shares at the end of the period * Share price at the end of the period	€23,218 M = 1,058,752,117 shares * €21.930	€25,188 M = 1,058,752,117 shares * €23.790	Measurement of enterprise value according to the share price.
Price to Earnings Ratio (P.E.R.) Ordinary	N/A	Share price at the end of the reporting period / Net earnings per share	11.67 = €21,930 / €(((1.065 - 0.252) * 12 months / 6 months) + 0.252) (4)	16.13 = €23.790 / €1.475	Measure indicating the number of times 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	11.67 = €21,930 / €(((1.065 - 0.252) * 12 months / 6 months) + 0.252) (4)	147.30 = €23,790 / €0,162	Measure indicating the number of times earnings per share can be divided into the market price of the shares.
Price / Book Value	N/A	Market Capitalisation / Equity of the Parent	2.87 = €23,218 M / €8,094 M	3.28 = €25,188 M / €7,688 M	Measurement comparing total enterprise value according to the share price with the carrying amount.
			2019	2018	
Consolidated pay-out	%	(Gross dividend per share * No. of shares at the close of the period) / Profit for the year of the parent	913.3% = (€1.475 * 1,058,752,117 shares) / €171 M	106.6% = (€1.427 * 1,058,752,117 shares) / €1,417 M	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Consolidated ordinary pay-out	%	(Gross dividend per share * No. of shares at the end of the reporting period) / Net ordinary income of the Parent	100.0% = (€1.475 * 1,058,752,117 shares) / €1,562 M	100.0% = (€1.427 * 1,058,752,117 shares) / €1,511 M	Measure of the portion of ordinary net income obtained used to remunerate shareholders through the payment of dividends (Consolidated Group).
Individual pay-out	%	(Gross dividend per share * Number of shares at the end of the period / Net Income for the year of ENDESA, S.A.	95.1% = (€1.475 * 1,058,752,117 shares) / €1,642 M	100.0% = (€1.427 * 1,058,752,117 shares) / €1,511 M	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (individual company)

€ M = millions of euros; € = euros.
n = 30 June of the year being calculated.
n-1 = 31 December of the year before the year being calculated.
(1) See the Consolidated Income Statements for January - June 2020 and 2019.
(2) See the Consolidated Statements of Financial Position at 30 June 2020 and 31 December 2019.
(3) See the Consolidated Statements of Cash Flows for the six-month periods January-June 2020 and 2019.
(4) Annualised income discounting the effects, net of tax effect, amounting to €267 million, described in Section 1.3.2. Operating Expenses in this Consolidated Management Report.
(5) Annualised income discounting the effects, amounting to €356 million, described in Section 1.3.2. Operating Expenses in this Consolidated Management Report.