



Borja Acha Besga
Secretary to the Board of Directors

Madrid, 25 February 2020

In accordance with the provisions of Article 226 of the Securities Market Act, Endesa, S.A. communicates the following Privileged Information:

In relation to the Company's Consolidated Financial Statements as of December 31, 2019, and because of Order TEC/1260/2019, of December 26, 2019, establishing the technical and economic parameters to be used to calculate the income from the electricity production activity in non-mainland territories, and the resulting decrease in the remuneration for operating and maintenance costs for the 2020-2025 regulatory period, the recoverable amount from the Endesa Cash Generating Units (CGUs) for each of the Non-Mainland Territories (NMT) of the Balearic Islands, Canary Islands, Ceuta and Melilla is less than their net book value as of 31 December 2019, so that an impairment loss for a total amount before tax equal to 404 million euros has been recorded in the Consolidated Income Statement for the year 2019.

In accordance with current ENDESA, S.A. Dividend Policy, the ordinary dividend per share for financial year 2019 will be equal to 100% of the ordinary net profits of the parent company shown in the Consolidated Statement, defined as the Net Income of the Parent Company adjusted for the net income from sales of non-financial assets and net losses due to the deterioration of non-financial assets, over 10 million euros. For this reason, the accounting entry for said deterioration has no effect whatsoever on the calculation of the shareholders' remuneration for 2019.

The Secretary to the Board of Directors