



endesa

Full Year 2021 Consolidated results

February 22nd, 2022

Key highlights of the period



Market context

Global gas market unbalances causing record high prices across Europe

Financial results

4.3 €bn EBITDA, 7% above target despite a challenging context

Decarbonization

626 MW renewable capacity addition
>75 GW pipeline
~60% sustainable debt

Dividends

DPS 1.44 €/share, +11% above target

Targets delivery



	2021	Target		
EBITDA (€bn)	4.3	4.0	👍	+7 %
Net Ordinary Income (€bn)	1.9	1.7	👍	+12 %
Gross Capex (€bn)	2.2	2.1	👍	+5 %
Gross DPS (€/sh.)	1.44	1.3	👍	+11 %



Operational KPI's

	2021	vs. 2020
Renewable capacity (GW) ⁽¹⁾	8.4	+8%
Power free customers (mn)	5.9	+3%
RAB (€bn)	11.7	-%

2021 EU Taxonomy aligned

EBITDA

64%

Gross Capex

75%

Key ESG highlights: Worldwide recognition to Endesa's performance



Environment

Revenues, Other Fixed Operating Expenses⁽¹⁾ and CAPEX aligned with the EU Taxonomy

Accelerating full decarbonization to 2040

Social

Just Transition Plans and continuous Shared Value Creation promotion

Action plan to improve inclusion of people with disability

Governance

Women in BoD 36% in 2021

40% approved for 2022

Human Rights Policy updated

Our People

Improvement in the gender diversity KPIs

Full remote working extended during all Covid-19 waves

ESG ratings

Score: 76/100 (Advanced)
#1/66 Electric & Gas Utilities
#2/4921 All sectors

Score: 87/100
#7/104 DJSI Family Electric Utilities
#5/63 DJSI World Electric Utilities

Score: 4.9/5
#1 Conventional electricity

Rating AAA
Top 8% Utilities (n=132)

19.8 (Low Risk)
#21/295 Electric Utilities
76/661 Utilities

B- (Prime)

Climate: A-
Water: A-
(Leadership)

A Division of S&P Global

Prime

52% of free float⁽²⁾ are socially responsible investors

(1) Considered eligible for classification among the categories of activities in accordance with the European Union (EU) Taxonomy Regulation
 (2) 15.4% of Total Shares Outstanding, excluding main shareholder

Regulatory developments



2021

RDL 12/2021-17/2021-23/2021

- Temporary fiscal measures to contain electricity bills (reduction of the 7% generation Tax, Special Tax on Electricity and VAT)
- 2021 System charges reduced by 96% and increased social bonus discounts
- Gas levy till 31st March 2022

RDL 29/2021

- Extension of the fiscal and social measures
- Extension in the permitting deadlines for renewable

System charges & tolls

- 2022 system charges reduced by 31% versus 1st June reference, and 5.4% reduction in tolls

RDL 1125/2021

- EU fund allocation in distribution (0.5 €bn in Network digitalization and E.V. charging infrastructures)

2022

Supreme Court ruling on island's fuel cost

- New auction methodology to be defined in the next months

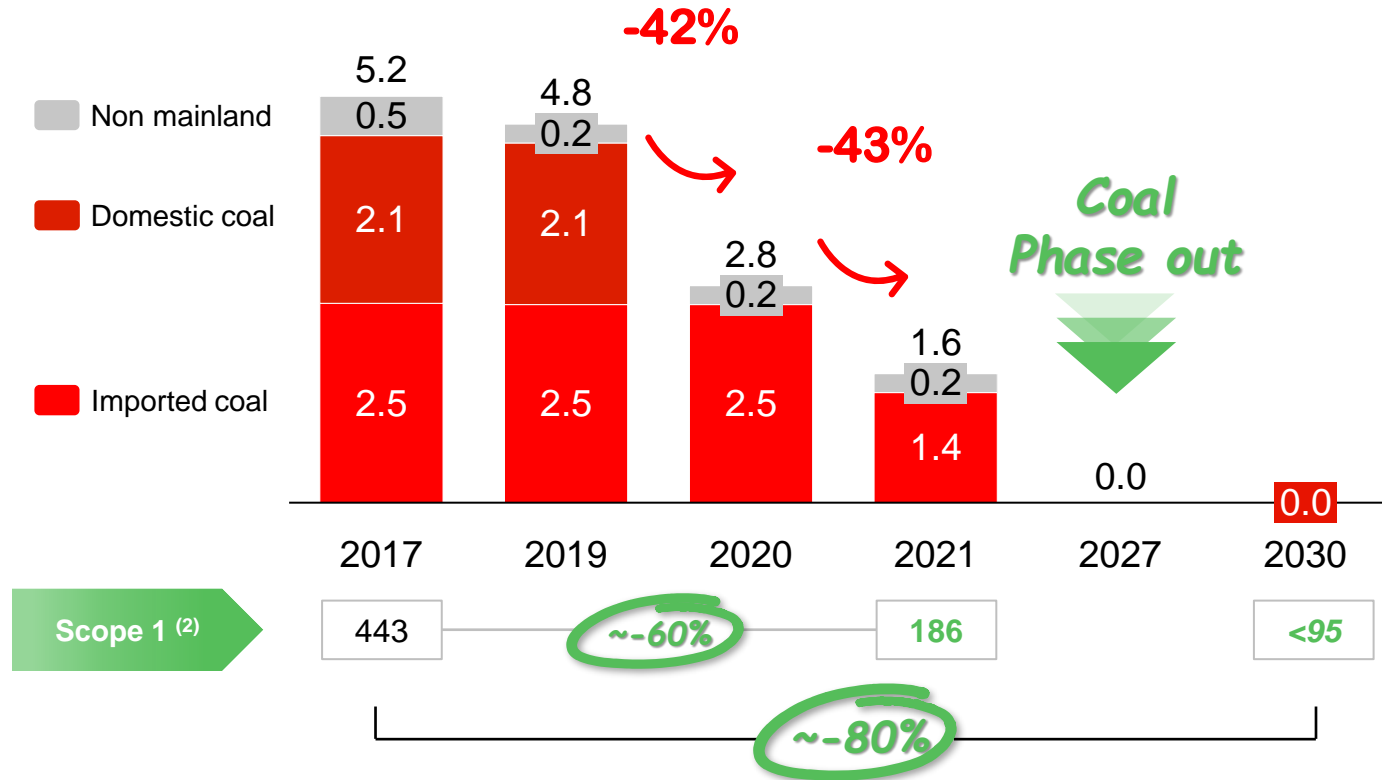
Supreme Court ruling on Social Bonus

- Annulment of the current Social Bonus mechanism in force since 2017

Well on track for full decarbonization of our generation mix



Coal capacity evolution, (GW)⁽¹⁾



- **- 43% coal capacity:** Closure of Litoral plant
- **As Pontes coal plant** pending to receive closure authorization
- **Just Transition Plans** presented for all coal plants in closure process

2021 coal revenues: ~1%

Coal output: 1% (vs. 2.5% in 2020)

Scope 1: +3% CO₂ specific emissions

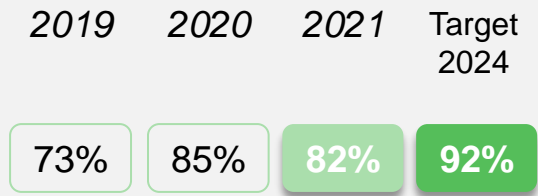
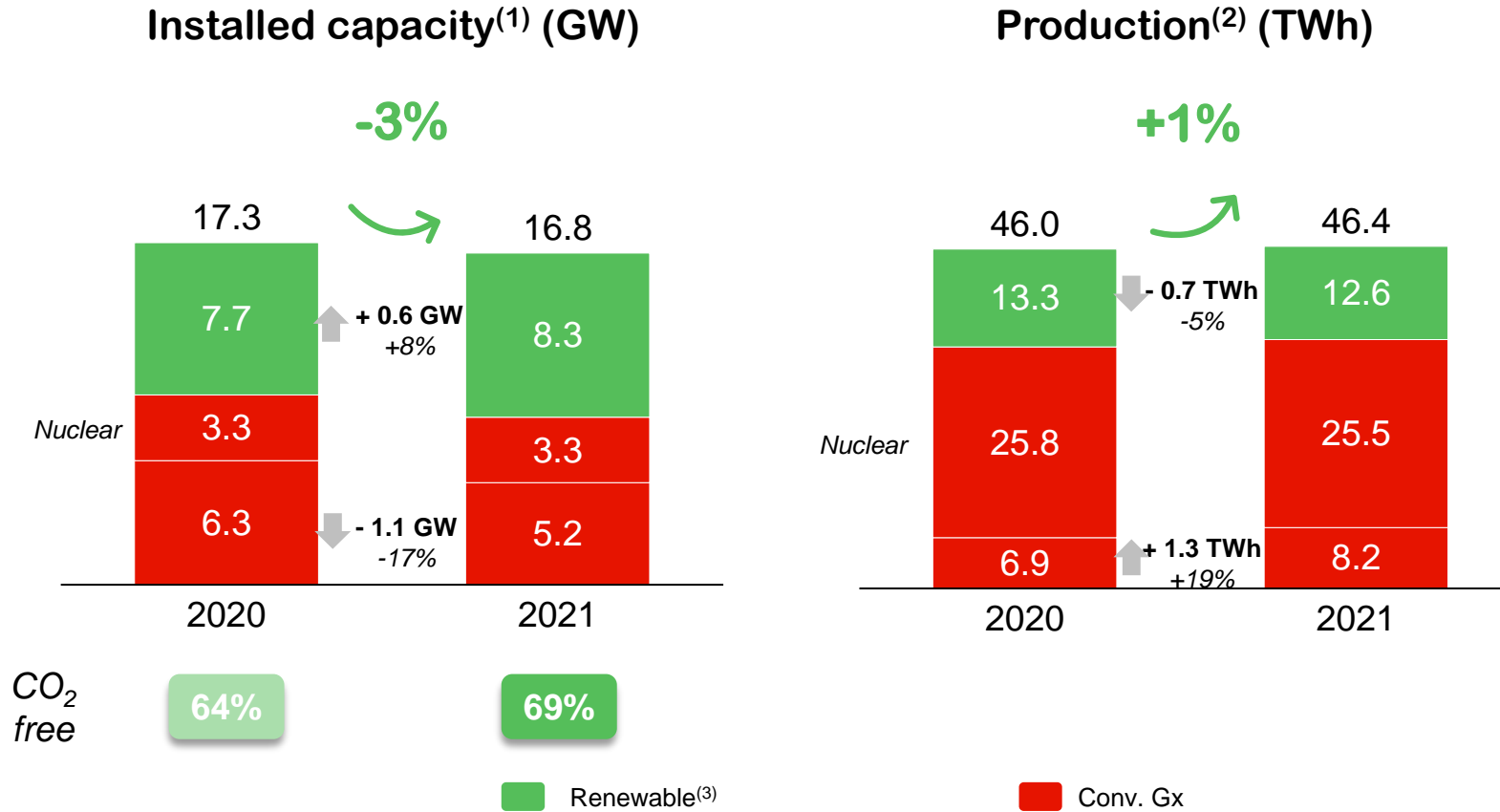
(1) Rounded figures

(2) CO₂ specific emissions grCO₂/kWh

Greening our generation mix by replacing coal plants with renewables



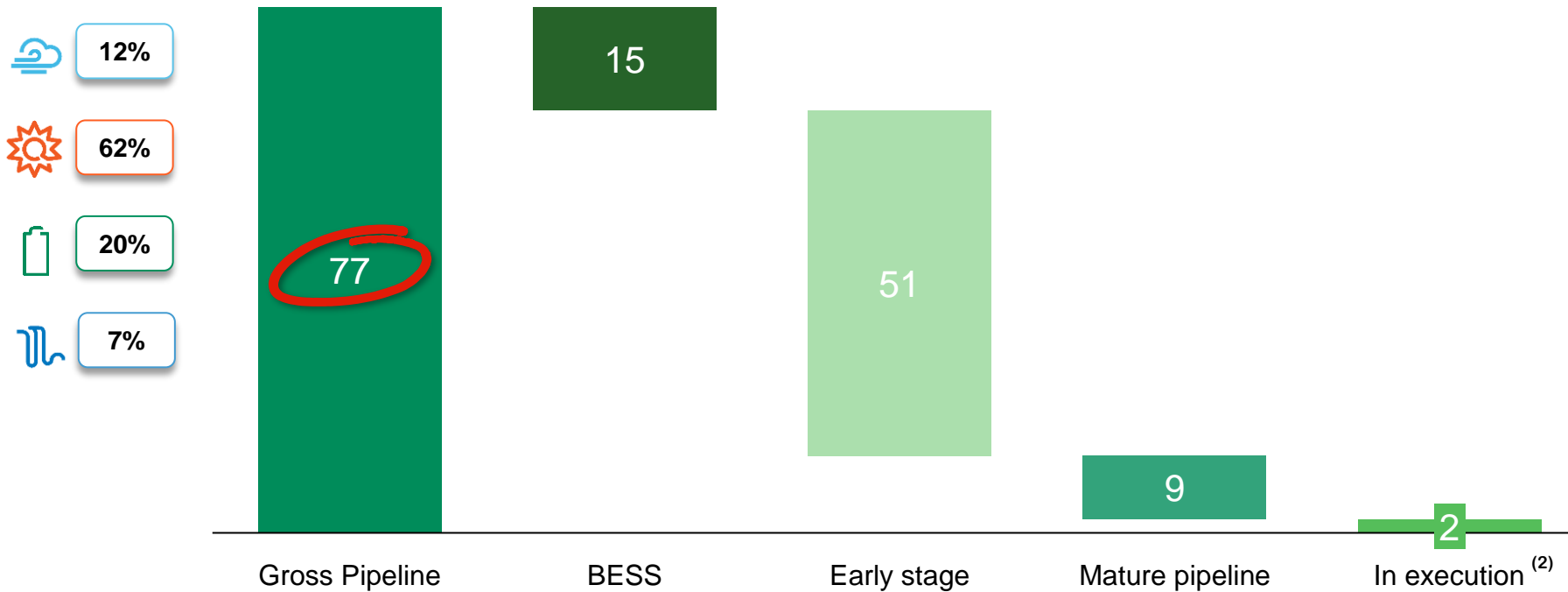
CO₂ emissions free output



(1) Mainland net capacity. Does not include 77 MW in 2021 and 62 MW in 2020 renewables in non mainland. Rounded figures
 (2) Mainland generation. Energy at power plant busbars. Does not include 169 GWh in 2021 and 113 GWh in 2020 renewables in non mainland. Rounded figures
 (3) Includes large hydro

Solid pipeline to support renewable growth

Gross pipeline⁽¹⁾ of renewable projects (GW)



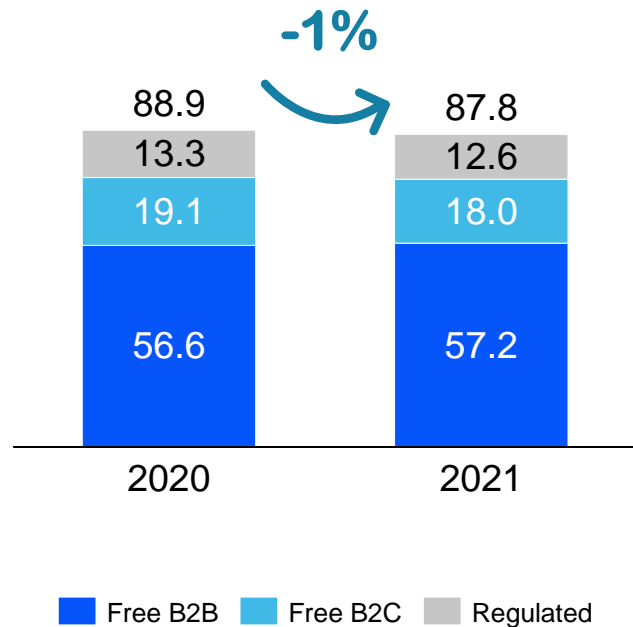
- Gross pipeline: **77 GW**
- ✓ **11 GW** Generation mature pipeline + In execution
- ✓ **Storage (BESS): 15 GW**
- ✓ **~8 GW** with connection points

(1) As of 31st December 2021. Rounded figures
(2) Only considers projects with commissioning date 2022-24

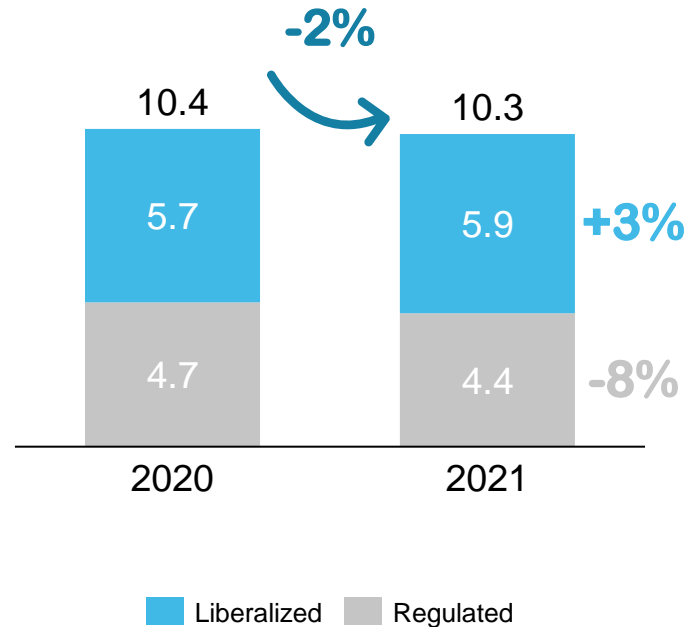
+3% increase in liberalized customers in a competitive scenario



Power sales⁽¹⁾ (TWh)



Power customers⁽¹⁾ (mn)



Digital Retail KPIs

	2020	2021	
Digital contracts (mn)	5.7	6.6	+16%
E-billing (mn)	4.4	5.8	+32%

Endesa X KPIs

	2020	2021	
E-home contracts (mn)	1.8	2.2	+22%
Charging points ⁽²⁾ (k#)	7.1	9.5	+34%
e-bus charging points (#)	12	35	~3x

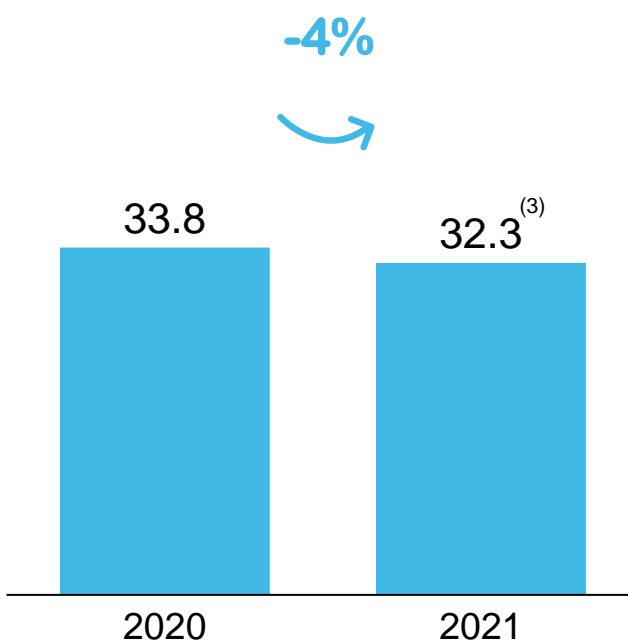
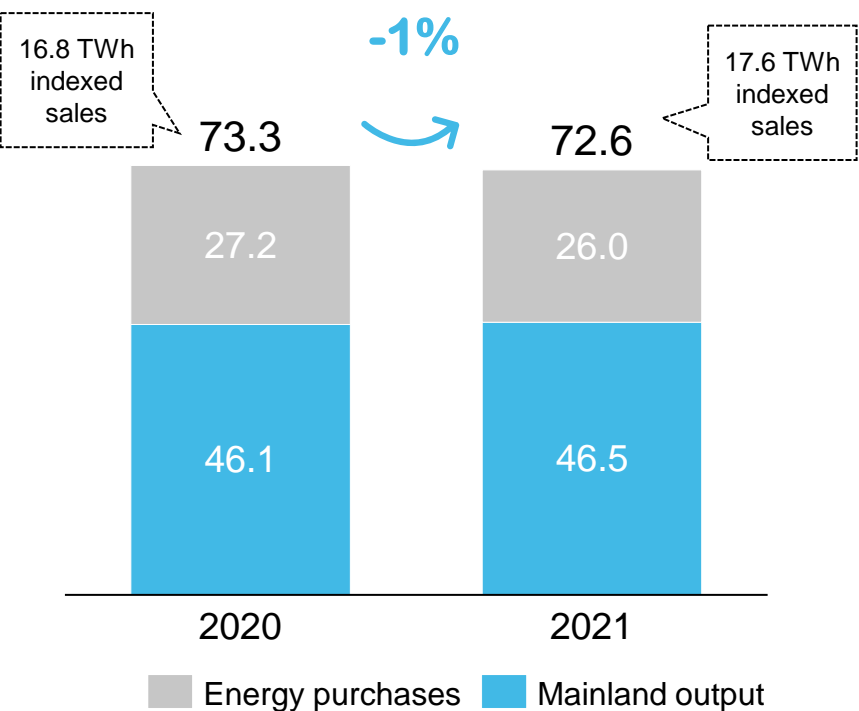
Integrated electricity margin affected by conjunctural market context



Liberalized sales⁽¹⁾ (TWh)

Integrated margin⁽¹⁾ (€/MWh)

Financial KPIs



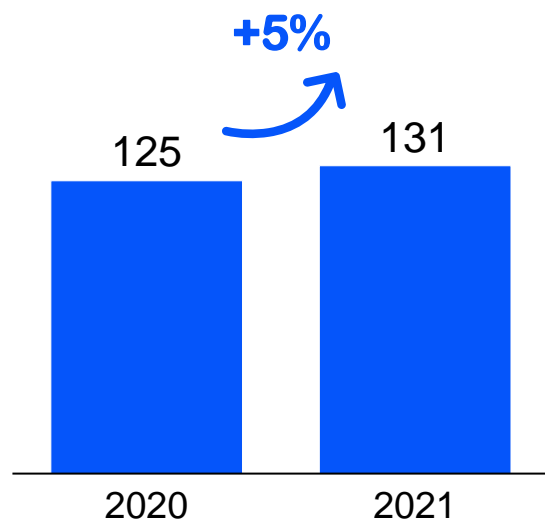
	2020	2021	
Unitary revenue (€/MWh)	65.4	83.8	+28%
Variable cost ⁽²⁾ (€/MWh)	31.7	51.5	+62%
Supply margin (€/MWh)	~10	~10	-%
	2022	2023	
Output hedged ⁽⁴⁾	97%	55%	

(1) See details on slide 42
 (2) Production cost + energy purchase cost + ancillary services
 (3) Includes commodities hedge by 136 €mn
 (4) Price driven output

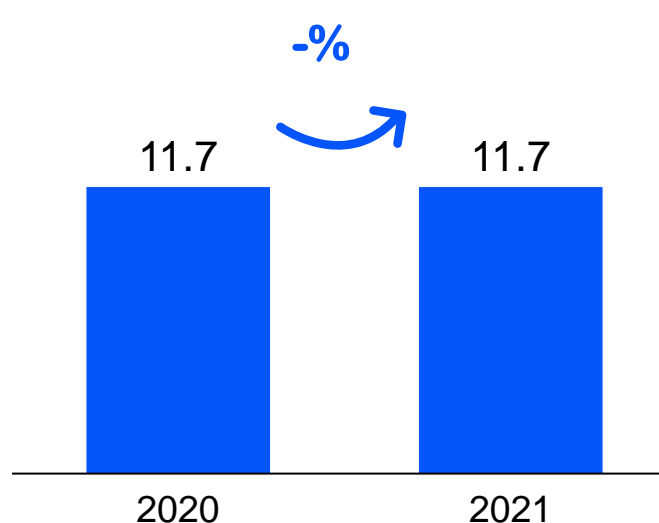
Networks: Positive trend in volumes



Distributed energy⁽¹⁾ (TWh)



RAB (€bn)



Operational KPIs

	2020	2021	
NIEPI ⁽²⁾ (#)	1.2	1.2	-%
TIEPI ⁽³⁾ (min.)	58	61	+5%
Losses ⁽⁴⁾ (%)	7.1	7.1	- pp

Energy to grid customers⁽⁵⁾ (TWh) **106.7** **108.9** +2%

- (1) Energy supplied to customers at substation busbars, with or without contract, auxiliary consumption of generators and outflows to other networks (transmission or distributors)
- (2) Número de Interrupciones Equivalente a la Potencia Instalada (Installed Capacity Equivalent Number of Interruptions)
- (3) Tiempo de Interrupción Equivalente a la Potencia Instalada (Installed Capacity Equivalent Interruption Time). According to Spanish Regulator. Own + Programmed and Transport minutes of interruption
- (4) Energy inputs to the distribution network minus distributed energy divided by energy inputs to the distribution system
- (5) At busbars (REE criteria)

FY 2021

Financial results

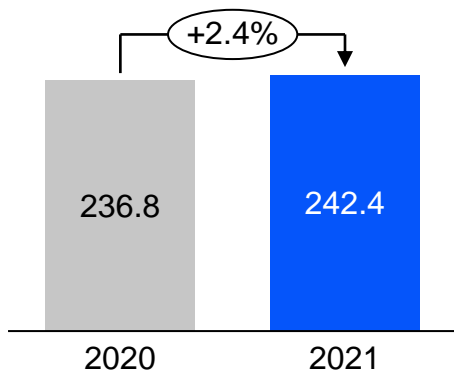
The Endesa logo is located in the bottom right corner of the slide. It consists of the word "endesa" in a lowercase, sans-serif font. The letters are primarily blue, with a gradient effect that transitions to a lighter blue or white at the bottom of each letter. The 'e' and 'a' have a distinct white or light blue base.

Market context

Spike in commodities impact power prices



Demand in Spain (mainland) (TWh)⁽¹⁾



Endesa's area ⁽²⁾ :

2021

By segment (Not adjusted):

Adjusted⁽³⁾ **+1.7%**

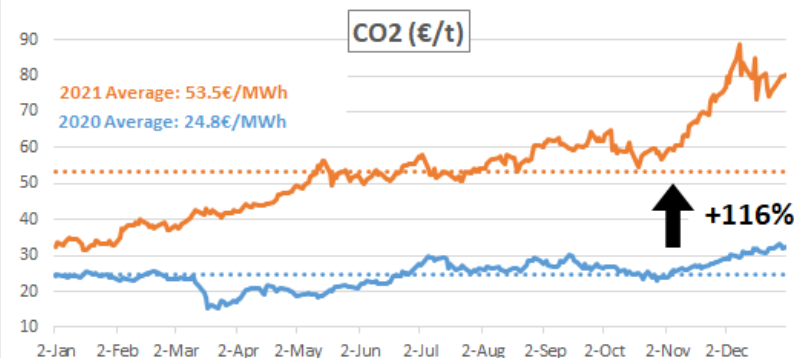
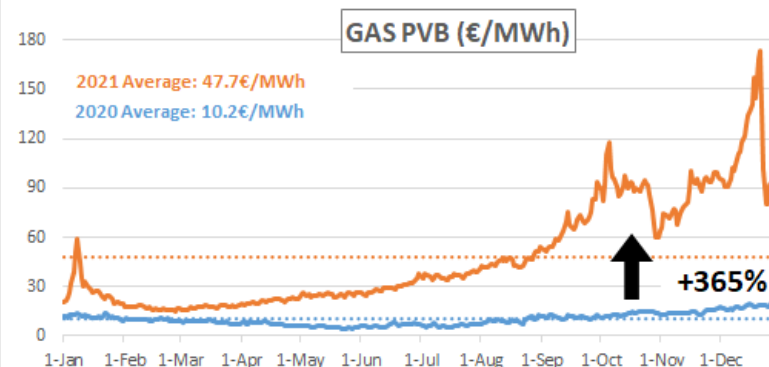
Industry **-0.3%**

Not adjusted **+1.5%**

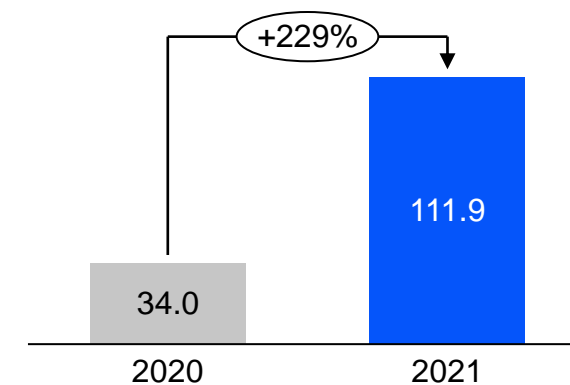
Services **+8.3%**

Residential **-3.5%**

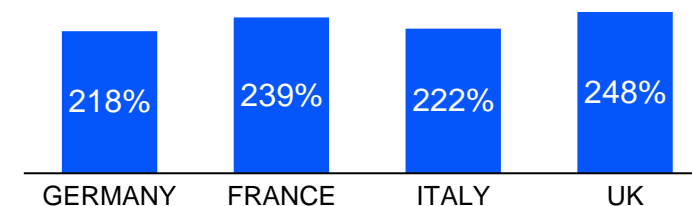
Commodities spot prices



Average pool prices (€/MWh)



Y-o-y price increases in Europe



(1) Not adjusted demand in mainland. Source: REE
(2) Source: Endesa's own estimates in mainland. Variation versus 2020

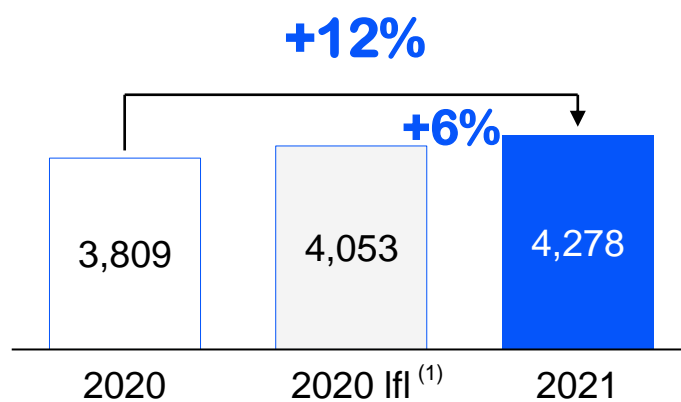
(3) For weather and working days

Financial highlights

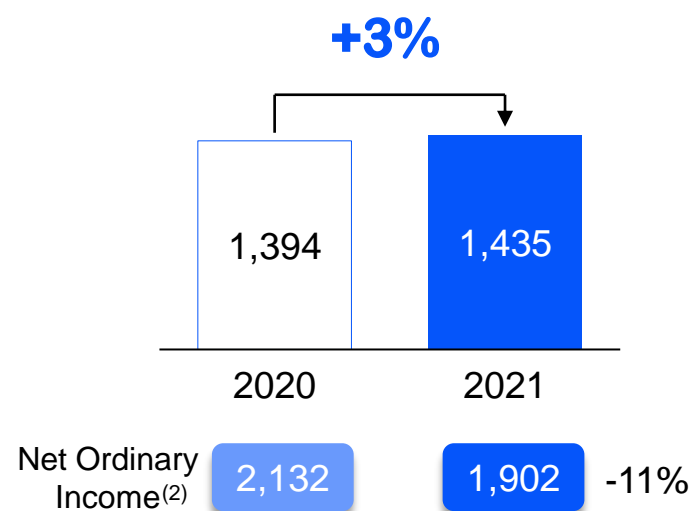
€mn



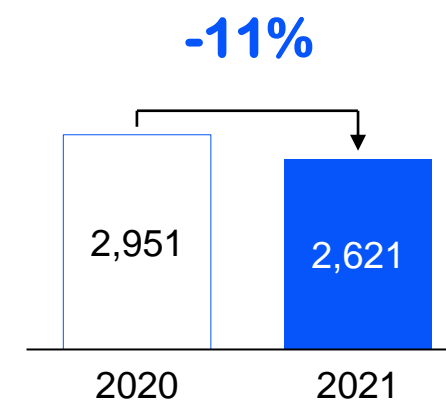
EBITDA



Net Income



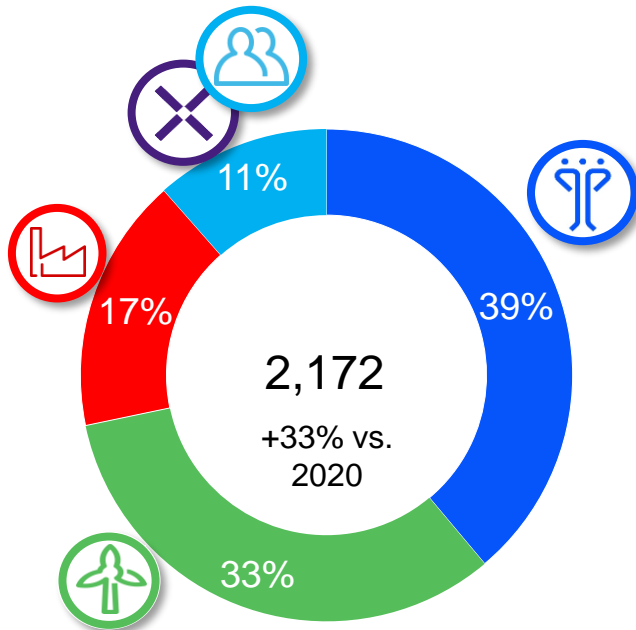
FFO



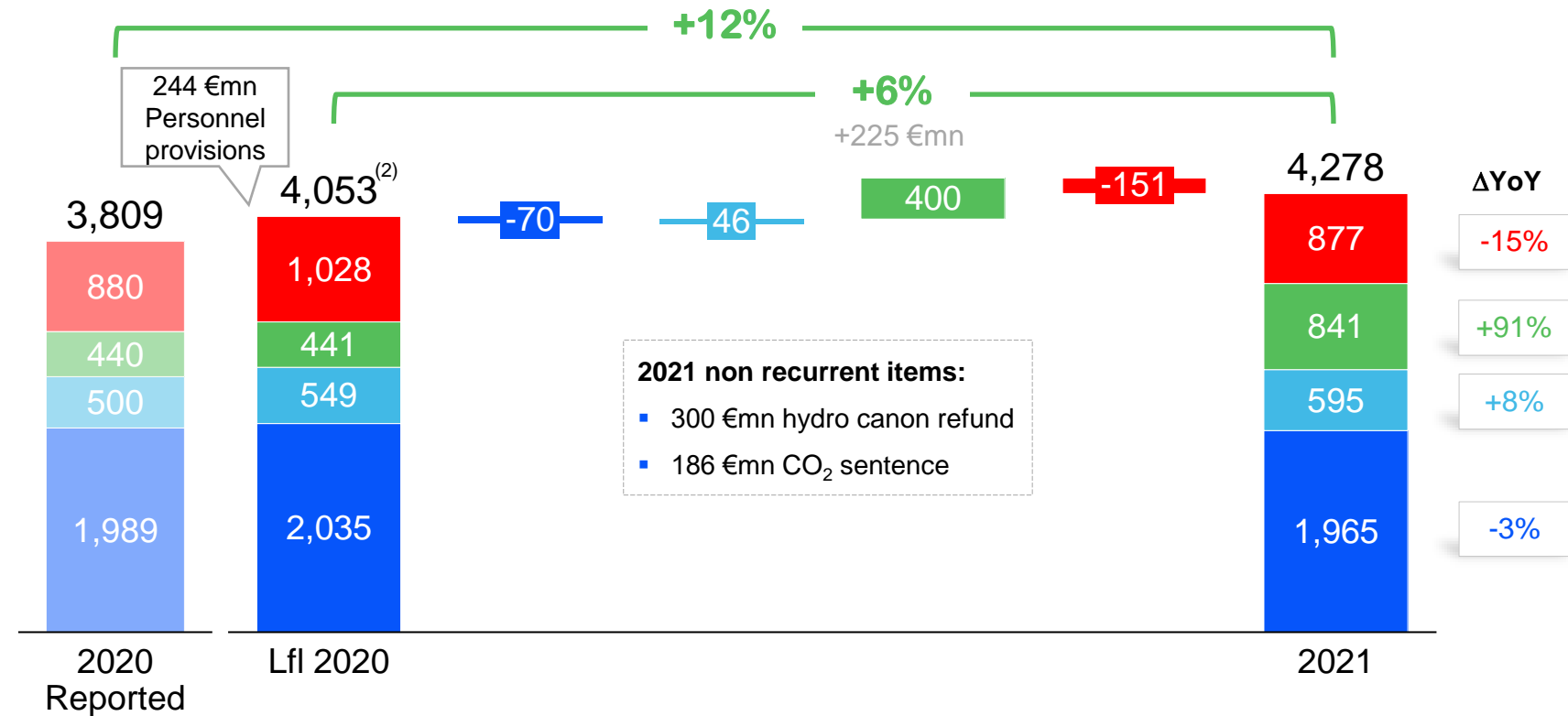
EBITDA growth backed on managerial efforts and non recurrent items



Gross capex by business (€mn)



EBITDA by business⁽¹⁾ (€mn)

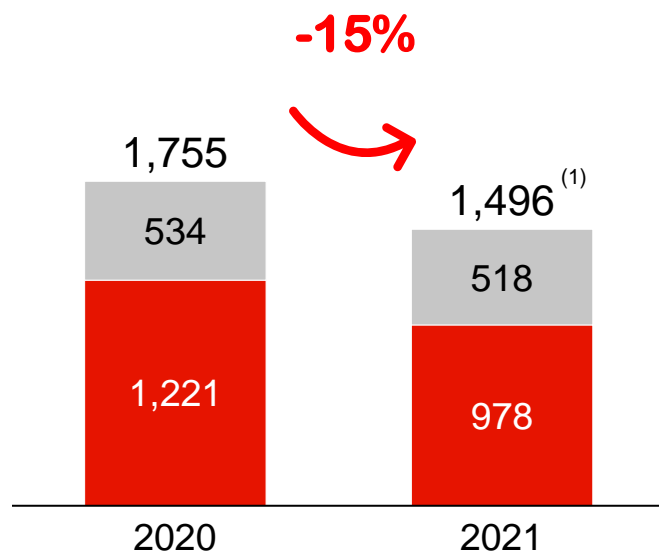


■ Networks
 ■ Customers (Retail+Endesa X)
 ■ Renewables
 ■ Conventional Generation & Others⁽³⁾

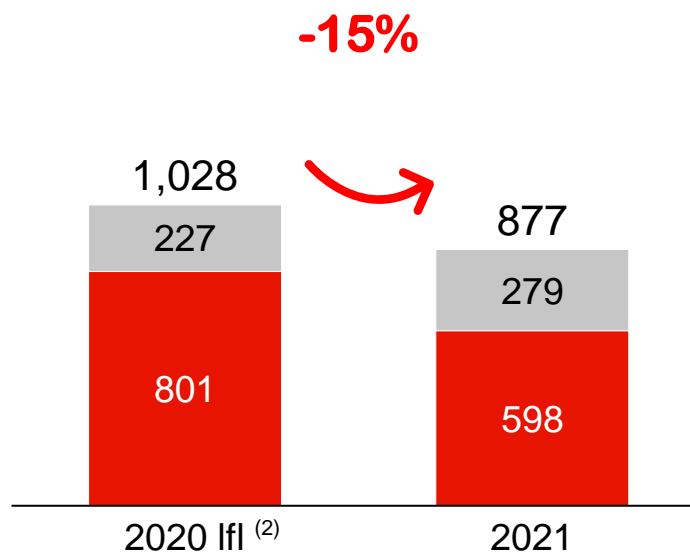
(1) Rounded figures
 (2) See details on slide 14
 (3) Includes nuclear, CCGTs, Non mainland, Corporate Structure, Services, Adjustments and Others

Conventional Gx: affected by challenging market context

Gross margin (€mn)



EBITDA (€mn)



■ Mainland conv. Gx ■ Non mainland Gx⁽³⁾

- Gross margin: 1,496 €mn (-259 €mn)
 - Power: - 240 €mn
 - Non mainland: -16 €mn
 - Wholesale gas: -165 €mn
 - CO₂ sentence: +160 €mn
- Lfl fixed costs⁽²⁾ and others: 619 €mn (108 €mn decrease)

(1) Conventional generation business figures include nuclear, CCGTs, Non mainland, Corporate Structure, Services, Adjustments and Others.

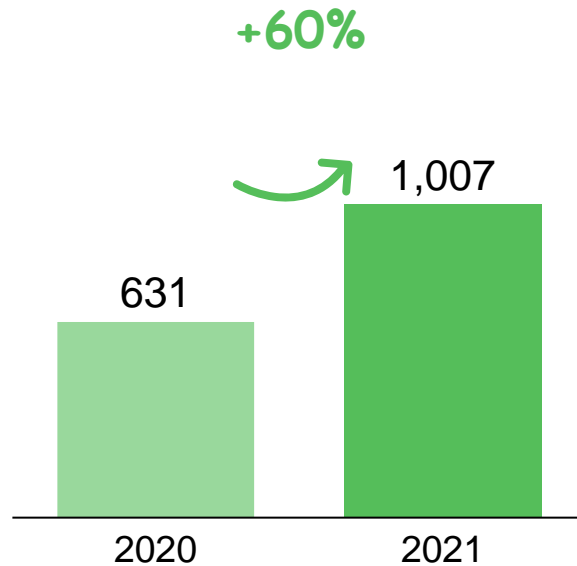
(2) 2020 reported EBITDA: 880 €mn. See details on slide 14

(3) Managerial figures do not include derivatives

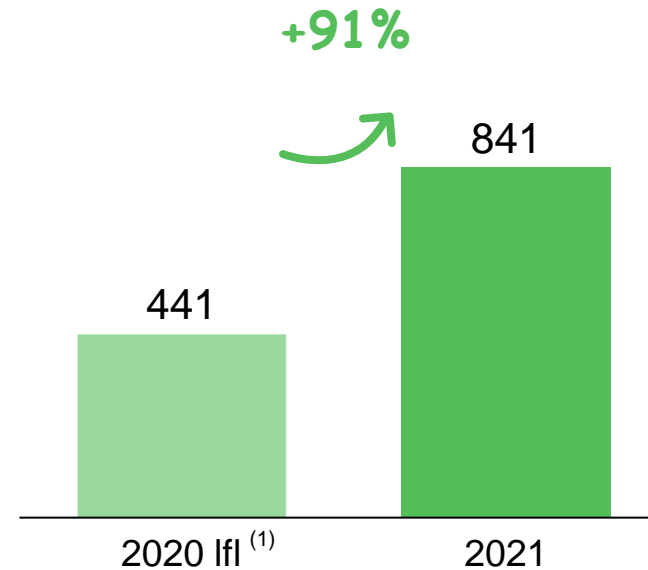
Renewables: providing growth in EBITDA



Gross margin (€mn)



EBITDA (€mn)

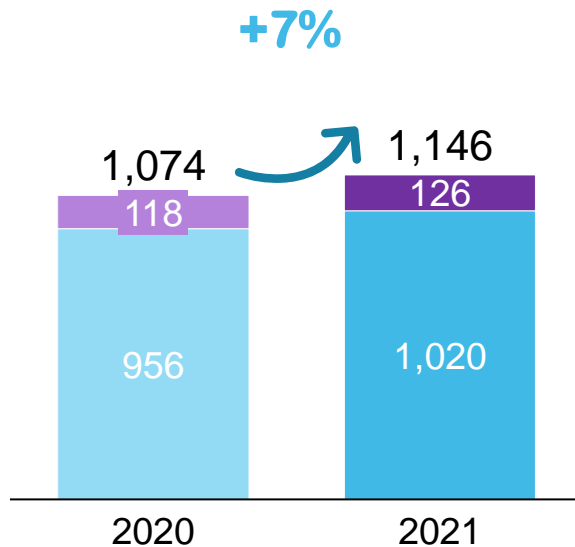


- Gross margin: 1,007 €mn (+376 €mn)
 - +50 €mn from operative improvements
 - +326 €mn non recurrent from 2013-2020 hydro canon refund and CO₂ sentence
- Fixed costs and others: 166 €mn (24 €mn decrease)

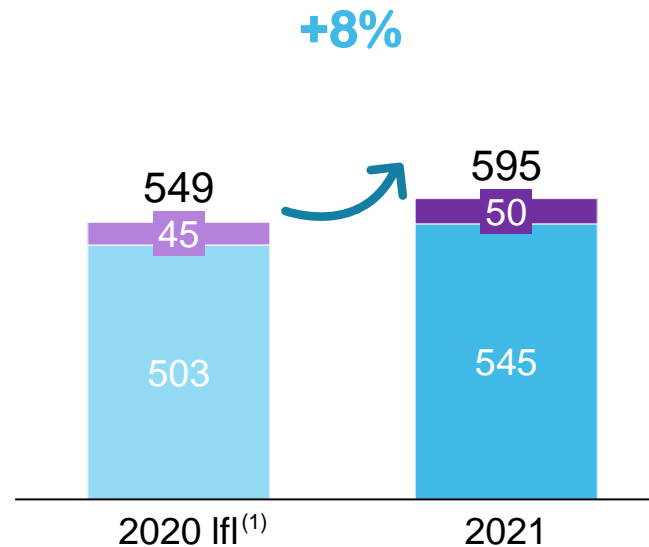
Customers: +9% EBITDA growth in a competitive scenario



Gross margin (€mn)



EBITDA (€mn)



■ Retail ■ Endesa X

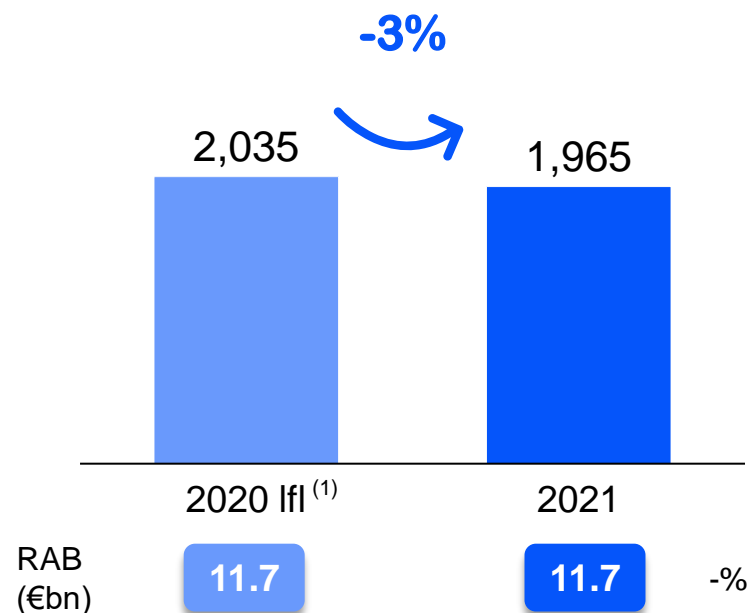
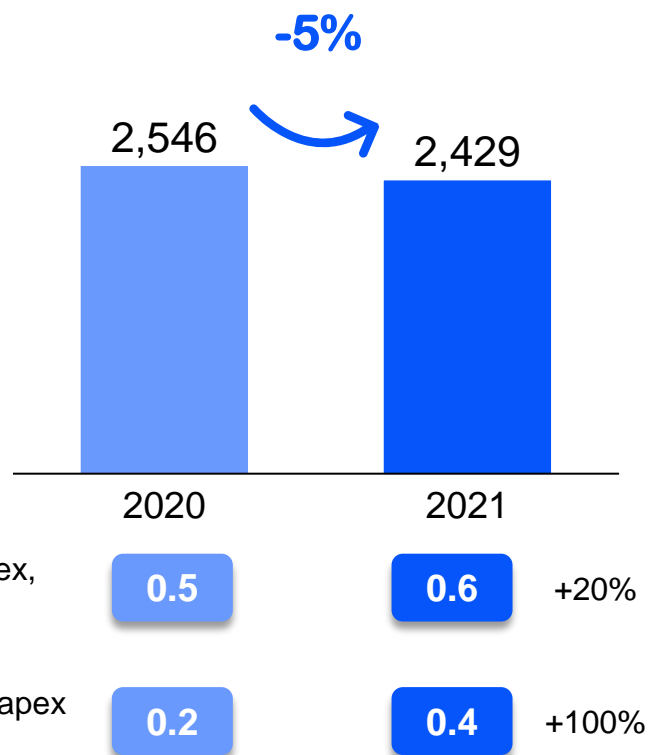
- Gross margin: 1,146 €mn (+72 €mn)
 - +81 €mn from gas retail
 - -17 €mn, power supply
 - +8 €mn in Endesa X
- Fixed costs and others: 551 €mn (26 €mn increase)

Networks: performing aligned to expectations



Gross margin (€mn)

EBITDA (€mn)

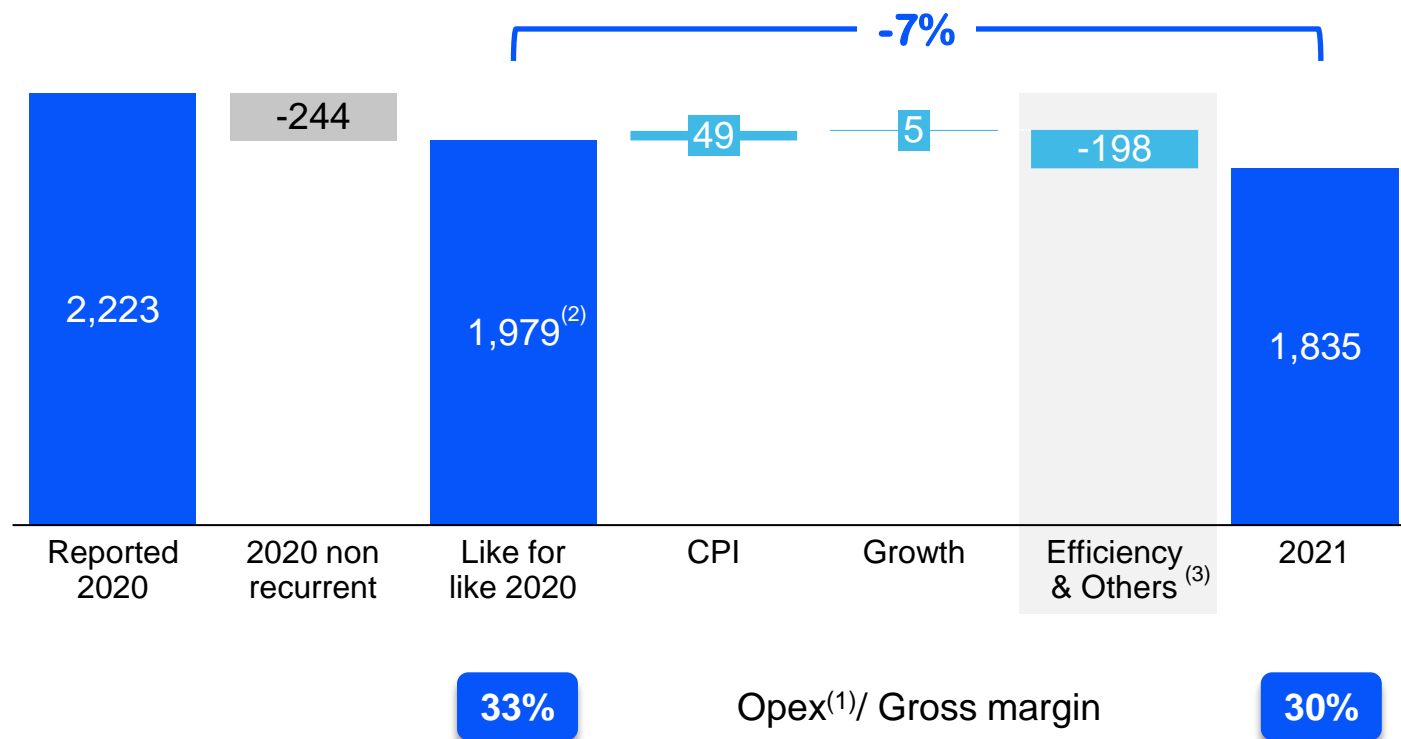


- Gross margin: 2,429 €mn (-117 €mn), impacted by new retributive parameters and lower previous years regularizations
- Lfl fixed costs⁽¹⁾ and others: 464 €mn (47 €mn decrease)

Efficiencies across all businesses pushed opex down by 7%



Opex⁽¹⁾ evolution (€mn)



Efficiency KPIs

	2020	2021	% Change
Opex/MW (k€/MW)	25	23	-8%
Cost to Serve (€/cust.)	11.1	11.0	-1%
Opex/Grid Customer (€/cl.)	42	40	-5%

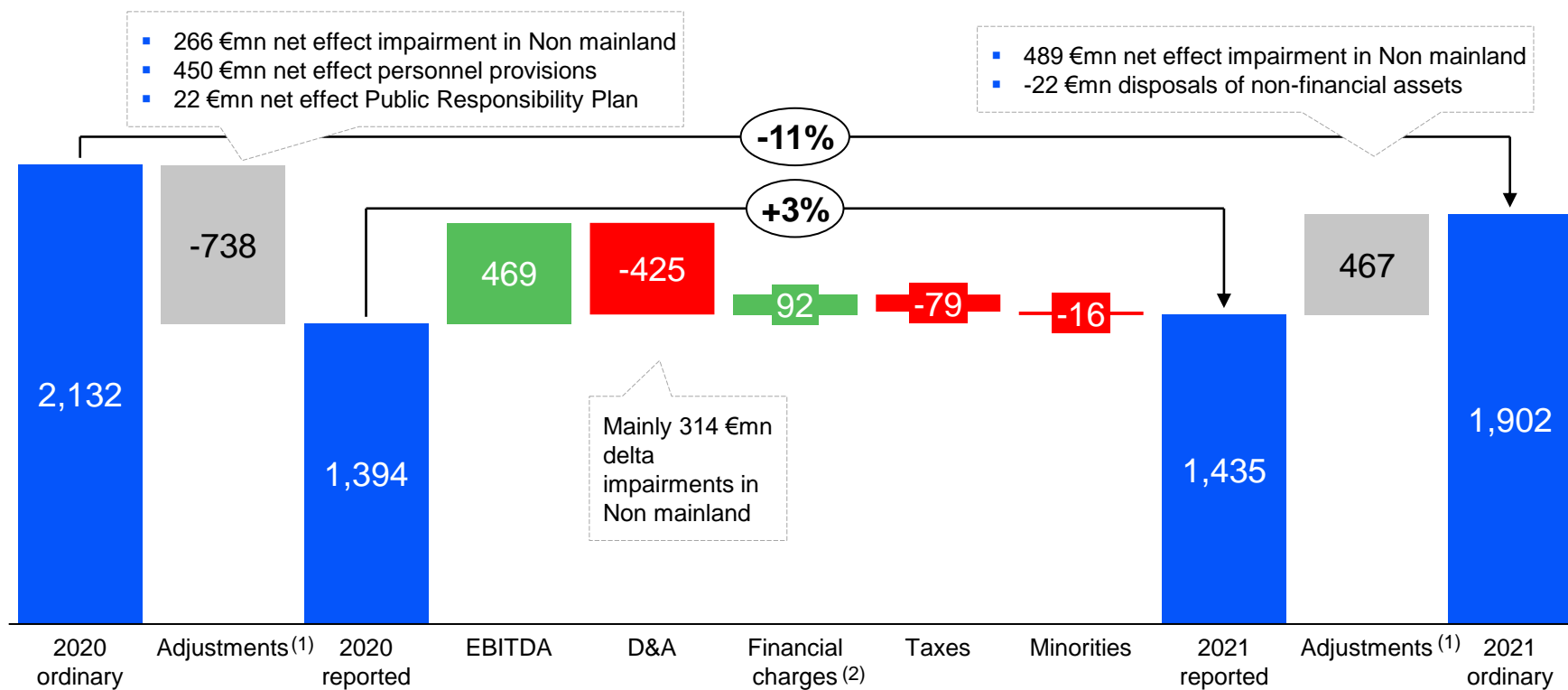
(1) Opex: Total fixed costs in nominal terms (net of capitalizations)

(2) See details on slide 14

(3) Includes fixed costs net adjustments: updating of provisions for workforce restructuring plans in place (-42 €mn), Public Responsibility Plan for the Health Crisis Covid-19 in 2020 (+25 €mn), and disciplinary proceedings and taxes (+52 €mn)

Net Income evolution

€mn



2021 Results

4,278

-2,322

-32

-467

-22

Delta YoY

+12%

+22%

+74%

+20%

+267%

(1) See details on slide 42

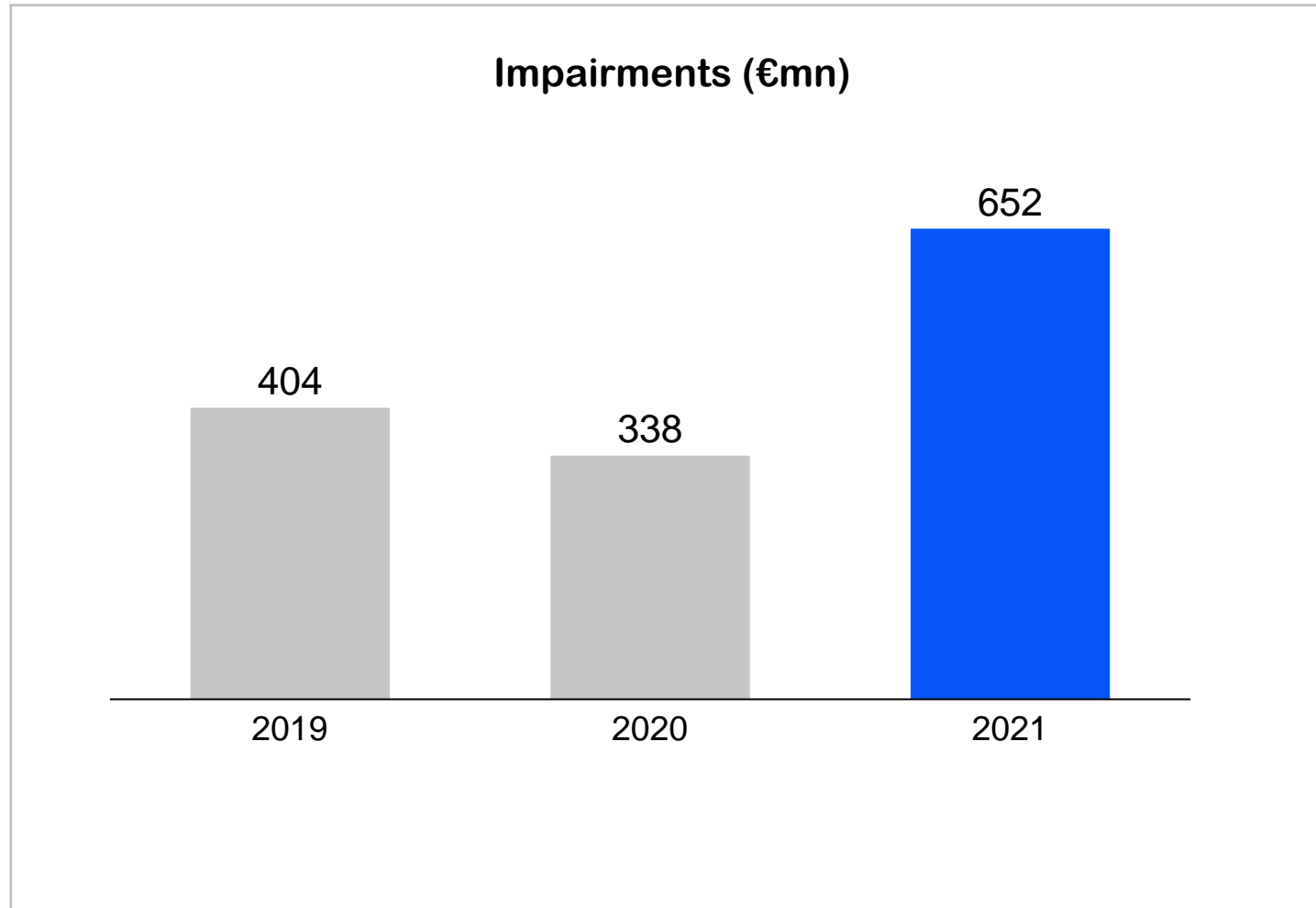
(2) Includes Results from equity investments and Others

(3) Adjusted by fiscal effect of personnel costs provisions and impairments



- Net Income +3%, Net Ordinary Income -11%
- EBITDA +12%
- D&A impacted mainly by higher impairments in Non mainland
- Higher financial income driven by the CO₂ and the Hydro Canon accrued interests (+121 €mn)
- Effective tax rate 24.3% (vs. 22.5% adjusted⁽³⁾ in 2020)

Impairment in non mainland business



2021 impairment rational

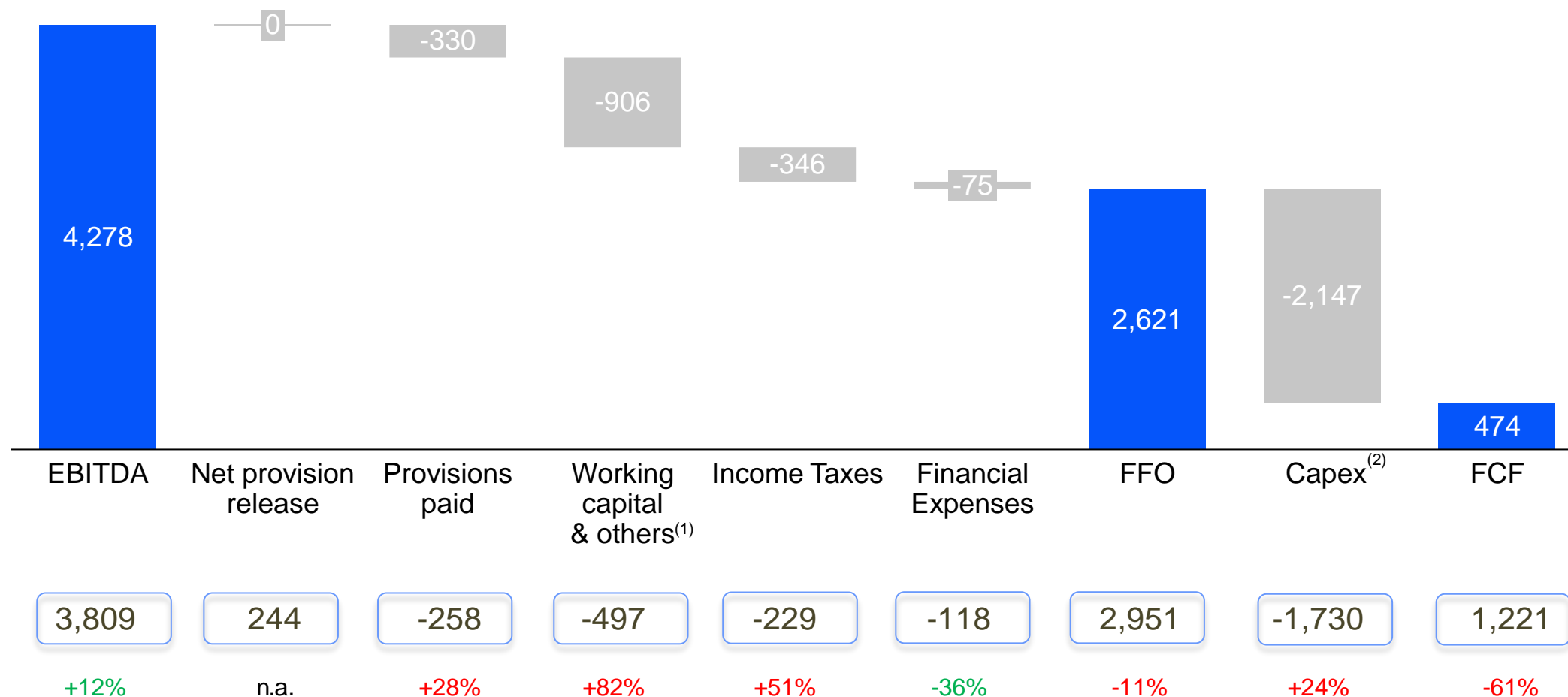
- Re-estimation of recoverable value considering: regulated commodities market references (fuel & CO₂) and future evolution of the structure of thermal generation
- No impact on shareholder's remuneration⁽¹⁾

(1) Total impairment 2021 (652 €mn). Adjusted at Net Ordinary Income level: +489 €mn

Cash flow affected by regulatory measures and commodities scenario



€mn



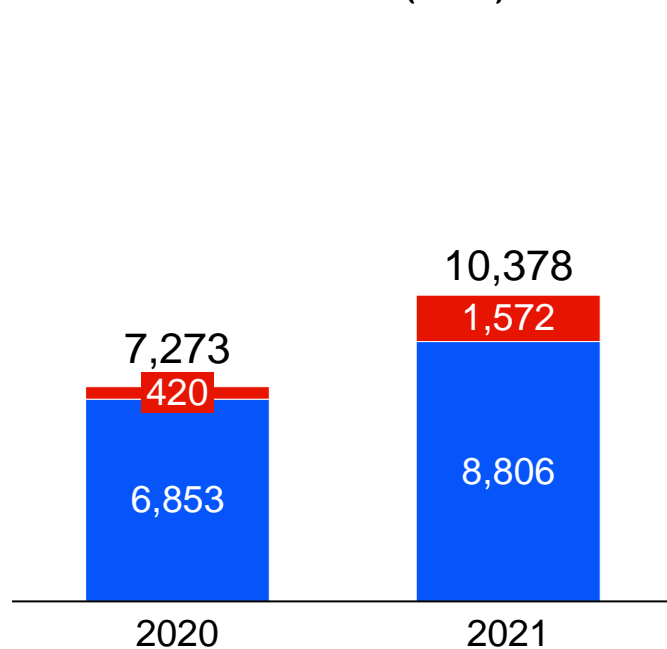
(1) Net working capital + Net provision release with no cash impact + Regulatory NWC + others. Does not include -244 €mn of net provision release in 2020

(2) Cash based Capex: Net change of tangible and intangible assets (1,998 €mn) - Subsidies and other deferred incomes (107 €mn) + Net change of other investments (256 €mn)

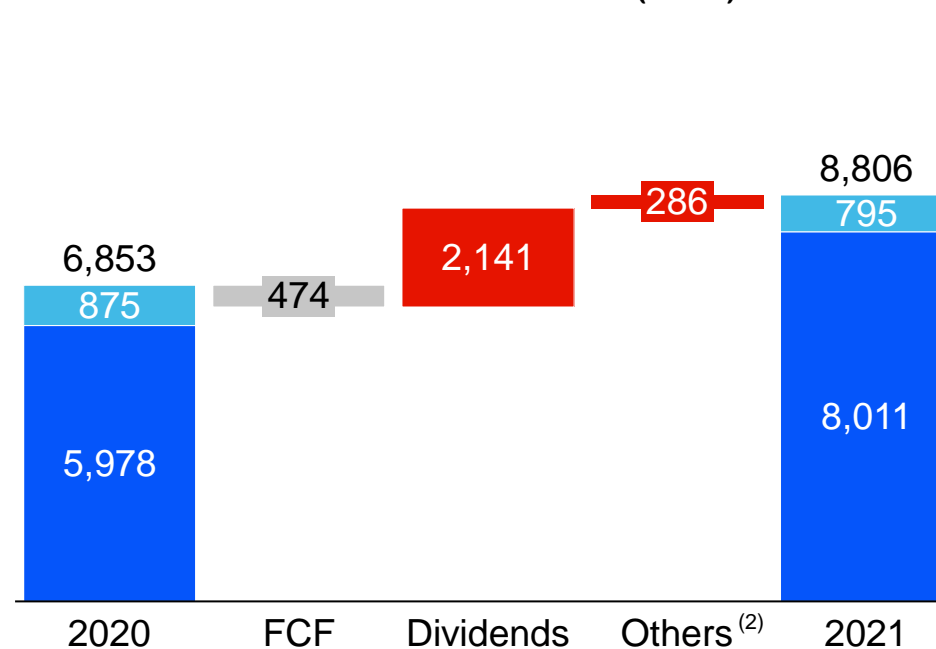
Net debt worsens due to higher dividend and investment effort



Gross debt⁽¹⁾ (€mn)



Net debt evolution (€mn)



■ Net Debt
 ■ Cash & Equivalents
 ■ Regulatory working capital⁽³⁾
 ■ Net debt ex-regulatory working capital

Financial KPIs

	2020	2021	Δ
Net debt/EBITDA	1.8x	2.1x	+0.3x
Cost of debt	1.7%	1.5%	-0.2 bp
FFO/Net Debt	43%	30%	-13 pp
FFO/EBITDA	77%	61%	-16 pp

(1) Rounded figures. Cash & Equivalents include collateral deposits (876 €mn in 2021 and 46 €mn in 2020)
 (2) Mainly rights of use, derivatives, changes in perimeter and others
 (3) Net balance with CNMC settlements

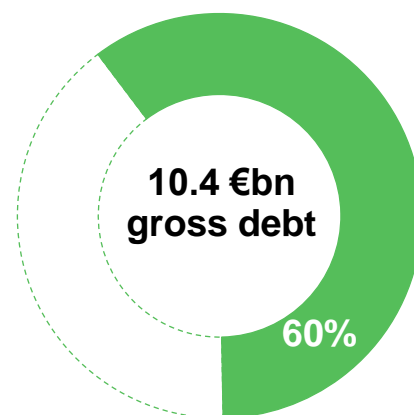
2021: a record year to bring sustainability across all financial instruments



2021 Sustainability-linked instruments (€bn)⁽¹⁾

	Amount (€bn)	KPIs	Pricing adj.
Loans	2.2	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	✓
RCFs ⁽²⁾	4.8	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	✓
ECPs ⁽³⁾	4.0	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	
Guarantees	3.0	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	✓
Other	1.4	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	✓
Total	15.4		

Sustainable Finance



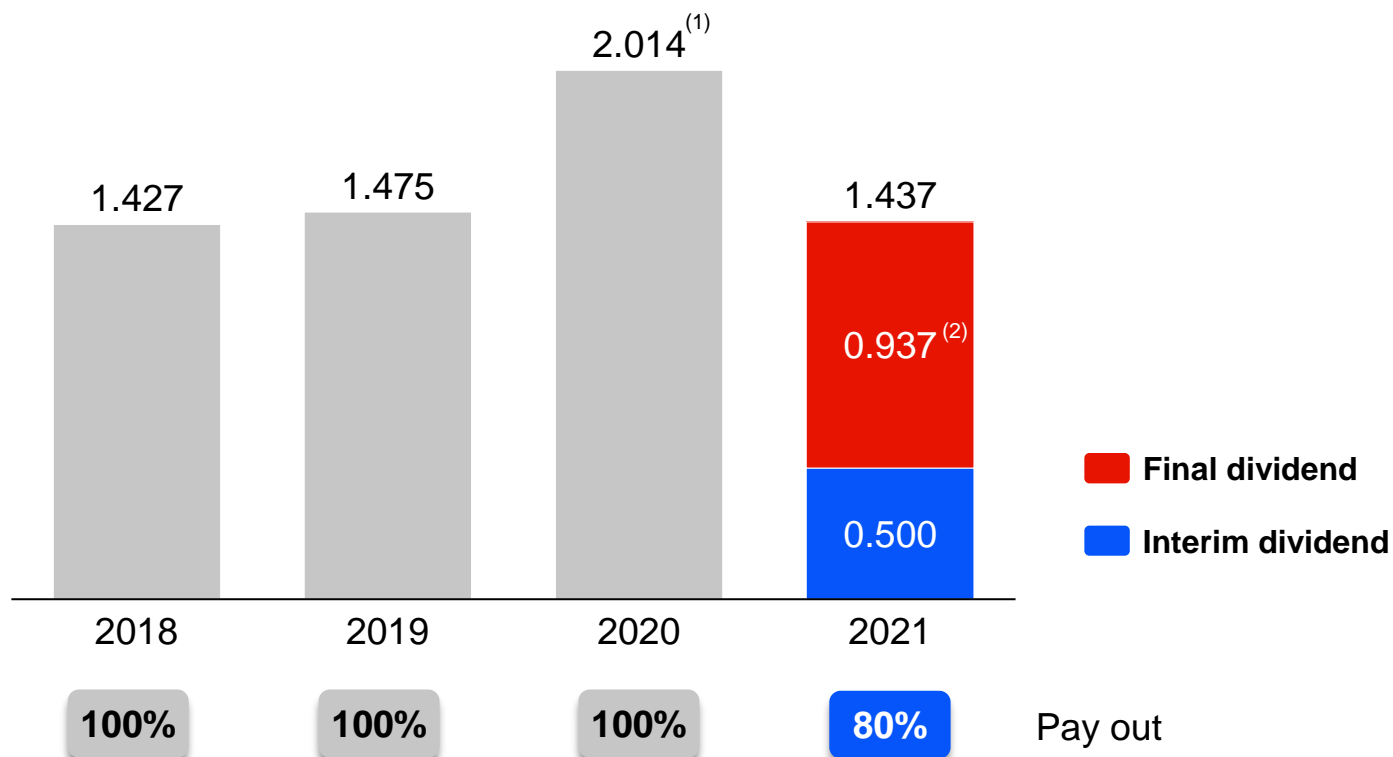
■ Sustainable sources
 □ Conventional sources

Target: ~80% in 2024

- **Leading role** in the Spanish sustainable finance area
- 100% **credit and guarantees lines** sustainability-linked
- First sustainability-linked **EIB Loan in Spain**
- **Largest ICO Loan** to date to include sustainability-linked KPI
- New **SDG KPI** (reduction of Scope 1 greenhouse gases – GHG- emissions) included

(1) Operations closed during 2021. Nominal values, inclusive of undrawn notional
 (2) RCF: Revolving Credit Facility
 (3) ECP: Euro Commercial Paper

2021 DPS above target



80% pay-out of 2021 Net Ordinary Income

DPS proposal 2021: 1.437 €/share

+11% above CMD guidance (1.3 €/sh.)

Final dividend of 0.937 €/share to be paid in July 2022

(1) Includes provisions reversal. See details on slide 14

(2) Subject to AGM approval to be held in 2022.

Delivering and exceeding 2021 targets



		2021	2022	2023	2024	CAGR 2021-24
Earnings growth	EBITDA (€bn)	4.3	4.1	4.5	4.7	+3%
	Net Ordinary Income ⁽¹⁾ (€bn)	1.9	1.8	1.9	2.0	+2%
Value creation	Pay out (%)	80%	70%	70%	70%	
	Implicit DPS (€/share)	1.44	~1.2	~1.3	~1.3	
	Implicit Dividend ⁽²⁾ Yield	7.1%	~6%	>6%	>6%	

Exceeding guidance

(1) See details on slide 42
 (2) Share price as of 31/12/21: 20.20€

Closing Remarks



**EBITDA and
Net Ordinary
Income
above target**

**Attracting
new free
market
customers**

**Main ESG
indexes
acknowledge
Endesa's
commitment
to renewable
targets**

**Sound
remuneration
to our
shareholders**

**Ready to
face the 2022
challenges**

FY 2021 Annexes

endesa

Endesa: 2021 P&L

€mn



	Conventional Gx	Renewables	Retail	Endesa X	Dx	Structure	Adjustments	TOTAL
Income	8,135	871	16,176	270	2,575	465	-7,593	20,899
Procurements and services	-5,126	158	-17,140	-144	-146	-1	7,035	-15,364
Income and expenses from energy derivatives	-1,419	-22	1,984	0	0	0	0	543
Gross margin	1,590	1,007	1,020	126	2,429	464	(558)	6,078
Fixed operating costs and other results	-731	-166	-475	-76	-464	-446	558	-1,800
EBITDA	859	841	545	50	1,965	18	-	4,278
D&A	-1,146	-215	-196	-49	-667	-49	0	-2,322
EBIT	(287)	626	349	1	1,298	(31)	-	1,956
Net financial results								-31
Net results from equity method								-1
PROFIT BEFORE TAX								1,924
Income Tax Expense								-467
Non-Controlling Interests								-22
NET ATTRIBUTABLE INCOME								1,435

Endesa: 2020 P&L

€mn



	Conventional Gx	Renewables	Retail	Endesa X	Dx	Structure	Adjustments	TOTAL
Income	5,162	776	11,935	235	2,720	519	-4,297	17,050
Procurements and services	-3,421	-145	-10,955	-117	-174	0	3,743	-11,069
Income and expenses from energy derivatives	123	0	-24	0	0	0	-74	25
Gross margin	1,864	631	956	118	2,546	519	(628)	6,006
Fixed operating costs and other results	-854	-191	-495	-79	-557	-649	628	-2,197
EBITDA	1,010	440	461	39	1,989	(130)	-	3,809
D&A	-747	-187	-219	-46	-635	-63	0	-1,897
EBIT	263	253	242	(7)	1,354	(193)	-	1,912
Net financial results								-158
Net results from equity method								34
PROFIT BEFORE TAX								1,788
Income Tax Expense								-388
Non-Controlling Interests								-6
NET ATTRIBUTABLE INCOME								1,394

Bridges of 2020 P&L new report

€mn



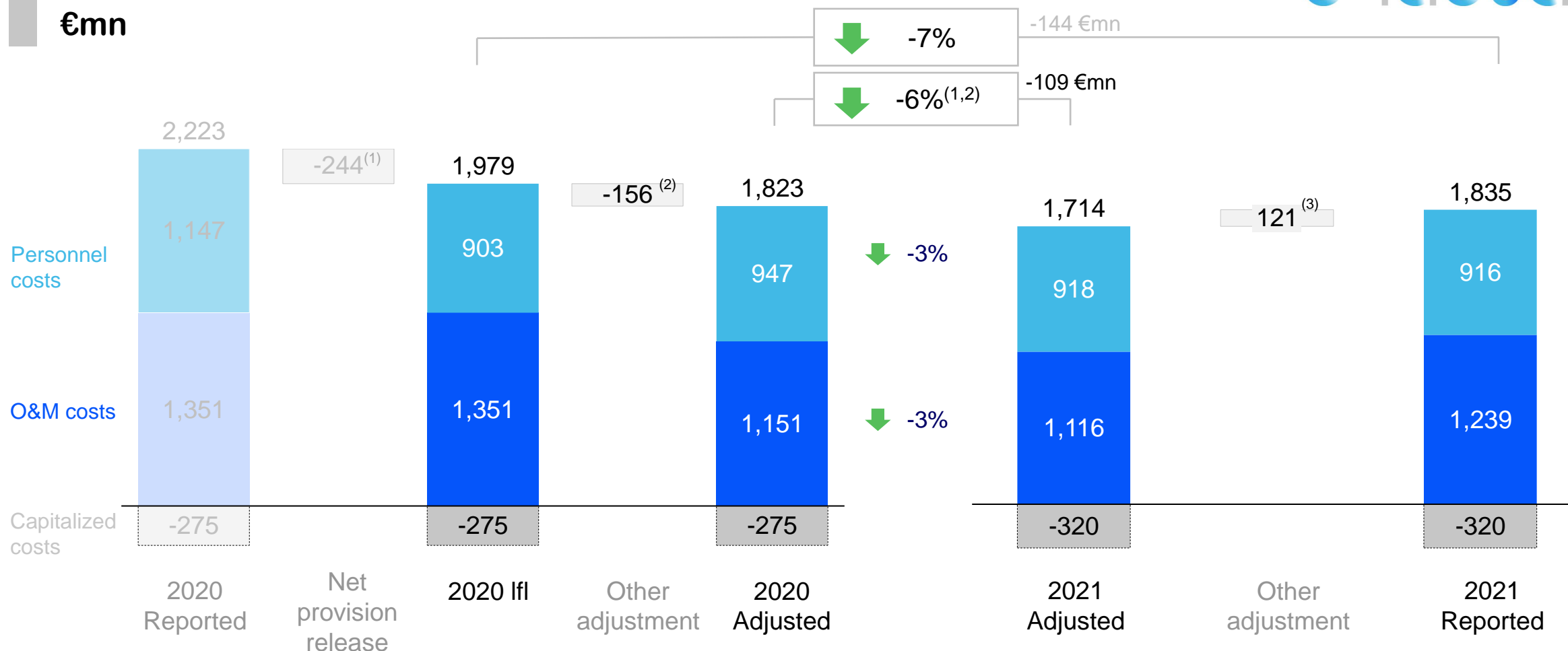
	Reported in 2020	Adjustments	Current report
Income	17,579	-529	17,050
Procurements and services	-11,573	504	-11,069
Income and expenses from energy derivatives	-	25	25
Gross margin	6,006	-	6,006
Fixed operating costs	-2,223	-	-2,223
Results on disposal of assets	-	26	26
EBITDA	3,783	26	3,809
D&A	-1,897	-	-1,897
EBIT	1,886	26	1,912
Net financial results	-134	-24	-158
Net results from equity method	34	-	34
Results on disposal of assets	2	-2	-
PROFIT BEFORE TAX	1,788	-	1,788
Income Tax Expense	-388	-	-388
Non-Controlling Interests	-6	-	-6
NET ATTRIBUTABLE INCOME	1,394	-	1,394

Removal of "Income and expenses from Energy derivatives" from "Income" and "Procurements and services" into a new item

Reclassification of "Results on disposal of assets"

Fixed costs evolution

€mn



Fixed costs improvements driven by personnel efficiency plans

(1) See details on slide 14

(2) 2020 Fixed costs adjusted by updating of provisions for workforce restructuring plans in place (44 €mn), the Public Responsibility Plan for the Health Crisis Covid-19 (-25 €mn), and disciplinary proceedings and taxes (-175 €mn)

(3) 2021 Fixed costs adjusted by updating of provisions for workforce restructuring plans in place (2 €mn), and disciplinary proceedings and taxes (-123 €mn)

Installed capacity and output



Total net installed capacity (MW)

	2021	2020	Var. (%)
Mainland	16,877	17,388	-3%
Renewables (2)	8,389	7,781	+8%
Hydro	4,746	4,749	-0%
Wind	2,546	2,423	+5%
Solar	1,097	609	80%
Others	0	0	0%
Nuclear	3,328	3,328	0%
Coal	1,403	2,523	-44%
CCGTs	3,757	3,756	0%
Non mainland territories	4,263	4,264	-0%
Coal	241	241	0%
Fuel - Gas	2,333	2,334	0%
CCGTs	1,688	1,689	0%
Total	21,140	21,652	-2%

Total gross output⁽¹⁾ (GWh)

	2021	2020	Var. (%)
Mainland	46,536	46,142	+1%
Renewables (2)	12,794	13,415	-5%
Hydro	6,122	7,681	-20%
Wind	5,605	5,235	7%
Solar	1,066	498	114%
Others	1	1	-32%
Nuclear	25,504	25,839	-1%
Coal	731	1,211	-40%
CCGTs	7,508	5,677	32%
Non mainland territories	11,056	10,127	+9%
Coal	45	222	-80%
Fuel - Gas	4,077	4,217	-3%
CCGTs	6,934	5,688	22%
Total	57,592	56,269	+2%

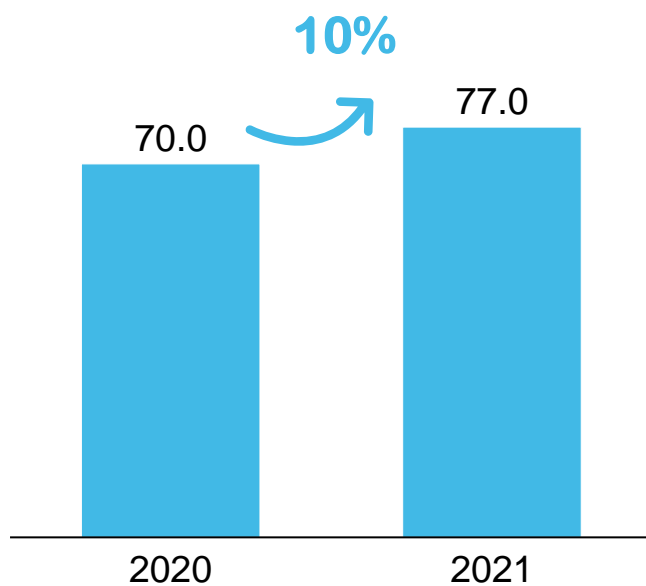
(1) Output at power plant bus bars (Gross output minus self-consumption)

(2) Includes 169 GWh in non-mainland in 2021 (77 MW) vs 113 GWh in 2020 (62 MW)

Gas operational highlights



Volumes sold⁽¹⁾ (TWh)



Key figures

	2020	2021	Δ
Total customers (mn)	1.7	1.7	-%
Total Gas margin (€mn)	215	131	-39%
Total unitary margin (€/MWh)	3.1	1.7	-45%
Margin Retail (€mn)	89	170	+91%
Retail unitary margin (€/MWh)	1.3	2.2	+69%

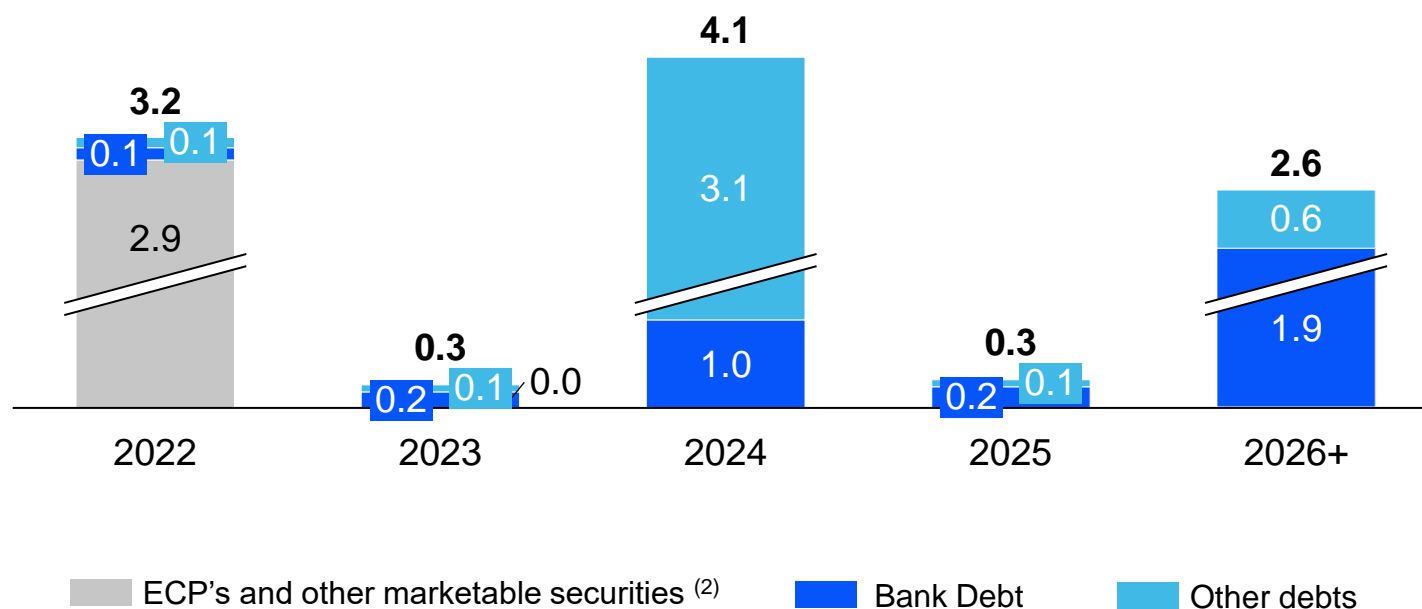
(1) Rounded figures. Do not include procurement activities to CCGTs
 (2) Unitary integrated margin excludes procurement activities to CCGTs and MtM effect

Financial debt maturity calendar

€bn



Gross balance of maturities⁽¹⁾

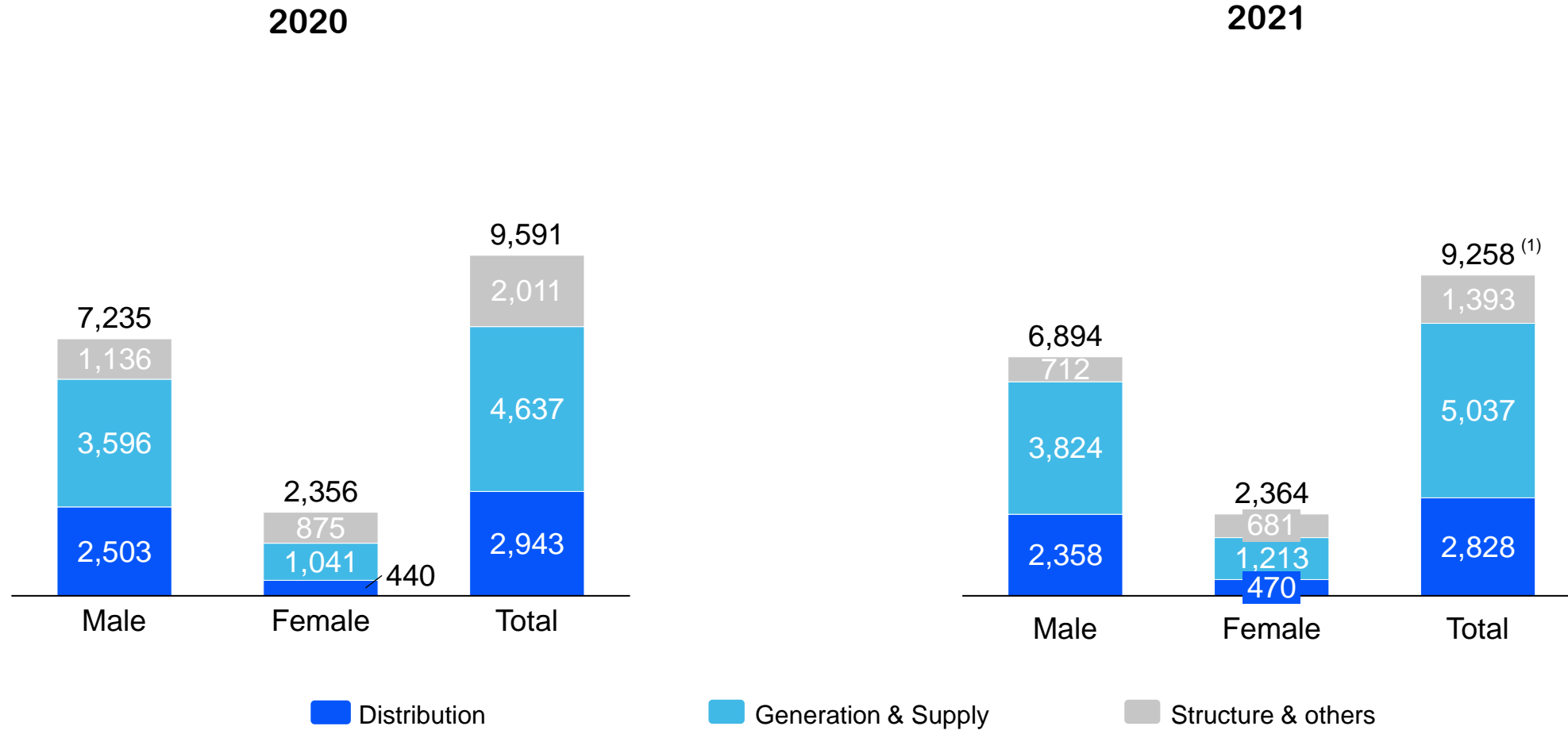


- Average life of debt: 4.4 years
- Coverage of 33 months of debt maturities
- Fixed rate 53% of Gross Debt
- 98% in Euros
- Liquidity 5,520 €mn: 703 €mn in cash and 4,817 €mn available in credit lines

(1) Outstanding on 31 December 2021. Rounded figures. Does not include financial derivatives.

(2) Notes issued are backed by long-term credit lines and are renewed on a regular basis.

Final headcount



(1) Final headcount 2021 vs. 2020: -3.5%. Average headcount 2021 vs. 2020: -4.6%

Taxonomy: key performance indicators 2021



Mapping as Climate Change Mitigation Delegated Act

Aligned

- Wind & Solar Hydro (99%)
- Distribution in Spain without new connections to installations with greenhouse gas emissions >100 gCO₂e/kWh
- Smart-lighting, E-bus, Energy Efficiency, Home, Customer insight, Distributed energy, E-Mobility, Battery Energy Storage
- Retail Power sales with source certificate

Not aligned

- Hydro (1%)
- New connections between a substation or network and a power production plant with greenhouse gas emissions >100 gCO₂e/kWh (156 MW)
- Retail Power sales without source certificate

No Eligible

- Trading
- Retail Gas sales
- Financial services, Overhead and share services and other no relevant product cluster
- Coal and fossil liquid fuels
- Nuke Gas
- TBD



% of the Eligible-Aligned activities

	2021	2020
REVENUES	27%	31%
Other fixed costs ⁽¹⁾	39%	41%
EBITDA	64%	60%
CAPEX	75%	70%

(1) Considered eligible for classification among the categories of activities in accordance with the European Union (EU) Taxonomy Regulation

Pending Delegated Act approval. To be considered as “not eligible” until then.

Diversity and inclusion



Purpose and actions

- Diversity and inclusion are essential factors to create long term value for employees, clients and all stakeholders.
- An organic set of actions aimed at:
 - allowing expression of **people uniqueness** ensuring non discrimination, equal opportunities, equal dignity, and inclusion of every person regardless to their **gender, age, disability, and any other form of diversity**
 - promoting cultural conditions for an inclusive and **unbiased workplace** that ensures a coherent mix of diversity in terms of skills, qualities and experiences that create value for people and business

Targets

	2020	2021
Gender - Female managers (%)	19.7%	20.8%
Gender - Female middle managers (%)	32.6%	33.8%
Gender - Women in selection processes ¹ (%)	36.0%	53.0%

Action plan to promote a systemic approach to the inclusion of people with disabilities

Promotion of an intergenerational, intercultural and bias-free inclusion culture



Global Diversity & Inclusion Policy
 Global Workplace harassment Policy
 Statement against harassment

1. Selection processes involving blue collar workers (low qualification requirements) are not included.



Sustainability projects with communities



Creating shared value strategy

- Continuous CSV promotion in line with three pillars:
 - Making the **value chains** of the Business Lines **sustainable**.
 - Advancing equity through the business to create **equitable** outcomes also through its **inclusive business model**.
 - Expanding the **ecosystem** of **partnerships** and **collaborations**.

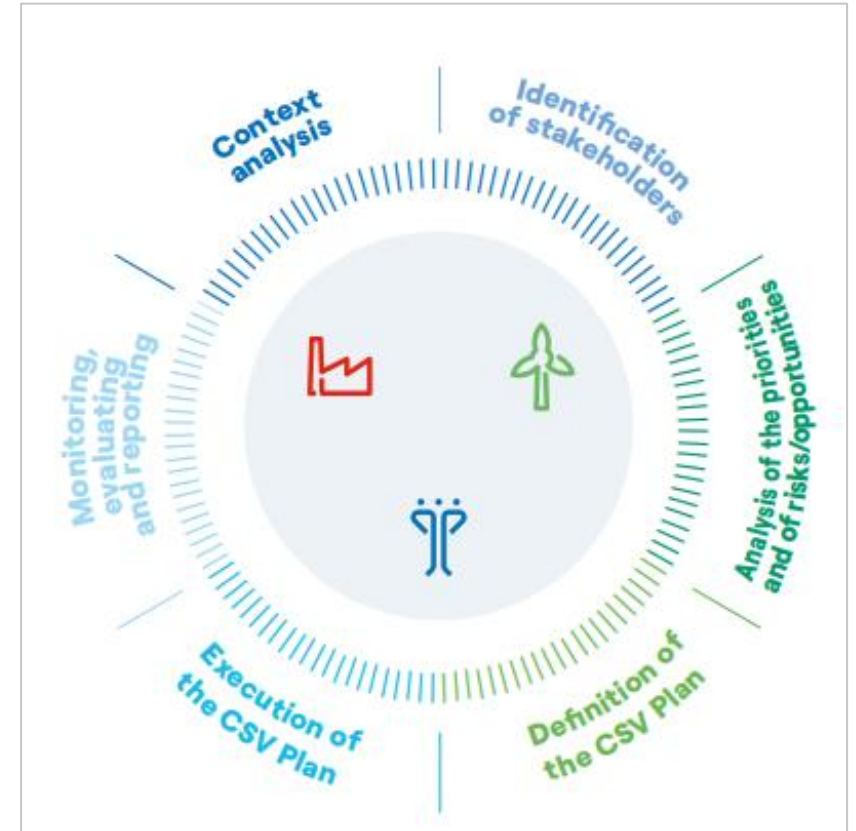
Inclusive Business Model

- The CSV model includes the development of sustainable and inclusive products and services in order to meet needs of clients with vulnerability and disabilities

Targets

n. Beneficiaries

	2020	2021
Quality education (SDG 4)	112,400	87,100
Affordable and clean energy (SDG 7)	225,600	245,300
Decent work, inclusive and sustainable economic growth (SDG 8)	139,200	273,200



Creating Shared Value process definition and management Policy

Glossary of terms (I/II)



Item	Calculation	Reference note of Consolidated Management Report
Average cost of debt (%)	Cost of gross financial debt / gross average financial debt: (136 €mn) / 9,375 €mn = 1.5%	7
Average life of debt (number of years)	(Principal x number of days of term) / (Principal in force at the end of the period x number of days of the period): 45,718 / 10,373 = 4.4 years	7
Cash flow from operations (€mn)	Net cash provided by operating activities (2,621 €mn)	10.4
Free cash flow (€mn)	Cash flow from operations (2,621 €mn) - Net change of tangible and intangible assets (1,998 €mn) + Subsidies and other deferred incomes (107 €mn) - Net change of other investments (1,086 €mn) + Net change of financial asset guarantees (830 €mn) = 474 €mn	n/a
Debt maturities coverage (months)	Maturity period (months) for vegetative debt that could be covered with the liquidity available: 33 months	10.2
EBITDA (€mn)	Revenues (20,899 €mn) – Purchases and Services (15,364 €mn) + Income and expenses from energy derivatives (543 €mn) + Work performed by the entity and capitalized (320 €mn) – Personnel expenses (916 €mn) – Other fixed operating expenses (1,239 €mn) + Results on disposal of assets (35 €mn) = 4,278 €mn	7
EBIT (€mn)	EBITDA (4,278 €mn) - Depreciation and amortization (2,322 €mn) = 1,956 €mn	9.2
Fixed costs (Opex) (€mn)	Personnel expenses (916 €mn) + Other fixed operating expenses (1,239 €mn) - Work performed by the entity and capitalized (320 €mn) = 1,835 €mn	9.2
Gross margin (€mn)	Revenues (20,899 €mn) – Purchases and Services (15,364 €mn) + Income and expenses from energy derivatives (543 €mn) = 6,078 €mn	9.2
Leverage (times)	Net financial debt (8,806 €mn) / EBITDA (4,278 €mn from 2021) = 2.1x	n/a

Glossary of terms (II/II)



Item	Calculation	Reference note of Consolidated Management Report
Gross Capex (€mn)	Gross tangible (2,061 €mn) and intangible (328 €mn) Capex - rights of use (213 €mn) + Others (-4 €mn) = 2,172 €mn	n/a
Net financial debt (€mn)	Long and short term financial debt (7,211 €mn + 3,167 €mn) - Cash and cash equivalents (703 €mn) - Derivatives recognized as financial assets (-7 €mn) - Financial asset guarantees (876 €mn) = 8,806 €mn	10.2
Net financial results (€mn)	Financial Revenues (163 €mn) - Financial Expenses (177 €mn) - Net results from Derivative Financial Instruments (11 €mn) - Foreign Exchanges (6 €mn) = -31 €mn	9.2
Income (€mn)	Sales (20,527 €mn) + Other operating revenues (372 €mn) = 20,899 €mn	9.2
Net ordinary income 2021 (€mn)	Reported Net Income (1,435 €mn) - Gains/(losses) on disposals of non-financial assets of over 10 €mn (22 €mn) - Net Impairment losses on non-financial assets of over 10 €mn (-489 €mn) - Initial Net Provision for Personnel Costs due to Restructuring Plans relating to the Decarbonisation Process (0 €mn) - Net Costs corresponding to the Public Responsibility Plan for the Health Crisis COVID-19 (0 €mn) = 1,902 €mn	9.2
Net ordinary income 2020 (€mn)	Reported Net Income (1,394 €mn) - Gains/(losses) on disposals of non-financial assets of over 10 €mn (0 €mn) - Net Impairment losses on non-financial assets of over 10 €mn (-266 €mn) - Initial Net Provision for Personnel Costs due to Restructuring Plans relating to the Decarbonisation Process (-450 €mn) - Net Costs corresponding to the Public Responsibility Plan for the Health Crisis COVID-19 (-22 €mn) = 2,132 €mn	9.2
Electric Integrated Margin (€mn)	Contribution margin conv. Gx (1,496 €mn) + Margin Renewables (1,007 €mn) + Margin Retail (1,020 €mn) - Margin SENP (518 €mn) - Margin SCVP (70 €mn) - Margin gas (131 €mn) - Margin Endesa X (126 €mn) - Others (337 €mn) = 2,341 €mn	n/a
Unitary electric integrated margin (€/MWh)	Electric Integrated Margin / Electric sales in the liberalized market in Spain and Portugal: 2,341 €mn / 72.6 TWh = €32.3/MWh	n/a

Disclaimer



This document contains certain "forward-looking" statements regarding anticipated financial and operating results and statistics and other future events. These statements are not guarantees of future performance and they are subject to material risks, uncertainties, changes and other factors that may be beyond ENDESA's control or may be difficult to predict.

Forward-looking statements include, but are not limited to, information regarding: estimated future earnings; anticipated changes in generation and market share; expected changes in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures; estimated asset disposals; estimated changes in capacity and capacity mix; repowering of capacity and macroeconomic conditions. The main assumptions on which these expectations and targets are related to the regulatory framework, exchange rates, commodities, counterparties, divestments, increases in production and installed capacity in markets where ENDESA operates, increases in demand in these markets, allocation of production amongst different technologies, increases in costs associated with higher activity that do not exceed certain limits, electricity prices not below certain levels, the cost of CCGT plants, and the availability and cost of the gas, coal, fuel oil and emission rights necessary to run our business at the desired levels.

In these statements, ENDESA avails itself of the protection provided by the Private Securities Litigation Reform Act of 1995 of the United States of America with respect to forward-looking statements.

The following important factors, in addition to those discussed elsewhere in this document, could cause financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

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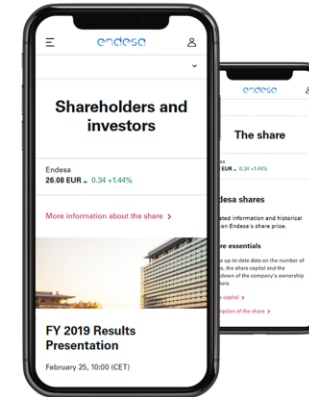


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