ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT
FOR THE NINE-MONTH
PERIOD ENDED
30 SEPTEMBER 2024

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

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CONTENTS

Legend

Activity	Activity Description
	Conventional Generation
	Renewable Generation
	Energy Supply
	Marketing of Other Products and Services
	Distribution
	Structure and Services

1.
CONSOLIDATED MANAGEMENT REPORT

1. KEY FIGURES

REVENUE €

REVENUE

−17.9 %

15,765 million of Euros

19,211 million of Euros in the period from January to September 2023

GROSS OPERATING INCOME (EBITDA)[1]

+15.7 %

3,881 million of Euros

3,353 million of Euros in the period from January to September 2023

PERFORMANCE

NET INCOME[1]

+32.6 %

1,404 million of Euros

1,059 million of Euros in the period from January to September 2023

NET ORDINARY INCOME[1]

+29.9 %

1,376 million of Euros

1,059 million of Euros in the period from January to September 2023

NET FINANCIAL DEBT[1]

−0.0 %

10,402 million of Euros at 30 September 2024

10,405 million of Euros at 31 December 2023

INVESTMENTS

GROSS INVESTMENTS IN PROPERTY, PLAN AND EQUIPMENT AND INTANGIBLE ASSETS

−14.8 %

1,346 million of Euros

1,580 million of Euros in the period from January to September 2023

CASH FLOWS FROM OPERATING ACTIVITIES

−6.0 %

2,669 million of Euros

2,839 million of Euros in the period from January to September 2023

PEOPLE

FINAL WORKFORCE

−1.0 %

8,943 employees

9,035 employees at 31 December 2023

RENEWABLE AND CONVENTIONAL GENERATION

NET INSTALLED CAPACITY

+0.9 %

21,440 MW

21,247 MW at 31 December 2023

NET INSTALLED MAINLAND RENEWABLE CAPACITY

+2.0 %

9,993 MW

9,800 MW at 31 December 2023

GENERATION OF ELECTRICITY[2]

−0.5 %

45,742 GWh

45,982 GWh in the period from January to September 2023

RENEWABLE ELECTRICITY GENERATION[2]

+36.4 %

13,861 GWh

10,159 GWh in the period from January to December 2023

DISTRIBUTION

DISTRIBUTION AND TRANSPORTATION NETWORKS

+0.2 %

319,919 km

319,136 km at 31 December 2023

DISTRIBUTED ENERGY[3]

+1.7 %

105,670 GWh

103,859 GWh in the period from January to September 2023

END USERS[4]

+0.5 %

12,616 thousand

12,548 thousand at 31 December 2023

RATIO OF DIGITALISED CUSTOMERS[5]

99 %

99 % at 31 December 2023

MARKETING OF ELECTRICITY, GAS AND OTHER PRODUCTS AND SERVICES

NET ELECTRICITY SALES[6]

-5.1 %

56,455 GWh

59,506 GWh in the period from January to September 2023

NUMBER OF ELECTRICITY CUSTOMERS[7] [8]

-2.7 %

10,239 thousand

10,522 thousand at 31 December 2023

NUMBER OF ELECTRICITY CUSTOMERS (DEREGULATED)[9]

-3.4 %

6,659 thousand

6,893 thousand at 31 December 2023

GAS SALES[10]

-8.2 %

43,320 GWh

47,181 GWh in the period from January to September 2023

NUMBER OF GAS CUSTOMERS[11]

-2.5 %

1,784 thousand

1,829 thousand at 31 December 2023

PUBLIC AND PRIVATE ELECTRICITY CHARGING STATIONS

+12.6 %

21,676 units

19,252 units at 31 December 2023

(1) See the definition provided in Section 12 of this Consolidated Management Report.
(2) In busbars.
(3) Energy supplied to customers, with or without a contract, auxiliary consumption from generators and outputs to other grids (transmission and distribution).
(4) Customers of distributors.
(5) Number of Digitalised Customers / End Users (%).
(6) Sales to end customers.
(7) Supply points.
(8) Customers of supply companies.
(9) Customers of deregulated companies.
(10) Without in-house generation consumption.
(11) Supply points.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of Endesa for the nine-month period ended 30 September 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union at the date of the Consolidated Statement of Financial Position, in accordance with Regulation (EC) no. 1606/2002 of 19 July, of the European Parliament and of the Council and other provisions of the financial reporting framework applicable to Endesa.
The Consolidated Financial Statements of Endesa for the nine-month period ended 30 September 2024 have been prepared using the same Accounting Policies, Preparation Basis and Valuation Principles described in Notes 2 and 3 to the Consolidated Annual Accounts for the annual period ended 31 December 2023, except for new International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) published in the Official Journal of the European Union and first applied by Endesa in Endesa's Consolidated Financial Statements for the nine-month period ended 30 September 2024. These statements are prepared on a going concern basis and using the cost method, except for items valued at fair value in accordance with the International Financial Reporting Standards (IFRS). Furthermore, items in the Consolidated Income Statement are classified by nature of their costs.
As of the approval date of this Consolidated Management Report, the amendments adopted by the European Union applicable to annual periods beginning on or after 1 January 2024, are as follows:

Standards, Amendments to Standards, and Interpretations	**Mandatory Application: Effective for periods beginning on**
Amendments to IAS *"Presentation of Financial Statements"* [1]	01 January 2024
Amendments to IFRS 16 *"Leases" – Lease Liabilities in a Sale and Leaseback Transaction*	01 January 2024
Amendments to IAS *"Statement of Cash Flows"* and IFRS 7 *"Financial Instruments: Disclosures"* – Supplier Finance Arrangements	01 January 2024

[1] Includes Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-current - Deferral of Effective Date, and Non-current Liabilities with Financial Covenants..

The application of the above amendments has not had a significant impact on the Consolidated Financial Statements for the nine-month period ended 30 September 2024.

3. DESCRIPTION OF THE ENTITY

3.1. Organisational Structure

Endesa, S.A. and its Subsidiaries operate in the electricity and gas business, primarily in the markets of Spain and Portugal. Additionally, to a lesser extent, they market electricity and gas, as well as other products and services related to their core business, in other European markets.

Endesa, S.A. and its Subsidiaries are part of the Enel Group, the parent of which is Enel Iberia, S.L.U. in Spain.

At 30 September 2024, the Enel Group held 70.1% of the share capital in Endesa, S.A., through Enel Iberia, S.L.U.

At the date of approval of this Consolidated Management Report, Endesa's organisational structure was unchanged with respect to the structure described in Section 3.2 of the Consolidated Management Report for the year ended 31 December 2023.

Senior Management

At the date of approval of this Consolidated Management Report, Senior Management, which is tasked with implementing the Company's strategy, was as follows:

Chief Executive Officer
Mr. José Damián Bogas Gálvez

Staff & Service Units

General Manager – Communications
Ms. María Lacasa Marquina

General Manager – People and Organisation
Mr. Paolo Bondi

General Manager – Institutional Relations and Regulation
Mr. José Casas Marín

General Manager – Real Estate and General Services
Mr. Pablo Azcoitia Lorente

General Manager – Audit
Ms. Patricia Fernández Salís

General Manager – ICT Digital Solutions
Mr. Manuel Fernando Marín Guzmán

General Manager – Sustainability
Ms. María Malaxechevarría Grande

General Manager – Procurement
Mr. Ignacio Mateo Montoya

General Manager – Administration, Finance and Control
Mr. Marco Palermo

General Manager – Security
Mr. Florencio José Retortillo Rodríguez

General Secretary and Secretary to the Board of Directors and General Manager – Legal Affairs and Corporate Affairs
Mr. Francisco de Borja Acha Besga

Business Areas

General Manager – Energy Management
Mr. Juan María Moreno Mellado

General Manager – Generation
Mr. Rafael González Sánchez

General Manager – Infraestructure and Grids
Mr. José Manuel Revuelta Mediavilla

General Manager – Supply
Mr. Davide Ciciliato

General Manager – Nuclear Power
Mr. Gonzalo Carbó de Haya

3.2. Business Lines and Main Markets

In order to be able to effectively face all risks and take advantage of all the opportunities of an energy sector in constant change, Endesa's business model is structured into different lines so as to respond quickly in the markets where it operates and take into account the needs of its customers in the territories and businesses where it has a presence.

These Business Lines relate to the following activities in which Endesa is involved: generation, distribution and marketing of electricity and gas, mainly, in Spain and Portugal, and, to a lesser extent, marketing of electricity and gas in other European markets, mainly Germany and France, from its platform in Spain, and marketing other products and services related to its main business.

Endesa manages its generation and supply businesses jointly to optimise its integrated position compared to separate management of both activities.

The description of Endesa's markets and activities is detailed in Section 2.3.4 of the Consolidated Management Report for the year ended 31 December 2023.

The relevant companies and holdings of Endesa that facilitate the organisation of its various Business Lines are described in Section 2.4 of the Consolidated Management Report and in Appendix I of the Notes to the Consolidated Annual Accounts for the year ended 31 December 2023, as well as in Section 5.1 of this Consolidated Management Report.

3.3. Sustainable Business Model

Endesa is committed to a business model that enables the development of a fair and inclusive transition, integrating sustainability and creating value in the territories where it operates. As an essential element in people's lives, business and society in general, the Company strives to align its business strategy to address major challenges facing society, continuously evolving to adapt to the ongoing social, economic, and political changes.

The Company's biggest challenge at present is driving an Energy Transition towards decarbonisation and electrification of the current economy, integrating efficient development of renewable energies while abandoning technologies based on fossil fuels without leaving anyone behind. The shift towards a decarbonised economy has encouraged and required the transformation of the current business model, while generating great economic, environmental and social opportunities, contributing to the creation of wealth and employment, as well as the improvement of the planet.

The definition of this sustainable strategy should involve the participation of the Company's stakeholders. Aware that they belong to the territory, the aim is to engage them and build strong, positive relationships that allow Endesa to achieve sustainable and lasting results.

Ongoing dialogue with individual stakeholders and the organisations that represent them through double materiality analysis enables Endesa to identify priority actions to meet the stakeholder demands. In this regard, with Climate Change as the main challenge for all stakeholders, and aware that Endesa can play a major role in the fight against Climate Change, the Company has identified priority actions to contribute to the United Nations Sustainable Development Goals (SDGs) and the objectives of the Paris Agreement.

Development of the environmental, social, and governance sphere entails a series of risks that the Company must address and manage. However, as a result of the correct orientation of the strategy throughout the Company's value chain, Endesa not only mitigates risks but is able to take maximum advantage of opportunities.

To monitor and evaluate the performance of its strategy, Endesa has defined "Environmental, Social, Governance" (ESG) metrics that are integrated into its Sustainability Plan and that establish the Company's roadmap to meet the challenges of energy transformation, thus participating in the achievement of the Sustainable Development Goals (SDGs).

The updated Strategic Plan clearly shows the integration of sustainability into the business model, with around 90% of the investments directed towards SDG 13 (Climate Action), contributing with specific actions in SDG 7 (Affordable and Clean Energy) through the growth of renewable energy capacity, SDG 9 (Industry, Innovation and Infrastructure) by investing in the digitalisation of the distribution grid, and SDG 11 (Sustainable Cities and Communities).

Endesa continues to harness innovation to promote solutions to reduce environmental impact and meet the needs of its customers and the local communities where it operates, always ensuring safety for its employees and contractors.

2024-2026 Sustainability Plan

As part of its sustainable strategy, Endesa's Sustainability Plan includes more than 120 objectives with a three-year time frame. These objectives are reviewed annually to ensure continuity and alignment with the strategy, aiming to further integrate sustainability across the entire value chain. This Plan is approved annually by the Board of Directors, with oversight of its compliance delegated to the Sustainability and Corporate Governance Committee.

On 27 February 2024, Endesa approved its 2024–2026 Sustainability Plan, which embodies its commitment to a business model where sustainability is built into the Company's industrial and business plan, along with various ethical, social and environmental commitments.

Endesa's Strategic Plan 2024-2026, which orients its activity towards a business model that responds to the major challenges facing society, such as decarbonisation and electrification to combat Climate Change and move towards energy sovereignty, is complemented by the Sustainability Plan, which is based on the priorities set out in the table below:

ENDESA'S 2024-2026 SUSTAINABILITY PLAN

ZERO-EMISSION AMBITION

- Net Zero.
- Distribution grids.
- Electrification of energy use.

PROTECTION OF NATURE

- Biodiversity.
- Water.
- Waste.
- Air Quality.

COMMITMENT TO PEOPLE

- Our people.
- Supply Chain.
- Communities.
- Health and Safety.

GROWTH ACCELERATORS

- Circular economy.
- Cybersecurity.
- Digitalisation.
- Sustainable Finance.

GOOD GOVERNANCE AND HUMAN RIGHTS

- Good Governance.
- Human Rights.

4. REFERENCE SCENARIO

4.1. Macroeconomic Environment

The macroeconomic environment in the third quarter of 2024 has been primarily characterised by global inflation control, allowing central banks to ease monetary policy measures by lowering interest rates. Financial markets have remained at high volatility levels due to the large amount of macroeconomic data and political events that occurred during the period.

The European Central Bank (ECB), in its September 2024 meeting, has reduced interest rates for the second time this year, lowering the deposit rate by 25 basis points (from 3.75% to 3.50%). Additionally, it reduced its other 2 official rates by 60 basis points each, implementing a strategic change announced in March 2024 (the BCE's main refinancing operations rate dropped from 4.25% to 3.65%, and the marginal lending facility rate sank from 4.50% to 3.90%). The European Central Bank (ECB) reiterates its expectation that inflation will settle at 2% by the end of 2025, despite raising its forecasts for core inflation (which excludes energy and unprocessed foods) and lowering its growth forecasts for various countries.

Overall inflation in Spain decreased by 0.8 percentage points in September, settling at 1.50%, its lowest figure since March 2021. This decline is mainly due to the drop in fuel prices and, to a lesser extent, the lower costs of food and electricity. Core inflation fell to 2.4% (from 5.8% as of 30 September 2023).

On the foreign exchange market, the Euro appreciated by 1.0% against the US dollar (USD) during the first nine months of 2024, with the euro/dollar (EUR/USD) exchange rate closing at 1.1161 at the end of September. Meanwhile, the Euro fell by 4.0% against the pound sterling, with the euro/pound (EUR/GBP) exchange rate standing at 0.8321 on 30 September 2024.

Main Indicators

The following table shows the performance of various key financial indicators in the third quarter of 2024:

	30 September 2024	31 December 2023	Difference	% Chg.
Average exchange rate (Euro / US Dollar)[1]	1.0871 [2]	1.0832 [3]	0.0039	0.4
Closing exchange rate (Euro / US Dollar)[1]	1.1161	1.1047	0.0114	1.0
Closing exchange rate (Euro / Pound Sterling)	0.8321	0.8665	(0.0344)	(4.0)
Six-month Euribor (period average)	3.70 [2]	3.58 [3]	0.12	3.4
Short-term Euro interest rate (3-month Euribor) (%)[1]	3.28	3.91	(0.63)	(16.1)
Long-term Euro interest rate (10-Year Swap) (%)[1]	2.35	2.49	(0.14)	(5.6)
Short-term US dollar interest rate (3-Month SOFR) (%)[1]	4.59	5.33	(0.74)	(13.9)
Long-term US dollar interest rate (USD 10-Year SOFR) (%)[1]	3.32	3.47	(0.15)	(4.3)
German 10-Year bond (%)[1]	2.12	2.02	0.10	5.0
German 30-Year bond (%)[1]	2.46	2.26	0.20	8.8
10-Year Spanish bond (%)[1]	2.92	2.98	(0.06)	(2.0)
Risk premium for Spain (bp)[1][4]	80	96	(16)	(16.7)
Risk premium for Italy (bp)[1][4]	133	167	(34)	(20.4)
Risk premium for Portugal (bp)[1][4]	57	61	(4)	(6.6)
European Central Bank (ECB) reference rates (%)[1]	3.65	4.50	(0.85)	(18.9)
European Central Bank (ECB) deposit facility rate (%)[1][5]	3.50	4.00	(0.50)	(12.5)
US Federal Reserve reference rates (%)[1]	4.75 - 5.00	5.25 - 5.50	—	—
Year-on-year inflation in Spain (%)[6]	1.5	3.5 [7]	(2.00)	—
Year-on-year core inflation in Spain (%)[6]	2.4	5.8 [7]	(3.40)	—

[1] Source: Bloomberg.
[2] January-September 2024.
[3] January-September 2023.
[4] Spread against the German 10-year bond.
[5] Fee that the European Central Bank (ECB) charges banks for their deposits.
[6] Source: Spanish National Statistics Institute (INE).
[7] As of 30 September 2023.
bp = Basis points.

4.2. Electricity and Gas Market

During the period January-September 2024, the arithmetic average price in the wholesale electricity market stood at 52.4 Euros/MWh (-42.5% compared to the same period in 2023), maintaining the downward trend in European electricity market prices compared to the same period in 2023, mainly due to lower gas prices as a result of the diversification of supply sources and changes in the generation mix, moderate seasonal energy demand, and the increase in renewable production, favoured by weather conditions and regulation.

Gas prices showed a downward trend during the 2023 financial year, and have been maintained in the period January-September 2024. During the third quarter of 2024, average gas prices have increased by 6% compared to the second quarter of the year, while average Brent prices have remained in line with the price in the same period of the previous year. As the year progresses, Brent prices are expected to remain volatile as a result of the geopolitical environment. The average carbon dioxide (CO_2) price has decreased by 24.3% compared to the same period last year, mainly due to climate and sustainability policies, and the evolution of supply and demand fluctuations in the carbon markets.

Renewable Production

In the period January-September 2024, solar photovoltaic production continues to reach high levels compared to the same period of the previous year, 19% in Spain and 35% in Portugal, according to data from Red Eléctrica de España, S.A. and Redes Energéticas Nacionais, SGPS, S.A., respectively, due to weather conditions and the increased installed capacity of renewable sources as the Energy Transition plans evolve.

Hydropower production in Spain grew by 60% compared to the same period of the previous year, having a considerable impact on the generation mix and, therefore, on market price formation by displacing higher cost technologies.

Demand for Electricity and Gas

During the third quarter of 2024, Spain recorded an electricity demand of 185,599 GWh, marking a 0.9% increase compared to the corresponding period in 2023 (+1.5% when factoring in calendar and temperature effects). This weak growth is due, among other aspects, to the increasing expansion of solar self-consumption and a lower growth of the Gross Domestic Product (GDP) of the country.

In the Spanish Peninsula, and without adjusting for labour and temperature effects, in the January-September 2024 period, peninsular demand was 174,055 GWh, a 0.9% increase compared to 2023 (+1.5% considering labour and temperature effects). In the first nine months of 2024, gross demand in the Balearic and Canary Islands is estimated at 4,696 GWh and 5,649 GWh (+1.1% and +1.2%, respectively, adjusted for labour and temperature effects, compared to the same period of the previous year).

Regarding demand for gas, it decreased by 7.9% in Spain in the January-September 2024 period, mainly due to reduced demand from the Electricity Sector (-32.9%) despite the slight increase in demand from the conventional gas market (+2.9%).

4.2.1. Evolution of the main market indicators

Market indicators	January-September 2024	January-September 2023	% Chg.
Arithmetic average price in the wholesale electricity market (EUR/MWh)[1]	52.4	91.1	(42.5)
ICE Brent average price (USD/bbl)[2]	81.8	82.0	(0.2)
Average price of carbon dioxide (CO_2) emission rights (EUR/t)[3]	65.0	85.9	(24.3)
Average Price of Guarantees of Origin (EUR/MWh)[4]	0.6	6.8	(91.2)
Average price of coal (EUR/MWh)[5]	111.1	129.7	(14.3)
Average price of gas (EUR/MWh)[6]	31.5	40.7	(22.6)

(1) Source: Iberian Energy Market Operator-Polo Español (OMIE).
(2) Source: ICE: Brent Crude Futures.
(3) Source: ICE: ECX Carbon Financial Futures Daily.
(4) Source: Prepared in-house
(5) Source: Api2 index.
(6) Source: TTF index.

4.2.2. Evolution of demand

Percentage (%)

	Without adjustment for seasonal and temperature effects		Adjusted for seasonal and temperature effects	
Electricity [1]	January-September 2024	January-September 2023	January-September 2024	January-September 2023
Mainland	**0.9**	**(4.4)**	**1.5**	**(3.7)**
Endesa Area[2]	**(1.0)**	**(3.4)**	**(0.2)**	**(2.5)**
Industrial	(1.4)	(3.4)		
Services	0.2	(2.5)		
Residential	(1.9)	(4.4)		
Non-mainland Territories ("TNP")	**0.3**	**(0.1)**	**1.2**	**(0.8)**
Canary Islands	0.8	1.6	1.2	1.3
Balearic Islands	(0.6)	(2.3)	1.1	(3.2)

(1) Source: Red Eléctrica de España, S.A. (REE). In busbars.
(2) Source: Prepared in-house.

Percentage (%)

Gas [1]	January-September 2024	January-September 2023
Spanish Domestic market	(7.9)	(13.0)
Spanish Conventional	2.9	(3.2)
Electricity Sector	(32.9)	(29.3)

(1) Source: Enagás, S.A.

4.2.3. Market share

Percentage (%)

Market share [1]	30 September 2024	31 December 2023
Electricity		
Mainland generation [2]	19.3	18.2
Distribution	43.9	44.2
Supply	28.3	29.6
Gas		
Deregulated market	11.1	13.3

(1) Source: Prepared in-house.
(2) Includes renewable energies.

5. SIGNIFICANT EVENTS IN THE PERIOD

5.1. Changes in the consolidation scope

The following transactions were formalised in the January-September 2024 period:

Companies	Transaction	Consolidation Method	Date	Activity	Participation as of 30 September 2024 (%)		Participation as of 31 December 2023 (%)	
					Control	Economic	Control	Economic
Energías Limpias de Carmona, S.L. [1]	Acquisition	E.M. (A.)	24 January 2024	Photovoltaic	23.08	23.08	18.75	18.75
Evacuación Carmona 400-220 KV Renovables, S.L. [1]	Acquisition	E.M. (A.)	08 March 2024	Photovoltaic	10.36	10.36	9.39	9.39
Guadarranque Solar 4, S.L.U. [2]	Merger	G.I.	01 July 2024	Photovoltaic	—	—	100.00	100.00
Empresa de Alumbrado Eléctrico de Ceuta, S.A. [3]	Merger	G.I.	01 July 2024	Holding	—	—	96.42	96.42
Endesa Generación Nuclear, S.A.U. [4]	Dissolution	G.I.	01 July 2024	Nuclear	—	—	100.00	100.00
Ren Alfajarín Solar, S.L.U. [1]	Incorporation	G.I.	18 July 2024	Photovoltaic	100.00	100.00	—	—
FV Andrea Solar, S.L.U. [1]	Incorporation	G.I.	18 July 2024	Photovoltaic	100.00	100.00	—	—
FV Campos Solar, S.L.U. [1]	Incorporation	G.I.	18 July 2024	Photovoltaic	100.00	100.00	—	—
FV La Cerca, S.L.U. [1]	Incorporation	G.I.	18 July 2024	Photovoltaic	100.00	100.00	—	—
FV Menaute, S.L.U. [1]	Incorporation	G.I.	18 July 2024	Photovoltaic	100.00	100.00	—	—
FV Santa María, S.L.U. [1]	Incorporation	G.I.	18 July 2024	Photovoltaic	100.00	100.00	—	—
Transportes y Distribuciones Eléctricas, S.A. (In liquidation) [4]	Dissolution	G.I.	26 July 2024	Transmission	—	—	73.33	73.33

G.I.: Global Integration; E.M.: Equity Method; A.: Associate.
(1) Companies directly or indirectly owned by Enel Green Power España, S.L.U.
(2) Merger by absorption of the company Guadarranque Solar 4, S.L.U. by Endesa Generación II, S.A.U.
(3) Merger by absorption of the company Empresa de Alumbrado Eléctrico de Ceuta, S.A. by Empresa de Alumbrado Eléctrico de Ceuta Distribution, S.A.
(4) The scale of this company is not significant.

Agreement for the sale of a minority stake

On 25 July 2024, Endesa, through its wholly owned subsidiary Enel Green Power España, S.L.U., signed an agreement with Masdar (Abu Dhabi Future Energy Company PJSC) for the sale of a 49.99% minority stake in the share capital of Enel Green Power España Solar 1, S.L., which holds, in that moment, all of Endesa's operational solar photovoltaic installations in Spain, with a total installed capacity of approximately 2 GW.

The agreed price for Masdar (Abu Dhabi Future Energy Company PJSC) to purchase the 49.99% stake in Enel Green Power España Solar 1, S.L. is Euros 817 million, subject to customary adjustments in such transactions.

The transaction conducted allows Endesa to maintain control and, therefore, full consolidation of Enel Green Power España Solar 1, S.L., without any expected impact on Endesa's economic performance.

The closing of the transaction is expected to take place during the fourth quarter of 2024, subject to the usual conditions precedent in such transactions, including those related to foreign investments in Spain.

5.2. Geopolitical situation

International conflicts

The macroeconomic and geopolitical environment at the date of approval of this Consolidated Management Report has been one of resilient global growth despite uncertainty and volatility as a result of:

Aspects	Content
Macroeconomic and political environment	• The prolonged Russia-Ukraine conflict, which shows no signs of resolution in the short term; and its implications on the supply and prices of raw materials, mainly gas; is compounded by the current tension arising from the conflict in the Middle East. • A scenario characterised by a context of high inflation, where controlling its upward trend has been the guiding principle followed by all Central Banks. • The current macroeconomic context of interest rates has led to a rise in the cost of financing public and corporate debt. At the date of presentation of this Consolidated Management Report, interest rates had fallen across the board, although the high level of public indebtedness could lead to increases in the risk premium of countries, as well as to higher fiscal risks.

Given the complexity of the current environment and in compliance with the recommendations of the European Securities and Markets Authority (ESMA), Endesa monitors both the status and evolution of the current situation generated by the Russia-Ukraine and Middle East conflicts in order to manage potential risks and changes in the macroeconomic, financial and commercial variables of the current environment, as well as the regulatory measures in force, in order to update the estimate of their potential impacts on the Consolidated Financial Statements. This analysis is detailed in the following Sections of this Consolidated Management Report:

Aspects	Section	Content
Regulatory Framework	9 and 13	• Regulatory measures adopted by EU and national authorities in response to the economic and social consequences of the conflict and the current environment.
Financial Instruments	6.2, 7.3 and 10.3	• Modification of the business model and the characteristics of the contractual cash flows of the financial assets, as well as reclassification between their categories. Evolution of the valuation and settlement of energy commodity derivatives, detail of financial instruments and compliance with the criteria established by the regulations for applying hedge accounting.
Financial Debt	7.2	• Details of financial debt.
Price Risk of Energy Commodities, Liquidity, Credit, and Concentration	4.2, 7.2 and 10.3	• Evolution of electricity and gas prices in the energy and other commodities markets, • breakdown of the liquidity position, analysis of the impairment of financial assets, and of potential delays in supply and contract fulfilment at the supply chain level.
Monitoring of Stock Markets	10.1	• Impact of the current environment on the evolution of Endesa's stock price.

In accordance with the foregoing, in the third quarter of 2024, the effects arising from the described macroeconomic and geopolitical environment have not had a significant impact on Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) or Earnings Before Interest and Taxes (EBIT). The net position subject to margining in the Organised Markets in which Endesa contracts their financial instruments shows the evolution of the gas market, whose prices follow a downward trend, which has led, among other things, to lower collateralisation needs, the balance amounting to Euros 548 million at 30 September 2024 (Euros 1,220 million at 31 December 2023, which have had a positive impact on the liquidity position of Endesa (see Sections 7.2 and 10.3 of this Consolidated Management Report).

6. ENDESA'S OPERATING PERFORMANCE AND PROFIT IN THE THIRD QUARTER OF 2024

6.1. Operating performance

30 September 2024

45,742 GWh
GENERATION OF ELECTRICITY[1] IN THE JANUARY-SEPTEMBER 2024 PERIOD
of which **13,861 GWh** renewable

9,993 MW
NET INSTALLED MAINLAND RENEWABLE CAPACITY
of a total of **17,078 MW**

319,919 km
DISTRIBUTION AND TRANSPORTATION GRIDS

12,471 thousands
DIGITALISED CUSTOMERS
+99% Ratio of digitalised customers

10,239 thousands
NUMBER OF CUSTOMERS (ELECTRICITY)[2][3]
of which **6,659 thousand** from the deregulated market

56,455 GWh
NET ELECTRICITY SALES[4] IN THE JANUARY-SEPTEMBER 2024 PERIOD
−5.1% compared to January to September 2023

21,676 units
PUBLIC AND PRIVATE CHARGING STATIONS
+12.6% compared to 31 December 2023

1,784 thousands
NUMBER OF CUSTOMERS (GAS)[2]
of which **1,313 thousand** from the deregulated market

43,320 GWh
GAS SALES[5] IN THE JANUARY-SEPTEMBER 2024 PERIOD
−8.2% compared to January to September 2023

(1) In busbars.
(2) Supply points.
(3) Customers of the supply companies.
(4) Sales to end customers.
(5) Without in-house generation consumption.

The table below breaks down the most relevant operational figures in the January-September 2024 period and the changes therein compared to the same period of the previous year:

Operating figures	ODS [1]	Unit	January-September 2024	January-September 2023	% Chg.
Electricity generation [2]		GWh	45,742	45,982	(0.5)
Generation of renewable electricity	7	GWh	13,861	10,159	36.5
Gross Installed Capacity		MW	22,149 [3]	21,956 [4]	0.9
Net installed capacity		MW	21,440 [3]	21,247 [4]	0.9
Net installed mainland renewable capacity	7	MW	9,993 [3]	9,800 [4]	2.0
Net installed non-mainland territory ("TNP") renewable energy capacity	7	MW	99 [3]	99 [4]	—
Energy Distributed[5]	9	GWh	105,670	103,859	1.7
Digitalised customers[6]	9	Thousands	12,471 [3]	12,396 [4]	0.6
Distribution and transmission grids	9	km	319,919 [3]	319,136 [4]	0.2
End Users[7]		Thousands	12,616 [3]	12,548 [4]	0.5
Ratio of digitalised customers[8]		(%)	99 [3]	99 [4]	—
Gross electricity sales[2]		GWh	62,738	66,065	(5.0)
Net electricity sales[9]		GWh	56,455	59,506	(5.1)
Gas sales[10]		GWh	43,320	47,181	(8.2)
Number of customers (Electricity)[11] [12]		Thousands	10,239 [3]	10,522 [4]	(2.7)
Deregulated market[13]		Thousands	6,659 [3]	6,893 [4]	(3.4)
Number of customers (gas)[11]		Thousands	1,784 [3]	1,829 [4]	(2.5)
Deregulated market		Thousands	1,313 [3]	1,387 [4]	(5.3)
Public and Private Electricity Charging Stations	11	Units	21,676 [3]	19,252 [4]	12.6
Public electricity charging stations (units)		Units	6,064 [3]	5,481 [4]	10.6
Private electricity charging stations (units)		Units	15,612 [3]	13,771 [4]	13.4
Public lighting points	11	Units	153 [3]	147 [4]	4.1
Response to the demand		MW	51 [3]	155 [4]	(67.1)
Final Workforce		No. of employees	8,943 [3]	9,035 [4]	(1.0)
Average Workforce		No. of employees	8,815	9,108	(3.2)

(1) Sustainable Development Goals.
(2) In busbars.
(3) At 30 September 2024.
(4) At 31 December 2023.
(5) Energy supplied to customers, with or without a contract, auxiliary consumption from generators and outputs to other grids (transmission and distribution).
(6) Activated smart meters.
(7) Customers of distributors.
(8) Number of digitalised customers / End users (%).
(9) Sales to end customers.
(10) Without in-house generation consumption.
(11) Supply points.
(12) Customers of the supply companies.
(13) Customers of deregulated supply companies.

Electricity generation

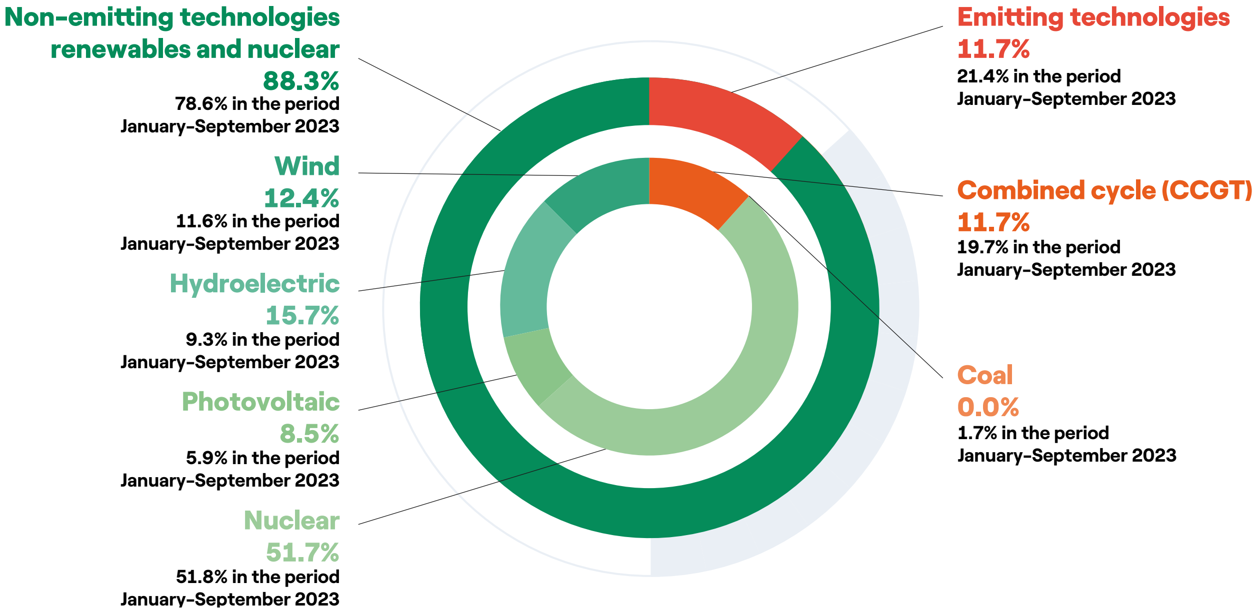
GWh

Electricity Generation [1]	January-September 2024	January-September 2023	% Chg.
Mainland	**37,588**	**37,496**	**0.2**
Renewables	13,861	10,159	36.4
Hydroelectric	5,891	3,488	68.9
Wind [2]	4,712	4,388	7.4
Photovoltaic [3]	3,258	2,282	42.8
Rest	—	1	(100.0)
Nuclear	19,344	19,357	(0.1)
Coal	—	648	(100.0)
Combined cycle (CCGT)	4,383	7,332	(40.2)
Non-mainland Territories (TNP)	**8,154**	**8,486**	**(3.9)**
Coil	54	70	(22.9)
Fuel-gas	3,296	3,383	(2.6)
Combined cycle (CCGT)	4,804	5,033	(4.5)
TOTAL	**45,742**	**45,982**	**(0.5)**

[1] In busbars.
[2] The January–September 2024 period includes 82 GWh corresponding to Non-mainland Territories ("TNP") (63 GWh in the January–September 2023 period).
[3] The January–September 2024 period includes 75 GWh corresponding to Non-mainland Territories ("TNP") (77 GWh in the January–September 2023 period).

Non-emitting renewable and nuclear technologies accounted for 88.3% of Endesa's mainland generation mix in the January–September 2024 period, compared to 89.7% for the rest of the sector (78.6% and 83.4%, respectively, in the January–September 2023 period).

The following chart shows Endesa's mainland generation mix by technology in the January–September 2024



Gross and Net Installed Capacity

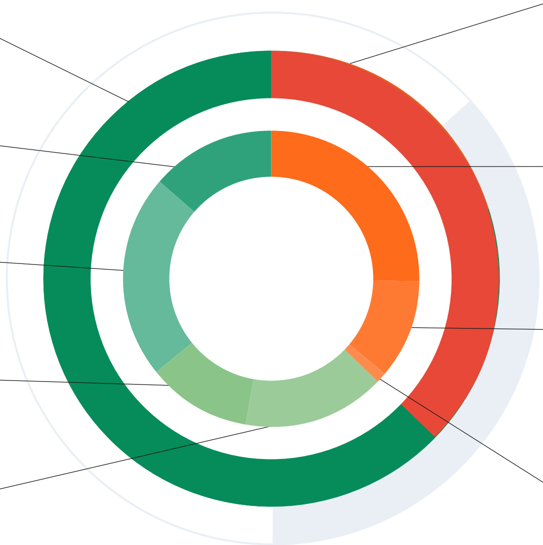
Gross Installed Capacity	30 September 2024 MW	30 September 2024 Percentage (%)	31 December 2023 MW	31 December 2023 Percentage (%)	% Chg.
Mainland	**17,412**	**78.6**	**17,219**	**78.4**	**1.1**
Renewable energy [1]	10,136	45.8	9,943	45.3	1.9
Hydroelectric	4,790	21.6	4,790	21.8	—
Wind [2]	2,893	13.1	2,884	13.1	0.3
Photovoltaic [3]	2,453	11.1	2,269	10.3	8.1
Nuclear	3,453	15.6	3,453	15.7	—
Combined cycle (CCGT)	3,823	17.2	3,823	17.4	—
Non-mainland Territories ("TNP")	**4,737**	**21.4**	**4,737**	**21.6**	**(0.0)**
Coal	260	1.2	260	1.2	—
Fuel-gas	2,620	11.8	2,620	11.9	(0.0)
Combined cycle (CCGT)	1,857	8.4	1,857	8.5	—
TOTAL	**22,149**	**100.0**	**21,956**	**100.0**	**0.9**

[1] At 30 September 2024 and 31 December 2023, additional installed capacity was 193 MW and 607 MW, respectively.
[2] At 30 September, this includes 42 MW corresponding to Non-mainland Territories ("TNP") (42 MW at 31 December 2023).
[3] At 30 September, this includes 57 MW corresponding to Non-mainland Territories ("TNP") (57 MW at 31 December 2023).

Net Installed Capacity	30 September 2024 MW	30 September 2024 Percentage (%)	31 December 2023 MW	31 December 2023 Percentage (%)	% Chg.
Mainland	**17,177**	**80.1**	**16,984**	**79.9**	**1.1**
Renewable energy [1]	10,092	47.1	9,899	46.6	1.9
Hydroelectric	4,746	22.1	4,746	22.3	—
Wind [2]	2,893	13.5	2,884	13.6	0.3
Photovoltaic [3]	2,453	11.5	2,269	10.7	8.1
Nuclear	3,328	15.5	3,328	15.7	—
Combined cycle (CCGT)	3,757	17.5	3,757	17.6	—
Non-mainland Territories ("TNP")	**4,263**	**19.9**	**4,263**	**20.1**	**—**
Coal	241	1.1	241	1.1	—
Fuel-gas	2,334	10.9	2,334	11.0	—
Combined cycle (CCGT)	1,688	7.9	1,688	7.9	—
TOTAL	**21,440**	**100.0**	**21,247**	**100.0**	**0.9**

[1] At 30 September 2024 and 31 December 2023, additional installed capacity was 193 MW and 607 MW, respectively.
[2] At 30 September, this includes 42 MW corresponding to Non-mainland Territories ("TNP") (42 MW at 31 December 2023).
[3] At 30 September, this includes 57 MW corresponding to Non-mainland Territories ("TNP") (57 MW at 31 December 2023).

The following chart breaks down Endesa's net installed capacity by technology at 30 September 2024:



Supply

Electricity

Thousands

Number of customers (Electricity) [(1) (2)]	30 September 2024	31 December 2023	% Chg.
Regulated market	3,580	3,629	(1.4)
Mainland Spain	3,093	3,128	(1.1)
Non-mainland Territories ("TNP")	487	501	(2.8)
Deregulated market	6,659	6,893	(3.4)
Mainland Spain	5,036	5,259	(4.2)
Non-mainland Territories ("TNP")	972	992	(2.0)
Outside Spain	651	642	1.4
TOTAL	**10,239**	**10,522**	**(2.7)**
Revenue / Supply points [(3)]	**1.4**	**1.6**	**—**

(1) Supply points.
(2) Customers of the supply companies.
(3) Relationship between annualised revenue from electricity sales and the number of electricity supply points (Thousands of euros / Supply points).

GWh

	Gross electricity sales [(1)]			Net electricity sales [(2)]		
	January–September 2024	January–September 2023	% Chg.	January–September 2024	January–September 2023	% Chg.
Regulated price	6,519	6,848	(4.8)	5,543	5,820	(4.8)
Deregulated market	56,219	59,217	(5.1)	50,912	53,686	(5.2)
Spanish	47,421	50,805	(6.7)	42,642	45,786	(6.9)
Outside Spain	8,798	8,412	4.6	8,270	7,900	4.7
TOTAL	**62,738**	**66,065**	**(5.0)**	**56,455**	**59,506**	**(5.1)**

(1) In busbars.
(2) Sales to end customers.

Gas

Thousands

Number of customers (gas) [1]	30 September 2024	31 December 2023	% Chg.
Regulated market	471	442	6.6
Mainland Spain	445	416	7.0
Non-mainland Territories ("TNP")	26	26	—
Deregulated market	1,313	1,387	(5.3)
Mainland Spain	1,098	1,161	(5.4)
Non-mainland Territories ("TNP")	62	66	(6.1)
Outside Spain	153	160	(4.4)
TOTAL	**1,784**	**1,829**	**(2.5)**
Revenue / Supply points [2]	**1.6**	**3.0**	**—**

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

GWh

Gas sales	January-September 2024	January-September 2023	% Chg.
Deregulated market	41,547	45,780	(9.2)
Spanish	32,572	35,949	(9.4)
Outside Spain	8,975	9,831	(8.7)
Regulated market	1,773	1,401	26.6
TOTAL [1]	**43,320**	**47,181**	**(8.2)**

[1] Without in-house generation consumption.

Other products and services

Business performance	30 September 2024	31 December 2023	% Chg.
Public and private electricity charging stations (units)	21,676	19,252	12.6
Public electricity charging stations (units)	6,064	5,481	10.6
Private electricity charging stations (units)	15,612	13,771	13.4

Electricity distribution

Supply quality measures	January-September 2024	January-September 2023	% Chg.
Energy distributed (GWh)[1]	105,670	103,859	1.7
Energy losses (%)[2]	6.3	6.7	—
Installed Capacity Equivalent Interruption Time (Average) – ICEIT (Minutes)[3]	37.0	38.2	(3.1)
Duration of Interruptions in the Distribution Grid – SAIDI (Minutes)[4]	55.8	68.9	(19.0)
Number of Interruptions in the Distribution Grid – SAIFI[4]	1.0	1.3	(23.1)

[1] Energy supplied to customers, with or without a contract, auxiliary consumption from generators and outputs to other grids (transmission and distribution).
[2] Input of energy in the distribution grid (or energy injected into the distribution grid), less distributed energy divided among the energy input to the distributor (or energy injected into the distribution grid).
[3] Criteria of the Spanish regulator. Includes data of In-house, Scheduled and Transmission of Installed Capacity Equivalent Interruption Time (ICEIT).
[4] Source: Prepared in-house. Figures for the last 12 months.

Workforce

Number of employees

	Final Workforce						
	30 September 2024			31 December 2023			
	Men	Women	Total	Men	Women	Total	% Chg.
Generation and Supply	3,627	1,248	4,875	3,697	1,258	4,955	(1.6)
Distribution	2,240	507	2,747	2,254	496	2,750	(0.1)
Structure and others [1]	659	662	1,321	667	663	1,330	(0.7)
TOTAL	**6,526**	**2,417**	**8,943**	**6,618**	**2,417**	**9,035**	**(1.0)**

[1] Structure and Services.

Number of employees

	Average Workforce						
	January-September 2024			January-September 2023			
	Men	Women	Total	Men	Women	Total	% Chg.
Generation and Supply	3,611	1,231	4,842	3,761	1,242	5,003	(3.2)
Distribution	2,184	486	2,670	2,253	490	2,743	(2.7)
Structure and others [1]	653	650	1,303	687	675	1,362	(4.3)
TOTAL	**6,448**	**2,367**	**8,815**	**6,701**	**2,407**	**9,108**	**(3.2)**

[1] Structure and Services.

6.2. Analysis of results

3,881 million of Euros

GROSS OPERATING INCOME (EBITDA)[1]

+15.7% compared to the January-September 2023 period

2,300 million of Euros

OPERATING INCOME (EBIT)[1]

+20.9% compared to the January-September 2023 period

1,404 million of Euros

NET PROFIT/ LOSS[1]

+32.6% compared to the January-September 2023 period

1,376 million of Euros

NET ORDINARY INCOME[1]

+29.9% compared to the January-September 2023 period

[1] See the definition provided in Section 12 of this Consolidated Management Report.

Net income attributable to the Parent amounted to Euros 1,404 million in the January-September 2024 period, compared to Euros 1,059 million in the same period of the previous year (+32.6%).

Net ordinary income for the January-September 2024 period amounted to Euros 1,376 million, up 29.9% on the Euros 1,059 million reported in the same period of the previous year.

The table below breaks down the key figures from Endesa's Consolidated Income Statement for the January-September 2024 period and changes compared to the same period in the previous year:

Millions of Euros

	Key figures			
	January-September 2024	January-September 2023	Difference	% Chg.
Income	**15,765**	**19,211**	**(3,446)**	**(17.9)**
Procurements and services	**(9,616)**	**(11,938)**	**2,322**	**(19.5)**
Income and expenses from energy commodity derivatives	**(800)**	**(2,375)**	**1,575**	**(66.3)**
Contribution margin [1]	**5,349**	**4,898**	**451**	**9.2**
Self-constructed assets	190	210	(20)	(9.5)
Personnel Expenses	(726)	(756)	30	(4.0)
Other fixed operating expenses	(971)	(1,010)	39	(3.9)
Other gains and losses	39	11	28	254.5
Gross operating income (EBITDA) [1]	**3,881**	**3,353**	**528**	**15.7**
Depreciation and impairment losses on non-financial assets	(1,375)	(1,282)	(93)	7.3
Impairment losses on financial assets	(206)	(168)	(38)	22.6
Operating Income (EBIT) [1]	**2,300**	**1,903**	**397**	**20.9**
Net financial profit/(loss) [1]	**(385)**	**(410)**	**25**	**(6.1)**
Profit/(loss) before tax	**1,923**	**1,506**	**417**	**27.7**
Net Income [1]	**1,404**	**1,059**	**345**	**32.6**
Net Ordinary Income [1]	**1,376**	**1,059**	**317**	**29.9**

[1] See the definition provided in Section 12 of this Consolidated Management Report.

Gross operating income (EBITDA) for the January-September 2024 period stood at Euros 3,881 million (+15.7%).

Operating income (EBIT) for the January-September 2024 period was up 20.9% compared to the same period in the previous year, to reach Euros 2,300 million.

6.2.1. Income

In the for the January-September 2024 period, revenue stood at Euros 15,765 million, Euros 3,446 million lower (-17.9%) than in the for the January-September 2023 period.

Below are details of the revenue for the January-September 2024 period and its variations relative to the same period of the previous year:

Millions of Euros

	Income			
	January-September 2024	January-September 2023	Difference	% Chg.
Revenue from sales and services	15,497	18,893	(3,396)	(18.0)
Other operating income	268	318	(50)	(15.7)
TOTAL	**15,765**	**19,211**	**(3,446)**	**(17.9)**

Revenue from sales and services

The table below breaks down revenue from sales and services in the January-September 2024 period and shows the change compared with the same period in the previous year:

Millions of Euros

	Revenue from sales and services			
	January-September 2024	January-September 2023	Difference	% Chg.
Electricity sales	11,066	12,693	(1,627)	(12.8)
Sales on the deregulated market	7,823	9,253	(1,430)	(15.5)
Sales to the Spanish deregulated market	6,699	8,217	(1,518)	(18.5)
Sales to customers in deregulated markets outside Spain	1,124	1,036	88	8.5
Sales at regulated prices	981	1,230	(249)	(20.2)
Wholesale market sales	923	1,077	(154)	(14.3)
Compensations for Non-mainland Territories (TNP)	1,346	1,132	214	18.9
Remuneration for Investment in Renewable Energies	(7)	1	(8)	NA
Gas sales	2,159	4,050	(1,891)	(46.7)
Sales on the deregulated market	2,042	3,893	(1,851)	(47.5)
Sales at regulated prices	117	157	(40)	(25.5)
Regulated revenue from electricity distribution	1,556	1,504	52	3.5
Verifications and connections	27	25	2	8.0
Services provided at facilities	21	32	(11)	(34.4)
Other sales and services	661	585	76	13.0
Sales related to Value Added Services	275	287	(12)	(4.2)
Proceeds due to capacity	6	9	(3)	(33.3)
Sales of other energy commodities	175	94	81	86.2
Services provided and others	205	195	10	5.1
Lease revenue	7	4	3	75.0
TOTAL	**15,497**	**18,893**	**(3,396)**	**(18.0)**

Electricity sales to deregulated market customers

In the January-September 2024 period, sales on the deregulated market amounted to Euros 7,823 million (-15.5%), broken down as follows:

Sales on the deregulated market	Variation	
Spain	▼ Euros 1,518 million (-18.5%)	• The change between both periods is due to the reduction in the unit price (-19.3%), mainly of Business to Business (B2B) indexed customers, and also a reduction in the number of total physical units sold (-6.9%).
Outside Spain	▲ Euros 88 million (+8.5%)	• The evolution is due to the total increase in physical units sold in markets outside Spain (+4.7%), which must be considered together with the lower revenues, in the January-September 2023 period, in the Portuguese market due to the Grid Access Tariff.

Electricity sales at a regulated price

In the January-September 2024 period, these sales generated revenue of Euros 981 million, down 20.2% compared to the January-September 2023 period, as a result of the reduction of the price and of the physical units sold (-4.8%).

Electricity sales in the wholesale market

Revenues from electricity sales to the wholesale market in the January-September 2024 period amounted to Euros 923 million, down 14.3% compared to the same period of the previous year due to the trend in electricity prices during the period (-42.5%) despite the increase in physical units sold (+77.0%).

Remuneration for investment in renewable energies

In the January-September 2024 period, Endesa has recorded an adjustment for deviation from the market price related to those Type Installations (TI) that, according to the best estimate of energy market prices, will receive a Return on Investment (Rinv) during their regulatory useful life for a net amount equal to Euros 7 million, negative.

Gas sales

Gas sales revenues in the January-September 2024 period amounted to Euros 2,159 million, Euros 1,891 million lower (-46.7%) than those in the January-September 2023 period, broken down as follows:

Gas sales	Variation	
Deregulated market	▼ Euros 1,851 million (-47.5%)	• The change between the two periods is the result of, among other things, the decrease in price and the decrease in physical units sold (-9.2%).
Regulated price	▼ Euros 40 million (-25.5%)	• The decrease in price (-22.6%) despite the increase in physical units sold (+26.6%) has led to a decrease in these sales in economic terms.

Compensations for Non-mainland Territories (TNP)

In the January-September 2024 period, compensations for generation extra-costs of Non-mainland Territories ("TNP") amounted to Euros 1,346 million, up Euros 214 million compared to the same period of the previous year.

The change in compensation of the Non-mainland Territories in the January-September 2024 period is largely the result of the decrease (-42.5%) of the price in the wholesale electricity market.

The wholesale market price, which is settled on account by the System Operator, increases or decreases, respectively, the amount of compensation to cover the regulated revenue resulting from the applicable regulations.

Electricity distribution

During the January-September 2024 period, Endesa distributed 105,670 GWh in the Spanish market, up 1.7% compared to the same period of 2023.

Regulated revenues from the distribution business in January-September 2024 totalled Euros 1,556 million, an increase of Euros 52 million (+3.5%) compared to the same period of the previous year, mainly as a result of the registration in January-September 2024 of the update of certain parameters of the remuneration of the distribution business corresponding to 2020 in accordance with the Resolution of 31 July 2024 of the National Markets and Competition Commission (CNMC).

Sales of other energy commodities

Sales of other energy commodities with physical settlement increased by Euros 81 million, mainly due to changes in the settlement of carbon dioxide (CO_2) emission allowance derivatives and guarantees of origin, which should be read in conjunction with the increase in purchases of those energy commodities with physical settlement amounting to Euros 88 million, as recognised under "*Other variable procurements and services*" in the Consolidated Income Statement. These sales and purchases are made to cover the industrial risks caused by the variability of the market and the technologies that have participated in it.

Other operating income

The table below shows a breakdown of other operating income in the January-September 2024 period and the change compared with the same period of the previous year:

Millions of Euros

	Other operating income			
	January-September 2024	**January-September 2023**	**Difference**	**% Chg.**
Assignment to results of Facilities transferred from customers and Rights for extension connections and other liabilities from contracts with customers	140	131	9	6.9
Grants recognised in profit/(loss)	57	77	(20)	(26.0)
Guarantees of Origin and other Environmental Certificates [(1)]	19	64	(45)	(70.3)
Other allocations to profit/(loss) from Subsidies[(2)]	38	13	25	192.3
Third-party compensation	27	18	9	50.0
Others [(3)]	44	92	(48)	(52.2)
TOTAL	**268**	**318**	**(50)**	**(15.7)**

(1) The change is mainly due to the evolution of the average price of guarantees of origin (-91.2%).

(2) In the January-September 2024 period, it included Euros 11 million related to capital subsidies and Euros 27 million to operating subsidies (Euros 12 million and Euros 1 million, respectively, in the January-September 2023 period). The increase in operating subsidies is due to aid received by the French branch of Endesa Energía, S.A.U., related to the use of biogas and sustainable biomethane.

(3) The January-September 2024 period includes a provision update of Euros 12 million (Euros 20 million in the January-September 2023 period) for dismantling, mainly related to the coal-fired peninsular power plants.

6.2.2. Operating expenses

Operating expenses in the January-September 2024 period amounted to Euros 13,465 million, down 22.2% compared to the same period of the previous year.

The table below shows a breakdown of other operating costs in the January-September 2024 period and the change compared with the same period of the previous year:

Millions of Euros

	Operating expenses			
	January-September 2024	January-September 2023	Difference	% Chg.
Procurements and services	9,616	11,938	(2,322)	(19.5)
Power Purchases	3,126	5,115	(1,989)	(38.9)
Fuel consumption	1,538	1,985	(447)	(22.5)
Transmission costs	2,704	2,454	250	10.2
Other variable procurements and services	2,248	2,384	(136)	(5.7)
Taxes and charges	1,018	908	110	12.1
Temporary energy tax[1]	202	208	(6)	(2.9)
Tax on electricity production	217	—	217	Na
Rate for the treatment of radioactive waste	176	159	17	10.7
Street lighting / works licences	147	179	(32)	(17.9)
Nuclear charges and taxes	78	87	(9)	(10.3)
Catalonia environmental tax	111	110	1	0.9
Water tax	29	24	5	20.8
Other taxes and charges	58	141	(83)	(58.9)
"Bono Social" (Social Bonus) discount rate	44	186	(142)	(76.3)
Consumption of carbon dioxide (CO_2) emission rights	522	726	(204)	(28.1)
Consumption of energy with guarantees of origin and other environmental certificates	88	104	(16)	(15.4)
Costs related to Value Added Services	136	141	(5)	(3.5)
Purchases of other energy commodities	166	78	88	112.8
Energy Efficiency Cost	74	37	37	100.0
Other	200	204	(4)	(2.0)
Income and expenses from energy commodity derivatives	800	2,375	(1,575)	(66.3)
Self-constructed assets	(190)	(210)	20	(9.5)
Personnel Expenses	726	756	(30)	(4.0)
Other fixed operating expenses	971	1,010	(39)	(3.9)
Other gains and losses	(39)	(11)	(28)	254.5
Depreciation and impairment losses on non-financial assets	1,375	1,282	93	7.3
Impairment losses on financial assets	206	168	38	22.6
TOTAL	**13,465**	**17,308**	**(3,843)**	**(22.2)**

[1] Corresponds to the expense related to the new temporary energy tax introduced by Law 38/2022, of 27 December, establishing temporary levies on energy companies and financial credit institutions, creating the temporary solidarity tax on high-wealth subjects, and amending certain tax rules.

Procurements and services (variable costs)

Procurement and service costs (variable costs) for the January-September 2024 period totalled Euros 9,616 million, 19.5% less than in the same period of the previous year.

Changes in these costs in the January-September 2024 period were as follows:

Procurements and Services	Variation	
Power Purchases	▼ Euros 1,989 million (-38.9%)	• The evolution includes, mainly, the decrease in electricity purchases (Euros 1,185 million), as a consequence of the decrease in the arithmetic average price in the wholesale electricity market (Euros 52.4/MWh; -42.5%) together with the decrease in physical units purchased (-15.7%) and the decrease in gas purchases (Euros 804 million) mainly due to the decrease in the average gas price (Euros 31.5/MWh; -22.6%).
Fuel consumption	▼ Euros 447 million (-22.5%)	• The decrease is primarily due to the evolution of commodity prices during the period and lower production with combined cycles on the Peninsula (-40.2%).
Other variable procurements and services	▼ Euros 136 million (-5.7%)	
Tax on electricity production	▲ Euros 217 million	• In compliance with Royal Decree Law 8/2023, dated 27 December, the temporary suspension of the Electricity Production Value Tax has concluded (see Section 9 of this Consolidated Management Report).
Public Road Occupation Fee / Lighting	▼ Euros 32 million (-17.9%)	• The decrease is mainly due to the reduction in revenues from electricity sales both in the deregulated market and at regulated prices (-16.0%), which are the basis for calculating this rate.
"Bono Social" (Social Bonus) discount rate	▼ Euros 142 million (-76.3%)	• During the January-September 2024 period, the accrual of the "Bono Social" discount rate was recorded, in accordance with the unit values established in Royal Decree Law 8/2023, of 27 December (see Section 9 of this Consolidated Management Report).
Consumption of carbon dioxide (CO_2) emission allowances	▼ Euros 204 million (-28.1%)	• The performance reflects the increase in the average price of carbon dioxide (CO_2) emission allowances (Euros 65.0/t; -24.3%), and the decrease in tonnes (-21.4%) due to the decrease in production using emitting technologies.
Purchases of other energy commodities	▲ Euros 88 million (+112.8%)	• Movements in these costs are analysed together with sales of other energy materials (see Section 6.2.1 of this Consolidated Management Report).
Energy Efficiency Cost	▲ Euros 37 million (+100.0%)	• In accordance with Order TED/268/2024, of 20 March, contributions to the National Energy Efficiency Fund were increased in the 2024 fiscal year, amounting to Euros 99 million (Euros 49 million in the 2023 fiscal year).

Income and expenses from energy commodity derivatives

The following table shows the breakdown of revenue and expenses arising from energy commodity derivatives in the January-September 2024 period and the changes with respect to the previous year:

Millions of Euros

	January-September 2024	January-September 2023	Difference	% Chg.
Income				
Income from derivatives designated as hedging instruments	**536**	**2,198**	**(1,662)**	**(75.6)**
Income from cash flow hedging derivatives[1]	536	2,198	(1,662)	(75.6)
Income from derivatives at fair value with changes in profit/ (loss)	**582**	**89**	**493**	**553.9**
Income from fair value derivatives recognised in the Income Statement	582	89	493	553.9
Total income	**1,118**	**2,287**	**(1,169)**	**(51.1)**
Expenses				
Expenses from derivatives designated as hedging instruments	**(1,008)**	**(3,237)**	**2,229**	**(68.9)**
Expenses from cash flow hedging derivatives[1]	(1,008)	(3,237)	2,229	(68.9)
Expenses from derivatives at fair value through profit and loss	**(910)**	**(1,425)**	**515**	**(36.1)**
Expenses from fair value derivatives recognised in the Income Statement	(910)	(1,425)	515	(36.1)
Total expenses	**(1,918)**	**(4,662)**	**2,744**	**(58.9)**
TOTAL	**(800)**	**(2,375)**	**1,575**	**(66.3)**

[1] At 30 September 2024, this includes a positive impact of Euros 92 million on the Consolidated income statement due to inefficiencies (positive Euros 149 million at 30 September 2023).

In accordance with Endesa's General Risk Control and Management Policy, financial instruments (derivatives) are used to hedge the risks to which its activities are exposed. The use of derivatives is essential for Endesa in the planning of its operations, as they ensure both the income to be obtained on the date of delivery of the products and the cost of the raw materials used in the production processes. This way of operating allows it to manage risk without the business being exposed to short-term price fluctuations (spot).

In the January-September 2024 period, the total of "*Income and Expenses from Energy Derivatives*" amounted to Euros 800 million, negative, compared to Euros 2,375 million, also negative, in the same period of the previous year, mainly due to the evolution of the settlement of gas derivatives as a result, among other factors, of the price volatility in energy markets that took place in 2022, during which financial instruments were contracted whose settlement has been carried out in the January-September periods of 2024 and 2023.

Fixed operating expenses

The table below shows a breakdown of fixed operating costs in the January-September 2024 period and the change compared with the same period of the previous year:

Millions of Euros

	Fixed operating expenses			
	January-September 2024	**January-September 2023**	**Difference**	**% Chg.**
Self-constructed assets	(190)	(210)	20	(9.5)
Personnel Expenses	726	756	(30)	(4.0)
Other fixed operating expenses	971	1,010	(39)	(3.9)
TOTAL	**1,507**	**1,556**	**(49)**	**(3.1)**

In the January-September 2024 period, fixed operating costs amounted to Euros 1,507 million, down Euros 49 million (-3.1%) compared to the same period of 2023, as a result, inter alia, of the following aspects:

Fixed operating expenses	Variation	
Wages and salaries	▼ Euros 10 million (-1.8%)	• Lower personnel costs are due, among other factors, to a decrease in the average workforce (-3.2%) between both periods.
Workforce Restructuring Plans	▼ Euros 13 million (-162.5%)	• The update of the provisions for active workforce restructuring plans has resulted in a positive impact of Euros 13 million.
Sanctioning Proceedings	▼ Euros 38 million (-211.1%)	• The evolution is mainly a result of lower expenses recognised due to sanction proceedings in Non-Mainland Territories ("TNP").

Other results

In the January-September 2024 and 2023 periods, the main transactions were as follows:

Millions of Euros

	Other Results			
	January-September 2024	**January-September 2023**	**Difference**	**% Chg.**
Disposals of investments in Group companies and other	**—**	**—**	**—**	**Na**
Disposals of real estate and other non-financial assets	**38**	**11**	**27**	**245.5**
Land adjacent to the Foix Thermal Power Plant (Barcelona)	—	6	(6)	(100.0)
Transfer of fibre optic usage rights	37 [1]	—	37	Na
Others [2]	1	5	(4)	(80.0)
TOTAL	**38**	**11**	**27**	**245.5**

[1] Includes the reversal of provisions for contingencies arising from transactions carried out in previous years by Endesa Ingeniería, S.L.U. amounting to Euros 37 million (Euros 28 million, net of tax effect).
[2] Relates to capital gross gains generated by the sale of land and real estate.

Depreciation and impairment losses on non-financial assets

The table below shows depreciation and impairment losses on non-financial assets in the January-September 2024 period and the changes compared to the same period of the previous year:

Millions of Euros

	Amortisation and impairment losses			
	January-September 2024	January-September 2023	Difference	% Chg.
AMORTISATION	**1,380**	**1,281**	**99**	**7.7**
Provision for the depreciation of property, plant, and equipment	1,128	1,049	79	7.5
Provision for the depreciation of intangible assets	252	232	20	8.6
IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS	**(5)**	**1**	**(6)**	**(600.0)**
Provision for impairment losses	**3**	**1**	**2**	**200.0**
Provision for impairment losses on property, plant, and equipment and investment property	—	1	(1)	(100.0)
Provision for impairment losses on intangible assets	3 [1]	—	3	Na
Reversal of impairment losses	**(8)**	**—**	**(8)**	**Na**
Reversal for impairment losses on property, plant, and equipment and investment property	(8) [2]	—	(8)	Na
TOTAL	**1,375**	**1,282**	**93**	**7.3**

[1] Related to the impairment provision for several wind farm and photovoltaic plant projects owned by Enel Green Power España, S.L.U. and its renewable energy subsidiaries.
[2] The reversal of impairment losses on the property where the former headquarters of Gas and Electricity Generation, S.A.U. was located, along with its adjacent lands in Palma de Mallorca, amounted to Euros 8 million.

Depreciation, amortisation and impairment losses on non-financial assets in the period January-September 2024 amounted to Euros 1,375 million, an increase of Euros 93 million (+7.3%), mainly due to the amortisation expense, on the one hand, to the investment effort made in electricity production systems and facilities from renewable sources and in distribution networks, in line with the Company's Strategic Plan and, on the other hand, to a higher activation of the incremental costs incurred in obtaining contracts with customers.

Impairment losses on financial assets

In the January-September 2024 and 2023 periods, the breakdown of this Consolidated Income Statement heading is as follows:

Millions of Euros

	January-September 2024	January-September 2023	Difference	% Chg.
Provision for impairment losses	**328**	**303**	**25**	**8.3**
Provision for impairment losses on receivables from contracts with customers	326	299	27	9.0
Provision for impairment losses on other financial assets	2	4	(2)	(50.0)
Reversal of impairment losses	**(122)**	**(135)**	**13**	**(9.6)**
Reversal of impairment losses on receivables from contracts with customers	(122)	(135)	13	(9.6)
Reversal of impairment losses on other financial assets	—	—	—	Na
TOTAL	**206**	**168**	**38**	**22.6**

In the January-September 2024 period, net impairment losses on financial assets amounted to Euros 206 million and mainly relate to the allocation of net impairment losses on receivables from contracts with customers.

The change is a result of a deterioration in payment behaviour from both residential customers and Business to Business (B2B) customers in a macroeconomic environment of high inflation, which reduces the economic capacity of domestic customers.

6.2.3. Net financial profit/(loss)

Net financial profit/(loss) in the January-September 2024 and 2023 period was negative for the amount of Euros 385 million and Euros 410 million, respectively.

The table below presents the detail of net financial profit/(loss) in the January-September 2024 period and the changes compared to the same period of the previous year:

Millions of Euros

	Net financial profit/(loss)[1]			
	January-September 2024	January-September 2023	Difference	% Chg.
Net financial loss	(378)	(424)	46	(10.8)
Financial income	72	34	38	111.8
Financial expense	(465)	(486)	21	(4.3)
Income and expenses on derivative financial instruments	15	28	(13)	(46.4)
Net exchange differences	(7)	14	(21)	(150.0)
TOTAL	**(385)**	**(410)**	**25**	**(6.1)**

[1] See the definition provided in Section 12 of this Consolidated Management Report.

Net financial expense

In the January-September 2024 period, net financial expense amounted to Euros 378 million, down Euros 46 million compared to the same period of the previous year.

In analysing changes in net financial expense during the January-September 2024 period, the following effects should be taken into account:

Millions of Euros

	Net financial expense[1]			
	January-September 2024	January-September 2023	Difference	% Chg.
Net expense for financial instruments at amortised cost[2]	(314)	(344)	30	(8.7)
Income Financial assets at amortised cost	51	32	19	59.4
Expense for financial instruments at amortised cost	(365)	(376)	11	(2.9)
Updating of provisions for workforce restructuring plans, dismantling of facilities and impairment of financial assets in accordance with IFRS 9 — Financial Instruments	(53)	(49)	(4)	8.2
Late-payment interest under the "Bono Social" ruling	6	4	2	50.0
Factoring transaction fees	(23)	(35)	12	(34.3)
Interest on Delay of the Judgement of Unconstitutionality Declaration according to the Royal Decree Law 3/2016, of 2 December[3]	8	-	8	Na
Other	(2)	-	(2)	Na
Income and Expenses from Financial Assets and Liabilities at Fair Value with changes in Profit or Loss	(22)	(12)	(10)	83.3
Financial Income and Expenses from Derivative Financial Instruments associated with Debt	15	6	9	150.0
Other net financial costs	5	6	(1)	(16.7)
TOTAL	**(378)**	**(424)**	**46**	**(10.8)**

[1] See the definition provided in Section 12 of this Consolidated Management Report.
[2] In the period January-September 2024 includes Euros 7 million of financial income allocated to financial guarantees recorded as assets and Euros 7 million of financial expense allocated to financial guarantees recorded as liabilities (Euros 11 million and Euros 6 million in the period January-September 2023, respectively).
[3] See Section 6.2.5 of this Consolidated Management Report.

Changes in these net expenses in the January-September 2024 period were as follows:

Net Financial Expense	Variation	
Net expense for financial instruments at amortised cost	▼ Euros 30 million (-8.7%)	• Net financial expense decreased mainly due to the decrease in the average gross financial debt between both periods, which has evolved from Euros 15,780 million in the January-September 2023 period to Euros 13,408 million in the January-September 2024 period, and the formalisation of deposits held by the Company in the January-September 2024 period, despite the higher cost of gross financial debt, which has increased from 3.0% in the January-September 2023 period to 3.6% in the January-September 2024 period, in line with the evolution of interest rates in both periods.
Provisions for workforce restructuring plans, dismantling and impairment of financial assets (IFRS 9)	▲ Euros 4 million (+8.2%)	• The variation is primarily attributable to the higher expense for the update of provisions for workforce restructuring plans (Euros 5 million) as a result of the evolution of the interest rates.

Net exchange differences

In the January-September 2024 period, net exchange differences amounted to a negative Euros 7 million (positive Euros 14 million in the January-September 2023 period).

The variation is mainly due to the impact in the January-September 2023 period of the evolution of the euro/US dollar exchange rate on the payments associated with the contracts entered into in dollars that the Company had to face in that period.

6.2.4. Net profit/(loss) of companies accounted for using the equity method

In the January-September 2024 and 2023 period, companies accounted for using the equity method contributed net income of Euros 8 million and (Euros 13 million in the period January-September 2023), as follows:

Millions of Euros

	Net Income of Companies Accounted for Using the Equity Method	
	January-September 2024	**January-September 2023**
Associated Companies	**(2)**	**(1)**
Energías Especiales del Bierzo, S.A.	—	1
Compañía Eólica Tierras Altas, S.A.	1	2
Cogenio Iberia, S.L.	(1)	—
Endesa X Way, S.L.	(3)	(5)
Other	1	1
Joint Ventures	**10**	**14**
Tejo Energia-Produção e Distribuição de Energia Eléctrica, S.A.	1	—
Nuclenor, S.A.	1	—
Énergie Électrique de Tahaddart, S.A.	1	3
Suministradora Eléctrica de Cádiz, S.A.	1	2
Other	6	9
TOTAL	**8**	**13**

6.2.5. Corporate income tax

In the January-September 2024 period, the expenditure on Corporate Income Tax amounted to Euros 518 million, an increase of Euros 85 million (+19.6%) compared to the amount recorded in the January-September 2023 period.

To analyse the main aspects explaining the evolution of the effective rate for the January-September 2024 and 2023 periods, the following effects must be taken into consideration:

Millions of Euros

	January-September 2024		January-September 2023	
	Income Statement	Effective Tax (%)	Income Statement	Effective Tax (%)
Profit (loss) before tax	**1,923**		**1,506**	
Corporate income tax	**518**	**26.9**	**433**	**28.8**
Non-Deductible Expense due to Temporary Energy Tax[1]	(51)		(51)	
Limitation on the Dividend Exemption	(8)		(15)	
Interest on Delay of the Judgement of Unconstitutionality Declaration Royal Decree Law 3/2016, of 2 December[2]	7		—	
Corporate Tax without Considering Previous Impacts	**466**	**24.2**	**367**	**24.4**

[1] See Section 6.2.2 of this Consolidated Management Report.
[2] Lower Corporate Income Tax expenditure due to the declaration of unconstitutionality of certain modifications introduced by Royal Decree Law 3/2016, of 2 December, in Law 27/2014, of 27 November, on Corporate Tax according to Judgement of the Constitutional Court 11/2024, of 18 January (see Note 53 of the Consolidated Annual Accounts for the year ended 31 December 2023 and Section 6.2.3 of this Consolidated Management Report).

6.2.6. Net income and net ordinary income

Net income attributable to the Parent in the January-September 2024 period amounted to Euros 1,404 million, up Euros 345 million (+32.6%) on the amount reported in the same period of the previous year.

Net ordinary income attributable to the Parent in the January-September 2024 period amounted to Euros 1,376 million (+29.9%), broken down as follows:

Millions of Euros

	January-September 2024	January-September 2023	Difference	% Chg.
Net Income [1]	**1,404**	**1,059**	**345**	**32.6**
Net gain/(loss) on disposal of non-financial assets[2]	(28)	—	(28)	Na
Concession of rights to use fibre optics	(28)	—	(28)	Na
Net Ordinary Income[1]	**1,376**	**1,059**	**317**	**29.9**

[1] See the definition provided in Section 12 of this Consolidated Management Report.
[2] More than Euros 10 million.

7. EQUITY AND FINANCIAL ANALYSIS

7.1. Net invested capital

The breakdown and trend in Endesa's net invested capital is as follows at 30 September 2024:

Millions of Euros

	30 September 2024	31 December 2023	Difference
Net non-current assets:			
Property, plant, and equipment and intangible assets	24,507	24,485	22
Goodwill	462	462	-
Investments accounted for using the equity method	285	273	12
Other Net Non-Current Assets/(Liabilities)	(3,857)	(3,767)	(90)
Total net non-current assets [1]	**21,397**	**21,453**	**(56)**
Net working capital:			
Trade Receivables for Sales and Services and other Receivables	4,183	4,912	(729)
Inventories	1,417	2,060	(643)
Other Net Current Assets/(Liabilities)	(996)	(642)	(354)
Suppliers and other Payables	(4,101)	(6,242)	2,141
Total net working capital [1]	**503**	**88**	**415**
Gross invested capital [1]	**21,900**	**21,541**	**359**
Deferred tax assets and liabilities and provisions:			
Provisions for Pensions and other Similar Obligations	(239)	(268)	29
Other Provisions	(3,372)	(3,964)	592
Deferred Tax Assets and Liabilities	377	300	77
Total Deferred Tax Assets And Liabilities And Provisions	**(3,234)**	**(3,932)**	**698**
Non-current assets classified as held for sale and discontinued operations	**–**	**–**	**–**
Net invested capital [1]	**18,666**	**17,609**	**1,057**
Equity[2]	**8,264**	**7,204**	**1,060**
Net Financial Debt[1][3]	**10,402**	**10,405**	**(3)**

[1] See the definition provided in Section 12 of this Consolidated Management Report.
[2] See Section 7.3 of this Consolidated Management Report.
[3] See Section 7.2 of this Consolidated Management Report.

At 30 September 2024, gross capital invested stood at Euros 21.900 million. The change in the January-September 2024 period was largely a result of the following effects:

Heading	Variation	
Trade receivables for sales and services and other debtors	▼ Euros 729 million	• The evolution between the two periods is due, among other things, to lower revenues from electricity and gas sales as a result of lower prices (see Section 6.2.1 of this Management Report).
Inventories	▼ Euros 643 million	• The change in inventories is primarily the result of the redemption of carbon dioxide (CO_2) emission allowances and guarantees of origin in the amount of Euros 1,076 million.
Suppliers and other creditors	▲ Euros 2.141 million	• The evolution of this heading includes: – The payment of the arbitration award for the revision of the price of a long-term liquefied natural gas (LNG) supply contract for a total amount of Euros 530 million (see Section 7.5 of this Consolidated Management Report). – The payment of an interim dividend of Euros 529 million by Endesa, S.A. to its shareholders (see Section 10.2 of this Consolidated Management Report).

At 30 September 2024, net invested capital amounted to Euros 18,666 million and its evolution in the January-September 2024 period includes, on the one hand, the change in gross invested capital in the amount of Euros 359 million and, on the other hand, the aspects detailed below:

Heading	Variation	
Other Provisions	▲ Euros 592 million	• The evolution is mainly due to the net effect of: – The change in provisions for personnel restructuring of Euros 114 million, mainly due to the payment of provisions. – The redemption of carbon dioxide (CO_2) emission rights and guarantees of origin in the amount of Euros 1,076 million, partially offset by the allocation of the provision to cover the cost of carbon dioxide (CO_2) emission rights and guarantees of origin in the amount of 617 million euros. – The updating of the estimates of the decommissioning costs of the facilities charged to property, plant and equipment, which have led to an increase in the provision of Euros 78 million.

7.2. Financial management

Endesa's financial management objectives, considering the macroeconomic environment outlined in Section 4.1 of this Consolidated Management Report, are to ensure an adequate level of liquidity while optimising costs, manage a debt maturity profile that allows efficient access to the most competitive financing sources, and limit the impact of interest rate fluctuations over the course of the cycle.

In the short term, Endesa ensures its liquidity by maintaining a sufficient level of immediately available resources, including cash and short-term deposits, unconditionally and irrevocably available credit lines, and other liquid assets where applicable.

Endesa has undertaken a series of financial operations that help maintain its liquidity position throughout the period, as described in Section 7.2.2 of this Consolidated Management Report.

7.2.1. Financial Debt

Gross and net financial debt

At 30 September 2024, Endesa's net financial debt stood at Euros 10,402 million, similar to that at 31 December 2023.

The reconciliation of Endesa's gross and net financial debt at 30 September 2024 and 31 December 2023 is as follows:

Millions of Euros

	Reconciliation of borrowings			
	30 September 2024	**31 December 2023**	**Difference**	**% Chg.**
Non-current financial debt	9,550	9,636	(86)	(0.9)
Current financial debt	3,880	4,091	(211)	(5.2)
Gross Financial Debt[1][2]	**13,430**	**13,727**	**(297)**	**(2.2)**
Debt derivatives recognised as financial assets	43	61	(18)	(29.5)
Cash and Cash Equivalents	(2,480)	(2,106)	(374)	17.8
Debt derivatives recognised as assets	(43)	(57)	14	(24.6)
Financial Guarantees Recognised as Assets	(548)	(1,220)	672	(55.1)
Net Financial Debt[2]	**10,402**	**10,405**	**(3)**	**(0.0)**

[1] The amount of Gross Financial Debt that has clauses linked to indicators that, in turn, comply with the alignment of activities of the European Taxonomy Regulation is equal to Euros 2,532 million (19% of total Gross Financial Debt) (see Section 1.5 of the Consolidated Management Report for the year ended 31 December 2023). In addition, the Company has negotiated financial operations for an amount of Euros 6,612 million (49% of gross financial debt) that include clauses linked to sustainability objectives that have not been considered in the above calculation.

[2] See definition in Section 12 of this Consolidated Management Report.

Structure

The structure of Endesa's gross financial debt at 30 September 2024 and 31 December 2023 is as follows:

Millions of Euros

	Structure of Gross Financial Debt [1]			
	30 September 2024	31 December 2023	Difference	% Chg.
Euros	13,315	13,586	(271)	(2.0)
US dollar (USD)	115	141	(26)	(18.4)
TOTAL	**13,430**	**13,727**	**(297)**	**(2.2)**
Fixed interest rate	9,646	9,771	(125)	(1.3)
Floating interest rate	3,784	3,956	(172)	(4.3)
TOTAL	**13,430**	**13,727**	**(297)**	**(2.2)**
Average life (no. of years)[1]	3.7	4.0	—	—
Average cost (%) [1]	3.6	3.2	—	—

[1] See the definition provided in Section 12 of this Consolidated Management Report.

At 30 September 2024, gross financial debt subject to fixed interest rates accounted for 72%, while the remaining 28% was subject to floating rates. At this date, 99% of the Company's gross financial debt was denominated in euros.

Maturity

As of 30 September 2024, the breakdown of the nominal value of the gross financial debt by maturity is as follows:

Millions of Euros

	Book Value 30 September 2024	Nominal Value		Total Maturities					
		Current	Non-Current	2024	2025	2026	2027	2028	Subsequent
Bonds and other Marketable Securities	14	—	12	—	—	—	—	—	12
Bank Borrowings	5,963	699	5,290	513	525	460	1,042	1,898	1,551
Other Financial Debts	7,453	3,184	4,274	3,118	85	87	1,730	1,945	493
Financial Debts Associated with Rights of Use	826	88	738	23	84	86	73	69	491
Other	6,627	3,096	3,536	3,095	1	1	1,657	1,876	2
TOTAL	**13,430**	**3,883**	**9,576**	**3,631**	**610**	**547**	**2,772**	**3,843**	**2,056**

7.2.2. Other matters

Main financial operations

In the January-September 2024 period, the main financial transactions undertaken were as follows:

- Endesa has launched a new commercial paper programme named "*Endesa, S.A. SDG 13 EURO Commercial Paper Programme*" (ECP) for Euros 5,000 million with a duration of 5 years, renewed annually, without an outstanding nominal balance as of 30 September 2024.
- The following financial operations have been concluded:

Millions of Euros

Operations	Counterparty	Signature date	Maturity date	Amount
Loan [(1)]	Ibercaja, S.A.	30 January 2024	31 July 2027	50
Line of Credit [(1) (2)]	Caixabank, S.A.	20 March 2024	20 March 2028	600
Line of Credit [(1) (2)]	Deutsche Bank, S.A.	20 March 2024	20 March 2028	70
Line of Credit [(1) (2)]	BBVA, S.A.	21 March 2024	20 March 2028	300
Line of Credit [(1) (2)]	Kutxabank, S.A.	21 March 2024	21 March 2028	250
Line of Credit [(1) (2)]	Bankinter, S.A.	22 March 2024	22 March 2028	175
Line of Credit [(1) (2)]	Unicaja, S.A.	25 March 2024	25 March 2028	100
Line of Credit [(1) (2)]	Sabadell, S.A.	26 March 2024	26 March 2028	100
Line of Credit [(1) (2)]	Ibercaja, S.A.	26 March 2024	26 March 2028	90
Line of Credit [(1) (2)]	Enel Finance International N.V.	28 May 2024	28 May 2028	1,000
Loan [(3) (4)]	BBVA, S.A.	2 August 2024	17 December 2027	125
Loan [(1) (3)]	BBVA, S.A.	2 August 2024	17 December 2027	225
TOTAL				**3,085**

(1) Renewal of existing loans and credit lines.
(2) The credit terms of these operations are pegged to environmental sustainability goals based on the proportion of investments according to the EU Taxonomy for the period 2024-2026.
(3) Financial operations that comply with the alignment of economic activities under the EU Taxonomy Regulation.
(4) Pending disbursement.

Liquidity

As of 30 September 2024, Endesa's liquidity stood at Euros 8,893 million (Euros 10,027 million as of 31 December 2023), broken down as follows:

Millions of Euros

	Liquidity			
	30 September 2024	**31 December 2023**	**Difference**	**% Chg.**
Cash and Cash Equivalents	2,480	2,106	374	17.8
Unconditional Undrawn Credit Lines and Undisbursed Loans[(1)]	6,413	7,921	(1,508)	(19.0)
TOTAL	**8,893**	**10,027**	**(1,134)**	**(11.3)**
Debt Maturity Coverage (no. of months)[(2)]	31	27	—	Na

(1) As of 30 September 2024, Euros 2,125 million corresponds to the available credit lines with Enel Finance International N.V. (Euros 3,525 million at 31 December 2023).
(2) See the definition provided in Section 12 of this Consolidated Management Report.

At 30 September 2024, Endesa had negative working capital of Euros 1,330 million. Available non-current credit lines ensures that Endesa is able to obtain sufficient financial resources to continue to operate, realise its assets and settle its liabilities for the amounts shown in the accompanying Consolidated Statement of Financial Position.

Endesa maintains a robust financial standing with access to substantial unconditional credit lines from top-tier banks.

Covenants

Information on financial stipulations applicable to certain Endesa subsidiaries is provided in Note 41.4.3 of the Notes to the Consolidated Annual Accounts for the year ended 31 December 2023.

At 30 September 2024, neither Endesa, S.A. nor any of its subsidiaries was in breach of covenants or any other financial obligations that would require early repayment of its financial commitments.

Endesa' s directors do not consider that the existence of these clauses changes the current or non-current classification in the Consolidated Statement of Financial Position at 30 September 2024.

7.3. Capital management

In the January-September 2024 period, Endesa followed the same capital management policy as that described in Note 35.1.12 to the Consolidated Annual Accounts for the year ended 31 December 2023.

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

7.3.1. Equity

As of 30 September 2024 and 31 December 2023, the breakdown of this item in the Consolidated Statement of Financial Position is as follows:

Millions of Euros

	30 September 2024	31 December 2023
Total Equity of the Parent	**8,091**	**7,017**
Share Capital	1,271	1,271
Share Premium	89	89
Legal Reserve	254	254
Revaluation Reserve	404	404
Other Reserves	106	106
(Treasury Shares)	(4)	(4)
Retained Earnings	6,222	5,876
Interim Dividend	—	(529)
Other Equity Instruments	5	5
Reserve for Actuarial Gains and Losses	(179)	(199)
Valuation Adjustments	(77)	(256)
Total Equity Attributable to Non-controlling Interests	**173**	**187**
TOTAL EQUITY	**8,264**	**7,204**

Treasury shares

Information on the Temporary Share Buy-Back Programmes carried out in 2023 and Endesa's incentive system is provided in Notes 35.1.8 and 47.3.5 to the Consolidated Annual Accounts for the year ended 31 December 2023, respectively.

Strategic Incentive Plans

Endesa, S.A. holds treasury shares with the aim of covering the existing long-term variable remuneration plans, which include the delivery of shares as part of the payment for the strategic incentive. The purchase of these shares has been carried out through temporary share buy-back programmes.

As of 30 September 2024, Endesa S.A. paid 70% and 30% based on the achievement of long-term remuneration targets accrued in previous years under the "2020-2022 Strategic Incentive Plan" and the "2021-2023 Strategic Incentive Plan," respectively. This resulted in the distribution of 33,442 ordinary shares of Endesa, S.A. to the plan beneficiaries, with a total value of less than Euros 1 million.

Flexible share remuneration programme

The Board of Directors of Endesa, S.A., in its meeting held on 19 March 2024, agreed to implement an additional temporary share buy-back programme in accordance with the share delivery plan for employees ("*Flexible share remuneration programme*") approved by the Company's Board of Directors on 27 February 2024.

Under the aforementioned Programme, in the January-September 2024 period, Endesa, S.A. acquired 825,386 shares of the Parent for a total of Euros 14 million, of which 599 shares remained in the Company's possession at 30 September 2024.

Under similar Programmes, in the years 2023 and 2022, Endesa, S.A. acquired shares of the Parent, of which 1,351 shares and 790 shares remained in the Parent's possession as of 30 September 2024.

Treasury shares of Endesa, S.A.

As of 30 September 2024 and 31 December 2023, the treasury shares of Endesa, S.A. are as follows:

	No. of shares	Nominal Value (Euros/Share)	% of total Share Capital	Average Acquisition Price (Euros/Share)	Total Cost of Acquisition (Euros)
Treasury Shares at 30 September 2024	**201,836**	**1.2**	**0.01906**	**19.25**	**3,884,627**
Strategic Incentive Plans	199,096	1.2	0.01880	19.25	3,832,202
Flexible Share Remuneration Programmes	2,740	1.2	0.00026	19.13	52,425
Treasury Shares at 31 December 2023	**234,679**	**1.2**	**0.02217**	**19.25**	**4,518,265**
Strategic Incentive Plans	232,538	1.2	0.02196	19.25	4,475,783
Flexible Share Remuneration Programmes	2,141	1.2	0.00020	19.84	42,482

7.3.2. Leverage

The consolidated leverage ratio is a key indicator to monitor the financial situation, with the data as of 30 September 2024 and 31 December 2023 as follows:

Millions of Euros

	Leverage		
	30 September 2024	31 December 2023	% Chg.
Net financial debt:	**10,402**	**10,405**	**(0.0)**
Non-current financial debt	9,550	9,636	(0.9)
Current financial debt	3,880	4,091	(5.2)
Debt derivatives recognised as financial assets	43	61	(29.5)
Cash and Cash Equivalents	(2,480)	(2,106)	17.8
Debt derivatives recognised as assets	(43)	(57)	(24.6)
Financial Guarantees Recognised as Assets	(548)	(1,220)	(55.1)
Equity:	**8,264**	**7,204**	**14.7**
Of the parent	8,091	7,017	15.3
Of non-controlling interests	173	187	(7.5)
Leverage (%) [(1)]	**125.87**	**144.43**	**Na**

[(1)] See the definition provided in Section 12 of this Consolidated Management Report.

7.3.3. Financial indicators

Financial indicators [1]	30 September 2024	31 December 2023
Liquidity ratio	0.89	0.85
Solvency ratio	0.95	0.93
Debt ratio (%)	55.73	59.09
Debt coverage ratio	2.42	2.75
Net financial debt / Fixed assets (%)	41.53	41.59
Net financial debt / Funds from operations	2.73 [2]	3.11
((Funds from Operations + Interest Expenses) / Interest expense[3]	10.44	10.94

[1] See the definition provided in Section 12 of this Consolidated Management Report.
[2] Funds from Operations for the last 12 months.
[3] Relating to the January-September 2024 and January-September 2023 periods, respectively.

7.4. Management of credit ratings

Endesa's credit ratings are as follows:

	Credit rating						
	30 September 2024[1]				31 December 2023[1]		
	Non-current	Current	Outlook	Date of last report	Non-current	Current	Outlook
Standard & Poor's	BBB	A-2	Stable	19 December 2023	BBB	A-2	Stable
Moody's	Baa1	P-2	Stable	6 June 2024	Baa1	P-2	Negative
Fitch	BBB+	F2	Stable	27 June 2024	BBB+	F2	Stable

[1] At the respective dates of approval of the Consolidated Management Report.

Endesa's credit rating is affected by the rating of its parent company, Enel. According to the methods employed by the rating agencies, at the date of authorisation for issue of this Consolidated Management Report, Endesa had an "investment grade" rating from the three main rating agencies.

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

7.5. Cash flow

At 30 September 2024 and 31 December 2023, cash and cash equivalents were as follows (see Section 7.2 of this Consolidated Management Report):

Millions of Euros

	Cash and Cash Equivalents			
	30 September 2024	31 December 2023	Difference	% Chg.
Cash in Hand and at Banks	905	1,281	(376)	(29.4)
Other Cash Equivalents[1]	1,575	825	750	90.9
TOTAL	**2,480**	**2,106**	**374**	**17.8**

[1] This heading covers the deposits formalised at the closing date of both periods that accrue a market interest rate.

Endesa's net cash flows in the January-September 2024 and 2023 periods, classified by activities (operating, investing and financing), were as follows:

Millions of Euros

	Statement of Cash Flows			
	January-September 2024	January-September 2023	Difference	% Chg.
Net Cash Flows from Operating Activities	2,669	2,839	(170)	(6.0)
Net Cash Flows from Investing Activities	(863)	2,805	(3,668)	NA
Net Cash Flows from Financing Activities	(1,432)	(6,185)	4,753	(76.8)

In the January-September 2024 period, the cash flows generated from operating activities (Euros 2,669 million) have enabled the coverage of net cash flows directed towards investing activities (Euros 863 million) as well as the net payments arising from financing activities (Euros 1,432 million).

7.5.1. Net cash flows from operating activities

In the January-September 2024 period, net cash flows from operating activities totalled positive Euros 2,669 million, (positive Euros 2,839 million in the January-September 2023 period) and are detailed as follows:

Millions of Euros

	January-September 2024	January-September 2023	Difference	% Chg.
Gross Profit/(Loss) Before Tax	**1,923**	**1,506**	**417**	**27.7**
Adjustments in Profit/(Loss):	**2,330**	**2,740**	**(410)**	**(15.0)**
Depreciation of Fixed Assets and Impairment Losses	1,581	1,450	131	9.0
Other Adjustments in (Net) Profit/(Loss)	749	1,290	(541)	(41.9)
Changes in Working Capital:	**(928)**	**(304)**	**(624)**	**205.3**
Trade and other receivables	823	369	454	123.0
Inventories	(425)	(148)	(277)	187.2
Current financial assets	(50)	414	(464)	NA
Trade and Other Current Liabilities[1]	(1,276)	(939)	(337)	35.9
Other Cash Flows from Operating Activities:	**(656)**	**(1,103)**	**447**	**(40.5)**
Interest Received	81	57	24	42.1
Dividends Received	4	24	(20)	(83.3)
Interest Paid[2]	(361)	(295)	(66)	22.4
Corporate Income Tax Payments	(183)	(650)	467	(71.8)
Other Cash Flows from Operating Activities[3]	(197)	(239)	42	(17.6)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**2,669**	**2,839**	**(170)**	**(6.0)**

[1] Includes discounted trade debt with financial institutions for the management of payments to suppliers ("confirming") amounting to Euros 22 million (Euros 26 million as of 30 September 2023).
[2] Includes interest payments on financial debt for rights of use amounting to Euros 31 million and Euros 30 million, respectively.
[3] Corresponds to payments of provisions.

Variation in the main items determining changes in working capital was as follows:

Headings	Variation	
Changes in Working Capital	▼ Euros 624 million (+205.3%)	The evolution of this heading is due to the following effects: • Increased collections from trade and other receivables (Euros 454 million). • Increase in payments for inventories (Euros 277 million). • Lower net collections of regulatory items amounting to Euros 464 million, which includes, on one hand, an increase in compensation for the extra costs of generation in the Non-Peninsular Territories ("TNP") (Euros 330 million), payments for tariff deficit (Euros 77 million), and the limitation of the increase in the Last Resort Tariff (LRT) for gas (Euros 65 million), and, on the other hand, a decrease in the remuneration for investment in renewable energies (Euros 8 million). • A increase in payments to trade and other current liabilities (Euros 337 million). Cash flows for the January-September 2024 period include the payment of the award resulting from an arbitration for the review of the price of a long-term liquefied natural gas (LNG) supply contract totalling Euros 515 million.

During the January-September 2024 period, Endesa also continued its active policy of managing current assets and current liabilities, focusing, among other aspects, on improving processes, factoring collections and extending payment terms with suppliers.

7.5.2. Net cash flows from investing activities

During the January-September 2024 period, net cash flows applied to investing activities amounted to Euros 863 million (Euros 2,805 million in net cash flows earned in the January-September 2023 period) and include, among other things:

Cash payments and receipts applied to the acquisition of property, plant, and equipment and intangible assets

Millions of Euros

	January-September 2024	January-September 2023
Acquisitions of property, plant, and equipment and intangible assets	**(1,338)**	**(1,680)**
Acquisitions of Tangible Fixed Assets[1]	(1,041)	(1,238)
Acquisitions of Intangible Assets	(270)	(279)
Facilities transferred to customers	65	65
Suppliers of Fixed Assets	(92)	(228)
Disposals of Tangible Fixed Assets and Intangible Assets	**9**	**13**
Other Receipts and Payments from Investing Activities[2]	**109**	**57**
TOTAL	**(1,220)**	**(1,610)**

[1] Does not include additions for rights of use amounting to Euros 35 million in January-September 2024, and Euros 63 million in January-September 2023.
[2] Corresponds to receipts from subsidies and new installations requested by customers.

Cash payments and receipts applied to acquisitions and/or disposals of other investments

Millions of Euros

	January-September 2024	January-September 2023
Acquisitions of other investments	**(327)**	**(297)**
Remuneration from Non-Current Distribution Activity	(312)	(249)
Other Financial Assets	(15)	(48)
Disposal of other Investments	**684**	**4,712**
Net Financial Guarantees	673	4,528
Other Financial Assets	11	184
TOTAL	**357**	**4,415**

7.5.3. Net cash flows from financing activities

In the January-September 2024 period, net cash flows applied to financing activities amounted to negative Euros 1,432 million (Euros 6,185 million, negative, applied in the January-September 2023 period) and mainly include, among other things:

Cash flows from equity instruments

Millions of Euros

	January-September 2024	January-September 2023
Contributions from Shareholders in Endesa X Way, S.L.	(6)	(2)
Contributions from Shareholders of Companies directly and/or indirectly held by Enel Green Power España, S.L.U.	(6)	(13)
Return of contributions from minority shareholders of Fondos de Bosa del Ebro, S.L. and Tauste de Energía Distribuida, S.L.	(1)	(7)
TOTAL	**(13)**	**(22)**

Drawdowns and repayments of non-current financial debt

Millions of Euros

	January-September 2024	January-September 2023
Loan and Credit Facility Provisions from Enel Finance International N.V.	—	1,425
Drawdowns on Loans from the European Investment Bank (EIB) and the Instituto de Crédito Oficial (ICO)	—	300
Other	74	3
TOTAL	**74**	**1,728**

Drawdowns and repayments of current financial debt

Millions of Euros

	January-September 2024	January-September 2023
Drawdowns		
Issuances of Euros Commercial Paper (ECP)	150	11,644
Other Financial Liabilities	19	133
Depreciation and amortisation		
Redemptions of Euros Commercial Paper (ECP)	(150)	(16,314)
Payments for Rights of Use Contracts	(66)	(78)
Amortisation of Bank Loans and Credit Lines	-	(900)
Amortisation of Loans from the European Investment Bank (EIB) and the Instituto de Crédito Oficial (ICO)	(168)	(165)
Other Financial Liabilities	(204)	(504)
TOTAL	**(419)**	**(6,184)**

Dividends paid

Millions of Euros

	January-September 2024	January-September 2023
Dividends paid by the Parent	(1,058)	(1,678)
Dividend Payments to Non-Controlling Interests[1]	(16)	(29)
TOTAL	**(1,074)**	**(1,707)**

[1] Corresponding to companies of Enel Green Power España, S.L.U.

7.6. Investments

In the January-September 2024 period, gross investments in property, plant, and equipment and intangible assets amounted to Euros 1,346 million, broken down as follows:

Millions of Euros

	Investments		
	January-September 2024	January-September 2023	% Chg.
Generation and Marketing	**466**	**710**	**(34.4)**
Conventional generation[1]	185	144	28.5
Renewable Generation	251	544	(53.9)
Energy Marketing	2	3	(33.3)
Marketing of other Products and Services	28	19	47.4
Distribution	**602**	**579**	**4.0**
Structure, services, and others[2]	**8**	**12**	**(33.3)**
TOTAL MATERIAL[3]	**1,076**	**1,301**	**(17.3)**
Generation and Marketing	**250**	**243**	**2.9**
Conventional generation[1]	7	11	(36.4)
Renewable Generation	34	57	(40.4)
Energy Supply	177	146	21.2
Marketing of other Products and Services	32	29	10.3
Distribution	**11**	**27**	**(59.3)**
Structure, services, and others[2]	**9**	**9**	**-**
TOTAL INTANGIBLE ASSETS	**270**	**279**	**(3.2)**
TOTAL GROSS INVESTMENTS[4]	**1,346**	**1,580**	**(14.8)**
Capital grants and facilities sold	**(175)**	**(122)**	**43.4**
Generation and Marketing	**(22)**	**(1)**	**2,100.0**
Conventional generation	**(2)**	**(1)**	**100.0**
Renewable Generation	**(20)**	**-**	**Na**
Distribution	**(153)**	**(121)**	**26.4**
TOTAL NET INVESTMENTS [4]	**1,171**	**1,458**	**(19.7)**

[1] In the early January-September 2024 and 2023 periods, there are significant material gross investments in the Non-Peninsular Territories ("TNP") totalling Euros 42 and 30 million, respectively, as well as intangible gross investments in the Non-Peninsular Territories ("TNP") amounting to less than Euros 1 million, respectively.
[2] Structure, Services and Adjustments.
[3] In the January-September 2024 period, it includes additions for rights of use amounting to Euros 35 million (Euros 63 million in the January-September 2023 period).
[4] See the definition provided in Section 12 of this Consolidated Management Report.

Information on Endesa's main investments is included in Section 8 of this Consolidated Management Report.

8. SEGMENT INFORMATION

8.1. Basis of segmentation

To conduct its activities, Endesa's organisation is structured around a primary focus on its core business, which comprises the generation, distribution, and supply of electricity, gas, and related services. Therefore, its segmented financial information is based on the approach used by the company's Executive Management Committee to monitor results, and includes:

- Generation and supply;
- Distribution;
- Structure, primarily encompassing the balances and transactions of holding companies and entities engaged in financing and service provision;
  and
- Consolidation Adjustments and Eliminations, including eliminations and adjustments inherent to the consolidation process for the segments.

Intersegment transactions are part of routine operations in terms of purpose and conditions.

8.2. Segment information

8.2.1. Segment information: Consolidated Income Statement for the January-September 2024 and 2023 periods

Millions of Euros

	January-September 2024		
	Generation and Marketing		
	Conventional generation [1]	Renewable generation	Energy Marketing
REVENUE	**5,471**	**992**	**11,699**
Revenue with third parties	2,201	304	11,175
Revenue from transactions between segments	3,270	688	524
PROCUREMENTS AND SERVICES	**(4,437)**	**(101)**	**(9,177)**
INCOME AND EXPENSES FROM ENERGY COMMODITY DERIVATIVES	**521**	**27**	**(1,348)**
CONTRIBUTION MARGIN[3]	**1,555**	**918**	**1,174[2]**
FIXED OPERATING COSTS AND OTHER GAINS AND LOSSES	**(559)**	**(187)**	**(350)**
GROSS OPERATING INCOME (EBITDA)[3]	**996**	**731**	**824**
Depreciation and impairment losses on non-financial assets	**(408)**	**(219)**	**(151)**
Depreciation and amortisation	(408)	(216)	(151)
Provision for impairment of non-financial assets	—	(3)	—
Reversal of impairment of non-financial assets	—	—	—
Impairment losses on financial assets	**(1)**	**—**	**(191)**
Provision for impairment of financial assets	(2)	—	(277)
Reversal of impairment of financial assets	1	—	86
OPERATING INCOME (EBIT)[3]	**587**	**512**	**482**
Net profit/(loss) of companies accounted for using the equity method	**7**	**3**	**1**
PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS[4]	**192**	**285**	**179**

[1] Includes the Contribution Margin, Gross Operating Income (EBITDA), and Operating Income (EBIT) from power generation in Non-mainland Territories ("TNP") amounting to Euros 367 million, positive, Euros 188 million, positive, and Euros 132 million, negative, respectively.
[2] Includes the Contribution Margin from gas for marketing of Euros 116 million, positive.
[3] See the definition provided in Section 12 of this Consolidated Management Report.
[4] Includes Rights of Use registrations amounting to Euros 35 million (Euros 20 million in Generation and Supply, Euros 10 million in Distribution, and Euros 5 million in Structure and Services).

	January-September 2024						
	Generation and Marketing						
	Marketing of other Products and Services	Generation and marketing adjustments and eliminations	Total	Distribution	Structure and Services	Consolidated adjustments and eliminations	Total
	246	**(4,470)**	**13,938**	**1,946**	**302**	**(421)**	**15,765**
	241	—	13,921	1,838	6	—	15,765
	5	(4,470)	17	108	296	(421)	—
	(129)	**4,437**	**(9,407)**	**(109)**	**(203)**	**103**	**(9,616)**
	—	**—**	**(800)**	**—**	**—**	**—**	**(800)**
	117	**(33)**	**3,731**	**1,837**	**99**	**(318)**	**5,349**
	(65)	**33**	**(1,128)**	**(373)**	**(285)**	**318**	**(1,468)**
	52	**—**	**2,603**	**1,464**	**(186)**	**—**	**3,881**
	(31)	**—**	**(809)**	**(537)**	**(29)**	**—**	**(1,375)**
	(31)	—	(806)	(545)	(29)	—	(1,380)
	—	—	(3)	—	—	—	(3)
	—	—	—	8	—	—	8
	(14)	**—**	**(206)**	**—**	**—**	**—**	**(206)**
	(18)	—	(297)	(31)	—	—	(328)
	4	—	91	31	—	—	122
	7	**—**	**1,588**	**927**	**(215)**	**—**	**2,300**
	(4)	**—**	**7**	**1**	**—**	**—**	**8**
	60	**—**	**716**	**613**	**17**	**—**	**1,346**

Millions of Euros

	January-September 2023		
	Generation and Marketing		
	Conventional generation [1]	Renewable generation	Energy Marketing
REVENUE	**8,435**	**892**	**15,492**
Revenue with third parties	2,209	191	14,757
Revenue from transactions between segments	6,226	701	735
PROCUREMENTS AND SERVICES	**(4,927)**	**(91)**	**(14,167)**
INCOME AND EXPENSES FROM ENERGY COMMODITY DERIVATIVES	**(1,934)**	**12**	**(453)**
CONTRIBUTION MARGIN[3]	**1,574**	**813**	**872[2]**
FIXED OPERATING COSTS AND OTHER GAINS AND LOSSES	**(578)**	**(184)**	**(375)**
GROSS OPERATING INCOME (EBITDA)[3]	**996**	**629**	**497**
Depreciation and impairment losses on non-financial assets	**(397)**	**(193)**	**(120)**
Depreciation and amortisation	(397)	(192)	(120)
Provision for impairment of non-financial assets	–	(1)	–
Reversal of impairment of non-financial assets	–	–	–
Impairment losses on financial assets	**–**	**(4)**	**(157)**
Provision for impairment of financial assets	(3)	(4)	(235)
Reversal of impairment of financial assets	3	–	78
OPERATING INCOME (EBIT)[3]	**599**	**432**	**220**
Net profit/(loss) of companies accounted for using the equity method	**9**	**4**	**1**
PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS[4]	**155**	**601**	**149**

[1] Includes the Contribution Margin, Gross Operating Income (EBITDA), and Operating Income (EBIT) from Non-mainland Territories ("TNP") generation of Euros 350 million, Euros 154 million, and Euros 89 million, respectively.
[2] Includes the Contribution Margin from gas for marketing of Euros 7 million, positive.
[3] See the definition provided in Section 12 of this Consolidated Management Report.
[4] Includes Rights of Use registrations amounting to Euros 63 million (Euros 52 million in Generation and Supply, Euros 5 million in Distribution, and Euros 6 million in Structure and Services).

January-September 2023						
Generation and Marketing						
Marketing of other Products and Services	Generation and marketing adjustments and eliminations	Total	Distribution	Structure and Services	Consolidated adjustments and eliminations	Total
281	(7,644)	17,456	1,890	348	(483)	19,211
277	—	17,434	1,770	7	—	19,211
4	(7,644)	22	120	341	(483)	—
(160)	7,618	(11,727)	(116)	(209)	114	(11,938)
—	—	(2,375)	—	—	—	(2,375)
121	(26)	3,354	1,774	139	(369)	4,898
(65)	26	(1,176)	(412)	(326)	369	(1,545)
56	—	2,178	1,362	(187)	—	3,353
(28)	—	(738)	(512)	(32)	—	(1,282)
(28)	—	(737)	(512)	(32)	—	(1,281)
—	—	(1)	—	—	—	(1)
—	—	—	—	—	—	—
(10)	—	(171)	3	—	—	(168)
(12)	—	(254)	(49)	—	—	(303)
2	—	83	52	—	—	135
18	—	1,269	853	(219)	—	1,903
(5)	—	9	4	—	—	13
48	—	953	606	21	—	1,580

8.2.2. Segment information: Statement of financial position at 30 September 2024 and 31 December 2023

Millions of Euros

	30 September 2024		
	Generation and Marketing		
	Conventional generation	Renewable generation	Energy Marketing
Tangible Assets	**4,320**	**5,460**	**174**
Intangible Assets	**63**	**698**	**623**
Goodwill	**3**	**300**	**58**
Investments accounted for using the equity method	**78**	**57**	**5**
NON-CURRENT ASSETS FROM CONTRACTS WITH CUSTOMERS	**—**	**—**	**—**
Trade Receivables for Sales and Services and other Receivables	**3,527**	**1,218**	**4,692**
Current assets from contracts with customers	**—**	**—**	**—**
Other	**773**	**63**	**428**
SEGMENT ASSETS	**8,764**	**7,796**	**5,980**
TOTAL ASSETS			
Non-current assets from contracts with customers	**—**	**20**	**—**
Non-current provisions	**1,654**	**194**	**132**
Provisions for employee benefits	90	5	13
Other non-current provisions	1,564	189	119
Non-current liabilities from contracts with customers	**—**	**1**	**6**
Current provisions	**609**	**20**	**134**
Provisions for employee benefits	—	—	—
Other current provisions	609	20	134
Suppliers and other Payables	**2,138**	**1,084**	**5,425**
Other	**144**	**3**	**10**
SEGMENT LIABILITIES	**4,545**	**1,322**	**5,707**
TOTAL LIABILITIES			

	30 September 2024						
	Generation and Marketing						
	Marketing of other Products and Services	Generation and marketing adjustments and eliminations	Total	Distribution	Structure and Services	Consolidated adjustments and eliminations	Total
	127	–	10,081	12,626	142	–	22,849
	39	–	1,423	209	26	–	1,658
	–	–	361	97	4	–	462
	130	–	270	12	3	–	285
	–	–	–	–	–	–	–
	36	(5,974)	3,499	824	314	(454)	4,183
	–	–	–	2	–	–	2
	27	–	1,291	639	4	–	1,934
	359	(5,974)	16,925	14,409	493	(454)	31,373
							38,960
	–	–	20	4,337	–	–	4,357
	22	–	2,002	431	249	–	2,682
	1	–	109	108	22	–	239
	21	–	1,893	323	227	–	2,443
	–	–	7	470	–	–	477
	3	–	766	71	92	–	929
	–	–	–	–	–	–	–
	3	–	766	71	92	–	929
	154	(5,934)	2,867	1,539	149	(454)	4,101
	2	(40)	119	663	8	–	790
	181	(5,974)	5,781	7,511	498	(454)	13,336
							38,960

Millions of Euros

	31 December 2023		
	Generation and Marketing		
	Conventional generation	Renewable generation	Energy Marketing
Tangible Assets	**4,455**	**5,394**	**176**
Intangible Assets	**75**	**701**	**596**
Goodwill	**3**	**300**	**58**
Investments accounted for using the equity method	**71**	**53**	**5**
NON-CURRENT ASSETS FROM CONTRACTS WITH CUSTOMERS	**—**	**—**	**—**
Trade Receivables for Sales and Services and other Receivables	**4,127**	**1,367**	**4,974**
Current assets from contracts with customers	**—**	**—**	**—**
Other	**1,382**	**49**	**470**
SEGMENT ASSETS	**10,113**	**7,864**	**6,279**
TOTAL ASSETS			
Non-current assets from contracts with customers	**—**	**20**	**—**
Non-current provisions	**1,731**	**184**	**151**
Provisions for employee benefits	94	5	16
Other non-current provisions	1,637	179	135
Non-current liabilities from contracts with customers	**—**	**1**	**2**
Current provisions	**948**	**1**	**186**
Provisions for employee benefits	—	—	—
Other current provisions	948	1	186
Suppliers and other Payables	**2,582**	**1,039**	**6,581**
Other	**151**	**6**	**8**
SEGMENT LIABILITIES	**5,412**	**1,251**	**6,928**
TOTAL LIABILITIES			

31 December 2023						
Generation and Marketing						
Marketing of other Products and Services	Generation and marketing adjustments and eliminations	Total	Distribution	Structure and Services	Consolidated adjustments and eliminations	Total
107	**—**	**10,132**	**12,555**	**152**	**—**	**22,839**
29	**—**	**1,401**	**215**	**30**	**—**	**1,646**
—	**—**	**361**	**97**	**4**	**—**	**462**
128	**—**	**257**	**13**	**3**	**—**	**273**
—	**—**	**—**	**—**	**—**	**—**	**—**
66	**(6,272)**	**4,262**	**801**	**271**	**(422)**	**4,912**
—	**—**	**—**	**4**	**—**	**—**	**4**
22	**—**	**1,923**	**588**	**4**	**—**	**2,515**
352	**(6,272)**	**18,336**	**14,273**	**464**	**(422)**	**32,651**
						41,283
—	**—**	**20**	**4,328**	**—**	**—**	**4,348**
23	**—**	**2,089**	**534**	**232**	**—**	**2,855**
1	—	116	125	27	—	268
22	—	1,973	409	205	—	2,587
—	**—**	**3**	**424**	**—**	**—**	**427**
2	**—**	**1,137**	**94**	**146**	**—**	**1,377**
—	—	—	—	—	—	—
2	—	1,137	94	146	—	1,377
131	**(6,232)**	**4,101**	**1,779**	**784**	**(422)**	**6,242**
2	**(40)**	**127**	**671**	**7**	**—**	**805**
158	**(6,272)**	**7,477**	**7,830**	**1,169**	**(422)**	**16,054**
						41,283

At 30 September 2024 and 31 December 2023, the reconciliation of assets and liabilities by Segments with respect to Total Assets and Total Liabilities in the Consolidated Statement of Financial Position is as follows:

Millions of Euros

	30 September 2024	31 December 2023
TOTAL ASSETS	**38,960**	**41,283**
Non-current financial assets	808	663
Non-current derivative financial instruments	440	879
Deferred tax assets	1,430	1,608
Current corporate income tax assets	426	233
Other tax assets	292	312
Other current financial assets	1,080	1,777
Current derivative financial instruments	631	1,054
Cash and Cash Equivalents	2,480	2,106
Non-current assets classified as held for sale and discontinued operations	—	—
SEGMENT ASSETS	**31,373**	**32,651**
TOTAL LIABILITIES	**38,960**	**41,283**
Equity	8,264	7,204
Non-current financial debt	9,550	9,636
Non-current derivative financial instruments	345	544
Other non-current financial liabilities	78	8
Deferred tax liabilities	1,053	1,308
Current financial debt	3,880	4,091
Current derivative financial instruments	732	1,673
Other non-current financial liabilities	155	104
Current corporate income tax liabilities	871	215
Other tax liabilities	696	446
SEGMENT LIABILITIES	**13,336**	**16,054**

8.3. Generation and Marketing

8.3.1. Analysis of results

During the period January-September 2024, gas prices progressively stabilised as a result of the measures adopted by the European Union (EU) to ensure supply, by diversifying suppliers, increasing Liquefied Natural Gas (LNG) exports, regulating strategic storage facilities, which are at close to 95% of their capacity among other measures. In addition, more efficient use of resources has been made possible thanks to energy saving policies, which, together with mild temperatures, has had a positive effect on the demand for natural gas.

However, tensions in Ukraine and the Middle East remain active and the growing escalation with Iran could lead to a sharp increase in global gas prices, adding uncertainty to the energy market. In parallel, maintenance work has already started on Norwegian gas facilities ahead of winter, which could also temporarily limit the supply available to Europe.

The transition to more sustainable energies has also influenced gas consumption, which, together with the high hydroelectricity of the period, has reduced the demand for gas for electricity generation and influenced a lower price in the wholesale electricity market.

Key figures for the January-September 2024 period and the changes compared to the same period of the previous year are as follows:

Millions of Euros

Key figures	January-September 2024	January-September 2023	Difference	% Chg.	
Contribution margin	3,731	3,354	377	+11.2	The change in the margin is the result, among other aspects, of: • The positive fluctuation in "income and expenses from commodity derivatives" amounting to Euros 1,575 million is primarily due to the evolution of the settlement of gas derivatives contracted in the 2022 financial year within a context of price volatility in energy markets, partially offset by lower electricity and gas sales (Euros 3,518 million) and the decrease in energy purchase costs and fuel consumption (Euros 2,436 million). This decrease is the result, among other factors, of the decline in the arithmetic average price in the wholesale electricity market and gas (Euros 52.4/MWh; -42.5% and Euros 31.5/MWh; -22.6%, respectively). • During the January-September 2024 period, the expenditure related to the Tax on the Value of Electricity Production (Euros 217 million) was recorded as a result of the expiration of the temporary suspension extension of said tax in accordance with Royal Decree Law 8/2023, of 27 December.
Gross operating income (EBITDA)	2,603	2,178	425	+19.5	• The decrease in fixed operating costs is primarily due to lower expenses recognised from sanctioning proceedings (Euros 44 million).
Operating Income (EBIT)	1,588	1,269	319	+25.1	• Includes the increase in depreciation and amortisation expense (Euros 71 million), mainly as a result of the increased investment in renewable electricity generation facilities and increased capitalisation of the incremental costs incurred in obtaining contracts with customers. • Reflects the higher net provisioning (Euros 35 million), due to a decline in payments recovered from residential and Business to Business (B2B) customers in a macroeconomic environment of high inflation, which reduces the economic capacity of domestic customers.

8.3.2. Investments

In the January-September 2024 period, gross investments in property, plant, and equipment and intangible assets amounted to Euros 716 million. The breakdown by activity is as follows:

Millions of Euros

Investments	January-September 2024	January-September 2023	Difference	% Chg.	
	192	155	37	+23.9	• It mainly includes investments in generation facilities for various technologies, primarily nuclear.
	285	601	(316)	(52.6)	• In the January-September 2024 period, Endesa made investments in construction of electricity generation facilities from renewable sources amounting to Euros 196 million.
	239	197	42	+21.3	• Primarily related to the increased incremental costs incurred in obtaining contracts with customers amounting to Euros 168 million. • Additionally, it includes investments in e-Mobility charging points in line with the strategic objective of enhancing customer loyalty through a comprehensive offering of value-added services, totalling Euros 23 million, as well as investments in our Information and Communication Technology (ICT) activity amounting to Euros 48 million.
TOTAL	**716**	**953**	**(237)**	**(24.9)**	

8.4. Distribution

8.4.1. Analysis of results

Key figures for the January-September 2024 period and the changes compared to the same period of the previous year are as follows:

Millions of Euros

Key figures	January-September 2024	January-September 2023	Difference	% Chg.	
Contribution margin	1,837	1,774	63	+3.6	• The evolution of the margin is due to the increase in regulated income from the distribution activity as a result, mainly, of the registration during the period January-September 2024, of the update of certain parameters of the remuneration of the distribution activity corresponding to 2020 in accordance with the Resolution of 31 July 2024, of the Spanish National Markets and Competition Commission (CNMC).
Gross operating income (EBITDA)	1,464	1,362	102	+7.5	• The decrease in fixed operating costs and other results (Euros 39 million) is the result of several factors, including: – The reduction in expenses related to salaries and wages (Euros 6 million) due to a decrease in the average workforce (-2.7%) between the two periods and the update of provisions for workforce restructuring plans (Euros 3 million, positive). – The reversal of provisions for contingencies arising from transactions carried out in previous financial years by Endesa Ingeniería, S.L.U. (Euros 37 million).
Operating Income (EBIT)	927	853	74	+8.7	• Includes an increase in depreciation and amortisation costs (Euros 25 million), mainly as a result of investments made in electricity distribution systems and installations.

8.4.2. Investments

In the January-September 2024 period, gross investments in property, plant, and equipment and intangible assets amounted to Euros 613 million:

Millions of Euros

Investments	January-September 2024	January-September 2023	Difference	% Chg.	
	613	606	7	+1.2	• Investments in property, plant, and equipment amount to Euros 602 million and are mainly related to grid extensions, as well as investments aimed at optimising its operation to improve efficiency, adapt the grid to new customer needs, and strengthen the quality of service and grid resilience in line with Endesa's strategy.

8.5. Structure and others

8.5.1. Analysis of results

Key figures for the January-September 2024 period and the changes compared to the same period of the previous year are as follows:

Millions of Euros

Key figures	January-September 2024	January-September 2023	Difference	% Chg.	
Contribution margin	(219)	(230)	11	(4.8)	• Both periods include the recognition of the expense associated with the temporary energy tax introduced by Law 38/2022, of 27 December (Euros 202 million and Euros 208 million, respectively).
Gross operating income (EBITDA)	(186)	(187)	1	(0.5)	• The evolution of fixed operating costs includes the decrease in wage and salary expenses (Euros 4 million) due to the reduction in the average headcount (4.3%) between the two periods and the restatement of provisions for restructuring plans (Euros 9 million, positive).
Operating Income (EBIT)	(215)	(219)	4	(1.8)	• Includes a reduction in the amortisation of software (Euros 3 million).

8.5.2. Investments

In the January-September 2024 period, gross investments in property, plant, and equipment and intangible assets amounted to Euros 17 million:

Millions of Euros

Investments	January-September 2024	January-September 2023	Difference	% Chg.	
	17	21	(4)	(19.0)	• It mainly includes investments in Information and Communication Technology (ICT) activity.

9. REGULATORY FRAMEWORK

From a regulatory perspective, the main developments for the January-September 2024 period are as follows:

Regulatory framework in Spain

Extension for 2024 of certain measures adopted in the context of the crisis resulting from the Russia-Ukraine conflict

Through Royal Decree-Law 8/2023, of 27 December, which adopts measures to address the economic and social consequences derived from the conflicts in Ukraine and the Middle East, as well as to alleviate the effects of the drought, and Royal Decree-Law 4/2024, of June 26, which adopts urgent measures in fiscal, energy, and social matters, previously approved measures have been extended, and new measures have been adopted. Some notable measures include the following:

- Regarding energy taxation, the reduced Value Added Tax (VAT) rate of 5%, in effect until 31 December 2023, increased to 10% for electricity for the entirety of 2024, and until 31 March 2024 for natural gas. In addition, the reduced rate for the Special Electricity Tax of 0.5% until 31 December 2023 will change to 2.5% during the first quarter of 2024 and 3.8% during the second quarter of 2024. As for the Tax on the Value of Electricity Production, the rate will change to 3.5% in the first quarter of 2024, 5.25% in the second quarter of 2024, and 7% thereafter. Additionally, the 1.2% energy tax on net turnover is extended for 2024, without prejudice to the establishment in the 2024 General State Budget of an incentive for strategic investments made in the Energy Sector from 1 January 2024 and the review of the structure of the tax for its integration into the tax system in the fiscal year 2024.
- In the realm of social protection, the prohibition on cutting off basic electricity, water, and gas supplies to vulnerable consumers in the event of non-payment is extended until 31 December 2024. Likewise, the progressive discounts on the Social Bonus for vulnerable customers are extended until 30 June 2025, albeit on a decreasing scale, with the final discounts being 35% for vulnerable consumers and 50% for severely vulnerable consumers from 1 July 2025.
- In terms of tariffs and charges, the 80% discount on access tariffs applicable to electricity transmission and distribution grids for energy-intensive industries is maintained until 31 December 2024. Additionally, an amount equivalent to 62.5% of the provisional surplus for 2023 System Charges is expected to be allocated to the year 2024. The remaining surplus from 2023 can be used to offset the Electrical System's costs for the year 2025, which will be financed through the charges. Moreover, it is stipulated that if there is a positive provisional balance for the years 2020 and 2021 in the separate account of the body responsible for settlements related to the extra costs of electricity production in the Spanish Non-Mainland Territories ("TNP") charged to the General State Budgets, up to 70% of this balance may be transferred to the settlement system for extra costs of electricity production in Non-Mainland Territories ("TNP") charged to the General State Budgets for the year 2019. The remaining balance will be allocated with 5% going to 2023 and 95% to 2024.
- Regarding the deployment of renewable energy projects, the deadlines stipulated in the regulations for meeting certain administrative milestones have been extended. For example, for projects with access and connection permits granted after 31 December, 2017, and before this regulation, the deadline to obtain the administrative authorisation for construction has been extended by an additional 6 months, until 25 July 2024. Moreover, these projects can request an extension, within 3 months from the entry into force of

the Royal Decree-Law or from the date of the administrative authorisation for construction, whichever is later, to extend the deadline for obtaining the final operating authorisation, up to a maximum of 8 years from 25 July 2020, or for obtaining the access permits, whichever is later. Additionally, Law 24/2013, of 26 December, on the Electric Sector, has been amended to allow the inclusion of non-economic criteria, with a weight of up to 30% of the total score, in renewable energy auctions.

Seventh General Radioactive Waste Plan (PGRR)

On 8 January 2024, a Resolution by the Directorate General for Energy Policy and Mines was published in the Official State Gazette (BOE), announcing the agreement of the Council of Ministers from 27 December 2023, which approved the Seventh General Radioactive Waste Plan (PGRR). This document updates the government's policy on the management of radioactive waste, including spent nuclear fuel, and the decommissioning and closure of nuclear facilities.

Taking into account the future cost estimates established in the aforementioned Seventh Plan, on 26 June 2024, Royal Decree 589/2024, of 25 June, was published in the Official State Gazette (BOE), which modifies the fixed unit rate for the non-tax public financial contribution that funds the services of the Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (ENRESA) to operational nuclear power plants, and settles the value of this aforementioned unit fee at Euros 10.36/MWh, effective from 1 July 2024.

Circulars of the Spanish National Markets and Competition Commission (CNMC)

On 19 January 2024, and 31 January 2024, the Spanish National Markets and Competition Commission (CNMC) initiated a public consultation process on two proposals: one to amend Circular 1/2021 of 20 January, establishing the methodology and conditions for access and connection to transmission and distribution grids of electricity production facilities, and the other to amend Circular 3/2020 of 15 January, establishing the methodology for calculating electricity access tariffs for transmission and distribution. Furthermore, on 3 April 2024, the Spanish National Markets and Competition Commission (CNMC) initiated a public consultation on the proposal to amend Circular 6/2020 of 22 July, which establishes the methodology for calculating access tariffs for transmission, local grids, and regasification of natural gas.

Public consultations on the remuneration of electricity distribution activities

On 9 May 2024, the Spanish National Markets and Competition Commission (CNMC) launched a public consultation to develop the proposed amendment to Circular 6/2019 of 5 September, establishing the methodology for calculating the remuneration applicable to electricity distribution activities, which will be subjected to a hearing process.

Simultaneously, on the same date, it launched another public consultation to review the methodology for calculating the financial remuneration rate established in Circular 2/2019 of 12 November, and posed a set of questions to stakeholders, considering the challenges posed of the Energy Transition and the essential role that grid investments play in the electrification of the economy. Lastly, on 4 June 2024, the Ministry for the Ecological Transition and Demographic Challenge (MITECO) launched a preliminary consultation on modifying the investment limit in transmission and distribution grids, which is currently capped at a specific percentage of the Gross Domestic Product (GDP). The aim is to revise this limit to account for the new context posed by the Energy Transition and provide greater flexibility for annual and multi-annual grid approvals.

Distribution activity remuneration

On 29 February 2024, the Spanish National Markets and Competition Commission (CNMC) initiated a second public information procedure on the proposed resolution establishing the remuneration of electricity distribution companies for 2020. This proposal includes, among other aspects, certain adjustments to investments previously approved by the Spanish National Markets and Competition Commission (CNMC) and the Secretary of State for Energy, within the multi-annual plans submitted to these institutions.

Finally, on 12 August 2024, the Official State Gazette (BOE) published the Resolution of 31 July 2024, by the Spanish National Markets and Competition Commission (CNMC), which establishes the remuneration for companies owning electricity distribution facilities for the year 2020.

Additionally, on 13 July 2024, the Official State Gazette (BOE) published the Resolution of 27 June 2024, by the Spanish National Markets and Competition Commission (CNMC), which establishes the adjustment to be made to the remuneration of electricity transmission and distribution companies for the years 2020, 2021, 2022, 2023, and 2024, due to the use of fibre optic for non-electricity-related activities.

Likewise, on 11 October 2024, the Spanish National Markets and Competition Commission (CNMC) initiated the public information process for the proposed Resolution establishing the remuneration of companies owning electricity distribution facilities for the year 2021.

Draft Bill for restoring the National Energy Commission (CNE)

On 20 January 2024, the Ministry for the Ecological Transition and Demographic Challenge (MITECO) initiated a public hearing process for the Draft Bill to restore the National Energy Commission (CNE). The Commission's roles will focus on monitoring the proper functioning of energy markets, including the new objective of decarbonisation. Some aspects of this Draft Bill include:

- The new Commission would be a public law entity with its own legal status, organic and functional autonomy, its own budget, and full independence from the Government, Public Administrations, and the market. It would also be subject to parliamentary and judicial oversight.
- It will have supervisory and control functions over the electricity, liquid hydrocarbons, natural gas, green hydrogen, and other renewable gases markets. Additionally, it will perform inspection, sanction, and arbitration functions, provide information and support, and process complaints raised by agents and consumers. Lastly, it will be responsible for settling access tariffs and handling charges, prices, fees, and regulated remuneration of the industries under its purview. It will also oversee share acquisition processes and provide advisory functions for the development of regulatory proposals.
- The Commission's Council will comprise 7 members (president, vice president, and 5 councillors), with a non-renewable 6-year term. The Commission will include 3 departments: Electricity, Hydrocarbons and New Fuels, and Inspection.
- The new National Energy Commission (CNE) must be fully constituted and operational within a maximum of 4 months from the approval of the Law.
- Additionally, the Draft Bill provides for the creation of the Fund for the Economic-Financial Management of Electricity and Gas Sector Settlements (FGLSEG) to manage revenues and payments for the settlements of access tariffs, charges, fees, prices, and regulated remuneration of the electricity and gas sectors, as well as the transfers established for these sectors in the General State Budgets.

On 24 September 2024, the Council of Ministers approved the Draft Bill for restoring the National Energy Commission (CNE) and sent it to the Congress of Deputies.

"Bono Social" (Social Bonus) discount rate

Royal Decree-Law 8/2023 of 27 December, which adopts measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East, has established the applicable unit values to finance the amounts allocated to the so-called "Bono Social" (Social Bonus) discount rate and the cost of electricity supply to consumers referred to in articles 52.4.j) and 52.4.k) of Law 24/2013 of 26 December, on the Electricity Sector, for the year 2024.

Energy Efficiency

On 23 March 2024, Order TED/268/2024 of 20 March was published, establishing the mandatory contributions to the National Energy Efficiency Fund for the year 2024. Endesa is expected to contribute a financial amount equivalent to Euros 99 million to the fund for 2024, with at least 35% covered through financial contributions. The remainder of its obligation can be met by presenting Energy Savings Certificates ("CAE").

Consultation on the Draft Royal Decree that approves the General Regulation on supply and contracting and establishes the conditions for marketing, aggregation, and consumer protection in electricity supply

On 31 July 2024, the Ministry for the Ecological Transition and Demographic Challenge (MITECO) initiated a consultation on a Draft Royal Decree aimed at consolidating regulations related to electricity supply and contracting, which are currently scattered across various standards, to adapt them to current realities and new business models. Below are some of the aspects included in the draft Royal Decree.

- Prohibition on suppliers from engaging in advertising and contracting practices via telephone unless expressly requested by the customer. Additionally, offers must be contracts with dynamic prices indexed to the spot market.
- Conditions for entering the energy marketing activity are established, which require proof of sufficient financial capacity and economic solvency, as well as disqualification procedures for failing to comply with obligations.
- A new obligation is established for information exchange between suppliers and grid operators, whether for transmission or distribution.
- The timeframe for switching electricity suppliers will be reduced from the current 21 days to 24 hours starting in 2026, with a transitional period where the change must occur within 2 weeks from the customer's request.
- Regarding electricity supply contracts, with the general rule being an annual contract that is automatically renewed for equal periods, the possibility is introduced in the deregulated market for consumers and suppliers to agree on a longer duration, as well as the option to contract with more than one supplier simultaneously. For contracts lasting more than one year, the contract and its renewals can be terminated by the consumer at any time without penalty.
- For third-party access agreements for customers connected to the transmission grid, a new requirement is established to sign a third-party grid access contract with the transmission operator, instead of the distributor.
- A number of consumer protection measures are introduced, including access to new complaint channels in the event of an unfavourable response from the company within one month, through a customer ombudsman, autonomous communities or cities, or the alternative dispute resolution system. The possibility is introduced for suppliers to voluntarily develop an additional consumer protection mechanism (customer ombudsman), whose decisions will be binding for the company and must be resolved within 2 months.
- The figure of the aggregator is regulated, and its rights and obligations are established.

Electricity Tariff 2024

On 25 December 2023, Resolution of 21 December 2023 by the Spanish National Markets and Competition Commission (CNMC) was published in the Official State Gazette (BOE), establishing the values of access tariffs to the electricity transmission and distribution grids, effective from 1 January 2024, which represents an average reduction of 1.1% compared to the values in effect on 1 January 2023.

Regarding the charges for 2024, Royal Decree-Law 8/2023 of 27 December, which adopts measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East, as well as to alleviate the effects of the drought, has extended the 2023 charges until the Ministerial Order approving the applicable charges for 2024 is approved. In this regard, Order TED/113/2024 of 9 February was published in the Official State Gazette (BOE) on 14 February 2024, establishing the prices of Electricity System charges and various regulated costs for the 2024 tax year, maintaining 2023-charge levels, effective from 15 February 2024.

Natural gas tariff for 2024

On 29 December 2023, Resolution of 28 December 2023 by the Directorate General for Energy Policy and Mines was published, announcing the Last Resort Tariff (LRT) for natural gas to be applied from 1 January 2024. The tariff will increase by approximately 6.5%, 7.9%, and 8.5% for Last Resort Tariff 1 (LRT1), Last Resort Tariff 2 (LRT2), and Last Resort Tariff 3 (LRT3), respectively. Additionally, Last Resort Tariffs (LRT) applicable to Property Owners associations, which were introduced with Royal Decree-Law 18/2022 of 18 October, will see an increase of approximately 4.8% to 6.8%.

Later, on 29 March 2024, Resolution of 26 March 2024 by the Directorate General for Energy Policy and Mines was published in the Official State Gazette (BOE), announcing the Last Resort Tariff (LRT) for natural gas to be applied from 1 April 2024. The tariff will decrease on average, excluding taxes, by 10.1%, 12.1%, and 13% for Last Resort Tariff 1 (LRT1), Last Resort Tariff 2 (LRT2), and Last Resort Tariff 3 (LRT3), respectively.

Additionally, on 30 May 2024, Resolution of 23 May 2024 by the Spanish National Markets and Competition Commission (CNMC) was published, establishing access tariffs for transmission grids, local grids, and regasification for the gas year 2025, applicable from 1 October 2024 to 30 September 2025. It involves a 16% reduction in gas transmission tariffs, an 11% increase in local grid access tariffs, and a 21.6% increase in regasification activity tariffs, compared to their current values.

On 29 June 2024, Resolution of 27 June 2024 by the Directorate General for Energy Policy and Mines was published in the Official State Gazette (BOE), announcing the Last Resort Tariff (LRT) for natural gas from 1 July 2024. The individual LRT tariffs (LRT1, LRT2, and LRT3) will remain unchanged since the variation in the cost of raw materials compared to the previous quarter did not exceed the regulatory threshold of 2%.

Finally, on 28 September 2024, Resolution of 26 September 2024 by the Directorate General for Energy Policy and Mines was published in the Official State Gazette (BOE), announcing the Last Resort Tariff for natural gas to be applied from 01 October 2024. Last Resort Tariff 1 (LRT1), Last Resort Tariff 2 (LRT2), and Last Resort Tariff 3 (LRT3) will amount to 5.3%, 11.9%, and 14.7%, respectively.

Modification of the Economic Regime for Renewable Energies

On 5 April 2024, the Ministry for the Ecological Transition and Demographic Challenge (MITECO) launched a public consultation to modify the economic regime for renewable energies currently regulated by Royal Decree 960/2020 of 3 November, regulating the economic regime for renewable energy for electric power production facilities, and Order TED/1161/2020 of 4 December, regulating the first auction mechanism for granting the economic regime for renewable energies and establishing the indicative timeline for the period 2020-2025.

In parallel, on 30 July 2024, the Ministry for the Ecological Transition and Demographic Challenge (MITECO) initiated a preliminary consultation to assess the possibility of making adjustments to the specific remuneration regime, in response to new challenges in the sector, including high renewable energy penetration, increased energy discharges, and a reduction in wholesale market prices.

Electricity transmission grid planning with a 2026 horizon

On 16 April 2024, the Council of Ministers, at the request of the Ministry for the Ecological Transition and Demographic Challenge (MITECO), approved a specific modification to the Electricity Transmission Grid Planning with a 2026 horizon.

National energy and climate plan (NECP) 2023-2030

On 24 September 2024, the Council of Ministers approved Royal Decree 968/2024, updating the National Energy and Climate Plan (NECP 2023-2030). Among other aspects, the reduction of Greenhouse Gas emissions for 2030 is raised from 23% to 32%, the share of renewables is increased to 48% of final energy consumption, reaching 81% for electricity, and the energy efficiency improvement target is set at 43%. Additionally, the update also raises the target for electrification of the economy from the initial 32% to 35%.

Granting grid access to synchronous generation or storage facilities in just transition nodes

On 18 April 2024, the Official State Gazette (BOE) published Order TED/345/2024 of 9 April, regulating the procedure and requirements for granting access capacity to the electricity grid to synchronous renewable electricity generation modules and synchronous storage facilities at the Just Transition nodes of Garoña 220 kV (Burgos), Guardo 220 kV (Palencia), Lada 400 kV (Asturias), Mudéjar 400 kV (Teruel), and Robla 400 kV (León).

Competitive process in Non-Mainland Territories (TNP)

On 4 July 2024, the Official State Gazette (BOE) published a Resolution by the Secretary of State for Energy, which calls for a competitive process for awarding a favourable compatibility resolution for recognition of the additional remuneration regime for the Electrical Systems of Non-Mainland Territories (TNP), a process provided for in Royal Decree 738/2015 of 31 July, to meet these regions' power needs. The power covered by the call, derived from the coverage reports prepared by the System Operator, amounts to a total of 1,361 MW in 2028. The deadline for submitting applications to cover these needs ended on 5 October, while the Directorate-General for Energy Policy and Mines has 6 months to issue a resolution.

Previously, on 10 May 2024, Order TED/430/2024 of 8 May was published, establishing the method for calculating the price of liquefied petroleum gases as fuel and defining new standard facilities for the additional remuneration regime for electricity production facilities located in Non-Mainland Territories (TNP). This Order includes a calculation methodology for liquefied petroleum gases (LPG), which may be used in the Non-Mainland Territory ("TNP") of the Canary Islands. Additionally, new standard facilities for gas engines are introduced for the competitive process regulated in Royal Decree 738/2015, of 31 August.

Regulatory framework in Europe

"Fit for 55" package

The "Fit for 55" package, approved the European Commission on 14 July 2021, is the framework that reviews and updates European Union legislation through a series of proposals aimed at achieving the European Union's climate goals. Various regulatory provisions have been adopted in this context.

On 8 May 2024, Directive (EU) 2024/1275 on the Energy Performance of Buildings was published in the Official Journal of the European Union (OJUE). This Directive promotes the improvement of the energy performance of buildings and the reduction of their greenhouse gas emissions, with the aim of achieving a zero-emission building stock by 2050. It takes into account local peculiarities and weather conditions, indoor environmental quality requirements, and cost-effectiveness.

On 31 May 2024, Recommendation (EU) 2024/1343 of the European Commission of 13 May, aimed at speeding up permit-granting procedures for renewable energy, was published in the Official Journal of the European Union (OJUE). It specifically addresses speeding up permit-granting procedures for renewable energy for renewable energy and related infrastructure projects.

On 27 May 2024, the Council of the European Union formally adopted the Net-Zero Industry Act, which establishes a framework of measures to strengthen the European ecosystem for the manufacturing of net-zero emissions technologies.

On 6 June 2024, Regulation 2024/1610 of 14 May was published in the Official Journal of the European Union (OJUE), strengthening the carbon dioxide (CO_2) emission performance standards for new heavy-duty vehicles and integrating reporting obligations. This regulation establishes a 90% reduction in carbon dioxide (CO_2) emissions for new heavy-duty vehicles by 2040 and a 100% reduction for new urban buses by 2035.

On 15 July 2024, Regulation (EU) 2024/1787 on the reduction of methane emissions in the energy sector was published in the Official Journal of the European Union (OJUE). It aims to establish rules for the accurate and correct measurement, quantification, monitoring, reporting, and verification of methane emissions from the energy sector in the European Union, and the instruments that ensure transparency regarding these emissions.

Finally, on 15 July 2024, Directive 2024/1788 and Regulation 2024/1789 on common rules for the internal markets for renewable gas, natural gas, and hydrogen were published in the Official Journal of the European Union (OJUE). Their aim is to establish the conditions for access to the system and participation in wholesale markets.

Communication on the European Union's climate target for 2040

On 6 February 2024, the European Commission published the Communication "Securing our future: Europe's climate target for 2040 and path to climate neutrality by 2050 by building a sustainable, just and prosperous society." This Communication recommends a 90% net reduction of greenhouse gas emissions by 2040 compared to 1990 levels and initiates the debate on the 2040 climate targets, with potential legislative proposals expected to be announced after the European elections.

Reform of the EU electricity market design

On 21 May 2024, the Council of the European Union approved the reform of the European Union's electricity market design, with regulatory provisions published in the Official Journal of the European Union (OJUE) on 26 June 2024. These include Directive (EU) 2024/1711 of 13 June, amending Directives (EU) 2018/2001 of 11 December and (EU) 2019/944 of 5 June, as regards improving the Union's electricity market design, and Regulation (EU) 2024/1747 of 13 June, amending Regulations (EU) 2019/942 of 5 June and (EU) 2019/943 of 5 June, to improve the EU's electricity market design. The main elements of this reform include:

- Promotion of renewables (and clean technologies) to protect customers from price volatility, encouraging Power Purchase Agreements (PPAs), and using Contracts for Difference (CfDs) for new wind, solar, geothermal, run-of-river hydroelectricity, and nuclear projects.
- Strengthening flexibility mechanisms, with indicative targets and the possibility for Member States to introduce support systems in favour of demand or storage management.
- Greater consumer protection: With aspects such as requirements for adequate hedging strategies for suppliers, the creation of the role of suppliers of last resort, the empowerment of Member States, in case of crisis, to extend regulated prices to households and Small and Medium-Sized Enterprises (SMEs), and improved protection against disconnection for vulnerable consumers.
- Grid remuneration methodologies must consider investments that anticipate grid needs.
- Removal of the classification of capacity mechanisms as mechanisms of last resort and mandating the European Commission to study how to streamline and simplify their approval process.

Communication on industrial carbon management

On 6 February 2024, the European Commission published its Communication "Towards an ambitious Industrial Carbon Management for the EU," which presents the industrial framework strategy for deploying technologies related to carbon capture and storage that contribute to emissions reduction, in line with the deployment outlined in the Communication on the EU Climate Target for 2040.

Gas

On 27 March 2024, the Official Journal of the European Union (OJUE) published the Recommendation of the Council of the European Union of 25 March 2024 to extend by one additional year (from 1 April 2024 to 31 March 2025) the voluntary measure for Member States to reduce gas demand by 15%, as outlined in Regulation (EU) 2022/1369 of the Council of 5 August, on coordinated demand-reduction measures for gas.

On 21 May 2024, an update to the Regulation and Directive on the EU gas and hydrogen market was approved to contribute to the transition towards the use of renewable and low-carbon gases, particularly hydrogen.

Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)

On 17 April 2024, Regulation (EU) 2024/1106 on Wholesale Energy Market Integrity and Transparency (REMIT) was published in the Official Journal of the European Union (OJUE). This Regulation, which came into force on 7 May 2024, revises previous Regulations and establishes additional disclosure requirements on activities in wholesale energy markets and strengthens the powers of the Agency for the Cooperation of Energy Regulators (ACER).

Financial regulation

On 14 February 2024, the European institutions reached a provisional agreement on the proposal to amend the Regulation on over-the-counter derivatives, central counterparties, and trade repositories (known as EMIR). Some of the most significant changes introduced include a method for calculating positions against the clearing threshold and the possibility for central counterparties to accept bank guarantees and highly liquid public guarantees as collateral. On 24 April 2024, the European Parliament approved the proposal to amend the Regulation on over-the-counter derivatives, central counterparties, and trade repositories (known as EMIR). The text of the agreement is pending formal adoption by the European Council, after which it will be published in the Official Journal of the European Union (OJUE) and will enter into force 20 days after its publication. However, some provisions, such as those related to compensation thresholds, will not be applicable until the delegated regulations for implementation are published.

Additionally, regarding the issue of collateral deposits, on 6 March 2024, Delegated Regulation (EU) 2024/818 was published, amending Delegated Regulation (EU) 153/2013 of 19 December 2012, as regards the extension of temporary emergency measures on Central Counterparty (CCP) real collateral requirements, allowing non-financial clearing members to use non-collateralised bank guarantees for energy derivatives with Clearing Houses until 7 September 2024. On the other hand, the new text of the Regulation on over-the-counter derivatives, central counterparties, and trade repositories (EMIR) allows clearinghouses to accept uncollateralised guarantees to cover the exposure of non-financial counterparties under certain conditions. To cover the existing gap until the new EMIR text enters into force, the European Securities and Markets Authority (ESMA) urges national regulators not to prioritise this issue in their supervisory work and to conduct their risk-based supervision proportionally.

Finally, on 8 March 2024, a Directive and a Regulation were published in the Official Journal of the European Union (OJUE) amending, respectively, the Markets in Financial Instruments Directive (MiFID) and the Markets in Financial Instruments Regulation (MiFIR), about financial instruments markets. In this regard, it is worth noting that the Directive requires the preparation of two reports by the European Commission, to be submitted before 31 July 2024 and 2025, respectively. These reports will assess the contribution to liquidity and proper functioning of commodity derivatives markets or carbon dioxide (CO_2) emissions allowance derivatives markets, the criteria for determining when an activity should be considered ancillary to the main activity at the group level, and position limit and position management control regimes. Currently, the European Commission has yet to present its report on the criteria for determining when an activity should be considered ancillary, which was scheduled for the end of July.

10. FURTHER INFORMATION

10.1. Stock market information

Share price performance

Endesa and main benchmark indexes

The changes in Endesa, S.A.'s share price and the main benchmark indexes in the third quarter of 2024 and 2023 are as follows:

Euros

Endesa share price [1]	January-September 2024	January-September 2023	% Chg.
Maximum	19.985	21.450	(6.8)
Minimum	15.975	17.920	(10.9)
Period average	18.023	19.412	(7.2)
Period close	19.630	19.275	1.8

[1] Source: Madrid Stock Exchange.

Percentage (%)

Share price performance[1]	January-September 2024	January-September 2023
Endesa, S.A.	**6.3**	**9.3**
Ibex-35	17.6	14.6
Euro Stoxx 50	10.6	10.0
Euro Stoxx Utilities	4.2	0.4

[1] Source: Madrid Stock Exchange.

The Spanish stock index IBEX-35 ended the third quarter of 2024 leading the ranking of the main European indexes, accumulating a 17.6% appreciation and reaching 11,877.3 points. After recovering from the declines that impacted all markets in August 2024, the index recorded its annual high of 11,967.90 points at the close of trading on 27 September 2024, nearing the 12,000 mark, its highest level since 2010. This strong performance reflects investor optimism about the improved economic outlook, which was driven by decisions made in September by the two most significant Central Banks, the European Central Bank (ECB) and the U.S. Federal Reserve, regarding interest rate cuts.

This environment has especially benefited sectors such as banking, technology, and consumer goods, which led the gains within the IBEX-35. Additionally, the strong tourist season allowed hotels and airlines to close the third quarter of 2024 with positive outcomes, placing them among the top performers in the index.

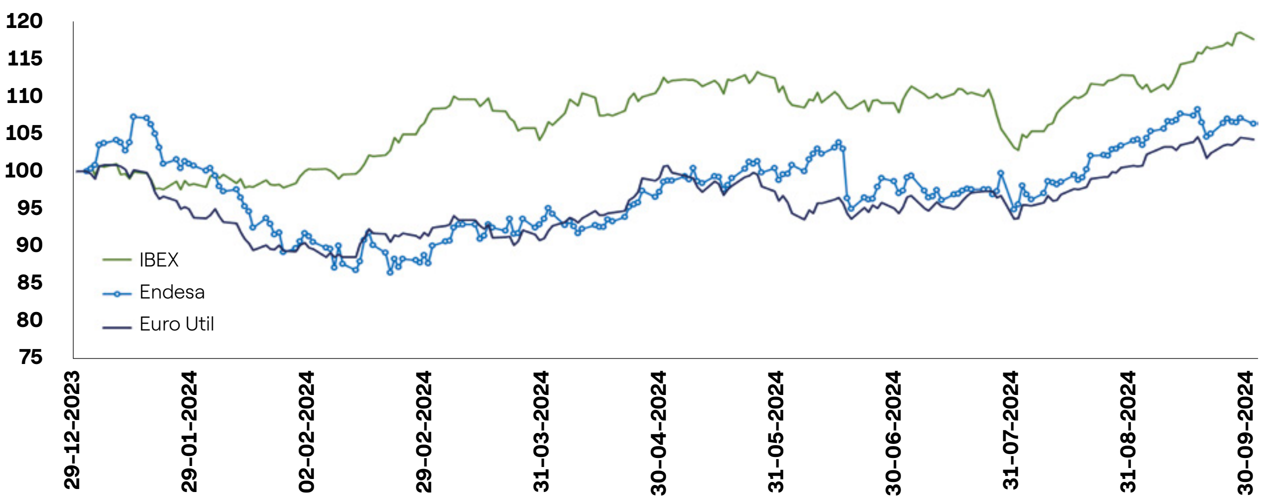
On the flip side, the bottom positions in the IBEX-35 at the end of the third quarter of 2024 continued to be held by renewable energy companies, impacted by rising financial costs and the low prices their plants captured in the daily electricity market. This affected the expected profitability of their assets.

In contrast to this trend, shares of Endesa, S.A. ended the first 9 months of 2024 near the year's highest levels, at Euros 19.63 per share. With a cumulative appreciation of 6.34%, they ranked 20th among the 35 stocks in the IBEX-35. Over the year, the stock hit its lowest closing price on 12 March 2024, at Euros 15.975, and its highest on 17 September 2024, at Euros 19.985 per share, resulting in an average share price of Euros 18.023 per share during the period.

In its favour, Endesa, S.A. has benefited from a context of falling interest rates, a recovery in electricity prices after the lows recorded in April, and a slight improvement in market expectations regarding the regulatory environment it will face in the coming months.

At the European level, Endesa, S.A. ranked ninth out of the 20 companies that make up the EURO STOXX Utilities sector index as of 30 September 2024. This index recorded a more moderate appreciation of 4.2% during the same period.

PERFORMANCE OF ENDESA, S.A., IBEX-35, AND EURO STOXX UTILITIES IN THE JANUARY-SEPTEMBER 2024 PERIOD



Source: Bloomberg.

Main stock market indicators

The evolution of the main global stock indexes during the period January-September was as follows:

Stock market indicators	Country/Region	% Chg.
S&P 500	United States	20.8
Nasdaq	United States	19.2
IBEX-35	Spain	17.6
DAX	Germany	15.4
Nikkei	Japan	13.3
FTSE MIB	Italy	12.4
DOW JONES INDUSTRIAL AVERAGE	United States	12.3
EUROSTOXX 50	Europe	10.6
FTSE 100	United Kingdom	6.5
EURO STOXX Utilities	Europe	4.2
CAC 40	France	1.2

In global markets, the main U.S. indices, the S&P and Nasdaq, led the ranking for best performance at the end of September, accumulating nearly 20% gains and reaching historic highs due to the optimism generated by the economy's progress and inflation control, which have allowed the Federal Reserve to ease its monetary policy decisions.

In Europe, with all indicators in the positive, the Spanish index IBEX-35 finished in the top position with a 17.6% increase, followed by the German DAX at 15.4% and the Italian FTSE-MIB with a 12.4% appreciation. More modest gains were seen in the British index FTSE-100, at 6.5%, and the French CAC-40, which showed a slight positive change of 1.2%, but is still affected by the country's complex political situation following the early legislative elections, the second round of which took place on 7 July 2024.

Looking ahead to the stock market evolution in the coming months, investors will continue to monitor the geopolitical context, with the presidential elections in the United States in November 2024 and unresolved military conflicts in the Middle East and Ukraine, as well as the macroeconomic and business environment, where further signs of inflation moderation are expected to enable major Central Banks to continue with their interest rate reduction plans.

Stock market information

Key stock market figures for Endesa, S.A. at 30 September 2024 and 31 December 2023 were as follows:

Stock market information		30 September 2024	31 December 2023	% Chg.
Market capitalisation[1]	Millions of Euros	20,783	19,545	6.3
Number of shares in circulation		1,058,752,117	1,058,752,117	—
Nominal share value	Euros	1.2	1.2	—
Cash[2]	Millions of Euros	4,583	6,679	(31.4)
Continuous Market	Actions			
Trading Volume[3]		256,786,635	344,730,169	(25.5)
Average Daily Trading Volume[4]		1,358,659	1,346,602	0.9
Price to Earnings Ratio (P.E.R.) Ordinary[1]		16.39	20.55	—
Price to earnings ratio (PER)[1]		19.11	26.34	—
Price/book value[1]		2.57	2.79	—

(1) See the definition provided in Section 12 of this Consolidated Management Report.
(2) Cash = Sum of all the transactions performed on the shares during the reference period (Source: Madrid Stock Exchange).
(3) Trading Volume = Total volume of Endesa, S.A. securities traded in the period (Source: Madrid Stock Exchange).
(4) Average Daily Trading Volume = Arithmetic mean of stock in Endesa, S.A. traded per session during the period (Source: Madrid Stock Exchange).

10.2. Dividends

Shareholder remuneration policy

Information on the shareholder remuneration policy is disclosed in Section 19.2 of the Consolidated Management Report for the year ended 31 December 2023.
Approval was given at Endesa, S.A.'s General Shareholders' Meeting of 24 April 2024 to pay shareholders a total dividend for a gross amount of 1 Euros per share, for a total pay-out of Euros 1,058 million. Considering the interim dividend of Euros 0.50 gross per share (Euros 529 million) paid on 2 January 2024, the final dividend is also Euros 0.50 gross per share (Euros 529 million), and was paid on 1 July 2024.

Dividend per share

In accordance with the foregoing, details of Endesa, S.A.'s dividends per share are as follows:

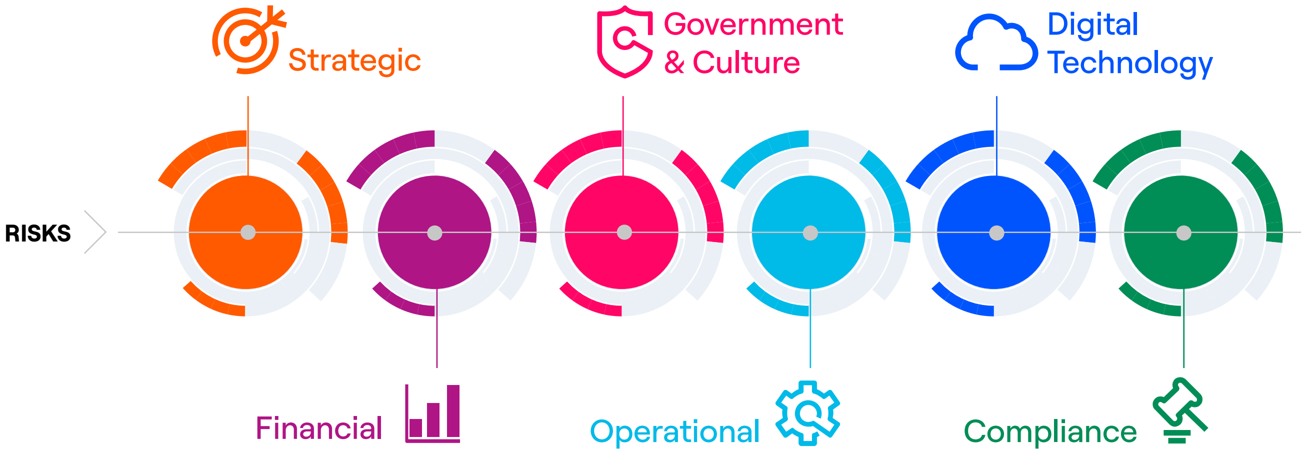
		2023	2022	% Chg.
Share Capital	Millions of Euros	1,270.5	1,270.5	—
Number of shares		1,058,752,117	1,058,752,117	—
Consolidated net ordinary income	Millions of Euros	951	2,398	(60.3)
Consolidated net income	Millions of Euros	742	2,541	(70.8)
Individual net income	Millions of Euros	580	697	(16.8)
Ordinary net earnings per share[1]	Euros	0.8980	2.2649	(60.4)
Net earnings per share[1]	Euros	0.701	2.400	(70.8)
Gross dividend per share	Euros	1 [2]	1.5854 [3]	—
Consolidated ordinary pay-out[1]	%	111.3	70.0	—
Consolidated pay-out[1]	%	142.7	66.1	—
Individual pay-out[1]	%	182.5	240.8	—

(1) See the definition provided in Section 12 of this Consolidated Management Report.
(2) Interim dividend equal to Euros 0.5 gross per share paid on 2 January 2024 plus final dividend equal to Euros 0.5 gross per share paid on 1 July 2024.
(3) Dividend equal to Euros 1.5854 gross per share paid on 3 July 2023.

10.3. Main risks and uncertainties

In the first 9 months of 2024, Endesa followed the same risk control and management policy as that described in Section 6.1 to the Consolidated Management Report for the year ended 31 December 2023.

Endesa classifies the risks to which it is exposed into six categories: Strategic, Financial, Operational, Compliance, Corporate Governance, and Culture and Technology Digital-related.



Further information on the main risks and uncertainties associated with Endesa's activity can be found in Section 6.4 of the Consolidated Management Report for the year ended 31 December 2023.

Endesa's activities are carried out against a backdrop in which outside factors may affect the performance of its operations and earnings.

As a result of the war between Russia and Ukraine, the escalation of the conflict in the Middle East and the prevailing macroeconomic environment, Endesa must contend with uncertainty and its business could be affected by adverse economic conditions in Spain, Portugal, the Eurozone and international markets, as well as by the regulatory environment.

All of this has made certain risks more relevant and has increased the volatility of others (see Section 5.2 of this Consolidated Management Report).

In the current scenario, there are unmanageable and unpredictable risks, including regulatory changes, Cybersecurity, temporary fiscal measures, delayed supply delivery, and contract compliance.

In this situation, the main risks and uncertainties facing Endesa in the coming months of 2024 are summarised below:

Category	Risk	Definition	Description	Metrics	Materiality [3]
Strategic risks	Legislative and regulatory developments	Endesa's activities are heavily regulated, and regulatory changes could have an adverse impact on its business activities, results, financial position and cash flows.	The information regarding the regulatory framework is detailed in Note 6 of the Consolidated Annual Accounts for the year ended 31 December 2023, and in Section 9 of this Consolidated Management Report.	Scenarios [1]	High
	Macroeconomic and Geopolitical Trends	Endesa's business could be affected by adverse economic or political conditions in Spain, Portugal, the Eurozone and in international markets.	A worsening of the economic and financial situation of the European and world economies, aggravated by the ongoing conflict between Russia and Ukraine, and the tension derived from the conflict in the Middle East could adversely affect Endesa's business, earnings, financial position, and cash flows (see Section 5.2 of this Consolidated Management Report).		

[1] Scenario: calculated as the loss arising from the hypothetical situations.
[3] The significance of the risks is measured based on the expected potential loss: High (exceeding Euros 75 million), Medium (between Euros 10 million and Euros 75 million) and Low (less than Euros 10 million).

Category	Risk	Definition	Description	Metrics	Materiality[3]
Financial Risks	*Commodities*	Endesa's business is largely dependent on the constant supply of large amounts of fuel to generate electricity; on the supply of electricity and natural gas used for its own consumption and supply; and on the supply of other commodities, the prices of which are subject to market forces that may affect the price and the amount of energy sold by Endesa.	The evolution of electricity prices in the wholesale market and of commodities, mainly gas, carbon dioxide (CO_2) emission rights, guarantees of origin, have an impact on business costs and also on selling prices. To mitigate this impact, Endesa hedges commodity price risk through financial instruments arranged in organised European markets and over-the-counter (OTC). Those operations with daily financial collateral requirements associated with MtM (Mark-to-Market) variations could, in turn, have a direct impact on Endesa's liquidity risk (see Notes 41.3 and 41.4 of the Consolidated Annual Accounts for the year ended 31 December 2024, and Section 7.2 of this Consolidated Management Report).	Stochastic[2]	High
	Interest Rate	Endesa is exposed to interest rate risk.	Endesa has a policy of hedging interest rate risk through derivatives (see Note 42.1 of the Condensed Consolidated Annual Accounts for the year ended 31 December 2023 and Section 7.2 of this Consolidated Management Report).	Stochastic[2]	Low
	Capital adequacy and access to finance Liquidity	Endesa's business depends on its ability to obtain the funds necessary to refinance its debt and finance its capital expenses.	Endesa controls its liquidity risk by maintaining an adequate level of unconditionally available resources, including cash and short-term deposits, long-term credit lines with banks and Enel Group companies and a portfolio of highly liquid assets. Endesa applies a liquidity policy that consists of maintaining sufficient cash on hand at all times to meet projected needs for a period that depends on the situation and expectations of the debt and capital markets (see Section 7.2 of this Consolidated Management Report). Endesa's financial management and capital management policy is described in Notes 35.1.12, 41.3 and 41.4 of the Explanatory Notes to the Consolidated Annual Accounts for the year ended 31 December 2023.	Stochastic[2]	Low
	Credit and counterparty	Endesa is exposed to credit and counterparty risk. Credit risk is generated when a counterparty does not meet its obligations under a financial or commercial contract, giving rise to financial losses.	Endesa closely monitors the credit risk of its commodity, financial and commercial counterparties. Despite the reduction in commodity prices compared to 2023, the high interest rate environment and high inflation have reduced liquidity for companies and individuals to meet energy bills. While the Company's collection management has helped moderate the evolution of overdue debt in commercial counterparts (see Section 5.2 of this Consolidated Management Report).	Stochastic[2]	High

[2] Stochastic: calculated as the loss that could be incurred with a certain degree of probability or confidence.
[3] The significance of the risks is measured based on the expected potential loss: High (exceeding Euros 75 million), Medium (between Euros 10 million and Euros 75 million) and Low (less than Euros 10 million).

Category	Risk	Definition	Description	Metrics	Materiality [3]
Risks associated with digital technologies	Cybersecurity	Endesa se enfrenta a riesgos Endesa is exposed to cybersecurity risks.	The Cybersecurity Unit is keeping close track of the situation to identify any cyber event or anomaly at Endesa.	—	[4]
Operational Risks	Procurement, Logistics and Supply Chain	Endesa's business could be adversely affected by a possible inability to maintain its relations with suppliers or because the available supplier offering is insufficient in terms of quantity and/or quality, as well as supplier failures to maintain the conditions of the service provided, limiting the possibilities of operability and business continuity.	Any escalation of the conflict in the Middle East or the crisis caused by the war between Russia and Ukraine, as well as the financial tensions on a global level, may cause delays in supplies and breach of contracts at the supply chain level. Endesa, in developing new capacity, is exposed to financial needs, the inflationary environment, interruptions in the availability of materials and a shortage of qualified labour. In addition, there are also risks of technical faults and accidents that could temporarily interrupt the operation of its plants and service to customers. The occurrence of any of these events could adversely affect Endesa's businesses, results, financial position and cash flows.	Stochastic [2]	Medium
	Business interruption	Endesa is exposed to risks associated with the construction of new electricity generation and distribution facilities.		Scenarios [1]	Low
		Endesa's activity may be affected by failures, breakdowns, problems in carrying out planned work or other problems that cause unscheduled non-availability and other operational risks.		Scenarios [1]	Medium
Compliance risks	Compliance with other laws and regulations	Endesa is involved in various court and arbitration proceedings.	Endesa is subject to certain legal proceedings, the resolution of which could impact its Consolidated Financial Statements (see Note 51 of the Consolidated Annual Accounts for the year ended 31 December 2023, and Section 10.6 of this Consolidated Management Report).	—	[4]

(1) Scenario: calculated as the loss arising from the hypothetical situations.
(2) Stochastic: calculated as the loss that could be incurred with a certain degree of probability or confidence.
(3) The significance of the risks is measured based on the expected potential loss: High (exceeding Euros 75 million), Medium (between Euros 10 million and Euros 75 million) and Low (less than Euros 10 million).
(4) They relate to risks whose impact may be difficult to quantify economically (in general, high impact and probability, following the mitigation mechanisms implemented, very low or very difficult to determine).

10.4. Related parties

Related parties are those over which Endesa, directly or indirectly through one or more intermediary companies, exercises control or joint control, has significant influence, or is a key member of Endesa's Management.
For the purposes of the information included in this section, all companies of the Enel Group that are not included in the Consolidated Financial Statements of Endesa are considered significant shareholders of the Company.
Information on related parts is provided in Note 47 to the Consolidated Annual Accounts for the year ended 31 December 2023.

10.4.1. Expenditure and income, and other transactions with significant shareholders

Expenditure and income with significant shareholders

Millions of Euros

	January-September 2024	January-September 2023
Financial Expenses	161	148
Leases	—	—
Services Received	39	37
Purchase of Inventory	6	82
Other Expenses	59	1,345
Expenses for Financial Instruments Derived from Energy Commodities[1]	10	1,279
Power Purchases	4	14
Management or Collaboration Contracts	45	52
TOTAL EXPENSES	**265**	**1,612**
Financial Income	2	3
Received Dividends	—	—
Rendering of Services	4	4
Sales of Inventory	147	196
Other Income	15	821
Income from Financial Instruments Derived from Energy Commodities[1]	11	815
Energy Sales	—	3
Management or Collaboration Contracts	2	2
Leases	2	1
TOTAL INCOME	**168**	**1,024**

[1] In the January-September 2024 and 2023 periods, it includes Euros 1 million, positive, and Euros 255 million, negative, respectively, recorded in the Consolidated Statement of Other Comprehensive Income.

Other transactions with significant shareholders

Millions of Euros

	January-September 2024	January-September 2023
Financing Agreements: Loans and Capital Contributions (Lender)	—	—
Financing Agreements: Loans and Capital Contributions (Borrower)	8,645	10,139
Balance of Loans and Credit Lines Formalised and Drawn with Enel Finance International N.V.	6,520	6,525
Undrawn Committed and Irrevocable Credit Facilities with Enel Finance International N.V.	2,125	3,525
Balance of "Credit Support Annex" Formalised with Enel Global Trading S.p.A.	—	89
Guarantees Provided	—	—
Guarantees Received[1]	123	129
Commitments Made	4	91
Dividends and Other Distributions	742	1,177
Other Transactions[2]	14	21

[1] Includes the guarantee received from Enel, S.p.A. for the fulfilment of the contract for the purchase of liquefied natural gas (LNG) from Corpus Christi Liquefaction, LLC.
[2] Includes purchases of tangible, intangible, or other assets.

Balance with significant shareholders at the end of the period

As of 30 September 2024 and 31 December 2023, the balances with related parties are as follows:

Millions of Euros

	30 September 2024		
	Enel Iberia, S.L.U.	Other Significant Shareholders	Total
Customers and Trade Debtors	28	16	44
Loans and Credits Granted	—	—	—
Other Receivables[1]	410	3	413
TOTAL DEBIT BALANCES	**438**	**19**	**457**
Suppliers and Trade Creditors	14	323	337
Loans and Receivables[2]	—	6,520	6,520
Other Payment Obligations[1]	753	—	753
TOTAL TAX PAYABLES	**767**	**6,843**	**7,610**

[1] These entries reflect the accounts receivable and payable, respectively, from the Endesa companies that comprise the Consolidated Tax Group number 572/10, whose Parent Company is Enel, S.p.A., represented in Spain by Enel Iberia, S.L.U.
[2] Includes the ledger balance of loans subscribed and credit lines formalised and utilised with Enel Finance International N.V., totalling Euros 6,520 million.

Millions of Euros

	31 December 2023		
	Enel Iberia, S.L.U.	Other Significant Shareholders	Total
Customers and Trade Debtors	32	71	103
Loans and Credits Granted	2	—	2
Other Receivables[1]	227	2	229
TOTAL DEBIT BALANCES	**261**	**73**	**334**
Suppliers and Trade Creditors	489 [2]	224	713
Loans and Receivables[3]	—	6,526	6,526
Other Payment Obligations[1]	104	—	104
TOTAL TAX PAYABLES	**593**	**6,750**	**7,343**

[1] These entries reflect the accounts receivable and payable, respectively, from the Endesa companies that comprise the Consolidated Tax Group number 572/10, whose Parent Company is Enel, S.p.A., represented in Spain by Enel Iberia, S.L.U.
[2] Includes, principally, the interim dividend payable by Endesa, S.A. to Enel Iberia, S.L.U. amounting to Euros 371 million.
[3] Includes the ledger balance of loans and credit lines formalised and utilised with Enel Finance International N.V., totalling Euros 6,520 million, and the balance of the "Credit Support Annex" formalised with Enel Global Trading S.p.A., amounting to Euros 6 million.

10.4.2. Associates, joint ventures, and joint operating entities

As of 30 September 2024 and 31 December 2023, the information relating to customers from sales and service provision, and loans and guarantees granted to Associates, Joint Ventures, and Joint Operating Entities is as follows:

Millions of Euros

	Associates		Joint Ventures		Joint Operation	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Customer Receivables for Sales and Services	5	13	4	5	—	3
Credits	63	63	3	1	8	7
Guarantees Granted	—	—	—	—	—	—

During the January-September 2024 and 2023 periods, the transactions with Associates, Joint Ventures, and Joint Operating Entities, not eliminated during the consolidation process, included the following:

Millions of Euros

	Associates		Joint Ventures		Joint Operation	
	January-September 2024	January-September 2023	January-September 2024	January-September 2023	January-September 2024	January-September 2023
Income	6	3	1	1	2	—
Expenses	(4)	(20)	(20)	(20)	(29)	(28)

10.5. Purchase commitments and guarantees issued to third parties

As of 30 September 2024 and 31 December 2023, there are guarantees issued to third parties for the following items and amounts, and information relating to future purchase commitments is detailed as follows:

Millions of Euros

	30 September 2024	31 December 2023
Guarantees Issued to Third Parties:		
Tangible Fixed Assets Pledged as Collateral for Financing Received	34	39
Short and Long-Term Gas Contracts	278	366
Energy Contracts	201	69
LNG Carrier Lease Agreement	99	100
Contracts for Operating in Financial Markets	40	40
Supply Contracts for Property, Plant, and Equipment and Other Inventories	30	57
Associated Companies, Joint Ventures, and Joint Operating Entities	—	3
TOTAL[1]	**682**	**674**
Future Purchase Commitments:		
Tangible Assets	1,021	1,160
Intangible Assets	101	115
Financial Investments	—	—
Rendering of Services	20	15
Purchases of Energy Commodities and Others:	17,102	18,848
Energy Commodities	16,957	18,691
Electricity	—	—
Carbon Dioxide (CO_2) Emission Allowances	90	100
Other Inventories	55	57
TOTAL	**18,244**	**20,138**

[1] Excludes bank guarantees to third parties.

10.6. Contingent assets and liabilities

In the period ended 30 September 2024, the following significant changes occurred in relation to litigation and arbitration proceedings involving Endesa companies described in Note 51 to the Consolidated Annual Accounts for the year ended 31 December 2023:

- The Supreme Court issued Ruling number 212/2022, dated 21 February, in the Appeal filed by Endesa, S.A., Endesa Energía, S.A.U. and Energía XXI Comercializadora de Referencia, S.L.U. (Endesa), and in the Appeals filed by other electricity sector companies against the obligation, envisaged in article 45.4 of Electricity Sector Law 24/2013, of 26 December, Royal Decree Law 7/2016, of 23 December, and Royal Decree 897/2017, of 6 October, to finance the cost of the Social Bonus, and to cofinance with the public administrations the supply of severely vulnerable consumers that avail themselves of the Last Resort Tariffs (LRT) and which are at risk of social exclusion. It is an Appeal filed against the third system to finance the Social Bonus, whereby the obligation was imposed to finance the parents of company groups that carry out electricity supply activities, or the companies themselves that do so if they do not form part of a corporate group. In particular, the Supreme Court partially upheld the Appeal declaring (i) inapplicable the Social Bonus financing system and the cofinancing system with the administrations for the supply of severely vulnerable consumers that avail themselves of the Last Resort Tariff (LRT) and that are at risk of social exclusion; (ii) articles 12 to 17 of Royal Decree 897/2017, of 6 October, to be inapplicable and null and void. In turn, the following is acknowledged, (iii) the right of the claimant to be compensated for the amounts paid to finance and cofinance (alongside the public administrations) the Social Bonus, so that all amounts paid in this regard are refunded, less any amounts that may have been passed on to customers. Lastly, the following is declared: (iv) the right of the complainant to be compensated for the amounts invested to implement the procedure to request, check and manage the Social Bonus, together with the amounts paid to apply this procedure, discounting those amounts that, where appropriate, would have been passed on to the customers. The Supreme Court issued a ruling on 24 March 2022 dismissing the request to rectify or complement the judgement proposed by the State Legal Service, so that the government can continue to charge the relevant parties for the corresponding financing cost, as the financing system has been removed from the system. By Order of 24 May 2022, the Judgement was deemed to have been received by the responsible Body, indicating that the ruling must be complied with by the Subdirectorate General for Electrical Energy. In view of the inactivity of the Administration, on 10 November 2022, a written request for enforcement was filed. Subsequently, by Order of 9 January 2023, a report was received from the Ministry for Ecological Transition and Demographic Challenge ("MITECO") on the status of enforcement of the Judgement, and Endesa was given notice to state, within 10 days, whether the Administration had set the amounts to be paid as compensation. On 24 January 2023, Endesa submitted a written statement of allegations, together with the corresponding reports, and requested access to the report prepared by the Spanish National Markets and Competition Commission ("CNMC") on which the Ministry for Ecological Transition and the Demographic Challenge ("MITECO") based its report on the status of execution of the ruling, reserving the right to make further allegations in view of the aforementioned report. On 29 March 2023, a new submission was made to the Supreme Court requesting that (i) the uncontested amount of the compensation claimed be paid immediately, (ii) the report from the Spanish National Markets and Competition Commission (CNMC), which the Ministry for Ecological Transition and the Demographic Challenge (MITECO) relies upon to prepare its report on the execution status of the Judgement (as has been repeatedly requested), be forwarded, and (iii) the State Attorney be summoned to present submissions and proceed with the ratification of the expert reports presented. On 26 May 2023, the Supreme Court issued a decision, among other matters, to: (i) initiate enforcement proceedings of the Judgement, (ii) request MITECO to submit the Spanish National Markets and Competition Commission (CNMC) report dated 24 March 2022, (iii) partially uphold the proceedings initiated by Endesa, declaring the right of Energía XXI Comercializadora de Referencia, S.L.U. to be paid within a maximum period of one month the amount of Euros 152 million for the concept referred to in paragraph four of the operative part of the Judgement, increased by the corresponding legal interest calculated from the date of payment until the date of reimbursement; (iv) request MITECO to quantify, within a maximum period of one month, the amount to be paid to the appellant as compensation for the financing cost of the Social Bonus that corresponds to Endesa's free market segment, after deducting, where applicable, the amount that may have been passed on to customers, (v) request MITECO to promptly quantify the amount to be paid to the appellant for the amounts invested to implement the application, verification, and management procedure of the Social Bonus and to pay the appellant, within a maximum period of 2 months, the appropriate amount for this concept, increased with the legal interest as indicated in the operative part of the Judgement. On 28 July 2023, the Secretary of State for Energy issued a Resolution recognising Endesa (i) compensation of Euros 172 million (including the corresponding legal interest) for the financing costs associated with customers in the regulated market segment, and (ii) compensation of Euros 7 million (including the corresponding legal interest) for the costs of implementing and processing the Social Bonus. Regarding the financing cost associated with customers in the free market segment, the aforementioned Resolution of the Secretary of State for Energy does not recognise any compensation. On 18 September 2023, Endesa submitted a pleading to the Supreme Court, along with the corresponding expert reports, to demonstrate that Endesa has not passed on the financing cost of the Social Bonus associated with customers in the free market segment and, therefore, is entitled to full compensation. On 28 February 2024, a motion was filed requesting the continuation of the enforcement proceedings and ratification of the expert reports submitted. By Order dated 2 April 2024, the Supreme Court admitted the evidence proposed by Endesa, and the expert reports submitted by Endesa were ratified in April 2024. In May 2024, the Court appointed a court-appointed expert whose report was ratified before the Registry on 4 July 2024. Finally, on 8 October 2024, the Supreme Court notified an Order dated 18 September 2024 in which it agreed: (i) to uphold the enforcement motion filed as it has not been accredited that Endesa passed on (either explicitly or implicitly) the cost of financing the social bonus (ii) to declare Endesa's right to be paid by the Administration the amount of Euros 148 million for the amounts paid in financing and co-financing associated with the consumers supplied by Endesa Energía S. A., plus the corresponding interest calculated from the date on which the payment was made until the date of its effective repayment and (iii) declare Endesa's right to be paid by the Administration the amount of 6 million euros (additional to the Euros 7 million, including interest, already recognised for this item) in principal, corresponding to the amounts invested to implement the application procedure, verification and management of the social bonus, associated with consumers supplied by Energía XXI, Comercializadora de Referencia, S.L.U., plus the corresponding interest from the date on which the payment was made until the date of its repayment.

- In June 2017, the Competition Directorate of the Spanish National Markets and Competition Commission (CNMC) decided to initiate sanctioning proceedings against Energía XXI Comercializadora de Referencia, S.L.U. for a potential violation of Article 3 of Law 15/2007, of 3 July, on the Defence of Competition (LDC). The violation involved the use of invoices for customers under the Voluntary Price for Small Consumers (PVPC) or the Last Resort Tariff (TUR) to advertise the services offered by Endesa's deregulated supplier.

  Following the investigation of the sanctioning file, the proposal for Resolution was sent, and the relevant allegations were submitted by Energía XXI Comercializadora de Referencia, S.L.U. On 20 June 2019, a Resolution was issued by the Spanish National Markets and Competition Commission (CNMC) imposing a fine of approximately Euros 5 million on Energía XXI Comercializadora de Referencia, S.L.U. for an alleged act of unfair competition contrary to Article 3 of Law 15/2007, of 3 July, on the Defence of Competition (LDC) and Article 4 of Law 3/1991, of 10 January, on Unfair Competition (LCD).

  According to the Spanish National Markets and Competition Commission (CNMC), Energía XXI Comercializadora de Referencia, S.L.U. allegedly took advantage of a privileged channel (invoices issued to customers under the Voluntary Price for Small Consumers (PVPC) or the Last Resort Tariff (TUR)), which was not accessible to other competitors, to launch advertisements for its own deregulated market services to a supposedly vulnerable group: regulated market consumers.

  On 31 July 2019, Energía XXI Comercializadora de Referencia, S.L.U. filed a contentious-administrative Appeal before the National Court, requesting a cautionary suspension of the execution of the sanctioning resolution, among others, because it believes that (i) the Spanish National Markets and Competition Commission (CNMC) based its conclusions on mere unproven presumptions, (ii) the conduct of Energía XXI Comercializadora de Referencia, S.L.U. does not meet the necessary requirements to be considered an act contrary to good faith, and (iii) it has not been proven that the alleged conduct had an impact on competition and public interest that would be subject to sanctions under Article 3 of Law 15/2007, of 3 July, on the Defence of Competition (LDC).

On 10 October 2023, a judgement was issued by the National Court dismissing this contentious-administrative appeal. In response to this judgement, on 15 December 2023, Energía XXI Comercializadora de Referencia, S.L.U. filed a request for preparation of an appeal in cassation , which was admitted by the Supreme Court by Order dated 19 June 2024. Subsequently, on 6 September 2024, the appeal in cassation was submitted in writing.

- On 14 December 2020, the Competition Directorate of the Spanish National Markets and Competition Commission (CNMC) notified Enel Green Power España, S.L.U. and its parent company, Endesa Generación, S.A.U., of the commencement of disciplinary proceedings for alleged abuse of a dominant position by Enel Green Power España, S.L.U. in the market for access and connection to the transmission grid at certain nodes, impacting the related electricity generation market. According to the Spanish National Markets and Competition Commission (CNMC), Enel Green Power España, S.L.U. allegedly exploited its status as the Single Node Interlocutor (IUN) to favour companies within its own group to the detriment of third-party generators.

  Enel Green Power España, S.L.U. submitted representations stating that it does not hold a dominant position in the market for access and connection to the transmission grid, nor does the role of the Single Node Interlocutor (IUN) have any decision-making powers or discretion in the process of grid access applications, as has been acknowledged by the Spanish National Markets and Competition Commission (CNMC) in numerous cases and is stipulated in the sector regulations that grant the System Operator the exclusive authority to handle and analyse connection requests to the transmission grid. Furthermore, Enel Green Power España, S.L.U. contends that no exclusionary effect or market closure has occurred, and therefore, the alleged abusive practice should be outright dismissed, as it does not meet the criteria set out in Article 2 of Law 15/2007, of 3 July, on the Defence of Competition. Following the instruction of the disciplinary proceedings, the dispatch of the Proposed Resolution, and the submission of the corresponding representations by Enel Green Power España, S.L.U., on 10 June 2022, the Spanish National Markets and Competition Commission (CNMC) issued a sanctioning resolution imposing fines totalling Euros 5 million on Enel Green Power España, S.L.U. and, jointly and severally, on its parent company Endesa Generación, S.A.U., for two very serious infringements contrary to Article 2 of Law 15/2007, of 3 July, on the Defence of Competition. These infringements involved alleged abuse of a dominant position by Enel Green Power España, S.L.U., in its capacity as Single Node Interlocutor (IUN), in the market for access and connection to the transmission grid at the Tajo de la Encantada and Lastras substations. On 29 July 2022, Enel Green Power España, S.L.U. and Endesa Generación, S.A.U. filed an appeal with the National High Court against the sanctioning resolution of 10 June 2022 and concurrently requested the provisional suspension of the third section of the operative part of the resolution concerning the payment of the imposed fines. By Order of 13 December 2022, the National High Court agreed to suspend the execution of the fine, conditional upon the provision of sufficient guarantee by the appellants, duly submitted to the Court. On 20 April 2023, a statement of claim was filed, and a response was also provided by the State Attorney. On 12 March 2024, the expert report was ratified, with written conclusions submitted by both the appellant and the Administration. The matter is currently pending Judgement.

- On 6 October 2021, the Directorate-General for Energy of the Government of the Canary Islands notified Edistribución Redes Digitales, S.L.U. of the initiation of three sanctioning proceedings, ES.AE.LP 006/2019, ES.AE.LP 007/2019, and ES.AE.LP 008/2019, with fines amounting to Euros 11, 19, and 28 million, respectively. These were for alleged infringements involving the unjustified refusal or alteration of the connection permit to a grid point and the failure to comply with maintenance obligations and the proper functioning of a service handling complaints, claims, and incidents. These initiation agreements contained significant flaws in identifying the facts underlying the accusations, which fundamentally impacted the right to a defence. Consequently, on 29 October 2021, Edistribución Redes Digitales, S.L.U. submitted written representations in each case, highlighting this issue as it was impossible to formulate an adequate defence without a clear understanding of the specific allegations. On 28 January 2022, the authority handling the first case, ES.AE.LP 006/2019, responded, and on 7 February 2022, responses for the remaining two cases, ES.AE.LP 007/2019 and ES.AE.LP 008/2019, were received. These responses included copies of the foundational files upon which the decisions to initiate the sanctioning proceedings were based. This constitutes a significant indicator of the irregularities in the handling of these cases.

  In relation to the sanctioning file ES.AE.LP 006/2019, initial representations were made on 18 February 2022, and the Directorate-General for Energy of the

Government of the Canary Islands, on 17 June 2022, decided to terminate the sanctioning proceedings and close the file, as Edistribución Redes Digitales, S.L.U. had not breached the regulations applicable to the Electricity Sector.

In relation to the sanctioning files ES.AE.LP 007/2019 and ES.AE.LP 008/2019, it should be noted that according to the doctrine of the High Court of Justice of the Canary Islands, the time limit for the expiration of sanctioning proceedings in the Canary Islands is three months. This time limit applies to all proceedings initiated before the enactment of Decree Law 8/2023 on 6 November, as evidenced by its judgements 263/2023 of 25 May, and 508 and 509/2023, both of 9 October. Therefore, based on the opinion of external advisors and the information available, it can be asserted that both cases have expired. Furthermore, and without prejudice to the aforementioned expiration of both proceedings, according to Article 74.1 of Law 24/2013, of 26 December, on the Electricity Sector, this opinion also extends to the conclusion that such infringements would be considered time-barred, even if they were classified as very serious.

On 24 January 2022, Edistribución Redes Digitales, S.L.U. was notified of a new resolution from the Directorate General for Energy of the Government of the Canary Islands, dated 18 November 2021. This resolution initiated another sanctioning procedure, ES.AE.LP 06/2020, for the alleged commission of five continuous and serious infringements and two non-continuous very serious infringements, with a potential fine of Euros 94 million. The alleged infringements pertain to requests for access and connection to the grid, execution of connections, processing of customer requests, provided information, implemented systems, and delays in execution and complaint and claim services. These infringements are related to 50 non-penal administrative files. Representations were made on 18 March 2022. On 28 September 2022, a Proposal for Resolution dated 26 September 2022 was notified, proposing to fine Edistribución Redes Digitales, S.L.U. Euros 31 million as the entity responsible for committing five serious and two very serious infringements under Law 24/2013, of 26 December, on the Electricity Sector.

This pattern of reducing the initial amount at the start of proceedings is being replicated in other sanctioning cases, as well as the closure of cases due to expiration, following the aforementioned rulings of the High Court of Justice of the Canary Islands. However, there have been instances where expired cases have been reopened.

- During the review process of the pricing in a long-term liquefied natural gas supply contract, the counterparty, a liquefied natural gas production Company, initiated arbitration against Endesa Generación, S.A.U. in March 2023. They requested a revision of the contractual price, with an impact of approximately US Dollar 700 million (USD) (including interest) as of 30 September 2024. This amount may be subject to revision depending on market developments over the coming months and until the conclusion of the arbitration, which is expected by the last quarter of 2024.
- Royal Decree Law 17/2021, of 14 September, on urgent measures to mitigate the impact of soaring natural gas prices on the retail gas and electricity markets, established a mechanism for reducing the excess remuneration of infra-marginal and non-emitting electricity production facilities, in proportion to the greater income obtained by them as a result of the incorporation into electricity prices on the wholesale market of the value of the price of natural gas by marginal emitting technologies.

  Under this decree, the System Operator is responsible for the monthly settlement of the amount calculated according to the established methodology. The payment is due from the generating companies that own the affected facilities, or from the marketing companies if the energy produced is bilaterally traded within the same group of companies.

  Previously, on a monthly basis, each company or group of companies could declare energy exempt from reduction, covered by a forward contracting instrument that met the requirements in force at the time (which have varied with successive Royal Decree-Laws modifying the original regulation).

  In accordance with the above, companies in the Endesa Group (Endesa), throughout the entire fiscal year 2023, declared the energy exempt that meets the legally established requirements, paid the amounts of the settlements issued by the System Operator, and, without prejudice to these payments, contested those it deemed that non-compliant with current legislation.

  The Spanish National Markets and Competition Commission (CNMC) is responsible for checking and verifying this mechanism. Accordingly, on 18 July 2022, the Spanish National Markets and Competition Commission (CNMC) initiated a procedure to check and verify Endesa's settlements for the period from 16 September 2021 to 31 March 2022, which was concluded by Resolution of the Spanish National Markets and Competition Commission (CNMC) on 18 April 2024.

Endesa has appealed this resolution, which resulted in a payment obligation for Endesa of Euros 5 million, before the National High Court. In addition, Endesa filed a writ against the Resolution of the Spanish National Markets and Competition Commission (CNMC) of 18 April 2024, requesting that, for the purposes of calculating the Endesa Group's net selling position, the Spanish National Markets and Competition Commission (CNMC) take into account certain data provided by Endesa and correct, as a result, the volume of energy declared. On 14 September 2024, the Spanish National Markets and Competition Commission (CNMC) issued a ruling on 10 October 2024 upholding the request and recognising an amount of Euros 4 million in favour of Endesa.

Despite the time that has passed, the Spanish National Markets and Competition Commission (CNMC) has not yet started a verification procedure for the settlements of Endesa for the subsequent period from April 2022 to December 2023. Given the complexity of the regulation, its successive amendments, and the lack of established general and public criteria that could provide greater legal certainty regarding the application of Royal Decree Law 17/2021 of 14 September, as well as the discrepancies noted in the previous verification period, it is currently not possible to predict a final outcome. The emergence of impacts on the amount of the final sums to be settled for the period from April 2022 to December 2023 can not be ruled out.

Regarding the 2021, 2022, and 2023 fiscal years, Endesa has made payments under Royal Decree-Law 17/2021, of 14 September, amounting to Euros 5 million(amount from which the sum of 4 million euros recognized in favor of Endesa as a result of the aforementioned Spanish National Markets and Competition Commission (CNMC) Resolution of October 10, 2024 should be subtracted), Euros 9 million, and Euros 119 million, respectively.

- In relation to the inspection process for the years 2015 to 2018, the final Income Tax (IT) and Value Added Tax (VAT) Settlement Agreements of the Income Tax (IT) and Value Added Tax (VAT) Tax Consolidation Groups, to which Endesa, S.A. belongs, and Personal Income Tax (IRPF) withholdings for each of the companies inspected, have been received. The resolutions were appealed before the Central Economic-Administrative Court, and the following dismissals were received in 2024: on 29 February 2024, the decision regarding the settlement agreement that regularised the deductibility of financial expenses for Corporate Income Tax (IS) purposes was received, and on 26 March 2024, the decisions concerning Personal Income Tax (IRPF) were received. These rulings have been contested before the National High Court.

  The concepts under discussion originate mainly in the difference in criteria on the deductibility of certain financial expenses for the period inspected and in the rejection of part of the accredited deduction for Research, Development and Technological Innovation. The contingency associated with the process is Euros 56 million. A guarantee is in place to ensure the suspension of the debt.
- Regarding the Tax on Spent Nuclear Fuel governed by Law 15/2012, of 27 December, on Fiscal Measures for Energy Sustainability, there are ongoing proceedings where Endesa Generación, S.A.U. has requested a modification of the tax base. This is because it believes that the criterion established in the Resolution of the Central Economic-Administrative Court (TEAC) from 22 February 2022 should be applied for calculating the retroactivity coefficient set out in the Third Transitional Provision of the law. Following these claims, Endesa Generación, S.A.U. has requested a refund of undue payments. On 22 March 2024, the tax inspectorate agreed to refund Euros 5 million, with a decision pending on the remaining Euros 139 million for which a refund has also been requested.
- In relation to the New Temporary Energy Levy introduced by Law 38/2022, of 27 December, which establishes temporary taxes on energy and financial credit institutions and creates a temporary solidarity tax for large fortunes, while amending certain tax regulations (see Note 5), Endesa, S.A. challenged the implementing regulations in February 2023 at the National High Court, arguing that the tax contravenes European and Spanish law. Self-assessments filed during 2023 have been contested, with a request for a refund of Euros 208 million, plus applicable late payment interest (see Section 6.2.2 of this Consolidated Management Report). Furthermore, the amounts related to the self-assessments for the financial year 2024 will also be contested.
- Trade unions Workers' Commissions (CCOO), Independent Energy Union (SIE), and the Galician Inter-Union Confederation (CIG) filed a collective dispute claim before the National High Court on 16 December 2020, seeking the annulment of certain derogatory provisions of the "*V Framework Collective Agreement of Endesa*". According to the claimants, the challenged derogatory provisions unlawfully eliminate social benefits and economic rights. Endesa maintained the opposite stance, defending the absolute legality of its actions, consistent with the arguments used in the challenge to the modification of social benefits for retired staff

(favourable rulings from the Supreme Court dated 7 July 2021). On 15 November 2021, the National High Court issued a judgement dismissing the appealing Trade Unions' claims and declaring the legality of the "*V Framework Collective Agreement of Endesa*". Following the corresponding appeal in cassation brought by trade unions Workers' Commissions (CCOO), Independent Energy Union (SIE), and the Galician Inter-Union Confederation (CIG), on 25 April 2024, the Ruling issued by the Full Chamber of the Supreme Court was notified, which unanimously dismissed the appeal filed by the unions and upheld Endesa's arguments.

- In January 2020, Endesa initiated a process for the "*Substantial Modification of Working Conditions*" (MSCT), aimed at establishing a new arrangement for social benefits for staff not included in the "*V Collective Framework Agreement of Endesa*" consistent with the regime set out in that convention on that matter, which concluded on 24 March 2021, with an agreement between Endesa and the majority union General Union of Workers (UGT), against the opposition of the unions Workers' Commissions (CCOO) and Independent Energy Union (SIE), which argued that none of the causes provided for in Article 41 of the Workers' Statute applied in order to carry out the substantial modification sought by the company.
  On 24 April 2020, a collective conflict complaint was filed with the National High Court by Trade Unions Workers' Commissions (CCOO) and Independent Energy Union (SIE). The procedure remained suspended until the Supreme Court ruling on 7 July 2021, regarding the "*IV Collective Framework Agreement of Endesa,*" which was mentioned above. The National High Court issued a ruling on 11 November 2021, which partially upheld the complaint raised by the appealing Trade Unions, and declared the nullity of the agreements on the Substantial Modification of Working Conditions reached by Endesa and General Union of Workers (UGT). On the other hand, the "res judicata" effect was recognised concerning the passive rights of staff not included in the Agreement, as this controversy had already been resolved by the Supreme Court Ruling of 7 July 2021. Both Endesa, on the one hand, and Trade Unions Workers' Commissions (CCOO) and Independent Energy Union (SIE) filed an appeal in cassation with the Supreme Court against aspects of the Ruling that were contrary to their interests. On 5 July 2024, the Ruling issued in cassation by the Supreme Court was notified, confirming the Decision made by the High National Court to declare the nullity of the agreements on the Substantial Modification of Working Conditions for active personnel, while once again confirming the "*res judicata*" effect for retired staff not included the Agreement.

The Directors of Endesa believe that the provisions recorded in the Consolidated Financial Statements for the January-September 2024 period adequately cover the risks associated with litigation, arbitration, and claims, with no additional liabilities expected beyond those already recorded. Due to the nature of the risks covered by these provisions, it is not feasible to determine a reasonable timetable for potential payment or collection dates.

During the period January-September 2024 the amount of payments made for the settlement of disputes amounted to Euros 3 million.

11. EVENTS AFTER THE REPORTING PERIOD

Other than the events described above, no other significant subsequent events took place between 30 September 2024 and the date of approval of this Consolidated Management Report other than those discussed herein.

12. ALTERNATIVE PERFORMANCE MEASURES (APMs)

The following outlines the alternative performance metrics for Endesa and their value in the January-September 2024 and 2023 periods:

Indicators associated with analysis of results

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs)		Relevance of use
			January-September 2024	January-September 2023	
Procurements and services	M€	Power purchases + Fuel consumption + Transmission costs + Other variable procurements and services	9,616 M€ = 3,126 M€ + 1,538 M€ + 2,704 M€ + 2,248 M€	11,938 M€ = 5,115 M€ + 1,985 M€ + 2,454 M€ + 2,384 M€	Goods and services for production
Contribution margin	M€	Revenue - Procurements and Services +- Income and Expenses for Energy Stocks Derivatives	5,349 M€ = 15,765 M€ - 9,616 M€ - 800 M€	4,898 M€ = 19,211 M€ + 11,938 M€ - 2,375 M€	Measure of operating profit considering direct variable production costs
Gross operating income (EBITDA)	M€	Income - Procurements and Services +- Income and Expenses for Energy Stocks Derivatives + Self-constructed assets - Personnel Expenses - Other Fixed Operating Expenses + Other gains and losses	3,881 M€ = 15,765 M€ - 9,616 M€ - 800 M€ + 190 M€ - 726 M€ - 971 M€ + 39 M€	3,353 M€ = 19,211 M€ - 11,938 M€ - 2,375 M€ + 210 M€ - 756 M€ - 1,010 M€ + 11 M€	Measure of operating return excluding interest, taxes, provisions and amortisation
Operating Income (EBIT)	M€	Gross operating income (EBITDA) - Depreciation and amortisation, and impairment losses	2,300 M€ = 3,881 M€ - 1,581 M€	1,903 M€ = 3,353 M€ - 1,450 M€	Measure of operating profit excluding interest and taxes
Net financial profit/ (loss)	M€	Financial Income - Financial Expense +- Income and Expenses on Derivative Financial Instruments +- Net Exchange Differences	(385) M€ = 72 M€ - 465 M€ + 15 M€ - 7 M€	(410) M€ = 34 M€ - 486 M€ + 28 M€ + 14 M€	Measure of financial cost
Net financial loss	M€	Financial Income - Financial Expense +- Income and Expenses on Derivative Financial Instruments	(378) M€ = 72 M€ - 465 M€ + 15 M€	(424) M€ = 34 M€ - 486 M€ + 28 M€	Measure of financial cost
Net income	M€	Net income of the Parent	1,404 M€	1,059 M€	Measure of profit for the period
Net earnings per share	€	Net Income of the Parent / Number of Shares at the end of the Reporting Period	1.326 € = 1,404 M€ / 1,058,752,117 shares	1.000 € = 1,059 M€ / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share in circulation

M€ = Millions of Euros; € = Euros.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) January-September 2024	January-September 2023	Relevance of use
Net ordinary income	M€	Net ordinary income = Net income of the Parent - Net gain/(loss) on disposal of non-financial assets (exceeding € 10 million) - Net impairment losses on non-financial assets (exceeding € 10 million) - Initial net expenses of personnel expenses as a result of workforce restructuring plans relating to the Decarbonisation Plan and process digitalisation	1,376 M€ = 1,404 M€ - 28 M€ - 0 M€ - 0 M€	1,059 M€ = 1,059 M€ - 0 M€ - 0 M€ - 0 M€	Measure of profit for the period stripping out extraordinary items in excess of € 10 million
Net ordinary earnings per share	€	Net ordinary income of the Parent / Number of shares at the end of the reporting period	1.300 € = 1,376 M€ / 1,058,752,117 shares	1.000 € = 1,059 M€ / 1,058,752,117 shares	Measure of the portion of net ordinary income corresponding to each share in circulation
Economic Profitability	%	Operating Income (EBIT) for the last 12 months / ((PP&E (n) + PP&E (n-1)) / 2)	8.94% = 2,042 M€ / ((22,849 + 22,839) / 2) M€	14.30% = 3,202 M€ / ((22,444 + 22,338) / 2) M€	Measure of the capacityto generate income from invested assets or capital
Return on capital employed (ROCE)	%	Profit from operations after tax for the last 12 months / ((Non-current Assets (n) + Non-current Assets (n-1)) / 2) + ((Current Assets (n) + Current Assets (n-1)) / 2)	3.76% = 1,507 M€ / ((28,449 + 28,825) / 2 + (10,511 + 12,458) / 2) M€	5.11% = 2,328 M€ / ((28,524 + 30,142) / 2 + (12,571 + 19,925) / 2) M€	Measure of the return on capital employed
Return on Invested Capital (ROIC)	%	Profit from operations after tax for the last 12 months / (Equity of the Parent + Net financial debt)	8.15% = 1,507 M€ / (8,091 M€ + 10,402 M€)	12.38% = 2,328 M€ / (7,255 M€ + 11,551 M€)	Measure of the return on invested capital
Ordinary Return on Equity	%	Net ordinary income attributable to the Parent in the last 12 months / ((Equity of the Parent (n) + Equity of the Parent (n-1)) / 2)	16.79% = 1,268 M€ / ((8,091 + 7,017) / 2) M€	31.03% = 1,988 M€ / ((7,255 + 5,557) / 2) M€	Measure of the capacity to generate profits on shareholder investments
Ordinary Return on Assets	%	Net ordinary income of the Parent for the last 12 months / (Total Assets (n) + Total Assets (n-1) / 2)	3.16% = 1,268 M€ / ((38,960 + 41,283) / 2) M€	4.36% = 1,988 M€ / ((41,095 + 50,067) / 2) M€	Measure of business profitability

M€ = Millions of Euros; € = Euros.
n = 30 September of the year being calculated.
n-1 = 31 December of the year before the year being calculated.

Indicators associated with financial and asset analysis

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 30 September 2024	31 December 2023	Relevance of use
Gross financial debt	M€	Non-current financial debt + Current financial debt	13,430 M€ = 9,550 M€ + 3,880 M€	13,727 M€ = 9,636 M€ + 4,091 M€	Financial debt, long and short term.
Average life of gross financial debt	Number of Years	(Principal * Number of Valid Days) / (Valid Principal at the end of the Reporting Period * Number of Days in the Period)	3.7 years = 50,373 / 13,459	4.0 years = 55,308 / 13,780	Measure of the duration of borrowings to maturity

M€ = Millions of Euros; € = Euros

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 30 September 2024	31 December 2023	Relevance of use
Structure of Gross Financial Debt	M€	Expenses for Financial Liabilities at Amortised Cost - Expense allocated to Financial Guarantees recorded in Liabilities - / + Income and Expenses for Financial Assets and Liabilities at Fair Value with Changes in Results - / + Income and Expenses for Derivative Financial Instruments Associated with Debt	365 M€ = 365 M€ - 7 M€ + 22 M€ - 15 M€	486 M€ = 505 M€ - 8 M€ + 43 M€ - 54 M€	Measure of the financial cost of gross financial debt
Average cost of gross financial debt	%	Cost of gross financial debt /Average gross financial debt	3.6% = (365 M€ * (365 days/ 274 days)) / 13,408 M€	3.2% = 486 M€ / 15,373 M€	Measure of the effective rate of borrowings
Average gross financial debt	M€	(Total Drawdowns or Debt Positions * Number of Days in force of each Provision or Position) / (Cumulative Number of Days in Force	13,408 M€	15,373 M€	Measure of average gross financial debt in the period to calculate the average cost of gross financial debt
Net financial debt	M€	Non-current borrowings + Current borrowings + Debt derivatives recognised in liabilities - Cash and cash equivalents - Debt derivatives recognised in assets - Financial guarantees recognised in assets	10,402 M€ = 9,550 M€ + 3,880 M€ + 43 M€ - 2,480 M€ - 43 M€ - 548 M€	10,405 M€ = 9,636 M€ + 4,091 M€ + 61 M€ - 2,106 M€ - 57 M€ - 1,220 M€	Current and non-current borrowings, less cash and financial investments equivalent to cash and financial guarantees recognised in assets
Leverage	%	Net financial debt / Equity	125.87% = 10,402 M€ / 8,264 M€	144.43% = 10,405 M€ / 7,204 M€	Measure of the weighting of external funds in the financing of business activities
Liquidity	M€	Cash and cash equivalents + Unconditional undrawn credit lines and loan.	8,893 M€ = 2,480 M€ + 6,413 M€	10,027 M€ = 2,106 M€ + 7,921 M€	Measure of the capacity to meet debt maturities and related financial expenses
Liquidity ratio	Na	Current assets / Current liabilities	0.89 = 10,511 M€ / 11,841 M€	0.85 = 12,458 M€ / 14,575 M€	Measure of the capacity to meet short term commitments
Coverage of Debt Maturity	Number of Months	Maturity period (no. of months) for vegetative debt and financial expense that could be covered with available liquidity	31 Months	27 Months	Measure of the capacity to meet debt maturities and related financial expenses
Debt coverage ratio	Na	Net financial debt / gross operating income (EBITDA) of the last 12 months	2.42 = 10,402 M€ / 4,305 M€	2.75 = 10,405 M€ / 3,777 M€	Measure of the amount of available cash flow to meet payments of principal on borrowings
Debt ratio	%	Net financial debt / (Equity + Net financial debt)	55.73% = 10,402 M€ / (8,264 + 10,402) M€	59.09% = 10,405 M€ / (7,204 + 10,405) M€	Measure of the weighting of external funds in the financing of business activities
Solvency ratio	Na	(Equity + Non-Current liabilities) / Non-current assets	0.95 = (8,264 M€ + 18,855 M€) / 28,449 M€	0.93 = (7,204 M€ + 19,504 M€) / 28,825 M€	Measure of the capacity to meet obligations
Fixed assets	M€	Property, Plant and Equipment + Investment Property + Intangible Assets + Goodwill	25,046 M€ = 22,849 M€ + 77 M€ + 1,658 M€ + 462 M€	25,016 M€ = 22,839 M€ + 69 M€ + 1,646 M€ + 462 M€	Tangible or intangible assets of the Company, not convertible into liquid assets at short term, necessary for the functioning of the Company and not earmarked for sale

M€ = Millions of Euros; € = Euros

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 30 September 2024	Reconciliation of Alternative Performance Measures (APMs) 31 December 2023	Relevance of use
Total Net Non-Current Assets	M€	Property, plant, and equipment + Intangible assets + Goodwill + Investments accounted for using the equity method + Investment property + Other non-current financial assets + Non-current derivative financial instruments + Other non-current assets - Grants - Non-current liabilities from contracts with customers - Non-current derivative financial instruments - Other non-current financial liabilities - Other non-current liabilities - Financial guarantees recognised in Non-current assets - Debt derivatives recognised under non-current financial assets and liabilities	21,397 M€ = 22,849 M€ + 1,658 M€ + 462 M€ + 285 M€ + 77 M€ + 808 M€ + 440 M€ + 440 M€ - 218 M€ - 4,357 M€ - 345 M€ - 78 M€ - 572 M€ - 48 M€ - 4 M€	21,453 M€ = 22,839 M€ + 1,646 M€ + 462 M€ + 273 M€ + 69 M€ + 663 M€ + 879 M€ + 386 M€ - 227 M€ - 4,348 M€ - 544 M€ - 8 M€ - 578 M€ - 47 M€ - 12 M€	Measure of non-current assets excluding deferred tax assets, less the value of deferred income and other non-current liabilities
Total net working capital	M€	Trade receivables for sales and services and other receivables + Inventories + Other current financial assets + Current derivative financial instruments + Current income tax assets + Other tax assets + Current assets from contracts with customers - Current income tax liabilities - Other tax liabilities - Current derivative financial instruments - Other current financial liabilities - Current liabilities from contracts with customers - Financial guarantees recognised in current assets - Debt derivatives recognised under current financial assets and liabilities - Suppliers and other payables	503 M€ = 4,183 M€ + 1,417 M€ + 1,080 M€ + 631 M€ + 426 M€ + 292 M€ + 2 M€ - 871 M€ - 696 M€ - 732 M€ - 155 M€ - 477 M€ - 500 M€ - 4 M€ - 4,101 M€	88 M€ = 4,912 M€ + 2,060 M€ + 1,777 M€ + 1,054 M€ + 233 M€ + 312 M€ + 4 M€ - 215 M€ - 446 M€ - 1,673 M€ - 104 M€ - 427 M€ - 1,173 M€ + 16 M€ - 6,242 M€	Measure of current assets excluding cash and financial investments equivalent to cash, less suppliers and other payables and current income tax liabilities
Gross invested capital	M€	Total net non-current assets + Total net working capital	21,900 M€ = 21,397 M€ + 503 M€	21,541 M€ = 21,453 M€ + 88 M€	Total net non-current assets plus total net working capital
Total deferred tax assets and liabilities and provisions	M€	- Provisions for pensions and similar obligations - Other non-current provisions - Current provisions + Deferred tax assets - Deferred tax liabilities	(3,234) M€ = - 239 M€ - 2,443 M€ - 929 M€ + 1,430 M€ - 1,053 M€	(3,932) M€ = - 268 M€ - 2,587 M€ - 1,377 M€ + 1,608 M€ - 1,308 M€	Measure of deferred tax assets and liabilities and provisions
Net Invested Capital	M€	Gross capital invested - Total deferred tax assets and liabilities and provisions + Net non-current assets held for sale and discontinued operations	18,666 M€ = 21,900 M€ - 3,234 M€ + 0 M€	17,609 M€ = 21,541 M€ - 3,932 M€ + 0 M€	Measure of gross capital invested plus total provisions and deferred tax assets and liabilities and non-current assets held for sale and discontinued operations

M€ = Millions of Euros; € = Euros

Stock market indicators

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs)		Relevance of use
			30 September 2024	31 December 2023	
Book value per share	€	Equity of the Parent / Number of shares at the end of the reporting period	7.642 € = 8,091 M€ / 1,058,752,117 shares	6.628 € = 7,017 M€ / 1,058,752,117 shares	Measure of the portion of own funds corresponding to each share in circulation
Market Capitalisation	M€	Number of Shares at the end of the Reporting Period * Price at the end of the Reporting Period	20,783 M€ = 1,058,752,117 shares * 19.630 €	19,545 M€ = 1,058,752,117 shares * 18.460 €	Measure of the Company's market value according to the share price
Price to Earnings Ratio (P.E.R.) Ordinary	Na	Price at the end of the reporting period / Net earnings per share for the last 12 months	16.39 = 19.630 € / 1.198 €	20.55 = 18.460 € / 0.8982 €	Measure indicating the number of times net ordinary earnings per share can be divided into the market price of the shares
Price to Earnings Ratio (P.E.R.)	Na	Price at the end of the reporting period / Net earnings per share for the last 12 months	19.11 = 19.630 € / 1.027 €	26.34 = 18.460 € / 0.7008 €	Measure indicating the number of times net earnings per share can be divided into the market price of the shares
Price / Carrying amount	Na	Market cap / Equity of the Parent	2.57 = 20,783 M€ / 8,091 M€	2.79 = 19,545 M€ / 7,017 M€	Measure comparing the Company's market value according to the share price with the carrying amount

M€ = Millions of Euros; € = Euros.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs)		Relevance of use
			2023	2022	
Shareholder return	%	Stock market return + Dividend yield	13.67% = 4.68% + 8.99%	(5.58%) = (12.70%) + 7.11%	Measure of the relationship between the amount invested in a share and the economic result delivered, which includes the effect of the change in price of the share in the year and of the gross dividend received in cash (without considering reinvestment)
Stock market return	%	(Share price at the close of the period - Share price at the beginning of the period / Share price at the beginning of the period	4.68% = (18.460 € – 17.635 €) / 17.635 €	(12.70%) = (17.635 € – 20.200 €) / 20.200 €	Measure of the relationship between the amount invested in a share and the effect of the change in the share price during the year
Dividend Yield	%	(Gross dividend paid in the year) / Share price at the beginning of the period	8.99% = 1.5854 € / 17.635 €	7.11% = 1.4372 € / 20.200 €	Measure of the relationship between the amount invested in a share and the gross dividend received in cash (without considering any reinvestment)
Consolidated ordinary pay-out	%	(Gross dividend per share * Number of shares at the end of the reporting period) / Net ordinary income of the Parent	111.3% = (1 € * 1,058,752,117 shares) / 951 M€	70.0% = (1.5854 € * 1,058,752,117 shares) / 2,398 M€	Measure of the part of ordinary income obtained used to remunerate shareholders through the payment of dividends (consolidated Group)

M€ = Millions of Euros; € = Euros.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 2023	2022	Relevance of use
Consolidated Pay-Out	%	Gross Dividend per Share * Number of Shares at the end of the Reporting Period) / Profit for the Year of the Parent	142.7% = (1 € * 1,058,752,117 shares) / 742 M€	66.1% = (1.5854 € * 1,058,752,117 shares) / 2,541 M€	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (consolidated Group)
Individual Pay-Out	%	(Gross dividend per share * Number of shares at the end of the reporting period / Profit of Endesa, S.A. for the year	182.5% = (1 € * 1,058,752,117 shares) / 580 M€	240.8% = (1.5854 € * 1,058,752,117 shares) / 697 M€	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (individual company)

M€ = Millions of Euros; € = Euros.

Additional Indicators

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) January–September 2024	January–September 2023	Relevance of use
Funds from Operations	M€	Cash Flows from Operating Activities - Changes in Working Capital - Self-constructed Assets	3,407 M€ = 2,669 M€ + 928 M€ - 190 M€	2,933 M€ = 2,839 M€ + 304 M€ - 210 M€	Measure of the cash generated by the company's business available to make investments, repay debt and distribute dividends to shareholders
Interest Expenses	M€	Interest paid	361 M€	295 M€	Measure of interest paid
Cash Flow	M€	Net Cash Flow from Operating Activities = Gross Profit Before Taxes + Result Adjustments + Changes in Working Capital + Other Cash Flows from Operating Activities	2,669 M€ = 1,923 M€ + 2,330 M€ - 928 M€ - 656 M€	2,839 M€ = 1,506 M€ + 2,740 M€ - 304 M€ - 1,103 M€	Measurement of cash inflows and outflows from the entity's operating activities.
Cash flow per Share	€	Net cash flow from operating activities / Number of shares at the close of the period	2.521 € = 2,669 M€ / 1,058,752,117 shares	2.681 € = 2,839 M€ / 1,058,752,117 shares	Measure of the portion of funds corresponding to each share in circulation
Cash Flow / Net Financial Debt	%	Net Cash Flow from Operating Activities of the last 12 months / Net Financial Debt	43.52% = 4,527 M€ / 10,402 M€	33.98% = 3,925 M€ / 11,551 M€	Measure of the portion of funds generated over total net financial debt
Gross Investment	M€	Investments in Property, Plant and Equipment + Investments in Intangible Assets	1,346 M€ = 1,076 M€ + 270 M€	1,580 M€ = 1,301 M€ + 279 M€	Measure of investing activity
Net investments	M€	Gross Investments - Capital grants and facilities transferred	1,171 M€ = 1,346 M€ - 175 M€	1,458 M€ = 1,580 M€ - 122 M€	Measure of investing activity net of grants received

M€ = Millions of Euros; € = Euros.

13. OUTLOOK FOR THE BUSINESS

The evolution of the main macroeconomic and market variables during the third quarter of 2024 has confirmed expectations of a more favourable context for the development of energy sector companies in the coming months.

After several years of contraction in energy consumption, electricity demand has slightly rebounded in the first 9 months of 2024, with clear signs of improvement in sectors such as tourism, which has recovered to pre-pandemic levels this year. This increase has in turn favoured a recovery in electricity prices from the annual lows recorded in April, when they averaged Euros 13.7/MWh. During the third quarter, increased demand, typical seasonal conditions for the period, and rising raw material prices have resulted in an average quarterly price of Euros 79/MWh, after peaking at the highest levels of the year in August at Euros 91.1/MWh.

Electricity futures markets also show an upward trend since the first quarter of 2024, which supports expectations of higher electricity prices in the next 2 years, despite the anticipated increase in installed renewable capacity, which is expected to lead to greater volatility in hourly pool prices.

This scenario of greater price volatility is not expected to negatively impact Endesa's short-term results, in line with its joint management approach to the integrated margin of electricity generation and marketing.

National energy and climate plan (NECP) 2023-2030

In the regulatory context, it is worth pointing out that at the end of the quarter, the Government approved Royal Decree 986/2024, of 24 September, which updates the National Energy and Climate Plan 2023-2030, and was sent to the European Commission the following day for final approval.

The update of this Plan aims to provide society with a framework of certainty and anticipation regarding the energy transition, allowing for the maximisation of positive effects and the prevention, minimisation, and compensation of the impacts of the model change through just transition policies. Based on this, the National Energy and Climate Plan (NECP) 2023-2030 increases the number of planned policies and measures from 78 in the original NECP to the current 110, aiming to achieve greater social, economic, and environmental benefits.

Regarding the energy sector in which Endesa operates, the National Energy and Climate Plan (NECP) 2023-2030 strengthens climate targets and is even more ambitious than the original 2020-2030 Plan. Specifically, by 2030, the share of renewables will increase to 48% of final energy consumption, compared to the original 42%, reaching 81% of electricity versus the initial 74%. Energy efficiency will improve from 42% to 43%, and the electrification of the economy will rise to 35%, up from the 32% projected in the original document, which will in turn support an increase in electricity demand.

Information on sector regulation is included in Section 9 of this Consolidated Management Report.

Strategic plan for the 2024-2026 period

During the January-September 2024 period, and within this regulatory and market context, Endesa continued to make progress towards the objectives included in the Strategic Plan for the period 2024-2026 that was presented to the market on 23 November 2023, without foreseeing any significant deviations as of the date of publication of this Consolidated Management Report.

At the date of publication of this Consolidated Management Report, the Company is engaged in preparing the update for the 2025-2027 period of its Strategic Plan and the associated financial targets. The new Plan will be publicly announced on 19 November 2024.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2.
APPENDIX

APPENDIX I. CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

Endesa, S.A. and Subsidiaries

Consolidated Income Statements for the January-September 2024 and 2023 Periods

Millions of Euros

	January-September 2024[1]	January-September 2023[1]
REVENUE	**15,765**	**19,211**
Revenue from sales and services	15,497	18,893
Other operating income	268	318
PROCUREMENTS AND SERVICES	**(9,616)**	**(11,938)**
Power Purchases	(3,126)	(5,115)
Fuel consumption	(1,538)	(1,985)
Transmission costs	(2,704)	(2,454)
Other variable procurements and services	(2,248)	(2,384)
INCOME AND EXPENSES FROM ENERGY COMMODITY DERIVATIVES	**(800)**	**(2,375)**
CONTRIBUTION MARGIN	**5,349**	**4,898**
Self-constructed assets	190	210
Personnel Expenses	(726)	(756)
Other fixed operating expenses	(971)	(1,010)
Other gains and losses	39	11
GROSS OPERATING INCOME	**3,881**	**3,353**
Depreciation and impairment losses on non-financial assets	(1,375)	(1,282)
Impairment losses on financial assets	(206)	(168)
OPERATING INCOME	**2,300**	**1,903**
FINANCIAL PROFIT/LOSS	**(385)**	**(410)**
Financial income	72	34
Financial expense	(465)	(486)
Income and expenses on derivative financial instruments	15	28
Net exchange differences	(7)	14
Net profit/(loss) of companies accounted for using the equity method	8	13
PROFIT/(LOSS) BEFORE TAX	**1,923**	**1,506**
Corporate income tax	(518)	(433)
PROFIT/(LOSS) AFTER TAX ON CONTINUING OPERATIONS	**1,405**	**1,073**
PROFIT/(LOSS) AFTER TAX ON DISCONTINUED OPERATIONS	**–**	**–**
PROFIT/(LOSS) FOR THE PERIOD	**1,405**	**1,073**
Of the parent	1,404	1,059
Non-controlling interests	1	14
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (in euros)	**1.33**	**1.00**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (in euros)	**1.33**	**1.00**
BASIC EARNINGS PER SHARE (in euros)	**1.33**	**1.00**
DILUTED EARNINGS PER SHARE (in euros)	**1.33**	**1.00**

[1] Unaudited

Endesa, S.A. and Subsidiaries

Consolidated Statements of other Comprehensive Income the January-September 2024 and 2023 Periods

Millions of Euros

	January-September 2024[1]	January-September 2023[1]
CONSOLIDATED INCOME STATEMENT FOR THE PERIOD	**1,405**	**1,073**
OTHER COMPREHENSIVE INCOME:		
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD	**20**	**—**
Revaluation/(reversal) of PPE and intangible assets	—	—
Actuarial gains and losses	23	—
Share of other comprehensive income from investments in joint ventures and associates	—	—
Equity instruments through other comprehensive income	—	—
Other income and expense that will not be reclassified to profit or loss	—	—
Tax effect	(3)	—
ITEMS THAT COULD SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS FOR THE PERIOD	**179**	**2,316**
Hedging transactions	**237**	**3,082**
Revaluation gains/(losses)	(327)	1,760
Amounts transferred to the income statement	564	1,322
Other reclassifications	—	—
Exchange differences	**—**	**—**
Revaluation gains/(losses)	—	—
Amounts transferred to the income statement	—	—
Other reclassifications	—	—
Share of other comprehensive income from investments in joint ventures and associates	**1**	**4**
Revaluation gains/(losses)	1	4
Amounts transferred to the income statement	—	—
Other reclassifications	—	—
Debt instruments at fair value through other comprehensive income	**—**	**—**
Revaluation gains/(losses)	—	—
Amounts transferred to the income statement	—	—
Other reclassifications	—	—
Other income and expense that could subsequently be reclassified to profit or loss	**—**	**—**
Revaluation gains/(losses)	—	—
Amounts transferred to the income statement	—	—
Other reclassifications	—	—
Tax effect	**(59)**	**(770)**
TOTAL PROFIT/(LOSS)	**1,604**	**3,389**
Of the parent	**1,603**	**3,375**
Of non-controlling interests	**1**	**14**

[1] Unaudited

Endesa, S.A. and Subsidiaries

Consolidated Statements of Financial Position at 30 September 2024 and 31 December 2023

Millions of Euros

	30 September 2024[1]	31 December 2023[2]
ASSETS		
NON-CURRENT ASSETS	**28,449**	**28,825**
Tangible assets	22,849	22,839
Real estate investments	77	69
Intangible Assets	1,658	1,646
Goodwill	462	462
Investments accounted for using the equity method	285	273
NON-CURRENT ASSETS FROM CONTRACTS WITH CUSTOMERS	–	–
Non-current financial assets	808	663
Non-current derivative financial instruments	440	879
Other non-current assets	440	386
Deferred tax assets	1,430	1,608
CURRENT ASSETS	**10,511**	**12,458**
Inventories	1,417	2,060
Trade and other receivables	4,901	5,457
Trade Receivables for Sales and Services and other Receivables	4,183	4,912
Current corporate income tax assets	426	233
Other tax assets	292	312
Current assets from contracts with customers	2	4
Other current financial assets	1,080	1,777
Current derivative financial instruments	631	1,054
Cash and Cash Equivalents	2,480	2,106
Non-current assets classified as held for sale and discontinued operations	–	–
TOTAL ASSETS	**38,960**	**41,283**
EQUITY AND LIABILITIES		
EQUITY	**8,264**	**7,204**
Of the parent	8,091	7,017
Of non-controlling interests	173	187
NON-CURRENT LIABILITIES	**18,855**	**19,504**
Subsidies	218	227
Non-current assets from contracts with customers	4,357	4,348
Non-current provisions	2,682	2,855
Provisions for employee benefits	239	268
Other non-current provisions	2,443	2,587
Non-current financial debt	9,550	9,636
Non-current derivative financial instruments	345	544
Other non-current financial liabilities	78	8
Other non-current liabilities	572	578
Deferred tax liabilities	1,053	1,308
CURRENT LIABILITIES	**11,841**	**14,575**
Non-current liabilities from contracts with customers	477	427
Current provisions	929	1,377
Provisions for employee benefits	–	–
Other current provisions	929	1,377
Current financial debt	3,880	4,091
Current derivative financial instruments	732	1,673
Other non-current financial liabilities	155	104
Trade and other Payables	5,668	6,903
Suppliers and other Payables	4,101	6,242
Current corporate income tax liabilities	871	215
Other tax liabilities	696	446
Liabilities related to non-current assets classified as held for sale and discontinued operations	–	–
TOTAL EQUITY AND LIABILITIES	**38,960**	**41,283**

[1] Unaudited.
[2] Audited.

Endesa, S.A. and Subsidiaries

Statement of Changes in Equity for the January-September 2024 Period

Millions of Euros

	Equity attributable to the Parent [1]							
	Capital and reserves							
	Capital	Share premium, reserves and interim dividend	Treasury shares	Profit/ (loss) for the period	Other Equity Instruments	Valuation adjustments	Non-controlling interests	Total equity
Opening balance at 1 January 2024	**1,271**	**5,259**	**(4)**	**742**	**5**	**(256)**	**187**	**7,204**
Adjustments due to changes in accounting criteria	–	–	–	–	–	–	–	–
Adjustments for errors	–	–	–	–	–	–	–	–
Adjusted opening balance	**1,271**	**5,259**	**(4)**	**742**	**5**	**(256)**	**187**	**7,204**
Total profit/(loss)	**–**	**20**	**–**	**1,404**	**–**	**179**	**1**	**1,604**
Operations with partners or owners	**–**	**(529)**	**–**	**–**	**–**	**–**	**(15)**	**(544)**
Capital increases / (reductions)	–	–	–	–	–	–	(1)	(1)
Conversion of liabilities to equity	–	–	–	–	–	–	–	–
Distribution of dividends	–	(529)	–	–	–	–	(14)	(543)
Transactions involving (net) treasury shares	–	–	–	–	–	–	–	–
Increases / (decreases) due to business combinations	–	–	–	–	–	–	–	–
Other operations with partners or owners	–	–	–	–	–	–	–	–
Other changes in equity	**–**	**742**	**–**	**(742)**	**–**	**–**	**–**	**–**
Equity-settled share-based payments	–	–	–	–	–	–	–	–
Transfers between equity line items	–	742	–	(742)	–	–	–	–
Other changes	–	–	–	–	–	–	–	–
Closing balance at 30 September 2024	**1,271**	**5,492**	**(4)**	**1,404**	**5**	**(77)**	**173**	**8,264**

[1] Unaudited.

Endesa, S.A. and Subsidiaries

Statement of Changes in Equity for January-September 2023 Period

Millions of Euros

	Equity attributable to the Parent [1]							
	Equity							
	Capital	Share premium, reserves and interim dividend	Treasury shares	Profit/ (loss) for the period	Other Equity Instruments	Valuation adjustments	Non-Controlling Interests	Total Equity
Opening balance at 1 January 2023	**1,271**	**4,934**	**(5)**	**2,541**	**4**	**(3,188)**	**201**	**5,758**
Adjustments due to changes in accounting criteria	—	—	—	—	—	—	—	—
Adjustments for errors	—	—	—	—	—	—	—	—
Adjusted opening balance	**1,271**	**4,934**	**(5)**	**2,541**	**4**	**(3,188)**	**201**	**5,758**
Total profit/(loss)	**—**	**—**	**—**	**1,059**	**—**	**2,316**	**14**	**3,389**
Operations with partners or owners	**—**	**(1,678)**	**—**	**—**	**—**	**—**	**(33)**	**(1,711)**
Capital increases / (reductions)	—	—	—	—	—	—	(7)	(7)
Conversion of liabilities to equity	—	—	—	—	—	—	—	—
Distribution of dividends	—	(1,678)	—	—	—	—	(26)	(1,704)
Transactions involving (net) treasury shares	—	—	—	—	—	—	—	—
Increases / (decreases) due to business combinations	—	—	—	—	—	—	—	—
Other operations with partners or owners	—	—	—	—	—	—	—	—
Other changes in equity	**—**	**2,541**	**—**	**(2,541)**	**1**	**—**	**—**	**1**
Equity-settled share-based payments	—	—	—	—	1	—	—	1
Transfers between equity line items	—	2,541	—	(2,541)	—	—	—	—
Other changes	—	—	—	—	—	—	—	—
Closing balance at 30 September 2023	**1,271**	**5,797**	**(5)**	**1,059**	**5**	**(872)**	**182**	**7,437**

[1] Unaudited.

Endesa, S.A. and Subsidiaries

Consolidated Statements of Cash Flows for the January-September 2024 and 2023 Periods

Millions of Euros

	January-September 2024 [1]	January-September 2023 [1]
Gross profit/(loss) before tax	**1,923**	**1,506**
Adjustments in profit/(loss):	**2,330**	**2,740**
Depreciation of fixed assets and impairment losses	1,581	1,450
Other adjustments to (net) profit/(loss)	749	1,290
Changes in working capital:	**(928)**	**(304)**
Trade and other receivables	823	369
Inventories	(425)	(148)
Current financial assets	(50)	414
Trade payables and other current liabilities	(1,276)	(939)
Other cash flows from operating activities:	**(656)**	**(1,103)**
Interest received	81	57
Dividends received	4	24
Interest paid	(361)	(295)
Corporate income tax paid	(183)	(650)
Other collections and payments from operating activities	(197)	(239)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**2,669**	**2,839**
Payments for investments	**(1,665)**	**(1,977)**
Acquisitions of property, plant, and equipment and intangible assets	(1,338)	(1,680)
Investments in Group companies	—	—
Acquisitions of other investments	(327)	(297)
Proceeds from divestments	**693**	**4,725**
Disposals of property, plant, and equipment and intangible assets	9	13
Disposals of interests in Group companies	—	—
Disposals of other investments	684	4,712
Other cash flows from investing activities	**109**	**57**
Other collections and payments from Investment activities	109	57
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(863)**	**2,805**
Cash flows from equity instruments	(13)	(22)
Proceeds from non-current financial debt	108	2,869
Depreciation of non-current financial debt	(34)	(1,141)
Net cash flow from current maturities of financial debt	(419)	(6,184)
Dividends paid by the parent	(1,058)	(1,678)
Dividends paid to non-controlling interests	(16)	(29)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(1,432)**	**(6,185)**
TOTAL NET CASH FLOWS	**374**	**(541)**
Exchange rate variation on cash and cash equivalents	—	—
CHANGES IN CASH AND CASH EQUIVALENTS	**374**	**(541)**
INITIAL CASH AND CASH EQUIVALENTS	**2,106**	**871**
Cash in Hand and at Banks	1,281	871
Other Cash Equivalents	825	—
FINAL CASH AND CASH EQUIVALENTS	**2,480**	**330**
Cash in Hand and at Banks	905	330
Other Cash Equivalents	1,575	—

[1] Unaudited.

LEGAL DISCLAIMER

This document contains certain forward-looking statements concerning financial and operating statistics and results and other forward-looking statements. These statements are not guarantees that future results will materialise and are subject to significant risks, uncertainties, changes in circumstances and other factors that may be beyond Endesa's control or may be difficult to predict.

These statements include, among other things, information about: estimates of future earnings; changes in electricity production by technology and market share; expected changes in gas demand and supply; management strategy and objectives; cost reduction estimates; pricing and tariff structures; investment forecasts; estimated asset disposals; expected changes in generation capacity and changes in the capacity mix; repowering of capacity; and macroeconomic conditions. The main assumptions underlying the forecasts and targets included in this document relate to the regulatory environment, exchange rates, commodities, counterparties, divestments, increases in production and installed capacity in markets where Endesa operates, and increases in demand in those markets, allocation of production between different technologies, cost increases associated with increased activity that do not exceed certain limits, an electricity price no lower than certain levels, the cost of combined cycle plants and the availability and cost of raw materials and emission rights necessary to operate our business at the desired levels.

In making these statements, Endesa avails itself of the protection afforded by the US Private Litigation Reform Act of 1995 for forward-looking statements.

The following factors, in addition to those discussed herein, could cause financial and operating results and statistics to differ materially from those stated in the forward-looking statements: economic and industry conditions; liquidity and funding factors; operational factors; strategic and regulatory, legal, tax, environmental, governmental and political factors; reputational factors; and business or transactional factors.

Additional information on the reasons why actual results and other developments may differ materially from the expectations implicitly or explicitly contained in this document can be found in the Risk Factors chapter of Endesa's regulated information filed with the Spanish National Securities Market Commission ("CNMV").

Endesa cannot guarantee that the prospects contained in this document will be fulfilled in their terms. Neither Endesa nor any of its subsidiaries intends to update such estimates, forecasts and targets except as otherwise required by law.