



Madrid, 27 September 2019

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

During 2019 there has been a profound change in the market conditions that affect coal thermal power plants, arising principally from the international price of commodities and the effectiveness of the new mechanisms for regulating the market for carbon dioxide emission rights (CO₂), which displaces the plants with the highest volume of emissions to the benefit of other technologies. This structural situation has determined that mainland coal-fired thermal power plants are not competitive, and therefore their operation in the electricity generation market is not foreseeable in the future.

Therefore, the Endesa Board of Directors has approved to promote the discontinuity of the production of its coal thermal power plants in the Peninsula, in accordance with the legally established procedures, and to evaluate future options in these locations. This measure is not expected to have a significant impact in the company's operating margin. Also, Endesa aims in its next strategic plan, which will be approved before the end of the year, to increase significantly the investments earmarked for the construction of new renewable generation capacity.

The net book value, as of today, of all mainland coal thermal power plants amounts to approximately €1.3 billion, which includes the estimated amount of the provision for the dismantling of these plants. The decision taken by the Endesa Board of Directors to accelerate the commitment to decarbonisation by discontinuing the production of the mainland coal thermal power generation and the analysis to be carried out of the recoverable value of these facilities could entail an accounting record of an impairment in the value of these assets for a maximum amount equivalent to their entire net book value, which, if appropriate, would reduce the future amount of the estimated depreciation of the plants as a whole. The details of the amounts that will be recognised as at 30 September 2019 will be recorded in a specific note to the consolidated management report corresponding to the nine-month period ended on the same date, which is scheduled to be made public on 5 November 2019.

The accounting record of an impairment is a parameter that is not taken into consideration in the calculation of the ordinary net income in accordance with the current Dividend Policy, so it has no impact on the determination of the shareholder's remuneration.

The Secretary of the Board of Directors
Borja Acha Besga