ENDESA, S.A.
ANNUAL REPORT **2024**

Build the **FUTURE** through **SUSTAINABLE POWER.**

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.

CONTENTS

Key

Activity	Description of activity
	Conventional Generation
	Renewable Generation
	Energy Commercialisation
	Commercialisation of other Products and Services
	Energy Distribution
	Structure and Services

DOCUMENT NAVIGATION GUIDE

For ease of reference, the document, in addition to hypertext links, is equipped with interactions that allow navigation.

Back to general menu

Search

Print

Back/Forward

I. AUDIT REPORT 9

II. FINANCIAL STATEMENTS 19

Statements of Financial Position 20

Income Statements 22

Statements of Changes in Equity 23

Statements of Cash Flows 24

1. Company activity and Financial Statements 26

2. Basis of presentation of the financial statements 28

2.1. True and fair presentation 28
2.2. Accounting principles 28
2.3. Responsibility for the information and estimates 28
2.4. Going concern 29
2.5. Functional currency and presentation currency 29
2.6. Comparison of information 29
2.7. Grouping of items 29

3. Distribution of profit/loss 30

Proposed distribution of profit for 2024 30
Distribution of profit for 2023 31

4. Recognition and measurement criteria 32

(a) Intangible assets 32
(b) Property, plant and equipment 32
(c) Leases 33
(d) Financial instruments 33
(e) Cash and cash equivalents 44
(f) Provisions and contingencies 44
(g) Transactions in foreign currency 45
(h) Classification of assets and liabilities as current and non-current 46
(i) Income tax expense 46
(j) Income and expenses 47
(k) Fair value measurement 48
(l) Environmental assets 49
(m) Related-party transactions 49
(n) Share-based remuneration schemes 50

5. Business consolidation 51

6. Intangible assets 53

7. Property, plant and equipment 54

8. Leases and similar operations 55

8.1. Operating lease 55

9. Current and non-current financial assets 56

9.1. Non-current and current investments in Group companies and associates 57
9.2. Current and non-current financial investments 62

9.3. Classification of non-current and current financial assets by class and category 63
9.4. Classification by maturity 64
9.5. Items recognised in the income statement and in equity 65
9.6. Fair value measurement 65
9.7. Financial investment commitments 66

10. Foreign currency 67

11. Equity 68

11.1. Share capital 68
11.2. Share premium 68
11.3. Reserves 68
11.4. Treasury shares 70
11.5. Dividends 71
11.6. Valuation adjustments 72

12. Provisions and contingencies 72

12.1. Provisions for pensions and other similar provisions 73
12.2. Provisions for workforce restructuring plans 75
12.3. Other non-current provisions 76

13. Current and non-current financial liabilities 79

13.1. Current and non-current financial liabilities 79
13.2. Main transactions 81
13.3. Classification of non-current and current financial liabilities by class and category 83
13.4. Classification by maturity 84
13.5. Items recognised in the income statement and in equity 85
13.6. Fair value measurement 85
13.7. Covenants 86
13.8. Other matters 88

14. Financial risk control and management 88

14.1. Interest rate risk 88
14.2. Foreign currency risk 90
14.3. Liquidity risk 90
14.4. Credit risk 91

15. Derivative financial instruments 92

Cash flow and fair value hedges 93

16. Taxation 94

16.1. Reconciliation between accounting profit (loss) and taxable income (tax loss) 94
16.2. Reconciliation between tax payable and income tax expense 96
16.3. Deductions and rebates 96
16.4. Reconciliation of accounting profit to the income tax expense 97

16.5. Details of the income tax expense 97
16.6. Deferred tax assets 98
16.7. Deferred tax liabilities 100
16.8. Balances with public administrations 101
16.9. Balances with Group companies 101
16.10. Tax years subject to audit 102
16.11. Corporate restructuring operations covered by the Special Regime of Chapter VII of Title VII of Law 27/2014, dated 27 November, on Corporate Income Tax 102

17. Results **103**

17.1. Revenue 103
17.2. Personnel expenses 104
17.3. Other operating expenses 104
17.4. Financial income and expenses 105
17.5. Other profits/losses 105

18. Guarantees to third parties, commitments and other contingent liabilities **106**

18.1. Guarantees to third parties and other contingent liabilities 106
18.2. Other commitments 107

19. Related-party transactions **108**

19.1. Related-party transactions 108
19.2. Balances with related parties 109
19.3 Information on the Directors and Senior Management 111

20. Other information **122**

20.1 Personnel 122
20.2. Remuneration to auditors 122
20.3. Information on the average payment period to suppliers. Third Additional Provision. *"Duty of Information"* of Law 15/2010, of 5 July, as amended by Law 18/2022, of 28 September 123
20.4. Insurance 123

21. Information on environmental activities **124**

22. Events after the reporting period **124**

23. Explanation added for translation to English **124**

Signatures for authorisation for issue Endesa, S.A. of the Financial Statements for the year ended 31 December 2024 **125**

III. MANAGEMENT REPORT 127

1. **Business development** 128

2. **Main financial operations** 129

3. **Events after the reporting period** 129

4. **Geopolitical situation** 130

5. **Outlook** 131

6. **Climate Change. Climate Strategy** 132
   - 6.1. Climate Change 132
   - 6.2. Corporate Governance focused on Sustainability objectives 133
   - 6.3. Climate strategy. Long-term scenarios 135

7. **Main risks and uncertainties associated with Endesa's activity** 141
   - 7.1. General risk control and management policy 141
   - 7.2. Internal Control over Reporting System (ICRS) 146
   - 7.3. Endesa's anti-bribery and criminal risk prevention model 147
   - 7.4. Main risks and uncertainties 149

8. **Policy on derivative financial instruments** 182

9. **Human resources** 182
   - Occupational Health and Safety (OHS) 182

10. **Treasury shares** 183

11. **Environmental protection** 183

12. **Research and development activities** 183

13. **Information on the average supplier payment period** 184

14. **Annual Corporate Governance Report** 184

15. **Annual Report on Directors' Remuneration** 185

16. **Non-financial Statement required by Law 11/2018, of 28 December, which amends the Code of Commerce, the consolidated text of the Spanish Corporate Enterprises Act approved by Royal Decree-Law 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Audit of the Financial Statements with respect to Non-financial Information and Diversity** 186

Signatures for Authorisation for issue Endesa, S.A. of the Management Report for the year ended 31 December 2024 187

IV. STATEMENT OF RESPONSIBILITY 189

Statement of Responsibility of the Annual Financial Report for the year ended 31 December 2024 190

CHAPTER I.

AUDIT REPORT ENDESA, S.A.

Auditor's Report on Endesa, S.A.

(Together with the annual financial statements and management report of Endesa, S.A. for the year ended 31 December 2024)

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

Independent Auditor's Report on the Annual Financial Statements

To the Shareholders of Endesa, S.A.

REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the annual financial statements of Endesa, S.A. (the "Company"), which comprise the balance sheet at 31 December 2024, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2.2 to the annual financial statements and, in particular, with the accounting principles and criteria set forth therein

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual financial statements pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual financial statemenst of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of non-current investments in Group companies and associates See notes 4.d.2 and 9.1 to the annual financial statements	
Key audit matter	*How the matter was addressed in our audit*
At 31 December 2024 the Company has recognised non-current investments in Group companies and associates amounting to Euros 19,127 million. At each year end, the Company estimates the recoverable amount of investments for which there are indications of impairment. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows from the investment, estimated as its share in the cash flows expected to be generated by the investee's ordinary activities or its disposal. To estimate the recoverable amount, the Company uses valuation techniques that require management to exercise judgement and make assumptions and estimates. Due to the judgement required and uncertainty associated with these estimates, this has been considered a key audit matter.	– Analysis of the design and implementation of the key controls related to the process of determining recoverable amount. – Analysis of indicators of impairment of non-current investments in Group companies and associates identified by the Company. – Evaluation of the reasonableness of the methodology used to calculate the recoverable amount of investments in Group companies and associates, and the main assumptions considered, with the involvement of our valuation specialists. – Analysis of the consistency of the future cash flows included in the pricing model with the business plans approved by the governing bodies. We also contrasted the cash flow forecasts estimated in prior years with the actual cash flows obtained, as well as the monitoring carried out by the Company. – Evaluation of the sensitivity of the recoverable amount to reasonably possible changes in certain assumptions. – Assessment of whether the disclosures in the annual financial statements comply with the requirements of the financial reporting framework.

Other Information: Management Report

Other information solely comprises the 2024 management report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual financial statements.

KPMG

Our audit opinion on the annual financial statements does not encompass the management report. Our responsibility regarding the information contained in the management report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the directors' report with the annual financial statements, based on knowledge of the entity obtained during the audit of the aforementioned annual financial statements. Also, assess and report on whether the content and presentation of this part of the management report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the management report is consistent with that disclosed in the annual financial statements for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit and Compliance Committee's Responsibility for the Annual Financial Statements

The Directors are responsible for the preparation of the accompanying annual financial statements in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Audit and Compliance Committee is responsible for overseeing the preparation and presentation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors[2].

– Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with Endesa, S.A.'s Audit and Compliance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's Audit and Compliance Committee with a statement that we have complied with the ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

From the matters communicated to the entity's Audit and Compliance Committee, we determine those that were of most significance in the audit of the annual financial statements of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital file of Endesa, S.A. for 2024 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual financial statements for the aforementioned year, which will form part of the annual financial report.

The Directors of Endesa, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the directors' report.

Our responsibility consists of examining the digital file prepared by the Company's Directors, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the annual financial statement included in the aforementioned digital file fully corresponds to the annual financial statements we have audited, and whether the annual financial statements have been formatted, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined fully corresponds to the audited annual financial statements, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit and Compliance Committee

The opinion expressed in this report is consistent with our additional report to the Company's Audit and Compliance Committee dated 25 February 2025.

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting on 29 April 2022 for a period of three years, from the year ended 31 December 2023, included.

Previously, we had been appointed for a period of three years, by consensus of the shareholders at their ordinary general meeting, and have been auditing the annual financial statement since the year ended 31 December 2020.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

Estíbaliz Bilbao Belda
On the Spanish Official Register of Auditors ("ROAC") with No. 16109

25 February 2025


energy touch screen.mp4
1.9 µm
GaAs
Depth (nm)
Energy (eV)

CHAPTER **II.**

FINANCIAL STATEMENTS

Endesa, S.A.

Statements of Financial Position

at 31 December 2024 and 2023

Millions of Euros	Note	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS		**19,447**	**19,454**
Intangible assets	6	**63**	**80**
Patents, licences, trademarks and similar		4	4
Software applications		59	76
Tangible assets	7	**1**	**1**
Technical facilities and other tangible assets		1	1
Non-current investments in Group companies and associates	9 and 19.2	**19,130**	**19,132**
Equity Instruments		19,127	19,129
Other Financial Assets		3	3
Non-current financial investments	9	**70**	**81**
Equity Instruments		4	4
Loans to third parties		12	12
Derivatives	15	40	55
Other Financial Assets		14	10
Deferred tax assets	16.6	**183**	**160**
CURRENT ASSETS		**764**	**544**
Trade and other accounts receivable		**466**	**115**
Other receivables		49	48
Group companies and associate receivables	19.2	381	67
Current Tax Assets	16.8	36	–
Current investments in Group companies and associates	9 and 19.2	**90**	**128**
Loans to companies		90	67
Other Financial Assets		–	61
Current financial investments	9	**178**	**7**
Loans to third parties		175	2
Other Financial Assets		3	5
Current prepayments and accrued income		**–**	**1**
Cash and cash equivalents	14.3	**30**	**293**
Cash at bank and in hand		30	18
Other cash equivalents		–	275
TOTAL ASSETS		**20,211**	**19,998**

The accompanying Notes 1 to 23 to the Financial Statements are an integral part of the Statements of Financial Position at 31 December 2024 and 2023.

Endesa, S.A.

Statements of Financial Position

at 31 December 2024 and 2023

Millions of Euros	Note	31 December 2024	31 December 2023
NET EQUITY AND LIABILITIES			
NET EQUITY		**6,133**	**5,775**
Capital and reserves	11	**6,121**	**5,748**
Capital		**1,271**	**1,271**
Issued capital		1,271	1,271
Share Premium		**89**	**89**
Reserves		**1,466**	**1,462**
Legal and by-law reserves		254	254
Other Reserves		1,212	1,208
(Treasury Shares)		**(4)**	**(4)**
Previous years' profit or loss		**2,396**	**2,874**
Retained earnings		2,396	2,874
Profit/loss for the Period		**1,427**	**580**
Interim Dividend	11.5	**(529)**	**(529)**
Other Net Equity Instruments		**5**	**5**
Valuation adjustments		**12**	**27**
Hedging transactions		12	27
NON-CURRENT LIABILITIES		**12,690**	**9,610**
Non-current provisions	12	**215**	**241**
Non-current employee benefits		21	25
Provisions for workforce restructuring plans		142	161
Other Provisions		52	55
Non-current debts	13	**5,658**	**5,329**
Bonds and other marketable securities		14	14
Bank Borrowings		5,603	5,266
Derivatives	15	36	45
Other Financial Liabilities		5	4
Group company and associate non-current debts	13 and 19.2	**6,800**	**4,018**
Group company and associate debts		6,800	4,018
Deferred tax liabilities	16.7	**17**	**22**
CURRENT LIABILITIES		**1,388**	**4,613**
Current provisions	12	**33**	**39**
Provisions for workforce restructuring plans		33	39
Current debts	13	**715**	**975**
Bank Borrowings		545	781
Derivatives	15	—	17
Other Financial Liabilities		170	177
Group company and associate current debts	13 and 19.2	**502**	**3,453**
Group company and associate debts		123	3,076
Other Financial Liabilities		379	377
Trade and other accounts Payable		**138**	**146**
Group company and associate suppliers	19.2	37	29
Other payables		65	87
Employee payables		28	23
Other payables to public administrations	16.8	8	7
TOTAL NET EQUITY AND LIABILITIES		**20,211**	**19,998**

The accompanying Notes 1 to 23 to the Financial Statements are an integral part of the Statements of Financial Position at 31 December 2024 and 2023.

Endesa, S.A.

Income Statements

for the years ended 31 December 2024 and 2023

Millions of Euros	Note	2024	2023
CONTINUING OPERATIONS			
Net revenue	17.1	**2 ,115**	**1 ,471**
Provision of services		265	321
Group company and associate dividend income	9.1.1 and 19.1	1 ,850	1 ,150
Other operating income		**1**	**1**
Ancillary income and other operating income		1	1
Personnel expenses	17.2	**(171)**	**(226)**
Salaries, wages, and similar		(123)	(127)
Other employee benefits		(32)	(31)
Provisions		(16)	(68)
Other operating expenses	17.3	**(238)**	**(325)**
External services		(86)	(96)
Taxes other than income tax		(138)	(215)
Other current operating expenses		(14)	(14)
Amortisation of fixed assets	6 and 7	**(36)**	**(39)**
Excess of provisions		**—**	**11**
Impairment and profits/losses on disposal of equity instruments	9	**(1)**	**2**
Impairment		—	2
Gain (loss) on disposals and other		(1)	—
Other Results	17.5	**148**	**—**
OPERATING PROFIT		**1 ,818**	**895**
Financial Income	17.4	**38**	**35**
Marketable securities and other Fixed Asset credits		**38**	**35**
Group companies and associates	19.1	—	30
Third parties		38	5
Financial Expenses	17.4	**(493)**	**(451)**
Group company and associate debts	19.1	(256)	(192)
Third-party debts		(230)	(249)
Provision adjustments		(7)	(10)
Change in the fair value of financial instruments		**1**	**(2)**
Trading portfolio and other		1	(2)
Exchange differences		**—**	**(6)**
FINANCIAL PROFIT/LOSS		**(454)**	**(424)**
PROFIT/LOSS BEFORE TAX		**1 ,364**	**471**
Corporate income tax	16	**63**	**109**
PROFIT/LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**1 ,427**	**580**
PROFIT/LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS		**—**	**—**
PROFIT/LOSS FOR THE YEAR		**1 ,427**	**580**

The accompanying notes 1 to 23 to the Financial Statements are an integral part of the Income Statements for the years ended 31 December 2024 and 2023.

Endesa, S.A.

Statements of Changes in Equity

for the years ended 31 December 2024 and 2023

A) Statements of recognised income and expenses for the years ended 31 December 2024 and 2023

Millions of Euros	Note	2024	2023
PROFIT/LOSS FROM THE INCOME STATEMENT		**1,427**	**580**
INCOME AND EXPENSES RECOGNISED DIRECTLY IN NET EQUITY			
Cash flow hedges	15	4	(25)
Actuarial profits/losses and other adjustments	12.1	6	(3)
Tax effect	16	(2)	7
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN NET EQUITY		**8**	**(21)**
PROFIT AND LOSS TRANSFERRED TO INCOME STATEMENT			
Cash flow hedges	15	(25)	(44)
Tax effect	16	6	11
TOTAL PROFIT AND LOSS TRANSFERRED TO THE INCOME STATEMENT		**(19)**	**(33)**
TOTAL RECOGNISED INCOME/EXPENSES		**1,416**	**526**

Notes 1 to 23 to the accompanying Financial Statements are an integral part of the Statements of Recognised Income and Expenses for the years ended 31 December 2024 and 2023.

Endesa, S.A.

Statements of Changes in Equity

for the years ended 31 December 2024 and 2023

B) Statements of total changes in equity for the years ended 31 December 2024 and 2023

Millions of Euros		31 December 2024								
		Capital and reserves								
	Note	Capital (Note 11.1)	Share Premium (Note 11.2)	Reserves and previous years' profit or loss	(Treasury Shares) (Note 11.4)	Profit/loss for the Period (Note 3)	(Interim dividend) (Note 11.5)	Other equity instruments	Valuation adjustments	Total net equity
Balance as of 31 December 2023		**1,271**	**89**	**4,336**	**(4)**	**580**	**(529)**	**5**	**27**	**5,775**
TOTAL RECOGNISED INCOME/ EXPENSES		**–**	**–**	**4**	**–**	**1,427**	**–**	**–**	**(15)**	**1,416**
Transactions with shareholders		**–**	**–**	**–**	**–**	**–**	**(529)**	**–**	**–**	**(529)**
Distribution of dividends	3 and 11.5	–	–	–	–	–	(529)	–	–	(529)
Other changes in net equity		**–**	**–**	**(478)**	**–**	**(580)**	**529**	**–**	**–**	**(529)**
Distribution of profit/loss	3	–	–	(478)	–	(580)	529	–	–	(529)
Balance as of 31 December 2024		**1,271**	**89**	**3,862**	**(4)**	**1,427**	**(529)**	**5**	**12**	**6,133**

Millions of Euros		31 December 2024								
		Capital and reserves								
	Note	Capital (Note 11.1)	Share Premium (Note 11.2)	Reserves and previous years' profit or loss	(Treasury Shares) (Note 11.4)	Profit/loss for the Period (Note 3)	(Interim dividend) (Note 11.5)	Other equity instruments	Valuation adjustments	Total net equity
Balance as of 31 December 2022		**1,271**	**89**	**5,310**	**(5)**	**697**	**–**	**4**	**79**	**7,445**
TOTAL RECOGNISED INCOME/ EXPENSES		**–**	**–**	**(2)**	**–**	**580**	**–**	**–**	**(52)**	**526**
Transactions with shareholders		**–**	**–**	**9**	**1**	**–**	**(529)**	**–**	**–**	**(519)**
Distribution of dividends	3 and 11.5	–	–	–	–	–	(529)	–	–	(529)
Net increase in equity resulting from business consolidation	5	–	–	9	–	–	–	–	–	9
Transactions with Treasury shares		–	–	–	1	–	–	–	–	1
Other changes in net equity		**–**	**–**	**(981)**	**–**	**(697)**	**–**	**1**	**–**	**(1,677)**
Distribution of profit/loss		–	–	(981)	–	(697)	–	–	–	(1,678)
Other changes		–	–	–	–	–	–	1	–	1
Balance as of 31 December 2023		**1,271**	**89**	**4,336**	**(4)**	**580**	**(529)**	**5**	**27**	**5,775**

Notes 1 to 23 to the accompanying Financial Statements are an integral part of the Statements of Total Changes in Equity for the years ended 31 December 2024 and 2023

Endesa, S.A.

Statements of Cash Flows

for the years ended 31 December 2024 and 2023

Millions of Euros	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		**952**	**532**
Profit/loss before tax		**1,364**	**471**
Adjustments in profit/loss		**(1,501)**	**(642)**
Income from dividends	9.1.1, 17.1, and 19.1	(1,850)	(1,150)
Amortisation of fixed assets	6 and 7	36	39
Value adjustment due to impairment		—	(2)
Changes in provisions		6	50
Gains (Losses) on Disposals of Financial Instruments	9.1	1	—
Financial Income	17.4	(38)	(35)
Financial Expenses	17.4	493	451
Change in fair value of financial instruments		(1)	2
Other profit/loss adjustments		(148)	3
Changes in Working Capital		**(366)**	**4**
Other cash flows from operating activities		**1,455**	**699**
Interest paid		(443)	(419)
Dividends received		1,912	1,088
Interest received		16	75
Income tax received/(paid)		11	(2)
Other proceeds/(payments)		(41)	(43)
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(14)**	**4,832**
Payments for investments		**(20)**	**(37)**
Group companies and associates		—	(3)
Property, plant and equipment and intangible assets		(16)	(21)
Other Financial Assets		(4)	(13)
Proceeds from divestments		**6**	**4,869**
Group companies and associates		1	4,710
Other Financial Assets		5	159
CASH FLOWS FROM FINANCING ACTIVITIES		**(1,201)**	**(5,097)**
Proceeds from (payments) financial liability instruments		**(142)**	**(3,419)**
Issue		4,862	3,605
Repayment and amortisation		(5,004)	(7,024)
Dividends and interest on other equity instruments paid		**(1,059)**	**(1,678)**
Dividends		(1,059)	(1,678)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(263)**	**267**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**293**	**26**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**30**	**293**

Notes 1 to 23 to the accompanying Financial Statements are an integral part of the Statements of Cash Flows for the years ended 31 December 2024 and 2023.

1. Company activity and Financial Statements

Endesa, S.A. (hereinafter *"the Company"*) was incorporated with limited liability under Spanish law on 18 November 1944 under the name Empresa Nacional de Electricidad, S.A. and changed its name to Endesa, S.A. pursuant to a resolution adopted by the General Shareholders' Meeting on 25 June 1997. Its registered tax offices and headquarters are at Calle Ribera del Loira 60, Madrid, with this also being its administrative office.

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

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

To comply with Electricity Sector Law 24/2013, of 26 December, which repealed the previous prevailing Law 54/1997, of 27 November, on the electricity sector, Endesa, S.A. underwent a corporate restructuring to separate its various electricity activities. Since then, Endesa, S.A.'s activity has focused primarily on administration and services for its business group, comprising the investments detailed in these financial statements.

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

On 22 September 2023, the Board of Directors of Endesa, S.A. and the Sole Director of Endesa Red, S.A.U. signed and approved a joint project for merger by absorption of Endesa Red, S.A.U. (Acquiree) by the Sole Shareholder, Endesa, S.A. (absorbing company). The accounting effective date of the merger is 1 January 2023 as it is a transaction between two Group Companies, in accordance with Recognition and Measurement Standard 21 *"Transactions between Group Companies"* of the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November (see Note 5).

The Company's financial statements for the year ended 31 December 2024 were drawn up by the Company's Board of Directors on 25 February 2025 and will be submitted for approval by the General Shareholders' Meeting. They are expected to be approved with no changes. The financial statements for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 27 February 2024 and were approved by the General Shareholders' Meeting on 24 April 2024 and filed at the Madrid Trade Registry.

The Company holds interests in Group companies, jointly-controlled entities and associates. Consequently, in accordance with prevailing legislation, the Company is the parent of a group of companies. In accordance with generally accepted accounting principles in Spain, consolidated financial statements must be written to truly and fairly present the financial position of the Group, the results of operations, and changes in its net equity and cash flows. Information pertaining to investments in Group companies, jointly-controlled entities, and associated companies is included in Note 9.1.1.

On 25 February 2025, the Directors authorised the issue of consolidated financial statements for Endesa, S.A. and Subsidiaries in relation to the year ended 31 December 2024, in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). The consolidated financial statements of Endesa, S.A. and Subsidiaries for the year ended 31 December 2023 were prepared by the Board of Directors on 27 February 2024, and they were approved by the General Shareholders' Meeting on 24 April 2024, and are filed at the Madrid Trade Registry.

The key figures from the consolidated financial statements of Endesa, S.A. and Subsidiaries for 2024 and 2023 were as follows:

Millions of Euros	31 December 2024	31 December 2023
Total assets	**37,345**	**41,283**
Equity	**9,053**	**7,204**
Of the parent company	8,110	7,017
Of non-controlling interests	943	187
Income	**21,307**	**25,459**
Profit/loss after tax on continuing operations	**1,893**	**762**
Profit/loss after tax on discontinued operations	**–**	**–**
Profit/loss for the Period	**1,893**	**762**
Of the parent company	1,888	742
Of non-controlling interests	5	20

On 31 December 2024 and 2023, the ENEL Group controlled 70.1% of Endesa, S.A. through Enel Iberia, S.L.U., thereby granting it control of the company (see Note 11.1).

The registered offices of the companies Enel Iberia, S.L.U. and Enel, S.p.A. are located at Calle Ribera del Loira, 60, E-28042 Madrid (Spain) and Viale Regina Margherita, 137, I-00198 Rome (Italy), respectively.

The financial statements of Enel Iberia, S.L.U. for the year ended 31 December 2023, prepared on 15 March 2024 and approved by the sole shareholder on 22 May 2024, are filed with the Madrid Trade Registry.

The Consolidated Financial Statements of ENEL, S.p.A. and Subsidiaries for the year ended 31 December 2023, ultimate Parent of Endesa, S.A., were approved by the General Shareholders' Meeting held on 23 May 2024 and are filed at the Rome and Madrid Trade Registries.

2. Basis of presentation of the financial statements

2.1. True and fair presentation

The Financial Statements for the year ended 31 December 2024 are presented in accordance with Law 16/2007 of 4 July, on the reform and adaptation of accounting legislation for harmonisation with EU Law and the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November, and the amendments thereto established by Royal Decree 1159/2010, of 17 September, Royal Decree 602/2016 of 2 December and by Royal Decree 1/2021, of 12 January.

The financial statements fairly present the equity and financial position of the Company at 31 December 2024 and the results of its operations, changes in equity and cash flows for the financial year ended on said date, and have been prepared based on the Company's accounting records.

2.2. Accounting principles

The accounting principles and policies applied during the preparation of these financial statements are those set forth in the Spanish General Chart of Accounts and are summarised in Note 4 of this Report. All mandatory accounting principles with an effect on equity, the financial position, and profit or loss were applied during the preparation of these financial statements.

2.3. Responsibility for the information and estimates

The Company's Directors are responsible for the information included in the financial statements.

During the preparation of the financial statements, the Company's Directors made estimates to measure certain assets, liabilities, income, expenses and commitments included therein. These estimates were as follows:

- Measurement of the Company's investments in equity instruments of Group companies, associates and jointly-controlled entities to determine any impairment (see Notes 4d and 9.1.1).
- Assumptions used in the actuarial calculation of liabilities and provisions to employees and the leaving dates and conditions of employees involved in agreements to suspend contracts (see Notes 4f and 12).
- Measurement of financial assets to determine any impairment (see Notes 4d and 9).
- Assumptions used to calculate the fair value of financial instruments (see Notes 4k, 9, 13 and 15).

- Impacts derived from interpretation of existing or new electricity sector regulations, the final economic effects of which will ultimately depend on rulings by the authorities responsible for settlements. Certain rulings are pending at the date of authorisation of these financial statements.

- The likelihood and amount of undetermined or contingent liabilities (see Notes 4f and 12).

Although these estimates were based on the best information available on the date of authorisation for issue of these Financial Statements regarding the facts analysed, but future events could require the estimates to be increased or decreased in subsequent years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related Financial Statements.

2.4. Going concern

On 31 December 2024, the Company had a negative working capital of EUR 624 million (EUR 4,069 million as of 31 December 2023) as a result of its financial and cash management policy. In this regard, the Company's cash positions and estimated statements of liquidity for the coming year, together with the undrawn amount on the Company's long-term credit facilities (see Note 14.3), provide assurance that the Company has available sufficient financial resources to continue to operate, realise its assets and settle its liabilities for the amounts shown in the accompanying Statement of Financial Position.

The Company's Directors therefore prepared the accompanying financial statements on a going-concern basis.

2.5. Functional currency and presentation currency

The financial statements up to 31 December 2024 are presented in millions of EUR. The Company's functional and presentation currency is the euro.

2.6. Comparison of information

For comparison purposes, the financial statements present, aside from the figures in the statement of financial position, income statement, statement of changes in equity, statement of cash flows and the notes thereto for the year ended 31 December 2024, the figures for the previous year that formed part of the financial statements for the year ended 31 December 2023, which were approved by the General Shareholders' Meeting on 24 April 2024.

2.7. Grouping of items

Certain items on the statement of financial position, income statement, statement of changes in equity and statement of cash flows are presented in groups to facilitate understanding, though significant data are broken down in the Notes to the Financial Statements.

3. Distribution of profit/loss

Proposed distribution of profit for 2024

The distribution of profit for 2024, prepared by the Company's Board of Directors, to be submitted to the General Shareholders' Meeting for approval, is as follows:

Basis of distribution for 2024	Euros
Profit and loss: Profit	1,426,696,354.78
Retained earnings	2,395,944,459.74
Total	**3,822,640,814.52**
Distribution	
Dividends [1]	1,395,117,664.57
To retained earnings	2,427,523,149.95
Total	**3,822,640,814.52**

[1] Maximum amount to be distributed based on EUR 1.3177 gross per share for all shares (1,058,752,117 shares).

At its meeting held on 15 November 2024, the Board of Directors of Endesa, S.A. resolved to distribute to its shareholders an interim dividend of EUR 0.5 gross per share against profit for 2024, the payment of which, involving a disbursement of EUR 529 million, was paid on 8 January 2025 (see Note 11.5). This interim dividend is shown as a reduction of the Company's Shareholders' Equity at December 31, 2024.

In accordance with the requirements of Article 277 of Royal Decree Law 1/2010, of 2 July, approving the Consolidated Text of the Capital Companies Act, the forecast liquidity statement of Endesa, S.A., which shows the existence of sufficient liquidity for the distribution of the aforementioned dividend, is as follows:

Millions of Euros	From November 1, 2024 to November 30, 2025
Available at Beginning of Period	**5,734**
Cash, Banks and Cash Equivalent	33
Cash and Cash Equivalents	5,701
Cash and Cash Equivalents	**3,062**
From Current Transactions	210
From Financial Transactions	2,852
Decreases in Cash and Cash Equivalents	**(2,724)**
From Current Transactions	(42)
From Financial Transactions	(2,682)
Available at the end of the period	**6,072**
Proposed Interim Dividend Against Retained Earnings 2024	**529**

This amount does not exceed the results obtained by Endesa, S.A. in the year 2024, net of losses from previous years and mandatory reserves provided for by law or by the Company's bylaws, as well as the estimated tax payable on the aforementioned results.

Distribution of profit for 2023

The distribution of 2023 profit approved by the General Shareholders' Meeting was as follows:

Basis of distribution for 2023	**Euros**
Profit and loss: Profit	580,104,835.24
Retained earnings	2,874,356,695.50
Total	**3,454,461,530.74**
Distribution	
Dividends [(1)]	1,058,752,117.00
To retained earnings	2,395,709,413.74
Total	**3,454,461,530.74**

(1) Maximum amount to be distributed based on EUR 1 gross per share for all shares (1,058,752,117 shares).

4. Recognition and measurement criteria

The main recognition and measurement criteria used during preparation of the accompanying Financial Statements, in accordance with the Spanish General Chart of Accounts, were as follows.

(a) Intangible assets

Intangible assets are initially recognised at cost of acquisition or production, following the same principles for determining the production cost of inventories.

They are subsequently carried at cost less any accumulated amortisation and any accumulated impairment.

Intangible assets are amortised over their useful lives which, in most cases, have been estimated at five years.

The residual value, useful life, and amortisation method for property, plant and equipment are reviewed at each year end. Any changes in initially established criteria are recognised as changes in estimates.

(b) Property, plant and equipment

Property, plant and equipment is stated at cost of acquisition or production, using the same general criteria to calculate the production cost of inventories. Property, plant and equipment is subsequently carried at cost net of any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment, less residual value where appropriate, are depreciated on a straight-line basis over their estimated useful lives, which are the periods of expected use.

Useful lives, residual value and depreciation methods are reviewed at least at the closing date of each year and adjusted prospectively, as appropriate.

The useful life of assets for the purposes of calculating depreciation in 2024 and 2023 was as follows:

	Years of estimated useful life	
Property, Plant and Equipment	**2024**	**2023**
Furniture	10	10
Other Fixed Assets	5-14	5-14

Costs of expansion, improvements that increase production capacity, improvements that substantially increase productivity or lengthen the estimated useful life of the asset are recognised as increases in the value of the asset.

Renewals may be capitalised if they meet the conditions to be recognised as an asset, i.e. they arise as a result of past events, from which the Company expects to obtain economic benefits or returns in the future.

Regular maintenance, upkeep and repair expenses are recognised in the income statement and are expensed when incurred.

(c) Leases

Leases that substantially transfer all the risks and rewards incidental to ownership of the leased item are classified as finance leases. All other leases are classified as operating leases.

Finance leases in which the Company is the lessee are recognised at the commencement of the lease term. The Company recognises an asset according to its nature and a liability for the same amount, equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. Subsequently, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is recognised as an expense and allocated to income over the lease term so as to obtain a constant interest rate each year applicable to the remaining balance of the liability. The Company will apply the relevant amortisation, impairment, and derecognition criteria to the assets that must be recognised on the Balance Sheet as a result of the lease, according to their nature.

Costs and income deriving from operating leases are taken to profit and loss when incurred.

Any collections or payments made when entering into an operating lease will be treated as an advance collection or payment. These will be allocated to the income statement over the lease term, as the benefits of the leased asset are transferred or received.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, financial liability or equity instrument.

A financial asset and a financial liability will only be offset when the Company has a legally enforceable right to offset the recognised amounts and it has the intention to pay the net amount or to simultaneously realise the asset and settle the liability.

d.1. Financial assets except hedging derivatives

1. Classification and measurement of financial assets

For the purposes of measurement, the Company classifies its financial assets under the following categories:

- Financial assets at fair value through profit or loss: this category includes financial assets that could not be included in the rest of the other defined categories. This category must include financial assets held for trading.

  A financial asset is considered to be held for trading when:

  - it originates or is acquired for the purpose of selling it in the near term.

- on initial recognition it forms part of a portfolio of financial instruments that are identified and managed jointly, for which there is evidence of recent initiatives to obtain profits in the short term, or

- It is a derivative financial instrument, that is not a financial guarantee contract or a designated hedging instrument.

This category also includes financial assets that are recognised at fair value through profit or loss on initial recognition, provided that they eliminate or significantly reduce valuation inconsistencies and accounting mismatches.

The financial assets included in this category are initially measured at fair value, which, unless there is evidence to the contrary, shall be the transaction price, which shall be the fair value of the consideration given. Directly-attributable transaction costs shall be recognised in the income statement for the year.

After initial recognition, the Company shall measure the financial assets in this category at fair value through profit or loss.

- Financial assets at amortised cost: financial assets are recorded at amortised cost if they are held by the company with the objective of receiving contractual cash flows and the contractual conditions of the financial assets give rise, on specified dates, to cash flows that are only collections of principal and interests on the outstanding principal amount.

  In general, this category includes trade and non-trade receivables:

  - Trade receivables: financial assets incurred on the sale of goods and the provision of services in the course of the company's business, with deferred payment, and

  - Non-trade receivables: financial assets that are neither equity instruments nor derivatives, not arising on trade transactions, with fixed or determinable payments, and derive from loans or credits granted by the company.

  The financial assets included in this category are initially measured at fair value, which, unless there is evidence to the contrary, shall be the transaction price, which shall be the fair value of the consideration given plus the directly attributable transaction costs. However, trade receivables with a maturity not exceeding 1 year and without an explicit contractual interest rate, and advances and loans to personnel, dividends receivable and capital calls on equity instruments, which are expected to be settled in the short term, may be measured at their nominal amount, when the effect of discounting is immaterial.

  Financial assets in this category are measured at amortised cost. Interest accrued is recognised in the income statement applying the effective interest method. Nevertheless, trade receivables which mature within less than one year which, in accordance with the provisions of the paragraph above, are measured initially at nominal value, shall continue to be measured at that amount unless there is any impairment.

  At least at the end of the reporting period, the company shall recognise any necessary valuation adjustments when there is objective evidence that the value of a financial asset, or group of financial assets with similar risk exposure measured together, is impaired as a result of one or more events occurring after initial recognition and leading to a reduction or delay in estimated future cash flows, which could be due to debtor insolvency.

  The amount of the impairment loss on these financial assets shall be measured as the difference between the carrying amount and the present value of estimated future cash flows, including where applicable those deriving from the execution of secured loans or personal guarantees, discounted at the effective interest rate calculated upon initial recognition. For financial assets at floating interest rates, the effective interest rate used is that prevailing at the reporting date as per the instrument's contractual terms.

Impairment losses and, where applicable, their reversal, when the loss is reduced due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The loss can only be reversed up to the limit of the carrying amount of the asset that would have been recorded at the reversal date had the impairment loss not been recognised.

However, the market value of the instrument may be used instead of the present value of estimated future cash flows, provided that this is sufficiently reliable to be considered representative of the value recoverable by the company.

Interest on impaired financial assets shall be recognised following the general rules, although the company may also assess whether this amount is recoverable, and if so, account for the corresponding impairment loss.

- Financial assets measured at fair value with changes in equity: this category includes financial assets with contractual conditions that give rise, on specified dates, to cash flows that are only collections of principal and interest on the outstanding principal amount, which are not held for trading and may not be classified as financial assets at amortised cost. This category also includes investments in equity instruments that are not held for trading, and should not be measured at cost, for which the irrevocable option has been exercised on initial recognition to recognise subsequent changes in fair value directly in equity.

  The financial assets included in this category are initially measured at fair value, which, unless there is evidence to the contrary, shall be the transaction price, which shall be the fair value of the consideration given plus the directly attributable transaction costs.

  Subsequently, the financial assets included in this category will be measured at fair value, without deducting any transaction costs that may arise from their disposal. Any changes in fair value shall be recognised directly in equity, until the financial asset is derecognised from the balance sheet or becomes impaired, when the amount recognised shall be taken to profit or loss.

  The interest, calculated using the effective interest method, and dividends accrued shall also be recognised in the income statement. When a value must be assigned to these assets due to derecognition from the balance sheet or any other reason, the weighted average cost method shall be used.

  At least at the end of the reporting period, the company shall recognise any necessary valuation allowances when there is objective evidence that the value of a financial asset, or group of financial assets included in this category with similar risk exposure measured together, is impaired as a result of one or more events occurring after initial recognition.

  - In the case of acquired debt instruments, a reduction or delay in the estimated future cash flows, which could be due to debtor insolvency.

  - In the case of investments in equity instruments, failure to recover the carrying amount of investments, for example due to a significant or prolonged decline in their fair value. The instrument shall be considered impaired after a decline of a year and a half and of forty percent of its quoted price with no recovery in value. However, it may be necessary to recognise an impairment loss before this period has elapsed or before the quoted price has dropped by the aforementioned percentages.

    The impairment for these financial assets shall be measured as the difference between the cost or amortised cost, less any impairment previously recognised in the income statement, and the fair value at the measurement date.

    Where there is objective evidence that the asset is impaired, accumulated losses recognised in equity for a decrease in fair value shall be recorded in the income statement.

    Were fair value to increase in subsequent years, the previously recognised impairment loss would be reversed in the income statement for that year. However, where the fair value of an equity instrument increases, the impairment recognised in prior periods shall not be reversed with a credit to the income statement; rather, the increase in fair value shall be accounted for directly in equity.

- Financial assets at cost: this measurement category includes equity investments in Group companies, jointly controlled entities and associates, and any other financial asset initially classified in the fair value portfolio through profit or loss when a reliable estimate of its fair value cannot be obtained.

  Investments in this category shall initially be measured at cost, which shall be the fair value of the consideration given plus any directly attributable transaction costs. The criterion described in section 2 of the standard on transactions between Group companies and the criteria for determining the cost of the consolidation set out in the standard on business consolidations shall be applied to Group companies, where applicable. However, in the case of investments existing prior to classification as a Group company, jointly controlled entity or associate, the cost of the investment shall be the carrying amount immediately before classification by the company.

  Subsequently, equity instruments included in this category are measured at net cost, minus, where appropriate, any accumulated impairment.

  At least at the end of the reporting period, the necessary valuation allowances must be made when there is objective evidence that the carrying amount of an investment will not be recovered. The impairment shall be measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows from the investment, estimated in the case of equity instruments as either those from dividends expected to be received from the investee and the disposal or derecognition of the investment, or from the share in the cash flows expected to be generated by the investee in the ordinary course of business and from disposal or derecognition. When estimating impairment of these types of assets, the investee's equity shall be taken into consideration, corrected for any unrealised gains existing at the measurement date, net of taxes, unless better evidence of the recoverable amount of the equity investment is available. Where the investee in turn holds an interest in another company, its equity shall be measured taking into account the equity disclosed in the consolidated financial statements prepared using the criteria contained in the Code of Commerce and its implementing standards.

  The recognition of impairment losses and, where applicable, their reversal, shall be recorded as an expense or income, respectively, in the income statement. The loss can only be reversed up to the limit of the carrying amount of the investment that would have been recognised at the reversal date had the impairment not been recognised. However, when an investment was made in a Group company, jointly controlled entity, or associate before it was classified as such, and valuation adjustments for the investment were recognised directly in equity prior to this classification, these adjustments shall be maintained after classification, either until disposal or derecognition of the investment, at which point they shall be recognised in the income statement, or until the following circumstances occur:

  - Where prior valuation adjustments have been made for an increase in value, impairment shall be recognised in the equity line item that reflects prior valuation adjustments, up to the value of those adjustments, and any excess shall be recognised in the income statement. Impairment recognised directly in equity shall not be reversed.

  - Where prior valuation adjustments have been made for a decrease in value and the recoverable amount will subsequently exceed the carrying amount of the investment, the latter shall be increased up to the limit of the reduction in value, and recognised in the line item that reflected the prior valuation adjustments. The resulting amount shall be considered as the cost of the investment. However, when there is objective evidence that the investment is impaired, losses accumulated directly in equity shall be recognised in the income statement.

2. Investments in equity instruments of Group companies, jointly-controlled entities and associates

Group companies are those over which the Company exercises direct or indirect control. Associates are those over which the Company has a significant influence (considered to be ownership of at least 20% of another company's voting stock). Jointly-controlled entities include companies run jointly by agreement with one or more partners.

To test the investment in Endesa, S.A. for impairment, the Company uses pre-tax cash flow projections for Endesa, S.A. and its subsidiaries based on the latest budgets available. These budgets include Endesa, S.A.'s management's best estimates of its income and expenses according to industry projections, past experience and future expectations.

These projections cover the next three years and future cash flows, applying reasonable growth rates based on assumptions regarding average long-term growth and forecast inflation rates for the sector and geographical area.

Discount and growth rates

The discount rate before tax and growth rate applied in 2024 and 2023 were as follows:

%	2024	2023
Discount rate	5.3 – 9.6	0 – 9.3
Weighted average growth rate	3.1	2.2

Key assumptions

Based on these assumptions, the approach used to assign value to the key hypotheses considered took into account the following items and/or parameters:

Items and/or parameters	Description
Trend of demand for electricity and gas	• The estimated growth was calculated on the basis of the growth forecast for Gross Domestic Product (GDP) and other assumptions used by Endesa with respect to trends in consumption of electricity and gas in these markets.
Regulatory measures	• A substantial part of Endesa's business is regulated and subject to wide-ranging complex regulations, which may be amended by the introduction of new laws, by amendments to existing laws in such a way that forecasts contemplate proper application of current regulations, and any other laws now in process that may come into force during the projected period.
Average rainfall and wind availability	• The forecasts are drawn up on the basis of the average weather conditions in a year, taking account of historical conditions series. However, the actual rainfall and wind availability in the preceding year were used for the first year of the projection, adjusting the average year accordingly.
Installed capacity	• The generation activity takes into account the investment required to maintain installed capacity in proper operating conditions; distribution activity considers investment in grid maintenance, improvement and enhancement and the investment required to implement the remote metering plan, and commercialisation activity takes into account the investment required to perform activities involving other products and services.
Production mix	• The production *"mix"* was determined using complex specifically-developed internal forecast models that consider factors such as prices and availability of energy stocks (e.g. *Brent*, gas, coal), forecast demand, planned construction or the commissioning of new capacity in the various technologies. These models are constantly changing, factoring in changes in variables such as availability of the production base, availability of fuels or start-up of operation of new plants. They provide signals on prices in the system and estimates of production costs, on which output forecasts for generation facilities are based.
Assumptions for power sales and purchase prices	• Assumptions for power sale and purchase prices are made based on complex, specifically developed internal forecasting models. The *pool* price is estimated taking into account different scenarios regarding the expected trend or performance in a series of determining factors such as the costs and productions of the different technologies, electricity demand, *commodity* prices and other market and macroeconomic variables, and, as a result of these models, the most likely scenario is considered.
Electricity and gas sales prices	• The prices at which electricity and gas are sold are determined on the basis of the prices established in sales contracts and future energy prices.
Estimate of fuel costs	• Fuel costs are estimated taking into consideration existing supply contracts, and long-term forecasts are made for oil, gas or coal prices based on forward markets and estimates available from analysts.
Fixed costs	• Fixed costs are projected considering estimated levels of activity for each company in terms of trends in personnel, as well as other operating and maintenance costs, forecast inflation and long-term maintenance contracts and other types of contracts.
Macroeconomic assumptions	• External sources (e.g. analysts, domestic and international official bodies, etc) are always used to compare macroeconomic assumptions, such as price trends, growth in gross domestic product (GDP) variations in demand, inflation, variations in interest rates and exchange rates.
Climate Change	• Energy Transition scenarios and climate change Impacts used in the valuation models (see Section 6 of the Management Report at 31 December 2024).

Based on these assumptions, the value of the investments held by Endesa, S.A. was tested for impairment, resulting in the recognition of various provisions and reversals of impairment losses on its investments in 2024 for an accumulated amount of less than EUR 1 million of profit (EUR 1 million of reversals of valuation adjustments for impairment losses in 2023) (see Note 9.1.1).

3. Interest and dividends received from financial assets

Interest and dividends from financial assets accrued after the acquisition date are recognised as income in the income statement.

To this end, on initial measurement of the financial assets, accrued explicit interest pending maturity at that time and dividends authorised by the competent office prior to the acquisition are recognised separately according to their maturity. Explicit interest is that obtained on application of the contractual interest rate of the financial instrument.

Furthermore, distributed dividends are not recognised as income when they are clearly derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investee (or any Group company in which the latter has an ownership interest) have been distributed since the acquisition and, instead, they are recognised as a reduction in the carrying amount of the investment.

The analysis of whether profits have been generated by the investee will be exclusively performed on the profits recognised in the individual income statement from the acquisition data, unless the distribution with a charge to this profit must be categorically classified as a recovery of the investment from the perspective of the company that receives the dividend.

Interest income is recognised using the effective interest method and dividend income is recognised when the right to receive the payment is established.

4. Derecognition of financial assets

The Company derecognises financial assets when they expire or when the contractual rights to the cash flows from the financial asset have been transferred and the risks and rewards of ownership have been substantially transferred. However, for transfers of financial assets in which the risks and rewards of ownership are substantially retained, the Company does not derecognise the financial assets but instead recognises a financial liability for the same amount as the consideration received.

If the Company has not substantially transferred or retained the risks and rewards of the financial asset, the asset is derecognised when control is not retained. If the Company retains control of the asset, it continues recognising it for the amount to which it is exposed through changes in the fair value of the asset transferred, i.e. for its continuing involvement, recognising the associated liability.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net transaction costs, including any new asset obtained less any new liability assumed and any cumulative gain or loss deferred in recognised income, and expenses recorded in equity.

d.2. Non-derivative financial liabilities

1. Classification and measurement of financial liabilities

For the purposes of measurement, the Company classifies its financial liabilities under the following categories:

- Financial liabilities at amortised cost: the company classifies financial liabilities in this category unless they must be measured at fair value through profit or loss or they are one of the exceptions to the rule.

In general, this category includes trade and non-trade payables:

- Trade payables: financial liabilities arising on the purchase of goods and services in the course of the company's trade operations, and

- Non-trade payables: financial liabilities that are not derivatives and do not arise on trade transactions, but derive from loans or credits received by the company.

Participating loans with the characteristics of an ordinary loan are also included in this category.

The financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, shall be the transaction price, which shall be the fair value of the consideration received adjusted for any directly attributable transaction costs.

However, trade payables maturing within one year that have no contractual interest rate, and capital called up by third parties, which is expected to be paid in the short term, may be measured at their nominal amount, when the effect of discounting the cash flows is immaterial.

Financial liabilities in this category are subsequently measured at amortised cost. Interest accrued is recognised in the income statement applying the effective interest method. Nevertheless, trade payables which mature within less than one year which, in accordance with the provisions of the paragraph above, are measured initially at nominal value, shall continue to be measured at that amount.

- Financial liabilities at fair value through profit or loss: the Company classifies financial liabilities that meet one of the following conditions under this category:
  - These are financial liabilities held for trading. A financial liability is considered to be held for trading when:
    - it is issued or assumed principally for the purpose of repurchasing it in the near term.
    - it is an obligation to deliver financial assets borrowed by a short seller.
    - on initial recognition it forms part of a portfolio of financial instruments that are identified and managed jointly, for which there is evidence of recent initiatives to obtain profits in the short term, or
    - It is a derivative financial instrument, that is not a financial guarantee contract or a designated hedging instrument.
- It has been designated by the company on initial recognition as a financial liability at fair value through profit or loss. Liabilities may only be designated at fair value through profit or loss where this results in more relevant information due to the following:
    - It eliminates or significantly reduces measurement or recognition inconsistency (accounting mismatches) with other instruments at fair value through profit or loss; or
    - A group of financial liabilities, or financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about the group is provided internally on that basis to the company's key management personnel.
  - Optionally, and irrevocably, hybrid financial liabilities may also be included in this category in their entirety.

  The financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, shall be the transaction price, which shall be the fair value of the consideration received. Directly-attributable transaction costs shall be recognised in the income statement for the year.

  After initial recognition, the company shall measure the financial liabilities in this category at fair value through profit or loss.

The Company has reverse factoring arrangements with a number of financial entities, and a portion of such arrangements include sustainability criteria. Trade payables whose payment is managed by financial institutions are recognised under *"Trade and other payables"* in the statement of financial position to the extent that the Company has transferred only the management of payment to the financial institutions, does not receive any funding from the financial institutions and remains the primary obligor in repaying those debts to the trade creditors concerned.

At 31 December 2024, the amount of trade debt discounted with financial institutions to manage payments to suppliers (*reverse factoring*), as recognised under *"Trade and other payables"* in the statement of financial position, totalled EUR 1 million (EUR 1 million at 31 December 2023).

In 2024 and 2023, the financial income accrued on *reverse factoring* contracts was less than EUR 1 million, respectively.

2. Derecognition of financial liabilities

The Company derecognises financial liabilities when the obligations that generated them have been extinguished.

d.3. Derivatives and hedge transactions

Accounting hedges

The derivatives held by the Company relate mainly to transactions arranged to hedge interest rate and foreign currency risk, the purpose of which is to eliminate or significantly reduce these risks in the underlying hedged transactions.

Derivatives are recognised at their fair value in the statement of financial position at the end of the reporting period. Derivatives are recognised as *current or non-current financial investments'* where the value is positive and as *current or non-current debts'* where the value is negative. If arranged with Group companies, they are recognised under *"Non-current investments in Group companies and associates"* or *"Current investments in Group companies and associates"* if their value is positive, or under *"Non-current debts to Group companies and associates"* or *"Current debts to Group companies and associates"* if the value is negative.

Any gains or losses arising from changes in fair value are recognised in the consolidated income statement as financial profit or loss, except where the derivative has been designated as a hedging instrument and the requirements for hedge accounting have been met; for example, the hedge must be highly effective. In this case, recognition depends on the type of hedge as follows.

- Fair value hedges: the portion of the underlying for which the risk is hedged and the hedging instrument are measured at fair value through profit or loss as financial income or expense.

- Cash flow hedges: changes in fair value of the derivatives are recognised, in the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge, net of the related tax effect, under *"Equity – Valuation adjustments – Hedging transactions"*. The cumulative gain or loss is recognised in the income statement as the underlying hedged item affects profit or loss. The ineffective portion of the gain or loss on the hedges is recognised directly in the income statement as financial income or expense.

A hedge is only applicable when there is a financial relationship between the hedged item and the hedging instrument, the credit risk of the hedged item does not have a dominant effect on the changes in value resulting from that financial relationship, and the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that Endesa actually uses to cover said amount of the hedged item.

Endesa, S.A. assesses, at the inception of the hedging relationship and on an ongoing basis, whether the hedging relationship meets the effectiveness requirements prospectively. It also assesses effectiveness at each accounting close or when significant changes occur that affect the effectiveness requirements.

The Company carries out a qualitative assessment of effectiveness when the basic terms of the instrument and the hedged item match. When the essential terms do not match, Endesa, S.A. uses a hypothetical derivative with vital terms that match the terms of the hedged item to assess and measure ineffectiveness.

Endesa, S.A. will discontinue hedge accounting prospectively only when the hedging relationship (or a part of it) no longer meets the required criteria, having factored in any rebalancing of the hedging relationship; for example, when the hedging instrument expires or is sold, resolved or exercised. However, the hedge continues to be recognised and measured in cases where the Company revokes the hedge designation if the remaining requirements are still met.

When hedge accounting is discontinued in a cash flow hedge, the amounts accumulated in equity are not recognised in the income statement until the future cash flows on the hedged item materialise. In contrast, the amounts accumulated in equity are recognised in the income statement when future cash flows on the hedge item are no longer expected.

Endesa, S.A. assesses whether embedded derivatives are present in contracts and financial instruments. Financial instruments that combine a non derivative host contract and a financial derivative (embedded derivative) are known as hybrid financial instruments. When the host contract is a financial asset of the Company it must be measured as a whole in accordance with the general criteria for the recognition and measurement of financial assets. If the host contract is not a financial asset, the Company accounts for the embedded derivative and the host contract separately, if, and only if:

- The economic characteristics and risks of the embedded derivative are not closely related to those of the host contract.
- A different financial instrument with the same terms as those of the embedded derivative would meet the definition of an embedded derivative; and
- The entire hybrid contract is not measured at fair value through profit or loss:

The embedded derivative is accounted for in the same way as the host contract in accordance with the corresponding recognition and measurement standards. If the requirements stated above are not met for the separate recognition and measurement of the embedded derivative and host contract, the Company will apply the general recognition and measurement standards to the hybrid contract as a whole.

The fair value of the different derivative financial instruments is calculated as follows:

- For derivatives quoted on an organised market, their quoted value at year-end.
- In the case of derivatives not quoted on an organised market, Endesa, S.A. carries out valuations using internal tools and calculates the fair value of financial derivatives in due consideration of observable market variables, by estimating discounted future cash flows using zero-coupon yield curves for each currency on the last working day of each close, translated to euros at the exchange rate prevailing on the last working day of each close. When the gross market value has been obtained, a *"Debt Valuation Adjustment (DVA)"* is made in respect of credit risk, or a *"Credit Valuation Adjustment (CVA)"* in respect of counterparty risk. The measurement of *CVA/DVA* is based on potential future exposure of the instrument (creditor or debtor position) and the risk profile of the counterparties and of Endesa's own risk profile.

The Company has entered into commodities forward sale and purchase contracts, mainly for liquefied natural gas. In general, these contracts are measured in the statement of financial position at fair value at the reporting date, with differences recognised on the income statement, except for supply contracts that are fully transferred under the same terms and conferring the same rights and obligations to other Endesa Group companies in which the Company has acted as the contracting party, solely for reasons associated with the Group's organisation or in order to boost efficiency when entering into or handling these contracts. In such cases, the Company acts as the agent and does not recognise expenses on these purchases or revenue on the sales, as it does not take control of the goods supplied by the third party.

d.4. Equity instruments

Own shares acquired by the Company in the year are recognised at the value of the consideration delivered in exchange, directly as a reduction of Equity under *"Shares and investments in equity"*.

The results arising from the purchase and sale of equity instruments are recognised directly in equity, and no results are recognised in the income statement under any circumstances.

Expenses arising from a transaction involving equity instruments, which was discontinued or abandoned, shall be recognised in the income statement.

d.5. Financial guarantee contracts

Financial guarantee contracts, which are the guarantee deposits extended to third parties by the Company, are initially recognised at fair value. Except where there is evidence to the contrary, fair value is the premium received plus the present value of any premiums to be received.

Subsequently, financial guarantee contracts are measured at the highest of the following amounts:

- The amount resulting from application of the standard on provisions and contingencies (see Note 4f).
- The amount of the initially recognised asset, less the portion taken to the income statement when relating to accrued revenue.

When the Company receives the guarantee (secured company), it will recognise the cost of the guarantee in the income statement as an operating expense. However, when the guarantee is directly related with a financial transaction, the payment arising from the guarantee will be included in the calculation of the effective interest rate.

d.6. Guarantees provided and received

In guarantees provided and received for operating leases or to render services, the difference between the fair value and the amount disbursed is recognised as a prepayment or as revenue received in advance, and is recognised in the income statement over the period during which the service is rendered or the lease period lasts.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand deposits in financial institutions. They also include other current, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it matures at less than 3 months from the date of acquisition.

(f) Provisions and contingencies

Liabilities existing at the statement of financial position date that arise as a result of past events that could have a negative impact on the Company's equity, whose amount and settlement date are uncertain, are recognised as provisions in the statement of financial position at the present value of the most probable amount considered to be needed by the Company to settle the liability.

Provisions are made based on the best information available at the reporting date on the most likely outcome of the event for which the provision is required and are re-estimated at the end of each reporting period.

Contingent liabilities are not recognised in the financial statements, but rather are disclosed in the corresponding Notes, when they are not considered to be remote.

The financial effect of provisions is recognised as a financial expense in the Income Statement. In relation to provisions maturing in less than or equal to 1 year and for which the financial effect is immaterial, no discount is applied.

If it is no longer probable that an outflow of resources embodying economic resources will be required to settle an obligation, the provision is reversed.

f.1. Provisions for pensions and other similar provisions

For defined benefit plans, the Company recognises the expenditure relating to these obligations on an accrual basis over the working life of the employees by performing actuarial studies at the date of the Statement of Financial Position, calculated using the projected unit credit method. Past service costs relating to changes in benefits are recognised immediately in the income statement to the extent that the rights are irrevocable.

Defined benefit plan provisions represent the present value of the accrued benefits, after deducting the fair value of the qualifying plan assets and any unrecognised past service cost. The actuarial losses and gains arising on the measurement of plan liabilities and assets are recognised directly under *"Equity": Other reserves"* (see Note 11.3.5).

For each of the plans, any positive difference between the actuarial liability for past services and the plan assets is recognised under *non-current provisions* on the liability side of the statement of financial position. Any negative difference is recognised under *Non-current financial investments - Other Financial Assets* on the asset side of the statement of financial position, provided that this negative difference is recoverable by the Company, usually through a reduction in future contributions.

Contributions to defined contribution plans are recognised as an expense in the income statement as the employees provide their services.

Defined benefit plan assets and liabilities are recognised as current or non-current depending on when the associated benefits are realised or fall due.

The post-employment plans that have been fully insured and for which the Company has therefore transferred all the risk are considered to be defined contribution plans. Consequently, in the same case as the latter, no assets or liabilities are recognised in the statement of financial position.

f.2. Provisions for workforce restructuring plans

The Company recognises termination or temporary lay-off benefits when there is an individual or group agreement with the employees that will enable them, unilaterally or by mutual agreement with the Company, to cease working for Endesa, S.A. or to temporarily suspend their employment contract in exchange for termination benefits or consideration. If a mutual agreement is required, a provision is only recorded in situations in which Endesa, S.A. has decided to give its consent to the termination of employment, and consent has been notified to the employee either individually or collectively to employee representatives. In all cases in which these provisions are recognised, the employees expect that these early retirements will proceed, and that there will be official notification by the Company to the employee or to the employee's representatives.

f.3. Short-term and long-term employee remuneration

The Company recognises the expected cost of profit-sharing and bonus plans when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(g) Transactions in foreign currency

Transactions in currencies other than the euro, the Company's functional currency, are translated to euros at the exchange rates prevailing at the transaction date. During the year, differences arising between the balances translated at the exchange rate at the transaction date and those translated at the exchange rate at the date of collection or payment are recorded as financial profit or loss in the income statement (see Note 10).

Balances receivable or payable by 31 December each year denominated in currencies other than the EUR are converted using the year-end exchange rate. Any conversion differences that arise are recognised as financial profit or loss in the income statement.

(h) Classification of assets and liabilities as current and non-current

In the accompanying statement of financial position, assets and liabilities maturing within 12 months are classified as current and those maturing within more than 12 months are classified as non-current.

(i) Income tax expense

The income tax expense or income for the year is calculated as the sum of the current tax of the Company resulting from applying the tax rate to the taxable income for the year, after consideration of any available tax deductions, plus the change in deferred tax assets and liabilities, and tax credits for tax loss carryforwards and deductions.

The differences between the carrying amount of assets and liabilities and their tax base give rise to deferred tax assets or liabilities, which are measured at the tax rates that are expected to apply to the years when the assets are realised and the liabilities settled.

Deferred tax assets are recognised for all deductible temporary differences, except where those arising from the initial recognition of assets or liabilities in a transaction that is not a business consolidation and, at the time of the transaction, affects neither accounting profit nor taxable income.

In accordance with the principle of prudence, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In any case, this condition will be considered to exist, when the applicable tax legislation provides for the possibility of future conversion of deferred tax assets in an enforceable claim against the tax authorities with respect to the assets subject to conversion.

Unless there is evidence to the contrary, it is not considered probable that the company will have future taxable profits in the following cases:

- Where it is expected that their future recovery will occur in a period of over 10 years from the closing date of the financial year, regardless of the nature of the deferred tax asset.
- In the case of unused tax credits and other tax relief due to insufficient taxable income when reasonable doubts exist as to fulfilment of the requirements for their utilisation when the activity has occurred or the return has been obtained.

It is also likely that sufficient taxable profit will be available against which the deferred tax assets can be recovered when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse:

- In the same period as the expected reversal of the deductible temporary difference; or
- In periods into which a tax loss arising from the deferred tax asset can be carried back or forward.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business consolidation and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Tax credits arising from economic events occurring in the year are deducted from the income tax expense, unless there are doubts as to whether they can be realised, in which case, they are not recognised until they have effectively been realised.

The deferred tax assets and liabilities recognised are reviewed at the end of each reporting period, in order to ascertain whether they still exist, and the appropriate adjustments are made in line with the outcome of the aforementioned examination.

The Company also evaluates any deferred tax assets that were not previously recognised. Based on this evaluation, the Company recognises deferred tax assets not previously recognised provided it is probable that the Company will report taxable profits in the future enabling these assets to be capitalised.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and non-current liabilities, respectively in the statement of financial position, regardless of the estimated realisation or settlement date.

The Company forms part of the consolidated tax group headed by Enel, S.p.A. (the Italian company which is the parent of the Enel Group), represented in Spain by Enel Iberia, S.L.U.

The accrued income tax expense for the companies forming the consolidated tax group is determined taking into account, in addition to the factors to be considered in the case of individual taxation set out previously, the following:

- Temporary and permanent differences arising from the elimination of profits and losses on operations between companies in the tax group, derived from the process of determining consolidated taxable income.

- Tax credits and rebates that correspond to each company forming the consolidated tax group; for these purposes, tax credits and rebates are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the tax credit or rebate.

A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated tax group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other companies of the tax group, these tax losses carry forwards are recognised as deferred tax assets under respective recognition criteria, considering the tax group as a taxable entity.

Income tax credits and rebates affect the calculation of the tax accruing at each company by the effective amount applicable in the consolidated system.

The amount of the debt (credit) owed to the entity representing the tax group in Spain, Enel Iberia, S.L.U., is recognised with a credit (debit) to *current debts with Group companies and associates'* or *'current investments with Group companies and associates'* in the accompanying statement of financial position.

(j) Income and expenses

Dividend income from investments in equity instruments is recognised when the Company is entitled to receive it. Likewise, given that the Company's ordinary activities involve the ownership of investments in the capital of subsidiaries, jointly controlled entities or associates, dividend income is recognised under *"Revenue"* in the income statement, while an account is included under the operating margin for impairment losses on equity instruments associated with its activity.

As general criteria, Endesa, S.A. recognises the income from its ordinary activities as the delivery of the goods or the rendering of the services contractually agreed to with its customers occurs during the life of the contract and for the amount of the consideration to which it expects to be entitled in exchange for said goods or services.

In particular, the Company follows the following stages for the recognition of revenue from contracts with customers:

- Identify the contract with the customer.
- Identify the obligations for executing the contract.
- Establish the price of the transaction.
- Allocate the transaction price among the contract execution obligations.
- Recognise the income as compliance with execution obligations is met.

The Company excludes from income gross inflows of profits received when acting as an agent or commission agent on behalf of third parties, and only recognises revenue from its own activity.

Interest income and expenses are recognised by reference to the effective interest rate applicable to the outstanding principal over the related repayment period.

Expenses are recognised on an accrual basis.

(k) Fair value measurement

Fair value is defined as the price that would be collected for the sale of an asset or that would be paid for the transfer of a liability, in an orderly transaction between market players at the valuation date.

The valuation is calculated on the premise that the transaction is carried out on the main market, i.e. the market with the largest volume or activity for the asset or liability. In the absence of a main market, it is assumed that the transaction is carried out on the most advantageous market, i.e. that which maximises the amount received from selling the asset or that which minimises the amount paid to transfer the liability.

The fair value of the asset or the liability is determined by applying the assumptions that would be made by the market players at the time the price of the asset or liability is set, on the understanding that the market players are acting in their best economic interests, are independent of each other, are well informed, can carry out a transaction with the asset or liability, and are motivated to carry out the transaction but are not in any way obliged or forced to do so.

Assets and liabilities measured at fair value may be classified on the following levels (see Notes 9.6 and 13.6):

- Level 1: Fair value is calculated from quoted prices in active markets for identical assets or liabilities.

- Level 2: Fair value is calculated from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The methods and assumptions used to determine fair value within Level 2 by class of assets or liabilities take into account the estimate of future cash flows discounted to present value using zero-coupon yield curves for each currency on the last working day of each closing, translated to EUR at the exchange rate prevailing on the last working day of each closing. All these measurements are made using internal tools.

- Level 3: The fair value is calculated from inputs for assets or liabilities that are not based on observable market data.

Endesa, S.A. uses valuation tools to measure the fair value of assets and liabilities that are suited to the circumstances and for which sufficient data are available to appraise fair value, making maximum use of major observable variables and minimum use of non-observable variables.

(l) Environmental assets

Environmental expenses are those incurred by the Company to minimise the environmental impact of its activity.

The environmental expenses of these activities and any incurred as a result of events outside the Company's normal business that are not expected to arise frequently (including fines, sanctions and compensation payable to third parties for environmental damage) are classified as operating expenses under other *"Operating expenses - external services"* in the period in which they are incurred.

Items incorporated into the Company's assets to be used on a lasting basis in its activity, acquired by the Company to minimise the environmental impact of its activity and to protect the environment are recognised – depending on their nature – as property, plant and equipment or intangible assets, at their cost of acquisition or production, and are depreciated or amortised on a straight-line basis over their useful life.

(m) Related-party transactions

All Company transactions with related parties are performed on an arm's length basis. Transfer prices are adequately supported, and consequently, the Company's Directors consider that no significant risks exist in this respect from which significant liabilities could arise in the future.

The merger by absorption of the wholly owned company Endesa Red, S.A.U. by the Company in 2023 is covered in the accounting treatment specified by the special rules of section 2.2 of accounting and measurement rule 21.

Based on the foregoing, the Company measured the assets acquired using the existing amounts before recognising the transaction in the separate financial statements of Endesa Red, S.A.U. for the year ended 31 December 2022 and the difference shown between the net value of the assets and liabilities of the acquired company, adjusted in line with the balance that should appear in Equity subgroups A-3) was recognised under a reserve item (see Note 5).

As part of merger and spin-off transactions involving Group Companies, the effective date for accounting purposes is the start of the year in which the merger is approved, provided that it postdates the time at which the companies are integrated into the Group. If one of the companies has been integrated into the Group during the year in which the merger or spin-off occurs, the effective date for accounting purposes will be the acquisition date.

(n) Share-based remuneration schemes

Endesa, S.A. has granted certain of its employees and employees of its business group, who occupy positions of greater responsibility, remuneration plans based on equity instruments, in which, in exchange for the services they provide, the Company settles them with equity instruments (shares of Endesa, S.A.). These plans are also combined with cash settlements, whose amount is based on the value of equity instruments (see Note 19.3.5).

The Company recognises the services received from in-house employees as *"personnel expenses"* in the income statement, at the time of obtaining them and, by contrast, it posts the corresponding increase in Equity under the heading *"other equity instruments"* when the transaction is settled with equity instruments or the corresponding liability under the heading *"non-current provisions"* if the transaction is settled in cash with an amount that is based on the value of equity instruments.

In the event of payments to employees of its business group, which are settled with equity instruments of the parent, Endesa, S.A. recognises the cost of the Plan as an addition to its investment in the subsidiary.

Transactions in which it is necessary to complete a certain period of services are recognised to the extent that such services are provided throughout that period.

In transactions with employees settled with equity instruments, both the services provided and the increase in the Equity to be recognised shall be measured at the fair value of the equity instruments transferred, referred to the date of the concession agreement.

Once the goods and services received have been recognised, in accordance with the provisions of the preceding paragraphs, as well as the corresponding increase in Equity, no additional adjustments will be made to the Equity after the date of irrevocability.

In transactions settled in cash, the goods or services received and the liability to be recognised shall be measured at the fair value of the liability, referring to the date on which the requirements for recognition are met. Subsequently, and until settlement, the corresponding liability shall be measured at fair value at the closing date of each financial year, with any valuation changes that occurred during the financial year being charged to the income statement.

5. Business consolidation

On 22 September 2023, the Board of Directors of Endesa, S.A. (Absorbing Company) and the Sole Director of Endesa Red, S.A.U. (Absorbed Company) signed and approved a joint plan for a merger by absorption of Endesa Red, S.A.U. by the Sole Shareholder Endesa, S.A. pursuant to the provisions of Sections 39 and 40 of Royal Decree Law 5/2023, of 28 June, adopting and extending certain measures in response to the economic and social consequences of the war in Ukraine, to support the reconstruction of the island of La Palma and other situations of vulnerability; transposing European Union Directives on structural modifications of commercial companies and reconciliation of family and professional life for parents and carers; with the termination, by means of dissolution without liquidation, of the Acquiree and the en-bloc transfer of its assets to Endesa, S.A. as universal successor, comprising all assets and liabilities of the Absorbed Company.

These agreements were executed in a public deed on 2 November 2023 and were recorded in the Madrid Trade Register on the same date.

Due to the evolution of energy markets and companies, especially in Spain, along with the increasing entry of new operators and new methods of carrying out activities within the electricity and gas sector, Endesa, S.A. deemed it appropriate to reorganise its corporate structure, significantly simplifying it through the absorption of Endesa Red, S.A.U. The Merger reduced the number of companies in the Endesa Group, made management and operation easier and more efficient, and led to cost savings and improved economic and administrative efficiencies.

The merger was carried out with accounting effects on 1 January 2023 as the merger was between two Group Companies in accordance with the Recognition and Measurement Standard 21 Operations between Group Companies, included in the second part of the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, of 16 November. In order for it to be considered legally effective, it must comply with all requirements stipulated by law.

The assets acquired were measured in accordance with the carrying amounts at 31 December 2022 in the individual financial statements of Endesa Red, S.A.U.

The value of the net assets and liabilities acquired by the Company therefore corresponds to that recognised in the individual financial statements of Endesa Red, S.A.U. at 31 December 2022 and detailed as follows:

Thousands of Euros	Note	31 December 2022
ASSETS		
NON-CURRENT ASSETS		**2,646,188**
Intangible assets		231
Tangible assets		112
Non-current investments in Group companies and associates	9	2,641,730
Non-current financial investments		79
Deferred tax assets	16.6	4,036
CURRENT ASSETS		**3,514**
Trade and other receivables		88
Current investments in Group companies and associates		3,394
Current financial investments		32
TOTAL ASSETS		**2,649,702**

Thousands of Euros	Note	31 December 2022
NET EQUITY AND LIABILITIES		
NET EQUITY		**7**
Grants, donations and bequests received		7
NON-CURRENT LIABILITIES		**190,285**
Non-current provisions	12	8,197
Non-current debts		459
Non-current debts to Group companies and associates	13	181,627
Deferred tax liabilities		2
CURRENT LIABILITIES		**10,099**
Current provisions		1,580
Current debts		15
Current debts to Group companies and associates		6,928
Trade and other accounts Payable		1,576
TOTAL NET EQUITY AND LIABILITIES		**200,391**
TOTAL NET ASSETS AND LIABILITIES		**2,449,311**

As a result of this operation, a merger reserve of EUR 9 million was recognised for the difference between the net value of the interest held in 100% of the share capital of Endesa Red, S.A.U. prior to the merger, amounting to EUR 2,440 million, and the value of the net assets and liabilities acquired, amounting to EUR 2,449 million (see Notes 9 and 11.3.6).

6. Intangible assets

On 31 December 2024 and 2023, the breakdown and movements in this item in the accompanying statement of financial position were as follows:

Millions of Euros	Balance as of 31 December 2023	Additions and charges	Disposals and transfers	Balance as of 31 December 2024
Cost:				
Patents, licences, trademarks and similar	9	7	—	16
Software applications	431	12	—	443
Total	**440**	**19**	**—**	**459**
Accumulated amortisation:				
Patents, licences, trademarks and similar	(5)	(7)	—	(12)
Software applications	(355)	(29)	—	(384)
Total	**(360)**	**(36)**	**—**	**(396)**
NET TOTAL	**80**	**(17)**	**—**	**63**

Millions of Euros	Balance as of 31 December 2022	Additions and charges	Disposals and transfers	Balance as of 31 December 2023
Cost:				
Patents, licences, trademarks and similar	9	6	(6)	9
Software applications	414	17	—	431
Total	**423**	**23**	**(6)**	**440**
Accumulated amortisation:				
Patents, licences, trademarks and similar	(4)	(7)	6	(5)
Software applications	(324)	(31)	—	(355)
Total	**(328)**	**(38)**	**6**	**(360)**
NET TOTAL	**95**	**(15)**	**—**	**80**

Investments in computer software in 2024 relate mainly to acquisitions from Endesa Medios y Sistemas, S.L.U., amounting to EUR 11 million (EUR 16 million in 2023) and from Enel Global Trading, S.p.A. for the amount of EUR 1 million (EUR 1 million in 2023) (see Note 19.1).

At December 31, 2024, the Company has fully amortised intangible assets of EUR 52 million, corresponding to computer software, which are in use (EUR 52 million at December 31, 2023).

On 31 December 2024 and 2023, the Company had no commitments to purchase intangible assets.

7. Property, plant and equipment

On 31 December 2024 and 2023, the breakdown and movements in this item in the accompanying statement of financial position were as follows:

Millions of Euros	Balance as of 31 December 2023	Additions and charges	Disposals and transfers	Balance as of 31 December 2024
Cost:				
Technical facilities and other property, plant and equipment	10	–	–	10
Total	**10**	**–**	**–**	**10**
Accumulated depreciation:				
Technical facilities and other property, plant and equipment	(9)	–	–	(9)
Total	**(9)**	**–**	**–**	**(9)**
NET TOTAL	**1**	**–**	**–**	**1**

Millions of Euros	Balance as of 31 December 2022	Additions and charges	Disposals and transfers	Balance as of 31 December 2023
Cost:				
Technical facilities and other tangible assets	10	–	–	10
Total	**10**	**–**	**–**	**10**
Accumulated amortisation:				
Technical facilities and other tangible assets	(8)	(1)	–	(9)
Total	**(8)**	**(1)**	**–**	**(9)**
NET TOTAL	**2**	**(1)**	**–**	**1**

On 31 December 2024 and 2023, the Company had no fully depreciated property, plant and equipment still in use.

On 31 December 2024 and 2023, the Company had no commitments to purchase property, plant and equipment.

The Company has taken out corporate insurance policies that cover the risk of damage to its property, plant and equipment with limits and coverage appropriate to the type of risk. Possible claims against the Company due to the nature of its activity are also covered.

8. Leases and similar operations

8.1. Operating lease

Endesa, S.A. leases the building where its headquarters is located from Group company ENDESA Medios y Sistemas, S.L.U. The lease expires in 2030. Lease payments made in this regard in 2024, amounted to EUR 5 million (EUR 4 million in 2023) (see Note 17.3).

Likewise, Endesa, S.A. is the lessee of several buildings with leases that expire between 2024 and 2030. Lease payments made in 2024 for these leases amounted to EUR 3 million (EUR 3 million in 2023) (see Note 17.3).

On 31 December 2024 and 2023, the minimum future lease payments payable by the Company under operating leases are as follows:

Millions of Euros	Nominal Value	
	31 December 2024	31 December 2023
Less than one year	7	7
Between one year and five years	23	25
More than five years	6	9
Total	**36**	**41**

9. Current and non-current financial assets

On 31 December 2024 and 2023, the composition and movements of *"Investments in Group companies and associates"* and *"Non-current financial investments"* in the accompanying statement of financial position were as follows:

Millions of Euros	Note	Balance as of 31 December 2023	Additions and charges	Disposals	Transfers and other	Business consolidation	Balance as of 31 December 2024
Non-current investments in Group companies and associates	**19.2**	**19,132**	**2**	**(4)**	**—**	**—**	**19,130**
Equity Instruments	9.1.1	19,129	—	(2)	—	—	19,127
Interests in Group companies and associates		19,130		(2)	—	—	19,128
Impairment		(1)	—	—	—	—	(1)
Loans to Companies	9.1.2	—	—	—	—	—	—
Corporate loans		—	—	—	54	—	54
Value adjustment for impairment	9.1.3	—	—	—	(54)	—	(54)
Other Financial Assets		3	2	(2)	—	—	3
Non-current financial investments		**81**	**21**	**(31)**	**(1)**	**—**	**70**
Equity Instruments	9.2.1	4	—	—	—	—	4
Non-current financial investments		5	—	—	—	—	5
Impairment		(1)	—	—	—	—	(1)
Loans to third parties	9.2.2	12	4	—	(4)	—	12
Loans to third parties		12	4	—	(4)	—	12
Derivatives	15	55	13	(28)	—	—	40
Other Financial Assets	9.2.3	10	4	(3)	3	—	14
TOTAL NON-CURRENT FINANCIAL ASSETS		**19,213**	**23**	**(35)**	**(1)**	**—**	**19,200**

Millions of Euros	Note	Balance as of 31 December 2022	Additions and charges	Disposals	Transfers and other	Business consolidation	Balance as of 31 December 2023
Non-current investments in Group companies and associates	**19.2**	**18,926**	**3**	**1**	**—**	**202**	**19,132**
Equity Instruments	9.1.1	18,926	—	1	—	202	19,129
Interests in Group companies and associates		18,928	—	—	—	202	19,130
Impairment		(2)	—	1	—	—	(1)
Other Financial Assets		—	3	—	—	—	3
Non-current financial investments		**130**	**16**	**(60)**	**(5)**	**—**	**81**
Equity Instruments	9.2.1	3	—	1	—	—	4
Non-current financial investments		5	—	—	—	—	5
Impairment		(2)	—	1	—	—	(1)
Loans to third parties	9.2.2	7	9	—	(4)	—	12
Loans to third parties		7	9	—	(4)	—	12
Derivatives	15	110	4	(58)	(1)	—	55
Other Financial Assets	9.2.3	10	3	(3)	—	—	10
TOTAL NON-CURRENT FINANCIAL ASSETS		**19,056**	**19**	**(59)**	**(5)**	**202**	**19,213**

The composition of *current investments in Group companies and associates´* and *´current financial investments´* in the accompanying statement of financial position on 31 December 2024 and 2023 are as follows:

Millions of Euros	Note	31 December 2024	31 December 2023
Current investments in Group companies and associates	**19.2**	**90**	**128**
Loans to companies	9.1.2	90	67
Loans to Group companies and associates		90	67
Other Financial Assets	9.1.4	—	61
Current financial investments		**178**	**7**
Loans to third parties		175	2
Loans to third parties	9.2.2	175	2
Other Financial Assets		3	5
TOTAL CURRENT FINANCIAL ASSETS		**268**	**135**

9.1. Non-current and current investments in Group companies and associates

9.1.1 Equity instruments

On 31 December 2024 and 2023, the details of the investments in equity instruments of Group companies and associates, as well as the most significant information regarding each investment at those dates, were as follows:

Group companies and associates and jointly-controlled entities: 2024 Company [(1)]	Millions of Euros					
					Profit/loss for the year	
Registered offices	% direct ownership	Equity	Reserves	Interim Dividend	Profit/loss from operations	Net income
Group companies:						
Endesa Energía, S.A.U. – Madrid [(2)]	100%	14	1,760	(535)	579	439
Endesa Generación, S.A.U. – Seville [(2)]	100%	1,940	5,005	(375)	1,270	780
Endesa Medios y Sistemas, S.L.U. – Madrid	100%	90	74	–	(6)	(4)
Endesa Financiación Filiales, S.A.U. – Madrid	100%	4,621	4,665	(177)	–	250
Endesa Mobility, S.L.U. – Madrid	100%	10	40	–	12	(10)
Edistribución Redes Digitales, S.L.U. – Madrid	100%	1,204	1,406	(623)	1,181	789
Distribuidora Eléctrica del Puerto de la Cruz, S.A.U. – Santa Cruz de Tenerife	100%	13	23	–	5	4
Energías de Aragón I, S.L.U. – Zaragoza	100%	3	9	–	3	2
Eléctrica del Ebro, S.A.U. – Barcelona	100%	–	21	(6)	18	15
Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A. – Ceuta	96.42%	16	43	–	8	8
Rest						
Associates and jointly controlled entities:						
Suministradora Eléctrica de Cádiz, S.A. – Cádiz	33.5%	12	22	–	7	7
Comercializadora Eléctrica de Cádiz, S.A. – Cádiz	33.5%	7	2	–	5	5
Rest						
TOTAL						

[(1)] Unaudited data.
[(2)] Figures relate to the consolidated subgroup.

Group companies and associates and jointly-controlled entities: 2023 Company [(1)]	Millions of Euros					
					Profit/loss for the year	
Registered offices	% direct ownership	Equity	Reserves	Interim Dividend	Profit/loss from operations	Net income
Group companies:						
Endesa Energía, S.A.U. – Madrid [(2)]	100%	14	1,774	–	(113)	(93)
Endesa Generación, S.A.U. – Sevilla [(2)]	100%	1,940	4,329	–	991	543
Endesa Medios y Sistemas, S.L.U. – Madrid	100%	90	75	–	(7)	(3)
Endesa Financiación Filiales, S.A.U. – Madrid	100%	4,621	4,665	(100)	–	153
Endesa X Servicios, S.L.U. – Madrid	100%	–	67	–	6	5
Endesa Mobility, S.L.U. – Madrid	100%	10	47	–	–	(7)
Edistribución Redes Digitales, S.L.U. – Madrid	100%	1,204	1,386	(630)	1,012	695
Distribuidora Eléctrica del Puerto de la Cruz, S.A.U. – Santa Cruz de Tenerife	100%	13	23	–	4	4
Energías de Aragón I, S.L.U. – Zaragoza	100%	3	9	–	3	2
Eléctrica del Ebro, S.A.U. – Barcelona	100%	–	19	–	–	3
Empresa de Alumbrado Eléctrico de Ceuta, S.A. – Ceuta	96.42%	16	8	(1)	6	3
Rest						
Associates and jointly controlled entities:						
Suministradora Eléctrica de Cádiz, S.A. – Cádiz	33.5%	12	22	–	9	9
Comercializadora Eléctrica de Cádiz, S.A. – Cádiz	33.5%	7	1	–	5	5
Rest						
TOTAL						

[(1)] Unaudited data.
[(2)] Figures relate to the consolidated subgroup.

Millions of Euros							
				Carrying amount			
Total equity	Grants, donations and bequests received	Valuation adjustments	Total equity	Cost	Impairment in the year	Accumulated impairment	Dividends Received (Notes 17.1 and 19.1)
				19,102	**—**	**(1)**	**1,846**
1,678	—	(6)	1,672	1,145	—	—	540
7,350	89	(274)	7,165	5,891	—	—	375
160	—	—	160	167	—	—	—
9,359	—	—	9,359	9,242	—	—	231
40	2	—	42	37	—	—	—
2,776	3,584	—	6,360	2,462	—	—	688
40	1	—	41	31	—	—	3
14	3	—	17	9	—	—	2
30	3	—	33	23	—	—	6
67	11	—	78	86	—	—	1
				9	—	(1)	—
				26	**—**	**—**	**4**
41	8	—	49	17	—	—	2
14	—	—	14	6	—	—	2
			—	3	—	—	—
				19,128	**—**	**(1)**	**1,850**

Millions of Euros							
				Carrying amount			
Total equity	Grants, donations and bequests received	Valuation adjustments	Total equity	Cost	Impairment in the year	Accumulated impairment	Dividends Received (Notes 17.1 and 19.1)
				19,103	**1**	**(1)**	**1,146**
1,695	—	(452)	1,243	1,102	—	—	—
6,812	54	(1)	6,865	5,891	—	—	—
162	—	—	162	167	—	—	—
9,339	—	—	9,339	9,242	—	—	100
72	—	—	72	43	—	—	—
50	1	—	51	37	—	—	—
2,655	3,526	—	6,181	2,462	—	—	1,045
40	1	—	41	31	**—**	**—**	**—**
14	4	—	18	9	—	—	—
22	2	—	24	23	—	—	—
26	—	—	26	86	—	—	1
				10	1	(1)	—
				27	**—**	**—**	**4**
43	9	—	52	17	—	—	3
13	—	—	13	6	—	—	—
			—	4	—	—	1
				19,130	**1**	**(1)**	**1,150**

These companies do not have publicly listed share prices.

Most significant changes in 2024 and 2023

2024 Financial Year

On 26 June 2024, the investee Empresa de Alumbrado Eléctrico de Ceuta, S.A., as Sole Shareholder of Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A.U., approved the merger by absorption of Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A.U. (absorbing company) by its Sole Shareholder Empresa de Alumbrado Eléctrico de Ceuta, S.A. (absorbed company), resulting in the dissolution without liquidation of the company and the transfer of its assets and liabilities in their entirety to Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A.U. as the universal successor, encompassing all elements that make up the assets and liabilities of the absorbed companies. For this reason, effective from 1 January 2024, the Company now holds 96.42% of the share capital of Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A., which is legally no longer the sole proprietorship and maintaining the amount on which it previously held the shareholding in Empresa de Alumbrado Eléctrico de Ceuta, S.A.

As of 2 September 2024, the Company, as the Sole Shareholder of Endesa Energía, S.A.U., and Endesa Energía, S.A.U. itself adopted the decision to approve the merger by absorption of Endesa X Servicios, S.L.U. and Endesa Energía Renovable, S.L.U. as the absorbed companies. This involves the dissolution without liquidation of the companies and the transfer of its assets and liabilities in their entirety to Endesa Energía, S.A.U. as the universal successor, encompassing all the elements that make up the assets and liabilities of the absorbed companies. As a result, on 1 January 2024, the financial interest held by the Company in Endesa X Servicios, S.L.U. amounting to EUR 43 million was derecognised, and integrated into the financial interest that the Company holds in Endesa Energía, S.A.U.

Lastly, in 2024 the investee Endesa Generación II, S.A.U. was liquidated. This liquidation resulted in the recognition of a loss of EUR 1 million recorded under *"Impairment and Gains or Losses on Disposals of Financial Instruments"* in the income statement.

2023 Financial Year

On 24 January 2023, the Board of Directors of the Company authorised the start of a corporate restructuring process consisting of the creation of a new wholly owned company called Endesa Mobility, S.L.U. and the spin-off of the electric mobility business owned by Endesa X Servicios S.L.U., including the 49% stake in the share capital of Endesa X Way, S.L. to the new company. Accordingly, on 26 January 2023 Endesa Mobility, S.L.U. was incorporated, wholly owned by the Company, and on 3 April 2023 the aforementioned spin-off was registered, resulting in a reduction and increase in Endesa, S.A.'s shareholdings in Endesa X Servicios, S.L.U. and Endesa Mobility, S.L.U., respectively, amounting to EUR 37 million.

On 22 September 2023, the Board of Directors of Endesa, S.A. and the Sole Director of Endesa Red, S.A.U. signed and approved a joint plan for merger by absorption of Endesa Red, S.A.U. as the acquiree, with the extinguishing, by means of dissolution without liquidation of the acquiree and transferring its assets en-bloc to Endesa, S.A. as the universal successor, comprising all the assets and liabilities of the acquiree (see Note 5). As a result, on 1 January 2023, the financial interest held by the Company in Endesa Red, S.A.U. amounting to EUR 2,440 million was derecognised, and all the financial interests held by Endesa Red, S.A.U. amounting to EUR 2,642 million were integrated into Endesa, S.A.

9.1.2. Current and non-current loans to Group companies and associates

On 31 December 2024, *"Current loans to Group companies and associates"* included mainly the amounts receivable from Enel Iberia, S.L.U. for an income tax expense of EUR 50 million (EUR 57 million on December 2023) and from previous years EUR 38 million (4 million as of 31 December 2023). The receivable for 2024 income tax expense is an estimate and therefore interest-free, as it will be settled in 2025 when the income tax return is filed (see Notes 16.9 and 19.2).

Lastly, on 31 December 2024, the Company had a loan granted to Elcogas, S.A. (En Liquidación), as recognised under non-current *"Loans to Group companies and associates"* for a total of EUR 54 million, which was fully impaired. Its maturity date is dependant upon Elcogas, S.A. (in liquidation) having already repaid all its debts, which, given the ongoing plant closure process, is expected to take place in over 12 months.

9.1.3. Impairment

In 2024 and 2023, impairment on current loans and advances to Group companies and associates and any reversals thereof are as follows:

Millions of Euros	2024	2023
Balance at 1 January	**—**	**54**
Transfers from Short-term	54	—
Transfers to Short-term	—	(54)
Balance at 31 December	**54**	**—**

9.1.4. Other current financial assets

Under *'current investments in Group companies and associates - other financial assets'* on 31 December 2023, dividends accrued and receivable held by the Company are included as follows:

Millions of Euros	31 December 2023
Edistribución Redes Digitales, S.L.U.	60
Empresa de Alumbrado Eléctrico de Ceuta, S.A.	1
TOTAL	**61**

9.2. Current and non-current financial investments

9.2.1. Equity instruments

Investments in equity instruments held on 31 December 2024 totalled EUR 4 million (EUR 4 million on 31 December 2023).

9.2.2. Current and non-current loans to third parties

On 31 December 2024 and 2023, *'Loans to third parties'* included the balance relating to non-current loans to staff amounting to EUR 12 million and EUR 12 million, respectively.

Likewise, in 2024 and 2023, no impairment allowances were recognised for non-current *"Loans to third parties"*.

At December 31, 2024 the heading *"Short-term receivables from third parties"* includes the amount receivable of EUR 173 million corresponding to the right of Endesa, S.A. to be indemnified for the amounts paid in respect of the financing and co-financing with the Public Administrations of the Social Bonus (EUR 148 million) plus late payment interest (EUR 25 million).

Through Ruling 202/2022, of 21 February, delivered by the Supreme Court, the court acknowledged that Endesa, S.A. was entitled receive compensation for the amounts borne to finance and co-finance the Social Bonus with the public administrations during the whole term that the third financing system of the Social Bonus remains in force. As Endesa, S.A. did not pass on this cost to customers, either directly or indirectly, it should be entitled to fully recover the amounts incurred. Specifically, with regard to the free market segment, 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 judicial expert whose report was ratified by the Secretariat on 4 July 2024. Finally, on 8 October 2024, the Supreme Court issued the Order dated 18 September 2024 by which it is decided, among other things: (i) to uphold the enforcement motion filed insofar as it has not been proven that Endesa passed on (either explicitly or implicitly) the cost of financing the social bonus, (ii) to declare Endesa's right to be reimbursed by the Administration the amount of EUR 148 million for the sums paid in respect of financing and co-financing associated with the consumers supplied by Endesa Energía S.A.U., plus the corresponding interest on late payments calculated from the date of payment to the date of actual reimbursement, amounting to EUR 25 million (see Notes 12.3, 17.4 and 17.5).

9.2.3. Other non-current financial assets

On 31 December 2024 and 2023, this heading mainly included EUR 6 million and EUR 7 million, respectively, for the deposit provided to guarantee the payment of future services of employees under Endesa, S.A.'s defined benefit pension plan. (see Note 12.1).

Also, at December 31, 2024, the long-term *"Other Financial Assets"* caption includes the valuation of the related asset derived from the insurance of the pension plan's savings commitments through a policy for an amount of EUR 3 million (see Note 12.1).

9.3. Classification of non-current and current financial assets by class and category

On 31 December 2024 and 2023, non-current and current financial assets, excluding equity instruments in Group companies and associates, by class and category, were as follows:

Millions of Euros		31 December 2024			
	Note	Financial assets at cost	Financial Assets at Amortised Cost	Hedging Derivatives	Total
Non-current investments in Group companies and associates		**–**	**3**	**–**	**3**
Other Financial Assets		–	3	–	3
Non-current financial investments		**4**	**26**	**40**	**70**
Equity Instruments	9.2.1	4	–	–	4
Loans to third parties	9.2.2	–	12	–	12
Derivatives	15	–	–	40	40
Other Financial Assets	9.2.3	–	14	–	14
Total non-current financial assets		**4**	**29**	**40**	**73**
Current investments in Group companies and associates		**–**	**90**	**–**	**90**
Loans to companies	9.1.2	–	90	–	90
Current financial investments		**–**	**178**	**–**	**178**
Loans to third parties	9.2.2	–	175	–	175
Other Financial Assets		–	3	–	3
Trade and other receivables		**–**	**430**	**–**	**430**
Cash and cash equivalents		**–**	**30**	**–**	**30**
Total current financial assets		**–**	**728**	**–**	**728**
TOTAL		**4**	**757**	**40**	**801**

Millions of Euros		31 December 2023			
	Note	Financial assets at cost	Financial Assets at Amortised Cost	Hedging Derivatives	Total
Non-current investments in Group companies and associates		**—**	**3**	**—**	**3**
Other Financial Assets		—	3	—	3
Non-current financial investments		**4**	**22**	**55**	**81**
Equity Instruments	9.2.1	4	—	—	4
Loans to third parties	9.2.2	—	12	—	12
Derivatives	15	—	—	55	55
Other Financial Assets	9.2.3	—	10	—	10
Total non-current financial assets		**4**	**25**	**55**	**84**
Current investments in Group companies and associates		**—**	**128**	**—**	**128**
Loans to companies	9.1.2	—	67	—	67
Other Financial Assets	9.1.4	—	61	—	61
Current financial investments		**—**	**7**	**—**	**7**
Loans to third parties	9.2.2	—	2	—	2
Other Financial Assets		—	5	—	5
Trade and other receivables		**—**	**115**	**—**	**115**
Cash and cash equivalents		**—**	**293**	**—**	**293**
Total current financial assets		**—**	**543**	**—**	**543**
TOTAL		**4**	**568**	**55**	**627**

9.4. Classification by maturity

On 31 December 2024 and 2023, the breakdown, by maturity, of non-current financial assets, excluding equity instruments, was as follows:

Millions of Euros						
31 December 2024	**2026**	**2027**	**2028**	**2029**	**Subsequent years**	**Total**
Non-current investments in Group companies and associates	**1**	**—**	**2**	**—**	**—**	**3**
Other Financial Assets	1	—	2	—	—	3
Non-current financial investments	**5**	**5**	**5**	**2**	**49**	**66**
Loans to third parties	3	2	1	1	5	12
Derivatives	—	—	—	—	40	40
Other Financial Assets	2	3	4	1	4	14
TOTAL NON-CURRENT FINANCIAL ASSETS	**6**	**5**	**7**	**2**	**49**	**69**

Millions of Euros						
31 December 2023	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**Total**
Non-current investments in Group companies and associates	**—**	**3**	**—**	**—**	**—**	**3**
Other Financial Assets	—	3	—	—	—	3
Non-current financial investments	**5**	**6**	**4**	**1**	**61**	**77**
Loans to third parties	2	2	1	1	6	12
Derivatives	—	—	—	—	55	55
Other Financial Assets	3	4	3	—	—	10
TOTAL NON-CURRENT FINANCIAL ASSETS	**5**	**9**	**4**	**1**	**61**	**80**

9.5. Items recognised in the income statement and in equity

In 2024 and 2023, the charges to the income statement and to equity arising from non-current and current financial assets grouped by the different existing categories were as follows:

Millions of Euros	**2024**		**2023**	
	Income statement	**Equity**	**Income statement**	**Equity**
Financial Assets at Amortised Cost	37	—	34	—
Fair value hedging derivatives	—	—	1	—
Cash flow hedging derivatives	25	(18)	44	(55)
TOTAL	**62**	(18)	79	(55)

9.6. Fair value measurement

At 31 December 2024 and 2023, the classification of financial assets measured at fair value in the statement of financial position by fair value hierarchy was as follows:

Millions of Euros	**31 December 2024**			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Non-current financial investments	**40**	**—**	**40**	**—**
Derivatives	40	—	40	—
Interest rate hedges	40	—	40	—
Fair value hedges	2	—	2	—
Cash flow hedges	38	—	38	—
Total Non-current Assets	**40**	**—**	**40**	**—**

Millions of Euros	31 December 2023			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Non-current financial investments	**55**	**—**	**55**	**—**
Derivatives	55	—	55	—
Interest rate hedges	55	—	55	—
Fair value hedges	2	—	2	—
Cash flow hedges	53	—	53	—
Total Non-current Assets	**55**	**—**	**55**	**—**

There were no level transfers among these financial assets in 2024 and 2023.

The fair value of financial assets is measured taking into account observable market variables, specifically by estimating discounted future cash flows using zero-coupon yield curves for each currency on the last working day of each close, converted to euros at the exchange rate prevailing on the last working day of each close. All these measurements are made using internal tools.

On 31 December 2024 and 2023, the fair value of the Company's non-current financial assets classified under "Financial assets at amortised cost" did not significantly differ from their carrying amount.

9.7. Financial investment commitments

At 31 December 2024 and 2023, Endesa, S.A. did not have any agreements that included commitments to make financial investments of a significant amount.

10. Foreign currency

On 31 December 2024 and 2023, the details of the most significant foreign currency balances were as follows:

Millions of Euros	31 December 2024	31 December 2023
	US Dollar (USD)	US dollar (USD)
CURRENT ASSETS	**53**	**46**
Trade and other receivables	52	44
Customer Receivables from Group Companies and Associates	52	44
Cash and cash equivalents	1	2
TOTAL ASSETS	**53**	**46**

Millions of Euros	31 December 2024	31 December 2023
	US Dollar (USD)	US dollar (USD)
CURRENT LIABILITIES	**(25)**	**(44)**
Trade and other Payables	(25)	(44)
Other payables	(25)	(44)
TOTAL LIABILITIES	**(25)**	**(44)**

In 2024 and 2023, no foreign currency transactions of any significant amount were performed.

The Company has signed with Endesa Energía, S.A.U. and Enel Global Trading, S.p.A. contracts for the sale of liquefied natural gas (LNG) through which it transfers, under the same conditions, the purchases made by the Company from Christi Liquefaction, LLC to execute the aforementioned contracts (see Note 18.2). The transactions involved in these operations are denominated in US dollars (USD), are deemed to be brokerage and are netted off in the accompanying income statement under *"Procurements"*.

The foreign exchange differences arising on transactions settled in 2024 and 2023 related mainly to measurements of cash accounts denominated in foreign currency.

11. Equity

On 31 December 2024 and 2023, the breakdown of equity and movement during the year are shown in the statement of changes in equity that form part of the Company's financial statements.

11.1. Share capital

On 31 December 2024, Endesa, S.A. had share capital of 1,270,502,540.40 euros, represented by 1,058,752,117 bearer shares with a par value of EUR 1.20 each, subscribed and fully paid up and all admitted for trading on the Spanish Stock Exchanges. There were no changes in share capital in 2024 and 2023. All the shares have the same voting and profit-sharing rights.

On 31 December 2024 and 2023, the Enel Group, through Enel Iberia, S.L.U., held 70.1% of Endesa, S.A.'s share capital (see Note 1). On that date, no other shareholder held more than 10% of the share capital of Endesa, S.A.

11.2. Share premium

The share premium arises from the Company's corporate restructuring. Article 303 of the consolidated text of the Spanish Corporate Enterprises Act expressly permits the use of the share premium to increase capital and does not establish any specific restrictions as to its use.

Nonetheless, on 31 December 2024, EUR 29 million of the share premium are restricted to the extent that they are subject to tax assets capitalised in prior years (EUR 31 million on 31 December 2023).

11.3. Reserves

On 31 December 2024 and 2023, the details of the Company's reserves were as follows:

Millions of Euros	Note	31 December 2024	31 December 2023
Legal Reserve	11.3.1	254	254
Revaluation Reserve	11.3.2	404	404
Redeemed capital reserve	11.3.3	102	102
Reserve for redenomination of capital in Euros	11.3.4	2	2
Reserve for actuarial profits and losses and other adjustments	11.3.5	2	(2)
Other Reserves		702	702
Merger reserve	11.3.6	676	676
Other unrestricted reserves	11.3.7	26	26
Voluntary and other reserves		26	26
TOTAL		**1,466**	**1,462**

11.3.1. Legal reserve

In accordance with section 274 of the consolidated text of the Spanish Corporate Enterprises Act, an amount equal to ten per cent of the profit for the year shall be earmarked for the legal reserve until such reserve represents at least twenty per cent of the share capital. The legal reserve can be used to increase share capital provided that the balance left on the reserve is at least equal to 10% of the nominal value of the total share capital after the increase. Except for the aforementioned purpose, the legal reserve may not be used to offset losses unless it exceeds 20% of the share capital and no other sufficient reserves are available for such purpose.

On 31 December 2024 and 2023, the Company had allocated the minimum amount required by said law to this reserve.

11.3.2. Revaluation reserve

The '*Revaluation reserve* is a result of the revaluation of assets made pursuant to Royal Decree-Law 7/1996, of 7 June. On 1 January 2000, the revalued assets were contributed to the corresponding companies following the corporate restructuring carried out by Endesa, S.A.

This balance can be used, tax-free, to offset the accounting loss for the year or accounting losses accumulated from prior years or that could arise in the future, and to increase share capital or unrestricted reserves. It can also be transferred to unrestricted reserves provided that the monetary gain has been realised. The gain will be deemed to have been realised when the related revalued assets have been depreciated, transferred or derecognised.

This balance would be taxed if used for any purpose other than that foreseen in Royal Decree Law 7/1996 of 7 June.

Nonetheless, on 31 December 2024, EUR 179 million of the share premium are restricted to the extent that they are subject to tax assets capitalised in prior years (EUR 193 million on 31 December 2023).

11.3.3. Redeemed capital reserve

The redeemed capital reserve has been appropriated in compliance with Article 335 of the Corporate Enterprises Act, which requires companies to post to this reserve an amount equal to the par value of the redeemed shares or of the reduction in their par value, when the reduction is charged to unrestricted profits or reserves by redeeming shares acquired free of charge by the Company. The drawdown on this reserve shall be subject to the same requirements as set forth for reducing share capital.

11.3.4. Reserve for redenomination of capital in EUR

This reserve is not distributable.

11.3.5. Reserve for actuarial gains and losses and other adjustments

This reserve derives from actuarial gains and losses recognised in equity (see Note 12.1).

11.3.6. Merger reserve

This reserve arises from the Company's corporate reorganization transactions, including the Endesa Red, S.A.U. merger transaction described in Note 5, and its balance on 31 December, 2024 is EUR 676 million, of which EUR 73 million are restricted to the extent that they are subject to certain tax benefits (EUR 676 million and EUR 76 million restricted, respectively, on December 31, 2023).

11.3.7. Other unrestricted reserves

The voluntary reserves are unrestricted.

11.4. Treasury shares

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 (see Note 19.3.5). The purchase of these shares has been carried out through temporary share buy-back programmes.

Through the execution of these programs, Endesa, S.A. acquired a total of 232,538 treasury shares in prior years. On September 30, 2024, Endesa, S.A. paid 70% and 30% corresponding to the achievement of the long-term remuneration targets accrued in prior years under the *"2020-2022 Strategic Incentive Plan"* and the *"2021-2023 Strategic Incentive Plan"*, respectively, which resulted in the delivery to the beneficiaries of these plans of 33,442 ordinary shares of Endesa, S.A. for an amount of less than EUR 1 million. As a result of the foregoing, at December 31, 2024, 199,096 shares remain in the Company's possession.

Flexible share remuneration programme

In addition, the Board of Directors of Endesa, S.A., at its meeting held on March 19, 2024, resolved to carry out another Temporary Share Buyback Program, in accordance, on the one hand, with the authorization granted by the Company's General Shareholders' Meeting held on May 5, 2020, and, on the other hand, in accordance with the approval of the Company's Board of Directors held on February 27, 2024 in relation to the employee share award plan (*"Flexible Share Remuneration Program"*). The purpose of this Temporary Share Buyback Program is the acquisition of shares to comply with the obligations of the Flexible Share-based Compensation Program for active employees of the Endesa Group in Spain who choose to receive a portion of their salary in shares of Endesa, S.A. in the year 2024, within the framework of

Endesa's general compensation policy. The Temporary Share Buyback Program includes the volume of shares necessary to cover the monetary amount requested by the employees.

Under the aforementioned Program, in 2024 Endesa, S.A. acquired 825,386 treasury shares of the Company for EUR 14 million, of which, at 31 December 2024, 599 shares remained in the Company's possession.

Under similar programs, in 2023 and 2022, Endesa, S.A. acquired treasury shares of the Company, of which, at December 31, 2024, 1,351 shares and 790 shares, respectively, remained in the Company's possession.

Treasury shares of Endesa, S.A.

On 31 December 2024 and 2023, Endesa, S.A. held treasury shares shown in the table below:

	Number of shares	Nominal Value (Euros/Share)	% of total Share Capital	Average acquisition cost (Euros/Share)	Total Cost of Acquisition (Euros)
Treasury Shares on 31 December 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 on 31 December 2023	**234,679**	**1.2**	**0.02217**	**19.25**	**4,518,265**
Strategic Incentive Plans	232,538	1.2	0.02197	19.25	4,475,783
Flexible Share Remuneration Programmes	2,141	1.2	0.00020	19.84	42,482

11.5. Dividends

2024 Financial Year

At its meeting held on November 15, 2024, the Board of Directors of Endesa, S.A. resolved to distribute to its shareholders an interim dividend of EUR 0.5 gross per share against profit for 2024, which was paid on January 8, 2025 (see Note 3). This interim dividend is shown as a reduction of the Company's Shareholders' Equity at December 31, 2024.

Millions of Euros	Date of Approval	Gross Euros per Share	Amount	Date of Payment
Interim Dividend	15 November 2024	0.5	529	8 January 2025
Total Dividend Charged to 2024 Profit			**529**	

2023 Financial Year

At its meeting held on 23 November 2023, Endesa, S.A.'s Board of Directors agreed to pay its shareholders a gross interim dividend against 2023 profit of gross EUR 0.5 per share, which gave rise to a pay-out of EUR 529 million on 2 January 2024. This interim dividend was deducted from the Company's equity on 31 December 2023.

Millions of Euros	Approval date	Gross Dividend per Share	Amount	Payment Date
Interim Dividend	23 November 2023	0.5	529	02 January 2024
Total dividend paid against 2023 profit		**0.5**	**529**	

11.6. Valuation adjustments

The movement in *"Valuation adjustments"* in the accompanying statement of financial position is shown in the statement of recognised income and expense forming part of these financial statements.

12. Provisions and contingencies

On 31 December 2024 and 2023, the information on the *'current and non-current provisions'* in the attached statement of financial position were as follows:

Millions of Euros	Note	31 December 2024	31 December 2023
Non-current provisions			
Non-current employee benefit provisions		21	25
Provisions for pensions and other similar provisions [(1)]	12.1	11	15
Other employee benefits		10	10
Provisions for workforce restructuring plans		142	161
Voluntary Severance Agreements	12.2.1	142	161
Other Provisions	12.3	52	55
TOTAL		**215**	**241**
Current provisions			
Provisions for Workforce Restructuring Plans		33	39
Voluntary Severance Agreements		33	39
TOTAL		**33**	**39**

[(1)] Includes post-employment benefits other than pension plans for EUR 11 million on 31 December 2024 (EUR 10 million at 31 December 2023).

12.1. Provisions for pensions and other similar provisions

Provisions for pensions and similar obligations in the accompanying statement of financial position are the result of obligations set forth in collective or individual agreements with the Company's employees, whereby the Company undertakes to supplement the public social security system benefits in the event of retirement, permanent disability and death.

Pension commitments, both defined benefits and defined contributions, are basically arranged through pension plans or insurance policies, except as regards certain benefits in kind, which due to their nature have not been outsourced and are covered by in-house provisions.

At December 31, 2024, the amounts recognised in the accompanying Balance Sheet in relation to post-employment benefits amounted to EUR 11 million recognised under the heading *«Long-term provisions»* (EUR 15 million at December 31, 2023) as well as EUR 3 million under the heading *«Other financial assets»* in the long term relating to assets assigned to insured commitments (see Note 9.2.3).

On 31 December 2024 and 2023, the information on the present value of the provisions assumed by the Company in relation to post-employment remuneration and other long-term employee benefits and associated plan assets were as follows:

Millions of Euros	31 December 2024	31 December 2023
Present value of defined benefit provisions	**30**	**36**
Assets	5	9
Liabilities	9	7
Pre-retired employees	16	20
Fair value of defined benefit plan assets	**(22)**	**(21)**
NET TOTAL [(1)]	**8**	**15**

[(1)] Includes post-employment benefits other than pension plans in the amount of EUR 11 million at December 31, 2024 (EUR 10 million at December 31, 2023) as well as a net asset balance for post-employment benefits relating to pension plans in the amount of EUR 3 million.

As of December 31, 2024 and 2023, the changes in actuarial liabilities for defined benefit obligations were as follows:

Millions of Euros	Note	2024	2023
Opening Actuarial Liability		**36**	**31**
Business consolidation	5	**–**	**1**
Amounts charged to profit/loss for the year		**1**	**1**
Financial Expenses	17.4	1	1
Actuarial Profits and Losses		**(2)**	**7**
Applications		**(5)**	**(4)**
Payments		(5)	(5)
Short-term Transfers and other		–	1
Closing actuarial liability [(1)]		**30**	**36**

[(1)] Includes post-employment benefits other than pension plans for EUR 11 million on 31 December 2024 (EUR 10 million on 31 December 2023).

On 31 December 2024 and 2023, the changes in the market value of defined benefit plan assets were as follows:

Millions of Euros	Note	2024	2023
Opening market value		**21**	**19**
Estimated benefit	17.4	1	1
Company contribution		2	2
Payments		(6)	(5)
Actuarial Profits and Losses		4	4
Closing market value [(1)]		**22**	**21**
Opening liabilities/assets balance		**15**	**12**
Closing liabilities/assets balance [(2)]		**8**	**15**

(1) Post-employment benefits other than pension schemes are not included.
(2) Includes at December 31, 2024 a liability balance for post-employment benefits other than pension plans in the amount of EUR 11 million (EUR 10 million at December 31, 2023) and a net asset balance for post-employment benefits relating to pension plans in the amount of EUR 3 million (a net liability in the amount of EUR 5 million at December 31, 2023).

The Company has the above provisions covered by the amounts shown in the statements of financial position on 31 December 2024 and 2023.

Plan assets

On 31 December 2024 and 2023, the main characteristics of defined benefit plan assets as a percentage of total assets, were as follows:

	Percentage (%)	
	31 December 2024	**31 December 2023**
Shares	30	28
Fixed income assets	48	47
Other Investments	22	25
TOTAL	**100**	**100**

Actuarial assumptions

On 31 December 2024 and 2023, the following were the most significant actuarial assumptions considered in the calculations:

	31 December 2024	31 December 2023
Mortality Tables	PERM FCOL2020	PERM FCOL2020
Interest Rate	3.43 % - 3.50 %	3.30% - 3.32%
Expected Return on Plan Assets	3.47 %	3.31%
Salary Review [(1)]	2.09 %	2.57%
Increase in the Costs of Health Care	4.18 %	5.14%

(1) Benchmark percentage for estimating salary increases.

The interest rate applied to discount the provisions in Spain is obtained from a curve constructed using the yields on corporate bond issues by companies with an *"AA"* credit rating, based on the estimated term of the provisions arising from each commitment.

The *'Projected unit credit method'* is used, where each year of service generates a unit of rights to the benefits, with each unit determined separately.

Other information

Contributions by the Company to defined contribution and benefit pension plans amounted to EUR 8 million in 2024 (EUR 7 million in 2023) and are recognised under *"Personnel expenses"* in the income statement.

12.2. Provisions for workforce restructuring plans

Provisions for the various workforce restructuring plans included in the statement of financial position are the result of individual or collective agreements with the Company's employees, whereby the Company undertakes to supplement state benefits in the event of termination or suspension of employment by agreement between the parties.

12.2.1. Agreement on voluntary suspension or termination of employment contracts

On 31 December 2024, under the *"Agreement on voluntary suspension or termination of employment contracts of the Agreement on Guarantees for Endesa, S.A. and its Electricity Subsidiaries"*, Endesa recognised a provision amounting to EUR 175 million, covering the entire cost to be borne by the Company during the period for which, in accordance with the commitments made at that date, of which EUR 142 million were recognised as non-current (EUR 200 million and 161 million, respectively, on 31 December 2023). This provision affects a maximum of 421 employees for whom Endesa has undertaken not to exercise the power to apply to return to the Company (455 employees on 31 December 2023).

On 31 December 2024 and 2023, the movements in this non-current provision were as follows:

Millions of Euros	Note	2024	2023
Opening Balance		**161**	**124**
Business consolidation	5	**—**	**6**
Amounts charged to profit/loss for the year		**14**	**70**
Personnel expenses	17.2	8	62
Financial Expenses	17.4	6	8
Applications		**(33)**	**(39)**
Personnel income	17.2	—	(1)
Financial Income	17.4	(1)	—
Transfers and other		(32)	(38)
Closing Balance		**142**	**161**

In 2023, the Company set aside a provision of EUR 61 million in line with the commitment with the efficiency improvements, which envisages the departure of a maximum of 67 employees affected, among others, by the Digitalisation of Processes.

Actuarial assumptions

On 31 December 2024 and 2023, the assumptions used in the actuarial calculation of the provisions arising from the contract suspension agreement were as follows:

	31 December 2024	31 December 2023
Mortality Tables	PERM FCOL2020	PERM FCOL2020
Interest Rate	3.04 %	3.14%
Future Increase in Guarantee	1.00 %	1.00%
Increase in Other Items	2.09 %	2.57%

12.3. Other non-current provisions

The movements and details of *"Other non-current provisions"* on the liability side of the accompanying statement of financial position on 31 December 2024 and 2023 were as follows:

Millions of Euros	Note	2024	2023
Opening Balance		**55**	**65**
Business consolidation	5	—	1
Amounts charged to profit/loss for the year		1	3
Amounts credited to profit for the year		(4)	(14)
Closing Balance		**52**	**55**

Litigation and arbitration

On the date that these financial statements were prepared, the main lawsuits or arbitration proceedings involving the Company are as follows:

- 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., 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 commercialisation 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. By Order of May 24, 2022, the Judgment was deemed to have been received by the responsible Body, indicating that the ruling must be complied with by the Subdirectorate General for the 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 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 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, 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 a motion to enforce the Judgement, (ii) require the Ministry for Ecological Transition and the Demographic Challenge (*"MITECO"*) to submit Report of the National Markets and Competition Commission (*"CNMC"*) dated 24 March 2022 requested, (iii) partially uphold the motion filed by Endesa, declaring the right of Energía XXI Comercializadora de Referencia, S.L.U. to be paid by the Administration within a maximum period of one month the sum of EUR 152 million for the concept referred to in the operative part of the Judgement, plus the corresponding legal interest calculated from the date on which the payment was made until the date of reimbursement; (iv) require the Ministry for Ecological Transition and the Demographic Challenge (*"MITECO"*) to quantify, within a maximum period of one month, the amount to be paid to the appellant as compensation for the cost of financing the Bono Social that corresponds to the free marketer of the Endesa Group, after deducting, where applicable, the amount it may have passed on to customers, (v) to order the Ministry for Ecological Transition and the Demographic Challenge (*"MITECO"*) to proceed as soon as possible to quantify the amount to be paid to the appellant for the amounts invested to implement the application, verification and management procedure for the Social Subsidy and to pay the appellant the appropriate amount for this item within a maximum period of 2 months, plus legal interest in the terms 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 EUR 152 million (to which should be added the legal interest accrued up to the date of actual payment, amounting to a total of EUR 21 million) for the financing costs associated with customers in the regulated market segment, and (ii) compensation of EUR 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 September 18, 2023, Endesa submitted a brief of allegations to the Supreme Court, together with the corresponding expert reports, in order to demonstrate that Endesa did not pass on the cost of financing the associated Social Bonus to customers in the free segment of the market and that, consequently, it is entitled to full compensation (see Notes 9.2.2, 17.4 and 17.5). By Ruling dated April 2, 2024, the Supreme Court admitted the evidence proposed by Endesa. In April 2024 the expert reports submitted by Endesa were ratified and in May 2024 the Court appointed a judicial expert whose report was ratified on July 4, 2024. Finally, after the ratification of the corresponding reports, by Order dated September 18, 2024, the Supreme Court upheld the motion and agreed:

i. To partially annul the Resolution of the Secretary of State for Energy dated July 21, 2023 in relation to the amounts claimed in the incident and not recognised by the Administration;

ii. To declare Endesa's right to the collection of EUR 148 million for the amounts paid for the financing and co-financing associated with the consumers supplied by Endesa Energía, S.A.U., plus the corresponding interest computed from the date on which the payment was made until the date of its effective reimbursement;

iii. To declare Endesa's right to the collection of EUR 6 million in principal, corresponding to the amounts invested to implement the application procedure, verification and management of the Bono Social, associated to the consumers supplied by Energía XXI Comercializadora de Referencia S.L.U. Said amount must, according to the Supreme Court, be paid in addition to the amounts already paid by the Administration for this concept (EUR 6 million), plus the corresponding interest from the date on which the payment was made until the date of its reimbursement.

Having already been paid by the Administration the totality of the amounts invested to implement the application procedure, verification and management of the Bono Social (as indicated in Section (iii)), on December 13, 2024, Endesa filed a writ before the Supreme Court informing that the recognised amount of EUR 148 million referring to the amounts paid for financing and co-financing associated to the consumers supplied by Endesa Energía, S.A.U. is still pending payment.

- On July 9, 2018, Endesa, S.A. was notified of the final Corporate Income Tax (IS) and Value Added Tax (VAT) Settlement Agreements of the Corporate Income Tax (IS) and Value Added Tax (VAT) Tax Consolidation Groups to which Endesa, S.A. belongs, relating to the Inspection process for fiscal years 2011 to 2014, which were appealed on July 27, 2018 before the Central Economic-Administrative Court (TEAC). On January 28, 2022, a Partial Resolution was received for the Value Added Tax (VAT), which it was decided to continue appealing before the National Court of Appeals. Lastly, on April 4, 2022, the Corporate Income Tax (IS) rulings were received, which were appealed in the same sense before the Spanish National Court.

In the case of Corporate Income Tax (IS), the concepts under discussion have their origin, mainly, in the difference of criteria on the deductibility of certain financial expenses of the inspected period. The contingency associated with the process amounts to EUR 32 million and a guarantee is available to guarantee the suspension of the debt. In the case of Value Added Tax (VAT), the application of the pro-rata rule is mainly in dispute and the associated contingency amounts to EUR 6 million, the corresponding settlement having been paid following the rejection of the precautionary measure by the National Court on June 5, 2023.

- In relation to the Inspection process for the years 2015 to 2018, final Corporate Income Tax (IT) and Value Added Tax (VAT) Settlement Agreements have been received from the Corporate Income Tax (IT) and Value Added Tax (VAT) Tax Consolidation Groups, to which Endesa, S.A. belongs, and withholdings on account of Personal Income Tax (*"IRPF"*) of Endesa, S.A. itself. The Resolutions were appealed before the Central Economic-Administrative Court (*"TEAC"*) and during 2024 the following rejection resolutions have been received: on February 29, 2024, the resolution related to the settlement agreement regularizing the deductibility of the financial expense for Corporate Income Tax (IT) purposes was received, and on March 26, 2024, the resolutions related to Personal Income Tax (*"IRPF"*) were received. Also, on October 3, 2024, a partially favourable resolution was received regarding the settlement agreement of the general part of the Corporate Income Tax (IT). Also, on October 7, 2024, a partially favorable ruling was received for Value Added Tax (VAT).

These resolutions have been challenged before the Spanish National Court.

The items under discussion are mainly due to the difference in criteria regarding the deductibility of certain financial expenses for the period under review. The contingency associated with the process amounts to EUR 24 million. A guarantee is available to guarantee the suspension of the debt.

- 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, 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 and 2024 have been contested, with a request for a refund of EUR 361 million, plus applicable late payment interest.

The Company's Directors do not expect that, as a result of the outcome of the aforementioned litigation and arbitration proceedings, significant liabilities will arise in addition to those already recorded in the accompanying balance sheet.

13. Current and non-current financial liabilities

13.1. Current and non-current financial liabilities

At 31 December 2024 and 2023, the movements and breakdown in *"Non-current debts"* and *"Non-current debts to Group companies and associates"* in the accompanying statement of financial position were as follows:

Millions of Euros	Note	Balance as of 31 December 2023	Drawdowns	Amortisation	Fair value adjustments	Current transfers to/ from	Other	Balance as of 31 December 2024
Non-current debts		**5,329**	**812**	**(35)**	**5**	**(454)**	**1**	**5,658**
Bonds and other Marketable Securities	13.2	14	—	—	—	—	—	14
Bank Borrowings	13.2	5,266	811	(34)	13	(454)	1	5,603
Derivatives	15	45	—	(1)	(8)	—	—	36
Other Financial Liabilities		4	1	—	—	—	—	5
Non-current debts to Group companies and associates	**13.2 and 19.2**	**4,018**	**2,781**	**—**	**—**	**—**	**1**	**6,800**
Debts to Group companies and associates		4,018	2,781	—	—	—	1	6,800
TOTAL		**9,347**	**3,593**	**(35)**	**5**	**(454)**	**2**	**12,458**

Millions of Euros	Note	Balance as of 31 December 2022	Drawdowns	Amortisation	Fair value adjustments	Current transfers to/from	Other	Business Consolidation (Note 5)	Balance as of 31 December 2023
Non-current debts		**5,854**	**1,451**	**(748)**	**59**	**(1,287)**	**—**	**—**	**5,329**
Bonds and other Marketable Securities	13.2	14	—	—	—	—	—	—	14
Bank Borrowings	13.2	5,748	1,413	(701)	59	(1,253)	—	—	5,266
Finance lease payables		1	—	—	—	(1)	—	—	—
Derivatives	15	87	38	(47)	—	(33)	—	—	45
Other Financial Liabilities		4	—	—	—	—	—	—	4
Non-current debts to Group companies and associates	**13.2 and 19.2**	**5,100**	**2,191**	**(450)**	**—**	**(3,000)**	**(5)**	**182**	**4,018**
Debts to Group companies and associates		5,100	2,191	(450)	—	(3,000)	(5)	182	4,018
TOTAL		**10,954**	**3,642**	**(1,198)**	**59**	**(4,287)**	**(5)**	**182**	**9,347**

On 31 December 2024 and 2023, the details of *"Current debts"* and *"Current debts to Group companies and associates"* in the accompanying statement of financial position were as follows:

Millions of Euros	Note	31 December 2024	31 December 2023
Current debts		**715**	**975**
Bank Borrowings	13.2	545	781
Derivatives	15	-	17
Other financial liabilities [(1)]		170	177
Current debts to Group companies and associates	**13.2 and 19.2**	**502**	**3,453**
Debts to Group companies and associates		123	3,076
Other financial liabilities [(2)]		379	377
TOTAL		**1,217**	**4,428**

(1) On 31 December 2024, it mainly consists of the interim dividend payable by Endesa, S.A. to shareholders that are not part of the ENEL Group amounting to EUR 158 million (EUR 158 million on 31 December 2023) (see Note 11.5).

(2) On 31 December 2024, it mainly consists of the interim dividend payable by Endesa, S.A. to ENEL Iberia, S.L.U., amounting to EUR 371 million (EUR 371 million on 31 December 2023) (see Note 11.5).

On 31 December 2024 and 2023, the composition of both current and non-current *"Bank borrowings"* and *"Debts to Group companies and associates"* in the accompanying statements of financial position were as follows:

Millions of Euros		31 December 2024		31 December 2023	
	Note	Non-current	Current	Non-current	Current
Bank Borrowings	13.2	**5,603**	**545**	**5,266**	**781**
European Investment Bank (EIB) loan		1,937	188	1,660	168
Official Credit Institute (*"ICO"*) loan		819	32	849	27
Syndicated loan – Club Deal		—	300	299	—
Other loans		2,832	25	2,420	586
Lines of credit		15	—	38	—
Debts to Group companies and associates	13.2 and 19.2	**6,800**	**502**	**4,018**	**3,453**
Enel Finance International, N.V.		3,521	21	3,520	3,033
Endesa Financiación Filiales, S.A.U.		3,279	41	498	—
Other debts		—	61	—	43
Other Financial Liabilities		—	379	—	377

13.2. Main transactions

The main financial transactions in 2024 were as follows:

- Endesa has registered a new commercial paper programme called *"Endesa, S.A. SDG 13 Euro Commercial Paper Programme"* (ECP) for an amount of EUR 5,000 million with a duration of 5 years with annual renewals, with no nominal outstanding balance at December 31, 2024. This Program incorporates sustainability objectives.

- The following long-term financial transactions were performed:

Millions of Euros				
Operations	**Counterparty**	**Signature date**	**Maturity date**	**Amount**
Loan[1]	Ibercaja, S.A.U.	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]	Kutxabank, S.A.	21 March 2024	21 March 2028	250
Line of Credit[1][2]	BBVA, S.A.	21 March 2024	20 March 2028	300
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]	BBVA, S.A.	02 August 2024	17 December 2027	125
Loan[1][3]	BBVA, S.A.	02 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.

- Additionally, on October 29, 2024, 2 operations signed with the European Investment Bank in 2023 were disbursed for a total amount of EUR 450 million.

The main non-current and current financial debts on 31 December 2024 and 2023 relate to the following operations:

Millions of Euros		31 December 2024		31 December 2023			
	Limit	Non-current	Current Term	Non-current	Current Term	Terms and Conditions	Maturity
Bonds and other Marketable Securities		**14**	**–**	**14**	**–**		
Bond		14	–	14	–	Interest rate 5.74%	12 November 2031
Bank Borrowings		**5,603**	**545**	**5,266**	**781**		
European Investment Bank (EIB) [1]	2,111	1,937	188	1,660	168	Floating interest rate	Until 29 October 2038
Instituto de Crédito Oficial (ICO)	850	819	32	849	27	Floating interest rate	Until 28 June 2035
Club Deal [2]	300	–	300	299	–	Floating interest rate	Until 30 November 2025
Banking loans	2,849	2,832	25	2,420	586	Fixed and floating interest rate	Until 21 December 2028
Lines of credit	3,594	15	–	38	–	Floating interest rate	Until 7 November 2028
Debts to Group companies and associates		**6,800**	**502**	**4,018**	**3,453**		
Line of credit with Enel Finance International, N.V. [3]	1,700	–	–	–	–	Margin of 67 bp and Fee Applicable if not used of 20 bp.	25 May 2025
Line of credit with Enel Finance International, N.V. [3]	700	–	–	–	–	Margin of 72 bp and Fee Applicable if not Used of 25 bp.	13 May 2025
Line of credit with Enel Finance International, N.V. [3]	1,125	–	3	–	–	Margin of 134 bp and Fee Applicable if not used of 23 bp.	04 May 2026
Line of credit with Enel Finance International, N.V. [3]	1,000	–	1	–	–	Margin of 63 bp and Fee Applicable if not used of 20 bp	28 May 2028
Inter-company loan Enel Finance International, N.V. [4]	3,000	–	–	–	3,016	Fixed interest rate 3.0%	29 October 2024
Inter-company loan Enel Finance International, N.V. [5]	1,650	1,650	4	1,650	4	Fixed Interest Rate of 1.997%	13 May 2027
Inter-company loan Enel Finance International, N.V. [6]	1,875	1,871	13	1,870	13	Fixed Interest Rate of 4.263%	04 May 2028
Endesa Financiación Filiales, S.A.U. current account [7]		3,279	41	498	–	Floating interest rate	31 December 2029
Other debts		–	61	–	43		
Other financial liabilities [9]		–	379	–	377		
Other Financial Liabilities		**5**	**170**	**4**	**177**		
European Commercial Papers (ECPs) [8]	5,000	–	–	–	–	Floating interest rate	Renewed annually
Other financial liabilities [10]		5	170	4	177	-	-
TOTAL		**12,422**	**1,217**	**9,302**	**4,411**		

[1] On January 17, 2023 and June 28, 2023 Endesa, S.A. entered into new financing agreements with the European Investment Bank (EIB) amounting to EUR 250 million and EUR 200 million, respectively, which were disbursed on October 29, 2024.

[2] On April 17, 2020, Endesa, S.A. entered into syndicated financing linked to sustainability objectives with Caixabank, S.A. and Kutxabank, S.A. for an amount of EUR 300 million for the Loan and EUR 250 million for the Credit Line, renewed for the same amounts on March 25, 2021 and subsequently on May 29, 2023. The following entities have joined the Loan operation: Unicaja, S.A., Bankinter, S.A., Banco Cooperativo Español, S.A., Banco de Crédito Social Cooperativo, S.A. and Caja Laboral Kutxabank. On November 29, 2024, the Credit Facility for an amount of EUR 250 million was cancelled in advance.

[3] Committed and irrevocable Credit Lines (see Note 14.3). On May 13, 2024 Endesa, S.A. has proceeded to the early repayment of 2 Credit Lines formalised with Enel Finance International, N.V. for an amount of EUR 1,700 million and EUR 700 million, respectively, with an original maturity date of May 2025. On May 28, 2024, Endesa, S.A. entered into a new long-term intercompany credit facility with Enel Finance International, N.V. for an amount of EUR 1,000 million.

[4] On October 23, 2014, Endesa, S.A. formalised a long-term intercompany loan with Enel Finance International, N.V. in the amount of EUR 4,500 million. Also, on June 30, 2015, Endesa, S.A. made a partial repayment of this loan in the amount of EUR 1,500 million and on October 29, 2024 the loan was repaid in full, once it reached maturity. At December 31, 2023 the interest accrued and payable on this loan amounted to EUR 16 million (see Notes 13.1 and 19.2).

[5] On May 13, 2022, Endesa, S.A. entered into a long-term intercompany loan with Enel Finance International, N.V. amounting to EUR 1,650 million. At December 31, 2024 the interest accrued and payable on this outstanding loan amounted to euro 4 million (euro 4 million at December 31, 2023) (see Notes 13.1 and 19.2).

[6] On May 4, 2023, Endesa, S.A. entered into a long-term intercompany loan with Enel Finance International, N.V. amounting to EUR 1,875 million. At December 31, 2024 the interest accrued and payable on this outstanding loan amounted to euro 13 million (euro 13 million at December 31, 2023) (see Notes 13.1 and 19.2).

[7] The Company has a cash pooling agreement with Endesa Financiación Filiales, S.A.U. that is automatically renewable for five-year periods at maturity unless either party notifies the other of its decision not to renew the agreement at least 13 months before the end of the period. The interest rate applicable to the current account will be determined by Endesa Financiación Filiales, S.A., and will be equal to the average cost of gross debt for the Endesa Group (or any other that may replace it in the future), as published by the Finance Department during the month immediately prior to the interest period concerned, and may be reviewed, where appropriate, depending on the actual rate at the end of the interest period. This contract stipulates that the Company may draw down the amounts required to cover its financial needs and invest its surpluses to regulate its cash flows. There is no limit on the cash drawdowns that can be made between the parties. On 31 December 2024, outstanding interest accrued pending payment on this credit facility amounted to EUR 41 million (EUR 6 million to collect at 31 December 2023) (see Note 19.2). On 1 February 2024, the maturity date of this intercompany current account was modified to end on 31 December 2029.

[8] As of December 31, 2024 and 2023 there is no nominal outstanding balance related to the Euro Commercial Paper (ECP) promissory note program under the issuance programs registered by Endesa, S.A. on May 9, 2024 and May 10, 2023, respectively.

[9] On 31 December 2024 relates mainly to interim dividends payable to Enel Iberia, S.L.U., amounting to EUR 371 million (EUR 371 million on 31 December 2023).

[10] On 31 December 2024 relates mainly to interim dividends payable to shareholders amounting to EUR 158 million (EUR 158 million on 31 December 2023).

Bonds and other marketable securities

On 30 September 2020, Endesa, S.A. signed the novation of a bond with International Endesa, B.V. (Under liquidation), together with the fair value hedge derivative associated with this debt. This issuance has a par value of EUR 12 million and matures in November 2031 and has an interest rate of 5.74%. On 31 December 2024, this bond included the changes in value attributable to the hedged risk amounting to EUR 2 million (EUR 2 million on 31 December 2023).

Other debts

On 31 December 2024, *"Current debts to Group companies and associates"* include the loan granted by Nuclenor, S.A. for EUR 9 million (EUR 4 million on 31 December 2023) (see Note 19.2).

Furthermore, on 31 December 2024, *"Current debts to Group companies and associates"* also includes the amount payable to Enel Iberia, S.L.U. corresponding to value added tax (VAT) in the amount of EUR 52 million (EUR 39 million on 31 December 2023) (see Notes 16.9 and 19.2).

13.3. Classification of non-current and current financial liabilities by class and category

On 31 December 2024 and 2023, the breakdown of non-current and current financial liabilities, by nature and category, was as follows:

Millions of Euros		31 December 2024			
	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging Derivatives	Total
Non-current debts		**5,608**	**14**	**36**	**5,658**
Bonds and other Marketable Securities		–	14	–	14
Bank Borrowings		5,603	–	–	5,603
Derivatives	15	–	–	36	36
Other Financial Liabilities		5	–	–	5
Non-current debts to Group companies and associates	19.2	**6,800**	**–**	**–**	**6,800**
Debts to Group companies and associates		6,800	–	–	6,800
Total non-current		**12,408**	**14**	**36**	**12,458**
Current debts		**715**	**–**	**–**	**715**
Bank Borrowings		545	–	–	545
Other Financial Liabilities		170	–	–	170
Current debts to Group companies and associates	19.2	**502**	**–**	**–**	**502**
Debts to Group companies and associates		123	–	–	123
Other Financial Liabilities		379	–	–	379
Trade and other Payables		**130**	**–**	**–**	**130**
Total current		**1,347**	**–**	**–**	**1,347**
TOTAL		**13,755**	**14**	**36**	**13,805**
TOTAL FAIR VALUE		**13,822**	**14**	**36**	**13,872**

Millions of Euros		31 December 2023			
	Note	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging Derivatives	Total
Non-current debts		**5,270**	**14**	**45**	**5,329**
Bonds and other Marketable Securities		–	14	–	14
Bank Borrowings		5,266	–	–	5,266
Derivatives	15	–	–	45	45
Other Financial Liabilities		4	–	–	4
Non-current debts to Group companies and associates	**19.2**	**4,018**	**–**	**–**	**4,018**
Debts to Group companies and associates		4,018	–	–	4,018
Total non-current		**9,288**	**14**	**45**	**9,347**
Current debts		**958**	**–**	**17**	**975**
Bank Borrowings		781	–	–	781
Derivatives	15	–	–	17	17
Other Financial Liabilities		177	–	–	177
Current debts to Group companies and associates	**19.2**	**3,453**	**–**	**–**	**3,453**
Debts to Group companies and associates		3,076	–	–	3,076
Other Financial Liabilities		377	–	–	377
Trade and other Payables		**139**	**–**	**–**	**139**
Total current		**4,550**	**–**	**17**	**4,567**
TOTAL		**13,838**	**14**	**62**	**13,914**
TOTAL FAIR VALUE		**13,932**	**14**	**62**	**14,008**

Pursuant to the measurement standards, items covered by fair-value hedging derivatives were included under *"Financial liabilities at fair value through profit and loss"*.

13.4. Classification by maturity

On 31 December 2024 and 2023, the breakdown of non-current financial liabilities, by maturity, were as follows:

Millions of Euros							
31 December 2024	**Note**	**2026**	**2027**	**2028**	**2029**	**Subsequent years**	**Total**
Non-current debts		**450**	**1,338**	**1,864**	**298**	**1,708**	**5,658**
Bonds and other Marketable Securities		–	–	–	–	14	14
Bank Borrowings		450	1,315	1,864	298	1,676	5,603
Derivatives	15	–	22	–	–	14	36
Other Financial Liabilities		–	1	–	–	4	5
Non-current debts to Group companies and associates	**19.2**	**–**	**1,650**	**1,871**	**3,279**	**–**	**6,800**
Debts to Group companies and associates		–	1,650	1,871	3,279	–	6,800
TOTAL		**450**	**2,988**	**3,735**	**3,577**	**1,708**	**12,458**

Millions of Euros

31 December 2023	Note	2025	2026	2027	2028	Subsequent years	Total
Non-current debts		**525**	**450**	**952**	**1,833**	**1,569**	**5,329**
Bonds and other Marketable Securities		—	—	—	—	14	14
Bank Borrowings		525	450	920	1,832	1,539	5,266
Derivatives	15	—	—	32	—	13	45
Other Financial Liabilities		—	—	—	1	3	4
Non-current debts to Group companies and associates	**19.2**	**—**	**498**	**1,650**	**1,870**	**—**	**4,018**
Debts to Group companies and associates		—	498	1,650	1,870	—	4,018
TOTAL		**525**	**948**	**2,602**	**3,703**	**1,569**	**9,347**

In 2024, the average interest rate was 3.5% on bank borrowings and with Enel Finance International, N.V. (3.1% in 2023) and 3.5% on debt to the rest of the Group companies (1.6% in 2023).

13.5. Items recognised in the income statement and in equity

In 2024 and 2023, the charges to the income statement and to equity arising from non-current and current financial liabilities, grouped by the different categories, are as follows:

Millions of Euros	2024		2023	
	Income statement	Equity	Income statement	Equity
Financial liabilities at amortised cost	(502)	—	(496)	—
Fair value hedging derivatives	(9)	—	12	—
Cash flow hedging derivatives	—	(3)	—	(14)
TOTAL	**(511)**	**(3)**	**(484)**	**(14)**

13.6. Fair value measurement

On 31 December 2024 and 2023, the non-current and current financial liabilities measured at fair value in the statement of financial position by fair value hierarchy were as follows:

Millions of Euros	31 December 2024			
	Fair Value	Level 1	Level 2	Level 3
Non-current debts	**50**	**—**	**50**	**—**
Bonds and other Marketable Securities	14	—	14	—
Derivatives	36	—	36	—
Interest rate hedges	36	—	36	—
Fair value hedges	16	—	16	—
Cash flow hedges	20	—	20	—
Total Non-current liabilities	**50**	**—**	**50**	**—**

Millions of Euros	31 December 2023			
	Fair Value	Level 1	Level 2	Level 3
Non-current debts	**59**	**—**	**59**	**—**
Bonds and other Marketable Securities	14	—	14	—
Derivatives	45	—	45	—
Interest rate hedges	45	—	45	—
Fair value hedges	27	—	27	—
Cash flow hedges	18	—	18	—
Total Non-current liabilities	**59**	**—**	**59**	**—**
Current debts	**17**	**—**	**17**	**—**
Derivatives	17	—	17	—
Interest rate hedges	17	—	17	—
Fair value hedges	17	—	17	—
Total non-current liabilities	**17**	**—**	**17**	**—**

In 2024, there were no hierarchy level transfers among the aforementioned financial liabilities.

The fair value of financial liabilities is measured taking into account observable market variables, specifically by estimating discounted future cash flows using zero-coupon yield curves for each currency on the last working day of each close, translated to euro at the exchange rate prevailing on the last working day of each close. All these measurements are made using internal tools.

As of 31 December 2024 and 2023, the fair value of the Company's non-current financial assets that are classified as *"Financial Liabilities at amortised cost"*, does not differ from its carrying amount, except those that are the hedged item in a fair value hedge and have changes in value attributable to the hedged risk recognised in their carrying amount.

13.7. Covenants

Endesa, S.A.'s financial debt contains certain stipulations with financial ratios (*"covenants"*) that are customary in contracts of this nature, but in no case do these types of stipulations include the obligation to maintain financial ratios whose non-compliance could cause the debt to mature early.

On 31 December 2024 and 2023, Endesa, S.A. had not breached its covenants or any other financial obligations that would require the early repayment of its financial commitments. The outstanding bond issues of Endesa, S.A. (12 million at December 31, 2024), the commitments of the outstanding bond issues of Endesa, S.A. and the bank financing arranged by Endesa, S.A. have the following covenants:

Clauses	Operations	Stipulations
Cross-default clauses	Outstanding bond issues of Endesa, S.A.	The debt must be prepaid in the event of default on payments (above a certain amount) on certain obligations of Endesa, S.A.
Negative pledge clauses	The commitments of the outstanding bond issues of Endesa, S.A. and the bank financing formalised by Endesa, S.A.	Endesa, S.A. may not issue mortgages, liens or other charges on its assets (above a certain amount) to secure certain types of obligations, unless equivalent guarantees are issued in favor of other debtors.
Pari passu clauses		Bonds and bank financing rank pari passu with other present and future unsecured and unsubordinated debt issued by Endesa, S.A.

Additionally, the most significant financial stipulations contained in the Company's borrowings are as follows:

Millions of Euros			Nominal debt	
Clauses	Operations	Stipulations	31 December 2024	31 December 2023
Related to credit ratings	Financial transactions with the European Investment Bank (EIB) and Official Credit Institute (*"ICO"*)	Additional or renegotiated guarantees in the event of credit rating downgrades.	2,961	2,689
Relating to change of control	Financial Operations with the European Investment Bank (EIB), the Instituto de Crédito Oficial (*"ICO"*) and Enel Finance International, N.V.	May be repaid early in the event of a change of control at Endesa, S.A.	6,486 (1)	9,214 (1)
Related to asset transfers	Financial Operations with the European Investment Bank (EIB), the Instituto de Crédito Oficial (*"ICO"*) and other financial entities	Restrictions arise if a percentage of between 7% and 10% of Endesa's consolidated assets is exceeded (2).	6,125 (3)	6,013 (3)
Related to sustainability	Financial Operations with the European Investment Bank (EIB), the Instituto de Crédito Oficial (*"ICO"*) and other financial entities	The credit terms are pegged to sustainability goals, such as the reduction of certain levels of carbon dioxide (CO_2) emissions by specific dates, achieving a ratio of net installed capacity from renewable sources on the Spanish mainland within certain timeframes, or based on the proportion of investments according to the EU Taxonomy over various periods (4).	7,829	7,912

(1) On 31 December 2024, the amount signed stood at EUR 8,611 million (EUR 13,189 million on 31 December 2023).
(2) Above these thresholds, the restrictions would only apply, in general, if no equivalent consideration is received or if there was a material negative impact on Endesa, S.A.'s solvency.
(3) At December 31, 2024, the amount formalised amounted to EUR 9,690 million (EUR 10,428 million at December 31, 2023).
(4) Non-compliance with these stipulations only implies a modification of the financing conditions.

The Company's Directors do not consider that these clauses will change the current/non-current classification in the accompanying statement of financial position on 31 December 2024 and 2023.

13.8. Other matters

On 31 December 2024 and 2023, Endesa, S.A. had undrawn credit facilities totalling EUR 5,704 million and EUR 7,471 million, respectively, of which EUR 2,125 million and 3,525 million correspond to a committed and irrevocable lines of credit signed with Enel Finance International, N.V. (see Notes 13.2 and 14.3).

14. Financial risk control and management

The activity of Endesa, S.A. is carried out in an environment in which there are financial risks that may influence the evolution of its operations and economic results, being therefore necessary to manage and control the exposure to them (Section 7.4 of the Management Report for the year ended 31 December 2024provides additional information on the main risks and uncertainties associated with the activity of Endesa and its subsidiaries).

In particular, the General Risk Control and Management Policy and the Risk Control and Management Internal System allow for the identification, measurement and control of the different types of financial risk to which Endesa is exposed (see Section 7.1 of the Management Report for the year ended 31 December 2024) and which are described below.

14.1. Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities bearing interest at fixed rates and the future flows from assets and liabilities indexed to floating interest rates.

The objective of interest rate risk management is to achieve a balanced debt structure that makes it possible to minimise the cost of the debt over several years with reduced income statement volatility, through diversification of types of financial assets and liabilities and modifications to the risk exposure profile by arranging derivatives.

The goal is to reduce the amount of borrowings subject to interest rate fluctuations is reduced by the use of interest rate swap contracts. In any case, the structure of the contracts adapts to that of the underlying financial instrument, and never exceeds the maturity of the underlying financial instrument, so that any changes in the fair value or cash flows of these contracts are offset by changes in the fair value or cash flows of the underlying position. On 31 December 2024, the Company had arranged interest rate hedges amounting to EUR 1,850 million (EUR 2,433 million on 31 December 2023).

The Company set up a current account loan agreements with Endesa Financiación Filiales, S.A.U. in euros, applying an interest rate that is applicable to the balances receivable and payable on the current account equal to the average cost of gross debt to Endesa in Spain (or any other that may replace it in the future), as determined in the month immediately prior to the interest period concerned, which may be reviewed, as appropriate, depending on the real rate at the end of the interest period.

Endesa, S.A.'s interest rate risk structure, taking into account the derivatives arranged, on 31 December 2024 and 2023, is as follows.

Millions of Euros	Net position	
	31 December 2024	**31 December 2023**
Fixed interest rate	5,788	8,852
Floating interest rate	7,108	**3,899**
TOTAL	**12,896**	**12,751**

On 31 December 2024 and 2023, the reference interest rate for the borrowings arranged is mainly Euribor.

Details of hedged financial assets and liabilities and the derivative financial instruments obtained to cover them are provided in Notes 9, 13 and 15.

Analysis of interest-rate sensitivity

As of 31 December 2024 and 2023, the impact of interest-rate fluctuations on the income statement and statement of recognised income and expenses, all other variables remaining constant, was as follows.

Millions of Euros		31 December 2024		31 December 2023	
	Basis points change	**Income statement**	**Statement of recognised income and expenses**	**Income statement**	**Statement of recognised income and expenses**
Finance costs of variable gross borrowings after derivatives					
Interest rate increase	+25	14	–	16	–
Interest rate reduction	–25	(14)	–	(16)	–
Fair value of derivative hedging instruments					
Fair value					
Interest rate increase	+25	(4)	–	(6)	–
Interest rate reduction	–25	4	–	6	–
Cash flow					
Interest rate increase	+25	–	12	–	14
Interest rate reduction	–25	–	(12)	–	(14)

14.2. Foreign currency risk

Exchange rate risks mainly relate to payments or collections to be made in international markets for the acquisition or sale of energy materials.

The Company also seeks to achieve a balance between cash receipts and payments of its assets and liabilities denominated in foreign currencies.

As of 31 December 2024 and 2023, the Company has no foreign exchange hedges.

As of 31 December 2024 and 2023, foreign currency assets and liabilities not hedged with derivative instruments and exchange rate hedges are not significant.

Assets and liabilities in foreign currency are disclosed in Note 10.

Analysis of exchange rate sensitivity

As of 31 December 2024 and 2023, the impact on the income statement and statement of recognised income and expense of a 10% fluctuation of the euro against all other currencies, other variables remaining constant, was not significant.

14.3. Liquidity risk

Liquidity risk may cause difficulties in meeting the Company's payment obligations in the ordinary course of business. Risk management ensures at all times a sufficient level of liquid resources, available lines with top-tier counterparties and mitigation of refinancing risk with diversified maturity schedules. In addition, Endesa's debt and liquidity structure allows it to have an investment grade credit rating, which enables efficient access to new financial resources. In the short term, liquidity risk is mitigated by maintaining a sufficient level of resources available unconditionally, including cash and short-term deposits, drawable lines of credit and a portfolio of liquid assets.

Endesa's liquidity policy consists of arranging committed long-term credit facilities that are unconditional and irrevocable with top-tier banks and Enel Group companies, cash and temporary financial investments in an aggregate amount sufficient to cover projected needs over a given period based on the situation and expectations of the Company and of debt and capital markets.

These needs include maturity of gross financial debt. Further details of the characteristics and conditions of borrowings and derivative financial instruments are provided in Notes 13 and 15.

The financial function is centralised at the Company and at Endesa Financiación Filiales, S.A.U., which draw up cash forecasts to ensure that the Group has sufficient cash to meet operational needs, and maintain sufficient levels of availability in its loans and credit facilities.

On 31 December 2024, Endesa, S.A.'s liquidity rose to EUR 5,734 million (EUR 8,214 million on 31 December 2023) as detailed below:

Millions of Euros	Liquidity	
	31 December 2024	**31 December 2023**
Cash	30	18
Other Cash Equivalents	—	275
Freely available under credit facilities and loans [1]	5,704	7,921
TOTAL	**5,734**	**8,214**

[1] On 31 December 2024 and 2023, EUR 2,125 billion and EUR 3,525 billion, respectively, relate to committed and irrevocable lines of credit arranged with Enel Finance International, N.V. (see Note 13.2).

On 31 December 2024, the Company had negative working capital of EUR 624 million. Available liquidity and non-current credit lines, as well the Company's access to the financial markets on preferential terms, provide assurance that the Company 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 statement of financial position (see Note 2.4).

The Company has a strong financial position and unconditional and irrevocable lines of credit contracted with top-tier entities available for significant amounts.

However, to reinforce its liquidity position and ensure the continuity of business activities the Company has arranged a series of financial transactions (see Note 13.2).

The classification of financial liabilities by contractual maturities is shown in Note 13.4.

14.4. Credit risk

Credit risk is generated when a counterparty does not meet its obligations set out in a financial or commercial contract, giving rise to financial losses. Endesa, S.A. is exposed to credit risk from its operational and financial activities, including derivatives, deposits with banks, transactions in foreign currency and other financial instruments.

Unexpected changes to the credit rating of a counterparty have an impact on the creditor's position in terms of solvency (non-compliance risk) or changes to market value (spread risk).

The Company mainly trades with counterparties in the Endesa Group and therefore, it is exposed to limited credit risk.

Despite this, the Company monitors credit risk very closely, and takes measures including the following:

	Additional Precautions
Credit Risk Monitoring	• Risk analysis, assessment and monitoring of counterparty credit quality
	• Establishing contractual clauses guarantee requests, or contracting insurance where necessary.
	• Exhaustive monitoring of trade receivables

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

On 31 December 2024, the largest exposure to cash positions held with a counterparty was EUR 19 million, of a total of EUR 30 million, with this counterparty having a rating of A (EUR 276 million of a total of EUR 293 million on 31 December 2023, with this counterparty having a rating of BBB).

Details of financial assets exposed to credit risk are provided in Note 9.

15. Derivative financial instruments

Applying the risk management policy described above, the Company mainly uses interest rate hedging derivatives.

The Company classifies its coverage in the cash flow hedges category, which are those that enable the cash flows of the hedged underlying to be covered in the category of fair value hedges, which are those that cover exposure to the changes in the fair value of recognised assets and liabilities.

On 31 December 2024 and 2023, the details of the breakdown of the balances including the valuation of derivative financial instruments at those dates were as follows:

Millions of Euros	31 December 2024			
	Assets (Note 9)		Liabilities (Note 13)	
	Current	Non–Current	Current	Non–Current
Hedging Derivatives	**–**	**40**	**–**	**36**
Interest-rate hedges	–	40	–	36
Cash flow hedges	–	38	–	20
Fair value hedges	–	2	–	16
TOTAL	**–**	**40**	**–**	**36**

Millions of Euros	31 December 2023			
	Assets (Note 9)		Liabilities (Note 13)	
	Current	Non–Current	Current	Non–Current
Hedging Derivatives	**–**	**55**	**17**	**45**
Interest-rate hedges	–	55	17	45
Cash flow hedges	–	53	–	18
Fair value hedges	–	2	17	27
TOTAL	**–**	**55**	**17**	**45**

Cash flow and fair value hedges

On 31 December 2024 and 2023, the details of the derivatives designated as hedging instruments for accounting purposes arranged by the Company, their fair value and the breakdown by maturity of the notional or contractual values were as follows:

Millions of Euros	31 December 2024							
		Notional amount						
	Fair Value	2025	2026	2027	2028	2029	Subsequent years	Total
INTEREST RATE HEDGES								
Cash flow hedges:	**18**	**—**	**—**	**250**	**—**	**—**	**913**	**1,163**
Interest rate:	18	—	—	250	—	—	913	1,163
Swaps	18	—	—	250	—	—	913	1,163
Fair value hedges:	**(14)**	**—**	**—**	**675**	**—**	**—**	**12**	**687**
Swaps	(14)	—	—	675	—	—	12	687
TOTAL	**4**	**—**	**—**	**925**	**—**	**—**	**925**	**1,850**

Millions of Euros	31 December 2023							
		Notional value						
	Fair Value	2024	2025	2026	2027	2028	Subsequent years	Total
INTEREST RATE HEDGES								
Cash flow hedges:	**35**	**—**	**—**	**—**	**250**	**—**	**996**	**1,246**
Interest rate:	35	—	—	—	250	—	996	1,246
Swaps	35	—	—	—	250	—	996	1,246
Fair value hedges:	**(42)**	**500**	**—**	**—**	**675**	**—**	**12**	**1,187**
Swaps	(42)	500	—	—	675	—	12	1,187
TOTAL	**(7)**	**500**	**—**	**—**	**925**	**—**	**1,008**	**2,433**

In 2024, *"Net Equity"* in the statement of recognised income and expense included an increase of EUR 4 million in equity (EUR 25 million decrease in equity in 2023) and *"Transfer to the income statement"* heading of the aforementioned statement includes the amount allocated to the income statement for a decreased amount of EUR 25 million under *"Financial expenses"* (EUR 44 million decrease in *"Financial expense"* in 2023). In addition, an income of EUR 2 million for the ineffective portion of cash flow hedges was recognised under *"Fair value changes in financial instruments"* in 2024 (expense of EUR 3 million in 2023).

16. Taxation

In 2024 and 2023, the Company filed consolidated tax returns as required under Law 27/2014 of 27 November on corporate income tax. The Company forms part of tax group 572/10, of which ENEL S.p.A. is the Parent and ENEL Iberia, S.L.U. the representative in Spain.

On 31 December 2024 and 2023, the credit with ENEL Iberia, S.L.U. for income tax expense of the current year, amounted to EUR 50 million and EUR 57 million and was recognised under *"Current investment with Group companies and associates"* in the accompanying Statement of Financial Position (see Notes 9.1.2, 16.9 and 19.2).

In 2024, the amount of income tax resulted in income of EUR 63 million in the income statement (EUR 109 million of income in 2023) and directly attributed income of EUR 4 million in equity (income of EUR 18 million in 2023).

The Company forms part of consolidated value added tax (VAT) group 45/10 headed by Enel Iberia, S.L.U. as the Parent. The Company also files consolidated returns for the Canary Islands Indirect Tax (IGIC) as the Parent of the group.

16.1. Reconciliation between accounting profit (loss) and taxable income (tax loss)

In 2024 and 2023 the reconciliation between accounting profit and taxable income/(loss) is as follows:

Millions of Euros	Income statement			Income and expenses recognised directly in equity			Reserves		
2024	**Increases**	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**
Accounting profit after corporate income tax			**1,427**			**(11)**			**–**
Income tax for the year			(63)			(4)			–
Profit/loss)before tax			**1,364**			**(15)**			**–**
Permanent differences	158	(1,759)	(1,601)	–	–	–	–	–	–
Temporary differences	21	(56)	(35)	21	(6)	15	–	–	–
Originating in the year	21	–	21	4	–	4	–	–	–
Originating in previous years	–	(56)	(56)	17	(6)	11	–	–	–
Limitation on tax loss carryforwards of the year			123			–			–
Compensation of Prior Years' Tax Loss Carryforwards			(20)			–			–
Taxable income			**(169)**			**–**			**–**

Millions of Euros	Income statement			Income and expenses recognised directly in equity			Reserves		
2023	**Increases**	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**	**Increases**	**Decreases**	**Total**
Accounting profit after corporate income tax			**580**			**(54)**			**–**
Income tax for the year			(109)			(18)			–
Profit/loss before tax			**471**			**(72)**			**–**
Permanent differences	233	(1,100)	(867)	–	–	–	–	–	–
Temporary differences	77	(55)	22	72	–	72	–	–	–
Originating in the year	77	–	77	21	–	21	–	–	–
Originating in previous years	–	(55)	(55)	51	–	51	–	–	–
Limitation on tax loss carryforwards of the year			163			–			–
Taxable income			**(211)**			**–**			**–**

2024 Financial Year

The increases due to permanent differences in 2024 mainly relate to the temporary energy tax of EUR 138 million, to differences in valuation rules of EUR 12 million and to donations and gifts of EUR 8 million. The decreases due to permanent differences arose mainly from the application of the 95% exemption to avoid double taxation on dividends received from Group companies and associates in the amount of EUR 1,758 million (see Note 17.1).

The increases due to temporary differences mainly relate to long-term provisions with personnel and workforce restructuring plans in the amount of EUR 20 million. The decreases due to temporary differences arose from the application of long-term provisions with personnel amounting to EUR 49 million and the reversal of expenses that were not deductible for tax purposes in previous years amounting to EUR 7 million.

2023 Financial Year

Increases due to permanent differences in 2023 mainly relate to the temporary energy tax in the amount of EUR 208 million, differences in valuation rules in the amount of EUR 15 million, donations and gifts in the amount of EUR 9 million. The decreases were due mainly to the application of the 95% exemption to avoid double taxation on dividends received from Group companies and associates, in the amount of EUR 1,092 million (see Note 17.1), to recovery of the provision for liabilities in the amount of EUR 4 million and the loss arising from impairment of investees in the amount of EUR 2 million.

The increases due to temporary differences mainly reflect non-current employee provisions and workforce restructuring plans for EUR 74 million, and other provisions that are not deductible for tax purposes, in the amount of EUR 2 million. Decreases relate non-current employee provisions in the amount of EUR 52 million and reversal of non-deductible expenses in prior years in the amount of EUR 3 million.

16.2. Reconciliation between tax payable and income tax expense

In 2024 and 2023, the reconciliation between the tax payable and the income tax expense was as follows:

Millions of Euros	2024	2023
Taxable income	**(169)**	**(211)**
Income statement	(169)	(211)
Total taxable income	**(169)**	**(211)**
Tax rate	25.0	25.0
Tax payable	**(42)**	**(53)**
Application of Deductions and Allowances	(4)	—
Tax Credit Recovery	(3)	—
Effective tax	**(49)**	**(53)**
Changes in tax credit owing to deductions	3	(3)
Net tax effect, due to temporary differences	5	(23)
Prior years' adjustments and other	—	(7)
Limitation on tax loss carryforwards of the year	(31)	(41)
Offset of Tax Loss Carryforwards	5	—
Income tax for the year	**(67)**	**(127)**
Income tax through profit and loss	(63)	(109)
Income tax expense in equity	(4)	(18)

The prior year adjustments in fiscal year 2023 corresponded mainly to the adjustment for the regularization of deferred taxes.

The amount included as *"Limitation of tax loss carryforwards for the year"* corresponds to the limitation of the individual tax loss carryforwards of each of the entities comprising the Tax Consolidation Group by 50%, in force for tax periods beginning in 2023 to 2025 (see Note 16.6).

16.3. Deductions and rebates

In 2024, the Company applied credits and rebates for EUR 4 million, corresponding to credits for contributions to entities regulated by Law 49/2002, of 23 December (EUR 3 million in 2023). EUR 4 million of the deductions credited in fiscal year 2024 have been applied, as well as the deductions credited in fiscal year 2023.

No deductions from previous years were applied in 2023.

16.4. Reconciliation of accounting profit to the income tax expense

In 2024 and 2023, the reconciliation of accounting profit to the income tax expense was as follows:

Millions of Euros	2024		
	Income statement	Income and expenses directly recognised in equity	Recognised income and expense
Profit/loss before tax	**1,364**	**(15)**	**1,349**
Permanent differences	**(1,601)**	**–**	**(1,601)**
Total adjusted profit/loss	**(237)**	**(15)**	**(252)**
Tax rate of 25%	**(59)**	**(4)**	**(63)**
Deductions	**(4)**	**–**	**(4)**
Charitable gifts and patronage	(4)	–	(4)
Total income tax expense	**(63)**	**(4)**	**(67)**

Millions of Euros	2023		
	Income statement	Income and expenses directly recognised in equity	Recognised income and expense
Profit/loss before tax	**471**	**(72)**	**399**
Permanent differences	**(867)**	**–**	**(867)**
Total adjusted profit/loss	**(396)**	**(72)**	**(468)**
Tax rate of 25%	**(99)**	**(18)**	**(117)**
Deductions	**(3)**	**–**	**(3)**
Charitable gifts and patronage	(3)	–	(3)
Previous years' adjustments and other	**(7)**	**–**	**(7)**
Total income tax expense	**(109)**	**(18)**	**(127)**

16.5. Details of the income tax expense

In 2024 and 2023, the breakdown of the income tax expense was as follows:

Millions of Euros	2024					
		Change in deferred tax				
		Assets		Liabilities		
	Current tax	Temporary differences	Credits for tax loss carryforwards	Other credits	Temporary differences	Total
Recognition in profit and loss, of which:	**(49)**	**9**	**(26)**	**3**	**—**	**(63)**
Continuing operations	(49)	9	(26)	3	—	(63)
Recognition in equity, of which:	**—**	**1**	**—**	**—**	**(5)**	**(4)**
Cash flow hedges	—	(1)	—	—	(5)	(6)
Actuarial gains and losses and other adjustments	—	2	—	—	—	2
Previous years' adjustments and other	**10**	**(1)**	**(9)**	**—**	**—**	**—**
Total	**(39)**	**9**	**(35)**	**3**	**(5)**	**(67)**

Millions of Euros	2023					
		Change in deferred tax				
		Assets		Liabilities		
	Current tax	Temporary differences	Credits for tax loss carryforwards	Other credits	Temporary differences	Total
Recognition in profit and loss, of which:	**(53)**	**(5)**	**(41)**	**(3)**	**—**	**(102)**
Continuing operations	(53)	(5)	(41)	(3)	—	(102)
Recognition in equity, of which:	**—**	**(5)**	**—**	**—**	**(13)**	**(18)**
Cash flow hedges	—	(4)	—	—	(13)	(17)
Actuarial gains and losses and other adjustments	—	(1)	—	—	—	(1)
Previous years' adjustments and other	**—**	**—**	**—**	**—**	**(7)**	**(7)**
Total	**(53)**	**(10)**	**(41)**	**(3)**	**(20)**	**(127)**

16.6. Deferred tax assets

At 31 December 2024 and 2023, the origin of the deferred tax assets recognised in the accompanying statement of financial position was as follows:

Millions of Euros **Deferred Taxes on Assets Originating in**	**31 December 2024**	**31 December 2023**
Provisions for non-current employee benefits and workforce restructuring plans	78	87
Other Provisions	20	21
Unused tax credits	4	7
Credits for tax loss carryforwards	76	41
Hedging Derivatives	5	4
Total	**183**	**160**

In 2024 and 2023, the movements under *"Deferred tax assets"* in the accompanying statement of financial position were as follows:

Millions of Euros	2024				2023			
	Temporary differences	Pending Deductions	Credits for tax loss carryforwards	Total	Temporary differences	Pending Deductions	Credits for tax loss carryforwards	Total
Opening Balance	**112**	**7**	**41**	**160**	**97**	**3**	**—**	**100**
Business consolidation (Note 5)	—	—	—	—	3	1	—	4
Temporary differences originating in the year	5	—	26	31	19	3	41	63
Application of temporary differences originating in previous years	(14)	(3)	—	(17)	(14)	—	—	(14)
Changes recognised in equity	(1)	—	—	(1)	5	—	—	5
Adjustments for prior years and others	1	—	9	10	—	—	—	—
Transfers and other	—	—	—	—	2	—	—	2
Closing Balance	**103**	**4**	**76**	**183**	**112**	**7**	**41**	**160**

On 31 December 2024, the Company held deferred tax assets in the amount of EUR 183 million (EUR 160 million on 31 December 2023), most of which is expected to be recovered within a 10-year period. For those expected to be recovered over a longer period, the Company's tax consolidation group has deferred tax liabilities with the same tax authority and for a sufficient amount, which is expected to be reversed in the same tax year as the aforementioned deferred tax assets.

On 31 December 2024, the Company had recognised deferred tax assets of EUR 76 million (EUR 41 million at 31 December 2023) in the accompanying statement of financial position in accordance with the nineteenth additional provision of Law 27/2014, of 27 November, on Corporate Income Tax, introduced by Law 38/2022, of 27 December, which limits for tax periods beginning in 2023 the amount of the individual tax loss carryforwards of each of the entities comprising the Tax Consolidation Group by 50%, being included in the tax base thereof in equal parts in each of the first ten tax periods beginning on or after 1 January 2024, even in the event that any of the entities with individual tax loss carryforwards is excluded from the Tax Consolidation Group. In December 2024, Law 7/2024, dated November 27, establishes the extension of this measure for fiscal years 2024 and 2025. The breakdown is as follows:

Millions of Euros Negative Taxable Bases. 19th Additional Provision Law 27/2014, of 27 November, on Corporate Income Tax.		Compensation of Negative Taxable Bases. 19th Additional Provision Law 27/2014, of 27 November, on Corporate Income Tax.											Negative Taxable Bases Outstanding at December 31, 2024	Deduction Outstanding at 31 December 2024
Year of origin	Amount of Tax Loss Carryforwards	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
2023	200	(20)	—	—	—	—	—	—	—	—	—	—	180	45
2024	123	—	—	—	—	—	—	—	—	—	—	—	123	31
Total	**323**	**(20)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**303**	**76**

Millions of Euros													
Negative Taxable Bases. 19th Additional Provision Law 27/2014, of 27 November, on Corporate Income Tax.		Compensation of Negative Taxable Bases. 19th Additional Provision Law 27/2014, of 27 November, on Corporate Income Tax.											
Year of origin	Amount of Tax Loss Carryforwards	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Negative Taxable Bases Outstanding at December 31, 2023	Deduction Outstanding at 31 December 2023
2023	163	—	—	—	—	—	—	—	—	—	—	163	41
Total	**163**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	163	41

At December 31, 2024, the Company has tax loss carryforwards pending offset for an amount of EUR 180 million.

On 31 December 2024, the Company had outstanding credits to be applied in future years amounting to EUR 4 million (EUR 7 million on 31 December 2023). The breakdown is as follows:

Millions of Euros		
Year	**31 December 2024**	**31 December 2023**
2032	3	3
2033	—	3
No Limit	1	1
TOTAL	**4**	**7**

Details regarding deductions applied in 2024 and 2023 are included in Note 16.3.

16.7. Deferred tax liabilities

On 31 December 2024 and 2023, the origin of the deferred tax liabilities recognised in the accompanying statement of financial position was as follows:

Millions of Euros		
Deferred Tax Liabilities Arising from	**31 December 2024**	**31 December 2023**
Hedging Derivatives	8	13
Other	9	9
Total	**17**	**22**

In 2024 and 2023, the movements under *"Deferred tax liabilities"* in the accompanying statement of financial position were as follows:

Millions of Euros	**2024**	**2023**
Opening Balance	**22**	**42**
Changes recognised in equity	(5)	(13)
Previous years' adjustments and other	—	(7)
Closing Balance	**17**	**22**

16.8. Balances with public administrations

On 31 December 2024 and 2023 the Company has no balances receivable from public administrations related to Value Added Tax (VAT).

As of 31 December 2024, the heading 'Current Tax Assets' in the attached Balance Sheet includes EUR 34 million derived from the proposed refund of the New Temporary Energy Tax introduced by Law 38/2022, of 27 December, for the establishment of temporary taxes on energy and on credit institutions and financial credit institutions and for the creation of the temporary solidarity tax on large fortunes, and amending certain tax regulations, as a result of the completion of the inspection process for the 2023 tax year, in which Endesa's claims to deduct various items from the tax base, as well as the corresponding interest for late payment, were accepted.

On 31 December 2024 and 2023 the Company's balances payable to public administrations are as follows:

Millions of Euros	31 December 2024	31 December 2023
Canary Islands Indirect Tax (IGIC) owed to the Public Treasury	2	1
Personal Income Tax (IRPF) owed to the Public Treasury	3	3
Social security bodies	3	3
TOTAL LIABILITIES	**8**	**7**

16.9. Balances with Group companies

On 31 December 2024 and 2023, the Company has recorded a receivable from Enel Iberia, S.L.U. for current year Corporate Income Tax in the amount of EUR 50 million and EUR 57 million, respectively, under the current *"Receivables from group companies and associated"* portion of the accompanying statement of financial position, as detailed below (see Notes 9.1.2 and 19.2):

Millions of Euros	31 December 2024	31 December 2023
Tax payable	(42)	(53)
Deductions	(7)	–
Instalment Payments	–	(4)
Withholdings and Payments on Account	(1)	–
TOTAL	**(50)**	**(57)**

At 31 December 2024 there is a receivable from Enel Iberia, S.L.U. for income tax for prior years amounting to EUR 38 million (EUR 4 million at 31 December 2023) (see Notes 9.1.2 and 19.2).

At 31 December 2024, the debt owed to Enel Iberia, S.L.U. for Value Added Tax (VAT) recorded under current *"Debts to Group companies and associates"* in the accompanying sheet of financial position amounted to EUR 52 million (EUR 39 million on 31 December 2023) (see Notes 13.2 and 19.2).

16.10. Tax years subject to audit

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected and agreed by the taxation authorities or before the inspection period of 4 years has elapsed. By the end of 2024, the years 2006, 2019 and onwards for Corporate Income Tax (IS) and for Value Added Tax (VAT), the years 2020 and onwards, as well as the year 2021 and onwards for other taxes applicable to the Company, are subject to audit.

In 2023, the Tax authorities commenced a verification and investigation procedure for the Corporate Income Tax (IS) Group, the Value Added Tax (VAT) Group, and the Withholding Tax Group, which could result in contingent liabilities. As of the date of preparation of the Financial Statements, the proceedings are in the phase of information gathering and analysis by the Inspectorate, making it impossible to estimate any potential economic consequences that might result from the procedure.

The years and taxes subject to audit are as follows:

	Years
Corporate Income Tax (IS)	2019 to 2022
Value Added Tax (VAT)	2019 to 2022
Withholding Taxes on Employment/Professional Income	2020 to 2022
Withholdings/Payments on Investment Income	2020 to 2022
Withholding Tax on Non-Resident Income	2020 to 2022

The Company's Directors consider that the aforementioned taxes have been duly settled and, therefore, even in the event of discrepancies in the interpretation of current legislation regarding the tax treatment of the transactions, any resulting liabilities, should they arise, would not have a material effect on the accompanying financial statements.

The Company's Directors estimate that any liabilities that may arise from these matters will not significantly impact the Company's future results.

16.11. Corporate restructuring operations covered by the Special Regime of Chapter VII of Title VII of Law 27/2014, dated 27 November, on Corporate Income Tax

The Annual Report of the Company for the financial years 1999 to 2023 includes the disclosures mandated by article 86 of Law 27/2014, dated 27 November, concerning corporate restructuring operations conducted in prior financial years.

Note 5 of these financial statements includes the information required by Article 86 of Law 27/2014, dated 27 November, regarding the corporate restructuring operation carried out in the 2023 financial year, which consisted of the merger by absorption of Endesa Red, S.A.U.

17. Results

The Company's main income and expense for 2024 and 2023 are detailed below:

17.1. Revenue

Details of *"Revenue"* in the accompanying income statements for the years 2024 and 2023, by category and geographical market, are as follows:

Millions of Euros **2024**	**Note**	**Spain**	**Other EU**	**Rest**	**Total**
Provision of services	19.1	263	2	—	265
Dividend income from Group companies and associates	9.1.1 and 19.1	1,850	—	—	1,850
TOTAL		**2,113**	**2**	**—**	**2,115**

Millions of Euros **2023**	**Note**	**Spain**	**Other EU**	**Rest**	**Total**
Provision of services	19.1	320	1	—	321
Dividend income from Group companies and associates	9.1.1 and 19.1	1,150	—	—	1,150
TOTAL		**1,470**	**1**	**—**	**1,471**

"Dividend income from Group companies and associates" includes dividends distributed by Group companies (see Notes 9.1.1 and 19.1), as shown below:

Millions of Euros **Company**	**2024**	**2023**
Edistribución Redes Digitales, S.L.U.	688	1,045
Endesa Energía, S.A.U.	540	—
Endesa Generación, S.A.U.	375	—
Endesa Financiación Filiales, S.A.U.	231	100
Eléctrica del Ebro, S.A.U.	6	—
Distribuidora Eléctrica del Puerto de la Cruz, S.A.U.	3	—
Energías de Aragón, S.A.U.	2	—
Suministradora Eléctrica de Cádiz, S.A.	2	3
Empresa de Alumbrado Eléctrico de Ceuta, S.A.	2	1
Other	1	1
TOTAL	**1,850**	**1,150**

17.2. Personnel expenses

In 2024 and 2023, details of "*Personnel expenses*" in the accompanying income statement are as follows:

Millions of Euros	Note	2024	2023
Wages and salaries		**122**	**126**
Employee Compensation		**1**	**1**
Other employee benefits		**32**	**31**
Social security costs		22	22
Other		10	9
Provisions		**16**	**68**
Non-current employee benefit provisions		8	7
Provisions for Voluntary Severance Agreements	12.2.1	8	61
TOTAL		**171**	**226**

17.3. Other operating expenses

In 2024 and 2023, details of "*Other operating expenses*" in the accompanying income statement are as follows:

Millions of Euros	Note	2024	2023
External services		86	**96**
Leases and levies	8.1	8	7
Other repairs and upkeep costs		1	1
Independent professional services		17	21
Banking and related services		–	1
Advertising and public relations		11	8
Other external services		49	58
Taxes other than income tax		138	**215**
Other current operating expenses		14	**14**
TOTAL		238	**325**

In 2024, "*Leases and levies*" includes expenses relating to contracts of this type arranged with Group companies for the amount of EUR 7 million (EUR 6 million in 2023) (see Note 19.1).

In 2024, "*Taxes*" mainly includes the recognition of the expense of EUR 138 million associated with the Temporary Energy Tax introduced by Law 38/2022 of 27 December for the establishment of temporary energy taxes and taxes on credit institutions and financial credit establishments and which creates the temporary solidarity tax on large fortunes and amends certain tax regulations (EUR 208 million in 2023) (see Note 12.3). In 2024, a reversal of the expense associated with the tax has been recognised for an amount of EUR 34 million as a result of the completion of the tax inspection process for the 2023 financial year and the acceptance by the Inspectorate of certain allegations by Endesa regarding several items to be deducted from the tax base.

In 2024, *"Other External Services"* includes other services received from Group and Associated Companies amounting to EUR 38 million (EUR 38 million in 2023) (see Note 19.1) as a result of the allocation of structural costs, auxiliary services and other general services.

17.4. Financial income and expenses

In 2024 and 2023, the breakdown of financial income and expenses in the accompanying income statement is as follows:

Millions of Euros	Note	2024	2023
Financial Income		**38**	**35**
From marketable securities and other non-current credits		38	35
Interest on loans to Group companies and associates	19.1	—	30
Interest from loans to third parties		38	5
Loans and credits		6	—
Expected return on assets allocated to defined benefit plans	12.1	1	1
Obligations for workforce restructuring plans		1	—
Voluntary severance agreements	12.2.1	1	—
Other financial revenues	17.5	30	4
Financial Expenses		**493**	**451**
On debts to Group companies and associates	19.1	256	192
On debts to third parties		230	249
Provision adjustments		7	10
Non-current employee benefits		1	2
Provisions for pensions and other similar provisions	12.1	1	1
Other employee benefits		—	1
Voluntary severance agreements	12.2.1	6	8

In 2024 *"Other Financial Income"* mainly includes, in the amount of EUR 25 million, late-payment interest relating to the amount receivable in respect of the right of Endesa, S.A. to be indemnified for the amounts paid in respect of the financing and co-financing with the Public Administrations of the Social Voucher (see Notes 9.2.2, 12.3 and 17.5).

17.5. Other profits/losses

Through Ruling 202/2022, of 21 February, delivered by the Supreme Court, the court acknowledged that Endesa, S.A. was entitled receive compensation for the amounts borne to finance and co-finance the Social Bonus with the public administrations during the whole term that the third financing system of the Social Bonus remains in force. As Endesa, S.A. did not pass on this cost to customers, either directly or indirectly, it should be entitled to fully recover the amounts incurred. Specifically, with regard to the free market segment, 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 Ruling dated April 2, 2024, the Supreme Court admitted the evidence proposed by Endesa. In April 2024, the expert reports submitted by Endesa were ratified and in May 2024 a judicial expert was appointed by the Court, whose report was ratified on July 4, 2024. Finally, after the ratification of the corresponding reports, by Order dated September 18, 2024, the Supreme Court upheld the motion and agreed:

i. Partially annul the Resolution of the Secretary of State for Energy dated July 21, 2023 in relation to the amounts claimed in the incident and not recognised by the Administration;

ii. To declare Endesa's right to be reimbursed by the Administration the amount of EUR 148 million for the sums paid in respect of financing and co-financing associated with the consumers supplied by Endesa Energía S.A.U., plus the corresponding interest calculated from the date of payment to the date of actual reimbursement, amounting to EUR 25 million (see Notes 9.2.2, 12.3 and 17.4).

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

18.1. Guarantees to third parties and other contingent liabilities

On 31 December 2024 and 2023, the guarantees and sureties issued by Endesa, S.A. to its Group companies are as follows (see Note 19.2):

Millions of Euros

Company	Purpose of guarantee	31 December 2024	31 December 2023
Endesa Generación, S.A.U.	Short-Term and Long-Term Gas Contracts	98	118
Endesa Generación, S.A.U.	Financial Markets Trading Contracts	40	40
Endesa Generación, S.A.U.	Energy Contracts	24	32
Endesa Generación, S.A.U.	Electricity Production of Elecgas, S.A. (*"Tolling"*)	294	314
Endesa Energía, S.A.U.	Short-Term and Long-Term Gas Contracts	185	272
Endesa Energía, S.A.U.	Energy Contracts and Other	193	37
Endesa Energía, S.A.U.	Equipment Supply Contracts	15	–
Enel Green Power España, S.L.U. and Subsidiaries	Photovoltaic Modules Supply Contracts	32	118
Enel Green Power España, S.L.U. and Subsidiaries	Energy Contracts	33	23
Nuclenor, S.A.	Insurance	–	7
Endesa X Servicios, S.L.U.	Equipment Supply Contracts	–	23
Group companies	Workforce Restructuring Plans	1	5
Other Group companies	Other Commitments	2,890	3,621
Enel Green Power España, S.L.U.		990	1,170
Endesa Energía, S.A.U.		1,073	1,363
Endesa Generación, S.A.U.		310	379
Energía XXI Comercializadora de Referencia, S.L.U.		109	189
Edistribución Redes Digitales, S.L.U.		110	107
Gas y Electricidad Generación, S.A.U.		87	86
Empresa Carbonífera del Sur, S.A.U.		4	4
Endesa Ingeniería, S.L.U.		4	4
Unión Eléctrica de Canarias Generación, S.A.U.		19	10
Other		184	309
TOTAL		**3,805**	**4,610**

Endesa, S.A.'s Management does not expect that its status as guarantor will result in significant liabilities for the Company.

18.2. Other commitments

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

In 2014, Endesa, S.A. signed two contracts with Corpus Christi Liquefaction, LLC for the purchase of liquefied natural gas (LNG) starting from 2019, totalling 3 bcm per year. Endesa, S.A. has signed respective agreements with Enel Global Trading, S.p.A. and Endesa Energía, S.A.U. to transfer to them 1 bcm/year and 2 bcm/year, respectively, of the gas acquired under this contract under the same terms and conditions as those agreed with Corpus Christi Liquefaction, LLC. Enel, S.p.A. has issued a guarantee in favour of Endesa, S.A. amounting to USD 137 million (approximately EUR 132 million on 31 December 2024 and EUR 124 million on 31 December 2023) to ensure compliance with the contract (see Note 19.2).

19. Related-party transactions

During 2024 and 2023, the Directors, or persons acting on their behalf, did not carry out transactions with the Company (or any of its subsidiaries) that do not correspond to the normal course of business or were not carried out in keeping with prevailing market conditions.

The amount of the transactions carried out with other parties related to certain members of the Board of Directors corresponds to the Company's normal business activities which were, in all cases, carried out on an arm's length basis.

Transactions carried out with related parties in 2024 and 2023 all correspond to normal activities and were carried out under normal market conditions.

19.1. Related-party transactions

Details of related-party transactions during 2024 and 2023 are as follows:

Millions of Euros		2024					
	Note	Significant Shareholders	Directors and executives	Group companies	Associates and joint control	Other Related Parties	Total
Leases	17.3	–	–	(7)	–	(1)	(8)
Services Received	17.3	(7)	–	(31)	–	(6)	(44)
Financial Expenses	17.4	–	–	(256)	–	–	(256)
TOTAL EXPENSES		**(7)**	**–**	**(294)**	**–**	**(7)**	**(308)**
Received Dividends	9.1.1 and 17.1	–	–	1,846	4	–	1,850
Rendering of Services	17.1	1	–	264	–	–	265
TOTAL INCOME		**1**	**–**	**2,110**	**4**	**–**	**2,115**
Dividends and Other Distributions		**742**	**–**	**–**	**–**	**–**	**742**
Contributions to pension schemes		**–**	**–**	**–**	**–**	**11**	**11**
Other transactions: Purchase of intangible assets	6	**–**	**–**	**12**	**–**	**–**	**12**

Millions of Euros		2023					
	Note	**Significant Shareholders**	**Directors and executives**	**Group companies**	**Associates and joint control**	**Other Related Parties**	**Total**
Leases	17.3	—	—	(6)	—	(1)	(7)
Services Received	17.3	(6)	—	(32)	—	(6)	(44)
Financial Expenses	17.4	—	—	(192)	—	—	(192)
Other Expenses		—	—	(5)	—	—	(5)
Exchange differences		—	—	(5)	—	—	(5)
TOTAL EXPENSES		**(6)**	**—**	**(235)**	**—**	**(7)**	**(248)**
Received Dividends	9.1.1 and 17.1	—	—	1,146	4	—	1,150
Rendering of Services	17.1	2	—	319	—	—	321
Financial Income	17.4	—	—	30	—	—	30
TOTAL INCOME		**2**	**—**	**1,495**	**4**	**—**	**1,501**
Dividends and Other Distributions		**1,177**	**—**	**—**	**—**	**—**	**1,177**
Contributions to pension schemes		**—**	**—**	**—**	**—**	**11**	**11**
Other transactions: Purchase of intangible assets	**6**	**—**	**—**	**17**	**—**	**—**	**17**

The Company has signed with Endesa Energía, S.A.U. and Enel Global Trading, S.p.A. contracts for the sale of liquefied natural gas (LNG) through which it transfers, under the same conditions, the purchases made by the Company from Christi Liquefaction, LLC to execute the aforementioned contracts (see Note 18.2). This arrangement is considered to be an intermediation and is netted in the income statement under *"Procurements"*. It amounts to EUR 650 million in 2024 (EUR 776 million in 2023).

19.2. Balances with related parties

On 31 December 2024 and 2023, the amounts of balances included in the accompanying statement of financial position with existing related parties are as follows:

Millions of Euros	Note	31 December 2024					
		Significant Shareholders	Directors and executives (Note 19.3)	Group companies	Associates and joint control	Other Related Parties	Total
Non-current financial investments	9	**–**	**–**	**19,103**	**27**	**–**	**19,130**
Equity Instruments		–	–	19,100	27	–	19,127
Other Financial Assets		–	–	3	–	–	**3**
Trade and other receivables		**2**	**–**	**379**	**–**	**–**	**381**
Current financial investments	9	**88**	**–**	**2**	**–**	**–**	**90**
Loans to companies		88	–	2	–	–	90
Non-current debts	13	**–**	**–**	**(6,800)**	**–**	**–**	**(6,800)**
Non-current debts to Group companies and associates		–	–	(6,800)	–	–	(6,800)
Current debts	13	**(423)**	**–**	**(70)**	**(9)**	**–**	**(502)**
Current debts to Group companies and associates		(52)	–	(62)	(9)	–	(123)
Other Financial Liabilities		(371)	–	(8)	–	–	(379)
Trade and other Payables		**(7)**	**–**	**(30)**	**–**	**–**	**(37)**
Guarantees received	18.2	**132**	**–**	**–**	**–**	**–**	132
Guarantees Provided	18.1 and 19.3	**–**	**8**	**3,805**	**–**	**–**	**3,813**
Financing agreements	19.3	**–**	**1**	**–**	**–**	**–**	**1**

Millions of Euros	Note	31 December 2023					
		Significant Shareholders	Directors and executives (Note 19.3)	Group companies	Associates and joint control	Other Related Parties	Total
Non-current financial investments	9	**–**	**–**	**19,105**	**27**	**–**	**19,132**
Equity Instruments		–	–	19,102	27	–	19,129
Other Financial Assets		–	–	3	–	–	3
Trade and other receivables		**1**	**–**	**66**	**–**	**–**	**67**
Current financial investments	9	**61**	**–**	**67**	**–**	**–**	**128**
Loans to companies		61	–	6	–	–	67
Other Financial Assets		–	–	61	–	–	61
Non-current debts	13	**–**	**–**	**(4,018)**	**–**	**–**	**(4,018)**
Non-current debts to Group companies and associates		–	–	(4,018)	–	–	(4,018)
Current debts	13	**(411)**	**–**	**(3,038)**	**(4)**	**–**	**(3,453)**
Current debts to Group companies and associates		(39)	–	(3,033)	(4)	–	(3,076)
Other Financial Liabilities		(372)	–	(5)	–	–	(377)
Trade and other Payables		**(7)**	**–**	**(22)**	**–**	**–**	(29)
Guarantees received	18.2	**124**	**–**	**–**	**–**	**–**	**124**
Guarantees Provided	18.1 and 19.3	**–**	**7**	**4,603**	**7**	**–**	**4,617**
Financing agreements	19.3	**–**	**1**	**–**	**–**	**–**	**1**

On 31 December 2024, Endesa, S.A. held 2 intercompany credit lines (3 intercompany credit lines as at 31 December 2023), committed and irrevocable, amounting to EUR 2,125 million (EUR 3,525 million as of 31 December 2023). At December 31, 2024, these credit lines had not been drawn down (EUR 450 million drawn down at December 31, 2023) (see Note 13.2).

19.3 Information on the Directors and Senior Management

19.3.1. Remuneration of the Board of Directors

Article 40 of the Articles of Association establishes that *"the remuneration of the Directors in their capacity as such consists of the following items: a fixed monthly compensation and attendance fees for each session of the Company's governing bodies and its committees.*

The maximum global and annual remuneration for the entire Board, covering the aforementioned items, shall be as determined in the General Shareholders' Meeting, and it shall remain in effect until the latter decides to amend it.

The Board itself is responsible for determining the specific amount to be paid each year, within the limit established in the General Shareholders' Meeting, and for distributing this amount among these items and among the Directors in the manner, timing, and proportion it freely decides, considering the functions and responsibilities assigned to each Director, membership in Board Committees, and other relevant objective circumstances it deems relevant.

In addition, the amount of the attendance fee shall not exceed the amount determined in accordance with the preceding paragraphs as a fixed monthly compensation. The Board of Directors may, within this limit, determine the amount of the fees.

The remuneration outlined in the preceding paragraph, arising from membership on the Board of Directors, shall be compatible with other forms of remuneration, compensation, contributions to social security systems, or any other professional or employment-related remuneration items that Directors are entitled to for any other executive, advisory, or representative roles they may undertake for the Company, aside from the supervisory and collective decision-making duties as Directors, which are subject to the applicable legal framework.

In addition to the remuneration described above, the remuneration of Executive Directors may also include compensation in shares, stock options, or amounts linked to the value of the shares. The implementation of this remuneration method requires the approval of the General Shareholders' Meeting, specifying, if applicable, the maximum number of shares that can be allocated each year under this remuneration system, the exercise price or the method for calculating the exercise price of the share options, the value of the shares used as a reference, if applicable, the duration of the Plan, and any other conditions deemed appropriate."

The members of the Board of Directors of Endesa, S.A. have received remuneration in their capacity as Directors of the Company:

- During the years 2024 and 2023 the fixed monthly compensation for each Director has been EUR 15.6 thousand gross.
- The fees for attending the meetings of the Board of Directors, the Nomination and Remuneration Committee (NRC), the Audit and Compliance Committee (ACC), and the Sustainability and Corporate Governance Committee, amounted to EUR 1.5 thousand gross each for the years 2024 and 2023.

Besides the remuneration specified for the members of the Board of Directors, the following remuneration criteria have been established for the positions specified:

- Non-executive Chairman of the Board of Directors: shall receive a fixed monthly compensation of EUR 50,000 gross (instead of the fixed monthly compensation of EUR 15,642.56 gross foreseen for the other members).

- Chair of the Audit and Compliance Committee: will receive a fixed monthly compensation of EUR 5,000 gross in 2024 and EUR 5,000 gross in 2023 (in addition to the fixed monthly compensation as a member).

- Chairs of the Nomination and Remuneration Committee and the Sustainability and Corporate Governance Committee: will receive a fixed monthly compensation of EUR 3,000 gross in 2024 and EUR 3,000 gross in 2023 (in addition to the fixed monthly compensation as a member).

- In addition, the members of the Board of Directors, Executive Directors, for the performance of duties in the Company other than those of Director, receive remuneration in accordance with the salary structure of Endesa's Senior Management, of which the main items are as follows:

  - Fixed annual remuneration: monthly cash compensation linked to the complexity and responsibility of the duties assigned.

  - Short-term variable remuneration: non-guaranteed cash remuneration contingent on achieving annual targets determined by the Company's established evaluation systems.

  - Long-term variable remuneration: non-guaranteed cash and equity remuneration contingent on achieving multi-annual targets.

  - Employee benefits: compensation, typically non-monetary, received under specific requirements or special conditions determined voluntarily, legally, contractually, or by convention.

Remuneration earned by Directors

During 2024 and 2023, the remuneration earned by the Directors was as follows:

Thousands of Euros	Board members	
Remuneration Item	**2024**	**2023**
Remuneration for Belonging to the Board of Directors and/or Board Committees	2,138	2,126
Salaries	1,000	1,000
Variable Remuneration in Cash	798 (1)	759 (2)
Share-Based Payment Plans	311 (3)	285 (4)
Compensations	—	—
Long-Term Savings Systems	14	7
Other Items (5)	156	158
TOTAL	**4,417**	4,335

(1) Corresponding to short-term variable remuneration and long-term variable remuneration for one third of the 2022-2024, 2023-2025 and 2024-2026 Strategic Incentive Plans. The consolidated payment in 2024 amounted to EUR 845 thousand, corresponding to short-term variable remuneration (EUR 499 thousand) and long-term variable remuneration (EUR 346 thousand). In 2024 the effective payment of 70% of the 2020-2022 Strategic Incentive Plan (EUR 289 thousand) and the right to payment of 30% of the 2021-2023 Strategic Incentive Plan (EUR 57 thousand) were consolidated. These Strategic Incentive Plans have a cash payment component (EUR 239 thousand) and a share payment component, under which 5,567 shares were delivered, resulting in a gross profit of EUR 107 thousand.

(2) Corresponding to short-term variable remuneration and long-term variable remuneration for one third of the 2021-2023, 2022-2024 and 2023-2025 Strategic Incentive Plans. The consolidation of the payment in 2023 amounted to EUR 975 thousand, corresponding to the short-term variable remuneration (EUR 525 thousand) and the long-term variable remuneration (EUR 450 thousand). In 2023 they consolidated the effective payment of 70 % of the Loyalty Plan 2019-2021 (EUR 326 thousand), and the right to payment of 30 % of the Strategic Incentive Plan 2020-2022 (EUR 124 thousand). This Strategic Incentive Plan has a cash payment component (EUR 62 thousand) and a share payment component, under which a delivery of 3,225 shares was made, resulting in a gross profit of EUR 62 thousand.

(3) Corresponding to the long-term variable compensation accrued for one-third of the 2022-2024, 2023-2025, and 2024-2026 Strategic Incentive Plans.

(4) Corresponding to the long-term variable compensation accrued for one-third of the 2021-2023, 2022-2024, and 2023-2025 Strategic Incentive Plans.

(5) Includes remuneration in kind and life insurance.

Remuneration for belonging to the Board and/or Board Committees, salaries, and attendance fees

During 2024 and 2023, the annual monetary remuneration of the Directors, based on the position held in each case, was as follows:

Thousands of Euros	2024			2023		
	Remuneration for Belonging to the Board of Directors and/or Board Committees	Attendance Fees [9]	Salaries	Remuneration for Belonging to the Board of Directors and/or Board Committees	Attendance Fees [9]	Salaries
Mr Juan Sánchez-Calero Guilarte	636	27	—	636	26	—
Mr Flavio Cattaneo [2]	—	—	—	—	—	—
Mr Francesco Starace [1]	—	—	—	—	—	—
Mr José Damián Bogas Gálvez	—	—	1,000	—	—	1,000
Mr Stefano de Angelis [6]	—	—	—	—	—	—
Mr Gianni Vittorio Armani [4]	—	—	—	—	—	—
Ms Eugenia Bieto Caubet	188	50	—	188	48	—
Mr Ignacio Garralda Ruiz de Velasco	238	39	—	224	36	—
Ms Pilar González de Frutos	188	48	—	188	47	—
Ms Francesca Gostinelli	—	—	—	—	—	—
Ms Alicia Koplowitz y Romero de Juseu [7]	59	5	—	188	17	—
Mr Francisco de Lacerda	234	47	—	248	48	—
Ms Cristina de Parias Halcón	188	42	—	188	44	—
Mr Antonio Cammisecra [3]	—	—	—	—	—	—
Mr Alberto de Paoli [5]	—	—	—	—	—	—
Mr Guillermo Alonso Olarra [8]	129	20	—	—	—	—
Ms Elisabetta Colacchia [8]	—	—	—	—	—	—
Ms Michela Mossini [8]	—	—	—	—	—	—
TOTAL	**1,860**	**278**	**1,000**	**1,860**	**266**	**1,000**

[1] Left on 10 May 2023.
[2] Joined on 20 June 2023.
[3] Left on 20 July 2023.
[4] Joined on 25 July 2023.
[5] Left on 18 September 2023.
[6] Joined on 22 September 2023.
[7] Left on 23 April 2024.
[8] Joined on 24 April 2024.
[9] Attendance fees for each session of the Board of Directors and its Committees.

Variable remuneration in cash

In 2024 and 2023, the variable remuneration of the Chief Executive Officer, in the performance of his executive duties, was as follows:

Thousands of Euros	2024		2023	
	Current	Non-current	Current	Non-current
Mr José Damián Bogas Gálvez	499	299	525	233
TOTAL	**499**	**299** (1)	**525**	**233** (2)

(1) Corresponding to the long-term variable cash compensation accrued for one-third of the 2022-2024, 2023-2025, and 2024-2026 Strategic Incentive Plans. In 2024, consolidated payments reached EUR 346 thousand, corresponding to the effective payment of 70% of the 2020-2022 Loyalty Plan (EUR 145 thousand), and the right to payment of 30% of the 2021-2023 Strategic Incentive Plan. These Strategic Incentive Plans have a cash payment component (EUR 145 thousand) and a share-based payment component, under which 5,567 shares were delivered, resulting in a gross benefit of EUR 107 thousand.

(2) Corresponding to the long-term variable cash compensation accrued for one-third of the 2021-2023, 2022-2024, and 2023-2025 Strategic Incentive Plans. In 2023, consolidated payments reached EUR 450 thousand, corresponding to the effective payment of 70% of the 2029-2021 Loyalty Plan (EUR 326 thousand), and the right to payment of 30% of the 2020-2022 Strategic Incentive Plan. This Strategic Incentive Plan has a cash payment component (EUR 62 thousand) and a share-based payment component, under which 3,225 shares were delivered, resulting in a gross benefit of EUR 62 thousand.

Long-term savings systems

In 2024, contributions to pension funds and plans for Executive Directors amounted to EUR 14 thousand gross (EUR 7 thousand gross in 2023).

Other items

The Chairman and the Executive Director, in accordance with Endesa's Directors' Remuneration Policy, have established as remuneration in kind, among other things, a collective health insurance policy with a 100% subsidy of the cost of the premium for the policyholder and dependent family members, the allocation of a company car under a leasing arrangement, and, in the case of the Executive Director, other employee benefits and attendance fees.

Life and accident insurance premiums

The Executive Director has life and accident insurance taken out through the Company, which guarantees certain sums and/or annuities depending on the contingency in question (disability and death benefits).

In 2024, the premium amount was EUR 84 thousand gross (EUR 78 thousand gross in 2023).

Advances and loans

As of 31 December 2024, the Executive Director has a loan for a total of EUR 230 thousand gross with an average interest rate of 4.121% (EUR 230 thousand gross on 31 December 2023, with an average interest rate of 3.534%) and a loan amounting to EUR 421 thousand gross without interest (EUR 421 thousand gross on 31 December 2023) (interest subsidy is considered in-kind remuneration) (see Note 19.2).

Pension funds and plans: accrued benefits

As of 31 December 2024, the Executive Director has accrued rights in pension funds and plans amounting to EUR 14,707 thousand gross (EUR 14,280 thousand gross on 31 December 2023).

Guarantees Granted by the Company to the Executive Director

As of 31 December 2024, with regard to remuneration, the Company has guarantees in place as a surety in favour of the Chief Executive Officer for the amount of EUR 7,575 thousand net to secure his early retirement entitlements (EUR 7,347 thousand net on 31 December 2023) (see Notes 19.2 and 19.3.3).

19.3.2. Remuneration of Senior Management

Identification of the members of Endesa, S.A.'s Senior Management who are not also Executive Directors.

Name	Members of Senior Management 2024
	Position [1]
Ms María Lacasa Marquina [2]	General Manager – Communication
Mr Ignacio Jiménez Soler [3]	General Manager – Communication
Mr Juan María Moreno Mellado	General Manager – Energy Management
Mr Paolo Bondi	General Manager – People and Organisation
Mr Rafael González Sánchez	General Manager – Generation
Mr José Manuel Revuelta Mediavilla	General Manager – Infrastructure and Grids
Mr Francisco de Borja Acha Besga	General Secretary and Secretary to the Board of Directors and General Manager – Legal and Corporate Affairs
Mr José Casas Marín	General Manager – Institutional Relations and Regulation
Mr Pablo Azcoitia Lorente	General Manager – Real Estate and General Services
Mr Gonzalo Carbó de Haya	General Manager – Nuclear Power
Ms Patricia Fernández Salís	General Manager – Audit
Ms María Malaxechevarría Grande	General Manager – Sustainability
Mr Ignacio Mateo Montoya	General Manager - Procurement
Mr Marco Palermo	General Manager – Administration, Finance and Control
Mr Florencio José Retortillo Rodríguez [4]	General Manager - Security

[1] The list of people included in this table corresponds to the definition of Senior Management established in Circular 5/2013, of 12th June, from the National Securities Market Commission (CNMV).
[2] Joined on 1 July 2024.
[3] Left on 30 June 2024.
[4] Joined on 1 June 2024.

Name	Members of Senior Management 2023
	Position [1]
Mr Ignacio Jiménez Soler	General Manager – Communication
Mr Juan María Moreno Mellado	General Manager – Energy Management
Mr Paolo Bondi	General Manager – People and Organisation
Mr Rafael González Sánchez	General Manager – Generation
Mr José Manuel Revuelta Mediavilla	General Manager – Infrastructure and Grids
Mr Francisco de Borja Acha Besga	General Secretary and Secretary to the Board of Directors and General Manager – Legal and Corporate Affairs
Mr José Casas Marín	General Manager – Institutional Relations and Regulation
Mr Pablo Azcoitia Lorente	General Manager – Media
Mr Gonzalo Carbó de Haya	General Manager – Nuclear Power
Ms Patricia Fernández Salís	General Manager – Audit
Ms María Malaxechevarría Grande	General Manager – Sustainability
Mr Ignacio Mateo Montoya	General Manager - Procurement
Mr Marco Palermo	General Manager – Administration, Finance and Control

[1] The list of people included in this table corresponds to the definition of Senior Management established in Circular 5/2013, of 12th June, from the National Securities Market Commission (CNMV).

Remuneration of Senior Management

In 2024 and 2023, the remuneration of the members of Senior Management who are not also Executive Directors was as follows:

Thousands of Euros	Remuneration			
	in the Company		for Membership on Boards of Directors of Endesa Group Companies	
	2024	2023	2024	2023
Fixed remuneration	4,538 [1]	4,439 [2]	–	–
Variable remuneration	3,313 [3]	3,056 [4]	–	–
Attendance fees	–	–	–	–
Statutory benefits	–	–	–	–
Stock options and other financial instruments	1,124 [5]	1,010 [6]	–	–
Other	328	272	–	–
TOTAL	**9,303**	**8,777**	**–**	**–**

(1) The remuneration received by Senior Management includes the amount relating to the discount for the purchase of shares, EUR 72 thousand and the discount corresponding to the canteen of EUR 3 thousand, under the Flexible Remuneration Plan.
(2) The remuneration received by Senior Management includes the amount relating to the discount for the purchase of shares, EUR 60 thousand and the discount corresponding to the canteen of EUR 6 thousand, under the Flexible Remuneration Plan.
(3) Corresponding to short-term variable compensation, and one-third of the long-term variable compensation relating to the 2022-2024, 2023-2025, and 2024-2026 Strategic Incentive Plans. The consolidated payment in 2024 amounted to EUR 3,223 thousand, comprising short-term variable compensation (EUR 2,128 thousand) and long-term variable compensation (EUR 1,095 thousand). In 2024, the effective payment of 70% of the 2020-2022 Strategic Incentive Plan was consolidated, along with the right to payment of 30% of the 20213 Strategic Incentive Plan.
(4) Corresponding to short-term variable compensation, and one-third of the long-term variable compensation relating to the 2021-2023, 2022-2024, and 2023-2025 Strategic Incentive Plans. The consolidated payment in 2023 amounted to EUR 3,507 thousand, comprising short-term variable compensation (EUR 2,096 thousand) and long-term variable compensation (EUR 1,411 thousand). In 2023, the effective payment of 70% of the 2019-2021 Loyalty Plan was consolidated, along with the right to payment of 30% of the 2020-2022 Strategic Incentive Plan.
(5) Corresponding to the long-term variable compensation accrued for one-third of the 2022-2024, 2023-2025, and 2024-2026 Strategic Incentive Plans.
(6) Corresponding to the long-term variable compensation accrued for one-third of the 2021-2023, 2022-2024, and 2023-2025 Strategic Incentive Plans.

Thousands of Euros	Other Benefits			
	in the Company		for Membership on Boards of Directors of Endesa Group Companies	
	2024	2023	2024	2023
Advances	540	481	–	–
Loans Granted	–	–	–	–
Pension Funds and Plans: Contributions	675	642	–	–
Pension Funds and Plans: Accrued Benefits	15,235	14,381	–	–
Life and Accident Insurance Premiums	174	129	–	–

Guarantees granted by the Company to Senior Management

As of 31 December 2024 and 31 December 2023, in terms of remuneration, the Company had not issued any guarantees to Senior Managers who are not also Executive Directors.

19.3.3. Guarantee clauses: Board of Directors and Senior Management

Guarantee Clauses in the Event of Dismissal or Change of Control

These types of clauses have been approved by the Board of Directors based on a report from the Nomination and Remuneration Committee (NRC) and address compensation in the event of termination of employment and post-contractual non-compete agreements.

The Chief Executive Officer's contract does not provide for severance pay. However, when the Chief Executive Officer ceases to hold his position, his prior employment agreement as a senior manager, which was suspended upon his appointment as Chief Executive Officer, will automatically terminate. In this case, upon termination of his employment as a Senior Manager, Mr José Damián Bogas Gálvez will be entitled to a net payment of EUR 7,575 thousand. This amount is the gross compensation he has accrued less withholdings for Personal Income Tax (IRPF) and, where applicable, Social Security contributions applicable on the date of payment. This amount will be adjusted for inflation based on the previous year's Consumer Price Index (CPI).

This compensation is exclusive of any other compensation payable upon termination of his directorship. This net amount of EUR 7,575 thousand includes consideration for a 2-year post-employment non-compete agreement, as stipulated in the Chief Executive Officer's senior management contract.

This guaranteed compensation is in addition to the Chief Executive Officer's defined benefit savings plan. In the event of death or retirement, the Chief Executive Officer or his beneficiaries are entitled to the guaranteed compensation.

While such termination clauses are uncommon for Senior Management and other management personnel, when they do exist, they are similar in content for situations covered by standard employment agreements.

These clauses provide for the following:

Clauses	Terms
Termination	• By mutual agreement: Compensation of 1 to 3 times the annual remuneration, depending on the case. Endesa's Directors' Remuneration Policy for 2024-2027 establishes a maximum limit on termination payments for new Senior Management and Executive Directors. This limit is equal to two years of total annual accrued remuneration, including any unvested amounts from long-term savings plans and payments under post-employment non-compete agreements, applicable in any case, under the same terms, to contracts with Executive Directors. • By unilateral decision of Management: No right to compensation, unless the resignation is due to a serious and culpable breach of the Company's obligations, a substantial reduction in duties and responsibilities (constructive dismissal), a change of control, or other grounds for severance pay as provided for in Royal Decree 1382/1985, of 1 August. • By the Company's decision: Compensation as described in the first point. • By decision of the Company, based on the Manager's grossly fraudulent and culpable conduct in the performance of their duties: No right to compensation. These conditions are alternatives to those arising from changes to the existing employment relationship or from termination due to early retirement for Senior Managers.
Post-Contractual Non-Compete Agreement	• In the vast majority of contracts, the outgoing Senior Manager is required not to engage in any activity that competes with Endesa for a period of two years following termination, in exchange for which they are entitled to a payment of up to one year's fixed remuneration.

On 31 December 2024 and 2023, 11 and 10 Executive Directors and Senior Managers had guarantee clauses in their contracts, respectively.

19.3.4. Other Disclosures concerning the Board of Directors

To enhance the transparency of listed public companies, the Directors disclose, to the best of their knowledge, the direct or indirect stakes that both they and their related parties hold in the capital of companies with business activities that are the same, similar, or complementary to Endesa's corporate purpose. They also disclose any positions or duties they hold in those companies:

31 December 2024				
Director's Name	Company Tax ID or VAT number	Company Name	Stake (%)	Positions
Mr Flavio Cattaneo	00811720580	Enel, S.p.A.	0.02852455	Chief Executive Officer and General Manager
Mr Flavio Cattaneo	B85721025	Enel Iberia, S.L.U.	–	Chairperson
Mr José Damián Bogas Gálvez	B85721025	Enel Iberia, S.L.U.	–	Director
Mr Stefano de Angelis	00811720580	Enel, S.p.A.	–	General Manager – Administration, Finance and Control
Mr Gianni Vittorio Armani	00811720580	Enel, S.p.A.	–	General Manager of Enel Grids, S.r.l.
Mr Gianni Vittorio Armani	00811720580	Enel, S.p.A.	–	Sole Director of Enel Grids, S.r.l.
Ms Francesca Gostinelli	00811720580	Enel, S.p.A.	0.00030761	Global Head of Enel X Retail
Ms Michela Mossini	00811720580	Enel, S.p.A.	0.00005312	General Manager of the Office of the Chief Executive Officer and Strategy
Ms Elisabetta Colacchia	00811720580	Enel, S.p.A.	0.00010525	General Manager of People and Organization

31 December 2023				
Director's Name	Company Tax ID or VAT number	Company Name	Stake (%)	Positions
Mr Flavio Cattaneo	00811720580	Enel, S.p.A.	0.02459013	Chief Executive Officer and General Manager
Mr Flavio Cattaneo	B85721025	Enel Iberia, S.L.U.	–	Chairperson
Mr José Damián Bogas Gálvez	B85721025	Enel Iberia, S.L.U.	–	Director
Mr Stefano de Angelis	00811720580	Enel, S.p.A.	–	General Manager – Administration, Finance and Control
Mr Gianni Vittorio Armani	00811720580	Enel, S.p.A.	–	General Manager of Enel Grids, S.r.l.
Mr Gianni Vittorio Armani	00811720580	Enel, S.p.A.	–	Sole Director of Enel Grids, S.r.l.
Ms Francesca Gostinelli	00811720580	Enel, S.p.A.	0.00028522	Global Head of Enel X Retail

The members of the Board of Directors reported no direct or indirect conflicts between their own interests and those of the Company in 2024, in accordance with Article 229 of the Corporate Enterprises Act (*"LSC"*).

Distribution by gender: On 31 December 2024, the Board of Directors of Endesa, S.A. comprised 14 Directors, 6 of whom were women (12 Directors, 5 of whom were women on 31 December 2023).

In 2024 and 2023, the Company arranged third-party liability insurance policies for Directors and Senior Managers for a gross amount of EUR 1,726 thousand and EUR 1,768 thousand, respectively. This insures both the Company's Directors and employees with management responsibilities.

In 2024 and 2023, there were no damages caused by acts or omissions of the Directors that required the use of the civil liability insurance premium they hold through the Company.

19.3.5. Share-based payment schemes tied to the Endesa, S.A. share price

Endesa's long-term variable remuneration is based on long-term remuneration schemes, known as *"Loyalty and Strategic Incentive Plans"*, aimed primarily at strengthening the commitment of employees, who occupy positions of greater responsibility in the attainment of the Group's strategic targets. The Plan is structured through successive triennial programs, which start every year from 1 January 2010. Since 2014, the Plans have foreseen a deferral of the payment and the requirement for the Executive to be active on the date of liquidation thereof; and payments are made on two dates: 30% of the incentive will be paid in the year following the end of the Plan, and the remaining 70%, if applicable, will be paid two years after the end of the Plan.

Once the accrual period of the Loyalty and Strategic Incentive Plans has ended, the only entitlement to payment of these will be in the event of retirement, termination of the fixed-term contract or decease, with payment being made at the corresponding time, and may be advanced to the heirs in the event of death. For those Loyalty and Strategic Incentive Plans in which the accrual has not ended, only the amount corresponding to the Base Amount of the Incentive that has been assigned, *"pro rata temporis"* until the date of termination of the contractual relationship, when the Exercise Conditions are met for departures due to retirement or termination of the fixed-term contract.

2022-2024 Strategic Incentive Plan

On 29 April 2022, the Ordinary General Meeting of Shareholders of Endesa, S.A. approved the long-term variable compensation plan known as the *"2022-2024 Strategic Incentive Plan"*, whose main purpose is to reward those holding positions of greater responsibility, including the Executive Directors of Endesa, S.A., for their contribution to sustainably fulfilling the Strategic Plan. The main features of this Plan are as follows:

	Main Features
2022-2024 Strategic Incentive Plan	The performance period will be 3 years, commencing from 1 January 2022.
	The Incentive provides for the allocation of an incentive consisting of the right to receive: (i) a number of ordinary shares of Endesa, S.A. and (ii) a monetary amount, referenced to a *"target"* base incentive, subject to the conditions and possible variations under the Plan.
	The Plan foresees a deferral of the payment: 30% of the incentive will be paid in the year following the end of the Plan, and the remaining 70%, if applicable, will be paid two years after the end of the Plan.

With respect to the total accrued incentive, the Plan provides for up to 50% of the *"target"* base incentive to be paid entirely in shares.

The monetary amount to be paid is calculated as the difference between the total amount of the accrued incentive and the portion to be paid in shares.

In accordance with the above, the accrual of the *"Strategic Incentive 2022-2024"* is linked to the fulfillment of 5 objectives during the performance period, which will be 3 years, starting January 1, 2022:

	Targets	Weighting
Accrual of 2022-2024 Strategic Incentive	1. Performance of the average *Total Shareholder Return* (TSR) of Endesa, S.A. in relation to the performance of the average TSR of the EuroStoxx Utilities index, selected as the benchmark for the peer group.	50%
	2. Cumulative Return on Average Capital Employed (ROACE) [1] over the accrual period. Endesa's cumulative ROACE target represents the relationship between the Ordinary Operating Profit (Ordinary EBIT) [2] and the Average Net Invested Capital (Average NIC) [3] cumulatively over the 2022-2024 period.	25%
	3. Net installed capacity of renewable sources, represented by the ratio of net installed capacity of renewable sources to the total cumulative net installed capacity at Endesa in 2024.	10%
	4. Reduction in carbon dioxide (CO_2) emissions at Endesa in Spain by 2024.	10%
	5. Percentage of women in the management succession plans in 2024.	5%

[1] *Return On Average Capital Employed* (ROACE) (%) = Ordinary Operating Profit (Ordinary EBIT) / Average Net Invested Capital (Average NIC).
[2] Ordinary Operating Profit (Ordinary EBIT) (Millions of Euros) = Operating Profit (EBIT) adjusted for non-budgeted extraordinary effects.
[3] Average Net Invested Capital (Average NIC) (Millions of Euros) = ((Equity + Net Financial Debt - Cash and Cash Equivalents)$_{n}$ + (Equity + Net Financial Debt - Cash and Cash Equivalents)$_{n-1)}$ / 2.

For each of the objectives, an entry level is established at which the objective is considered to have been met and 2 levels of over-achievement: achievement above the first level is equivalent to 150%; and achievement above the second level is equivalent to a maximum achievement of 180%. Therefore, the level of variable compensation would be between 0% and 180% of the base incentive.

2023-2025 Strategic Incentive Plan

On 28 April 2023, the General Shareholders' Meeting of Endesa, S.A. approved a long-term variable remuneration scheme known as the *2023-2025 Strategic Incentive Plan*.

The purpose and characteristics of this Plan are identical to those of the *"Strategic Incentive Plan 2022-2024"* described in the previous paragraph, with the differences being the performance period and the targets linked to its accrual.

Therefore, the accrual of the *2023-2025 Strategic Incentive* is linked to the fulfilment of four targets during the performance period, which shall be three years running from 1 January 2023:

	Targets	Weighting
Accrual of 2023-2025 Strategic Incentive	1. Performance of the average *Total Shareholder Return* (TSR) of Endesa, S.A. in relation to the performance of the average TSR of the EuroStoxx Utilities index, selected as the benchmark for the peer group.	50%
	2. ROIC Target (*Return on Invested Capital*)[1] – WACC (*Weighted Average Cost of Capital*)[3] represented by the ratio between NOPAT (Ordinary EBIT excluding tax effect)[2] and Average net invested capital (Average NIC)[4] less WACC.	30%
	3. Reduction in carbon dioxide (CO_2) emissions at Endesa in Spain and Portugal by 2025.	10%
	4. Percentage of women in the management succession plans in 2025.	10%

[1] Return on Invested Capital (ROIC) (%) = Ordinary Operating Profit without tax effect (Ordinary EBIT without tax effect) / Average Net Invested Capital (Average NIC).
[2] Ordinary Operating Profit excluding tax effect (Ordinary EBIT excluding tax effect (Millions of Euros) = Operating Profit (EBIT) adjusted for non-budgeted after-tax extraordinary effects.
[3] WACC (Weighted Average Cost of Capital) = Endesa's after-tax discount rate for the relevant period.
[4] Average Net Invested Capital (Average NIC) (Millions of Euros) = ((Equity + Net Financial Debt)$_{n}$ + (Equity + Net Financial Debt)$_{n-1)}$ / 2.

2024-2026 Strategic Incentive Plan

On 24 April 2024, the General Shareholders' Meeting of Endesa, S.A. approved a long-term variable remuneration scheme known as the *2024-2026 Strategic Incentive Plan*.

The purpose and characteristics of this Plan are identical to those of the *"Strategic Incentive Plan 2022-2024"* and the *"Strategic Incentive Plan 2023-2025"* described in the previous paragraph, with the differences being the performance period and the targets linked to its accrual.

Therefore, the accrual of the *2024-2026 Strategic Incentive Plan* is linked to the fulfilment of four targets during the performance period, which shall be three years running from 01 January 2024:

	Targets	Weighting
Accrual of 2024-2026 Strategic Incentive	1. Performance of the average *Total Shareholder Return*[1] (TSR) of Endesa, S.A. in relation to the performance of the average TSR[1] of the EuroStoxx Utilities index, selected as the benchmark for the peer group during the 2024 - 2026 period.	*45%*
	2. ROIC Target (*Return on Invested Capital*)[2] – WACC (*Weighted Average Cost of Capital*)[5] represented by the ratio between NOPAT (Ordinary Operating Profit (EBIT) excluding tax effect)[3] and Average Net Invested Capital (Average NIC)[4] less WACC[5].	30%
	3. Reduction of carbon dioxide (CO_2) emissions: reduction of Endesa's specific CO_2 emissions (gCO_2/kWh) in 2026 based on the evolution of the thermal gap in the Spanish mainland Electrical System.	15%
	4. Percentage of women managers and middle managers out of the total manager and Middle Manager population in 2026.	10%

[1] *"Total Shareholder Return"* (TSR) = (Closing Share Price - Initial Share Price) + Gross Dividend Paid in the Year and Reinvested in the same security at the time of the dividend payment.
[2] *Return on Invested Capital* (ROIC) (%) = Ordinary Operating Profit without tax effect (Ordinary EBIT without tax effect) / Average Net Invested Capital (Average NIC).
[3] Ordinary Operating Profit excluding tax effect (Ordinary EBIT excluding tax effect (Millions of Euros) = Operating Profit (EBIT).
[4] Average Net Invested Capital (Average NIC) (Millions of Euros) = ((Equity + Net Financial Debt)$_{n}$ + (Equity + Net Financial Debt)$_{n-1)}$ / 2.
[5] WACC (*Weighted Average Cost of Capital*) = Endesa's after-tax discount rate for the relevant period.

The amount accrued under the Plans in force in 2024, was EUR 3 million gross (EUR 3 million gross in 2023, relating to the 2021-2023, 2022-2024, and 2023-2025 Strategic Incentive Plans), with EUR 2 million gross corresponding to the estimate of share-based payments that will be settled in equity instruments (EUR 1 million gross in 2023, relating to the 2021-2023, 2022-2024, and 2023-2025 Strategic Incentive Plans).

The *"Other Equity Instruments"* item in the Equity section of the Balance Sheet reflects the movements in 2024, with a balance on 31 December 2024 of EUR 5 million (EUR 5 million on 31 December 2023).

20 Other information

20.1 Personnel

In 2024 and 2023, the Company's average headcount, by category and gender, was as follows:

Number of Employees	2024			2023		
	Men	Women	Total	Men	Women	Total
Executives	62	21	83	62	21	83
Middle Management	471	498	969	482	495	977
Administration and Management Personnel and Workers	70	113	183	71	124	195
TOTAL EMPLOYEES	**603**	**632**	**1,235**	**615**	**640**	**1,255**

On 31 December 2024 and 31 December 2023, the breakdown of the headcount by category and gender was as follows:

Number of Employees	31 December 2024			31 December 2023		
	Men	Women	Total	Men	Women	Total
Executives	60	21	81	66	22	88
Middle Management	477	502	979	491	504	995
Administration and Management Personnel and Workers	68	116	184	73	123	196
TOTAL EMPLOYEES	**605**	**639**	**1,244**	**630**	**649**	**1,279**

The average number of employees in 2024 and 2023 with a disability greater than or equal to 33%, by category and gender, was as follows:

Number of Employees	2024			2023		
	Men	Women	Total	Men	Women	Total
Middle Management	9	6	15	9	5	14
Administration and Management Personnel and Workers	7	5	12	7	4	11
TOTAL EMPLOYEES	**16**	**11**	**27**	**16**	**9**	**25**

20.2. Remuneration to auditors

The fees for the services provided by the audit firm KPMG Auditores, S.L. and other KPMG entities for the audit of the Financial Statements of Endesa, S.A. for the years ended 31 December 2024 and 2023, regardless of when they were invoiced, are as follows:

Thousands of Euros	2024	2023
Audit of Financial Statements	**1,235**	**1,223**
Other Services Other than Audit of Financial Statements	**850**	**611**
Other Verification Services	683	449
Other Services	167	162
TOTAL	**2,085**	**1,834**

20.3. Information on the average payment period to suppliers. Third Additional Provision. "*Duty of Information*" of Law 15/2010, of 5 July, as amended by Law 18/2022, of 28 September

In accordance with Law 15/2010, of 5 July, as amended by Law 18/2022, of 28 September, the information regarding the Company's degree of compliance with the established payment terms to suppliers during 2024 and 2023 is as follows:

Number of Days	2024	2023
Average Supplier Payment Period	37	37
Transactions Paid Ratio	43	40
Transactions Payable Ratio	21	19

Thousands of Euros	2024	2023
Total Payments Made	80,445	98,898
Total Payments Outstanding	25,658	12,712

	2024	2023
Number of Invoices Paid within a Period Shorter than the Maximum Established	9,469	11,675
% of Total Invoices	91.3	90.2
Monetary Volume of Invoices Paid within a Period Shorter than the Maximum Established [1]	75,160	86,445
% of Total Monetary Payments to Suppliers	93.4	87.4

[1] Thousands of Euros.

20.4. Insurance

The Company has insurance policies in place to cover potential risks for the parent company and any subsidiaries in which it holds a stake equal to or greater than 50%, or over which it exercises effective control. These policies cover any own damage that the various elements of their tangible fixed assets may suffer, with limits and coverage appropriate to the types of risks and countries it operates in.

The possible loss of profits that could result from outages at the facilities is also covered by certain assets.

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

21 Information on environmental activities

During years 2024 and 2023, no significant current expenses have been recorded for environmental activities.

On 31 December 2024 and 2023, the Company does not have any assets allocated for this purpose, nor were any assets acquired or disposed of for this purpose during 2024 and 2023, nor were any subsidies received for this purpose.

As of the date of preparation of these Financial Statements, the Company's Directors understand that there are no probable or certain expenses relating to these risks that should be provided for as of that date under this heading.

22 Events after the reporting period

No significant events have occurred between 31 December 2024 and the date of preparation of these Financial Statements that have not been reflected therein.

23. Explanation added for translation to English

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

Signatures for authorisation for issue

Endesa, S.A. of the Financial Statements for the year ended 31 December 2024

The Financial Statements (Balance Sheet, Income Statement, Statement of Changes in Equity: Statement of Recognised Income and Expenses, Statement of Total Changes in Equity, Cash Flow Statement, and Notes) for the year ended 31 December 2024 of Endesa, Sociedad Anónima were authorised for issue in electronic format by the Board of Directors of Endesa, Sociedad Anónima at its meeting of 25 February 2025, following the format requirements established in the European Commission Delegated Regulation EU 2019/815, and are signed below by all the Directors, in compliance with article 253 of the Spanish Corporate Enterprises Act.

Mr Juan Sánchez-Calero Guilarte Chairman	**Mr Flavio Cattaneo** Vice Chairman
Mr José Damián Bogas Gálvez Chief Executive Officer	**Mr Guillermo Alonso Olarra** Member
Mr Stefano de Angelis Member	**Mr Gianni Vittorio Armani** Member
Ms. Eugenia Bieto Caubet Member	**Ms. Elisabetta Colacchia** Member
Mr Ignacio Garralda Ruiz de Velasco Member	**Ms. Pilar González de Frutos** Member
Ms. Francesca Gostinelli Member	**Mr Francisco de Lacerda** Member
Ms. Michela Mossini Member	**Ms. Cristina de Parias Halcón** Member

Madrid, 25 February 2025

CHAPTER **III.**

MANAGEMENT REPORT

1. Business development

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

Revenue in 2024 totalled EUR 2,115 million, of which EUR 1,850 million related to dividend income from Group companies and associates and EUR 265 million to income from the provision of services to subsidiaries.

The detail of Endesa, S.A.'s dividend income in 2024 is as follows:

Millions of Euros

Company	**Dividend**
Edistribución Redes Digitales, S.L.U.	688
Endesa Energía, S.A.U.	540
Endesa Generación, S.A.U.	375
Endesa Financiación Filiales, S.A.U.	231
Eléctrica del Ebro, S.A.U.	6
Distribuidora Eléctrica del Puerto de la Cruz, S.A.U.	3
Energías de Aragón, S.A.U.	2
Suministradora Eléctrica de Cádiz, S.A.	2
Empresa de Alumbrado Eléctrico de Ceuta, S.A.	2
Other	1
1,850	**1,850**

In 2024, operating income totalled EUR 2,264 million, while operating expenses were EUR 446 million, generating total profit from operations of EUR 1,818 million. This positive result is mainly due to the aforementioned dividend income of EUR 1,850 million from subsidiaries received in 2023.

A financial loss amounting to EUR 454 million was reported in 2024, primarily as a consequence of the financial expenses on debts to Group companies and associates amounting to EUR 256 million, as well as financial expenses on loans and credit lines with various financial institutions and interest accrued on Euro Commercial Paper (ECP) issues amounting to EUR 230 million.

The pre-tax profit for the period was EUR 1,364 million.

Corporate Income Tax accrued in 2024 resulted in an income of EUR 63 million. This is because the dividends received from Group companies, which are the main source of income for the Company, are not taxed, as the profits generated by these companies have already been taxed and are included in the Group's consolidated Corporate Income Tax return, with Enel Iberia, S.L.U. as the representative entity in Spain.

The net profit obtained in 2024 amounted to EUR 1,427 million.

2. Main financial operations

The main financial operations carried out during 2024 are detailed in Note 13.2 of the Consolidated Financial Statements of Endesa, S.A. for the year ended 31 December 2024.

3. Events after the reporting period

The events after the reporting period are described in Note 22 of the Consolidated Financial Statements for the year ended 31 December 2024.

4. Geopolitical situation

From the world energy point of view, the year 2024 has been characterised by the availability of energy, by the resilience of oil demand despite the economic situation in China and by the normalization of energy prices after the high level of prices due to the crisis of 2022. In any case, energy costs in Europe have been higher than in the United States and uncertainty and volatility have persisted in the energy markets as a result of geopolitical tension due to the conflicts in Ukraine and the Middle East.

	Aspects
Macroeconomic and political environment	• A scenario characterised by the improvement of the macroeconomic outlook and the moderation of inflation levels with respect to the previous year.
	• The macroeconomic context at the date of preparation of these Financial Statements has changed from an environment characterised by an increase in the cost of financing public and corporate debt, to the current situation, determined by a generalised reduction in interest rates, although the high level of public indebtedness may imply an increase in the risk premium of the countries, as well as an increase in fiscal risks.

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 Financial Statements. This analysis is detailed in the following Notes to the Financial Statements for the year ended 31 December 2024:

Aspects	Notes	Content
Going concern	2.4	Impact of the conflict and the macroeconomic environment on the activities carried out by Endesa's subsidiaries.
Impairment of Non-Financial Assets	4.d	Monitoring of the current context.
Financial Instruments	9 and 15	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	13 and 14	Details of financial debt.
Liquidity risk	14.3	Detail of liquidity position.
Credit risk	14.4	Analysis of impairment of financial assets.
Fair Value Measurement	9.6 and 13.6	Details of financial assets and liabilities valued at fair value.

In accordance with the above, in the year ended December 31, 2024, the effects derived from both the conflict and the current context have not had a significant impact on Endesa's subsidiaries, neither on the Gross Operating Profit (EBITDA) nor on the Operating Profit (EBIT).

In a constantly evolving scenario, Endesa continuously monitors the macroeconomic and business variables in order to have the best estimate of the potential Impacts in real time.

5. Outlook

Endesa, S.A.'s results in future years will primarily be determined by the dividends it receives from its subsidiaries, which will essentially depend on the performance of those subsidiaries.

The Directors of the Company believe that the dividend policy set for the subsidiaries will be adequate to cover the operating and financial costs of Endesa, S.A.

The Board of Directors of Endesa, S.A. promotes an economic-financial strategy that, taking into account the Company's results and guaranteeing the financial structure, makes it possible to maximize shareholder remuneration. In this way, it also meets the objective of ensuring the sustainability of the business project developed.

As a result of this economic-financial strategy, except in exceptional circumstances, which will be duly announced, the Board of Directors of Endesa, S.A., at its meeting held on November 15, 2024, approved the following shareholder remuneration policy for the period 2024-2027.

	Shareholder Remuneration Policy
Years 2024, 2025, 2026 and 2027	• For fiscal years 2024, 2025, 2026 and 2027, the Board of Directors of Endesa, S.A. will endeavor to ensure that the ordinary dividend per share to be distributed with a charge to the year is equal to 70% of the ordinary net profit attributed to the Parent Company in the Group's Consolidated Financial Statements, with a minimum of 1 euro gross per share. • The intention of the Board of Directors is that the payment of the ordinary dividend will be made exclusively in cash by means of two payments (January and July) on the specific date to be determined in each case and which will be adequately disclosed.

Notwithstanding the foregoing, Endesa's ability to distribute dividends to its shareholders depends on numerous factors, including the generation of profits, the availability of distributable reserves and its liquidity situation, and there can be no assurance as to what dividends, if any, will be paid in future years or what the amount of such dividends will be.

6. Climate Change. Climate Strategy

6.1. Climate Change

The main performance indicators (KPIs) related to Climate Change defined in Endesa's Sustainability Plan 2025-2027 are as follows:

	Line of Action	Objectives 2027	Objectives 2030	Result 2024	Actions to highlight
Decarbonization of Endesa's activity [(1)]	Scope 1 Specific Greenhouse Gas (GHG) Emissions from the peninsular electricity generation process (operational control) (gCO_2e/kWh)	75	70	58	Decarbonization of the generation park: completion of the phase-out process of the As Pontes Thermal Power Plant, completion of the total dismantling of the Teruel Thermal Power Plant, continuation of the dismantling of 4 steam units at the Candelaria power plant, 3 at Jinámar and 7 diesel units at the Ibiza power plant.
	Specific Greenhouse Gas Emissions (GHG) from electricity commercialization (electricity generation process plus electricity purchases from the market) (gCO_2e/kWh)	–	90	187	
	Greenhouse Gas (GHG) emissions from gas commercialization ($MtCO_2e$) - Scope 3	–	6.6	7	
	Peninsular Carbon Dioxide (CO_2) Free Production (% Production)	93	–	80	Increase in installed renewable capacity by 262 MW, reaching 10,161 MW net installed capacity.
	Gross Installed Renewable Capacity (GW Installed)	13.1	–	10.2	
	Net production from renewable sources (TWh)	24.9	–	17.8	

[(1)] Source: Own elaboration.

6.2. Corporate Governance focused on Sustainability objectives

Board of Directors

Endesa is aware of the effects that Climate Change has on its business, and integrates this vision not only as an element in its environmental and climate management policy, but also as a major component in decision-making at the corporate level, and in determining its strategic plans. To address this, Endesa integrates its Climate Change action plan into its Strategic Plan.

In this sense, Endesa's Strategic Plan is oriented and prepared based on the fight against Climate Change, and is approved each year by the Board of Directors, and developed and implemented by the Company's Senior Management. Specifically, the Chief Executive Officer is the most responsible for the execution of the Company's Strategic Plan and therefore for the Company's climate strategy.

The Board of Directors of Endesa, S.A. is responsible for the following issues in which Climate Change is considered a key factor to ensure its success:

Issues
Approval of the Strategic Plan and Sustainability Plan, which include the objectives and actions to manage the material Impacts, Risks and Opportunities related to Climate Change.
Approval of the Environmental Policy, which includes Climate Change, and which was reviewed, updated and approved by the Board of Directors in 2021 and is available to the public on Endesa's website [1].
Establishment of a risk management and control policy, including Climate Change risks.
Establishment of management objectives, annual budgets, investment and financing policies of the Company and its Group, as well as defining the basic lines of the general strategy.

[1] *https://www.endesa.com/content/dam/enel-es/home/inversores/gobiernocorporativo/politicascorporativas/documentos/POLITICA-MEDIOAMBIENTAL-ENDESA_21_06_21.pdf*

Endesa establishes its strategic plans taking into account geopolitical, regulatory and technological macro-trends, placing special emphasis on the markets in which it operates, and considering the risks and opportunities it faces (taking into account operational, technological, market and Transition aspects, and physical risks, among others).

Sustainability and Corporate Governance Committee

In order to ensure the best compliance and implementation of the actions and strategy in the fight against Climate Change, the Company has a Sustainability and Corporate Governance Committee, whose main function is to advise the Board of Directors of Endesa, S.A. and to supervise and monitor, among others, issues related to the environment, including Climate Change. For example, it includes information on the Company's risks and objectives in relation to Climate Change, prior to its review and report by the Audit and Compliance Committee and its subsequent formulation by the Board of Directors of Endesa, S.A.

Incentive Schemes

Endesa has implemented a long-term incentive system called *"Loyalty or Strategic Incentive Plan"* whose main purpose is to reward the contribution to the Company's business strategy and long-term sustainability of people in positions of greater responsibility, Executive Directors, as well as Executives whose participation is considered essential in the achievement of the Strategic Plan. This variable compensation scheme is organised in consecutive three-year programs that begin each year, and whose objectives are reviewed annually. Currently, the 2022-2024, 2023-2025 and 2024-2026 plans are underway, which establish the following objectives related to Climate Change:

Strategic Incentive Plan 2022-2024

The *"Strategic Incentive Plan 2022-2024"* is linked to the fulfillment of 5 objectives, 2 of them linked to Climate Change issues, during the performance period, which will be 3 years, starting January 1, 2022:

	Objectives Linked to Climate Change Issues	Weighting [1]
Strategic Incentive 2022-2024	• Net installed capacity from renewable sources, represented by the ratio between the net installed capacity from renewable sources and Endesa's total accumulated net installed capacity in 2024 (see Note 19.3.5 of the Notes to the Financial Statements for the year ended December 31, 2024).	10%
	• Reduction of Endesa's carbon dioxide (CO_2) emissions in 2024 (see Note 19.3.5 of the Notes to the Financial Statements for the year ended December 31, 2024).	10%

[1] In the Incentive Total.

Strategic Incentive Plan 2023-2025

The *"Strategic Incentive Plan 2023-2025"* is linked to the fulfillment of 4 objectives, 1 of them linked to Climate Change issues, during the performance period, which will be 3 years, starting January 1, 2023:

	Objectives Linked to Climate Change Issues	Weighting [1]
Strategic Incentive 2023-2025	• Reduction of Endesa's carbon dioxide (CO_2) emissions in 2025, according to the evolution of the thermal gap of the Spanish Peninsular Electricity System (see Note 19.3.5 of the Notes to the Financial Statements for the year ended December 31, 2024).	10%

[1] In the Incentive Total.

Strategic Incentive Plan 2024-2026

The *"Strategic Incentive Plan 2024-2026"* is linked to the fulfillment of 4 objectives, 1 of which is linked to Climate Change issues, during the performance period, which will be 3 years, starting January 1, 2024:

	Objectives Linked to Climate Change Issues	Weighting [1]
Strategic Incentive 2024-2026	• Reduction of Endesa's specific CO_2 emissions (gCO_2/kWh) in 2026, according to the evolution of the thermal gap of the Spanish Peninsular Electricity System (see Note 19.3.5 of the Notes to the Financial Statements for the year ended December 31, 2024).	15%

[1] In the Incentive Total.

In all incentive plans, for each of the objectives, an entry level is established as of which the objective is considered to be met and 2 levels of over-achievement: achievement above the first level is equivalent to 150%; and achievement above the second level is equivalent to the maximum achievement of 180%. Therefore, the level of variable compensation would be between 0% and 180% of the base incentive.

Currently, the 3 strategic incentive plans have objectives and metrics related to Climate Change that are taken into account as performance benchmarks and are detailed in the Remuneration Policy.

The conditions of the incentive systems are reported by the Nomination and Remuneration Committee (NRC) which is responsible, among other functions, for reporting and/or proposing to the Board of Directors the appointments of Directors, the Remuneration Policy and the incentive systems, to be submitted to the General Shareholders' Meeting. Through this Committee, proposals are made to the Board of Directors of Endesa, S.A. and the carbon dioxide (CO_2) emission reduction targets linked to the variable remuneration of the Executive Directors are monitored.

6.3. Climate strategy. Long-term scenarios

Climate strategy

Endesa permanently develops macroeconomic, financial, energy and climate scenarios for the short, medium and long term to support planning processes, capital allocation, strategic positioning and risk assessment, and strategy resilience. Strategic planning, through the use of scenarios, is based on the definition of *"alternative futures"*, defined on the basis of certain key variables such as, for example, compliance with the objectives defined in the Paris Agreement, or the variability of climate parameters. The development of scenarios makes it possible to analyze and model alternative plausible futures, allowing the design of different pathways, time horizons and options and, ultimately, to support the strategic decision-making process with the aim of maximizing opportunities and mitigating risks. This aspect is particularly relevant in the event of significant potential disruptions arising from the evolution of key uncertainties.

A benchmarking analysis of external energy scenarios has also been carried out, which is a useful starting point for building robust internal scenarios. There are many global, national and regional Energy Transition Scenarios published by different agencies and designed for multiple purposes, from government planning to supporting business decision-making processes. The benchmarking activity consists of the analysis of scenarios prepared by different organizations in order to compare the results in terms of energy mix, emission levels and technology options, and to identify for each of them the main drivers of the Energy Transition.

The analysis of the context, trends and the Energy Transition process is a fundamental contribution to defining the Group's business strategy. Endesa carries out this analysis by means of:

- Identification and analysis of short, medium and long term trends to develop a comprehensive analysis of how the current context and macro trends influence the speed of the transition and the expected Impacts on the energy sector and, in particular, on the businesses in which Endesa operates. The context analysis, with the identification and analysis of the main external trends and dynamics associated with the Energy Transition, the competitive and business environment, provides a basis for guiding the positioning of the business and the definition of the relevant macro trends for the materiality analysis.
- Benchmarking of external energy scenarios, which is based on an in-depth evaluation of the available reports at global, regional and local level, with special attention to the countries in which Endesa operates, in order to compare the main drivers of the Energy Transition and its potential Impacts.

Analysis of the global scenarios shows a strong consensus among energy analysts on the main levers for achieving climate targets: electrification of energy consumption and increased electricity generation from renewable sources, both in the medium and long term. In scenarios compatible with a global average temperature increase within +1.5°C above pre-industrial values, the electrification rate exceeds 50% in 2050, compared to 20% in 2023, while the share of renewable generation in the global electricity mix rises to almost 90%, compared to 30% in 2023.

Description of the climate scenarios

Energy Transition and Climate Change Scenarios

The preparation of strategic planning with the help of scenarios makes it possible to improve business decisions, maximize opportunities and mitigate risk, promoting greater organizational flexibility and adaptability. This approach is based on the development of alternative scenarios, defined on the basis of key uncertainties, such as the achievement of the Paris Agreement targets.

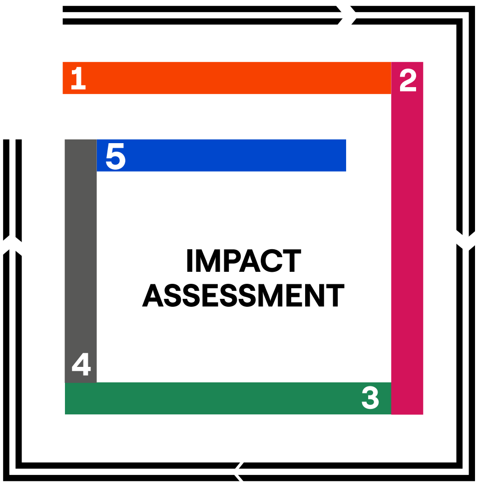
The scenarios are built with the objective of having a general framework to ensure consistency between the Energy Transition Scenarios and the Physical Scenarios:

Scenarios	Defining Aspects
Scenarios of Energy Transition	• To describe how energy production and consumption evolve, considering different factors such as commodity prices, technology, climate and energy policies, as well as the social context.
Physical Scenarios	• To take into account issues related to future trends in climate variables, based on simulations of climate models that project future variables such as temperature, precipitation and wind as a function of different levels of greenhouse gas emissions and other climatic conditions.

To assess the effects of the Energy Transition and of physical phenomena on the energy system, at Enel Group level models are established that incorporate in detail the energy system, taking into account the technological, socioeconomic, political and regulatory specificities of the different countries. The acquisition and processing of the data needed to define the scenarios, as well as the selection of the appropriate methodologies and metrics to interpret complex phenomena, require careful analysis and the use of advanced models, and are also based on dialogue with external experts.

In addition, the use of long-term climate scenarios enables the preparation of adaptation plans for Endesa's portfolio of assets and activities, and they also form part of the analyses carried out in the area of Biodiversity. Climate scenarios provide both high-level indications and high-resolution data to analyze physical Impacts at specific locations. By combining climate analyses with vulnerability assessments of facilities, it is possible to determine priorities for action and define adaptation plans. This approach applies to both existing fleet and new investments.

The adoption of Energy and Physical Transition scenarios and their integration into business decision-making processes takes into account the guidelines defined by the Task Force on Climate-Related Financial Disclosures (TCFD) and the requirements derived from the Corporate Sustainability Reporting Directive (CSRD), and is a facilitating factor in the assessment of risks and opportunities related to Climate Change. The process that translates scenario phenomena into useful information for industrial and strategic decisions can be summarised in 5 steps:



1 Identification of trends and drivers for the business (e.g. electrification of the demand, heat waves, etc.).

2 Development of connectors between climate and Transition scenarios and operating variables.

3 Identification of risks and opportunities.

4 Calculation of business impacts (e.g. changes in results, losses, investments).

5 Strategic actions: definition and implementation (e.g. capital allocation, resilience plans).

Transition scenarios

A Transition Scenario represents how energy production and consumption may evolve in a given geopolitical, macroeconomic, social and regulatory context, and according to the different technological options available. Each scenario corresponds to an evolution of Greenhouse Gas (GHG) emissions and a potential temperature increase at the end of the century with respect to pre-industrial values.

The reference scenario for planning, called the *"Reference"* scenario, is a scenario that contemplates the achievement of the minimum objective established in the Paris Agreement, i.e. limiting the increase in the global average temperature with respect to pre-industrial levels to less than 2ºC with respect to pre-industrial levels. This scenario does not consider reaching the *"Net Zero"* target at the global level in 2050, given the slowdown in the speed of the Energy Transition at the local level in some transition variables.

With respect to the full achievement of the Paris Agreement, i.e. to achieve a global average temperature increase of less than 1.5°C above pre-industrial levels, there are uncertainties regarding the possibility that some countries will continue on inertial trajectories, without taking timely and effective measures to reduce their emissions, delaying the decarbonization process towards net zero emissions in 2050. However, Endesa has defined strategic guidelines in line with the higher ambition of the Paris Agreement targets, i.e. consistent with a global average temperature increase of 1.5°C by 2100, as certified by the Science Based Targets (SBTi) initiative at Enel Group level. In fact, Endesa has set a target to have emission-free generation (Scope 1) and electricity commercialisation (Scope 3) by 2040. This model takes into account recent developments in European and national climate and energy legislation, and the National Integrated Energy and Climate Plan (PNIEC) published in September 2024.

To assess the risks and opportunities associated with the Energy Transition, 2 alternative scenarios to the reference scenario have been defined, considering different levels of climate ambition assumed at global and local level. The 2 alternative scenarios are:

Alternative Scenarios	Description
"Slower Transition"	• Characterised by a slower Energy Transition, with a lower development of some variables, such as renewable capacity and electric mobility, and which mainly takes into account the slowdown in the short term in some geographical areas.
"Accelerated Transition"	• Characterised by an increase in ambition with respect to the Reference scenario, in particular with regard to some variables characteristic of the Energy Transition. The scenario foresees an acceleration in the authorization processes for renewable energies, the provision of economic support mechanisms for renewable installations, as well as a greater penetration of the electrification of energy consumption.

The assumptions on the evolution of raw material prices for the *"Reference"* scenario are consistent with the external scenarios that achieve the Paris Agreement targets. Sustained growth in carbon dioxide (CO_2) prices in 2030 is assumed, as a result of a gradual reduction in the supply of allowances in the face of growing demand, and a sharp decline in coal prices, due to falling demand. As for gas, price tensions are expected to continue to ease in the coming years thanks to a realignment between global supply and demand. Finally, oil prices are expected to stabilize gradually, with peak demand estimated around 2030.

	2024	2030			
	Endesa [3]	Endesa	Average Benchmark [1] [2]	Benchmark Maximum	Benchmark Minimum
Brent Price ($ / bbl)	80	~74	~82	~89	~70
Api2 Coal Price ($ / t)	112	~83	~85	~110	~75
Carbon Dioxide (CO_2) (€ / t)	65	~117	~125	~150	~100
TTF Gas Price (€ / MWh)	35	~30	~26	~35	~20

[1] Source: International Energy Agency (IEA), BloombergNEF (BNEF), Standard & Poor's (S&P), Enerdata. N.B.
[2] The scenarios used as a reference have been published at different times of the year, and may not be up to date with the latest market dynamics.
[3] Closing.

The *"Accelerated Transition"* scenarios foresee a more rapid decline in demand for fossil fuels, resulting in lower fossil fuel prices by 2030. In contrast, in the case of a slower transition, the *"Slower Transition"*, fuel demand will peak more gradually, maintaining energy commodity prices

Physical scenarios

In the scenarios, the Impact of Climate Change is increasingly important and has an impact, not only in terms of the transition of the economy towards net zero emissions, but also in terms of physical Impacts, which can be classified into:

- Acute phenomena, i.e. phenomena of short duration, but particularly intense, such as floods, extreme wind, etc., with possible repercussions on assets (e.g. damage and interruption of activity).

- Chronic phenomena related to structural changes in the climate, such as rising temperature trends, sea level rise, etc., which can cause, for example, a constant change in the production of facilities and a permanent change in electricity consumption profiles in the residential and commercial sectors.

These phenomena are analysed by selecting the best available data from the output data of climate models with different levels of resolution and historical data, which serve as input for Endesa's impact assessments, including Biodiversity and Value Chain analyses.

For the evaluation of physical risks, 3 climate scenarios have been selected, consistent with those published in the sixth report of the Intergovernmental Panel on Climate Change (IPCC) (IPCC Sixth Assessment Report (2021), *"The Physical Science Basis"*). These scenarios are characterised by a level of emissions according to the so-called *"Representative Concentration Pathway"* (RCP), and each of them is related to one of the 5 scenarios defined by the scientific Community as *"Shared Socioeconomic Pathways"* (SSP), which consider general hypotheses on population and urbanization, among others.

Accordingly, the 3 scenarios considered are described as follows:

Scenarios	Description
***"Shared Socioeconomic Pathways"* 1 (SSP 1) – *"Representative Concentration Pathway"* 2.6 (RCP 2.6)**	Scenario compatible with a global temperature increase below 2°C in 2100 with respect to pre-industrial levels (1850-1900). The Intergovernmental Panel on Climate Change (IPCC) projects an average temperature increase of ~+1.8°C with respect to the period 1850-1900. For the analysis that takes into account both physical and transition variables, the *"Shared Socioeconomic Pathways"* Scenario 1 (SSP 1) – *"Representative Concentration Pathway"* 2.6 (RCP 2.6) is associated with the *"Reference"* and *"Accelerated Transition"* scenarios.
***"Shared Socioeconomic Pathways"* 2 (SSP 2) – *"Representative Concentration Pathway"* 4.5 (RCP 4.5)**	Scenario compatible with an intermediate scenario, in which an average temperature increase of about 2.7°C in 2100 is estimated, with respect to the period 1850-1900. This scenario has been considered the most representative of the current global climatic and geopolitical context. For the analysis that takes into account both physical and transition variables, the *"Shared Socioeconomic Pathways"* Scenario 2 (SSP 2) – *"Representative Concentration Pathway"* 4.5 (RCP 4.5) is associated with the *"Slower Transition"* scenario.
***"Shared Socioeconomic Pathways"* 5 (SSP 5) – *"Representative Concentration Pathway"* 8.5 (RCP 8.5)**	Scenario compatible with a scenario that assumes that no specific measures will be taken to combat climate change. In this scenario, it is estimated that the global increase in temperature with respect to pre-industrial levels will be about 4.4°C in 2100 with respect to pre-industrial values. Representative Concentration Pathway 8.5 (RCP 8.5) is considered the most unfavorable scenario from the climatic point of view, and is used to assess the effects of physical phenomena in a context of extreme climate change, which is currently considered unlikely.

The work carried out with climate scenarios considers both Chronic Phenomena and Extreme Events. For the description of specific complex phenomena, data and analyses carried out by private and public entities and academic institutions are taken into account.

The scenarios used are global, but in order to define the effects at the level of the specific areas in which Endesa operates, they must be analysed at the local level.

Collaboration with the Department of Earth Sciences of the International Centre for Theoretical Physics (ICTP) in Trieste (Italy) has made it possible to provide projections of the most important climatic variables with a grid resolution of between 12 and 100 km in length, for a time horizon between 2020 and 2050. The analysis includes variables such as temperature, precipitation, wind gusts and solar radiation, evaluated using a set of regional climate models to ensure the robustness of the results. The number of models used varies according to the Representative Concentration Pathway (RCP) scenario.

The analysis of certain aspects depends not only on climate projections, but also on the characteristics of the territory, making more specific modeling necessary to achieve a high-resolution representation. To achieve this, in addition to the climate scenarios developed by the Centre for Theoretical Physics (ICTP), *"Natural Hazard"* maps are used. Thanks to the use of these maps, it is possible to obtain, with a high spatial resolution, the expected frequencies for a series of climatic events such as storms, hurricanes or floods. The use of this type of maps based on historical data is well established in the Enel Group and is used to optimize the insurance strategy.

Endesa has equipped itself with the tools and acquired sufficient knowledge to work independently with the raw data published by the scientific Community, which provides a global and high-level view of the long-term evolution of the climatic variables of interest. The sources used are the outputs of the CMIP6 climate and regional models (see: *https://wcrp-cmip.org/cmip6/)* and CORDEX (*https://cordex.org/*). CMIP6 is the sixth *"assessment"* of the Coupled Model Intercomparison Project (CMIP), both under the World Climate Research Programme (WCRP) and the Working Group of Coupled Modelling (WGCM).

7. Main risks and uncertainties associated with Endesa's activity

7.1. General risk control and management policy

The General Risk Control and Management Policy establishes the basic principles and the general framework to control and manage risks of any kind that could affect the attainment of targets, ensuring that they are systematically identified, analysed, assessed, managed and controlled within the risk levels set. The General Risk Control and Management Policy identifies the different types of risks, both financial and non-financial (including operational, technological, legal, social, environmental, political, and reputational risks, as well as those related to corruption) that the Company faces, including contingent liabilities and other off-Balance Sheet risks.

The General Risk Control and Management Policy aims to guide and direct the range of strategic, organisational, and operational actions that allow the Board of Directors of Endesa, S.A. to precisely define the acceptable level of risk. This enables managers of the various Business Lines, staff, and service functions to maximise the Company's profitability, preserve or enhance its net equity, and ensure certainty in achieving these objectives above certain levels. It also prevents uncertain and future events from negatively impacting the achievement of set profitability targets, operations, sustainability, resilience, or reputation over time, while providing an adequate level of assurance to shareholders and safeguarding their interests, as well as those of customers and other stakeholders.

The principles of Endesa's General Risk Control and Management Policy, designed to control and mitigate the identified potential risks, are as follows:

	Principles
General Risk Control and Management Policy	• Existence of a regulatory framework, personnel, resources, and systems to carry out a continuous process of identification, quantification, mitigation, and reporting of all relevant risks affecting the Company.
	• Ensuring adequate segregation of duties, as well as coordination mechanisms between the different areas and risk control systems.
	• Risks must be consistent with Endesa's strategy, objectives, and core values, ensuring that risk levels are aligned with the objectives and limits set by the Board of Directors.
	• Optimisation of risk management and control from a consolidated perspective, prioritising this over the individual management of each risk.
	• Continuous assessment of hedging, transfer, and mitigation mechanisms to ensure their suitability and the adoption of best market practices.
	• Continuous review of current regulations, including tax provisions, to ensure that operations are carried out in accordance with the rules governing the activity.
	• Respect for and compliance with internal regulations, with a special focus on Regulatory Compliance, Corporate Governance, and the provisions for the Prevention of Criminal Risks and Anti-Bribery, particularly the Code of Ethics and the Zero Tolerance for Corruption Plan.
	• Safety is Endesa's number one value, and all actions must preserve the health and safety of the people who work in and for Endesa.
	• Commitment to Sustainable Development, efficiency, and respect for the environment and Human Rights.
	• Responsible optimisation in the use of available resources, in order to provide profitability to shareholders within a framework of relationships based on principles of loyalty and transparency.

The General Risk Control and Management Policy is developed and supplemented by other specific risk policies of the Business Lines, staff, and service functions, as well as by the limits established for optimal risk management in each of them.

The General Risk Control and Management Policy is implemented through an Internal System of Control and Risk Management , which comprises an organisation, principles, a regulatory framework, and a risk control and management process.

The Internal System of Control and Risk Management adheres to a model that is based, firstly, on the continuous assessment of the risk profile, employing the best current practices in the Energy Sector or those referenced in risks management. It focuses on ensuring consistency in measurements within the same risk type, maintaining a distinction between risks managers and controllers. Secondly, it ensures the alignment between the risk undertaken and the resources required to operate the businesses, consistently maintaining a suitable balance between the risk undertaken and the objectives established by the Board of Directors of Endesa, S.A.

The risk control and management model implemented in the Company is aligned with international standards, following a methodology based on the three lines of defence model.

The organisation of the Internal System of Control and Risk Management is implemented through independent risk control and management functions that ensure an appropriate segregation of duties. The main governing bodies in the risk control process are:

Main Governing Bodies	Description
Risk Committee	• Oversees the management and monitoring of all risks, including specifically tax risks, and excluding those of a criminal nature and those relating to the Internal Control over Reporting System (ICRS), reporting the results of its deliberations and conclusions to the Audit and Compliance Committee (ACC).
Transparency Committee	• Chaired by the Chief Executive Officer and composed of Endesa's main executives, including all members of the Executive Management Committee along with other members of Endesa's management directly involved in the preparation, verification, and disclosure of Financial and Non-financial Information. Its main objective is to ensure compliance with and correct application of the general principles of Financial and Non-Financial Information (confidentiality, transparency, consistency, and responsibility), to assess the facts, transactions, reports, or other relevant aspects that are communicated externally, and to determine the manner and timeframe for presenting public information. The Transparency Committee is also the body of Endesa's management that assesses the conclusions on the compliance and effectiveness of the ICRS controls and the internal controls and procedures for disclosing information externally, formulating corrective and/or preventive actions in this regard. The conclusions of the Transparency Committee are reported to the Audit and Compliance Committee (ACC).
Supervisory Committee for the Criminal Risk Prevention and Anti-Bribery Model	• The collegiate body with autonomous powers of initiative and control with regard to criminal risks, which is directly supervised by the Audit and Compliance Committee (ACC). It oversees compliance with and updating of the Model for preventing criminal risks that could give rise to criminal liability for Endesa.

The General Risk Control and Management Policy defines the Internal System of Control and Risk Management as an intertwined system of rules, processes, controls, and information systems, in which the overall risk is defined as the risk resulting from the complete view of all risks to which the Company is exposed, considering the mitigation effects between the different exposures and categories thereof, which allows for the consolidation of the risk exposures of the different Endesa Units and their assessment, as well as the preparation of the corresponding management information for decision-making in terms of risk and appropriate use of capital.

The risk control and management process consists of the identification, assessment, monitoring, and management over time of the different risks, and covers the main risks to which the Company is exposed, both endogenous (due to internal factors) and exogenous (due to external factors):

Risk Control and Management Process	Description
Identification	• Aims to generate the risk inventory based on the events that could prevent, degrade, or delay the achievement of objectives. Identification should include risks whether their origin is under the organisation's control or due to unmanageable external causes.
Assessment	• The objective is to obtain the parameters that allow for the measurement of the economic and reputational impact of all risks for their subsequent prioritisation. The assessment includes different methodologies adapted to the characteristics of the risk, such as scenario analysis and estimation of potential loss based on the assessment of impact and probability distributions.
Monitoring	• The objective is to monitor risks and establish management mechanisms that allow risks to be kept within the established limits, as well as to take appropriate management actions.
Management	• The objective is to implement actions aimed at aligning risk levels with optimal levels and, in any case, respecting the limits set.

The General Risk Control and Management Policy, established and approved by the Board of Directors of Endesa, S.A., constitutes the central element of the system from which other specific documents and policies are derived, such as the "*Tax Risk Management and Control Policy*" and the *"Criminal Compliance and Anti-Bribery Policy"*, which are approved by the Board of Directors of Endesa, S.A. and in which risk and control catalogues are defined.

In addition, given the increased interest in controlling and managing the risks to which companies are exposed and the increasing complexity of identifying them from a comprehensive perspective, it is important for employees at all levels to participate in this process. In this regard, there is a risk mailbox where employees can contribute to identifying market risks and proposing mitigation measures, thus complementing the existing top-down risk control and management systems and the specific mailboxes and procedures for sending communications related to ethical breaches, criminal risks, tax risks, and occupational risks.

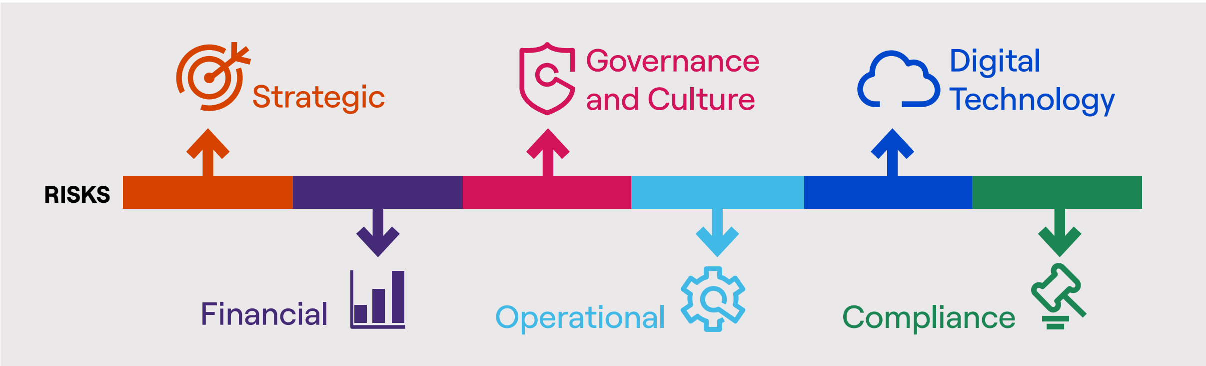
Information relating to risk management and derivative financial instruments is included in Notes 14 and 15, respectively, of the Notes to the Financial Statements for the year ended 31 December 2024.

The Annual Corporate Governance Report describes Endesa, S.A.'s risk control and management systems in Section E, *"Risk Control and Management System"* and forms an integral part of this Management Report (see Section 14 of the Annual Corporate Governance Report of this Management Report).

For more information on risk management, see the General Risk Control and Management Policy published on the Company's website (*https://www.endesa.com/es/accionistas-e-inversores/gobierno-corporativo/politicas-corporativas.html*).

7.1.1. Risks catalogue

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



The risks catalogue serves as a reference for all areas of the Company involved in management processes. The adoption of a common language facilitates the mapping and organic representation of risks within Endesa, thus allowing for the identification of those that impact the Company's processes and the functions of the organisational units involved in their management.

Section 7.4 of this Management Report sets out the risks that may affect Endesa's activity.

7.1.2. Risks management and control

Endesa, S.A. has implemented a risk control and management process that allows it to gain a comprehensive view of all the risks it faces, taking into account the mitigating effects between the various exposures and their categories, as well as preparing the relevant management information for decision-making regarding risk and optimal use of capital.

The Risks Committee oversees the management and monitoring of all risks, including specifically tax risks, and excluding those of a criminal nature and those relating to the Internal Control over Reporting System (ICRS). The mission of the Risk Committee is:

Committee	Mission
Risk Committee	• Actively engaging in the formulation of risk strategy and key decisions regarding its management.
	• Ensuring the effective operation of the risk control and management systems, by identifying, managing, and appropriately quantifying the relevant risks impacting the Company.
	• Ensuring that the Internal System of Control and Risks Management effectively mitigates risks.
	• Ensuring senior management involvement in strategic risk management and control decisions.
	• Regularly offering the Board of Directors a comprehensive overview on both current and anticipated risk exposure.
	• Ensuring coordination between risk management units and the units responsible for their control.
	• Encouraging a culture where risk is considered a factor in every decision and at all levels of the Company.

The Risks Committee convenes at least quarterly to analyse the key outcomes and conclusions related to Endesa's risk exposure, overseeing risk management and monitoring. The outcomes of their discussions and conclusions are forwarded to the Audit and Compliance Committee ("CAC") of Endesa, S.A.

Additionally, the Risks Committee regularly receives information on key risk monitoring indicators, as well as on significant events in risk management and control. Any member may convene the Committee to authorise or propose potential risk management strategies for extraordinary or significant transactions.

The Risk Control Area is the area entrusted by the Risk Committee with the task of defining the procedures and standards of the Internal System of Control and Risk Management . This is to ensure that all risks impacting the entity within its scope of responsibility are consistently and regularly identified, characterised, quantified, and effectively managed, as well as to oversee risk exposure and the control activities implemented.

Following the internal procedures and operational instructions, the Risks Control Area is tasked with preparing, for the risks within its scope:

Reports	Description
Risk Appetite Framework	• Identifies the primary risk indicators, the levels of risk deemed acceptable, and the management and mitigation mechanisms, which are approved by the Board of Directors of Endesa, S.A.
Risks Map	• Offers a prioritised view of the relevant risks and is approved by the Board of Directors of Endesa, S.A.
Monitoring Reports	• Guarantee compliance with the established limits and the effectiveness of the mitigation measures to address risks, and their conclusions are regularly communicated to the Audit and Compliance Committee (ACC).

To carry out its functions, Risks Control Area relies on other Areas and Committees that have specific and complementary risk control and management models and policies. Thus, for example, in tax matters, the Board of Directors of Endesa, S.A. has also approved a Tax Risk Management and Control Policy aimed at guiding and directing the set of strategic, organisational, and operational actions that enable the managers of the Tax Affairs Unit and the various areas of the organization whose functions impact the company's taxation to achieve the objectives established by the Company's Tax Strategy regarding the control and management of tax risks.

According to the latest report by PwC, which assessed the performance of the internal risk control and management function, Endesa is one of the listed companies and one of the companies in the electricity sector most closely aligned with applicable best practices. This evaluation complies with the provisions of the Regulations of the Audit and Compliance Committee (ACC), which indicates that an evaluation of the performance of the internal risk control and management function will be carried out periodically by an independent external party, which will be selected by the Audit and Compliance Committee (ACC).

7.2. Internal Control over Reporting System (ICRS)

The quality and reliability of the Financial, Non-financial and Sustainability Information that listed companies disclose to the market is a fundamental element for the credibility of the Company, which significantly affects the value that the market assigns to it, so that the disclosure of incorrect or low-quality financial or non-financial information could lead to a significant decrease in the value of the Company, with the consequent detriment to shareholders.

The Internal Control over Reporting System (ICRS) for Financial, Non-financial and Sustainability Information forms part of the Company's internal controls, comprising a comprehensive series of processes through which the company provides reasonable assurance with regard to the reliability of its internal and external Financial, Non-financial and Sustainability Reporting.

Endesa's Internal Control Unit is the area responsible for identifying the most significant processes, activities, risks and controls of the Internal Control over Reporting System (ICRS) considered to be factor when it comes to providing reasonable assurance that the Financial, Non-financial and Sustainability Information internally and externally disclosed by Endesa to the market is reliable and suitable.

The documentation of the processes that are part of the Internal Control over Reporting System (ICRS) of Endesa includes detailed descriptions of the activities relating to the preparation of Financial, Non-financial and Sustainability Information and its subsequent publication, including its authorisation and processing, and has been prepared with the following basic objectives:

Basic Objectives
• Identify the critical processes directly and indirectly linked to the generation of information.
• Identification of the risks intrinsic to these processes that could give rise to material errors in Financial Information (typically related to completeness, validity, recognition, cut-off, measurement and presentation) or significant errors in Non-financial and Sustainability Information (from 2024 specifically related to the attributes of relevance, faithful representation, comparability, verifiability and understandability).
• Identify and characterise the controls in place to mitigate such risks.

In 2024, Endesa's Internal Control over Reporting System (ICRS) comprised 82 processes. In them, and also considering the related entity controls, there are more than 1,700 control activities (also called controls). In addition, there are more than 190 general information technology control activities (ITGC).

In terms of processes, Endesa has identified 10 Business cycles common to all its companies:

Business Cycles
1. Fixed assets
2. Accounting Close
3. Capital Investments
4. Finance
5. Inventory
6. Personnel Expenses
7. Procurement Cycle
8. Revenue Cycle
9. Taxes
10. Sustainability

The corporate report is a critical function of communication with all the Company's stakeholders both internal and external (shareholders, investors, financing entities, supervisory bodies, civil society, suppliers, customers, etc.) that is fed by information from various sources. In fact, to a greater or lesser extent, all of Endesa S.A.'s organisational units supply information of relevance to the corporate reporting process. For this reason, compliance with the objectives of transparency and veracity of information is the responsibility of all the units that make up Endesa in their respective areas of action. This shared liability by all the areas is precisely one of the cornerstones of how the Internal Control over Reporting System (ICRS) works.

All information related to the Internal Control model is documented in the SAP-GRC-PC Internal Control software tool. The persons in charge of each control activity are appointed by the process managers and are responsible for carrying out the self-assessment, which is performed every six months.

The Internal Control Unit of Endesa, S.A. provides those responsible for the processes and controls with the necessary support and ensures the correct development of the evaluation process.

The evaluation process of the Internal Control over Reporting System (ICRS) includes:

Action
• **Certification of the Internal Control System**, which has the following phases: — Self-assessment of control activities, Management controls, segregation of duties controls and access controls, by the person responsible for each of them. — Signing by the heads of the different Organizational Units involved, ascending in the hierarchical structure of the Company up to the final signature of the Chief Executive Officer. The above phases are permanently monitored and supported by the Internal Control Unit.
• **Verification performed by an independent expert** on the design and operability of a significant sample of the most relevant controls of Endesa's Internal Control over Reporting System (ICRS).

The results of the certification of the Internal Control over Reporting System (ICRS) and the results obtained in the verification performed by the independent expert are included in the report sent by the Internal Control Unit to the Transparency Committee and the Audit and Compliance Committee ("CAC").

The weaknesses detected are classified into 3 categories according to their potential impact on the financial statements as follows:

Category
• Control weaknesses (not significant).
• Significant weaknesses.
• Material weaknesses.

All weaknesses detected in the Internal Control over Reporting System (ICRS) entail the implementation of a specific action plan to remedy each one of them. The Internal Control Unit reports to the Transparency Committee and the Audit and Compliance Committee ("CAC") on the weaknesses detected in the Internal Control over Reporting System (ICRS), until their final resolution.

In addition to the report from the Internal Control Unit, the Audit and Compliance Committee also receives a report from the General Audit Directorate on the degree of confidence and reliability of Internal Control over Reporting System (ICRS), with proposals, where appropriate, for improvement actions.

Likewise, since the year 2017, Endesa, S.A.'s Audit and Compliance Committee ("CAC") annually hires an independent expert to conduct a comprehensive assessment of the operation and effectiveness of Endesa's Internal Control over Reporting System (ICRS). The result of this assessment is presented by the independent expert at the meeting of the Audit and Compliance Committee ("CAC") corresponding to the end of the financial year.

7.3. Endesa's anti-bribery and criminal risk prevention model

Endesa, S.A. is aware that the sustainable fulfilment of its corporate responsibilities must be accompanied by the constant pursuit of excellence in the areas of business ethics in all decision-making processes, something that must be understood in a corporate environment where strict adherence to the most advanced national and international standards, practices, and principles in the field is one of the basic pillars of operation.

Regarding the prevention of criminal behaviour, Organic Law 5/2010, of 22 June, which amended Organic Law 10/1995, of 23 November, of the Spanish Criminal Code, not only incorporated offences applicable to legal entities, but also referred to the need for the establishment of monitoring and control measures for their prevention and detection. This legal regime was reformed by Organic Law 1/2015, of 30 March, detailing the requirements for having control and management systems that allow legal entities to demonstrate their diligence in the field of criminal prevention and detection. The Organic Law 1/2019, of 20 February, once again amended the Organic Law 10/1995, of 23 November, of the Criminal Code, to transpose European Union (EU) Directives in the financial and terrorism fields, and to address issues of an international nature. More recently, Organic Law 10/2022, of 6 September, on the comprehensive guarantee of sexual freedom, has once again modified certain aspects of the criminal liability of legal entities.

In line with these legal requirements, Endesa, S.A. has implemented an *"Endesa's Anti-Bribery and Criminal Compliance Management System"* consisting of internal regulatory instruments and policies that have satisfied at all times the need to have an adequate control and management system applied in the field of criminal detection and prevention. The correct application of the *"Endesa Criminal and Anti-Bribery Compliance Management System"* is verified by the Audit and Compliance Committee (ACC) through the Supervisory Committee as the delegated body, and also complies with different external certifications.

That system primarily comprises the following standards applicable to Endesa, S.A.:

Standards	Description
Criminal Risk Prevention and Anti-Bribery Model	• Document that provides Endesa, S.A. with a control system that prevents crimes from being committted within its organisation, ensuring compliance with the applicable regulations regarding the criminal liability of legal entities.
Code of Ethics	• Document outlining the ethical commitments and responsibilities in business management and corporate activities undertaken by collaborators of Endesa, S.A., whether they are Directors or employees of any kind within these companies.
Zero Tolerance for Corruption Plan	• Document that represents Endesa, S.A.'s strong commitment to the fight against corruption, and is the result of its adherence to the United Nations Global Compact.
Corporate Integrity Protocols	• Protocol for conflicts of interest, exclusive dedication, and commercial concurrence. • Protocol for the acceptance and offering of gifts, presents, and favours. • Protocol for dealing with public officials and authorities.

To these internal regulatory instruments was added, among others, the Criminal Compliance and Anti-Bribery Policy, which, together with those previously mentioned and others, constitute the *"Criminal Compliance and Anti-Bribery Management System of Endesa, S.A."*, which is an integrated body of provisions, not only compliant with Spanish legal requirements in this matter but also sufficient to meet the expectations reasonably placed on organisations operating with the highest levels of commitment in advanced markets, as Endesa, S.A. does.

Additionally, in June 2023, Endesa S.A. has taken the necessary measures to comply with Law 2/2023, of 20 February regulating the protection of persons who report regulatory breaches and fight against corruption, by implementing a Whistleblower Protection System consisting of a compliance model that includes, among other measures, a Policy, a Management Procedure for reported incidents, and a responsible officer, allowing for the appropriate management of these through the relevant Internal Channel. The Internal Protection System for Informants guarantees, among other aspects, the right to submit information anonymously, the prohibition of retaliation in any of its forms, support measures or the special protection of personal data, which is further proof of Endesa S.A.'s commitment to complying with the most advanced ethical and regulatory compliance principles applicable in the matter.

As of 31 December 2024, the number of people who have received training in anti-corruption policies and procedures was 1,133 employees, representing 91.7% (618 employees, 48.3% as of 31 December 2023).

The Criminal Compliance and Anti-Bribery Management System of Endesa, S.A. has, since October 2017, held the accreditation granted by the Spanish Association for Standardisation and Certification (AENOR) in accordance with the *"UNE 19601"* (Compliance Management) and *"UNE-ISO 37001"* (Anti-Bribery Management) Standards, which have been successfully renewed periodically since that date and remain valid as of the formulation date of this Management Report.

Verification of the correct application of the *"Criminal Compliance and Anti-Bribery Management System"* is the responsibility of the Audit and Compliance Committee (ACC), which, for this purpose, is supported by the Supervision Committee. This is a collegiate body endowed with autonomous powers of initiative and control and independence in the exercise of its functions, and whose competencies and principles of action are established in its Regulations. The Supervision Committee is solely and exclusively accountable to the Audit and Compliance Committee (ACC), which, among other things, is responsible for specific functions related to the prevention of criminal risks according to its operating Regulations.

As part of the Criminal Compliance and Anti-Bribery Management System, Endesa, S.A. has an Information Channel through which incidents related to breaches in criminal risk prevention and anti-bribery matters, among other things, are reported. In 2024, the Company fully complied with all of the processes put in place to correctly apply the Code of Ethics.

The following is information on Reported Incidents received from different parties for breaches of the Code of Ethics:

	Number		
	2024	2023	% Chg.
Total Reported Incidents Received through the Information Channel for Potential Breaches	5	3	66.7
Proven Breaches	—	—	—
Related to Corruption and/or Fraud	—	—	—

7.4. Main risks and uncertainties

Endesa, S.A., as the parent company of its Group of companies, is exposed to all the risks to which the Group of companies, of which it is the Parent Company, is exposed, since any risk that may materialise in a subsidiary will have an effect on Endesa, S.A. through the valuation of its investment portfolio and the distribution of dividends from them.

Endesa S.A.'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 geopolitical tensions between Russia and Ukraine, the conflict in the Middle East, the tensions between the United States and China over tariff issues and the current macroeconomic environment, Endesa faces a context of 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 4 of this Management Report).

In the current context, there are risks that are difficult to manage and of undetermined probability, including regulatory changes in the Electricity Sector, Cybersecurity, uncertainties in U.S. tariff policies and short-term fiscal measures, which could add pressure to the challenge of meeting the objectives of the Strategic Plan.

7.4.1. Details of the main risks affecting Endesa

The prioritisation of the main risks that may affect Endesa's operations is presented below:

Category	Section	Risk	Definition	Metrics	Materiality [3]
Strategic Risks	a.1, a.2, a.3, a.4 and a.5	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.	Scenarios [1]	High
		Climate Change	Endesa is impacted by climate changes resulting from human activity, affecting both physical aspects and those related to the Energy Transition.		
		Strategic Plan	Endesa makes decisions that impact the company's future and its sustainability. These decisions 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.		
		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.		
		Competition in Activities	Endesa is exposed to competition in its commercial activities.		
Financial Risks	b.1, b.2, b.3, b.4, b.5 and b.6	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 commercialisation; 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.	Stochastic [2]	High
			Endesa's activity may be affected by natural resource, climate, and weather conditions.	Stochastic [2]	Medium
		Exchange Rate	Endesa is exposed to foreign currency risk.	Stochastic [2]	Low
		Interest Rate	Endesa is exposed to interest rate risk.	Stochastic [2]	Medium
		Capital adequacy and access to finance	Endesa's business depends on its ability to obtain the funds necessary to refinance its debt and finance its capital expenses.		
		Liquidity			
		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.	Stochastic [2]	High

Category	Section	Risk	Definition	Metrics	Materiality [3]
Risks Associated with Digital Technologies	c.1 and c.2	Cybersecurity	Endesa is exposed to cybersecurity risks.	—	[4]
		Digitalization	Endesa manages its activities with information technology that guarantees operating efficiency, as well as the continuity of the businesses, systems and processes that contribute to attaining its corporate objectives.		
Risks Operational	d.1, d.2, d.3, d.4, d.5, d.6 and d.7	Business interruption	Endesa is exposed to risks associated with the construction of new electricity generation and distribution facilities.	Scenarios [1]	Medium
			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
		Protection of Assets	Endesa's insurance cover and guarantees may not be adequate or may not cover all of the damage.		[4]
		Environment	Risk that the activities undertaken by Endesa may negatively impact the quality of the environment and the Ecosystems involved, as well as incurring court or administrative sanctions, economic or financial losses and reputational damage as a result of non-compliance with international, national or local environmental laws and regulations.	Stochastic [2]	Low
		People and Organisation	The success of Endesa's business depends on the continuity of the services provided by the Company's management and by Endesa's key workers.	—	[4]
			Endesa considers occupational health and safety (OHS) and fluid social dialogue to be priority objectives. The inability not to meet these objectives could adversely affect Endesa's business, image, results, financial position and cash flows.		
		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.	Stochastic [2]	Medium

Category	Section	Risk	Definition	Metrics	Materiality [3]
Compliance Risks	e.1, e.2, e.3, e.4, e.5 and e.6	Data Protection	Endesa could incur judicial or administrative sanctions, economic or financial losses and reputational damage as a result of a breach of applicable data protection and privacy laws.	–	[4]
		Compliance with Antitrust Regulations and Consumer Rights	Past or future infringements of competition and antitrust laws could adversely affect Endesa's business activities, results, financial position and cash flows.		
		Compliance with other Laws and Regulations	Endesa is involved in various court and arbitration proceedings.		
			The Enel Group controls the majority of Endesa's share capital and voting rights, and the interests of the Enel Group could conflict with those of Endesa.		
		Tax Compliance	Endesa could be affected by tax risks arising from interpretations of the regulations by the tax authorities that differ from those adopted by the Company or by an incorrect understanding by third parties of the tax position adopted by the Company.		
			Endesa could be held liable for income tax and value added tax (VAT) charges corresponding to the tax group of which it forms part or has formed part.		
Corporate Governance and Culture Risk	f.1	Corporate Culture and Ethics	Risk of (i) inadequate integration of the ethical principles defined by the Company into business processes and activities, (ii) inability to implement policies and processes that ensure respect for the principles of diversity and equal opportunities, and (iii) unsanctioned behaviours of employees and managers that are contrary to Endesa's ethical values.	–	[4]

[1] Scenarios: 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 EUR 75 million), Medium (between EUR 10 million and EUR 75 million) and Low (less than EUR 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).

a) Strategic Risks

a.1. Endesa's activities are heavily regulated, and regulatory changes could have an adverse impact on its business activities, results, financial position and cash flows

Endesa's subsidiaries are subject to extensive regulations on tariffs and other aspects of their activities in Spain and Portugal. In many respects, these regulations determine how Endesa conducts its business and the revenue it receives from its products and services.

Endesa is subject to a set of applicable regulations from both public and private bodies, including the National Markets and Competition Commission (*Comisión Nacional de los Mercados y la Competencia* - CNMC). The introduction of new regulations, or modifications to existing ones, could negatively affect Endesa's business, results, financial situation, and cash flows.

Additionally, the European Union (EU) establishes a framework of action for the different Member States, which includes, among others, targets in terms of emissions, efficiency, and renewable energies.

The introduction of new requirements, or modifications to existing ones, could negatively impact Endesa's business, results, financial situation, and cash flows if it is unable to adapt to and manage the resulting environment effectively.

a.2. Endesa is impacted by climate changes resulting from human activity, affecting both physical aspects and those related to the transition

To address the identification and evaluation of climate-related Impacts, Risks and Opportunities (IROs), Endesa has established a Double Materiality process based on the identification, evaluation, analysis and response on material issues related to the environment throughout the Value Chain. Endesa, in the Double Materiality exercise carried out to address this integral process, has studied the possible interaction with all the sub-issues specified in the current regulations, as well as evaluating the possible Dependencies between the Impacts, Risks and Opportunities (IROs) identified in them.

The Energy Transition and Climate Change will affect Endesa's activities through 2 large macro-categories of risks/opportunities: those derived from the evolution of the Transition Scenarios and those derived from the evolution of the physical climate variables. To assess these current and potential Impacts, an approach based on robust alternative scenarios built using quantitative models is adopted.

In reference to the Energy Transition process, there are Risks and Opportunities related to the evolution of the regulatory and normative environment, technological and competitive development trends, consumer behaviour and consequent market dynamics.

Physical climate risks are further subdivided into acute (Extreme Events) and chronic: the former are linked to the occurrence of extreme weather and climate conditions, and the latter to gradual but structural changes in climate conditions.

Endesa has decided to lead and enable the Energy Transition, preparing to take advantage of all its opportunities. As described above, the Company's strategy is completely focused on the Energy Transition, with more than 90% of the investments foreseen in the Strategic Plan 2025-2027 aimed at improving one of the Sustainable Development Goals (SDGs) related to Climate Change, which allows adopting from the design phase risk mitigation and maximization of opportunities through a positioning that takes into account the phenomena identified in the medium and long term. These strategic decisions are supported by the best operating practices adopted by the Company.

The following table shows the reference framework for Risks and Opportunities identified from the evolution of the Transition Scenarios and the physical variables, and which highlights the relationships between the physical scenarios, the transition scenarios and the factors that influence Endesa's business. Such effects, related to the scenario phenomena described, materialize in three time horizons:

- Short term: 1 to 3 years, aligned with the Company's Strategic Plan, in which sensitivity analyses can be performed based on the 2025-2027 Strategic Plan.
- Medium term: 4 to 10 years, in which the effects of the Energy Transition begin to materialize.
- Long term: more than 10 years, in which, in addition to the materialization of the effects of the Energy Transition, chronic changes at the climate level will be appreciated.

Climate Scenario	Category	Time Horizon	Risks and Opportunities	Management Mode
Acute Physical	Extreme Events	As of Short Term (1-3 years)	Risk: extreme weather and climate events in terms of intensity, which can cause Impacts in terms of asset damage and inoperability, and effects on the supply chain.	Endesa adopts best practices to manage the recovery of the activity in the shortest possible time. Regarding risk management from the insurance point of view, the Company manages a *"Loss Prevention"* program for property risks, also aimed at assessing the main exposure factors associated with natural events, accompanied by preventive maintenance actions and internal risk management policies. Additionally, the evaluation of the potential Impacts associated with Climate Change is included in the processes related to both operating assets and the evaluation of new projects.
Chronic Physical	Market	Medium (4-10 years) and Long Term (more than 10 years)	Risk / Opportunity: Increased or decreased production from renewable sources and electricity demand as a result of structural changes in the availability of the renewable resource or reduced electricity demand as a result of temperature variation.	Geographical and technological diversity allows us to mitigate the impact of variations (positive or negative) of a single variable. In order to adequately manage the impact of meteorological phenomena, Endesa implements weather forecasting, monitoring and real-time control of its facilities, and uses long-term climate scenarios in the planning and evaluation of new projects.
Transition	Policies and Regulation	From the Short Term (1-3 years)	Opportunity: New policies, regulatory frameworks and adequate and effective measures provided by public administrations, including the simplification of permitting procedures, policies on the price of carbon dioxide (CO_2) emissions and review of the market design, which allow accelerating the Energy Transition and the development of the corresponding technologies	Endesa maximizes opportunities thanks to a strategy aimed at acting as a leader and facilitator of the Energy Transition, with a business focused on developing renewable generation, improving distribution networks and facilitating the electrification of energy consumption. In addition, Endesa uses Transition Scenarios for strategic assessments, including the *"Accelerated Transition"* scenario.
Transition	Market	From the Medium Term (4-10 years)	Late or inadequate policies, regulatory frameworks and measures by public administrations in support of the Energy Transition, including bureaucracy and slow permitting, causing a delay in technological development.	Endesa reduces risk exposure through an integrated position in generation, distribution and commercialization, diversifying operating and financial risks and balancing the position in the different segments. Additionally, Endesa uses Transition Scenarios for strategic evaluations, including the *"Slow Transition"* scenario.

The following is a description of the main sources of Risks and Opportunities identified in accordance with the evolution of the physical and transition scenarios, the best operational practices for the management of climate phenomena and the qualitative and quantitative impact assessments carried out to date. The process of disclosure of Climate Change related Risks and Opportunities is gradual and incremental, in line with the recommendations of the *"Task Force on Climate-Related Financial Disclosures"* (TCFD), the European Directive *"Corporate Sustainability Reporting Directive"* (CSRD) , and consistent with the evolution of reporting standards.

Physical Risks and Opportunities

In relation to the Risks and Opportunities associated with physical variables, and taking the *"Intergovernmental Panel on Climate Change"* (IPCC) scenarios as a reference, the trend of the variables listed in the following sections, as well as the associated operational and industrial activities are evaluated as potential Risks and Opportunities.

Chronic physical changes and associated potential risks and opportunities

The main Impacts as a consequence of chronic physical changes would be seen in the following variables:

Variables	
Electricity Demand	• Variation of the average temperature level with potential effect (increase/decrease) on electricity demand.
Thermoelectric Production	• Variation of the average temperature level of water bodies with effect on thermoelectric production.
Hydroelectric Production	• Variation of the average level of the rain and snow regime and temperatures with potential increase and/or decrease of hydroelectric production.
Photovoltaic Production	• Variation of the average level of solar radiation, temperature and rainfall regime with potential increase and/or reduction of photovoltaic production.
Wind Production	• Variation of the average level of the wind regime with potential increase and/or reduction of wind production.
Value Chain	• Variation of the average level of the rainfall regime with potential impact on the supply chain.

In relation to electricity demand, the impact of temperature increase due to Climate Change has been evaluated, together with the contribution of the Energy Transition, which is a key variable in all scenarios. The calculation has been made using models that describe the energy system at country level, taking into account temperature variations, through indicators that represent the energy needs for cooling (Cooling Degree Days) and heating (Heating Degree Days), and additionally considering the technical, socioeconomic, political and regulatory particularities of the country (Energy System Model). On the other hand, in relation to the Value Chain, an analysis has been launched on the risk of climate events, identifying the perimeter potentially most impacted by Climate Change (see details in the Section *"Physical Risk Associated to Acute and Chronic Events in the Value Chain"* of this same Section of the Management Report).

The following table shows the importance of the impact associated with the main chronic physical changes for the different types of Endesa facilities and their corresponding priority in the analysis:

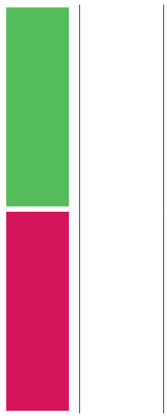
Chronic physical changes. Impact matrix 2024	Event					
	Rain/snow	Wind	Solar radiation	Sea level	Air temperature	Temperature rivers/sea
Thermal	High priority	Not relevant	Not relevant	High priority	High priority	High priority
Solar	Low priority	Not relevant	High priority	Not relevant	Low priority	Not relevant
Wind	Not relevant	High priority	Not relevant	Not relevant	Not relevant	Not relevant
Hydro	High priority	Not relevant	Not relevant	Not relevant	High priority	Not relevant
Storage	Low priority	Not relevant	Not relevant	Not relevant	Low priority	Not relevant
Distribution network	High priority	Not relevant	Not relevant	Not relevant	High priority	Not relevant
Commercialisation	Low priority	Not relevant	Low priority	Not relevant	Low priority	Not relevant
Value chain	High priority	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant

Priority
High priority | Low priority | Not relevant

Impact of Chronic Climate Change on Renewable Generation

To calculate the impact of the chronic effects of climate change on the production of Endesa's facilities, a set of ad-hoc functions were constructed for each renewable technology (wind, solar and hydroelectric) and plant, which associate to each variation of the climatic variables (e.g. temperature, solar radiation, wind speed, precipitation) the probable changes in terms of their electrical producibility. To calibrate these functions, historical data on meteorological-climatic variables (*"Istituto Superiore per la Protezione e la Ricerca Ambientale"* (ISPRA) and ERA5 data from the *"European Centre for Medium-Range Weather Forecasts"* (ECMWF)), as well as internally available information on the producible energy of the generation park, were used to calibrate these functions. In this way, link functions corresponding to the specific characteristics of each plant and renewable technology were obtained and used to calculate the effects of climate change on production.

Fluctuations in production affect the integrated strategy. A reduction in the energy produced can lead to supply imbalances that must be compensated by purchasing the missing volumes on the market to feed the commercial strategy or by a reduction in the volumes sold. Conversely, higher renewable production leads to a possible reduction in the purchase of volumes on the market, or higher sales. The Impacts have been calculated using the chronic climate Impacts on electricity production in the worst-case scenario *"Representative Concentration Pathway"* (RCP) 8.5 for the low value, while the high value has been estimated using the value of the medium uncertainty interval of the *"Representative Concentration Pathway"* (RCP) 2.6 scenario which corresponds to the lowest level of Climate Change impact.

Scenario	Description	Time Horizon	Description of Impact	Affected Activity	Perimeter	Quantification - Type of Impact	Quantification - Range: < 100 €mln	100-300 € mln	> 300 €mln
Chronic physical	Risk/ Opportunity: Higher or lower renewable production.	Medium	Renewable production is affected by the availability of the resource, the fluctuations of which can impact on the business. Although structural changes are not expected to materialise in the short or medium term, sensitivity analyses have been carried out considering the variation of producibility in different climate scenarios to assess the possible impact on the Company's results.	Generation	Spain	Gross Operating Profit (EBITDA)/ year			

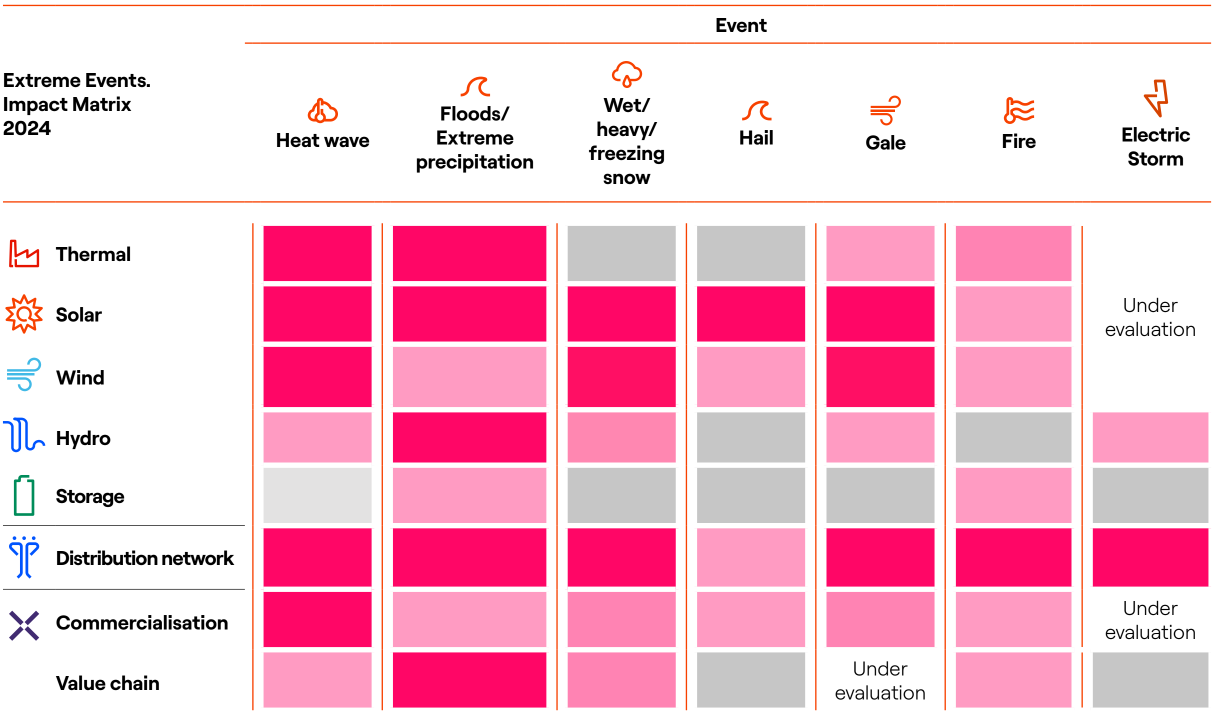
Values

High value Low value

Extreme Events and potential associated risks and opportunities

The risks associated with Extreme Events are assessed both in the short and medium-long term, using scenarios (*"Representative Concentration Pathway"* (RCP) 2.6, 4.5 and 8.5) to evaluate possible variations in frequency and intensity.

The following table shows the importance of the impact associated with the main Extreme Weather Events for Endesa's facilities and their corresponding priority in the analysis:



Priority

High priority Low priority Not relevant

An assessment of the impact of thunderstorms on the different activities has been initiated in order to establish the necessary priority for their analysis.

Physical risk associated with acute and chronic events in the Value Chain

Climate Change is a challenge for the entire Value Chain, affecting all stages, from production through distribution to final consumption. However, the most potentially significant Impacts are seen in the supply chain, where more intense and frequent extreme weather events can compromise transportation, supplies and the operation of production plants. Events such as the Panama Canal drought have demonstrated how extreme weather conditions can affect the transportation and distribution of goods. In addition, weather events, such as floods, can also have Impacts on the performance of production plants with possible repercussions on the availability of materials.

At Enel Group level, an analysis of the climate risk associated with the main supply chains, such as those for photovoltaic modules, wind turbines, stationary batteries, cables, transformers and chargers for mobility, and raw materials, such as gas and coal, has been launched, analyzing production centers and major commercial hubs, such as the Panama Canal, the Suez Canal and the Strait of Malacca. The most relevant phenomena were identified (represented in the relevant Chronic and Acute Phenomena tables) and the information needed to geolocate the supply chain was mapped. Information on the supply chain and production sites of the Group's suppliers and component manufacturers was overlaid on the climate analyses for an initial risk assessment by identifying the most exposed areas. These preliminary assessments will be progressively expanded and improved. Climate indicators were used for these analyses, calculated from data from a set of global CIMIP6 models for the three Representative Concentration Pathway (RCP) reference scenarios.

For all future scenarios in the period 2030-2050 compared to the historical reference (1990-2020), the average number of days per year with heat waves will tend to increase. This increase will be more intense in mainland China, where several production centers related to the photovoltaic and battery string are located, and in some areas of South America, in particular in Brazil and Colombia, where some production plants of the cable and transformer string are located.

For the other phenomena (droughts, floods, frosts), climate data from the Representative Concentration Pathway (RCP) scenarios show heterogeneous variations in the different regions. In the area of southern China, where many production sites are located, and in the production areas of South America, increases in heavy rainfall are expected in the Representative Concentration Pathway (RCP) 2.6 scenario. In contrast, for the factories in northern China, India and Brazil, a reduction in chronic rainfall is expected.

For the Panama Canal, the number of consecutive days of drought will increase in the Representative Concentration Pathway (RCP) 2.6 scenario and, more significantly, also in the Representative Concentration Pathway (RCP) 8.5 scenario, compared to the historical reference period.

The Group adopts specific strategies that help mitigate Risks, such as the diversification of suppliers and the application of standard contractual clauses (available on the Enel Group website: *https://globalprocurement.enel.com/es/documentos*) that include the formalization of insurance contracts and guarantees for the management of force majeure events. This approach allows strengthening the resilience of the supply chain and minimizing potential disruptions caused by weather events. To date, Endesa has not experienced significant direct damage to its supply chains due to weather events, although these events may have caused delays in deliveries.

Managing the risk of extreme events in the short term

In the short term (1-3 years), Endesa, in addition to risk assessment, implements actions aimed at reducing the Impacts that the business may suffer as a result of extreme events of a catastrophic nature. Two types of actions are carried out: the definition of effective insurance coverage and activities to adapt to climate change, related to the prevention of damages that could result from extreme events.

Impact of extreme events on Endesa

Endesa has a well-diversified portfolio in terms of technologies, geographic distribution and asset size and, as a result, the portfolio's exposure to natural hazards is also diversified. Empirical evidence reports negligible repercussions of these risks, as evidenced by the data for the last 5 years. Considering the most significant events, defined as events with a gross impact greater than EUR 10 million, the cumulative value of the gross impact amounts to approximately EUR 13 million, which represents about 0.02% of the insured amounts at Endesa level in 2024, equivalent to approximately EUR 55 billion.

Transition risks and opportunities

Transition risks

The Energy Transition represents an opportunity for Endesa to generate value and consolidate its leadership in the sector. The Strategic Plan is oriented towards long-term growth, in line with the Paris Agreement, and is based on the development and management of infrastructures that enable the transition, such as distribution networks, and on the progressive increase in generation from renewable sources. Electrification of final consumption is another business driver. The transition is therefore a material opportunity: the external context highlights the potential for the introduction of new policies and regulations on renewable energies, grids and electrification of energy consumption, and Endesa's strategy allows it to take advantage of new opportunities, thanks to its diversified commercial coverage. In addition, in order to take advantage of Opportunities and minimize Risks, the definition of the strategic lines is based on an analysis through scenarios and sensitivities, which reinforces the capacity to respond with flexibility and resilience to changes in the economic, regulatory and technological context.

The Energy Transition brings several benefits to the end consumer and to society. Increased electrification, supported by the growth of renewable generation (clean electrification) is the most effective measure for the decarbonization process. Electrification of energy demand saves energy and therefore reduces costs for consumers by reducing energy bills and mitigating the effects of any unexpected price increases. In addition to the economic benefits, electrification of consumption offers customers environmental and social benefits, such as improved air quality through reduced local emissions and increased energy awareness and the ability to self-produce energy.

The variables impacted by the Energy Transition are:

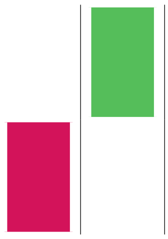
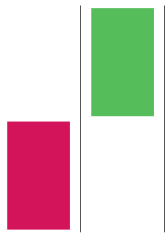
Variables	
Policy and Regulation	• Carbon dioxide (CO_2) emissions regulation, market design and regulatory frameworks with consequences on the speed of decarbonization, particularly with respect to renewable energy penetration. electrification of demand and the need for grid investments.
Market	• Market dynamics, such as those related to the volatility of commodity prices and end-customer behavior, influence the transition to more efficient electricity technologies and the penetration of renewables and Power Purchase Agreement (PPA) contracts. Volatility of material prices and slowdowns/shocks pose the risk of an increase in prices and availability of some materials needed for the transition process.
Technologies	• Innovation in new technologies such as electric vehicles, storage, demand response and electrolysers, which may lead to increased adoption of these technologies. Development of data centers, with a consequent increase in electricity demand and the need for connections.
Products and Services	• With the progressive electrification of demand, the penetration of electric technologies is growing, as is the opportunity to provide related services and products, and the demand for mobility-related electricity is increasing.

In order to quantify the Risks and Opportunities derived from the Energy Transition, the Transition Scenarios described in the section *"Endesa's Energy and Climate Transition Scenarios"*, of this same Section of the Management Report, have been taken into account. In the reference scenario, *"Reference"*, the progressive electrification of energy consumption, particularly in the transport and residential sectors, results in an increase in electricity consumption and, therefore, a growth in electricity demand. This dynamic reduces the risk associated with the progressive increase in the share of renewables in the energy mix, which could lead to a reduction in the price of electricity on the wholesale market. Additionally, market design revisions aimed at favoring long-term remuneration would have a favorable effect on profitability.

The effects of the *"Slower Transition and Accelerated Transition"* scenarios on the variables that could have the greatest impact on the business have been identified: electricity demand, influenced by the dynamics of electrification of energy consumption, and the electricity generation mix. With regard to the electrification of energy consumption, the *"Slower Transition"* scenario foresees lower penetration rates of electric technologies, in particular electric mobility and heat pumps, leading to a decrease in electricity demand compared to the *"Reference"* scenario, which is estimated to have a limited impact on the commercialisation business. At the same time, lower electricity demand would lead to a smaller gap for renewable capacity development, impacting the generation business, partially offset by higher electricity prices compared to a scenario with more renewables.

In the Accelerated Transition Scenario, more ambitious Transition objectives and more competitive electrical technologies are assumed in comparison with the Reference Scenario, with the consequent increase in electricity demand and renewable capacity.

In all the scenarios, the networks will play an increasingly important role, with an increase in the presence of distributed generation systems, storage systems, greater penetration of electric charging infrastructure and a growing rate of electrification of energy consumption. This increase is more pronounced in the *"Accelerated Transition"* scenario. This context will lead to a decentralisation of consumption/injection points, an increase in electricity demand and in the average power required, and a high variability in energy flows, which will require dynamic and flexible management of the grid.

							Quantification – Range		
Scenario	**Description**	**Time Horizon**	**Description of Impact**	**Affected Activity**	**Perimeter**	**Quantification – Impact Type**	**< 100 €mln**	**100-300 € mln**	**> 300 €mln**
Transition	Risk / Opportunity: Higher or lower penetration of renewables	Medium	Assessment of the impact of a different level of penetration of renewable generation on spare capacity installed, taking into account the 2 Transition Scenarios in addition to the Reference Scenario.	Generation	Spain	Gross operating profit (EBITDA)/ year			
Transition	Risk / Opportunity: Higher or lower level of electrification of demand	Medium	Assessment of the impact of a different level of electrification of demand on the average unit consumption and the demand for electricity, considering the 2 additional Transition Scenarios to the Reference Scenario.	Commer-cialisation	Spain	Gross operating profit (EBITDA)/ year			

Values

High value *("Accelerated Transition vs Reference")* Low value *("Slower Transition vs Reference")*

Value Chain Transition Risks

The Energy Transition is transforming the value chains of integrated utilities, with significant Impacts on the supply of raw materials. The decarbonization process is progressively reducing dependence on fossil fuels, particularly gas, with a consequent reduction in the risk to security of supply. Endesa's decarbonization strategy progressively mitigates the impact of any risk related to the volatility of fossil raw material prices, ensuring greater long-term stability. The growing adoption of renewable technologies, such as solar and wind, requires large volumes of metals and minerals, such as aluminum, copper, polysilicon and lithium. The high geographic concentration of some of these raw materials exposes utilities to geopolitical risks, such as supply chain disruptions and price fluctuations. To mitigate the Transition Risks associated with the materials supply chain, the Enel Group adopts strategies to diversify sources and suppliers and adopts a circularity-oriented strategy through the use of recycled materials, life extension and material recovery. This improves resilience, reduces costs and accelerates the Energy Transition.

Adaptation to Climate Change

Endesa applies climate change adaptation solutions according to a comprehensive approach that assesses the potential Impacts in order to properly calibrate the necessary measures to improve the capacity to respond to adverse events (*"Response Management"*) and increase the resilience of the business (*"Resiliency Measures"*), thus reducing the risk of future negative Impacts of adverse events.

Adaptation solutions can include both the establishment of procedures and the application of best practices in the short term, as well as long-term decisions.

For new investments, action can be taken as early as the design and construction phase to reduce the impact of climate risks (see more details in the section *"Inclusion of Climate Change Effects in the Evaluation of New Projects"* of this same Section of the Management Report).

The following table shows an overview representing the typology of actions that Endesa implements to properly manage adverse events and increase resilience to weather phenomena, and their evolution due to Climate Change.

Business Line	***"Resiliency Measures": Increasing Asset Resilience***	***"Response Management": Management of Adverse Events***
Generation	**Existing Facilities:** • In hydraulic technology: guidelines for risk assessment and design. • Processes of *"feedback of lessons learnt"* from operation and maintenance to the construction and development phases of new facilities. **New Facilities:** • In addition to the provisions for Existing Facilities, a Climate Change Risk Assessment (CCRA) is carried out in accordance with internally defined procedures.	**Existing Facilities:** • Management of critical incidents and events. • Specific emergency management plans and procedures for each facility. • Specific tools for forecasting imminent extreme events and weather alerts.
Distribution	**Existing and New Installations:** • Guidelines for the definition of Network Resilience Improvement Plans. • Strategies and guidelines on risk prevention actions in distribution networks.	**Existing Facilities:** • Strategies and guidelines on risk prevention, preparation, response and recovery activities for the distribution network. • Global guidelines for the management of emergencies and critical events. • Risk prevention and fire preparedness measures for electrical installations (lines, transformers, etc.).
Commercialisation	**Existing Facilities:** • Preliminary analysis of the medium— and long-term effects of Climate Change.	**Existing Facilities:** • Management of critical events.

A project has been carried out to define a catalog of practical intervention actions aimed at improving the resilience of assets and their capacity to respond to the possible effects of climate change. This catalog includes specific actions for each of the relevant events listed in the impact matrices, and differentiated according to the different technologies. The catalog of possible adaptation actions is maintained and updated periodically, and includes more than 100 possible actions, among which the following stand out:

Possible Actions
• Weather warning (including the use of different tools to monitor and manage both assets and natural resources).
• Automation (e.g., in medium voltage networks to reduce the impact of faults on customers).
• Structural reinforcement of the entire asset base, with special attention to critical components.
• Ongoing staff training.
• Vegetation maintenance work and care of the environment around the facilities.

The catalog is an important element that brings together the possible adaptation options, from which it is possible to make estimates of the cost and risk avoided by carrying them out in a specific installation. The following sections detail the areas of action, good management practices and policies adopted in each business.

Preventive vulnerability management

As part of the adaptation activities carried out, Endesa is implementing an innovative model for the analysis and management of vulnerability, with the aim of preventing crises and helping to reduce physical, operational and reputational risks, reducing Endesa's exposure to potential threats and economic Impacts. This model favors a preventive approach, identifying and mitigating risks before they become real crises or emergencies.

A fundamental aspect of this approach is the promotion of a shared management of emergencies, involving all relevant institutional and business agents, which allows the strengthening of relations between the public and private sectors, through the establishment of action protocols with local authorities, security forces and other bodies that provide essential services. This system of cooperation allows for a more fluid management of emergencies, favoring a rapid exchange of information and more effective coordination during critical phases. In addition, ongoing education and training activities are carried out to develop awareness and competencies for crisis management, including Climate Change. In the context of this collaborative strategy, joint crisis drills, conducted in collaboration with police forces and civil protection, are essential to test response capabilities in the field and refine procedures to ensure timeliness and efficiency.

The second pillar of this model is the introduction of a maximum level of *"early warning"* as an intermediate phase before the activation of extraordinary crisis management measures, to monitor the evolution of risk situations and rapidly activate intervention procedures. In case of maximum pre-alert, a crisis operations room is activated, which will be located in one of the responsible Public Administrations, and will act as a coordination center for all emergency management activities. By centralizing communications and decisions, efficiency and speed of response to events that may compromise the security of critical infrastructures and essential services can be ensured.

Generation

In the Generation Business Line, the following actions stand out in relation to the management of risks associated with Climate Change:

Main Actions
• Improvement of cooling water management systems to compensate for possible flow reductions in rivers.
• Actions (*"Nebulization Systems"*) to improve air flow and compensate for power reduction as a consequence of the increase in ambient temperature in the combined cycle generation facilities.
• Installation of drainage pumps, periodic cleaning of channels and other actions to eliminate the risk of landslides as a consequence of torrential rains or floods.
• Periodic revaluation for hydroelectric facilities of the scenarios of torrential rains and floods. The scenarios are managed through mitigation actions and interventions on the facilities.

Good practices

The Generation Business Line has adopted a series of good practices for the adequate management of adverse meteorological phenomena:

Best Practices	
Weather Forecasting	• Monitoring the availability of renewable resources and the occurrence of extreme events, with warning systems that guarantee the protection of people and facilities.
Geographic Information System (GIS) Digital Systems	• Hydrological simulations, topographic surveys (including with drones) and monitoring of eventual vulnerabilities through digital Geographic Information Systems (GIS) and satellite data.
Dams and Hydraulic Civil Works Supervision	• Advanced monitoring of more than 100,000 parameters (with more than 160 million historical measurements) taken on dams and hydraulic civil works.
Supervision of Installations	• Real-time remote monitoring of power generation facilities.
Hydrological and Hydraulic Studies	• Adoption of specific guidelines for the execution of hydrological and hydraulic studies in the initial stages of development, in order to assess the risks both in the area of the facility and in the surrounding areas.
Monitoring of Climate Parameters Affect on Project Design	• Monitoring of the evolution of climatic parameters for their possible impact on project design, for example, evaluation of the rainfall regime for the design of drainage systems for photovoltaic installations.
Extreme Wind Speed Estimation	• Updated databases containing records of historical series of windstorm events are used to select the most suitable wind turbine technology for the sites.

Additionally, in order to act immediately in the event of extreme events, Endesa adopts specific procedures for emergency management with real-time communication protocols, planning and management of all activities to resume activity in safe conditions in the shortest possible time, and predefined lists for damage assessment. A solution implemented to minimize the impact of climate events is the *"Lesson Learned Feedback"* process, through which information is transferred from the technical operation and maintenance units to the units that design new projects.

Analysis of future climate Impacts to identify adaptation needs.

An analysis of risks associated with acute and chronic climatic phenomena is being carried out based on the mapping of relevant climatic events, with the aim of estimating the impact they may have in the medium to long term on the generation plants. The analysis of acute phenomena has been carried out in 2 phases:

Phases
• Preliminary analysis of the hazard and exposure of all hydro, wind and solar power plants in order to group them according to their degree of vulnerability, and to identify the plants with the highest risk from which to select 1 or 2 plants for the definition of possible adaptation actions.
• Detailed analysis of the plants identified as most at risk, in order to define possible adaptation actions, as well as measures to prevent production losses.

The detailed analysis was carried out to determine the possible increase in the frequency and intensity of extreme events and to identify the facilities exposed. This analysis has shown that, for the whole set of meteorological phenomena considered, there are few facilities exposed to high risk in the long term. The weather phenomena analysed are:

Meteorological Phenomena	
Torrential Rains	• An analysis of a significant number of plants has led to the conclusion that there is a high correlation between the geomorphology of the site and the impact of the meteorological phenomenon on the facility, and has confirmed the need for a site-specific analysis, especially for those facilities most exposed to the phenomenon. • More detailed analyses have identified possible structural adaptation measures useful to reduce the level of flood risk to an acceptable threshold, and whose implementation will require a cost-benefit analysis. Such structural adaptation interventions would be, for example, the construction of hydraulic mitigation works (mainly embankments, channel reprofiling, adequacy of drainage channels, expansion and lamination basins) and elevation of the components at risk through earthworks and increasing the length of the supporting structures in the case of photovoltaic panels.
Heat Waves	• The impact of heat waves on photovoltaic and wind installations has been analysed. • Despite the increase in the frequency and intensity of this climatic phenomenon, the conclusion was that there are no significant Impacts on the installations, only a reduction in inverter performance during certain periods of the year and in specific locations.
Cold Waves and Ice Formation	• The phenomenon of cold waves has been analysed for wind farms and, as with heat waves, it only has an impact on the eventual reduction of production. • The icing phenomenon has been modeled for wind farms and an analysis will be performed for operating facilities during 2025.
Windstorms	• Regarding the risk of wind storms, although the scenarios show an increase in the incidence of the phenomenon, the impact analysis shows a high resilience by design, especially of the wind farms analysed. • The implementation of eventual adaptation measures will require site-level assessments based on a cost-benefit analysis, considering the limited impact of the phenomenon.
Fires	• In relation to fire risk, a study has been carried out to identify the areas of greatest risk, and aiming at prevention and/or reduction of intervention times, some possible adaptation measures to be adopted in the design or operation phases of the facilities have been identified, such as the removal of vegetation around the project area, the creation of firebreaks, and additional coordination with local authorities on how to respond in case of fire.

The methodologies developed will be further refined to be applied to the design and development of new facilities.

These analyses will make it possible to quantify the need for adaptation in terms of risk prevention (e.g., adoption of adaptive design), and in terms of event management and residual risk management.

Distribution

In the Distribution Business Line, a specific Policy (Climate Change Risk Assessment) has been prepared in order to establish the general criteria, methodology and requirements for the identification, analysis and assessment of the risks inherent to Climate Change, both of the facilities and of the activities carried out, with the aim of monitoring the risk and the actions to be implemented to mitigate its impact.

For the management of Extreme Weather Events, Endesa has adopted a *"4R"* approach which, through a specific procedure, defines the measures to be adopted, both in the preparation phase in the event of an emergency and in the subsequent commissioning phase after the facilities have been damaged by an extreme event.

This management is articulated through 4 phases of action:

Risk Prevention	• It includes actions to reduce the probability of losing network elements as a consequence of an event, and/or to minimize its impact, and includes both actions aimed at increasing the robustness of the infrastructures and maintenance actions. The choice of technical solutions to improve resilience is made through a catalog that allows choosing the best solution to be implemented depending on the climatic event and the geographical location of the facility.
Readiness	• It includes all the actions aimed at improving the immediacy with which a potentially critical event is identified, and ensuring coordination with Civil Protection and the Local Administration, as well as organizing resources once the service failure has occurred.
Response	• Phase of evaluation of the operational capacity to deal with an emergency once the extreme event occurs, considering both the ability to mobilize operational resources on the ground, as well as the possibility of carrying out telecommanded feedback maneuvers through backup connections.
Recovery	• This is the last phase, which aims at returning the network to normal operating conditions as soon as possible, in those cases where the extreme event has caused service interruptions despite all the measures taken as a preventive measure.

The Distribution Business Line has adopted several specific policies and actions to integrate the different aspects and risks related to Climate Change:

Policies and Actions	
Guidelines for Emergency Preparedness, Response and Recovery Actions	• Includes guidelines for the last 3 phases of the *"4R"* management approach. • It includes indications for improving the preparedness strategy, for mitigating the impact of total service interruptions, and for bringing the network back into service, for the largest number of customers and in the shortest possible time.
Guidelines for the Grid Resilience Enhancement Plan	• Its objective is to determine the actions to be carried out to minimize the impact of Extreme Events on the network, based on the operating history. • These guidelines are based on the first 2 phases of the *"4R"* management approach. An analysis process is currently underway to establish an investment planning to increase the level of resilience of the network to Extreme Weather Events.
Risk Prevention and Preparedness Measures in the event of Forest Fires affecting Electrical Facilities	• Integrated approach to emergency management applied to fires in forested areas, whether they originate from the network or from external causes. • The document provides guidelines for identifying facilities at risk, defining specific prevention measures (e.g. evaluation of specific maintenance plans) and, when the fire occurs, for managing the emergency in an optimal way to limit its impact and restore service as soon as possible.
Support Actions	• Implementation of weather forecasting systems, monitoring of network status and evaluation of the impact of extreme events on the network, preparation of operational plans and simulations. • It is worth mentioning the agreements reached to mobilize extraordinary resources (internal and from contractors) to deal with emergency situations.

In addition, and based on a continuous improvement approach, start-up experts in the sector are contacted and innovation challenges are launched with the objective of identifying innovative technological solutions to support climate impact analysis and adaptation measures to increase the resilience of the network.

Analysis of future climate Impacts to identify adaptation needs

From the mapping of relevant phenomena at the global level, they monitor the trend of the most critical phenomena at the local level, to estimate the impact on the Climate Change network in the medium and long term. To do this, it is first necessary to perform a preliminary assessment of extreme weather events that have occurred in the past with their corresponding Impacts on the network (also in terms of associated failures). This information helps to prioritize the possible adaptation measures required.

Based on these assessments, detailed analyses have been performed for specific phenomena. Some examples are included below:

Meteorological Phenomena	
Explosive Cyclogenesis	• Analysis has been carried out to provide details on explosive cyclogenesis (combination of wind and torrential rain), projecting the events up to 2050, and assessing the possible future Impacts on the facilities. The first results indicate a trend quite aligned with the historical one, with the exception of the Catalan coast, where a possible intensification of the events is foreseen.
Heat Waves	• A first study has been carried out on the impact of heat waves in Spain, with a special focus on the Balearic Islands and the metropolitan area of Barcelona. This phenomenon has affected Endesa's networks more frequently in recent years. Initial evidence from the analysis showed that days subject to heat waves will increase by between 50% and 60% in the *"Representative Concentration Pathway"* (RCP) 2.6 scenario. As a result of these findings, a series of adaptation actions have been defined and will be included in the business development plans.
Fires	• Guidelines are being updated in relation to fire risk prevention, applying an index that evaluates the fire risk of the areas, based on their orographic and environmental characteristics Fire Weather Index (FWI), as a support tool for projecting scenarios to 2050. • A study has been carried out to identify the areas with the highest fire risk in forest areas, identifying the networks and the environmental setting in which they are located, so that the necessary interventions can be carried out under a fire risk prevention approach.

Commercialisation

For the commercialization activity, work has continued to estimate the potential Impacts of climate events through a mapping of climate risks, with the aim of defining the actions necessary to improve the resilience of the facilities.

For the company's own facilities, which make up a small part, impact analyses have been continued, and insurance policies have been taken out to cover damages due to catastrophic events. In relation to the photovoltaic installations of the Commercialisation Business Line, the impact of Extreme Events and the corresponding cost-benefit of adaptation actions have been evaluated.

Through marketing intelligence initiatives, the short, medium and long term needs of customers are being evaluated in order to offer new solutions and services. The current context allows exploring business opportunities related to Climate Change to integrate them into the portfolio and enrich the value proposition to customers to support them in raising awareness of the climate risks of their assets with the aim of increasing their resilience. To this end, the Commercialisation Business Line uses Endesa's adaptation action catalogue, which includes specific intervention measures for each of its technologies.

Inclusion of Climate Change effects in the evaluation of new projects.

Many activities related to the evaluation and implementation of new projects can benefit from climate analyses, both general and site-specific, which Endesa is beginning to integrate with those already taken into account in the evaluation of new projects. Some examples of activities that can benefit from such analyses are:

Policies and Actions	
Preliminary Studies	• In this phase, the climate data offers preliminary screening through the analysis of specific climate phenomena. This data provides a preliminary measurement of the most relevant phenomena in the area where the project is planned, from among those identified as of interest for each technology.
Estimated Expected Production	• When carrying out the calculations, the Climate Scenarios are taken into account in order to evaluate how Climate Change will change the availability of the renewable resource in the area where the project is planned. The approach applied to new projects is the same as that applied to the existing facilities.
Environmental Impact Analysis	• The Climate Change Risk Assessment has begun to be included in the documentation prepared for new facilities. This contains a representation of the main physical phenomena and their expected change in the area where the new facility is located.
Resilient Design	• Endesa considers it very important that the new facilities are designed to be resilient. Work is underway to progressively incorporate analyses based on climate data, for example, the increase in the frequency and intensity of acute events. These analyses will complement those based on historical data, with the aim of increasing the resilience of future assets, as well as identifying any adaptation actions that may be necessary during the useful life of the project.

a.3. Endesa makes decisions that impact the company's future and its sustainability. These decisions 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

Endesa presents its Strategic Plan each year, which includes the company's strategic guidelines and objectives for economic, financial, and asset growth, as well as its contribution to society.

The main assumptions on which the forecasts and objectives of the Strategic Plan are based are related to:

- The regulatory environment, exchange rates, commodities, investments and divestments, increases in electricity generation and installed capacity in markets where Endesa operates, and increases in demand in such markets;
- The allocation of electricity generation among different technologies, with cost increases associated with a greater amount of activity that does not exceed certain limits, with an electricity price not lower than certain levels, with the cost of combined cycle plants and with the availability and cost of raw materials and carbon dioxide (CO_2) emission

allowances necessary to operate the business at desired levels; and the general evolution of social, environmental, and ethical trends in the operating environment, which may include factors related to terrorism, water stress, cybersecurity, inequality and social instability, rising cost of living, infectious diseases, extreme political conflicts, extreme weather events and environmental disasters, climate change and supply chain disruption.

Endesa cannot guarantee that its forecasts will be met as communicated because, among other things, these are based on:

- Assumptions related to future events that Management expects to occur and actions that Management plans to undertake at the time of presentation; and
- General assumptions regarding future events and actions by Management itself that do not necessarily have to be fulfilled and that substantially depend on variables beyond the control of Management.

Endesa's Strategic Plan anticipates a significant investment effort in systems and installations for electricity generation and distribution. The execution of these investments is affected by market and regulatory conditions. If the necessary conditions for the viability of the plants are not met, Endesa may have to shut down the facilities and, if necessary, undertake decommissioning work. These closures would imply a reduction in the installed capacity and electricity generation that provides support for energy sales to customers, and therefore, Endesa's business, results, financial situation, and cash flows could be negatively affected.

a.4. Endesa's business could be affected by adverse economic or political conditions in Spain, Portugal, the Eurozone and in international markets

Adverse economic conditions may negatively impact energy demand and the ability of Endesa's consumers to meet their payment commitments. During periods of economic recession, there tends to be a reduction in demand for electricity, which negatively affects the Company's results.

A deterioration in the economic situation of Spain, Portugal, or other Eurozone economies could negatively impact energy consumption and, consequently, Endesa's business, financial situation, operating results, and cash flows could be negatively affected.

On the other hand, the financial conditions in international markets pose a challenge to Endesa's economic situation due to the potential impact on its business of public debt levels, low growth rates, sovereign bond ratings in the international environment, particularly in Eurozone countries, and monetary expansion measures in the credit market. Developments in any of these areas could affect Endesa's access to capital markets and the conditions under which it obtains this financing, consequently impacting its business, results, financial situation, and cash flows.

In addition to the economic problems that may arise internationally, Endesa faces a situation of political uncertainty, both nationally and internationally, which could negatively affect its economic and financial situation. Current geopolitical conflicts and tensions are impacting commodity markets, financial markets, the international sanctions regime on individuals and legal entities, and the security of infrastructure and essential services (see Section 4 of this Management Report).

There is no guarantee that there will not be a deterioration in the international economic situation, nor in the Eurozone, nor that conflicts could escalate or even spread, significantly impacting markets, and consequently affecting Endesa's business, economic situation, financial position, operating results, and cash flows.

a.5. Endesa is exposed to competition in its commercial activities

Endesa maintains relationships with a large number of customers, 10.2 million electricity customers and 1.8 million gas customers as of 31 December 2024.

Endesa's commercial activities are conducted in a highly competitive environment. Although the potential loss of individual customers would not have a significant impact on Endesa's business as a whole, an inability to maintain stable relationships with customers could negatively affect Endesa's business, results, financial situation, and cash flows.

b) Financial risks

b.1. 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 commercialisation; 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 contribution margin of the Generation and Commercialisation Segment in 2024 was EUR 4.903 billion, most of which corresponding to deregulated activities subject to the effects of competition and market volatility. These activities require the purchase of gas, electricity, and raw materials, as follows:

Consumption	Commitments
• During 2024, 24,707 tonnes of coal and 2,040 million m^3 of natural gas were consumed for electricity generation.	• As of 31 December 2024, the total amount of commitments for the purchase of electricity and energy materials stands at EUR 18,184 million, including those related to agreements with *"take or pay"* clauses.

Endesa is exposed to market price risks related to the purchase of fuels, carbon dioxide (CO_2) emission allowance prices, and the guarantees of origin required to generate electricity, for gas supply and commercialisation activities. In this regard, fluctuations in the price of these products on international markets may affect the contribution margin. To mitigate this impact, Endesa hedges commodity price risk through financial instruments arranged in organised markets and over-the-counter (OTC). Those operations with financial collateral requirements associated with fair value (Mark-to-Market) variations could, in turn, have a direct impact on Endesa's Liquidity Risk (see Note 14.3 of the Financial Statements for the year ended 31 December 2024).

Endesa has entered into electricity and natural gas supply contracts based on certain assumptions about future market prices for electricity and natural gas. A deviation from the assumptions at the time of signing these supply contracts could lead to the obligation to purchase electricity or natural gas at prices higher than those contemplated in these contracts. If market prices deviate from estimates, if Endesa's fuel needs differ from projections, or if regulatory changes impact energy pricing, and if its risk management strategies are inadequate to address these changes, Endesa's business, results, financial position, and cash flow could be negatively impacted.

Endesa has signed certain natural gas supply contracts that include *"take or pay"* binding clauses for the acquisition of the contractually agreed fuel so that, even if it is not withdrawn, there remains an obligation to pay. The terms of these contracts have been set based on certain assumptions about future needs for electricity and gas demand. A deviation from the assumptions considered could result in the obligation to purchase more fuel than necessary or to sell the excess on the market at existing prices.

b.2. Endesa is exposed to foreign currency risk

Endesa is exposed to foreign currency risk, primarily concerning the payments it must make in international markets for the procurement of energy raw materials, especially natural gas, where the prices of these raw materials are typically denominated in United States dollars (USD).

This implies, therefore, that fluctuations in the exchange rate could negatively affect Endesa's business, results, financial position, and cash flows. Information relating to foreign currency risk and the foreign currency sensitivity analysis is provided in Note 14.2 to the financial statements for the year ended 31 December 2024.

b.3. Endesa's activity may be affected by natural resource, climate, and weather conditions

Endesa's electricity generation depends on the levels of natural resources, the availability of power plants, and market conditions. The electricity generation from renewable power plants depends on precipitation levels, as well as the levels of solar irradiation and wind present in the geographical areas where hydroelectric, wind, and photovoltaic generation facilities are located. In this way, if there is a low level of natural water, wind, or solar resources, or other circumstances that negatively affect renewable energy generation activity, Endesa's business, results, financial position, and cash flows could be adversely affected.

The demand not met by renewable sources is generated by thermal power plants, whose electricity generation, as well as their margin, depends on the competitiveness between the different technologies. A year with scarce rainfall, little irradiation, or less wind results in lower electricity generation from hydroelectric, solar, and wind sources, respectively. This implies higher electricity generation from thermal power plants, which is more costly, leading to an increase in electricity prices and energy purchase costs. In a wet year, with higher irradiation or wind, the opposite effects occur. In the event of unfavourable conditions due to low resource levels, power generation will increasingly come from thermal power plants, and Endesa's operating expenses from these activities will rise. Endesa's inability to manage changes in natural resource conditions could negatively impact its business activities, results, financial position and cash flows.

In an average year, it is estimated that hydroelectricity generation can vary by ± 35%, wind power by ± 6.5%, and photovoltaic by ± 4%.

Weather conditions, and in particular seasonality, have a significant impact on electricity demand, as they mean that electricity consumption peaks in summer and winter. Seasonal changes in demand are attributed to the impact of various climatological factors, such as the climate and the amount of natural light, as well as the use of lighting, heating and air conditioning. Variations in demand due to weather conditions can have a significant impact on business profitability. Additionally, Endesa must make certain projections and estimates about climatic conditions when negotiating its contracts, and a significant divergence in the levels of precipitation and other forecasted weather conditions could negatively affect Endesa's business, results, financial position, and cash flows.

Similarly, adverse weather conditions could affect the regular supply of energy due to damage to the grid, resulting in service interruptions, which might compel Endesa to compensate its customers for delays or power supply outages.

The occurrence of any of these circumstances could adversely affect its business activities, results, financial position and cash flows.

b.4. Endesa is exposed to interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities bearing interest at fixed rates and the future flows from assets and liabilities indexed to floating interest rates. Interest rate fluctuations could adversely affect Endesa's business activities, results, financial position and cash flows.

Information relating to interest rate risk and the interest rate sensitivity analysis is provided in Note 14.1 to the financial statements for the year ended 31 December 2024.

b.5. Endesa's business depends on its ability to obtain the funds necessary to refinance its debt and finance its capital expenses

Endesa is confident that it will be able to generate funds internally (self-financing), access bank financing through long-term credit facilities, access short-term capital markets as a source of liquidity and access the long-term debt market in order to finance its organic growth programme and other capital requirements, including its commitments arising from the on-going maintenance of its current facilities. This debt includes long-term credit facilities with banks and Enel Group companies, and financial investments.

If Endesa is unable to access capital under reasonable conditions, refinance its debt, settle its capital expenses and implement its strategy, the Company could be adversely affected. Capital and turmoil in the capital market, a possible reduction in Endesa's creditworthiness or possible restrictions on financing conditions imposed on the credit facilities if financial ratios deteriorate could increase the Company's financial expenses or adversely affect its ability to access the capital markets.

A lack of financing could force Endesa to dispose of or sell its assets to offset the liquidity shortfall in order to pay amounts owed, and such sales could occur under circumstances that prevent Endesa from obtaining the best price for the assets. Endesa's business activities, results, financial position and cash flows could be adversely affected if it is unable to access financing under acceptable conditions.

On 31 December 2024, Endesa, had negative working capital of EUR 624 million. The undrawn amount on Endesa's long-term credit facilities provide assurance that Endesa can obtain sufficient financial resources to continue to operate and to realise its assets and settle its liabilities for the amounts shown in the statement of financial position.

Uncertainty Impacts financial credit markets, by pushing up risk premiums, for both sovereign and corporate debt. Additionally, the hedging strategies for volatility risks in the market to ensure results remain stable could result in a considerable increase in requirements to provide cash collateral to continue operating in organised markets in the event of significant changes in commodity prices. Funding using short-term instruments would be a drain on the company's liquidity.

In the short term, liquidity risk is mitigated by Endesa by maintaining sufficient resources available unconditionally, including cash and short-term deposits, drawable lines of credit and a portfolio of highly liquid assets. Endesa's liquidity policy consists of arranging committed long-term credit facilities with banks and Enel Group companies and financial investments in an amount sufficient to cover projected needs over a given period based on the situation in and expectations about the debt and capital markets.

Information relating to liquidity risk and the main financial transactions carried out is included in Notes 14.3 and 13.2, respectively, of the Notes to the Financial Statements for the year ended 31 December 2024.

The conditions in which Endesa accesses capital markets or other means of financing, whether within the Company or on the credit market, are highly dependent upon its credit rating which, in turn, is conditioned by that of its parent Enel. Endesa's capacity to access the markets and financing could therefore be adversely affected, in part, by the credit and financial position of Enel, to the extent that it could determine the availability of intercompany financing for Endesa or the conditions under which the Company accesses the capital market.

Any deterioration of Enel's credit rating and, consequently, that of Endesa, could limit Endesa's ability to access the capital markets or any other means of financing (or refinancing) from third parties or increase the cost of these transactions. This could adversely affect Endesa's business activities, results, financial position and cash flows.

b.6. Endesa is exposed to credit and counterparty risk

In its commercial and financial activities, Endesa is exposed to the risk that its counterparty may be unable to meet all or some of its obligations, both payment obligations arising from goods already delivered and services already rendered, as well as payment obligations related to expected cash flows, in accordance with the financial derivative contracts entered into, cash deposits or financial assets. In particular, Endesa assumes the risk that consumers may not be able to fulfil payment obligations for the supply of energy, including all transmission and distribution costs.

Endesa closely monitors the credit risk of its commodity, financial and commercial counterparties. The Company's collection management has enabled it to reduce overdue debt in trade counterparties.

Endesa cannot guarantee that it will not incur losses as a result of the non-payment of commercial or financial receivables and, therefore, the failure of one or various significant counterparties to fulfil their obligations could adversely affect Endesa's business activities, results, financial position and cash flows.

Information relating to credit risk is provided in Note 14.4 to the financial statements for the year ended 31 December 2024.

c) Risks associated with digital technologies

c.1. Endesa is exposed to cybersecurity risks

Endesa's digital transformation involves greater exposure to potential cyber-attacks, which may endanger the security of IT systems and databases with sensitive information.

The potential impact on Endesa would cause economic losses and reputational Impacts (loss of trust in the Company) in the event of Endesa's information systems being affected by a cyber-attack. The Company's critical infrastructure may also be exposed to this type of attack, which could have a serious impact on the essential services provided (for example, nuclear plants). The danger of identity theft is increasing in commercial activity, and with it the need for enhanced security measures and protection of customer data.

With respect to the risk management and mitigation measures, Endesa has a cybersecurity strategy, in keeping with international standards and government initiatives. As part of this strategy, Endesa assesses the main risks and identifies vulnerabilities, and also conducts exhaustive digital monitoring through which the information is analysed and remedial measures are implemented to mitigate risks. It also conducts training and awareness-raising programmes in the use of digital technologies for its employees, at both the professional and individual level, to change the conduct of people and reduce risks.

The Cybersecurity Unit is keeping close track of the situation to identify any cyber events or anomalies at Endesa.

Endesa performs cybersecurity exercises for its plants and industrial facilities.

c.2. Endesa manages its activities with information technology that guarantees operating efficiency, as well as the continuity of the businesses, systems and processes that contribute to attaining its corporate objectives

The use of information technology at Endesa is essential to manage its activity. Endesa's systems set it apart strategically from other companies in the sector, given the business volumes handled and the technical complexity, volume, granularity, functionality and diversity of cases. Specifically, Endesa's main computer systems handle the following business processes:

Systems	Business processes supported
Commercial	• Marketing processes, demand forecasts, profitability, sales, customer service, claim management, hiring and the basic sales cycle (validation of meter reading, invoicing, collection management and debt processing).
Technical distribution	• Processes for managing the grid, meter-reading management, handling of new supplies, network planning, field work management, management of meter-reading equipment with advanced remote management and energy management capabilities.
Generation systems, energy management and renewables	• Fuel management processes, meter-reading management, risk management, etc.
Economic and financial	• Economic management, accounting, financial consolidation and balance sheet processes.

Management of Endesa's business activity through these systems is essential for performing its activity efficiently and achieving its corporate objectives.

d) Operational risks

d.1. Endesa is exposed to risks associated with the construction of new electricity generation and distribution facilities

The construction of generation facilities and energy distribution is time-consuming and can be highly complex. This means that investment needs to be planned well in advance of the estimated start-up date of the facility and, therefore, it could be necessary to adapt such decisions to changes in the market conditions. This may entail significant additional costs not originally planned that may affect the return on these types of projects.

Generally, in connection with the development of such facilities, Endesa has to obtain the related administrative authorisations and permits, acquire land purchase or lease agreements, sign equipment procurement and construction contracts, operation and maintenance agreements, fuel supply and transport agreements and off-take arrangements, and obtain sufficient financing to meet its capital and debt requirements.

The 2025-2027 Strategic Plan approved by the Board of Directors of Endesa, S.A. and presented to the market on November 19, 2024 contemplates an investment target of up to EUR 9,600 million in the 2025-2027 period.

Factors that may affect Endesa's ability to construct new facilities include:

Risk	Factors
Risks associated with the construction of new electricity generation and distribution facilities	• Delays in obtaining regulatory approvals, including environmental permits.
	• Shortages or changes in the price of equipment, supplies or labour.
	• Opposition from local groups, political groups or other stakeholders.
	• Adverse changes in the political and regulatory environment (e.g. rate of remuneration in regulated businesses) and in environmental regulations.
	• Adverse weather conditions, natural catastrophes, accidents and other unforeseen events that could delay the completion of power plants or substations.
	• Non-compliance by suppliers with agreed contract conditions.
	• Inability to obtain financing under conditions that are satisfactory to Endesa.

Any of these factors may cause delays in completion or commencement of the Group's construction projects and may increase the cost of planned projects. In addition, if Endesa is unable to complete these projects, any costs incurred in connection with such projects may not be recoverable.

If Endesa faces problems related to the development and construction of new facilities, its business, results, financial position and cash flows may be adversely affected.

d.2. 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.

Endesa has a huge volume of assets related with its activities, including:

Activity	Impacts
Energy generation	• At 31 December 2024, Endesa's potential total net installed capacity in Spain amounted to 21,449 MW, of which 17,117 MW are found in the Mainland Electricity System and 4,332 MW in Non-mainland Territories (TNP) in the Balearic Islands, Canary Islands, Ceuta and Melilla.
Energy distribution	• At 31 December 2024, Endesa distributed electricity in 24 Spanish provinces in 8 Autonomous Communities and in the Autonomous City of Ceuta, with a total area of 195,881 km^2 and a population of close to 22 million inhabitants, people. The total energy distributed by Endesa's grid totalled 138,580 GWh in 2024.
Energy commercialisation	• On 31 December 2024, Endesa had around 12 million electricity and gas customers.

Endesa is exposed to risks of breakdown and accidents that can temporarily interrupt the operation of its plants and services to its customers. Prevention and protection strategies exist to mitigate these risks, including predictive and preventive maintenance techniques in line with best international practices. The company has set a tolerance level for this risk at 85% availability for its generation assets.

Endesa cannot ensure that during the performance of its business activities, direct or indirect losses will not arise from inadequate internal processes, technological failures, human error or certain external events, such as accidents at facilities, workplace conflicts and natural disasters. These risks and dangers could cause explosions, floods or other circumstances that could cause the total loss of energy generation and distribution facilities; damage to or the deterioration or destruction of Endesa's facilities or those of third parties, or environmental damage; delays in electricity generation and the partial or total interruption of activities. The occurrence of any of these circumstances could adversely affect its business activities, results, financial position and cash flows.

d.3. Risk that the activities undertaken by Endesa may negatively impact the quality of the environment and the Ecosystems involved, as well as incurring court or administrative sanctions, economic or financial losses and reputational damage as a result of non-compliance with international, national or local environmental laws and regulations.

Endesa considers environmental excellence to be a key value in its business culture. Accordingly, its activities are performed in a way that respects the environment, in line with Sustainable Development principles, and it is firmly committed to the conservation and sustainable use of its resources.

Endesa has an Environmental Policy in place, which was approved by its Board of Directors, that formalises its commitment to responsible environmental management and that encompasses the entire Value Chain. This Policy applies to all phases of the life cycle of each product and service.

Endesa is subject to environmental regulations, which affect both the normal course of its operations and the development of its projects, leading to increased risks and costs. This regulatory framework requires licences, permits and other administrative authorisations to be obtained in advance, as well as fulfilment of all the requirements in such licences, permits and authorisations. As in any regulated company, Endesa cannot guarantee that:

- The regulations will not be amended or interpreted in such a way as to increase the costs necessary to comply with such laws or as to affect Endesa's operations, facilities or plants;
- Public opposition will not lead to delays or changes in the projects that are proposed; and
- The authorities will grant the environmental permits, licences and authorisations required to develop new projects.

In addition, Endesa is exposed to environmental risks inherent to its business, including risks relating to management of waste, spills and emissions from electricity production facilities, particularly nuclear power plants. Endesa may be held responsible for environmental damage, for harm to employees or third parties, or for other types of damage associated with its energy generation, supply and distribution facilities, as well as port terminal activities.

Although the plants are prepared to comply with the prevailing environmental requirements, Endesa cannot guarantee that it will always be able to comply with the requirements imposed or that it will be able to avoid fines, administrative or other sanctions, or any other penalties and expenses related to compliance matters, including those related to the management of waste, spills and emissions from electricity production units. Failure to comply with this regulation may give rise to liabilities, as well as fines, damages, sanctions and expenses, including, where applicable, facility closures. Government authorities may also impose charges or taxes on the parties responsible in order to guarantee obligations are repaid. Endesa's business activities, results, financial position and cash flows could be adversely affected if it were accused of failing to comply with environmental regulations.

In this connection, Endesa has taken out the following insurance policies:

Insurance	Description
Environmental liability	• Cover up to a maximum of EUR 150 million for claims arising from pollution.
General civil liability	• Cover for claims relating to damage to third parties or their property up to a maximum of EUR 450 million, with this coverage increasing to EUR 950 million for hydroelectric plants.
Third-party liability for nuclear accidents	• Under current legislation in Spain and pursuant to Electricity Sector Law 24/2013 of 26 December, the Company is insured for up to EUR 1,200 million against third-party liability claims for any nuclear accidents at its plants. Any loss or damage in excess of this amount would be subject to the international conventions to which Spain is a signatory. The nuclear power plants are also insured against damage to their facilities (including stocks of nuclear fuel) and machinery breakdowns, with maximum coverage of EUR 1,500 million for each plant. • On 28 May 2011, the Spanish government published Law 12/2011, of 27 May, on third-party liability due to nuclear damage or damage caused by radioactive materials, which raises operator liability to EUR 1.2 billion, while also allowing operators to cover this liability in several ways. This Regulation will enter into force on 1 January 2022, following the joint ratification by the Member States of the Protocols of 12 February 2004, amending the Nuclear Civil Liability Convention (Paris Convention) and the Brussels Convention, complementing the foregoing. The civil nuclear liability coverage arranged by Endesa has a limit of EUR 1.2 billion from 1 January 2022.

However, Endesa may face third-party damage claims. If Endesa were to be held liable for damages generated by its facilities for amounts greater than its insurance policy cover or for damages that exceed the scope of the insurance policy's coverage, its business activities, financial position, results and cash flows could be adversely affected.

Endesa is subject to compliance with the legislation and regulations on emissions of pollutants and on the storage and treatment of waste from fuel from nuclear power plants. It is possible that the Company will be subject to even stricter environmental regulations in the future. In the past, the approval of new regulations has required, and could require in the future, significant capital investment expenditure in order to comply with legal requirements. Endesa cannot foresee the increase in capital investment or the increase in operating costs or other expenses it may have to incur in order to comply with all environmental requirements and regulations. Nor can it predict if the aforementioned costs may be transferred to third parties. Thus, the costs associated with compliance with the applicable regulations could adversely affect Endesa's business activities, results, financial position and cash flows.

d.4. Endesa's insurance cover and guarantees may not be adequate or may not cover all of the damage

Despite the fact that Endesa attempts to obtain adequate insurance cover in relation to the main risks associated with its business – including damage to the Company itself, general third-party liability, and environmental and nuclear power plant liability – it is possible that insurance cover may not be available on the market in commercially reasonable terms. Likewise, the amounts for which Endesa is insured may not be sufficient to cover the losses incurred in their entirety.

In the event of a partial or total loss of Endesa's facilities or other assets, or a disruption to its activities, the funds Endesa receives from its insurance may not be sufficient to cover the complete repair or replacement of the assets or losses incurred. Furthermore, in the event of a total or partial loss of Endesa's facilities or other assets, part of the equipment may not be easily replaced, given its high value or its specific nature, or may not be easily or immediately available.

Similarly, the cover of guarantees in relation to the aforementioned equipment or the limits to Endesa's ability to replace the equipment could disrupt or hinder its operations or significantly delay the course of its ordinary operations. Consequently, all of the above could adversely affect Endesa's business activities, results, financial position and cash flows.

Likewise, Endesa's insurance contracts are subject to constant review by its insurers. Therefore, Endesa may be unable to maintain its insurance contracts under conditions similar to those currently in place in order to meet potential increases in premiums, or if cover becomes inaccessible. If Endesa is unable to pass on any possible premium increase to its customers, these additional costs may adversely affect its business activities, results, financial position and cash flows.

d.5. The success of Endesa's business depends on the continuity of the services provided by the Company's management and by Endesa's key workers

On 31 December 2024, Endesa had a workforce of 1,244 employees (see Note 20.1 to the financial statements for the year ended 31 December 2024. Endesa needs to guarantee talent management, especially with regard to digital competences, so it can maintain its position in the sector.

The market in qualified labour is highly competitive and Endesa must be able to successfully hire additional qualified staff or to replace outgoing staff with sufficiently qualified and effective employees. Endesa's inability to retain or recruit essential staff could adversely affect its business activities, results, financial position and cash flows.

d.6. Endesa considers occupational health and safety (OHS) and fluid social dialogue to be priority objectives. The inability not to meet these objectives could adversely affect Endesa's business, image, results, financial position and cash flows

The information relating to Endesa's Occupational Health and Safety (OHS) is set out in Section 9 of this Management Report and in Section 26.1 *"Own Personnel (ESRS S1)"* of the Consolidated Statement of Non-Financial Information and Information on Sustainability (see Section 16 of this Management Report).

The information relating to Endesa's Social Dialogue is detailed in Section 26.1 *"Own Personnel (ESRS S1)"* of the Consolidated Statement of Non-Financial Information and Information on Sustainability (see Section 16 of this Management Report).

d.7. 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

Endesa's relationships with the main industry service suppliers and providers are essential for the development and growth of its business, and will continue to be so in the future.

Endesa's dependence on these relationships could affect its ability to negotiate contracts with these parties under favourable conditions. Although Endesa's supplier portfolio is sufficiently diverse, if any of these relationships is severed or terminated, Endesa cannot guarantee the replacement of any significant service supplier or provider within an appropriate time frame or with similar conditions.

Endesa makes significant purchases of fuels, materials and services. In this regard, it is worth mentioning that:

- Consumption in some thermal plants is limited to just a few suppliers and countries, which represents a risk in the event of interrupted supply;
- Fuel supply contracts, especially gas contracts, are found in areas with a significant geopolitical risk that may materialise in supply interruptions; and
- In the case of Non-Mainland Territory (TNP) plants, (Balearic and Canary Islands and the cities of Ceuta and Melilla), they are all geographically isolated and have a significant dependence on liquid fuels.

If Endesa is unable to negotiate contracts with its suppliers under favourable terms, if such suppliers are unable to comply with their obligations or if their relationship with Endesa is severed, and Endesa is unable to find an appropriate replacement, its business activities, results, financial position and cash flows could be affected adversely.

A worsening of the crisis situation in the conflicts between Russia and Ukraine or in the Middle East may lead to possible delays in supplies and breach of contracts at the supply chain level.. This event could adversely affect Endesa's businesses, results, financial position and cash flows (see Section 4 of this Management Report).

e) Compliance risks

e.1. Endesa could incur judicial or administrative sanctions, economic or financial losses and reputational damage as a result of non-compliance with applicable data protection and privacy laws

In the construction and operation of Endesa's information systems, the Company includes the highest security and contingency standards so that it guarantees operating efficiency, as well as the continuity of its business and the processes that contribute to achieving its corporate objectives.

These standards acquire a particularly significant role faced with the digital transformation process in which Endesa is immersed, which involves a growing exposure to potential cyberattacks, which are increasingly numerous and complex, and which may compromise the security of its systems, its data, including personal data, the continuity of its operations and, consequently, the quality of its customer relations and its results, financial position and cash flows.

Security has therefore become a global strategic matter. In this regard, Endesa has put in place policies, processes, methodologies, tools and protocols based on international standards and duly audited governance initiatives. In particular, Endesa has a Cybersecurity action and management model promoted by senior management that covers all business areas and the area responsible for the management of IT systems. This model is based on the identification, prioritisation and quantification of existing security risks, taking into account the impact of each system on Endesa's business, to adopt security actions to minimise and mitigate such risks.

e.2. Past or future infringements of competition and antitrust laws could adversely affect Endesa's business activities, results, financial position and cash flows

Endesa is subject to competition and antitrust laws in the markets in which it operates. Infringements, especially in Spain, Endesa's main market, could give rise to legal actions against Endesa.

Endesa has been, is and could be the object of legal investigations and proceedings regarding competition and antitrust matters. Investigations regarding the infringement of competition and antitrust laws usually last several years and may be subject to rules that prevent the disclosure of information. Infringements of these regulations may give rise to fines and other types of sanctions which could adversely affect Endesa's business activities, results, financial position and cash flows.

Information on litigation and arbitration proceedings is set out in Note 12.3 to the financial statements for the year ended 31 December 2024.

Endesa's growth strategy has always included, and continues to include, acquisitions that are subject to various competition laws. These regulations may affect Endesa's ability to carry out strategic transactions.

e.3. Endesa is involved in court and arbitration proceedings

Endesa is party to various ongoing legal proceedings related to its business activities, including tax, regulatory and antitrust disputes. It is/may also be subject to tax audits. In general, Endesa is exposed to third-party claims from all jurisdictions (criminal, civil, commercial, labour and economic-administrative) and national and international arbitration proceedings.

Endesa uses its best estimate to recognise its provisions for legal contingencies, provided that the need to meet such obligations is probable and the amount can be reasonably quantified.

However, Endesa cannot guarantee that it will be successful in all the proceedings in which it expects a positive outcome, or that an unfavourable decision will not adversely affect Endesa's business activities, results, financial position and cash flows. Likewise, the Company cannot ensure that it will not be the object of new legal proceedings in the future which, if the outcome were unfavourable, would not have an adverse effect on its business activities, operating results, financial position or cash flows.

Information on litigation and arbitration proceedings is set out in Note 12.3 to the financial statements for the year ended 31 December 2024.

e.4. Endesa could be affected by tax risks arising from interpretations of the regulations by the tax authorities that differ from those adopted by the Company or by an incorrect understanding by third parties of the tax position adopted by the Company

Currently, the tax risks to be managed and controlled are those arising from the uncertainties arising either due to the possibility that the tax authorities may demand additional contributions considered by Endesa (either as a result of the failure to file returns or of a different interpretation of the applicable regulations) or of the risk of an incorrect perception or valuation by third parties of tax events that are erroneously of unjustly attributed to the Company.

In 2024, Endesa's total tax contribution amounted to EUR 4,463 million, of which 48% corresponded to taxes borne that represent a cost for Endesa and 52% relate to taxes collected by Endesa as a result of its business activities. Most of the tax paid by Endesa has been paid in Spain, representing over 88% of the total taxes paid and collected in 2024.

The following was of note with respect to Endesa's tax risk situation:

Tax Risks	References [1]	Endesa mitigates the occurrence of these risks through:
The periods open for review by the tax authorities and significant inspections for the period and their effects	16.10	• General Risk Control and Management Policy (see section 7.1 of this Management Report), which is the base document of the Tax Compliance Management System implemented by the Company. • Inclusion in the cooperative compliance system, as expressed in the Code of Good Tax Practices and in the annual filing of the Tax Transparency Report *https://www.endesa.com/es/nuestro-compromiso/transparencia* with the tax authorities. • This inclusion means that Endesa voluntarily undertakes with respect to the tax authorities to foster good practices that significantly reduce tax risks and promote prevention of conduct likely to generate such risks.
Significant tax disputes that might generate a contingency	12.3	

[1] Notes to the financial statements for the year ended 31 December 2024.

Despite this firm commitment, any change in the interpretation of the tax regulations by the tax authorities or the Administrative or Justice Tribunals could affect Endesa's compliance with its tax obligations, and its business, results, financial position and cash flows.

Information on tax litigation is provided in Note 12.3 to the Financial Statements for the year ended 31 December 2024.

e.5. Endesa could be held liable for income tax and value added tax (VAT) charges corresponding to the tax group of which it forms part or has formed part

Since 2010, Endesa has filed consolidated tax returns for income tax purposes as part of consolidated tax group no. 572/10, of which Enel, S.p.A. is the Parent and Enel Iberia, S.L.U. the representative in Spain. Likewise, since January 2010, Endesa has formed part of Spanish consolidated VAT group no. 45/10, the Parent of which is Enel Iberia, S.L.U. Until 2009, Endesa filed consolidated tax returns as the Parent for group no. 42/1998 for income tax and for group no. 145/08 for Value Added Tax (VAT).

Additionally, Enel Green Power España, S.L.U., a wholly-owned Endesa subsidiary, was fully consolidated between 2010 and 2016 as part of group 574/10 of which Enel Green Power España, S.L.U. was the Parent. From 1 January 2017, Enel Green Power España, S.L.U. paid taxes as part of tax group number 572/10 of which Enel, S.p.A. is the Parent and Enel Iberia, S.L.U. is the representative in Spain.

Until 31 December 2023 there was another Tax Consolidation Group in Endesa with number 21/02 whose Parent Company and representative in Spain was Empresa de Alumbrado Eléctrico de Ceuta, S.A. After the merger by absorption, on July 1, 2024, of the company Empresa de Alumbrado Eléctrico de Ceuta, S.A. by its only subsidiary Empresa de Alumbrado Eléctrico de Ceuta Distribución, S.A. this Tax Consolidation Group disappears.

In accordance with the regime for filing consolidated tax returns for purposes of income tax and VAT for company groups, all of the Group companies which file consolidated tax returns are jointly responsible for paying the Group's tax charge. This includes certain sanctions arising from failure to comply with specific obligations imposed under the VAT regime for company groups.

As a result of this, Endesa is jointly responsible for paying the tax charge of the other members of the consolidated tax groups to which it belongs or has belonged for all tax periods still open for review. Likewise, Enel Green Power España, S.L.U. is also jointly and severally liable with respect to the other members of the consolidated tax group of which it has formed part, and Empresa de Alumbrado Eléctrico de Ceuta, S.A. is jointly and severally liable with respect to its members.

Even though Endesa or, where applicable, Enel Green Power España, S.L.U. or Empresa de Alumbrado Eléctrico de Ceuta, S.A. has the right to recourse against the other members of the corresponding consolidated tax group, any of them could be held jointly and severally liable if any outstanding tax charge were to arise that had not been duly settled by another member of the consolidated tax groups to which Endesa or, where applicable, Enel Green Power España, S.L.U. or Empresa de Alumbrado Eléctrico de Ceuta, S.A. belongs or has belonged. Any material tax liability could adversely affect Endesa's business activities, results, financial position and cash flows.

Information on tax litigation is provided in Note 12.3 to the Financial Statements for the year ended 31 December 2024.

e.6. The Enel Group controls the majority of Endesa's share capital and voting rights, and the interests of the Enel Group could conflict with those of Endesa

On 31 December 2024, the Enel Group, through Enel Iberia, S.L.U., held 70.1% of Endesa, S.A.'s share capital and voting rights, enabling it to appoint the majority of Endesa, S.A.'s board members and, therefore, to control management of the business and its management policies.

The Enel Group's interests may differ from the interests of Endesa or those of its shareholders. Furthermore, both the Enel Group and Endesa compete in the European electricity market. It not possible to ensure that the interests of the Enel Group will coincide with the interests of Endesa's other shareholders or that the Enel Group will act in support of Endesa's interests.

Information on balances and transactions with related parties is provided in Note 19 to the financial statements for the year ended 31 December 2024.

f) Corporate Governance and Culture Risk

f.1. Corporate culture and ethics

Information on Endesa's Anti-Bribery and Criminal Risk Prevention Model can be found in Section 7.3 of this Management Report.

7.4.2. Reputation management and mitigation of reputational impact on risks

A significant part of the company's intangible value lies its reputation amongst the main audiences with which it interacts. In addition, this reputation represents an important support lever for facilitating the best fulfilment of its economic, commercial, industrial and institutional objectives.

To achieve rigorous and reliable knowledge of the opinion of these audiences and the image and reputation parameters that may affect the Company, Endesa employs social research tools (surveys, press indicators, qualitative studies, pre- and post-test studies, etc.) deployed periodically and exclusively for the company, as well as information generated by similar studies that are publicly accessible. It also has information and conversation monitoring systems on social media with a view to detecting early warnings about potential incidents or critical situations and assessing the calibre of the incident.

These tools make it possible to detect potential risks with an impact on image or reputation and design appropriate communication actions to avoid or correct them where appropriate, as well as to improve their perception among the aforementioned audiences.

The design and development of these actions are contained in the annual Communication Plan that the Company prepares as part of the development and promotion of its Strategic Plan. In essence, they cover actions focussed on the management and activation of the brand (advertising, sponsorship of events, etc.), media relations, digital communication and internal communication.

Endesa is exposed to the opinion and perception projected to different stakeholders. This perception could deteriorate as a result of events produced by the Company or third parties over which it has little or no control. Should this occur, this could lead to economic detriment for the Company due, among other factors, to increased requirements on the part of regulators, higher borrowing costs or increased efforts to attract customers.

Although Endesa actively works to identify and monitor potential reputational events and affected stakeholders, and transparency forms part of its communications policy, there is no guarantee that it will not have its image or reputation impaired which, since the outcome would be unfavourable, will have an adverse impact on its business, operating results, financial position or cash flows.

Furthermore, Endesa cannot guarantee that it will maintain solid relationships and ongoing communication with suppliers, consumers and users and with the associations that represent them. Therefore, any change in these relationships could entail negative publicity and a significant loss of customers, which could adversely affect Endesa's business activities, results, financial position and cash flows.

8. Policy on derivative financial instruments

Information on derivative financial instruments is provided in Note 15 to the financial statements of Endesa, S.A., for the year ended 31 December 2024.

9. Human resources

On 31 December 2024, the Company had a total of 1,244 employees (1,279 employees on 31 December 2023).

The Company's average workforce in 2024 was 1,235 employees (1,255 in 2023).

The breakdown, by gender, of the Company's workforce on 31 December 2024 was 48.6% male and 51.4% female.

Information on the workforce is provided in Note 20.1 to the Financial Statements of Endesa, S.A. for the year ended 31 December 2024.

Occupational Health and Safety (OHS)

Endesa, S.A. considers the occupational health and safety of its employees to be an essential principle and preserves it by developing a strong culture between its employees and shareholders. It ensures its employees have a healthy and safe workplace environment at all times and in all areas in which they act.

In 2024 and 2023 the main variations in Occupational Health and Safety (OHS) indicators were as follows:

	Main figures	
	2024	2023
In-house frequency index [1]	0	0
In-house seriousness index [2]	0	0
Combined frequency index [3]	0.89	0
Combined seriousness index [4]	0.01	0.02
Number of accidents [5]	3	0

(1) In-house frequency index (own employees) = (Number of accidents / Number of hours worked) x 10^6.
(2) In-house seriousness index (own employees) = Number of days lost / Number of hours worked) x 10^3.
(3) Combined frequency index (own and subcontracted employees) = (Number of accidents / Number of hours worked) x 10^6.
(4) Combined seriousness index (own and subcontracted employees) = Number of days lost / Number of hours worked) x 10^3.
(5) Of which none of them were serious or fatal accidents in 2024 and 2023.

10. Treasury shares

On 31 December 2024, the Company held treasury shares to cover its different variable remuneration plans that include the delivery of shares (see Note 11.4 to the financial statements of Endesa, S.A. for the year ended 31 December 2024).

Transactions with treasury shares in 2024 are detailed in Note 11.4 of the Financial Statements of Endesa, S.A.

11. Environmental protection

Information on environmental activities is provided in Note 21 to the financial statements of Endesa, S.A. for the year ended 31 December 2024.

12. Research and development activities

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

13. Information on the average supplier payment period

Information on the average supplier payment period is provided in Note 20.3 to the financial statements of Endesa, S.A. for the year ended 31 December 2024.

14. Annual Corporate Governance Report

The Annual Corporate Governance Report for fiscal year 2024, in accordance with article 538 of the Spanish Corporate Enterprises Act (LSC), entitled "*Inclusion of the Corporate Governance and Remuneration Report in the Management Report*", forms part of this Management Report and is subject to the same criteria for approval, filing and publication. The contents of this report are available on the website of the National Securities Market Commission (CNMV) at the following address:

https://www.cnmv.es/portal/consultas/EE/InformacionGobCorp.aspx?nif=A-28023430 , as well as on Endesa's website *www.endesa.com* .

15. Annual Report on Directors' Remuneration

The Annual Report on Directors' Remuneration of Endesa, S.A., in accordance with article 538 of the Spanish Corporate Enterprises Act (LSC), which is entitled *"Inclusion of the Corporate Governance and Remuneration Report in the Management Report"*, forms part of this Management Report, and is subject to the same criteria for approval, filing and publication. The contents of this report are available on the website of the National Securities Market Commission (CNMV) at the following address:

https://www.cnmv.es/portal/consultas/EE/InformacionGobCorp.aspx?TipoInforme=6&nif=A-28023430 , as well as on Endesa's website *www.endesa.com* .

16. Non-financial Information Statement

required by Law 11/2018, of 28 December, which amends the Code of Commerce, the consolidated text of the Spanish Corporate Enterprises Act approved by Royal Decree-Law 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Audit of the Financial Statements with respect to Non-financial Information and Diversity

The information required by the Non-Financial Information Statement in accordance with Law 11/2018, of 28 December, amending the Code of Commerce, the consolidated text of the Spanish Corporate Enterprises Act ("LSC") approved by Royal Decree Law 1/2010, of 2 July, and Law 22/2015, of 20 July, on the audit of financial statements, with regard to Non-financial Information and Diversity, is included in a Consolidated manner in the Chapter Consolidated Non-Financial Information Statement and Information on Sustainability of the Consolidated Management Report of Endesa, S.A. and Subsidiaries for the year ended 31 December 2024, which will be filed with the Madrid Mercantile Registry following its approval by the General Shareholders' Meeting.

Signatures for Authorisation for issue

Endesa, S.A. of the Management Report for the year ended 31 December 2024

The Management Report for the year ended 31 December 2024 of Endesa, Sociedad Anónima was authorised for issue in electronic format by the Board of Directors of Endesa, Sociedad Anónima at its meeting of 25 February 2025, following the format requirements established in the European Commission Delegated Regulation EU 2019/815, and is signed below by all the Directors, in compliance with article 253 of the Spanish Corporate Enterprises Act.

Mr Juan Sánchez-Calero Guilarte Chairman	**Mr Flavio Cattaneo** Vice Chairman
Mr José Damián Bogas Gálvez Chief Executive Officer	**Mr Guillermo Alonso Olarra** Member
Mr Stefano de Angelis Member	**Mr Gianni Vittorio Armani** Member
Ms Eugenia Bieto Caubet Member	**Ms Elisabetta Colacchia** Member
Mr Ignacio Garralda Ruiz de Velasco Member	**Ms Pilar González de Frutos** Member
Ms Francesca Gostinelli Member	**Mr Francisco de Lacerda** Member
Ms Michela Mossini Member	**Ms Cristina de Parias Halcón** Member

Madrid, 25 February 2025

CHAPTER **IV.**

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY

ANNUAL FINANCIAL REPORT 2024

The members of the Board of Directors of Endesa, S.A., in accordance with article 8 of Royal Decree 1362/2007, of 19 October, hereby declares that to the best of its knowledge and belief, the individual and consolidated financial statements for the year ended 31 December 2024, authorised for issue in its meeting of 25 February 2025 and prepared in accordance with the applicable accounting principles, present a true and fair view of the equity, financial position and results of Endesa, S.A. and of the consolidated companies taken as a whole and that the individual and consolidated management reports for 2024 include a true and fair analysis of the business performance and position of Endesa, S.A. and of the consolidated companies taken as a whole, along with a description of the main risks and uncertainties these face.

Mr Juan Sánchez-Calero Guilarte Chairman	**Mr Flavio Cattaneo** Vice Chairman
Mr José Damián Bogas Gálvez Chief Executive Officer	**Mr Guillermo Alonso Olarra** Member
Mr Stefano de Angelis Member	**Mr Gianni Vittorio Armani** Member
Ms Eugenia Bieto Caubet Member	**Ms Elisabetta Colacchia** Member
Mr Ignacio Garralda Ruiz de Velasco Member	**Ms Pilar González de Frutos** Member
Ms Francesca Gostinelli Member	**Mr Francisco de Lacerda** Member
Ms Michela Mossini Member	**Ms Cristina de Parias Halcón** Member

Madrid, 25 February 2025

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