ENDESA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT
FOR THE THREE-MONTH
PERIOD ENDED
31 MARCH 2024

endesa

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CONSOLIDATED MANAGEMENT REPORT
FOR THE THREE-MONTH
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ENDESA IS OPEN POWER

POSITIONING

OPEN POWER

VISION

Open power to solve some of our world's biggest challenges.

PURPOSE

OPEN POWER FOR A BRIGHTER FUTURE.

MISSION

- Opening energy for more people.
- Opening the world of energy to new technology.
- Opening up to new uses of energy.
- Opening up new ways of managing energy for people.
- Opening up to new partnerships.

VALUES

- Trust.
- Proactivity.
- Responsibility.
- Innovation.

PRINCIPLES OF CONDUCT

- Make decisions in daily activities and take responsibility for them.
- Share information, being willing to collaborate and open to the contribution of others.
- Follow through with commitments, pursuing activities with determination and passion.
- Change priorities rapidly if the situation evolves
- Get results by aiming for excellence.
- Adopt and promote safe behavior and move proactively to improve conditions for health, safety and well-being.
- Is committed to the integration of everyone, recognises and appreciates individual differences diversity (culture, gender, age, disability, personality, etc.)
- Work focusing on satisfying customers and/or employees, acting effectively and rapidly.
- Propose new solution and do not give up when faced with obstacles or failure.
- Recognize merit in co-workers and give feedback that can improve their contribution.

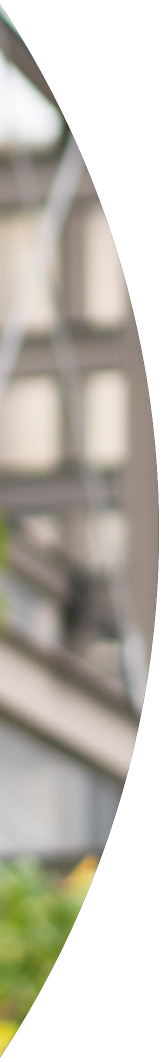
WE EMPOWER SUSTAINABLE PROGRESS.

CONTENTS

Legend

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

endesa



1. CONSOLIDATED MANAGEMENT REPORT

1. KEY FIGURES

REVENUE €

REVENUE

−26.1 %

5,547 million of Euros

7,504 million of Euros in the period from January-March 2023

EBITDA[1]

−26.2 %

1,079 million of Euros

1,462 million of Euros in the period from January-March 2023

PERFORMANCE

NET INCOME[1]

−50.8 %

292 million of Euros

594 million of Euros in the period January-March 2023

NET ORDINARY INCOME[1]

−50.8 %

292 million of Euros

594 million of Euros in the period January-March 2023

NET FINANCIAL DEBT[1]

+8.9 %

11,328 million of Euros at 31 March 2024

10.405 million of Euros at 31 December 2023

INVESTMENTS

GROSS INVESTMENTS IN PROPERTY, PLAN AND EQUIPMENT AND INTANGIBLE ASSETS

+5.6 %

433 million of Euros

410 million of Euros in the period January-March 2023

CASH FLOWS FROM FROM OPERATING ACTIVITIES

NA

167 million of Euros

(97) million of Euros in the period January-March 2023

PEOPLE

FINAL HEADCOUNT

−0.8 %

8,967 employees

9,035 employees at 31 December 2023

RENEWABLE GENERATION

NET INSTALLED CAPACITY

+0.5 %

21,345 MW

21,247 MW at 31 December 2023

NET INSTALLED MAINLAND RENEWABLE CAPACITY

+1.0 %

9,898 MW

9,800 MW at 31 December 2023

GENERATION OF ELECTRICITY[2]

−0.4 %

15,618 GWh

15,680 GWh in the period January-March 2023

RENEWABLE ELECTRICITY GENERATION[2]

+27.3 %

5,017 GWh

3,940 GWh in the period January-March 2023

DISTRIBUTION

DISTRIBUTION AND TRANSPORTATION NETWORKS

+0.1 %

319,381 km

319,136 km at 31 December 2023

DISTRIBUTED ENERGY[3]

+0.3 %

33,429 GWh

33,327 GWh in the period January-March 2023

END USERS[4]

+0.2 %

12,570 thousand

12,548 thousand at 31 December 2023

RATIO OF DIGITALISED CUSTOMERS[5]

99 %

99 % as of 31 December 2023

RETAIL SUPPLY OF ELECTRICITY, GAS AND OTHER PRODUCTS AND SERVICES

NET ELECTRICITY SALES[6]

-2.4 %

19,028 GWh

19,493 GWh in the period January-March 2023

NUMBER OF ELECTRICITY CUSTOMERS[7] [8]

-0.4 %

10,483 thousand

10,522 thousand at 31 December 2023

NUMBER OF ELECTRICITY CUSTOMERS (DEREGULATED)[9]

-0.2 %

6,880 thousand

6,893 thousand at 31 December 2023

GAS SALES[10]

-26.4 %

16,274 GWh

22,122 GWh in the period January-March 2023

NUMBER OF GAS CUSTOMERS[11]

-0.2 %

1,826 thousand

1,829 thousand at 31 December 2023

PUBLIC AND PRIVATE ELECTRICITY CHARGING STATIONS

+3.8 %

19,988 units

19,252 units at 31 December 2023

(1) See definition in Section 12 of this Consolidated Management Report.
(2) In power plant busbars.
(3) Energy supplied to customers, with or without a contract, auxiliary consumption from generators and outputs to other grids (transmission and distribution).
(4) Customers of distribution companies.
(5) Number of digitalised customers / End users (%).
(6) Sales to the end customer.
(7) Supply points.
(8) Customers of retail suppliers.
(9) Customers of deregulated companies.
(10) Excluding own generation consumption.
(11) Supply points.

2. BASIS FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Endesa's Consolidated Financial Statements for the three-month period ended 31 March 2024 were prepared in accordance with the International Financial Reporting Standards ("IFRSs") and the interpretations of the IFRS Interpretations Committee ("IFRIC"), as adopted by the European Union at the reporting date pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and other provisions of the financial reporting regulatory framework applicable to Endesa.

The accounting policies, bases of presentation and measurement bases used to prepare Endesa's Consolidated Financial Statements for the three-month period ended 31 March 2024 are the same as those explained in Notes 2 and 3 to the Consolidated Financial Statements for the year ended 31 December 2023, except for the new International Financial Reporting Standards (IFRS) and IFRIC interpretations published in the Official Journal of the European Union and which were first applied by Endesa in the Consolidated Financial Statements for the three-month period ended 31 March 2024, and following the going-concern principle by applying the cost method, with the exception of the items that, in accordance with the International Financial Reporting Standards (IFRS), are measured at fair value. On the other hand, the items in the consolidated income statement are classified by nature of the costs.

At the date of approval of this Consolidated Management Report, the modifications adopted by the European Union applicable to the years beginning on 1 January 2024 were as follows:

Standards, Modifications to Standards and Interpretations	**Mandatory Application: Years beginning on or after**
Amendments to IAS 1 *Presentation of Financial Statements* [1]	1 January 2024
Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback Transaction	1 January 2024

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

The adoption of these amendments did not have a significant impact on the Consolidated Financial Statements for the three-month period ended 31 March 2024.

3. DESCRIPTION OF THE ENTITY

3.1. Organizational Structure

Endesa, S.A. and its subsidiaries operate in the electricity and gas business, mainly in the markets of Spain and Portugal. Also, to a lesser extent, they market electricity and gas in other European markets, as well as other products and services related to their core business.
Endesa, S.A. and its Subsidiaries are part of the Enel Group, whose head office in Spain is Enel Iberia, S.L.U.

As of 31 March 2024, the Enel Group's stake in the share capital of Endesa, S.A., through Enel Iberia, S.L.U., is 70%.
As of the date of approval of this Consolidated Management Report, Endesa's organisational structure has not changed with respect to that described in Section 3.2 of the Consolidated Management Report for the year ended 31 December 2023.

Senior Management

At the date of authorisation for issue of this Consolidated Management Report, the Senior Management which is tasked with implementing the Company's strategy, presented the following composition:

Chief Executive Officer
Mr. José Damián Bogas Gálvez

Staff & Service Units

General Manager – Communications
Mr. Ignacio Jiménez Soler

General Manager – People and Organisation
Mr. Paolo Bondi

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

General Manager – Medios
Mr. Pablo Azcoitia Lorente

General Manager – Audit
Ms. Patricia Fernández Salís

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

General Manager – Sustainability
Ms. María Malaxechevarría Grande

General Manager – Purchasing
Mr. Ignacio Mateo Montoya

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

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

Business Lines

General Manager – Energy Management
Mr. Juan María Moreno Mellado

General Manager – Generation
Mr. Rafael González Sánchez

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

General Manager – Supply
Mr. Javier Uriarte Monereo

General Manager – Nuclear Power
Mr. Gonzalo Carbó de Haya

3.2. Business lines and main markets

In order to effectively face all the risks and take advantage of all the opportunities of an ever-changing energy sector, Endesa's business model is structured into different Business Lines to act with agility in the markets where it operates and take into account the needs of its customers in the territories and businesses in which it is present.

These Business Lines correspond to the activities carried out by Endesa: generation, distribution and supply of electricity and gas, mainly, in Spain and Portugal, and, to a lesser extent, supply of electricity and gas in other European markets, particularly Germany and France, from its platform in Spain, and marketing of other products and services related to its main business.

Endesa jointly manages the generation and supply businesses, thus optimising this integrated position with respect to the separate management of both activities.

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

The relevant Companies and shareholdings of Endesa to organise the different Business Lines are described in Section 2.4 of the Consolidated Management Report and in Annex I of the Notes to the Consolidated Financial Statements corresponding to the year ended 31 December 2023, and in Section 5.1 of this Consolidated Management Report.

3.3. Sustainable business model

Endesa is committed to a business model that allows the development of a fair and inclusive transition, integrating sustainability and creating value in the territories where it operates. As an essential element in the lives of individuals, companies and society in general, the Company strives to orient its business strategy towards responding to the major challenges facing society, remaining in constant evolution to adapt to continuous social, economic and political change.

The greatest challenge now facing the Company is to drive the Energy Transition towards the decarbonisation and electrification of the current economy, including the efficient development of renewable energies so that fossil fuel-based technologies can be relinquished without leaving anyone behind. The shift towards a decarbonized economy has fostered and required a transformation of the current business model, while generating great economic, environmental and social opportunities, contributing to the creation of wealth and employment, as well as the improvement of the planet.

This sustainable strategy must be designed with input from our stakeholders, who are aware that we are a part of the region, in order to involve them and build solid and positive relationships that will enable Endesa to achieve sustainable and lasting results.

The continuous dialogue with individual stakeholders and with the organizations that represent them through the analysis of double materiality, allows Endesa to identify priority actions to respond to the demands of its stakeholders. As climate change is the main challenge for all our stakeholders, and in the knowledge that we can play an important role in the fight against climate change, Endesa has identified priority actions to contribute to the United Nations Sustainable Development Goals (SDGs) and the objectives of the Paris Agreement.

The evolution of the environmental, social and governance environment is associated with a series of risks that the Company must address and manage, but thanks to the correct orientation of the strategy throughout the Company's value chain, Endesa not only mitigates risks, but also allows it to maximise and take advantage of opportunities (see Section 10.3 of this Consolidated Management Report).

To monitor and assess the performance of its strategy, Endesa has developed "Environmental, Social, Governance" (ESG) metrics as part of its Sustainability Plan, which sets out the Company's roadmap for meeting the challenges of energy transformation, thereby helping to achieve the Sustainable Development Goals (SDGs).

The update of the Strategic Plan is a clear example of the integration of sustainability into our business model. Around 90% of investments are geared towards SDG 13 (Climate action), to which Endesa contributes with specific actions in SDG 7 (Affordable and clean energy) through the growth of renewable energy capacity, SDG 9 (Industry, innovation and infrastructure) through the digitalisation of the distribution network, and SDG 11 (Sustainable Cities and Communities).

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

Sustainability Plan 2024-2026

As part of its sustainable strategy, Endesa's Sustainability Plan incorporates more than 120 objectives with a time horizon of 3 years. These objectives are reviewed annually to ensure continuity and alignment with the strategy in order to increasingly integrate Sustainability throughout the entire value chain. This Plan is approved annually by the Board of Directors, which delegates to the Sustainability and Corporate Governance Committee the supervision of its compliance.

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

Endesa's 2024–2026 Strategic Plan steers the Company's endeavours around a business model that responds to the major challenges facing society, such as decarbonisation and electrification to combat climate change and progress towards energy sovereignty. Notably, this Strategic Plan is complemented by a Sustainability Plan for the same period, which is based on the priorities shown in the diagram below:

ENDESA SUSTAINABILITY PLAN 2024-2026

ZERO EMISSIONS AMBITION

- Net Zero.
- Distribution Networks.
- Electrification of use.

PROTECTION OF NATURE

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

COMMITMENT TO PEOPLE

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

GROWTH ACCELERATORS

- Circular economy.
- Cybersecurity.
- Digitalization.
- Sustainable Finance.

GOOD GOVERNANCE AND HUMAN RIGHTS

- Good governance.
- Human rights.

4. REFERENCE SCENARIO

4.1. Macroeconomic environment

In the first quarter of the year, the world economy continues to be linked to geopolitical and trade tensions, with the focus on Central Banks and macroeconomic data. The main Central Banks have adopted a cautious stance, closely monitoring economic developments, in order to be able to continue with their monetary policies and start with the first interest rate cuts of this year.

Along these lines, the European Central Bank (ECB) has accumulated 10 interest rate hikes since the first hike in July 2022, for a total of 450 basis points, although in its last 5 meetings it has kept the main funding interest rate unchanged at 4.50% and the deposit rate at 4.00%. The US Federal Reserve (Fed), also for the fifth consecutive meeting, has kept the benchmark interest rates at 5.25% - 5.50% (highest levels since 2001).

Spanish inflation has reached 3.2% as of 31 March 2024 (3.3% as of 31 March 2023). Despite the sharp decline in inflation from the peak in 2022, inflation has picked up again since mid-2023. In the first quarter of the year, inflation has picked up slightly, one tenth of a percentage point higher than in December, mainly due to higher electricity and fuel prices. Core inflation (which excludes energy and unprocessed food) has fallen further to 3.3% as of 31 March 2024 (7.5% as of 31 March 2023), its lowest rate in 2 years.

Regarding the foreign exchange market, the Euro has depreciated by 2.3% against the US dollar (USD) during the first 3 months of the year, with the Euro/US dollar (EUR/USD) exchange rate at the end of March standing at 1.0790. Meanwhile, the Euro depreciated by 1.4% against the Sterling Pound, with the Euro/Sterling Pound (EUR/GBP) exchange rate standing at 0.8547 as of 31 March 2024.

Key indicators

The following is the performance of some key financial indicators in the first quarter of 2024:

	31 March 2024	31 December 2023	Difference	Chg (%)
Average Exchange Rate (Euro / US Dollar) [1]	1.0854 [2]	1.0731 [3]	0.0123	1.1
Closing Exchange Rate (Euro / US Dollar) [1]	1.0790	1.1047	(0.0257)	(2.3)
Closing Exchange Rate (Euro / Sterling Pound)	0.8547	0.8665	(0.0118)	(1.4)
6-Month Euribor (Average of the Period)	3.90 [2]	3.09 [3]	0.81	26.2
Euro Short-Term Interest Rate (EURIBOR 3 months) (%) [1]	3.89	3.91	(0.02)	(0.5)
Euro Long-Term Interest Rate (10-year swap) (%) [1]	2.59	2.49	0.10	4.0
U.S. Dollar Short-Term Interest Rate (3-month SOFR) (%) [1]	5.30	5.33	(0.03)	(0.6)
U.S. Dollar Long-Term Interest Rate (USD SOFR 10 years) (%) [1]	3.84	3.47	0.37	10.7
German 10-year bond (%) [1]	2.3	2.02	0.28	13.9
German 30-year bond (%) [1]	2.46	2.26	0.20	8.8
Spanish 10-Year Bond (%) [1]	3.16	2.98	0.18	6.0
Risk premium for Spain (bp) [1] [4]	86	96	(10)	(10.4)
Risk premium for Italy (bp) [1] [4]	138	167	(29)	(17.4)
Portugal Country Risk Premium (bp) [1] [4]	70	61	9	14.8
European Central Bank (ECB) Reference Rates (%) [1]	4.50	4.50	—	—
European Central Bank (ECB) Deposit Facility (%) [1] [5]	4.00	4.00	—	—
US Federal Reserve reference rates (%) [1]	5.25 - 5.50	5.25 - 5.50	—	—
Annual inflation Spain (%) [6]	3.2	3.3 [7]	(0.10)	—
Annual core inflation Spain (%) [6]	3.3	7.5 [7]	(4.20)	—

(1) Source: Bloomberg.
(2) January - March 2024.
(3) January - March 2023.
(4) Spread against the German 10-year bond.
(5) The rate charged by the European Central Bank (ECB) to banks on their deposits.
(6) Source: Spanish National Institute of Statistics (INE).
(7) As of 31 March 2023.
bp = Basis points.

4.2. Electricity and gas market

During the first quarter of 2024, the arithmetic average price in the wholesale electricity market was Euro 44.9/MWh (-53.4% compared to the same period in 2023). The downward trend in European electricity market prices continued compared to the same period in 2023, mainly as a result of lower gas prices and increased renewable production.

Renewable production and energy stocks prices

In the period January-March 2024, solar photovoltaic (PV) production continued to reach all-time highs in Spain (+8%) and Portugal (+14%), according to figures released by Red Eléctrica de España, S.A. and Redes Energéticas Nacionais, SGPS, S.A., respectively. This increase was due to prevailing weather conditions and in line with the progress made towards the Energy Transition and the increase in installed capacity for renewable power.

During the first quarter of 2024 the closing prices of gas and carbon dioxide (CO_2) emissions were down 49.3% and 31.4%, respectively, compared to the same period of the previous year. The price of natural gas in the European markets and in the Spanish market showed a downward path during the 2023 financial year, which has been maintained during the first 3 months of 2024.

Electricity and gas demand

In the first quarter of 2024, Spain recorded electricity demand of 62,722 GWh, 0.3% lower than in the same period of 2023 (+1.3% taking into account the effects of the calendar and temperatures) as a result, among other aspects, of the growing expansion of solar self-consumption and lower growth in the country's Gross Domestic Product (GDP).

Mainland demand in the first quarter of 2024 stood at GWh 59,192 GWh, down 0.4% on the level reported in 2023 (+1.2% factoring in the effects of working hours and temperatures). In the first nine months of 2024, gross demand in the Balearic Islands and the Canary Islands is estimated at 1,280 GWh and 2,156 GWh (+3.6% and +4.1%, respectively, corrected for the effects of working hours and temperature, compared to the same period of the previous year).

With regard to gas demand, it fell in Spain by 3.4% in the first quarter of 2024 due, for the most part, to the decrease in demand from the electricity sector (-22.3%), despite the slight increase in demand from the conventional gas market (+2.2%).

4.2.1. Trend in the main market indicators

Market Indicators	January-March 2024	January-March 2023	Chg (%)
Arithmetic average price in the wholesale electricity market (€/MWh) [1]	44.9	96.4	(53.4)
ICE Brent average price ($/bbl) [2]	81.8	82.2	(0.5)
Average price of carbon dioxide (CO_2) emission rights ((€/t) [3]	59.6	86.9	(31.4)
Average Price of Guarantees of Origin (€/MWh) [4]	1.6	7.9	(79.7)
Average Coal Price (€/MWh) [5]	107.5	147.3	(27.0)
Average Gas Price (€/MWh) [6]	27.5	54.2	(49.3)

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

4.2.2. Evolution of demand

Percentage (%)

	Without adjusting for seasonal and temperature effects		Adjusted for seasonal and temperature effects	
Electricity [1]	**January-March 2024**	**January-March 2023**	**January-March 2024**	**January-March 2023**
Mainland	**(0.4)**	**(2.7)**	**1.2**	**(3.1)**
Endesa area [2]	**(1.4)**	**(2.0)**	**(0.4)**	**(2.4)**
Industrial	(4.2)	(0.1)		
Services	(0.6)	(3.9)		
Residential	0.3	(2.1)		
Non-mainland Territories (TNP)	**2.2**	**0.4**	**4.5**	**(0.2)**
Canary Islands	3.6	1.0	4.1	0.8
Balearic	(1.3)	(0.5)	3.6	(1.1)

[1] Source: Red Eléctrica de España, S.A. (REE). In power plant busbars.
[2] Source: In-house.

Percentage (%)

Gas [1]	January-March 2024	January-March 2023
Spanish Domestic market	(3.4)	(17.1)
Spanish Domestic - conventional	2.2	(13.9)
Electricity sector	(22.3)	(26.5)

[1] Source: Enagás, S.A.

4.2.3. Market Share

Percentage (%)

Market share [1]	31 March 2024	31 December 2023
Electricity		
Mainland Generation [2]	19.5	18.2
Distribution	43.8	44.2
Retail supply	29.3	29.6
Gas		
Deregulated Market	12.9	13.3

[1] Source: Own elaboration.
[2] Includes renewables.

5. RELEVANT EVENTS OF THE PERIOD

5.1. Changes in the consolidation scope

In the period January-March 2024 there has been no change in Endesa's consolidation scope.

5.2. Geopolitical situation

International conflicts

The macroeconomic and geopolitical environment during the first 3 months of 2024 has been characterized by uncertainty and volatility in energy markets as a result of:

- The prolongation of the Russia-Ukraine conflict, which shows no signs of resolution in the short term, and its implications for the supply and prices of raw materials, to which is added the current situation of tension resulting from the conflict in the Middle East.
- High inflation coupled with potential supply chain strains.
- The current macroeconomic backdrop of high interest rates, which has resulted in higher costs of financing of public and corporate debt.

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

Aspects	Sections	Content
Regulatory framework	9 and 13	Regulatory measures adopted by the community and national authorities in response to the economic and social consequences of the conflicts and of the present environment.
Financial Instruments	6.2, 7.3 and 10.3	Changes in the measurement and settlement of energy stock derivatives, details of financial instruments and impact on Endesa.
Borrowings	7.2	Detail and evolution of financial debt.
Energy stock price, liquidity, credit and concentration risks	4.2 and 10.3	Trend in electricity and gas prices in energy and other commodity markets, breakdown of liquidity position and analysis of impairment of financial assets and possible delays in supply and contract fulfilment at supply chain level.
Monitoring the Stock Markets	10.1	Impact of the current environment on the evolution of Endesa's share price.

According to the above, in the first quarter of 2024, the effects of both the conflicts and the current context did not have a significant impact on gross operating income (EBITDA) or operating income (EBIT). The net position subject to margining in the organised markets in which Endesa arranges its financial instruments shows the performance of the gas market, whose prices follow a downward trend. This has led, among other factors, to lower margin requirements, with a balance at 31 March 2024 of Euro 893 million (Euro 1,220 million at 31 December 2023), which has had a positive impact on Endesa's liquidity position (see Sections 7.2 and 10.3 of this Consolidated Management Report).

6. ENDESA'S OPERATIONAL PERFORMANCE AND RESULTS IN THE FIRST QUARTER OF 2024

6.1. Operating performance

As of 31 March 2024

15,618 GWh

GENERATION OF ELECTRICITY[1] IN THE PERIOD JANUARY-MARCH 2024

of which the following amount is renewable **5,017 GWh**

9,898 MW

NET INSTALLED MAINLAND RENEWABLE CAPACITY

out of a total of **16,983 MW**

319,381 km

DISTRIBUTION AND TRANSMISSION NETWORKS

12,432 thousand

DIGITALISED CUSTOMERS AS OF 31 MARCH 2024

+99% Ratio of digitalised customers

10,483 thousand

NUMBER OF CUSTOMERS (ELECTRICITY) [2] [3]

of which **6,880 thousand** from the deregulated market

19,028 GWh

NET ELECTRICITY SALES[4] IN THE PERIOD JANUARY-MARCH 2024

–2.4% compared to the period January-March 2023

19,988 units

PUBLIC AND PRIVATE CHARGING STATIONS

+3.8 % compared to 31 December 2023

1,826 thousand

NUMBER OF CUSTOMERS (GAS) [2]

of which **1,369 thousand** from the deregulated market

16,274 GWh

GAS SALES [5] IN THE PERIOD JANUARY-MARCH 2024

–26.4 % compared to the period January-March 2023

(1) In power plant busbars.
(2) Supply points.
(3) Customers of the retail supply companies.
(4) Sales to end customers.
(5) Excluding own generation consumption.

Below is a breakdown of the most relevant operating figures in the first quarter of 2024 and their variation compared to the same period of the previous year:

Operating Figures	SDGs [1]	Unit	January-March 2024	January-March 2023	Chg (%)
Power Generation [2]		GWh	15,618	15,680	(0.4)
Generation of renewable electricity	7	GWh	5,017	3,940	27.3
Gross Installed Capacity		MW	22,054 [3]	21,956 [4]	0.4
Net Installed Capacity		MW	21,345 [3]	21,247 [4]	0.5
Mainland Net Installed Capacity of Renewable Sources	7	MW	9,898 [3]	9,800 [4]	1.0
Net installed Non-mainland Territories (TNP) renewable energy capacity	7	MW	99 [3]	99 [4]	—
Distributed Energy [5]	9	GWh	33,429	33,327	0.3
Digitalised customers [6]	9	Thousands	12,432 [3]	12,396 [4]	0.3
Distribution and Transportation Networks	9	km	319,381 [3]	319,136 [4]	0.1
End Users [7]		Thousands	12,570 [3]	12,548 [4]	0.2
Ratio of digitalised customers [8]		(%)	99 [3]	99 [4]	—
Gross Electricity Sales [2]		GWh	21,490	22,069	(2.6)
Net electricity sales [9]		GWh	19,028	19,493	(2.4)
Gas Sales [10]		GWh	16,274	22,122	(26.4)
Number of Customers (Electricity) [11] [12]		Thousands	10,483 [3]	10,522 [4]	(0.4)
Deregulated market [13]		Thousands	6,880 [3]	6,893 [4]	(0.2)
Number of Customers (Gas) [11]		Thousands	1,826 [3]	1,829 [4]	(0.2)
Deregulated market		Thousands	1,369 [3]	1,387 [4]	(1.3)
Public and private electricity charging stations	11	Units	19,988 [3]	19,252 [4]	3.8
Public electricity charging stations (units)		Units	5,607 [3]	5,481 [4]	2.3
Private electricity charging stations (units)		Units	14,381 [3]	13,771 [4]	4.4
Public lighting points	11	Units	147 [3]	147 [4]	—
Response to demand		MW	51 [3]	155 [4]	(67.1)
Final headcount		No. of Employees	8,967 [3]	9,035 [4]	(0.8)
Average headcount		No. of Employees	8,837	9,067	(2.5)

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

Electricity Generation

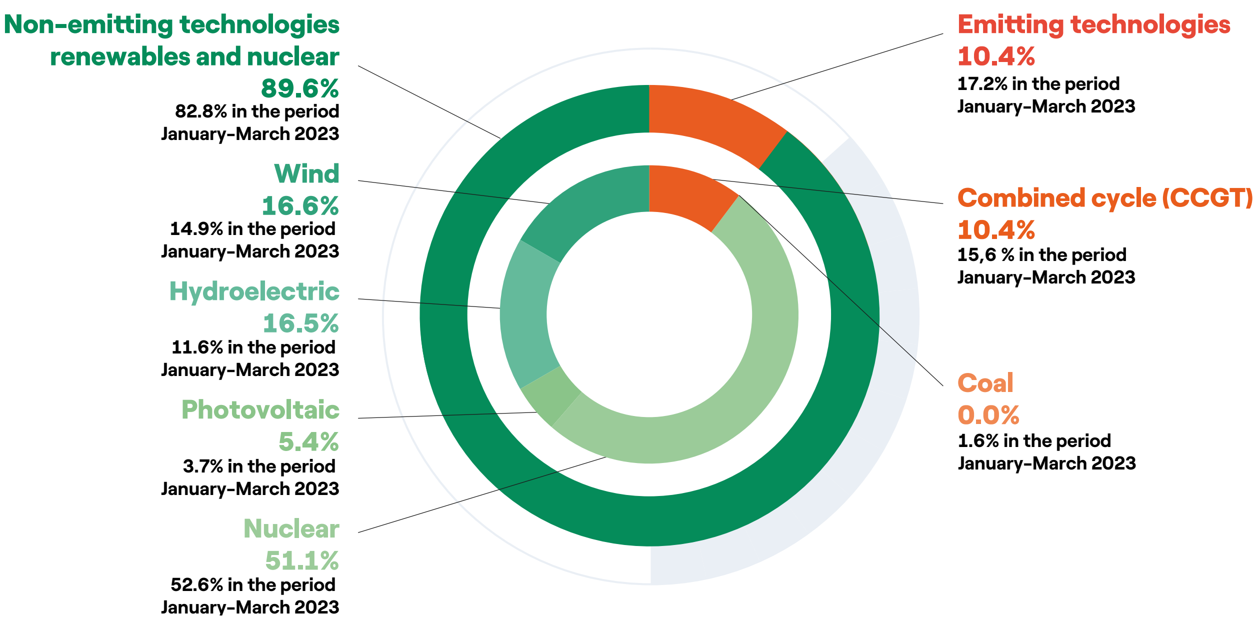
GWh

Electricity Generation [1]	January-March 2024	January-March 2023	Chg (%)
Mainland	**12,949**	**13,015**	**(0.5)**
Renewable energy	5,017	3,940	27.3
Hydroelectric	2,131	1,506	41.5
Wind [2]	2,167	1,944	11.5
Photovoltaic [3]	719	490	46.7
Nuclear	6,591	6,835	(3.6)
Coal	—	211	(100.0)
Combined cycle (CCGT)	1,341	2,029	(33.9)
Non-mainland Territories (TNP)	**2,669**	**2,665**	**0.2**
Fuel-Gas	1,052	1,079	(2.5)
Combined cycle (CCGT)	1,617	1,586	2.0
TOTAL	**15,618**	**15,680**	**(0.4)**

[1] At power plant busbars.
[2] The period January-March 2024 includes 21 GWh corresponding to Non-mainland Territories (TNP) (7 GWh in the period January-March 2023).
[3] The period January-March 2024 includes 20 GWh corresponding to Non-mainland Territories (TNP) (9 GWh in the period January-March 2023).

Non-emitting renewable and nuclear technologies accounted for 89.6% of Endesa's mainland generation mix in the first quarter of 2024, compared with 90.0% for the rest of the sector (82.8% and 86.0%, respectively, in the first quarter of 2023).

The following chart shows Endesa's mainland generation mix by technology in the period January-March 2024:



Gross and Net Installed Capacity

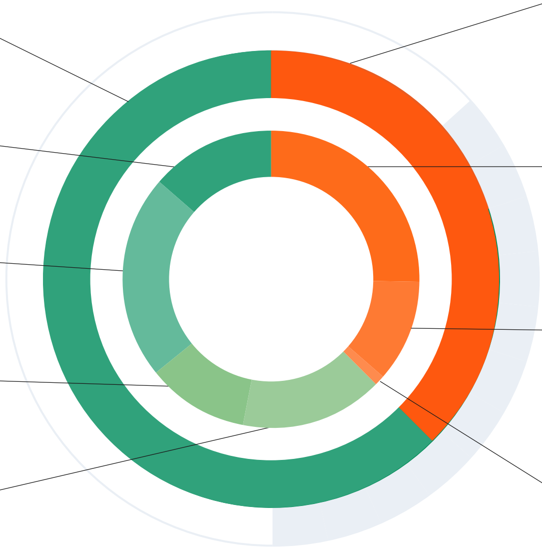
Gross Installed Capacity	31 March 2024 MW	31 March 2024 Percentage (%)	31 December 2023 MW	31 December 2023 Percentage (%)	Chg (%)
Mainland	**17,317**	**78.5**	**17,219**	**78.4**	**0.6**
Renewables [1]	10,041	45.5	9,943	45.3	1.0
Hydroelectric	4,790	21.7	4,790	21.8	—
Wind [2]	2,884	13.1	2,884	13.1	—
Photovoltaic [3]	2,367	10.7	2,269	10.3	4.3
Nuclear	3,453	15.7	3,453	15.7	—
Combined cycle (CCGT)	3,823	17.3	3,823	17.4	—
Non-mainland Territories (TNP)	**4,737**	**21.5**	**4,737**	**21.6**	**—**
Coal	260	1.2	260	1.2	—
Fuel-Gas	2,620	11.9	2,620	11.9	—
Combined cycle (CCGT)	1,857	8.4	1,857	8.5	—
TOTAL	**22,054**	**100.0**	**21,956**	**100.0**	**0.4**

[1] At 31 March 2024 and 31 December 2023, additional capacity stood at 98 MW and 607 MW, respectively.
[2] At 31 March 2024, it included 42 MW corresponding to Non-mainland Territories (TNP) (42 MW at 31 December 2023).
[3] At 31 March 2024, it included 57 MW corresponding to Non-mainland Territories (TNP) (57 MW at 31 December 2023).

Net Installed Capacity	31 March 2024 MW	31 March 2024 Percentage (%)	31 December 2023 MW	31 December 2023 Percentage (%)	Chg (%)
Mainland	**17,082**	**80.0**	**16,984**	**79.9**	**0.6**
Renewables [1]	9,997	46.8	9,899	46.6	1.0
Hydroelectric	4,746	22.2	4,746	22.3	—
Wind [2]	2,884	13.5	2,884	13.6	—
Photovoltaic [3]	2,367	11.1	2,269	10.7	4.3
Nuclear	3,328	15.6	3,328	15.7	—
Combined cycle (CCGT)	3,757	17.6	3,757	17.6	—
Non-mainland Territories (TNP)	**4,263**	**20.0**	**4,263**	**20.1**	**—**
Coal	241	1.1	241	1.1	—
Fuel-Gas	2,334	11.0	2,334	11.0	—
Combined cycle (CCGT)	1,688	7.9	1,688	7.9	—
TOTAL	**21,345**	**100.0**	**21,247**	**100.0**	**0.5**

[1] At 31 March 2024 and 31 December 2023, additional capacity stood at 98 MW and 607 MW, respectively.
[2] At 31 March 2024, it included 42 MW corresponding to Non-mainland Territories (TNP) (42 MW at 31 December 2023).
[3] At 31 March 2024, it included 57 MW corresponding to Non-mainland Territories (TNP) (57 MW at 31 December 2023).

The graph below shows the breakdown of Endesa's net installed capacity by technology as of 31 March 2024:



Supply

Electricity

Thousands

Number of Customers (Electricity) [1] [2]	31 March 2024	31 December 2023	Chg (%)
Regulated market	3,603	3,629	(0.7)
Mainland Spain	3,109	3,128	(0.6)
Non-mainland Territories (TNP)	494	501	(1.4)
Deregulated market	6,880	6,893	(0.2)
Mainland Spain	5,224	5,259	(0.7)
Non-mainland Territories (TNP)	988	992	(0.4)
Outside Spain	668	642	4.0
TOTAL	**10,483**	**10,522**	**(0.4)**
Revenue / Supply Points [3]	**1.4**	**1.6**	**–**

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

GWh

	Gross electricity sales [1]			Net electricity sales [2]		
	January-March 2024	January-March 2023	Chg (%)	January-March 2024	January-March 2023	Chg (%)
Regulated price	2,447	2,608	(6.2)	2,040	2,172	(6.1)
Deregulated market	19,043	19,461	(2.1)	16,988	17,321	(1.9)
Spanish	15,896	16,496	(3.6)	14,063	14,568	(3.5)
Outside Spain	3,147	2,965	6.1	2,925	2,753	6.2
TOTAL	**21,490**	**22,069**	**(2.6)**	**19,028**	**19,493**	**(2.4)**

[1] In power plant busbars.
[2] Sales to end customers.

Gas

Thousands

Number of Customers (Gas) [1]	31 March 2024	31 December 2023	Chg (%)
Regulated market	457	442	3.4
Mainland Spain	431	416	3.6
Non-mainland Territories (TNP)	26	26	—
Deregulated market	1,369	1,387	(1.3)
Mainland Spain	1,144	1,161	(1.5)
Non-mainland Territories (TNP)	64	66	(3.0)
Outside Spain	161	160	0.6
TOTAL	**1,826**	**1,829**	**(0.2)**
Revenue / Supply Points [2]	**2.1**	**3.0**	**—**

[1] Supply points.
[2] Ratio between annualised gas sales revenues and the number of gas supply points (Thousands of Euros / Supply point).

GWh

Gas sales	January-March 2024	January-March 2023	Chg (%)
Deregulated market	15,246	21,170	(28.0)
Spanish	10,977	15,377	(28.6)
Outside Spain	4,269	5,793	(26.3)
Regulated market	1,028	952	8.0
TOTAL [1]	**16,274**	**22,122**	**(26.4)**

[1] Excluding own generation consumption.

Other products and services

Business performance	31 March 2024	31 December 2023	Chg (%)
Public and private electricity charging stations (units)	19,988	19,252	3.8
Public electricity charging stations (units)	5,607	5,481	2.3
Private electricity charging stations (units)	14,381	13,771	4.4

Electricity Distribution

Supply quality measures	January-March 2024	January-March 2023	Chg (%)
Distributed Energy (GWh) [1]	33,429	33,327	0.3
Energy Losses (%) [2]	7.8	8.2	—
Installed Capacity Equivalent Interruption Time (Average) – ICEIT (Minutes) [3]	15.0	12.9	16.3
Duration of Interruptions in the Distribution Grid – SAIDI (Minutes) [4]	62.8	66.9	(6.1)
Number of Interruptions in the Distribution Grid – SAIFI [4]	1.2	1.3	(7.7)

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

Workforce

Number of Employees

	Final headcount						
	31 March 2024			31 December 2023			
	Men	Women	Total	Men	Women	Total	Chg (%)
Generation and Supply	3,686	1,259	4,945	3,697	1,258	4,955	(0.2)
Distribution	2,212	486	2,698	2,254	496	2,750	(1.9)
Structure & Others [1]	663	661	1,324	667	663	1,330	(0.5)
TOTAL	**6,561**	**2,406**	**8,967**	**6,618**	**2,417**	**9,035**	**(0.8)**

[1] Structure and Services.

Number of Employees

	Average headcount						
	January-March 2024			January-March 2023			
	Men	Women	Total	Men	Women	Total	Chg (%)
Generation and Supply	3,629	1,236	4,865	3,765	1,233	4,998	(2.7)
Distribution	2,183	483	2,666	2,235	483	2,718	(1.9)
Structure & Others [1]	658	648	1,306	683	668	1,351	(3.3)
TOTAL	**6,470**	**2,367**	**8,837**	**6,683**	**2,384**	**9,067**	**(2.5)**

[1] Structure and Services.

6.2. Analysis of results

1,079 million of Euros

GROSS OPERATING INCOME (EBITDA)[1]

-26.2% compared to the period January-March 2023

573 million of Euros

OPERATING INCOME (EBIT)[1]

-42.1% compared to the period January-March 2023

292 million of Euros

NET PROFIT(LOSS)[1]

-50.8% compared to the period January-March 2023

292 million of Euros

NET ORDINARY INCOME[1]

-50.8% compared to the period January-March 2023

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

Endesa has obtained a net ordinary income of Euro 292 million in the period January-March 2024, which represents a decrease of Euro 302 million (-50.8%) compared to the same period of the previous year.

The following is a breakdown of the most relevant figures in Endesa's consolidated income statement for the period January-March 2024 and its variation with respect to the same period of the previous year:

Millions of Euros

	Key figures			
	January-March 2024	January-March 2023	Difference	Chg (%)
Revenue	**5,547**	**7,504**	**(1,957)**	**(26.1)**
Procurements and services	**(3,463)**	**(4,738)**	**1,275**	**(26.9)**
Income and expenses from energy commodity derivatives	**(447)**	**(741)**	**294**	**(39.7)**
Contribution margin [1]	**1,637**	**2,025**	**(388)**	**(19.2)**
Self-constructed assets	59	59	—	—
Personnel espenses	(243)	(255)	12	(4.7)
Other fixed operating expenses	(375)	(368)	(7)	1.9
Other gains and losses	1	1	—	—
Gross Operating Income (EBITDA) [1]	**1,079**	**1,462**	**(383)**	**(26.2)**
Depreciation and amortisation, and impairment losses on non-financial assets	(454)	(426)	(28)	6.6
Impairment Losses on Financial Assets	(52)	(46)	(6)	13.0
Operating Income (EBIT) [1]	**573**	**990**	**(417)**	**(42.1)**
Net Financial Profit/(Loss) [1]	**(129)**	**(123)**	**(6)**	**4.9**
Profit Before Tax	**447**	**870**	**(423)**	**(48.6)**
Net income [1]	**292**	**594**	**(302)**	**(50.8)**
Net ordinary income [1]	**292**	**594**	**(302)**	**(50.8)**

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

EBITDA in the first quarter of 2024 stood at Euro 1,079 million (-26.2%).

Operating income (EBIT) in the first quarter of 2024 dropped by 42.1% on the same period in the previous year, standing at Euro 573 million.

6.2.1. Revenue

In the first quarter of 2024, revenues stood at Euro 5,547 million, Euro 1,957 million euros lower (-26.1%) than those obtained in the first quarter of 2023.

Below is the detail of the revenues of the first quarter of 2024 and its variation with respect to the same period of the previous year:

Millions of Euros

	Revenue			
	January-March 2024	January-March 2023	Difference	Chg (%)
Revenue from Sales and Services	5,457	7,369	(1,912)	(25.9)
Other operating income	90	135	(45)	(33.3)
TOTAL	**5,547**	**7,504**	**(1,957)**	**(26.1)**

Revenue from sales and services

The table below presents the details of Revenue from sales and services in the first quarter of 2024 and of its variations compared with the same period in the previous year:

Millions of Euros

	Revenue from sales and services			
	January-March 2024	January-March 2023	Difference	Chg (%)
Electricity sales	3,751	4,524	(773)	(17.1)
Sales to the deregulated market	2,643	3,209	(566)	(17.6)
Sales to the Spanish deregulated market	2,242	2,839	(597)	(21.0)
Sales to customers in deregulated markets outside Spain	401	370	31	8.4
Sales at regulated prices	361	502	(141)	(28.1)
Wholesale Market Sales	304	450	(146)	(32.4)
Compensation for Non-mainland Territories (TNP)	439	363	76	20.9
Remuneration for Investment in Renewable Energies	4	—	4	Na
Gas sales	973	2,102	(1,129)	(53.7)
Sales to the deregulated market	910	1,986	(1,076)	(54.2)
Sales at regulated prices	63	116	(53)	(45.7)
Regulated revenue from electricity distribution	523	499	24	4.8
Verifications and Hook-Ups	8	10	(2)	(20.0)
Services rendered at facilities	6	4	2	50.0
Other sales and services rendered	193	229	(36)	(15.7)
Sales related to Value Added Services	91	91	—	—
Capacity Charges	2	4	(2)	(50.0)
Sales of other energy commodities	33	66	(33)	(50.0)
Provision of services and others	67	68	(1)	(1.5)
Lease revenue	3	1	2	200.0
TOTAL	**5,457**	**7,369**	**(1,912)**	**(25.9)**

Electricity sales to customers in the deregulated market

In the first quarter of 2024 , sales in the deregulated market amounted to Euro 2,643 million (-17.6%), as follows:

Sales to the deregulated market	Change	
Spain	▼ Euro 597 million (-21.0%)	• The change between both periods is due to the reduction in the unit price (-25.5%), mainly of Business to Business (B2B) indexed customers, and also a reduction in the number of total units sold (-3.5%).
Outside Spain	▲ Euro 31 million (+8.4%)	• The increase is mainly due to the Portuguese market due to the Network Access Tariff, which has had an increase in physical units sold and an increase in sales prices.

Electricity sales at a regulated price

In the first quarter of 2024, these sales generated revenue of Euro 361 million, down 28.1% on the first quarter of 2023, as a result of both the price reduction and the decrease in physical units sold (-6.1%).

Electricity sales in the wholesale market

Revenues from electricity sales to the wholesale market in the first quarter of 2024 amounted to Euro 304 million, down 32.4% on the same period of the previous year due to the trend in electricity prices during the period (-53.4%) despite of the increase in physical units sold (+52.6%).

Gas sales

Revenue from gas sales in the first quarter of 2024 amounted to Euro 973 million, down Euro 1,129 million (-53.7%) on those of the first quarter of 2023, as follows:

Gas Sales	Variation	
Deregulated market	▼ Euro 1.076 million (–54.2%)	• The variation between the two periods is a consequence of, inter alia, the decrease in price and the decrease in physical units sold (-28.0%).
Regulated price	▼ Euro 53 million (–45,7%)	• The decrease in price (-49.3%) despite the increase in physical units sold (+8.0%) led to a decrease in sales in economic terms.

Compensation for Non-mainland Territories (TNP)

In the first quarter of 2024 , compensation for the extra costs of the generation of the Non-Mainland Territories (TNP) amounted to Euro 439 million, which has meant an increase of Euro 76 million compared to the same period of the previous year.

The trend in compensation for the Non-mainland Territories from January to March 2024 was largely due to the reduction (-53.4%) in the wholesale electricity market price.

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

Electricity Distribution

During the first quarter of 2024, Endesa distributed 33,429 GWh in the Spanish market, 0.3% more than in the first quarter of 2023.

Regulated income from the distribution business during the first quarter of 2024 amounted to Euro 523 million, an increase of Euro 24 million (+4.8%) as a result of regularisations of settlements from previous years corresponding, among others, to the calculation of the quality incentive.

Sales of other energy commodities

Sales of other energy commodities with physical settlement were down Euro 33 million, mainly due to changes in the settlement of carbon dioxide (CO_2) emission allowance derivatives and guarantees of origin, which should be read in conjunction with the decrease in purchases of those energy commodities subject to physical settlement amounting to Euro 31 million, as recognised under "Other variable procurements and services" in the Consolidated Income Statement. These sales and purchases are made to cover the industrial risks caused by the variability of the market and the technologies that have participated in it.

Other operating income

The table below presents the detail of other operating income in the first quarter of 2024 and its variation compared with the same period in the previous year:

Millions of Euros

	Other Operating Income			
	January-March 2024	January-March 2023	Difference	Chg (%)
Charge to results of customer facilities ceded, hookup extension rights and other liabilities from contracts with customers	47	44	3	6.8
Grants released to income	18	29	(11)	(37.9)
Guarantees of Origin and other Environmental Certificates	8	23	(15)	(65.2)
Other allocations to profit/(loss) from grants [1]	10	6	4	66.7
Third-party compensations	4	5	(1)	(20.0)
Other [2]	21	57	(36)	(63.2)
TOTAL	**90**	**135**	**(45)**	**(33.3)**

[1] In the period January-March 2024, includes Euro 4 million related to capital grants and Euro 6 million related to operating grants (Euro 4 million and Euro 2 million respectively in the period January-March 2023).

[2] In the period January-March 2024, includes Euro 10 million of updated decommissioning provisions corresponding mainly to the mainland coal-fired thermal power plants (Euro 20 million in the period January-March 2023).

6.2.2. Operating expenses

Operating expenses for the first quarter of 2024 amounted to Euro 4,974 million, a decrease of 23.6% compared to the same period of the previous year.

Below is the detail of the operating expenses of the first quarter of 2024 and their variation compared to the same period of the previous year:

Millions of Euros

	Operating expenses			
	January-March 2024	January-March 2023	Difference	Chg (%)
Procurements and services	3,463	4,738	(1,275)	(26.9)
Power purchases	1,231	2,254	(1,023)	(45.4)
Fuel consumption	487	709	(222)	(31.3)
Transmission costs	938	865	73	8.4
Other variable procurements and services	807	910	(103)	(11.3)
Taxes and Fees	444	429	15	3.5
Temporary Energy Levy[1]	202	208	(6)	(2.9)
Tax on Electricity Production	43	—	43	Na
Fee for Treatment of Radioactive Waste	54	56	(2)	(3.6)
Street lighting / works licences	54	72	(18)	(25.0)
Nuclear Fees and Taxes	24	29	(5)	(17.2)
Catalan Environmental Tax	36	38	(2)	(5.3)
Water tax	11	10	1	10.0
Other Taxes and Fees	20	16	4	25.0
Social Bonus	11	61	(50)	(82.0)
Consumption of carbon dioxide (CO_2) emission allowances	169	215	(46)	(21.4)
Consumption of Guarantees of Origin and other Environmental Certificates	29	33	(4)	(12.1)
Costs related to Value Added Services	46	47	(1)	(2.1)
Purchases of other energy commodities	19	50	(31)	(62.0)
Other	89	75	14	18.7
Income and expenses from energy commodity derivatives	447	741	(294)	(39.7)
Self-constructed assets	(59)	(59)	—	—
Personnel expenses	243	255	(12)	(4.7)
Other fixed operating expenses	375	368	7	1.9
Other gains and losses	(1)	(1)	—	—
Depreciation and amortisation, and impairment losses on non-financial assets	454	426	28	6.6
Impairment Losses on Financial Assets	52	46	6	13.0
TOTAL	**4,974**	**6,514**	**(1,540)**	**(23.6)**

[1] Relates to the expenditure associated with the temporary energy levy introduced by Law 38/2022 of 27 December for the establishment of temporary energy levies and levies on credit institutions and financial credit establishments and creating the temporary solidarity tax on high net worth individuals, and amending certain tax rules.

Procurements and services (variable costs)

Procurements and services (variable costs) totalled Euro 3,463 million in the first quarter of 2024, 26.9% less than in the same period last year.

The evolution of these costs in the first quarter of 2024 was as follows:

Procurements and Services	Variation	
Power purchases	▼ Euro 1.023 million (-45.4%)	• The performance here is mainly due to the decline in power purchases (Euro -539 million), in turn due to the reduction in the arithmetic average price on the wholesale electricity market (Euro 44.9/MWh; -53.4%), together with the decrease in physical units purchased (-7.1%) and the reduction in gas purchases (Euro -484 million), largely due to the reduction in the average price of gas (Euro 27.5/MWh; -49.3%).
Fuel consumption	▼ Euro 222 million (-31.3%)	• The decrease is mainly due to the trend in commodity prices during the period and the lower production with combined cycle plants on the Spanish mainland (-33.9%).
Other variable procurements and services	▼ Euro 103 million (-11.3%)	
Tax on Electricity Production	▲ Euro 43 million	• In accordance with Royal Decree Law 8/2023 of 27 December, the extension of the temporary suspension of the Tax on the Value of Electricity Production has ended (see Section 9 of this Consolidated Management Report).
Street lighting / works licences	▼ Euro 18 million (-25.0%)	• The decrease is mainly due to a reduction in revenues from electricity sales, both in the deregulated market and at regulated prices (-19.1%), which are the basis for the calculation of this rate.
Social Bonus	▼ Euro 50 million (-82.0%)	• In the period January-March 2024, the accrual of the Social Bonus has been recorded, in accordance with the unit values established in Royal Decree Law 8/2023, of December 27 (see Section 9 of this Consolidated Management Report).
Consumption of CO_2 emission rights	▼ Euro 46 million (-21.4%)	• The performance reflects the decrease in the average price of carbon dioxide (CO_2) emission allowances (Euro 59.6/t; -31.4%), and the decrease in tonnes (-18.1%) due to the decline in production using emitting technologies.
Purchases of other energy commodities	▼ Euro 31 million (-62.0%)	• Evolution in these costs are analysed together with sales of other energy commodities (see Section 6.2.1 of this Consolidated Management Report).

Income and expenses from energy stock derivatives

Below are details of the revenue and expenses arising from energy stocks derivatives in the first quarter of 2024 and of their changes with respect to the previous year:

Millions of Euros

	January-March 2024	January-March 2023	Difference	Chg (%)
Revenue				
Revenue from derivatives designated as hedging instruments	**248**	**796**	**(548)**	**(68.8)**
Revenue from cash flow hedging derivatives[1]	248	796	(548)	(68.8)
Income from derivatives at fair value with changes in profit/loss	**248**	**180**	**68**	**37.8**
Revenue from fair value derivatives recognised in the Income Statement	248	180	68	37.8
Total Revenues	**496**	**976**	**(480)**	**(49.2)**
Expenses				
Expenses from derivatives designated as hedging instruments	**(499)**	**(1,149)**	**650**	**(56.6)**
Expenses from cash flow hedging derivatives[1]	(499)	(1,149)	650	(56.6)
Expenses from derivatives at fair value through profit and loss	**(444)**	**(568)**	**124**	**(21.8)**
Expenses from fair value derivatives recognised in the Income Statement	(444)	(568)	124	(21.8)
Total Expenses	**(943)**	**(1,717)**	**774**	**(45.1)**
TOTAL	**(447)**	**(741)**	**294**	**(39.7)**

[1] At 31 March 2024, it included a gain of Euro 5 million in the income statement due to ineffectiveness (Euro 8 million, negative, at 31 March 2023).

In accordance with Endesa's General Risk Control and Management Policy, financial instruments (derivatives) are used to hedge the risks to which its activities are exposed. The use of derivatives is essential for Endesa in the planning of its operations, as it ensures both the income to be obtained at the time of delivery of the products and the cost of the raw materials used in the production processes. This procedure therefore makes it possible to manage risk without exposing the business to short-term price developments (*spot prices*).

In the first quarter of 2024, total "Income and expense from energy stock derivatives" amounted to a loss of Euro 447 million, negative, compared to a loss of Euro 741 million, also negative, in the same period of the previous year, mainly due to the trend in the settlement of gas derivatives as a result, inter alia, of the volatile energy market prices in 2022, during which derivatives were arranged for settlement in the periods January-March 2024 and 2023.

Fixed operated expenses

Below are details of the fixed operating costs in the first quarter of 2024 and of their variations with respect to the same period last year:

Millions of Euros

	Fixed operating expenses			
	January-March 2024	**January-March 2023**	**Difference**	**Chg (%)**
Self-constructed assets	(59)	(59)	—	—
Personnel expenses	243	255	(12)	(4.7)
Other fixed operating expenses	375	368	7	1.9
TOTAL	**559**	**564**	**(5)**	**(0.9)**

In the first quarter of 2024, the fixed operating costs amounted to Euro 559 million, which represents a decrease of Euro 5 million (−0.9%), in comparison with the first quarter of 2023, as a result, inter alia, of the following aspects:

Fixed operating expenses	Variation	
Workforce restructuring plans	▼ Euro 7 million (-100.0%)	• The changes are due to the restatement of provisions for workforce restructuring costs.
Other Personnel expenses	▼ Euro 5 million (-2,0 %)	• Lower personnel costs due, among other things, to a reduction in the average workforce (-2.5%) between the two periods.
Taxes and charges	▼ Euro 3 million (-3,4 %)	• Lower expense for property tax (IBI) of the As Pontes Thermal Power Plant (A Coruña) after its closure in 2023, in accordance with Endesa's commitment to achieve full decarbonization by 2040.
Repairs and maintenance	▲ Euro 14 million (+18.6%)	• The increase is mainly due to the recognition of higher costs for the maintenance of fuel plants in the Non-mainland territories (TNP) and electricity production facilities from renewable sources for a total amount of Euro 10 million, and higher expenses for increased inspection activity and for breakdowns in medium and low voltage electricity distribution facilities for a total amount of Euro 4 million.

Other results

In the first quarters of 2024 and 2023, the main transactions generated gains amounting to Euro 1 million, and relate mainly to the gross gains generated from the sale of land and buildings.

Depreciation and amortisation, and impairmentlosses on non-financial assets

The table below presents the detail of depreciation and amortisation and impairment losses of non-financial assets in the first quarter of 2024 and the variations compared to the previous year:

Millions of Euros

	Depreciation and impairment losses			
	January-March 2024	January-March 2023	Difference	Chg (%)
DEPRECIATION AND AMORTISATION	**454**	**425**	**29**	**6.8**
Provision for the depreciation of property, plant and equipment	377	349	28	8.0
Provision for amortisation of intangible assets	77	76	1	1.3
IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS	**—**	**1**	**(1)**	**(100.0)**
Provision for impairment losses	**—**	**1**	**(1)**	**(100.0)**
Provision for impairment losses on property, plant and equipment and investment property	—	1	(1)	(100.0)
TOTAL	**454**	**426**	**28**	**6.6**

Depreciation and amortisation, and impairment losses on non-financial assets in the first quarter of 2024 amounted to Euro 454 million, up Euro 28 million (+6.6%), which corresponds mainly to the depreciation and amortisation charge as a result, firstly, of the increased investment in renewable energy electricity production facilities and in distribution grids, in line with the Strategic Plan and, secondly, the increased capitalisation of the incremental costs incurred in obtaining contracts with customers.

Impairment losses on financial assets

During the first quarter of 2024 and 2023, the detail of this heading of the consolidated income statement is as follows:

Millions of Euros

	January-March 2024	January-March 2023	Difference	Chg (%)
Provision for Impairment Losses	**81**	**103**	**(22)**	**(21.4)**
Provision for impairment losses on receivables from contracts with customers	78	103	(25)	(24.3)
Provision for impairment losses of other financial assets	3	—	3	Na
Reversal of Impairment Losses	**(29)**	**(57)**	**28**	**(49.1)**
Reversal of Impairment Losses on Accounts Receivable from Contracts with Customers	(29)	(57)	28	(49.1)
Reversal of Impairment Losses on Other Financial Assets	—	—	—	Na
TOTAL	**52**	**46**	**6**	**13.0**

In the first quarter of 2024, net impairment losses on financial assets amounted to Euro 52 million and correspond mainly to the provision of net impairment losses on accounts receivable from contracts with customers.

This development was due to a slight deterioration in the payment behaviour of both residential and business-to-business (B2B) customers.

6.2.3. Net financial profit/(loss)

The Company incurred net financial result in the first quarter of 2024 and 2023 in the amounts of Euro 129 million and Euro 123 million, both negative, respectively.

Below is the detail of the net financial profit/(loss) for the first quarter of 2024 and its variation with respect to the same period of the previous year:

Millions of Euros

	Net Financial Profit/(Loss) [1]			
	January-March 2024	**January-March 2023**	**Difference**	**Chg (%)**
Net financial expense	(126)	(139)	13	(9.4)
Financial income	34	9	25	277.8
Financial expense	(154)	(155)	1	(0.6)
Income and expenses on derivative financial instruments	(6)	7	(13)	Na
Net exchange differences	(3)	16	(19)	Na
TOTAL	**(129)**	**(123)**	**(6)**	**4.9**

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

Net financial expense

In the first quarter of 2024, net financial expense amounted to Euro 126 million, down Euro 13 million on the same period last year.

To analyse the variations in net financial loss during the first quarter of 2024, the following effects must be taken into account:

Millions of Euros

	Net financial expense [1]			
	January-March 2024	**January-March 2023**	**Difference**	**Chg (%)**
Net expense for financial instruments at amortised cost	(106)	(111)	5	(4.5)
Update of provisions for workforce restructuring plans, the dismantling of facilities and the impairment of financial assets in accordance with IFRS 9 "Financial instruments"	(12)	(19)	7	(36.8)
Factoring transaction fees	(9)	(11)	2	(18.2)
Late payment interest on the judgment of declaration of unconstitutionality according to Royal Decree Law 3/2016, of December 2 [2]	6	—	6	Na
Other	(5)	2	(7)	Na
TOTAL	**(126)**	**(139)**	**13**	**(9.4)**

[1] See definition in Section 12 of this Consolidated Management Report.
[2] See Section 6.2.5 of this Consolidated Management Report.

The evolution of these net costs in the first quarter of 2024 was as follows:

Net financial expense	**Variation**	
Net expense for financial instruments at amortised cost	▼ Euro 5 million (-4,5 %)	• The net financial expense has decreased mainly as a result of the decrease in the average gross financial debt between both periods, which has evolved from Euro 16,795 million in the first quarter of 2023 to Euro 13,508 million in the first quarter of 2024 and the formalisation of deposits held by the Company in the period January-March 2024, despite the higher cost of gross financial debt, which increased from 2.8% in the first quarter of 2023 to 3.7% in the first quarter of 2024, in line with the evolution of interest rates in both periods.
Provisions for Workforce Restructuring Plans, Decommissioning and Impairment of Financial Assets (IFRS 9)	▼ Euro 7 million (-36,8%)	• The change is mainly due to the lower expense for the update of provisions for personnel restructuring plans (Euro 5 million) as a result of the evolution of interest rates.

Net exchange differences

Net exchange differences amounted to a loss of Euro 3 million, negative, in the first quarter of 2024 (gain of Euro 16 million, positive, in the first quarter of 2023).

The variation is mainly due to the impact in the first quarter of 2023 of the evolution of the Euro/US dollar exchange rate on the payments associated with the contracts entered into in dollars that the Company had to make in that period.

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

In the first quarter of 2024 and 2023, the net income from companies accounted for using the equity method amounted to Euro 3 million.

6.2.5. Income tax expense

In the first quarter of 2024 , income tax expense amounted to Euro 153 million, a decrease of Euro 116 million (-43.1%) compared to the amount recorded in the first quarter of 2023.

In order to analyse the main aspects that explain the evolution of the effective rate for the periods January-March 2024 and 2023, the following effects must be taken into account:

Millions of Euros

	January-March 2024		January-March 2023	
	Income Statement	Effective Rate (%)	Income Statement	Effective Rate (%)
Accounting profit/(loss) before tax	**447**		**870**	
Income tax expense	**153**	**34.2**	**269**	**30.9**
Expense not tax deductible due to the Temporary Energy Levy	(51)		(52)	
Difference in tax rates for Endesa branches in Portugal, France, Germany and the Netherlands	(2)		(3)	
Tax credits taken to profit and loss	5		1	
Impact of the judgment of declaration of unconstitutionality Royal Decree Law 3/2016, of December 2 [(2)]	7		–	
Corporate income tax without taking into account past effects	**112**	**25.1**	**215**	**24.7**

(1) See Section 6.2.2 of this Consolidated Management Report.
(2) Lower corporate income tax expense as a result of the declaration of unconstitutionality of certain amendments introduced by Royal Decree-Law 3/2016, of 2 December, to Corporate Income Tax Law 27/2014, of 27 November, pursuant to Constitutional Court Ruling 11/2024, of 18 January (see Note 53 of the Notes to the Consolidated Annual Accounts for the year ended 31 December 2023 and Section 6.2.3 of this Consolidated Management Report).

6.2.6. Net income and net ordinary income

Net income and net ordinary income attributable to the Parent in the first quarter of 2024 stood at Euro 292 million, which means a decrease of Euro 302 million (-50.8%) compared with the amount obtained in the same period of the previous year.

7. EQUITY AND FINANCIAL ANALYSIS

7.1. Net invested capital

As of 31 March 2024, the breakdown of the composition and evolution of Endesa's net invested capital is as follows:

Millions of Euros

	31 March 2024	31 December 2023	Difference
Net non-current assets:			
Property, plant and equipment and intangible assets	24,531	24,485	46
Goodwill	462	462	—
Investments Accounted for by the Equity Method	281	273	8
Other net non-current assets/(liabilities)	(3,608)	(3,767)	159
Total net non-current assets [1]	**21,666**	**21,453**	**213**
Net working capital:			
Trade receivables for sales and services and other receivables	4,554	4,912	(358)
Inventories	1,952	2,060	(108)
Other Net Current Assets/Liabilities	(800)	(642)	(158)
Suppliers and other payables	(4,095)	(6,242)	2,147
Total net working capital [1]	**1,611**	**88**	**1,523**
Gross Invested Capital [1]	**23,277**	**21,541**	**1,736**
Provisions and Deferred Tax Assets and Liabilities:			
Provisions for Pensions and Other Similar Obligations	(255)	(268)	13
Other Provisions	(4,026)	(3,964)	(62)
Deferred Tax Assets and Liabilities	232	300	(68)
Total Provisions and Deferred Tax Assets and Liabilities	**(4,049)**	**(3,932)**	**(117)**
Net Non-Current Assets Held for Sale and Discontinued Operations	**—**	**—**	**—**
Net Invested Capital [1]	**19,228**	**17,609**	**1,619**
Equity [2]	**7,900**	**7,204**	**696**
Net Financial Debt [1] [3]	**11,328**	**10,405**	**923**

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

At 31 March 2024, gross capital invested stood at Euro 23,277 million. The change in the first quarter of 2024 was largely a result of the following effects:

Heading	Change	
Trade and other payables	▼ Euro 1,554 million	• The changes in this heading include, among others, the payment of the interim dividend of Endesa, S.A. on 2 January 2024 amounting to Euro 529 million and the payment of the arbitration award for the review of the price of a long-term liquefied natural gas (LNG) supply contract total amounting to Euro 530 million (see Sections 7.5 and 10.6 of this Consolidated Management Report).

As of 31 March 2024, net invested capital amounted to Euro 19,228 million and its evolution in the first quarter of 2024 includes, on the one hand, the change in gross invested capital amounting to Euro 1,736 million and, on the other hand, the following aspects:

Heading	Variation	
Provisions for workforce restructuring plans	▼ Euro 44 million	• The variation between the two periods is mainly due to the payment of provisions.
Other Provisions	▲ Euro 106 million	• The change is largely down to the net effect of: – The allocation of the provision to cover the cost of carbon dioxide emission rights (CO_2) and guarantees of origin amounting to Euro 198 million offset, in part, by the redemption of guarantees of origin amounting to Euro 147 million. – The quarterly update of estimated costs of dismantling the facilities forming part of property, plant and equipment, which increased the provision by Euro 74 million.

7.2. Financial management

7.2.1. Financial position

During the first quarter of the year, the financial markets continued to focus on the timing and magnitude of future interest rate reductions by the main Central Banks, which remain cautious until inflation is finally brought under control.

As for inflation, the Eurozone figure for March 2024 has moderated by 50 basis points compared to December 2023, standing at 2.4%, approaching the target set by the European Central Bank (ECB) of 2%. Core inflation, which excludes energy and unprocessed food, also slowed from 3.4% to 2.9% (at its lowest level since February 2022).

7.2.2. Financial debt

Gross and net financial debt

As of 31 March 2024, Endesa's net financial debt stood at Euro 11,328 million, an increase of Euro 923 million (+8.9%) compared to 31 December 2023.

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

Millions of Euros

	Reconciliation of borrowings			
	31 March 2024	**31 December 2023**	**Difference**	**Chg (%)**
Non-current borrowings	9,617	9,636	(19)	(0.2)
Current borrowings	4,200	4,091	109	2.7
Gross financial debt	**13,817**	**13,727**	**90**	**0.7**
Debt derivatives recognised as financial assets	59	61	(2)	(3.3)
Cash and cash equivalents	(1,595)	(2,106)	511	(24.3)
Debt derivatives recognised as assets	(60)	(57)	(3)	5.3
Financial guarantees recognised as assets	(893)	(1,220)	327	(26.8)
Net financial debt	**11,328**	**10,405**	**923**	**8.9**

In order to analyse the trend in net financial debt, it should be borne in mind that during the period January-March 2024, Endesa, S.A. paid an interim dividend of Euro 0.5 gross per share to its shareholders, representing a pay-out of Euro 529 million (see Section 10.2 of this Consolidated Management Report).

Structure

Below is a breakdown of the structure of Endesa's gross financial debt as of 31 March 2024 and 31 December 2023:

Millions of Euros

	Structure of gross financial debt			
	31 March 2024	**31 December 2023**	**Difference**	**Chg (%)**
Euro	13,681	13,586	95	0.7
U.S. Dollar (USD)	136	141	(5)	(3.5)
TOTAL	**13,817**	**13,727**	**90**	**0.7**
Fixed Interest Rate	9,736	9,771	(35)	(0.4)
Floating interest rate	4,081	3,956	125	3.2
TOTAL	**13,817**	**13,727**	**90**	**0.7**
Sustainable Finance (%) [1]	66	67	—	—
Average life (number of years) [1]	3.9	4.0	—	—
Average Cost (%) [1]	3.7	3.2	—	—

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

At 31 March 2024, gross financial debt subject to fixed interest rates accounted for 70% while 30% was subject to floating rates. At that date, 99% of the Company's gross financial debt was denominated in Euro.

Maturities

As of 31 March 2024, the breakdown of the nominal value of gross financial debt by maturity is as follows:

Millions of Euros

	Carrying amount at 31 March 2024	Face value		Total maturity					
		Current	**Non-current**	**2024**	**2025**	**2026**	**2027**	**2028**	**Subsequent years**
Bonds and other negotiable securities	14	—	12	—	—	—	—	—	12
Bank borrowings	5,989	712	5,328	650	511	460	1,007	1,861	1,551
Other Financial Debts	7,814	3,502	4,317	3,477	83	86	1,732	1,944	497
Borrowings associated with rights of use	860	85	775	61	82	83	72	68	494
Other	6,954	3,417	3,542	3,416	1	3	1,660	1,876	3
TOTAL	**13,817**	**4,214**	**9,657**	**4,127**	**594**	**546**	**2,739**	**3,805**	**2,060**

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7.2.3. Other aspects

Main financial operations

During the first quarter of 2024, the main financial operations carried out were as follows:

- Endesa kept in place the "Endesa, S.A. SDG 13 Euro Commercial Paper Programme" (ECP), for a total of Euro 5,000 million, with no outstanding balance as at 31 March 2024.
- The following financial operations have been formalized, most of which incorporate Sustainability objectives:

Millions of Euros

Operations	Counterparty	Date of Signature	Expiration 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
TOTAL				**1,735**

[1] Renewal of existing loans and lines of credit.
[2] The credit conditions of these transactions are pegged to environmental sustainability goals according to the proportion of investment according to the Taxonomy of the European Union for the 2024-2026 period.

Liquidity

At 31 March 2024, Endesa had liquidity of Euro 9,374 million (Euro 10,027 million at 31 December 2023), as detailed below:

Millions of Euros

	Liquidity			
	31 March 2024	**31 December 2023**	**Difference**	**Chg (%)**
Cash and cash equivalents	1,595	2,106	(511)	(24.3)
Available Unconditional under credit facilities and loans [1]	7,779	7,921	(142)	(1.8)
TOTAL	**9,374**	**10,027**	**(653)**	**(6.5)**
Coverage of debt maturities (number of months) [2]	27	27	—	Na

[1] At 31 March 2024 and 31 December 2023, Euro 3,525 million related to committed and irrevocable credit lines available with Enel Finance International N.V.
[2] See definition in Section 12 of this Consolidated Management Report.

As of 31 March 2024, Endesa had a negative working capital of Euro 1,682 million. The amount available in long-term credit lines ensures that Endesa can obtain sufficient financial resources to continue its operations, realize its assets and settle its liabilities for the amounts shown in the Consolidated Statement of Financial Position.

Endesa has a solid financial position and unconditional credit lines contracted with top-tier entities available for significant amounts.

Financial terms and conditions

The information regarding financial stipulations to which certain Endesa subsidiaries are subject is described in Note 41.4.3 of the Notes to the consolidated financial statements for the year ended 31 December 2023.

At 31 March 2024, neither Endesa, S.A., nor any of its subsidiaries were in breach of their financial obligations or any obligations that could require early repayment of their financial commitments.

Endesa's Directors consider that the existence of these clauses does not modify the classification of debt between current and non-current included in the consolidated statement of financial position as of 31 March 2024.

7.3. Capital management

During the first quarter of 2024, Endesa followed the same capital management policy as described in Note 35.1.12 of the Notes to the consolidated financial statements for the year ended 31 December 2023.

As of the date of approval of this Consolidated Management Report, Endesa, S.A. has no commitment to obtain resources through its own financing sources.

7.3.1. Equity

As of 31 March 2024 and 31 December 2023, the composition of this heading of the consolidated statement of financial position is as follows:

Millions of Euros

	31 March 2024	31 December 2023
Total equity of the parent	**7,711**	**7,017**
Share capital	1,271	1,271
Share premium	89	89
Legal reserve	254	254
Revaluation reserve	404	404
Other reserves	106	106
(Treasury shares and own equity instruments)	(18)	(4)
Retained earnings	5,639	5,876
Interim dividend	—	(529)
Other equity instruments	6	5
Reserve for actuarial gains and losses	(199)	(199)
Adjustments for Change in Value	159	(256)
Total equity of non-controlling interests	**189**	**187**
TOTAL EQUITY	**7,900**	**7,204**

Treasury shares

The information relating to the Temporary Share Buyback Programs executed in 2023 is detailed in Notes 35.1.8 and 47.3.5 of the Notes to the consolidated financial statements for the year ended 31 December 2023.

Share-based flexible payment programme

The Board of Directors of Endesa, S.A., at its meeting held on 19 March 2024, resolved to carry out another Temporary Share Buyback Programme in accordance with the employee share delivery plan ("Flexible Share

Remuneration Programme") approved by the Company's Board of Directors at its meeting held on 27 February 2024. Within the framework of the aforementioned Programme, in the period January-March 2024, Endesa, S.A. acquired 825,386 treasury shares of the Parent Company for Euro 14 million, of which, at 31 March 2024, all remain in the Parent Company's possession (see Section 7.5 of this Consolidated Management Report).

Treasury shares held by Endesa, S.A.

At 31 March 2024 and 31 December 2023, the treasury shares of Endesa, S.A. are as follows:

	No. of Shares	Nominal value (Euros/Share)	Percentage of share capital (%)	Average Acquisition Price (Euros/Share)	Total Acquisition Cost (Euros)
Treasury shares at 31 March 2024	**1,060,065**	**1.2**	**0.10012**	**17.19**	**18,218,248**
Strategic Incentive Plans	232,538	1.2	0.02196	19.25	4,475,783
Flexible Stock Remuneration Programs	827,527	1.2	0.07816	16.61	13,742,465
Treasury shares at 31 December 2023	**234,679**	**1.2**	**0.02217**	**19.25**	**4,518,265**
Strategic Incentive Plans	232,538	1.2	0.02196	19.25	4,475,783
Flexible Stock Remuneration Programs	2,141	1.2	0.00020	19.84	42,482

7.3.2. Leverage

Endesa considers its consolidated leverage to be an indicator to monitor its financial position. Details of this ratio at 31 March 2024 and 31 December 2023 are as follows:

Millions of Euros

	Leverage		
	31 March 2024	**31 December 2023**	**Chg (%)**
Net Financial Debt:	**11,328**	**10,405**	**8.9**
Non-current borrowings	9,617	9,636	(0.2)
Current borrowings	4,200	4,091	2.7
Debt derivatives recognised as financial assets	59	61	(3.3)
Cash and cash equivalents	(1,595)	(2,106)	(24.3)
Debt derivatives recognised as assets	(60)	(57)	5.3
Financial guarantees recognised as assets	(893)	(1,220)	(26.8)
Equity:	**7,900**	**7,204**	**9.7**
Of the Parent	7,711	7,017	9.9
Of non-controlling interests	189	187	1.1
Leverage (%) [1]	**143.39**	**144.43**	**Na**

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

7.3.3. Financial Indicators

Financial Indicators [1]	31 March 2024	31 December 2023
Liquidity Ratio	0.87	0.85
Solvency Ratio	0.94	0.93
Debt Ratio (%)	58.91	59.09
Debt Coverage Ratio	3.34	2.75
Net financial debt / Fixed assets (%)	45.20	41.59
Net financial debt / Funds from operations	3.96 [2]	3.11
(Funds from Operations + Interest expenses) / Interest expenses [3]	10.35	20.14

(1) See definition in Section 12 of this Consolidated Management Report.
(2) Funds from Operations for the last 12 months.
(3) Corresponds to the periods January-March 2024 and January-March 2023, respectively.

7.4. Credit rating management

Endesa's credit ratings are as follows:

	Credit rating						
	31 March 2024 [1]				31 December 2023 [1]		
	Long Term	Short Term	Perspective	Date of last report	Long Term	Short Term	Perspective
Standard & Poor's	BBB	A-2	Stable	19 December 2023	BBB	A-2	Stable
Moody's	Baa1	P-2	Negative	20 December 2023	Baa1	P-2	Negative
Fitch	BBB+	F2	Stable	12 February 2024	BBB+	F2	Stable

(1) On the respective dates of approval of the Consolidated Management Report.

Endesa's credit rating is conditioned by that of its parent company, Enel. According to the methodologies used by rating agencies and, at the date of approval of this Consolidated Management Report, it is within the "*investment grade*" category according to all rating agencies.

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

7.5. Cash flows

As of 31 March 2024 and 31 December 2023, the amount of cash and cash equivalents is as follows (see Section 7.2 of this Consolidated Management Report):

Millions of Euros

	Cash and cash equivalents			
	31 March 2024	31 December 2023	Difference	Chg (%)
Cash in hand and at banks	845	1,281	(436)	(34.0)
Other Cash Equivalents [1]	750	825	(75)	(9.1)
TOTAL	**1,595**	**2,106**	**(511)**	**(24.3)**

(1) This heading includes deposits at the end of both periods which bear interest at market rates.

In the first quarter of 2024 and 2023, Endesa's net cash flows, classified by operating activities, investment and financing, were as follows:

Millions of Euros

	Statement of cash flows			
	January-March 2024	January-March 2023	Difference	Chg (%)
Net Cash Flows from Operating Activities	167	(97)	264	Na
Net Cash Flows from Investing Activities	(206)	1,883	(2,089)	(110.9)
Net Cash Flows from Financing Activities	(472)	(1,635)	1,163	(71.1)

In the first quarter of 2024, cash flows from operating activities (Euro 167 million) and the reduction of cash and cash equivalents (Euro 511 million) have helped to cover net cash flows used in investing activities (Euro 206 million) and the net payments arising from financing activities (Euro 472 million).

7.5.1. Net cash flows from operating activities

In the first quarter of 2024, net cash flows from operating activities amounted to Euro 167 million (Euro -97 million in the first quarter of 2023), as follows:

Millions of Euros

	January-March 2024	January-March 2023	Difference	Chg (%)
Gross profit before tax	**447**	**870**	**(423)**	**(48.6)**
Adjustments for:	**755**	**811**	**(56)**	**(6.9)**
Depreciation of Fixed Assets and Impairment Losses	506	472	34	7.2
Other adjustments (net)	249	339	(90)	(26.5)
Changes in working capital:	**(883)**	**(1,630)**	**747**	**(45.8)**
Trade and other receivables	534	(403)	937	Na
Inventories	(38)	188	(226)	Na
Current financial assets	(191)	(305)	114	(37.4)
Trade Creditors and Other Current Liabilities [1]	(1,188)	(1,110)	(78)	7.0
Other Cash Flows from Operating Activities:	**(152)**	**(148)**	**(4)**	**2.7**
Interest received	34	13	21	161.5
Dividend Collection	—	—	—	Na
Interest Payments [2]	(106)	(77)	(29)	37.7
Corporate income tax paid	(1)	1	(2)	Na
Other proceeds from/(payments for) operating activities [3]	(79)	(85)	6	(7.1)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**167**	**(97)**	**264**	**Na**

(1) Includes discounted trade debt with financial institutions for the management of payments to suppliers ("confirming") in the amount of Euro 27 million (Euro 12 million at 31 March 2023).
(2) Includes interest payments on financial debt for rights of use amounting to Euro 11 million in the period January-March 2024 (Euro 9 million in the period January-March 2023).
(3) Corresponds to payments of provisions.

The changes in the main items that determine changes in working capital are as follows:

Headings	Variation	
Changes in working capital	▲ Euro 747 million (+45,8%)	The evolution of this heading is the result of the following effects: • The increase in trade and other receivables of Euro 937 million. • Increase in inventory payments amounting to Euro 226 million. • Higher net collections of regulatory items amounting to Euro 114 million, mainly corresponding to the tariff deficit (Euro 133 million). • Increase in payments to trade creditors and other current liabilities amounting to Euro 78 million as a result, among others, of the payment of the arbitration award for the revision of the price of a long-term liquefied natural gas (LNG) supply contract amounting to Euro 515 million (see Section 10.6 of this Consolidated Management Report).

During the first quarter of 2024, Endesa has also continued with its active policy of managing current assets and current liabilities, focused, among other aspects, on process improvement, collection factoring and payment term extension agreements with suppliers.

7.5.2. Net cash flows from investing activities

In the first quarter of 2024, net cash flows used in investing activities totalled Euro 206 million (Euro 1,883 million received from investing activities in the first quarter of 2023) and include, among other aspects:

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

Millions of Euros

	January-March 2024	January-March 2023
Acquisitions of Property, Plant and Equipment and Intangible Assets	**(458)**	**(529)**
Acquisitions of Property, Plant and Equipment[1]	(333)	(317)
Acquisitions of Intangible Assets	(82)	(92)
Facilities transferred from customers	23	16
Non-current asset suppliers	(66)	(136)
Disposals of Property, Plant and Equipment and Intangible Assets	**2**	**1**
Other proceeds from and payments for investing activities[2]	**22**	**18**
TOTAL	**(434)**	**(510)**

[1] Excludes additions for rights of use amounting to Euro 18 million in the period January-March 2024 and Euro 1 million in the period January-March 2023.
[2] Related to the collection of subsidies and new installations requested by customers.

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

Millions of Euros

	January-March 2024	January-March 2023
Acquisitions of other investments	**(103)**	**(89)**
Remuneration of non-current distribution activity	(96)	(82)
Other Financial Assets	(7)	(7)
Disposal of Other Investments	**331**	**2.482**
Net Financial Guarantees	327	2.481
Other Financial Assets	4	1
TOTAL	**228**	**2.393**

7.5.3. Cash flows from equity instruments

In the first quarter of 2024, net cash flows used in financing activities amounted to Euro 472 million, negative, (Euro 1,635 million used in the first quarter of 2023), mainly including the following aspects:

Cash flows from equity instruments

Millions of Euros

	January-March 2024	January-March 2023
Treasury shares [1]	(14)	(7)
Contribution by shareholders at Endesa X Way, S.L.	–	(2)
Contributions by equity holders of direct and/or indirect investees of Enel Green Power España, S.L.U.	(2)	(5)
TOTAL	**(16)**	**(14)**

[1] During the periods January-March 2024 and 2023, 825,386 and 377,610 treasury shares were acquired from the Parent Company, respectively, in connection with the Flexible Share-based Payment Programme for employees (see Section 7.3 of this Consolidated Directors' Report).

Drawdowns and refunds of non-current borrowings

Millions of Euros

	January-March 2024	January-March 2023
Drawdowns of loans and credit facilities Enel Finance International N.V.	–	(450)
Other	7	43
TOTAL	**7**	**(407)**

Amortisation and drawdowns of current borrowings

Millions of Euros

	January-March 2024	January-March 2023
Provisions		
Issues of Euro Commercial Paper (ECP)	–	5,900
Other financial liabilities	178	284
Amortizations		
Amortisation of Euro Commercial Paper (ECP)	–	(6,380)
Payments for Rights of Use Contracts	(25)	(27)
Repayments of loans from the European Investment Bank (EIB) and the Official Credit Institute (ICO)	(61)	(61)
Oother financial liabilities	(26)	(928)
TOTAL	**66**	**(1,212)**

Dividends paid

Millions of Euros

	January-March 2024	January-March 2023
Dividends of the Parent paid	(529)	–
Dividend Payments to Non-Controlling Interests [1]	–	(2)
TOTAL	**(529)**	**(2)**

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

7.6. Investments

In the first quarter of 2024, gross investments in property, plant and equipment and intangible assets amounted to Euro 433 million, as follows:

Millions of Euros

	Investments		
	January-March 2024	January-March 2023	Chg (%)
Generation and Supply	**161**	**136**	**18.4**
Conventional Generation [1]	43	32	34.4
Renewable generation	110	99	11.1
Energy supply	1	—	Na
Marketing of other products and services	7	5	40.0
Distribution	**186**	**180**	**3.3**
Structure, services and others [2]	**4**	**2**	**100.0**
TOTAL PP&E [3] [4]	**351**	**318**	**10.4**
Generation and Supply	**79**	**88**	**(10.2)**
Conventional Generation	1	2	(50.0)
Renewable generation	9	31	(71.0)
Energy supply	58	46	26.1
Marketing of other products and services	11	9	22.2
Distribution	**2**	**3**	**(33.3)**
Structure, services and others [2]	**1**	**1**	**—**
TOTAL INTANGIBLE ASSETS [4] [5]	**82**	**92**	**(10.9)**
TOTAL GROSS INVESTMENTS [6]	**433**	**410**	**5.6**
Capital grants and transferred sold	**(45)**	**(34)**	**32.4**
Distribution	**(45)**	**(34)**	**32.4**
TOTAL NET INVESTMENTS [6]	**388**	**376**	**3.2**

[1] In the period January-March 2024 and 2023, includes gross investments in property, plant and equipment in the Non-mainland territories (TNP) amounting to Euro 10 million and Euro 8 million, respectively.
[2] Structure, Services and Adjustments.
[3] In the period January-March 2024 includes additions for rights of use amounting to Euro 18 million (Euro 1 million in the period January-March 2023).
[4] In the period January-March 2024 includes Euro 413 million (95.4%) relating to gross investments for low-carbon products, services and technologies and Euro 20 million (4.6%) relating to gross investments for coal/fuel and combined cycle power plants (Euro 398 million (97.1%) and Euro 12 million (2.9%) in the period January-March 2023) (see definition in Section 12 of this Consolidated Management Report).
[5] In the periods January-March 2024 and 2023 includes gross intangible investments in the Non-mainland Territories (TNP) amounting to less than Euro 1 million.
[6] See definition in Section 12 of this Consolidated Management Report.

Information on the main investments is included in Section 8 of this Consolidated Management Report.

8. INFORMATION BY SEGMENTS

8.1. Segmentation criteria

In carrying out its business activities, Endesa's organisation prioritises its core business of electricity and gas generation, distribution, and sale, as well as related services. Therefore, the financial information differentiated by Segments is based on the approach used by the Company's Executive Management Committee to monitor results and includes:

- Generation, along with Supply;
- Distribution;
- Structure that mainly includes the balances and transactions of holding companies of the holdings and of the financing and service provision companies; and
- Consolidation Adjustments and Eliminations, which includes the eliminations and adjustments inherent to the consolidation process of the Segments.

Transactions between Segments are part of the usual traffic in terms of their purpose and conditions.

8.2. Segment reporting

8.2.1. Segment information: Consolidated income statement for the periods January-March 2024 and 2023

Millions of Euros

	January-March 2024		
	Generation and Supply		
	Conventional Generation [1]	Renewable Generation	Energy Supply
REVENUE	**1,822** [2]	**365**	**4,189**
Revenue with third parties	738	72	4,042
Revenue from Transactions between Segments	1,084	293	147
PROCUREMENTS AND SERVICES	**(1,462)**	**(38)**	**(3,218)**
INCOME AND EXPENSES FROM ENERGY COMMODITY DERIVATIVES	**159**	**3**	**(609)**
CONTRIBUTION MARGIN [5]	**519**	**330**	**362** [3]
FIXED OPERATING COSTS AND OTHER GAINS AND LOSSES	**(226)**	**(83)**	**(122)**
GROSS OPERATING INCOME (EBITDA) [4] [5]	**293**	**247**	**240**
Depreciation and amortisation, and impairment losses on non-financial assets	**(132)**	**(72)**	**(44)**
Amortizations	(132)	(72)	(44)
Provision for impairment of non-financial assets	—	—	—
Reversal of impairment of non-financial assets	—	—	—
Impairment losses on financial assets.	**—**	**(2)**	**(46)**
Provision for impairment of financial assets	—	(2)	(57)
Reversal of Impairment of Financial Assets	—	—	11
OPERATING INCOME (EBIT) [5]	**161**	**173**	**150**
Net profit/(loss) of companies accounted for using the equity method	**2**	**2**	**1**
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS [7]	**44**	**119**	**59**

[1] Includes the contribution margin, gross operating income (EBITDA) and operating income (EBIT) of the generation of Non-mainland Territories (TNP) amounting to Euro 107 million, positive, Euro 30 million, positive, and Euro 11 million, positive, respectively.
[2] Includes Euro 331 million (6.0% of total revenues) corresponding to generation from emitting technologies and Euro 480 million (8.7% of total revenues) corresponding to nuclear generation.
[3] Includes the contribution margin of gas for commercialisation of Euro 33 million.
[4] Gross operating income (EBITDA) from low carbon products, services and technologies is Euro 994 million.
[5] See definition in Section 12 of this Consolidated Management Report.
[6] Includes Euro 221 million, positive, corresponding to nuclear generation and Euro 13 million, positive, corresponding to gas for commercialisation.
[7] Includes additions of Euro 18 million of Rights of Use (Euro 11 million in Generation and Supply, Euro 3 million in Distribution and Euro 4 million in Structure and Services).

	January-March 2024						
	Generation and Supply						
	Marketing of other products and services	Generation and supply adjustments and eliminations	Total	Distribution	Structure and Services	Consolidation Adjustments and Eliminations	Total
	81	**(1,519)**	**4,938**	**650**	**91**	**(132)**	**5,547**
	80	—	4,932	614	1	—	5,547
	1	(1,519)	6	36	90	(132)	—
	(43)	**1,501**	**(3,260)**	**(36)**	**(202)**	**35**	**(3,463)**
	—	**—**	**(447)**	**—**	**—**	**—**	**(447)**
	38	**(18)**	**1,231**	**614**	**(111)**	**(97)**	**1,637**
	(22)	**18**	**(435)**	**(128)**	**(92)**	**97**	**(558)**
	16	**—**	**796** [6]	**486**	**(203)**	**—**	**1,079**
	(9)	**—**	**(257)**	**(188)**	**(9)**	**—**	**(454)**
	(9)	—	(257)	(188)	(9)	—	(454)
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	(4)	**—**	**(52)**	**—**	**—**	**—**	**(52)**
	(6)	—	(65)	(16)	—	—	(81)
	2	—	13	16	—	—	29
	3	**—**	**487**	**298**	**(212)**	**—**	**573**
	(2)	**—**	**3**	**—**	**—**	**—**	**3**
	18	**—**	**240**	**188**	**5**	**—**	**433**

Millions of Euros

	January-March 2023		
	Generation and Supply		
	Conventional Generation [1]	Renewable Generation	Energy Supply
REVENUE	**3,446[2]**	**323**	**6,149**
Revenue with third parties	861	64	5,893
Revenue from Transactions between Segments	2,585	259	256
PROCUREMENTS AND SERVICES	**(1,728)**	**(31)**	**(5,802)**
INCOME AND EXPENSES FROM ENERGY COMMODITY DERIVATIVES	**(661)**	**2**	**(82)**
CONTRIBUTION MARGIN[5]	**1,057**	**294**	**265 [3]**
FIXED OPERATING COSTS AND OTHER GAINS AND LOSSES	**(205)**	**(75)**	**(136)**
GROSS OPERATING INCOME (EBITDA) [4] [5]	**852**	**219**	**129**
Depreciation and amortisation, and impairment losses on non-financial assets	**(131)**	**(62)**	**(38)**
Amortizations	(131)	(61)	(38)
Provision for impairment of non-financial assets	–	(1)	–
Reversal of impairment of non-financial assets	–	–	–
Impairment losses on financial assets.	**1**	**–**	**(46)**
Provision for impairment of financial assets	(1)	–	(75)
Reversal of Impairment of Financial Assets	2	–	29
OPERATING INCOME (EBIT) [5]	**722**	**157**	**45**
Net profit/(loss) of companies accounted for using the equity method	**3**	**2**	**–**
INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS [7]	**34**	**130**	**46**

[1] Includes Contribution Margin, Gross Operating Income (EBITDA), Operating Income (EBIT) of Non-mainland territories (TNP) generation amounting to Euro 94 million, Euro 31 million and Euro 12 million, respectively.
[2] Includes Euro 1,299 million (17.3% of total revenues) corresponding to generation from emitting technologies and Euro 367 million (4.9% of total revenues) corresponding to nuclear generation.
[3] Includes the contribution margin of gas for commercialisation of Euro 19 million.
[4] EBITDA from low carbon products, services and technologies is Euro 716 million.
[5] See definition in Section 12 of this Consolidated Management Report.
[6] Includes Euro 111 million, positive, corresponding to nuclear generation and Euro 5 million, positive, corresponding to gas for commercialisation.
[7] Includes additions of Rights of Use amounting to Euro 1 million in Distribution.

January-March 2023						
Generation and Supply						
Marketing of other products and services	Generation and supply adjustments and eliminations	Total	Distribution	Structure and Services	Consolidation Adjustments and Eliminations	Total
95	**(3,094)**	**6,919**	**633**	**109**	**(157)**	**7,504**
93	—	6,911	592	1	—	7,504
2	(3,094)	8	41	108	(157)	—
(54)	**3,086**	**(4,529)**	**(40)**	**(209)**	**40**	**(4,738)**
—	**—**	**(741)**	**—**	**—**	**—**	**(741)**
41	**(8)**	**1,649**	**593**	**(100)**	**(117)**	**2,025**
(23)	**8**	**(431)**	**(142)**	**(107)**	**117**	**(563)**
18	**—**	**1,218** [6]	**451**	**(207)**	**—**	**1,462**
(7)	**—**	**(238)**	**(177)**	**(11)**	**—**	**(426)**
(7)	—	(237)	(177)	(11)	—	(425)
—	—	(1)	—	—	—	(1)
—	—	—	—	—	—	—
(4)	**—**	**(49)**	**3**	**—**	**—**	**(46)**
(5)	—	(81)	(22)	—	—	(103)
1	—	32	25	—	—	57
7	**—**	**931**	**277**	**(218)**	**—**	**990**
(2)	**—**	**3**	**—**	**—**	**—**	**3**
14	**—**	**224**	**183**	**3**	**—**	**410**

8.2.2. Segment information: Statement of Financial Position as of 31 March 2024 and 31 December 2023

Millions of Euros

	31 March 2024		
	Generation and Supply		
	Conventional Generation	Renewable Generation	Energy Supply
Property, plant and equipment	**4,445**	**5,436**	**175**
Intangible Assets	**70**	**706**	**610**
Goodwill	**3**	**300**	**58**
Investments Accounted for by the Equity Method	**75**	**57**	**6**
Non-current assets under contracts with customers	**—**	**—**	**—**
Trade receivables for sales and services and other receivables	**4,398**	**1,384**	**4,739**
Current assets under contracts with customers	**—**	**—**	**—**
Other	**1,506**	**53**	**238**
ASSETS SEGMENTS	**10,497**	**7,936**	**5,826**
TOTAL ASSETS			
Non-current liabilities under contracts with customers	**—**	**21**	**—**
Non-current provisions	**1,693**	**186**	**142**
Provisions for employee benefits	92	5	14
Other Non-Current Provisions	1,601	181	128
Current Liability Contracts with Customers	**—**	**1**	**1**
Current provisions	**1,206**	**4**	**68**
Provisions for employee benefits	—	—	—
Other current provisions	1,206	4	68
Suppliers and other Creditors	**1,804**	**1,031**	**6,372**
Other	**152**	**2**	**9**
LIABILITIES SEGMENTS	**4,855**	**1,245**	**6,592**
TOTAL LIABILITIES			

31 March 2024						
Generation and Supply						
Marketing of other products and services	Generation and supply adjustments and eliminations	Total	Distribution	Structure and Services	Consolidation Adjustments and Eliminations	Total
112	—	10,168	12,555	151	—	22,874
34	—	1,420	212	25	—	1,657
—	—	361	97	4	—	462
127	—	265	13	3	—	281
—	—	—	—	—	—	—
40	(6,674)	3,887	792	229	(354)	4,554
—	—	—	4	—	—	4
28	—	1,825	598	6	—	2,429
341	(6,674)	17,926	14,271	418	(354)	32,261
						40,102
—	—	21	4,321	—	—	4,342
22	—	2,043	504	213	—	2,760
1	—	112	117	26	—	255
21	—	1,931	387	187	—	2,505
—	—	2	446	—	—	448
3	—	1,281	90	150	—	1,521
—	—	—	—	—	—	—
3	—	1,281	90	150	—	1,521
134	(6,636)	2,705	1,550	194	(354)	4,095
2	(38)	127	670	6	—	803
161	(6,674)	6,179	7,581	563	(354)	13,969
						40,102

Millions of Euros

	31 December 2023		
	Generation and Supply		
	Conventional Generation	Renewable Generation	Energy Supply
Property, plant and equipment	**4,455**	**5,394**	**176**
Intangible Assets	**75**	**701**	**596**
Goodwill	**3**	**300**	**58**
Investments Accounted for by the Equity Method	**71**	**53**	**5**
Non-current assets under contracts with customers	**—**	**—**	**—**
Trade receivables for sales and services and other receivables	**4,127**	**1,367**	**4,974**
Current assets under contracts with customers	**—**	**—**	**—**
Other	**1,382**	**49**	**470**
ASSETS SEGMENTS	**10,113**	**7,864**	**6,279**
TOTAL ASSETS			
Non-current liabilities under contracts with customers	**—**	**20**	**—**
Non-current provisions	**1,731**	**184**	**151**
Provisions for employee benefits	94	5	16
Other Non-Current Provisions	1,637	179	135
Current Liability Contracts with Customers	**—**	**1**	**2**
Current provisions	**948**	**1**	**186**
Provisions for employee benefits	—	—	—
Other current provisions	948	1	186
Suppliers and other Creditors	**2,582**	**1,039**	**6,581**
Other	**151**	**6**	**8**
LIABILITIES SEGMENTS	**5,412**	**1,251**	**6,928**
TOTAL LIABILITIES			

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

As of 31 March 2024 and 31 December 2023, the reconciliation of assets and liabilities by Segments with respect to Total Assets and Total Liabilities of the consolidated statement of financial position is as follows:

Millions of Euros

	31 March 2024	31 December 2023
TOTAL ASSETS	**40,102**	**41,283**
Other non-current financial assets	671	663
Non-current derivative financial instruments	823	879
Deferred tax assets	1,545	1,608
Current income tax assets	308	233
Other tax assets	154	312
Other current financial assets	1,642	1,777
Current derivative financial instruments	1,103	1,054
Cash and cash equivalents	1,595	2,106
Non-Current Assets Held for Sale and Discontinued Operations	—	—
ASSETS SEGMENTS	**32,261**	**32,651**

TOTAL LIABILITIES	**40,102**	**41,283**
Equity	7,900	7,204
Non-current borrowings	9,617	9,636
Non-Current Derivative Financial Instruments	365	544
Other non-current financial liabilities	8	8
Deferred Tax Liabilities	1,313	1,308
Current borrowings	4,200	4,091
Current Derivative Financial Instruments	1,322	1,673
Other current financial liabilities	154	104
Current income tax liabilities	503	215
Other tax liabilities	751	446
LIABILITIES SEGMENTS	**13,969**	**16,054**

8.3. Generation and supply

8.3.1. Analysis of results

The electricity sector managed to stabilise in the first quarter of 2024, due, among other factors, to the steady decrease in the price of gas, despite the geopolitical tensions caused by the ongoing conflicts and the inflationary environment resulting from the measures adopted by the EU to mitigate the effects of the Russia-Ukraine war by ensuring supply and diversification during the past winter, when temperatures were milder than the previous one and due to the lower demand for energy saving policies. This decrease in the price of gas led to a reduction in affected electricity prices, which was also driven by increased production of energy from renewable sources in the period.

The main figures in the first quarter of 2024 and their variation compared to the same period of the previous year are detailed below:

Millions of Euros

Key figures	January-March 2024	January-March 2023	Difference	Chg (%)	
Margin of Contribution	1,231	1,649	(418)	(25.3)	The change in the margin is largely the result of: • Lower power purchase costs (Euro 1,023 million) and fuel consumption (Euro 222 million) had partially offset the lower electricity sales (Euro 773 million) and gas sales (Euro 1.129 million), mainly as a result of the reduction in the arithmetic average price on the wholesale electricity market (44.9 €/MWh; -53.4%) and the average gas price (27.5 €/MWh; -49.3%). • Includes higher expenditure as a result of the end of the extension of the temporary suspension of the tax on the value of electricity production, in accordance with Royal Decree Law 8/2023 of 27 December, amounting to Euro 43 million.
Gross Operating Income (EBITDA)	796	1,218	(422)	(34.6)	• Includes higher maintenance expenses for fuel plants in Non-mainland territories (TNP) and electricity production facilities from renewable sources (Euro 10 million). • Includes the update of provisions for workforce restructuring plans (negative Euro 4 million). • Includes lower property tax expense (IBI) for the As Pontes Thermal Power Plant (A Coruña) following closure in 2023, in accordance with Endesa's commitment to achieve full decarbonisation of the company by 2040 (Euro 3 million).
Operating Income (EBIT)	487	931	(444)	(47.7)	• Includes the increase in depreciation and amortisation expense (Euro 20 million), mainly as a result of the increased investment in renewable electricity generation facilities and increased capitalisation of the incremental costs incurred in obtaining contracts with customers.

8.3.2. Investments

In the first quarter of 2024, gross investments of property, plant and equipment and intangible assets amounted to Euro 240 million. The breakdown by activity is as follows:

Millions of Euros

Investments	January-March 2024	January-March 2023	Difference	Chg (%)	
	44	34	10	+29.4	• Mainly includes investments in the maintenance of generation facilities for diverse technologies, primarily nuclear.
	119	130	(11)	(8.5)	• In the successive Strategic Plans approved by Endesa, the growth of emission-free generation is one of the Company's strategic lines of action. • In the period January-March 2024, Endesa invested Euro 87 million in the construction of electricity generation facilities from renewable sources. • Investments in this activity include too, the recognition of a right-of-use asset corresponding to the land where certain renewable generation facilities are located, amounting to Euro 10 million.
	77	60	17	+28.3	• Includes the capitalisation of incremental costs incurred in obtaining customer contracts amounting to Euro 58 million (Euro 44 million in the period January-March 2023). • This includes investments in charging points in the e-Mobility business in line with the strategic objective of customer loyalty through a complete offer of value-added services for a total amount of Euro 7 million (Euro 5 million in the period January-March 2023).
TOTAL	**240**	**224**	**16**	**+7.1**	

8.4. Distribution

8.4.1. Analysis of results

The main figures in the first quarter of 2024 and their variation compared to the same period of the previous year are detailed below:

Millions of Euros

Magnitudes	January-March 2024	January-March 2023	Difference	Chg (%)	
Margin of Contribution	614	593	21	+3.5	• The performance of the margin is due to the increase in regulated income from the distribution activity as a result of the regularisations of previous years' settlements corresponding, inter alia, to the calculation of the quality incentive.
Gross operating Income (EBITDA)	486	451	35	+7.8	• Includes lower personnel costs (Euro 12 million) mainly due to the update of provisions for personnel restructuring plans (Euro 7 million) and, among others, to the reduction in the average headcount (-1.9%). • Includes higher expenses for increased inspection activity and for breakdowns in medium and low voltage electricity distribution installations (Euro 4 million).
Operating Income (EBIT)	298	277	21	+7.6	• Includes an increase in depreciation and amortisation costs (Euro 11 million), mainly as a result of investments made in distribution networks.

8.4.2. Investments

In the first quarter of 2024, gross investments in property, plant and equipment and intangible assets amounted to Euro 188 million:

Millions of Euros

Investments	January-March 2024	January-March 2023	Difference	Chg (%)	
	188	183	5	+2.7	• Corresponding to grid extensions, as well as investments aimed at optimising grid operation and efficiency, adapting the grid to emerging needs among customers and improving the quality of service and resilience of the grid itself in accordance with Endesa's strategy.

8.5. Structure & Others

8.5.1. Analysis of results

The main figures in the first quarter of 2024 and their variation compared to the same period of the previous year are detailed below:

Millions of Euros

Magnitudes	January-March 2024	January-March 2023	Difference	Chg (%)	
Margin of Contribution	(208)	(217)	9	(4.1)	• Includes, in both periods, the recognition of the expense associated with the temporary energy levy introduced by Law 38/2022 of 27 December (Euro 202 million and Euro 208 million, respectively).
Gross operating income (EBITDA)	(203)	(207)	4	(1.9)	• This mainly includes the update of provisions for personnel restructuring plans in the amount of Euro 4 million, positive.
Operating Income (EBIT)	(212)	(218)	6	(2.8)	• Includes a reduction in the amortisation of software (Euro 2 million).

8.5.2. Investments

In the first quarter of 2024, gross investments in property, plant and equipment and intangible assets amounted to Euro 5 million:

Millions of Euros

Investments	January-March 2024	January-March 2023	Difference	Chg (%)	
	5	3	2	+66.7	• Investments in this activity mainly include the recognition of a right-of-use asset corresponding to the update of the lease contract for Endesa's head office located in Ribera del Loira (Madrid).

9. REGULATORY FRAMEWORK

From a regulatory point of view, the main developments in the first quarter of 2024 are as follows:

Spain's regulatory framework

Extension to 2024 of certain measures taken in the context of the crisis arising from the Russia-Ukraine conflict

Through Royal Decree Law 8/2023 of 27 December adopting measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East, as well as to alleviate the effects of the drought, previously approved measures were extended and new ones were adopted. Notably, the measures to adopted include:

- As regards energy taxation, the reduced Value Added Tax (VAT) rate of 5 %, in force until 31 December 2023, is increased to 10 %, for the whole of 2024 for electricity, and until 31 March 2024 for natural gas. With regard to the Special Electricity Tax, the reduced rate of 0.5% in effect until 31 December 2023 climbs to 2.5% in the first quarter of 2024 and to 3.8% during the second quarter of 2024; and with regard to the Tax on the Value of Electricity Production, the rate will be 3.5% in the first quarter of 2024, 5.25% in the second quarter of 2024 and 7% thereafter. In addition, the energy tax of 1.2% of net turnover has been extended into 2024, without prejudice to the introduction in the 2024 General State Budget of an incentive for strategic investments made in the energy sector from 1 January 2024 onward, and the review of the configuration of the tax for its eventual integration into the tax system in fiscal year 2024.
- Among the social protection measures, the discounts under the Social Bonus (65% for vulnerable consumers, 80% for severely vulnerable consumers and 40% for low-income working households) have been extended until 30 June 2024, as had the prohibition on cutting basic supplies of electricity, water and gas to vulnerable consumers in the event of non-payment. In addition, the limit on the growth of the regulated gas rate and the existence of the specific Regulated rate (TUR) for homeowners' associations has been extended. On the other hand, the unit values of the financing of the Social Bonus are adjusted for the different categories of agents obliged to do so.
- In the area of tolls and charges, the 80% discount on tolls for access to electricity transmission and distribution networks for electro-intensive industry is maintained. On the other hand, it is contemplated that the surpluses of settlements of 2022 and 2023 will be used to finance the charges of the Electricity System for 2024, also indicating that the General State Budget will include an item to finance the costs borne by the charges, in order to ensure the economic and financial sustainability of the System.
- As for the deployment of renewable energy projects, the deadlines set out in the regulations for the fulfilment of certain administrative milestones have been extended. Thus, for projects with access and connection permits after 31 December 2017 and prior to this regulation, the deadline for accrediting the administrative construction authorisation is extended by an additional 6 months, until 25 July 2024. In addition, these projects may request, within a period of 3 months from the entry into force of the Royal Decree Law or the date of administrative construction authorisation, whichever is later, the extension of the period for obtaining the definitive operating authorisation, up to a maximum of 8 years from 25 July 2020 or obtaining access permits, if it is later. Likewise, Law 24/2013, of December 26, on the Electricity Sector, is amended to allow the incorporation of non-economic award criteria, with a weight of up to 30% of the score, in renewable energy auctions.

Draft of the Seventh General Radioactive Waste Plan (GRWP)

On 8 January 2024, the resolution of the Directorate General for Energy Policy and Mines published in the Official State Gazette (BOE) published the resolution of the Council of Ministers of 27 December 2023 approving the Seventh General Radioactive Waste Plan (PGRR), a document that updates the Government's policy on the management of radioactive waste, including spent nuclear fuel, and the dismantling and decommissioning of nuclear facilities.

Taking into account the estimates of future costs established in the Seventh Plan, on 2 March 2024, the Ministry for Ecological Transition and the Demographic Challenge (MITECO) initiated a public consultation process prior to the drafting of a Royal Decree modifying the fixed unitary tariff relating to the non-tax public asset benefit that finances the service of the Empresa Nacional de Residuos Radiactivos, S.A., S.M.E. (National Radioactive Waste Company). (ENRESA) to nuclear power plants in operation. Following the completion of this prior consultation, the public hearing process on the draft Royal Decree began on 2 April 2024. According to this project, which is scheduled to enter into force on 1 July 2024, the unit fixed charge would increase from €7.98/MWh to €10.36/MWh.

Circulars of the Spanish Markets and Competition Commission (CNMC)

On 19 January 2024 and 31 January 2024, the Spanish National Markets and Competition Commission (CNMC) initiated the public consultation process on proposals to amend Circular 1/2021, of 20 January, on the methodology and conditions for access and connection to the transmission and distribution networks of electricity production facilities, and Circular 3/2020, of 15 January, on the methodology for calculating access tolls to the electricity transmission and distribution networks, respectively. Likewise, on 3 April 2024, it initiated the public consultation process on the proposed Circular amending Circular 6/2020, of 22 July, which establishes the methodology for the calculation of natural gas transmission, local networks and regasification tolls.

Proposal for a decision establishing the remuneration of companies owning electricity distribution facilities for the year 2020

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

Draft Law on the Reestablishment of the Spanish National Energy Commission

On 20 January 2024, the Ministry for Ecological Transition and the Demographic Challenge (MITECO) initiated the public hearing process of the Draft Bill for the re-establishment of the Spanish National Energy Commission (CNE). The Commission's functions will focus on monitoring the proper operation of the energy markets. As a novelty, it will introduce the objective of decarbonisation. Some aspects of this preliminary draft are as follows:

- The new Commission would be a public law entity with its own legal personality, organisational and functional autonomy, its own budget and full independence from the Government, public authorities and the market. It will also be subject to parliamentary and judicial control.
- It will have oversight and control functions for the electricity, liquid hydrocarbons, natural gas, green

hydrogen and other renewable gas markets. The Commission will also be responsible for inspection and penalties, as well as arbitration, information, attention and processing of complaints made by agents and consumers. And finally, it will be responsible for the settlements of tolls, charges, prices, fees and regulated remuneration of the sectors under its responsibility. It will also exercise supervisory functions in the process of taking shareholdings, and consultative functions in the process of drawing up regulatory proposals.

- The Board of the Commission will have 7 members (chairman, vice-chairman and 5 directors), with a term of office of 6 years without the possibility of re-election. Likewise, the Commission will have 3 directorates: Electricity, Hydrocarbons and New Fuels, and Inspection.
- The new Spanish National Energy Commission must be fully constituted and operational within a maximum of 4 months from the approval of the Law.
- The proposal also provides for the creation of the Fund for the Economic-Financial Management of Electricity and Gas Sector Settlements (FGLSEG), to manage the revenues and payments relating to the settlements of tolls, charges, fees, prices and regulated remuneration of the electricity and gas sectors, as well as the transfers envisaged in the General State Budget for these sectors.

Social Bonus or "Bono Social"

Royal Decree Law 8/2023, of 27 December, adopting measures to address the economic and social consequences of the conflicts in Ukraine and the Middle East, has established the unit values to be applied to finance the amounts relating to the "Bono Social" and to the cost of electricity supply for consumers referred to in articles 52.4.j) and 52.4.k) of Law 24/2013, of 26 December, on the Electricity Sector, for the year 2024.

Energy efficiency

On 23 March 2024, Order TED/268/2024, dated 20 March, was published, establishing the obligations to contribute to the Spanish National Energy Efficiency Fund in 2024, providing Endesa with an equivalent amount of Euro 99 million for 2024, of which at least 35% must be covered by financial contributions to the Fund, with the rest of its obligation to be met by presenting Energy Savings Certificates (ESCs).

Electricity tariff 2024

The Resolution of 21 December 2023 of the Spanish Markets and Competition Commission (CNMC) was published in the Official State Gazette (BOE) on 25 December 2023, approving the prices of the access tariffs for energy transmission and distribution grids applicable as of 1 January 2024, revealing an average reduction of 1.1% from the prices in effect as of 1 January 2023.

In relation to the charges for 2024, Royal Decree Law 8/2023, of 27 December, adopting measures to address the economic and social repercussions of the ongoing conflicts in Ukraine and the Middle East, and to mitigate the effects of the drought in Spain, has extended the charges for 2023 until the ministerial order approving those applicable for 2024 is ultimately approved. To this end, on 14 February 2024, Order TED/113/2024, of 9 February, was published in the Official State Gazette, setting the prices for electrical system charges and establishing various regulated costs of the electrical system for 2024, which maintained the charges applied in to 2023, coming into effect on 15 February 2024.

Natural gas tariff for 2024

The Resolution of the Directorate-General for Energy Policy and Mining of 28 December 2023 was published on 29 December 2023, establishing the Last Resort Tariff (LRT) for natural gas to be applied from 1 January 2024, with increases of approximately 6.5%, 7.9% and 8.5%, respectively, for Last Resort Tariff 1 (LRT1), Last Resort Tariff 2 (LRT2) and Last Resort Tariff 3 (LRT3). Meanwhile, the LRT tariffs applicable to communities of owners, as ushered in by Royal Decree Law 18/2022 of 18 October, have been raised by between 4.8% and 6.8% roughly.

Subsequently, on 29 March 2024, the Resolution of 26 March 2024 of the Directorate General for Energy Policy and Mines published in the Official State Gazette (BOE) published the Tariff of Last Resort (TUR) for natural gas to be applied as from 1 April 2024, with a decrease in average terms, excluding taxes, of 10.1%, 12.1% and 13%, respectively, for Tariff of Last Resort 1 (TUR1), Tariff of Last Resort 2 (TUR2) and Tariff of Last Resort 3 (TUR3).

Prior public consultation for the modification of the Economic Regime for Renewable Energies

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

Electricity planning with a 2026 horizon

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

Europe’s regulatory framework

Communication on the European Union’s 2040 climate target

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

Communication on industrial carbon management

On 6 February 2024, the European Commission published the Communication "Towards ambitious industrial carbon management in the European Union", which presents the industrial framework strategy to deploy technologies related to carbon capture and storage that contribute to emissions reductions, in line with the deployment of these technologies set out in the Communication on the European Union's 2040 Climate Target.

Gas

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

Regulation on Integrity and Transparency of the Wholesale Market for Energy (REMIT)

On 29 February and 19 March 2024, the European Parliament and the Council, respectively, formally adopted the proposal to amend the Regulation on the Integrity and Transparency of the Wholesale Market for Energy (REMIT). This Regulation establishes additional reporting requirements on activity in wholesale energy markets and strengthens the powers of the Agency for the Cooperation of Energy Regulators (ACER).

Financial regulation

On 14 February 2024, the European institutions reached a provisional agreement on the proposed amendment to the OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) Regulation. Among the most important changes introduced are the way in which positions are calculated for the clearing threshold and also the possibility for central counterparties to accept bank guarantees and highly liquid public guarantees as collateral.

Similarly, in relation to the issue of collateral, on 6 March 2024, Delegated Regulation (EU) 2024/818 has been published, amending Delegated Regulation (EU) 153/2013 as regards the extension of the temporary emergency measures concerning collateral requirements for Central Counterparties (CCPs), and allowing, for non-financial clearing members, the use for energy derivatives of uncollateralised bank collateral vis-à-vis Clearing Houses until 7 September 2024.

Finally, on 8 March 2024, a Directive and a Regulation amending, respectively, the Markets in Financial Instruments Directive (MiFID) and the Market in Financial Instruments Regulation (MiFIR) on markets in financial instruments were published in the Official Journal of the European Union (OJEU). In this respect, it should be noted that the Directive foresees the preparation of 2 reports by the European Commission, to be submitted by 31 July 2024 and 2025 respectively, assessing the contribution to the liquidity and proper functioning of the commodity derivatives or emission allowances derivatives markets, the criteria for determining when an activity should be considered ancillary to the main activity at group level and the position limit and position management control regimes.

10. OTHER INFORMATION

10.1. Stock market information

Share price performance

Endesa and main benchmarks

The changes in Endesa, S.A.'s share prices and the major benchmark indexes in the first quarter of 2024 and 2023 were as follows:

Euros

Endesa share price [1]	January-March 2024	January-March 2023	Chg (%)
Maximum	19.800	20.000	(1.0)
Low	15.975	17.920	(10.9)
Period average	17.540	18.635	(5.9)
End of the Period	17.165	20.000	(14.2)

[1] Source: Madrid Stock Exchange.

Percentage (%)

Share price performance [1]	January-March 2024	January-March 2023
Endesa, S.A.	(7.0)	13.4
Ibex-35	9.6	12.2
Euro Stoxx 50	12.4	13.7
Euro Stoxx Utilities	(6.5)	7.1

[1] Source: Madrid Stock Exchange.

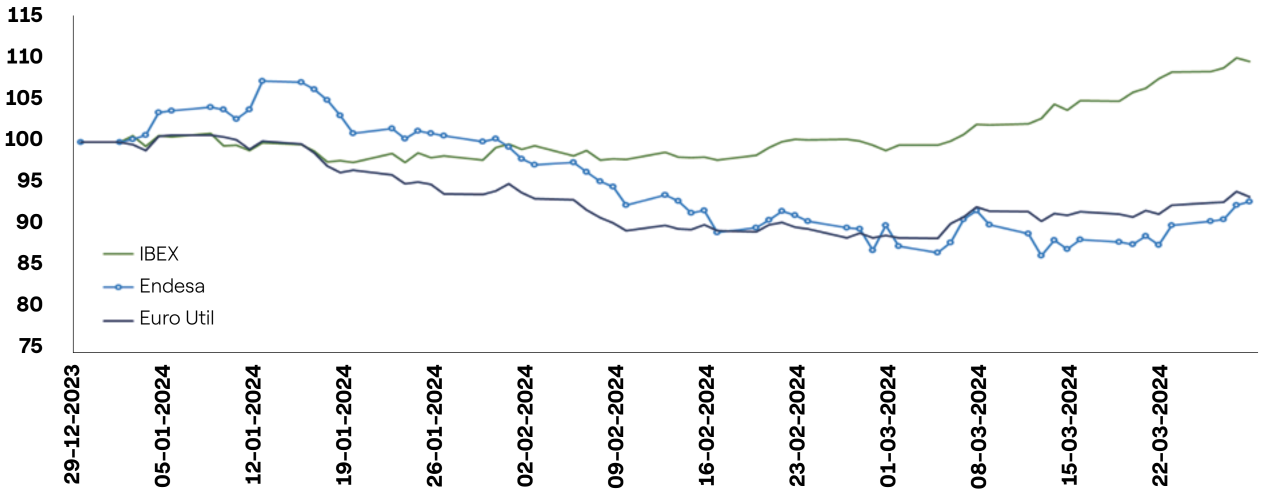
In Spain, the IBEX-35 stock market index showed a rise of 9.6%, similar to that of the rest of the European indicators, closing the quarter at 11,074.6 points thanks to a strong improvement in March that allowed it to more than recover the losses accumulated in the first two months of the year.

At the top of this indicator were technology, pharmaceuticals and financials, buoyed by the expectation that interest rates will remain at current levels for longer than expected. By contrast, in the trailing positions, the shares of the electricity sector stood out, penalised in all European stock exchanges by the fall in electricity prices and the impact of high financing costs on their earnings.

In this scenario, Endesa, after an upward trend at the beginning of the year that took it close to Euro 20 per share on 12 January (high of Euro 19.8 per share), finally closed the first quarter with a 7.02% drop in its share price, to Euro 17.165 per share, after reaching a low of Euro 15.975 on 12 March. This performance in the quarter placed Endesa in the tenth position of the total of 19 companies that make up the European sector EURO STOXX Utilities, an index that registered a correction of 6.5% in the same period.

At the end of the quarter, Endesa's market cap reached Euro 18,173 million, placing the value in fourteenth position by capitalization of the IBEX-35 index.

Below is the chart showing the performance of Endesa's shares, IBEX-35 and EURO STOXX Utilities during the first quarter of 2024:



Source: Bloomberg.

Main Global Stock Indices

The performance of the main world stock market indices in the first quarter of 2024 was as follows:

Stock Market Index	Country/Region	Chg (%)
EURO STOXX Utilities	Europe	(6.5)
FTSE 100	United Kingdom	2.8
DOW JONES INDUSTRIAL AVERAGE	United States	5.0
Nasdaq	United States	8.7
CAC 40	France	8.8
IBEX-35	Spain	9.6
S&P 500	United States	9.9
DAX	Germany	10.4
EUROSTOXX 50	Europe	12.4
FTSE MIB	Italy	14.5
Nikkei	Japan	18.9

The main world stock markets continued during the January-March 2024 period with the upward trend with which they ended 2023, supported by favorable inflation and growth data that have led some indicators to trade at record highs. These stock markets closed the first quarter of 2024 on a positive note, driven by the good corporate profits presented, the best signs of economic strength that ward off recession and the good prospects presented by the technology sector in the face of the development of artificial intelligence.

Investors are now turning their attention to the monetary policy to be carried out in the coming months by the main central banks, especially the US Federal Reserve and the European Central Bank (ECB), although expectations of a sharp reduction in interest rates have moderated in the face of the resilience still shown by core inflation indices. Both monetary institutions have adopted a more cautious tone in their statements, so the market has begun to price in that rate cuts will be delayed to the second half of the year.

Stock market information

The stock market data of Endesa, S.A. as of 31 March 2024 and 31 December 2023 are detailed below:

Stock Market Data		31 March 2024	31 December 2023	Chg (%)
Market Cap [1]	Millions of Euros	18,173	19,545	(7.0)
Number of shares outsanding		1,058,752,117	1,058,752,117	—
Nominal share value	Euros	1.2	1.2	—
Cash [2]	Millions of Euros	1,734	6,679	(74.0)
Continuous Market	Shares			
Trading volume [3]		99,780,563	344,730,169	(71.1)
Average Daily Trading Volume [4]		1,583,818	1,346,602	17.6
Price to Earning Ratio (P.E.R.) Ordinary [1]		28.00	20.55	—
Price to Earning Ratio (P.E.R.) [1]		41.26	26.34	—
Price / Carrying amount [1]		2.36	2.79	—

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

10.2. Dividends

Shareholder remuneration policy

The information regarding the shareholder remuneration policy is described in Section 19.2 of the Consolidated Management Report for the year ended 31 December 2023.
Approval was given at Endesa, S.A.'s General Shareholders' Meeting on 24 April 2024 to pay shareholders a total gross dividend of Euro 1 per share, for a total amount of Euro 1,059 million. Taking into account the interim dividend of Euro 0.50 gross per share (Euro 529 million) paid on 2 January 2024, the final dividend is equal to Euro gross 0.50 per share (Euro 529 million) and will be paid on 1 July 2024.

Dividends per share

In accordance with the above, the breakdown of the dividends per share of Endesa, S.A. is as follows:

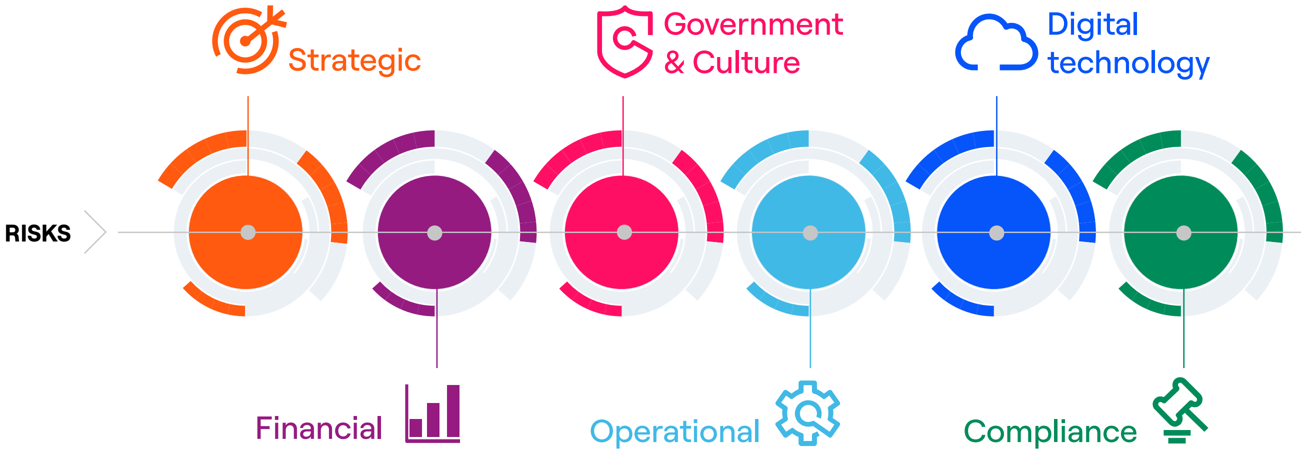
		2023	2022	Chg (%)
Share capital	Millions of Euros	1,270.5	1,270.5	—
Number of shares		1,058,752,117	1,058,752,117	—
Consolidated net ordinary income	Millions of Euros	951	2,398	(60.3)
Consolidated net income	Millions of Euros	742	2,541	(70.8)
Individual net income	Millions of Euros	580	697	(16.8)
Net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

[1] See definition in Section 12 of this Consolidated Management Report.
[2] Interim dividend equal to Euro 0.5 gross per share paid on 2 January 2024 plus final dividend equal to Euro 0.5 gross per share to be paid on 1 July 2024.
[3] Dividend equal to Euro 1.5854 gross per share paid on 3 July 2023.

10.3. Main risks and uncertainties

During the first 3 months of 2024, Endesa has followed the same risk control and management policy described in Section 6.1 of the Consolidated Management Report for the year ended 31 December 2023.

Endesa classifies the risks to which it is exposed into 6 categories: Strategic, Financial, Operational, Compliance, Corporate Governance and Culture, and risks related to Digital Technologies.



The information regarding the main risks and uncertainties associated with Endesa's activity is described in Section 6.4 of the Consolidated Management Report for the year ended 31 December 2023.

Endesa's activity is carried out in an environment in which there are exogenous factors that may influence the evolution of its operations and its economic results.

As a result of the war between Russia and Ukraine, the conflict in the Middle East 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 this has meant that certain risks have become relevant and others have seen their volatility increase (see Section 5.2 of this Consolidated Management Report).

In a scenario characterized by a context of high inflation and high interest rates, there are risks that are not very manageable and of indeterminate probability, including regulatory changes, cybersecurity, short-term fiscal measures, delay in the delivery of supplies and compliance with contracts.

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

Category	Risk	Definition	Description	Metrics	Relevance [3]
Strategic Risks	Legislative and Regulatory Developments	Endesa's activities are subject to a broad set of rules and changes to them could adversely affect Endesa's business, results, financial position and cash flows.	Information on the regulatory framework can be found in Note 6 to the consolidated financial statements for the year ended 31 December 2023 and in Section 9 of this Consolidated Management Report.	Scenarios [1]	High
	Macroeconomic and Geopolitical Trends	Endesa's business could be affected by adverse economic and political conditions in Spain, Portugal, the Eurozone and international markets.	A worsening of the economic and financial situation of the European and world economies, aggravated by the war between Russia and Ukraine, and the energy tension derived from the conflict in the Middle East, could negatively affect Endesa's business, results, financial position and cash flows (see Section 5.2 of this Consolidated Management Report).		

Category	Risk	Definition	Description	Metrics	Relevance [3]
Financial Risks	Commodities	Endesa's business is largely dependent on the constant supply of large amounts of fuel to generate electricity; on the supply of electricity and natural gas used for its own consumption and supply; and on the supply of other commodities, the prices of which are subject to market forces that may affect the price and the amount of energy sold by Endesa.	Electricity prices and fuel prices in the wholesale market and commodity prices, gas and CO_2 emission allowances, have an impact on business costs and selling prices. To mitigate this impact, Endesa hedges commodity price risk through financial instruments arranged in organised European markets and over the counter (OTC). Those transactions with daily financial collateral requirements associated with MtM changes («*Mark-to-Market*») could, in turn, have a direct impact on Endesa's liquidity risk (see Notes 41.3 and 41.4 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2023 and Section 7.2 of this Consolidated Management Report).	Stochastics [2]	High
	Interest Rate	Endesa is exposed to interest rate risk.	Endesa pursues a policy of hedging interest rate risk through derivatives (see Note 42.1 to the Consolidated Financial Statements for the year ended 31 December 2023 and Section 7.2 of this Consolidated Management Report).	Stochastics [2]	High
	Adequacy of Capital Structure 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.	Endesa controls its liquidity risk by maintaining an adequate level of unconditionally available resources, including cash and short-term deposits, long-term credit lines with banks and companies of the Enel Group, and a portfolio of highly liquid assets. Endesa develops a liquidity policy that consists of maintaining at all times sufficient availability to meet the expected needs for a period that is dependent on the situation and expectations of the debt and capital markets (see Section 7.2 of this Consolidated Management Report). Endesa's financial management and capital management policy is described in Notes 35.1.12, 41.3 and 41.4 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2023.	Stochastics [2]	Moderate
	Liquidity				
	Credit & Counterparty	Endesa is exposed to credit risk and counterparty risk. Credit risk is generated when a counterparty fails to meet its obligations set out in a financial or commercial contract resulting in a financial loss.	Endesa closely monitors the credit risk of its commodity, financial and commercial counterparties. Despite commodity prices having declined year on year, the backdrop of high interest rates and high inflation has reduced the liquidity of companies and individuals to pay their energy bills. Although the Company's collection management activities has enabled it to temper the growth of overdue debt among commercial counterparties (see Section 5.2 of this Consolidated Management Report).	Stochastics [2]	High

Category	Risk	Definition	Description	Metrics	Relevance [3]
Risks Associated with Digital Technologies	Cybersecurity	Endesa faces risks associated with cybersecurity.	The Cybersecurity Unit is keeping close track of the situation to identify any cyber event or anomaly at Endesa.	–	[4]
Operational Risks	Procurement, logistics and Supply Chain	Endesa's business could be adversely affected by a possible inability to maintain its relations with suppliers or because the available supplier offering is insufficient in terms of quantity and/or quality, as well as supplier failures to maintain the conditions of the service provided, limiting the possibilities of operability and business continuity.	Any deterioration in the ongoing war between Russia and Ukraine, the conflict in the Middle East and sharp financial tensions on a global level may cause delays in supplies and breach of contracts at the supply chain level. Endesa, in the development of new capacity, is exposed to financial needs, the inflationary context, interruptions in the availability of materials and the lack of qualified labour. In addition, there are risks of breakdowns or accidents that temporarily interrupt the operation of the plants or interrupt the service to customers. The occurrence of any of these events could adversely affect Endesa's business, results, financial position and cash flows.	Stochastics [2]	Low
	Business Interruption	Endesa faces risks associated with the construction of new electricity generation and distribution facilities.		Scenarios [1]	Moderate
		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]	Moderate
Compliance Risks	Compliance with Other Laws and Regulations	Endesa is a party to legal proceedings and arbitrations.	Endesa is subject to certain legal proceedings, the resolution of which could have an impact on the Consolidated Financial Statements (see Note 51 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2023 and Section 10.6 of this Consolidated Management Report).	–	[4]

[1] Scenario: Calculated as the loss resulting from different hypothetical situations.
[2] Stochastic: Calculated as the loss that could be suffered with a certain level of probability or confidence.
[3] The relevance of risks is measured based on the potential expected loss: High (over Euro 75 million), Moderate (between Euro 10 million and Euro 75 million) and Low (under Euro 10 million).
[4] They relate to risks whose impact may be difficult to quantify economically (in general, high impact and probability, following the mitigation mechanisms implemented, very low or very difficult to determine).

10.4. Related Parties

Related parties are parties over which Endesa, directly or indirectly via one or more intermediate companies, exercises control or joint control or has significant influence, or which are key members of the Endesa management team.

For the purposes of the information included in this section, all companies comprising the Enel Group not included in Endesa's consolidated financial statements are considered to be significant shareholders of the Company.

The information relating to related parties is described in Note 47 of the Notes to the consolidated financial statements for the year ended 31 December 2023.

10.4.1. Expenses and income and other transactions with significant shareholders

Expenses and revenue with significant shareholders

Millions of Euros

	January-March 2024	January-March 2023
Financial Expenses	54	43
Leases	—	—
Services received	15	13
Purchases of inventories	1	78
Other Expenses	24	260
Expenses on energy commodity derivatives [1]	6	239
Power purchases	1	4
Management or Collaboration Contracts	17	17
TOTAL EXPENSES	**94**	**394**
Financial revenue	—	2
Dividends Received	—	—
Provision of Services	1	—
Sales of inventories	57	75
Other revenues	6	37
Revenue on energy stock derivative financial instruments [1]	4	35
Energy Sales	—	1
Management or Collaboration Contracts	1	1
Leases	1	—
Other	—	—
TOTAL REVENUE	**64**	**114**

[1] The periods from January-March 2024 and 2023 included a Euro 1 million, positive, and Euro 174 million, negative, respectively, recognised in the Consolidated Statement of Other Comprehensive Income

Other significant Shareholder Transactions

Millions of Euros

	31 March 2024	31 March 2023
Funding Agreements: Loans and capital contributions (lender)	—	—
Funding Agreements: Loans and capital contributions (borrower)	10,045	10,240
Book value of loans and credit facilities entered into and drawn down with Enel Finance International N.V.	6,520	4,650
Committed and Irrevocable Lines of Credit Not Drawn with Enel Finance International N.V.	3,525	5,400
Balance of "Credit Support Annex" entered into with Enel Global Trading S.p.A.	—	190
Guarantees provided	—	2,000 [2]
Guarantees and deposits received [1]	127	116
Commitments made	90	93
Dividends and Other Distributed Profits	371	—
Other Operations [3]	2	4

[1] Includes the guarantee received from Enel, S.p.A. for the fulfilment of the contract for the purchase of liquefied natural gas (LNG) from Corpus Christi Liquefaction, LLC.
[2] Related to the counter-guarantee provided by Endesa, S.A to Enel, S.p.A. to secure the guarantee previously provided by Enel, S.p.A. to Endesa Generación, S.A.U. for the fulfilment of the latter's obligations to third parties, arising from the operational rules for the operation of the organised national or international gas and electricity markets in which it participates, for an amount of up to Euro 2,000 million, with a duration until 30 June 2023.
[3] Includes purchases of tangible, intangible or other assets for the periods January-March 2024 and 2023 respectively.

Period-end balances with significant shareholders

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

Millions of Euros

	31 March 2024		
	Enel Iberia, S.L.U.	Other Significant Shareholders	Total
Customers and trade receivables	9	36	45
Loans and credits granted	—	—	—
Other receivables [(1)]	302	2	304
TOTAL DEBIT BALANCES	**311**	**38**	**349**
Suppliers and Trade Creditors	30	279	309
Loans and credits received [(2)]	1	6,520	6,521
Other Payment Obligations [(1)]	374	—	374
TOTAL CREDIT BALANCES	**405**	**6,799**	**7,204**

(1) Includes the receivables and payables, respectively, of the Endesa companies that make up the consolidated tax group with number 572/10, whose parent company is Enel, S.p.A. and its representative in Spain is Enel Iberia, S.L.U.
(2) Includes balance for accounting purposes of loans and credit facilities arranged and drawn down with Enel Finance International N.V. amounting to Euro 6,520 million.

Millions of Euros

	31 December 2023		
	Enel Iberia, S.L.U.	Other Significant Shareholders	Total
Customers and trade receivables	32	71	103
Loans and credits granted	2	—	2
Other receivables(1)	227	2	229
TOTAL DEBIT BALANCES	**261**	**73**	**334**
Suppliers and Trade Creditors	489 [(2)]	224	713
Loans and Credits Received [(3)]	—	6,526	6,526
Other Payment Obligations [(1)]	104	—	104
TOTAL CREDIT BALANCES	**593**	**6,750**	**7,343**

(1) Includes the receivables and payables, respectively, of the Endesa companies that make up the consolidated tax group with number 572/10, whose parent company is Enel, S.p.A. and its representative in Spain is Enel Iberia, S.L.U.
(2) Includes, mainly, the interim dividend payable by Endesa, S.A. to Enel Iberia, S.L.U. amounting to Euro 371 million.
(3) Includes the carrying amount of loans and credit lines arranged and drawn down with Enel Finance International N.V. for Euro 6,520 million and the balance of the Credit Support Annex arranged with Enel Global Trading S.p.A. for Euro 6 million.

10.4.2. Associated Companies, Joint Ventures and Joint Operating Companies

At 31 March 2024 and 31 December 2023, the details of customer receivables for sales and services, loans and guarantees to associates, joint ventures and joint operating companies were as follows:

Millions of Euros

	Associates		Joint Ventures		Joint Operation	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Trade receivables for sales and services	7	13	1	5	—	3
Credits	63	63	1	1	8	7
Guarantees granted	—	—	—	—	—	—

In the first quarter of 2024 and 2023, transactions with associates, joint ventures and joint operating companies not eliminated on consolidation process were as follows:

Millions of Euros

	Associates		Joint Ventures		Joint Operation	
	January-March 2024	January-March 2023	January-March 2024	January-March 2023	January-March 2024	January-March 2023
Revenue	1	(1)	—	—	1	—
Expenses	(3)	(7)	(7)	(4)	(10)	(6)

10.5. Purchase commitments and third-party guarantees

As of 31 March 2024 and 31 December 2023, the breakdown of guarantees provided to third parties and future purchase commitments is as follows:

Millions of Euros

	31 March 2024	31 December 2023
Guarantees Provided to Third Parties:		
Property, plant and equipment as a guarantee for financing received	38	39
Short-Term and Long-Term Gas Contracts	261	366
Energy Contracts	80	69
Lease agreement for methane tanker	102	100
Contracts to operate in Financial Markets	40	40
Supply contracts for other inventories	39	57
Associated Companies, Joint Ventures and Joint Operating Companies	—	3
TOTAL [(1)]	**560**	**674**
Future Purchase Commitments:		
Property, plant and equipment	1,123	1,160
Intangible Assets	186	115
financial investments	—	—
Provision of Services	14	15
Purchases of energy stocks and others	19,162	18,848
Energy stocks	19,017	18,691
Electricity	—	—
CO_2 emission rights	90	100
Other inventories	55	57
TOTAL	**20,485**	**20,138**

(1) Does not include bank guarantees vis-à-vis third parties.

10.6. Contingent assets and liabilities

During the period ended 31 March 2024, the following significant changes have occurred in relation to the litigation and arbitration in which Endesa companies are involved, described in Note 51 of the Notes to the consolidated financial statements for the year ended 31 December 2023:

- The Supreme Court issued Judgment number 212/2022, of February 21, in the Appeal filed by Endesa, S.A., Endesa Energía, S.A.U. and Energía XXI Comercializadora de Referencia, S.L.U. (Endesa), and in the appeals filed by other electricity sector companies against the obligation set out 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 co-finance, alongside the public administrations, the supply of electricity to severely vulnerable consumers subject to the Last Resort Tariffs (LRTs) and who are at risk of social exclusion. It is an appeal filed against the third system to finance the Social Bonus, whereby the obligation was imposed to finance the parents of company groups that carry out electricity supply activities, or the companies themselves that do so if they do not form part of a corporate group. In particular, the Supreme Court partially upheld the appeal declaring (i) inapplicable the Social Bonus financing system and the cofinancing system with the administrations for the supply of severely vulnerable consumers that avail themselves of the Last Resort Tariff (LRT) and that are at risk of social exclusion; (ii) articles 12 to 17 of Royal Decree 897/2017, of 6 October, to be inapplicable and null and void. It is recognized in turn, (iii) the right of the plaintiff to be compensated for the amounts paid for financing the Social Bonus and co-financing with the Public Administrations, so that all the amounts paid for these concepts are reimbursed, discounting the amounts that, where appropriate, would have been passed on to customers. Lastly, the following is declared: (iv) the right of the complainant to be compensated for the amounts invested to implement the procedure to request, check and manage the Social Bonus, together with the amounts paid to apply this procedure, discounting those amounts that, where appropriate, would have been passed on to the customers. The Supreme Court issued a ruling on 24 March 2022 dismissing the request to rectify or complement the judgment proposed by the State Legal Service, so that the government can continue to charge the relevant parties for the corresponding financing cost, as the financing system has been removed from the system. However, the Supreme Court confirms that: *"despite the declaration of inapplicability and annulment of the legal rules and regulations governing the system to finance the Social Bonus, the prevalence of the discount obligation in the price of electricity supplied to the vulnerable consumers will continue to generate for certain companies, even after the ruling, payments whose processing and compensation must be addressed in the new legal system to finance the Social Bonus which is established, to substitute that currently declared inapplicable, or a specific rule approved for this purpose"*. By Order of 24 May 2022, the judgment was deemed to have been received by the responsible body, indicating that the ruling must be honoured by the Sub directorate General for Electricity. In view of the inactivity of the administration, on 10 November 2022, a writ of enforcement was filed. Subsequently, by means of Diligence of Organisation of 9 January 2023, a report was received from the Ministry of Ecological Transition and the Demographic Challenge (MITECO) on the status of execution of the Judgment, and Endesa was notified so that, within a period of 10 days, it could state whether the Administration had set the amounts to be paid as compensation. On 24 January 2023, a written statement of allegations was submitted, together with the corresponding reports, and requested access to the report prepared by the Spanish Markets and Competition Commission ("CNMC") on which the Ministry of Ecological Transition and the Demographic Challenge ("MITECO") based its report on the state of enforcement of the ruling, while reserving the right to make further pleadings in view of the aforementioned report. On 29 March 2023, a new written submission was filed with the Supreme Court, requesting (i) the immediate payment of the undisputed amount of compensation claimed, (ii) effective delivery of the report of the Spanish Markets and Competition Commission ("CNMC") on which the Ministry of Ecological Transition and the Demographic Challenge ("MITECO") used to prepare its report on the state of enforcement of the judgment (as repeatedly requested), and (iii) that the State Lawyer be summoned to make pleadings and proceed to the ratification of the expert reports presented. On 26 May 2023, the Supreme Court handed down a ruling agreeing, inter alia, the following: (i) to initiate enforcement of the ruling, (ii) to order the Ministry of Ecological Transition and the Demographic Challenge (MITECO) to submit the report of the Spanish Markets and Competition Commission (CNMC) dated 24 March 2022 as requested, (iii) to partially uphold the motion filed by Endesa declaring Energía XXI Comercializadora de Referencia, S.L.U.'s entitlement to be paid an amount of Euro 152 million, plus legal interest calculated from the date of payment until the date of reimbursement, in connection with reference provided for in section four of the operative part of the ruling; (iv) to order the Ministry of Ecological Transition and the Demographic Challenge (MITECO) to quantify, within a maximum period of one month, the amount payable to the appellant as compensation for the share of Endesa's free supplier of the cost of financing the Social Bonus after deducting any applicable amount that had been passed on to customers, (v) to order the Ministry of Ecological Transition and the Demographic Challenge (MITECO) to quantify, as quickly as possible, the amount to be paid to the appellant for amounts invested to implement the procedure to request, check and manage the Social Bonus application and, within a maximum period of two months, pay the appellant the appropriate amount plus legal interest in the terms specified in the 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 ruling. On 28 July 2023, the Secretary of State for Energy served notice of a Resolution acknowledging Endesa's right to (i) compensation totalling Euro 172 million (including the corresponding legal interest) for the financing costs associated with customers in the regulated segment of the market; and (ii) compensation of Euro 7 million (including the corresponding legal interest) for the costs of implementing and processing the Social Bonus. With regard to the cost of financing associated with customers in the free segment of the marketing market, the aforementioned Resolution of the Secretary of State for Energy does not recognize any compensation. On 18 September 2023, Endesa submitted a written pleading to the Supreme Court, accompanied by the corresponding expert reports, to reliably show that Endesa has not passed on the cost of financing the associated Social Bonus to customers in the unregulated segment of the market and that, consequently, it 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 of 2 April 2024, the Supreme Court has admitted the evidences proposed by Endesa.

- On 14 December 2020, the Competition Directorate of the Spanish Markets and Competition Commission (CNMC) notified Enel Green Power España, S.L.U. and its parent company, Endesa Generación, S.A.U., of the initiation of disciplinary proceedings for alleged abuse of a dominant position by Enel Green Power España, S.L.U. in the market for access and connection to the transmission grid at certain nodes with effects on the related electricity generation market. According to the Spanish Markets and Competition Commission (CNMC), Enel Green Power España, S.L.U. allegedly took advantage of its status as Sole Interlocutor of Node (IUN) to favour companies of the same Group to the detriment of third-party generating companies.

  Enel Green Power España, S.L.U. put forward arguments stating that it had no position of dominance in the access and connection transmission grid market, nor had the figure of Single Hub Partner been granted decision-making powers, or any discretion in the processing of access to the grid, as recognised by the Spanish Markets and Competition Commission (CNMC) itself in many cases, and it is thus included in the sectoral regulations providing the System Operator with exclusive power to respond to and analyse requests for connection to the transmission grid. In addition, Enel Green Power España, S.L.U. considers that there has been no exclusionary effect, nor any market closure, and the alleged abusive practice must be dismissed outright, as it does not fall within the scope of Article 2 of Spanish Law 15/2007, of 3 July, on the defence of competition. Following the investigation into the sanctioning proceedings, delivery of the Proposed Ruling and submission of the corresponding allegations by Enel Green Power España, S.L.U. On 10 June 2022, the Spanish Markets and Competition Commission (CNMC) issued a decision, ordering Enel Green Power España, S.L.U. and, jointly and severally, its parent company Endesa Generación, S.A.U., to pay a total fine of Euro 5 million for committing two very serious infringements contrary to Article 2 of Law 15/2007, of 3 July, on the Defence of Competition (LDC), involving an alleged abuse of a dominant position by Enel Green Power España, S.L.U., in its capacity as Single Hub Partner, in the market for access and connection to the transmission grid at the Tajo de la Encantada and Lastras substation hubs. On 29 July 2022, Enel Green Power España, S.L.U. and Endesa Generación, S.A.U. filed an appeal with the Spanish National High Court against the aforementioned sanctioning decision of 10 June 2022 and, in turn, requested the precautionary suspension of the third section of the operative part of the resolution relating to the payment of the penalties imposed. By order of 13 December 2022, the Spanish National High Court ordered the suspension of the execution of the fine, subject to the appellants providing sufficient security, duly forwarded to the Chamber. On 20 April 2023, a statement of claim was filed and a defence was also filed by the State Counsel (Abogado del Estado). On 12 March 2024, the expert report was ratified, and the appellant submitted a written statement of conclusions on 3 April 2024.

- On 6 October 2021, the General Directorate of Energy of the Government of the Canary Islands notified Edistribución Redes Digitales, S.L.U. of three decisions to initiate the three corresponding disciplinary proceedings – ES.AE.LP 006/2019, ES.AE.LP 007/2019 and ES.AE. LP 008/2019 – amounting to Euro 11 million, Euro 19 million and Euro 28 million, respectively, for alleged infringements consisting of the unjustified refusal or alteration of the connection permit to a network point and failure to comply with the obligations to maintain and operate a proper complaints, claims and incidents service. Such initiation agreements had serious defects in the identification of the facts on which the accusation was based, which affected the very right of defense, so that on 29 October 2021 Edistribución Redes Digitales, S.L.U. presented written pleadings in each of them highlighting this circumstance, as it was impossible to formulate the necessary adequate defense pleading due to not being able to clearly know which facts were the imputed ones. On 28 January 2022, communication was received from the body acting in the first of them, ES.AE. LP 006/2019, and on 7 February 2022, in the remaining 2, ES.AE. LP 007/2019 and ES.AE. LP 008/2019, where, in response to the allegations, copies of the base files on which the decisions to initiate the sanctioning proceedings were based were attached. This is a significant indication of the irregular processing of files.

In relation to sanctioning proceeding ES.AE.LP 006/2019, the first allegations were submitted on 18 February 2022 and on 17 June 2022 the Directorate General for Energy of the Government of the Canary Islands resolved to terminate and close the sanctioning proceeding, on the grounds that Edistribución Redes Digitales, S.L.U. was not in breach of applicable law and regulations relating to the electricity sector.

In relation to the sanctioning proceedings, ES.AE.LP 007/2019 and ES.AE. LP 008/2019, it should be noted that, according to the doctrine of the High Court of Justice of the Canary Islands, the expiry period for penalty proceedings in the Canary Islands is 3 months (a period applicable to all proceedings initiated before the entry into force of Decree Law 8/2023, of 6 November), set out, among others in its judgments 263/2023, of 25 May, and 508 and 509/2023, both of 9 October, and thus it can be stated that both proceedings have expired. Furthermore, and without prejudice to the expiry of both cases, in application of the provisions of article 74.1 of Law 24/2013, of 26 December, on the Electricity Sector, such infringements would be time-barred even in the event that they were classified as very serious.

On 24 January 2022, Edistribución Redes Digitales, S.L.U. received notice of a new Resolution of the Directorate General for Energy of the Government of the Canary Islands, dated 18 November 2021, resolving to initiate another disciplinary proceeding (ES.AE.LP 06/2020) on the grounds that the company had committed a further five infringements classified as continuous and serious and two infringements classified as very serious and non-continuous, and noting that a fine of Euro 94 million may be imposed. The alleged infringements refer to requests for access and connection to the grid, completion of connections, processing of customer requests, information provided, systems put in place and delays in execution, as well as complaints and claims services. These infractions refer to 50 non-sanctioning administrative proceedings. Allegations were submitted on 18 March 2022. On 28 September 2022, a Proposal for a Resolution dated 26 September 2022 was notified, with the proposal being to impose a fine on Edistribución Redes Digitales, S.L.U. of Euro 31 million on the grounds that it had committed five serious and two very serious infringements of Law 24/2013, of 26 December, on the Electricity Sector.

This reduction of the initial amount of the initiation of proceedings is being replicated in other penalty proceedings, as well as the shelving of proceedings due to expiry, following the rulings of the High Court of Justice of the Canary Islands, although in some cases proceedings previously declared to have expired have been reopened.

- In the course of an arbitration to review the price of a long-term supply contract for liquefied natural gas initiated by Endesa Generación, S.A.U., the respondent, a liquefied natural gas producer, filed a counterclaim requesting payment of approximately USD 1,283 million as of 30 September 2023. The proceedings have been completed and an award has been rendered on 15 November 2023, which partially upholds the counterclaim, and pursuant to which the LNG Producer Company has issued an invoice in the amount of USD 587 million (see Notes 10.1 and 16.1 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2023). Endesa has proceeded to pay that invoice following the court's decision, dated 7 March 2024, on the request for clarification of certain issues raised by the parties.
- In relation to the inspection process for 2015–2018, definitive income tax and VAT settlement agreements were received in relation to the income tax and VAT tax consolidation groups to which Endesa, S.A. belongs and for personal income tax withholdings at each of the companies inspected. The Agreements were appealed before the Central Economic-Administrative Court and during 2024 the following rejection resolutions have been received: On 29 February 2024, the ruling on the settlement agreement regularising the deductibility of the financial expense for corporate income tax purposes was received, and on 26 March 2024, the rulings on personal income tax (IRPF) were received. These decisions will be challenged before the Audiencia Nacional (National High Court).

  The items under discussion are mainly due to the difference in criteria regarding the deductibility of certain financial expenses for the period inspected, and the rejection of part of the accredited deduction for Research, Development and Technological Innovation. The contingency associated with the process is Euro 57 million. A guarantee is available to ensure the suspension of the debt.
- In relation to the Tax on Spent Nuclear Fuel regulated by Law 15/2012, of 27 December, on tax measures for energy sustainability, there are various ongoing proceedings in which Endesa Generación S.A.U. has requested that tax base be modified, as it considers that, for the purposes of calculating the retroactivity coefficient provided for in Transitional Provision Three of the law, the criterion established in the Resolution of the Central Tax Appeals

Board (TEAC) of 22 February 2022 should apply. By virtue of these claims, Endesa Generación, S.A.U. has requested a refund of Euro 142 million. On 22 March 2024, the tax inspectorate agreed that Euro 5 million should be refunded, with a decision pending on the rest of the amounts for which a refund has been requested.

- On the other hand, the trade unions Comisiones Obreras (CCOO), Sindicato Independiente de la Energía (SIE) and Confederación Intersindical Galega (CIG) brought an action for Collective Dispute before the National Court on 16 December 2020 requesting the annulment of certain derogatory provisions of the "Endesa 5th Framework Collective Bargaining Agreement". In the plaintiffs' opinion, the repealing provisions in question illegitimately eliminated social benefits and economic rights. Endesa maintained a contrary position, defending their absolute legality consistent with what was argued in the challenge to the modification of the social benefits for passive personnel (favourable judgment in the National Court of Appeals dated 26 March 2019, and of the Supreme Court dated 7 July 2021). On 15 November 2021, the National High Court issued a ruling rejecting the claims of the appellant unions, declaring the legality of the "5th Endesa Framework Collective Bargaining Agreement". This judgment was appealed before the Supreme Court by the trade unions Comisiones Obreras (CCOO), Sindicato Independiente de la Energía (SIE) and Confederación Intersindical Galega (CIG), and on 25 April 2024 the judgment handed down by the Plenary Chamber of the Supreme Court was notified, in which it unanimously dismissed the appeal lodged by the trade unions and accepted Endesa's arguments.

The Directors of Endesa consider that the provisions recognised in the consolidated financial statements for the first quarter of 2024 adequately cover the risks relating to litigation, arbitration and claims, and do not expect these issues to give rise to any liability not already provided for.

Given the nature of the risks covered by these provisions, it is not possible to determine a reasonable schedule of payment or collection dates, if any.

During the first quarter of 2024, the amount of payments made for dispute resolution is less than Euro 1 million.

11. SUBSEQUENT EVENTS

No other significant events beyond those addressed herein have taken place between 31 March 2024 and the date of authorisation for issue of this Consolidated Management Report.

12. ALTERNATIVE PERFORMANCE MEASURES (APMs)

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) January-March 2024	Reconciliation of Alternative Performance Measures (APMs) January-March 2023	Relevance of its Use
Gross Operating Income (EBITDA)	€M	Income - Procurements and Services +- Income and Expenses for Energy Commodity Derivatives + Self-constructed assets - Personnel Expenses - Other Fixed Operating Expenses + Other gains and losses	€1,079 M = €5,547 M - €3,463 M - €447 M + €59 M - €243 M - €375 M + €1 M	€1,462 M = €7,504 M - €4,738 M - €741 M + €59 M - €255 M - €368 M + €1 M	Measure of operating profitability excluding interest, taxes, provisions and amortization
Gross operating income (EBITDA) from low-carbon products, services and technologies	€M	Gross Operating Income (EBITDA) – Gross Operating Income (EBITDA) from Conventional Generation, except Nuclear Generation – Gross Operating Income (EBITDA) from Gas Commercialisation	€994 M = €1,079 M - €293 M + €221 M - €13 M	€716 M = €1,462 M - €852 M + € 111 M - €5 M	Measure of operating profitability of low-carbon products, services and technologies without taking into account interest, taxes, provisions and amortisation
Operating Income (EBIT)	€M	EBITDA - Depreciation and amortisation, and impairment losses.	€573 M = €1,079 M - €506 M	€990 M = €1,462 M - €472 M	Measure of operating profit excluding interest and taxes
Net income	€M	Net income of the Parent	€292 M	€594 M	Measure of profit for the period
Net ordinary income	€M	Net Ordinary Income = Net Income Attributable to the Parent - Net Income on Sales of Non-Financial Assets (exceeding Euro 10 million - Net Impairment Losses on Non-Financial Assets (exceeding Euro 10 million) - Initial Net Provision for Personnel Expenses for Workforce Restructuring Costs relating to the Decarbonisation Plan and to Process Digitalisation	€292 M = €292 M - €0 M - €0 M - €0 M	€594 M = €594 M - €0 M - €0 M - €0 M	Measure of profit for the period stripping out extraordinary items in excess of Euro 10 million
Contribution margin	€M	Revenue - Procurements and Services +- Income and Expenses for Energy Commodity Derivatives	€1,637 M = €5,547 M - €3,463 M - €447 M	€2,025 M = €7,504 M - €4,738 M - €741 M	Measure of operational profitability considering direct variable costs of production
Procurements and services	€M	Power Purchases + Fuel Consumption + Transmission Costs + Other Variable Procurements and Services	€3,463 M= €1,231 M + €487 M + €938 M + €807 M	€4,738 M= €2,254 M + €709 M + €865 M + €910 M	Goods and services intended for production
Net financial profit/ (loss)	€M	Financial Income - Financial Expense +- Income and Expenses on Derivative Financial Instruments +- Net Exchange Differences	€(129) M = €34 M - 154 €M - €6 M - €3 M	€(123) M = €9 M - €155 M + €7 M + €16 M	Measure of financial cost
Net financial expense	€M	Financial Income - Financial Expense +- Income and Expenses on Derivative Financial Instruments	€(126) M = €34 M - €154 M - €6 M	€(139) M = €9 M - €155 M + €7 M	Measure of financial cost

€M = million Euros; € = Euros.
n = 31 March of the year being calculated.
n-1 = December 31 of the year prior to the one in which the calculation is made.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) January-March 2024	Reconciliation of Alternative Performance Measures (APMs) January-March 2023	Relevance of its Use
Ordinary Return on Equity	%	Net ordinary income attributable to the Parent in the last 12 months / ((Equity of the Parent (n) + Equity of the Parent (n-1)) / 2)	8.81% = €649 M / €((7,711 + 7,017) / 2) M	41.96% = €2,654 M / €((7,094 + 5,557) / 2) M	Measure of the ability to generate profits from the investment made by shareholders
Economic profitability	%	Operating Income (EBIT) for the last 12 months / ((PP&E (n) + PP&E (n-1)) / 2)	5.37% = €1,228 M / €((22,874 + 22,839) / 2) M	18.80% = €4,188 M / €((22,220 + 22,338) / 2) M	Measure of the capacity to generate income from invested assets or capital
Ordinary return on assets	%	Net ordinary income of the Parent for the last 12 months / ((Total Assets (n) + Total Assets (n-1)) / 2)	1.59% = €649 M / €((40,102 + 41,283) / 2) M	5.49% = €2,654 M / €((46,649 + 50,067) / 2) M	Measure of business profitability
Return on Capital Employed (ROCE)	%	Profit from operations after tax for the last 12 months / ((Non-current assets (n) + Non-current assets (n-1)) / 2) + ((Current assets (n) + Current assets (n-1)) / 2)	2.14% = €870 M / €((28,790 + 28,825) / 2 + (11,312 + 12,458) / 2) M	6.32% = €3,055 M / €((28,743 + 30,142) / 2 + (17,906 + 19,925) / 2) M	Measure of return on capital employed
Return on Invested Capital (ROIC)	%	Profit from operations After Tax for the last 12 months / (Equity of the Parent + Net Financial Debt)	4.57% = 870 €M / (€7,711 M + €11,328 M)	16.35% = €3,055 M / (€7,094 M + €11,591 M)	Measure of return on invested capital
Gross investments	€M	Investments in property, plant and equipment + investments in intangible assets	€433 M = €351 M + €82 M	€410 M = €318 M + €92 M	Measure of investment activity
Gross investments for Low-Carbon Products, Services and Technologies	€M	Gross Investments - Gross investments made in coal/fuel and combined cycle power plants	€413 M = €433 M - €20 M	€398 M = €410 M - €12 M	Measurement of investment activity without taking into account investments made in Coal/Fuel Power Plants and Combined Cycle Power Plants
Net Investments	€M	Gross Investments - Transferred facilities and Capital Grants	€388 M = €433 M - €45 M	€376 M = €410 M - €34 M	Measure of investing activity net of grants received
Funds From Operations	€M	Cash Flows from Operating Activities - Changes in Working Capital - Self-constructed Assets	€1,006 M = €167 M + €898 M - €59 M	€1,474 M = - €97 M + €1,630 M - €59 M	A measure of the cash generated by the company's business that is available to make investments, repay debt, and distribute dividends to shareholders
Interest Expense	€M	Interest Payments	€106 M	€77 M	Measure of interest paid
Net ordinary income per share	€	Net ordinary income of the Parent Company / Number of shares at the End of the Period	€0.276 = €292 M / 1,058,752,117 shares	€0.561 = €594 M / 1,058,752,117 shares	Measure of the portion of net ordinary income that corresponds to each of the shares outstanding
Net income per share	€	Net income of the Parent Company / Number of Shares at the End of the Period	€0.276 = €292 M / 1,058,752,117 shares	€0.561 = €594 M / 1,058,752,117 shares	Measure of the portion of net income corresponding to each share outstanding
Cash flow per share	€	Net cash flow from operating activities / Number of shares at the End of the Period	€0.158 = €167 M / 1,058,752,117 shares	(€0.092) = - €97 M / 1,058,752,117 shares	Measure of the portion of the funds generated that corresponds to each of the outstanding shares

€M = million Euros; € = Euros.
n = 31 March of the year being calculated.
n-1 = December 31 of the year prior to the one in which the calculation is made.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 31 March 2024	31 December 2023	Relevance of its Use
Net financial debt	€M	Non-current borrowings + Current borrowings + Debt derivatives recognised in liabilities - Cash and cash equivalents - Debt derivatives recognised in assets - Financial guarantees recognised in assets	€11,328 M = €9,617 M + €4,200 M + €59 M - €1,595 M - €60 M - €893 M	€10,405 M = €9,636 M + €4,091 M + €61 M - €2,106 M - €57 M - €1,220 M	Current and non-current borrowings, less cash and financial investments equivalent to cash and financial guarantees recognised in assets
Sustainable gross financial debt	€M	Gross financial debt subject to compliance with certain sustainability objectives	€9,154 M	€9,210 M	Gross financial debt subject to the fulfilment of certain sustainability targets
Sustainable Financing	%	Sustainable gross financial debt / gross financial debt	66% = €9,154 M / €13,817 M	67% = €9,210 M / €13,727 M	Measure of the weight of gross financial debt with sustainability clauses as a share of total gross financial debt
Leverage	%	Net Financial Debt / Equity	143.39% = €11,328 M / €7,900 M	144.43% = €10,405 M / €7,204 M	Measurement of the weight of external resources in the financing of business activity
Debt Ratio	%	Net Financial Debt / (Equity + Net Financial Debt)	58.91% = €11,328 / €(7,900 + 11,328) M	59.09% = €10,405 / €(7,204 + 10,405) M	Measurement of the weight of external resources in the financing of business activity
Average life of gross financial debt	No. of Years	(Principal * Number of Valid Days) / (Valid Principal at the end of the Reporting Period * Number of Days in the Period)	3.9 years = 54,478 / 13,871	4.0 years = 55,308 / 13,780	Measure of the duration of borrowings to maturity
Average gross financial debt	€M	(Total Drawdowns or Debt Positions * Number of Days in force of each Provision or Position) / (Cumulative Number of Days in Force	€13,508 M	€15,373 M	Measure of average gross financial debt in the period to calculate the average cost of gross financial debt.
Average cost of gross financial debt	%	(Cost of gross financial debt)/ Average gross financial debt	3.7% = ((€123 M * 365 days / 91 days) +1) /€13,508 M)	3.2% = €486 M / €15,373 M	Measure of the effective rate of borrowings
Debt coverage ratio	No. of Months	Maturity period (no. of months) for vegetative debt and financial expense that could be covered with available liquidity	27 months	27 months	Measurement of the ability to meet debt maturities and the financial expenses associated with them
Liquidity Ratio	Na	Current assets / Current liabilities	0.87 = €11,312 M / €12,994 M	0.85 = €12,458 M / €14,575 M	Measure of capacity to meet short-term commitments
Solvency Ratio	Na	(Equity + Non-current liabilities) / Non-current assets	0.94 = (€7,900 M + €19,208 M) / €28,790 M	0.93 = (€7,204 M + €19,504 M) / €28,825 M	Measure of the capacity to meet obligations
Debt coverage ratio	Na	Net Financial Debt / Gross Operating Income (EBITDA), last 12 months	3.34 = €11,328 M / €3,394 M	2.75 = €10,405 M / €3,777 M	Measure of the amount of cash flow available to service principal payments on borrowings
Fixed Assets	€M	Property, plant and equipment + Real Estate Investments + Intangible Assets + Goodwill	€25,062 M= €22,874 M + €69 M + €1,657 M + €462 M	€25,016 M= €22,839 M + €69 M + €1,646 M + €462 M	Assets of the Company, whether tangible or intangible, not convertible into short-term liquidity, necessary for the operation of the Company and not intended for sale

€M = million Euros; € = Euros.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 31 March 2024	Reconciliation of Alternative Performance Measures (APMs) 31 December 2023	Relevance of its Use
Total net non-current assets	€M	Property, plant and equipment + Intangible assets + Goodwill + Investments accounted for using the equity method + Investment property + Other non-current financial assets + Non-current derivative financial instruments + Other non-current assets - Grants - Non-current liabilities from contracts with customers - Non-current derivative financial instruments - Other non-current financial liabilities - Other non-current liabilities - Financial guarantees recognised in Non-current assets - Debt derivatives recognised under non-current financial assets and liabilities	€21,666 M = €22,874 M + €1,657 M + €462 M + €281 M + €69 M + €671 M + €823 M + €408 M - €224 M - €4,342 M - €365 M - €8 M - €579 M - €47 M - €14 M	€21,453 M = €22,839 M + €1,646 M + €462 M + €273 M + €69 M + €663 M + €879 M + €386 M - €227 M - €4,348 M - €544 M - €8 M - €578 M - €47 M - €12 M	Measure of non-current assets excluding deferred tax assets, less the value of deferred income and other non-current liabilities
Total Net Working Capital	€M	Trade receivables for sales and services and other receivables + Inventories + Other current financial assets + Current derivative financial instruments + Current income tax assets + Other tax assets + Current assets from contracts with customers - Current income tax liabilities - Other tax liabilities - Current derivative financial instruments - Other current financial liabilities - Current liabilities from contracts with customers - Financial guarantees recognised in current assets - Debt derivatives recognised under current financial assets and liabilities - Suppliers and other payables	€1,611 M = €4,554 M + €1,952 M + €1,642 M + €1,103 M + €308 M + €154 M + €4 M - €503 M - €751 M - €1,322 M - €154 M - €448 M - €846 M + €13 M - €4,095 M	€88 M = €4,912 M + €2,060 M + €1,777 M + €1,054 M + €233 M + €312 M + €4 M - €215 M - €446 M - €1,673 M - €104 M - €427 M - €1,173 M + €16 M - €6,242 M	Measure of current assets excluding cash and financial investments equivalent to cash, less suppliers and other payables and current income tax liabilities
Gross Invested Capital	€M	Total Net Non-Current Assets + Total Net Working Capital	€23,277 M = €21,666 M + €1,611 €M	€21,541 M = €21,453 M + €88 M	Total net non-current assets plus total net working capital
Total Provisions and Deferred Tax Assets and Liabilities	€M	- Provisions for Pensions and other Similar Obligations - Other Non-Current Provisions - Current Provisions + Deferred Tax Assets - Deferred Tax Liabilities	€(4,049) M = - €255 M - €2,505 M - €1,521 M + €1,545 M - €1,313 M	€(3,932) M = - €268 M - €2,587 M - €1,377 M + €1,608 M - €1,308 M	Measurement of provisions and deferred tax assets and liabilities
Net Invested Capital	€M	Gross Invested Capital - Total Provisions and Deferred Tax Assets and Liabilities + Net Non-Current Assets Held for Sale and Discontinued Operations	€19,228 M = €23,277 M - €4,049 M + €0 M	€17,609 M = €21,541 M - €3,932 M + €0 M	Measure of gross capital invested plus total provisions and deferred tax assets and liabilities and non-current assets held for sale and discontinued operations
Book value per share	€	Equity of the Parent / Number of Shares at the End of the Period	€7.283 = €7,711 M / 1,058,752,117 shares	€6.628 = €7,017 M / 1,058,752,117 shares	Measure of the portion of equity that corresponds to each of the outstanding shares

€M = million Euros; € = Euros.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 31 March 2024	31 December 2023	Relevance of its Use
Market cap	€M	Number of shares at the end of the period * Price at the end of the period	€18,173 M = 1,058,752,117 shares * 17.165 €	€19,545 M = 1,058,752,117 shares * 18.460 €	A measure of the company's market value based on the trading price of its shares
Price to Earning Ratio (P.E.R.) Ordinary	Na	Price at the end of the reporting period / Net ordinary earnings per share for the last 12 months	28.00 = €17.165 / €0.613	20.55 = €18.460 / €0.898	Measure indicating the number of times net ordinary earnings per share can be divided into the market price of the shares
Price to Earning Ratio (P.E.R.)	Na	Price at the end of the reporting period / Net earnings per share for the last 12 months	41.26 = €17.165 / €0.416	26.34 = €18.460 / €0.701	Measure indicating the number of times net earnings per share can be divided into the market price of the shares
Price / Carrying amount	Na	Market cap / Equity of the Parent	2.36 = €18,173 M / €7,711 M	2.79 = €19,545 M / €7,017 M	Measure that relates the market value of the company according to the quoted price with the carrying amount

€M = million Euros; € = Euros.

Alternative Performance Measures (APMs)	Unit	Definition	Reconciliation of Alternative Performance Measures (APMs) 2023	2022	Relevance of its Use
Shareholder Return	%	Stock market return + Dividend yield	13.67% = 4.68% + 8.99%	(5.58%) = (12.70%) + 7.11%	Measurement of the relationship between the amount invested in a share and the economic result provided, which includes the effect of the change in the share price in the year and the gross dividend received in cash (excluding reinvestment)
Stock market return	%	(Share price at the close of the period – Share price at the beginning of the period / Share price at the beginning of the period	4.68% = (€18.460 – €17.635) / €17.635	(12.70%) = (€17.635 – €20.200) / €20.200	A measure of the relationship between the amount invested in a share and the effect of the change in the share price during the year
Dividend yield	%	(Gross dividend paid in the year) / Share price at the beginning of the period	8.99% = €1.5854 / €17.635	7.11% = €1.4372 / €20.200	Measure of the ratio between the amount invested in a share and the gross dividend received in cash (excluding reinvestment)
Consolidated Ordinary Pay-Out	%	(Gross Dividend Per Share * Number of Shares at End of Period) / Net Ordinary Income of the Parent Company	111.3% = (€1 * 1,058,752,117 shares) / €951 M	70.0% = (€1.5854 * 1,058,752,117 shares) / €2,398 M	Measure of the portion of ordinary profit obtained that is used to remunerate shareholders through the payment of dividends (Consolidated Group)
Consolidated Pay-Out	%	(Gross dividend per share * Number of shares at the end of the reporting period) / Profit of the Parent for the year	142.7% = (€1 * 1,058,752,117 shares) / €742 M	66.1% = (€1.5854 * 1,058,752,117 shares) / €2,541 M	Measure of the portion of the profit obtained that is used to remunerate shareholders through the payment of dividends (Consolidated Group)
Individual Pay-Out	%	(Gross Dividend Per Share * Number of Shares at the End of the Period) / Profit for the Year of Endesa, S.A.	182.5% = (€1 * 1,058,752,117 shares) / €580 M	240.8% = (€1.5854 * 1,058,752,117 shares) / €697 M	Measure of the part of profits obtained used to remunerate shareholders through the payment of dividends (individual company)

€M = million Euros; € = Euros.

13. FORESEEABLE MANAGEMENT DEVELOPMENTS

The market scenario in the first quarter of 2024 has been characterised by a sharp fall in electricity prices, which in March reached minimum levels close to zero as a result of the combined effects of lower demand, record renewable production, with a strong presence of hydroelectric production in the last month, and the collapse of gas and carbon dioxide (CO_2) prices, affected by the mild winter in Europe and the high level of storage.

The strong pressure on electricity prices has continued in recent weeks due to the significant increase in hydro, wind and solar production in a scenario of stagnating electricity demand. In this extraordinary context, prices have reached negative levels for the first time in history during the month of April and are expected to remain at very low levels until the beginning of the third quarter, when demand is expected to pick up due to rising temperatures and a moderation of renewable production, both hydro and wind, in the generation mix.

Forecasts indicate that this market context will not have a significant impact on the Company's short-term results thanks to the integrated management of the generation and commercialisation businesses on which its strategy is based.

Evolution of sectoral regulation

As of 1 January 2024, Royal Decree Law 8/2023 of 27 December and Royal Decree 446/2023 of 13 June, among others, have entered into force.

The expected impact of the withdrawal of the consumer protection tax measures established in Royal Decree Law 8/2023, of 27 December, will lead to a gradual increase in the taxes applied to electricity bills in the coming months. Those consumers on the regulated tariff will be able to partially offset the rise in these taxes with a reduction in the price of the energy component of their bills, as this will continue to be 75% linked to daily electricity market prices, as approved for this year in Royal Decree 446/2023, of 13 June, which gradually incorporates forward market contracts into the daily pricing system from 2024. This would not be the case for those customers with a fixed tariff in the market, for whom the final bill will be higher, which could have an additional impact on the already weak electricity demand.

Information relating to sectoral regulation is described in Note 6 to the Consolidated Financial Statements for the year ended 31 December 2023 and in Section 9 of this Consolidated Management Report.

2024-2026 Strategic Plan

During the first quarter of 2024, and within this regulatory and market context, Endesa continued to make progress on the targets included in the 2024-2026 Strategic Plan presented to the market on 23 November 2023, with no significant deviations expected at the date of publication of this Consolidated Management Report. Meeting these earnings targets will enable the Company to continue to apply an attractive dividend policy, based on a 70% pay out on Net Ordinary Profit, with a guaranteed minimum of 1 gross Euro per share over the 3 years of the Plan (see Section 19.2 of the Consolidated Management Report for the year ended 31 December 2023).The 2024-2026 Strategic Plan reaffirms the objective of growing in clean electrification, with distribution networks and renewable generation being the key axes of growth, confirming the commitment to achieve full decarbonisation of the company by 2040 (see Sections 4.2 and 4.3 of the Consolidated Management Report for the year ended 31 December 2023).

2. APPENDIX

APPENDIX I. CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2024

Endesa, S.A. and Subsidiaries

Consolidated Income Statements for the periods January-March 2024 and 2023

Millions of Euros

	January-March 2024 [1]	January-March 2023 [1]
REVENUE	**5,547**	**7,504**
Revenue from Sales and Services	5,457	7,369
Other operating income	90	135
PROCUREMENTS AND SERVICES	**(3,463)**	**(4,738)**
Power purchases	(1,231)	(2,254)
Fuel consumption	(487)	(709)
Transmission costs	(938)	(865)
Other variable procurements and services	(807)	(910)
INCOME AND EXPENSES FROM ENERGY COMMODITY DERIVATIVES	**(447)**	**(741)**
CONTRIBUTION MARGIN	**1,637**	**2,025**
Self-constructed assets	59	59
Personnel expenses	(243)	(255)
Other fixed operating expenses	(375)	(368)
Other gains and losses	1	1
EBITDA	**1,079**	**1,462**
Depreciation and amortisation, and impairment losses on non-financial assets	(454)	(426)
Impairment Losses on Financial Assets	(52)	(46)
EBIT	**573**	**990**
FINANCIAL PROFIT/(LOSS)	**(129)**	**(123)**
Financial income	34	9
Financial expense	(154)	(155)
Income and expenses on derivative financial instruments	(6)	7
Net exchange differences	(3)	16
Net profit/(loss) of companies accounted for using the equity method	3	3
PROFIT BEFORE TAX	**447**	**870**
Income tax	(153)	(269)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	**294**	**601**
PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	**–**	**–**
PROFIT FOR THE PERIOD	**294**	**601**
Parent	292	594
Non-Controlling Interests	2	7
BASIC NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS (in Euro)	**0.28**	**0.56**
NET INCOME PER DILUTED SHARE FROM CONTINUING OPERATIONS (in Euro)	**0.28**	**0.56**
BASIC NET EARNINGS PER SHARE (in Euro)	**0.28**	**0.56**
DILUTED NET EARNINGS PER SHARE (in Euro)	**0.28**	**0.56**

[1] Unaudited.

Endesa, S.A. and Subsidiaries

Consolidated Statements of Other Comprehensive Income for the periods January-March 2024 and 2023

Millions of Euros

	January-March 2024 [1]	January-March 2023 [1]
CONSOLIDATED RESULT FOR THE PERIOD	**294**	**601**
OTHER COMPREHENSIVE INCOME:		
ITEMS THAT CANNOT BE RECLASSIFIED TO PROFIT AND LOSS	**—**	**—**
By Revaluation / (Reversal of Revaluation) of Property, Plant and Equipment and Intangible Assets	—	—
For actuarial gains and losses	—	—
Share of Other Comprehensive Income Recognised on Investments in Joint Ventures and Associates	—	—
Equity instruments through other comprehensive income	—	—
Other income and expenses not reclassified to profit or loss for the period	—	—
Tax Effect	—	—
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	**415**	**950**
Hedging Operations	**549**	**1,265**
Valuation Gains/Losses	827	861
Amounts transferred to income statement	(278)	404
Other Reclassifications	—	—
Translation differences	**—**	**—**
Valuation Gains/Losses	—	—
Amounts transferred to income statement	—	—
Other Reclassifications	—	—
Share of other comprehensive income recognised on investments in joint ventures and associates	**3**	**1**
Valuation Gains/Losses	3	1
Amounts transferred to income statement	—	—
Other Reclassifications	—	—
Debt instruments at fair value through other comprehensive income	**—**	**—**
Valuation Gains/Losses	—	—
Amounts transferred to income statement	—	—
Other Reclassifications	—	—
Other income and expenses that may be reclassified to profit or loss for the period	**—**	**—**
Valuation Gains/Losses	—	—
Amounts transferred to income statement	—	—
Other Reclassifications	—	—
Tax Effect	**(137)**	**(316)**
TOTAL COMPREHENSIVE INCOME	**709**	**1,551**
Of the Parent	**707**	**1,544**
Non-Controlling Interests	**2**	**7**

[1] Unaudited.

Endesa, S.A. and Subsidiaries

Consolidated Statements of Financial Position as of 31 March 2024 and 31 December 2023

Millions of Euros

	31 March 2024 [1]	31 December 2023 [2]
ACTIVE		
NON-CURRENT ASSETS	**28,790**	**28,825**
Property, plant and equipment	22,874	22,839
Investment property	69	69
Intangible Assets	1,657	1,646
Goodwill	462	462
Investments Accounted for by the Equity Method	281	273
Non-current assets under contracts with customers	—	—
Other Non-Current Financial Assets	671	663
Non-Current Derivative Financial Instruments	823	879
Other Non-Current Assets	408	386
Deferred tax assets	1,545	1,608
CURRENT ASSETS	**11,312**	**12,458**
Inventories	1,952	2,060
Trade and other receivables	5,016	5,457
Trade receivables for sales and services and other receivables	4,554	4,912
Current income tax assets	308	233
Other Tax Assets	154	312
Current assets under contracts with customers	4	4
Other current financial assets	1,642	1,777
Current derivative financial instruments	1,103	1,054
Cash and cash equivalents	1,595	2,106
Non-Current Assets Held for Sale and Discontinued Operations	—	—
TOTAL ASSETS	**40,102**	**41,283**
EQUITY AND LIABILITIES		
EQUITY	**7,900**	**7,204**
Of the Parent	7,711	7,017
Non-controlling interests	189	187
NON-CURRENT LIABILITIES	**19,208**	**19,504**
Grants	224	227
Non-current liabilities of contracts with customers	4,342	4,348
Non-current provisions	2,760	2,855
Provisions for employee benefits	255	268
Other Non-Current Provisions	2,505	2,587
Non-current borrowings	9,617	9,636
Non-Current Derivative Financial Instruments	365	544
Other non-current financial liabilities	8	8
Other Non-Current Liabilities	579	578
Deferred Tax Liabilities	1,313	1,308
CURRENT LIABILITIES	**12,994**	**14,575**
Current liabilities under contracts with customers	448	427
Current provisions	1,521	1,377
Provisions for employee benefits	—	—
Other current provisions	1,521	1,377
Current borrowings	4,200	4,091
Current derivative financial instruments	1,322	1,673
Other current financial liabilities	154	104
Trade and other payables	5,349	6,903
Suppliers and other payables	4,095	6,242
Current income tax liabilities	503	215
Other Tax Liabilities	751	446
Liabilities Associated with Non-Current Assets Held for Sale and Discontinued Operations	—	—
TOTAL EQUITY AND LIABILITIES	**40,102**	**41,283**

[1] Not audited.
[2] Audited.

Endesa, S.A. and Subsidiaries
Consolidated Statements of Changes in Equity for the period January-March 2024

Millions of Euros

	Equity attributable to the Parent [1]							
	Equity							
	Capital	Share premium, reserves and interim dividend	Treasury shares	Profit/ (loss) for the period	Other Equity Instruments	Adjustments due to changes in value	Non-Controlling Interests	Total Equity
Opening Balance as of 1 January 2024	**1,271**	**5,259**	**(4)**	**742**	**5**	**(256)**	**187**	**7,204**
Adjustment for Changes in Accounting Criteria	–	–	–	–	–	–	–	–
Adjustment for Errors	–	–	–	–	–	–	–	–
Adjusted Opening Balance	**1,271**	**5,259**	**(4)**	**742**	**5**	**(256)**	**187**	**7,204**
Total comprehensive income	**–**	**–**	**–**	**292**	**–**	**415**	**2**	**709**
Transactions with Partners or Owners	**–**	**–**	**(14)**	**–**	**–**	**–**	**–**	**(14)**
Capital Increases/ (Decreases)	–	–	–	–	–	–	–	–
Conversion of Liabilities into Equity	–	–	–	–	–	–	–	–
Dividend Distribution	–	–	–	–	–	–	–	–
Transactions with Treasury shares (net)	–	–	(14)	–	–	–	–	(14)
Increases/(decreases) due to business combinations	–	–	–	–	–	–	–	–
Other transactions with shareholders or owners	–	–	–	–	–	–	–	–
Other Equity Variations	**–**	**742**	**–**	**(742)**	**1**	**–**	**–**	**1**
Payments Based on Equity Instruments	–	–	–	–	–	–	–	–
Transfers between equity items	–	742	–	(742)	–	–	–	–
Other Variations	–	–	–	–	1	–	–	1
Final Balance as of 31 March 2024	**1,271**	**6,001**	**(18)**	**292**	**6**	**159**	**189**	**7,900**

[1] Not audited.

Endesa, S.A. and Subsidiaries

Consolidated Statement of Changes in Equity for the period January-March 2023

Millions of Euros

	Equity attributable to the Parent [1]							
	Equity							
	Capital	Share premium, reserves and interim dividend	Treasury shares	Profit/ (loss) for the period	Other Equity Instruments	Adjustments due to changes in value	Non-Controlling Interests	Total Equity
Opening Balance as of 1 January 2023	**1,271**	**4,934**	**(5)**	**2,541**	**4**	**(3,188)**	**201**	**5,758**
Adjustment for Changes in Accounting Criteria	–	–	–	–	–	–	–	–
Adjustment for Errors	–	–	–	–	–	–	–	–
Adjusted Opening Balance	**1,271**	**4,934**	**(5)**	**2,541**	**4**	**(3,188)**	**201**	**5,758**
Total comprehensive income	**–**	**–**	**–**	**594**	**–**	**950**	**7**	**1,551**
Transactions with Partners or Owners	**–**	**–**	**(7)**	**–**	**–**	**–**	**–**	**(7)**
Capital Increases/ (Decreases)	–	–	–	–	–	–	–	–
Conversion of Liabilities into Equity	–	–	–	–	–	–	–	–
Dividend Distribution	–	–	–	–	–	–	–	–
Transactions with Treasury shares (net)	–	–	(7)	–	–	–	–	(7)
Increases/(decreases) due to business combinations	–	–	–	–	–	–	–	–
Other transactions with shareholders or owners	–	–	–	–	–	–	–	–
Other Equity Variations	**–**	**2,541**	**–**	**(2,541)**	**–**	**–**	**–**	**–**
Payments Based on Equity Instruments	–	–	–	–	–	–	–	–
Transfers between equity items	–	2,541	–	(2,541)	–	–	–	–
Other Variations	–	–	–	–	–	–	–	–
End Balance at 31 March 2023	**1,271**	**7,475**	**(12)**	**594**	**4**	**(2,238)**	**208**	**7,302**

[1] Not audited.

Endesa, S.A. and Subsidiaries

Consolidated Statements of Cash Flows for the periods January-March 2024 and 2023

Millions of Euros

	January-March 2024 [1]	January-March 2023 [1]
Gross profit before tax	**447**	**870**
Adjustments for:	**755**	**811**
Depreciation of Fixed Assets and Impairment Losses	506	472
Other adjustments (net)	249	339
Changes in working capital:	**(883)**	**(1,630)**
Trade and other receivables	534	(403)
Inventories	(38)	188
Current financial assets	(191)	(305)
Trade Creditors and Other Current Liabilities	(1,188)	(1,110)
Other Cash Flows from Operating Activities:	**(152)**	**(148)**
Interest received	34	13
Dividends received	—	—
Interest Payments	(106)	(77)
Income tax paid	(1)	1
Other proceeds from and payments for operating activities	(79)	(85)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**167**	**(97)**
Payments for investments	**(561)**	**(618)**
Acquisitions of Property, Plant and Equipment and Intangible Assets	(458)	(529)
Investments in Group companies	—	—
Acquisitions of Other Investments	(103)	(89)
Proceeds from sale of investments	**333**	**2,483**
Disposals of Property, Plant and Equipment and Intangible Assets	2	1
Disposals of investments in Group companies	—	—
Disposals of Other Investments	331	2,482
Other Cash Flows from Investment Activities	**22**	**18**
Other receipts from and payments for investing activities	22	18
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(206)**	**1,883**
Cash flows from equity instruments	(16)	(14)
Drawdowns of non-current borrowings	13	69
Repayments of non-current borrowings	(6)	(476)
Net cash flows from current borrowings	66	(1,212)
Dividends of the Parent paid	(529)	—
Dividend Payments to Non-Controlling Interests	—	(2)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(472)**	**(1,635)**
TOTAL NET FLOWS	**(511)**	**151**
Effect of exchange rate fluctuations on cash and cash equivalents	—	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(511)**	**151**
OPENING CASH AND CASH EQUIVALENTS	**2,106**	**871**
Cash in hand and at banks	1,281	871
Other Cash Equivalents	825	—
ENDING CASH AND CASH EQUIVALENTS	**1,595**	**1,022**
Cash in hand and at banks	845	1,022
Other Cash Equivalents	750	—

[1] Unaudited.

LEGAL NOTICE

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

Forward-looking statements include, but are not limited to, information regarding: estimated future earnings; electricity production variations of the different technologies; market share; expected variations in the gas demand and supply; management strategy and objectives; estimated cost reductions; tariffs and pricing structure; expected investments; estimated asset disposals; expected variations in generation capacity and changes in capacity mix; repowering of capacity and macroeconomic conditions. The outlooks and objectives included in this document are based on assumptions drawn from an examination of the regulatory environment, exchange rates, commodities, divestments, increases in production and installed capacity in markets where Endesa operates, increased demand in these markets, assignment of production across different technologies, increased costs associated with higher activity yet not exceeding certain limits, electricity prices no less than certain levels, costs of combined cycle plants, availability and cost of raw materials and emission rights necessary to run our business at the desired levels.

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

The following factors, in addition to those mentioned herein, may cause the statistics and financial and operating results to vary significantly from what is indicated in the estimates: Economic and industrial conditions; liquidity and funding factors; operational factors; strategic and regulatory, legal, fiscal, environmental, governmental and political factors; reputational factors; and commercial or transactional factors.

Further details on the factors that may cause actual results and other developments to differ significantly from the expectations implied or explicitly contained herein are given in the Risk Factors chapter of Endesa's regulated information filed with the Spanish Securities Market Commission (CNMV).

Endesa offers no assurance that the forward-looking statements herein will be fulfilled. Except as may be required by applicable law, neither Endesa nor any of its subsidiaries intends to update these forward-looking statements.

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