



PwC TLS

Avvocati e Commercialisti

Tax Transparency Report Peru - 2020

May 2021

The Enel logo, consisting of the lowercase letters 'enel' in a white, sans-serif font with a slight shadow effect, set against a dark grey background.

enel

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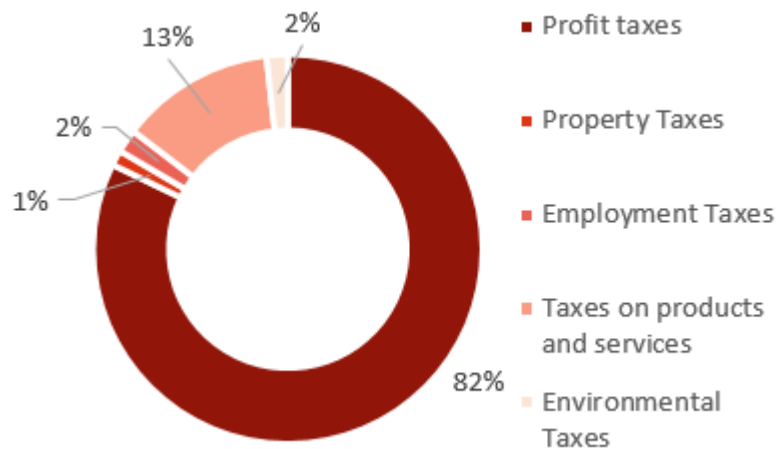
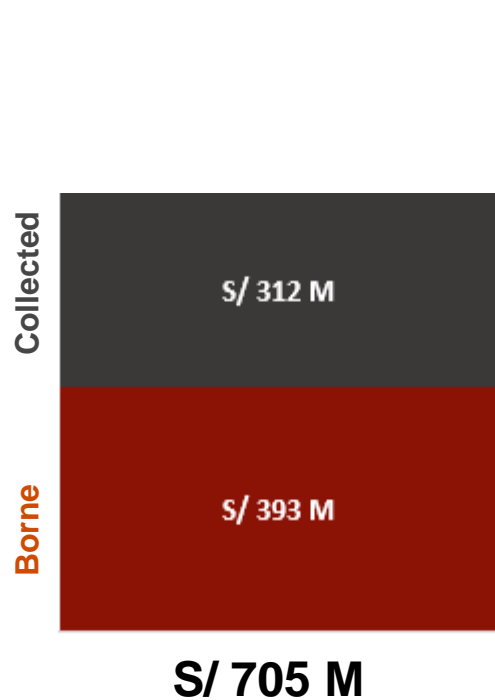
1. Executive Summary



Executive Summary

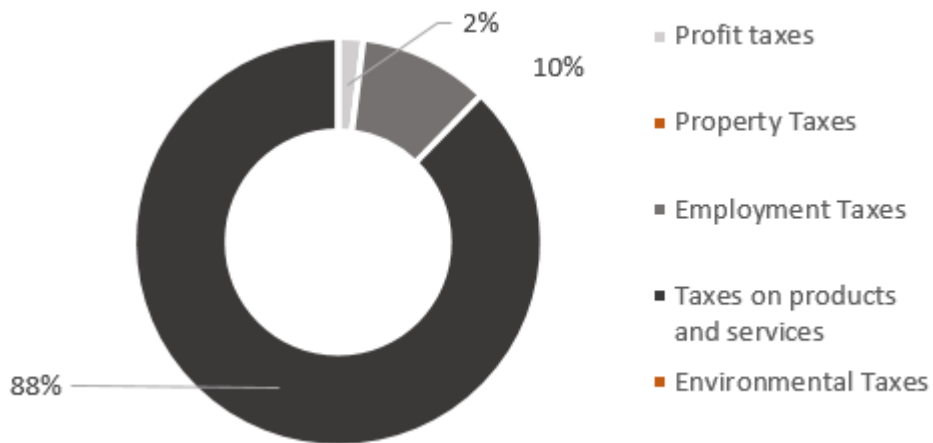
Total Tax Contribution in 2020

Total Tax Contribution (**Total Tax Contribution or TTC**) of the Enel Group in Peru (also referred to as Enel, Enel Peru or Company) in 2020 amounted to **Soles 705 million***, with a decrease of **16%** compared to 2019. In 2020, **56%** of the Total Tax Contribution corresponds to taxes borne and the remaining **44%** to taxes collected.



Taxes borne in 2020

Taxes borne by Enel in 2020 amounted S/ 393 M

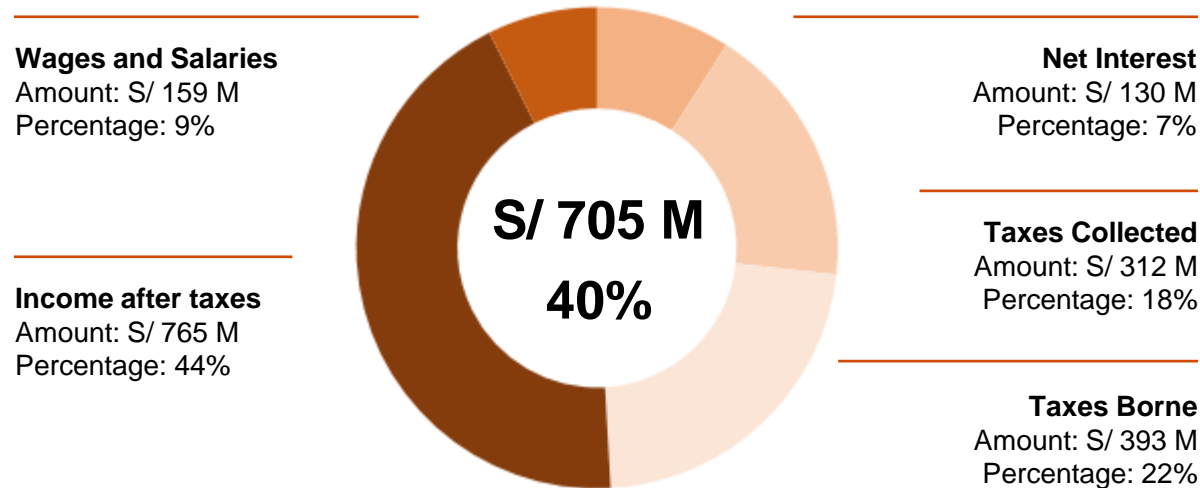


Taxes Collected in 2020

Taxes collected by Enel in 2020 amounted S/ 312 M

Executive Summary

Distributed Tax Value in 2020



31%
Total Tax Contribution Rate in 2020

Enel had a Total Tax Contribution Rate (TTCR) of **31%** in 2020 and 33% in 2019. TTCR reveals the share of taxes borne on total profit before taxes borne.

Enel has paid to the public administrations around **40% of the value distributed¹ in 2020** in the form of taxes either borne or collected.²

Distributed tax value of Enel decreased by approximately **21%** in 2020 compared to the previous year.³

For every **S/ 100** of value distributed, **S/ 40** were used for payment of taxes each year.

[1] The concept of "Value distributed" is explained on page 23.

[2] Payments to the public administration based on the distributed tax value were reduced by 2.39% in 2020 compared to the previous year. In 2019, these payments represented 37.7% of the tax value distributed in 2019, while in 2020, these payments represented 40% of the tax value distributed in 2020.

[3] In 2020, the distributed tax value amounted to S / 1.7 MM, while in 2019 it was S / 2.2 MM.

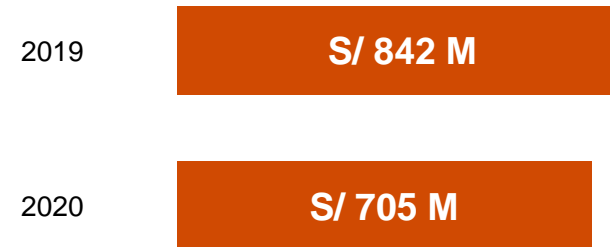
Executive Summary

Tax Contribution of Enel with respect to turnover in 2020



In 2020, taxes paid to the public administrations represented 14% of the total revenues generated*. For every S/ 100 of revenue generated, S/ 14 were used in payment of taxes, of which S/ 8 were taxes borne and S/ 6 were taxes collected.

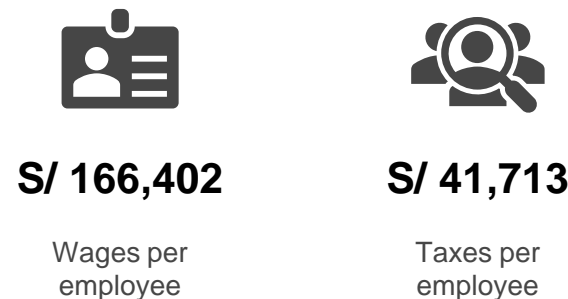
Trend in TTC 2019-2020



In 2020, Enel's **Tax Contribution** decreased by **16%** compared to 2019.

This trend is attributable to the decrease of **S/ 119 M** in taxes borne and **S/ 19 M** in taxes collected.

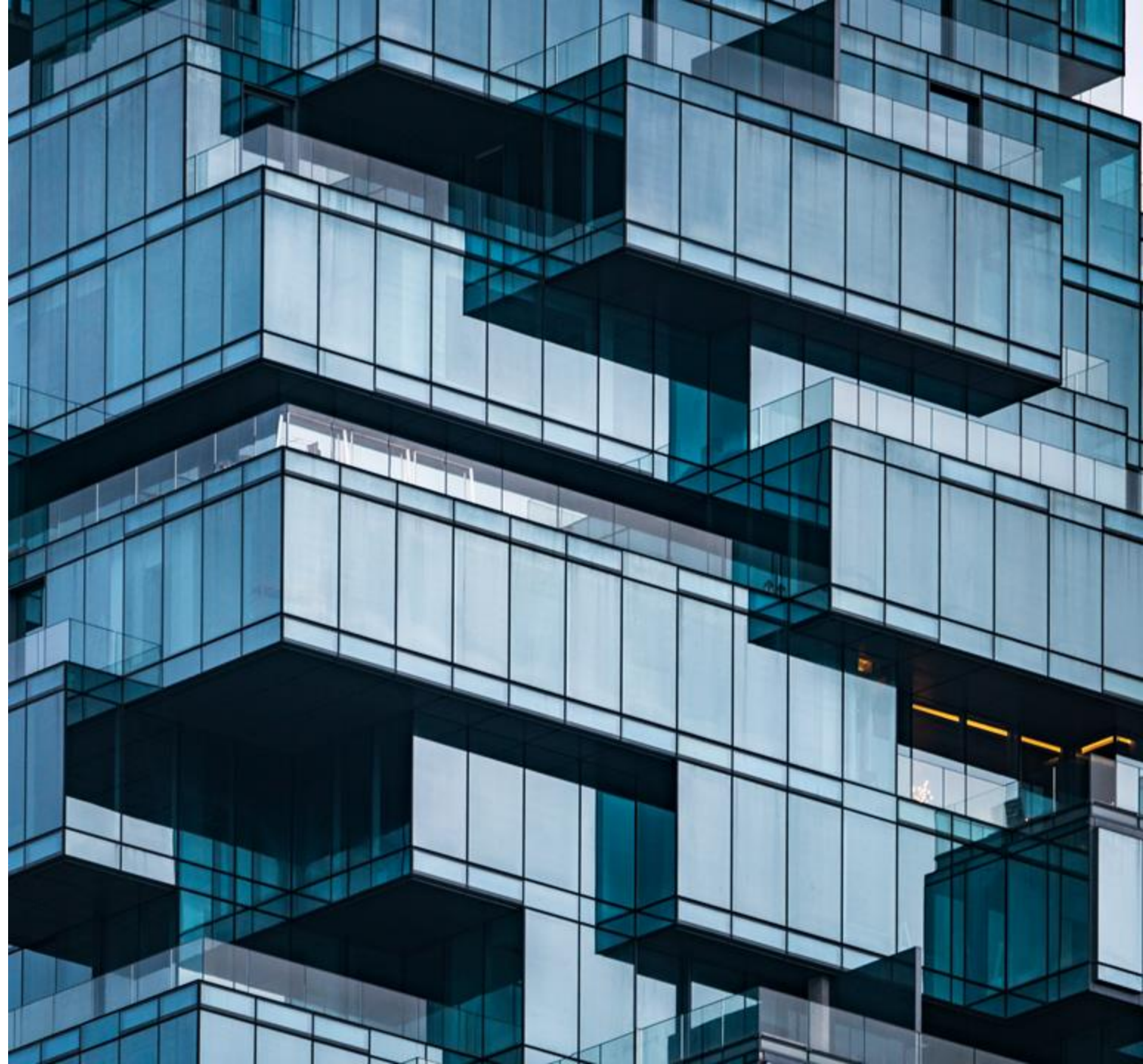
Wages and Taxes per employee in 2020 vs 2019



In 2020, annual Wages per employee and taxes per employee amounted to S/ 166,402.00 and S/ 41.713 respectively.

Compared to 2019, the annual wages per employee has decreased by 5% while the annual taxes paid per employee increased by 3%.

2. Purpose of this report and methodology



Purpose of this report and methodology



The Enel Group, in the spirit of its sustainability strategy, manages its tax-related activities in accordance with values of honesty and integrity.

Purpose and scope of the report

The PwC global network through its different studies is eager to create, maintain, and strengthen links between companies and governments as well as between companies and society. While the actions of companies, regardless of their industry sector, are increasingly put under scrutiny, it is essential to facilitate the dialogue between different stakeholders, promote strong values and principles and innovate by sharing analyses and ideas.

The aim of this report is to obtain and analyse the Total Tax Contribution data of Group Enel Peru (hereinafter Enel or the Company or The Group) for 2020. The Group includes the following companies: Enel Generación Perú S.A.A., Enel Perú S.A.C., Enel Distribución Perú S.A.A., Enel Generación Piura S.A.A., Chinango S.A.C., Enel Green Power Perú S.A., Energética Monzón S.A.C., Proyectos y Soluciones Renovables S.A.C., Compañía Energética Veracruz S.A.C., Empresa de Generación Eléctrica Marcona S.A.C., Enel X Peru S.A.C. and Empresa de Generación Eléctrica Los Pinos S.A.¹

The data for 2020, and the analysis of contribution profiles and certain indicators have been compared with the equivalent data for 2019, and a study made of the trend reflected.

The contribution made by major sectors of activity to the public purse in the jurisdictions in which they are present, and the way in which their tax contribution is distributed, are currently central topics of socio-economic debate.

¹ Enel Green Power Peru S.A., Energética Monzon S.A.C., Proyectos y Soluciones Renovables S.A.C, Empresa de Generacion Electrica Marcona S.A.C. are renewable companies which have a functional currency in united states dollars. Their financial statements in soles are being used for these purposes, as the local legislation requires that the accounting books must be registered in soles.

In this context, regarding the tax strategy of Enel which is declared to public and shared in the official website of the company, compliance with the tax legislations in which Enel operates carries an utmost importance for the company.

Fully aware of the fact that the tax revenue is one of the main contributors of the economic and social development in the regions in which the Group operates, Enel gives great importance to tax reporting and transparency.

Enel has decided to publish this Total Tax Contribution Report to show the importance the Company attaches to tax matters and the extent of its commitment to its main stakeholders. Information available in this report renders it possible to identify measure and communicate the business asset, which is Enel's tax contribution, so that it can have a significant impact on its reputational value. The purpose of this report is to enlarge the concept of Corporate Social Responsibility and to reveal the value of the social function deriving from Enel's tax contribution.

The way in which the tax information is provided in this report intends to make it more versatile and facilitate its integration so that it can be presented in accordance with the different parameters required by different stakeholders.

Background and the purpose of this report

The data compiled by PwC includes information received from Enel obtained from its own IT system and its internal working procedures. Our work has consisted of the analysis of the information supplied by Enel and verification of the consistency of the trends and figures reflected. Their origin has been neither verified nor audited.

In relation to the above, this report is based on the tax contribution figures provided as at 9th of March 2021. Our fieldwork was concluded on 9th of March 2021, and there could be significant events that have taken place since this date, which would not be reflected in this report.



Methodology

The Total Tax Contribution (hereinafter TTC) methodology measures the total impact of the payment of taxes by a company. This valuation takes into account the total contribution of taxes paid to different Administrations, either directly or indirectly, as a result of Enel's economic activity.

The key points to be borne in mind in relation to this methodology are:

1. It distinguishes between those taxes that constitute a cost for Enel and those taxes that it collects.

Taxes borne are the taxes that Enel has paid to the Peruvian Administrations of the different jurisdictions in which it operates. These are taxes that represent an actual cost for the Company, e.g. Corporate Income Tax.

Taxes collected are those that have been paid in because of Enel's economic activity but which, apart from the related management expenses, imply no cost for the Company.

These are nevertheless amounts which are paid into the public purse as a result of Enel's economic activity and should therefore be taken into consideration when analysing its tax contribution. Taxes withheld on the earned income paid to workers are one example of what we refer to as a tax collected. They constitute tax revenues obtained by the Administration thanks to the economic value generated by Enel.

In this respect, the TTC methodology is consistent with the approach adopted by the OECD, which highlights the relevance of the role played by business groups in the taxation system, both as contributors of taxes which imply a cost ("Legal Tax Liability"), and as "collectors" of taxes on behalf of others ("Legal Remittance Responsibility") as reflected in working paper no. 32. "Legal tax liability, remittance responsibility and tax incidence".*

In the TCC 2020, IT withholdings made to non-domiciled related companies have been excluded, as part of the change in the applied methodology.

* https://www.oecd-ilibrary.org/taxation/legal-tax-liability-legal-remittance-responsibility-and-tax-incidence_e7ced3ea-en

Background and the purpose of this report

2. Since taxes are known by different names in different countries, taxes borne and taxes collected have been grouped into 5 main categories:

(i) Profit taxes:

This includes taxes borne on the income obtained by on companies, such as corporate income tax, the tax on economic activities and taxes collected in the form of withholding on payments made to third parties. It also includes IT assumed by the Company in financial services operations provided by non-domiciled related companies as “other taxes”.

(ii) Property taxes:

These are taxes on the ownership, sale, transfer or tenancy of property.

(iii) Employment Taxes:

Taxes linked to employment comprise both taxes borne and those collected, including personal income tax withholding on payments to employees and the social contributions payable by both the employee and the company.

(iv) Taxes on products and services:

There are indirect taxes levied on the production and consumption of goods and services, including VAT, customs, duties, etc.

(v) Environmental taxes:

Taxes levied on the supply, use or consumption of products and services which are considered to have an environmental impact.

The classing of taxes as environmental is based on the definition agreed upon for the purposes of the harmonized statistical framework developed jointly, in 1997, by Eurostat, the European Commission, the Organization for Economic Cooperation and Development (OECD), and the International Energy Agency (IEA), according to which environmental taxes “A tax whose tax base is a physical unit (or a proxy of it) that has a proven specific negative impact on the environment. Four subsets of environmental taxes are distinguished: energy taxes, transport taxes, pollution taxes and resources taxes. Taxes should not be confounded neither with payments of rent nor with purchase of an environmental protection service”.³

3. It includes all tax payments made to Public Administrations.

When considering the figures reflected in this report, it should be borne in mind that they include tax payments made to Public Administrations in respect of items which, given historic or circumstantial reasons, they are not classed as such.

4. It can be tailored to the specific circumstances of the organization.

In relation to the composition of Group Enel Peru and the calculation of its overall TTC, it should be borne in mind that:

This reports takes into account 100% of the tax contribution made by all Peruvian Enel companies. In relation to the overall amount of payments to the Administration taken into consideration for the purposes of this study, a list of all Peruvian taxes covered by this analysis is attached hereto illustration purposes in the form of an appendix.

5. The special characteristics of Value Added Tax and equivalent taxes are taken into account.

Value Added Tax (and equivalent taxes) is classed as a tax on products and services collected, and its amount reflects the net payments made by Enel to the tax authorities of each of the jurisdictions in which it operates in the corresponding period.

³ <https://stats.oecd.org/glossary/detail.asp?ID=6437>

Background and the purpose of this report

In view of the way in which VAT works, the figure presented in this respect for a particular country includes the positive amount paid in to the corresponding Treasury, arrived at by subtracting VAT deducted from VAT accrued.

If the overall calculation for the year for a particular country, the net figure arrived at by subtracting VAT deducted from VAT accrued is negative, owing to a refund, no figure is shown.

On the other hand, amounts of VAT which are not recoverable because the continuation of the value chain through the charging of output tax is not possible, are regarded as a tax on products and services borne, since they represent a cost for the company.

6. Main Assumptions made during the preparation of this report

(i) Perimeter: This report takes into account 100% of the tax contribution made by companies whose accounts are consolidated with those of the parent company by the full consolidation method or other Peruvian companies in which Enel has a significant presence, provided that it has been possible to obtain the necessary information. In particular, this report considers the tax contributions made by 12 entities in 2019 and 12 entities in 2020, aligned with the scope of the CbCR.

(ii) Currency: This report considers Soles as the currency to be referred.

(iii) Certain Economic Indicators:

1) Revenues: Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of revenue of each entity in scope, excluding - as far as possible - revenues between related entities resident in the same country (i.e. in-country intercompany revenues).

2) Wages and salaries: Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of wages and salaries of each entity in scope, (excluding social security contributions, incentives or benefits). **In this case, the number of employees included in the TTC Report is the FTE as of the year-end.**

3) Profit before Taxes: Report considers data on profit before taxes which is provided as “EBT/ earnings before tax” in the local reporting (S/ 1,197 M).

Considering that consolidated financial statements are not prepared at the level of Peru, the respective amount is reported as the sum of profit before taxes of each entity in scope. **Note that the scope of companies included in the TTC reporting is aligned with the scope of the CbCR.**

The amount of profit before tax excludes intercompany dividends in order to avoid double-counting of the same income of various entities, if that income was distributed as dividends to Peruvian entities. Such calculation allows to reflect the objective amount of Profit before taxes at the country level, and to calculate the objective ETR since dividends are usually subject to beneficial tax treatment compared to the other types of income (so-called ‘participation exemption’ regime).

3. TTC of Enel Peru in 2020



TTC of Enel Peru in 2020

TTC of Enel Group in 2020 2020 Country Report

Country	<i>Peru</i>	31/12/2020
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Economic data	Amount (local currency)
Revenues	5,006,021,410
Wages and salaries	158,747,795
Number of employees	954
Income before tax	1,197,082,654
Income before tax borne	1,273,750,209
Total taxes borne	392,732,489
Total taxes collected	311,868,802
Income after tax	765,049,560
Total Tax Contribution	704,601,292

TTC indicators	Percentage
¹ TTC ratio	31%
² TTC in relation to revenues	14%
^{2'} Taxes borne in relation to revenues	8%
^{2''} Taxes collected in relation to revenues	6%
³ Tax value distributed to society	40%
⁴ Wages and salaries per employee	166,402
⁵ Taxes paid per employee	41,713

¹ Total taxes borne / Income before taxes borne

² Total Tax Contribution / Revenue

^{2'} Taxes borne / Revenue

^{2''} Taxes collected / Revenue

³ Tax borne and collected / Total value distributed (regarded as the sum of: income after tax or shareholder value, wages and salaries, net interest, taxes borne and taxes collected)

⁴ Wages and salaries / Number of employees

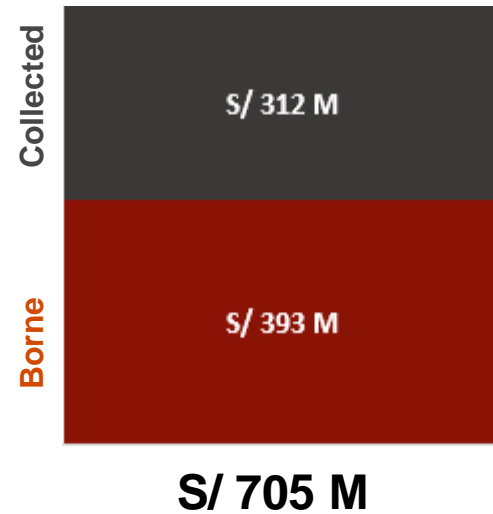
⁵ Total taxes linked to employment (borne and collected) / Number of employees

TTC of Enel Peru in 2020

2020		2020	
Taxes borne	local currency	Taxes collected	local currency
Profit taxes	322,611,866	Profit taxes	6,217,114
Corporate income tax	316,064,934	Withholdings on payments to non-residents (without PE)	5,631,254
Tax on Economic Activities		Revenues from investment capital	512,720
Temporary Tax on Net Assets		Withholdings on payments to independant individuals	73,139
Other taxes	6,546,932		
Property Taxes	5,028,596	Property Taxes	-
Tax on real property	4,264,730	Revenues from property investments	-
Municipal Fees	2,088,121		
Temporary Tax on Net Assets	-		
	1,324,255	Employment Taxes	32,144,557
Employment Taxes	7,649,359	Withholdings on earned income	32,144,557
Employer's social security contribution	7,577,803	Employee social security contributions	
Other taxes	71,556		
Taxes on products and services	50,515,886	Taxes on products and services	273,507,132
Non-deductible VAT/IGIC		VAT withholdings (Net position)	273,507,132
Tax on the utilization of airspace, soil and subsoil	-	VAT drawdowns	-
Regulation contributions to public entities	48,809,802		
Tax on Financial Transactions	1,053,880		
Custom duties	652,204		
Other public domain charges			
Environmental Taxes	6,926,782	Environmental taxes	-
Tax on value of electricity generation		Taxes on electricity	
Other environmental taxes (regional)	6,926,782		
Tax on nuclear services			
Other taxes			
TOTAL	392,732,489	TOTAL	311,868,802
Total Tax Contribution in Peru		704,601,292	
Other regulatory payments		-	
Payment to energy fund			
Other			
Total payments to Public Authorities		704,601,292	

TTC of Enel Peru in 2020

Analysis of the Total Tax Contribution in 2020



Enel's Total Tax Contribution in Peru amounted to **S/ 705 M in 2020**.

Of this, **56%** corresponds to **taxes borne** which represent a cost for the Company and the remaining **44%** corresponds to taxes collected by the Group owing to the pursuit of its economic activity.

Trend in TTC 2019-2020

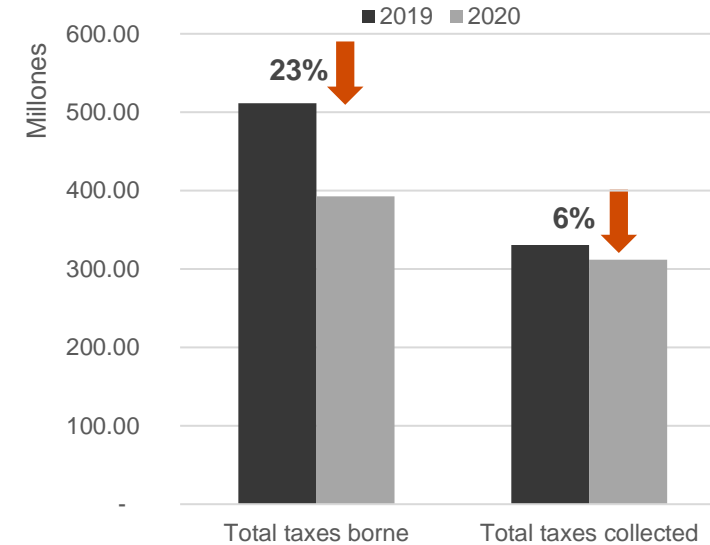


Chart 1. Evolution of Enel's Total Tax Contribution

Trend in total tax contribution

The amounts taken into account for the purpose of analysing the trend in Total Tax Contribution over the years 2019 and 2020 include taxes borne and collected by all Peruvian Enel Companies.

Compared to 2019, in 2020 there was a decrease on the total tax contribution. This difference is explained mainly because the Covid-19 virus in Peru in the year 2020 generated a drop in the country's economic activity, which implied a lower income for the Enel Group companies, determining a lower taxes payment in comparison to year 2019.

TTC of Enel Peru in 2020

Analysis of taxes borne in 2020

Profile of Taxes borne

As has been indicated above, taxes borne by Enel in 2020 amounted to **S/ 393 M**.

Corporate income tax borne by Enel Peru amounts to **S/ 316 M**, accounting for **80% of total taxes borne**.

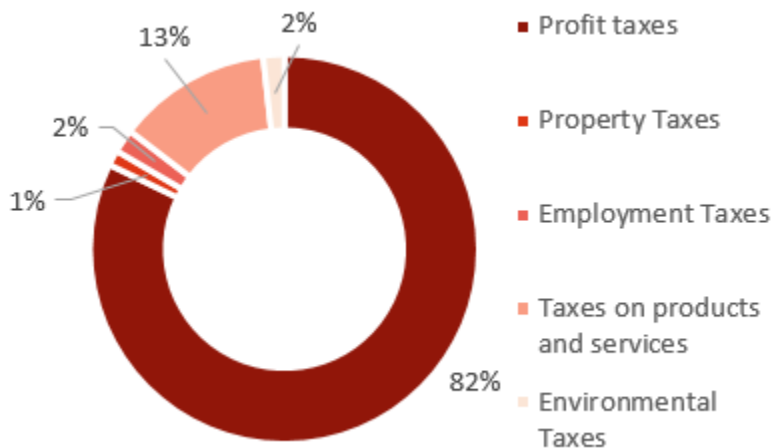


Chart 2: Types of taxes borne by Enel in 2020



It is **profit taxes** that feature most prominently, amounting to **S/ 323 M** and accounting for almost **82% of total taxes borne**.

Profit Taxes include most notably, the payments made to the Tax Authority in respect of Corporate Income Tax and the IT payment assumed by EGP for the financial services provided by EFI, as “other taxes” for the amount of S / 6.5 M.



Employment Taxes account for 2% approximately of Enel’s total tax contribution insofar as relates to taxes borne during the year. This amount comprises contributions amounting to **S/ 7.6 M approximately** paid to the Social Security authorities (or similar bodies) and other types of taxes.



Property taxes which include primarily Temporary Tax on Net Assets, Tax on Real Property and Municipal fees, **account for 1%** of total tax payments made by the Company corresponding to taxes borne and amount to **S/ 5 M**.



Taxes on products and services consist of the regulation contributions to public entities, tax on financial transactions and custom duties. They amount to **S/ 50.5 M**, accounting for **13% of total taxes borne**.



On the other hand, **environmental taxes**, which consist of payments of tax on the use of water, **account to 2%** of total tax payments made by the Company corresponding to taxes borne and amount to **S/ 6.9 M**.

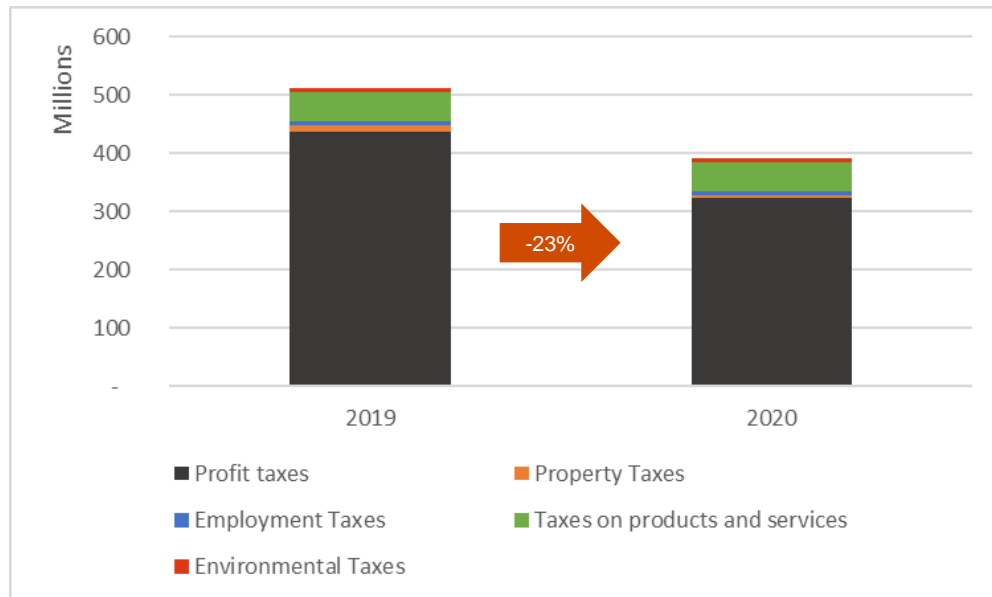
TTC of Enel Peru in 2020

Analysis of taxes borne in 2020

Trend in Taxes borne

Taxes borne reflect a **downward trend** over the past year, having fallen by approximately **S/ 119 M**, which represents a decrease in relative terms of **23%** in 2020 in relation to 2019.

Chart 3 and 4: Evolution of taxes borne by Enel



Profit taxes: In 2020, in regard to the tax measures given by the Peruvian Government due to the emergency situation generated by Covid 19, some Enel Group companies suspended its IT payments in advance corresponding to April and May 2020, while reducing its IT payments in advance for June 2020. This resulted in a lower IT payment in advance of S/ 53 M compared to FY 2019. Likewise, in March 2020 Enel Generacion Peru determined an IT balance in favor of S/ 36 M in its Annual IT return. The referred balance was offset against IT payments in advance from March to August 2020. These factors, among others, resulted in a decrease of 26.29% in relation to 2019.



Employment taxes: increased in 16.79% in relation to 2019 for an amount of S/ 1 M. The variation is due to the payment of salary and social benefits to executives and loyalty bonuses, the payment of higher production bonus and the application of the SUTREL* personal agreement.



Property taxes: decreased in 50.88% in relation to 2019. This variation is mainly due to the following factors: (i) In 2020, Enel Green Power Peru made a lower Temporary Tax on Net Assets (ITAN) payment in S/ 2 M, compared to FY 2019, this due to the fact that ITAN payments performed in excess in FY 2019 were offset against ITAN payments from June to November 2020, and (ii) Enel Generacion Piura, Enel Peru and Energetica Veracruz received an ITAN refund for S/ 1.0 M, S/ 1.3 M, S/ 0.5 M, respectively.



Taxes on product or service: decreased in 0.23% in relation to 2019. This variation mainly derives from the following: (i) Lower billing in 2020 compared to 2019 (due to the reduced supply of energy, power and light), caused a reduction in the contribution to government regulatory entities for the amount of S/ 0.3 M, (ii) Contribution payments to OSINERGMIN for the period January, August and November 2006 were regularized by Enel Distribucion of S/ 0.2 M in 2020.

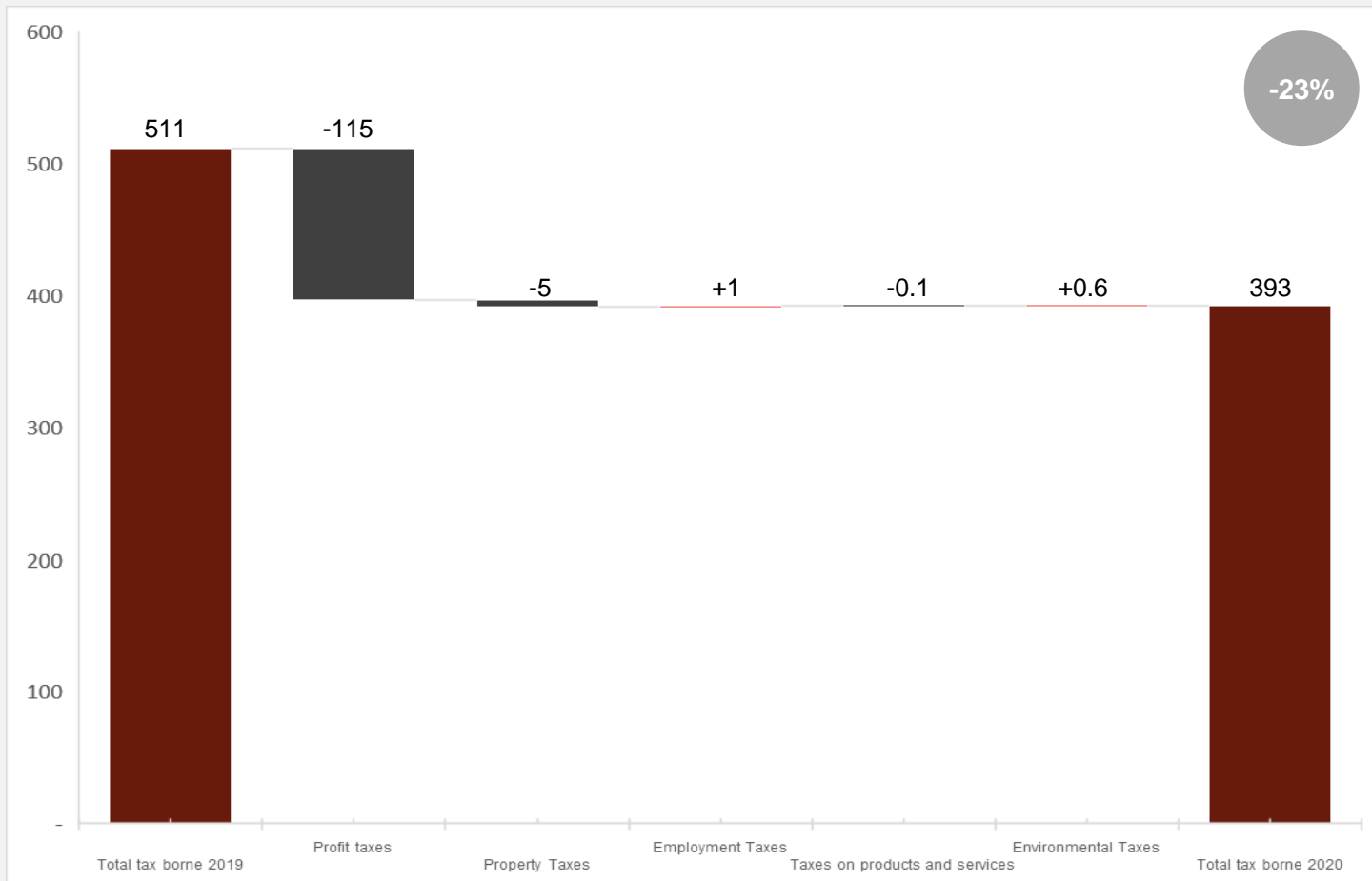


Environmental taxes: increased in 9.66% in relation to 2019. Mainly due to the following factors: i) In 2020 a higher canon is paid for the use of water in the Callahuanca Hydroelectric Plant because the plant was in operation all year 2020, unlike in 2019, ii) The increase in the average price of energy established by Osinergmin for energy generating companies, that affect the determination of the canon for the use of water.



TTC of Enel Peru in 2020

Analysis of taxes borne in 2020



Taxes borne in Peru in 2020 decreased in relation to **2019**, in **23%**.

In 2020, in regard to the tax measures given by the Peruvian Government due to the emergency situation generated by Covid-19, some Enel Group companies suspended its IT payments in advance corresponding to April and May 2020, while reducing its IT payments in advance for June 2020. This resulted in a lower IT payment in advance of S/ 53 M compared to FY 2019. Likewise, in March 2020 Enel Generacion Peru determined an IT balance in favor of S/ 36 M in its Annual IT return. The referred balance was offset against IT payments in advance from March to August 2020.

These factors explain much of the variation in profit taxes between 2020 and 2019, a category that affected the total taxes borne in 2020.

TTC of Enel Peru in 2020

Analysis of taxes collected in 2020

Profile of Taxes collected

Taxes collected in the year amounted to a total of **S/ 312 M.**

Enel Peru paid in **S/ 273.5 M** in **VAT** to the Public Authorities in Peru, which accounts for **88% of total taxes collected.**

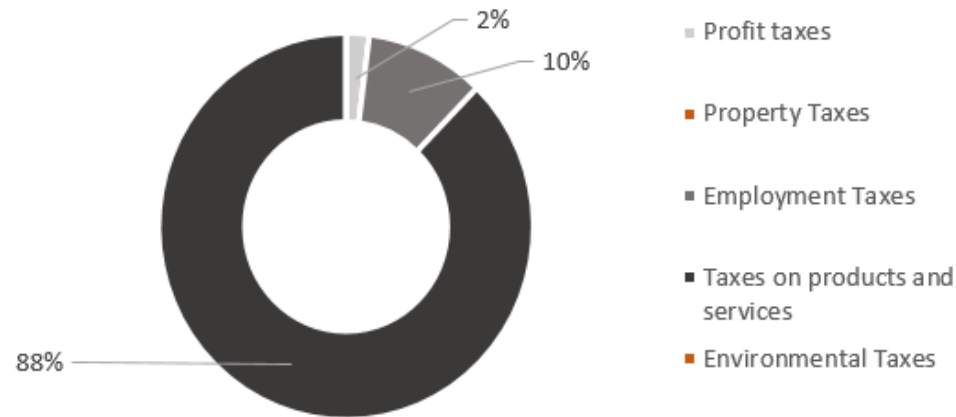


Chart 6: Types of Taxes Collected by Enel in 2020



Profit taxes account for **2%** of the total taxes collected and amounting to **S/ 6 M.** Profit taxes correspond to withholding on payments to non-residents without permanent establishments, revenues from investment capital and withholding to services rendered by independent individuals.



As can be seen from the chart, **taxes on products and services** are the most important of the taxes collected by the Company during 2020, which account for **88%** of total taxes collected, amounting to **S/ 273.5 M.** This amount corresponds entirely to value added tax.



Employment taxes, account for **10%** of total taxes collected in 2020. Employment taxes include most notably withholding on the employee's earned income, amounting to **S/ 32 M** for the year.

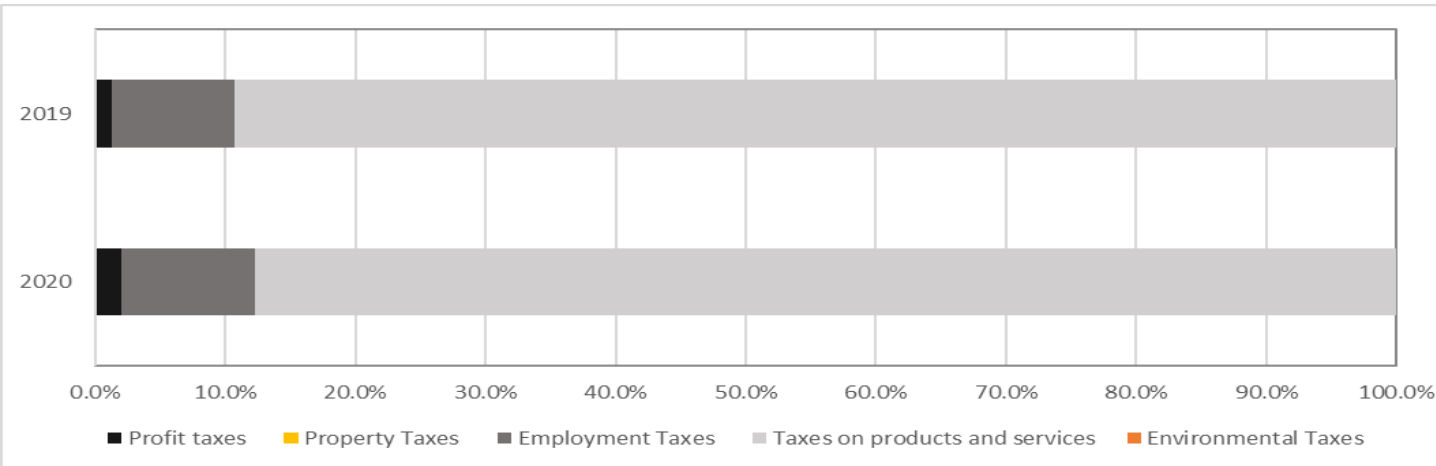
TTC of Enel Peru in 2020

Analysis of taxes collected in 2020

Trend in taxes collected

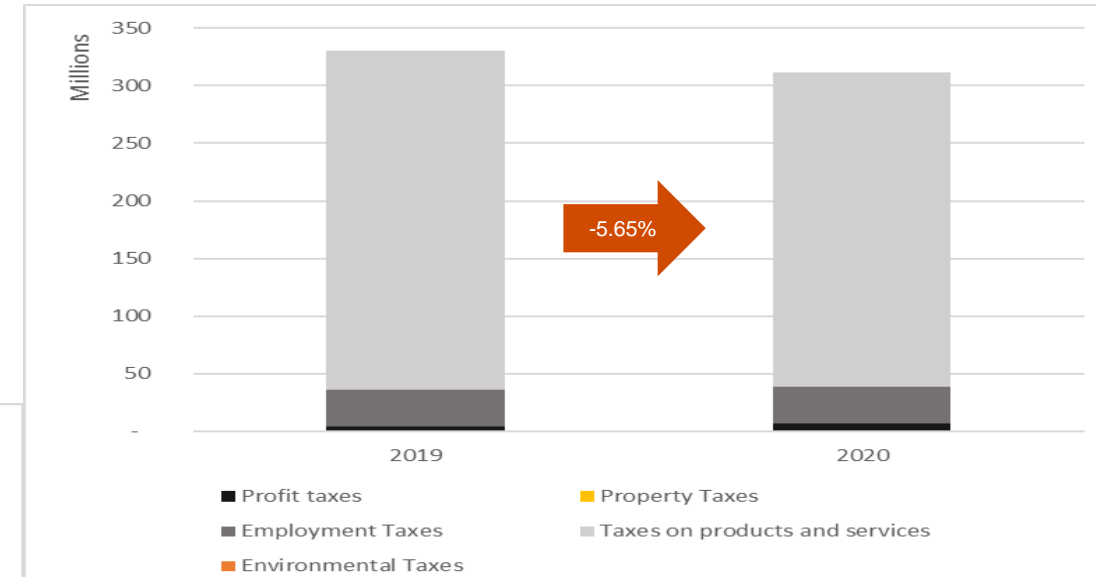
Taxes collected during 2020 have decreased by approximately **S/ 19 M**. This represents a **decrease, of 5,65%** with respect to 2019.

Chart 7: Evolution of the profile of taxes collected by Enel



Profit taxes have increased by **51%** with respect to the previous year, which amounts to **S/ 2 M**. This variation responds mainly to the IT withholding performed in 2020 by Enel Green Power Peru to Sowitec Operation as a result of the capital gain obtained by this last company from the transfer of shares issued by Empresa de Generacion Electrica los Pinos”.

Chart 8: Evolution of taxes collected by Enel

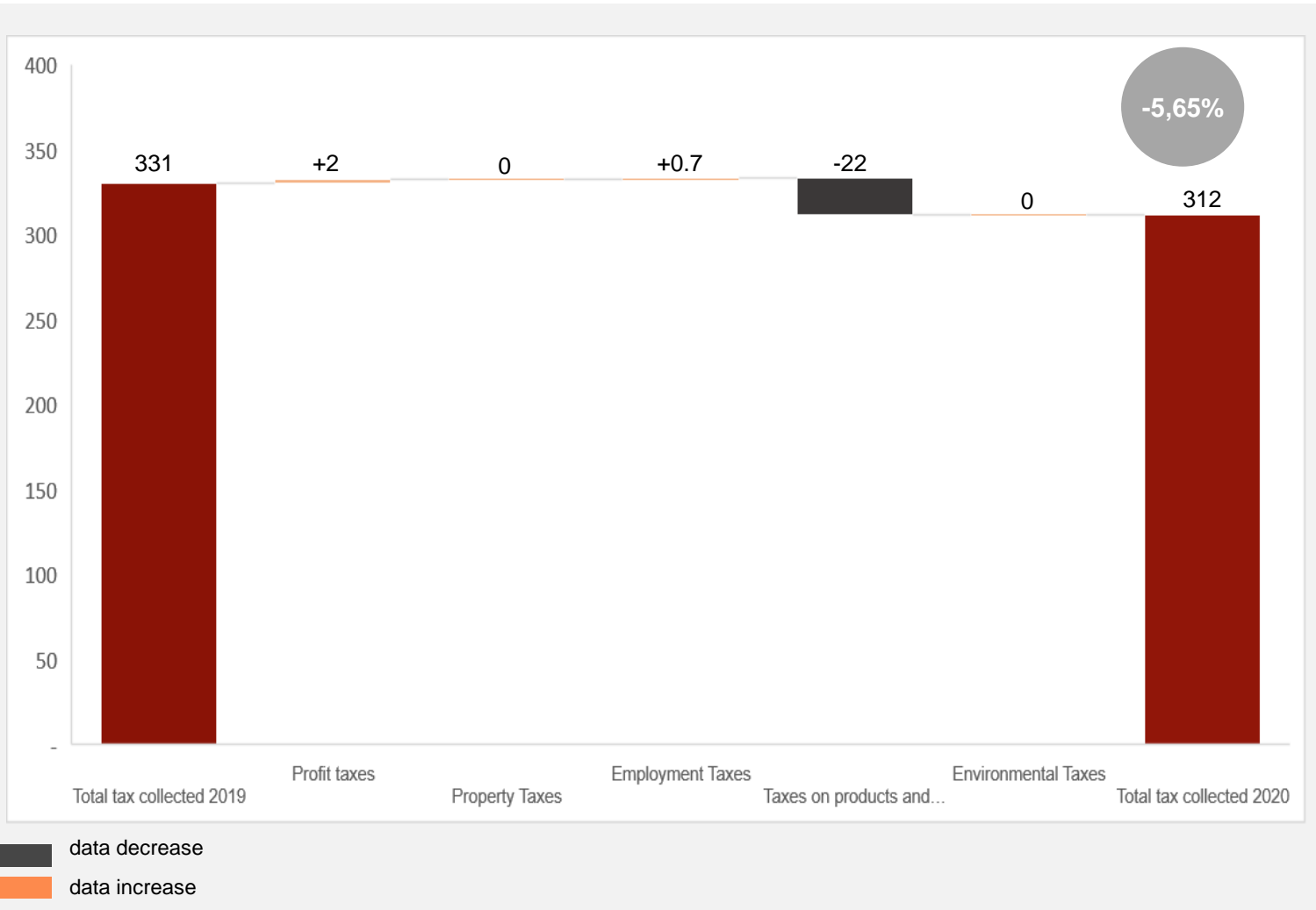


Taxes on products and services decreased in **7.3%**, which amounts to **S/ 22 M**. This is mainly due to three (3) factors: (i) In 2020, due to the economic impact of the Covid-19 virus, Enel Group companies in Peru had a lower billing of S/ 211 M, with a VAT of S/ 38 M, compared to the year 2019 (lower tax debit), and (ii) During 2020, Enel Generacion Piura obtained a higher tax debt due to the sale of gas pipeline, for the amount of S/ 4 M, compared to 2019, iii) In 2020, compared to 2019, Enel group companies reflected a lower VAT credit in S/ 12 M (approximately).

Employment taxes increased in **2.43%**, which amounts to **S/ 0.76 M**, from 2019 to 2020. The variation is due to the following: (i) In May 2020 Enel D. Peru paid more fifth category IT in S/ 1 M, as a result of a higher distribution of profits to workers corresponding to 2019, and (ii) In May 2019, the amount of the profit distributed to workers corresponding to 2018 was lower than the amount paid in 2020.

TTC of Enel Peru in 2020

Analysis of taxes collected in 2020



Taxes collected in Peru in 2020 decreased in relation to **2019**, in **5.65%**.

This decrease is mainly because the Covid-19 virus in Peru in the year 2020 generated a drop in the country's economic activity, which implied a lower income for the Enel Group companies, determining a lower taxes collected in comparison to year 2019.

The impact of Covid-19 generated a lower billing for electricity services in 2020 compared to 2019. This lower billing generated a lower VAT collection.

TTC of Enel Peru in 2020

TTC Indicators

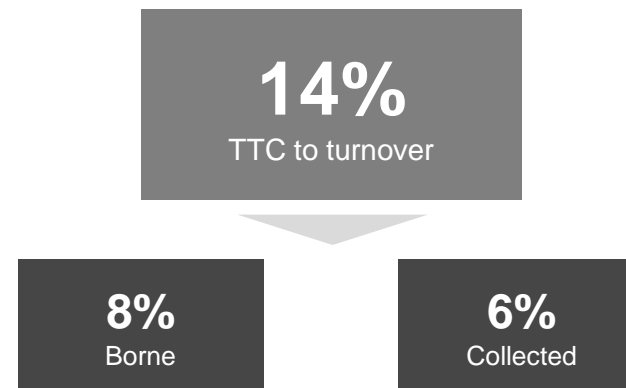
TTC with respect to turnover



Enel pays Soles 14 in taxes for every Soles 100 of net revenues, of which Soles 8 represent a direct cost for the company.

TTC with respect to turnover is an indicator that reflects the extent of the contribution made by the Company in relation to the size of its business.

For Enel, the average Total Tax Contribution rate in relation to net revenues averages at **14%** for 2020. In other words, for every **Soles 100** of the Company's turnover, **Soles 14 are used to pay taxes**, of which **Soles 8** are taxes borne and **Soles 6** are taxes collected.



TTC of Enel Peru in 2020

TTC Indicators

Tax value distributed to society



“In 2020, 40% of the value generated by Enel Peru was used to pay taxes borne and collected.”

The concept of distributed value refers to the contribution that the company makes to society in general.

According to the TTC methodology, the **Value Distributed** of a company is composed of the sum of the following elements:

- Taxes borne and collected (as value distributed to government)
- Net interest (as value distributed to creditors)
- Wages and salaries net of taxes (as value distributed to employees)
- Profits retained for reinvestment or paid as dividends (as value distributed to shareholders).

The **Distributed Tax Value** index illustrates the percentage of the value distributed by Enel used to pay taxes borne and collected to public administrations.

For the purposes of this calculation, the value to shareholders is represented by the amount of net profit after tax.

In 2020, the distributed value amounted to **S/ 1.7 MM**, of which **S/ 705 M** were paid to different public authorities in the form of taxes borne and collected.

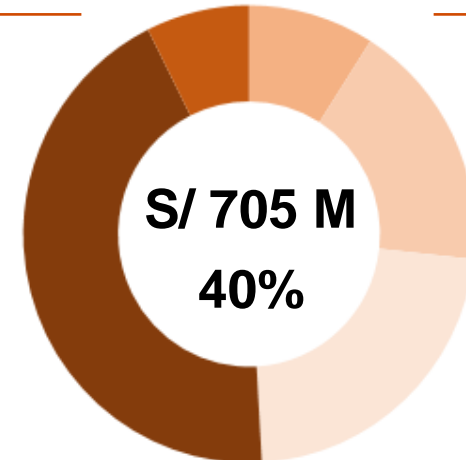
As can be seen from the chart, 40% of the value distributed by Enel benefits society through the payment of taxes borne and collected in Peru.

Wages and Salaries

Amount: S/ 159 M
Percentage: 9%

Income after taxes

Amount: S/ 765 M
Percentage: 44%



Net Interest

Amount: S/ 130 M
Percentage: 7%

Taxes Collected

Amount: S/ 312 M
Percentage: 18%

Taxes Borne

Amount: S/ 393 M
Percentage: 22%

Chart 10: Tax Value Distributed by Enel in 2020

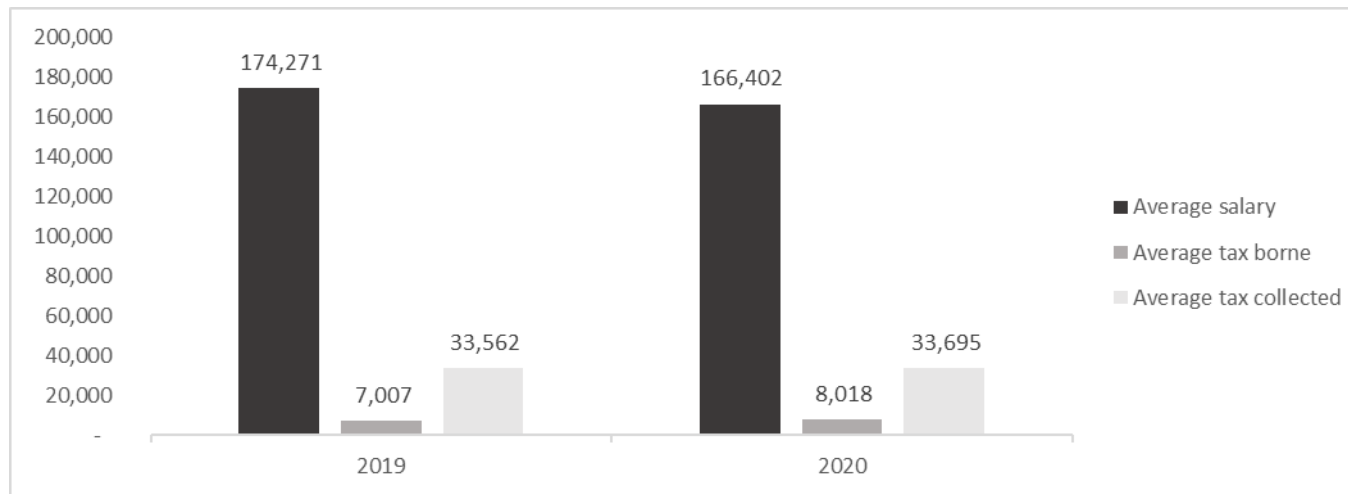
TTC of Enel Peru in 2020

TTC Indicators

Taxes paid in respect of wages and salaries per employee

Taxes paid in respect of **annual wages and salaries per employee** is an indicator that relates the level of employment to associated taxes. This indicator is calculated by dividing total taxes linked to employment (borne and collected) by the number of employees for the year.

Chart 11: Trend in average salary and average taxes linked to employment in Enel



In 2020, Enel paid in employment taxes totaling **S/ 41,713** per employee. Of this figure for employment taxes, **S/ 33,695** correspond to taxes collected on payments to employees and **S/ 8,018** to taxes borne by Enel.

In relation to the average salary paid by Enel in Peru, which amounted to **S/ 166,402** in 2020, employment taxes borne and collected represented **25%**.



Employment taxes borne and collected have remained constant over the period. Wages and Salaries per Employee has decreased by approximately 4.5% in 2020.

4. Comparative Indicators



Comparative Indicators

Corporate Income Tax Effective Rate

In the following pages, the **effective tax rate (ETR)** is analysed, as well as the factors effecting the difference between this rate and the nominal rate.

Effective Tax Rate (ETR) shall be calculated as the ratio of **Corporate Income Tax as per P&L statements** (and hence, calculated under accrual and not cash method) to **Profit before taxes**.

For the purpose of this document, the **Profit before taxes** and the **Corporate Income Tax as per P&L statements** are calculated by aggregating the data of P&L statements of each entity included in the scope of the TTC Report. Intercompany dividends have been excluded from this amount in order to avoid the double counting of income distributed as dividends and to make the figure more comparable.

In the following slide it was performed a comparison of ENEL's ETR with:

- The statutory tax rate in Peru. Potential deviations are explained.
- ETR of the main competitors of Enel on the Peruvian market.

Comparative Indicators

Comparison of the ETR of Enel Peru with the nominal tax rate

The benchmarks considered below for the purposes of comparison is the Corporate Income Tax effective rate of the companies competing in the energy distribution and generation industry in Peru with Enel; in the years 2019 and 2020.

Our methodology is based on the information publicly available; tax expense data is information which is published by companies in their individual annual accounts and this enables us to perform comparative analyses such as that contained in this section. Comparison between Enel Country's ETR and peers' ETR was performed.⁴

The rates are resulting from the following calculations for 2019 and 2020:

Year	Profit Before Tax (M S/)	Corporate Income Tax	ETR (%)
2019	1,442,587	391,253	27.1%
2020	1,197,083	381,975	31.9%
2019 + 2020	2,639,669	773,227	29.3%

In relation to the difference between the nominal rate in 2020 (29.5%) and the effective tax rate (31.9%), there is a difference of 2.4%, which is related to factors from of the descriptions provided by the Enel Group in the reconciliation between the accounting result and the tax expense contained in the consolidated annual accounts.

The main reasons that explain the differences between the ETR of the Enel Group with respect to the nominal rate of income tax are the following: (i) Non-deductible intercompany service expenses, (ii) non-deductible commercial energy losses, (iii)) adjustment to deferred income tax from previous years related to the Curibamba project, and (iv) fines and penalties. These adjustments represent an increase in the ETR rate compared to the nominal rate of approximately 2.2%.

⁴ Methodology described in appendix V.

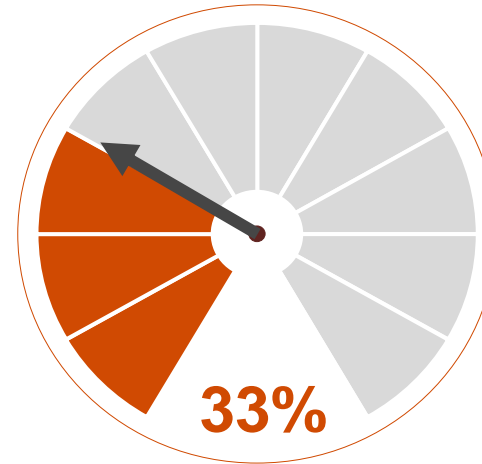
Comparative Indicators

Trend in TTCR 2019 -2020

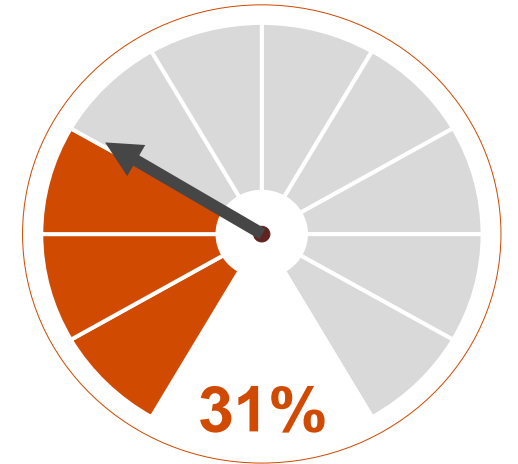
-2.66%

In 2020 TTCR decreased by 2.66%¹ percentage points compared to 2019.

The trend is attributed to the 5% decrease in the profits obtained in 2020 compared to 2019, basically due to the fall in economic activity produced by Covid-19.



TTCR of Enel in Peru in 2019



TTCR of Enel in Peru in 2020

[1] The result of -2.66% is obtained from the difference between the 2020 TTCR (30.83%) and the 2019 TTCR (33.49%).

Comparative Indicators

Comparison of the ETR of Enel Peru with that of the comparable companies in the electricity sector (1/2)



In 2020, the Effective Tax Rate of Enel Peru was slightly higher than the average effective tax rate of other energy market players in Peru for the same period.

The effective tax rate (ETR), calculated as the ratio of Corporate Income Tax expense to income before taxes, the attached chart compares the effective tax rates of Enel Group with the average effective tax rate of nine companies in the energy generation and distribution industry (energy companies), calculated from their information available in the SMV⁵, Peruvian organism that regulates the information for public companies.

All the competitors that have a significant market share on the Peruvian electric energy market have been considered while performing the benchmarking study, provided that respective financial data have been available in public sources. Following page reveals the results of the benchmarking study.

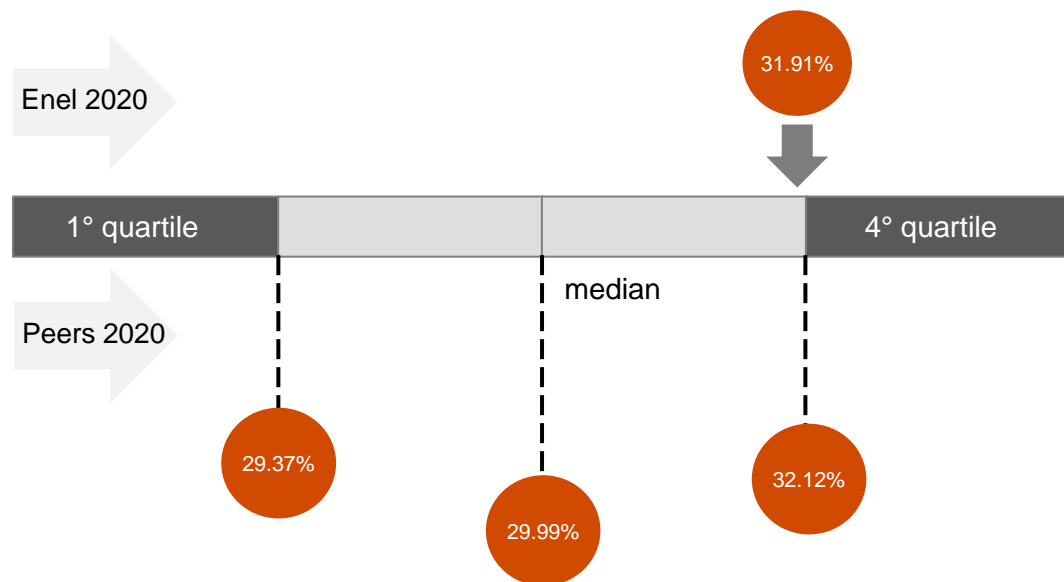
The information about Profit before Tax and Income Taxes was retrieved from the financial statements of the respective entities. Considering the data as of December 31, 2020.

For the sake of consistency, the ETR of Enel Peru for 2020 has been compared with the ETR of main competitors for the same period.

⁵ Superintendencia de Mercado de Valores.

Comparative Indicators

Comparison of the ETR of Enel Peru with that of the comparable companies in the electricity sector (2/2)



The information about Profit before Tax and Income Taxes was retrieved from the financial statements of the respective entities. Considering the data as of December 31, 2020.

Also, in order to exclude extreme deviations in the ETR of similar companies, neither the peers who made losses nor those for whom the tax item represented income were taken into account (since, in these situations, the ETR shows a negative figure).

The list of competitors included (in the order of reduction of market share): Egesur, EGE San Gaban, Electroperu, Engie Energia Peru, Shougan, Electro Sur Este, Electro Dunas, Luz del Sur, and Electropuno.

The above chart shows that the average effective tax rate of the energy companies for 2020 is 29.9%, which is approximately 2% lower than the ETR for Enel Group for the period, which amounts to 31.91%

Enel Group's average ETR for the period 2019-2020 amounts to 29.51%. This is in line with the average rate of the SMV companies for the period, which is 29.04%.

5. Appendices



Appendices

Appendix I: 2020 and 2019 TTC summaries for Enel Peru

Total payments made to public authorities Summary Enel Peru 2020		
	Amount (S/ MM)	Percentage (%)
Taxes borne	393	56%
Taxes collected	312	44%
Total Tax Contribution	705	100%

Total payments made to public authorities Summary Enel Peru 2019		
	Amount (S/ MM)	Percentage (%)
Taxes borne	511	61%
Taxes collected	331	39%
Total Tax Contribution	842	100%

Appendices

Appendix II: TTC Report of Enel Peru in 2019 (1/2)

TTC of Enel Group in 2019 2019 Country Report

Country	Peru	31/12/2019
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Economic data	Amount (local currency)
Revenues	5,269,228,568
Wages and salaries	162,943,663
Number of employees	935
Income before tax	1,442,586,765
Income before tax borne	1,527,159,724
Total taxes borne	511,419,225
Total taxes collected	330,537,874
Income after tax	1,051,334,249
Total Tax Contribution	841,957,099

TTC indicators	Percentage
¹ TTC ratio	33%
² TTC in relation to revenues	16%
^{2'} Taxes borne in relation to revenues	10%
^{2''} Taxes collected in relation to revenues	6%
³ Tax value distributed to society	38%
⁴ Wages and salaries per employee	174,271
⁵ Taxes paid per employee	40,569

¹ Total taxes borne / Income before taxes borne

² Total Tax Contribution / Revenue

^{2'} Taxes borne / Revenue

^{2''} Taxes collected / Revenue

³ Tax borne and collected / Total value distributed (regarded as the sum of: income after tax or shareholder value, wages and salaries, net interest, taxes borne and taxes collected)

⁴ Wages and salaries / Number of employees

⁵ Total taxes linked to employment (borne and collected) / Number of employees

Appendices

Appendix II: TTC Report of Enel Peru in 2019 (2/2)

2019		2019	
Taxes borne		Taxes collected	
local currency		local currency	
Profit taxes	437,683,456	Profit taxes	4,122,192
Corporate income tax	426,846,266	Withholdings on payments to non-residents (without PE)	3,559,772
Tax on Economic Activities	-	Revenues from investment capital	496,509
Temporary Tax on Net Assets		Withholdings on payments to independant individuals	65,911
Other taxes	10,837,190		
Property Taxes	10,237,206	Property Taxes	-
Tax on real property	4,774,109	Revenues from property investments	-
Municipal Fees	2,021,560		
Temporary Tax on Net Assets	3,441,537		
Employment Taxes	6,551,516	Employment Taxes	31,380,743
Employer's social security contribution	6,479,592	Withholdings on earned income	31,380,743
Other taxes	71,924	Employee social security contributions	
Taxes on products and services	50,630,660	Taxes on products and services	295,034,939
Non-deductible VAT/IGIC		VAT withholdings (Net position)	295,034,939
Tax on the utilization of airspace, soil and subsoil	-	VAT drawdowns	-
Regulation contributions to public entities	48,909,157		
Tax on Financial Transactions	1,303,690		
Custom duties	417,813		
Other public domain charges			
Environmental Taxes	6,316,387	Environmental taxes	-
Tax on value of electricity generation		Taxes on electricity	
Other environmental taxes (regional)	6,316,387		
Tax on nuclear services			
Other taxes			
TOTAL	511,419,225	TOTAL	330,537,874
Total Tax Contribution in Peru		841,957,099	
Other regulatory payments		-	
Payment to energy fund			
Other			
Total payments to Public Authorities		841,957,099	

Appendices

Appendix III: List of taxes

TAXES	STATE TAX	FEDERAL / REGIONAL TAX	LOCAL TAX	TAX BORNE	TAX COLLECTED	SCOPE
PROFIT TAXES						
Third Category Income Tax Payments on Advance	✓			✓		✓
Third Category Income Tax (Corporate Income Tax)	✓			✓		✓
Dividends Income Tax Withholding	✓				✓	✓
Non-domiciled Income Tax Withholding	✓				✓	✓
Fourth Category Income Tax	✓				✓	✓
PROPERTY TAXES						
Property Tax			✓	✓		✓
Municipal public service taxes			✓	✓		✓
Temporary Tax on Net Assets	✓			✓		✓
EMPLOYMENT TAXES						
Fifth Category Income Tax (dependant individuals)	✓				✓	✓
Health social security contributions (ESSALUD)	✓			✓		✓
Industrial contribution (Senati)	✓			✓		✓
TAXES ON PRODUCTS & SERVICES						
Value Added Tax (VAT)	✓				✓	✓
Custom duties AD Valorem	✓			✓		✓
VAT Withholding	✓				✓	✓
Financial Transaction Tax	✓			✓		✓
Regulation contribution to the Energy and Mining Investment Regulator (OSINERGMIN)	✓			✓		✓
Regulation contribution to the Environmental Regulator (OEFA)	✓			✓		✓
Regulation contribution to the Ministry of Energy and Mining (MEM)	✓			✓		✓
ENVIRONMENTAL TAXES						
WATER TAXES	✓			✓		✓

Appendices

Appendix IV: Methodology used in the comparative analysis of effective Corporate Income Tax rates

The analysis has been based on the publicly available information of competitors of Enel Peru.

The effective rate of taxation for Corporate Income Tax purposes (ETR), has been calculated as the ratio of Corporate Income Tax expense to Income before Taxes, with both of these figures being obtained from the consolidated income statement for the year.

The average figure for the last two years for which data is available (2019 and 2020) has been used to illustrate the findings:

- ***Adjusted arithmetical average***

Our findings in relation to the individual analyses of the companies are based on a statistical analysis of ETRs. In this type of analysis, there are generally elements that distort the average, such as non-recurring transactions or exceptional items, and these must be eliminated to draw reasonable conclusions from the sample studied.

- ***Quartiles***

The upper (75%) and lower (25%) quartiles are also calculated for the sample of companies, indicating the results obtained. This facilitates identification of the range of average results within which the majority of the companies are situated.

