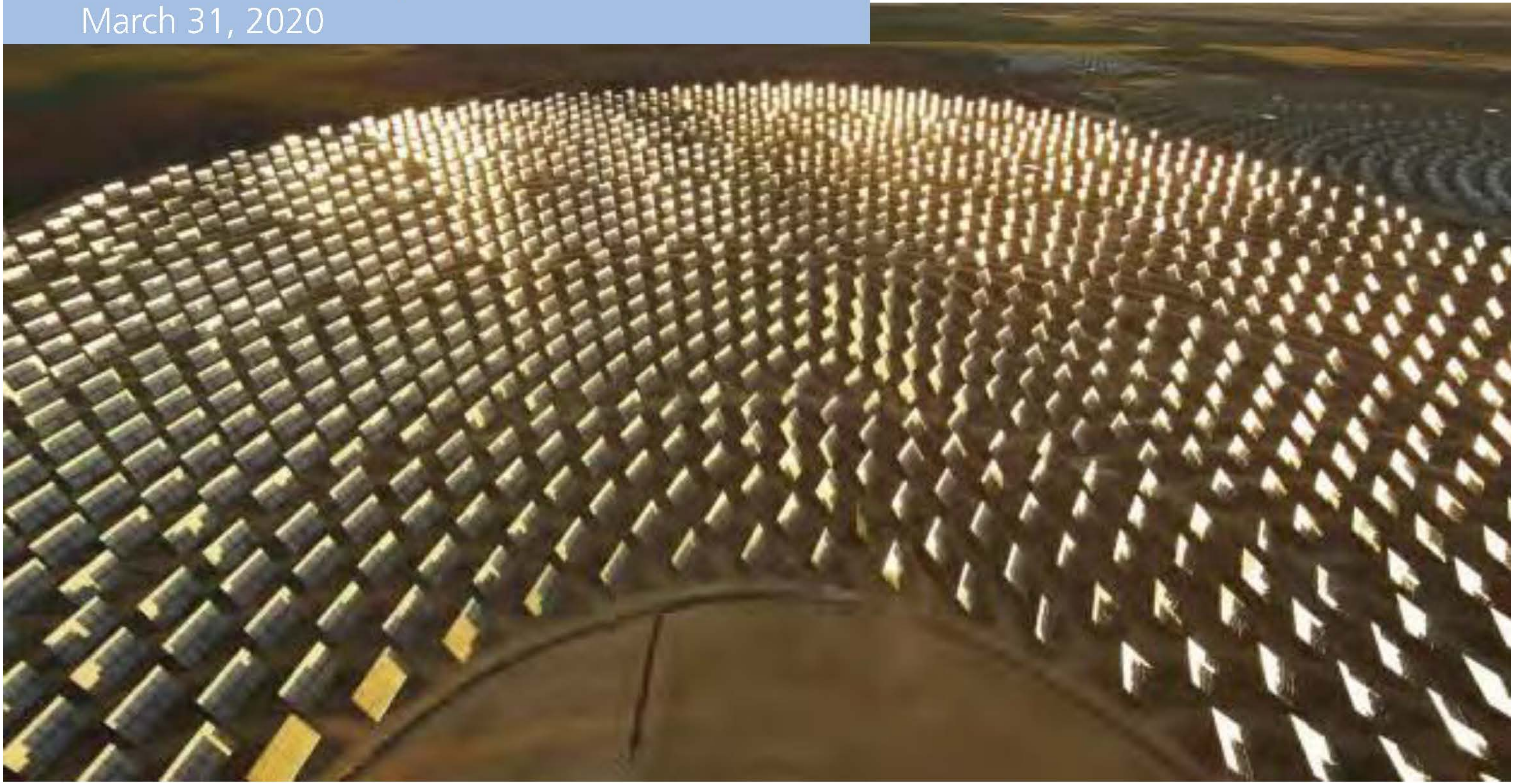
ABENGOA

Innovative technology solutions for sustainability

Business evolution report as of March 31, 2020



Contents

Business evolution report as of March 31, 2020

1.- Organizational structure and activities

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as ‘Abengoa’ or ‘the Group’), which at the end of the three-month period ended March 31, 2020 was made up of 308 companies: the parent company itself, 272 subsidiaries, 16 associates and 19 joint ventures. Additionally, the Group held a number of interests, of less than 20%, in other entities.

Abengoa, S.A. was incorporated in Seville, Spain on January 4, 1941 as a Limited Liability Company and was subsequently transformed into a Limited Liability Corporation (‘S.A.’ in Spain) on March 20, 1952. Its registered office is Campus Palmas Altas, 1 Energía Solar St., Seville, 41014.

The Group’s corporate purpose is set out in Article 3 of its Bylaws. It covers a wide range of activities, although Abengoa is principally an applied engineering and equipment manufacturer, providing integrated project solutions to customers in the following sectors: energy, telecommunications, transport, water utilities, environmental, industrial and services.

Abengoa’s shares are represented by class A and B shares which are listed the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012.

Abengoa is an international company that applies innovative technology solutions for sustainability in the infrastructures, energy and water sectors. It specializes in the development of "turnkey" or Engineering, Procurement and Construction (EPC) projects for third parties in four fundamental areas: energy, water, services and transmission and infrastructure.

Abengoa has extensive experience in the power generation sector with open cycle technologies, combined cycle power plants, cogeneration technologies, wind farms, and solar thermal, photovoltaic and biomass power plants. As for the water industry, it offers integral solutions for industrial clients and public institutions in the areas of desalination, water treatment, wastewater treatment and reuse of urban and industrial wastewater, and hydraulic infrastructures (regulation, transport, distribution, irrigation, hydroelectric power plants and systems for hydrological management).

Abengoa has over 75 years of experience in industrial engineering, construction and maintenance of infrastructures for the energy, industry, environment, transport and communications sectors, covering the development of power transmission and distribution lines, railway electrification, installations and infrastructures for all types of plants and buildings, as well as auxiliary electric and electronic component and metal structure manufacturing. It also provides operation services and implementation of predictive, preventive and corrective maintenance of renewable, conventional and water treatment plants, with the aim of optimizing their reliability, performance and availability, minimizing the consumption of fuels, chemicals and consumables, as well as the emission of greenhouse gases (GHG) and maximize their production.

Abengoa`s business is organized under the following two activities:

› Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 75 years of experience in the market. Abengoa is specialized in carrying out complex turnkey projects for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuel plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others. In addition, it performs activities related to the development of solar thermal and water management technologies and innovative technological business activities such as hydrogen.

› Concession-type infrastructures: groups together the company’s extensive portfolio of proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, and that is maintained in the Updated Business Plan approved by the Board of Directors at their meeting on May 19, 2020, in line with the previous plan regarding these processes, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of March 31, 2020 and 2019. The classification has been done in accordance with the IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”.

Unless otherwise noted, the figures shown in this Business evolution report have been expressed in millions of Euro.

All public documents of Abengoa are available at "www.abengoa.com".

This Business evolution report is a free translation of the Business evolution report originally issued in Spanish and prepared in accordance with International Financial Reporting Standards adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

2.- Evolution and business results

2.1. Restructuring process

2.1.1. Restructuring process situation update

Group restructuring process

As explained in Note 2.1.2., the Company is working on various financing measures and financing and commercial debt modification considering the business evolution during 2019, as well as the circumstances caused by the COVID-19, in order to ensure the continuity of the Group´s business.

Restructuring processes of subsidiaries

The following summary shows the relevant facts which took place during the year 2020 until the publication of the present Business evolution report, in relation with the financial restructuring processes which include several Group companies:

a) In relation to the proceedings in United States, due also to the mentioned situation of Abengoa, indicate that;

› On June 4, 2020, the Delaware Bankruptcy Court issued an order approving the first partial payment under the EPC Reorganizing Plan. The amount authorized for distribution is approximately USD 26.5 million, which represents a recovery of approximately 11% for commercial creditors

b) In relation to the bankruptcy of Abengoa Bioenergy Netherlands, B.V. declared by the Court of Rotterdam on May 11, 2016, were appointed both a liquidator and supervising judges, it should be noted that;

› During the year 2019 the procedure continued as normal. On May 5, 2020, the insolvency administrator initiated preparation of a second interim distribution, which was communicated to the creditors and approved by the supervising judges. On July 3, 2020, the insolvency administrator, in the periodic progress report, reported that the investigation into the causes of the bankruptcy has been completed (envisaged in the proceedings) and according to that investigation ratified the preliminary considerations that the company's administrators had managed it in an inappropriate manner, and informs those administrators to whom the amount of the bankruptcy deficit is claimed (approximately €58.7 million) before filing a claim with the Rotterdam Court.

The purpose of this procedure is to establish the liability of the administrators and, where appropriate, to obtain compensation for the damage suffered by Abengoa Bioenergy Netherlands and its creditors.

c) In relation to Abengoa México, S.A. de C.V.'s bankruptcy proceedings:

› In June 2020, the judgment of resolution of the appeal filed by certain creditors was notified with the judgment of credit recognition in the framework of the Abengoa México bankruptcy by which (i) Eólica Tres Mesas was recognized as a creditor within the insolvency proceeding; and (ii) the claim for special privilege required by Banco Base, in other resolutions, was rejected.

› On June 17, 2020, the Sixth District Court in Civil Matters in Mexico City issued a judgment approving the modification of the bankruptcy agreement, a new document that governs the obligations, terms and conditions of payment between Abengoa México and all its creditors.

d) In relation to the Judicial Recovery process in Brazil on Abengoa Bioenergía Brasil Ltda., the following should be noted:

› After its approval in the meeting of creditors, the plan was judicially approved by the Court of Sao Paulo on January 22, 2020 and, on February 5, 2020, Abengoa Bioenergia Inovações Ltda's plan, that consolidates with the rest of companies, received judicial approval.

After initiated the execution of the approved plan, the call for the first auction on April 14, 2020, as well as the first meeting of creditors on April 28, 2020, were suspended due to the COVID-19 situation, without stablishing new dates. Finally, on June 24, 2020, the auction and subsequent creditors' meeting are convened (in virtual format) for July 14 and 29, 2020, respectively. Subsequently, they have been modified by the Judge, after consultation with the Insolvency Administrator, who approved the Insolvency Administrator's proposal to publish the opening of a new period for the presentation of qualifications to bid (for the purpose of incorporating new bidders), with the date of July 27, 2020, being the deadline for the presentation of qualifications to bid, four companies having been approved on that date. The dates for auction (of companies or assets) and subsequent meeting of creditors were set on August 17 and 31, 2020, respectively.

The challenges against the judicial approval that have been submitted at the law courts of Sao Paulo are still being prosecuted.

e) In relation to the restructuring processes conducted in Chile:

› During 2019, Abengoa Chile agreed, with the group of creditor banks, to amend the debt replanning, extension and recognition agreement, agreeing to modify the amortization schedule that had been initially planned. In addition, during 2020 Abengoa Chile has agreed with the group of creditor banks a further modification to the amortization schedule, with respect to annual dues due in June 2020 and June 2021, agreeing to pay each of them in 12 monthly installments.

f) Update of the Spanish bankruptcy proceedings:

› Abencor Suministros, S.A. filed for voluntary insolvency on March 28, 2018. Said application was admitted and, on April 27, 2018, the Commercial Court no. 2 of Seville issued a Court Order declaring the Company to be in a voluntary insolvency proceeding and agreeing to process it through ordinary procedure (Court Order no. 312/2018). Likewise, Ernst & Young was appointed Bankruptcy Administration. The Company became intervened by the Bankruptcy Administration but retained the authority to administer and dispose of its assets with all its obligations and responsibilities. By way of the Order dated December 5, 2019, the Commercial Trial Court of Seville (Section 2) initiated the company liquidation stage and hence the insolvent company's administration and disposal powers over its assets were suspended. The company was declared dissolved and its directors ceased duties, being replaced by the Bankruptcy Administration.

On June 16, 2020, the Insolvency Administrator presented the company's liquidation plan, which was admitted by the Commercial Trial Court of Seville (Section 2) by means of a Diligence Order dated June 17, 2020. There were no allegations and the Order approving the liquidation plan was notified on July 21, 2020.

› Servicios Integrales de Mantenimiento y Operación, S.A. (hereinafter, "Simosa") filed for voluntary insolvency on April 14, 2018. Said request was admitted and, on May 23, 2018, the Commercial Court no. 2 of Seville issued a Court Order declaring the Company to be in a voluntary insolvency proceeding and agreeing to process it through ordinary procedure (Court Order no. 388/2018). Likewise, Ernst & Young was appointed Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration but retains the authority to administer and dispose of its assets with all its obligations and responsibilities. The Creditors' Meeting was held on December 11, 2019. At said meeting, the arrangement with creditors of said company was approved with 61.84% of accessions. Later, on January 9, 2020, the Commercial Trial Court of Seville (Section 2) agreed to approve the arrangement that had been previously approved by the Creditors' Meeting.

- Simosa IT, S.A. (hereinafter, "Simosa IT") was declared to be in an involuntary bankruptcy procedure through an order issued by Commercial Court no. 2 of Seville on November 12, 2018. The competent Court has resolved to process the insolvency procedure through ordinary procedure (court order no. 232/2018). Likewise, Ernst & Young was appointed Bankruptcy Administration. The Company's directors were then replaced by the Bankruptcy Administration. The Creditors' Meeting was held on January 30, 2020, and the arrangement with creditors of Simosa IT was approved with 54.98% of accessions. Subsequently, on June 4, 2020, the Commercial Trial Court of Seville (Section 2) agreed to approve the arrangement previously approved by the Creditors' Meeting. On July 27, 2020 the Bankruptcy Administration presented its report on the qualification of the bankruptcy proceeding, classifying it as fortuitous, although this qualification is pending ratification by the Court.

- Abengoa PW I Investments, S.L. (hereinafter, "APWI") filed a request for voluntary bankruptcy on December 21, 2018. This request was admitted for processing on February 18, 2019 by the Commercial Court No.2 of Seville, which issued an order declaring the voluntary bankruptcy of the company agreeing the processing of the same through ordinary procedure (number 117/2019). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company was intervened by the Bankruptcy Administration, but it retained the faculties of administration and disposition of its assets with all its duties and responsibilities. By way of the Order dated December 17, 2019, the Commercial Trial Court of Seville (Section 2) initiated the company liquidation stage and hence the insolvent company's administration and disposal powers over its assets were suspended. The company was declared dissolved and its directors ceased duties, being replaced by the Bankruptcy Administration. On February 27, 2020, the liquidation plan was approved, becoming firm and definitive in July 2020.

- Abengoa Bioenergía Nuevas Tecnologías, S.A. (hereinafter, "ABNT") filed a request for voluntary bankruptcy on February 1, 2019. This request was admitted for processing on February 25, 2019 by the Commercial Court No.2 of Seville, which issued an order declaring the voluntary bankruptcy of the company agreeing its processing through ordinary procedure (number 122/2019). Likewise, Ernst & Young was appointed as a Bankruptcy Administration and the Company was intervened by the Bankruptcy Administration, but it retained the faculties of administration and disposition of its assets with all its duties and responsibilities. On February 17, 2020, the Court issued an order to proceed to the liquidation stage. The Company was thus dissolved and its administration and disposal powers were suspended. In addition, the company directors ceased duties and they were replaced by the Bankruptcy Administration. A proposed liquidation plan was received on July 2, 2020, pending approval by the Court.

  All the above has had a positive impact of €7 million on profit (loss) for the period from discontinued operations derived from the derecognition of liabilities, which has led the exit of this company from the Group.

g) <u>In relation to Inabensa Maroc's voluntary judicial liquidation request</u>:

- On February 18, 2020, Inabensa Maroc SARL requested judicial liquidation to the courts of Casablanca, which was approved on March 5. The Company has been managed by the liquidator appointed by the Court on March 11, 2020.

  All the above has had a positive impact of €11 million on Ebitda derived from the derecognition of liabilities, which has led the exit of this company from the Group.

2.1.2. Going concern

In view of the health and economic crisis caused by the COVID-19, and considering the evolution of the business explained in Note 2.1.2. of the Consolidated condensed financial statements as of December 31, 2019, Abengoa S.A.'s Board of Directors, as explained in Note 29 "Subsequent events" of the aforementioned Consolidated condensed financial statements, communicated on March 23, 2020 to the CNMV that it had decided to review and update the Viability Plan to incorporate the effects of the crisis originated by the COVID-19. Once that review was completed, the holding company Abengoa S.A. asked an independent expert to determine the fair value of the stake that the Company had in Abengoa Abenewco 2 S.A.U. As a result of the valuation by the independent expert, as of the end of 2019 the net equity of the holding company Abengoa S.A. was €-388 million, derived from the impairment cost registered on the 2019 income statement from its participation in Abengoa Abenewco 2 S.A.U. as explained below.

The main hypotheses of the Updated Business Plan, approved by the Board of Directors on May 19, 2020, include:

- Soliciting €250 million in new financing, expected to be covered by a guarantee from ICO as part of the financial measures approved by the Spanish government in the Royal Decree 8/2020, 17 March, as urgent and extraordinary measures to mitigate the economic and social impacts of the COVID-19 and its subsequent norms.

- Closing agreements with suppliers and creditors which hold overdue Company debt, old projects debts, as well as debts derived from Parent Company Guarantees, which would allow the debt to be deconsolidated from the Abengoa Abenewco 1 perimeter, receiving in exchange preferential rights from cash inflows obtained from certain assets. These assets primarily include the funds derived from the Asset Divestment Plan, the eventual cash inflows from certain arbitration processes, and other non-recurring inflows such as the arbitration against the Kingdom of Spain.

- Modify the terms and conditions of the financial debt held by the creditors of the NM II, Reinstated Debt, A3T Convertible Debt, and Old Money debt (SOM and JOM), which could imply, among other things, write offs and capitalizations of debt at Abengoa Abenewco 1.

- Obtaining additional new bonding lines needed to execute the business plan. In this sense, and at the same time as the new financing mentioned above, the expectation is to solicit additional new bonding lines for up to €300 million to cover the needs of these types of guarantees in the Updated Business Plan.

- Progressive reductions in ratio of general expenses over revenues, with the objective to reach 3% of revenues.

- Business plan focused on EPC projects for third parties.

The foregoing measures require amendments to the relevant financial instruments, for which agreements with the financial creditors must be reached.

Of the main differences included in the Updated Business Plan in comparison to the Viability Plan is the reduction of business Projections, especially the expected new bookings which is expected to reach €23,435 million in the period between 2020-2028 in comparison to €30,090 million in the previous plan.

This reduction in the expected new bookings and business volume, derived from the COVID-19 global pandemic, is mostly due to the reduction of EPC projects expected from the AAGES joint venture, reduction in investments expected in Energy infrastructures in Latin America, as well as reductions in the expected new bookings in South Africa and the US. The reduction in the expected bookings translates into reductions in revenues as well (€22,434 million for the period 2020-2028 in comparison to €28,228 million in the previous plan), as well as the expected Ebitda (€1,881 million for the period 2020-2028 in comparison to €2,041 million in the previous plan).

It is important to note that the hypotheses and estimates considered in the Updated Business Plan regarding the impact of the COVID-19 on the Company's business are based on the best information available to the Company at the time. The completion of these hypotheses would depend on the extension and development of the crisis generated by the pandemic, as well as the measures taken by the different governments and economic institutions.

It is also important to note that, understanding the above, there is a certain level of uncertainty surrounding the development of the health and economic crisis, which would imply that the projections included in the Updated Business Plan are subject to certain variations including the expected recovery timeframes which could be affected by new infections that would alter those timeframes. On the other hand, the evolution of the pandemic affects the businesses that are distributed in different geographical areas, some of which have been subject to advanced stages of infection.

In this context, the Administrators and the Management of the Company will continue to monitor the evolution of the situation and will supervise the completion of the Updated Business Plan, implementing the necessary measures to reduce the possible impacts that could arise from the situation.

As mentioned above, and as in 2018, the holding company (Abengoa SA) has asked an independent expert to determine the fair value of the stake that the Company had in Abengoa Abenewco 2 S.A.U. which has been based on the Updated Business Plan including the effects of the COVID-19, as well as the terms envisioned in the overall negotiation with its main creditors of financial debt and with certain creditors with which the Company is currently working.

To determine the fair value, the following hypotheses were established:

a) Compliance with the Updated Business Plan by the effect of the COVID-19.

b) Considering a normalized Ebitda for Abengoa's activity once the Company's recovery measures included in the Business Plan have been completed.

c) Funding of the new financing for €250 million to cover the liquidity needs in the short term to maintain the ordinary activity of the Company.

d) Obtaining the necessary bonding lines to cover the new booking and execution needs

e) Meeting the expected levels of working capital within the magnitudes included in the Updated Business Plan.

f) Successfully completing the agreements with suppliers and creditors of overdue debt, old project debt, as well as debt derived from Parent Company Guarantees, in the expected conditions.

g) Successfully completing the general negotiations with the main financial creditors.

The non-materialization of some of these hypotheses, should it occur, could affect the assessment results significantly.

The main method utilized by the independent expert to determine the business' fair value was the discounted cash flow to equity method for a 10-year period, applying the average cost of the Company's own resources, estimated to be 13.3%, plus a Risk premium of 1.3% to reflect the potential effects of the completion of the business plan and the uncertainties of the current economic situation of the different markets in which the Company operates, resulting in a total discount rate of 14.6%.

The long-term growth rate utilized by the independent expert has been 1.6%. The annual growth rate composed of sales and the Ebitda considered for the 2020-2029 period have been 11.2% and 2.1%, respectively.

To determine the fair value of Abengoa S.A.'s investment in Abengoa Abenewco 2, the Company has applied the terms expected to be reached in the modification of the financial instruments with its main creditors, which have been included in the Updated Business Plan approved by the Board of Directors on May 19, 2020.

The valuation of the independent expert has taken into consideration the value of the cash flows expected to be generated by the business, in line with the expectation of the Updated Business Plan, including the agreements currently being negotiated with the main creditors, as well as the absence of unforeseen cash outflows to pay suppliers and creditors of overdue debt.

As a result of the valuation described above, the holding company Abengoa S.A. has registered an impairment on its investment in Abengoa Abenewco 2 for an amount of €387.9 million, on its individual income statement, which implied that as of the end of 2019 Abengoa S.A. had a net equity of €-388,339 thousand. In accordance with Article 363 of the Spanish Capital Companies Law (LSC), a company would be in a mandatory dissolution when the losses have reduced the net equity to an amount lower than half of its share capital, unless the share capital is increased or decreased accordingly within the timeframes established by law.

In relation to the liability of Abengoa S.A., the Updated Business Plan contemplates a substantial modification of its financial debt as well as overdue commercial debt, mostly through the conversion into equity loans or participation loans, which would contemplate the direct attribution of certain assets that would improve their expected recoveries.

The Administrators of the holding company Abengoa S.A. consider that the effective achievement of the Updated Business Plan, as well as the agreements expected to be reached with the main creditors of the Company, would restore the equity balance once the impacts could be registered In the income statement, as well as the expected conversion into equity loans from the new debt derived from the mentioned agreements. To date, the percentage of acceptances achieved is not yet enough to this end. The Company continues its best efforts to achieve the aforementioned percentage.

In this context, all of the financing measures and modifications of existing financial and commercial debt mentioned above are part of a plan to adapt, taking into consideration the best estimation of the evolution of the Group's future business considering the evolution during 2019 as well as to the circumstances caused by the COVID-19, whose impacts have been reflected in the Updated Business Plan. These measures constitute a joint effort focused on the continuity of the Company in the current time frame. It is the opinion of the Administrators of the Company that if these measures (or similar measures with the equivalent economic effect) are not implemented in the estimated timeframe, given the current circumstances, they will proceed to perform a new internal, and external if need be, analysis considering the circumstances at that moment, to review the preparation of the Consolidated financial statements for the year 2019 on a going concern basis, as well as this Group's Business evolution report as of March 31, 2020.

On June 30, 2020, the Company announced that it continued to work on each of the actions indicated as necessary to restore the equity balance reported in the privileged information dated May 19, 2020 and described above. In relation to these, and given that on that date none of the actions could be considered to have been completed and that neither did the Company have any information that would allow it to conclude that they could be committed to in the coming days, the Board of Directors at its meeting on June 30, 2020, agreed to delay the formulation of the 2019 annual accounts, which had been scheduled for June 30, in view of the reassessment of the going concern principle referred to in the Condensed financial statements for the second half of 2019. It also indicated that they would be drawn up as soon as possible, once the outcome of the measures proposed by the Board of Directors on May 19, 2020 could be assessed with greater certainty. In order to inform the market of the time frame that the Board of Directors considered reasonable to allow for the removal of uncertainties and in the view of the liquidity situation of the Company, the maximum deadline of 14 July was established, after which, if the probability of success of the planned actions had not been sufficiently established, it would adopt the legally appropriate measures.

Subsequently, on July 14, 2020, the Company informed that the Board of Directors held on that date approved the following decisions:

1. The Board of Directors had been informed of the advances of the negotiations of the different workstreams of the transaction, that is, the liquidity line of up to €250 million backed by ICO, the agreement with suppliers and commercial creditors, the amendment of certain conditions of the debt with financial creditors NM II, reinstated Debt, A3T Convertible Bond and Old Money and the availability of bonding lines of up to €300 million, which continued to develop favorably having received relevant supports which are yet to be formalized with the final documentation.

2. In line with the above, after having received the relevant internal and external advice, the Board of Directors considered that, in the current circumstances, it had to be exhausted all available alternatives for the continuity of the business of the group.

3. In this sense, the Board of Directors stressed the fact that the lack of liquidity and bonding was severally affecting the business making very difficult its viability if the transaction was not closed in the short term.

4. The Board of Directors agreed to make a final decision in the meeting of 27 July.

On July 27, following the privileged information published by the Company on 14 July 2020 (register nº 332), the Company informed that on that date it was in the process of documenting a transaction aimed at fulfilling the four announced workstreams, that is, the liquidity line backed by ICO, the agreement with suppliers and commercial creditors, the amendment of certain conditions of the debt with financial creditors NM2, reinstated Debt, A3T Convertible Bond and Old Money and the availability of bonding lines, with the intention of signing a restructuring agreement before 31 July 2020. The subsequent closing of the transaction will be subject to the fulfillment of certain conditions including, in particular, obtaining the required consents. Consequently, the Board of Directors decided to suspend the meeting and reconvene in the coming days and, in any case, before 31 July.

In connection with such agreement it had to be highlighted that the borrower of both the new liquidity line and the new bonding line will be Abengoa Abenewco1 SAU ("Abenewco 1"), a company which, since 2017, is the holding company of all the group operative companies. The new funds will be exclusively used to finance the needs of the Group headed by Abenewco 1. On the other hand, the transaction will imply that, before the end of this year, all convertible instruments issued as of the date hereof or to be issued in the context of the transaction, will convert into Abenewco 1 shares which will mean, necessarily, breaking the current economic group headed by Abengoa, S.A., who it is foreseen that will become a minority shareholder of Abenewco 1.

Consequently, in connection with the parent company Abengoa, S.A. and in line with the privileged information published on 19 May (register nº 248), it was hereby highlighted that the Restructuring Transaction of Abenewco 1 will not be enough, on its own, to resolve the net equity situation of Abengoa, S.A., that from such date is in mandatory cause for dissolution pursuant to article 363 of the Companies Act, since it will require additionally that at least a majority above 95% of 153M€ of the Companies' liabilities agree and accept their conversion into profit participating loans. At that time, the accumulated percentage of acceptances was not yet enough.

The Company reiterated once more that the execution of the restructuring agreement before 31 July was key to resolve the delicate situation of its businesses as a consequence of the lack of liquidity and bonding which, as advanced, is severely affecting the same, making their viability very difficult.

Following the privileged information published by the Company on 27 July 2020 (register nº 358), on 31 July the Company informed that at that time it had not been possible to document the transaction due to the complexity of the same although it expected to complete the process and sign the restructuring agreement before 4 August 2020.

In connection with the parent company Abengoa, S.A. it was hereby highlighted that the Restructuring Transaction of Abenewco 1 would not be enough, on its own, to resolve the net equity situation of Abengoa, S.A., that from 19 May 2020 is in mandatory cause for dissolution pursuant to article 363 of the Companies Act.

The Company reiterated once more that the execution of the restructuring agreement is key to resolve the delicate situation of its businesses as a consequence of the lack of liquidity and bonding which, as advanced, was severely affecting the same, making their viability very difficult.

Following the privileged information published by the Company on 31 July 2020 (register nº 406), on 4 August the Company informed that, even though on the date hereof the necessary documentation to implement the transaction was almost finalized, additional time was required to allow all parties to undertake a final review. Based on the foregoing, the Company expected to sign the Restructuring agreement no later than 6 August 2020.

Finally, on 6 August, following the privileged information published by the Company on 19 May 2020, 14 July 2020, 27 July 2020, 31 July 2020 and 4 August 2020 (register nº 248, 332, 358, 406 and 414 respectively), the Company announces that, today the following agreements have been executed:

1. The entity Abengoa Abenewco 1, S.A.U. ("Abenewco 1"), which is the holding entity of the group's businesses, (i) a 5 years term loan of up to €230 million for which the guarantee from the ICO has been requested in accordance with the terms set forth in Royal Decree-Law 8/2020, of 17 March, about extraordinary urgent measures against the economic and social impact of COVID-19 (the "New Liquidity"); and (ii) a new 5 years term revolving bonding line for an amount of €126.4 million, extendable up to €300 million (the "New Bonding Line"), for the purposes of financing the liquidity needs and guarantees of the group of which Abenewco 1 is the holding entity.

   In addition, it is envisaged that the Junta de Andalucía contributes an additional amount of €20 million.

   The New Liquidity and the New Bonding Line, which effects are subject to the fulfilment of the conditions set out in the Restructuring Agreement will rank *pari passu* among them and super senior with respect to any other debts of Abenewco 1 and their terms and conditions are similar to those of the NM2 Financing and current bonding lines. Besides that, as commission for the granting of the New Bonding Line, the entities granting the guarantees will be entitled to receive up to a maximum of 3.52% of Abenewco 1 share capital (pre-dilution) in ordinary shares.

   For clarification purposes, it is hereby stated that, in order to calculate the dilutions foreseen in this notice it has been assumed that the only pending dilution is the one derived from the crystallization of the NM2 Contingent Tranche and election by the holder of the same of ordinary shares, crystallization which would be triggered as a consequence of the exercise of the guarantee granted to the holder of the A3T Convertible Bond referred to in paragraph e) below.

2. A restructuring agreement (*Amendment and Restructuring Implementation Agreement*) (the "Restructuring Agreement"), which has been entered into between the Company, certain entities belonging to the group, a group of investors and financial creditors which participate in the existing financial debt and the financing entities that will be providing the New Liquidity and the New Bonding Line, with the purpose of, among others, amending the terms of the existing facilities, as well as restructuring the financial debt (the "Restructuring").

The main terms of the Restructuring are, among others, the following:

a) the amendment of the terms and conditions of the NM2 Financing in order to, among other things (i) apply a 50% write-off on the amount of the NM2 Financing or, alternatively, at the election of the NM2 creditors, exchange such 50% percentage for a new mandatory convertible instrument with maturity date and, thus, mandatory conversion, on 3 December 2020, up to a maximum of 0.10% of the share capital of Abenewco 1 (pre-dilution) into privileged shares; (ii) amend the interest rate and (iii) extend the final maturity date up to 6 months from the maturity of the New Liquidity and New Bonding Lines.

   The privileged shares, which will represent 0.10% of the share capital of Abenewco 1 will have the following features: (i) will give right to receive a minimum annual dividend of 3.5% over the amount of the NM2 Financing capitalized during a maximum 10 year-period which, if not paid, will be accumulated from year to year; (ii) once this period has elapsed, the minimum dividend will not continue accruing, although the accrued and not paid dividend will be liquidated preferentially in any distribution; and (iii) such shares shall be senior to the ordinary shares in case of liquidation and sale up to an maximum amount equal to the capitalized amount of NM2 Financing plus the accumulated dividend, being this privilege of a perpetual nature.

   As commission for the transaction, the NM2 creditors that choose it will have the right to receive up to a maximum of 5.49% of the share capital of Abenewco 1 (pre-dilution) in ordinary shares ("NM2 Commission").

   The NM2 Contingent Tranche will remain unaltered although, at the moment of its crystallization, it will have the same treatment as the NM2 Financing and, thus, 50% of the crystallized amount will be exchangeable, at the election of the holder of such Contingent Tranche, for ordinary shares (representing 23.18% of the share capital of Abenewco 1) or privileged (representing 0.04% of the share capital of Abenewco 1).

   Furthermore, an additional contingent tranche will be created for an amount of up to €50 million to finance the potential enforcement of the guarantee that, for such amount, will be granted to Banco Santander, S.A. to attend certain contingencies related with the A3T Project.

b) the amendment of certain terms and conditions of the existing bonding lines in favor of Abenewco 1 including, among other things, their conversion into revolving lines, as well as the extension of their maturity up to 6 months from the maturity of the New Liquidity and New Bonding Lines.

c) the amendment of the terms and conditions of the convertible instrument issued by Abenewco 1 in April 2019 for the purposes of, among other things (i) amending the conversion ratio so that it entitles noteholders to convert up to a maximum of 18.87% of the share capital of Abenewco 1 (pre-dilution) in ordinary shares; (ii) amending the maturity date and, thus, of mandatory conversion to 3 December 2020; and (iii) eliminating the contingent interest. Additionally, there will be a tap issuance which shall be subscribed by (i) providers of the New Bonding Line in order to set off the fee referred to before; (ii) NM2 creditors which receive the NM2 Commission; and, if so (iii) Abengoa, which will have the right to receive up to 3.52% (pre-dilution) of the share capital of Abenewco 1 in ordinary shares upon fulfilment of certain conditions.

d) the amendment of the terms and conditions of the Reinstated Debt in order to (i) apply a write-off over 50% of the Reinstated Debt and (ii) reinstate the remaining 50% as NM2 Financing, in a junior tranche.

e) the amendment of certain terms and conditions of the A3T Convertible Bond and the A3T Put Option and guarantee associated to it in order to, among other things, (i) reduce its financial cost; (ii) extend the final maturity date and the exercise period of the put and the guarantee according to the extension of the maturity date of the NM2 Financing; and (iii) grant a guarantee for a maximum amount of €50 million in favor of Banco Santander, S.A. to cover certain contingencies of the A3T Project.

f) the amendment of certain terms and conditions of the Senior Old Money Debt in order to among other things (i) amend the conversion ratio so that, upon conversion, noteholders are entitled to receive a fix percentage of the share capital of Abengoa Abenewco 2 Bis, S.A. of 95%, which entails an indirect stake in the share capital of Abenewco 1 of up to 64.99% (pre-dilution) in ordinary shares; (ii) eliminate cash payments; and (iii) amend the final maturity date and, thus, of mandatory conversion, in order to anticipate it to 3 December 2020.

g) the amendment of the intercreditor agreement.

As a consequence of the implementation of the Restructuring, at the moment in which the described convertibles instruments conversion takes place (envisaged for December 2020) the current economic group of which Abengoa, S.A. is the holding entity will be dismantled and Abengoa, S.A. will eventually hold a minority stake in Abenewco 1 (3.52% pre-dilution) and its businesses.

From such moment, the new holding entity of the Group will be Abenewco 1, which will be participated by its creditors by means of the conversion of the different debt instruments.

Likewise, it is hereby informed that, as an essential part of the Restructuring, the suppliers debt of the group headed by Abenewco 1 will need to be restructured through the voluntary exchange of their debts for a stake in a long term syndicated loan issued by Abengoa Abenewco 2 bis, S.A.U. which will only have recourse and will be payable from the funds obtained through the monetization, through any means, of certain assets, so that if the funds obtained from such monetization are not sufficient to repay the loan, a write-off will be applied to the non-covered amounts.

In relation to the parent company Abengoa, S.A., and in line with the privileged information published last 27 July 2020 (register no. 358), it is important to note that the transaction herein described is not enough to restore the equity balance of the Company that, as from that date, has incurred in ground for dissolution according to art. 363 of the Spanish Companies Act, being necessary the accession of a majority higher than 95% of the €153 million Company's liabilities to the request for conversion of their debts into participative loans. As of the date hereof the percentage of accessions is not sufficient for these purposes.

Lenders and Noteholders who agree and consent the Restructuring will have to accede to the Restructuring Agreement.

The Company announces the commencement of the accession period to the Restructuring Agreement for the rest of financial creditors, as explained below. A condition to the Restructuring is that the requisite majorities of existing creditors consent to and approve the amendment and restructuring of their existing debt as part of the Restructuring, on the terms set out in the Restructuring Agreement. The Company has (or will shortly) issued amendment and restructuring consent requests to existing lenders and existing noteholders seeking their consent to the Restructuring (the "Consent Letter").

Subject to the requisite majorities of existing creditors being reached, a number of conditions set out in the Restructuring Agreement will need to be satisfied ahead of the Restructuring implementation. Following implementation of the Restructuring, judicial approval of the relevant Restructuring agreements will be applied for pursuant to the Spanish Insolvency Act.

Lenders must respond to the Consent Letter and, if giving their consent, must also accede to the Restructuring Agreement (through the Accession Deed appended to the Consent Letter) and facilitate the information for the crediting of the restructuring entitlements, if any, to which they have a right.

The accession period to the Restructuring Agreement commences today and expires on at 6pm Central European Time on 11 September 2020.

The consent solicitation period to the Restructuring for the holders of NM2 Notes, Abenewco 1 MC Notes, Senior Old Money and Junior Old Money (the "**Noteholders**") will commence on 6 August 2020 through the publication of the amendment and restructuring consent requests by the Company's subsidiaries Abenewco 1, Abenewco 2 Bis, S.A.U. and Abenewco 2, S.A.U. through the relevant clearing systems. Noteholders can submit electronic instructions to consent to the Restructuring Agreement.

Taking this into consideration, the Administrators of Abengoa S.A., after considering the situation, the approved Updated Business Plan and the reports from the independent experts and their technical opinions, consider that, in the current timeframe, this Group's Business evolution report must be prepared and approved under the going concern principle, considering the main aspects of the Updated Business Plan, the expected modifications in the commercial and financial debt, as well as the measures taken by the Company to obtain liquidity and bonding lines needed to complete the business plan.

Based on the application of said going concern principle, the Administrators have applied the International Financial Reporting Standards homogeneously and consistently with those used in the Consolidated financial statements from previous periods. For said purpose, pursuant to said International Accounting Standards, the Company Administrators have used their best accounting estimates and judgments to record the assets, liabilities, income and expenses at March 31, 2020 in accordance with the information that existed when the present Business evolution report is prepared.

2.1.3. Accounting Impacts of the 2019 Restructuring Process

As explained in Note 2.1.2 of the Consolidated condensed financial statements as of December 31, 2019, the net equity of the holding company Abengoa S.A. is negative by the amount of €388 million, finding itself in a mandatory dissolution in accordance with Article 363 of the Spanish Capital Companies Law (LSC). As explained in said note, the Administrators of the Company have established a plan to restore the equity balance of Abengoa S.A., by means of conversion of its debts into equity loans, requiring acceptance of a majority higher than 95% of the company's liabilities. To date, the percentage of acceptances achieved is not yet enough to this end. The Company continues its best efforts to achieve the aforementioned percentage.

The negative net equity of the parent company Abengoa, S.A. caused an event of default in accordance with the financial covenants included in the financing documents of the instruments issued in the 2019 restructuring operation, which include covenants relating to the parent company's net equity. This has caused an Event of Default in the Old Money (SOM and JOM) in Abenewco 2 Bis and Abenewco 2, respectively, as well the NM II and Reinstated Debt in Abenewco 1.

The company requested the financial creditors for the corresponding waivers from that event of default, which have been approved on May 29, 2020.

Given the above and considering that as of December 31, 2019 and March 31, 2020, the waiver had not been approved by the financial creditors, in accordance with the IAS 1 the company has proceeded to classify the SOM, JOM, NM II and Reinstated Debt as short-term debt in the December 31, 2019 and March 31, 2020 balance sheet.

Additionally, the Old Money debt that had been initially registered at Fair Value after the restructuring, has been registered as of December 31, 2019 and March 31, 2020, at nominal value. Likewise, the non-transferred NM II debt and the Reinstated Debt which had been initially registered at amortized cost with the effective interest rate have been registered as of December 31, 2019 and March 31, 2020, at nominal value.

All of these considerations entail a cost on the 2019 consolidated income statement for a total of €2,622 million, which were registered in the line "Other costs – net financial income" (see Note 22 of the Consolidated condensed financial statements as of December 31, 2019).

It is important to note that the abovementioned negative impact affecting the Consolidated income statement as of the end of 2019, and therefore the consolidated net equity of Abengoa as of December 31, 2019 and March 31, 2020, is in accordance with the accounting guidelines previously explained with regards to the classification and valuation of financial debt in cases where as of the closing date of the balance sheet the company finds itself in non-compliance and has not had a chance to remedy the non-compliance with its financial creditors where they would waive their right to accelerate in a 12 month period following the closing of the financial statements.

As stated above, the company requested the financial creditors for the corresponding waivers from that event of default, which have been approved on May 29, 2020.

2.2. Financial position

2.2.1. Changes in the composition of the Group

During the three-month period ended at March 31, 2020, 1 subsidiary was included in the consolidation group.

In addition, 18 subsidiaries are no longer included in the consolidation group.

2.2.2. Assets held for sale and discontinued operations

a) Changes in classification:

During the first quarter of 2020, there has been no change to the assets classified as assets and liabilities held for sale in the Consolidated statement of financial position because of the compliance of all the stipulations and requirements of IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations"

b) Asset impairment analysis:

As of March 31, 2020, a positive net impact of assets classified as held for sale was recognized for an amount of €109 million difference between their net book value and their fair value less selling costs, mainly in the A3T cogeneration plant in México due to the depreciation of the Mexican peso against the euro on the net book value of the aforementioned asset at the end of March 2020.

2.2.3. Main acquisitions and disposals

a) Acquisitions:

- During the three-month period ended March 31, 2020 there were no significant acquisitions.

b) Disposals:

- On January 29, 2019, Abengoa Agua, S.A. signed a purchase agreement with ABY Concessions Infrastructures, S.L.U. on the 100% stake in the share capital of the company Holding Befesa Agua Tenés, S.L.U., owner of 51% of Tenés Lilmiyah SpA's share capital, concessionary company of a reverse osmosis desalination plant in Argelia. The price of this divestment amounted to USD 24.5 million, subject to potential adjustments at closure. An amount of USD 19.9 million was received as advance payment.

  The full completion of this transaction was subject to the compliance with all the conditions precedent set forth in the agreement, which are normal in this type of operations. On this regard, the initial deadline was September 30, 2019. Since said conditions precedent, mainly those related to the approvals by the corresponding government authorities, were not met as of the aforementioned date; and pursuant to the provisions set forth in the purchase agreement, the amount of the advanced payment became automatically financial debt, accruing an annual interest rate of 12%.

  Nonetheless, the Company has continued working on actions that enable the divestment of said plan possible.

  In this regard, on May 31, 2020, the Company has signed an agreement with ABY Concessions Infrastructures, S.L.U. under which the amount of the loan has been increased by USD 4.5 million, guaranteed by the shares of Befesa Agua Tenés, S.L.U.

- On June 6, 2020, Teyma Uruguay, S.A., shareholder of 85% of Unidad Punta Rieles, S.A., has reached a sales agreement of all its shares with Andean Social Infrastructure no. 1 Spain, S.L.U., for approximately USD 14 million, subject to certain price adjustment on the closing date. The complete closing of the transaction will occur after certain precedent conditions usual in this type of arrangements are met.

2.2.4. Main figures

Financial data

› Revenues of €367 million, a 11% higher to the same period of 2019.

› Ebitda of €74 million, an increase of 61% compared to the same period of 2019.

Item	For the three months ended 03.31.2020	For the three months ended 03.31.2019 (1)	Var (%)
Income Statement (in million euros)			
Revenue	367	330	11
EBITDA	74	46	61
EBITDA Margin	20%	14%	45
Net Income	25	(144)	117
Balance Sheet			
Total Assets	3,207	3,360	(5)
Equity	(4,654)	(4,728)	2
Corporate Net Debt	3,919	3,951	(1)
Share Information (in million euros)			
Last Price (€ per B share)	0.0048	0.0084	(43)
Capitalization (A+B share) (€ million)	103	183	(44)
Daily trading volume (€ million)	1	3	(67)

(1) The Balance Sheet data are referenced as of December 31, 2019.

Operating figures

› The international activity represents 94% of the consolidated revenues.

› The main operating figures of March 31, 2020 and 2019 are the following:

Key operational	March 2020	March 2019
Water Desalination (Cap. ML/day)	475	475
Cogeneration (GWh)	360	360
Solar Power Assets (MW)	300	300
Biofuels Production (ML/year)	235	235

› The main contract and portfolio figures at the end of March 2020 and 2019 are as follows:

Item	March 2020	March 2019
Contract	300	394
Portfolio	1,501	1,887

Net corporate debt conciliation

The following table sets out the conciliation of the Net corporate debt with the information included in the Statement of financial position as of March 31, 2020 and December 31, 2019:

Item	Balance at 03.3120	Balance at 12.3119
+ Corporate financing	4,185	4,225
- Financial investments	(74)	(90)
- Cash and cash equivalents	(209)	(202)
+ Financial investments and cash from project companies	17	18
Total Net corporate debt	3,919	3,951

2.2.5. Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa as of March 31, 2020 and 2019, with an explanation of the main variations between both periods:

Item	03.31.20	03.31.19	Var (%)
Revenue	367	330	11
Operating revenues and expenses	(293)	(284)	(3)
Ebitda	74	46	61
Depreciation and amortization	96	(18)	633
I. Net Operating Profit	170	28	507
Financial incomes and expenses	(65)	(82)	21
Net Exchange rates differences and other financial incomes / expenses	(67)	(77)	13
II. Financial results, net	(132)	(159)	17
III. Share of profit/(loss) of associates	(1)	(1)	-
IV. Profit (loss) before income tax	37	(132)	128
V. Income tax (expense) benefit	(17)	(8)	(113)
VI. Profit for the year from continuing operations	20	(140)	114
Profit (loss) from discontinued operations, net of tax	7	-	100
Profit for the year	27	(140)	119
VII. Non-controlling interests	(2)	(4)	50
Net income attributable to the parent company	25	(144)	117

Regarding the results of the first quarter and in general terms, the impact of COVID-19 on the company's activity has had a limited effect, being estimated a greater impact on its activity in the following quarters.

Revenues

Revenue has been increased to €367 million, which is an increase of €37 million from €330 million in the same period of the previous year. The increase in revenues is due to higher execution in the Middle East projects in the Engineering and Construction sector, as well as to the concessions segment due to the A3T Cogeneration Project in Mexico.

EBITDA

Ebitda has increased 61% reaching €74 million, which suppose an increase of €28 million compared to the €46 million of the same period of the previous year. This increase in Ebitda is mainly attributable to the effect of Inabensa Maroc's exit from the consolidation perimeter (see Note 2.1.1), as well as the Ebitda generated by ongoing projects and to the margin generated in the Concessions segment due to the A3T project mentioned above.

Operating profit

Operating profit has increased from a benefit of €28 million in 2019 to €170 million in 2020. This increase in operating profit is mainly attributable to the improvement in Amortization and impairment charges derived from the reversal of impairment of the concession asset A3T in Mexico (see Note 2.2.2), as well as the said improvement in Ebitda.

Net Financial Expense

Net financial expenses have reached a net expense of €132 million, which entail an improvement as compared with the €159 million net expense registered in the same period last year. This change is mainly attributable to the dividends received from Xina Solar One, as well as to higher financial expense in the first quarter of 2019 related to the New Money 1's financing agreements, amortized in April 2019.

Share of profit (loss) of associates

Share of profit (loss) of associates has had no significant variations compared to the same period last year.

Corporate Income Tax

Income tax worsens from a net expense of €8 million in March 2019 to a net expense of €17 million in March 2020. The increase is mainly due to higher expense for Corporate tax of companies abroad.

Profit for the year from continuing operations

Due to all the above, profit (loss) from Abengoa's continuing operations has significantly improved from a €140 million loss in March 2019 to a €20 million profit in March 2020.

Profit/(Loss) from discontinued operations, net of tax

Profit/(Loss) from discontinued operations, net of tax, improves from zero in March 2019 to a positive result of €7 million in March 2020. This improvement is mainly attributable to the exit of Abengoa Bioenergía Nuevas Tecnologías, S.A from the consolidation perimeter (see Note 2.1.1.).

Profit attributable to the parent company

Profit (loss) for the period attributable to the parent company has improved from a €144 million loss in March 2019 to a €25 million profit in March 2020 as a consequence of the changes described in the paragraphs above.

2.2.6. Results by activities

The following table shows the distribution of sales and consolidated Ebitda per business activity at March 31, 2020 and 2019, with a description of the main changes occurred between both periods, appears below:

Item	Sales			Ebitda			Margin	
	Amount as of 03.31.20	Amount as of 03.31.19	Var (%)	Amount as of 03.31.20	Amount as of 03.31.19	Var (%)	03.31.20	03.31.19
Engineering and Construction	292	262	12	32	11	191	11%	4%
Concession-type infrastructure	75	68	10	42	35	20	56%	51%
Total	367	330	12	74	46	61	20%	14%

Engineering and Construction

Revenue in the Engineering and Construction line of activity has increased 12% to €292 million. This entails a €30 million increase as compared to the €262 million revenue registered in the same period last year. This increase is mainly attributable to the higher progress of projects under execution in the Middle East.

Ebitda in the Engineering and Construction activity amounts to €32 million. This entails a €21 million increase as compared to the €11 million value registered in the same period last year. This increase is mainly attributable to the exist of Inabensa Maroc from the consolidation perimeter (see Note 2.1.1.), as well as the Ebitda generated by projects under execution.

Concession-Type Infrastructures

Revenue in the concession-type activity has increased 10% to €75 million. This entails a €7 million increase as compared to the €68 million revenue registered in the same period last year. This increase mainly corresponds to the A3T cogeneration project in Mexico.

Ebitda in the concession-type activity has increased by 20% to €42 million. This entails an increase of €7 million in comparison to the €35 million value registered in the same period last year. This increase is due to the aforementioned A3T project in Mexico.

2.2.7. Consolidated Statement of Financial Position

Consolidated Statement of Financial Position

A summary of the assets in Abengoa's consolidated financial statement at March 31, 2020 and December 31, 2019, with a description of the main changes occurred, appears below:

Item	03.31.20	12.31.19	Var (%)
Intangible assets and fixed assets	176	185	(5)
Fixed assets in projects	292	320	(9)
Associates under the equity method	34	34	-
Financial investments	8	11	(20)
Deferred tax assets	119	124	(4)
Non-current assets	629	674	(7)
Inventories	48	47	2
Clients and other receivable accounts	500	515	(3)
Financial investments	74	90	(18)
Cash and cash equivalents	209	202	3
Assets held for sale	1,747	1,832	(5)
Current assets	2,578	2,686	(4)
Total assets	3,207	3,360	(5)

- Non-current assets decreased by 7% to €629 million, a decrease of €45 million as compared to €674 million value registered as of December 31, 2019. The decrease in non-current assets is mainly attributable to the depreciation of the South African Rand and Mexican peso against the euro at the end of March 2020, as well as to amortization in the period.

- Current assets decreased by 4% to €2,578 million. This entails a €108 million decrease as compared to the €2,686 million value registered as of December 31, 2019. The decrease in current assets is mainly attributable to the reduction in Assets held for sale due to the depreciation of the Brazilian real and Uruguayan peso, affecting the value in euros of assets nominated in said functional currencies.

- A summary of the liabilities in Abengoa's consolidated financial statements at March 31, 2020 and December 31, 2019, with a description of the main changes occurred, appears below:

Item	03.31.20	12.31.19	Var (%)
Capital and reserves	(4,870)	(4,944)	2
Non-controlling interest	216	216	-
Total Equity	(4,654)	(4,728)	2
Project debt	114	108	6
Corporate financing	180	182	(2)
Grants and other liabilities	114	140	(19)
Provisions and Contingencies	52	54	(4)
Deferred tax liabilities and Personnel liabilities	133	142	(6)
Total non-current liabilities	593	626	(5)
Project debt	453	450	1
Corporate financing	4,005	4,043	(1)
Trade payables and other current liabilities	1,236	1,206	2
Current tax liabilities	202	219	(8)
Provisions for other liabilities and expenses	11	15	(27)
Liabilities held for sale	1,361	1,529	(11)
Total current liabilities	7,268	7,462	(3)
Total Shareholders' Equity and Liabilities	3,207	3,360	(5)

- Equity has increased by 2% to €-4,654 million. This entails a €74 million increase in comparison to the €-4,728 million value registered at December 31 of the previous period. This increase in Equity is mainly attributable to the profit for the period, as well as the improvement in translation differences due mainly to the Mexican peso.

- Non-current liabilities have decreased by 5% to €593 million. This entails a €33 million decrease in comparison to the €626 million value registered at December 31 of the previous period. This decrease in non-current liabilities is mainly attributable to the short-term reclassification of certain agreements with suppliers.

› Current liabilities have decreased by 3% to €7,268 million. This entails a €194 million decrease in comparison to the €7,462 million value registered at December 31 of the previous period. This decrease in current liabilities is mainly attributable to the depreciation of the Brazilian real, Mexican peso and Uruguayan peso, affecting the value in euros of the liabilities nominated in said functional currencies.

2.2.8. Consolidated Cash Flow Statement

A summary of the Consolidated cash flow statements of Abengoa for the periods ended March 31, 2020 and 2019, with an explanation of the main cash flows, is given below:

Item	Balance at 03.31.20	Balance at 03.31.19	Var (%)
Profit for the year from continuing operations	20	(140)	30
Non-monetary adjustments	19	183	(90)
Variations in working capital	15	7	129
Taxes and interest received / paid	(13)	(18)	27
Discontinued operations	-	1	(100)
A. Net Cash Flows from operating activities	41	33	24
Intangible assets and property, plant & equipment	(8)	(23)	65
Other investments/disposals	12	-	100
Discontinued operations	-	6	(100)
B. Net Cash Flows from investing activities	4	(17)	124
Other disposals and repayments	(6)	(30)	80
Discontinued operations	-	2	(100)
C. Net Cash Flows from financing activities	(6)	(28)	79
Net increase/(decrease) of cash and equivalent	39	(12)	424
Cash or equivalent at beginning of year	202	205	(1)
Translation differences cash or equivalent	(14)	2	(686)
Cash or equivalent held for sale and discontinued operations	(18)	1	(1,516)
Cash and cash equivalent at end of year	209	196	7

› At March 31, 2020, cash inflows from operating activities amount to €41 million compared to the €33 million cash inflow registered in the same period last year. The improvement in cash flows from operating activities occurs after the improvement of the working capital, as well as the lower interest payment mainly due to the New Money 1 financing amortized in April 2019.

› As concerns the cash flows from investment activities, there is a €4 million net cash inflow occurred in March 2020, as compared with the €17 million net cash outflow from the same period last year. This change in the cash flows from investment activities resulted from the positive impact due to the release that took place this quarter of the funds retained for the sale closed at the end of 2019 of Hospital Zona Norte (see Note 2.1.1. of the Consolidated condensed financial statements for the year 2019), as well as lower investments in concession projects under construction, mainly in A3T project in Mexico after its commercial operation start in previous year.

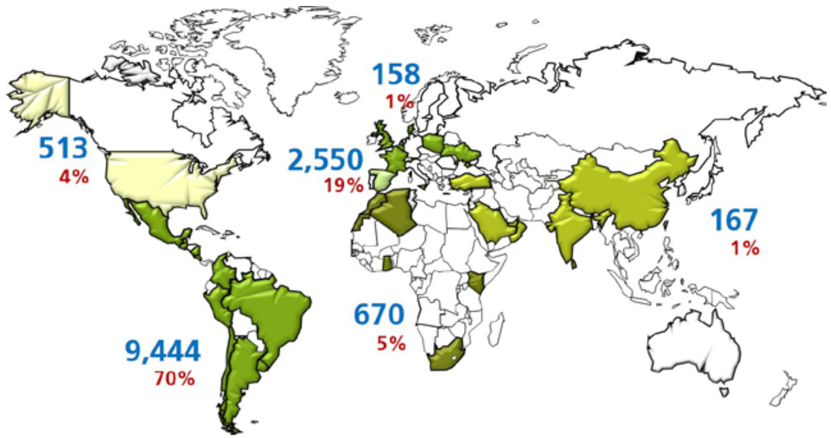
› As for the cash flows from financing activities, a €6 million net cash outflow was registered in March 2020, compared with the €28 million cash outflow registered in the previous period. This variation in the cash flows from financing activities mainly result from the new loan disbursements for the period, mainly the financing of the A3T Project, as well as the financing of the desalination plant in Agadir.

2.2.9. Human resources

Abengoa's workforce is formed by 13,502 people as of March 31, 2020, which is an increase of 1.2% compared to the end of the previous year (13,341 people).

Geographical distribution of the workforce

The 19% people are located in Spain while the remaining 81% are abroad. The total number of employees as of March 31, 2020 by geographical area, and the relevance over the entire staff is shown below:



Distribution by professional groups

The total number of employees by categories in the first three-month period of 2020 and 2019 is has follows:

	Number of employees as of 03.31.20			Number of employees as of 03.31.19		
Categories	Female	Male	Total %	Female	Male	Total %
Directors	26	196	2%	22	188	2%
Management	63	248	2%	143	689	6%
Engineers	485	1,444	14%	446	1,021	11%
Assistants and professionals	333	564	7%	335	605	7%
Operators	589	9,471	74%	584	9,245	74%
Interns	30	53	1%	23	40	-
Total	1,526	11,976	100%	1,553	11,788	100%

3.- Anticipated future trends of the group

On March 11, 2020 the World Health Organization (WHO) declared a global pandemic as a result of the Coronavirus COVID-19. In this context, the Government of Spain consequently declared a State of Alarm through the publication of the Royal Decree 463/2020 on March 14, 2020. Additionally, the government announced the approval of several extraordinary and urgent measures to mitigate the economic and social impacts of the COVID-19 through the Royal Decree 8/2020 on March 17, 2020.

The evolution of the crisis originated by the pandemic and its impact on the global economy has a material impact on the business of the Group and therefore its financial situation.

The rapid evolution of the health crisis leaves certain uncertainties regarding its impact on the global economy as well as the duration of said crisis, meaning that any evaluation realized today would be premature and preliminary by definition.

As noted in Note 2.1., on May 19, 2020 the Company approved the Updated Business Plan, a review of the financial projections for the next 10 years, in view of the health and economic crisis caused by Covid-19 and the business development during 2019. The main hypotheses of the said Plan have been described in Note 2.1.

In relation to the company Abengoa, S.A., and in line with what was already communicated in the privileged information of 27 July (registration number 358), in order to restore the equity balance of the company which, since that date, is in the process of being dissolved by application of Article 363 of the Spanish Capital Companies Law, it is necessary for a majority of more than 95% of the company’s liabilities to be added to the request for conversion of its debts into equity loans. To date, the percentage of acceptances achieved is not yet enough to this end. The Company continues its best efforts to achieve the aforementioned percentage.

The Updated Business Plan foresees a sale amount from Engineering and Construction of €1,190 million in 2020 and €1,804 million in 2021, and Ebitda of €93 million and €132 million, respectively in these years.

In relation to the previous Viability Plan approved in 2019, the Updated Business Plan has led to a reduction in contract expectations for 2020 both in Spain, as a result of the delay in public and private bidding processes caused by the State of Alarm, and abroad, mainly due to the standstill in economic activity in the Middle East, Africa and South America. As a result, contracting figures for the year 2020 have been reduced by 42% with respect to the amount forecast in the previous 2019 Viability Plan.

With respect to the sales figure for 2020, this has been reduced by 45% compared with the amount forecast in the previous 2019 Viability Plan, as a result of the delay in the start of certain contracts tendered out prior to Covid-19 and the slowdown in the work on certain projects under execution, mainly in the Middle East, Europe and Latin America.

Regarding the results of the first quarter, the impact of COVID-19 on the company's activity has had a limited effect, being estimated a greater impact on its activity in the following quarters.

It is important to note that the hypotheses and estimates considered in the Updated Business Plan regarding the impact of the COVID-19 on the Company’s business are based on the best information available to the Company at the time. The completion of these hypotheses would depend on the extension and development of the crisis generated by the pandemic, as well as the measures taken by the different governments and economic institutions.

It is also important to note that, understanding the above, there is a certain level of uncertainty surrounding the development of the health and economic crisis, which would imply that the projections included in the Updated Business Plan are subject to certain variations including the expected recovery timeframes which could be affected by new infections that would alter those timeframes. On the other hand, the evolution of the pandemic affects the businesses that are distributed in different geographical areas, some of which have been subject to advanced stages of infection.

In this context, the Administrators and the Management of the Company will continue to monitor the evolution of the situation and will supervise the completion of the Updated Business Plan, implementing the necessary measures to reduce the possible impacts that could arise from the situation.

4.- Financial risk management

Abengoa's activities are undertaken through its operating segments and are exposed to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

The Risk Management Model used by Abengoa has always attempt to minimize the potential adverse impact of such risks upon the Group's financial performance.

Risk is managed by the Group's Corporate Finance Department, which is responsible for identifying and evaluating financial risks in conjunction with the Group's operating segments and Abengoa's Risk Management Department, quantifying them by project, region and company, and diversifying the sources of finance in an attempt to prevent concentrations.

Written internal risk management policies exist for global risk management, as well as for specific areas of risk, such as foreign exchange risk, credit risk, interest rate risk, liquidity risk, use of hedging instruments, derivatives and placements of cash and financial investments.

There are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through Internal Audit procedures.

As mentioned in Note 29 of the Consolidated condensed financial statements as of December 31, 2019, on March 11, 2020 the World Health Organization (WHO) declared a global pandemic as a result of the Coronavirus COVID-19. With the intention to mitigate the possible impacts on the business derived from said crisis and to preserve the value of the company, the Company has put into action several measures explained in the Note. The Company has also proceeded to review the Viability Plan with the information available to date and considering certain key assumptions, as described in Note 2.1.2.

All of this could have an impact on liquidity risk, the evolution of the business and consequently could alter certain main figures such as new contract, sales, operating profit and the solvency of our clients.

The impact of COVID-19 on the company's activity during the first quarter of 2020 has had a limited effect, being estimated a greater impact on its activity, and therefore on its key figures, in the following quarters.

All of the above will be subject to revision and constant monitorization from the Administrators and Directors of the Group during 2020, as well as the compliance of the Updated Business Plan.

This Business evolution report does not include all financial risk management information and disclosures required for annual financial statements and should be read together with the information included in Note 4 of Abengoa's Consolidated financial statements as of December 31, 2018.

5.- Information on research and development activities

During the first three months of the year 2020, no R&D investment has been made.

6.- Stock exchange evolution

According to data provided by Bolsas y Mercados Españoles (BME), during the first three months of 2020 a total of 578,455,455 Class A shares and 9,199,815,163 Class B shares in the company were traded, equivalent to an average daily trading volume of 9,038,366 Class A shares and 143,747,112 Class B shares. The average daily traded cash volume was €0.2 million for Class A shares and €1,3 million for Class B shares.

Share evolution	A Shares		B Shares	
	Total	Daily	Total	Daily
Volume (thousands of shares)	578,455	9,038	9,199,815	143,747
Volume (M€)	11.3	0.2	83.2	1.3

Quotes	A Share	Data	B Share	Data
Last	0.0126	31-March	0.0048	31-March
Maximum	0.0263	14-Jan	0.0125	14-Jan
Minimum	0.0111	16-March	0.0043	16-March

The last price of Abengoa's shares at the end of the three-month period ended March 31, 2020, was €0.0126 for Class A shares, a 47.3% lower than the same period of 2019; and €0. 0048 per Class B share, a 42.9% lower than the same period of 2019.

Since its IPO in the Spanish stock exchange on November 29, 1996, the value of the Company has decreased by 50%. The selective IBEX-35 index has risen by 45% during the same period.

On 14 July 2020, the Comisión Nacional del Mercado de Valores (CNMV), has adopted the following decision:

"To suspend precautionarily, with immediate effect, pursuant to Article 21 of the Royal Decree-Law 21/2017 of 29 December of urgent measures for the adaptation of Spanish law to European Union regulations on the securities market, the trading of ABENGOA , S.A. in the Stock Exchanges and in Sistema de Interconexión Bursátil, the shares and other securities that may give right to their subscription, acquisition or sale due to circumstances that could disturb the orderly course of transactions on such instruments".

As of the date of publication of this Business evolution report, said suspension is maintained.

7.- Information on the purchase of treasury shares

Abengoa, S.A. and its subsidiaries have complied with all legal requirements regarding companies and treasury stock.

The parent company has not pledged its shares in any type of mercantile transaction or legal business, nor are any of Abengoa, S.A. shares held by third parties which could act on its behalf or on behalf of group companies.

It should be noted that potential reciprocal shareholdings established with Group companies are temporary and comply with the requirements of the consolidated text of the Spanish Capital Companies Act.

On November 19, 2007, the company entered into a liquidity agreement for Class A shares with Santander Investment Bolsa, S.V. On January 8, 2013, the company entered into a liquidity agreement for Class A shares with Santander Investment Bolsa, S.V., replacing the initial agreement, in compliance with the conditions established in CNMV Circular 3/2007 of December 19. On November 8, 2012, the company entered into a liquidity agreement for Class B shares with Santander Investment Bolsa, S.V. in compliance with the conditions established in CNMV Circular 3/2007 of December 19. This liquidity agreement for Class B shares was effective on April 21, 2015. On September 28, 2015, operations have been temporarily suspended under the liquidity agreement that in respect of its Class A shares was entered into by the Company with Santander Investment Bolsa, Sociedad de Valores, S.A.U. on 10 January 2013. On June 5, 2017, the Liquidity Agreement that in respect of its Class A shares has been terminated because the Company does not have the intention to continue to operate with treasury shares.

As of March 31, 2020, treasury stock amounted to 5,519,106 shares, all of which correspond to class A.

No operations for the acquisition or disposal of the Company’s Class A and/or B Shares have been performed during the first three months of the 2020 period.

8.- Corporate governance

No corporate governance fact has occurred in the 2020 period that differs from the information given in the Consolidated condensed financial statements for the year 2019.

9.- Dividends

The terms and conditions set forth in the financing agreements entered into under the Restructuring Agreement contain the prohibition to distribute dividends until the amounts due under the different debt instruments are fully paid. Hence, the Company does not expect to distribute dividends until the amounts owed under said instruments are repaid, pursuant to the agreements reached with financial creditors.

The prohibition on dividends also affects "Abengoa Abenewco 1, S.A.U." ("Abenewco 1") and “Abengoa Abenewco 2 Bis, S.A.U.” and "Abengoa Abenewco 2, S.A.U." ("Abenewco 2 Bis" and “Abenewco 2”), the holding companies recently incorporated by Abengoa in the context of the Group's corporate restructuring. Whilst distribution of dividends within the companies of Abenewco 1's consolidation perimeter are generally permitted, distributions of dividends in favor of the Company, Abenewco 2, Abenewco 2 Bis and any shareholders thereof are prohibited, except for distributions required to attend scheduled debt service payments and, up to a certain cap, distributions required to attend the Company's general corporate expenses.

At the time when the contracts to be signed in the framework of new operation come into force, no distribution of dividends will be allowed under any circumstances.

10.- Relevant events and privileged information reported to the CNMV

Detail of written communications to the CNMV corresponding to year first three-year period of 2020 and until these consolidated condensed financial statements date:

- Written Communication of 02/17/2020.- Abengoa announces the launching of a waiver request to its creditors for the raising of additional financing.
- Written Communication of 03/02/2020.- Abengoa informs about the delay in the release of the Financial Statements corresponding to the second half of 2019.
- Written Communication of 03/23/2020.- Abengoa informs about the delay in the release of the financial statements corresponding to the second half of 2019.
- Written Communication of 03/25/2020.- Abengoa informs about the results of the waiver request to its creditors for the raising of additional financing.
- Written Communication of 03/31/2020.- Abengoa announces that it has obtained creditors' consent to delay interest payment.
- Written Communication of 05/19/2020.- Financial Results 2019 Presentation.
- Written Communication of 05/19/2020.- Abengoa Presents the 2019 Financial Results.
- Written Communication of 05/19/2020.- Updated Business Plan Presentation.
- Written Communication of 05/19/2020.- Abengoa Presents the Updated Business Plan.
- Written Communication of 05/19/2020.- Abengoa will present the 2019 Financial Results and the Updated Business Plan in a webcast.
- Written Communication of 06/30/2020.- Privileged information related to the approval of the 2019 annual accounts.
- Written Communication of 07/01/2020.- Additional information with respect to that published on 30 June 2020 regarding 2019 annual accounts.
- Written Communication of 07/14/2020.- The CNMV declares a trading suspension on instruments issued by Abengoa, S.A.
- Written Communication of 07/14/2020.- Abengoa informs of decisions adopted by the Board of Directors.
- Written Communication of 07/27/2020.- Abengoa informs of decisions adopted by the Board of Directors.
- Written Communication of 07/31/2020.- Abengoa informs about the resolutions approved by the Board of Directors.
- Written Communication of 08/04/2020.- Abengoa informs about the decisions approved by the Board of Directors.

11.- Subsequent events

After-closure of March 31, 2020, no events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole.