Business evolution report as of March 31, 2018

ABENGOA

Soluciones tecnológicas innovadoras para el desarrollo sostenible

Contents

Business evolution report as of March 31, 2018

1.- General information

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as 'Abengoa', 'the Group' or 'the Company'), which at the end of the three months period ended March 31, 2018, was made up of 449 companies: the parent company itself, 357 subsidiaries, 76 associates and 15 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.

As explained in the following breakdown of section 2.2.1 on the 2017 Consolidated Financial Statements, on March 31, 2017, the Restructuring Completion Date has taken place (Restructuring Completion Date) established in the Restructuring Agreement and the effective application of such Restructuring Agreement allow the parent company Abengoa, S.A. to rebalance its equity, once the positive effect of the restructuring of the debt to equity swap is registered in the Income Statement of the Company.

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.

The shares of the associate Atlantica Yield (formerly Abengoa Yield, Plc.) are listed in the NASDAQ Global Select Market since June 13, 2014. As of March 31, 2018 the Abengoa's investment on Atlantica Yield amounts to 16.47%.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and water sectors, developing energy infrastructures (by producing conventional and renewable energy and transporting and distributing energy), providing solutions to the entire water cycle (by developing water desalination and treatment processes and performing hydraulic structures) and promoting new development and innovation horizons (related to renewable energy storage and new technologies for the promotion of sustainability and of energy and water-use efficiency).

As of 2018, Abengoa's business is organized under two operating segments listed below:

› Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 75 years of experience in the market and the development of solar technology. 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.

› 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 four operational segments of solar power generation plants, water desalination plants, power distribution lines and cogeneration power plants or wind farms. These assets generate low demand risk and thus 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 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, 2018 and 2017. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

All public documents of Abengoa may be viewed at "www.abengoa.com".

2.- Evolution and business results

2.1. Restructuring process

2.1.1. Restructuring process situation update

The following summary shows the facts related during the year 2018 until the publication of the present Business evolution report, in relation with the financial restructuring process:

a) In relation to the proceeding provided by the law 22/2003 (Ley Concursal) and the beginning of the financial restructuring process, it should be noted that;

› During the first quarter of 2018, meetings have continued to be held with the challengers for the purposes of negotiating and reaching an agreement on the claimed debt. Following said negotiation period, a preliminar agreement has been reached with some of the challengers to restructure their debt, either by issuing a new instrument in terms substantially similar to those of the Senior Old Money but equally classified as senior, or by issuing new Senior Old Money securities in the specific case of one of the challengers, as decided by the pertaining challengers. For said purposes, on April 30, 2018 the Group requested its creditors to authorize the implementation of said agreement that expires on May 30. Should the operation be authorized by the creditors, said restructuring is expected to be implemented during the first semester of 2018 without having a significant impact on the Financial Statements.

b) On the other hand, in relation with the proceedings in Brazil related with the transmission line activity, on the occasion of the mentioned situation of Abengoa, it should be known that;

› During the 2018 period no significant fact has occurred in addition to those indicated in the consolidated Annual Accounts for the 2017 period with respect to this proceeding.

c) Additionally, in relation to the proceedings in United States, on occasion as well of the mentioned situation of Abengoa, indicate that;

› During the 2018 period no significant fact has occurred in addition to those indicated in the consolidated Annual Accounts for the 2017 period with respect to this proceeding.

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

› On January 17, 2018 Rotterdam Court's appointed Judge concluded the general meeting with the creditors, and therefore the list of liabilities and claims against the company was officially published by the administrative receiver. This leads to the commencement of a period, established by the Court, during which creditors whose claims have been rejected by the administrative receiver present, in a validation process before the Court, the reasoning required for the final approval of said amount as part of the insolvency state. The first date established at the validation process for said claims has been scheduled by the Court of Rotterdam for May 23, 2018.

e) Regarding the declaration of bankruptcy of Abengoa México, S.A. de C.V.

› During the 2018 period no significant fact has occurred in addition to those indicated in the consolidated Annual Accounts for the 2017 period with respect to this proceeding.

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

› During the 2018 period no significant fact has occurred in addition to those indicated in the consolidated Annual Accounts for the 2017 period with respect to this proceeding.

g) At last, in relation to the reestructuring processes conducted in Peru, Chile and Uruguay:

› During the 2018 period no significant fact has occurred in addition to those indicated in the consolidated Annual Accounts for the 2017 period with respect to this proceeding.

2.1.2. Going concern

Once the Restructuring Agreement described in section 2.1.1 of the Consolidated Financial Statements is completed, the company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 75 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of multifunctional work.

2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

3) Technology abilities in our target markets, mainly in solar and water energy.

4) A more efficient organization with more competitive general expenses.

5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

The situation of the Group during the last years, which has been affected by a strong limitation of financial resources for more than two years, has significantly influenced the evolution of the business not only in terms of a generalized slowdown and deterioration of the Group’s operations but also as a result of numerous insolvency or bankruptcy proceedings involving companies not included in the Company’s Updated Viability Plan.

Consequently, the parent company, Abengoa, S.A., has incurred in losses since 2015, which has supposed a significant decrease in Equity and as a consequence at December 31, 2016 presented a negative net equity. The expected measures in the effective application of the Restructuring Agreement have allowed to gain a financial stability once there is a positive impact recognized in the income statement derived from debt write-offs, capital increases and, in addition has provided the Group with the necessary financial resources to rise the market confidence, the provision of liquidity to the Company and the continuance of its activity to operate in a competitive and sustainable manner in the future.

Based on the foregoing, Abengoa´s Directors have prepared this Business evolution report at March 31, 2018 on a going concern. Based on the application of the going concern basis, Abengoa´s Directors have applied the International Financial Reporting Standards (‘IFRS’) consistently with the Consolidated condensed interim financial statements and Consolidated Financial Statements filed in prior periods. For that purpose, and according to the aforementioned accounting framework, Abengoa´s Directors have made their best estimates and assumptions (see Note 3 of Abengoa’s Consolidated Financial Statements as of December 31, 2017) in order to record the assets, liabilities, revenues and expenses as of March 31, 2018 in accordance with the existing information by the time of preparing this Business evolution report.

2.1.3. Restructuring process accounting impacts

As indicated on section 2.2.1 of the 2017 Consolidated Financial Statements, on March 31, 2017, the completion of the Restructuring of the Group and therefore the Company recognized at that date all the accounting impacts related were announced. From an accounting perspective, the Restructuring Agreement is subject to IFRIC 19 “Cancellation of financial liabilities with equity instruments”, derecognizing a portion of the debt to be cancelled at book value, recognizing the refinanced debt at fair value and registering the equity instrument to be handed over at fair value and recognizing the difference between such both amounts in the Income statement. The issued Equity instruments should be firstly recognized and valuated in the date in which the liability or a part of it is cancelled.

When valuating the handed over equity instruments, it has been applied the IFRS 13 “Fair value measurement” and, consequently, it has been taken as reference the market price in the Spanish Stock Exchanges on the date in which the Restructuring process was completed and the liability was written off, this means on March 31, 2017. This market price was €0.055 per each class A share, and €0.024 each class B share. Applying such amount to the capital Increase of Abengoa (1,577,943,825 class A shares and 16,316,369,510 class B shares, which correspond to 95% of Capital share), the shares fair value accounted in the Consolidated Equity has been €478 million.

With the portion of debt to be refinanced, and given that the conditions of the debt to be refinanced have been substantially modified after the Restructuring agreement, IAS 39 “Financial instruments, recognition and measurement” has been applied, derecognizing the portion of the debt to be refinanced at book value, registering the equity instrument to be handed over at fair value and recognizing the difference between both amounts in the Income statement.

Regarding the cancellation of the liabilities subject to the standard conditions of the Agreement (amounts payable to creditors who have not signed the Agreement), since there is no obligation to deliver equity instruments in order to cancel 97% of the liabilities, the terms of IAS 39 has been apply to both the derecognition of the percentage of the liability mentioned above and the recognition of a new liability equal to 3% of the original liability which has been recorded at its fair value and recognizing an impact on the Income Statement by the difference between both amounts.

All the mentioned caused a positive impact in the consolidated Net Equity of Abengoa of €6,208 million (€5,727 million in the income statement and €35 million in capital share and €443 million in share premium). The following table shows the breakdown of such impacts (in million euros):

Concept	Amount
Decrease of debt to be refinanced at its carrying amount	8,330
Increase of refinanced debt at its fair value	(1,943)
Increase of equity instruments	478
Related expenses (commissions, fees, etc.)	(138)
Tax impact	(519)
Total impacts in Net Consolidated Equity	6,208

It is important to be known that the previous positive impact produced on the consolidated Equity of Abengoa exclusively try to shows the economic impact of the financial debt restructuration of Abengoa, and therefore it does not try to show the future financial situation of Abengoa which, in Director´s opinion, and once implemented the Restructuring Agreement will depend on the achievement of the Updated Viability Plan related to the Group capacity to generate resources from its operations and the liquidity supply in market to continue with the activity in a competitive and sustainable manner.

2.2. Financial position

2.2.1. Changes in the composition of the Group

During the first quarter of the year 2018 a total of 1 joint venture were included in the consolidation group.

In addition, 6 subsidiaries and 2 joint ventures are no longer included in the consolidation group.

2.2.2. Changes in assets held for sale and discontinued operations

a) Changes in classification:

During the first quarter of the year 2018, the concessional asset Unidad Punta de Rieles has been classified under the heading of assets and liabilities held for sale in the Consolidated statement of Financial Position given the compliance all the requirements of the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations"

b) Asset impairment analysis:

As of March 31, 2018 no significant impact has been recognized for the impairment of assets classified as held for sale and discontinued operations from the difference between their net carrying amount and their fair value less the cost of sale, as the key hypotheses remain with respect to whose considered at the end of the 2017 period.

2.2.3. Main acquisitions and disposals

a) Acquisitions:

- During the three months period ended March 31, 2018 there were no significant acquisitions.

b) Disposals

- During the period of three months ended March 31, 2018, there were not significant disposals with the exception of the sale of 25% de Atlántica Yield as part of the Divestment plan established in the Updated Viability Plan, detailed as follows:

  - On November 1st, 2017 Abengoa S.A. has entered into a sale purchase agreement with Algonquin Power & Utilities Corp., a growth-oriented renewable energy and regulated electric, natural gas and water utility company (the "Purchaser", "Algonquin" or "APUC"), for the sale of a stake of 25% of the issued share capital of Atlantica Yield plc. ("AY"). The sale will become effective once certain conditions precedent have been fulfilled, among others, the approval of the transaction by certain regulatory authorities as well as the Company's creditors (the "25% Sale").

    On March 9th 2018, the Company announced that the operation with Algonquin Power & Utilities Corp has been completed for a total price of USD 607 million, , where the debt repayment has reached 510 million of US dollars approximately, according to the New Money financing agreements.

    As a consequence of the above, on March 31, 2018 a positive impact was identified in the Consolidated Profit and Loss Account for an amount of 110 million Euros as the difference between the carrying amount and the sales price of 25% of the shares.

    On April 17th 2018, Abengoa announced that has reached an agreement for the sale of its remaining 16.47 % stake of Atlantica Yield to Algonquin Power & Utilities Corp. (APUC). This new sale is subject to certain conditions precedent which include the approval of the transaction by certain regulatory bodies and by Abengoa's creditors.

The agreed sale price is 20.90 USD per share, which implies a premium of 6.2% over the closing market price of AY on April 16, with total gross proceeds of approximately 345 MUSD before transaction costs and some other possible deductions. The resulting net proceeds will be fully dedicated to debt repayment, as per the financing contracts.

2.2.4. Main figures

Financial data

- Revenues of €300 million, a 11% lower to the same period of 2017.
- EBITDA of €43 million, an increase of 280% compared to the same period of 2017.

Item	For the three months ended 03.31.18	For the three months ended 03.31.17 (1)	Var (%)
Income Statement (in million euros)			
Revenue	300	336	(11)
EBITDA	43	(24)	280
EBITDA Margin	14%	(7%)	306
Net Income	33	5,561	(99)
Balance Sheet			
Total Assets	5,874	6,359	(8)
Equity	(2,356)	(2,408)	2
Corporate Net Debt	2,886	3,254	(11)
Share Information (in million euros)			
Last price (€ per B share)	0.01	0.01	-
Capitalization (A+B share) (€ million)	224	218	3
Daily trading volume (€ million)	3	6	(52)

(1) The Balance Sheet and Share Information data are referenced to December 31, 2017

Operating figures

- The international activity represents 89.9% of the consolidated revenues.
- The main operating figures of March 31, 2018 and 2017 are the following:

Key operational	March 2018	March 2017
Transmission lines (km)	3,532	3,532
Water Desalination (Cap. ML/day)	475	475
Cogeneration (GWh)	163	257
Solar Power Assets (MW)	300	200
Biofuels Production (ML/year)	235	1,030

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 at March 31, 2018 and December 31, 2017 (in million euros):

Item	Balance as of 03.31.18	Balance as of 03.31.17
+ Corporate financing	3,260	3,664
- Financial investments	184	(195)
- Cash and cash equivalents	183	(196)
- Treasury stock + financial investments and project subsidiaries' cash	(7)	1
Total Net Debt	2,886	3,254

2.2.5. Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa at March 31, 2018 and 2017 with an explanation of the main variations between both periods (in million euros):

	Balance as of 03.31.18	Balance as of 03.31.17	Var (%)
Revenues	300	336	(11)
Operating expenses	(257)	(360)	29
EBITDA	43	(24)	279
Depreciation and amortization	(19)	(26)	27
I. Net Operating Profit	24	(50)	148
Financial incomes / expenses	(107)	(152)	30
Net Exchange rates differences and other financial incomes/expenses	(2)	6,420	(100)
II. Finance Cost, net	(109)	6,268	(102)
III. Share of (loss)/(profit) of associates	112	(2)	5,700
IV. Profit Before Income Tax	27	6,216	(100)
V. Income tax expense	(7)	(562)	99
VI. Profit for the year from continuing operations	20	5,654	(100)
Profit (loss) from discontinued operations, net of tax	14	(96)	115
Profit for the year	34	5,558	(99)
VII. Non-controlling interests	(1)	3	(133)
Net income attributable to the parent company	33	5,561	99

Revenues

Revenue has reached €300 million, which is a decrease of €36 million from €336 million in the same period of 2017. This decrease in net revenue results from the completion of projects that were under construction during 2017.

EBITDA

EBITDA has increased in a 279% reaching €43 million, which entails a €67 million increase compared to the €-24 million of the same period of the previous year. The increase in EBITDA is mainly attributable to the absence of extraordinary expenses in construction projects and to lower overhead expenses. Likewise, during the first quarter of 2017, 52 million of euros were incurred from restructuring-related advisors' expenses.

Operating profit

Operating profit has increased in 148%, from loss of €50 million on March, 2017 to profits of €24 million on March, 2018. This increase in the operating profit is mainly attributable to all the aforementioned in the EBITDA section, as well as the improvement compared to the previous period due to the impairments recorded on assets held for sale.

Net Financial Expense

Net Finance expenses have reached a net loss of €109 million, which is a decrease of 102% in comparison to a profit of €6,268 million in the same period of 2017. This variation is mainly due to the positive impact caused by the financial debt restructuring of the Group in 2017, as well as to the financial expense recorded in 2018 in relation to the New Money and Old Money financing contracts.

Share of profit (loss) of associates carried under the equity method

The result of associates has increased from a loss of €2 million on March, 2017 to a profit of €112 million on March, 2018. This increase is mainly due to the sale of 25% the equity interest in Atlantica Yield (see paragraph 2.2.3).

Corporate Income Tax

Corporate income tax decreased from a net loss of €562 million in March, 2017 to a net loss of €7 million on March, 2018. This decrease in mainly attributable to income tax expenses recognized due to the positive result arisen after the financial debt restructuring of the Group.

Profit for the year from continuing operations

Due to the aforementioned changes, results from continuing operations of Abengoa decreased from profit of €5,654 million in March, 2017 to a profit of €20 million in the same period of 2018.

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

The result from discontinued operations, net of tax increase from a loss of €96, million on March, 2017 to a profit of €14 million in the same period of 2018. This increase is mainly attributable the improvement generated in this period, in comparison with the previous period, due to the higher impairment charges on certain discontinued assets related to the Bioenergy and LAT in Brazil activity recognized in March 2017, given the situation in which the company was.

Profit attributable to the parent company

Profit attributable to the parent company decrease from a loss of €5,561 million on March, 2017 to a profit of €33 million on March, 2018 as a consequence of the changes described in previous sections.

2.2.6. Results by activities

The following table shows the distribution between business activities of revenues and consolidated EBITDA at March 31, 2018 and March 31, 2017, with an explanation about the main variations between both periods (in million euros):

	Revenue			Ebitda			Margin	
Item	Amount as of 03.13.18	Amount as of 03.31.17	Var (%)	Amount as of 03.31.18	Amount as of 03.31.17	Var (%)	Amount as of 03.31.18	Amount as of 03.31.17
Engineering and Construction	255,148	293,645	(13.1)	14,789	2,510	489.2	5.8%	0.9%
Concession-type infrastructures	44,972	42,097	6.8	28,481	25,260	12.8	63.3%	60.0%
Total	300,120	335,742	(10.6)	43,270	27,770	55.8	14.4%	8.3%
Reestructuring Advisors Expenses	-	-	-	-	(52,019)		-	(15.5%)
Total	300,120	335,742	(10.6)	43,270	(24,249)	278.4	14.4%	(7.2%)

Engineering and Construction

Revenue in the Engineering and Construction line of activity has decreased by 13% to 255 million of euros, which entails a decrease of 39 million of euros as compared to the amount of 294 million of euros registered in the same period last year. Said decrease is mainly attributable to ended contracts in the Middle East, Europe and South America.

EBITDA in the Engineering and Construction line of activity has increased by 489% to 15 million of euros, which represents an increase of 12 million of euros as compared with the 3 million of euros registered in the same period last year. This increase corresponds mainly with the absence of extraordinary expenses in the execution of the projects, construction and reduction of structural expenses

Concession-Type Infrastructures

Revenue in the concession-type activity has increased by 7% to 45 million of euros, which entails an increase of 3 million of euros as compared to the amount of 42 million of euros registered in the same period last year. This increase corresponds mainly to the beginning of operation of concession assets.

EBITDA in the concession-type activity has increased by 13% to 28 million of euros, which entails an increase of approximately 3 million of euros as compared to the amount of 25 million of euros registered in the same period last year.

2.2.7. Consolidated statement of financial position

Consolidated balance sheet

A summary of Abengoa's consolidated asset for March 31, 2018 and December 31, 2017 is given below, with main variations (in million euros):

Item	Balance as of 03.31.18	Balance as of 12.31.17	Var (%)
Intangible assets and fixed assets	229	235	(3)
Fixed assets in projects	72	165	(56)
Associates under the equity method	34	34	-
Financial investments	47	41	15
Deferred tax assets	391	376	4
Non-current assets	773	851	(9)
Inventories	78	75	4
Clients and other receivable accounts	924	965	(4)
Financial investments	184	195	(6)
Cash and cash equivalents	183	196	(7)
Assets held for sale	3,732	4,077	(8)
Current assets	5,101	5,508	(7)
Total assets	5,874	6,359	(8)

› Non-current assets have decreased 9% to €773 million, which entails a decrease of €78 million compared to the €851 million at December 31, 2017. This decrease in non-current assets is mainly attributable to the classification of the Unidad Punta de Rieles concession asset as an asset held for sale after it has met the hypotheses and requirements set forth in IFRS 5 (see paragraph 2.2.2).

› Current assets have decreased by 7% to €5,101 million, which entails a decrease of €407 million as compared to the €5,508 million at December 31, 2017. This decrease in assets is mainly attributable to the sale of 25% the equity interest in Atlantica Yield (see paragraph 2.2.2), partially set-off by the new non-current assets classified as held-for-sale assets.

› A summary of Abengoa's consolidated liabilities as of March 31, 2018 and December 31, 2017 is given below, with main variations (in million euros):

Item	Balance as of 03.31.18	Balance as of 12.31.17	Var (%)
Capital and reserves	(2,808)	(2,870)	2
Non-controlling interest	451	462	2
Total Equity	(2,357)	(2,408)	2
Project debt	5	11	(55)
Corporate financing	1,781	1,611	11
Grants and other liabilities	49	52	(6)
Provisions and Contingencies	46	54	(15)
Deferred tax liabilities and Personnel liabilities	515	531	(3)
Total non-current liabilities	2,397	2,259	6
Project debt	14	97	(86)
Corporate financing	1,479	2,033	(27)
Trade payables and other current liabilities	1,749	1,883	(7)
Current tax liabilities	130	128	2
Provisions for other liabilities and expenses	26	23	13
Liabilities held for sale	2,436	2,344	4
Total current liabilities	5,834	6,508	(10)
Total Shareholders' Equity and Liabilities	5,874	6,359	(8)

› Equity has increased by 2% to €-2,357 million, which is an increase of €51 million compared to 2,408 million at December 31, 2017. This equity increase is mainly attributable to the profit and loss for the year.

› Non-current liabilities have increased by 6% to €2,397 million, which is an increase of €138 million compared to the €2,259 million at December 31, 2017. This non-current liability increase is mainly attributable to the reclassification of Abengoa Mexico's current commercial and financial debt by the financial restructuring agreement on the basis of the insolvency agreement partially set-off by the classification of the Unidad Punta de Rieles concession asset as a liability held for sale after it has met the hypotheses and requirements set forth in IFRS 5 (see paragraph 2.2.2).

› Current liabilities have decreased by 10% to €5,834 million, which is a decrease of €674 million compared to the €6,508 million at December 31, 2017. This decrease in current liabilities is mainly attributable to the amortization of the New Money debt by the sale of 25% of Atlantica Yield and to the reclassification of Abengoa Mexico's commercial and financial debt as non-current liabilities by the financial restructuring agreement on the basis of the insolvency agreement .

2.2.8. Consolidated cash flow statements

A summary of the Consolidated cash flow statements of Abengoa for the periods ended March 31, 2018 and March 31, 2017 with an explanation of the main cash flows (in million euros):

	Balance as of 03.31.18	Balance as of 03.31.17	Var (%)
Profit for the year from continuing operations	20	5,654	(100)
Non-monetary adjustments	3	(5,708)	100
Variations in working capital and discontinued operations	(1)	(6)	83
Interest received/paid	(49)	(25)	(96)
Discontinued operations	13	14	(7)
A. Net Cash Flows from operating activities	(14)	(71)	(80)
Total capex invested	(18)	(44)	59
Other investments/divestments	493	-	100
Discontinued operations	1	9	(89)
B. Net Cash Flows from investing activities	476	(35)	1,460
Other disposals and repayments	(481)	118	(508)
Discontinued operations	14	13	8
C. Net Cash Flows from financing activities	(467)	131	(456)
Net increase/(decrease) of cash and equivalent	(5)	25	(120)
Cash at beginning of year	198	278	(29)
Translation differences cash or equivalent	(1)	1	(200)
Discontinued operations	(9)	(18)	50
Cash and cash equivalent at end of year	183	286	(36)

› As of March 31, 2018, cash outflows from operating activities amounts to €14 million compared to €71 million in the same period of 2017. The lower cash outflow occurs upon the reactivation of the business, the improvement of margins and the lower use of circulating capital, partially offset by the cash outflow resulting from the payment of interests related to the amortization of the New Money debt.

- In terms of net cash flows from investment activities, there is a net cash inflow of €476 million as of March 31, 2018, compared with a net cash outflow of €35 million in the same period of 2017. Cash inflows from investment activities result from the sale of interest in 25% of Atlantica Yield plc, AY's equity.

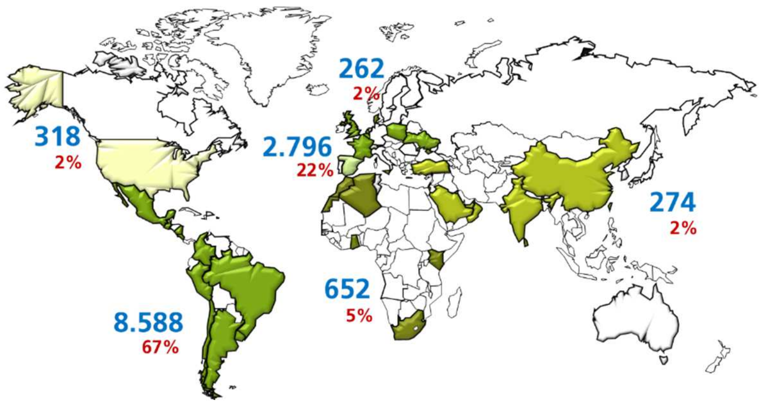
- Net cash flow from financing activities was €467 million as of March 31, 2018 compared to €330 million in the same period of 2017. Cash outflows from financing activities mainly result from the amortization of the New Money debt with the sale of 25% interest of Atlantica Yield plc, AY's equity.

2.2.9. Human resources

Abengoa's workforce is formed by 12,890 people at March 31, 2018, which is a decrease of 12% compared to the previous year (14,689 people).

Geographical distribution of the workforce

The 22% people are located in Spain while the remaining 78% are abroad. The total number of employees at March 31, 2018 by geographical area:



Distribution by professional groups

The average number of employees by categories as of March 31, 2018 and 2017 was:

	Average number of employees as of 03.31.18			Average number of employees as of 03.31.18		
Categories	Female	Male	Total %	Female	Male	Total %
Directors	27	229	2%	35	320	2%
Management	168	702	7%	259	900	8%
Engineers	485	1,194	13%	724	1,657	16%
Assistants and professionals	425	712	9%	599	1,366	13%
Operators	491	8,412	69%	578	8,175	60%
Interns	14	31	0%	29	47	1%
Total	1,610	11,280	100%	2,224	12,465	100%

3.- Information on the foreseeable evolution of the Group

To estimate the outlook for the Group, it is important to take into account the situation of the Company after the restructuring process.

In this sense, once finished the restructuring process, the Company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 75 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of multifunctional work.

2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

3) Technology abilities in our target markets, mainly in solar and water energy.

4) A more efficient organization with more competitive general expenses.

5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

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.

Notwithstanding Abengoa's current situation as discussed in section 2.1 which has affected the management of the company's liquidity and capital risks, 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, quantifying them by project, region and company.

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, the use of hedging instruments and derivatives and the investment of cash surpluses.

In addition 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.

The present Business evolution report do 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 to Abengoa's Consolidated financial statements as of December 31, 2017.

5.- Information on research and development activities

R&D investments during the first three months of the year 2018 have been €0, lower than the amount invested at March 31, 2017 (€0 million) mainly due to the situation of the Company during the trhee month period ended March 31, 2018.

6.- Stock exchange evolution

According to data provided by Bolsas y Mercados Españoles (BME), during the first three months of the year 2018 a total of 912,439,399 Class A shares and 12,324,719,093 Class B shares in the company were traded, equivalent to an average daily trading volume of 14,483,165 Class A shares and 195,630,462 Class B shares. The average daily traded cash volume was €0.4 million for Class A shares and €2.4 million for Class B shares.

Share evolution	A Shares		B Shares	
	Total	Daily	Total	Daily
Volume (thousands of shares)	912,439	14,483	12,324,719	195,630
Volume (M€)	27.7	0.4	152.4	2.4

Quotes	A Share	Data	B Share	Data
Last	0.0268	29-mar	0.0105	29-mar
Maximum	0.0357	12-jan	0.0151	17-jan
Minimum	0.0261	6-feb	0.0100	2-jan

The last price of Abengoa's shares at the end of the three months period ended March,31 2018, was €0.03 for Class A shares, a -4,3% lower than at the end of 2017; and €0.01 per Class B share, 5% higher than at the end of 2017.

Since its IPO in the Spanish stock exchange in November 29, 1996, the value of the Company has increased by 9%. The selective IBEX-35 index has risen by 106% during the same period.

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 has 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 5 June 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, 2018 treasury stock amounted to 5,519,106 shares, all of which correspond to class A.

Regarding the operations carried out during the period, there has not been treasury stock transferred and the number of treasury stock purchased amounted to zero class B shares and zero class A shares.

8.- Corporate governance

No corporate governance fact has occurred in the 2018 period that differs to the information given in the consolidated annual accounts for the 2017 period .

9.- Dividends

The terms and conditions included in the financial agreements entered into as part of the Restructuring Agreement include a prohibition on the distribution of dividends until all of the new money financing and old money financing is repaid in full. Therefore, we expect that no dividend payments will be made until, at least, 2023, date in which the last Old Money financing is expected to be repaid. The prohibition on dividends also affects "Abengoa Abenewco 1, S.A.U." ("AbeNewco 1") and "Abengoa Abenewco 2, S.A.U." ("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 favour of the Company, AbeNewco 2 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.

10.- Relevant events reported to the CNMV

Detail of written communications to the CNMV corresponding to the first three months of 2018 and until the business evolution report's date:

- Written Communication of 01/23/2018.- Abengoa announces the finalization of the insolvency proceedings of Abengoa Mexico.
- Written Communication of 01/24/2018.- Abengoa announces the admission to trading of new Class B shares after the 24 and last conversion period.
- Written Communication of 01/25/2018.- Correction of the date of admission to trading of new Class B shares.
- Written Communication of 02/28/2018.- Abengoa releases 2017 results.
- Written Communication of 03/05/2018.- Inversion Corporativa announces the end of the parasocial pact.
- Written Communication of 03/05/2018. - Abengoa announces advances in the closing of the sale of a 25% stake in Atlantica Yield.
- Written Communication of 03/06/2018.- 2017 Results presentation.
- Written Communication of 03/09/2018.- Abengoa announces completion of the sale of 25% of Atlantica Yield.
- Written Communication of 04/17/18.- Abengoa announces that it has reached an agreement with Algonquin Power & Utilities Corp. for the sale of the remaining 16.47% of the share capital of Atlantica Yield.
- Written Communication of 05/09/18.- Abengoa announces that it has been selected as the technological partner in the construction of a solar complex in Dubai for Dewa.

11.- Subsequent events

- After-closure of March 31, 2018, no other 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.