

02. Abengoa today

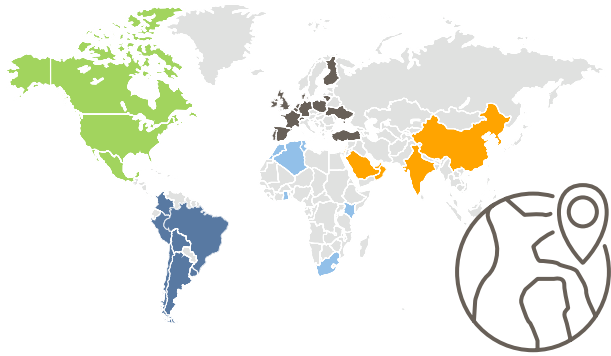
# 2

## Abengoa today

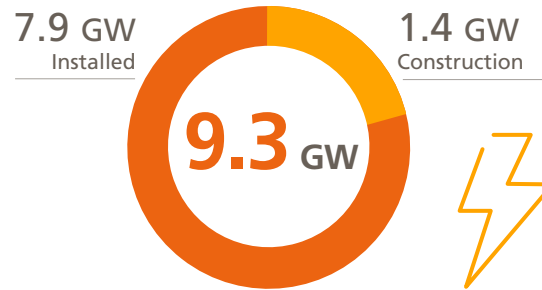


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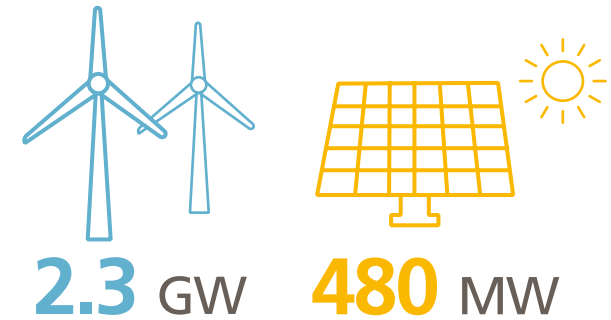
Noteworthy aspects



Global presence and recognised leading position in the main world rankings (ENR, GWI).

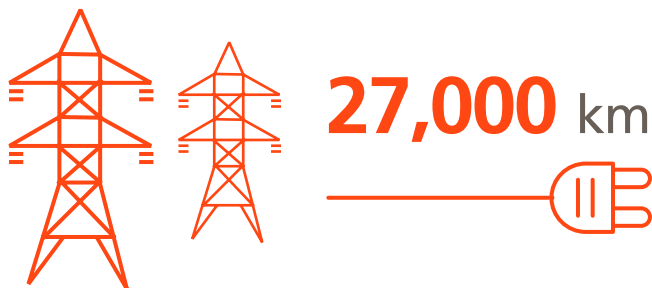


9.3 GW of installed power in conventional generation plants, of which 1.4 GW are under construction.

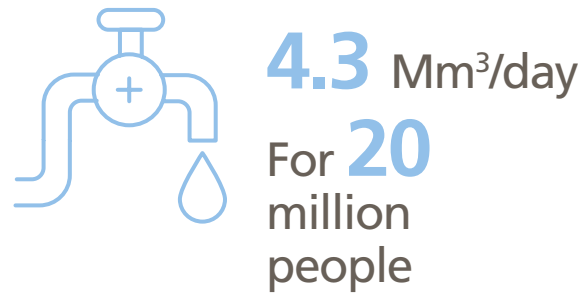


2.3 GW\* of built solar energy, 760 MW under construction and 480 MW of wind power.

\*34 % of worldwide installed solar-thermal capacity.

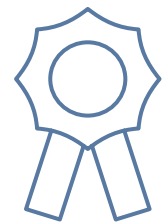


+ 27,000 km of transmission and distribution lines and more than 330 substations throughout the world in the last 15 years.

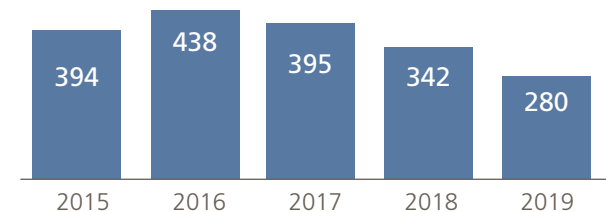


+ 1.7 million m<sup>3</sup>/day of installed desalination capacity and 2.6 million m<sup>3</sup>/day under construction.

**280** patents at the end of 2019



Number of patents



## 02. Abengoa today

Abengoa (MCE: ABG.B) is an international company applying technical innovative technology solutions for sustainable development in the infrastructures, energy and water sectors.

Abengoa bases its future growth on two of its **main strengths: excellence in its technical capabilities and international positioning**. To do so, the company has a **solid business** dedicated to engineering, supply, construction, operation and maintenance in fast-growing

markets together with a light structure with high operational efficiency. Moreover, it has a **committed** and capable **team**, with **specialised**, competitive know-how. This, joined with the development of **pioneering and commercially viable technology** is now the company's key competitive advantage.

As a result of the new strategy, Abengoa has organised its activity in four business areas, responsible for carrying out business development, bids, engineering and project execution on the fundamental pillar of R&D + Innovation:



### Energy

- Conventional and renewable electric power generation.
- In-house solar power technology, world leader in installed capacity.
- 9.3 GW of installed conventional energy capacity.
- Experts in the hybridisation of generation technologies to provide clean, manageable energy solutions.

### Water

- Specialist in infrastructures for the comprehensive water cycle
- Excellence in technical skills.
- Leader in the international desalination market and benchmark at global level in the construction of hydraulic infrastructures and treatment plants.
- 1.7 million m<sup>3</sup>/day of installed desalination capacity and 2.2 million m<sup>3</sup>/day of purified water.

### Transmission and Infrastructures

- Leader in the international market in transmission and distribution of infrastructures for the energy, industry, transport, environment, communications and railway sectors.
- More than 27,000 km of transmission lines and more than 330 substations.
- 4,500 km of electrified track and more than 80 traction substations.

### Services

- Service providers for infrastructures in the transmission, water and renewable and conventional energy generation sectors.
- Optimisation of O&M, improvement of management and increased production.
- 25-year average contract life.

## Main financial figures

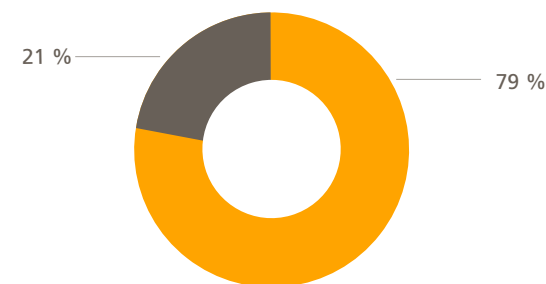
102-07, 201-1

2019 has been a good year in the consolidation of Abengoa's business. It has been reflected in on-going improvement of sales and profitability.

Sales at year closing were € 1,493 million, up by 15 % compared to 2018. This increase has also happened both in the engineering and construction and in the concessions sectors.

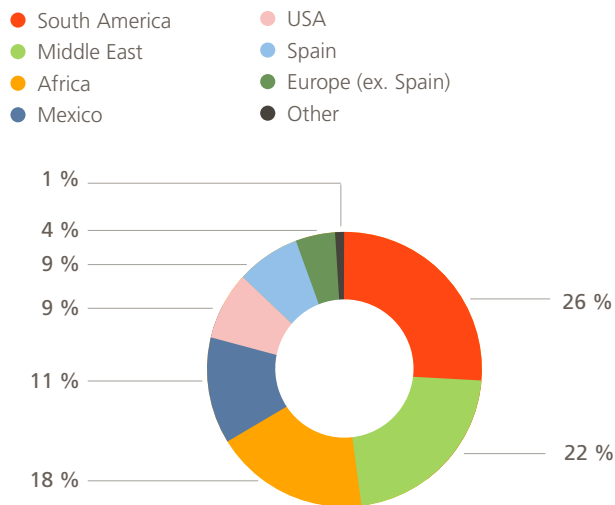
### Sales by segment

- I&C
- Concessions



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### Geographical sales

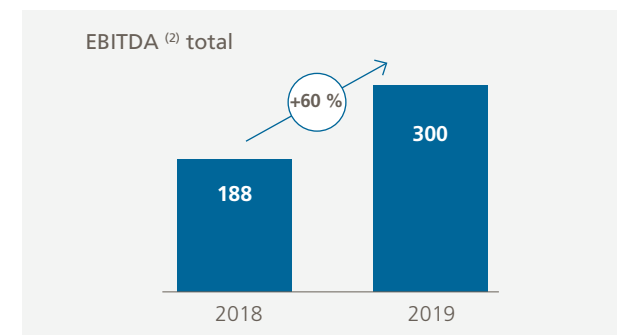
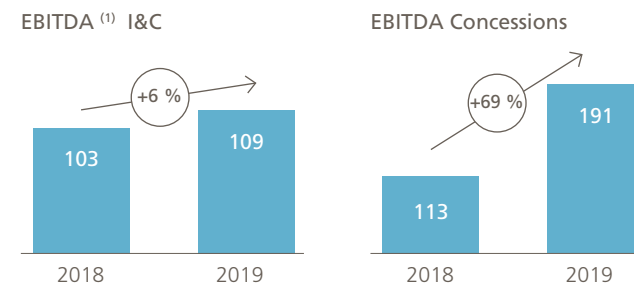


### Main project in progress

- Waad Al Shamal (Saudi Arabia)
- Dubai Solar Park (U.A.E.)
- Agadir (Morocco)
- Operation and Maintenance Solar Plants (Spain)
- Salalah (Oman)
- Chuquicamata-Humos Negros (Chile)
- Rabigh (Saudi Arabia)
- Fulcrum (USA)

Moreover, gross operating profit (EBITDA) stood at € 300 million, 60 % more than in 2018. Improvement in the profitability of engineering and construction is mainly due to the positive impact arising from the Dead Sea Works project agreement, the margins from new projects in execution such as Dewa, Agadir and Fulcrum, etc., and the on-going reduction of general expenses, whereas the increase in EBITDA from concessions is mainly due to the commissioning of the efficient cogeneration plant A3T. These improvements both in sales and profitability exceed the goals set in the Viability Plan.

### Figures in million euros



Item	2019	2018	2017
<b>Income statement (€M)</b>			
Sales	1,493	1,303	1,480
Ebitda	300	188	127
Operating margin	20 %	14 %	9 %
Net income	-517	-1,498	4,278
<b>Balance sheet</b>			
Total assets	3,360	3,830	6,359
Equity	-4,728	-4,251	-2,408
Corporate net debt	3,951	4,096	3,254
<b>Share information (€M)</b>			
Share information (€M/B/share)	0.009	0.0034	0.01
Capitalization (A+B shares) (€M)	194	82	218
Daily trading volume (€M)	2	1	6

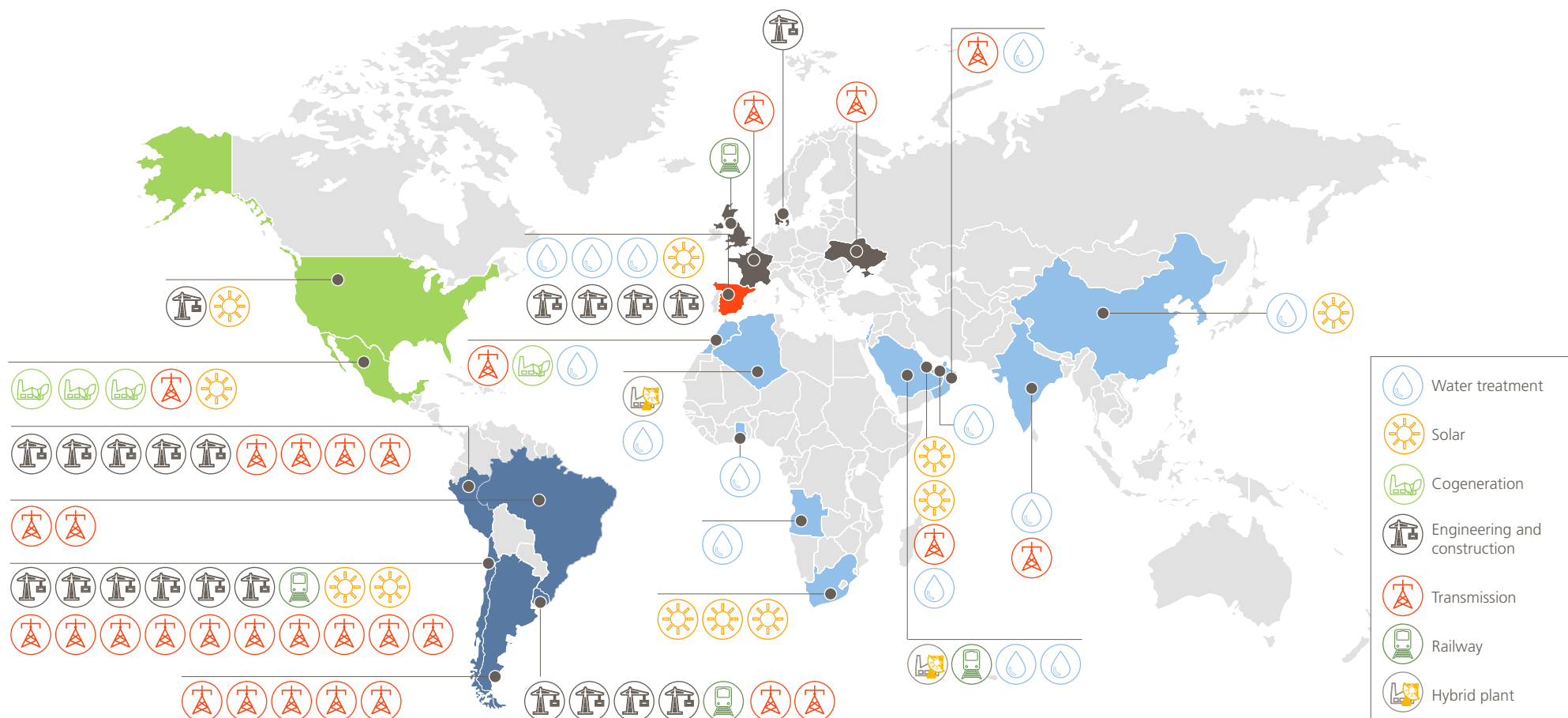
<sup>(1)</sup> EBITDA in 2019 include a positive impact of € 40 million related to the agreement reached in the arbitration applicable to the Dead Sea Works project in Israel.

<sup>(2)</sup> EBITDA in 2018 includes non-recurring expenses related to restructuring advisors amounting to € 28 million.

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Map of economic impact and contribution to progress 102-06

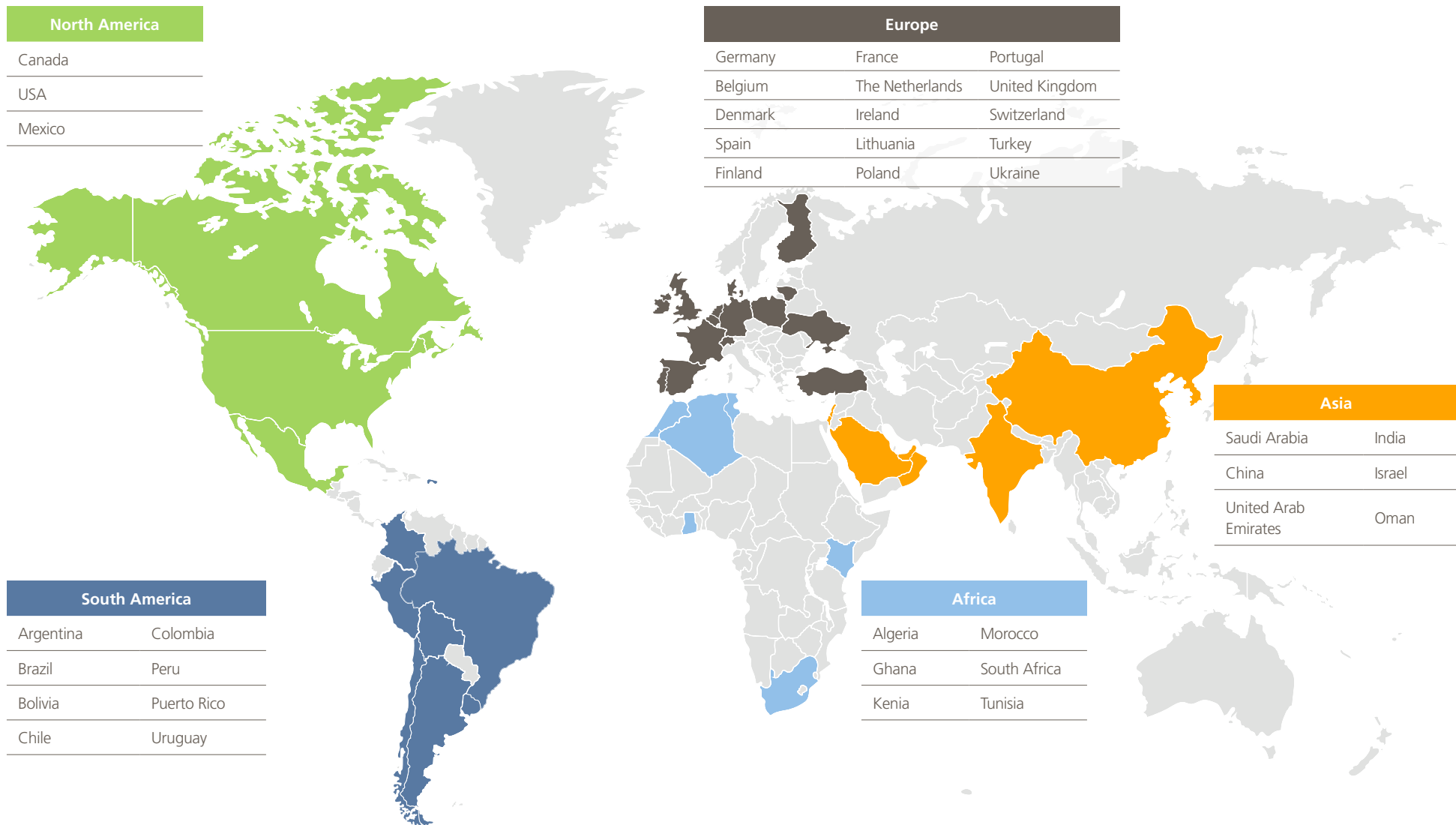
North America		South America		Spain		Europe		Rest of the world	
Sales (€k)	302,775	Sales (€k)	384,224	Sales (€k)	135,260	Sales (€k)	67,640	Sales (€k)	603,299
Employees	945	Employees	9,494	Employees	2,578	Employees	164	Employees	844
Local suppliers (%)	19.4	Local suppliers (%)	16.1	Local suppliers (%)	22.83	Local suppliers (%)	3.54	Local suppliers (%)	15.56
Local purchases (€k)	166,988	Local purchases (€k)	138,633	Local purchases (€k)	196,184	Local purchases (€k)	30,426	Local purchases (€k)	133,645
Taxes paid (€k)	11,340	Taxes paid (€k)	78,047	Taxes paid (€k)	33,188	Taxes paid (€k)	4,581	Taxes paid (€k)	28,301



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Presence in the world *102-3, 102-4, 102-6*

List of countries where there are personnel or sales during the period.









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### Project awards

Following two restructuring operations (2017 and 2019), Abengoa was able to reinforce its capital structure. As a result, it became a company focused on EPC business globally. Since 2017, the company has closed new agreements worth more than €4,000 million and has







executed €3,600 million, with a portfolio at 2019 year-end of €1,514 million.

In 2019, Abengoa was awarded new projects worth a total of €1,107 million, including the world's largest reverse osmosis desalination plant.

	<b>Taweelah</b> U.A.E.	Construction of the world's largest reverse osmosis desalination plant with a capacity of 909,000 m <sup>3</sup> per day.
	<b>RWEL Klaipeda-Vilnius</b> Lithuania	Electrification of more than 730 km of railway.
	<b>Jebel Ali</b> U.A.E.	Construction of the world's largest reverse osmosis sea water desalination plant with a capacity of 41,000 m <sup>3</sup> per day.
	<b>Rio Switching Station Malleco Substation</b> Chile	Construction of a 220 kV substation in Chile.
	<b>Seville Airport</b> Spain	Civil works and completed facilities for the extension and remodelling of the terminal building of the Airport in San Pablo, Seville (Spain).
	<b>Southern Peru Copper Corporation</b> Peru	Construction of a retention dam to retain 40,000 m <sup>3</sup> at 3,500 m above sea level, and several singular buildings inside mining facilities.

### Sale of assets

The rotation of mature assets and the sale of non-strategic assets contributes to improving Abengoa's leverage and liquidity.

	Bioenergy USA	1G & 2G bioethanol	✓
	Bioenergy Europe	1G bioethanol	✓
	AB San Roque	Biodiesel	✓
	Bioenergy Brazil	1G bioethanol	In progress
	Khi	50 MW CSP – South Africa Tower	In progress
	Xina	100 MW – CCP in South Africa	In progress
	SPP1	150 MW hybrid CC+CSP in Algeria	In progress
	Accra	60,000 m <sup>3</sup> /day in Ghana	In progress
	Tenés	200,000 m <sup>3</sup> /day in Algeria	In progress
	Chennai	100,000 m <sup>3</sup> /day in India	In progress
	SAWS	168,970 m <sup>3</sup> /day	Provisional
	Agadir	275,000 m <sup>3</sup> /day in Morocco	In progress
	Brazil T&D • 9,750 km in Brazil	• In operation: acquired by TPG • Under construction: judicial rehabilitation	✓ In progress
	ATN3	355 km of transmission lines in Peru	In progress
		Norte III	924 MW combined cycle in Mexico
	Manaus Hospital	300-bed hospital in Brazil	In progress
	Real estate	Various properties	Partially complete



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# Operation in sectors with high growth potential

Abengoa has a pipeline identified projects with a value exceeding €29,546 million<sup>1</sup>.

The identified projects are in line with its strategy:

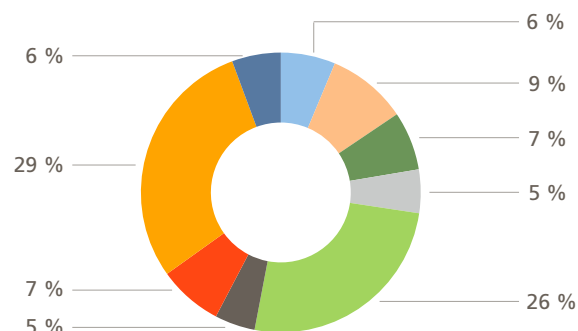
- They are mainly EPC projects for third-parties.
- With a growing proportion of smaller projects.



Abengoa's pipeline in 2019

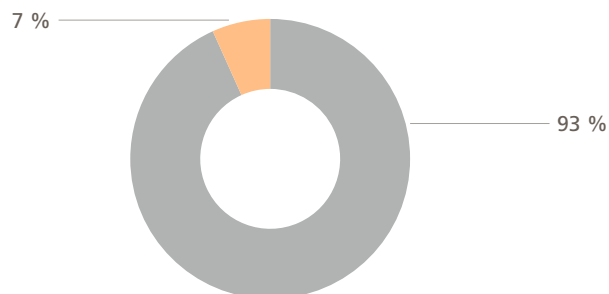
**By Region**

- Spain
- Rest of Europe
- USA and Canada
- Mexico and Central America
- South America
- Maghreb
- Sub-Saharan Africa
- Middle East
- Asia-Pacific



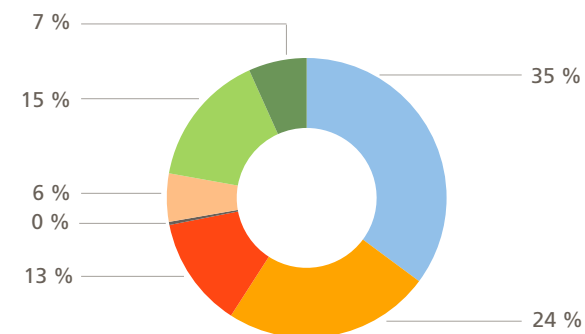
**By Type**

- Conventional product
- Integrated product



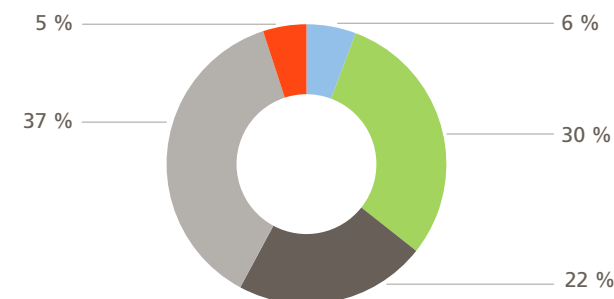
**By Vertical**

- Water
- Energy
- Transmission and infrastructures
- Mexico
- Services
- South America
- USA
- Innovation



**By Size**

- < € 10 M
- € 10-50 M
- € 50-100 M
- € 100-500 M
- > € 500 M

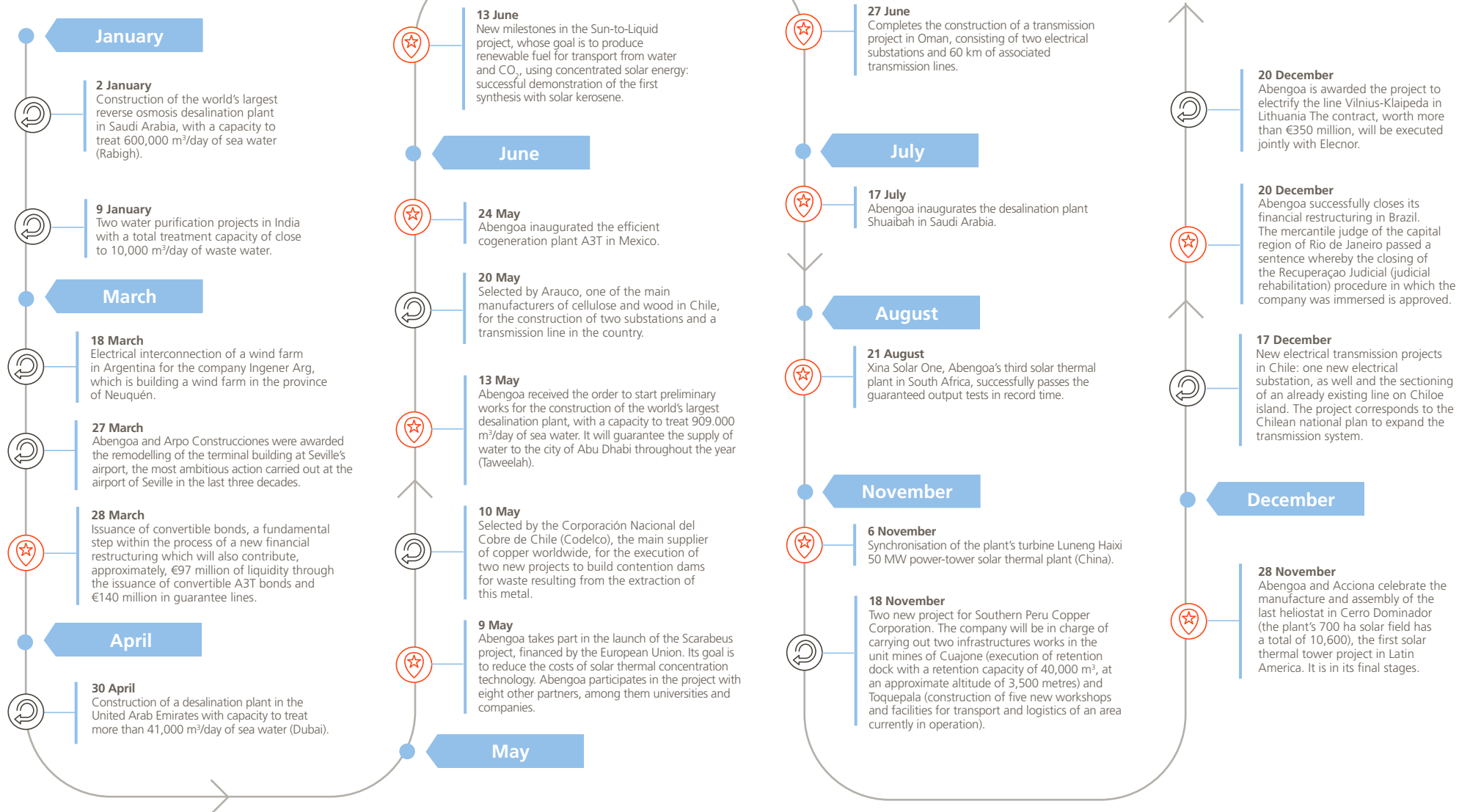


<sup>1</sup> Pipeline at 31 December 2019.



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# Major milestones of 2019



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## Impact of COVID-19 on the company's activity

The SARS-Cov-2 coronavirus pandemic declared by the World Health Organisation on 11 March 2020 has had significant effects and consequences at all levels. Besides the health crisis that the fight against this coronavirus has caused, which has taken the lives of thousands of people, the resulting financial impacts have been immediate and devastating.

With regards to **Abengoa's business management**, this crisis has had an impact on several levels:



- Practically all governments in the countries where Abengoa is present have taken several measures such as confinement, restriction and curfews which have affected the development of the company's activity in these areas.
- In terms of business development, most of the bids published by clients have been delayed as a result of the restrictions implemented in the home countries. In the particular case of Spain, once the Health State of Alarm was passed on 14 March, all public bids from the different bodies and administrations were suspended. This delay, presumably, will imply a further delay in compliance with the contracted provisions included in the budget for 2020.
- Additionally, between 30 March and 13 April, the Spanish government increased the level of the confinement measures, passing in accordance with the Royal Decree- Law 10/2010 the obligation to suspend all non-essential activities for 15 days. This resulted in the suspension of all projects in the country.
- Similar restrictions have been placed in countries such as Argentina, Peru, Chile, Uruguay and Morocco, which has resulted in the suspension of a significant number of projects.

- Large **energy and desalination plant construction projects** have not been significantly affected, although some degree of delay is expected in the supply chain, since part of it is located in countries such as India, China and Italy, where restrictions measures to control the pandemic have implied halting manufacturing centres supplying equipment for these projects.
- The **operation and maintenance** of energy generation and desalination plants has not been impacted by COVID-19, since they qualify as essential services, and continuity protocols



and plans have been implemented to ensure continuous production, always keeping the highest standards of safety for employees.

- Following the uncertainty caused by the COVID-19 pandemic, financial markets have been affected, limiting the company's access to them. Given this situation, Abengoa has decided to request financing from financial institutions backed by an ICO guarantee, as well as implementing other measures to deal with the financial situation, and request additional revolving guarantee lines to cover needs up to the end of 2021.

### Projects in Execution

 <p><b>Spain</b></p> <p>Delay in projects awarded: works and facilities maintenance contracts.</p>	 <p><b>International</b></p> <p>Shut-down of projects in the Middle East, Europe, Latin America and other regions due to the lack of stock or restrictions on personnel travelling to their workplaces.</p>
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### Bids and future contracts

 <p><b>Spain</b></p> <p>Public bids suspended during the State of Alarm. Abengoa was in the bidding process for several projects (purification plants and O&amp;M contracts).</p>	 <p><b>International</b></p> <p>Several bids delayed or suspended indefinitely in which Abengoa was participating: desalination plants in Saudi Arabia, Algeria and Qatar; purification plants in Morocco and Angola; and a solar plant in Chile.</p>
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### Other effects. Financial market

Limitation of access to financial markets.

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### COVID-19 crisis committee

With the aim of minimising the impact of the COVID-19 crisis on Abengoa's activities, the company created the COVID-19 crisis committee, which **monitors on a daily basis the impact** of this pandemic both **on personnel and on business activities**. This committee has implemented measures such as promoting remote working for practically 100 % of its office personnel, adapting preventive and health and safety plans for projects to adapt them to this crisis and enable the continuity of the business, minimising contagion risks among personnel, and using legal and contractual mechanisms available to minimise the impact of the COVID-19 on activity.

### Revision of the business plan

Due to the crisis caused by the COVID-19 pandemic and its effects and taking into consideration the evolution of the business in 2019, the Company has revised the financial projections included in the Viability Plan published in 2019, presenting a **new Updated Business Plan (UBP)**.

Although many governments and central banks have implemented numerous financial measures to mitigate those effects, the global economy is undoubtedly suffering the effects of a worldwide lockdown and many experts and financial institutions are predicting economic retractions of historic proportions.

- The International Monetary Fund (IMF) has projects global economy will have a negative growth of 3 % in 2020.
- The Bank of Spain expects Spain's GDP will drop between 6.6 % and 13.6 % in 2020, depending on the length of the State of Alarm.

Unfortunately, many of regions expected to be most affected by the economic retractions, such as Latin America, Middle East and Sub-Saharan Africa, are the core markets of Abengoa. Additionally, the financial markets have been affected by the pandemic, limiting the company's access to financing.

For these reasons, along with the evolution of the business in 2019 and the delay in certain milestones of the previous Viability Plan such as asset sales and other monetizations, the Company has revised the financial projections, presenting an **Updated Business Plan**.

The financial projections, which include figures for the ten-year period ending in 2029, have been built with a bottom-up approach, by consolidating the individual plans reported by each of the business verticals (Energy, Water, T&I and Services) and geographies (Brazil, Chile, USA, South Africa, Argentina, Mexico, Peru, and Uruguay). The company continues to focus its business on turnkey EPC projects for third parties.

### New Updated Business Plan

**Abengoa has reinforced its capital structure, and the company has focused on EPC business globally.**

- Once the revision of the projections was finalized, the company hired an independent expert to determine the fair value of Abengoa S.A.'s participation in Abengoa AbenewCo 2 S.A.U. As a result of the valuation, as of the end of 2019, the net equity of the individual company Abengoa S.A. stood at € 388 million as a result of the impairment cost registered in the 2019 income statement for its participation in Abengoa AbenewCo 2 S.A.U.
- In order to restore the equity balance of Abengoa S.A. and assure the completion of the Updated Business Plan, the company has put several plans into action including:

#### Liquidity

Soliciting new financing for an amount of €250 million and a term of five years, expected to be covered by a guarantee from ICO.

#### Guarantee lines

Request new revolving guarantee lines to cover the needs of the business through the end of 2021.

#### Debt restructuring

Closing agreements with overdue suppliers and other creditors that would allow the deconsolidation of the debt from AbenewCo 1 in exchange for preferential rights over the materialization of certain assets.

Modifying the terms and conditions of certain debts including the New Money 2, Reinstated Debt, A3T Convertible bond, and Old Money (SOM and JOM) which could imply imminent or future write-offs and capitalization.

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

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## Sustainability remains the core value

Although the current crisis caused by COVID-19 implies changes in business management, Abengoa continues to focus on sustainability as a pillar of its strategy.

All this will be done on the basis of a strategic plan that will oversee the lines of action to be introduced by the company in this new situation.

The projects the company carries out highlight Abengoa's capabilities in the field of sustainability, the perspectives of which have been reactivated since the Paris Summit.

Abengoa is a leading global player in the renewable energy and water markets where it has been in the vanguard for the last decade, a track record that enables us to face the future with confidence.

## Digital transformation at Abengoa

The digital evolution taking place in society in general and in the sectors in which Abengoa operates in particular, makes it a key aspect in the company's strategy and Corporate Social Responsibility. **Digitisation** is, therefore, one of the main **tools contributing to a sustainable business model**, through the creation of technological models that promote **collaboration, participation, mobility** and access to **real time information** from stakeholders.

Abengoa understands digital transformation to mean the intensive use of technology to radically improve the performance and scope vis à vis our stakeholders.

Abengoa is modelling and using innovating technologies, being a pioneer in many of them, such as cloud, AI, big data, blockchain, IoT, RPA and cybersecurity. The fact of being innovators implies being especially sensitive in its use at all times: social responsibility, ethical use and strict regulatory compliance are, without a doubt, Abengoa's credentials in the adoption and use of these tools.



All projects handled by the business are aimed at providing sustainable solutions for fulfilment of various sustainable development goals.



**SDG6:** Desalination activity. Goals 6.1, 6.4, 6.a and 6.b  
<https://www.un.org/sustainabledevelopment/water-and-sanitation/>



**SDG7:** Activity in renewable energy and transmission. Goals 7.1, 7.2, 7.3 and 7.b  
<https://www.un.org/sustainabledevelopment/energy/>



**SDG9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Goals 9.1, 9.4 and 9.5  
<https://www.un.org/sustainabledevelopment/infrastructure-industrialization/>



**SDG11:** Through our business orientation. Goals 11.3, 11.6 and 11.b  
<https://www.un.org/sustainabledevelopment/cities/>

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### Transformation vectors

The digitalisation processes in Abengoa are centred on the following vectors:

**Digital Employee:** to foster the use of digital solutions that improve the day-to-day work of our employees, enabling them to access advanced digital tools and solutions in which collaboration, access to real-time information and decision-making are the key factors for success.



**Digital Assets:** the progress in digital solutions is enabling continuous improvement in the company's value chain processes, from innovation to O&M through design, engineering and construction.



**Digital clients and suppliers:** implementation of digital solutions that enable us to collaborate with clients and partners in our value chain in any of its phases.



**Digital Processes:** Abengoa's culture of management by processes and activities means that the management model is a key focus of digitalisation. the implementation of digital solutions that enable accelerating and automating the company's processes from the initial order to completion create a tangible improvement in our delivery of value.



**Digital platform:** the architecture and digital platform on which Abengoa's technology services are supported enable a digitisation in the company's strategy, always ensuring a favourable and sustainable focus both in the use of resources and environmental impact.



**Cybersecurity:** digital transformation poses a technological and social challenge with respect to information security. Abengoa, aware of the crucial importance of information security, has implemented the policies, measures and objectives required to ensure the confidentiality, integrity and availability of its data within the framework of our Information Security Management System.



## Mechanisms to protect information

There is no doubt that humans are experiencing unprecedented exceptional circumstances. Overcoming this global COVID-19 health crisis will largely depend on the responsibility and care of each person.

From the professional perspective, Abengoa faces the challenge of **protecting employees** while allowing the **continuity of its operating activity**. All this is being achieved through the company's **preparation and technological capacity to adapt**. This has enabled remote working to be implemented throughout without harming the functionality and safety of corporate infrastructure and IT systems.

However, this new situation opens new doors to other threats, in which cyber-attacks are adopting multiple forms, forcing organisations to be more alert than ever.

Abengoa, as a technology company, considers **safety of information to be an essential element in the development of business activities**, for which the whole workforce is responsible.



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In order to reduce safety risks, both in the current situation and in any other circumstance, Abengoa disseminates among its employees the **measures and good practices to be implemented:**

Adequate management of passwords	Preventing phishing attacks	Information protection
<ul style="list-style-type: none"> <li>Use your corporate account exclusively for professional matters.</li> <li>Do not use your professional email account for unknown professional IT services.</li> <li>Do not use the same password for different services and update it regularly.</li> </ul>	<ul style="list-style-type: none"> <li>Publication of anti-phishing do's and dont's, giving main guidelines to identify this type of attacks and how to act before a case.</li> <li>Collaboration from everyone is essential when reporting any suspicion or incident in order to have the chance of mitigating and even anticipating the adverse consequences of an attack.</li> </ul> <div data-bbox="448 654 1792 1436"> <p><b>If in doubt, report it by SOS:</b> Simosa IT will analyse it and, in case of fraud, will implement measures to avoid it being spread.</p> <p><b>Suspect requests for confidential or personal information:</b> Contact the sender through another means.</p> <p><b>Stay alert and apply common sense:</b> Be cautious in transactions from your smartphone, since attacks are more difficult to detect.</p> <p><b>Avoid attachments:</b> Do not open unsolicited or unexpected attached files, unless you are completely sure of the sender's identity and you have previously analysed it with antimalware software.</p> <p><b>Do not click on suspicious emails:</b> If it includes links, place the pointer over the link to check if the site you are directed to is legitimate. Do not trust shortened paths.</p> <p><b>Do not register your corporate email for non-professional services:</b> To discard any kind of email unrelated to professional matters.</p> <p><b>Pay attention to syntactic and orthographic mistakes:</b> Broadly speaking, they are poorly written, lacking coherence between sentences that does not correspond to official emails.</p> <p><b>Check the sender's address:</b> The sender may have been manipulated and falsified. Any email from outside Abengoa will include a red heading alerting of this.</p> <p><b>Verify the personalisation:</b> One of the first clues suggesting a swindling attempt is the lack of personalisation. For example, the greeting.</p> <p><b>Beware of intimidation tactics:</b> They try to create a sense of urgency to have less time to react and make rushed decisions.</p> </div>	<ul style="list-style-type: none"> <li>Only through the use of corporate resources and systems your IT team analyses and manages is it possible to control and protect the company's data against threats such as loss, leaks or even lack of regulatory compliance.</li> </ul>