



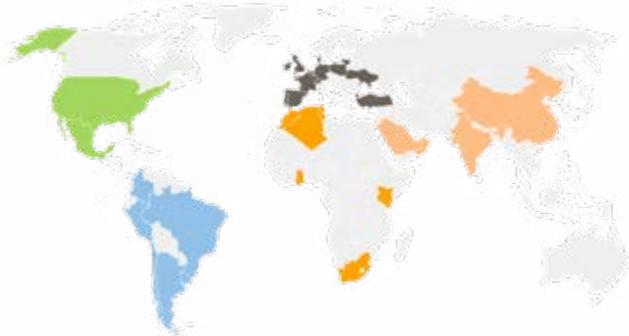
# 02

Abengoa, a  
project for the  
future

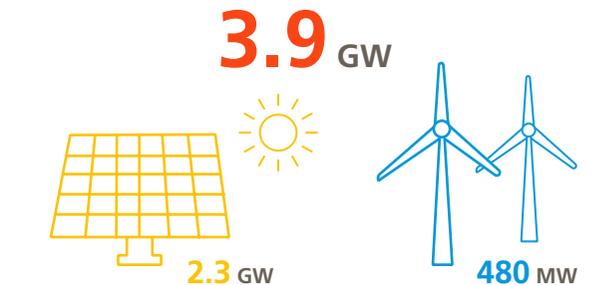
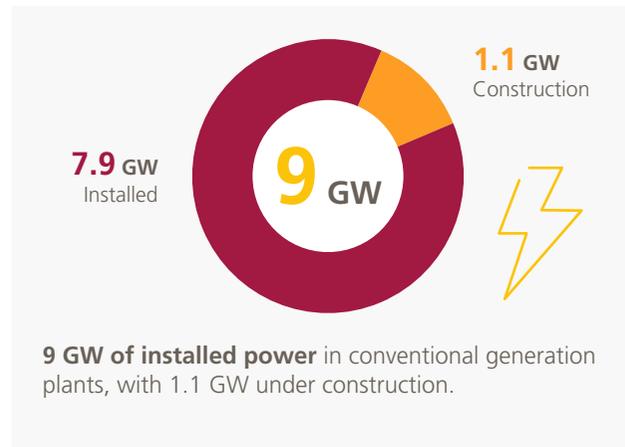
02. Abengoa, a project for the future



## Main figures

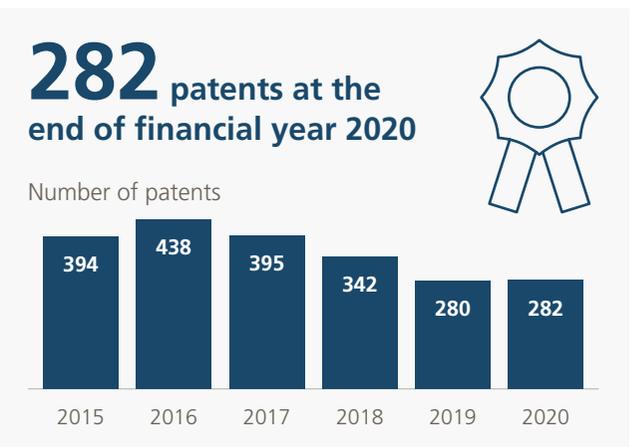
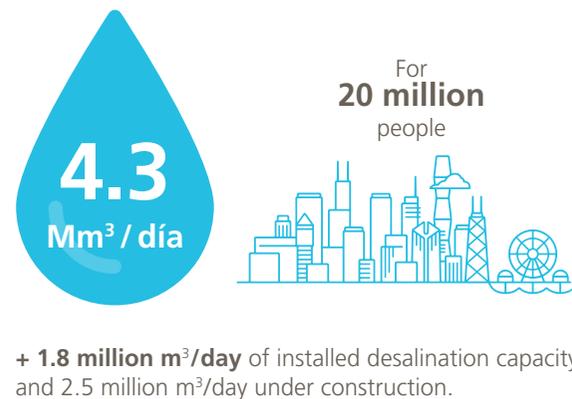
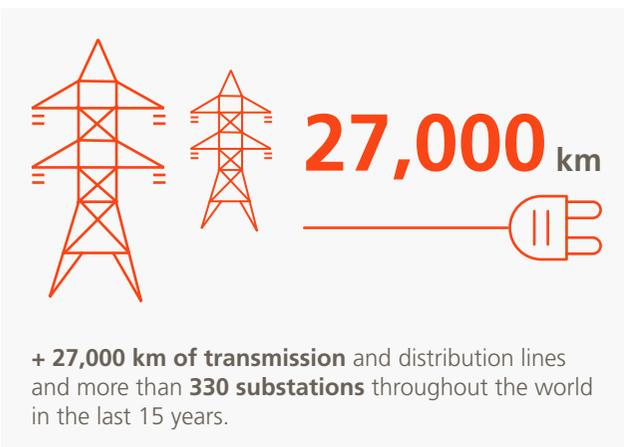


**Global presence and leading position** recognized in the main world rankings (ENR, GWI).



**2.3 GW\*** built in solar energy, +1,100 MW under construction and **480 MW of wind power**.

\*30 % of the installed capacity of solar thermal energy worldwide already in operation.



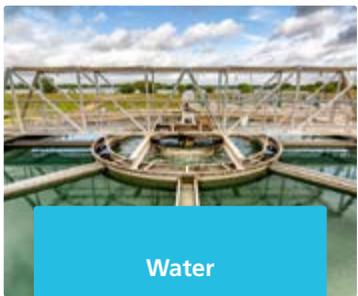
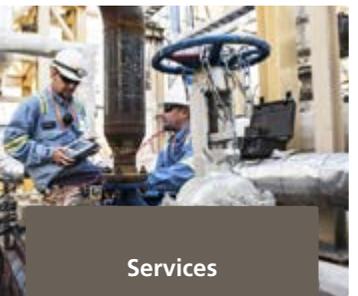
02. Abengoa, a project for the future

Abengoa is an international company applying technical innovative technology solutions for sustainable development in the infrastructures, energy and water industries. It has **unique capacities and know-how** in these industries and is an **experienced reference in the fields of engineering and construction**, as well as operation and maintenance services at an international level. This has been recognized for years by various industry publications such as ENR, Global Water Intelligence o CSP Today.

Abengoa's current business models **focused on engineering and construction** (E&C) although it does have some concession-type assets that are available for sale under the divestment plan.

Therefore, Abengoa focuses its activity on developing turnkey projects including engineering, supply and construction for third parties in four areas. Abengoa's core businesses are: energy, water, transmission and infrastructures and, finally, services,

maintaining its commitment to R&D as the driving force behind products and services differentiation.

 <p><b>Energy</b></p>	 <p><b>Water</b></p>	 <p><b>Transmission and Infrastructures</b></p>	 <p><b>Services</b></p>
<ul style="list-style-type: none"> <li>▶ Conventional and renewable electric power generation.</li> <li>▶ In-house solar power technology, world leader in installed capacity.</li> <li>▶ 9 GW of installed capacity of conventional energy.</li> <li>▶ Experts in hybridisation of generation technologies to provide clean, manageable energy solutions.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Leader in the international desalination market and a global reference in the construction of hydraulic infrastructures and treatment plants.</li> <li>▶ Specialist in infrastructures for the full water cycle.</li> <li>▶ Excellence in technical skills.</li> <li>▶ 1.8 Mm<sup>3</sup>/day of installed desalination capacity and</li> <li>▶ 2.2 Mm<sup>3</sup>/day of drinking water.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Leader in the international market in transmission and distribution of infrastructures for the energy, industry, transport, environment, communications and railway industries.</li> <li>▶ More than 27,000 km of transmission lines and more than 330 substations.</li> <li>▶ 4,500 km electrified and more than 80 traction substations.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Service providers for infrastructures in the transmission, water and renewable and conventional energy generation industries.</li> <li>▶ Optimization of O&amp;M (operation and maintenance), improvement of management and increased production.</li> <li>▶ Average contract duration of 25 years.</li> </ul>

02. Abengoa, a project for the future

Macroeconomic context

The health and economic crisis caused by COVID-19 has had a profound impact on the world economy which, in Spain, translates, among other effects, into a 11 % fall in GDP in 2020 and a growth perspective reduced to 4 % for 2021, postponing the expected date of economic recovery after 2022, in the most optimistic scenarios, accompanied by a significant increase in unemployment rates.

There is consensus among the economic authorities on the guidelines to be followed by the countries to mitigate the economic impacts of the pandemic and promote economic recovery, which are two-fold:

- maintaining minimum contagion rates;
- public-private cooperation with supranational and national aid to stimulate the economy.



Although the first reports pointed to minor impacts on the engineering and construction sector, the economic and health crisis has had much more severe effects than those expected in May 2020 on the global economy and, therefore, on the engineering and construction businesses in which Abengoa carries out its activity, which has deteriorated over the course of the year.

The main impacts on the industry are as follows:

- Practically all the governments of the countries in which Abengoa operates (Spain, Argentina, Peru, Chile, Brazil, Uruguay or Morocco) have taken measures that include confinement, restrictions and suspension of non-essential activities.
- In terms of business development, most of the tenders published by clients have been delayed as a result of the restrictions implemented in the countries of origin.
- Large projects in the construction of power plants and desalination plants have not been significantly affected, although some delay is expected in the supply chain, as part of the supply chain is located in countries such as India, China or Italy, where the measures to control the pandemic have resulted in the shutdown of some of the manufacturing plants for the equipment to be supplied in these projects.
- The operation and maintenance of the power generation and desalination plants have not been affected by COVID-19, as they are considered an essential service, having implemented protocols and business continuity plans to ensure steady production, always with the highest safety standards for employees.
- The uncertainty caused by the COVID-19 pandemic has affected the financial markets, limiting the company's access to them.

Projects in progress

Spain

Delay in awarded projects: works and facility maintenance contracts.

International

Stoppage of projects in the Middle East, Europe, Latin America and other regions due to delays in the supply chain or personnel restrictions to attend work sites.

Tenders and future contracts

Spain

Public tenders suspended during the State of Alarm. Abengoa was taking part in the bidding process for several projects (wastewater treatment plants and O&M contracts).

International

Several tenders in which Abengoa participated were delayed or indefinitely suspended: desalination plants in Saudi Arabia, Algeria and Qatar; wastewater treatment plants in Morocco and Angola, and a solar plant in Chile.

Other effects. Financial market

Limited access to financial markets.

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## Main financial figures 102-07, 201-1

During financial year 2019 and the first quarter of financial year 2020, the company continued to apply its business plan in the main financial aspects, managing to meet the budget for the year in the most relevant business variables: sales and Ebitda (Earnings Before Interest, Taxes, Depreciations and Amortizations).

Since the last half of 2019, Abengoa has been undergoing analysis to **strengthen its competitive position, capital structure and income statement**. Among the company's different options and plans was the possibility of incorporating an investment partner into Abengoa's share capital as the last phase of the restructuring process which began in 2015.

During the first quarter of financial year 2020, before the impact of the pandemic on the economy became evident, Abengoa secured contracts worth approximately €300 M to its portfolio, including the €184 M contract for the Jubail 3A reverse osmosis desalination plant. Despite the above mentioned decline in economic activity, Abengoa was awarded new projects worth approximately **€799 million during financial year 2020**, with the Middle East, South America and Spain playing a key role .

After taking into account new awards and the execution of projects for the period, the **project portfolio** as of December 31, 2020 amounted to **€1,202 million**.

## Project awards

The main projects awarded are as follows:

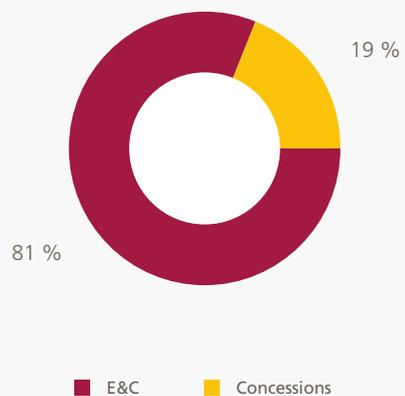
	<b>Jubail 3A</b> Saudi Arabia	Construction of the second largest reverse osmosis desalination plant in Saudi Arabia with a capacity of 600,000 m <sup>3</sup> .
	<b>New Tineo– Nueva Ancud Line</b> Chile	Construction of a 500 kV transmission line, approximately 95 km long, and expansion of the existing Nueva Puerto Montt (Tineo) substation.
	<b>ADIF catenary</b> Spain	Lots 1 and 5 for rail catenary maintenance for ADIF in Spain.
	<b>AIP Systems</b> Spain	Technologist and main supplier of the AIP System of the S80 submarines.

**Sales at the end of the year amounted to €1,251 million**, which is a reduction compared to 2019. Nonetheless, it represents almost 90 % of compliance with what was budgeted before the pandemic impact. The main reasons for the reduction in sales have been as follows:

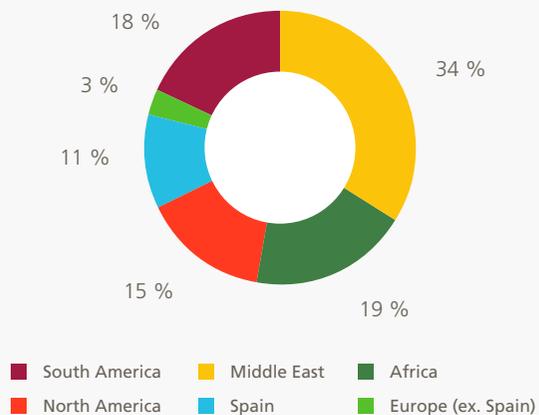
- Contracts not awarded in 2020 as a result of the downturn in economic activity.
- Slowdown in the execution rate of projects directly affected by the pandemic (closure of facilities, absence of workers) or indirectly affected (supply chain failures).

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Sales by segment



Sales by geography



Main project in progress

- ▶ DEWA (UAE)
- ▶ Taweelah (Abu Dhabi)
- ▶ Agadir (Morocco)
- ▶ O&M Solar Plants (Spain)
- ▶ Rabigh (Saudi Arabia)
- ▶ Quebrada Blanca Sub-station (Chile)
- ▶ O&M Water Plants
- ▶ Dubai (UAE)

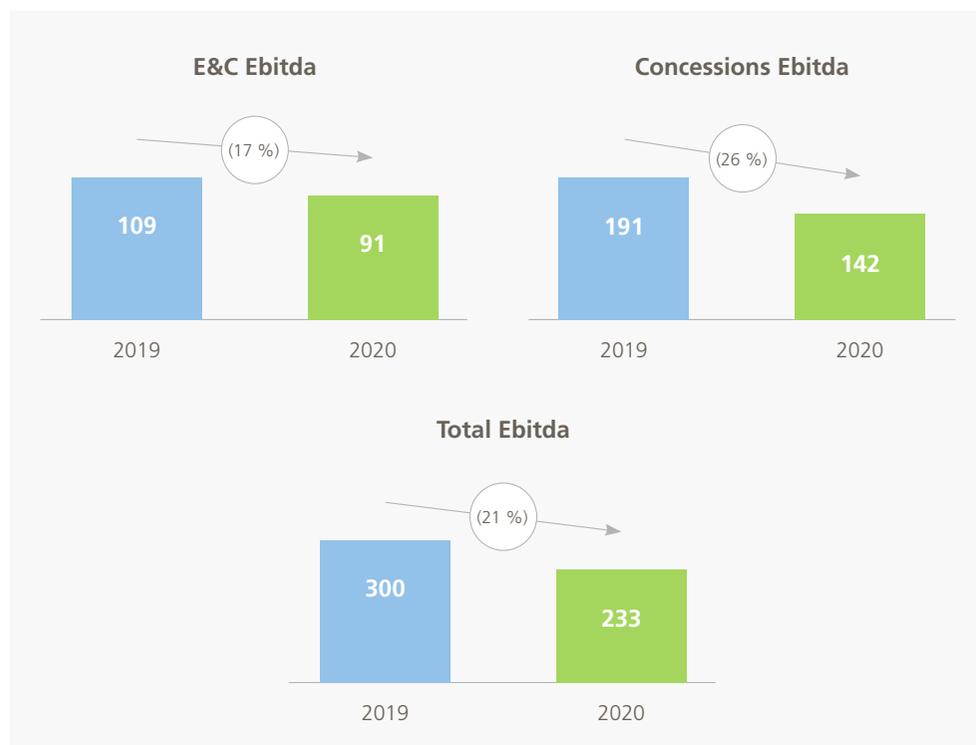


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In terms of profitability, there has been a loss of margin due to the lack of sales volume and as a result of absorbing higher costs during the execution of projects, all generated by the direct and indirect effects of the above mentioned pandemic. This impact has been especially significant in projects in the Transmission and Infrastructure (T&I) and Energy areas.

On the other hand, the company has continued to make efforts to reduce general expenses, despite the fact that significant reductions had already been made in previous years. This fact, together with the closing of commercial agreements with clients and suppliers, has **maintained business profitability at levels similar to those of financial year 2019**.

Specifically, and regarding Ebitda, two effects can be highlighted. The Ebitda of the E&C activity has been affected by the above mentioned impact on the activity, but the Ebitda of the concessions business has experienced a greater reduction due to the sale of projects such as Manaus Hospital, the Tènès desalination plant or Punta Rieles.



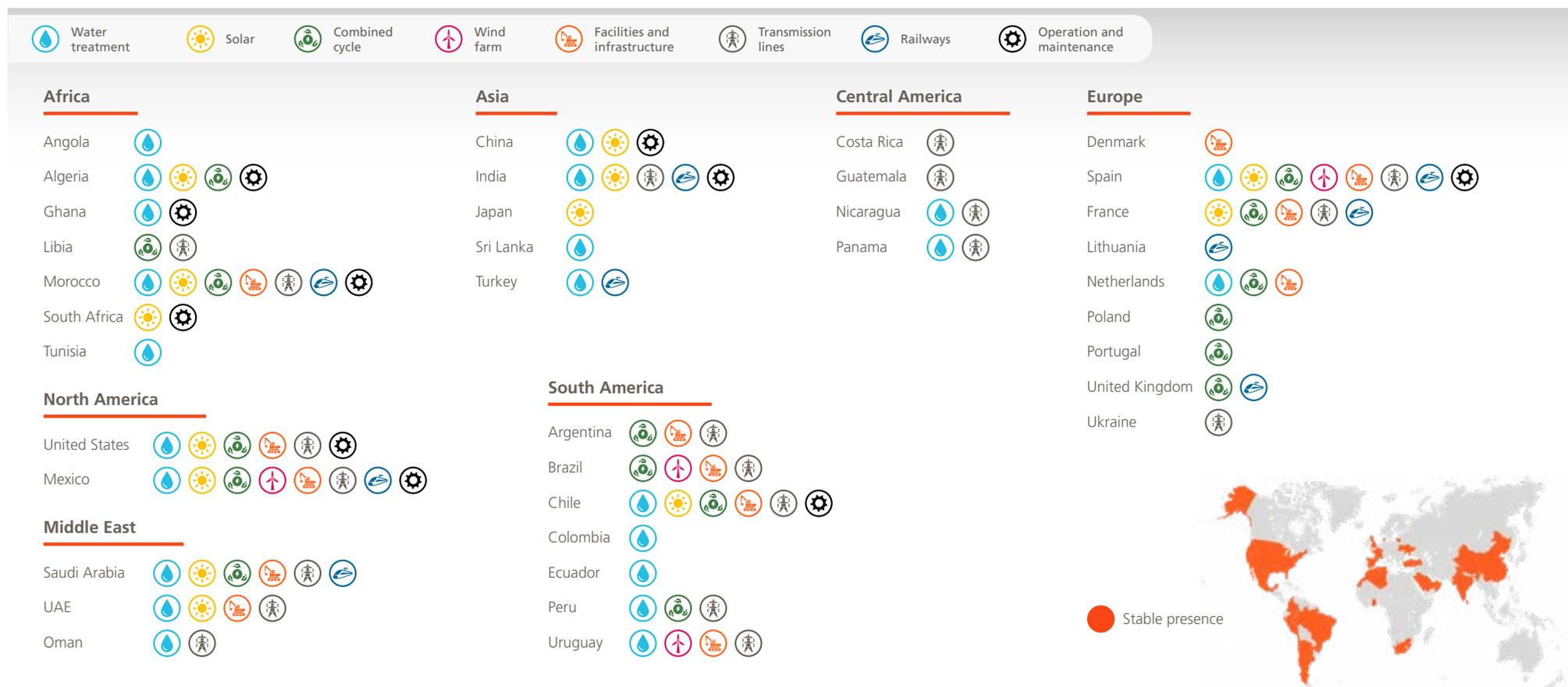
Below is a summary of the main financial figures for the last three years:

Item	2020	2019	2018
<b>Income statement (€M)</b>			
Sales	1,251	1,493	1,303
Ebitda	233	300	188
Operating margin	19 %	20 %	14 %
Net income	-134	-574	-1,498
<b>Balance sheet</b>			
Total assets	2,664	3,332	3,830
Equity	-4,914	-4,760	-4,251
Corporate net debt	3,960	4,023	4,096
<b>Share information (€M)</b>			
Share information (€/B/share)	0.006	0.009	0.0034
Capitalization (A+B shares) (€M)	133	194	82
Daily trading volume (€M)	1	2	1

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## Map of economic impact and contribution to progress <sup>102-6</sup>

North America	South America	Spain	Europe	Rest of the world
Sales (€k) <b>189,303</b>	Sales (€k) <b>227,486</b>	Sales (€k) <b>135,772</b>	Sales (€k) <b>36,752</b>	Sales (€k) <b>661,268</b>
Employees <b>545</b>	Employees <b>7,525</b>	Employees <b>2,447</b>	Employees <b>123</b>	Employees <b>739</b>
Local suppliers (%) <b>11.5</b>	Local suppliers (%) <b>14</b>	Local suppliers (%) <b>28.8</b>	Local suppliers (%) <b>2.8</b>	Local suppliers (%) <b>13.2</b>
Local purchases (€k) <b>92,959</b>	Local purchases (€k) <b>113,376</b>	Local purchases (€k) <b>232,499</b>	Local purchases (€k) <b>22,792</b>	Local purchases (€k) <b>107,048</b>
Taxes paid (€k) <b>5,054</b>	Taxes paid (€k) <b>50,725</b>	Taxes paid (€k) <b>33,635</b>	Taxes paid (€k) <b>5,207</b>	Taxes paid (€k) <b>35,956</b>



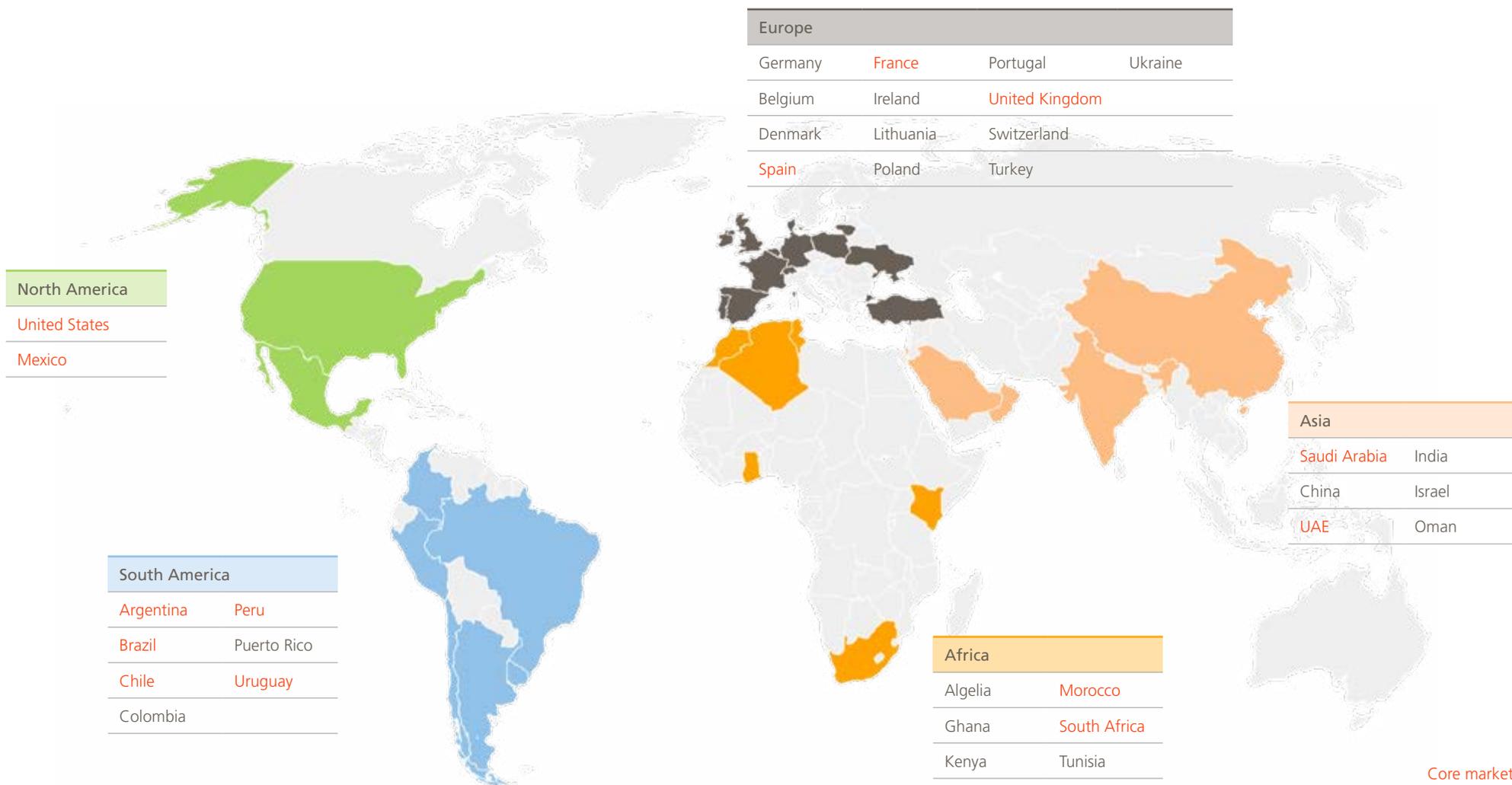
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## Presence in the world 102-3, 102-4, 102-6

Abengoa operates in **34 countries**, with **more than 11,300 employees** globally, with 2,447 in Spain.

Abengoa's geographic presence by region can be seen below, indicating in red the 14 countries which are considered core

markets for the business, defined as those in which Abengoa has recurring activity and a local structure.



Core markets

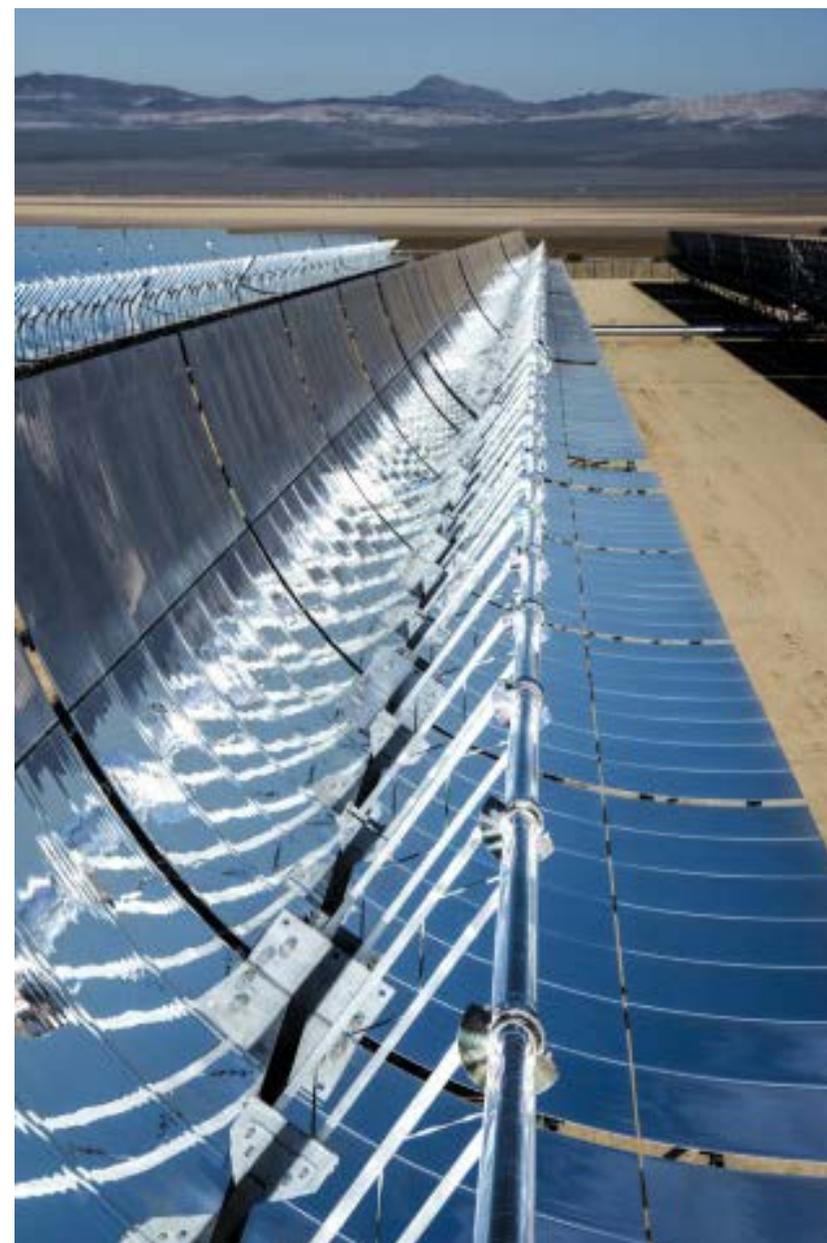
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## Sale of assets

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

The status of the sale of the different assets subject to the asset rotation plan is as follows:

	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	In progress
	Xina	100 MW – South Africa	✓
	SPP1	150 MW hybrid CC+CSP en Algelia	In progress
	Accra	60,000 m³/day in Ghana	In progress
	Ténès	200,000 m³/day in Algelia	✓
	Chennai	100,000 m³/day in India	In progress
	SAWS	169,000 m³/day in United States	✓
	Agadir	275,000 m³/day in Morocco	In progress
	Brazil T&D	3,532 km of lines in operation in Brazil	✓
	Brazil T&D	6,218 km under construction	In progress
	Peru T&D	320 km transmission line	In progress
	Norte III	924 MW combined cycle in Mexico	✓
	A3T	220 MW cogeneration plant in Mexico	✓
	Manaus Hospital	300-bed hospital in Brazil	✓
	Real Estate	Various assets	In progress



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## Operation in sectors with high growth potential

Despite the very negative impact of the pandemic on the world economy, neither the underlying global trends nor the priorities of the main political-economic actors regarding the industries that will drive the global economy in the coming decades have changed. Water scarcity and decarbonization objectives in the energy industry will continue to promote the development of water production or reuse projects and low or zero emission power generation. These are the markets in which Abengoa has focused its activity.

Although the underlying trends have not changed, Abengoa's business opportunities have been affected in the short term by the uncertainty experienced since March 2020.

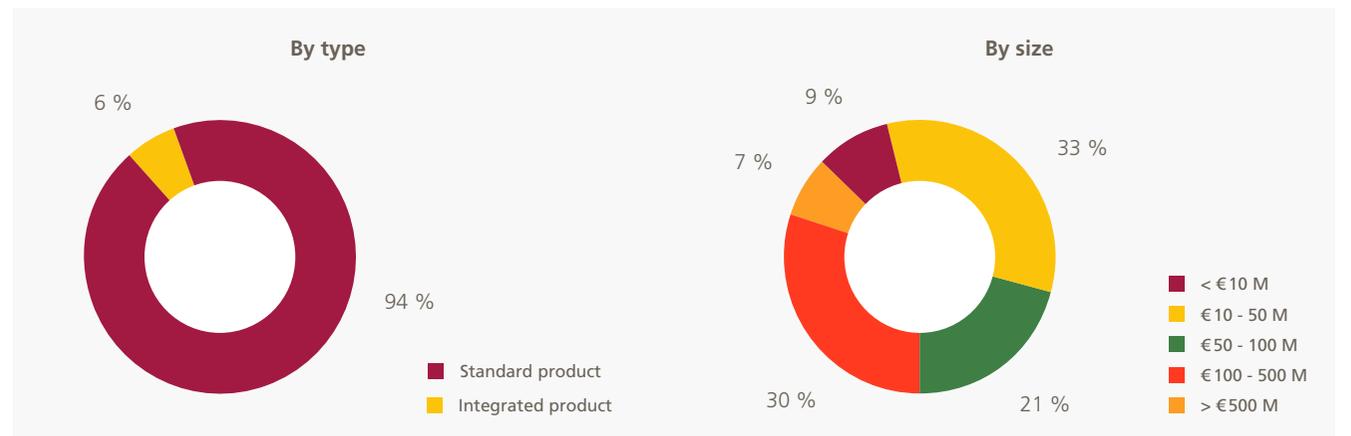
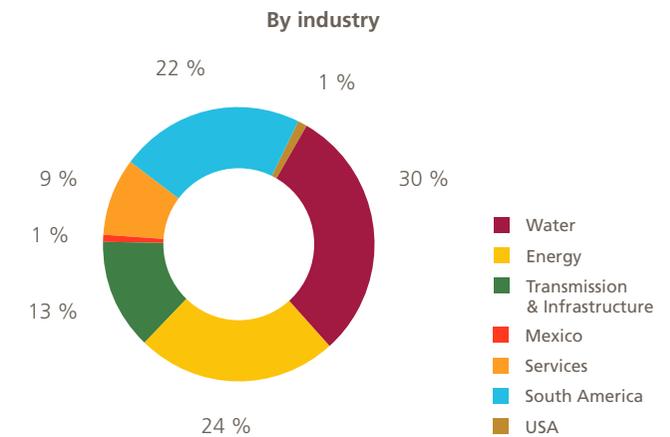
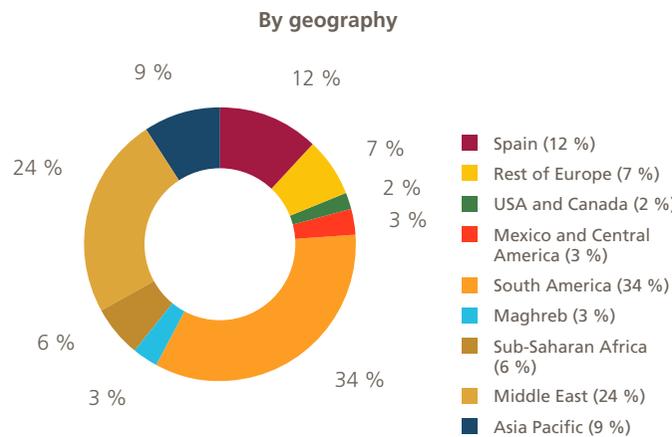
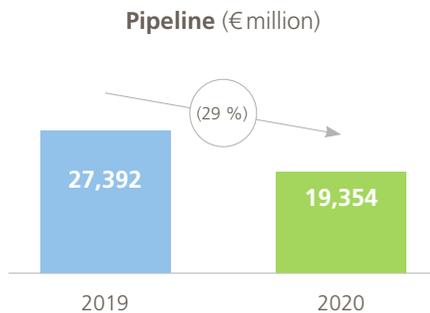
Specifically, commercial opportunities with a resolution date in the next twelve months (pipeline) have decreased by approximately 30 % compared to the end of 2019, with an impact mainly in the water, energy and transmission and infrastructure businesses.

This loss of business opportunities is mainly a result of:

- delays in bidding for projects, which in turn resulted from delays in government investment plans as a direct consequence of the COVID-19 crisis;
- delay in project financing, as a result of the impact of COVID-19 on the financial market; and

- reduction in the size of eligible projects. In financial year 2019, projects over 100 million euros represented 42 % of the pipeline, while in 2020 this percentage dropped by five points.

The following is a summary of the main features of the pipeline:





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### Revision of the business plan

On 11 March 2020 the World Health Organisation alerted to the public health emergency situation caused by the outbreak of Coronavirus (COVID-19) to international pandemics. The evolution of events, at domestic and international level, implied an unprecedented health crisis that had an impact on the macroeconomic environment and the performance of businesses. In 2020 the Company adopted a series of **measures to face the economic and social impact** caused by this situation that include, among other aspects, restriction to the mobility of people. In particular, in response to this situation, among other measures, the Spanish Government declared the state of alarm, by virtue of the Royal Decree 463/2020, of 14 March, and approved several urgent extraordinary measures to face the economic and social impact of COVID-19, by virtue of Royal Decree-Law 8/2020, of 17 March.

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 revised the financial projections included in the Viability Plan published in 2019, presenting a new **Updated Business Plan (PNA, for its acronym in Spanish)**.

The company has been working since the end of March 2020 on a restructuring proposal that would make the group financially viable and stabilize the ongoing activity of its businesses and, in this regard, a restructuring agreement was signed on August 6, 2020. On February 22, 2021, the automatic termination of the above mentioned restructuring agreement was announced due to failing to obtain the corresponding necessary consents to approve the operation. Additionally, and as a consequence thereof, Abengoa, S.A. filed a petition for voluntary bankruptcy proceedings on February 22, 2021. This petition was admitted for processing and on February 26, 2021, the Commercial Court of Seville (3rd Section) issued an order declaring the voluntary bankruptcy of the Company, agreeing upon ordinary proceedings.

On the same date, the company reported to be working on an alternative solution. It initiated conversations and negotiations with public institutions and private entities that were essential in order to close the new financial operation guaranteeing the stability and future of the group of companies.

In this regard and subject to certain conditions, on November 24, 2021, Abenewco 1 was updated on the binding offer by TerraMar, the purpose of which was to adjust the previous offer to the result of the negotiation held with the main financial creditors of Abenewco 1.



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The financial operation will be developed in alignment with the different parties involved, including:

- TerraMar investment for an amount of €200 million, divided between €140 million in a loan and €60 million in capital, entitling a 70 % of Abenewco 1's capital stock.
- €249 million SEPI financing.
- New line of guarantees of €300 million.
- Signing and implementation of a new restructuring agreement with the company's creditors.

The current update of TerraMar's offer will, in turn, result in the update of the request for temporary public support under the Solvency Support Fund for Strategic Companies for a total amount of €249 million submitted by Abenewco 1 to SEPI.

Additionally, Abengoa's rights as part of the financial restructuring plan of Abenewco 1 and its group of companies are in the negotiation phase, solely aimed to make a potential creditors' agreement feasible within the insolvency proceedings.

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

As of the first quarter of the financial year, the company began to identify the potential effects of the health crisis on the markets where it operated, in an attempt to redirect the search for investment opportunities towards the markets suffering the least impact from the pandemic and with investors continuing with their investment plans.

The main impacts on Abenewco 1's business are as follows:

### 1) Collapse of business opportunities in core businesses

It has already been mentioned that the main corporate business indicator, the number of business opportunities or projects for tender with a resolution period of less than 12 months (pipeline), has plummeted during the 2020 financial year, from €27 billion at the end of 2019 to €19 billion at the end of 2020, which has meant a loss of business opportunities of 30 % compared to the previous year, mainly impacting the Water, Energy and Transmission and Infrastructure businesses.

In response to these adverse effects, the company has tried to draw up specific contingency plans by market and product that have partially mitigated the negative impacts on the business.

Regarding the energy market, the focus has been placed mainly on Europe, pending the support of European Funds and where governments are supporting companies to continue and boost their activity in all member countries.

In terms of the water market, Middle East remains the main emerging market, incorporating Europe, and specifically Spain, where it has actively continued with the tenders that were expected in the framework of compliance with the European directive regarding discharges and is expected to continue in the next two years with the support of the European Funds that will boost the country's economic recovery.



## 02. Abengoa, a project for the future

In terms of the transmission and infrastructure business, work has continued in Europe to invest in new projects, reinforced by the investment plans in railway infrastructure, although the rest of the products have been refocused on the domestic market, due to difficulties to develop international commercial activities, as well as protectionist policies in the different countries. This change in business strategy imposed by the COVID-19 measures has positioned the company in a market with much smaller products and lower execution margins.

### 2) 30 % drop in the number of contracts in 2020 of the Engineering and Construction business

Despite the contingency plans designed by Abengoa, the impact of COVID-19 resulted in a drop in investment in energy programs, the slowdown of private initiative bidding processes and the paralysis of the financial system in terms of investment, causing a significant reduction in contracting expectations and opportunities.

As a result, there was a 30 % drop in terms of contracting in 2020 compared to the previous year, in line with the drop in business opportunities mentioned in the previous paragraph. This reduction affected all the geographies in which Abengoa operates (Europe, South America, USA, Middle East, etc.) as well as all its products (solar energy, water, transmission and distribution, civil works construction, etc.).

During financial year 2020, the reference markets have remained inactive, expecting the recovery to begin in the second half of the financial year.

### 3) Reduction in the profitability (gross margin) of ongoing projects in the Engineering and Construction business

As a result of the direct impact of the health crisis on ongoing projects, there has been a reduction in the profitability of ongoing projects as from the first quarter of the financial year.

The impact of COVID-19 has led to higher costs due to the health and safety specific equipment required, in planning tasks due to mobility restrictions causing significant delays, incurring higher penalties for delays, in higher financial costs due to the

required increased guarantees and warranties for the delays incurred.

All these factors reduced the profitability of the developing projects (reduction of the gross margin) to the tune of € 84 million in 2020.

During the first quarter of financial year 2021, the projects have continued to incur additional costs as a result of COVID-19 and its direct effects on projects. The company has estimated this impact at approximately €31 million.

### 4) Losses incurred in financial year 2020 and the first quarter of financial year 2021 due to the execution of guarantees and certain risk of potential additional executions

In terms of the Engineering and Construction business, interest and premiums on guarantees, as well as their execution, are considered within the gross margin of the project, since they are required for the concession of the project in the bid phase and during the construction period, and remain in force until the end of the guarantee period. Therefore, they are not only a financial cost for the company, but should be considered when analysing the impact of COVID-19 on the Engineering and Construction business.

During the financial year 2020, the Fulcrum project guarantee has been executed for the amount of € 16 million and the company has recognized the corresponding losses.

Likewise, during financial year 2020 and the first quarter of financial year 2021, notices of execution of guarantees have been received for the amount of € 10 million, which have not yet materialized in effective executions. Nonetheless, the company has recorded this amount as a loss for the year, due to the increasing risk that they could be executed.

This has been the case of activities related to projects affected by COVID-19, with significant delays and significant additional costs not recognized by customers, where the lack of liquidity of the customer and the company, due to the closure of the financial markets during the COVID-19 crisis has resulted in the financing of projects through the banks issuing these guarantees.



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## COVID-19 crisis committee

Abengoa has created a specific COVID-19 management committee. This committee is responsible for exhaustively monitoring, leading and coordinating all the corporate's actions related to the health crisis generated by SARS\_CoV2.

This committee, which monitors the impact of this pandemic on both the workforce and the business activity on a daily basis, has implemented measures such as the promotion of teleworking for almost 100 % of the office staff, the adaptation of all prevention and health and safety plans of the projects to be adjusted to the situation arising from the pandemic and thus allow business continuity, minimizing the contagion risk among the workforce.



## Digital transformation at Abengoa

The current digital evolution taking place in general in daily life and in particular in the industries in which Abengoa operates, makes it a key vector within the corporate strategy and sustainability. Digitization is therefore one of the main tools allowing the development of a sustainable model in which Abengoa is able to create technological models that promote collaboration, participation, mobility, automation and access to information in real time.

Digital transformation is understood at Abengoa as being the intensive use of technology in order to radically improve the performance and scope with respect to our stakeholders.

Abengoa is modeling, making use of and even pioneering innovative technologies, such as Cloud, AI, Big Data, Business Intelligence, Blockchain, IoT, RPA and Cybersecurity. Being innovative always requires special sensitivity in the use of those technologies: social responsibility, ethical use and strict regulatory compliance are undoubtedly the corporate credentials in the adoption and use thereof.

Although technology is one of the pillars of digital transformation, Abengoa likewise focuses on people as a fundamental pillar, on an innovative business culture and on targeted processes involving the entire company and its stakeholders.



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Digitalisation processes at Abengoa are focused on the following vectors:

**Employees:** to promote the use of digital solutions to improve our employees' daily lives, allowing them access to advanced tools in which collaboration, communication, access to real time information and, therefore, decision-making becomes key.



**Assets:** the technological evolution of asset management tools is enabling continuous improvement in the corporate value chain processes, from innovation to O&M through design, engineering and construction.



**Customers and suppliers:** digital solutions allowing us to collaborate with customers and partners within any phase of our value chain. From business development to operation and maintenance through engineering, purchasing or construction.



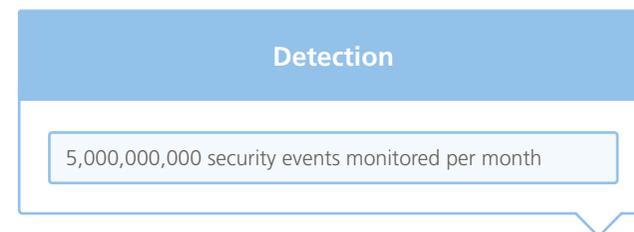
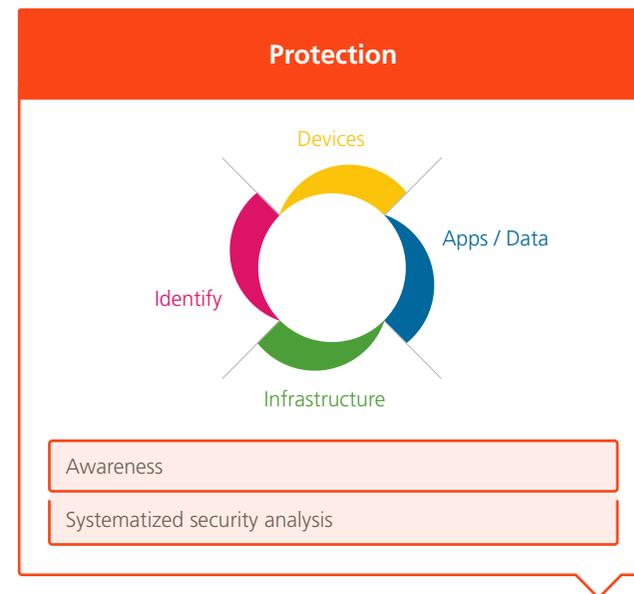
**Processes:** Abengoa's management culture by processes and activities means that the management model is a key focus of digitisation. The implementation of solutions allowing the corporate processes to be accelerated and automated, from request to completion, results in a tangible improvement in our delivery of value.



**Platform:** the architecture and digital platform on which Abengoa's technological services are supported enable us to promote our digitisation strategy, ensuring a responsible and sustainable approach to both resource use and environmental impact at all times.



**Cybersecurity:** digital transformation poses a technological and social challenge with respect to information security. Abengoa, aware of the importance of information security, administers the policies, actions and objectives that ensure confidentiality, integrity and availability within its cyber security management (protection, detection and response).



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A schedule of technological adaptation and digital investment is detailed below.

Technological adaptation Digital investment

