

Abengoa signs a term sheet with its main creditors to ensure its financial sustainability

- Obtains new liquidity for up to 97 M€ and new lines of bonding worth 140 M€.
- In order to optimize the balance sheet structure of the group, the Company will make a proposal to the Old Money Creditors to consent to an Old Money restructuring.

September 30th, 2018 - Abengoa (MCE: ABG/P:SM), the international company that applies innovative technology solutions for sustainability in the infrastructure, energy and water sectors, has signed a term sheet with a group of financial entities and investors holding the majority New Money 2 (tranche 2 of Abengoa's debt after restructuring reached in 2017) and New Bonding facilities, to provide up to 97 M€ of additional liquidity and 140 M€ of new bonding lines by the emission of a convertible instrument that will be issued at the level of the A3T cogeneration plant.

This new agreement is performed with the objective of financing the liquidity needs of the company, consolidating the recovery achieved so far, and to give certainty to the long-term viability of Abengoa that, during the last months, has been fulfilling the milestones marked in its strategic plan, growing in its EPC (Engineering, Procurement and Construction) business with a portfolio of awarded projects that reached 1,424 M€ at the end of 2017, exhausting in this way the bonding lines granted, and advancing positively in its non-strategic asset divestment plan.

Along this line and to ensure its long-term sustainability, Abengoa is seeking to obtain a capital structure congruent with both its current business model and the size of the company in the medium-term.

Financing Agreement

The agreement implies certain changes in the Group's capital structure that can be summarized as follows:

- (i) A convertible instrument will be issued at the level of A3T for a maximum amount of 97 M€.

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(ii) New Money 1 and 3 (previous restructuring new debt tranches 1 and 3) will maintain its current economic terms and conditions as well as current preferential rights therefore, remaining unaltered. This debt will not be repaid with proceeds coming from the issuance of the A3T Convertible but rather upon completion of a long-term refinancing of the A3T project, which is expected to occur before the end of 2018.

(iii) 45 % of the nominal amount of New Money 2 as well as the 65 M€ liquidity line granted to the Group in November 2017 (further increased in May 2018) will only have recourse against A3T and will reduce the financial cost.

(iv) 97 M€ raised under the A3T Convertible will remain as new liquidity for Abenewco1 to finance its corporate needs and the business plan of the Group. Creditors holding 55% of New Money 2 facilities that remain at the level of Abenewco 1 level and the bonding providers to Abenewco1 and its subsidiaries will waive the mandatory prepayment event that would otherwise arise as a result of Abenewco1 receiving the proceeds from the A3T Convertible, as well as any proceeds obtained in the future from a sale of A3T. The terms of the New Money 2 facilities and the existing bonding lines will be amended, including but not limited to, a reduction in the interest rates charged thereunder.

(v) As part of the agreement, New Money 2 creditors that remain in Abenewco 1 will receive a mandatory convertible instrument which will convert into shares representing 18% of the share capital of Abenewco 1. The holders of the A3T Convertible shall receive mandatory convertible instruments which will convert into shares representing 4% of the share capital of Abenewco 1.

The Financing Agreement is subject to certain conditions precedent including, among others, completion of the sale of 16.5% of Atlantica Yield to Algonquin and approval of the required consents under the current financing arrangements.

Old Money Restructuring

Furthermore, in order to optimize the balance sheet structure of the Group and facilitate access to new financing in the future, the Company will make a proposal to the Old Money Creditors to consent to an Old Money restructuring through the Old Money Creditors accession to a restructuring and lock up agreement. Such a proposal will be open for acceptances by the Old Money Creditors by no later than 30 November 2018.

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The Old Money restructuring will be implemented through an exchange of the current instruments into new instruments which are mandatorily convertible into shares, by the constitution of a new company (Abenewco 2 Bis).

Both Senior Old Money and Junior Old Money will maintain their current nominal value with an amendment of its economic terms and conditions. The first will be exchanged by a convertible instrument issued by Abenewco 2 Bis, and the second by two convertible instruments issued by Abenewco 2.

The new Senior Old Money instruments will mature 5 years from the date of issuance. The Junior Old Money will mature within 5 and half years from the date of issuances. The maturity on both sets of Old Money instruments can be extended for up to a 5 additional years, at the discretion of the Old Money Creditors.

The Company will hold an investors' call on Monday 1 October 2018 at 1 pm CET in Spanish and at 3.30 pm CET in English to go through the details of the transaction.

Conference call details are as follows:

For the 1 pm call in Spanish:

Spain: [+34 911140101](tel:+34911140101)

UK: [+44 2071943759](tel:+442071943759)

US: [+1 6467224916](tel:+16467224916)

All these numbers must be followed by the pincode below:
70349036#

Link:

<https://event.on24.com/wcc/r/1848879-1/EEF7FC2C64B4D2FD316F7E0B12C12C8D?partnerref=rss-events>

For the 3:30 pm call in English:

Spain: [+34 911140101](tel:+34911140101)

UK: [+44 2071943759](tel:+442071943759)

US: [+1 6467224916](tel:+16467224916)

All these numbers must be followed by the pincode below:
68178566#

Link:

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About Abengoa

Abengoa (MCE: ABG/P:SM) applies innovative technology solutions for sustainability in the infrastructures, energy and water sectors. (www.abengoa.com)

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