Business evolution report as of September 30, 2019

ABENGOA

Innovative technology solutions for sustainability

Contents

Business evolution report as of September 30, 2019

1.- Organizational structure and activities

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 nine-month period ended September 30, 2019 was made up of 335 companies: the parent company itself, 302 subsidiaries, 12 associates and 20 joint ventures. Additionally, the Group held a number of interests, of less than 20%, in other entities.

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

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

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

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

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

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

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

- Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 75 years of experience in the market. Abengoa is specialized in carrying out complex turnkey projects for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuel plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others. In addition, it performs activities related to the development of solar thermal and water management technologies and innovative technological business activities such as hydrogen.
- Concession-type infrastructures: groups together the company's extensive portfolio of proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, in line with the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and subsequently on January 21, 2019, 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 September 30, 2019 and 2018. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

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

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

2.- Evolution and business results

2.1. Restructuring process

2.1.1. Restructuring process situation update

Group restructuring process

As the Consolidated Financial Statements for the 2018 period set forth, the Company has been working on a new financial restructuring process of the Group.

In this regard, on December 31, 2018, Abengoa executed a Lock Up agreement (the "Lock-up Agreement") with a group of financial entities and investors that held the majority of New Money 2, the Syndicated Guarantee Facility and Senior Old Money, as well as with the entity insuring the new liquidity arrangement, whereby said creditors agreed on the following, among other matters: (i) to stay the exercise of certain rights and actions under such financing against the pertinent Group companies until any of these events took place, whichever occurred first: the date when the Lock-Up Agreement ended pursuant to its own terms or the Expiration Date, which was originally set for January 31, 2019 and subsequently extended on several occasions up to April 26, 2019 (the "Long-Stop Date"), (ii) to take all actions required to support, facilitate, implement, consummate or otherwise give effect to the financial restructuring proposal and, in particular, enter into negotiations with a view to agreeing on and executing a restructuring agreement not later than the Long-Stop Date, and (iii) to agree not to sell or otherwise transfer their debt until the Long-Stop Date or Lock-up Agreement end date, except under certain circumstances.

Upon execution of the Lock-Up contract, the remaining New Money 2 creditors, Old Money bonding providers and creditors, as well as the challengers were requested to accede to the Lock-Up agreement pursuant to the procedures established and communicated in the Relevant Event published in that regard on December 31, 2018.

The majority required for the Lock-Up Agreement to enter in effect was reached on January 28, 2019.

On February 22, 2019, the Company requested consent from the New Money 2, Senior Old Money and Junior Old Money bondholders to amend certain terms to the bonds and to sign an agreement named "Amendment and Restructuring Implementation Deed" (the "Restructuring Contract"), pursuant to the provisions set forth in the two documents named "Amendment and Restructuring Consent Requests" concerning each of the issuances (the "Novation and Restructuring Consent Documents").

On March 28, 2019, the Extraordinary General Shareholders' Meeting was held on second call, and all the items in the Agenda, described below, were approved:

One.- Approval, within the framework of Abengoa Group's debt restructuring operation, of several issuances of Convertible Notes by certain Group companies other than Abengoa, S.A. pursuant to article 160(f) of the Spanish Capital Companies Law (LSC) and the provision and ratification of guarantees.

Two. - Approval of amendments to the remuneration policy applicable to the 2019-2020 periods.

Three.- Delegation of powers to the Board of Directors to interpret, correct, execute, cause to be recorded as documents of public record and register the resolutions adopted.

On March 11, 2019, the Company signed, along with some of the Group subsidiaries and a significant group of financial creditors participating in the existing financial debt, the Amendment and Restructuring Implementation Deed (the "Restructuring Agreement") for the purpose of amending the terms of the existing financing and of restructuring the Group's financial debt (the "Restructuring").

As a condition for the Restructuring, the required majorities of creditors had to consent to and approve the amendment and restructuring of their existing debt under the terms set forth in the Restructuring Contract.

The Restructuring Agreement's accession period ended on March 29, 2019 and, on said date, the number of financial creditors required to accede to the agreement for the restructuring operation to be implemented was reached.

On April 25, 2019 the Company informed that, within the Restructuring Agreement framework, an agreement had been reached with the challengers to refinance said debt as part of the Senior Old Money instruments, all within the terms set forth in said Restructuring Agreement.

In certain cases, the real debt held so far by the challengers has been assumed by Abengoa Abenewco 2bis and subsequently exchanged for SOM (Senior Old Money) convertible notes for an approximate amount of USD 76.6 million and €77.0 million, plus an additional contingent amount to be determined in light of future eventualities. In other cases, the debt has been traded by applying payments or payment commitments, debt reliefs and debt payment extensions, for an approximate amount of €23 million. These negotiation agreements allow to eliminate the claims' risk that existed until then.

In addition, the Company informed on that same date that the Restructuring Effective Date had occurred. Likewise, all the restructuring documents were signed and the operation ended on April 26, 2019 with the issuance of the new instruments, as described below:

On May 7, 2019, the notes issued by Abengoa Abenewco 2, S.A.U. in relation to the Junior Old Money, the notes issued by Abengoa Abenewco 2 Bis, S.A.U. in relation to the Senior Old Money, as well as the notes issued by Abengoa Abenewco 1, S.A.U. were admitted to trading on the Vienna Stock Exchange (Third Market - MTF - of Wiener Boerse).

Subsequently, on June 28, 2019, the Head Judge of the Commercial Court No. 3 of Seville issued an order declaring the judicial approval of the restructuring agreement and declaring the agreement, as well as the transactions, acts, payments and guarantees resulting from its execution to be non-clawbackable.

The main terms to the Restructuring include, among others

(a) The injection of new money to the Group through the issuance, by the subsidiary A3T Luxco 2 S.A. ("A3T Luxco 2"), of convertible notes for a nominal value of €97 million, which entitle to convert into up to 99.99% the A3T Luxco 2 shares (the "A3T Issuance").

(b) Within the A3T Issuance framework and for the purposes of ensuring that it is fully repaid in the event that the amount obtained by the sale of the A3T Project does not allow to fully repay the amounts owed under the A3T Issuance (including the accumulated profitability up to the repayment date), non-repaid amounts will be assumed by the subsidiary company named Abengoa Abenewco 1, S.A.U. ("Abenewco 1") as debt ranking pari passu with the Refinanced NM2 Debt (as defined below). For said purposes, Abenewco 1 has granted a personal guarantee (prior to the notes' conversion) and a put option (put option agreement) (after the notes are converted) over the A3T Project, exercisable until December 2023, to the original subscriber of the A3T Issuance.

    On April 25, 2019 the Company informed that it had obtained a Fairness Opinion issued by an independent expert that confirmed that the A3T convertible note issuance transaction, considered as a whole, was reasonable for the parties involved from a financial perspective, considering the measurement of both the asset itself and the remaining related instruments.

(c) The provision of new liquidity to Abenewco 1 in the form of a new syndicated guarantee facility for a maximum amount of €140 million, with the guarantee of certain Group companies and under similar terms as those of the prior guarantee facility (the "New Guarantee Facility").

(d) The amendment of certain terms and conditions of the prior guarantee facility in favor of Abenewco 1.

(e) The assumption, by A3T Luxco 2, of Abenewco 1's debt consisting of (i) an amount equivalent to 45% of the debt of the so-called "new money 2" (New Money 2) (together with the related documents, the "NM2 Financing Documents") and (ii) the totality of the amounts due under the liquidity facility obtained by the Group in November 2017 and extended in May 2018 (jointly, the "Rolled-Over Debt") and the amendment of its financial conditions. The Rolled-Over Debt has the A3T Project as the only recourse.

(f) The amendment of certain terms and conditions of the remaining debt derived from the NM2 Financing Documents different from the Rolled-Over Debt, corresponding to approximately 55% of said debt, which remain in Abenewco 1 (the "Non-Rolled Over Debt"). This debt is secured by the personal guarantees of certain Group companies, as well as by certain collateral assets.

(g) The recognition, by Abenewco 1, of new debt ("Reinstated Debt") for an amount of €50.5 million to certain creditors of the Non-Rolled Over Debt and the New Guarantee Facility in consideration for their interest in the Restructuring Operation.

(h) The amendment of certain covenants of the agreement between Group creditors (Intercreditor Agreement) executed on March 28, 2017.

(i) Several issuances, by Abenewco 1, of compulsorily convertible notes for a total nominal value of €5 million, which entitle to convert into shares representing up to 22.5% of Abenewco 1's share capital (the "Abenewco 1 Convertible Notes") and which have been issued to the original subscriber of the A3T Issuance, to certain creditors under the Refinanced NM2 Debt, to members of the NM2 Ad Hoc Committee and members of the Senior Old Money Ad Hoc Committee, by swapping certain credit claims held by said creditors against Abenewco 1, in exchange for their participation in the restructuring operation; as well as an agreement between shareholders to regulate the relationship between Abenewco 1 shareholders derived from the conversion of Abenewco 1 Convertible Notes.

(j) The implementation of a corporate restructuring whereby Abengoa Abenewco 2, S.A.U. ("Abenewco 2") has contributed, through a non-monetary contribution, to Abengoa Abenewco 2 Bis, S.A.U. ("Abenewco 2 Bis") (a Spanish company fully owned by Abenewco 2), all of Abenewco 1 shares owned by Abenewco 2, which represent 100% of Abenewco 1's share capital. As a consequence of this contribution, the Company is the single shareholder of Abenewco 2, which is the single shareholder of Abenewco 2 Bis, which, in turn, owns all Abenewco 1 shares previously owned by Abenewco 2.

(k) The assumption by Abenewco 2 Bis of Abenewco 2 and other Group companies' debt derived from the Senior Old Money and, if applicable, from the Challengers (as described below) including, for clarification purposes, the Senior Old Money and Challengers debt regarded as contingent debt for the purposes of materializing the issuance of SOM Convertible Notes (as defined below).

(l) Several issuances by Abenewco 2 Bis of convertible notes to Senior Old Money creditors and to creditors who successfully challenged the judicial approval of the Group's debt approved in 2016 (the "Challengers"), by virtue of the agreements signed therewith, by offsetting the credit rights that said creditors held against the Group. Said issuances have reached a total nominal value of €1,148 million and USD 562 million, have an initial duration of 5 years (which may be extended up to 5 additional years), and are secured by the personal guarantee of certain Group companies and by collateral assets (the "SOM Convertible Notes"). The SOM Convertible Notes' principal will be totally or partially amortized with the Group's cash available above a certain threshold. At the moment that the SOM Convertible Notes are fully amortized, any outstanding amount which cannot be repaid in cash will be mandatorily converted into Abenewco 2 Bis shares representing up to a maximum of 100% its share capital, and thus the dilution practiced by the SOM Convertible Notes' possible conversion into capital is foreseeable to be very high. Additionally, the instrument expects that the mandatory conversion into shares may be required under other circumstances different from final maturity. Likewise, in the event that a series of events take place, the SOM Convertible Notes' bondholders are expected to have the right, at the moment of the conversion, to require Abenewco 2 to sell its shares in Abenewco 2 Bis to said bondholders.

(m) Several issuances of convertible notes by Abenewco 2 for a total value equivalent to a portion of the amount owed under the prior Junior Old Money instruments (plus the crystallized debt up to the transaction closure date) that have been issued to creditors under the agreement to finance and issue Junior Old Money (JOM) notes, by offsetting part of the credit rights that said creditors hold against the Group. These issuances have reached a nominal value of €806 million and USD 471 million, and have an initial duration of 5 years and 6 months (which may be extended up to 5 additional years). They are compulsorily convertible into 49% of Abenewco 2 shares and are secured by the personal guarantee of certain Group companies and by collateral assets. Additionally, the instrument expects that the mandatory conversion into shares may be required under other circumstances different from final maturity.

(n) Several issuances of convertible notes by Abenewco 2 for a nominal value equivalent to the other portion of the amount owed under the prior Junior Old Money instruments (plus the crystallized debt up to the transaction closure date) that have been issued to Junior Old Money creditors by offsetting part of the credit rights that said creditors hold against the Group, in such manner that said JOM Issuances fully refinance the prior Junior Old Money instruments. These issuances have reached a nominal value of €53 million and USD 31 million, and have an initial duration of 5 years and 6 months (which may be extended up to 5 additional years). Payment, when due, will be made with the Group's cash available above a certain threshold, and any outstanding amount which cannot be repaid in cash will be mandatorily converted into Abenewco 2 shares representing up to 100% its share capital. They are secured by the personal guarantees of certain Group companies, as well as by certain collateral assets. Additionally, the instrument expects that the mandatory conversion into shares may be required under other circumstances different from final maturity.

On the other hand, New Money 1 and 3 maintained its conditions unaltered, and was repaid in its entirety in April 2019 with the bridge financing on A3T entered into with a group of financial entities.

The financial conditions of the instruments issued in the restructuring operation described above have been summarized below:

Item	A3T Convertible Note	A3T Rolled-Over Debt	NM II Non-Rolled Over Debt	Reinstated Debt	Senior Old Money	Junior Old Money	ABN1 Convertible Notes	Bonds
Nominal value (in M€)	97	193	157	51	1,651	1,308	5	140
Cost	9% PIK	3% PIK + 3% PIYC	3% PIK + 3% Cash (*)	4.5% Cash	1.5% PIYC		(**)	5.74%
Contractual Maturity	Dec 2023	March 2021		Dec 2021	April 2024	Oct 2024	Dec 2022	March 2021
Issuing Entity	A3T Luxco 2	A3T Luxco 2	Abenewco 1	Abenewco 1	Abenewco 2 Bis	Abenewco 2	Abenewco 1	Abenewco 1

(*) The cost of the NM II Non-Rolled Over Debt will increase by 2% as of July 2020.

(**) Payment of dividends at the corresponding rate if declared by the company.

The financing conditions for Abenewco 1's new debt and those for the Senior Old Money described above, are subject to several restrictions, which are common in this type of agreements, such as limitations on the distribution of dividends, additional debt, provision of guarantees and disposal or procurement of assets, among others.

Likewise, several obligations have been established, which include:

- Liquidity ratio (historical and future) which must have a minimum threshold of €20 million. Said minimum threshold has been met at September 30, 2019.
- Total Leverage Ratio and Senior Secured Leverage Ratio. A series of ratios of total debt (as well as of senior debt, according to the financing contracts' definition) to Ebitda are established. These change every year and are verified every three months as of December 31, 2019.

Restructuring processes of subsidiaries

The following summary shows the relevant facts which took place during the year 2019 until the publication of the present Business evolution report, in relation with the financial restructuring processes which include several Group companies:

a) In relation to the Judicial Recovery process in Brazil related to the transmission line activity, on the occasion of the mentioned situation of Abengoa, it should be known that:

› On August 20, 2019 the Company's investment in Hospital Zona Norte (60%) was auctioned by the remaining partners for an amount of 50 million of Brazilian real. The partners SH and Magi were the successful bidders of said investment. The transfer was approved by the banks financing the assets on October 10, 2019. Notwithstanding the above, the Amazonas State Government's Ministry of Health is still pending to issue the corresponding approval of the transaction.

› In addition, the Court, at the Company's request, approved the conduct of an auction to sale several Company-owned assets, which mainly include wires, steel structures and equipment to clean the construction sites. On August 22, 2019 the Court declared Alutech Aluminio Tecnologia Ltda. ("Alutech") as the successful bidder of said assets for 58.1 million of Brazilian real. The order to assign the assets to Alutech was issued on September 3, 2019. The award decision at this date is firm.

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

› On August 7, 2018 a first call for the meeting of creditors took place. Due to the lack of quorum, this meeting was suspended and held on second call on August 21, 2018, in which the creditors decided to keep open and postpone the vote on the potential recovery plan on several occasions during the second semester of 2018 and the first semester of 2019. On August 12, 2019, the plan was finally approved for all the companies (Abengoa Bioenergía Brasil, Abengoa Bioenergía Agroindustria Ltda, Abengoa Bioenergía Santa Fe Ltda, and Abengoa Bioenergia Trading Brasil Ltda), except for Abengoa Bioenergia Inovações Ltda. (ABIN), in whose particular case the voting of the plan was postponed for 35 days, and subsequently, on September 16, 2019, it was again adjourned for a maximum of 30 additional days, enabling the judicial administrator to set the most appropriate date within said period. Nonetheless, ABIN's only creditor has requested that the deadline to hold the meeting be extended for an additional 60 days. This request is pending judicial approval. After its approval in the creditors' meeting, the plan is now pending the mandatory judicial approval or ratification.

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

› Abengoa Mexico (hereinafter, Abemex) submitted means of challenge against the resolutions on the basis of which the Company was again declared to be in a bankruptcy status. Said means of challenge (amparo proceedings) were resolved by judgment dated May 29, 2019 by which the following was resolved, among other matters: (i) to declare the resolution whereby Abemex reverted to bankruptcy groundless; (ii) to issue a new ruling that considers that the approval of the insolvency agreement is not to be contingent upon the appeals against the Judgement for Allowance being resolved; and (iii) to pronounce in the new ruling with respect to the case made against the ruling to approve the Insolvency Agreement. Against the above resolution, Abemex filed an appeal for review with respect to item (iii); while one of Abemex creditors did the same with respect to items (i) and (ii). Said appeals were resolved in favor of the Company's interests, and the Insolvency Agreement was agreed to be newly approved while Abemex's bankruptcy proceedings were agreed to be finalized. In addition, Abemex is working on an amendment to the Insolvency Agreement which will be submitted in the near future for its judicial approval once the calculation of the majorities reached is completed.

d) In relation to Construcciones Metálicas Mexicanas, S.A. de C.V.'s procedures

› A creditor of Construcciones Metálicas Mexicanas (hereinafter, Comemsa) filed a motion, admitted on February 6, 2019, to change the backdating date for the purpose of challenging the judgement whereby the property was allocated to Autofin. On February 15, 2019, an additional creditor adhered to this request requesting the Court to adopt the resolution concerning the change of the backdating date. Said change was accepted by the Court by judgement dated September 30, 2019.

› Within the bankruptcy proceedings, Autofin filed a motion to remove its assets that was admitted. The admission of said motion was challenged by Comemsa and said appeal was resolved in the sense that said incident was not appropriate. Autofin challenged said resolution, which is currently pending resolution.

› Likewise, the Company has appealed for *amparo* on the judicial resolution that resolves an appeal for revocation filed by the Company against a judicial order to pronounce the Company's bankruptcy.

e) Update of the Spanish bankruptcy proceedings:

› Abengoa PW I Investments, S.L. (hereinafter, "APWI") filed a request for voluntary bankruptcy on December 21, 2018. This request was admitted for processing on February 18, 2019 by the Commercial Court No.2 of Seville, which issued an order declaring the voluntary bankruptcy of the company agreeing the processing of the same through the channels of the ordinary procedure (number 117/2019). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration, but it retains the faculties of administration and disposition of its assets with all its duties and responsibilities.

› Abengoa Bioenergía Nuevas Tecnologías, S.A. (hereinafter, "ABNT") filed a request for voluntary bankruptcy on February 1, 2019. This request was admitted for processing on February 25, 2019 by the Commercial Court No.2 of Seville, which issued an order declaring the voluntary bankruptcy of the company agreeing the processing of the same through the channels of the ordinary procedure (number 122/2019). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration, but it retains the faculties of administration and disposition of its assets with all its duties and responsibilities.

› Gestión Integral de Recursos Humanos, S.A. (hereinafter, "GIRH") filed a request for voluntary bankruptcy on June 13, 2019. This request was admitted for processing on June 19, 2019 by the Commercial Court No.2 of Seville, which issued an order declaring the voluntary bankruptcy of the company agreeing the processing of the same through the channels of the ordinary procedure (number 413/2019). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration, but it retains the faculties of administration and disposition of its assets with all its duties and responsibilities.

At last, and in relation to the remaining financial restructuring processes of certain subsidiaries (US subsidiaries, and Abengoa Bioenergy Netherland) no significant event has occurred during the 2019 period in addition to those indicated in the Consolidated Financial Statements for the 2018 period.

2.1.2. Going concern

The situation of the Group during the last years, which has been affected by a strong limitation of financial resources for more than three 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 Revised Viability Plan August 2016.

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. In the parent company, Abengoa, S.A., the measures set forth in the effective application of the first Restructuring Agreement concluded in 2017 allowed to reestablish balance at the end of the accounting period on December 31, 2017, once the positive impact of the debt relief and of the capital increases performed was recognized in the income statement.

Nonetheless, the normalization of the activity following the prior financial restructuring process concluded in March 2017 was slower than expected, resulting in a negative impact on business.

Therefore, in order to ensure the viability of the Group in the short and medium term and for it to be able to continue with its activity in a competitive and sustainable manner in the future, the following becomes necessary:

› To have a stable platform that allows access to the capital markets to finance its working capital.

› To access new lines of guarantees to ensure the growth of its Engineering and Construction business.

› Maintain an adequate financial structure for the business model that it will develop in the future.

For the purpose of meeting these goals, the Company worked, throughout the 2018 period, on additional actions, and more specifically on a new 10-year Viability Plan, as well as on a financial restructuring process as described in Note 2.1.1., that would allow it to lay the foundations to ensure its viability in the short and medium term.

In this respect, the Board of Directors approved, at their meetings of December 10, 2018 and later on January 21, 2019, the Company's aforesaid 10-year Viability Plan which was published through a Relevant Event on January 24, 2019.

The main hypotheses in said Viability Plan include:

- Completion of the financial restructuring proposal in order to reestablish the liquidity and bonding position required by the Group, reducing the financial risk of the business.
- Reduction of the overhead up to a goal of 3% over sales as of 2020.
- A business plan based on EPC projects for third parties with a significant contribution derived from the strategic alliance with AAGEs.
- Improvement in the Group's competitive position and in the markets and geographical locations that are key for the business.
- Execution of the divestment plan with no significant deviations in terms of deadlines and amounts.
- Execution of the provider payment plan with no significant deviations from the estimated forecast.

During the first nine months of the 2019 period, the Company has been developing the aforesaid 10-Year Viability Plan, meeting the business forecasts and projected cash flows by way of new projects that allow it to meet its business plan, and by actively managing any potential deviation from the key hypotheses, more specifically the divestment plan and the supplier payment plan, for the purposes of minimizing any eventual impact thereon.

On the other hand, during the 2018 period the Parent Company (Abengoa, S.A.) requested an independent expert to perform an analysis of the fair value of Abengoa S.A.'s investment portfolio in its affiliated company Abenewco 2, S.A. (Sociedad Unipersonal) ("single-shareholder company"). To determine the fair value, certain hypotheses described below were defined:

a) Compliance with the Group's 10-year Viability Plan, whose main hypotheses have been described above.

b) Consolidation of the business at standard levels as of 2029.

c) Post-restructuring financial debt forecasts and determination of its fair value.

d) Valuation of cash flows directly attributable to Abengoa, according to the contracts signed by Abengoa, S.A. with its subsidiaries and to the restructuring agreement.

e) Completion of the financial restructuring process under the expected terms.

Should any of these hypotheses not materialize, the assessment results might be significantly affected.

The main method used to determine the business' fair value was the discounted cash flow to equity method for a 10-year period, applying the average cost of the Company's own resources, which the Company has estimated to be in a range of value between 11% and 12%, as the discount rate. The long-term growth rate has been of 2%. The compounded annual growth rate and the EBITDA considered for the 2019-2028 period have been 13.5% and 6.7%, respectively.

To determine the fair value of the Senior Old Money and Junior Old Money instruments, the discounted flow method was used pursuant to the issuance conditions included in the restructuring agreement and applying market discount rates based on a selection of comparable quoted bonds. The estimated discount rates for these financial instruments have resulted to be significantly higher than the current average rates of return and comparable to financial debt redemption operations conducted in the international market. The discount rates used for the Senior Old Money and the Junior Old Money range between 40-45% and 75-80% respectively, corresponding to discount rates that a participant in the financial market would consider in equivalent financial debt redemption operations.

Considering the above, Abengoa's Directors have deemed it appropriate to prepare this business evolution report at September 30, 2019 under the going concern principle, considering the fundamental aspects of the new 10-year Viability Plan approved and strengthened by the new Restructuring Agreement described above. Based on the application of said going concern principle, the Directors have applied the International Financial Reporting Standards homogeneously and consistently with those used in the interim condensed consolidated financial statements and in the consolidated financial statements from previous periods. For said purpose, pursuant to said International Accounting Standards, the Company Directors have used their best accounting estimates and judgements (see Note 3 of the Consolidated Financial Statements for the 2018 period) to record the assets, liabilities, income and expenses at September 30, 2019 in accordance with the information that existed when the business evolution report was prepared.

2.1.3. Accounting Impacts of the Restructuring Process

As Note 2.1.1. states, the Company has been working on additional actions to ensure the viability of the Group in the short and medium term, which include a new financial restructuring process.

One of the milestones of said restructuring process was the execution of a "Lock-Up Agreement" dated December 31, 2018 with several financial creditors, as the aforementioned Note 2.1.1. states, as well as the initiation of a period of accession to said agreement as a step prior to the signature of the restructuring agreement ("Restructuring Agreement"). The majority required for the Lock-Up Agreement to enter in effect was reached on January 28, 2019.

As set forth in said Lock-Up Agreement's clauses, the execution of said document, as it entailed the commencement of a negotiation process with a substantial part of its creditors to restructure its obligations therewith, constituted the non-compliance ("Event of Default") of the New Money 2, syndicated guarantee and Old Money (Senior Old Money and Junior Old Money) facilities.

Nonetheless, in the Lock-Up Agreement itself, the creditors, by acceding thereto, agreed on one hand to stay the exercise of certain rights and actions under such financing against the different Group companies, which include the exercise of enforcement actions and, on the other hand, to overlook the noncompliance derived from the signature of the Lock-Up Agreement until any of these events took place, whichever occurred first: the date when the Lock-Up Agreement ended pursuant to its own terms or the Expiration Date, which was originally set on January 31, 2019 and subsequently extended on several occasions up to April 26, 2019 (the "Long-Stop Date").

As a consequence of the above, and since the Company facilities which are subject of the Lock-Up Agreement (New Money 2, Guarantee Facility and Old Money) were in a transitional status of technical non-compliance as of December 31, 2018 which resulted from the execution itself of said Lock-Up Agreement, and since the consent to said non-compliance situation agreed-upon by financial creditors in the Agreement itself was established for up to the "Long Stop Date", this is, up to January 31, 2019, and subsequently extended on several occasions up to April 26, 2019, Abengoa applied the provisions set forth in IAS 1 "Presentation of Financial Statements" and proceeded to reclassify the Old Money debt from non-current liabilities to current liabilities of the Statement of Financial Position. As for New Money 2 financing, it did not entail any reclassification as it was already entered under current liabilities at December 31, 2017.

As mentioned above, the Group's creditors agreed, by signing the Lock-Up Agreement, to temporarily stay the exercise of certain rights and actions under such facilities vis-à vis the different Group companies. Nonetheless, since said stay will not meet the minimum period of 12 months after the reporting period, as required in IAS 1, paragraphs 69 et seq., said classification was deemed convenient.

Additionally, and since both debts (Old Money and New Money 2) were measured at amortized cost using the effective interest rate, said value has been adjusted to reflect its corresponding settlement value.

Said adjustment entailed a negative impact on the Consolidated Income Statement as of December 31, 2018 for an amount of €1,060 million recognized under "Other finance costs – Finance expenses due to restructuring", counterbalanced by "Corporate Financing" of current liabilities of the Consolidated Statement of Financial Position at the end of the 2018 period.

In addition, the tax impact associated to said recognition entailed the recognition of income amounting to €265 million in the Group's corporate income tax for the year 2018, counterbalanced by a reversal of deferred tax liabilities of the Consolidated Statement of Financial Position at the end of the 2018 period.

It is important to highlight that the above negative impact that has occurred in the 2018 Consolidated Income Statement and, in consequence, in Abengoa's consolidated shareholders' equity, stems from applying the provisions set forth in the above-explained accounting regulations as concerns the classification and measurement of financial debt for those cases in which the company is in a non-compliance situation at the balance end date and has failed to obtain authorization by its creditors to refrain from early settlement actions for a minimum period of 12 months after the Financial Statement end date.

As Note 2.1.1. explains, the Restructuring Effective Date occurred on April 25, 2019, and the operation was completed on April 26, 2019 with the issuance of the new instruments, whose main characteristics have been described in said note.

In this regard, and once the operation was completed, the Company proceeded to recognize on said date the accounting impacts associated to the corresponding instruments, as described below.

For the restructured debt instruments, as their conditions have been substantially modified, the Company has applied the provisions set forth in IFRS 9 "Financial Instruments", derecognizing their carrying value (settlement value) and recognizing the new debt at fair value. The difference between both amounts has been recognized in the period's profit and loss, as set forth in the aforesaid standard.

The Company has also followed the IFRS-9 for the new debt that has arisen under the restructuring agreement, initially recognizing said debt at fair value.

In relation to the recognition of the notes compulsorily convertible into shares representing 22.5% of Abenewco 1, the Company has followed the provisions set forth in IAS 32 "Financial Instruments: Presentation", classifying it as equity pursuant to the requirements set forth in said standard (IAS 32.16 et.seq.).

To determine the fair value, the Company has been based on the measurements that independent experts have made for said (see Notes 2.1.1. and 2.1.2.).

All of the above has had a positive effect on the income statement for the first nine months of the 2019 period, amounting to €2,411 million, which has been recorded under financial results. The impact on equity has been of €2,516 million due to the recognition of Abenewco 1 convertible notes as "Non-controlling interest" under equity.

The corporate income tax expense of said positive impact of the Restructuring Agreement has not been significant in relation thereto, as a result of the characteristics of the convertible instruments issued pursuant to the agreed terms.

In relation to their subsequent measurement, as IFRS 9 sets forth, the aforesaid liabilities will be measured at amortized cost except for financial liabilities designated by the company at fair value through profit or loss. This last case applies to the Senior and Junior Old Money instruments as well as to the A3T convertible note, which have been designated by the Company at initial recognition as financial liabilities measured at fair value through profit or loss ("FVTPL") pursuant to the provisions set forth in section 4.2.2. of IFRS 9.

A summary detailing said impacts for each of the instruments issued in the Restructuring Agreement has been shown below:

Instruments	A3T Convertible Note	A3T Rolled-Over Debt	NM II Non-Rolled Over Debt	Reinstated Debt	Senior Old Money	Junior Old Money	ABN1 Convertible Notes
Debt carrying value, prior to Restructuring (in €M) (1)	n/a (*)	361		10 (*)	1,583 (**)	1,308	n/a (*)
Fair value of new instruments at the date of issuance (in €M) (2)	97	193	105	32	330	86	105
Impact of Restructuring in Income Stat. (in €M) (1-2)	n/a	63		(22)	1,253	1,222	(105)
Initial measurement of new instruments	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Subsequent measurement	FVTPL	Amortized cost	Amortized cost	Amortized cost	FVTPL	FVTPL	Remains unaltered

(*) New financial instruments generated in the Restructuring Agreement. Reinstated Debt includes the amounts accrued up to that date for the services received and agreed to be paid through this new debt.

(**) Includes the effect of the challengers' debt traded to SOM.

It is relevant to point out that the above positive impact on Abengoa's Consolidated Equity aims to reflect the economic impact of the restructuring of Abengoa's financial debt exclusively and, hence, does not aim to reflect Abengoa's future financial status which, at the Directors' discretion, and upon conclusion of the Restructuring Process, will be contingent upon the compliance of the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and January 21, 2019 and associated to the Group's ability to generate resources from its operations and to obtain sufficient liquidity as required by the recovery of the market to continue with its activity in a competitive and sustainable manner.

2.2. Financial position

2.2.1. Changes in the composition of the Group

During the nine-month period ended at September 30, 2019, 1 subsidiary and 6 joint ventures were included in the consolidation group.

In addition, 33 subsidiaries, 10 associates and 1 joint venture are no longer included in the consolidation group.

2.2.2. Assets held for sale and discontinued operations

a) Changes in classification:

In the 2019 period, the drinking water aqueduct San Antonio Water System ceased being classified under "Non-current assets and liabilities held for sale" as it no longer met the cases and requirements of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" after the change in the realization of said asset once an operation to finance it was signed with Algonquin Power & Utilities Corp. In addition, and based on the aforementioned 10-Year Viability Plan, the company ASI Operations, LLC, engaged in the operation and maintenance of solar plants in the USA, has been classified under "Non-current assets and liabilities held for sale" as it meets the cases and requirements set forth in IFRS 5. This company was sold during the third quarter of 2019 (see Note 2.2.3.b)).

b) Asset impairment analysis:

As of September 30, 2019, a negative net impact of assets classified as held for sale and discontinued operations for an amount of €8 million was recognized as a difference between their net book value and their fair value less costs to sell.

2.2.3. Main acquisitions and disposals

a) Acquisitions:

- During the nine-month period ended September 30, 2019 there were no significant acquisitions.

b) Disposals:

- In the nine-month period ended September 30, 2019, the disposal of the associate Rioglass Solar Holding, S.A. has been completed, as well as the subsidiary ASI Operations LLC, as part of the Divestment Plan included in the 10-Year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and January 21, 2019 which have been detailed below:

  - On May 31, 2019 Abener Energía, S.A.U. signed a purchase agreement with ABY Concessions Infrastructures, S.L.U. to sell their 15.12% stake in Rioglass Solar Holding, S.A.'s share capital. The selling price has been USD 7 million and it has entailed a negative impact of €6 million on the income statement.

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

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

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

  - On July 30, 2019, the subsidiary Abengoa Solar LLC has completed the sale of 100% of its stake in the company ASI Operations LLC to ABY Concessions Infrastructures USA LLC, with a sales price of USD 6 million, plus an adjustment of the working capital for an amount of USD 3 million. This transaction has had a positive impact on the income statement amounting to €5.6 million.

2.2.4. Main figures

Financial data

- Revenues of €1,069 million, a 19% higher to the same period of 2018.
- EBITDA of €195 million, an increase of 44% compared to the same period of 2018.

Item	For the nine months ended 09.30.19	For the nine months ended 09.30.18 (1)	Var (%)
Income Statement (in million euros)			
Revenue	1,069	896	19
EBITDA	195	135	44
EBITDA Margin	18%	15%	21
Net Income	2,171	(213)	1,119
Balance Sheet			
Total Assets	3,907	3,830	2
Equity	(2,022)	(4,251)	52
Corporate Net Debt	1,256	4,096	(69)
Share Information (in million euros)			
Last Price (€ per B share)	0.010	0.010	0
Capitalization (A+B share) (€ million)	210	204	3
Daily trading volume (€ million)	3	2	67

(1) The Balance Sheet data are referenced as of December 31, 2018.

Operating figures

- The international activity represents 91% of the consolidated revenues.
- The main operating figures of September 30, 2019 and 2018 are the following:

Key operational	September 2019	September 2018
Transmission lines (km)	-	-
Water Desalination (Cap. ML/day)	475	475
Cogeneration (GWh)	360	163
Solar Power Assets (MW)	300	300
Biofuels Production (ML/year)	235	235

Corporate debt conciliation

The following table sets out the conciliation of the Net Corporate Debt with the information included in the Statement of financial position as of September 30, 2019 and December 31, 2018:

Item	Balance at 09.30.19	Balance at 12.31.18
+ Corporate financing	1,587	4,407
- Financial investments	(131)	(130)
- Cash and cash equivalents	(228)	(205)
Treasury stock + Financial investments and cash from project companies	28	24
Total Net Debt	**1,256**	**4,096**

2.2.5. Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa as of September 30, 2019 and 2018, with an explanation of the main variations between both periods:

Item	09.30.19	09.30.18	Var (%)
Revenue	1,069	896	19
Operating revenues and expenses	(874)	(761)	(15)
EBITDA	**195**	**135**	**44**
Depreciation and amortization	(58)	(35)	(66)
I. Net Operating Profit	**137**	**100**	**37**
Financial incomes and expenses	(214)	(331)	35
Net Exchange rates differences and other financial incomes / expenses	2,317	(37)	6,362
II. Financial results, net	**2,103**	**(368)**	**671**
III. Share of profit/(loss) of associates	**(31)**	**103**	**(130)**
IV. Profit (loss) before income tax	**2,209**	**(165)**	**1,439**
V. Income tax (expense) benefit	**(34)**	**(25)**	**(36)**
VI. Profit for the year from continuing operations	**2,175**	**(190)**	**1,245**
Profit (loss) from discontinued operations, net of tax	4	(21)	119
Profit for the year	**2,179**	**(211)**	**1,133**
VII. Non-controlling interests	(8)	(2)	(300)
Net income attributable to the parent company	2,171	(213)	1,119

Revenues

Revenue has increased €1,069 million, which is an increase of €173 million from €896 million in the same period of the previous year. The increase in revenues is due to the Engineering and Construction sector implementation following the start of construction of projects contracted during 2018 and the beginning of 2019, as well as to the concessions segment due to the start of operation of the A3T Cogeneration Project in Mexico.

EBITDA

EBITDA has increased 44% reaching €195 million, which suppose an increase of €60 million compared to the €135 million of the same period of the previous year. This increase in EBITDA is mainly attributable to Concessions by the start of operation of the A3T project mentioned above.

Operating profit

Operating profit has increased 37%, from a benefit of €100 million in 2018 to €137 million in 2019. This increase in the operating profit is mainly attributable to the EBITDA improvement previously mentioned.

Net Financial Expense

Net Finance expenses have reached an income of €2,103 million, which entail a significant improvement as compared with the €368 million net expense registered in the same period last year. This change is mainly attributed to the positive impact occurred on the restructuring of the Group's financial debt during 2019 as well as to the finance expense registered in 2018 in relation of the New Money 1 and Old Money financing contracts.

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

The share of profit /(loss) of associated carried under the equity method has decreased from a €103 million income in September 2018 to a €31 million loss in September 2019. This decrease is mainly due to the sale of the 25% stake in Atlantica Yield during the first nine months of 2018 as well as to the estimated losses by reason of the company's participation in certain projects under construction executed by joint ventures, and of the impact on the sale of Rioglass Solar Holding, S.A.'s stake in 2019.

Corporate Income Tax

Corporate income tax worsens from a net expense of €25 million in September 2018 to a net expense of €34 million in September 2019. This increase is mainly attributable to the income tax expense recognized in the period generated by the impact on the income statement derived from the adjustment at fair value in the recognition of the New Money II restructured debts. The remaining positive impacts of the Restructuring Agreement (see Note 2.1.3.) have not entailed the recognition of a corporate income tax expense since, due to the characteristics of the instruments issued pursuant to the agreed terms and the tax treatment applicable to said instruments, they have been considered a permanent adjustment to the accounting profit for the purposes of calculating the aforesaid corporate income tax expense.

Profit for the year from continuing operations

Due to all of the above, profit (loss) from Abengoa's continuing operations has significantly improved from a €190 million loss in September 2018 to a €2,175 million profit in September 2019.

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

Profit (loss) for the period from discontinued operations, net of tax, has improved from a loss of €21 million in September 2018 to a €4 million profit in September 2019. This improvement is mainly attributable to the expense registered in 2018 related to Bioenergy's activities.

Profit attributable to the parent company

Profit (loss) for the period attributable to the parent company has improved from a €213 million loss in September 2018 to a €2,171 million profit in September 2019 as a consequence of the changes described in the paragraphs above.

2.2.6. Results by activities

The following table shows the distribution of sales and consolidated EBITDA per business activity at September 30, 2019 and 2018, with a description of the main changes occurred between both periods, appears below:

Item	Sales			Ebitda			Margin	
	Amount as of 09.30.19	Amount as of 09.30.18	Var (%)	Amount as of 09.30.19	Amount as of 09.30.18	Var (%)	09.30.19	09.30.18
Engineering and Construction	833	756	10	48	56	(14)	6%	7%
Concession-type infrastructure	236	140	69	147	79	86	62%	55%
Total	1,069	896	19	195	135	44	18%	15%

Engineering and Construction

Revenue in the Engineering and Construction line of activity has increased 10% to €833 million. This entails a €77 million increase as compared to the €756 million revenue registered in the same period last year. This increase is mainly attributable to a higher progress in the execution of the projects in Morocco, USA, Saudi Arabia and Chile.

EBITDA in the Engineering and Construction activity amounts to €48 million, which entails a €8 million decrease against the €56 million EBITDA registered in the same period last year. This decrease is mainly due to certain projects in Latin America increasing profitability and finalizing construction in 2018, partially compensated with continued reductions in overhead costs and margins of new projects in execution.

Concession-Type Infrastructures

Revenue in the concession-type activity has increased 69% to €236 million. This entails a €96 million increase as compared to the €140 million revenue registered in the same period last year. This increase mainly corresponds to the commencement of the operation of concession assets; specifically the A3T cogeneration project in Mexico.

EBITDA in the concession-type activity has increased by 86% to €147 million. This entails an increase of €68 million in comparison to the €79 million value registered in the same period last year. This increase is due to the aforementioned entry of the A3T project in Mexico into operation, as well as to an improvement in the production of certain concession assets.

2.2.7. Consolidated Statement of Financial Position

Consolidated Statement of Financial Position

A summary of the assets in Abengoa's consolidated financial statement at September 30, 2019 and December 31, 2018, with a description of the main changes occurred, appears below:

Item	09.30.19	12.31.18	Var (%)
Intangible assets and fixed assets	185	188	(2)
Fixed assets in projects	369	347	6
Associates under the equity method	19	15	27
Financial investments	20	28	(29)
Deferred tax assets	134	137	(2)
Non-current assets	**727**	**715**	**2**
Inventories	52	60	(13)
Clients and other receivable accounts	592	603	(2)
Financial investments	131	130	1
Cash and cash equivalents	228	205	11
Assets held for sale	2,177	2,117	3
Current assets	**3,180**	**3,115**	**2**
Total assets	**3,907**	**3,830**	**2**

- Non-current assets have increased by 2% to €727 million. This entails a €12 million increase in comparison to the €715 million value registered at December 31 of the previous period. This increase of noncurrent assets is mainly attributable to the progress made in the construction of the Agadir Water Desalination Plant (Morocco).

- Current assets have increased by 2% to €3,180 million. This entails a €65 million increase in comparison to the €3,115 million value registered at December 31 of the previous period. This increase in current assets is mainly attributable to the increase of the asset held for sale A3T in Mexico as it started commercial operation, partially offset by San Antonio Water's classification from Assets held for sale to Investments in associates carried under the equity method as a consequence of the new financing operation entered into with Algonquin Power & Utilities Corp.

- A summary of Abengoa's consolidated liabilities as of September 30, 2019 and December 31, 2018 is given below, with end explanation of the main variations:

Item	09.30.19	12.31.18	Var (%)
Capital and reserves	(2,265)	(4,379)	48
Non-controlling interest	243	128	90
Total Equity	**(2,022)**	**(4,251)**	**52**
Project debt	183	95	93
Corporate financing	741	200	271
Grants and other liabilities	125	113	11
Provisions and Contingencies	70	62	13
Deferred tax liabilities and Personnel liabilities	155	137	13
Total non-current liabilities	**1,274**	**607**	**110**
Project debt	448	225	99
Corporate financing	846	4,207	(80)
Trade payables and other current liabilities	1,367	1,361	0
Current tax liabilities	272	316	(14)
Provisions for other liabilities and expenses	19	20	(5)
Liabilities held for sale	1,703	1,345	27
Total current liabilities	**4,655**	**7,474**	**(38)**
Total Shareholders' Equity and Liabilities	**3,907**	**3,830**	**2**

- Equity has increased by 52% to €-2,022 million. This entails a €2,229 million increase in comparison to the €-4,251 million value registered at December 31 of the previous period. This increase in Equity is mainly attributable to the profit for the period that results from the restructuring process described in notes 2.1.1. and 2.1.3., as well as to the increase of non-controlling interest derived from the issuance of convertible notes of 22.5% of Abenewco 1's share capital within the restructuring framework (see Note 2.1.1.).

- Non-current liabilities have increased by 110% to €1,274 million. This entails a €667 million increase in comparison to the €607 million value registered at December 31 of the previous period. This increase in non-current assets is mainly attributable to the implementation of the Group's corporate financial debt restructuring process described above, which has resulted in its terms changing significantly, affecting both its measurement and amortization period, with a special emphasis on the impact on the Old Money debt (see Note 2.1.3.). Under "Project Debt", special emphasis should be placed on the new availability of financing for the Agadir project in Morocco and on the San Antonio Water financing operation as a result of the agreement signed with Algonquín Power & Utilities Corp.

- Current liabilities have decreased by 38% to €4,655 million. This entails a €2,819 million decrease in comparison to the €7,474 million value registered at December 31 of the previous period. This decrease in current liabilities is mainly attributable to the aforementioned restructuring of the Old Money financing and to the amortization of New Money 1 and 3, partially offset by the new bridge financing on A3T Mexico registered as "Liabilities held for sale".

2.2.8. Consolidated Cash Flow Statement

A summary of the Consolidated cash flow statements of Abengoa for the periods ended September 30, 2019 and 2018, with an explanation of the main cash flows, is given below:

Item	Balance at 09.30.19	Balance at 09.30.18	Var (%)
Profit for the year from continuing operations	**2,175**	**(190)**	**1,245**
Non-monetary adjustments	(2,062)	255	(905)
Variations in working capital	(33)	(55)	40
Taxes and interest received / paid	(100)	(78)	(27)
Discontinued operations	1	15	(93)
A. Net Cash Flows from operating activities	**(19)**	**(53)**	**64**
Intangible assets and property, plant & equipment	(57)	(97)	41
Other investments/disposals	12	606	(98)
Discontinued operations	8	14	(43)
B. Net Cash Flows from investing activities	**(37)**	**523**	**(107)**
Other disposals and repayments	67	(512)	113
Discontinued operations	5	25	(80)
C. Net Cash Flows from financing activities	**72**	**(487)**	**115**
Net increase/(decrease) of cash and equivalent	**16**	**(17)**	**194**
Cash or equivalent at beginning of year	205	196	5
Translation differences cash or equivalent	1	(2)	150
Cash or equivalent held for sale and discontinued operations	6	(2)	400
Cash and cash equivalent at end of year	**228**	**175**	**30**

- At September 30, 2019, cash outflows from operating activities amount to €19 million compared to the €53 million cash outflow registered in the same period last year. The improvement in cash flows from operating activities occurs after the improvement of the monetary profit or loss and working capital, partially offset by the outflow of cash for the payment of interest.

- As concerns the cash flows from investment activities, there is a €37 million net cash outflow occurred in September 2019, as compared with the €523 million net cash inflow from the same period last year. This change in the cash flows from investment activities resulted from the sale of a 25% stake in Atlantica Yield plc in 2018 and of the transmission lines under operation in Brazil.

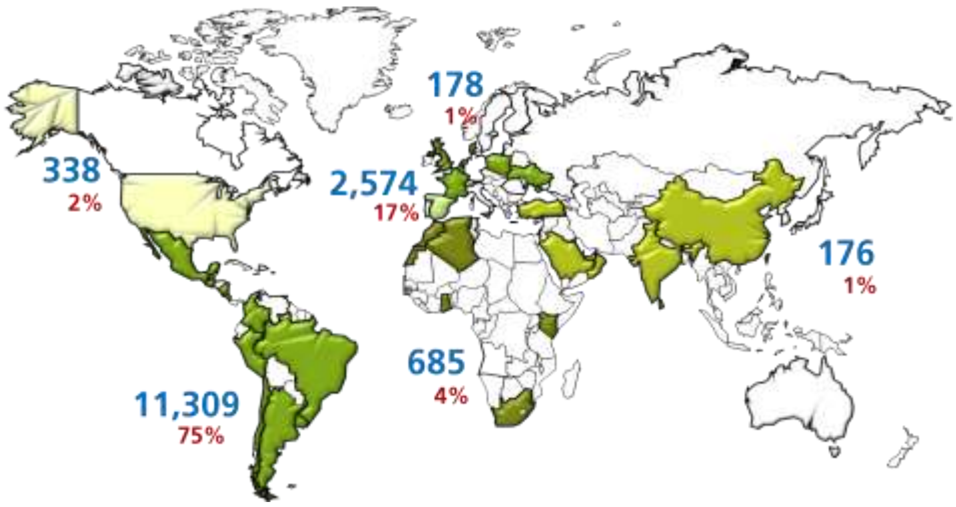
› As for the cash flows from financing activities, a €72 million net cash inflow was registered in September 2019, compared with the €487 million cash outflow registered in the previous period. This variation in the cash flows from financing activities mainly result from the partial amortization in 2018 of the New Money 1 debt and with the sale of a 25% stake in Atlantica Yield Plc. and of the transmission lines in Brazil. In the period ended September 30, 2019, this item mainly includes the net inflow of the new liquidity facility ("A3T Convertible Note") within the Group's financial restructuring framework, as well as the new availability of financing for the Agadir project in Morocco.

2.2.9. Human resources

Abengoa's workforce is formed by 15,260 people as of September 30, 2019, which is an increase of 9% compared to September 30, 2018 (14,009 people).

Geographical distribution of the workforce

17% of the people are located in Spain while the remaining 83% are abroad. The total number of employees at September 30, 2019 by geographical area is as follows:



Distribution by professional groups

The average number of employees by categories during the first nine months of 2019 y 2018 was as follows:

	Number of employees as of 09.30.19			Number of employees as of 09.30.18		
Categories	Female	Male	Total %	Female	Male	Total %
Directors	30	195	2	27	219	2
Management	129	660	5	158	697	6
Engineers and graduates	435	1,001	10	470	1,166	12
Assistants and professionals	341	624	7	398	691	8
Operators	587	10,451	75	596	9,030	71
Interns	27	41	1	17	34	1
Total	1,549	12,972	100	1,666	11,837	100

3.- Anticipated future trends of the group

As explained above and in the Consolidated Financial Statements for the 2018 period, the Company has been working on a new 10-year Viability Plan that, along with the aforementioned Restructuring Agreement, will allow it to lay the foundations to ensure its viability in the short and medium term.

On April 25, 2019, the Company informed on that same date that the Restructuring Effective Date had occurred. Likewise, all the restructuring documents were signed and the operation ended on April 26, 2019 with the issuance of the new instruments.

Subsequently, on June 28, 2019, the Head Judge of Commercial Court No. 3 of Seville issued an order declaring the judicial approval of the Restructuring Agreement and declaring the agreement, as well as the transactions, acts, payments and guarantees resulting from its execution to be non-clawbackable.

All of the above entails a significant milestone for the implementation and completion of the Company's restructuring process - fundamental for the stabilization of its business -, in order to ensure its viability in the short and medium term.

During the first nine-month period of 2019, the Company has been developing the aforesaid 10-Year Viability Plan, meeting the business forecasts and projected cash flows by way of new projects that allow it to meet its business plan, and by actively managing any potential deviation from the key hypotheses, more specifically the divestment plan and the supplier payment plan, for the purposes of minimizing any eventual impact thereon.

At the end of September 2019 the portfolio amounted to €1,669 million.

In addition, the 10-year Viability Plan approved anticipates a portfolio of €1,752 million for 2019 and of €2,075 million for 2020.

Likewise, Project Execution in the Engineering and Construction segment, which has been projected in €1,151 million for 2019 and in €1,781 million for 2020, is noteworthy. Said execution counts with associated Ebitda levels which go from 5.1% in 2019 to 6.9% in 2020, ranging from 6.6% to 6.9% throughout the period considered in the Viability Plan.

4.- Financial risk management

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

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

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

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

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

5.- Information on research and development activities

R&D investments during the first nine months of 2019 have been null, (€0,4 million as of September 30, 2018), mainly due to the situation of the Company during the year 2019.

6.- Stock exchange evolution

According to data provided by Bolsas y Mercados Españoles (BME), during the first nine months of 2019 a total of 2,129,015,829 Class A shares and 49,399,611,348 Class B shares in the company were traded, equivalent to an average daily trading volume of 11,146,680 Class A shares and 258,636,709 Class B shares. The average daily traded cash volume was €0.3 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)	2,129.016	11,147	49,399,611	258,637
Volume (M€)	50.3	0.3	462.6	2.4

Quotes	A Share	Date	B Share	Date
Last	0.0203	30-Sep	0.0103	30-Sep
Maximum	0.0300	09-April	0.0147	26-April
Minimum	0.0142	02-Jan	0.0033	02-Jan

The last price of Abengoa's shares at the end of the first nine months of 2019, was €0.0203 for Class A shares, a 40% higher than at the end of 2018, and €0.0103 per Class B share, a 202.9% higher than at the end of 2018.

Since its IPO in the Spanish stock exchange on November 29, 1996, the value of the Company has increased by 2%. The selective IBEX-35 index has risen by 98% 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 have been temporarily suspended under the liquidity agreement that in respect of its Class A shares was entered into by the Company with Santander Investment Bolsa, Sociedad de Valores, S.A.U. on 10 January 2013. On June 5, 2017, the Liquidity Agreement that in respect of its Class A shares has been terminated because the Company does not have the intention to continue to operate with treasury shares.

As of September 30, 2019, treasury stock amounted to 5,519,106 shares, all of which correspond to class A.

No operations for the acquisition or disposal of the Company's Class A and/or B Shares have been performed during the first nine months of the 2019 period.

8.- Corporate governance

On May 13, 2019, the Board of Directors agreed to call an Ordinary General Shareholders' Meeting to be held at the corporate headquarters, Campus Palmas Altas, in Seville, on June 24, 2019, at 12:00 noon, at first call and, in its case, if not reaching the necessary quorum, in second call, on June 25, 2019 at the same time.

On June 25, 2019, with a quorum of 12.691% of the company's capital stock, the General Meeting of Shareholders of the Company was held on second call, according to the following order of business:

One.- Annual accounts and management of the Board of Directors.

1.1 Examination and approval, as appropriate, of the individual annual financial statements (balance sheet, income statement, statement of changes in equity, the statement of cash flows and explanatory notes) and the individual management report corresponding to 2018 of the company, and the consolidated annual financial statements (consolidated statements of financial position, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated cash flow statements and notes to the consolidated financial statements) and consolidated management report corresponding to 2018 of its consolidated group.

1.2. Approval of the proposal to distribute the profit/apply the losses from the Company's individual financial statements.

1.3. Approval of the management of the Company during the 2018 period.

Two.- Submission of the Annual Report on the Remuneration of Abengoa's Directors for approval, on a consultation basis.

Three.- Remuneration of the Board of Directors.

Four.- Delegation of powers to the Board of Directors for the interpretation, correction, implementation, formalization and registration of the resolutions adopted.

All the proposed resolutions were adopted by the majorities required by laws and according to the Bylaws.

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 the amounts owed under the preexisting debt are met. The prohibition on dividends also affects "Abengoa Abenewco 1, S.A.U." ("Abenewco 1"), "Abengoa Abenewco 2 Bis S.A.U." and "Abengoa Abenewco 2, S.A.U." ("Abenewco 2 bis" and "Abenewco 2"), the holding companies recently incorporated by Abengoa in the context of the Group's corporate restructuring. Whilst distribution of dividends within the companies of Abenewco 1's consolidation perimeter are generally permitted, distributions of dividends in favour of the Company, Abenewco 2 and Abenewco 2 bis, and any shareholders thereof are prohibited, except for distributions required to attend scheduled debt service payments and, up to a certain cap, distributions required to attend the Company's general corporate expenses, as well as payments expressly agreed and authorized by creditors.

10.- Relevant events reported to the CNMV

Detail of written communications to the CNMV corresponding to the first nine months of 2019 and until this business evolution report's date:

› Written Communication of 01/15/2019.- Abengoa announces the extension of the accession period for the Lock up Agreement.

› Written Communication of 01/21/2019.- Abengoa announces the extension of the accession period for the Lock up Agreement.

› Written Communication of 01/24/2019.- Abengoa releases its 10 year Viability Plan.

› Written Communication of 01/29/2019.- Abengoa announces occurrence of the Effective Date under the Lock-Up Agreement.

› Written Communication of 01/31/2019.- Abengoa announces the extension of the longstop date of the Lock-up Agreement.

› Written Communication of 02/22/2019.- Abengoa announces Noteholders´ Assemblies and beginning of accession period of New Money 2, Senior Old Money and Junior Old Money instruments.

- Written Communication of 02/26/2019.- Abengoa announces changes in the Appointments and Remunerations Committee.
- Written Communication of 02/26/2019.- Abengoa presents 2018 results.
- Written Communication of 02/26/2019.- Abengoa will present the 2018 results in a conference call.
- Written Communication of 02/27/2019.- Abengoa announces an Extraordinary General Shareholders' Meeting.
- Written Communication of 02/27/2019.- 2018 Results Presentation.
- Written Communication of 03/11/2019.- Abengoa announces the execution of the Restructuring Agreement and the beginning of the accession period.
- Written Communication of 03/14/2019.- Abengoa announces the extension of the termination date of the Lock-up Agreement.
- Written Communication of 03/14/2019.- Abengoa will hold an investors´ call to update on the financial restructuring process.
- Written Communication of 03/20/2019.- Financial Restructuring Status Update.
- Written Communication of 03/26/2019.- Abengoa announces results of noteholders´ meeting of new money 2.
- Written Communication of 03/26/2019.- Abengoa announces results of noteholders´ meeting of senior old money.
- Written Communication of 03/26/2019.- Abengoa announces results of noteholders´ meeting of junior old money.
- Written Communication of 03/28/2019.- Abengoa announces resolutions passed in the Extraordinary Shareholders Meeting held today.
- Written Communication of 03/29/2019.- Abengoa announces results following the end of the accession period to the Restructuring Agreement.
- Written Communication of 03/31/2019.- Abengoa announces the extension of the longstop date for completing the Restructuring.
- Written Communication of 04/12/2019.- Abengoa announces the extension of the longstop date for completing the restructuring.
- Written Communication of 04/25/2019.- Abengoa announces the extension of the longstop date for completing the Restructuring.
- Written Communication of 04/25/2019.- Abengoa announces the occurrence of the Effective Date under the Restructuring Agreement and the execution of all Restructuring Documents.
- Written Communication of 04/26/2019.- Abengoa announces completion of its Restructuring.
- Written Communication of 04/30/2019.- Abengoa announces the Stalowa Wola arbitration award.
- Written Communication of 05/09/2019.- Abengoa announces the listing of the instruments issued as part of the restructuring.
- Written Communication of 05/13/2019.- Abengoa announces start of works of the Taweelah plant.
- Written Communication of 05/13/2019.- Abengoa presents 2019 first quarter results.
- Written Communication of 05/13/2019.- Abengoa will present the 2019 first quarter results in a conference call.
- Written Communication of 05/14/2019.- Q1 2019 Results Presentation.
- Written Communication of 05/16/2019.- Abengoa calls its 2019 General Shareholders´ Meeting.
- Written Communication of 06/25/2019.- Abengoa announces the resolutions passed at the GSM 2019.
- Written Communication of 07/01/2019.- Abengoa announces the judicial homologation of the restructuring agreement.
- Written Communication of 08/28/2019.- Abengoa informs about the arbitral proceedings against Ketraco.
- Written Communication of 09/17/2019.- Abengoa informs about a waiver request sent to its creditors.
- Written Communication of 09/23/2019.- Abengoa presents financial results for first half of 2019.

- Written Communication of 09/23/2019.- Abengoa will present the 2019 first half results in a Webcast.
- Written Communication of 09/24/2019.- 2019 First Half Results Presentation.
- Written Communication of 10/01/2019.- Investor Day 2019 Information.
- Written Communication of 10/10/2019.- Abengoa informs about a waiver requests sent to its creditors.
- Written Communication of 10/11/2019.- Investor Day 2019 Additional Information.
- Written Communication of 10/15/2019.- Follow along live for the 2019 Investor Day.
- Written Communication of 10/15/2019.- Investor Day 2019 / Investor Day 2019 Presentation.
- Written Communication of 11/07/2019.- Abengoa informs about notices appeared in the press.

11.- Subsequent events

After-closure of September 30, 2019, no events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole, except for the following:

- In connection with the relevant fact published on September 17, 2019 (register nº 281788) by virtue of which the Company informed that it had requested it creditors the necessary consents to proceed with the partial monetization of the arbitral claim that CSP Equity Investments, S.a.r.l. initiated against the Kingdom of Spain before the Chamber of Commerce of Stockholm under number SCC 094/2013, the Company has informed on October 10, 2019 that it has obtained such consents.