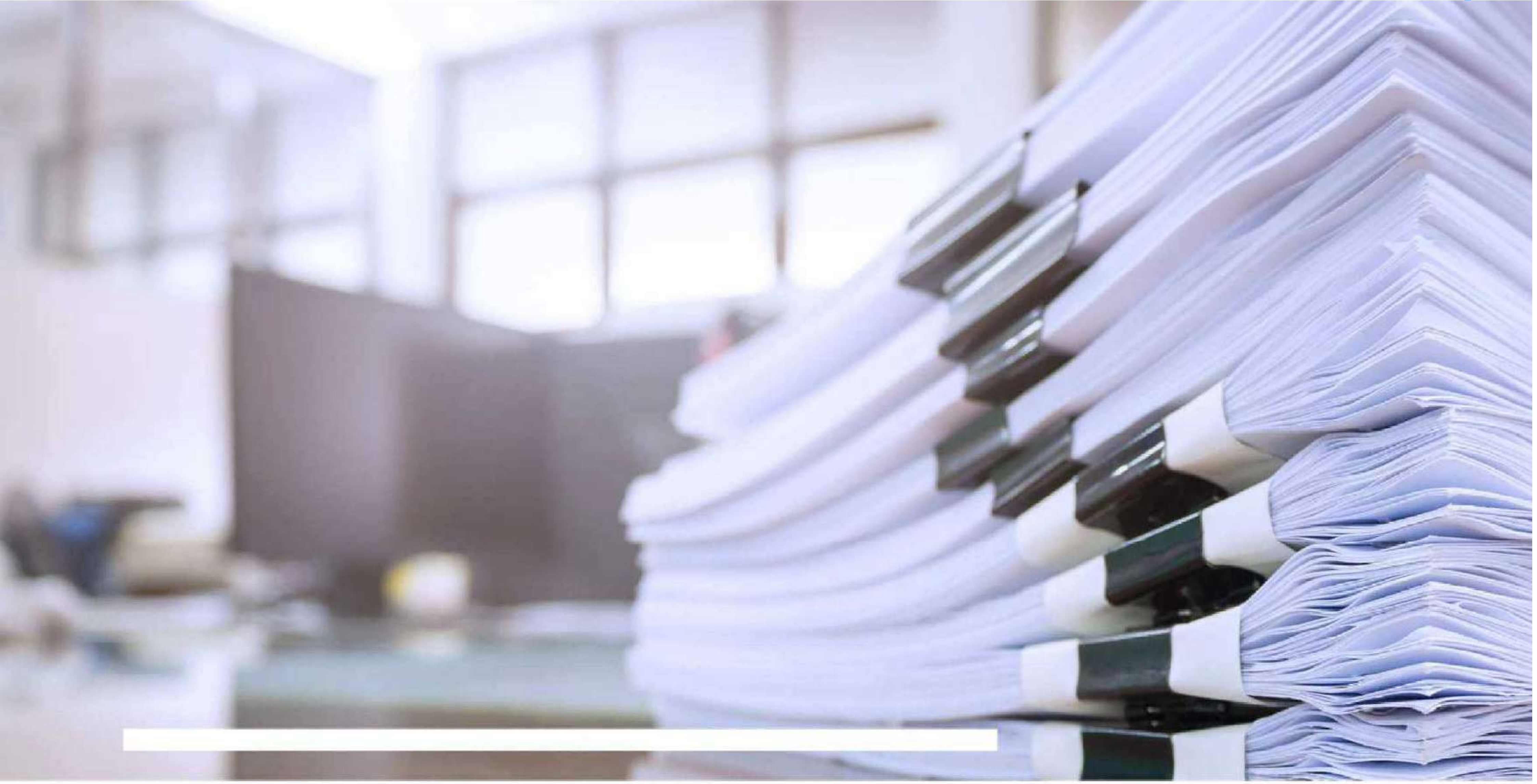

01. Auditor's report

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Abengoa, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Abengoa, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2017, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material Uncertainty Related to Going Concern

We draw attention to the information included by the directors in Notes 2 and 4 to the consolidated financial statements, which describe the financial and operating performance in the last three years that gave rise to a consolidated equity deficit of EUR 2,408 million at 31 December 2017, once the effects of the financial and corporate restructuring carried out (detailed in the aforementioned Notes) had been considered. Also, certain Group subsidiaries are involved in court-ordered winding-up, insolvency and bankruptcy proceedings that the directors must resolve. These matters evidence that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The measures implemented by the directors to address the situation described include, as described in the aforementioned Notes, the financial restructuring process, effective 31 March 2017, whereby the Group's debt and the Parent's share capital were restructured, which resulted in certain financial creditors and new investors becoming shareholders, and the establishment of a Revised Viability Plan envisaging, among other measures, the reorganisation of Group companies and businesses in order to achieve the viability thereof.

Consequently, the viability of the Group, the recovery of the assets, the settlement of the liabilities and the fulfilment of the guarantee obligations for the amounts indicated in the accompanying consolidated financial statements and of the financial obligations established in the financing agreements, will depend on the effective application of the measures envisaged in the restructuring agreement and in the Revised Viability Plan, on the performance of the Group companies' operations and on such future decisions as the Group's managers may ultimately take in relation to its net assets. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Measurement of assets classified as held for sale

Description

As described in Note 7, at 31 December 2017 EUR 4,078 million were presented as assets held for sale, in relation to certain business lines and certain construction projects regarded in the Revised Viability Plan approved by the directors as being non-strategic for the continuity of the Group, as well as other assets pledged as security for a portion of the new debt and which the directors expect to sell at short term in order to reduce that debt and, consequently, the associated borrowing costs.

The fair value less costs to sell of the assets affected was estimated on the basis of the calculation of the present value of the future cash flows or, where there were binding offers from third parties, on the basis of such offers.

The analysis conducted requires the application of significant judgements by the directors, particularly in relation to the key assumptions used in the measurement process and, accordingly, we considered this matter to be key in our audit.

Procedures applied in the audit

With regard to the measurement of the assets classified as held for sale, our audit procedures consisted of, among others, the review of the design and implementation of the relevant controls established by the directors that mitigate the risks associated with the valuation of those assets, as well as tests to verify the effectiveness of those controls.

In addition, where the fair value was estimated on the basis of future cash flows, we reviewed the reasonableness of the main assumptions considered by the directors, for which purpose we engaged our valuation experts.

Also, in relation to the offers from third parties received for certain assets, we verified the effective price included in each offer, the offer validity period and its viability, in order to conclude as to the reasonableness of the amount recognised in the Group's consolidated statement of financial position as at 31 December 2017.

Lastly, we evaluated whether the disclosures included in Note 5 to the accompanying consolidated financial statements in connection with this matter are in conformity with those required by the applicable accounting regulations, including the adequate presentation.

Recoverability of deferred tax assets

Description

The consolidated statement of financial position as at 31 December 2017 presents a balance of EUR 376 million under "Deferred Tax Assets".

The Group has an updated tax plan to assess the recoverability of the deferred tax assets, considering certain assumptions related to the estimation of future profits and the applicable tax legislation.

We considered this matter to be key in our audit, since the preparation of this tax plan requires a significant level of judgement by the directors.

Procedures applied in the audit

Our audit procedures included, among others, the review of the design and implementation of the relevant controls established by the directors that mitigate the risks associated with the deferred tax assets recoverability assessment process, and tests on the effectiveness of those controls.

Additionally, we analysed the key assumptions used in the Group's tax plan, their consistency with the Revised Viability Plan and the appropriateness of the treatment of tax legislation, for which we engaged our tax experts.

Lastly, we also assessed the appropriateness of the disclosures provided in the notes to the consolidated financial statements (see Note 24) required by the applicable regulatory financial reporting framework.

Recognition of revenue from engineering and construction contracts

Description

The Group recognised revenue of EUR 1,317 million applying the percentage of completion method to certain engineering and construction contracts.

This revenue recognition method was a key matter in our audit, as it affects a highly significant amount of total revenue and requires the use of estimates with a significant level of judgement by the directors, relating mainly to the expected outcome of the contract, the amount of costs to be incurred at the end of the construction work, the measurement of

Procedures applied in the audit

Our audit procedures included, among others, the performance of tests on the design and implementation of the relevant controls that mitigate the risks associated with the process of recognising contract revenue by reference to the stage of completion, as well as tests on the effectiveness of those controls.

Also, we performed substantive tests which included a detailed and case-by-case analysis of the main projects in order to evaluate the reasonableness of the assumptions and hypotheses used by the

Recognition of revenue from engineering and construction contracts

Description	Procedures applied in the audit
work completed in the period and the variations that may arise with respect to the initial contract, all of which could impact the revenue recognised in the year. These judgements and estimates are made by the persons in charge of performing the projects, are subsequently reviewed at the various levels of the organisation, and are submitted to controls designed to ensure the consistency and reasonableness of the criteria applied.	directors. To do this, we held meetings with the persons in charge of the projects analysed and discussed with them the main aspects related to each project, obtaining, where applicable, evidence corroborating the explanations obtained. We also analysed the consistency of the estimates made by the directors in 2016 with the actual data for the contracts in 2017. Also, we performed substantive analytical tests in relation to the performance of the construction work margin, including an analysis of differences and variances between the work performed and the work contracted, projects with negative margins, arrangement of new contracts, age of unbilled amounts for work performed and the implementation of projects put on hold based on the timetable envisaged by the directors. Lastly, we verified that the notes to the accompanying consolidated financial statements include the related disclosures required by the applicable financial reporting framework. In this connection, Note 2 discloses the fact that the percentage of completion method is used to recognise revenue from engineering and construction contracts, and Note 26 includes additional disclosures regarding the contracts recognised using the percentage of completion method.

Contingencies

Description	Procedures applied in the audit
As described in Note 23, the Group has provided to third parties bank guarantees and surety bonds to secure various obligations assumed, amounting to EUR 834 million at 31 December 2017. In addition, the Group has provided various guarantees to third parties through declarations of intent and documented guarantee obligations assumed, amounting to EUR 4,338 million at 31 December 2017. Also, at 31 December 2017 claims and legal proceedings had been filed against the Group resulting from its business activities, as detailed in Note 22 to the consolidated financial statements. At year-end the directors estimate the potential impact of these obligations and claims on the consolidated financial statements based on the information available at any given time, taking into account the analysis performed by the legal and financial department and the opinion of their legal advisers. In view of the possibility of the Group having to settle these obligations due to the restructuring process being performed, of the possible breach of the contractual clauses, and of the fact that the estimates of the potential impact require the application of a significant level of judgement, this matter was considered to be key in our audit.	Our audit procedures included, among others, the performance of tests on the design and implementation of the relevant controls that mitigate the risks associated with the processes related to the Group's contingencies, as well as tests on the effectiveness of those controls. Additionally, we analysed the judgements made by management on the basis of the opinion of its legal and financial department, once we had considered the opinion of its legal advisers and the information available at any given time. To this end, we obtained a list of the guarantees in force at year-end and the information available on the status of the claims and of the main projects giving rise to contingencies, we sent confirmation letters and obtained responses from the lawyers and legal advisers with whom the Group works, with the two-fold purpose of checking the completeness of the recognition of the claims in progress and of validating the probability assigned to each contingency. We also reviewed the disclosures made in relation to these matters, which are included in Notes 22 and 23 to the consolidated financial statements for 2017, required by the applicable regulatory financial reporting framework.

Other Information: Consolidated Management Report

The other information comprises only the consolidated management report for 2017, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility relating to the consolidated management report is defined in the audit regulations in force, which establish two distinct levels thereof:

a) A specific level that applies to the consolidated non-financial information statement, as well as to certain information included in the Annual Corporate Governance Report, as defined in Article 35.2.b) of Spanish Audit Law 22/2015, which consists solely of checking that the aforementioned information has been provided in the consolidated management report, or, as the case may be, that the consolidated management report contains the corresponding reference to the separate report on non-financial information as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) A general level applicable to the other information included in the consolidated management report, which consists of evaluating and reporting on whether the aforementioned information is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements and excluding any information other than that obtained as evidence during the audit, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated management report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have checked that the information described in section a) above is provided in the consolidated management report and that the other information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2017 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Directors and Audit Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report. This description, which is on pages 10 and 11, forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

Additional Report to the Parent's Audit Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent's audit committee dated 7 March 2018.

Engagement Period

The Annual General Meeting held on 30 June 2017 appointed us as auditors for a period of one year from the year ended 31 December 2016, i.e. for 2017.

Previously, we were designated pursuant to a resolution of the Annual General Meeting for the period of one year and have been auditing the consolidated financial statements uninterruptedly since the year ended 31 December 2012.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Tadea Zayas Carvajal
Registered in ROAC under no. 20763

7 March 2018

Appendix I to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the Parent's audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.