Business evolution report as of September 30, 2017

ABENGOA

Innovative technologic solutions for sustainability

Contents

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1.- General information

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 months period ended September 30, 2017, was made up of 465 companies: the parent company itself, 364 subsidiaries, 81 associates and 19 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.

As explained in the following breakdown of section 2.1, on March 31, 2017, the Restructuring Completion Date has taken place (Restructuring Completion Date) established in the Restructuring Agreement and the effective application of such Restructuring Agreement allow the parent company Abengoa, S.A. to rebalance its equity, once the positive effect of the restructuring of the debt to equity swap is registered in the Income Statement of the Company.

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.

The shares of the associate Atlantica Yield (formerly Abengoa Yield, Plc.) are listed in the NASDAQ Global Select Market since June 13, 2014. As of September 30, 2017 the Abengoa's investment on Atlantica Yield amounts to 41.47%.On January 7, 2016, the company announced to the Securities and Exchange Commission US (S.E.C) that the corporate name change to Atlantica Yield. However, the ticker "ABY" remains the same.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels or producing drinking water from sea water. The Company supplies engineering projects under the 'turnkey' contract modality and operates assets that generate renewable energy, produces biofuel, manages water resources, desalinates sea water and treats sewage.

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 and the development of solar technology. 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.

- 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.

Directors consider that the Restructuring Agreement implementation will involve the application of measures determined in the Updated Viability Plan (see section 2.1.1). Consequences that would overcome relating to financial information presented by segments are being assessed in accordance with the IFRS 8 "Operating Segments".

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, 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, 2017 and 2016. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

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

The following summary shows the facts related during the first nine months of the year 2017 until the publication of the present Business evolution report, in relation with the financial restructuring process realized in Abengoa since the November 25, 2015 after filing the application provided in Article 5 bis of Law 22/2003 (Ley Concursal) by Directors of the Company:

a) In relation to the proceeding provided by the law 22/2003 (Ley Concursal) and the beginning of the financial restructuring process, it should be noted that;

- On January 17, 2017, the Restructuring Agent notified the occurrence of the Restructuring Effective Date. As continuation of which the Company announced a supplemental restructuring accession period, dated from January 18, 2017 to January 24, 2017. After finishing the Supplemental Accession Period, the final percentage of support of the Restructuring Agreement reached the 93.97%.
- In light of the situation in Mexico (see Section 2.1.1.e) and in order to accelerate the completion of the Restructuring and begin implementing the Viability Plan as soon as possible, on February 14, 2017, the Company, together with some of its principal creditors and investors, has developed a proposal for the adjustment of the drawdown mechanism of new money financing (the "Drawdown Proposal") set out in the Term Sheet and the Restructuring Steps Plan of the Restructuring Agreement, maintaining the initial structure of the transaction. Such Drawdown Proposal required certain amendments to the Term Sheet, the Restructuring Steps Plan, the Restructuring Agreement and the New Money Financing Commitment Letter, such amendments were required by the Company to all parties of the Restructuring Agreement in the same date.
- On February 28, 2017, the Company informed that it obtained the consent of the Majority Participating Creditors required under the Restructuring Agreement to approve the Amendments required to implement the Drawdown Proposal. Such approval allowed the Company to initiate the required steps to close the restructuring and permit the funding of the New Money.
- On March 17, 2017 and in accordance with Clauses 9.2.2 and 9.2.3 of the Restructuring Agreement, the Restructuring Documents and New Corporate Governance Documents were approved occurring therefore the Restructuring Document Approval Date, allowing the signing the execution of the Restructuring Documents and New Corporate Governance Documents and the completion of the Restructuring process.
- On March 23, 2017, the Company announced that the Restructuring Documents and the New Corporate Governance Documents were signed although their effectiveness was subjected to the occurrence of the Restructuring Steps Commencement Date, which date was expected to occur once the Escrow Agent received the transaction funds.
- On March 28, 2017, the Escrow Agent confirmed that an amount equal to the New Money Financing Commitments was funded into the escrow account and, consequently, the Restructuring Agent confirmed that the Restructuring Steps Commencement Date occurred. The Company executed, on the same date, the share capital increases and the warrants approved by the Extraordinary General Shareholders' Meeting held on November 22, 2016, registering the deeds on March 28, 2017 in the Commercial Registry of Seville.
- Consequently, the Company issued one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen million three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with a dilution for pre-existing shareholders of 95%. In relation with warrants, the Company issued eighty three million forty nine thousand six hundred and seventy five (83,049,675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858,756,290) class B warrants of the Company, "Record date" on March 27, 2017.
- On March 30, 2017, and in connection with the Class A and Class B shares issued in the above mentioned share capital increase, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading in the Madrid and Barcelona Stock Exchanges of the shares, including the verification of the Prospectus, admitting to trading one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen million three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with effects March 31, 2017.

Additionally, in connection with the warrants, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading of the instruments in the Automated Quotation System Block Market of the Madrid and Barcelona Stock Exchanges (the "AQS"), in the "Warrants, Certificates and Other Products" segment, including the verification of the Prospectus, admitting to trading eighty three million forty nine thousand six hundred and seventy five (83,049,675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858,756,290) class B warrants of the Company, with effects March 31, 2017. If the conditions for the exercise of the warrants are fulfilled, the Initial Exercise Date of the warrants will be 31 March 2025 and the Final Exercise Date of the warrants will be June 30, 2025.

The Prospectus is available in the Company's website and in the website of the CNMV. In particular, the Company informed that it contains important notices to the market.

› On March 31, 2017, the Restructuring Agent confirmed that the Restructuring Completion Date occurred on such date. Related to the above, the fundamental principles of the Restructuring Agreement closed on March 31, were the following:

(i) The amount of new money lent to the Group amount to €1,169.6 million (including refinancing of the September and December 2015, March and September 2016 facilities). This financing rank senior with respect to the preexisting debt and is divided into different tranches:

- Tranche I (New Money 1): with two sub-tranches (1A y 1B) for a total amount of €945.1 million, with a maximum maturity of 47 months and secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company. Financing entities of this tranche received 30% of Abengoa's new share capital post restructuring.

- Tranche II (New Money 2): amounts to €194.5 million, with a maximum maturity of 48 months and secured by, among other things, certain assets in the engineering business. Financing entities of this tranche received 15% of Abengoa's new share capital post restructuring.

- Tranche III (New Money 3): contingent credit facility of up to €30 million, with a maximum maturity of 48 months secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company and with the sole purpose of providing guaranteed additional funding for the completion of the A3T project. Financing entities of this tranche received 5% of Abengoa's new share capital post restructuring.

- New bonding facilities: amount to €307 million. Financing entities of this tranche received 5% of Abengoa's new share capital post restructuring.

The conditions of the New Money Financing are summarized in the following detail table:

Item	Tranche I (NM 1A)	Tranche I (NM 1B)	Tranche II (NM 2)	Tranche III (NM 3)	New bonding facilities
Nominal (in M€)	839	106	195	30	307
Cost		5% Cash + 9% PIK		7% PIK	5%
Maturity / Amortization	47 months			48 months	
Capital participation	30%		15%	5%	

Several compliance obligations have been established between the financing conditions of New money (New Money), including the liquidity ratio (historical and future) and that on September 30, 2017, has been fulfilled by the minimal established (€20 million) being the "Historic Liquidity" of €36.7 million and the "Project Liquidity" of €28.0 million.

(ii) The restructuring for the preexisting debt (Old Money) Standard Restructuring Terms involved a 97% reduction of its nominal value, while keeping the remaining 3% with a ten year maturity, with no annual coupon or option for capitalization (Standard Restructuring Terms).

Creditors who have adhered to the agreement chose either the conditions laid out previously or alternative conditions (Alternative Restructuring Terms) which consist of the following:

- Capitalization of 70% of preexisting debt in exchange for 40% of Abengoa's new share capital post restructuring.

- Refinance the 30% remaining of the nominal value of the preexisting debt through new debt instruments, replacing the preexisting ones, which rank as senior or junior depending on whether or not such creditor participated in the new money facilities or new bonding facilities. Such instruments have maturities of 66 and 72 months respectively, with the possibility of an extension of up to 24 months, accruing annual interest of 1.50% (0.25% cash payment and 1.25% Pay If You Can). The junior instrument can be subject to additional reductions (provided that total reduction does not exceed 80% of the nominal value prior to the capitalization) if the aggregate amount of refinanced preexisting debt (after the 70% aforementioned capitalization) exceeds €2,700 million due to the crystallization of contingencies.

The conditions of the preexisting debt (Old Money) refinanced summarized in the following detail table:

Item	(Standard Restructuring Terms)	(Alternative Restructuring Terms)	
		Junior Old Money	Senior Old Money
% debt write-offs	97%	70%	70%
Post-debt write-offs nominal (in M€)	12	1,220	1,409
Cost	-	1.5%	1.5%
Maturity / Amortization	10 years	72 months	66 months
Capital participation	-	40%	

(iii) At the end of the restructuring process, the shareholders of the Company at the time, held around 5% of the share capital. Eventually, through the issuance of warrants, they could increase such stake in a percentage to be agreed that will not exceed an additional 5%, if, within 96 months, the group has paid in full all outstanding amounts under the new financing to be provided in the framework of the restructuring and under the existing indebtedness (as this indebtedness may have been restructured), including its financial costs. Furthermore, the company submitted a proposal to merge the two types of existing shares into one sole class of shares for approval by a General Shareholders Meeting, although this was not considered a prerequisite of the Restructuring Agreement.

› On April 28, 2017 the notes issued by Abengoa Abenewco 1, S.A.U. in connection with Tranche 2 of the new money financing as well as the notes issued by Abengoa Abenewco 2, S.A.U. in connection with the Senior Old Money and the Junior Old Money were admitted to trading on the Vienna Stock Exchange (Third Market (MTF) of Wiener Boerse).

› On June 12, 2017, the notes issued by ABG Orphan Holdco S.a.r.l. in connection with Tranche I of the new money financing were admitted to trading on the Irish Stock Exchange.

› Within the framework of the judicial approval procedure, certain creditors filed challenge claims over the judicial approval of the MRA issued by Seville Commercial Court n. 2 on 8th November 2016. These challenges were declared admissible by the aforementioned judged by order dated 10 January 2017. The hearings of the aforementioned challenges were held on last 13th and 24th of July, the moment at which the trial was remitted for decision.

› Finally, on 25 September 2017, the Mercantile Court of Seville Nº 2 issued a ruling in regards to the challenges brought forth to the judicial approval (homologación judicial) of the restructuring agreement. On that basis:

1. The judge resolved against the challenges in relation to the lack of concurrence in the percentages required under the Insolvency Act, and as such agrees to maintain the judicial approval (homologación judicial) of the restructuring agreement and its effects except for the following.

2. The judge resolved in favor of the challenges in relation to the disproportioned sacrifice caused on the challengers cited in the decision. As stated in the decision, this last point implicates that effects of the restructuring agreement do not apply to these challengers.

The nominal value of the excluded debt which has been claimed by the challengers amounts to approximately €72 million.

The Company considered that the decision did not specify what treatment the excluded debt should receive. On this basis, it requested clarifications and, if applicable, the corresponding ruling supplement to the Court through the necessary channels.

› Regarding the preceding ruling dated October 30, 2017, the Company was notified on the ruling from the same Court by which they agreed to dismiss the request to supplement the ruling.

This means that the entire debt claimed by the petitioners, this is, the amount of €72 million has been recorded as corporate financing of current liabilities, and also, that the debt amounts subject to said proceedings will not be affected by the restructuring process and will exceed the thresholds expected in the contracts which produce an event of default.

In relation to the foregoing and to provide for such scenario, the Company had already requested the corresponding exemptions established in the financial agreements, this is, the "waivers" under the different financial instruments. These waivers were already obtained on October 27, 2017 and hence, said event of default is considered as non-produced.

As said exemptions were granted subsequent to the end of the accounting period at September 30, 2017, the restructured old money debt (1,387.4 M€.) has been temporarily classified in the current liabilities section of the Consolidated financial statement.

At the end of the 2017 period, the restructured old money debt expected to reach maturity in the long term will be classified again as a non-current liability.

b) On the other hand, in relation with the proceedings in Brazil related with the transmission line activity, on the occasion of the mentioned situation of Abengoa, it should be known that;

- A ruling was issued in the Judicial Recovery process on December 2, 2016 in which it was decided i) to include these expiration proceedings in the Judicial Recovery process; ii) to suspend the proceedings and the execution of warranties to preserve the assets of holding companies in Judicial Recovery. A special hearing was scheduled on December 31, 2016 at which the Ministry of Mines and Energy, the ANEEL representative and the judicial administrator were called to appear. The creditor´s meeting, initially scheduled on March 31, 2017, was proposed for the end of May 2017.

- On May 30, 2017 was set Trial for the vote on the reorganization plan of Brazilian companies immersed "Recuperação judicial".

- On August 16, 2017, a new Plan of Judicial Recovery was presented to be approved in the Creditors' General Assembly.

- On August 18, 2017, in the framework of the process of "Recuperação judicial" of Abengoa Concessões (approved by 73.91% of common creditors), Abengoa Construção (approved by 87.65% of common creditors) and Abengoa Greenfield (approved by 100% common creditors), the company's reorganization plan was approved by the majority of its creditors during the General Meeting of Creditors held on the same date.

- Notwithstanding the foregoing, in accordance with Brazilian bankruptcy law, the resolutions adopted at the General Meeting of Creditors must be ratified by the competent judicial authority in order to review the legality of the reorganization agreement reached. As of the date of this report, the Company is not aware of the publication of mentioned judicial resolution.

- On September 19, 2017, the Ministry of Mines and Energy, based on the recommendation of ANEEL, declared the expiration of the 9 concession contracts of greenfield projects. Against that administrative decision, several actions are possible, through administrative and judicial proceedings; however, the approved Judicial Recovery Plan considers this situation and provides alternative measures even if the annulment of that decision is not obtained.

c) Additionally, in relation to the proceedings in United States, on occasion as well of the mentioned situation of Abengoa, indicate that;

- During the first nine month period of the year 2017 there have not been any new relevant facts in addition to the mentioned in the 2016 annual accounts on this subject.

- Notwithstanding the above, it is clear that on June 8, 2017, the Eastern District Bankruptcy Court of the Eastern District of Missouri issued the order confirming the approval of the settlement plans for Abengoa Bioenergy Operations, LLC; Abengoa Bioenergy Meramec Renewable, LLC; Abengoa Bioenergy Funding, LLC; Abengoa Bioenergy Maple, LLC; Abengoa Bioenergy Indiana LLC; Abengoa Bioenergy Illinois LLC; Abengoa Bioenergy US Holding LLC; Abengoa Bioenergy Trading US LLC; Abengoa Bioenergy Outsourcing LLC; Abengoa Bioenergy of Nebraska LLC; Abengoa Bioenergy Engineering & Construction LLC; y Abengoa Bioenergy Company LLC.

d) In relation to the bankruptcy declaration by the Court of Rotterdam of Abengoa Bioenergy Netherlands, B.V. on May 11, 2016 were appointed both a liquidator and supervising judges, it should be noted that;

- During the first nine month period of the year 2017 there have not been any new relevant facts in addition to the mentioned in the 2016 annual accounts on this subject.

- On September, 2017 no significant event have occurred in relation to the bankruptcy situation of the company.

e) Regarding the declaration of bankruptcy of Abengoa México, S.A. de C.V.

- In pursuit of reaching an agreement with its creditors, Abengoa Mexico signed last March 2017 a lock-up agreement, supported by 71% of its creditors, aiming to subscribe the bankruptcy of the company and provide it and file it to the Courts according to the following terms:

  (i) In relation with common debts, Abengoa México has proposed the following treatment:

    a) proposal to capitalize the ordinary interests to be paid, being therefore part of the principal;

    b) the principal will be paid quarterly since March 2018;

    c) the principal to be paid will generate new interests, varying the period depending on the date of the resolution of approval of the agreement;

    d) the annual interest rate is fixed to 7% with an increase of 50 basis points per semester until the total payment;

    e) default interests due at the date of declaration of bankruptcy will be rejected by creditors. However, the default in payment of the amounts agreed will suppose the generation of default interests with a 14% rate during the period of default;

(ii) in relation with credits against the bankruptcy estate and secured credits, they will be paid in accordance with the contracts and documents related;

(iii) in relation with tax credits, Abengoa Mexico will propose to pay them in accordance with the applicable tax jurisdiction;

(iv) finally, the treatment of subordinated credits will mean the inability to pay to subordinated creditors until the common credits are paid.

› On June 15, 2017 the Insolvency Agreement signed by the Company and a majority of its creditors was filed by the conciliator of the insolvency proceedings on the Sixth Court in Civil Affairs of Mexico City.

The Agreement has been signed by 95.696% of its total creditors in terms of the Law of Commercial Contests. In relation solely to common creditors, 82.966% of adhesion has been reached. The mentioned Agreement, applicable to all creditors of Abengoa Mexico once approved, provides for a restructuring of the debt contracted with all its creditors at nominal value and with a fair treatment of them. As for terms, the debt would start to be settled in March 2018 and would end in December 2021.

› On June 28, 2017, the Sixth Court in Civil Affairs of Mexico City issued a judicial decision suspending the approval of the insolvency agreement pending the resolution of appeals against the resolution of the awards of claims presented by different creditors. Against that resolution of suspension were presented both by Abemex, as by the conciliator and by different creditors, appeals pending resolution on the date of this Report.

f) Finally, on 8th September last, Abengoa Bioenergía Brasil was informed by the Court of Santa Cruz das Palmeiras (Brazil) of a bankruptcy petition by a creditor of the company. On September 25 the company presented response and request of judicial rehabilitation which will allow the company restructuring and, therefore, negotiate with its creditors.

2.1.2. Going concern

Once the Restructuring Agreement described in section 2.1.1.a) is completed, the company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 70 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of multifunctional work.

2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

3) Technology abilities in our target markets, mainly in solar and water energy.

4) A more efficient organization with more competitive general expenses.

5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

The situation of the Group during the nine months period ended September 30, 2017, which has been affected by a strong limitation of financial resources for more than a year and a half, 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 Company’s Updated Viability Plan.

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 Director´s opinion, the expected measures in the effective application of the Restructuring Agreement have allowed to gain a financial stability once there is a positive impact recognized in the income statement derived from debt write-offs, capital increases and, in addition has provided the Group with the necessary financial resources to rise the market confidence, the provision of liquidity to the Company and the continuance of its activity to operate in a competitive and sustainable manner in the future.

Based on the foregoing, Abengoa´s Directors have prepared this Business evolution report at September 30, 2017 on a going concern. Based on the application of the going concern basis, Abengoa´s Directors have applied the International Financial Reporting Standards (‘IFRS’) consistently with the Consolidated condensed interim financial statements and Consolidated financial statements filed in prior periods. For that purpose, and according to the aforementioned accounting framework, Abengoa´s Directors have made their best estimates and assumptions (see Note 3 of Abengoa’s Consolidated financial statements as of December 31, 2016) in order to record the assets, liabilities, revenues and expenses as of September 30, 2017 in accordance with the existing information by the time of preparing this Business evolution report.

2.1.3. Restructuring process accounting impacts

As indicated on section 2.1.1.a), on March 31, 2017, the completion of the Restructuring of the Group and therefore the Company recognized at that date all the accounting impacts related were announced. From an accounting perspective, the Restructuring Agreement is subject to IFRIC 19

"Cancellation of financial liabilities with equity instruments", derecognizing a portion of the debt to be cancelled at book value, recognizing the refinanced debt at fair value and registering the equity instrument to be handed over at fair value and recognizing the difference between such both amounts in the Income statement. The issued Equity instruments should be firstly recognized and valuated in the date in which the liability or a part of it is cancelled.

When valuating the handed over equity instruments, it has been applied the IFRS 13 "Fair value measurement" and, consequently, it has been taken as reference the market price in the Spanish Stock Exchanges on the date in which the Restructuring process was completed and the liability was written off, this means on March 31, 2017. This market price was €0.055 per each class A share, and €0.024 each class B share. Applying such amount to the capital Increase of Abengoa (1,577,943,825 class A shares and 16,316,369,510 class B shares, which correspond to 95% of Capital share), the shares fair value accounted in the Consolidated Equity has been €478 million.

With the portion of debt to be refinanced, and given that the conditions of the debt to be refinanced have been substantially modified after the Restructuring agreement, IAS 39 "Financial instruments, recognition and measurement" has been applied, derecognizing the portion of the debt to be refinanced at book value, registering the equity instrument to be handed over at fair value and recognizing the difference between both amounts in the Income statement.

Regarding the cancellation of the liabilities subject to the standard conditions of the Agreement (amounts payable to creditors who have not signed the Agreement), since there is no obligation to deliver equity instruments in order to cancel 97% of the liabilities, the terms of IAS 39 has been apply to both the derecognition of the percentage of the liability mentioned above and the recognition of a new liability equal to 3% of the original liability which has been recorded at its fair value and recognizing an impact on the Income Statement by the difference between both amounts.

All the mentioned caused a positive impact in the consolidated Net Equity of Abengoa of €6,205 million (€5,727 million in the income statement and €478 million in capital share and share premium). The following table shows the breakdown of such impacts (in million euros):

Concept	Amount (1)
Decrease of debt to be refinanced at its carrying amount	8,327
Increase of refinanced debt at its fair value	(1,943)
Increase of equity instruments	478
Related expenses (commissions, fees, etc.)	(138)
Tax impact	(519)
Total impacts in Net Consolidated Equity	6,205

(1) The final impact resulting from the Restructuring Agreement could change depending on several factors which will be concreted in the following months, but in Director´s opinion it is not expected significant differences to those previously detailed.

It is important to be known that the previous positive impact produced on the consolidated Equity of Abengoa exclusively try to shows the economic impact of the financial debt restructuration of Abengoa, and therefore it does not try to show the future financial situation of Abengoa which, in Director´s opinion, and once implemented the Restructuring Agreement will depend on the achievement of the Updated Viability Plan related to the Group capacity to generate resources from its operations and the liquidity supply in market to continue with the activity in a competitive and sustainable manner.

2.2. Financial position

2.2.1. Changes in the composition of the Group

During the nine months of the year 2017 a total of 4 subsidiary and 0 associated companies were added to the consolidation perimeter of the Group.

In addition, 163 subsidiaries, 1 associated company and 5 joint ventures are no longer included in the consolidation group.

2.2.2. Changes in assets held for sale and discontinued operations

a) Changes in classification:

During the first nine month period of the year 2017, the most significant changes corresponds to the investment on Atlantica Yield and Zapotillo concessional asset, given that, once initiated his corresponding disinvestment process, have been classified under the heading of assets and liabilities held for sale in the Consolidated statement of financial position given the compliance all the requirements of the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

In accordance to such IFRS 5, non-current assets (or group of assets for their disposal) classified as held for sale, should be registered at the lower of their book value and their fair value less cost to sale.

In order to determine the investment fair value of Atlantica Yield, and given that its shares quote on the NASDAQ Global Select Market, the market price at September 30, 2017 has been taken into account, which was $19.70. Given that the fair value is higher than the book value, no adjustments have been registered.

In relation to the divestment process of Atlantica Yield indicate that, within the conditions precedent necessary for the completion of the transaction, including the obtaining of a waiver by U.S. Department of Energy (DOE), allowing the reduction of participation percentage currently owned by Abengoa. To achieve this objective, a negotiation between all parties was initiated at the end of 2016 under the premise that Abengoa would obtain the waiver in exchange for maintaining all its current obligations as contractor in the project (under the "Stoppel Agreement" signed by Abengoa, SA with the above mentioned DOE) for an additional period of four years from the expiry of the original guarantee period (occurred in April 2017) within the framework of the agreement on the extension of production guarantee granted to the company Arizona Solar One owner of the Solana thermo-solar plant in the United States. In addition, is being negotiated, along with this extension of production guarantee, a number of commitments of doing by Abengoa as contractor to improve the production of this plant.

b) Asset impairment analysis:

On September 30, 2017 an impairment loss have been recognized on assets classified as held for sale and discontinued operations amounted €292 million as difference between net book value and fair value less the cost of sale.

The main impacts of impairment recognized in the Consolidation Income Statement at September 30, 2017 are due to changes in the key assumptions regarding considered at the close of the year 2016. Fundamentally, have affected the concessional asset of Khi Solar One with an impairment of €90 million due to the updating of the inputs related to the production of the plant and the application of possible penalties, the concessional asset of Ghana, with an impairment of €14 million due to the updating of the expected sale price after the offer received by a third party and, lastly, the concessional Zapotillo with an impairment of €169 million due to start of negotiations for its sale, which has resulted in a change in its accounting classification and to be valued at its fair value, based on the assumptions and requirements of IFRS 5, considering the potential impacts derived from the communication resignation without responsibility for the concession.

2.2.3. Main acquisitions and disposals

a) Acquisitions:

› During the nine months period ended September 30, 2017 there were no significant acquisitions.

b) Disposals

› During the period of nine months ended September 30, 2017, there were not significant disposals with the exception of the sale of the bioethanol business in Europe and the Norte III combined cycle power plant as part of the Divestment plan established in the Updated Viability Plan, detailed as follows:

- On March 16, 2017, Abengoa Bioenergía Inversiones, S.A. (the "Seller"), subsidiary of Abengoa, S.A., entered into a sale and purchase agreement (the "Agreement") with a company controlled by private equity fund Trilantic Europe (the "Purchaser"), which governs the sale of the bioethanol business of Abengoa in Europe through the transfer of shares of Abengoa Bioenergy France, S.A., Biocarburantes de Castilla y León, S.A., Bioetanol Galicia, S.A., Ecocarburantes Españoles, S.A. and Ecoagrícola, S.A. The sale and purchase agreement was made effective in June 1, 2017 once certain conditions precedent have been fulfilled (among others, the approval of the transaction by the Spanish Anti-trust Authority).

  The transaction amount (enterprise value) is €140 million, including debt and working capital assumed by the Purchaser and minority interests. The cash received amounted to €81 million, with an effect on the Abengoa's consolidated income statement of €20 million and recognized under "Profit for the Year from Discontinued Operations", although there is an amount outstanding to be received subject to certain conditions whereby the total cash amount to be received could reach €111 million.

- Finally, on September 1, 2017, Abengoa has reached an agreement with the consortium formed by Macquarie Capital and Techint Engineering & Construction for the sale of the 907 MW combined cycle Norte III, in the state of Chihuahua (Mexico), signed with the Federal Electricity Commission (CFE) and retaining the same scope and price for the sale of the energy originally agreed upon Abengoa will maintain the execution of part of Norte III, corresponding to the water treatment plant.

  The transaction has had a positive net effect of €33 million on Abengoa's results.

› On the other hand, on May 24, 2017, Abengoa has reached an agreement with Prana Capital, the Infrastructure and Energy division of Artha Capital, a Mexican pension fund manager, in which the latter will invest financial resources to complement the capital provided by Abengoa towards this important project. This union has the goal of advancing the construction of this 139 km aqueduct which will supply potable water to more than one and a half million inhabitants in an efficient, sustainable and secure way, from the El Zapotillo dam to the towns of Los Altos de Jalisco and up to the city of León.

  In particular, Abengoa and Prana have signed a binding alliance in which the fund will provide complementary capital for the development of the infrastructure; while Abengoa will continue to have 20% project ownership and shall remain responsible for the engineering and construction of this key project for the company. In addition to the completion of the works, Abengoa will also be responsible for the supply, operation, maintenance of the infrastructure for a period of 25 years.

  The agreement was subject to the main parties of the project (Conagua, Banobras, Sapal, Abengoa and Prana) reaching an agreement as to the key milestones that had to be achieved to ensure the execution of the project.

As of August 25, 2017, the concessionary company Zapotillo Aqueduct S.A. de CV has communicated to the grantor the resignation without responsibility of the concession, beginning a period of negotiation between both parties to evaluate the possible scenarios contemplated in this situation for what it put on hold the agreement previously above-mentioned.

The potential impacts derived from everything previous have been considered in the valuation of the concessional asset once classified as assets held for sale.

2.2.4. Main figures

Financial data

- Revenues of €1,100 million, a 5.5% higher to the same period of 2016.
- EBITDA of €69 million, an increase of 176.7% compared to the same period of 2016.

Item	For the nine months ended 09.30.17	For the nine months ended 09.30.16	Var (%)
Income Statement (in million euros)			
Revenue	1,100	1,043	5.5
EBITDA	69	(90)	176.7
EBITDA Margin	6%	(9%)	166.7
Net Income	4,733	(5,413)	187.4
Balance Sheet			
Total Assets	7,342	11,126	(34.0)
Equity	(1,902)	(4,683)	59.4
Corporate Net Debt	3,150	5,743	(45.2)
Share Information (in million euros)			
Last price (€ per B share)	0.01	0.22	(95.5)
Capitalization (A+B share) (€ million)	259	234	10.7
Daily trading volume (€ million)	8	6	33.3

Operating figures

- The international activity represents 90% of the consolidated revenues.
- The main operating figures of September 30, 2017 and 2016 are the following:

Key operational	September 2017	September 2016
Transmission lines (km)	3,532	3,532
Water Desalination (Cap. ML/day)	475	475
Cogeneration (GWh)	163	263
Solar Power Assets (MW)	200	201
Biofuels Production (ML/year)	235	2,790

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 at September 30, 2017 and December 31, 2016 (in million euros):

Item	Balance as of 09.30.17	Balance as of 12.31.16
+ Corporate financing	3,585	7,665
- Financial investments	(256)	(150)
- Cash and cash equivalents	(179)	(278)
Total Net Debt	3,150	7,237

2.2.5. Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa at September 30, 2017 and September 30, 2016, with an explanation of the main variations between both periods (in million euros):

	Balance as of 09.30.17	Balance as of 09.30.16	Var (%)
Revenues	1,100	1,043	5.5
Operating expenses	(1,031)	(1,133)	9.0
EBITDA	69	(90)	176.7
Depreciation and amortization	(319)	(592)	46.1
I. Net Operating Profit	(250)	(682)	63.3
Financial incomes / expenses	(338)	(514)	34.2
Net Exchange rates differences and other financial incomes/expenses	6,225	(423)	1,571.6
II. Finance Cost, net	5,887	(937)	728.3
III. Share of (loss)/(profit) of associates	16	(572)	102.8
IV. Profit Before Income Tax	5,653	(2,191)	358.0
V. Income tax expense	(598)	(119)	(402.5)
VI. Profit for the year from continuing operations	5,055	(2,310)	318.8
Profit (loss) from discontinued operations, net of tax	(319)	(3,093)	89.7
Profit for the year	4,736	(5,403)	187.7
VII. Non-controlling interests	(3)	(10)	70.0
Net income attributable to the parent company	4,733	(5,413)	187.4

Revenues

Revenue has increased to €1,100 million, which is an increase of €57 million from €1,043 million in the same period of 2016. The increase in consolidated revenue is due to the increase of concessions activity, for the implementation of Khi thermo solar plant in South Africa, and the increase of the Engineering and Construction activity in the development of EPC projects mainly in areas of South America and the Middle East, partially offset by the decrease in areas of North America and South Africa.

EBITDA

EBITDA has increased in a 177% reaching €69 million, which entails a €159 million increase compared to the €-90 million of the same period of the previous year. The increase in EBITDA is mainly attributable to all the aforementioned in the revenue section in addition to the improvement generated in this period, as compared to the previous period, due to the expense recognized in September 2016 to cover possible construction costs (for contractual breaches and for the reactivation of projects given given the Company's situation at the time), which has been partially offset by an increase, in 2017, of expenses for independent professional services resulting from the consultants that became involved in the restructuring process.

Operating profit

Operating profit has increased in 63%, from loss of €682 million on September, 2016 to losses of €250 million on September, 2017. This increase in the operating profit is mainly attributable to all the mentioned before in the EBITDA section, as well as to the improvement generated, in comparison with the previous period, for the impairment expense on certain assets held for sale recognized in September 2016 given the situation in which the company was.

Net Financial Expense

Net Finance expenses have reached a profit of €5,887 million, which is an increase of 728% in comparison to a loss of €937 million in the same period of 2016. This increase in income is mainly due to the positive impact caused by the financial debt restructuring of the Group (see section 2.1), as well as the lower financial expenses, in comparison with the nine month ended September 2016, due to the losses recognized on certain divestments of financial assets as well as to the default interest expenses and guarantees executed as a result of the situation in which the company was.

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

The result of associates increase from a loss of €572 million on June, 2016 to a profit of €16 million on September, 2017. This increase is mainly due the improvement generated in this period, in comparison with the previous period, due to the impairment losses recognized in September 2016 on certain interests in associates.

Corporate Income Tax

Corporate income tax increased from a net loss of €119 million in September, 2016 to a net loss of €598 million on September, 2017. This increase in mainly attributable to income tax expenses recognized due to the positive result arisen after the financial debt restructuring of the Group (see section 2.1).

Profit for the year from continuing operations

Due to the aforementioned changes, results from continuing operations of Abengoa increased from losses of €2,310 million in September, 2016 to a profit of €5,055 million in the same period of 2017.

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

The result from discontinued operations, net of tax increase from a loss of €3,093 million on September, 2016 to a loss of €319 million in the same period of 2017. This increase is mainly attributable the improvement generated in this period, in comparison with the previous period, due to the higher impairment charges on certain discontinued assets related to the Bioenergy and LAT Brazil activity recognized in September 2016, given the situation in which the company was.

Profit attributable to the parent company

Profit attributable to the parent company increased from a loss of €5,413 million on September, 2016 to a profit of €4,733 million on September, 2017 as a consequence of the changes described in previous sections.

2.2.6. Results by activities

The following table shows the distribution between business activities of revenues and consolidated EBITDA at September 30, 2017 and September 30, 2016, with an explanation about the main variations between both periods (in million euros):

	Revenue			Ebitda			Margin	
Item	For the nine months ended 09.30.17	For the nine months ended 09.30.16	Var (%)	For the nine months ended 09.30.17	For the nine months ended 09.30.16	Var (%)	For the nine months ended 09.30.17	For the nine months ended 09.30.16
Engineering and construction								
Engineering and construction	976	934	4.5	(3)	(157)	98.1	(0.3%)	(16.8%)
Total	**976**	**934**	**4.5**	**(3)**	**(157)**	**98.1**	**(0.3%)**	**(16.8%)**
Concession-type Infrastructures								
Solar	46	26	76.9	29	16	81.3	63.0%	61.5%
Water	36	47	(23.4)	22	33	(33.3)	61.1%	70.2%
Transmission lines	-	2	(100.0)	-	-	-	0.0%	0.0%
Cogeneration and others	42	34	23.5	21	18	16.7	50.0%	52.9%
Total	**124**	**109**	**13.8**	**72**	**67**	**7.5**	**58.1%**	**61.5%**
Total	1,100	1,043	5.5	69	(90)	176.7	6.3%	(8.6%)

Engineering & Construction

Revenues in the Engineering & Construction segment has increased by 5% to €976 million, which entails an increase of €42 million compared to the €934 million of the same period last year. This increase in revenues is mainly attributable, to the increase in the development of EPC projects in areas of South Africa and Middle East partially offset by the decrease in areas of North America and South Africa.

Engineering & Construction EBITDA has increased by 98% to €-3 million, which entails an increase of €154 million, compared to the €-157 million in the same period in the last year. This increase in EBITDA is attributed to the aforementioned in the previous revenue section, along with the improvement generated in this period compared to the previous period, due to the expense that was recognized in September 2016 to cover possible construction costs (for contractual breaches reactivation of projects given the situation in which the Company was), partially offset by the increase, in 2017, expenses for services of professionals independent of the consultants involved in the restructuring process.

Concession-type Infrastructures

Revenues in concession-type infrastructures have increased by 14% to €124 million, which entails an increase of €15 million compared to the €109 million in the same period last year. This increase in revenues is mainly attributable to the income generated in the thermo-solar plant of Khi once entered into operations at the end of 2016 as well as higher performance in certain concessional-type assets like the solar-gas central (SPP1) in Algeria.

Concession-type infrastructure EBITDA has increased by 8% to €72 million, which is an increase of €5 million compared to the €67 million in the same period last year. This increase in EBITDA is also mainly attributed to what has been mentioned in the previous paragraph related to income generated in certain concessional-type assets.

2.2.7. Consolidated statement of financial position

Consolidated balance sheet

A summary of Abengoa's consolidated asset for September 30, 2017 and December 31, 2016 is given below, with main variations (in millions euros):

Item	Balance as of 09.30.17	Balance as of 12.31.16	Var (%)
Intangible assets and fixed assets	257	254	1.2
Fixed assets in projects	168	398	(57.8)
Associates under the equity method	65	823	(92.1)
Financial investments	83	65	27.7
Deferred tax assets	456	615	(25.9)
Non-current assets	1,029	2,155	(52.3)
Inventories	84	100	(16.0)
Clients and other receivable accounts	1,258	1,327	(5.2)
Financial investments	256	150	70.7
Cash and cash equivalents	179	278	(35.6)
Assets held for sale	4,536	5,904	(23.2)
Current assets	6,313	7,759	(18.6)
Total assets	7,342	9,914	(25.9)

- Non-current assets have decreased 52% to €1,029 million, which entails a decrease of €1,126 million compared to the €2,155 million at December 31, 2016. This decrease in non-current assets is mainly attributable to the classification of the Zapotillo concession asset and the investment in Atlantica Yield as assets held for sale after comply with the requirements of IFRS 5 (see section 2.2.2).
- Current assets have decreased by 19% to €6,313 million, which entails a decrease of €1,446 million as compared to the €7,759 million at December 31, 2016. This decrease in assets is mainly attributable to the sale of Bioenergy plants in Europe and the sale of Norte III (see Section 2.2.3), and the depreciation of the Brazilian real partially offset by the new non-current assets classified as held for sale.

A summary of Abengoa's consolidated liabilities as of September 30, 2017 and December 31, 2016 is given below, with main variations (in millions euros):

Item	Balance as of 09.30.17	Balance as of 12.31.16	Var (%)
Capital and reserves	(2,387)	(7,335)	67.5
Non-controlling interest	485	555	(12.6)
Total Equity	(1,902)	(6,780)	71.9
Project debt	12	12	0.0
Corporate financing	103	267	(61.4)
Grants and other liabilities	65	66	(1.5)
Provisions and Contingencies	57	51	11.8
Derivative financial instruments	1	6	(83.3)
Deferred tax liabilities and Personnel liabilities	536	176	204.5
Total non-current liabilities	774	578	33.9
Project debt	92	2,003	(95.4)
Corporate financing (*)	3,482	7,398	(52.9)
Trade payables and other current liabilities	2,115	2,654	(20.3)
Current tax liabilities	199	146	36.3
Derivative financial instruments	3	12	(75.0)
Provisions for other liabilities and expenses	22	17	29.4
Liabilities held for sale	2,557	3,886	(34.2)
Total current liabilities	8,470	16,116	(47.4)
Total Shareholders' Equity and Liabilities	7,342	9,914	(25.9)

(*) Old money debt (1,387 M€) with long-term maturity will be recorded, at the end of the 2017 period, as a non-current liability once the waivers required to prevent the event of default form occurring are obtained (see section 2.1.1 a)).

- Equity has increased by 72% to €-1,902 million, which is an increase of €4,878 million compared to €-6,780 million at December 31, 2016. This increase in equity is mainly attributable to the positive impact after the financial restructuring (see section 2.1) and the net negative evolution of Exchange rate differences given the depreciation of the Brazilian real and the depreciation of the US dollar.

- Non-current liabilities have increased by 34% to €774 million, which is an increase of €196 million compared to the €578 million at December 31, 2016 This increase is mainly due to the increase of the deferred-tax liabilities that arose from the financial restructuring (see section 2.1.3).

- Current liabilities have decreased by 47% to €8,470million, which is a decrease of €7,646 million compared to the €16,116 million at December 31, 2016. This decrease in current liabilities is mainly attributable to the increase of corporate financing due to the net impact of the financial restructuring, resulting from a derecognition of the old debt to be refinanced and a recognition of the new, already financed debt, as well as to the decrease of the assets held for sale due to the divestments of the Bioenergía plants in Europe and the Norte III power plant (see section 2.2.3.) and to the depreciation of the Brazilian real.

2.2.8. Consolidated cash flow statements

A summary of the Consolidated cash flow statements of Abengoa for the periods ended September 30, 2017 and September 30, 2016 with an explanation of the main cash flows (in million euros):

	Balance as of 09.30.17	Balance as of 09.30.16	Var (%)
Profit for the year from continuing operations	5,055	(2,310)	318.8
Non-monetary adjustments	(5,106)	2,152	(337.3)
Variations in working capital and discontinued operations	(100)	(135)	25.9
Interest received/paid	(61)	(58)	(5.2)
Discontinued operations	37	47	(21.3)
A. Net Cash Flows from operating activities	(175)	(304)	42.4
Intangible assets and property, plant & equipment	(125)	(190)	34.2
Other investments/disposals	68	454	(85.0)
Discontinued operations	17	(251)	106.8
B. Net Cash Flows from investing activities	(40)	13	(407.7)
Other disposals and repayments	133	4	3,225.0
Discontinued operations	11	245	(95.5)
C. Net Cash Flows from financing activities	144	249	(42.2)
Net increase/(decrease) of cash and equivalent	(71)	(42)	(69.0)
Cash at beginning of year	278	681	(59.2)
Translation differences cash or equivalent	(14)	(3)	(366.7)
Discontinued operations	(14)	(304)	95.4
Cash and cash equivalent at end of year	179	333	(46.2)

- As of September 30, 2017, cash outflows from operating activities amounts to €175 million compared to €304 million in the same period of 2016, due to the lower cash generated after a slight activation of the business in all segments and the decrease in working capital, mainly derived from the situation of the Group during the nine month period ended September 30, 2017 given by the strong limitation of financial resources in which the Company is subjected for more than a year and a half.

- In terms of net cash flows from investment activities, there is a net cash outflow of €40 million as of September 30, 2017, compared with a net cash outflow of €13 million in the same period of 2016. The higher cash outflow from investment activities results mainly from a reactivation of the project performance activity, net of cash inflow generated by the sale of the Bioethanol business in Europe (see section 2.2.3).

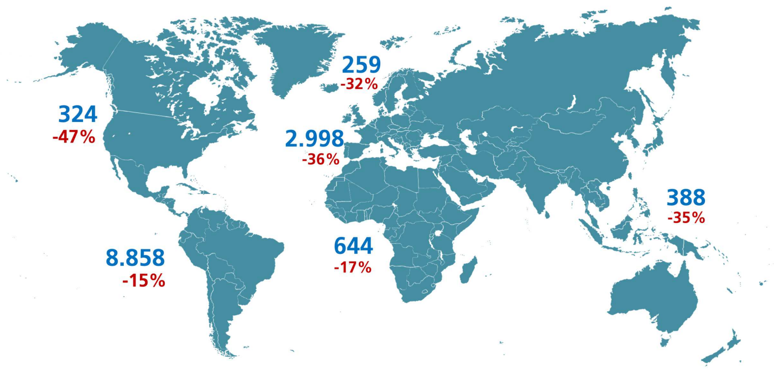
- Net cash flow from financing activities was €144 million as of September 30, 2017 compared to €249 million in the same period of 2016. Cash inflows from financing activities are mainly caused by the net cash obtained in the financial debt restructuring of the Group (see section 2.1). In September 2016, the generation of cash mainly derived from the availability of liquidity facilities that were granted at the end of March and September 2016.

2.2.9. Human resources

Abengoa's workforce is formed by 13,471 people at September 30, 2017, which is a decrease of 22.55% compared to the previous year (17,349 people).

Geographical distribution of the workforce

The 22.26% people are located in Spain while the remaining 77.74% are abroad. The total number of employees at September 30, 2017 by geographical area:



Distribution by professional groups

The average number of employees by categories as of September 30, 2017 and 2016 was:

	Average number of employees as of 09.30.17			Average number of employees as of 09.30.16		
Categories	Female	Male	Total %	Female	Male	Total %
Directors	33	298	2.3	42	397	2.5
Management	229	851	7.6	315	1,129	8.3
Engineers	664	1,573	15.7	888	2,056	17.0
Assistants and professionals	559	1,351	13.5	730	1,448	12.6
Operators	559	8,062	60.5	663	9,529	58.9
Interns	29	31	0.4	49	71	0.7
Total	2,073	12,166	100	2,687	14,630	100

3.- Information on the foreseeable evolution of the Group

To estimate the outlook for the Group, it is important to take into account the situation of the Company after the restructuring process.

In this sense, once finished the restructuring process described in section 2.1.1.a), the Company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 75 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of multifunctional work.

2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

3) Technology abilities in our target markets, mainly in solar and water energy.

4) A more efficient organization with more competitive general expenses.

5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

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.

Notwithstanding Abengoa's current situation as discussed in section 2.1 which has affected the management of the company's liquidity and capital risks, 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.

In addition 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 do 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, 2016.

5.- Information on research and development activities

R&D investments during the first nine months of the year 2017 have been €0, lower than the amount invested at September 30, 2016 (€9 million) mainly due to the situation of the Company during the nine month period ended September 30, 2017.

6.- Stock exchange evolution

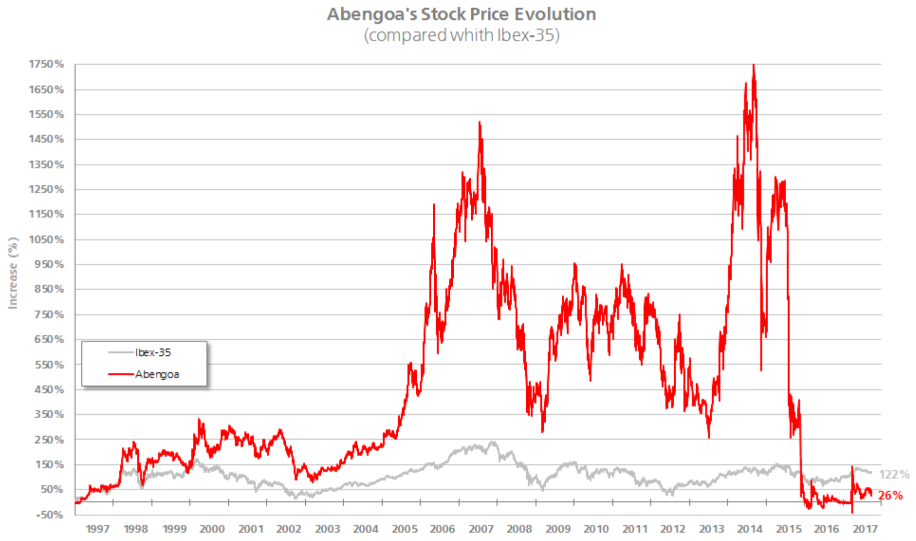
According to data provided by Bolsas y Mercados Españoles (BME), during the first nine months of the year 2017 a total of 5,652,011,312 Class A shares and 41,054,959,692 Class B shares in the company were traded, equivalent to an average daily trading volume of 29,437,559 Class A shares and 213,827,915 Class B shares. The average daily traded cash volume was €1.4 million for Class A shares and €6.1 million for Class B shares.

Share evolution	A Shares		B Shares	
	Total	Daily	Total	Daily
Volume (thousands of shares)	5,652,011	29,438	41,054,960	213,828
Volume (M€)	278.0	1.4	1,169.7	6.1

Quotes	A Share	Data	B Share	Data
Last	0.0320	29-sep	0.0120	29-sep
Maximum	0.9690	27-mar	0.3170	24-mar
Minimum	0.0280	25-april	0.0100	07-jul

The last price of Abengoa's shares at the end of the nine months period ended September 30, 2017, was €0.03 for Class A shares, a 92% lower than at the end of 2016; and €0.01 per Class B share, 94% lower than at the end of 2016, mainly for the impact of share capital increase carried out in the frame of the Company´s restructuring plan, and that has implied the emission of 1,577 million new Class A shares and 16,316 million Class B shares.

Since its IPO in the Spanish stock exchange in November 29, 1996, the value of the Company has increased by 26%. The selective IBEX-35 index has risen by 122% 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 has 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 5 June 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, 2017 treasury stock amounted to 5,557,184 shares, of which 5,522,480 correspond to class A and 34,704 correspond to class B.

Regarding the operations carried out during the period, there has not been treasury stock transferred and the number of treasury stock purchased amounted to 34,704 class B shares and zero class A shares.

8.- Corporate governance

On January 26, 2017, the Board of Directors of the Company resolved to accept the resignation of Mr. Javier Targhetta Roza as director. Subsequently, on February 27, 2017, the Board of Directors resolved to appoint Mr. José Luis del Valle Doblado as member of the Appointments and Remunerations Committee following the resignation from Mr. Javier Targhetta Roza.

On March 23, 2017, the Board of Directors of the Company, at the proposal of the Appointments and Remunerations Committee, resolved appoint by means of co-optation the existing vacancy after the dismissal of Mr. Javier Targhetta Roza, appointing as Director to Mr. Miguel Antoñanzas Alvear, as independent Director. Additionally, was appointed as member of the Appointments and Remunerations Committee replacing Mr. José Luis del Valle Doblado who left such committee.

On May 19, 2017 the Board of Directors of the Company resolved to accept the resignation of Mr. Miguel Antoñanzas Alvear as director. Likewise, that same meeting of the Board of Directors resolved to appoint Mr. José Luis del Valle Doblado as member of the Appointments and Remunerations Committee following the resignation from Mr. Miguel Antoñanzas Alvear.

The General Shareholders' Meeting of the Company, held on second call on June 30, 2017, approved the maintenance of the vacancy left by the resignation of Mr. Miguel Antoñanzas Alvear prior to the convening of the General Shareholders ‘Meeting, providing that it could proceed to cover it by cooptation at a later time.

On July 13, 2017, the Board of Directors of the Company, following the proposal made by the Appointments and Remunerations Committee, unanimously resolved to cover the vacancy existing in the Board of Directors following the approval of the General Shareholders Meeting held on 30 June 2017, by appointing Mr. Josep Piqué Campsas an independent director. Likewise, he was also appointmented member of the Appointments and Remunerations Committee replacing Mr. José Luis del Valle Doblado who ceased to be a member of such Committee

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, at least, 2023, date in which the last Old Money financing is expected to be repaid. The prohibition on dividends also affects "Abengoa Abenewco 1, S.A.U." ("AbeNewco 1") and "Abengoa Abenewco 2, S.A.U." ("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 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.

10.- Relevant events reported to the CNMV

Detail of written communications to the CNMV corresponding to the first nine months of 2017 and until the business evolution report’s date:

- Written Communication of 01/17/2017.- Abengoa announces the beginning of the Supplemental Accession Period.
- Written Communication of 01/26/2017.- The Company announces the extension of the Participation Deadline.
- Written Communication of 01/26/2017.- The Company announces changes in its Board of Directors.
- Written Communication of 01/31/2017.- Abengoa announces the extension of the Participation Deadline.
- Written Communication of 02/03/2017.- Abengoa announced final percentage of support to the restructuring agreement.
- Written Communication of 02/07/2017. - Abengoa announces admission to trading of new Class B shares derived from the 20th Conversion Period.
- Written Communication of 02/08/2017.- Correction in connection with the relevant fact published yesterday.
- Written Communication of 02/14/2017.- Abengoa, to complete the Transaction, announces a waiver request under the Restructuring Agreement.
- Written Communication of 02/27/2017.- Abengoa announces changes in the Appointments and Remunerations Committee.
- Written Communication of 02/28/2017.- Abengoa announces the approval of the consent requested to Creditors on February 14.
- Written Communication of 02/28/2017.- The Company announces the Annual corporate governance report.
- Written Communication of 02/28/2017. - The Company announces the Annual report from the appointments and remunerations committee.
- Written Communication of 02/28/2017.- Abengoa announces second quarter results for 2016.
- Written Communication of 02/28/2017.- Abengoa announces 2016 results and is nearing the completion of its financial restructuring.
- Written Communication of 03/16/2017.- Abengoa announces the sale of the Bioethanol Plants in Europe.
- Written Communication of 03/17/2017.- Abengoa announces the Restructuring Documents Approval.

- Written Communication of 03/23/2017.- Abengoa announces the appointment of an independent director.
- Written Communication of 03/23/2017.- Abengoa announces advances in the restructuring process.
- Written Communication of 03/28/2017.- Abengoa announces the Restructuring Steps Commencement Date and the execution of corporate resolutions.
- Written Communication of 03/29/2017.- Abengoa announces the registration of the share capital increase.
- Written Communication of 03/30/2017.- Abengoa announces the verification of the Prospectus of the new shares and admission to trading.
- Written Communication of 03/31/2017.- Abengoa announces completion of the Restructuring.
- Written Communication of 05/04/2017.- Abengoa announces admission to trading of notes issued in the framework of the restructuring.
- Written Communication of 05/04/2017.- Standard form for the notification of Home Member State is referred.
- Written Communication of 05/04/2017.- Standard form for the notification of Home Member State is referred.
- Written Communication of 05/12/2017.- Abengoa completes its financial restructuring and announces results for the first quarter of 2017.
- Written Communication of 05/19/2017.- Abengoa announces the admission to trading of the Class B Shares corresponding to the 21st Conversion Period.
- Written Communication of 05/19/2017.- Abengoa announces changes in the Board of Directors.
- Written Communication of 05/26/2017.- Abengoa announces 2017 General Shareholders' Meeting.
- Written Communication of 06/01/2017.- Abengoa announces that it has completed the sale of the Bioethanol Business in Europe.
- Written Communication of 06/05/2017.- Abengoa announces the termination of the Liquidity Agreement.
- Written Communication of 06/29/2017.- Abengoa announces that it has signed a new agreement for the development of an extension of a desalination plant.
- Written Communication of 06/30/2017.- Abengoa announces resolutions approved by the General Shareholders' Meeting.
- Written Communication of 06/30/2017.- The Company releases the Chairman's discourses during the Ordinary General Shareholders' meeting held today.
- Written Communication of 07/13/2017.- Abengoa announces the appointment of a new independent director.
- Written Communication of 08/08/2017.- Abengoa announces the admission to trading of the new Class B shares following the end of the 22ndº conversion period.
- Written Communication of 09/01/2017.- Abengoa announces the sale of Norte III.
- Written Communication of 09/25/2017.- Abengoa announces first half 2017 earnings conference call.
- Written Communication of 09/26/2017.- Abengoa announces the ruling of the court in the challenges to the restructuring agreement and cancels the results presentation.
- Written Communication of 09/27/2017.- Abengoa announces first half 2017 earnings conference call.
- Written Communication of 09/27/2017.- Abengoa announces results corresponding to H1 2017.
- Written Communication of 09/28/2017.- H1 2017 results presentation.
- Written Communication of 10/31/2017.- Abengoa announces that the request to supplement the ruling on contestations has been dismissed and that the corresponding exemptions have been granted.
- Written Communication of 11/01/2017.- Abengoa announces the sale of 25% of Atlantica Yield plc and a strategic agreement with Algonquin Power & Utilities Corp.
- Written Communication of 11/02/2017.- Abengoa announces Access numbers for the call to be held today at 1 pm.
- Written Communication of 11/02/2017.- Presentation of sale of 25% of Atlantica Yield and strategic agreement with Algonquin.

- Written Communication of 11/07/2017.- Abengoa announces admission to trading of new Class B shares after the 23rd Conversion Period.
- Written Communication of 11/13/2017.- Abengoa announces results for the first nine months of 2017 in a conference call.

11.- Subsequent events

- On November 1st, 2017 it has entered into a sale purchase agreement with Algonquin Power & Utilities Corp., a growth-oriented renewable energy and regulated electric, natural gas and water utility company (the "Purchaser", "Algonquin" or "APUC"), for the sale of a stake of 25% of the issued share capital of Atlantica Yield plc. ("AY"). The sale will become effective once certain conditions precedent have been fulfilled, among others, the approval of the transaction by certain regulatory authorities as well as the Company's creditors (the "25% Sale").

  The agreed purchase price of 24.25USD per share is subject to certain deductions included in the agreement as well as transaction costs. In addition, the parties have further agreed an earn-out mechanism by which Abengoa will benefit from 30% of the first 2.00 USD of Atlantica Yield's share price revaluation, implying a maximum additional amount of 0.60 USD per share. The earn-out structure will be triggered on the first anniversary of the closing of the transaction.

  The capital gain will be effective upon closing the transaction, on the date hereof it is estimated that it will be of approximately 96M€.

  As part of the transaction, the Company has also granted the Purchaser an option to acquire the remaining 16.5% of the Company's stake in AY under the same conditions and at the same price, subject to the US Department of Energy approval, during a period that expires 60 days following completion of the 25%Sale, as well as a right of first refusal to be exercised during the first quarter of 2018.

  Within the conditions precedent required to close the transaction, the Company is in process of obtaining a waiver from the U.S. Department of Energy (DOE) which will allow reducing Abengoa's current participation percentage up to 16% in the first instance. To reach this goal, an agreement has been reached by and between Abengoa S.A. (Abengoa), Arizona Solar One (the company behind the Solana Project) and the DOE, among others, wherefore Abengoa acknowledged a debt derived from the obligations that it secured under the parent company's guarantee agreement and, more specifically, under the production guarantee for the Engineering, Procurement and Construction Contract (EPC), and which are considered as accrued as of today.

  To sell the remaining 16.5%, the parties intent to continue negotiating an agreement by which those obligations associated to the agreed-upon payment schedule and due in December 2018 would be replaced in exchange for an extension of all its current obligations as contractor for the project, for an additional four-year period starting upon expiry of the original guarantee period (effective in April 2017). Likewise, in addition to the aforesaid production guarantee extension, negotiations are underway on several commitments to be made by Abengoa, as contractor, to improve said power plant performance.

  Additionally, on November 1st, 2017, the Company and Algonquin have entered into a memorandum of understanding ("MOU") to, among other things, jointly incorporate a global utility infrastructure company with the purpose of identifying, developing, constructing, owning and operating a portfolio of global utility infrastructure projects ("AAGES").

  The incorporation of AAGES provides an opportunity to leverage on the strengths of each the partners, and help pursuing their mutual and complementary interests. For Abengoa it is an opportunity to strengthen its core EPC and O&M businesses while for Algonquin AAGES will be their international project development platform. In addition, AAGES will provide AY with an ongoing pipeline of compelling asset investment opportunities.

- After-closure of September 30, 2017, no other 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.