Consolidated condensed financial statements as of December 31, 2018 and 2017

ABENGOA

Innovative technology solutions for sustainability

01. Consolidated condensed financial statements

01.1 Consolidated condensed statements of financial position as of December 31, 2018 and 2017

Consolidated statements of financial position as of December 31, 2018 and 2017

- Amounts in thousands of euros -

Assets	Note (1)	31/12/2018	31/12/2017
Non-current assets			
Goodwill		-	-
Other intangible assets		46,645	63,574
Intangible assets	8	46,645	63,574
Property, plant & equipment	8	141,733	171,410
Concession assets in projects		343,941	158,633
Other assets in projects		3,029	6,039
Fixed assets in projects (project finance)	9	346,970	164,672
Investments in associates carried under the equity method	10	15,266	33,873
Available for sale financial assets	11	1,143	2,316
Other receivable accounts	11	25,944	37,956
Derivative assets	11 y 12	939	481
Financial investments	11	28,026	40,753
Deferred tax assets		136,709	375,814
Total non-current assets		715,349	850,096
Current assets			
Inventories	13	60,445	74,696
Trade receivables		430,527	667,993
Credits and other receivables		172,288	296,784
Clients and other receivables	14	602,815	964,777
Available for sale financial assets	11	1,759	2,508
Other receivable accounts	11	127,949	192,355
Derivative assets	11 y 12	3	101
Financial investments	11	129,711	194,964
Cash and cash equivalents		204,600	195,870
		997,571	1,430,307
Assets held for sale	7	2,116,859	4,078,194
Total current assets		3,114,430	5,508,501
Total assets		3,829,779	6,358,597

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed financial statements as of December 31, 2018

Consolidated statements of financial position as of December 31, 2018 and 2017

- Amounts in thousands of euros -

Equity and liabilities	Note (1)	31/12/2018	31/12/2017
Equity attributable to owners of the Parent			
Share capital	15	35,866	36,089
Parent company reserves		495,063	(5,888,236)
Other reserves		(10,066)	(1,896)
Fully or proportionally consolidated entities		(1,180,636)	(1,202,956)
Associates		2,451	15,438
Accumulated currency translation differences		(1,178,185)	(1,187,518)
Retained earnings		(3,721,307)	4,171,700
Non-controlling Interest	16	127,613	462,073
Total equity		(4,251,016)	(2,407,788)
Non-current liabilities			
Project debt	17	95,015	11,197
Borrowings		62,252	620,278
Notes and bonds		1,116	858,597
Financial lease liabilities		6,864	7,511
Other loans and borrowings		129,418	124,845
Corporate financing	18	199,650	1,611,231
Grants and other liabilities		113,290	52,275
Provisions and contingencies		61,794	53,866
Derivative liabilities		125,058	523,286
Personnel liabilities	28	11,996	8,088
Total non-current liabilities		606,803	2,259,943
Current liabilities			
Project debt	17	224,671	96,754
Borrowings		1,777,016	798,850
Notes and bonds		1,907,228	901,094
Financial lease liabilities		7,127	8,466
Other loans and borrowings		516,128	324,118
Corporate financing	18	4,207,499	2,032,528
Trade payables and other current liabilities	21	1,360,509	1,882,217
Income and other tax payables		315,800	128,260
Provisions for other liabilities and charges		20,372	23,286
		6,128,851	4,163,045
Liabilities held for sale	7	**1,345,141**	**2,343,397**
Total current liabilities		7,473,992	6,506,442
Equity and liabilities		3,829,779	6,358,597

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed financial statements as of December 31, 2018

01. Consolidated condensed financial statements

01.2 Consolidated income statements for the year 2018 and 2017

Consolidated income statements as of December 31, 2018 and 2017

- Amounts in thousands of euros -

	Note (1)	2018	2017
Revenue	5	1,302,726	1,479,768
Changes in inventories of finished goods and work in progress		1,938	615
Other operating income		79,812	161,869
Raw materials and consumables used		(531,232)	(773,113)
Employee benefit expenses		(326,664)	(344,156)
Depreciation, amortization and impairment charges	5	(40,132)	(405,011)
Other operating expenses		(338,145)	(398,052)
Operating profit		148,303	(278,080)
Financial income	22	7,169	21,222
Financial expense	22	(417,292)	(438,094)
Net exchange differences		13,822	50,206
Other financial income/(expense), net	22	(1,162,455)	6,121,989
Financial expense, net		(1,558,756)	5,755,323
Share of profit (loss) of associates carried under the equity method	10	107,399	(72,680)
Profit (loss) before income tax		(1,303,054)	5,404,563
Income tax (expense) benefit	23	(131,584)	(824,726)
Profit for the year from continuing operations		(1,434,638)	4,579,837
Profit (loss) from discontinued operations, net of tax	7	(53,031)	(295,819)
Profit for the year		(1,487,669)	4,284,018
Profit attributable to non-controlling interests	16	(10,192)	(793)
Profit attributable to non-controlling interests discontinued operations	16	-	(5,455)
Profit for the year attributable to the parent company		(1,497,861)	4,277,770
Weighted average number of ordinary shares outstanding (thousands)	25	18,836,119	14,608,342
Basic earnings per share from continuing operations (€ per share)	25	(0.077)	0.31
Basic earnings per share from discontinued operations (€ per share)	25	(0.003)	(0.02)
Basic earnings per share attributable to the parent company (€ per share)		(0.08)	0.29
Weighted average number of ordinary shares affecting the diluted earnings per share (thousar	25	19,704,004	15,489,112
Diluted earnings per share from continuing operations (€ per share)	25	(0.073)	0.30
Diluted earnings per share from discontinued operations (€ per share)	25	(0.003)	(0.02)
Diluted earnings per share attributable to the parent company (€ per share)		(0.08)	0.28

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed financial statements as of December 31, 2018

01. Consolidated condensed financial statements

01.3 Consolidated statements of comprehensive income for the year 2018 and 2017

Consolidated statements of comprehensive income for the years 2018 and 2017

- Amounts in thousands of euros -

	2018	2017
Profit for the period after income tax	(1,487,669)	4,284,018
Items that may be subject to transfer to income statement:		
Change in fair value of available for sale financial assets	-	52
Change in fair value of cash flow hedges	3,352	64,206
Currency translation differences	7,127	(422,792)
Tax effect	(3,586)	(14,676)
Net income/(expenses) recognized directly in equity	6,893	(373,210)
Valuation of financial assets available for sale	-	(1,911)
Cash flow hedges	(10,789)	(10,249)
Tax effect	2,697	2,562
Transfers to income statement for the year	(8,092)	(9,598)
Other comprehensive income	(1,199)	(382,808)
Total comprehensive income for the period	(1,488,868)	3,901,210
Total comprehensive income attributable to non-controlling interest	(7,830)	74,252
Total comprehensive income attributable to the parent company	(1,496,698)	3,975,462
Total comprehensive income attributable to the parent company from continuining operations	(1,480,086)	4,230,078
Total comprehensive income attributable to the parent company from discontinued operations	(16,612)	(254,616)

(1) Notes 1 to 29 are an integral part of these Consolidated condensed financial statements as of December, 2018

01. Consolidated condensed financial statements

01.4 Consolidated statements of changes in equity as of December 31, 2018 and 2017

Consolidated statements of changes in equity for years ended December 31, 2018 and 2017

- Amounts in thousands euros -

	Attributable to the owners of the Company						
	Share capital	Parent company and other reserves	Accumulated currency translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Balance at December 31, 2016	1,834	680,270	(845,411)	(7,171,830)	(7,335,137)	555,169	(6,779,968)
Profit for the year after taxes	-	-	-	4,277,770	4,277,770	6,248	4,284,018
Other comprehensive income (loss)	-	39,798	(342,107)	-	(302,309)	(80,500)	(382,809)
Total comprehensive income (loss)	-	39,798	(342,107)	4,277,770	3,975,461	(74,252)	3,901,209
Treasury shares	-	78	-	-	78	-	78
Capital increase	34,822	443,560	-	-	478,382	-	478,382
Capital decrease	(567)	567	-	-	-	-	-
Distribution of 2016 profit	-	(7,054,405)	-	7,054,405	-	-	-
Transactions with owners	34,255	(6,610,200)	-	7,054,405	478,460	-	478,460
Scope variations and other movements	-	-	-	11,355	11,355	(18,844)	(7,489)
Scope variations, acquisitions and other movements	-	-	-	11,355	11,355	(18,844)	(7,489)
Balance at December 31, 2017	36,089	(5,890,132)	(1,187,518)	4,171,700	(2,869,861)	462,073	(2,407,788)
Profit for the year after taxes	-	-	-	(1,497,861)	(1,497,861)	10,192	(1,487,669)
Other comprehensive income (loss)	-	(8,170)	9,333	-	1,163	(2,362)	(1,199)
Total comprehensive income (loss)	-	(8,170)	9,333	(1,497,861)	(1,496,698)	7,830	(1,488,868)
Capital decrease	(223)	223	-	-	-	-	-
Distribution of 2017 profit	-	6,383,200	-	(6,383,200)	-	-	-
Transactions with owners	(223)	6,383,423	-	(6,383,200)	-	-	-
Scope variations and other movements	-	(124)	-	(11,946)	(12,070)	(342,290)	(354,360)
Scope variations, acquisitions and other movements	-	(124)	-	(11,946)	(12,070)	(342,290)	(354,360)
Balance at December 31, 2018	35,866	484,997	(1,178,185)	(3,721,307)	(4,378,629)	127,613	(4,251,016)

Notes 1 to 29 are an integral part of these Consolidated condensed financial statements as of December 31, 2018

01. Consolidated condensed financial statements

01.5 Consolidated condensed cash flow statements for the year ended 2018 and 2017

Consolidated condensed cash flow statements for the years 2018 and 2017

- Amounts in thousands of euros -

	2018	2017
I. Profit for the period from continuing operations	(1,434,638)	4,579,837
Non-monetary adjustments	1,607,897	(4,661,667)
II. Profit for the year from continuing operations adjusted by non monetary items	173,259	(81,830)
III. Variations in working capital and discontinued operations	(9,826)	(23,006)
Income tax paid/collected	(8,569)	(2,966)
Interest paid	(141,697)	(90,145)
Interest received	2,498	11,168
Discontinued operations	12,461	45,885
A. Net cash provided by operating activities from continuing operations	28,126	(140,894)
Intangible assets and property, plant & equipment	(161,027)	(160,733)
Other investments/disposals	899,568	68,156
Discontinued operations	(55,316)	35,701
B. Net cash used in investing activities from continuing operations	683,225	(56,876)
Other disposals and repayments	(773,769)	122,288
Discontinued operations	83,579	11,060
C. Net cash provided by financing activities from continuing operations	(690,190)	133,348
Net increase/(decrease) in cash and cash equivalents	21,161	(64,422)
Cash, cash equivalents and bank overdrafts at beginning of the year	195,870	277,789
Translation differences cash or cash equivalent	(47)	(15,022)
Elimination of cash and cash equivalents classified as assets held for sale during the year	(12,384)	(2,475)
Cash and cash equivalents at end of the year	204,600	195,870

01. Consolidated condensed financial statements

01.6 Notes to the Consolidated condensed financial statements as of December 31, 2018 and 2017

Índice

Notes to the Consolidated Condensed Financial Statements as of December 31, 2018

Note 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 December 31, 2018, was made up of 372 companies: the parent company itself, 334 subsidiaries, 22 associates and 15 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 Note 2.2.1, on March 31, 2017, the Restructuring Completion Date established in the Restructuring Agreement has taken place 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.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and water sectors, developing energy infrastructures (by producing conventional and renewable energy and transporting and distributing energy), providing solutions to the entire water cycle (by developing water desalination and treatment processes and performing hydraulic structures) and promoting new development and innovation horizons (related to renewable energy storage and new technologies for the promotion of sustainability and of energy and water-use efficiency).

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.

As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, in line with the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and subsequently on January 21, 2019, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of December 31, 2018 and 2017. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

These Consolidated condensed financial statements have been formulated by the Board of Directors on February 25, 2019.

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

Note 2.- Basis of presentation

The Group's Consolidated financial statements corresponding to the fiscal year ended December 31, 2017 were prepared by the Directors of the Company in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU), applying the principles of consolidation, accounting policies and valuation criteria described in Note 2 of the notes to the aforementioned Consolidated financial statements, so that they present the faithful image of the Group's equity and financial position as of December 31, 2017 and the consolidated results of its operations, the changes in the consolidated net equity and the consolidated cash flows for the financial year ending on that date.

The Group's consolidated financial statements corresponding to the 2017 financial year were approved by the General Shareholders' Meeting of the Abengoa, S.A. held on June 25, 2018.

These Consolidated condensed financial statements are presented in accordance with IAS (International Accounting Standard) 34, 'Interim Financial Reporting' approved by the European Union.

These Consolidated condensed financial statements have been prepared based on the accounting records of Abengoa S.A. and the subsidiary companies which are part of the Group, and include the adjustments and re-classifications necessary to achieve uniformity between the accounting and presentation criteria followed by all the companies of the Group (in all cases, in accordance with local regulations) and those applied by Abengoa, S.A.

In accordance with IAS 34, Consolidated condensed interim financial information is prepared solely in order to update the most recent annual Consolidated financial statements prepared by the Group, placing emphasis on new activities, occurrences and circumstances that have taken place during the year ended December 31, 2018 and not duplicating the information previously published in the annual Consolidated condensed financial statements for the year ended December 31, 2017. Therefore, the Consolidated condensed financial statements do not include all the information that would be required in complete Consolidated financial statements prepared in accordance with the International Financial Reporting Standards as issued by the European Union.

In view of the above, for an adequate understanding of the information, these Consolidated condensed financial statements must be read together with Abengoa's consolidated financial statements for the year ended December 31, 2017.

On the other hand, inform that Argentina should be considered a hyperinflationary economy for accounting purposes for periods ending after July 1, 2018, since the accumulated inflation for the last three years using the wholesale price index has now exceeded the 100%; this implies that the transactions in 2018 and the non-monetary balances at the end of the period must be restated in accordance with IAS 29-Financial Information in Hyperinflationary Economies, to reflect a current price index at the balance sheet date, before being included in the Consolidated financial statements. Abengoa has subsidiaries in Argentina, whose weight is not relevant in the condensed summary financial statements, therefore the impact derived from this situation has not been significant.

In determining the information to be disclosed in the notes to the Consolidated condensed financial statements, the Group, in accordance with IAS 34, has taken into account its materiality in relation to the Consolidated condensed financial statements.

The amounts included within the documents comprising the Consolidated condensed financial statements (Consolidated Statements of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Condensed Cash Flow Statement and notes herein) are, unless otherwise stated, all expressed in thousands of Euros

Likewise, and unless otherwise stated, any presented percentage of interest in subsidiaries, joint ventures (including temporary joint operations) and associates includes both direct and indirect ownership.

2.1. Restructuring process

2.1.1. Restructuring process situation update

The following summary shows the relevant facts which took place during the year 2018 until the publication of the present Consolidated condensed financial statements, in relation with the financial restructuring process realized in Abengoa:

a) In relation to the financial restructuring process, it should be noted that;

- In relation to the Restructuring Agreement closed on March 31, 2017, (see Note 2.2.1 of the 2017 Consolidated Financial Statements) during the year 2018, meetings have continued to be held with the challengers for the purposes of negotiating and reaching an agreement on the claimed debt. Following said negotiation period, a preliminary agreement has been reached with some of the challengers to restructure their debt, either by issuing a new instrument in terms substantially similar to those of the Senior Old Money but equally classified as senior, or by issuing new Senior Old Money securities in the specific case of one of the challengers, as decided by the pertaining challengers. For said purposes, on April 30, 2018 the Group requested its creditors to authorize the implementation of said agreement which was rejected by the creditors. As of the date of this Consolidated condensed financial statements, the Company has reached agreements with certain groups of challengers which have entailed the waiver by said challengers of their debt claim against the company. Notwithstanding the above, the company remains working on a restructuring proposal with those challengers with whom reaching an agreement for said challengers to waive the pertinent legal actions has not been yet possible.

- In addition to the aforementioned, and as Note 2.1.2. explains, the Company remains working on additional actions that allow to ensure its viability in the short and medium term. In this respect, the Board of Directors approved, at their meetings of December 10, 2018 and January 21, 2019, a new 10-year Viability Plan which, along with the new financial restructuring process in which the Company is involved at the date of these Condensed Consolidated Financial Statements, will allow it to continue with its activity in a competitive and sustainable manner in the future.

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

- In the month of June 2018, all the conditions precedent were fulfilled, resulting in the closing of the operation and the transmission of the assets in operation to the Texas Pacific Group, paying 80% of the price of the assets, which are used to process the payments to creditors as established in the Judicial Recovery Plan. The remaining 20% of the price has been paid during the third quarter of 2018, coinciding with the completion of the audit of the assets.

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

- The Delaware Reorganization Plan continues to be managed by the *Responsible Person* designated by the Court while the Liquidation Plan continues to be administered by the *Liquidating Trustee* appointed by the Court. In both cases, both the *Responsible Person* and the *Liquidating Trustee* have the obligation to examine the insinuations of debt and claims filed by the different debtors in order to determine the origin of the same. The *Person Responsible* and the *Liquidating Trustee* are responsible for accepting the origin or not of the debts and claims as well as their transaction, if applicable. The Chapter 11 process is therefore kept open until all the claims filed by the debtors are resolved and all the requirements set forth in the plan are met, including the dissolutions and liquidations of the companies classified as *non-go forward companies*.

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

- Under the approved Bankruptcy Agreement, approved on January 22, 2018 Abengoa México S.A. de C.V. (here in after Abemex), committed to make a payment, in favor of its recognized creditors with the degree of common, of 10% of the outstanding principal balance of the final credit in two installments, the first on March 25, 2018 and the second on June 25, 2018 (‘Second Principal Term’). In addition, the first period of ordinary interest runs from the date on which the judgment of approval took effect until June 25, 2018, which must be paid in three installments, the first payment being on June 25, 2018 (‘First Third of Interest’).

In relation to the foregoing, and as regards the payment of the Second Principal Term and the First Term of the First Third of Interest:

(i) 50% of the amount corresponding to the Second Principal Term and the First Third of Interest for the first period was paid by Abemex on June 26, 2018, as communicated through a relevant event of the same date as the payment to the Mexican Stock Exchange; and

(ii) the remaining 50% of the amount corresponding to the Second Principal Term and the First Third of Interest for the first period was paid by Abemex on July 5, 2018, as communicated by means of a relevant event dated July 6, 2018 to the Mexican Stock Exchange.

Although the previous payments have been a breach of Abemex of the obligations assumed in the Bankruptcy Agreement, since they were made on dates other than those agreed and partially, which means in accordance with the Bankruptcy Agreement an early expiration of the final loan automatically, Abemex had no knowledge of the receipt of any communication urging the payment of the final credit derived from the aforementioned delay and partial payment of the Second Term of Principal and First Term of Interest.

Likewise, the company, by means of a relevant event, published on September 21, 2018, informed the market that, due to its financial situation, the Company will not be able to meet the obligation assumed in the Bankruptcy Agreement, consisting of the payment to be made on September 25, 2018. The company also reported that, together with its financial and legal advisers, it was analyzing the financial situation in order to prepare a strategic plan that allows the long-term viability of the company.

› By the ruling dated November 14, 2018, Mexico's Auxiliary Unitary Circuit Court of the Seventh Region (Tribunal Unitario de Circuito Auxiliar de la Séptima Región) resolved to revoke the insolvency agreement approval ruling. By virtue of said decision, dated November 22, 2018, the Sixth Court of Civil Affairs in Mexico City resolved, among other things, to declare the Company to be in an insolvency status until such time as a new agreement approval decision, or whatever the Law requires, is issued.

› Abengoa México filed means of challenge against the aforementioned decisions and still remains in a negotiation process with its creditors for the purpose of reaching an agreement that guarantees its financial feasibility and the equitable treatment of its creditors.

e) <u>In relation to the Judicial Recovery process in Brazil on Abengoa Bioenergía Brasil, the following should be noted:</u>

› On August 7, 2018 a first call for the meeting of creditors took place. Due to the lack of quorum, this meeting was suspended and held on second call on August 21, 2018, in which the creditors decided to keep open and postpone the vote on the potential recovery plan to be presented and still in the due diligence phase. At present, creditors have not yet voted to approve the pertinent recovery plan; in fact, creditors have always opted to keep the decision to approve the plan open and to postpone it on different occasions, as on October 4, 2018; November 8, 2018, and December 12, 2018. An agreement was reached at the creditors' meeting held on February 12, 2019 to postpone it again to March 13, 2019.

f) <u>Regarding the restructuring process carried out in Perú and Uruguay</u>

› During the 2018 period, Abengoa Perú executed a new financial restructuring agreement and the corresponding payment took place on October 29, 2018.

› During the 2018 period, Teyma Sociedad de Inversión, S.A., Teyma Uruguay, S.A., Consorcio Ambiental del Plata, and Teyma Medioambiente, S.A. executed, as co-borrowers and jointly with Operación y Mantenimiento Uruguay, S.A., Etarey, S.A., y Teyma Forestal, S.A. as guarantors, a new financial restructuring agreement where the payment took place on December 17, 2018.

g) <u>Regarding Construcciones Metálicas Mexicanas, S.A. de C.V</u>

› The Company Construcciones Metálicas Mexicanas, S.A. of C.V. requested voluntary bankruptcy on February 8, 2018 before the Fifth District Court in civil matters of Mexico City. This request was admitted for processing on April 20, 2018, starting from that date the completion of the procedural phases prior to the declaration of bankruptcy and in accordance with the applicable legislation. Finally, on September 24, 2018, the Fifth District Court in civil matters of Mexico City notified the company of the declaration of insolvency contained in judgment dated on September 21, 2018.

› The provisional list of credits proposed by the conciliator was published in December 2018 and, on the basis thereof, the Judge published the final list of credits in January 2019.

› By resolution of the plenary session of the Twelfth Collegiate Court of Mexico City, the award of one of the properties in which the plant is located has been confirmed, in favor of Banco Autofin, S.A. ("Autofin") derived and in relation to the commercial executive judgment filed by Autofin against Comemsa, before the Fifty-Seventh Civil Court of Mexico City, under file 145/2016.

› Within the bankruptcy proceedings, Autofin filed a motion to remove its assets that was admitted. The admission of said motion was challenged by Comemsa and said appeal is pending resolution.

› On the other hand, a Comemsa creditor filed a motion, admitted on February 6, 2019, to change the backdating date for the purpose of challenging the judgement whereby the property was allocated to Autofin. On February 15, 2019, an additional creditor adhered to this request requesting the Court to adopt the resolution concerning the change of the backdating date; said motion is pending resolution.

h) 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 2018 period, and as a continuation to the normal company liquidation procedure, the administrative receiver has made a preliminary distribution of the available funds following the sale of the asset among the insolvency estate's creditors. At present, the administrative receiver continues verifying the accuracy and origin of certain creditor claims, pursuant to the usual insolvency and liquidation procedures in Holland.

i) Finally, an update of the Spanish bankruptcy proceedings is included:

› Abengoa Research, S.L. (hereinafter, "AR") filed a request for voluntary bankruptcy on October 27, 2017. This request was admitted for processing on November 13, 2017 by the Commercial Court No. 2 of Seville, which issued an order declaring the voluntary bankruptcy. Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration but retains the faculties of administration and disposition of its assets with all its duties and responsibilities. By order of March 2, 2018, the judge agreed to open the liquidation phase requested by AR on February 26, 2018, leaving the powers of administration and disposition of AR over its assets and declaring AR dissolved, ceasing its Directors functions, which would be replaced by the Insolvency Administration. By order of May 17, 2018, the judge approved the Liquidation Plan for the assets and rights of AR.

› Abencor Suministros, S.A. filed an application for voluntary bankruptcy of creditors dated March 28, 2018. This request was admitted for processing and on April 27, 2018 the Commercial Court No. 2 of Seville issued an order stating the voluntary bankruptcy of the company agreeing the processing of the same by the channels of the ordinary procedure (number 312/2018). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration but retains the faculties of administration and disposition of its assets with all its duties and responsibilities.

› Servicios Integrales de Mantenimiento y Operación, S.A. (hereinafter, "Simosa") filed a request for voluntary bankruptcy on April 14, 2018. This request was admitted for processing and on May 23, 2018 the Commercial Court No. 2 of Seville issued an order declaring the voluntary bankruptcy of the company agreeing the processing of the same through the channels of the ordinary procedure (number 388/2018). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration, but it retains the faculties of administration and disposition of its assets with all its duties and responsibilities.

› Simosa IT, S.A. (hereinafter, "Simosa IT") was declared to be in an involuntary bankruptcy procedure through an order issued by Commercial Court no. 2 of Seville on November 12, 2018. The competent Court has resolved to process the insolvency procedure through ordinary procedure (court order no. 232/2018). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The administration of the Company has been intervened by the Bankruptcy Administration.

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

› Abengoa Bioenergía Nuevas Tecnologías, S.A. (hereinafter, "ABNT") filed a request for voluntary bankruptcy on February 1, 2019, but no notice of commencement has been issued at the date of these Condensed Consolidated Financial Statements.

2.1.2. Going concern

Once the Restructuring Agreement described in Note 2.2.1 to the Consolidated Financial Statements for the year 2017 is completed, the company has been developing the Revised Viability Plan August 2016 agreed 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 Revised Viability Plan August 2016 focused the activity in the energy and environmental industry, combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has developed a competitive advantage, mainly of technological kind, which allows a bigger added value projects. The mentioned Revised Viability Plan August 2016 projected a 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 in markets of high potential growing such as energy and water.

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

4) A more efficient organization with a competitive level of 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 last years, which has been affected by a strong limitation of financial resources for more than two years, has significantly influenced the evolution of the business not only in terms of a generalized slowdown and deterioration of the Group's operations but also as a result of numerous insolvency or bankruptcy proceedings involving companies not included in the Revised Viability Plan August 2016.

Consequently, the parent company, Abengoa, S.A., has incurred in losses since 2015, which has supposed a significant decrease in Equity and as a consequence at December 31, 2016 presented a negative net equity. In the parent company Abengoa S.A., the 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, and the continuance of its activity to operate in a competitive and sustainable manner in the future.

Nonetheless, after the financial restructuring process that concluded in March 2017 the activity has taken longer than expected to recover and, hence, in order to ensure the viability of the Group in the short and medium term and for it to be able to continue with its activity in a competitive and sustainable manner in the future, the following becomes necessary:

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

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

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

In order to achieve these objectives, the Company has been working on additional actions, specifically a new 10-year viability plan, as well as a financial restructuring process.

In this respect, as reported in the relevant event dated September 30, 2018, Abengoa has signed with the main creditors of New Money 2 and New Bonding a term sheet, subject to the conditions that will be specified later, including the signing of definitive documentation, in order to establish the bases to the aforementioned financial restructuring, that includes, among other issues, the granting of new liquidity for a maximum amount of 97 million euros, and new lines of guarantees for amount of 140 million euros, to finance the group's liquidity needs and guarantees (the 'Financing Agreement').

The Financing Agreement implies modifications in the structure of the group's financial debt, mainly the following:

› A convertible instrument will be issued at the level of A3T for a maximum amount of €97m. This instrument will mature in 2023 and will accrue a 9% annual return (the 'A3T Convertible').

› New Money 1 and 3 will maintain its current economic terms and conditions as well as current preferential rights therefore, remaining unaltered. This debt will not be repaid upon completion of a long-term refinancing of the A3T project, which is expected to occur during the first quarter of 2019.

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

› Creditors holding 55% of New Money 2 facilities that remain at the level of Abenewco 1 and bonding providers will waive the mandatory repayment event that would otherwise arise as a result of receiving the proceeds from the Convertible, as well as any proceeds obtained in the future from a sale of said convertible, and have changed their economic terms.

› That a mandatory convertible instrument which will convert into shares representing up to 22.5% of the share capital of Abenewco 1 is issued to New Money 2 creditors that remain in Abenewco 1, to holders of the A3T Convertible and to the "Comité Ad Hoc" members.

The Financing Agreement is contingent on compliance with certain conditions precedent as well as the obtention of the necessary consent from financial creditors in accordance with current financing arrangements.

Furthermore, in order to optimize the financial structure of the Group and facilitate access to new financing in the future, the Company reached an agreement in December 2018 with a group of investors holding significant interest in the Old Money instruments to consent to an Old Money restructuring. The terms of said restructuring, which have been briefly described below, have been equally offered to the challengers.

› Creation of a new company, Abenewco 2 Bis, to which Abenewco 1 shares held by Abenewco 2 will be contributed and which will assume the Senior Old Money debt.

› Senior Old Money instruments, which will maintain their current nominal value albeit their economic terms will be modified, will be exchanged by a convertible instrument issued by Abenewco 2 Bis. Payment, when due, will be made with the Group's free cash flow available over a minimum amount, and everything that fails to be serviced with cash will be subject to an obligatory conversion to Abenewco 2 Bis shares representing up to 100% its capital stock.

› Junior Old Money instruments, which will maintain their current nominal value albeit their economic terms will be modified, will be exchanged by two convertible instruments issued by Abenewco 2 through which they may be exchanged to shares representing up to 99.9% Abenewco 2's capital stock. Payment of the first instrument, when due, will be made with the Group's free cash flow available over a minimum amount to be determined, and everything that fails to be serviced with cash will be subject to an obligatory conversion to Abenewco 2 shares.

› These new instruments will mature in 5 years or 5 years and 6 months, respectively, from the date of issuance with a possibility to be extended for one-year periods up to 5 additional years at the creditors' discretion.

› These instruments will be converted following the current order of priority of the instruments that they replace.

As part of the aforementioned financial restructuring process, Abengoa executed, on December 31, 2018 a Lock Up agreement (the "lock-up agreement") with a group of financial entities and investors holding the majority of New Money 2, the syndicated guarantee facilities and Senior Old Money, as well as with the new liquidity bookrunners, by virtue of which said creditors have agreed the following, among other matters: (i) to stay certain rights and actions under such facilities vis-à vis the relevant Group companies until any of these events take place, whichever occurs first: the date when the Lock-Up Agreement ends pursuant to its own terms or the Expiration Date, which was originally set on January 31, 2019 and subsequently extended to March 14, 2019 (the "Long-Stop Date"), (ii) to take all actions to support, facilitate, implement, consummate or otherwise give effect to the financial restructuring proposal and, in particular, enter into negotiations with a view to agreeing and executing a restructuring agreement on or prior to the Long-Stop Date, and (iii) agree not to sell or otherwise transfer their debt until the Long-Stop Date or the date of termination of the Lock-up Agreement, except under certain circumstances.

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

The majority required for the Lock-Up Agreement to be in effect was reached on January 28, 2019. Subsequently, on January 31, 2019, Abengoa informed that the Lock-Up Agreement end date (Long Stop Date) was extended to March 14, 2019.

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

The initial deadline for New Money 2 and Senior Old Money bondholders to approve the requested amendments to the bonds and sign the restructuring agreement has been set for March 21, 2019 and, as for Junior Old Money, for March 8, 2019, notwithstanding that said deadline may be extended.

At the date of these Condensed Consolidated Financial Statements the Restructuring Agreement is being drafted; and its signature will be announced by the Company through the pertaining Relevant Fact.

On the other hand, and as explained above, the Company has been working, within its current financial restructuring context, on a new 10-year viability plan that will allow it to lay the foundations to ensure its viability in the short and medium term.

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

The main hypotheses in said Viability Plan include:

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

Based on the foregoing, Abengoa´s Directors have considered appropriated to prepare these Consolidated condensed financial statements at December 31, 2018 on a going concern, considering the fundamental aspects of the new Viability Plan approved, which will be reinforced by the Financing Agreement and the aforementioned restructuring proposal, currently underway. 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 the Annual Consolidated financial statements for year ended 2017) in order to record the assets, liabilities, revenues and expenses as of December 31, 2018 in accordance with the existing information by the time of preparing these Consolidated condensed financial statements.

2.1.3. Restructuring process accounting impacts

As indicated on Note 2.2.1 of the Consolidated financial statements for the year ended 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 on 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, market price has been taken as reference 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 considering 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 have been applied 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 €6,208 million (€5,730 million in the income statement and €35 million in share capital, and €443 million in capital share and share premium). The following table shows the breakdown of such impacts (in million euros):

Concept	Amount
Decrease of debt to be refinanced at its carrying amount	8,330
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	6,208

On the other hand, and as Note 2.1.2. states, the Company is currently working on additional actions to ensure the viability of the Group in the short and medium term, which include a new financial restructuring process that is currently underway at the date of publication of these Condensed Consolidated Financial Statements.

One of the milestones of said restructuring process was the execution of a "Lock-Up Agreement" dated December 31, 2018 with several financial creditors, as the aforementioned Note 2.1.2. states, as well as the initiation of an accession period to said agreement as a step prior to the signature of the restructuring agreement ("Restructuring Agreement"). At the date of these Financial Statements, financial creditors representing the majority of the New Money 2, syndicated guarantee facility and Senior Old Money financial instruments have already acceded to the Lock-Up Agreement, hence giving their consent to the restructuring proposal.

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

Nonetheless creditors, by acceding to the Lock-Up Agreement, agree on one hand to stay certain rights and actions under such facilities vis-à vis the different Group companies, which include exercise of enforcement actions and, on the other hand, to overlook the noncompliance derived from the signature of the Lock-Up Agreement until any of these events take place, whichever occurs first: the date when the Lock-Up Agreement ends pursuant to its own terms or the Expiration Date, which was originally set on January 31, 2019 and subsequently extended to March 14, 2019 (the "Long-Stop Date").

As a consequence of the above, and since the Company facilities which are subject of the Lock-Up Agreement (New Money 2, Guarantee Facility and Old Money) were in a transitional status of technical non-compliance at the balance end date which resulted from the execution itself of said Lock-Up Agreement, and since the consent to said non-compliance situation agreed-upon by financial creditors in the Agreement itself was established for up to the "Long Stop Date", this is, up to January 31, 2019, and subsequently extended to March 14, 2019, Abengoa has applied the provisions set forth in IAS 1 "Presentation of Financial Statements" and has proceeded to reclassify the Old Money debt from non-current liabilities to current liabilities of the Statement of Financial Position. As for New Money 2 financing, it has not entailed any reclassification as it was already entered under current liabilities at December 31, 2017.

As mentioned above, the Company's creditors agreed, by signing the Lock-Up Agreement, to temporarily stay the exercise of certain rights and actions under such facilities vis-à vis the different Group companies. Nonetheless, since said stay will not meet the minimum period of twelve months after the reporting period, as required in IAS 1, paragraphs 64 et seq., said classification has been deemed convenient.

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

Said adjustment has entailed a negative impact on the Consolidated Income Statement for an amount of €1,060 million recognized under "Other finance costs – Finance expenses due to restructuring" (see Note 22), counterbalanced by "Corporate Financing" of current liabilities of the Consolidated Statement of Financial Position at the end of the 2018 period.

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

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

Once the restructuring process under the current terms concludes, it is estimated that said debt will be recognized under Non-current liabilities in the Consolidated Financial Statement.

Consequently, this negative impact at the end of the 2018 period does not reflect Abengoa's future financial status which, at the Directors' discretion, and upon conclusion of the Restructuring Process in which the Company is involved at the date of these Condensed Consolidated Financial Statements, will be contingent upon the compliance of the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and January 21, 2019, and associated to the Group's ability to generate resources from its operations and to obtain sufficient liquidity as required by the recovery of the market to continue with its activity in a competitive and sustainable manner.

2.2. Application of new accounting standards

a) Standards, amendments and interpretations yet entered into force, but which may be adopted in advance of the years beginning after January 1, 2018:

The following standards, whose application is mandatory, have been adopted by the Group:

› IIFRS 9 'Financial Instruments'. This Standard will be effective from January 1, 2018 under IFRS-EU.

› IFRS 15 'Ordinary revenues proceeding from contracts with Customers'. IFRS 15 is applicable for periods beginning on or after 1 January 2018 under IFRS-EU, earlier application is permitted, that has already been adopted by the EU on September 22, 2016 and published in the official bulletin of the EU on October 29, 2016.

In this sense, in relation of the impacts that could have the changes introduced in those rules, indicate the following:

› IFRS 9, "Financial Instruments", the main changes identified that could lead to a review of processes, internal controls and systems and an impact on the consolidated financial statements of the Group are summarized below:

- Accounting for hedges; the standard aims to align the application of hedge accounting with the Group's risk management by establishing new requirements with a principle-based approach.

- Impairment of financial assets; the standard replaces a model of losses incurred in IAS 39 with an expected loss for the next 12 months or for the life of the instruments in the light of the significant increase in risk.

- Classification and valuation of financial assets; the standard establishes a new classification to reflect the business model where the main classification categories are: a) assets at amortized cost (assets to maturity to receive the contractual flows: principal and interest), b) assets at fair value against results (assets to trade) and c) assets at fair value against equity (when the previous business models are given). Therefore, the categories of instruments held for sale are eliminated from IAS 39.

The Company has developed an "expected loss" model, carrying out an assessment and estimation of the provision for impairment required due to the application of this new "expected loss" model on the financial assets. This is a first-time application adjustment that has been registered in the amount of €8 million in these Consolidated condensed financial statements.

› IFRS 15, "Ordinary revenues proceeding from contracts with Customers", substitutes from the annual exercise initiated on January 1, 2018 the following procedure in effect nowadays:

- IAS 18 "Income from ordinary activities"

- IAS 11 "Construction contracts"

- IFRIC 13 "Customer Loyalty Programmes"

- IFRIC 15 "Agreements for the Construction of real estate"

- IFRIC 18 "Transfers of assets from customers"

- SIC-31 "Revenue- Barter Transactions Involving Advertising Services"

According to IFRS 15, revenue should be recognised in such a way that the transfer of goods or services to customers is disclosed at an amount that reflects the consideration to which the entity expects to be entitled in exchange for such goods or services. This approach is based on five steps:

- Step 1: Identify the contract or contracts with a customer.

- Step 2: Identify the obligations under contract.

- Step 3: Determine the Price of transaction.

- Step 4: Allocate the Price of transaction among the contract obligations.

- Step 5: Recognize revenues when (or as) the entity complies with each of the obligations.

- IFRS 15 (Modification): Clarifications to IFRS 15 “Incomes from contracts with customers”.

  The main changes identified that led to a review of processes, internal controls and systems and the possible impacts on the Consolidated condensed financial statements of the Group are summarized below:

  (i) Identification of the different performance obligations in long-term contracts and assignment of price to each obligation; the standard could mainly affect the long-term contracts of the Engineering and Construction activities related to the execution of turnkey projects where the performance is now recognized based on a single performance obligation and, under the new rule, the result could be recognized based on the different performance obligations that can be identified with the consequent effect that this new criterion could imply by the difference in the recognition of income, as long as the margin of those obligations already performed is different from the one currently performed performance obligation.

  (ii) Approval in the recognition of income for modifications of the contract and items subject to claim; the standard establishes explicit approval by the client, rather than the probability of approval requirement of the current standard, and could lead to differences in revenue recognition that can only be recorded when the customer approves and not when it is probable that the client to accept the change. In addition, and in the case of modifications or claims in which the client has approved the scope of the work, but their valuation is pending, the income will be recognized for the amount that is highly probable that does not produce a significant reversal in the future.

  (iii) Identification and recognition of the costs of obtaining a contract (IFRS 15 p.91) and costs of compliance with a contract (IFRS 15, p.95); The specific rule that only those costs identified as incremental can be capitalized, being necessary a detailed analysis of the expectations of recovery of the same.

  (iv) Contract combination (IFRS 15 p.17): the standard states that two or more contracts made at a close point in time with the same client will be accounted as a single contract provided certain criteria are met (interdependence of the Price, joint negotiation or existence of a single compliance obligation).

  An assessment was carried out under the estimation that the expected impact of the application of this standard in the Group’s consolidated annual accounts does not mean that revenue recognition significantly differs from the one applied at present, and hence, no relevant equity impact had been registered as first-time application adjustment on the Consolidated condensed financial statements.

- Yearly improvements to IFRS Cycle 2014 - 2016 (published December 8, 2016).

- IFRS 2 (Amendment) “Classification and valuation of share-based payment transactions"

- IAS 40 (Modification) "Transfer of investment property"

- IFRIC 22 Transactions and advances in foreign currency establishing the "transaction date" to purposes of determining the exchange rate applicable in transactions with currency foreign.

  The application of the mentioned improvements, modifications and interpretations have not represented a significant impact in the Consolidated condensed interim financial statements.

b) Standards, amendments and interpretations applied to existing standards that have not entered into force for the European Union but can be adopted with advance notice at the date of formulation of these Condensed consolidated statements:

- Introduction of IFRS 16 "Leases" that replaces IAS 17. Tenants will include all leases in the balance sheet as if they were financed purchases. This amendment will be applicable for annual periods beginning on or after January 1, 2019, although it has been approved for use in the European Union.

- Amendment of IFRS 9 “Prepayment Features with Negative Compensation”. The amendment to the IFRS 9 clarifies that a party may pay or receive reasonable compensation for the early termination of the contract, which may allow these instruments to be measured at amortized cost or at fair value through other comprehensive income. This amendment will be effective for annual periods beginning January 1, 2019, with earlier application permitted.

- IFRIC 23, “Uncertainty over Income Tax Treatments”: The interpretation provides requirements that add to the requirements in IAS 12 “Income Taxes”, by specifying how to reflect the effects of uncertainty in accounting for income taxes. This interpretation clarifies how the recognition and measurement requirements of IAS 12 are applied where there is uncertainty over income tax treatments. This interpretation will be effective for annual periods beginning January 1, 2019, with earlier application permitted.

- IAS 28 (Amendment) "Long-term interests in associates and joint ventures”

- Yearly improvements to IFRS Cycle 2015-2017. Amendments that affect to IFRS 3, IFRS 11, IAS 12 and IAS 23-

- IAS 19 (Amendment)- “Modification, reduction or liquidation of the plan”.

The Group is analyzing the impacts that the new regulations may have. However, it is estimated that there will be no significant impact for the Consolidated condensed financial statements.

c) Standards, amendments and interpretations applied to existing standards that cannot be adopted in advance or have not been adopted to date by the European Union at the date of publication of the present Consolidated condensed interim financial statements:

› IFRS 10 (Amendment) "Consolidated Financial statements" and IAS 28 (Amendment) "Selling Assets between an investor and his joint business" in relation to the treatment of the sale or contribution of goods between an investor and its associate or joint venture. The application of these modifications has been delayed without a defined date of application.

› Amendment to IAS 28 "Investments in Associates and Joint Ventures". This narrow-scope amendment clarifies that long-term interests in an associate or joint venture that, in essence, form part of the net investment in the associate or joint venture, but to which the equity method is not applied, are accounted following the requirements of IFRS 9 "Financial Instruments". Likewise, IASB has published an example that illustrates how the IAS 28 and IFRS 9 requirements are to be applied with respect to said long-term interests. This amendment will be effective for annual periods beginning January 1, 2019, with earlier application permitted.

› Annual Improvements to IFRS Standards. 2015 - 2017 Cycle: These amendments affect IFRS 3, IFRS 11, IAS 12 and IAS 23 and shall apply to annual periods beginning on January 1, 2019; all of them being subject to adoption by the EU. The main amendments refer to:

- IFRS 3 "Business Combinations": A previously-held interest in a joint operation is remeasured when an entity obtains joint control of that business.

- IFRS 11 "Joint Arrangements": When an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- IAS 12 "Income Taxes": All income tax consequences of the payment of dividends shall be accounted for in the same way.

- IAS 23 "Borrowing Costs": Any specific borrowing originally made to develop a qualifying asset becomes part of the general borrowings when the asset is ready for its intended use or sale.

› Amendment to IAS 19 "'Plan Amendment, Curtailment or Settlement". This amendment specifies how entities must determine pension benefit costs when changes occur in a defined benefit plan. This amendment is effective as of January 1, 2019, subject to adoption by the European Union.

› Amendment to IFRS 3 "Definition of a Business": These amendments will help to determine whether an entity has acquired a business or a group of assets and will be applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on January 1, 2020, and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

› Amendment to IAS 1 and IAS 8 "Definition of Material": These amendments clarify the definition of "material". They shall apply to annual periods beginning January 1, 2020, with earlier application permitted.

The Group is currently analyzing the impact that these new regulations may have, although they are not expected to entail significant impact on the Group's consolidated financial statements.

Note 3.- Critical accounting policies

These Consolidated condensed financial statements under IFRS-EU standards require estimates and assumptions that have an impact in assets, liabilities, income, expenses and disclosures related. Actual results could be shown differently than estimated. The most critical accounting policies, which show the most significant estimates and assumptions of the business to determine the amounts in these Consolidated condensed financial statements, are:

› Valuation of assets classified as held for sale.

› Revenue and expense from construction contracts.

› Service concession agreements.

› Income taxes and recoverable amount of deferred tax assets.

› Guarantees provided to third parties.

Some of these critical accounting policies require the development of significant judgment by The Board of Directors in order to determine appropriate assumptions of and estimates to determine these critical accounting policies. These estimates and assumptions of are not only based on historical experience of the Company, but also, on the advice of experts and consultants, as well as expectations and forecasts as of the end of the reporting period. Directors´ assessment has to be considered given the business environment of the industries and geographies in which the Group operates, taking into account the future development of the business. Provided its nature, these judgments and assumptions are subject to an inherent degree of uncertainty and, thus, the real results may materially differ from assumptions of and estimates used. Upon the occurrence of such event, assets and liabilities would be adjusted.

Based on what has been exposed in Note 2.1.2 regarding the application of the going concern accounting principle and during the accounting policies adaptation process, the best estimates and assumptions have been made by the Board of Directors in order to determine the impacts of that situation over the assets, liabilities, income and expenses recorded therein.

Upon the occurrence of a significant change in the facts and circumstances upon which estimates and assumptions have been made, management might be required the management to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Note 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 note 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.

These Consolidated condensed financial statements 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, 2017.

Note 5.- Financial information by segment

5.1. Information by business segment

- As indicated in Note 1, Abengoa's activity is grouped under the following two activities:
  - Engineering and construction; includes the traditional engineering business 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, biofuels 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.
- As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, in line with the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and subsequently on January 21, 2019,, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of December 31, 2018 and 2017. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.
- Abengoa's Chief Operating Decision Maker ('CODM') assesses the performance and assignment of resources according to the above identified segments. The CODM in Abengoa considers the revenues as a measure of the activity and the EBITDA (Earnings before interest, tax, depreciation and amortization) as measure of the performance of each segment. In order to assess the performance of the business, the CODM receives reports of each reportable segment using revenues and EBITDA. Net interest expense evolution is assessed on a consolidated basis given that the majority of the corporate financing is incurred at the holding level and that most investments in assets are held at project companies which are financed through project debt. Amortization and impairment charges are assessed on a consolidated basis in order to analyse the evolution of net income and to determine the dividend pay-out ratio. These charges are not taken into consideration by CODM for the allocation of resources because they are non-cash charges.

› The process to allocate resources by the CODM takes place prior to the award of a new project. Prior to presenting a bid, the company must ensure that the project debt for the new project has been obtained. These efforts are taken on a project by project basis. Once the project has been awarded, its evolution is monitored at a lower level and the CODM receives periodic information (revenues and EBITDA) on each operating segment's performance.

a) The following table shows the Segment Revenues and EBITDA for period ended December 31, 2018 and 2017:

	Revenue			Ebitda		
Item	2018	2017	Var (%)	2018 (1)	2017 (1)	Var (%)
Engineering and construction	1,111,659	1,316,624	(16)	75,017	24,904	201
Concession-Type infrastructure	191,067	163,144	17	113,418	102,027	11
Total	1,302,726	1,479,768	(12)	188,435	126,931	48

1) Includes fees by independent professionals other than the advisors who participated in the restructuring process amounting to €28 million and €52 million at December 31, 2018 and 2017, respectively.

The reconciliation of segment EBITDA with the profit attributable to owners of the parent is as follows:

Item	2018	2017
Total segment EBITDA	188,435	126,931
Amortization and depreciation	(40,132)	(405,011)
Financial expenses net	(1,558,756)	5,755,323
Share in profits/ (losses) of associates	107,399	(72,680)
Income tax expense	(131,584)	(824,726)
Profit (loss) from discontinued operations, net of tax	(53,031)	(295,819)
Profit attributable to non-controlling interests	(10,192)	(6,248)
Profit attributable to the parent company	(1,497,861)	4,277,770

b) The assets and liabilities by segment as of December 31, 2018 and December 31, 2017 are as follows:

Item	Engineering & Const.	Concession-Type Infrastructure	Balance at 12.31.18 (1)
Allocated Assets			
Intangible Assets	46,645	-	46,645
Property, Plant and Equipment	141,733	-	141,733
Property, Plant and Equipment in Projects	1,682	345,288	346,970
Current Financial Investments	112,040	17,671	129,711
Cash and Cash Equivalents	171,470	33,130	204,600
Allocated Subtotal	473,570	396,089	869,659
Unallocated Assets			
Non-current Financial Investments	-	-	28,026
Deferred Tax Assets	-	-	136,709
Other Current and Non-current Assets	-	-	678,526
Assets Held for Sale and Discontinued Operations	-	-	2,116,859
Unallocated Subtotal			2,960,120
Total Assets			3,829,779

Item	Engineering & Const.	Concession-Type Infrastructure	Balance at 12.31.18 (1)
Allocated Liabilities			
Debt with Financial Institutions and Current and Non-current Bonds	4,356,058	51,091	4,407,149
LT & ST Non-recourse Financing	4,473	315,213	319,686
Allocated Subtotal	4,360,531	366,304	4,726,835
Unallocated Liabilities			
Grants and Other Liabilities	-	-	113,290
Provisions and Contingencies	-	-	61,794
Deferred Tax Liabilities	-	-	125,058
Employee Benefit Liabilities	-	-	11,996
Other Current Liabilities	-	-	1,696,681
Held-for-Sale Liabilities	-	-	1,345,141
Unallocated Subtotal			3,353,960
Total Liabilities			8,080,795
Unallocated Equity	-	-	(4,251,016)
Total Liabilities and Unallocated Equity			(897.056)
Total Liabilities			3,829,779

1) See Note 7 for a better understanding of assets and liabilities classified as non-current liabilities held for sale given the compliance with the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'..

Item	Engineering & Cost.	Concession-Type Infrastructure	Balance at 12.31.17 (2)
Allocated Assets			
Intangible Assets	61,811	1,763	63.574
Property, Plant and Equipment	171,237	173	171.410
Property, Plant and Equipment in Projects	1,018	163,654	164.672
Current Financial Investments	194,964	-	194.964
Cash and Cash Equivalents	195,870	-	195.870
Allocated Subtotal	624,900	165,590	790.490
Unallocated Assets			
Non-current Financial Investments	-	-	40.753
Deferred Tax Assets	-	-	375.814
Other Current and Non-current Assets	- -	- -	1.073.346
Held-for-sale Assets (1)	-	-	4.078.194
Unallocated Subtotal			5.568.107
Total Assets			6.358.597

Item	Engineering & Cost.	Concession-Type Infrastructure	Balance at 12.31.17 (2)
Allocated Liabilities			
LT & ST Corporate Financing	3,586,741	57,018	3,643,759
LT & ST Non-recourse Financing	1,220	106,731	107,951
Allocated Subtotal	3,587,961	163,749	3,751,710
Unallocated Liabilities			
Grants and Other Liabilities	-	-	52,275
Provisions and Contingencies	-	-	23,286
Deferred Tax Liabilities	-	-	523,286
Employee Benefit Liabilities	-	-	8,088
Other Current Liabilities	-	-	2,064,343
Held-for-Sale Liabilities	-	-	2,343,397
Unallocated Subtotal			5,014,675
Total Liabilities			8,766,385
Unallocated Equity	-	-	(2,407,788)
Total Liabilities and Unallocated Equity			2,606,887
Total Liabilities			6.358.597

(1) It includes Atlantica Yield, Plc within the "Non-Current Assets Held for Sale and Discontinued Operations" section.
(2) See Note 7 for a better understanding of assets and liabilities classified as non-current liabilities held for sale given the compliance with the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'.

The criteria used to obtain the assets and liabilities per segment, are described as follows:

› With the objective of presenting liabilities by segment, net corporate debt has been allocated to the segment Engineering and Construction, as it will be the activity in which Abengoa will focus over the next few years as established in the new 10 years Viability Plan approved (see Note 2.1.2) and in line with the prior Revised Viability Plan of August 2016.

c) The distribution of depreciation, amortization and impairment charges by segments for the period ended at December 2018 and 2017 is as follows:

Item	2018 (1)	2017 (1)
Engineering and Construction	(70,605)	(51,244)
Concession-Type Infrastructures	30,473	(353,767)
Total	(40,132)	(405,011)

1) This section includes a positive impact amounting to €39 million for the reversal of the impairment loss of certain assets classified within the "Non-Current Assets Held for Sale and Discontinued Operations" section (see Note 7.2.)

5.2. Information by geographic areas

The revenue distribution by segments for period ended December 31, 2018 and 2017 is as follows:

Geographical region	2018	%	2017	%
- North America	212,901	16%	194,947	13%
- South America (except Brazill)	305,039	23%	324,237	22%
- Brazil	40,890	3%	45,864	3%
- Europe (except Spain)	121,873	9%	148,370	10%
- Africa	203,642	16%	255,453	17%
- Middle East	268,817	21%	353,309	24%
- Other regions	12,143	1%	10,203	1%
- Spain	137,421	11%	147,385	10%
Consolidated Total	1,302,726	100%	1,479,768	100%
Outside Spain amount	1,165,305	89%	1,332,383	90%
Spain amount	137,421	11%	147,385	10%

Note 6.- Changes in the composition of the Group

6.1. Changes in the consolidation group

During the year 2018 a total of 6 subsidiary and 2 associated companies and 4 joint-ventures were added to the consolidation perimeter of the Group.

In addition, 35 subsidiaries, 56 associated companies and 5 joint ventures are no longer included in the consolidation group.

6.2. Main acquisitions and disposals

a) Acquisitions

During the year2018 there were no significant acquisitions.

b) Disposals

- During the year 2018, two significant disposals took place: the completion of sale of 25% de Atlantica Yield and the operating transmissions lines in Brazil as part of the Divestment plan established in the Updated Viability Plan, detailed as follows:

  - On November 1, 2017 Abengoa S.A. 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"). In addition, the parties agreed on an "earn-out" mechanism under which Abengoa could benefit from 30% of the first 2 USD in which the share of AY is revalued, up to a maximum of 0.60 USD per share.

    On March 9, 2018, the Company announced that the operation with Algonquin Power & Utilities Corp has been completed for a total price of USD 607 million, where the debt repayment has reached 510 million of US dollars approximately, according to the New Money financing agreements.

    On April 17, 2018, Abengoa announced that has reached an agreement for the sale of its remaining 16.47 % stake of Atlantica Yield to Algonquin Power & Utilities Corp. (APUC). This new sale was subject to certain conditions precedent which include the approval of the transaction by certain regulatory bodies and by Abengoa's creditors.

    Likewise, an agreement was signed where Abengoa agrees to indemnify Algonquin in case there is a reduction in the annual dividend distributed by Atlantica Yield derived from the performance of the plants, limited by a CAP of 0.30 USD per share and compensable with the "earn-out" described above.

    On November 22, 2018, the Company announced that the conditions precedent required to complete the sale of 16.47% had been met, thus completing the divestment of the total of 41.47% shares that it held on Atlantica Yield.

    As agreed upon in the aforesaid agreement signed in April 2018 to sell 16.47% of Atlantica Yield's shares, the price was 20.90 USD per share (last closing price of Atlantica Yield prior to the agreement), which entailed a premium of 6.2% over the closing market price on April 16 and 8% over the closing market price of November 21, 2018. The operation has represented a total amount of 345 MUSD, which must be reduced by 20 MUSD by way of transaction costs and other deductions, as well as by 40 MUSD which will be temporarily withheld until certain contingencies are released. On November 27, 2018, the net amount obtained, 285 MUSD, was used towards the partial repayment of the New Money 1 debt pursuant to the financing agreements.

    As a consequence of the above, a positive impact for an amount of €108 million was registered on December 31, 2018 on the Consolidated Income Statement as a difference between the book value and the sale value of 41.47% of the stock shares.

  - Within the judicial recovery process initiated in Brazil on the transmission line activity, on December 13, 2017 the transmission lines in operation were awarded to the North-American company TPG Capital, previously named Texas Pacific Group, for an amount of 482 million of Brazilian Real. The transaction is subject to authorization from the power regulatory agency Agencia Nacional de Energía Eléctrica (Aneel), the National Bank for Economic and Social Development (BNDES), the Banco da Amazônia bank and bond holders.

    On May 30, 2018, all the conditions precedent were fulfilled for the sale in public auction within the Judicial Recovery to Texas Pacific Group of the transmission lines in operation in Brazil for an amount of 482 million Brazilian real.

- On December 20, 2018, the subsidiary Abeinsa Asset Management, S.L. formalized the sale of its interest in the company named Cogeneración Villaricos, S.A. to Neoelectra SC Fuente de Piedra Gestión, S.L.U., with a sale price of €5.2 million.

6.3. Business combinations

During the year 2018, there have not been further business combinations in the Group.

Note 7.- Assets held for sale and discontinued operations

The asset disinvestment plan started at the end of 2014 Abengoa's Board of Directors, on September 23, 2015, aimed to reinforce its financial structure through the implementation of the plan through the sale or partial divestment, in case of external equity partners, of certain assets through a new plan that involves the divestment of those assets included in the initial plan which had not been sold at that date, as well as the new assets which were incorporated. Based on this disinvestment plan, others assets have been incorporated given the situation of the Company and the Updated Viability Plan approved by the Board of Directors last August 3, 2016, as well as the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and subsequently on January 21, 2019 (see Note 2.1) conforming the asset disinvestment plant of the company.

7.1. Assets in the asset disinvestment plan

The table below shows the included assets of such plan which at December 31, 2018, were classified as non-current assets held for sale in the Consolidated statement of financial position because of the compliance of all the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations':

Asset	Details	Capacity	Net book value of asset 12.31.18 (2)
Solar Power Plant One (SPP1) (1)	Combine cycle in Algeria	150 MW	159,134
Manaus Hospital (1)	Concession in Brazil	300 beds / 10,000 persons	112,346
Xina Solar One (1)	Solar plant in South Africa	100 MW	87,787
Tenés / Ghana / Chennai (1)	Desalination plants	360,000 m3/day	227,398
Zapotillo	Drinking Water Pipeline in Mexico	139 km	-
Abent 3T (A3T) and ACC4T (1)	Cogeneration plants in Mexico	840 MW	523,637
ATN 3, S.A. (1)	Transmission lines in Peru	355 km	80,269
ATE XVI-XXIV (1)	Transmission lines in Brazil	6,218 km	222,608
Bioetanol	Bioethanol plant in Brazil	235 ML	263,682
San Antonio Water System	Drinking Water Pipeline in USA	50,000 acre	17,662
Iniciativas Hidroelectricas, S.A.	Hidroelectric concession in Spain	4,376 kw	3,636
Inapreu, S.A.	Court concession in Spain	-	850

(1) Circumstances and the loss of control of these companies since last August 2015 (see Note 2.1) are delaying the disinvestment process. However, the intention of Directors remains to sale such companies as established in the Updated Viability Plan approved by the General Shareholders meeting in August 2016.

(2) Net book value of asset includes Property plant and equipment, Fixed assets in projects and Investments in associates. Additionally, and in cases which it applies, accumulated impairments up to June 30, 2017 coinciding with the reasonable value detailed in Note 7.2. For further detail of the remaining assets and liabilities held for sale see note 7.3

7.2. Asset impairment analysis

a) Changes in the classification

In the 2018 period, Khi Solar One solar thermal power plant in South Africa ceased being classified under "Non-current assets and liabilities held for sale" as it no longer met the cases and requirements of IFRS "Non-Current Assets Held for Sale and Discontinued Operations" according to the deadlines established in the approved 10-Year Viability Plan for the divestment of said asset. In addition, and based on the aforementioned 10-Year Viability Plan, the San Antonio Water System has been classified under "Non-current assets and liabilities held for sale" as it meets the cases and requirements set forth in IFRS 5.

b) Impairment on the assets

As of December 31, 2018, a positive net impact of assets classified as held for sale and discontinued operations for an amount of € 38 million was recognized as a difference between their net book value and their fair value less costs to sell. The main positive impact corresponds to the agreement reached with suppliers for the sale of the main equipment, as well as the updates of the corresponding fair values of certain assets.

7.3 Detail of assets held for sale

At December 31, 2018 and December 31, 2017, the details of assets and liabilities classified under assets and liabilities held for sale in the consolidated statement of financial position are as follow:

Item	Balance as of 12.31.18	Balance as of 12.31.17
Property plant and equipment	8,222	532
Fixed assets in projects	1,577,905	2,795,925
Investments in associates	112,882	737,213
Financial investments	47,898	68,293
Deferred tax assets	32,134	63,786
Current assets	337,818	412,445
Project debt	(858,745)	(1,656,941)
Corporate financing	(70,114)	(66,640)
Other non-current liabilities	(208,226)	(322,505)
Other current liabilities	(208,056)	(297,311)
Total net assets and liabilities held for sale	771,718	1,734,797

7.4. Details of discontinued operations

a) Brazilian transmission lines

› At December 31, 2018 and 2017, the details of the companies which owned the concession assets of the Brazilian transmission lines which were restated under the heading of profit (loss) from discontinued operations on the income statement are as follows:

Item	2018	2017
Revenue	-	146,217
Other operating income	83,366	3,599
Operating expenses	(96,372)	(207,293)
I. Operating profit	(13,006)	(57,477)
II. Financial expense, net	410	(468)
III. Share of profit/(loss) of associates carried under the equity method	-	184
IV. Profit before income tax	(12,596)	(57,762)
V. Income tax benefit	-	(940)
VI. Profit for the period from continuing operations	(12,596)	(58,701)
VII. Profit attributable to minority interests	-	(476)
VIII. Profit for the period attributable to the parent company	(12,596)	(59,177)

› Additionally, the details of the Cash flow statements of the companies that own the concession assets of the Brazilian transmission lines at December 31, 2018 and 2017 which were reclassified under the heading of discontinued operations are as follows:

Item	2018	2017
Profit for the year from continuing operations adjusted by non monetary items	-	51,771
Variations in working capital	3,399	13,684
Interest and income tax received / paid	(10,545)	(44,510)
A. Net cash provided by operating activities	(7,146)	20,945
B. Net cash used in investing activities	80,743	-
C. Net cash provided by financing activities	(75,570)	-
Net increase/(decrease) in cash and cash equivalents	(1,973)	20,945
Cash, cash equivalents and bank overdrafts at beginning of the year	51,588	37,893
Elimination of Cash and Cash Equivalents of Discontinued Companies that Have Been Sold	(49,608)	-
Translation differences cash or cash equivalent	(3)	(7,250)
Cash and cash equivalents at end of the year	4	51,588

b) Bioenergía

- At December 31, 2018 and 2017, the details of the bioenergy business companies, considered as a business segment before the above mentioned dates, that was restated under the heading of profit (loss) from discontinued operations on the income statement are as follows:

Item	2018	2017
Revenue	133,476	170,306
Other operating income	67,527	(71,889)
Operating expenses	(203,707)	(197,648)
I. Operating profit	(2,704)	(99,231)
II. Financial expense, net	(40,546)	(104,697)
III. Share of profit/(loss) of associates carried under the equity method	-	-
IV. Profit before income tax	(43,250)	(203,928)
V. Income tax benefit	2,815	(33,188)
VI. Profit for the period from continuing operations	(40,435)	(237,116)
VII. Profit attributable to minority interests	-	-
VIII. Profit for the period attributable to the parent company	(40,435)	(237,116)

- Additionally, the details of the Cash flow statements of the bioenergy business at December 31, 2018 and 2017, considered as a business segment before the above mentioned dates, which were reclassified under the heading of discontinued operations are as follows:

Item	2018	2017
Profit for the year from continuing operations adjusted by non monetary items	19,069	(167,767)
Variations in working capital	9,473	7,237
Interest and income tax received / paid	(1,916)	(1,374)
A. Net cash provided by operating activities	26,626	(161,904)
B. Net cash used in investing activities	(25,427)	(35,701)
C. Net cash provided by financing activities	(8,009)	(11,060)
Net increase/(decrease) in cash and cash equivalents	(6,810)	(208,666)
Cash, cash equivalents and bank overdrafts at beginning of the year	15,926	226,979
Translation differences cash or cash equivalent	(1,401)	(2,387)
Cash and cash equivalents at end of the year	7,715	15,926

Note 8.- Intangible assets and property, plant and equipment

8.1. The detail of the main categories included in intangible assets as of December 31, 2018 and December 31, 2017 is as follows:

Item	Goodwill	Development assets	Other	Total
Intangible assets cost	47,014	330,479	137,473	514,966
Amortization and impairment	(47,014)	(330,479)	(90,828)	(468,321)
Total as of December 31, 2018	-	-	46,645	46,645

Item	Goodwill	Development assets	Other	Total
Intangible assets cost	55,507	335,722	145,265	536,494
Amortization and impairment	(55,507)	(335,722)	(81,691)	(472,920)
Total as of December 31, 2017	-	-	63,574	63,574

There were no significant variations during the year 2018.

8.2. The detail of the main categories included in Property, plant and equipment as of December 31, 2018 and December 31, 2017 is as follows:

Item	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Property, plant & equipment cost	233,828	88,268	401	39,986	362,483
Depreciation and impairment	(119,969)	(72,601)	-	(28,180)	(220,750)
Total as of December 31, 2018	113,859	15,667	401	11,806	141,733

Item	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Property, plant & equipment cost	259,894	128,235	2,366	58,864	449,359
Depreciation and impairment	(146,015)	(75,404)	-	(56,530)	(277,949)
Total as of December 31, 2017	113,879	52,831	2,366	2,334	171,410

The most significant variation that has occurred during the 2018 period mainly corresponds to the sale of the Company's former headquarters.

Note 9.- Fixed assets in projects

There are several companies which engage in the development of projects including the design, construction, financing, operation and maintenance of owned assets or assets under concession-type agreements.

9.1. The detail of concessional assets in projects as of December 31, 2018 and December 31, 2017 is as follows:

Item	Intangible and financial assets	Development assets	Total
Concession assets in projects cost	366,152	159,311	525,463
Amortization and impairment	(181,522)	-	(181,522)
Total as of December 31, 2017	184,630	159,311	343,941

Concepto	Intangible and financial assets	Development assets	Total
Concession assets in projects cost	1,356	157,747	159,103
Amortization and impairment	(470)	-	(470)
Total as of December 31, 2017	886	157,747	158,633

The most significant variation that has occurred during the 2018 period mainly corresponds to the classification of the Khi Solar One solar thermal concessional asset in South Africa as it no longer met the cases and requirements of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", (see Note 7.2).

9.2. The detail of the main categories included in other assets in projects as of December 31, 2018 and December 31, 2017 is as follows:

Item	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Other assets in projects cost	-	4,088	-	1,449	99	5,636
Depreciation and impairment	-	(2,476)	-	(85)	(46)	(2,607)
Total as of December 31, 2018	-	1,612	-	1,364	53	3,029

Item	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Other assets in projects cost	3,487	3,455	2	1,745	99	8,788
Depreciation and impairment	(18)	(2,517)	-	(178)	(36)	(2,749)
Total as of December 31, 2017	3,469	938	2	1,567	63	6,039

Note 10.- Investments accounted for using the equity method

10.1. The detail of the main categories included in Investments accounted for using the equity method as of December 31, 2018 and December 31, 2017 is as follows:

Item	Balance as of 12.31.18	Balance as of 12.31.17
Associates	13,643	30,744
Joint Ventures	1,623	3,129
Total Investments accounted for using the equity method	15,266	33,873

The most significant variations registered in investments in associates and joint ventures during the 2018 period correspond to the decrease produced by the reclassification of the interest held in Abengoa Vista Ridge e Inapreu as assets held for sale, since it meets with all the cases and requirements of IFRS 5 "Current Assets Held for Sale and Discontinued Operations" (see Note 7.2.).

Note 11.- Financial investments

The detail of the main categories included in financial investment as of December 31, 2018 and December 31, 2017 is as follows:

Item	Balance as of 12.31.2018	Balance as of 12.31.17
Available for sale financial assets	1,143	2,316
Other receivable accounts	25,944	37,956
Derivative assets	939	481
Total non-current financial investments	28,026	40,753

Item	Balance as of 12.31.2018	Balance as of 12.31.17
Available for sale financial assets	1,759	2,508
Other receivable accounts	127,949	192,355
Derivative assets	3	101
Total current financial investments	129,711	194,964
Total financial investments	157,737	235,717

The decrease in current financial investments during 2018 mainly correspond to the financial accounts receivable from the related to the current Escrow account of the new financing obtained in the restructuring process (New Money) that have been released to be used in the construction of the A3T concession once certain conditions precedent.

Note 12.- Derivative financial instruments

The fair value of derivative financial instruments as of December 31, 2018 and December 31, 2017 is as follows:

	Balance as of 12.31.18		Balance as of 12.31.17	
Item	Assets	Liabilities	Assets	Liabilities
Exchange rate derivatives – cash flow hedge	35	-	340	-
Exchange rate derivatives – non-hedge accounting	907	-	242	-
Total	942	-	582	-
Non-current part	939	-	481	-
Current part	3	-	101	-

The fair value amount transferred to the Consolidated Income Statement as of December 31, 2018 concerning the financial instruments derivatives designated as hedging instruments is a loss of €10,742 thousand (profit of €10,249 thousand as of December 31, 2017).

The net amount of derivatives fair value transferred directly to the Consolidated Income Statement as of December 31, 2018 as a result of not meeting all the requirements of IAS 9 to be designated as accounting hedges represents a profit of €3,537 thousand (loss of €115 thousand as of December 31, 2017)

Note 13.- Inventories

Inventories as of December 31, 2018 and December 31, 2017 were as follows:

Item	Balance as of 12.31.18	Balance as of 12.31.17
Goods for sale	2,344	1,757
Raw materials and other supplies	27,972	27,439
Work in progress and semi-finished products	195	577
Projects in progress	8,618	6,844
Finished products	-	15,560
Advance Payments to suppliers	21,316	22,519
Total	60,445	74,696

Note 14.- Clients and other receivable accounts

The breakdown of Clients and other receivable accounts as of December 31, 2018 and December 31, 2017 is as follows:

Item	Balance as of 12.31.18	Balance as of 12.31.17
Customer receivables	314,160	528,403
Unbilled revenues	125,240	211,849
Bad debt provisions	(84,910)	(70,326)
Tax receivables	170,745	203,543
Other debtors	77,580	91,308
Total	602,815	964,777

The decrease in the Clients amount mainly corresponds to amounts collected from construction contracts of solar projects in Chile, mainly.

At the end of the year 2018, Abengoa had non-recourse factoring lines, of which €22 million had been factored.

Note 15.- Share capital

As of December 31, 2018 the share capital amounts to €35,865,862.17 corresponding to 18,836,119,300 shares completely subscribed and disbursed, divided into two distinct classes, as follows:

- 1,621,143,349 class A shares with a nominal value of €0.02 each, all in the same class and series, each of which grants the holder a total of 100 voting rights (‘Class A Shares’).
- 17,214,975,951 class B shares with a nominal value of €0.0002 each, all in the same class and series, each of which grants One (1) voting right and which affords its holder privileged economic rights established as stated in article 8 of the Company’s by-laws (‘Class B Shares’ and, together with class A shares, ‘Shares with Voting Rights’).

Abengoa’s shares are represented by class A and class B, shares which are listed on 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 Company presents mandatory financial information quarterly and semi-annually.

In accordance with notifications received by the company and in compliance with reporting requirements to communicate shareholding percentages (voting rights), shareholders with a significant holding as of December 31, 2018 are as follows:

	Significant shares	
Shareholders	Direct Share %	Indirect Share %
Banco Santander, S.A.	3.45	-
Secretaría de Estado de Comercio - Ministerio de Economía Industria y Competitividad	3.15	-

On September 30, 2012 the General Shareholders' Meeting approved a capital increase of 430,450,152 Class B shares with a nominal value of €0.01 each reducing its unrestricted reserves, which would be delivered to all shareholders on a proportion of four Class B shares by each owned Class A or B share. Such General Shareholders' Meeting approved a voluntary conversion right to change Class A shares with one euro nominal value (€0.002 nominal value as of December 31, 2015) to Class B shares of €0.01 nominal value (€0.0002 nominal value as of December 31, 2015) during certain pre-established periods until December 31, 2017. After exercising this right and after a capital reduction decreased the nominal value of all the class A shares at 0.98 each at that moment and all Class B shares at 0.0098 each at that moment, with the agreement of the Extraordinary Shareholders' Meeting of the company in October 10, 2015, a capital reduction decreasing the nominal value of the converted shares at the value of €0.0198 per share will take place, with unrestricted reserves credit.

In relation to the above, following the conclusion of the 24th and last liquidity window on December 24, 2017, the Company conducted, on January 12, 2018, a reduction of share capital for an amount of 222,885.53 euros through the conversion of 11,256,845 Class A shares into new Class B shares. As a consequence of this operation, the capital stock was set as shown at the beginning of this Note.

The distribution of the parent company's profit in the 2017 period approved by the General Meeting of Shareholders in June 25, 2018 has been charged to Compensation of losses from previous years.

Note 16.- Non-controlling interest

At the end of the year 2018, the variation in the non-controlling interests heading corresponds mainly to the exit of the transmission lines in operation in Brazil.

Note 17.- Project debt

The details of project debt applied to projects, for both non-current and current liabilities, at December 31, 2018 and December 31, 2017 is as follows:

Project debt	Balance as of 12.31.18	Balance as of 12.31.17
Project finance (Non-recourse project financing)	319,686	107,951
Total project debt	**319,686**	**107,951**
Non-current	95,014	11,197
Current	224,672	96,754

The most significant variations are due to the reclassification of the Khi Solar One project financing from liabilities held for sale once it ceased to meet the cases and requirements of IFRS 5 (see Note 7.2.).

Note 18.- Corporate financing

As Note 4 of the Consolidated Financial Statements for 2017 states, corporate financing is used to finance the activities of the companies which are not financed under the project debt financing model and is guaranteed by either Abengoa, S.A. and, in some cases, jointly guaranteed by certain group subsidiaries, or by the Group's company that has received said corporate financing itself.

18.1. The breakdown of the corporate financing as of December 31, 2018 and December 31, 2017 is as follows:

Non-current	Balance as of 31.12.18	Balance as of 12.31.17
Credit facilities with financial entities	62,252	620,278
Notes and bonds	1,116	858,597
Finance lease liabilities	6,864	7,511
Other loans and borrowings	129,418	124,845
Total non-current	199,650	1,611,231

Current	Balance as of 12.31.18	Balance as of 12.31.17
Credit facilities with financial entities	1,777,016	798,850
Notes and bonds	1,907,228	901,094
Finance lease liabilities	7,127	8,466
Other loans and borrowings	516,128	324,118
Total current	4,207,499	2,032,528
Total corporate financing	4,407,149	3,643,759

At December 31, 2018, corporate financing has increased mainly due to the net effect of the increase of the Old Money debt at its redemption value (see note 2.1.3.), partially offset with the partial amortization of New Money 1 as a result of the sale of 41.47% of Atlantica Yield (see Note 18.2 and 18.3).

Among the conditions of the financing of new money (New Money) several compliance obligations have been established, among which is the liquidity ratio (historical and future) and that as of December 31, 2018, the limit has been met minimum established (€20 million) being the "Historic Liquidity" of €22.8 million and the "Project Liquidity" of €21.1 million. Additionally, it establishes a limit for financial indebtedness in Corporate Finance for an amount of €219 million.

Among the financing conditions of the Old Money, certain obligations have been established in the financing contracts, among which that in the event that the total exceeds 2,700 million as a result of the possible crystallization of contingent liabilities, there is a term of 6 months to restructure the aforementioned loans, through capital increases or additional withdrawals before incurring in an early maturity cause. During 2018 and up to the formulation date of these Consolidated condensed financial statements, the limit of 2.7 billion Old Money has not been exceeded, as capitalized interest has been excluded from the calculation of said ratio.

18.2. Credit facilities with financial entities

The notional value of notes and bonds as of December 31, 2018 and December 31, 2017 is as follow:

	Balance as of 12.31.2018	Balance as of 12.31.2017
Centro Tecnológico Palmas Altas financing	76,946	77,398
New syndicated funding	82,436	40,000
Other credit facilities	242,251	240,954
New Money 1	156,767	314,136
New Money 2	228,635	191,224
Old Money	1,052,233	555,416
Total	1,839,268	1,419,128
Non-current	62,252	620,278
Current	1,777,016	798,850

In relation to the Old Money, this increase is mainly due to the adjustment of the debt value after recognizing it at its redemption value under current liabilities, based on the default that arose from the execution of the Lock-Up Agreement (see Note 2.1.3.). As concerns New Money 1 financing, this decrease mainly corresponds to the partial amortization as a result of the sale of 41.47% of Atlantica Yield.

18.3. Notes and bonds

The notional value of notes and bonds as of December 31, 2018 and December 31, 2017 is as follow:

	Balance as of 12.31.18	Balance as of 12.31.17
Ordinary notes Abengoa	3,551	10,600
Commercial paper Abengoa Mexico	-	102,363
New Money 1	210,770	758,781
New Money 2	32,508	29,625
Old Money	1,661,515	858,322
Total	1,908,344	1,759,691
Non-current	1,116	858,597
Current	1,907,228	901,094

In relation to the Old Money, this increase is mainly due to the adjustment of the debt value after recognizing it at its redemption value under current liabilities, based on the default that arose from the execution of the Lock-Up Agreement (see Note 2.1.3.). As concerns New Money 1 financing, this decrease mainly corresponds to the partial amortization as a result of the sale of 41.47% of Atlantica Yield.

18.4. Other loans and borrowings

The breakdown of current and not current other loans and borrowings at December 31, 2018 and December 31, 2017 is the following:

Item	Balance as of 12.31.18	Balance as of 12.31.17
Low interest loans	11,556	6,832
Non-recourse confirming due and unpaid (group and not group)	15,055	38,132
Ejecucion de garantías financieras	253,203	227,452
Overdue and not paid derivatives	21,140	35,410
Insolvency agreement Mexico	216,022	-
Guarantees	85,088	103,802
Loans with public institutions and others	43,482	37,335
Total	645,546	448,963

At the end of December 31, 2018, the main variation corresponds mainly to the reclassification of the restructured debt in Mexico to the heading of Other loans and borrowings based on the signed insolvency agreement.

In relation to this debt, the restructured debt (common credits) has been classified in the current liabilities of the Consolidated financial statement due to a payment default of which the company informed its financial creditors (see Note 2.1.1.d).

Note 19.- Provisions and contingences

- Regarding the lawsuit against the Electric Power Authority ("AEE") of Puerto Rico that liquidated the contract that both parties had established in relation to an EPC project for the construction of a power plant in Puerto Rico, in which the AEE was the Principal Contractor, the process continues in the hearing phase, resuming the holding of the hearings for the month of September 2018, that were later delayed to February 2019.
- In relation to the arbitration proceedings against the client of a combined cycle power plant being built in Poland, Elektrocieplownia Stalowa Wola, S.A., on April 2017, Elektrocieplownia Stalowa Wola, S.A. presented answer to the extension of the demand. The Arbitral Tribunal has recently agreed a new procedural calendar that continues developing at its different phases. On December 21, 2018 both parties submitted closing briefs. On January 25, briefs were submitted with an assessment of the legal costs incurred by each party in the procedure and, unless the Tribunal requests additional information, the procedure would be ready for a decision to be made.
- In relation to the arbitration proceedings against the client Portland General Electric Company ("PGE") who resolved unilaterally the contract which had signed with several Abengoa´s subsidiaries, for the design and construction of a 440 Mw combined cycle plant in Oregon, United States, to indicate that the present procedure is finalized after the parties have reached an agreement on the same.
- In relation to the initiation and investigation against the manufacturers and some companies of the industry (where NICSA and its parent company Abengoa, S.A. are established), indicate that Nicsa has proceeded to pay the penalty of 354.907 euros, having submitted, however, a writ of filing a contentious-administrative appeal before the National High Court. Upon receiving the administrative record, the Company filed a claim in the contentious-administrative court on February 7, 2019.
- In relation to the information requirement sent by the CNMC to several rail industry companies, which Inabensa, S.A. to indicate that mentioned request for information was duly answered within the time allowed. Currently, the company has received a proposal for a sanction, for which the appropriate allegations have been submitted.
- In relation to the arbitration procedure of Inabensa Denmark in the framework of the project for the execution of the contract for facilities for the University of Copenhagen, indicate that a resolution has recently been issued agreeing the accumulation of both procedures, which again opens the deadline for submission by the client of the response to the demand, set for November 15, 2018. The client has filed a claim in due time and proper form. Its counterclaim remains open, with reservation of the right to change the amount and without expecting said amount to be definitive until 2020, when the project is expected to be completed. In parallel, the client has initiated the procedure for requesting execution of guarantees, having submitted the written company rejecting it. A ruling has been received from the arbitral tribunal where the suspension of the enforcement procedure is not admitted, after which the company has argued that the arbitration of the main case should be awaited. As a consequence of the foregoing, an independent expert has been appointed who will issue an opinion on whether or not to pay the guarantee executed. At last, the client has agreed not to enforce the bonds until an arbitration award is made.

- In relation to the contingent liability related to the start of an inspection in 2013 by the European Commission on Abengoa and the companies that are directly or indirectly under its control, with respect to its possible participation in anti-competitive agreements or actions allegedly destined to the manipulation of the results of the price valuation at the close of the day (CDD) of Platts, as well as to deny the access of one or several companies to their participation in the process of appraising the CDD price, to indicate that dated July 26, 2018 the European Commission has notified the Statement of Charges, giving a period of 10 weeks to respond to it. This period ends on October 22, 2018, and that after requesting an extension has been finally extended until November 5, 2018. The Company has submitted, in due time and proper form, the statement of defense and is waiting for the oral hearing to be set.

- In November 2018, Zurich Insurance, PLC (hereinafter, Zurich) filed an ordinary proceeding against Abener Energía, S.A. and Abengoa, S.A. to claim an amount of 38,506,987.67 euros derived from a high risk surety bond. Additionally, Zurich has sought legal remedies consisting of the attachment of the two defendants' property and rights, which have been admitted in their entirety and thus the attachment of the defendants' property, bank accounts and tax returns has been ordered. Said admission has been appealed. The defendants have concurrently submitted an answer to the ordinary proceeding in due time and proper form.

- In January 2019, Export-Import Bank of the United States (hereinafter, US EXIM) filed a suit against Abengoa, S.A., Abener Energía, S.A., Teyma, Gestión de Contratos de Construcción e Ingeniería, S.A. (absorbed by Abener Energía) and Instalaciones Inabensa, S.A. claiming an amount of $75 million. Additionally, US Exim has sought legal remedies consisting of the pretrial attachment of the defendants' property and rights. The hearing for said legal remedies has been set for February 22, 2019. Concurrently, the answer to the ordinary proceeding is being prepared.

- Arbitration initiated by Dead Sea Works Ltd against Abener Energía S.A., Abener Ghenova Engineering, S.L. (at present, Abeinsa Engineering, S.L) and Abengoa, S.A. for an amount of 74,203,727 euros for costs associated to finishing work in the plant, payments to subcontractors made by Dead Sea Works, liquidated damages, amortization of a loan and the enforcement of bonds. The Company submitted an answer to the request for arbitration on January 30, 2019.

Note 20.- Third-party guarantees and commitments

- At the end of the year 2018, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various Bank Bond and Surety Insurances as guarantee to certain commitments (Bid bonds, financing performance and others) amounted to €706,430 thousand (€833,543 thousand at December 31, 2017).

  In addition, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various guarantees through the declarations of intention and documented commitments undertaken as guarantee of certain commitments (Bid Bonds, performance, financing and others) amounted to €2,526,046 thousand (€4,338,192 thousand at December 31, 2017).

  The following table details the guarantees undertaken by the Company classified by commitment type at December 31, 2018:

Typology	Guarantees/ Surety Insurance	Guarantees	Total at 12.31.2018	Total at 12.31.2017
Bid Bond	784	16,117	16,901	32,918
Performance:	**784**	**16,117**	**16,901**	**32,918**
Materials supply	5,189	240,745	245,934	688,428
Advance payments	31,801	-	31,801	42,100
Execution (construction/collection/payments)	645,136	2,266,469	2,911,605	4,341,517
Quality	3,319	-	3,319	25,749
Operation and maintance	10,140	2,715	12,855	18,166
Dismantilling	3,400	-	3,400	3,713
Other	6,661	-	6,661	19,144
Subtotal	**706,430**	**2,526,046**	**3,232,476**	**5,171,735**
Group Company financing guarantees	-	746,922	746,922	1,035,416
Total	**706,430**	**3,272,968**	**3,979,398**	**6,207,151**

Additionally, the breakdown includes the amounts of bank guarantees and guarantees related to companies classified as held for sale amounted to €23 and €95 million respectively, being the amount associated to Bioenergy €66 million (€23 million bank guarantees and €43 million of guarantees) and the associated to transmission lines €52 million, entirely related to guarantees.

The most significant variations in guarantees assumed with third parties related to the information presented on the 2017 Consolidated financial accounts mainly correspond to the cancellation and maturity of guarantees for execution (construction / collections / payments) and supplies delivered by the Parent Company to a Group company and for the exit of the non-controlling interests due to the sale of transmission lines in operation in Brazil, Brownfield, (see section 6.2).

Note 21.- Trade payables and other current liabilities

Trade payables and other current liabilities as of December 31, 2018 and December 31, 2017 are shown in the following table:

Concepto	Balance as of 12.31.18	Balance as of 12.31.17
Trade payables for purchases of goods	788,518	1,216,265
Trade payables for services	338,342	394,767
Billings in excess and advance payments from clients	124,586	150,379
Remunerations payable to employees	24,844	11,204
Suppliers of intangible assets current	2,212	3,089
Other accounts payables	82,007	106,513
Total	1,360,509	1,882,217

At December 31, 2018 the total amount of trade payables and other current payables due and unpaid (principal and interest) amounted to €533.

The table below shows the details of the non-recourse confirming carried out with external and group suppliers as at December 31, 2018 and December 31, 2017:

Item	Balance as of 12.31.18	Balance as of 12.31.17
Non-group amounts payable through Confirming	41,242	63,625
Group amounts payable through Confirming	1,254	3,968
Total	42,496	67,593

Related to these amounts, there are no deposits and cash recorded under assets in the Consolidated Condensed Statement of Financial Position associated with payment of "non-recourse confirming" (€0.4 million as of December 31, 2017).

Finally, it has been reclassified as corporate financing an amount of €15 million relating to due and not paid confirming transactions (principal and interests) and additionally, €23 million related to companies held for sale.

Note 22.- Finance income and expenses

22.1 Finance income and expenses

The following table sets forth our Finance income and expenses for the years 2018 and 2017:

Finance income	2018	2017
Interest income from loans and credits	3,113	3,111
Interest rates benefits derivatives: cash Flow hedges	519	18,111
Interest rates benefits derivatives: non-hedging	3,537	-
Total	7,169	21,222

Finance expenses	2018	2017
Expenses due to interest:		
- Loans from credit entities and bonds	(209,858)	(306,546)
- Other debts	(196,173)	(129,988)
Interest rates losses derivatives: cash Flow hedges	(11,261)	(1,445)
Interest rates losses derivatives: non-hedging	-	(115)
Total	(417,292)	(438,094)
Net financial loss	(410,123)	(416,872)

Finance income has decreased at the end of the year 2018 compared to the previous year, mainly due to transfer to the gains/losses of the interest rate hedging derivatives accrued in the Financial Restructuring Agreement and to lower financial returns due to the reduction of fixed term deposits.

At the end of the year 2018, financial expenses have decreased in comparison with the same period of 2017, mainly due to lower expenses to interest has decreased the financial debt by the debt write-offs made in the Financial Restructuring Agreement (see Note 2.1.3) to the partial amortization of New Money 1 during the first and last quarters of the year.

22.2. Other net finance income and expenses

The following table sets out 'Other net finance income and expenses' for the six months period ended 2018 and 2017:

Other finance income	2018	2017
Profits from the sale of financial assets	346	333
Income on financial assets	14,257	453
Finance income for restructuring	68,432	6,376,379
Changes in the fair value of the derivatives embedded in the convertible bonds and options over share	-	-
Other finance income	14,245	1,341
Total	97,280	6,378,506

Other finance expenses	2018	2017
Loss from sale of financial assets	(124)	(53)
Outsourcing of payables	(492)	37
Restructuring financial costs	(1,061,541)	-
Other financial losses	(197,562)	(256,346)
Loss derived from commodity price derivatives: non hedge	(16)	(155)
Total	(1,259,735)	(256,517)
Other net finance income/expenses	(1,162,455)	6,121,989

The main variation in "Other financial income" corresponds to the positive impact of the financial restructuring of the Group's financial debt (see Note 2.1.3), during the previous year.

"Other financial expenses" includes the recognition of the Old Money and New Money 2 at its redemption value for an amount of €1,060 million under "Finance expenses due to restructuring" (see Note 2.1.3.) and, to a lesser degree, the impact caused by the discount of the assignment of rights to recovery of a debt and the guarantees enforced as a result of the Company's current situation.

The net amount of "Other net finance income and expenses" related to companies with project finance is a loss of €400 million (an expense of €28,045 thousand at December 31, 2017).

Nota 23.- Income tax

23.1. The effective tax rate for the period presented has been established based on Management's best estimates (see Note 3).

23.2. Corporate income tax has entailed an expense of €132 million at December 31, 2018, compared against the €825 million tax expense for the same period in 2017, mainly due to the corporate income tax expense recognized in the 2017 period resulting from the profit that arose upon the restructuring of the Group's financial debt (see Note 2.1.3.), as well as to the tax effect that the financial expense recognized after adjusting the Old Money and New Money 2 debt at redemption value has entailed for the 2018 period (see Note 22). This effect has been offset by the impairment on certain tax credits recognized in the period based on the new 10-year Viability Plan that has been approved.

Note 24.- Fair value of financial instruments

The information on the financial instruments measured at fair value, is presented in accordance with the following:

- Level 1: assets or liabilities listed on active markets.
- Level 2: Measured on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Measured on inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following is a breakdown of the Group's assets and liabilities measured at fair value as of December 31, 2018 and December 31, 2017 (except the non-quoted equity instruments measured at cost and the contracts with components that cannot be measured reliably):

Category	Level 1	Level	Level 3	Balance as of 12.31.18
Non-hedging derivatives	-	35	-	35
Hedging derivatives	-	907	-	907
Available-for-sale	-	-	2,902	2,902
Total	-	942	2,902	3,844

Category	Level 1	Level	Level 3	Balance as of 12.31.17
Non-hedging derivatives	-	242	-	242
Hedging derivatives	-	340	-	340
Available-for-sale	-	-	4,824	4,824
Total	-	582	4,824	5,406

Level 2 corresponds to the finance derivative portfolio designated as cash flow hedges, within which the most significant type is the interest rate cap (see Note 12).

Under the heading "Non- hedging derivatives" the fair value of certain derivative financial instruments is included that, being derivatives contracted with the aim of hedging certain market risks (mainly interest rates), do not fulfilling all the requirements of IAS 39 to be deemed a hedging instrument from an accounting perspective.

The following table shows the changes in the fair value of level 3 assets for the six months period ended December 31, 2018 and December 31, 2017:

Movements	Amount
Beginning balance as of December 31, 2016	10,252
Gains and losses recognized in Equity	52
Change in consolidation, reclassifications and translation differences	(5,480)
Total as of December 31, 2017	4,824
Gains and losses recognized in Equity	-
Change in consolidation, reclassifications and translation differences	(1,922)
Total as of December 31, 2018	2,902

During the years considered in these Consolidated condensed interim financial statements, there have not been any significant reclassifications amongst the three levels presented above.

Note 25.- Earnings per share

25.1. Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

Item	2018	2017
(Losses) / Profit from continuing operations attributable to equity holders of the company	(1,444,830)	4,579,044
(Losses) / Profit from discontinuing operations attributable to equity holders of the company	(53,031)	(301,274)
Average number of ordinary shares outstanding (thousands)	18,836,119	14,608,342
(Losses) / Earnings per share from continuing operations (€ per share)	(0.077)	0.31
(Losses) / Earnings per share from discontinuing operations (€ per share)	(0.003)	(0.02)
(Losses) / Earnings per share from profit for the year (€ per share)	(0.080)	0.29

25.2. Diluted earnings per share

To calculate the diluted earnings per share, the average weighted number of ordinary shares issued and outstanding is adjusted to reflect the conversion of all the potential diluting ordinary shares.

The potential diluting ordinary shares held by the group correspond to the warrants on Class A and Class B shares issued in the capital increase carried out on March 28, 2017 on the financial restructuring (see Note 2.1.3). The assumption is that all warrants are exercised and a calculation is made to determine the number of shares that may have been acquired at fair value based on the monetary value of the subscription rights of the warrants still to be exercised. The difference between the number of shares issued assuming the exercise of the warrants, and the number of shares calculated based on the above, is included in the calculation of the diluted earnings per share.

Item	2018	2017
Profit for the year		
- (Loss)/Profit from continuing operations attributable to equity holders of the company	(1,444,830)	4,579,044
- (Loss)/Profit from discontinuing operations attributable to equity holders of the company	(53,031)	(301,274)
Profit for the year attributable to the parent company	**(1,497,861)**	**4,277,770**
Average weighted number of ordinary shares outstanding (thousands)	**18,836,119**	**14,608,342**
- Warrants adjustments (average weighted number of shares in outstanding since issue)	867,885	880,770
Average weighted number of ordinary shares affecting the diluted earnings per share (thousands)	**19,704,004**	**15,489,112**
Diluted (losses) / earnings per share from continuing operations (€ per share)	(0.07)	0.30
Diluted (losses) / earnings per share from discontinuing operations (€ per share)	(0.00)	(0.02)
Diluted (losses) / earnings per share to the profit for the year (€ per share)	**(0.08)**	**0.28**

Note 26.- Average number of employees

The average number of employees classified by category during the years 2018 and 2017 was:

During the year 2018 the average number of employees is 20.3% in Spain and 79.7% abroad.

The average number of employees during the year with disabilities above or equal to 33% is 38 (48 in 2017).

	Average number of employees in 2018			Average number of employees in 2017		
Categories	Female	Male	% Total	Female	Male	% Total
Directors	26	214	1.8	32	287	2.3
Management	155	696	6.3	217	831	7.5
Engineers	467	1,144	11.9	632	1,528	15.6
Assistants and professionals	388	678	7.9	543	1,347	13.6
Operators	587	9,081	71.7	526	7,886	60.6
Interns	19	37	0.4	25	28	0.4
Total	1,642	11,850	100.0	1,975	11,907	100.0

Note 27.- Transactions with related parties

No dividends have been distributed to related parties during the year 2018 and 2017.

On March 31, 2017, the Restructuring Completion Date took place, leading to significant changes in the Company's shareholder structure (see Note 2.2.1. of the Consolidated Annual Accounts for the 2017 period).

In this respect, as of December 31, according to information received by the Company in compliance with the regulations with respect to shareholder percentages and according to information facilitated by related companies as well, the most significant shareholders are:

	Significant shares
Shareholders	Direct Share %
Banco Santander, S.A.	3.45%
Secretary of State for Trade - Ministry of industry, trade and tourism	3.15%

As of December 31, 2018 the exposures to related parties are:

	Exposures to related parties			
Shareholders	New Bonding (guarantees)	New Money (debt)	Old Money (debt)	Interim Finance
Banco Santander, S.A.	136.0	114.8	52.5	67.2
ICO	-	11.2	41.1	-

During 2018, the only transactions related to related parties were as follows:

- On March 9, 2018 the sale of 25% Atlantica Yield was completed for a total price of USD 6M (Note 6.2)
- On November 27, 2018, the sale of all Atlantica Yield shares, by which the company "Algonquin" acquired 16.47% of the remaining shares that Abengoa S.A. held up to that moment, was completed (see Note 6.2.).

These operations have been subject to review by Abengoa's Audit Committee.

In this respect, and in relation to the transactions conducted with Atlantica Yield during the 2018 period, the Group holds contracts with the majority of the Project companies owned by Atlantica Yield for the operation and maintenance ("Operation and Maintenance Agreement") of every asset they own.

In addition to the above, the following agreements with Atlantica Yield are still in force at December 31, 2018.

- Right of First Offer Agreement: contract which gives the right to Atlantica Yield of the first offer in the case of any asset disposal of Abengoa.
- Trademark License Agreement: contract of use by Atlantica Yield of the commercial trademark owned by Abengoa.
- Financial Support agreement: contract of financial support through the use of a revolving credit for the treasury needs as well as the maintenance of certain technical and financial guarantees (see Note 20) or credit letter in force.
- Estoppel Agreement and Second Omnibus Agreement and Amendment in relation to the obligations derived from the construction of the Solana solar thermal power plant.
- Omnibus Agreement & Amendment in relation to the obligations derived from the construction of the Mojave solar thermal power plant.
- Sale of Mojave and Solana land plots in consideration for certain repair operations, there being an option agreement for the repurchase thereof under certain circumstances. The sale price and repairs shall be regulated under the Financial Support Agreement.
- Coordination Agreement between Abengoa S.A, Abengoa Solar España S.A.U., Atlantica Yield Plc and ABY Concessions Infrastructures, S.L.U., based on which certain guarantees for the obligations undertaken in the Second Omnibus Agreement and in the O&M agreements for the plants are established.
- Indemnity Agreement: Agreement by which Abengoa agrees to indemnify Algonquin in the event that a reduction in the annual dividend distributed by Atlantica Yield derived from the performance of the power plants takes place, limited by a CAP of 0.30 USD per share and compensable with the "earn-out" agreed upon in the sale of 25% of Atlantica Yield shares.
- In April 2018, Abengoa, S.A. and ABY Concessions Infraestucture, S.L.U (an Atlantica Yield subsidiary) reached an agreement by which Abengoa sold certain rights to recovery of debt over certain solar plants owned by Atlantica Yield to ABY Concessions.

Note 28.- Employee remuneration and other benefits

- Directors are remunerated as established in article 39 of the Bylaws. Directors' remuneration shall consist of all or some of the following concepts, for a total combined amount that shall be agreed by the General Shareholders' Meeting, pursuant to the directors' remuneration policy and conditional, when required by law, on the prior approval of the General Shareholders' Meeting: (a) a fixed fee; (b) expenses for attendance; (c) variable remuneration based on general benchmark indicators or parameters; (d) remuneration through the provision of shares or share options or amounts that are linked to the Company's share price; (e) severance payments, provided that the director is not relieved of office on grounds if failing to fulfill the responsibilities attributable to him/her; and (f) savings or pension systems considered to be appropriate.

  The General Meeting of Shareholders held on June 25, 2018 approved, among other matters, to ratify and appoint Mr. Piqué Camps as independent board member appointed through the interim procedure on July 13, 2017 for a four year period.

  As a consequence of the above, the Board of Directors and its committees at the end of the year was as follows:

  Board of Directors

  - President: Gonzalo Urquijo Fernández de Araoz (Ejecutivo)
  - Lead Independent Director: Manuel Castro Aladro (Independiente)
  - Members:
    - José Luis del Valle Doblado (Independent board member)
    - José Wahnon Levy (Independent board member)
    - Ramón Sotomayor Jáuregui (Independent board member)
    - Pilar Cavero Mestre (Independent board member)
    - Josep Piqué Camps (Independent board member)
  - Non-Member Secretary: Daniel Alaminos Echarri
  - Non-Member Vice Secretary: Mercedes Domecq Palomares

Audit Committee

› President: José Wahnon Levy

› Members:

- José Luis del Valle Doblado

- Manuel Castro Aladro

› Non-Member Secretary: Daniel Alaminos Echarri

Appointments and Remuneration Committee

› President: Pilar Cavero Mestre

› Members:

- Josep Piqué Camps

- Ramón Sotomayor Jáuregui

› Non-Member Secretary: Juan Miguel Goenechea Domínguez

Notwithstanding the above, following the end of the period, the Committee Secretary presented his resignation for personal reasons and the Board of Directors agreed, at the meeting held on January 21, 2019, to leave the position open until a selection process for a new secretary was completed.

› The remunerations accrued during the 2018 period by the Board of Directors' members as a whole is as follows (in thousands of euros):

Name	Salary	Fixed remuneration	Daily allowance	Short term variable remuneration	Compensation as member of Board Committee	Compensation as officer of other Group companies	Other concepts	Total 2018
Gonzalo Urquijo Fernández de Araoz	1,000	-	80	366	-	-	39	1,485
Manuel Castro Aladro	-	-	90	-	10	-	-	100
José Wahnon Levy	-	-	80	-	20	-	-	100
Pilar Cavero Mestre	-	-	80	-	20	-	-	100
José Luis del Valle Doblado	-	-	80	-	10	-	-	90
Ramón Sotomayor Jáuregui	-	-	80	-	10	-	-	90
Josep Piqué Camps	-	-	80	-	10	-	-	90
Total	1,000	-	570	366	80	-	39	2,055

› Remunerations paid during the 2017 period to the Board of Directors' members as a whole is as follows (in thousands of euros):

Name	Salary	Fixed remuneration	Daily allowance	Short term variable remuneration	Compensation as member of Board Committee	Compensation as officer of other Group companies	Other concepts	Total 2017
Gonzalo Urquijo Fernández de Araoz	1,000	-	80	-	-	-	-	1,080
Manuel Castro Aladro	-	-	80	-	10	-	-	90
José Wahnon Levy	-	-	80	-	20	-	-	100
Pilar Cavero Mestre	-	-	80	-	20	-	-	100
José Luis del Valle Doblado	-	-	80	-	20	-	-	100
Javier Targhetta Roza	-	-	8	-	-	-	-	8
Ramón Sotomayor Jáuregui	-	-	80	-	10	-	-	90
Miguel Antoñanzas Alvear	-	-	16	-	5	-	-	21
Josep Piqué Camps	-	-	48	-	8	-	-	56
Total	1,000	-	552	-	93	-	-	1,645

- Pursuant to the Board Member Remunerations Policy for the 2018-2020 period (in its sections 3.2 and 4.2.3D), which regulates the long-term variable remunerations for Board Members and Executive Chairman, respectively, the Company reserved the amount of €1,018 thousands of Euros, the 2018 estimate. Said amount is subject, in any case, to the successful compliance with the goals established for said remuneration whose maturity has been set for December 31, 2020.
- In addition, the remuneration accrued by the Company’s Senior Management (Senior Management members who do not concurrently hold an executive director role and with the instruction to receive total remuneration during the period) has reached for all concepts, be it fixed or variable, €2,718 million (€3,240 million in 2017), during the 2018 period. As in previous periods, this amount is established based on the Company’s latest estimate and considering that the remuneration to be received by Senior Management is uniformly accrued throughout the year.
- There are no advances or loans granted to all the members of the Board of Directors, nor any obligations assumed with them.

Note 29.- Subsequent events

After-closure of December 31, 2018, no events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole.

02. Consolidated condensed management report as of December 31, 2018 and 2017

Consolidated Condensed Management Report as of December 31, 2018

1.- Organizational structure and activities

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as ‘Abengoa’, ‘the Group’ or ‘the Company’), which at December 31, 2018, was made up of 372 companies: the parent company itself, 334 subsidiaries, 22 associates and 15 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 Note 2.2.1, on March 31, 2017, the Restructuring Completion Date established in the Restructuring Agreement has taken place 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.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and water sectors, developing energy infrastructures (by producing conventional and renewable energy and transporting and distributing energy), providing solutions to the entire water cycle (by developing water desalination and treatment processes and performing hydraulic structures) and promoting new development and innovation horizons (related to renewable energy storage and new technologies for the promotion of sustainability and of energy and water-use efficiency).

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.

As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, in line with the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and subsequently on January 21, 2019, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of December 31, 2018 and 2017. The classification has been done in accordance with the IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations’.

These Consolidated condensed financial statements have been formulated by the Board of Directors on February 25, 2019.

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 updating

The following summary shows the relevant facts which took place during the year 2018 until the publication of the present Consolidated condensed financial statements, in relation with the financial restructuring process realized in Abengoa:

a) In relation to the financial restructuring process, it should be noted that;

› In relation to the Restructuring Agreement closed on March 31, 2017, (see Note 2.2.1 of the 2017 Consolidated Financial Statements) during the year 2018, meetings have continued to be held with the challengers for the purposes of negotiating and reaching an agreement on the claimed debt. Following said negotiation period, a preliminar agreement has been reached with some of the challengers to restructure their debt, either by issuing a new instrument in terms substantially similar to those of the Senior Old Money but equally classified as senior, or by issuing new Senior Old Money securities in the specific case of one of the challengers, as decided by the pertaining challengers. For said purposes, on April 30, 2018 the Group requested its creditors to authorize the implementation of said agreement which was rejected by the creditors. As of the date of this Consolidated condensed financial statements, the Company has reached agreements with certain groups of challengers which have entailed the waiver by said challengers of their debt claim against the company. Notwithstanding the above, the company remains working on a restructuring proposal with those challengers with whom reaching an agreement for said challengers to waive the pertinent legal actions has not been yet possible.

› In addition to the aforementioned, and as Note 2.1.2. explains, the Company remains working on additional actions that allow to ensure its viability in the short and medium term. In this respect, the Board of Directors approved, at their meetings of December 10, 2018 and January 21, 2019, a new 10-year Viability Plan which, along with the new financial restructuring process in which the Company is involved at the date of these Condensed Consolidated Financial Statements, will allow it to continue with its activity in a competitive and sustainable manner in the future.

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

› In the month of June 2018, all the conditions precedent were fulfilled, resulting in the closing of the operation and the transmission of the assets in operation to the Texas Pacific Group, paying 80% of the price of the assets, which are used to process the payments to creditors as established in the Judicial Recovery Plan. The remaining 20% of the price has been paid during the third quarter of 2018, coinciding with the completion of the audit of the assets.

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

› The Delaware Reorganization Plan continues to be managed by the *Responsible Person* designated by the Court while the Liquidation Plan continues to be administered by the *Liquidating Trustee* appointed by the Court. In both cases, both the *Responsible Person* and the *Liquidating Trustee* have the obligation to examine the insinuations of debt and claims filed by the different debtors in order to determine the origin of the same. The *Person Responsible* and the *Liquidating Trustee* are responsible for accepting the origin or not of the debts and claims as well as their transaction, if applicable. The Chapter 11 process is therefore kept open until all the claims filed by the debtors are resolved and all the requirements set forth in the plan are met, including the dissolutions and liquidations of the companies classified as *non-go forward companies*.

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

› Under the approved Bankruptcy Agreement, approved on January 22, 2018 Abengoa México S.A. de C.V. (here in after Abemex), committed to make a payment, in favor of its recognized creditors with the degree of common, of 10% of the outstanding principal balance of the final credit in two installments, the first on March 25, 2018 and the second on June 25, 2018 ('Second Principal Term'). In addition, the first period of ordinary interest runs from the date on which the judgment of approval took effect until June 25, 2018, which must be paid in three installments, the first payment being on June 25, 2018 ('First Third of Interest').

In relation to the foregoing, and as regards the payment of the Second Principal Term and the First Term of the First Third of Interest:

(i) 50% of the amount corresponding to the Second Principal Term and the First Third of Interest for the first period was paid by Abemex on June 26, 2018, as communicated through a relevant event of the same date as the payment to the Mexican Stock Exchange; and

(ii) the remaining 50% of the amount corresponding to the Second Principal Term and the First Third of Interest for the first period was paid by Abemex on July 5, 2018, as communicated by means of a relevant event dated July 6, 2018 to the Mexican Stock Exchange.

Although the previous payments have been a breach of Abemex of the obligations assumed in the Bankruptcy Agreement, since they were made on dates other than those agreed and partially, which means in accordance with the Bankruptcy Agreement an early expiration of the final loan automatically, Abemex had no knowledge of the receipt of any communication urging the payment of the final credit derived from the aforementioned delay and partial payment of the Second Term of Principal and First Term of Interest.

Likewise, the company, by means of a relevant event, published on September 21, 2018, informed the market that, due to its financial situation, the Company will not be able to meet the obligation assumed in the Bankruptcy Agreement, consisting of the payment to be made on September 25, 2018. The company also reported that, together with its financial and legal advisers, it was analyzing the financial situation in order to prepare a strategic plan that allows the long-term viability of the company.

› By the ruling dated November 14, 2018, Mexico's Auxiliary Unitary Circuit Court of the Seventh Region (Tribunal Unitario de Circuito Auxiliar de la Séptima Región) resolved to revoke the insolvency agreement approval ruling. By virtue of said decision, dated November 22, 2018, the Sixth Court of Civil Affairs in Mexico City resolved, among other things, to declare the Company to be in an insolvency status until such time as a new agreement approval decision, or whatever the Law requires, is issued.

› Abengoa Mexico filed means of challenge against the aforementioned decisions and still remains in a negotiation process with its creditors for the purpose of reaching an agreement that guarantees its financial feasibility and the equitable treatment of its creditors.

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

› On August 7, 2018 a first call for the meeting of creditors took place. Due to the lack of quorum, this meeting was suspended and held on second call on August 21, 2018, in which the creditors decided to keep open and postpone the vote on the potential recovery plan to be presented and still in the due diligence phase. At present, creditors have not yet voted to approve the pertinent recovery plan; in fact, creditors have always opted to keep the decision to approve the plan open and to postpone it on different occasions, as on October 4, 2018; November 8, 2018, and December 12, 2018. An agreement was reached at the creditors' meeting held on February 12, 2019 to postpone it again to March 13, 2019.

f) Regarding the restructuring process carried out in Perú and Uruguay

› During the 2018 period, Abengoa Perú executed a new financial restructuring agreement and the corresponding payment took place on October 29, 2018.

› During the 2018 period, Teyma Sociedad de Inversión, S.A., Teyma Uruguay, S.A., Consorcio Ambiental del Plata, and Teyma Medioambiente, S.A. executed, as co-borrowers and jointly with Operación y Mantenimiento Uruguay, S.A., Etarey, S.A., y Teyma Forestal, S.A. as guarantors, a new financial restructuring agreement where the payment took place on December 17, 2018.

g) Regarding Construcciones Metálicas Mexicanas, S.A. de C.V

› The Company Construcciones Metálicas Mexicanas, S.A. of C.V. requested voluntary bankruptcy on February 8, 2018 before the Fifth District Court in civil matters of Mexico City. This request was admitted for processing on April 20, 2018, starting from that date the completion of the procedural phases prior to the declaration of bankruptcy and in accordance with the applicable legislation. Finally, on September 24, 2018, the Fifth District Court in civil matters of Mexico City notified the company of the declaration of insolvency contained in judgment dated on September 21, 2018.

› The provisional list of credits proposed by the conciliator was published in December 2018 and, on the basis thereof, the Judge published the final list of credits in January 2019.

› By resolution of the plenary session of the Twelfth Collegiate Court of Mexico City, the award of one of the properties in which the plant is located has been confirmed, in favor of Banco Autofin, S.A. ("Autofin") derived and in relation to the commercial executive judgment filed by Autofin against Comemsa, before the Fifty-Seventh Civil Court of Mexico City, under file 145/2016.

› Within the bankruptcy proceedings, Autofin filed a motion to remove its assets that was admitted. The admission of said motion was challenged by Comemsa and said appeal is pending resolution.

› On the other hand, a Comemsa creditor filed a motion, admitted on February 6, 2019, to change the backdating date for the purpose of challenging the judgement whereby the property was allocated to Autofin. On February 15, 2019, an additional creditor adhered to this request requesting the Court to adopt the resolution concerning the change of the backdating date; said motion is pending resolution.

h) 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 2018 period, and as a continuation to the normal company liquidation procedure, the administrative receiver has made a preliminary distribution of the available funds following the sale of the asset among the insolvency estate's creditors. At present, the administrative receiver continues verifying the accuracy and origin of certain creditor claims, pursuant to the usual insolvency and liquidation procedures in Holland.

i) Finally, an update of the Spanish bankruptcy proceedings is included:

› Abengoa Research, S.L. (hereinafter, "AR") filed a request for voluntary bankruptcy on October 27, 2017. This request was admitted for processing on November 13, 2017 by the Commercial Court No. 2 of Seville, which issued an order declaring the voluntary bankruptcy. Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration but retains the faculties of administration and disposition of its assets with all its duties and responsibilities. By order of March 2, 2018, the judge agreed to open the liquidation phase requested by AR on February 26, 2018, leaving the powers of administration and disposition of AR over its assets and declaring AR dissolved, ceasing its Directors functions, which would be replaced by the Insolvency Administration. By order of May 17, 2018, the judge approved the Liquidation Plan for the assets and rights of AR.

› Abencor Suministros, S.A. filed an application for voluntary bankruptcy of creditors dated March 28, 2018. This request was admitted for processing and on April 27, 2018 the Commercial Court No. 2 of Seville issued an order stating the voluntary bankruptcy of the company agreeing the processing of the same by the channels of the ordinary procedure (number 312/2018). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration but retains the faculties of administration and disposition of its assets with all its duties and responsibilities.

› Servicios Integrales de Mantenimiento y Operación, S.A. (hereinafter, "Simosa") filed a request for voluntary bankruptcy on April 14, 2018. This request was admitted for processing and on May 23, 2018 the Commercial Court No. 2 of Seville issued an order declaring the voluntary bankruptcy of the company agreeing the processing of the same through the channels of the ordinary procedure (number 388/2018). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The Company has been intervened by the Bankruptcy Administration, but it retains the faculties of administration and disposition of its assets with all its duties and responsibilities.

› Simosa IT, S.A. (hereinafter, "Simosa IT") was declared to be in an involuntary bankruptcy procedure through an order issued by Commercial Court no. 2 of Seville on November 12, 2018. The competent Court has resolved to process the insolvency procedure through ordinary procedure (court order no. 232/2018). Likewise, Ernst & Young was appointed as a Bankruptcy Administration. The administration of the Company has been intervened by the Bankruptcy Administration.

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

› Abengoa Bioenergía Nuevas Tecnologías, S.A. (hereinafter, "ABNT") filed a request for voluntary bankruptcy on February 1, 2019, but no notice of commencement has been issued at the date of these Condensed Consolidated Financial Statements.

2.1.2. Going concern

Once the Restructuring Agreement described in Note 2.2.1 to the Consolidated Financial Statements for the year 2017 is completed, the company has been developing the Revised Viability Plan August 2016 agreed 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 Revised Viability Plan August 2016 focused the activity in the energy and environmental industry, combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has developed a competitive advantage, mainly of technological kind, which allows a bigger added value projects. The mentioned Revised Viability Plan August 2016 projected a 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 in markets of high potential growing such as energy and water.

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

4) A more efficient organization with a competitive level of 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 last years, which has been affected by a strong limitation of financial resources for more than two years, has significantly influenced the evolution of the business not only in terms of a generalized slowdown and deterioration of the Group’s operations but also as a result of numerous insolvency or bankruptcy proceedings involving companies not included in the Revised Viability Plan August 2016.

Consequently, the parent company, Abengoa, S.A., has incurred in losses since 2015, which has supposed a significant decrease in Equity and as a consequence at December 31, 2016 presented a negative net equity. In the parent company Abengoa S.A., the 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, and the continuance of its activity to operate in a competitive and sustainable manner in the future.

Nonetheless, after the financial restructuring process that concluded in March 2017 the activity has taken longer than expected to recover and, hence, in order to ensure the viability of the Group in the short and medium term and for it to be able to continue with its activity in a competitive and sustainable manner in the future, it becomes necessary:

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

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

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

In order to achieve these objectives, the Company has been working on additional actions, specifically a new 10-year viability plan, as well as a financial restructuring process.

In this respect, as reported in the relevant event dated September 30, 2018, Abengoa has signed with the main creditors of New Money 2 and New Bonding a term sheet, subject to the conditions that will be specified later, including the signing of definitive documentation, in order to establish the bases to the aforementioned financial restructuring, that includes, among other issues, the granting of new liquidity for a maximum amount of 97 million euros, and new lines of guarantees for amount of 140 million euros, to finance the group's liquidity needs and guarantees (the ‘Financing Agreement’).

The Financing Agreement implies modifications in the structure of the group's financial debt, mainly the following:

› A convertible instrument will be issued at the level of A3T for a maximum amount of €97m. This instrument will mature in 2023 and will accrue a 9% annual return (the ‘A3T Convertible’).

› New Money 1 and 3 will maintain its current economic terms and conditions as well as current preferential rights therefore, remaining unaltered. This debt will not be repaid upon completion of a long-term refinancing of the A3T project, which is expected to occur during the first quarter of 2019.

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

› Creditors holding 55% of New Money 2 facilities that remain at Abenewco 1 level and the bonding providers to Abenewco1 and its subsidiaries will waive the mandatory prepayment event that would otherwise arise as a result of Abenewco1 receiving the proceeds from the A3T Convertible, as well as any.

  Creditors holding 55% of New Money 2 facilities that remain at the level of Abenewco 1 and bonding providers will waive the mandatory repayment event that would otherwise arise as a result of receiving the proceeds from the Convertible, as well as any proceeds obtained in the future from a sale of said convertible, and have changed their economic terms.

› As part of the agreement, New Money 2 creditors that remain in Abenewco 1 will receive a mandatory convertible instrument which will convert into shares representing 22% of the share capital of Abenewco 1

  That a mandatory convertible instrument which will convert into shares representing up to 22.5% of the share capital of Abenewco 1 is issued to New Money 2 creditors that remain in Abenewco 1, to holders of the A3T Convertible and to the “Comité Ad Hoc” members.

The Financing Agreement is contingent on compliance with certain conditions precedent as well as the obtention of the necessary consent from financial creditors in accordance with current financing arrangements.

Furthermore, in order to optimize the financial structure of the Group and facilitate access to new financing in the future, the Company reached an agreement in December 2018 with a group of investors holding significant interest in the Old Money instruments to consent to an Old Money restructuring. The terms of said restructuring, which have been briefly described below, have been equally offered to the challengers.

› Creation of a new company, Abenewco 2 Bis, to which Abenewco 1 shares held by Abenewco 2 will be contributed and which will assume the Senior Old Money debt.

› Senior Old Money instruments, which will maintain their current nominal value albeit modifying their economic terms, will be exchanged by a convertible instrument issued by Abenewco 2 Bis. Payment, when due, will be made with the Group's free cash flow available over a minimum amount, and everything that fails to be serviced with cash will be subject to an obligatory conversion to Abenewco 2 Bis shares representing up to 100% its capital stock.

› Junior Old Money instruments, which will maintain their current nominal value albeit their economic terms will be modified, will be exchanged by two convertible instruments issued by Abenewco 2 through which they may be exchanged to shares representing up to 99.9% Abenewco 2's capital stock. Payment of the first instrument, when due, will be made with the Group's free cash flow available over a minimum amount to be determined, and everything that fails to be serviced with cash will be subject to an obligatory conversion to Abenewco 2 shares.

› These new instruments will mature in 5 years or 5 years and 6 months, respectively, from the date of issuance with a possibility to be extended for one-year periods up to 5 additional years at the creditors' discretion.

› These instruments will be converted following the current order of priority of the instruments that they replace.

As part of the aforementioned financial restructuring process, Abengoa executed, on December 31, 2018 a Lock Up agreement (the "lock-up agreement") with a group of financial entities and investors holding the majority of New Money 2, the syndicated guarantee facilities and Senior Old Money, as well as with the new liquidity bookrunners, by virtue of which said creditors have agreed the following, among other matters: (i) to stay certain rights and actions under such facilities vis-à vis the relevant Group companies until any of these events take place, whichever occurs first: the date when the Lock-Up Agreement ends pursuant to its own terms or the Expiration Date, which was originally set on January 31, 2019 and subsequently extended to March 14, 2019 (the "Long-Stop Date"), (ii) to take all actions to support, facilitate, implement, consummate or otherwise give effect to the financial restructuring proposal and, in particular, enter into negotiations with a view to agreeing and executing a restructuring agreement on or prior to the Long-Stop Date, and (iii) agree not to sell or otherwise transfer their debt until the Long-Stop Date or the date of termination of the Lock-up Agreement, except under certain circumstances.

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

The majority required for the Lock-Up Agreement to be in effect was reached on January 28, 2019. Subsequently, on January 31, 2019, Abengoa informed that the Lock-Up Agreement end date (Long Stop Date) was extended to March 14, 2019.

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

The initial deadline for New Money 2 and Senior Old Money bondholders to approve the requested amendments to the bonds and sign the restructuring agreement has been set for March 21, 2019 and, as for Junior Old Money, for March 8, 2019, notwithstanding that said deadline may be extended.

At the date of these Condensed Consolidated Financial Statements the Restructuring Agreement is being drafted; and its signature will be announced by the Company through the pertaining Relevant Fact.

On the other hand, and as explained above, the Company has been working, within its current financial restructuring context, on a new 10-year viability plan that will allow it to lay the foundations to ensure its viability in the short and medium term.

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

The main hypotheses in said Viability Plan include:

- Completion of the financial restructuring proposal in order to reestablish the liquidity and bonding position required by the Group, reducing the financial risk of the business.

- Reduction of the overhead up to a goal of 3% over sales as of 2020.

- A business plan based on EPC projects for third parties with a significant contribution derived from the strategic alliance with AAGEs.

- Improvement in the Group's competitive position and in the markets and geographical locations that are key for the business.

- Execution of the divestment plan with no significant deviations in terms of deadlines and amounts.

- Execution of the provider payment plan with no significant deviations from the estimated forecast.

Based on the foregoing, Abengoa´s Directors have considered appropriated to prepare these Consolidated condensed financial statements at December 31, 2018 on a going concern, considering the fundamental aspects of the new Viability Plan approved, which will be reinforced by the Financing Agreement and the aforementioned restructuring proposal, currently underway. 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 the Annual Consolidated financial statements for year ended 2017) in order to record the assets, liabilities, revenues and expenses as of December 31, 2018 in accordance with the existing information by the time of preparing these Consolidated condensed financial statements.

2.1.3. Restructuring process accounting impacts

As indicated on Note 2.2.1 of the Consolidated financial statements for the year ended 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 on 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, market price has been taken as reference 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 considering 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 have been applied 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 €6,208 million (€5,730 million in the income statement and €35 million in share capital, and €443 million in capital share and share premium). The following table shows the breakdown of such impacts (in million euros):

Concept	Amount
Decrease of debt to be refinanced at its carrying amount	8,330
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	6,208

On the other hand, and as Note 2.1.2. states, the Company is currently working on additional actions to ensure the viability of the Group in the short and medium term, which include a new financial restructuring process that is currently underway at the date of publication of these Condensed Consolidated Financial Statements.

One of the milestones of said restructuring process was the execution of a "Lock-Up Agreement" dated December 31, 2018 with several financial creditors, as the aforementioned Note 2.1.2. states, as well as the initiation of an accession period to said agreement as a step prior to the signature of the restructuring agreement ("Restructuring Agreement"). At the date of these Financial Statements, financial creditors representing the majority of the New Money 2, syndicated guarantee facility and Senior Old Money financial instruments have already acceded to the Lock-Up Agreement, hence giving their consent to the restructuring proposal.

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

Nonetheless creditors, by acceding to the Lock-Up Agreement, agree on one hand to stay certain rights and actions under such facilities vis-à vis the different Group companies, which include exercise of enforcement actions and, on the other hand, to overlook the noncompliance derived from the signature of the Lock-Up Agreement until any of these events take place, whichever occurs first: the date when the Lock-Up Agreement ends pursuant to its own terms or the Expiration Date, which was originally set on January 31, 2019 and subsequently extended to March 14, 2019 (the "Long-Stop Date").

As a consequence of the above, and since the Company facilities which are subject of the Lock-Up Agreement (New Money 2, Guarantee Facility and Old Money) were in a transitional status of technical non-compliance at the balance end date which resulted from the execution itself of said Lock-Up Agreement, and since the consent to said non-compliance situation agreed-upon by financial creditors in the Agreement itself was established for up to the "Long Stop Date", this is, up to January 31, 2019, and subsequently extended to March 14, 2019, Abengoa has applied the provisions set forth in IAS 1 "Presentation of Financial Statements" and has proceeded to reclassify the Old Money debt from non-current liabilities to current liabilities of the Statement of Financial Position. As for New Money 2 financing, it has not entailed any reclassification as it was already entered under current liabilities at December 31, 2017.

As mentioned above, the Company's creditors agreed, by signing the Lock-Up Agreement, to temporarily stay the exercise of certain rights and actions under such facilities vis-à vis the different Group companies. Nonetheless, since said stay will not meet the minimum period of twelve months after the reporting period, as required in IAS 1, paragraphs 64 et seq., said classification has been deemed convenient.

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

Said adjustment has entailed a negative impact on the Consolidated Income Statement for an amount of €1,060 million recognized under "Other finance costs – Finance expenses due to restructuring" (see Note 22), counterbalanced by "Corporate Financing" of current liabilities of the Consolidated Statement of Financial Position at the end of the 2018 period.

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

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

Once the restructuring process under the current terms concludes, it is estimated that said debt will be recognized under Non-current liabilities in the Consolidated Financial Statement.

Consequently, this negative impact at the end of the 2018 period does not reflect Abengoa's future financial status which, at the Directors' discretion, and upon conclusion of the Restructuring Process in which the Company is involved at the date of these Condensed Consolidated Financial Statements, will be contingent upon the compliance of the new 10-year Viability Plan approved by the Board of Directors at their meetings of December 10, 2018 and January 21, 2019, and associated to the Group's ability to generate resources from its operations and to obtain sufficient liquidity as required by the recovery of the market to continue with its activity in a competitive and sustainable manner.

2.2. Financial position

2.2.1. Changes in the composition of the Group

During the year 2018 a total of 6 subsidiary and 2 associated companies and 4 joint-ventures were added to the consolidation perimeter of the Group.

In addition, 35 subsidiaries, 56 associated companies and 5 joint ventures are no longer included in the consolidation group.

2.2.2. Main acquisitions and disposals

a) Acquisitions:

- During the year2018 there were no significant acquisitions.

b) Disposals:

- During the year 2018, two significant disposals took place: the completion of sale of 25% de Atlantica Yield and the operating transmissions lines in Brazil as part of the Divestment plan established in the Updated Viability Plan, detailed as follows:

- On November 1, 2017 Abengoa S.A. 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"). In addition, the parties agreed on an "earn-out" mechanism under which Abengoa could benefit from 30% of the first 2 USD in which the share of AY is revalued, up to a maximum of 0.60 USD per share.

  On March 9, 2018, the Company announced that the operation with Algonquin Power & Utilities Corp has been completed for a total price of USD 607 million, where the debt repayment has reached 510 million of US dollars approximately, according to the New Money financing agreements.

  On April 17, 2018, Abengoa announced that has reached an agreement for the sale of its remaining 16.47 % stake of Atlantica Yield to Algonquin Power & Utilities Corp. (APUC). This new sale were subject to certain conditions precedent which include the approval of the transaction by certain regulatory bodies and by Abengoa's creditors.

  Likewise, an agreement was signed where Abengoa agrees to indemnify Algonquin in case there is a reduction in the annual dividend distributed by Atlantica Yield derived from the performance of the plants, limited by a CAP of 0.30 USD per share and compensable with the "earn-out" described above.

  On November 22, 2018, the Company announced that the conditions precedent required to complete the sale of 16.47% had been met, thus completing the divestment of the total of 41.47% shares that it held on Atlantica Yield.

  As agreed upon in the aforesaid agreement signed in April 2018 to sell 16.47% of Atlantica Yield's shares, the price was 20.90 USD per share (last closing price of Atlantica Yield prior to the agreement), which entailed a premium of 6.2% over the closing market price on April 16 and 8% over the closing market price of November 21, 2018 The operation has represented a total amount of 345 MUSD, which must be reduced by 20 MUSD by way of transaction costs and other deductions, as well as by 40 MUSD which will be temporarily withheld until certain contingencies are released On November 27, 2018, the net amount obtained, 285 MUSD, was used towards the partial repayment of the New Money 1 debt pursuant to the financing agreements.

  As a consequence of the above, a positive impact for an amount of €108 million was registered on December 31, 2018 on the Consolidated Income Statement as a difference between the book value and the sale value of 41.47% of the stock shares.

  - Within the judicial recovery process initiated in Brazil on the transmission line activity, on December 13, 2017 the transmission lines in operation were awarded to the North-American company TPG Capital, previously named Texas Pacific Group, for an amount of 482 million of Brazilian Real. The transaction is subject to authorization from the power regulatory agency Agencia Nacional de Energía Eléctrica (Aneel), the National Bank for Economic and Social Development (BNDES), the Banco da Amazônia bank and bond holders.

    On May 30, 2018, all the conditions precedent were fulfilled for the sale in public auction within the Judicial Recovery to Texas Pacific Group of the transmission lines in operation in Brazil for an amount of 482 million Brazilian real.

- On December 20, 2018, the subsidiary Abeinsa Asset Management, S.L. formalized the sale of its interest in the company named Cogeneración Villaricos, S.A. to Neoelectra SC Fuente de Piedra Gestión, S.L.U., with a sale price of €5.2 million.

2.2.3. Main figures

Financial data

- Revenues of €1,303 million, a 12% lower to the same period of 2017.
- EBITDA of €188 million, an increase of 48% compared to the same period of 2017.

Item	2018	2017	Var (%)
Income Statement (in million euros)			
Revenue	1,303	1,480	(12)
EBITDA	188	127	(48)
EBITDA Margin	14%	9%	56
Net Income	(1,498)	4,278	135
Balance Sheet			
Total Assets	3,830	6,359	(40)
Equity	(4,251)	(2,408)	(77)
Corporate Net Debt	4,096	3,254	26
Share Information (in million euros)			
Last price (€ per B share)	0.00	0.01	(66)
Capitalization (A+B share) (€ million)	82	218	(62)
Daily trading volume (€ million)	1	6	(83)

Operating figures

- The international activity represents 88% of the consolidated revenues.
- The main operating figures of December 31, 2018 and 2017 are the following:

Key operational	2018	2017
Transmission lines (km)	-	3,532
Water Desalination (Cap. ML/day)	475	475
Cogeneration (GWh)	140	163
Solar Power Assets (MW)	300	300
Biofuels Production (ML/year)	235	235

- The main contract and portfolio figures at the end of the 2018 period are as follows:

Item	Amount
Contract	1,507
Portfolio	1,775

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 December 31, 2018 and December 31, 2017 (in million euros):

Item	Balance as of 12.31.18	Balance as of 12.31.17
+ Corporate financing	4,407	3,644
- Financial statements	(130)	(195)
- Cash and cash equivalents	(205)	(196)
- Treasury shares + financial investments and cash from Project companies	24	1
Total Net Debt	4,096	3,254

2.2.4. Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa at December 31, 2018 and December 31, 2017, with an explanation of the main variations between both periods (in million euros):

Item	2018	2017	Var (%)
Revenue	1,303	1,480	(12)
Operating revenues and expenses	(1,115)	(1,353)	18
EBITDA	188	127	48
Depreciation and amortization	(40)	(405)	90
I. Net Operating Profit	148	(278)	153
Financial incomes and expenses	(410)	(417)	2
Net Exchange rates differences and other financial incomes / expenses	(1,149)	6,172	(119)
II. Financial results, net	(1,559)	5,755	(127)
III. Share of profit / (loss) of associates	107	(73)	247
IV. Profit (loss) before income tax	(1,304)	5,404	(124)
V. Income tax (expense) benefit	(131)	(824)	84
VI. Profit for the year from continuing operations	(1,435)	4,580	(131)
Profit (loss) from discontinued operations, net of tax	(53)	(296)	82
Profit for the year	(1,488)	4,284	(135)
VII. Non-controlling interests	(10)	(6)	(67)
Net income attributable to the parent company	(1,498)	4,278	(135)

Revenues

Revenue has decreased to €1,303 million, which is a decreased of €177 million from €1,480 million in the same period of 2017. The decrease in consolidated revenues is due to the decrease is mainly attributed to the reactivation of the business, contracting and execution that was lower than the sales contributed by the projects completed during the previous year, as well as the delay in the start of projects contracted during the last quarter of 2017 and the beginning of 2018.

EBITDA

EBITDA has increased in a 48% reaching €188 million, which suppose an increase of €71 million compared to the €127 million of the same period of the previous year. The increase in EBITDA is mainly attributable to the lower restructuring expenses, reduction of structure costs and greater profitability of projects under construction.

Operating profit

Operating profit has increased in 153%, from loss of €278 million on 2017 to profit of €148 million on June 2018. 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.

Net Financial Expense

Net Finance expenses have reached a loss of €1,599 million, which entail a deterioration of 127% in comparison to a profit of €5,755 million in the same period of 2017. This increase in expenses is mainly due to the positive impact caused by the financial debt restructuring of the Group in the same period of 2017, as well as the financial expense registered in 2018 in relation to the financing agreements of New Money and Old Money, which includes a negative impact for the recognition of Old Money and New Money 2 financing at redemption value amounting to €1,060 million (see Note 22).

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

The share of profit /(loss) of associated carried under the equity method has increased from a loss of €73 million on December 2017 to a profit of €107 million on December 2018. This increase is mainly due to the sale of 41.47% of the shares on the stake in Atlantica Yield (see section 6.2).

Corporate Income Tax

Corporate income tax decreased from a net loss of €824 million on December 2017 to a net loss of €131 million on December 2018. This decrease in mainly attributable to income tax expenses recognized due to the positive result arisen after the financial debt restructuring of the Group (see Note 2.1.3).

During the 2018 period, the tax effect of the financial expense recognized for adjusting the Old Money and New Money 2 debt at redemption value should be highlighted (see Note 22), offset by the impairment on certain tax credits recognized based on the new 10-year Viability Plan that has been approved.

Profit for the year from continuing operations

Due to the aforementioned changes, results from continuing operations of Abengoa decreased from profits of €4,580 million on December 2017 to a loss of €1,435 million in 2018.

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

Profit (loss) for the period from discontinued operations, net of tax, has improved from a loss of €296 million in December 2017 to a loss of €53 million in December 2018. This improvement is mainly due to a lower expense amount for the impairment on certain discontinued assets, mainly related to the Bioenergy activity, recognized in the previous period given the Company's situation at the time.

Profit attributable to the parent company

Profit attributable to the parent company has deteriorated from a profit of €278 million on December 2017 to a loss of €1,498 million on December 2018 as a consequence of the changes described in previous sections.

2.2.5. Results by activities

The following table shows the distribution between business activities of revenues and consolidated EBITDA at December 31, 2018 and December 31, 2017, with an explanation about the main variations between both periods:

	Sales			Ebitda			Margin	
Item	2018	2017	Var (%)	2018	2017	Var (%)	2018	2017
Engineering and Construction	1,112	1,317	(16)	103	77	34	9%	6%
Concession-type infrasteucture	191	163	17	113	102	11	59%	63%
Total	1,303	1,480	(12)	216	179	21	17%	12%
Restructuring advisory expenses	-	-	-	(28)	(52)	(46)	-	-
Total	1,303	1,480	(12)	188	127	48	14%	9%

(1) Includes fees by independent professionals other than the advisors who participated in the restructuring process amounting to €28 million and €52 million at December 31, 2018 and 2017, respectively.

Engineering & Construction

Revenues in the Engineering & Construction segment has decreased by 16% to €1,112 million, which is a decrease of €205 million compared to the €1,317 million of the same period last year. This decrease in revenues is mainly attributable to the delay in the start of contracted projects during the last quarter of 2017 and beginning of 2018.

EBITDA, with no restructuring advisor expenses in the Engineering and Construction activity, has improved reaching €103 million, which entails an increase of €26 million against the €77 million in the same period last year This increase is mainly attributable to a reduction in the overhead expenses and to a higher profitability in construction projects.

Concession-type Infrastructures

Revenues in concession-type infrastructures have increased by 17% to €191 million, which is an increase of €28 million compared to the €163 million in the same period last year. This increase in revenues is mainly attributable to the beginning of operation of concession assets, mainly.

EBITDA in the concession-type activity has increased by 11% reaching €113 million, which entails an increase of approximately €11 million against the €102 million registered in the same period last year.

2.2.6. Consolidated statement of financial position

Consolidated balance sheet

A summary of Abengoa's consolidated asset for December 31, 2018 and December 31, 2017 is given below, with main variations (in millions of euros):

Item	2018	2017	Var (%)
Intangible assets and fixed assets	188	235	(20)
Fixed assets in projects	347	165	110
Associates under the equity method	15	34	(56)
Financial investments	28	41	(32)
Deferred tax assets	137	376	(64)
Non-current assets	715	851	(16)
Inventories	60	75	(20)
Clients and other receivable accounts	603	965	(38)
Financial investments	130	195	(35)
Cash and cash equivalents	205	196	5
Assets held for sale	2,117	4,077	(48)
Current assets	3,115	5,508	(43)
Total assets	3,830	6,359	(40)

- The amount for non-current assets has decreased by 16% reaching €715 million, which entails a decrease of €136 million compared to €851 million at December 31 of the previous year. This decrease in non-current assets is mainly attributable to the impairment of certain tax credits, the amortization of the period, as well as to the sale of the Company's former headquarters, partially offset by the classification of Khi Solar One after it no longer met the cases and requirements of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" and the appreciation of the US dollar.
- The amount for non-current assets has decreased by 43% reaching €3,115 million, which entails a decrease of €2,393 compared to €5,508 million registered at December 31 of the previous year. This decrease in current assets is mainly attributable to a reduction of the assets held for sale as a result of the sale of 41.47% of the interest in Atlantica Yield, the sale of transmission lines under operation in Brazil, as well as the aforementioned variation of the Khi Solar One assets.

A summary of the liabilities in Abengoa's consolidated financial statement at December 31, 2017 and 2018 is shown below, with a description of the main variations occurred between both periods (in millions of euros):

Item	2018	2017	Var (%)
Capital and reserves	(4,379)	(2,870)	(53)
Non-controlling interest	128	462	(72)
Total Equity	(4,251)	(2,408)	(77)
Project debt	95	11	764
Corporate financing	200	1,611	(88)
Grants and other liabilities	113	52	117
Provisions and Contingencies	62	54	15
Deferred tax liabilities and Personnel liabilities	137	531	(74)
Total non-current liabilities	607	2,259	(73)
Project debt	225	97	132
Corporate financing	4,208	2,033	107
Trade payables and other current liabilities	1,361	1,883	(28)
Current tax liabilities	316	128	147
Provisions for other liabilities and expenses	20	23	(13)
Liabilities held for sale	1,345	2,344	(43)
Total current liabilities	7,475	6,508	15
Total Shareholders' Equity and Liabilities	3,830	6,359	(40)

- The amount for equity has decreased by 77% reaching €-4,251 million, which entails a decrease of €1,843 million compared to €-2,408 million at December 31 of the previous year. This decrease in equity is mainly attributable to the release of non-controlling interest due to the sale of transmission lines under operation in Brazil, Brownfield, (see Note 6.2.) and to the profit/(loss) for the period mainly derived from the adjustment of Old Money and New Money 2 financing (see Note 22).

- The amount for non-current liabilities has decreased by 73% reaching €607 million, which entails a decrease of €1,652 million compared to €2,259 million at December 31 of the previous year. This decrease in non-current liabilities is mainly attributable to the reclassification of Old Money financing as current liabilities (see Note 2.1.3.) and to the reversal of the deferred tax liabilities associated to the restructuring process (see Note 2.1.3.).

- The amount for current liabilities has increased by 15% reaching €7,475 million, which entails an increase of €967 million compared to €6,508 million at December 31 of the previous year. This increase in current liabilities is mainly attributable to the reclassification of the aforesaid Old Money financing, partially offset by the amortization of New Money 1 with the sale of 41.47% of Atlantica Yield, to the repayment to providers of, mainly, solar projects in Chile and to the reduction of liabilities held for sale as a result of the sale of transmission lines in Brazil (see Note 6.2.).

2.2.7. Consolidated cash flow statements

A summary of the Consolidated cash flow statements of Abengoa for the periods ended December 31, 2018 and December 31, 2017 with an explanation of the main cash flows (in million euros):

Item	Balance as of 12.31.18	Balance as of 12.31.17	Var (%)
Profit for the year from continuing operations	(1,435)	4,580	(131)
Non-monetary adjustments	1,608	(4,662)	134
Variations in working capital	(10)	(23)	57
Taxes and interest received / paid	(147)	(82)	(79)
Discontinued operations	12	46	(74)
A. Net Cash Flows from operating activities	28	(141)	120
Intangible assets and property, plant & equipment	(161)	(161)	-
Other investments/disposals	899	68	1,222
Discontinued operations	(55)	36	(253)
B. Net Cash Flows from investing activities	683	(57)	1,298
Other disposals and repayments	(774)	122	(734)
Discontinued operations	84	11	664
C. Net Cash Flows from financing activities	(690)	133	(619)
Net increase/(decrease) of cash and equivalent	21	(65)	132
Cash or equivalent at beginning of year	196	278	(29)
Translation differences cash or equivalent	-	(15)	100
Cash or equivalent held for sale and discontinued operations	(12)	(2)	(500)
Cash and cash equivalent at end of year	205	196	5

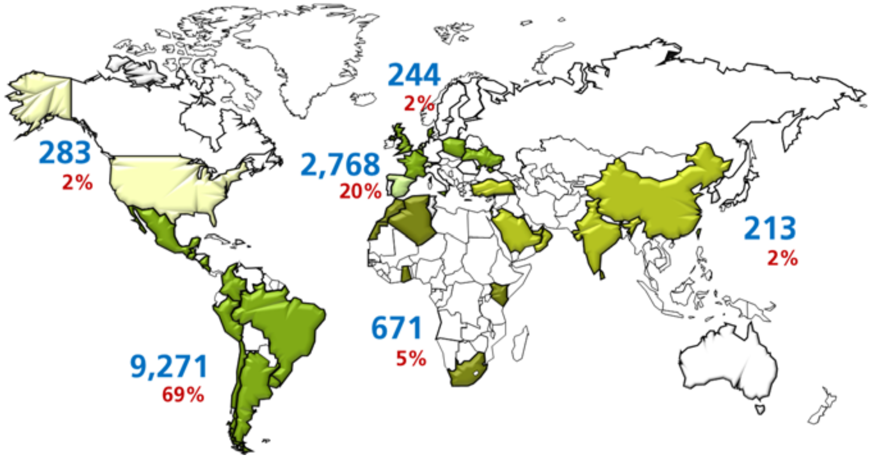
- As of December 31, 2018, cash inflows from operating activities amounts to €28 million compared to the cash outflows amounting €141million in the same period of 2017. The improvement in cash flows occurs after the reactivation of the business, improvement in margins and the lower consumption of working capital, partially offset by cash outflow due to the payment of interest related to the New Money 1 debt.
- In terms of net cash flows from investment activities, there is a net cash inflow of €683 million as of December 31, 2018, compared with net cash outflow of €57 million in the same period of 2017. The cash inflow of investment activity flows is the result of the sale of a stake in 41,47% of the capital stock of Atlantica Yield plc, and the transmission lines in operation in Brazil.
- Net cash flow from financing activities was a cash outflow €-690 million as of December 31, 2018 compared to €133 million in the same period of 2017. The cash outflow of financing activities flows mainly due to the partial amortization of the New Money 1 debt.

2.2.8. Human resources

Abengoa's workforce is formed by 13,450 people which is an increase of 7.9% compared to the previous year (12,468 people).

Geographical distribution of the workforce

The 20.6% people are located in Spain while the remaining 79.4% are abroad. The total number of employees at the end of the year 2018 by geographical area, and the relevance over the entire staff:



Distribution by professional groups

The total number of employees by categories at the end of the year 2018 was:

	12.31.18		
Categories	Female	Male	% Total
Directors	25	192	1.6
Management	145	691	6.2
Engineers	455	1,056	11.2
Assistants and profession	351	624	7.3
Operators	553	9,284	73.1
interns	27	47	0.6
Total	1,556	11,894	100.0

2.2.9. Main Performance KPIs

Main performance KPI's

Summarized Responsible Management Balance Sheet

Finance Capital	2018	2017	2016	2015
Revenue (M€)	1,303	1,480	1,510	3,647
Significant financial support received from governments (k€)	-	4,882	12,031	81,747

Natural Capital	2018	2017	2016	2015
Energy				
Energy cosumption (GJ) (primary, electrical and thermal)	24,579,329	24,853,762	33,692,874	55,602,638
Energy consumption intensity (GJ) / Sales	18.9	16.8	22.3	9.7
Emissions				
Direct emissions (t CO2eq)	738,458	652,332	1,044,098	2,135,808
Direct emissions from biomass (t CO2eq)	1,331,008	1,103,015	2,025,292	3,289,005
Indirect emissions (tCO2eq)	313,746	315,286	2,725,577	4,713,618
GHG emissions intensity (tCO2eq) / Sales	1.8	1.4	3.8	1.8
Water withdrawal				
Desalinated watr produced (m3)	133,079,325	146,444,617	154,690,622	105,346,138
Seawater withdrawal (m3)	324,125,592	356,538,188	336,653,375	221,199,378
Water withdrawn from other sources (m3)	7,687,386	6,351,911	8,648,659	21,028,296
Waste				
Waste	93,462	45,474	41,645	120,913

Human capital	2018	2017	2016	2015
Job creation (%)	8.69	(21.97)	(31.10)	(9.82)
Total voluntary turnover (%)	7.69	8.69	18.22	9.09
Female staff members				
In senior management positions (%)	13.02	10.04	10.38	10.77
In middle management positions (%)	20.98	18.24	21.97	22.20
Work.Related Accident Rate				
Frequent Rate IFG	10.88	13.31	14.22	11.81
Severuty Rate	0.11	0.12	0.23	0.13
Number of mortal accidents	-	-	1	
Training				
Number of hours over the average number of employees	35.72	20.60	6.21	53.00

Social and Relationship Capital	2018	2017	2016	2015
Providers				
Purchases to local providers (%)	77.40	87.30	ND	73.00

Compliance	2018	2017	2016	2015
Analyses conducted to meet FCPA compliance	446	539	1,412	5,108

3.- Information on the foreseeable evolution of the Group

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.

Nonetheless, after the financial restructuring process that concluded in March 2017 the activity has taken longer than expected to recover and, hence, in order to ensure the viability of the Group in the short and medium term and for it to be able to continue with its activity in a competitive and sustainable manner in the future, the following becomes necessary:

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

› To access new bonding facilities in order to ensure the growth of its Engineering and Construction business.

› To maintain a financial structure that is adequate for the business model planned to be developed in the future.

For the purpose of meeting these goals, the Company has been working on additional actions, and more specifically on a new 10-year Viability Plan, as well as on a financial restructuring process (see Note 2.1.).

In this sense, the Board of Directors in their meetings of December 10, 2018 and subsequently on January 21, 2019, approved the aforementioned 10 year Viability Plan, that was reported in the relevant event dated January 24, 2019.

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.

These Consolidated condensed financial statements 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, 2017.

5.- Information on research and development activities

R&D investments during the year 2018 have been €287 thousand, (€430 million in 2017), very lower amount than in previous years, mainly due to the situation of the Company during the year 2018.

6.- Stock exchange evolution

According to data provided by Bolsas y Mercados Españoles (BME), during the year 2018 a total of 5,084,628,221 Class A shares and 26,742,924,526 Class B shares in the company were traded, equivalent to an average daily trading volume of 19,939,719 Class A shares and 104,874,214 Class B shares. The average daily traded cash volume was €0 million for Class A shares and €0.9 million for Class B shares.

Shares evolution	A Shares		B Shares	
	Total	Daily	Total	Daily
Volume (thousands of shares)	5,084,628	19,940	26,742,925	104,874
Volume (M€)	129.5	0.5	236.3	0.9

Quotes	A Shares	Data	B Share	Data
Última	0.0145	31-dic	0.0034	31-dic
Máxima	0.0365	21-jun	0.0151	17-ene
Mínima	0.00100	23-oct	0.0021	16-nov

The last price of Abengoa's shares at the end of the year 2018, was €0.0145 for Class A shares, an 8.2% lower than at the end of 2017; and €0.034 per Class B share, a 66% lower than at the end of 2017.

Since its IPO in the Spanish stock exchange in November 29, 1996, the value of the Company has decreased by 60%. The selective IBEX-35 index has risen by 83% 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, has been temporarily suspended the operations 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 with because the Company does not have the intention to continue to operate with treasury shares.

As of December 31, 2018 treasury stock amounted to 5,519,106 Class A shares in full.

No operations for the acquisition or disposal of the Company's Class A and/or B Shares have been performed during the 2018 period.

8.- Corporate governance

On May 14, 2018, the Board of Directors agreed to call an Ordinary General Shareholders' Meeting to be held at the corporate headquarters, Campus Palmas Altas, in Seville, on June 24, 2018, at 12:00 noon, at first call and, in its case, of not reaching the necessary quorum, in second call, on June 25, 2018 at the same time.

On June 25, 2018, with a quorum of 15.232% of the company's capital stock, the General Meeting of Shareholders of the Company was held on second call, according to the following order of business:

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

1.1 Examination and approval, as appropriate, of the individual annual financial statements (balance sheet, income statement, statement of changes in equity, the statement of cash flows and explanatory notes) and the individual management report corresponding to 2017 and the consolidated annual financial statements (consolidated statements of financial position, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated cash flow statements and notes to the consolidated financial statements) and consolidated management report corresponding to 2017 of its consolidated group.

1.2. Approval of the proposal to apply the 2017 Financial Year Outcome of the individual annual financial statements of the Company.

1.3 Approval of the Management of the Company by the Board of Directors during the aforementioned 2017.

Two.- Ratification and appointment of Directors.

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

Four.- Remuneration of the Board of Directors.

Five.- Authorisation to the Board of Directors to increase the share capital through the issue of new shares of any Class A and/or B and/or C shares, pursuant to the provisions of Article 297.1 b) of the Corporate Enterprise Law, within the confines of the law, with express powers to delegate the exclusion of preferential subscription rights in accordance with the provisions of Article 506 of the Corporate Enterprise Law, revoking and rendering null and void the amount pending which emerged from previous delegations of authority by the General Meeting. Delegation of powers to the Board of Directors, with express authorisation for substitution, to establish the conditions for the share capital increase. Application to the competent bodies in Spain and abroad to enable the new shares to be admitted for trading on any securities market.

Six.- Information for the General Meeting concerning the amendments to Board Regulations approved by the Board of Directors.

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

All the proposed resolutions were adopted with the sole exception of the fifth agreement on the agenda regarding the delegation to the Board of Directors of the power to increase the share capital by issuing new shares that were not put to the vote because they were not reached the necessary quorum for it.

On the other hand, after the end of the period, the Board of Directors, at its meeting held on August 24, 2018, meeting the requirement received from Corporate Investment, I.C., S.A., Finarpisa, S.A. and Ms. Blanca de Porres Guardiola, shareholders owning 3,0001% of the company's share capital, in compliance with the provisions of articles 168 and 495 of the Capital Companies Law and 24 of the Corporate Bylaws, agreed to convene the General Extraordinary Shareholders Meetings for its celebration at the registered office, Campus Palmas Altas, of Seville, on October 1, 2018, at 12:00 noon, on first call and, if necessary, if the necessary quorum is not reached, in second call, on October 2, 2018 at the same time, according to the following agenda:

One – Approval of a stock-split of share classes A and B that form part of the share capital of Abengoa S.A., with a ratio of ten (10) new shares for every one (1) old share, followed by the corresponding adjustment in the face value of said shares, in order to avoid possible prejudice caused by the new minimum share price implemented by Bolsas y Mercados. Modification, if applicable, of Article 6 of the Company Bylaws in order to reflect the new number of shares and the nominal value, without further changes.

Two – Urge the Board of Directors to ask Bolsas y Mercados to temporarily suspend the trading of both share classes of the Company until the abovementioned split from the first order is implemented, in case it is approved.

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

It is hereby noted that points number One and Two of the Agenda have been drafted in accordance with the request received from Inversión Corporativa IC, S.A., Finarpisa S.A., and Ms. Blanca de Porres Guardiola and therefore, those points cannot be considered as proposals of the Board of Directors of the Company.

After the call of the aforementioned General Extraordinary Shareholders Meeting, the National Securities Market Commission, on August 29, 2018, sent the Company a notification indicating, among other issues, that the proposed measures could not only be a practical obstacle to the free transferability of the shares but could also be considered as a price manipulation practice and urging to adopt the necessary measures to avoid the execution of the agreements proposed in the General Extraordinary Shareholder Meeting.
In light of this requirement, on September 12, 2018, the Company sent the National Securities Market Commission a relevant fact reporting on its recommendation to vote against the proposed resolutions made by the shareholders that required the call for proposals. the which call the General Extraordinary Shareholder Meeting and stating that, should such proposals be approved, it will be obliged to evaluate the adoption of legal measures within its reach in defense of the corporate interest

The aforesaid Extraordinary General Meeting of Shareholders could not be held due to a lack of quorum, as a total of 33,395,068,309 votes were present, either in person or by proxy, representing 18.622% of the Company's capital stock.

At December 31, 2018, the only board members who were members of another publicly listed company's board of directors were Gonzalo Urquijo Fernández de Araoz, who was member of Vocento, S.A. and Getamp Automoción, S.A.'s boards of directors; José Luis del Valle Doblado, who was president of Lar España Real Estate SOCIMI, S.A., Pilar Cavero Mestre, who was member of Merlin Properties's board of directors; and Josep Piqué Camps who was member of Aena, S.A.'s board of directors.

According to the register of significant shareholdings maintained by the Company in compliance with the Internal Regulations of Conduct for matters related to Securities Exchange, none of the company directors holds ownership of the Company's share capital at December 31, 2018 either directly or through financial instruments.

9.- Dividends

The terms and conditions included in the financial agreements entered into as part of the Restructuring Agreement include a prohibition on the distribution of dividends until all of the new money financing and old money financing is repaid in full. Therefore, we expect that no dividend payments will be made until the amounts owed under the preexisting debt are met, in accordance with the refinancing process that is currently under negotiation with financial creditors (see Note 2.1.2.). The prohibition on dividends also affects "Abengoa Abenewco 1, S.A." ("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 semester of 2018 and until the business evolution report's date:

- Written Communication of 01/23/2018.- Abengoa announces the finalization of the insolvency proceedings of Abengoa México
- Written Communication of 01/24/2018.- Abengoa announces the admission to trading of new Cass B shares after the 24 and last conversion period
- Written Communication of 01/25/2018.- Correction of the date of admission to trading of new Cass B shares
- Written Communication of 02/28/2018.- Abengoa releases 2017 results
- Written Communication of 03/05/2018.- Abengoa announces 2017 results conference call
- Written Communication of 03/05/2018.- Inversion Corporativa comunica la terminación de pacto parasocial
- Written Communication of 03/05/2018.- Abengoa announces advances in the closing of the sale of a 25% stake in Atlantica Yield
- Written Communication of 03/06/2018.- 2017 Results presentation
- Written Communication of 03/09/2018.- Abengoa announces completion of the sale of 25% of Atlantica Yield
- Written Communication of 04/17/2018.- Abengoa announces that it has reached an agreement with Algonquin Power & Utilities Corp. for the sale of the remaining 16.47% of the share capital of Atlantica Yield
- Written Communication of 05/09/2018.- Abengoa announces that it has been selected as the technological partner in the construction of a solar complex in Dubai for Dewa
- Written Communication of 05/14/2018.- Abengoa presents Q1 2018 results
- Written Communication of 05/16/2018.- Results Presentation for the first quarter of 2018

- Written Communication of 05/17/2018.- Abengoa announces General Shareholders Meeting 2018
- Written Communication of 05/17/2018.- Accession of Abengoa Greenfield, SAU to the Annual Corporate Governance Report of Abengoa
- Written Communication of 05/17/2018.- Accession of Abengoa Finance, S.A. to the Annual Corporate Governance Report of Abengoa
- Written Communication of 05/17/2018.- Accession of Abengoa Abenewco 2, SAU to the Annual Corporate Governance Report of Abengoa
- Written Communication of 05/17/2018.- Accession of Abengoa Abenewco 1, SAU to the Annual Corporate Governance Report of Abengoa
- Written Communication of 05/31/2018.- Abengoa announces results of waivers requested to creditors for, among others, the sale of 16.47% of Atlantica Yield
- Written Communication of 06/25/2018.- Abengoa announces resolutions approved by the general shareholders meeting held today
- Written Communication of 07/31/2018.- Abengoa informs of a notice released by the Stock Exchange Company
- Written Communication of 08/29/2018.- Abengoa announces Extraordinary General Shareholders Meeting 2018
- Written Communication of 08/29/2018.- Notice from CNMV in connection with the resolutions proposed to be passed at the 2018 Extraordinary General Shareholders' Meeting
- Written Communication of 09/12/2018.- Notice of the Company in connection with the Extraordinary Shareholders' Meeting called to be held on 1 and 2 October
- Written Communication of 09/30/2018.- Abengoa announces that it has reached an agreement with its main creditors for the provision of liquidity and bonding lines and presents a proposal for the restructuring of its old money debt.
- Written Commnunication of 10/02/2018.- Abengoa announces that the Extraordinary Shareholders' meeting called to be held today has not been validly held.
- Written Communication of 10/11/2018.- Abengoa will present the 2018 First Half Results in a conference call
- Written Communication 11/09/2018.- Abengoa will present the 2018 Third Quarter Results in a conference call.
- Written Communication 11/12/2018.- Abengoa announces Q3 2018 results.
- Written Communication 11/13/2018.- Q3 2018 Results Presentation.
- Written Communication 11/22/2018.- Abengoa announces fulfillment of the conditions for the sale of Atlantica Yield.
- Written Communication 11/27/2018.- Abengoa announces completion of the sale of Atlantica Yield.
- Written Communication 12/31/2018.- Abengoa announces that it has signed with its main creditors a Lock-Agreement and has launched an accession period.
- Written Communication 01/15/2019.- Abengoa announces the extension of the accession period for the Lock Up Agreement.
- Written Communication 01/21/2019.- Abengoa announces the extension of the accession period for the Lock Up Agreement.
- Written Communication 01/24/2019.- Abengoa releases its 10 year Viability Plan.
- Written Communication 01/29/2019.- Abengoa announces occurrence of the Effective Date under the Lock-Up Agreement.
- Written Communication 01/31/2019.- Abengoa announces the extension of the longstop date of the Lock-up Agreement.
- Written Communication 02/22/2019.- Abengoa announces Noteholders' Assemblies and beginning of accession period of New Money 2, Senior Old Money and Junior Old Money.

11.- Alternative performance measures

Abengoa presents the Income Statement in accordance to the International Financial Reporting Standards (IFRS), however, uses some alternative performance measures (APMs) to provide additional information to assist the comparison and comprehension of the financial information, facilitate decision-making and the assessment of group´s performance.

The most significant APM are the following:

- EBITDA;
  - Definition: operating profit + amortization and charges due to impairments, provisions and amortizations.
  - Reconciliation: the Company presents the EBITDA calculation in section 2 of this Consolidated condensed management report and Note 5 of the Consolidated condensed financial statements.
  - Explanation of use: EBITDA is considered by the Company as a measure of performance of its activity given that provides an analysis of the operating results (excluding depreciation and amortization, which do not represent cash) as an approximation of the operating cash flows that reflects the cash generating before variations in working capital. Additionally, EBITDA is an indicator widely used by investors when valuing corporations, as well as by rating agencies and creditors to assess the indebtedness comparing EBITDA with net debt.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate EBITDA is the same than the used the previous year.

Operating margin;

  - Definition: EBITDA / revenue.
  - Reconciliation: the Company presents the operating margin calculation in section 2 of this Consolidated condensed management report.
  - ›Explanation of use: operating margin is a measure of business profitability itself before the amortization, impairment, financial results and taxes impact. It measures the monetary units earned per units sold.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the operating margin is the same than the used the previous year
- Net corporate debt;
  - Definition: corporate financing – cash and cash equivalents (excluding project companies) – current financial investments (excluding project companies).
  - Reconciliation: the Company presents the net corporate debt calculation in section 2 of this Consolidated condensed management report.
  - Explanation of use: net corporate debt is a financial indicator which measures the indebtedness position of a company a corporate level. Additionally, it is an indicator widely used by investors when valuing the financial indebtedness of a company, as well as by rating agencies and creditors when valuing the level of indebtedness.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the net corporate debt is the same than the used the previous year.
- ›Net cash provided by operating activities;
  - Definition: variations in cash arisen as the difference between collections and payments caused by trade transactions in the Group during the period.
  - Reconciliation: the Company presents the Net Cash Provided by Operating Activities calculation in the Cash Flow Statement in the Consolidated condensed financial statements and in section 2 of this Consolidated condensed management report.
  - Explanation of use: net cash provided by operating activities is a financial indicator which measures the cash generation of business itself during the period.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the net cash provided by operating activities is the same than the used the previous year.
- Net cash used in investing activities;
  - Definition: variations in cash arisen as the difference between collections and payments caused by divestment and investment transactions in the Group during the period.

- Reconciliation: the Company presents the Net Cash Used in Investing Activities calculation in the Cash Flow Statement in the Consolidated condensed financial statements and in section 2 of this Consolidated condensed management report.
- Explanation of use: net cash used in investing activities is a financial indicator which measures the investing effort of the Company in a period net of divestments in the Company during the period.
- Comparative: the Company presents comparative information with the previous period.
- Comparative: the standard used to calculate the Net Cash Used in Investing Activities is the same than the used the previous year

› Net cash provided by financing activities;

- Definition: variations in cash arisen as the difference between collections and payments caused by financing transactions in the Group during the period.
- Reconciliation: the Company presents the Net Cash Provided by Financing Activities calculation in the Cash Flow Statement in the Consolidated condensed financial statements and in section 2 of this Consolidated condensed management report.
- Explanation of use: net cash provided by financing activities is a financial indicator which measures both the cash generated from new financing closed during the period and the use of cash in the same period to repay its financial creditors (financial entities, investors, partners and shareholders).
- Comparative: the Company presents comparative information with the previous period.
- Consistency: the standard used to calculate the net cash provided by financing activities is the same than the used the previous year.

› Earnings per share (EPS);

- Definition: profit for the year attributable to the parent company / number of ordinary shares outstanding.
- Reconciliation: the Company presents the EPS calculation in the Consolidated Income Statement and in the Note 25 to the Consolidated condensed interim financial statements.
- Explanation of use: earning per share is a financial indicator which measures the portion of profit that corresponds to each share of the Company. It is an indicator widely used by investors when valuing the performance of a Company.
- Comparative: the Company presents comparative information with the previous period.
- Consistency: the standard used to calculate the earnings per share is the same than used the previous year.

› Market capitalization;

- Definition: number of shares at the end of the period x quote at the end of the period.
- Reconciliation: the Company presents the market capitalization in the section 2 of this Consolidated condensed management report.
- Explanation of use: market capitalization is a financial indicator to measure the size of a Company. It is the total market value of a company.
- Comparative: the Company presents comparative information with the previous period.
- Consistency: the standard used to calculate the market capitalization is the same than the used the previous year.

› Backlog

- Definition: value of construction contracts awarded and pending to execute.
- Reconciliation: the Company presents the backlog in the section 2 of this Consolidated condensed interim management report.
- Explanation of use: backlog is a financial indicator which measures the capacity of future revenue generation of the Company.
- Comparative: the Company presents comparative information with the previous period.
- Consistency: the standard used to calculate the backlog is the same than the used the previous year.

› Contraction;

- Definición: valor de los contratos de obra adjudicados y firmados durante el periodo.
- Reconciliación: la Compañía presenta el cálculo de la cartera en el apartado 2 del presente Informe de gestión resumido consolidado.
- Explicación del uso: La contratación es un indicador financiero que mide la capacidad de generación de ingresos futuros de la Compañía.

- Comparativa: la Compañía presenta comparativa con la del período anterior.
- Coherencia: el criterio utilizado para calcular la cartera es el mismo que el utilizado en los sistemas de gestión de la Compañía.

12.- Subsequent events

After-closure of December 31, 2018, no events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole.