



# 01

Letter to  
shareholders

## 01. Letter to shareholders

The Insolvency Administration of Abengoa, S.A. has prepared the 2020 Integrated Report with the aim of setting out the extent to which the organisation's strategy, governance, performance and prospects, in the context of its external environment, contribute to the creation of long-term value.

2020 has been a particularly complex year, beset by the global pandemic caused by COVID-19 which is affecting our society. In our case, like many other companies, Abengoa has had to take measures in all its work centres and ongoing projects, in order to protect the health and safety of all its employees and of all those who, in a way or another, are related to our company. All of this in compliance with the standards and recommendations of the health authorities of each country and the World Health Organization.



From the very beginning, a committee was created exclusively for the adoption of mandatory measures in each country to guarantee the protection of employees and third parties, as well as to ensure protected working environments, and to carry out timely monitoring of the different measures and recommendations in the different health settings, the working environment, aspects related to national and international mobility and so on. The committee has coordinated all the necessary actions in this context, whether they were specific contingency plans for those projects which, due to their essential nature, were required to continue operating; or specific measures for the work centres once workers had to resume working from their offices, as allowed by the situation in the different countries in which Abengoa operates.

On the other hand, and despite the situation, the company continued to make great strides from a business point of view. Specifically, the company won important new awards, including entering into an agreement with Navantia as the main technologist and supplier of the AIP systems for the S80 submarines, which will allow batteries to be recharged during immersion so that the submersibles will be able to operate for up to three weeks without surfacing, significantly improving the submersible operating time. With this agreement, Abengoa opens a broader market in the maritime sector, which has an imminent need to reduce emissions and in which, of course, hydrogen and fuel cells play a very important role.

Other new awards were the Francisco Pizarro (189 MW), Puertollano (100 MW) and Barcience (50 MW) photovoltaic plants that Abengoa is building for Iberdrola in Cáceres, Ciudad Real and Toledo, respectively.

Likewise, and among other awards, Abengoa won the contract for the engineering, supply and construction of the Jubail 3A plant in Saudi Arabia, which will have a capacity of 600,000 m<sup>3</sup>/day.

In fact, this desalination plant will be the second largest in the country, behind Rabigh 3 IWP, whose construction is likewise carried out by Abengoa and which in January of this year exceeded 85 % of the project's progress.

Likewise, engineering and construction work continued at the Taweelah desalination plants in the United Arab Emirates, with a capacity of 909,000 m<sup>3</sup>/day; from Agadir in Morocco, of 275,000 m<sup>3</sup>/day, in which work on the irrigation network associated with this large construction has already begun; Sousse in Tunisia, 50,000 m<sup>3</sup>/day, and Salalah in Oman, 114,000 m<sup>3</sup>/day, which, at the beginning of this year, was successfully entering the operational phase.

Work likewise continued at the Cerro Dominador solar thermal plant in Chile, which, in 2020, reached two major milestones: hoisting of its receiver to a height of 250 m and the process of melting a total of 46,000 tons of salts from the Atacama Desert.

At the world's largest solar complex, Al Maktoum Solar Park, Abengoa completed the first solar field of the three parabolic trough plants it has been awarded in this project, while construction work continued on the first plant that will produce biofuels for transportation from municipal solid waste in the United States, as well as the construction of the world's largest hybrid solar gas plant, Waad Al-Shamal, in Saudi Arabia.

On the other hand, in Health and Safety, 2020 closed with a reduction of 0.36 points in the Low Frequency Index (IFCB) with respect to the closing value of the previous year (2.48 vs 2.84), which represents an improvement and a new drive to continue working on prevention and awareness. In this context, the company has celebrated six years without downtime accidents in different projects for which it is responsible for operation and maintenance, such as the solar platforms in Écija and Extremadura (Spain) and the Ain Beni Mathar hybrid solar gas plant (Morocco). Likewise, the company has completed two years without downtime accidents at the Kaxu, Khi and Xina Solar One plants in South Africa, as well as at the El Carpio solar platform (Spain).

All this commitment to health and safety has been reflected in the achievement of various prizes and awards. Specifically, Abengoa in Chile has been included in the roll of honour of the Chilean Chamber of Construction thanks to the excellence of its accident rate indicators, while it has also been recognized in the field of road safety; in South Africa, Abengoa has been recognised at the FEM (The Federated Employers Mutual Assurance Company) Annual Health and Safety Awards; and it

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has been awarded, thanks to its Health Plan, at the V edition of the Innovation and Health Awards of the insurance company Mutua Universal in Spain.

On the other hand, I would like to highlight that in 2020 have continued working on all the actions allowing us to progress and comply with the objectives set in the Strategic Sustainability Plan. This plan defines Abengoa's framework of action and guidelines through a set of actions enabling us to integrate stakeholder expectations into the company's strategy and to respond to different challenges of our times.

Likewise, the company resumed the participation in the climate change questionnaire of the Carbon Disclosure Project (CDP), the world's leading organization in this field, in which it obtained a B rating in the general ranking and an A- rating in the Supplier Engagement Rating (SER), which measures the degree to which organizations engage their suppliers in the fight against climate change. This rating positions the company among the world leaders in climate action.

In the area of the company's governing bodies, in December there was a change in the Board of Directors of Abengoa SA, following the holding of an Extraordinary General Shareholders' Meeting and by means of which a new Board was appointed, formed by Margarida Aleida S. de la Riva Smith as Director and Juan Pablo López-Bravo Velasco as Executive Chairman, following the resignation of Jordi Sarrias Prats, who submitted his resignation in anticipation of possible conflicts of interest. Mario Pestaña Sartorius was appointed Non-director Secretary.

On May 19, the vacancy on the Board due to the resignation of Jordi Sarrias Prats was filled by co-opting Cristina Vidal Otero, with the category of Independent Director, at the same time that Margarida Aleida S. de la Riva Smith tendered her resignation.

At its meeting on October 1, 2021, the Board adopted a series of decisions involving a broad renovation of the composition of Abengoa's Board, so that Clemente Fernández González and José Alfonso Murat Moreno were appointed as Directors and Juan Pablo López-Bravo Velasco resigned from Abengoa's Board.

Abengoa's Board of Directors thus constituted adopted the decision to appoint Clemente Fernández González as Chairman

of the Board and Adolf Rousaud Viñas, as Non-Director Secretary. At the Ordinary General Meeting held on November 16, 2021, the appointment of two directors of Abengoa was ratified and the Director Cristina Vidal Otero was not ratified. The vacancy on the Board has been filled by co-opting Mr. José Joaquín Martínez Sieso.

The year 2020 was likewise marked by a financial restructuring proposal, arising from the evolution of the business and the revisions generated as a result of COVID-19, which included the need for new liquidity lines and guarantees. In this operation, the borrower of the new financing and guarantee lines would not be Abengoa SA, but Abengoa Abenewco 1, which is the parent company of all the group's operating companies.

Although the restructuring agreement was signed in August 2020, and the necessary majorities and consents were obtained for its approval, the existence of a condition precedent to its effectiveness led to successive extensions of the deadline for closing the transaction. Finally, given the failure of the condition precedent to materialise, in February 2021 it was not possible to obtain consent for a further extension of the deadline, which led to the automatic termination of the restructuring agreement, a fact that was communicated on 22 February 2021. This circumstance, together with the fact that Abengoa SA was in a situation of asset imbalance and that the aforementioned agreement was necessary to rebalance its assets, led the Board of Directors to decide to request the declaration of insolvency proceedings of Abengoa SA. The insolvency proceedings were declared effective on 26 February 2021, and Ernst & Young Abogados, S.L.P. was appointed insolvency administrator. By Order of 6 July 2021, the Commercial Court hearing the insolvency proceedings agreed to modify the insolvency administrator's system of action, attributing to him the powers of administration and disposal of the company's assets. This change of regime determines that the insolvency administrator is responsible for complying with the obligations relating to the preparation of documentation and financial information and its presentation and dissemination to the securities markets regulatory body.

In parallel, and as a sign of its willingness to achieve financial stability for the group of companies that make up Abengoa, this Board of Directors continues to work to obtain financing to

guarantee sustainability for Abengoa and its employees, who have demonstrated over the last few months to be an example of struggle and perseverance.

All this would be subject to the financial institutions linked to the restructuring operation providing new financing and new lines of guarantees. Likewise, at the same time, on March 17, a request for public support was made to the State Society for Industrial Participations (Sociedad Estatal de Participaciones Industriales, SEPI) for the amount of €249 million. It is in this context that an investment proposal has been received which, if it obtains the support and participation of financial creditors and suppliers and the favourable conclusion of the application for public support, will allow for an integrated viability solution.

At the closing of this report, the company is still working to obtain funding and, with it, a future opportunity for the company.

Finally, we would like to take this opportunity once again to thank all our stakeholders (employees, clients, shareholders, suppliers, creditors and so on) for all their trust, effort and support which is still ongoing towards this company.

To all of them, thank you very much.

**Guillermo Ramos Gonzalez**  
Insolvency administrator