

Abengoa, S.A. ("**Abengoa**" or the "**Company**"), pursuant to article 228 of the Spanish Securities Market Act (*Texto Refundido Ley del Mercado de Valores*), informs the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) of the following

### **Material fact (*Hecho relevante*)**

The Company hereby informs that it has signed a term sheet with a group of financial entities and investors holding the majority New Money 2 and New Bonding facilities (the "**Term Sheet**"). Subject to the conditions described hereinbelow including, amongst other things, the execution of long form documentation, the Term Sheet provides for up to €97m of additional liquidity and €140m of additional bonding lines, to finance the liquidity and bonding needs of the Group (the "**Financing Agreement**").

The Financing Agreement implies certain changes in the Group's capital structure that can be summarized as follows:

- (i) 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**").
- (ii) In case of a sale of A3T for an amount that is not enough to fully repay the A3T Convertible (including any return accumulated up and until the date of repayment) any such outstanding amounts will be assumed by Abenewco 1 as debt that will rank "pari passu" with New Money 2.
- (iii) 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 with proceeds coming from the issuance of the A3T Convertible but rather upon completion of a long-term refinancing of the A3T project, which is expected to occur before the end of 2018.
- (iv) 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.
- (v) €97m raised under the A3T Convertible will remain as new liquidity for Abenewco1 to finance its corporate needs and the business plan of the Group. 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

## ABENGOA

proceeds obtained in the future from a sale of A3T. The terms of the New Money 2 facilities and the existing bonding lines will be amended, including but not limited to, a reduction in the interest rates charged thereunder.

- (vi) 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 18% of the share capital of Abenewco 1. The holders of the A3T Convertible shall receive mandatory convertible instruments which will convert into shares representing 4% of the share capital of Abenewco 1.

The Financing Agreement is subject to certain conditions precedent including, among others, completion of the sale of 16.5% of Atlantica Yield to Algonquin and approval of the required consents under the current financing arrangements.

Furthermore, in order to optimize the balance sheet structure of the Group and facilitate access to new financing in the future, the Company will make a proposal to the Old Money Creditors to consent to an Old Money restructuring through the Old Money Creditors accession to a restructuring and lock up agreement. Such a proposal will be open for acceptances by the Old Money Creditors by no later than 30 November 2018.

The Old Money restructuring will be implemented through an exchange of the current instruments into new instruments which are mandatorily convertible into shares. The below sets out the key terms of the Old Money Restructuring:

- (i) A new company, Abenewco 2 Bis, will be incorporated as fully owned subsidiary of Abenewco 2. Abenewco 2 will contribute to Abenewco 2 Bis 100% of the shares of Abenewco 1 (which will be subject to the dilution from the mandatory convertibles issued to the New Money 2 creditors that remain in Abenewco 1 and the holders of the A3T Convertible). This new entity will assume the existing Senior Old Money debt.
- (ii) The Senior Old Money instruments, that will maintain its current nominal value with an amendment of its economic terms and conditions, will be exchanged into a convertible instrument issued by Abenewco 2 Bis. The instrument will be redeemable at maturity from the Group's available cash that is above a certain threshold. Any outstanding Senior Old Money Instruments which cannot be redeemed in cash will be mandatorily converted into up to 100% of the share capital of Abenewco 2 Bis.
- (iii) The Junior Old Money instruments that will maintain its current nominal value with an amendment of its economic terms and conditions, will be exchanged into two convertible instruments issued by Abenewco 2. The first of which will be convertible into shares representing 49% of Abenewco2's share capital and the second into shares representing up to the remaining 51% of Abenewco2's share capital. The second instrument will be payable at maturity with the Group's available cash that is above a certain threshold. Any amounts outstanding under the Junior Old Money instruments which cannot be repaid in cash will be mandatorily converted into shares of Abenewco 2.
- (iv) The new Senior Old Money instruments will mature 5 years from the date of issuance. The Junior Old Money will mature within 5 and half years from the date of issuances. The maturity on both sets of Old Money instruments can be extended for up to 5 additional years, at the discretion of the Old Money Creditors.

## ABENGOA

- (v) The conversion order will respect the current ranking of the instruments that are being exchanged.

The Company will hold an investors' call on Monday 1 October 2018 at 1 pm CET in Spanish and at 3.30 pm CET in English to go through the details of the transaction.

Conference call details are as follows:

For the 1 pm call in Spanish:

Spain: [+34 911140101](tel:+34911140101)

UK: [+44 2071943759](tel:+442071943759)

US: [+1 6467224916](tel:+16467224916)

All these numbers must be followed by the pincode below:  
70349036#

Link:

<https://event.on24.com/wcc/r/1848879-1/EEF7FC2C64B4D2FD316F7E0B12C12C8D?partnerref=rss-events>

For the 3:30 pm call in English:

Spain: [+34 911140101](tel:+34911140101)

UK: [+44 2071943759](tel:+442071943759)

US: [+1 6467224916](tel:+16467224916)

All these numbers must be followed by the pincode below:  
68178566#

Link:

<https://event.on24.com/wcc/r/1808485-1/9C5568547950522AFFE39D5A905300B7?partnerref=rss-events>

Seville, 30 September 2018