



INVESTOR

NEWSLETTER

Nº8 / APRIL 2022

Please find below the eighth issue of ADIF Alta Velocidad Newsletter, based on our commitment to provide the highlights related to our financial situation as well as our ESG policies.

HIGHLIGHTS AND SUMMARY OF Q1 2022 RESULTS

Still recovering of the effects produced by mobility restrictions caused by Covid-19 pandemic, **Adif Alta Velocidad's EBITDA by March 2022 increased to €42.8 million.**

Charges in the network managed by Adif Alta Velocidad increased in €52.9 million compared with the same month in 2021, which means a total amount of revenues from charges of €127.1 million.

Additionally, also compared to March 2021, **net finance expense** is stabilized at around **€(59) million.**

Based on the **investment budget for 2022**, Adif Alta Velocidad has performed investments which amount to **€299 million** as of 31 March 2022.

It highlights the following High-Speed Lines (HSL):

- + **Almería - Murcia HSL**, with investments amounting to **€46 million**, mainly due to platform works on Vera - Almería and Murcia - Lorca sections.
- + **Vitoria - Bilbao - San Sebastián HSL**, with investments amounting to **€39 million**, mainly due to platform works between Elorrio and Bilbao.
- + **Extremadura HSL**, with investments amounting to **€25 million**, mainly due to electrification and platform works on Plasencia - Cáceres section and the electrification, platform, track and signaling works on Mérida - Badajoz section.
- + **Madrid-Levante HSL**, with investments amounting to **€12 million**, mainly due to platform works on Requena - Nodo Sur de Valencia section.
- + **Zaragoza - Pamplona - Y Vasca HSL**, with investments amounting to **€11 million** mainly due to platform works on Pamplona - Castejón section.

KEY FIGURES Q1 2022





MADRID-GALICIA HIGH SPEED LINE: A GREAT CHALLENGE OVERCOME BY ADIF ALTA VELOCIDAD

Adif Alta Velocidad has completed the last railway section of Madrid-Galicia HSL: Pedralba de la Pradería-Ourense

The completion of this line, which will improve significantly **speed, reliability, comfort** and **travel duration**, has been quite a challenge for Adif, with an investment greater than **10,000 M€**.

The Madrid-Galicia high speed rail is **418 km long**, from Olmedo's junction to Santiago de Compostela, where it connects with the **Atlantic Axis**, linking A Coruña, Santiago, Pontevedra and Vigo.

The layout of the Galician railways has always been influenced by the **rugged relief** that has hindered communication by train with the centre of Spain. In fact, the previous direct railway line connecting Madrid and Galicia was not achieved until 1958, and took more than thirty years of construction.

Galician rough terrain is what makes this last section of the line so unique: Adif has constructed around **thirty tunnels** and as many **viaducts**, with the help of state-of-the-art railway technology.

Regarding **environmental protection**, Adif Alta Velocidad has implemented a wide range of pre-emptive and corrective measures to ensure preservation of natural space.

The new line has been built with double electrified track for high-speed parameters (designed for a maximum speed of **350 km/h**). High-speed development also involves adaptation and modernization of railways facilities, as well as city planning improvements. With the opening of the last section (119 km), travel time between **Ourense and Madrid** is now **two hours and fifteen minutes**.

Currently, Spain's high-speed network covers more than **3,700 kilometres** of track, being the longest in Europe (and second in the entire world), showing a clear commitment for the railway as a mean of transportation that promotes social cohesion and stimulates the economy.



ADIF ALTA VELOCIDAD PUBLISHES AN INSTITUTIONAL DECLARATION ON ANTI-FRAUD POLICY

With the objective of promoting an ethics culture inside the organization, with a deterrent effect on any fraudulent activity, ensuring its detection and prevention.

Adif Alta Velocidad have already incorporated an **Ethics and Conduct Code**, fully undertaken by the whole staff as its condition of public employees, that represents the values and corporate culture of the company.

Adif Alta Velocidad has also running a **Corporate Policy Against Fraud**, with specific measures related to the management of European financing, particularly Next Generation Funds.

In addition to that, a **Prevention and Management of Conflicts of Interest Policy** governs the procedures to avoid the emergence of these issues.

So far, we have implemented appropriate and proportionate anti-fraud measures, based on a permanent risk assessment counting on our previous experience, using **IT tools** to spot high-risk opera-

tions. Thorough and **prompt investigations** take place in case of any fraud suspicion, and existing cases are raised to the competent State authority, who will evaluate the need of further actions.

Fraud can emerge in different ways. Thus, Adif Alta Velocidad has adopted a **zero tolerance policy** with a strong internal control system, designed to prevent and detect fraudulent activities and, when applicable, amend its consequences.

This Declaration, made by the chairwoman of Adif Alta Velocidad, and all the relevant procedures and strategies, are backed by Adif Alta Velocidad's Board of Directors, and will be regularly reviewed and updated.



MINIMIZATION OF HIGH SPEED LINES AFFECTING FLYING WILDLIFE

One of the main adverse effects of transport infrastructures is the trampling of **flying species** invading the circulation area, affecting biodiversity in the surroundings of the railway infrastructure. This effect is even more visible in Adif Alta Velocidad's lines due to high speed of the trains.

To solve this problem, Adif Alta Velocidad has coordinated project **LIFE12 BIO/ES/000660**, so-called **"Development and demonstration of an anti-bird strike tubular screen for High Speed Rail lines"**, with participation of public and also private entities: FCC Construcción, Prointec, Renfe Viajeros and the UAM (Autonomous University of Madrid).

The main goal of the project is reducing the number of impacts of high speed lines over flying wildlife through an experimental prototype of a anti-collision screen made with metallic tubes.

Within the framework of this projects, Adif Alta Velocidad identified one of the steppe areas of the Madrid – Murcia line, near the village of Santa Cruz de la Zarza, in Toledo.

Results of the tests made with this screen have proven a reduction of crossing of birds throught the most dangerous areas, as well as a deterrent side effect of the screen on the bigger species. Both effects are producing a decrease on the mortality.

Because of this good performance of the project, Adif Alta Velocidad is now studying its extensión to sections of other high speed lines where conflicts between railway infrastructure and wildlife, resulting in a **better integration of the railway within the environment**.

FUNDING POLICY & FUNDING ACTIVITY

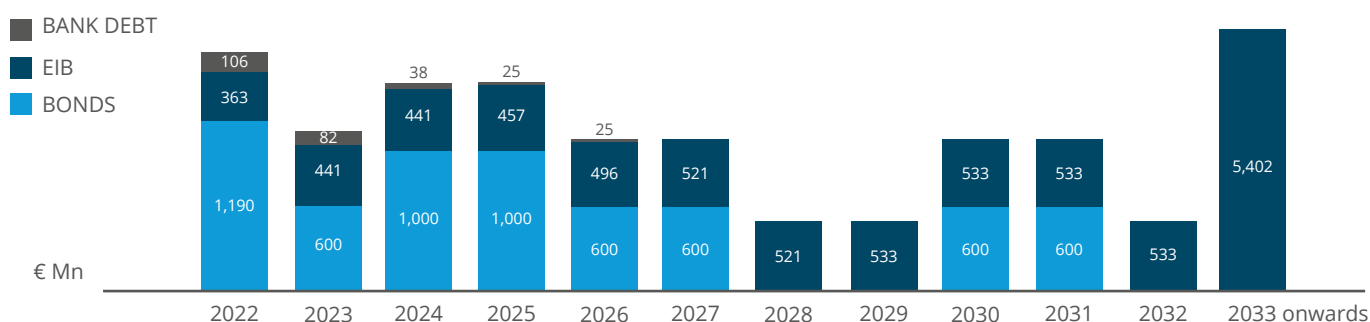
BOND FUNDING HIGHLIGHTS

- ✓ Frequent bond issuer
- ✓ EUR market
- ✓ Benchmark transactions
- ✓ Focus on the Green market

ADIF ALTA VELOCIDAD RATING

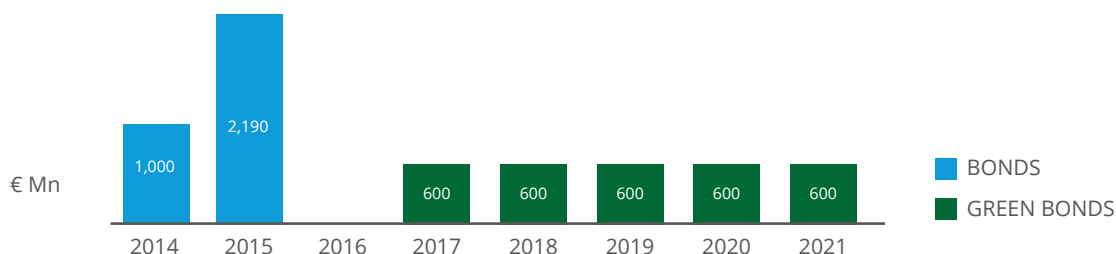
RATING AGENCY	LONG-TERM	SHORT-TERM	OUTLOOK
Moody's	Baa2	P-2	Stable
Fitch	A-	F-1	Stable

FINANCIAL DEBT MATURITY PROFILE*

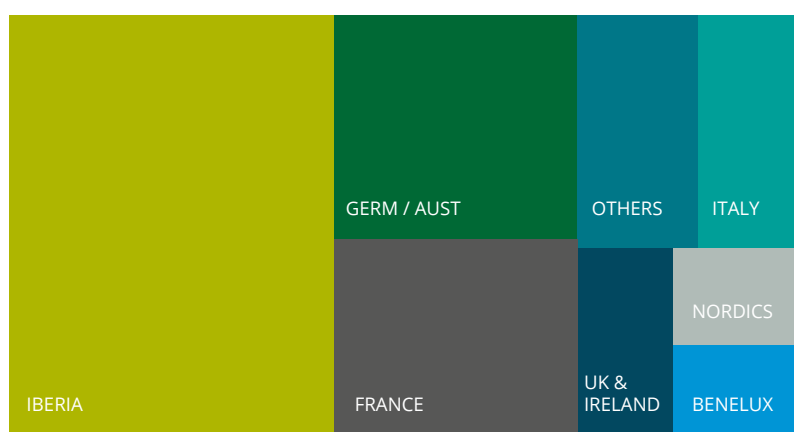


* As of 31 March 2022

BOND ISSUANCE ACTIVITY



GREEN BOND DISTRIBUTION BY COUNTRY*



* Weighted average distribution by country on primary market transactions.

OUTSTANDING BONDS

ISIN	ISSUE DATE	SECURITY	RATINGS	COUPON (%)	MATURITY	TENOR (Years)	OUTSTANDING (€ Mln)
ES0200002014	22/09/2015	ADIFAL 1.875 09/22/22	Baa2/A -	1.875	22/09/2022	2.3	1,190
ES0200002022	05/07/2017	ADIFAL 0.800 07/05/23	Baa2/A -	0.800	05/07/2023	3.1	600
XS1072141861	27/05/2014	ADIFAL 3.500 05/27/24	Baa2/A -	3.500	27/05/2024	4.0	1,000
ES0200002006	28/01/2015	ADIFAL 1.875 01/28/25	Baa2/A -	1.875	28/01/2025	4.7	1,000
ES0200002030	04/05/2018	ADIFAL 1.250 05/04/26	Baa2/A -	1.250	04/05/2026	5.9	600
ES0200002048	25/04/2019	ADIFAL 0.950 04/30/27	Baa2/A -	0.950	30/04/2027	6.9	600
ES0200002055	12/02/2020	ADIFAL 0.550 04/30/30	Baa2/A -	0.550	30/04/2030	9.9	600
ES0200002063	08/10/2021	ADIFAL 0.550 10/31/31	Baa2/A -	0.550	31/10/2031	9.9	600



SPANISH AND EURO AREA ECONOMY SNAPSHOT



SPANISH AND EURO AREA ECONOMY

MACROECONOMIC SCENARIO (YoY GROWTH RATES IN PERCENT)

	2017	2018	2019	2020	2021	Q1	Q2	2022	2023	2024
Private consumption expenditure	3.0	1.7	1.0	-12.0	4.6	-6.5	22.6	6.9	2.8	1.7
General Government consumption expenditure	1.0	2.3	2.0	3.3	3.1	4.4	4.1	1.5	0.6	0.0
Gross Fixed Capital Formation	6.8	6.3	4.5	-9.5	4.3	-3.3	20.6	12.3	8.8	1.7
National Demand (Contribution to GDP Growth)	3.1	2.9	1.6	-8.6	5.2	-3.0	17.7	6.7	3.6	1.4
Exports of goods and services	5.5	1.7	2.5	-20.1	14.7	-6.7	40.4	10.3	2.8	2.5
Imports of goods and services	6.8	3.9	1.2	-15.2	13.9	-3.9	40.6	10.0	3.3	0.4
External demand (Contribution to GDP Growth)	-0.2	-0.6	0.5	-2.2	0.4	-1.0	-	0.2	-0.1	0.7
Gross Domestic Product	3.0	2.3	2.1	-10.8	5.1	-4.1	17.8	7.0	3.5	2.1

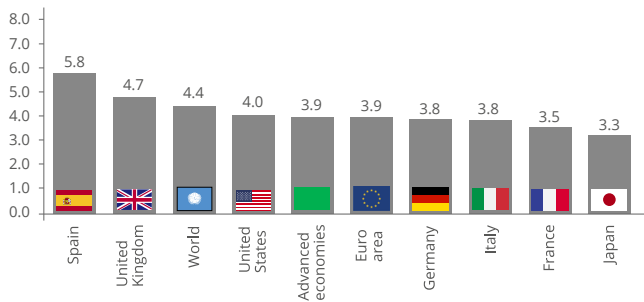
OTHER VARIABLES

	2017	2018	2019	2020	2021	Q1	Q2	2022	2023	2024
Unemployment rate (in % of Active Population)	17.2	15.3	14.1	15.5	14.8	16.0	15.3	14.1	13.2	12.7
Full-time Equiv. Employment (YoY Growth)	2.9	2.2	2.6	-7.6	6.6	-2.3	18.9	2.7	1.1	0.9
Net lending (+) / borrowing (-) with RoW (% of GDP)	3.0	2.4	2.4	1.2	1.9	1.2	1.3	2.8	3.2	2.3
Private Consumption deflator (YoY Growth)	1.5	1.4	1.0	0.0	1.9	0.4	1.3	1.3	1.5	1.5
Headline Balance General Gov't (in % of GDP)*	-3.1	-2.6	-3.1	-10.3	-6.9	-11.3	-8.4	-5.0	-4.0	-3.2
USD / € exchange rate	1.1	1.2	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2
Euro Area GDP growth (YoY growth)	2.8	1.8	1.6	-6.5	5.3	-0.9	14.6	4.6	1.9	1.6
Oil prices (Brent, USD / barrel)	54.3	70.9	64.8	41.5	71.1	61.1	69.0	60.4	56.7	56.0

Source: Spanish Treasury Chart Pack, April 2022

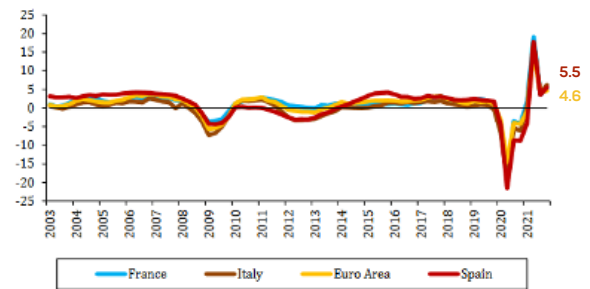
ECONOMIC SENTIMENT

IMF Growth Forecasts for 2022
(Year-on-Year Growth Rates)



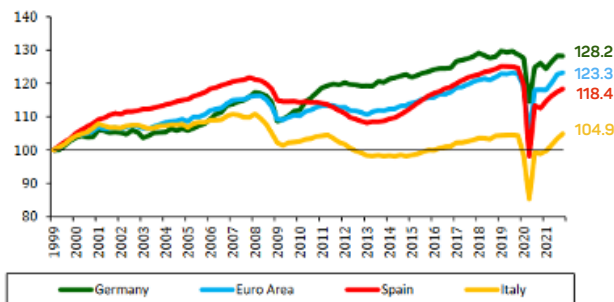
Source: IMF, WEO Update January 2022.

GDP Growth in the Euro Area
(Year-on-Year Growth Rates)



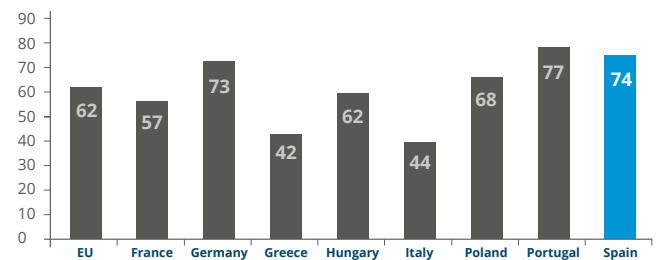
Source: Instituto Nacional de Estadística.

Per capita Real GDP Volume
(Index 1999=100)



Source: EUROSTAT.

% of population that thinks that membership of the EU is a good thing



Source: EUROSTAT, Eurobarometer Autumn 2021

Source: Spanish Treasury Report



DISCLAIMER



Investors can find further information on our **investors' portal**.

For any queries you may have, please contact us by mail at
gestion.financiera@adifaltavelocidad.es

