



# **Entidad Pública Empresarial ADIF – Alta Velocidad**

**INTERIM FINANCIAL STATEMENTS 30 SEPTEMBER 2022,  
TOGETHER WITH THE LIMITED REVIEW REPORT**

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## Limited Review Report for the interim financial statements

To The Board of Directors of ADIF-Alta Velocidad

### Introduction

We have carried out a Limited Review of the attached Interim financial statements of ADIF - Alta Velocidad (Hereinafter ADIF-Alta Velocidad, the Entity or the Company), which comprise the balance sheet as of September 30, 2022, the profit and loss account, the statement of changes in equity, the statement of cash flows and the notes to the financial statements corresponding to the nine-month period ended on the mentioned date. The president of the Entity is responsible for the preparation of these interim financial statements in accordance with the financial reporting framework applicable to the Entity in Spain (identified in note 2 of the accompanying notes), and of the internal control that they deem necessary to allow the preparation of the intermediate financial statements free of material misstatement due to fraud or error. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

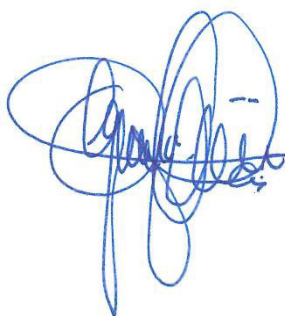
### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independence Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit carried out in accordance with the regulations governing the auditing of accounts in force in Spain and therefore, it does not allow us to ensure that all important matters that may have been identified in an audit have come to our attention. Therefore, we do not express an audit opinion on the accompanying interim financial statements.

### Conclusion

Based on our review, which at no time can be understood as an audit of accounts, no matter has come to our attention that leads us to conclude that the accompanying interim financial statements do not express, in all material respects, true and fair view of the financial situation of ADIF-Alta Velocidad as of September 30, 2022, as well as of the results and cash flows for the nine-month period then ended, in accordance with the applicable financial information regulatory framework and, in particular, with the accounting principles and criteria contained therein.

PKF ATTEST Servicios Empresariales, S.L.



Alfredo Ciriaco

December 16, 2022

**Entidad Pública  
Empresarial  
ADIF-Alta  
Velocidad**

**30 September 2022**

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Interim Financial Statements  
30 September 2022

Balance Sheet  
at 30 September 2022 and 31 December 2021

Expressed in Thousands of Euros

| ASSETS   | NOTE      | 30/09/2022        | 31/12/2021        |
|--|-----------|-------------------|-------------------|
| Intangible assets  | 4         | 72,747            | 73,714            |
| Property, plant and equipment  | 4         | 47,513,842        | 46,820,610        |
| Land and buildings   |           | 3,967,690         | 3,914,902         |
| Technical installations, machinery, equipment, furniture and other items |           | 34,075,745        | 31,371,505        |
| Under construction and advances  | 4         | 9,470,407         | 11,534,203        |
| Investment property  | 4         | 282,734           | 287,335           |
| Non-current investment in Group companies and associates                 | 5         | 532,434           | 531,894           |
| Equity instruments   |           | 7,977             | 7,977             |
| Loans to companies   |           | 524,457           | 523,917           |
| Non-current investments  |           | 132,358           | 129,850           |
| Equity instruments   | 6         | 2,188             | 1,754             |
| Public entities  | 12        | 129,294           | 127,220           |
| Other financial assets   | 6         | 876               | 876               |
| Deferred tax assets  | 11 and 12 | 12                | 168               |
| Non-current trade receivables  | 6         | 187               | 280               |
| <b>Total non-current assets</b>  |           | <b>48,534,314</b> | <b>47,843,851</b> |
| Trade and other receivables  |           | 490,114           | 1,686,283         |
| Trade receivables  | 6         | 102,736           | 86,173            |
| Trade receivables, from Group companies and associates                   | 6         | 11                | 1,100             |
| Other receivables  | 6         | 311,735           | 278,495           |
| Personnel  | 6         | 26                | 19                |
| Current tax assets   | 12        | -                 | -                 |
| Public entities, other   | 12        | 75,606            | 1,320,496         |
| Current investments in Group companies and associates                    | 5         | 124,334           | 124,356           |
| Loans to companies   |           | 124,334           | 124,356           |
| Short-term financial investments   | 6         | 873               | 526               |
| Cash and cash equivalents  | 7         | 19,625            | 156,039           |
| Cash   |           | 19,625            | 156,039           |
| Cash equivalents   |           | -                 | -                 |
| <b>Total current assets</b>  |           | <b>634,946</b>    | <b>1,967,204</b>  |
| <b>TOTAL ASSETS</b>  |           | <b>49,169,260</b> | <b>49,811,055</b> |

# Balance Sheet at 30 September 2022 and 31 December 2021

Expressed in Thousands of Euros

| EQUITY AND LIABILITIES                              | NOTE | 30/09/2022        | 31/12/2021        |
|---|------|-------------------|-------------------|
| Equity  | 8    | 13,807,016        | 13,936,758        |
| Equity contributions                                |      | 16,187,868        | 16,084,010        |
| Reserves  |      | 31,101            | 31,101            |
| Retained earnings                                   |      | (2,178,353)       | (1,752,909)       |
| Loss for the year                                   |      | (233,600)         | (425,444)         |
| Valuation adjustments                               | 11   | (36)              | (505)             |
| Grants, donations and bequests received             | 9    | 11,259,916        | 11,155,119        |
| <b>Total equity</b>                                 |      | <b>25,066,896</b> | <b>25,091,372</b> |
| Non-current provisions                              | 10   | 906,920           | 852,459           |
| Long-term employee benefits                         |      | 921               | 868               |
| Other provisions                                    |      | 905,999           | 851,591           |
| Non-current payables                                | 11   | 16,896,108        | 17,031,425        |
| Bonds and other marketable securities               |      | 4,391,272         | 4,988,397         |
| Loans and borrowings                                |      | 10,722,366        | 10,580,831        |
| Derivatives   |      | 48                | 674               |
| Other financial liabilities                         |      | 1,782,422         | 1,461,523         |
| Long-term debts with group companies and associates | 11   | 115,644           | 53,911            |
| Deferred tax liabilities                            | 12   | 3,753,308         | 3,718,373         |
| Non-current accruals                                | 14   | 483,258           | 505,240           |
| <b>Total non-current liabilities</b>                |      | <b>22,155,238</b> | <b>22,161,408</b> |
| Current provisions                                  | 10   | 61,850            | 73,036            |
| Short-term employee benefits                        |      | 840               | 796               |
| Other provisions                                    |      | 61,010            | 72,240            |
| Current payables                                    | 11   | 1,490,637         | 2,093,962         |
| Bonds and other marketable securities               |      | 632,001           | 1,247,075         |
| Loans and borrowings                                |      | 619,423           | 674,645           |
| Derivatives   |      | (4)               | 25                |
| Other financial liabilities                         |      | 239,217           | 172,217           |
| Current payables, to Group companies and associates | 11   | 13,442            | 76,766            |
| Trade and other payables                            |      | 352,463           | 285,829           |
| Other suppliers and payables                        | 11   | 349,793           | 284,260           |
| Suppliers, Group companies and associates           | 11   | 427               | 666               |
| Personnel   | 11   | 441               | 287               |
| Current tax liabilities                             |      | -                 | -                 |
| Public entities, payables                           | 12   | 1,802             | 616               |
| Current provisions                                  | 14   | 28,734            | 28,682            |
| <b>Total current liabilities</b>                    |      | <b>1,947,126</b>  | <b>2,558,275</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | <b>49,169,260</b> | <b>49,811,055</b> |

Income Statement  
30 September 2022 and 2021

Expressed in Thousands of Euros

|  | NOTE     | 30/09/2022       | 30/09/2021       |
|--|----------|------------------|------------------|
| Revenue  | 13       | 401,368          | 272,573          |
| Self-constructed assets                                    |          | 7,725            | 7,459            |
| Other operating income                                     | 14       | 699,603          | 353,932          |
| Personnel expenses   | 15       | (11,474)         | (11,216)         |
| Other operating expenses                                   | 16       | (950,587)        | (598,452)        |
| External services  |          | (951,281)        | (587,513)        |
| Taxes  |          | (4,156)          | (3,875)          |
| Losses, impairment and changes in trade provisions         |          | 4,850            | (7,064)          |
| Amortisation and depreciation                              |          | (310,618)        | (281,695)        |
| Non-financial and other capital grants                     | 17       | 100,045          | 90,568           |
| Provision surpluses  |          | 2,433            | 2,326            |
| Impairment and result on disposal of fixed assets          |          | (498)            | (390)            |
| Impairments and losses                                     |          | -                | -                |
| Results from disposals and others                          |          | (498)            | (390)            |
| <b>Results from operating activities</b>                   |          | <b>(62,003)</b>  | <b>(164,895)</b> |
| Finance income   | 19       | 67,890           | 82,224           |
| From equity instruments                                    |          | 1,721            | 2,308            |
| From marketable securities and other financial instruments |          | 4,803            | 4,531            |
| Capitalised finance costs                                  | 19 and 4 | 58,676           | 72,596           |
| Other  |          | 2,690            | 2,789            |
| Finance costs  | 18       | (234,837)        | (241,301)        |
| On third party loans                                       |          | (234,826)        | (241,290)        |
| Provision adjustments                                      |          | (11)             | (11)             |
| Change in fair value of financial instruments              |          | (529)            | (1,393)          |
| Impairment and losses on disposal of financial instruments | 10.b.1   | (4,121)          | (4,935)          |
| <b>Net finance expense</b>                                 |          | <b>(171,597)</b> | <b>(165,405)</b> |
| <b>Loss before income tax</b>                              |          | <b>(233,600)</b> | <b>(330,300)</b> |
| Income tax   | 12.c     | -                | -                |
| <b>Loss for the year</b>                                   |          | <b>(233,600)</b> | <b>(330,300)</b> |

Statement of Changes in Equity  
30 September 2022

A) Statement of Recognized Income and Expense corresponding to the 9 month period ended 30 September 2022 and full year 2021

Expressed in Thousands of Euros

|   | NOTE     | 30/09/2022       | 31/12/2021       |
|---|----------|------------------|------------------|
| <b>Loss for the year</b>                                      |          | <b>(233,600)</b> | <b>(425,444)</b> |
| Income and expense recognised directly in equity              |          |                  |                  |
| Grants, donations and bequests                                | 9        | 239,777          | 259,273          |
| Cash flow hedges  | 11       | 625              | 1,780            |
| Actuarial gains and losses and other adjustments              |          | -                | 1,371            |
| Grants tax effect   | 9 and 12 | (59,946)         | (64,819)         |
| Cash flow hedges tax effect                                   | 11       | (156)            | (445)            |
| <b>Total income and expense recognised directly in equity</b> |          | <b>180,300</b>   | <b>197,160</b>   |
| Amounts transferred to the income statement                   |          |                  |                  |
| Grants, donations and bequests                                | 17       | (100,045)        | (120,820)        |
| Tax effect  | 12       | 25,011           | 30,205           |
| <b>Total amounts transferred to the income statement</b>      |          | <b>(75,034)</b>  | <b>(90,615)</b>  |
| <b>Total recognised income and expense</b>                    |          | <b>(128,334)</b> | <b>(318,899)</b> |

Statement of Changes in Equity  
 Corresponding to the year ended 30 September 2022

B) Statement of Total Changes in Equity corresponding to the nine month period ending 30 September 2022

Expressed in Thousands of Euros

|   | Equity<br>contributions<br>(Note 8a) | Reserves      | Retained<br>earnings | Loss for the year | Grants, donations<br>and bequests<br>received<br>(Note 9) | Valuation<br>adjustments<br>(Note 11.a.1) | Total             |
|---|--------------------------------------|---------------|----------------------|-------------------|---|---|-------------------|
| <b>Balance at 31 December 2020</b>          | <b>15,617,836</b>                    | <b>29,730</b> | <b>(1,292,048)</b>   | <b>(460,861)</b>  | <b>11,051,280</b>   | <b>(1,840)</b>                            | <b>24,944,097</b> |
| Recognised income and expense               | -                                    | 1,371         | -                    | (425,444)         | 103,839   | 1,335                                     | (318,899)         |
| Increase in equity contributions (note 8.c) | 466,174                              | -             | -                    | -                 | -   | -   | 466,174           |
| Other changes in equity                     | -                                    | -             | (460,861)            | 460,861           | -   | -   | -                 |
| <b>Balance at 31 December 2021</b>          | <b>16,084,010</b>                    | <b>31,101</b> | <b>(1,752,909)</b>   | <b>(425,444)</b>  | <b>11,155,119</b>   | <b>(505)</b>                              | <b>25,091,372</b> |
| Recognised income and expense               | -                                    | -             | -                    | (233,600)         | 104,797   | 469                                       | (128,334)         |
| Increase in equity contributions (note 8.c) | 103,858                              | -             | -                    | -                 | -   | -   | 103,858           |
| Other changes in equity                     | -                                    | -             | (425,444)            | 425,444           | -   | -   | -                 |
| <b>Balance at 30 September 2022</b>         | <b>16,187,868</b>                    | <b>31,101</b> | <b>(2,178,353)</b>   | <b>(233,600)</b>  | <b>11,259,916</b>   | <b>(36)</b>                               | <b>25,066,896</b> |



## Cash Flow Statement corresponding to the nine month period ending 30 September 2022

Expressed in Thousands of Euros

|  | 30/09/2022       | 30/09/2021       |
|--|------------------|------------------|
| Cash flows from/(used in) operating activities       |                  |                  |
| Loss for the period before tax                       | (233,600)        | (330,300)        |
| Adjustments for:                                     | 367,893          | 355,955          |
| Depreciation and amortisation (+)                    | 310,618          | 281,695          |
| Impairment (+/-)                                     | (729)            | 11,999           |
| Change in provisions (+/-)                           | (2,200)          | (573)            |
| Grants recognised in the income statement (-)        | (100,045)        | (90,568)         |
| Proceeds from disposals of fixed assets (+/-)        | 498              | 390              |
| Finance income (-)                                   | (67,890)         | (82,224)         |
| Finance costs (+)                                    | 234,837          | 241,302          |
| Change in fair value of financial instruments (+/-)  | 529              | 1,393            |
| Other income and expenses (-/+)                      | (7,725)          | (7,459)          |
| Changes in operating assets and liabilities          | (124,862)        | (385,223)        |
| Trade and other receivables (+/-)                    | (84,834)         | 268,765          |
| Trade and other payables (+/-)                       | 39,483           | (355,289)        |
| Other current liabilities (+/-)                      | (13,103)         | (345,036)        |
| Other non-current assets and liabilities (+/-)       | (66,778)         | 46,337           |
| Other cash flows from/(used in) operating activities | (244,545)        | (250,606)        |
| Interest paid (-)                                    | (239,857)        | (246,738)        |
| Dividends received (+)                               | 1,721            | 2,307            |
| Interest received (+)                                | -                | 26               |
| Payments (collections) by tax of benefits (- / +)    | (6,409)          | (6,201)          |
| Other amounts paid (received) (-/+)                  | <b>(235,114)</b> | <b>(610,174)</b> |

Cash Flow Statement corresponding to the nine month period ending 30  
September 2022

|  | 30/09/2022       | 30/09/2021       |
|--|------------------|------------------|
| Cash flows from/(used in) investing activities                           |                  |                  |
| Payments for investments (-)   | (706,380)        | (614,118)        |
| Group companies and associates   | (540)            | (32,877)         |
| Property, plant and equipment, intangible assets and investment property | (705,840)        | (581,241)        |
| Other financial assets   | -                | -                |
| Proceeds from disposals (+)  | -                | -                |
| Group companies and associates   | -                | -                |
| <b>Cash flows from/(used in) investing activities</b>                    | <b>(706,380)</b> | <b>(614,118)</b> |
| Cash flows from/(used in) financing activities                           |                  |                  |
| Proceeds from and payments for equity instruments                        | 331,646          | 72               |
| Issue of equity instruments  | 103,858          | -                |
| Grants, donations and bequests received                                  | 227,788          | 72               |
| Europe   | 227,788          | 4                |
| Others   | -                | 68               |
| Proceeds from and payments for financial liability instruments           | 473,434          | 938,643          |
| Issue  | 3,294,621        | 1,656,941        |
| Bonds and other marketable securities                                    | -                | -                |
| Loans and borrowings (+)   | 535,000          | 1,108,000        |
| Other payables (+)   | 2,759,621        | 548,941          |
| Europe   | 1,547,429        | 26,250           |
| A.G.E  | 29,997           | 192,691          |
| Mutual debts Adif/Adif AV  | 1,182,195        | 330,000          |
| Others   | -                | -                |
| Redemption and repayment of  | (2,821,187)      | (718,298)        |
| Bonds and other marketable securities (-)                                | (1,190,200)      | -                |
| Loans and borrowings (-)   | (440,981)        | (713,349)        |
| Other payables (-)   | (1,190,006)      | (4,949)          |
| Europe   | (4,661)          | (2,006)          |
| A.G.E  | -                | -                |
| Mutual debts Adif/Adif AV  | (1,182,195)      | -                |
| Others   | (3,150)          | (2,943)          |
| <b>Cash flows from/(used in) financing activities</b>                    | <b>805,080</b>   | <b>938,715</b>   |
| <b>Net increase in cash and cash equivalents</b>                         | <b>(136,414)</b> | <b>(285,577)</b> |
| Cash and cash equivalents at beginning of year                           | 156,039          | 353,335          |
| Cash and cash equivalents at 30 September of year end                    | 19,625           | 67,758           |

## Notes to the Interim Financial Statements

30 September 2022

Notes to the Interim Financial Statements  
30 September 2022**(1) Activity of the Entity and Legal Status**

The state-owned enterprise Entidad Pública Empresarial ADIF-Alta Velocidad (hereinafter ADIF-AV or the Entity) was created on 31 December 2013 following the approval of Royal Decree-Law 15/2013 of 13 December 2013 on the restructuring of the state-owned enterprise Administrador de Infraestructuras Ferroviarias (hereinafter ADIF) and other urgent economic measures.

ADIF-AV was created by spinning off the branch of activity involving the construction and running of ADIF's high-speed railway infrastructures, as well as other activities attributed to the new entity and entrusted to ADIF until this Royal Decree-Law entered force. ADIF retained the construction and running of conventional network rail infrastructures.

Due to the entry into force of this Royal Decree-Law 15/2013, Order PRE/2443/2013 of the Office of the Prime Minister was published on 27 December (hereinafter the Order or Order PRE/2443), identifying which of ADIF's assets and liabilities were to be transferred to the ownership of ADIF-AV. These assets and liabilities were to be integrated into and recognised by ADIF-AV at their carrying amounts, as indicated in the mentioned Order. Pursuant to this Order and the aforementioned Royal Decree-Law, for accounting purposes this spin-off was to take effect retrospectively from 1 January 2013.

Moreover, article 2 of Royal Decree-Law 15/2013, and Order PRE/2443/2013, governs the allocation to ADIF-AV of certain assets comprising the state-owned network, which were allocated to ADIF following the entry into force of Royal Decree-Law 4/2013, of 22 February 2013. This article stipulates that the transfer to ADIF and ADIF-AV of the title to these assets will be considered a free-of-charge transfer of assets associated with railway infrastructure administration, and should be carried out at the values taken from the financial information system and the records of the Ministry of Public Works, less any depreciation. The transfer of these assets took place at the moment Royal Decree-Law 4/2013, of 22 February 2013, came into force.

ADIF was established as a state-owned entity under the Basic Law of 24 January 1941 under the name Red Nacional de los Ferrocarriles Españoles (hereinafter RENFE). On 31 December 2004, Rail Sector Law 39/2003 of 17 November 2003 (hereinafter the RSL) entered into force, with the objective of incorporate various EU directives establishing a new framework for this sector in Spanish legislation and to completely re-organise the State rail sector, laying the foundations for new players to progressively enter this market. To achieve these objectives, rail infrastructure administration was regulated and entrusted to RENFE. Consequently, RENFE became Administrador de Infraestructuras Ferroviarias (ADIF), retaining its legal status as a state-owned entity. The RSL also foresaw the creation of a new state-owned entity, RENFE Operadora, to provide rail transport services, with this entity assuming the resources and assets used by RENFE to render rail transport services. Like ADIF, ADIF-AV and RENFE Operadora are subject to the RSL.

Through a modification to the ADIF statute set forth in Royal Decree 1044/2013 of 27 December 2013, ADIF-AV's statute was passed and its functions and responsibilities established, the main ones being the following:

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- Construction of high-speed rail infrastructure forming part of the public service rail network, with a charge to equity and in accordance with provisions set out by the Ministry of Public Works, today known as the today Ministry of Transport, Mobility and Urban Agenda. MITMA
- Construction of high-speed rail infrastructure with third-party funds, in accordance with the corresponding agreement.
- Running of the rail infrastructure owned by it.
- Allocation of capacity to requesting rail companies.
- Control and inspection of rail infrastructure, the protection areas and the railway circulation occurring thereon.
- Operation of owned assets.
- Additional services and, where the case may be, supplementary and auxiliary services for rail transportation in the infrastructures owned by it.
- Acquisition of electrical power to provide power supply to the rail system.

Pursuant to Royal Decree-Law 15/2013 and the RSL, the main sources of funding for ADIF-AV's activities include:

- State equity contributions, which are to make up ADIF-AV's own funds.
- Funds obtained from the management and operation of its assets and provision of services to third parties.
- Any EU funding it is allocated.
- Any grants that it may be allocated in the General State Budgets, as well as current transfers or capital contributions from the General State Administration (hereinafter AGE) and other government authorities.
- Borrowings, up to the annual limit set by the General State Budget Laws for each year.

### **1.a) ADIF-Alta Velocidad statute**

ADIF-AV's statute was approved through Royal Decree 1044/2013 of 27 December 2013, which entered into force on 31 December 2013. The main aspects of the statute are as follows:

- ADIF-AV is a state-owned entity as provided for in article 43.1.b) of Law 6/1997 of 14 April 1997 on Organisation and Functioning of the General State Administration. This law primarily regulates the regime, organisation and operation criteria for the state administrative scheme within which state-owned entities are included. The Entity is part of this regime, falling under the Ministry of Public Works, today known as the today Ministry of Transport, Mobility and Urban Agenda.

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- ADIF-AV, as a state-owned entity, is subject to provisions set forth in the General Budget Law 47/2003. As a result, it keeps separate accounting records for its different activities (rail infrastructure construction and administration activities, and additional, supplementary and auxiliary services) and is subject to financial oversight by the Spanish General State Comptroller (hereinafter IGAE) pursuant to the terms of Law 47/2003.
- ADIF-AV was created by spinning off the branch of activity involving the construction and running of high-speed railway infrastructures, as well as other activities attributed to the entity and entrusted to Administrador de Infraestructuras Ferroviarias (ADIF) until its creation.
- ADIF-AV will assume all the functions assigned to ADIF by virtue of Rail Sector Law 38/2015 of 29 September 2015 (Law 39/2003 of 17 November 2003, previously) in respect of those infrastructures it has been assigned ownership of, as well as in connection with those infrastructures allocated in the future.
- The Ministry of Economy and Finance and the Ministry of Public Works, today known as the today Ministry of Transport, Mobility and Urban Agenda, may entrust ADIF-AV with administration of state-owned infrastructures through the corresponding agreements or public-private partnerships.
- In order to fulfil its objectives, ADIF-AV may have its own equity other than that of the General State Administration, comprising the assets, rights and obligations held in its name.
- Management, administration and operation of the assets and rights held by ADIF-AV are subject to the terms of the regulations creating the entity, to Rail Sector Law 38/2015 of 29 September 2015 and to the present statute, and, for all other aspects not regulated therein, to Law 33/2003 of 3 November 2003, on Public Authority Assets.
- In any event, the following assets and rights are considered to be held by ADIF-AV:
  - a. All assets (moveable and immovable) and rights that, at the date of its incorporation are owned by or assigned to Administrador de Infraestructuras Ferroviarias (ADIF), are assigned thereto by virtue of an order issued by the Ministry of Public Works and the Ministry of Finance and Public Administrations, in accordance with article 1.5 of Royal Decree 15/2013 of 13 December 2013.
  - b. All assets, whether they are inalienable property in the public domain or privately-owned assets, comprising the railways and that at the date of creation of ADIF-AV were owned by Administrador de Infraestructuras Ferroviarias (ADIF), where ownership thereof is allocated to the former.
  - c. All stations and terminals serving the high-speed lines, where ownership has been attributed to it, and other property assets that are permanently necessary for providing the services constituting its activity.

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- d. In addition, ADIF-AV will own the rail infrastructures that it builds or acquires with its own funds and those that fall to it by virtue of future agreements.
- At any point ADIF-AV may exercise, with respect to public assets it holds, the powers of administration, defence, policing, investigation, division and recovery of possession as granted to the General State Administration by Law 33/2003 of 3 November 2003, on Public Authority Assets. With respect to the aforementioned assets, ADIF-AV is entrusted with establishing the system of use and with granting the concessions, authorisations, leases and other titles that enable potential use by third parties.

### **1.b) Service arrangements between ADIF and ADIF-Alta Velocidad**

Article 22 of Rail Sector Law 38/2015 of 29 September 2015 foresees that administration of the rail infrastructure and, where applicable, construction thereof, will correspond, within the framework of state responsibility, to one or more state-owned entities falling under the Ministry of Public Works, having their own legal identity, full capacity to operate and their own assets. These entities will be governed by the Rail Sector Law, by Law 6/1997 of 14 April 1997 on the Organisation and Functioning of the General State Administration, by its statute and by any other applicable regulations.

ADIF-AV assumes all the functions assigned to ADIF by virtue of the Rail Sector Law 38/2015 of 29 September, in respect of those rail infrastructures it has been assigned ownership of, as well as those infrastructures allocated in the future.

Article 1.7 of Royal Decree-Law 15/2013, of 13 December, establishes that ADIF-AV and ADIF may entrust the performance of certain activities to each other by signing the appropriate agreement. These agreements must necessarily contemplate the financial compensation that would correspond to the entity in favour of which the entrustment is made, for the provision of the entrusted services.

In particular, both entities may entrust each other with the management of infrastructure capacity and, due to the interconnection of the networks whose administration is attributed to both entities, and as an exception to the provisions of Article 23.5 of the Rail Sector Act, also with the management of control, traffic and safety systems.

By virtue of resolutions issued by the chairmen of ADIF and of ADIF-AV on 31 December 2013, these entities mutually commissioned the performance of certain tasks. According to the subject resolutions, the conditions of the service arrangement will be set out in the corresponding agreements to be entered into by ADIF and ADIF-AV.

By virtue of the foregoing, the documents "Agreement between Administrador de Infraestructuras Ferroviarias (ADIF) and ADIF-AV to commission the latter to provide certain services" and "Agreement between ADIF-AV and Administrador de Infraestructuras Ferroviarias (ADIF) to commission the latter to provide certain services" were prepared.

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As a result of these agreements, the corresponding addenda were drawn up and signed, which determined the services entrusted.

Given the time that has elapsed since the adoption of the management assignment agreements approved by the Boards of Directors of ADIF and ADIF AV, as well as the signing of the aforementioned agreement on 31 January 2014, and the Addenda signed, both entities considered it appropriate and necessary to update the activities assigned up to the current date, and to assign new technical and material activities, as they are necessary to perform the functions and meet the objectives of ADIF and ADIF AV.

By Agreement of the Board of Directors of the public business entity Administrador de Infraestructuras Ferroviarias (ADIF) of 26 June 2019, it was agreed to approve and authorize the signing of the Service Agreement between the public business entity Administrador de Infraestructuras Ferroviarias (ADIF) and the public business entity ADIF-AV, which entrusts the E.P.E. ADIF-AV with the execution of activities of a material or technical nature.

In addition, this Board of Directors Agreement also supersedes the Board of Directors Agreement of 31 January 2014, which ratified the President Resolution of the public business entity Administrador de Infraestructuras Ferroviarias (ADIF) of 31 December 2013, to entrust certain tasks to the public business entity Administrador de Infraestructuras Ferroviarias ADIF- Alta Velocidad, published in Official State Gazette (BOE) No. 52 of 1 March 2014.

In execution of the ADIF Board of Directors Agreement of 26 June 2019, and having signed on 9 July 2019 the Service Agreement between ADIF and ADIF-AV that entrusts the E.P.E. ADIF-AV is responsible for material and technical activities, in compliance with the provisions of article 11, paragraph 3.a) of Law 40/2015 of 1 October on the Legal Regime of the Public Sector, on the formalization of management assignments, published in the Official State Gazette (BOE) of 8 August 2019.

The most relevant activities of a material or technical nature subscribed to in this Agreement are:

- integral environmental management
- reception, testing, from material quality control laboratories, audits and monitoring of quality and final work documentation, load tests and building inspections and processing of expenditure files,
- Processing of compulsory purchase cases where ADIF is the beneficiary,
- drafting of supervision reports for conventional line projects,
- Non-traction power supply-UDT



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In accordance with the provisions of clause XVII of the Agreement of 9 July 2019, the Service Agreement and its annexes may be modified by mutual agreement between the parties, through the subscription of the corresponding addendum to the same.

Accordingly, the first addendum to the Service Agreement between ADIF and ADIF-AV, is published in the Official State Gazette (BOE) of 20 December 2019, for activities of a material or technical nature related to telecommunications.

Similarly, the second addendum to the Service Agreement between ADIF and ADIF-AV, was published in the BOE of 12 February 2020, for activities of a material or technical nature in functional planning and within the scope of the technical and working commissions of European international economic interest groups.

The Board of Directors of the public business entity ADIF AV, on 20 December 2019, agreed to approve and authorize the signing of the Service Agreement between the public business entity ADIF AV and the public business entity ADIF, which entrusts the E.P.E. ADIF with the execution of activities of a material or technical nature.

The "Agreement of the Board of Directors of ADIF-AV of 17 January 2014", published in the Official State Gazette (BOE) of 11 February 2014, is also voided, as is the "Agreement of the Board of Directors of ADIF-AV of 28 March 2014", published in the BOE of 26 April 2014, which entrusts certain tasks to the public business entity ADIF.

In execution of the Agreement of the Board of Directors of the public business entity ADIF AV of 20 December 2019, and having been signed on 20 December 2019, the Service Agreement between ADIF AV and ADIF, which entrusts ADIF with the execution of activities of a material or technical nature, is published in the BOE of 10 February 2020.

The activities of a material or technical nature subscribed to in this agreement are:

- Comprehensive maintenance management of the operating lines owned by ADIF-AV
- Comprehensive management of stations assigned to ADIF-Alta Velocidad
- Traffic Safety
- TIC Services. Information and Communication Systems and Technologies.
- Telecommunications, voice and data
- Integral management of protection and security
- ADIF AV Comprehensive Risk Management
- Design, implementation and monitoring of the environmental sustainability strategy and policy

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- Comprehensive brand management
- Management, promotion and coordination of corporate responsibility policies and strategies
- Innovation.
- Telecommunications.
- Management Control in the areas of Electrical Energy and Fibre Network Management of ADIF-AV
- Integral attention to the regulatory compliance and personal data protection function (DPD).
- Asset management.
- Capacity allocation and traffic management, as well as all associated activities.
- Legal advice.
- Human resources.
- Internal audit.
- International scope.
- Occupational risk prevention, health and safety at work.
- Communication and corporate reputation of ADIF-Alta Velocidad.
- Comprehensive management of assets owned by ADIF-Alta Velocidad.
- Construction of the Air Contact Line, Installations, Piloting, Opening of Stations, Materials Logistics and Management of Rolling Stock for Testing.
- Contractual management of ADIF-Alta Velocidad files.
- Management of general services and the buildings and spaces destined for offices of Adif-Alta Velocidad, as well as for the management of singular architectural actions of Adif-Alta Velocidad.
- Economic-Financial and Corporate Services of the Entity
- Construction of substations, signalling installations, stations and commissioning of lines entrusted to ADIF-Alta Velocidad.
- Comprehensive management and coordination of urban integration operations of the railway and the companies and other entities in which ADIF-Alta Velocidad participates.

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- Preparation and processing of the declaration document on the ADIF-Alta Velocidad network.

In accordance with the provisions of clause XIX of the Agreement of 20 December 2019, the Management Entrustment Agreement and its annexes may be amended by mutual agreement between the parties, through the subscription of the corresponding Addendum thereto.

By virtue of which, the first addendum to the Management Entrustment Agreement between ADIF AV and ADIF, is published in the BOE of 29 April 2020, for the performance of activities of a material or technical nature in the field of technical-economic analysis of contractual incidents and audits of internal controls.

### 1.c) **AGE Agreement 2021-2025**

On 26 July 2021 (published in the BOE on 29 July), the General State Administration and ADIF Alta Velocidad signed an Agreement for the Economic Sustainability of the Railway Infrastructures comprising its Network for the period from 1 January 2021 to 31 December 2025, the main characteristics of which are described below.

The purpose is to regulate the economic contributions of the AGE to ADIF-Alta Velocidad in accordance with the priorities established in the MITMA Mobility Strategy, the Indicative Strategy for the development, maintenance and renewal of rail infrastructures forming part of the General Interest Rail Network owned by ADIF-Alta Velocidad and the common European rail transport policy. These contributions are broken down into three main parts: investments financed through the Recovery and Resilience Facility (RRF-EU), operating subsidies to compensate for fare reductions, and equity contributions to finance the entity's own investments and other activities to fulfil its functions.

The aim is to give stability to the financial contributions of the AGE and define the commitments and obligations of ADIF-Alta Velocidad, in return for the AGE's contribution, in relation to the development and improvement of the network under its ownership, its administration and the rest of the functions entrusted to ADIF-Alta Velocidad.

The obligations acquired by ADIF Alta Velocidad are as follows:

- to execute during the term of the agreement (2021-2025) the total amount of investment defined in the agreement as shown below:

| ADIF-Alta Velocidad (thousands of euros) | 2021      | 2022      | 2023      | 2024      | 2025      | Accumulated |
|--|-----------|-----------|-----------|-----------|-----------|-------------|
| INVESTMENTS (WITHOUT VAT)                | 2,543,497 | 1,935,074 | 1,932,006 | 1,764,481 | 2,040,244 | 10,215,302  |
| RRF -EU                                  | 1,284,337 | 630,873   | 239,213   | -         | -         | 2,154,423   |
| Own Investments                          | 1,259,161 | 1,304,201 | 1,692,793 | 1,764,481 | 2,040,244 | 8,060,879   |

- to optimize the operation management of the administration of the railway network under its ownership and the results of the rest of the activities entrusted to the entity.

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- to achieve the target values of the service provision indicators included in the agreement and which affect train performance (reliability of facilities and punctuality index), network capacity (availability of facilities), asset management (compliance with preventive maintenance plans), track quality, safety levels (train accidents under the manager's responsibility) and environmental protection (reduction of GHG emissions).

The AGE (through the Ministry of Transport, Mobility and Urban Agenda) must make the following financial contributions, in accordance with the provisions of the Agreement:

| (thousands of euros)                    | PGE Account<br>2021 | 2021             | 2022           | 2023           | 2024           | 2025           | Accumulated<br>2021-2025 |
|---|---------------------|------------------|----------------|----------------|----------------|----------------|--------------------------|
| Operating subsidies (chap- IV)          |                     | 50,000           | 40,000         | 30,000         | 20,000         | 10,000         | 150,000                  |
| - For fare reduction compensation       | 17,40,453A,444      | 50,000           | 40,000         | 30,000         | 20,000         | 10,000         | 150,000                  |
| Capital transfer (Chapter VII)          |                     | 1,284,337        | 630,873        | 239,213        | -              | -              | 2,154,423                |
| - Recovery and Resilience Mechanism     | 17,50,20,450S,746   | 1,284,337        | 630,873        | 239,213        | -              | -              | 2,154,423                |
| Equity contributions (Chapter VIII)     | 17,40,453A,871      | 466,174          | 311,574        | 311,574        | 311,574        | 311,574        | 1,712,470                |
| <b>Total contributions from the AGE</b> |                     | <b>1,800,511</b> | <b>982,447</b> | <b>580,787</b> | <b>331,574</b> | <b>321,574</b> | <b>4,016,893</b>         |

- Actions associated with the RRF-EU to finance investments in the development and renovation of railway infrastructure and service facilities forming part of the General Interest Railway Network, eligible for this type of financing. They will be charged to budget item 17.50.20.450A.746 "To ADIF-Alta Velocidad for the Recovery and Resilience Facility", of the PGE approved for the year 2021 or its equivalent in subsequent years.
- Equity contribution to finance investments and other activities of the entity for the fulfilment of its functions. It will be charged to budget item 17.40.453A.871 "ADIF-Alta Velocidad", of the PGE approved for 2021 or its equivalent in subsequent years.

The planning of the entity's investment actions, including those financed by the contributions included in points a) and b), will be included in the Activity Program, which will be reviewed annually according to the evolution of its execution, adapting it to the financing framework established in this Agreement.

- Coverage for the compensation of the reduction in fees. It will be charged to budget item 17.40.453A.444 "ADIF-Alta Velocidad for network administration", of the PGE approved for 2021, or its equivalent in subsequent years.

The contributions defined above represent the maximum amount of expenditure to be assumed by the AGE, through the Ministry of Transport, Mobility and Urban Agenda.

An Agreement Monitoring Committee is established whose main functions will be:

- review and follow-up of the actions included in the Agreement, proposing, as the case may be, the adjustments or modifications deemed necessary, as well

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as any other measure that may result in the successful conclusion of the Agreement and favour the fulfilment of the commitments or obligations of the parties.

- b) to resolve any problems of interpretation that may arise during the execution of this Agreement.
- c) approve the annual proposals for settlement of the financial contributions and keep track of the balance resulting from the annual activity of ADIF Alta Velocidad and the approved settlements.
- d) approve the final settlement proposal of the Agreement at the end of its term.
- e) To include in an annual report the main management results of the Agreement for each year, mainly in relation to compliance with deficit, investment and debt repayment targets.

A payment on account of the contributions of the AGE provided for in the Agreement signed is established. Thus, the AGE, through MITMA, will pay the annual contribution shown in the table above as a payment on account of the settlement of the fiscal year. Monthly payments will be made for the appropriations of Chapters IV and VII and quarterly payments for the appropriations of Chapter VIII (patrimonial contributions) once the mandatory report of the Secretary of State for Budgets and Expenditures foreseen in Law 62/2003, of 30 December 2003, has been obtained. In the case of the annuity corresponding to the year 2021, the corresponding payments will be regularized after the signing of this Agreement.

Likewise, a procedure for the provisional and final settlement of the financial contributions of the AGE is established, with the Monitoring Committee being responsible for approving the annual proposals for the settlement of the contributions. At the date of preparation of these financial statements, there is no approved settlement proposal for the State contributions, so all references contained in this document to the settlement of the State contributions must be treated as provisional. However, the Entity estimates that the definitive settlement of these contributions will not give rise to significant changes in the issuance of these financial statements.

ADIF Alta Velocidad will prepare and submit to the Monitoring Committee the provisional settlement proposal for the previous year, once the annual accounts have been approved. This liquidation proposal will show a breakdown of the differences between the forecasts and the values actually achieved in terms of compensation for fare reduction, the Entity's Profit and Loss Account, volume of own investments and those financed by RRF-EU, net debt limit, and the amounts of other sources of financing.

The specific settlement procedures for each of these items are described below:

- Compensation for fare reductions: ADIF Alta Velocidad will separately calculate the compensation derived from the fare difference included in the PGE Law for 2021, and, if applicable, in subsequent budgets if a reduction in fares over those established for said fiscal year is established for future fiscal

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years.

ADIF-Alta Velocidad will determine the revenues accrued in each year from the application of the tariffs included in the respective budget laws for each year, or the regulatory instruments that replace them, subject to settlement, and will compare them with the revenues settled to rail operators in application of the transitional provisions established in the aforementioned laws or other regulatory standards.

The contributions to be received by ADIF Alta Velocidad for this item will be the difference between the revenues accrued and those actually paid to rail operators in each year, as indicated in the preceding paragraph (see note 14).

- ADIF Alta Velocidad will provide the total Income Statement of the Entity, including compensation for fare reductions as income. In the event that ADIF-Alta Velocidad obtains exceptional income not included in table 5.1 of the annex to the Agreement signed, such exceptional income will not be reflected in the income statement for settlement purposes, so that such exceptional income does not form part of the amount to be financed as a subsidy.
- ADIF Alta Velocidad will contribute its own investments eligible for settlement in accordance with the amount executed and recorded in the approved annual accounts for the year, after deduction of EU Structural Funds, application of taxes and other subsidies. In addition, the liquidation proposal will include the participating loans or credits to investee companies disbursed in the year and reduced by the amount of the repayments of such credits.

Settlements of own investments will be made on a cumulative basis from 1 January 2021 to 31 December of the year being settled (see note 8.a).

- ADIF Alta Velocidad will provide for information purposes in the provisional settlement the investments executed and recorded in the annual accounts, linked to the RRF funds (Recovery and Resilience Facility). These investments will be settled cumulatively from 1 February 2020 according to the criteria and indicators approved for the same and governed by its specific regulations.
- ADIF Alta Velocidad will provide the quantification of the net indebtedness for the year, which must be lower than the limit authorized for each of the years in the respective General State Budget Laws.

As established in section 3.2 of Clause Nine of the Agreement, the equity contribution included as Chapter VIII and which finances the Entity's deficit and its own investments will not be subject to liquidation, except for what, if applicable, is derived from section 3.3 of the aforementioned clause referring to the contribution for investments.

The Monitoring Committee will decide within one month on the provisional approval of the liquidation proposal submitted by ADIF Alta Velocidad. Once provisionally approved, it will be sent to the IGAE to issue the definitive financial control report, establishing a maximum period of two months to issue its provisional report.

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The Monitoring Committee will decide on the approval of the final annual settlement, which may not be approved for an amount different from that resulting from the IGAE report.

### **1.d) Other provisions**

- The second additional provision of Royal Decree-Law 22/2012 of 20 July 2012 assigned ADIF ownership of the connection of the Mediterranean Corridor with the Madrid-Barcelona-French border high-speed line (Vandellós-Tarragona area) and the A Coruña-Vigo stretch of the Atlantic Axis, which had been built by the state prior to the commissioning of ADIF for completion of both infrastructures. By virtue of Order PRE/2443/2013 of 27 December 2013, ADIF-AV was assigned ownership of the high-speed Atlantic Axis (Santiago de Compostela-Vigo stretch).
- Article 34 of Royal Decree-Law 4/2013 of 22 February 2013 established the transfer to ADIF of ownership of the state rail network, as well as administration of the same. Section 1 of the article states that:

"ownership of the rail infrastructures and stations comprising the state-owned network whose administration is entrusted to ADIF will be transferred to the state-owned entity Administrador de Infraestructuras Ferroviarias (ADIF) upon entry into force of the present Royal Decree-Law", namely on 23 February 2013.

In addition, article 2 of Royal Decree-Law 15/2013 of 13 December 2013 on the restructuring of the state-owned enterprise Administrador de Infraestructuras Ferroviarias (ADIF) establishes the allocation to ADIF-AV of the infrastructures delivered to ADIF by the state by virtue of Order PRE/2443/2013 of 27 December 2013 identifying the assets and liabilities forming part of the Entity.

Based on the above, in 2013 ADIF-AV was allocated ownership of the infrastructures, stations and other installations in use or under construction delivered by the State to ADIF in 2013, as follows:

- High-speed Madrid-Cuenca-Valencia line and high-speed link with Albacete and Alicante
  - Valencia-Vandellós stretch of the Mediterranean Corridor
  - Santiago de Compostela-Vigo stretch of the high-speed Atlantic Axis
  - Castellón de la Plana Station
  - The fibre optic network, as well as repeater towers and auxiliary installations located along the Orense-Santiago stretch of the high-speed Galicia line.
- Order FOM/2438/2013 of 17 December 2013 establishes the list of personnel of the state-owned entity Administrador de Infraestructuras Ferroviarias that will form part of the state-owned entity ADIF-AV.
  - In resolutions dated 27 June 2014, the Council of Ministers approved the transfer from ADIF to ADIF-AV of ownership of the following assets:



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- a) Stretches of the Iberian gauge rail network linking the cities of Plasencia, Cáceres, Mérida and Badajoz
- Monfragüe-Plasencia stretch: from km 0/00 to km 16/700
  - Monfragüe-AG stretch km 4,4-Monfragüe Ag. km 255.4: from km 0/000 to km 2/700
  - Madrid-Valencia de Alcántara line: from km 251/625 to km 332/833
  - Aljucén-Cáceres line: from km 0/000 to km 65/443
  - Ciudad Real-Badajoz line: from km 453/000 to km 512/351
- b) Bobadilla-Granada stretch of the Iberian gauge rail network
- c) Loja Station

The Council of Ministers determined that the transfer would be made free of charge, as the assets were used in the administration of rail infrastructures, and would be valued at the net book value in ADIF of the assets subject to transfer, recognising the gross cost and the depreciation accumulated at the transfer date. The net book value of the assets transferred to ADIF-AV in June 2014 amounted to 71,321 thousand euros.

- The Council of Ministers, in its agreements dated November 24, 2017 approved the transfer of ADIF to ADIF AV from the ownership of the network segment railway between León and La Robla. The agreement establishes a free transfer by registering ADIF AV the assets received by its gross cost and its accumulated depreciation until the transfer date, being its Net book value of 47,892 thousand euros. The formal delivery certificate was subscribed by ADIF and ADIF AV on November 30, 2017.
- In 2018, the Council of Ministers approved the assignment of different sections of the RFIG from ADIF to ADIF AV, free of charge. These transfers were motivated by the high-speed adaptation works that ADIF AV will undertake. The detail of the transfers is as follows:
  1. La Encina - Xátiva section: with a length of 38 km. The agreement of the Council of Ministers took place on 23 February 2018, formalizing its delivery through a formal document signed between ADIF and ADIF AV on 25 May 2018 for a net book value of 116,123 thousand euros.
  2. Taboadela - Ourense section: with a length of 14 km. In a meeting held on 6 April 2018, the Council of Ministers agreed to transfer this section, formalizing its ADIF delivery note to ADIF AV on 25 May 2018 for a net book value of 9,945 thousand euros.
  3. El Reguerón - Cartagena - Escombreras section: with a length of 67 km. The agreement of the Council of Ministers was signed on 25 May 2018, signing its formal delivery of ADIF to ADIF AV on 26 September, 2018 for a net book value of 30,395 thousand euros.



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4. Section Astigarraga - Irún: with a length of 25 km. At the meeting of the Council of Ministers held on 25 May 2018, the transfer of the aforementioned section of ADIF to ADIF AV was formalized and its delivery was formalized by means of a signed document on 26 September, 2018 with a net book value of 82,875 thousand euros.
- The resolution of the Secretary of State for Infrastructure, Transport and Housing, dated 23 May 2014, entrusts ADIF and ADIF-AV, in their respective areas of responsibility, with construction and works for the public service rail network, as put to tender and awarded by the Ministry of Public Works, determining that the construction will be made using ADIF or ADIF-AV's resources, as applicable.
  - On 21 December 2009, the Ministry of Public Works, the Catalonia Regional Government, the Barcelona City Council, ADIF and RENFE Operadora signed an addenda to the collaboration agreement entered into on 12 June 2002 in connection with the high-speed network in the city of Barcelona and the corresponding remodelling of railway infrastructures. The addenda establishes the contribution from the General State Administration to ADIF of a total of 255,000 thousand euros, to finance the Sagrera Station, distributed in annual payments of 51,000 thousand euros from 2009 to 2013.
  - Law 11/2020 of 30 December 2021 General State Budget Act 11/2020 appropriated a capital contribution of 466,173.95 thousand euros for ADIF AV in 2021. Likewise, a current transfer to finance the administration of the network under its ownership of 50,000 thousand euros has been included in the 2021 General State Budget for 2021. In addition, an authorisation for a net increase in indebtedness of 1,500,000 thousand euros has been established.
  - Law 22/2021 of 28 December on the General State Budget for the year 2022 appropriates an equity contribution for ADIF AV of 311,574 thousand euros in the year 2022. Likewise, a current transfer to finance the tariff deficit linked to railway fees of 40,000 thousand euros has been appropriated in the 2022 General State Budget for 2022. An authorization for a net increase in indebtedness of 758,033 thousand euros is also established.

### **1.e) Charges and fees**

Law 38/2015, of 29 September, on the Railway Sector (LSF) incorporates into Spanish law the rules contained in Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012, which cover almost all areas of railway legislation, including those relating to the transparency and sustainability of railway infrastructure financing, a new and more complete classification of railway-related services and the establishment of new and more precise rules on charging for access to railway infrastructure.

Title VI of the LSF regulates the economic and taxation system of the railway sector in an attempt to strike a balance between the economic viability of the system and the promotion of rail transport. The aim is to provide incentives to improve the operation of the network, reduce disturbances, optimise the use of the infrastructure and reduce the costs of making it available.

## Notes to the Interim Financial Statements 30 September 2022

It regulates the legal structure of charges for the use of railway lines, for the use of service facilities and revises the fee system for the provision of services, advancing towards free access to service activities without compromising the sustainability of the railway infrastructure.

It also establishes the criteria for classifying lines in order to link the railway fee to the potential profitability of the market; it establishes the criteria for classifying passenger transport stations in order to take into account the economic capacity of the associated services to determine the amount of the fee; and it regulates the bonuses and discounts on the amount of fees payable by operators with the aim of promoting the development of railway services and the more efficient operation of lines.

Article 23 of the LSF establishes the functions of the general managers of railway infrastructures, including the determination, revision and collection of railway infrastructure charges in accordance with the applicable legal and regulatory regime.

For its part, Article 100 of the LSF establishes that the proposal for modification or revision of the amounts of fees shall be prepared by the rail infrastructure manager, that this proposal shall be subject to consultation with railway undertakings and to a report by the National Commission for Markets and Competition, and that it shall establish the specific values of the parameters of the fees which shall be sent to the Ministry of Public Works (MITMA) for inclusion in the preliminary draft of the General State Budget Law.

Law 11/2020 of the General State Budget for the year 2021, which included in its article 80 the tariffs for railway fees prepared by the infrastructure manager, applicable as from 1 January 2021 and with an indefinite validity.

Law 22/2021 of the General State Budget for the year 2022 has approved in its article 71 the new tariffs for railway charges with indefinite validity; but with transitory tariffs in force only from 1 January to 31 December 2022 according to the sixth transitory provision of the same Law.

That is to say, from 1 January to 31 December 2022 the tariffs of the Sixth Transitional Provision will apply and from 1 January 2023 the tariffs of Article 71 will apply.

As in 2021, the Ministry of Transport, Mobility and Urban Agenda will compensate the rail infrastructure managers for the difference between the fees that such entities should have received through the application of the unit amounts provided for in Article 71 and those actually paid by the taxpayers (Railway Companies) as a result of the settlements issued with the unit amounts established in the sixth transitory provision.

Likewise, in the Second Transitional Provision, the categories of certain passenger stations of Article 98.5 of Law 38/2015 of the Rail Sector are temporarily modified, in order to compensate the expenses borne to maintain an adequate level of service to their facilities, which correspond to a higher category than the one that would result from an application of Article 98. 5 of Law 38/2015 of the Railway Sector as a result of the impact of the health, economic and social crisis caused by

## Notes to the Interim Financial Statements 30 September 2022

the COVID-19 pandemic, between the first day of the month following its publication in the BOE and 31 December 2022.

The Ministry of Transport, Mobility and Urban Agenda shall compensate the railway infrastructure managers for the difference existing between the fees that said entities should have received through the application of the unit amounts provided for in Article 71 and those actually paid by the taxpayers (Railway Companies) as a result of the settlements issued with the unit amounts established in the sixth transitory provision."

This compensation by the Ministry of Transport, Mobility and Urban Agenda will be charged to the budget allocations contemplated in the Agreements signed between the General State Administration and the Infrastructure Administrators for the economic sustainability of the infrastructures that make up its Network.

The purpose of this fee proposal is to provide the railway system with incentives to facilitate and promote the offer of services at the beginning of the liberalization of passenger transport by rail and the recovery of the traffic levels existing prior to the pandemic.

The following is a detail of the fees in force:

- Fee for Use of RFIG Railway Lines Managed by ADIF - Alta Velocidad.

The taxable event of the fee is the use of the RFIG railway lines, as well as the provision of services inherent to such use, in the following modalities:

- a) Charge for Use of Charge for allocation of capacity (Module A): for the service of assigning those slots, defined in the network statement, to the corresponding applicants in order to allow a train to run between two points during a given period of time. The costs of the capacity allocation process, traffic management, traffic safety and the replacement of safety and traffic control facilities, directly attributable to the operation of the rail service, will be charged. The amount shall be determined by multiplying the tariff established for 2022 by each train-kilometre awarded, distinguishing by type of line affected and type of service.
- b) Charge for the use of railway lines (Module B): for the action and effect of using a railway line. The costs of maintenance and conservation of the railway infrastructure, directly attributable to the operation of the railway service, will be charged. The amount shall be determined by multiplying the tariff established for 2022 by each train-kilometre circulated, distinguishing by type of line and type of service.
- c) Charge for the use of the transformation and distribution facilities of the electric power of traction (Module C), for the action or effect of using the electrification facilities of a railway line. The costs of maintenance and conservation of the electrification facilities and their replacement costs, directly attributable to the operation of the railway service, will be charged. The amount shall be determined by multiplying the tariff established for 2022 for each train-kilometre run on electrified railway lines distinguishing by type of line, type of service and type of traction.

## Notes to the Interim Financial Statements 30 September 2022

- Fee for the use of the Service Facilities owned by the general managers of railway infrastructures.

It constitutes the taxable event of the charge for the use of the service facilities and infrastructure referred to in Article 98 of the LSF, as well as the provision of public services or activities inherent to said use, in the following modalities:

A. Charge for the use of passenger transport stations (Module A). The costs associated with the maintenance and conservation of stations, their replacement and the provision of the minimum basic services of the stations, financial expenses in the case of stations classified in the category 6, as well as the monitoring service of the stations and the control of access of travellers and their luggage. The amount is determined according to the category of the station, type of stop, type of train and number of travellers.

B. Charge for passage through width changers (Module B). It is calculated according to of the steps of each train by a width changer.

The costs associated with the maintenance and replacement of the gauge changers shall be passed on.

C. Charge for the use of platforms in parking stations of trains for commercial passenger services and other operations (Module C).

The costs associated with the maintenance and upkeep of the facilities used will be passed on.

For the purposes of this fee, the following two rates are established:

C.1) By parking of trains for commercial services of travellers without other operations.

C.2) By parking trains for other operations.

D. Charge for the use of roads in other service facilities: section, of formation of trains and manoeuvres, maintenance, washing and cleaning, fuel supply (Module D).

The costs chargeable under this type of charge are those directly attributable to the use of the tracks for the maintenance and replacement of the facilities.

E. Charge for the use of loading points for merchandise (Module E).

The costs chargeable under this type of charge are those directly attributable to the use of the tracks for the maintenance and replacement of the facilities.

## **(2) Basis of Presentation of the Interim Financial Statements**

### **2.a) Fair presentation**

The Interim Financial Statements have been prepared in accordance with the accounting records of the Entity, in order to show the true image of the assets and

## Notes to the Interim Financial Statements 30 September 2022

the financial situation as of 30 September 2022 and the results of its operations, changes in the net equity and cash flows for the period from 1 January 2022 to 30 September 2022.

ADIF-AV presents the Interim Financial Statements in accordance with the accounting principles and measurement standards set out in Royal Decree 1514/2007 of 16 November 2007, approving the General Chart of Accounts and applying, among other aspects, the going concern basis in accordance with the legal and statutory regime described in Note 1, as well as the modifications to the General Chart of Accounts incorporated by virtue of Royal Decree 1159/2010 of 17 September 2010, and Royal Decree 602/2016 of 2 December 2016 and on the basis of the accounting principles and criteria set by the Spanish General State Comptroller (IGAE) through the resolution dated 30 December 1992 (hereinafter the Resolution), which continues in force in all aspects not in opposition to the provisions of the subject General Chart of Accounts. In addition, in preparing the Interim Financial Statements the Entity has taken into account Order EHA/733/2010 of 25 March 2010, published in the Official State Gazette of 26 March 2010, approving accounting practices for state-owned companies operating in certain circumstances.

Furthermore, in the preparation of these Interim Financial Statements the Entity also considered the IGAE opinion relating to accounting policies as expressed through answers to questions presented by ADIF in accordance with Law 47/2003, of 26 November 2003. Significant accounting policies are disclosed in Note 3.

### **2.b) Comparative information**

For comparative purposes, in these interim financial statements, the Entity's management presents in the balance sheet, statement of changes in equity and notes to the financial statements, in addition to the figures for the nine-month period ended 30 September 2022, the figures for the previous year that formed part of the 2021 financial statements approved by the Board of Directors of ADIF AV on 30 March 2022.

In addition to the figures for the nine-month period ended 30 September 2022, the Entity's management presents for comparative purposes the profit and loss account and cash flow statement for the previous nine-month period ended 30 September 2021, which were included in the profit and loss account for 2021 and in the cash flow statements for 2021 included in the annual accounts for the year ended 31 December 2021.

### **2.c) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles**

Preparation of the interim financial statements requires that certain estimates be made, based on past experience, the assessment of certain risks (see note 22) and other factors considered reasonable in the current circumstances, which serve as a basis to establish the value of assets and liabilities where this cannot be easily determined using other sources. The Entity revises its estimates continuously. However, in light of the inherent uncertainty, there is a considerable risk that the

## Notes to the Interim Financial Statements 30 September 2022

assets and liabilities involved could require significant adjustments in the future, in the event of a major change in the assumptions, facts and circumstances on which the estimates are based.

Key assumptions concerning the future and other relevant data on the uncertainty of estimates and important judgements in the application of accounting policies at year end, which entail a considerable risk of significant changes in the value of assets and liabilities in coming years, are as follows:

- Depreciation of high-speed rail infrastructure: depreciation of property, plant and equipment included in the high-speed railway infrastructure requires the use of estimates to determine the useful life and impairment deriving from normal activity and usage. Management of the Entity has had to estimate depreciation based on the use of these installations over their useful life, considering different assumptions regarding fluctuations in rail traffic in line with expected demand.
- Deferred tax assets: when determining the amount of deferred tax assets and tax credits to be recorded, Management of the Entity measures the probability of generating future tax profits, as well as the amount and timing of such profits (see Note 12.a).
- Impairment of non-financial assets (see Note 3.b)).
- Property, plant and equipment for railway infrastructures executed by various integration companies in which the Entity participates under the Integration Agreements of which they bring cause (see notes 3.b and 3.i). The infrastructures put into service are recorded as property, plant and equipment even if their formal delivery has not occurred, provided that future economic returns are expected through their exploitation and a reliable valuation of their cost is available. The realization of these estimates requires the application of relevant professional judgments to classify the infrastructures executed, which are complex in nature, such as railways or urban development, as well as to allocate certain costs necessary for the development of the global project entrusted to the aforementioned companies. The final allocation to the partners must be agreed within each of them, so there is uncertainty about the final attribution of the various assets to each of its shareholders.
- Determination of the commercial or non-commercial nature of the non-financial fixed asset swaps.
- Impairment of the value of the credits granted to group companies and associates, (see note 3.i))
- Provisions for liabilities and charges: provisions are recognised when it is probable that a present obligation resulting from a past event will give rise to an outflow of resources and the amount of the obligation can be reliably estimated. Entity Management makes estimates based on an evaluation of all relevant information and events, of the probability that a contingency



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will materialise, and of the amount of the liability to be settled in the future. (see Note 3.i).

- Balances related to the Agreement between the General State Administration and ADIF Alta Velocidad for the economic sustainability of the railway infrastructure comprising its network during the period 2021-2025 signed in July 2021 (see note 1.c).

These estimates have been made on the basis of the best information available up to the date of preparation of these interim financial statements. Any future events not known at the date of preparation of these estimates could lead to modifications (up or down), which would be carried out, where appropriate, prospectively.

### **2.d) Functional and presentation currency**

The interim financial statements are presented in thousands of Euros, which is the functional and presentation currency of the Entity, rounded to the nearest thousand, unless otherwise stated.

## **(3) Significant Accounting Policies**

### **3.a) Intangible assets**

Intangible assets basically comprise the rights of use of space owned by ADIF AV acquired from Renfe Operadora in 2020 and 2015, the origin of which comes from the OMFOM/2909/2006, of 19 September, which established a right of use without consideration to RENFE-Operadora of certain spaces located, principally in passenger stations. The aforementioned Ministerial Order established that these rights of use would be replaced at a later date by the properties that it was agreed to assign to the company's assets. For this purpose, ADIF AV had recognised a provision for contingencies and expenses amounting to 21,952 thousand euros up to 2014, corresponding to the estimated replacement costs of these spaces to be delivered in usable condition.

The Entity values the rights of use acquired in the aforementioned years at the present value of the acquisition price from RENFE Operadora. In the case of the rights of use acquired in 2015, the provision for risks and expenses that the Entity had set up to meet the replacement costs for the delivery of the properties that should replace these spaces in suitable conditions of use was deducted from this value. These fixed assets are presented net of the related accumulated depreciation provided on a straight-line basis over their respective useful lives. To calculate the useful life of these assets, the Entity has based itself on business plans prepared for this purpose for the rights acquired in 2015 and for those relating to 2020, which consider the cash flows generated by the leases agreed with RENFE Operadora and its group of companies, as well as those that it considers likely to be obtained from other third parties. These business plans consider various assumptions of variations in space occupancy, variations in price indices and interest rates in line with current real estate and financial market conditions. The Entity has estimated a useful life of 75 years for rights of use acquired in 2015 and 30 years for rights of use acquired in 2020.

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In addition, the Entity has included in the section of intangible assets, computer software and research and development. Intangible assets are stated at cost of acquisition or production, net of accumulated amortisation, which is calculated on a straight-line basis or, in the case of assets linked to high-speed lines, using the increasing balance method, in accordance with the following estimated useful lives:

|                   | <u>YEARS</u> |
|-------------------|--------------|
| R&D expenses      | 25           |
| Computer software | 5            |

R&D expenses are recognised as intangible assets of the Entity when the following conditions are met:

- They are segregated by project, and the cost is established so that it can be distributed over time
- There is evidence of the project's technical success and the economic profitability of the project.

### **3.b) Property, plant and equipment**

The fixed assets attributed to ADIF-AV can be classified into the following categories:

- Publicly owned railway assets: these assets include railway lines, the land on which they are located and installations built in the public property zone (article 27 of the RSL). According to article 13 of the RSL, the public property zone includes the land on which the lines forming part of the public service rail network are laid, as well as an eight-metre strip of land on either side of the track bed, with special rules depending on the associated infrastructures (tunnels, bridges, etc.). Most of the assets contributed to ADIF-AV are considered to be publicly owned assets. In order to dispose of these assets, their legal status would first need to be amended through delisting from this category by way of a resolution from the Entity's board of directors declaring them to be unnecessary [article 16, section 1, point q) and article 31 of Royal Decree 1044/2013]. As a result of this delisting, the assets in question would be included among the Entity's own assets (under the Entity's private ownership) and could then be disposed of or exchanged.
- Privately-owned assets: those not covered by the legal definition of publicly owned railway assets. ADIF-AV's privately-owned assets comprise stations, terminals or other buildings or installations used for passenger services, except for the railway lines and land mentioned above. Nevertheless, if any of these assets (stations, terminals or other buildings or installations for services linked to rail transport) were acquired as a result of a compulsory purchase order, despite being included among the Entity's own assets under the Rail Sector Law and Regulation, in the interests of legal certainty such assets would undergo the same category delisting procedure foreseen for publicly



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owned assets, as set forth in article 66.2 c) of Law 33/2003 of 3 November 2003, on Public Authority Assets. Finally, this category could also comprise all buildings associated with railway lines that have been closed down or abandoned.

- **Cost of property, plant and equipment**

Items of property, plant and equipment are presented in the balance sheet at cost, less any accumulated depreciation or impairment allowances. The general criteria used for valuing these items is the cost of acquisition or the cost of production, including materials, direct labour and costs incurred.

Borrowing costs related with the loans extended by the European Investment Bank (hereinafter EIB) and by other financial institutions, as well as those derived from fixed-income securities issues, to finance railway infrastructure under construction that requires more than one year to become operational are recognised as an increase in the cost of these assets. In cases where a high-speed line is in partial use, the Entity has estimated and capitalised borrowing costs relating only to the stretches under construction in proportion to the total cost of the investment therein. The capitalisation of the cost of production is made through the heading "Capitalised financial expenses" in the profit and loss account.

The cost of expansion, modernisation or improvements that increase productivity, capacity or efficiency, or extend the useful lives of the assets, are capitalised as an increase in the cost of these assets. Repair and maintenance costs are expensed when incurred.

Funds earmarked for maintenance and conservation of Spanish heritage sites, as established in Law 16/1985, Royal Decree 111/1986 and Instruction No. 43 from the Sub-Secretary for Development of 16 May 2014, are also capitalised as an increase in the cost of the associated assets. The aforementioned laws stipulate that the budget for each public project entirely or partially financed by the State should include an item equivalent to 1.5% of the funds contributed by the State to finance this type of work. Pursuant to Article 3 of Law 14/2021, of 11 October 21, this percentage has become 2% as of October 2021.

Work carried out by the Entity to improve or extend the useful lives of its assets is treated as an investment and recognised at the accumulated cost, which is the sum of external costs (based on suppliers' invoices), internal costs (determined on the basis of in-house consumption of materials in warehouses) and all other costs incurred. Capitalised production costs are recognised under self-constructed assets in the income statement.

Where applicable, the initial cost of property, plant and equipment is corrected when differences arise between the non-deductible input VAT initially recognised by the Entity as cost and that which is finally applicable when an interpretation of tax legislation is amended or is established by a court of law or the tax authorities.

The Entity classifies acquisitions of property, plant and equipment through barter exchange, entailing the acquisition of an item of property, plant and

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equipment in exchange for non-monetary assets or a combination of monetary and non-monetary assets, in commercial or non-commercial barter exchange transactions, using the following criteria:

- a) Barter exchange in which the cash flows from the assets received differ significantly from the cash flows from the asset delivered, or when the present value of the post-tax cash flows deriving from the activities affected by the transaction changes as a result of the barter exchange, are considered commercial barter exchange.
- b) Other barter exchange is considered non-commercial barter exchange.

In the case of non-commercial barter exchange, the Entity measures the asset received at the net carrying amount of the asset delivered, plus any monetary consideration received, up to the fair value of the asset received.

In the case of a swap, the asset received is measured at the fair value of the asset given, increased, if appropriate, by the amount of monetary consideration received, unless there is clearer evidence of the fair value of the asset received and subject to a limit on the fair value of the asset received.

According to the Order PRE/2443/2013 mentioned in note 1, assets and liabilities transferred from ADIF to ADIF-AV have been integrated into and recognised by ADIF-AV at those carrying amounts as accounted for in ADIF at the spin-off date.

The criteria used to value rail infrastructure by ADIF-AV are as follows:

- a) Infrastructure constructed by the Entity was measured using the cost of construction plus the cost of preparing directly-related reports, blueprints, drafts, studies, technical assistance, surveillance, etc., the cost of supplementary studies and reports necessary for planning and designing lines, work carried out for assets and non-deductible input VAT. Also included, as a higher cost of infrastructure, is the best estimate available at the closing date, of the current amounts claimed by contractors of works or expropriated, which the Entity considers likely to generate a future outflow of resources, and which correspond inter alia to differences in the measurements of works and to claims of costs linked with increases in execution times over those originally planned.
- b) Other infrastructures received from the seconding State were valued at an amount equal to that contained in the corresponding subrogation certificates, at the purchase price or production cost incurred by the Ministry of Development, in accordance with the data contained in its Accounting Information System and in its accounting records, deducting its accumulated amortization on the date of transfer. However, if subsequent to the initial valuation, changes are shown in the values included in the corresponding delivery documents or other provisions by which railway infrastructures are transferred to ADIF-AV or new investments related to the lines or sections are identified previously assigned, these adjustments are recorded in the year in which the new

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values are known and the corresponding rectifying minutes are signed or the aforementioned provisions are modified.

- c) The assets relating to Madrid-Sevilla high-speed rail line, transferred by the State to RENFE through the Submission and Receipt Agreement, were valued by the Ministry of Development at cost, less accumulated depreciation at 31 December 2004, calculated using the depreciation criteria applied by RENFE based on the type of asset and the date of its entry into service.
- d) Investments underway and in operation on the high-speed Atlantic Axis and the Mediterranean corridor connection were allocated to ADIF for no consideration, in accordance with the second additional provision of Royal Decree-Law 22/2012 of 20 July 2012, and were spun off to ADIF-AV as per the Spin-Off Order. These assets were constructed by the State before ADIF was commissioned to operate both sets of infrastructure through respective rulings issued by the Secretary of State for Infrastructure on 11 May 2012. These items and work in progress were recognised at the amount of 2,476,419 thousand euros, which corresponds to the acquisition price or cost of production incurred by the Ministry of Development based on data contained in its financial information system and accounting records, less accumulated depreciation at the transfer date. This amount is equivalent to the fair value of these assets, since it was defined in the context of the tenders provided for under legislation applicable to the General State Administration and results from a public tender process conducted between knowledgeable independent parties.
- e) In respect to the infrastructures built by the Sociedad Estatal de Infraestructuras del Transporte Terrestre, S.A. (Hereinafter SEITTSA) on the L.A.V. Madrid - Galicia, these were delivered to ADIF AV in accordance with the provisions of the Agreement signed on August 25, 2015 by the mentioned Entity, ADIF and the Ministry of Development (hereinafter referred to as the Recast Convention or the Convention). The aforementioned agreement establishes that the delivery of these assets will be considered as a free transfer of assets assigned to the activity of railway infrastructure management. ADIF AV would recorded these assets at the acquisition price or the cost of production for which SEITTSA had valued them in its books and which were previously paid by the AGE to the Company.
- f) Land and natural assets are valued on the basis of the amounts paid for expropriations. In the event that this is not available due to very old expropriations or without sufficient supporting documentation, they are valued at the acquisition value of adjoining land expropriated in similar years.
- g) The assets transferred by ADIF to ADIF-AV under the Agreements of the Council of Ministers mentioned in note 1 are valued in accordance with the provisions of these agreements for the book value for which they

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were posted in ADIF, recognizing in ADIF AV by their gross cost and accumulated depreciation up to the date of transfer (see note 1.d).

- h) The infrastructures executed within the framework of the Agreements for the integration of the railroad in the cities, which are carried out either by commercial companies created for this purpose or directly by one or more of the entities that have signed the aforementioned agreement, are valued with the best estimation of the construction costs incurred and that have been necessary for putting it into operating conditions.

In those cases in which the Agreement establishes the obligation to finance all the actions through monetary contributions of all or some of the entities that are subscribed to them, the costs corresponding to certain provisional works or to urban integration infrastructures, such as the walls and slabs derived from the execution of burials or coverings, whose basic purpose is to achieve permeability between different areas of a city, are included in the value of railway infrastructures, by means of reasonable imputation criteria, up to the limit of the contributions assumed by the Entity. In the event that the agreement does not foresee that the Entity will assume the financing of the infrastructures contemplated therein through monetary contributions, the aforementioned burials or coverings, considered as urban infrastructures, are not, in general, integrated into the ADIF Alta Velocidad's asset.

ADIF-AV records in its fixed assets both the railway infrastructures received by means of delivery and / or through a standard with the rank of Law, Royal Decree, agreement of the Council of Ministers or Ministerial Order, as well as any other railway infrastructures and stations that, forming part of the network of its ownership whose administration is entrusted, have entered into service, although they are not subject to formal delivery by means of a Minute, Royal Decree or Ministerial Order, provided that economic returns are expected through exploitation and a reliable valuation is available of its cost.

- ***Transfers from work in progress:***

The Entity reclassifies work in progress to fixed assets according to the nature of the asset at the date on which the works become operative state.

- ***Depreciation of property, plant and equipment***

- Depreciation of high-speed rail infrastructure

High-speed rail infrastructure is generally depreciated using an increasing balance method at an annual geometric progression of 3%, over the following estimated useful lives:

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|   | <u>Years</u> |
|---|--------------|
| <b>Track bed</b>                                      |              |
| - Earthmoving   | 100          |
| - Stone and brick works                               | 100          |
| - Tunnels and bridges                                 | 100          |
| - Drainage  | 25           |
| - Enclosures  | 50           |
| <b>Track superstructure</b>                           | 30-60        |
| <b>Electric installations</b>                         |              |
| - Overhead lines                                      | 20           |
| - Supporting elements for overhead contact system     | 60           |
| - Electric substations                                | 60           |
| - Signalling, safety and communications installations | 25           |
| <b>Buildings and other constructions</b>              | 50           |
| <b>Rolling stock</b>                                  | 10-20        |

### - Depreciation of other property, plant and equipment.

Depreciation of other property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets, as follows:

|   | <u>Years</u> |
|---|--------------|
| <b>Buildings and constructions</b>                  | 50           |
| <b>Transport elements</b>                           | 10 - 30      |
| <b>Other items of property, plant and equipment</b> | 5 - 40       |

The Entity reassesses the useful lives of its property, plant and equipment every year.

### • **Impairment**

In application of Ministry of Economy and Finance Order EHA/733/2010 of 25 March 2010, the Entity has considered that its property, plant and equipment should be fundamentally classified as non-cash-generating assets, considering that these are part of the public interest rail network infrastructure and essentially held for the socioeconomic benefit of the public and, therefore, not for commercial gain. In cases where it is not clear whether assets are held for the main purpose of generating cash flows, rule two from the above-mentioned Order is applied whereby, given the general objectives of the Entity, these assets are assumed to be non-cash-generating.

In accordance with rule two of the aforementioned Ministerial Order, at least at year end, management of the Entity assesses its property, plant and equipment, intangible assets and investment property for indications of impairment, in which case should estimate the recoverable amount.

When assessing whether there are any significant indications that an asset is impaired, the Entity takes the following circumstances into account:

## Notes to the Interim Financial Statements 30 September 2022

- Significant changes in the technological, regulatory or legal environment in which the Entity operates, either during the year or which are expected to arise in the short term, which will adversely affect the Entity.
- Significant decline in the asset's market value, if one exists and is available, in excess of that expected due to the passage of time or normal use.
- Evidence of obsolescence or physical deterioration of the asset.
- Significant changes in the method of or scope for using the asset, either during the year or which are expected to arise in the short term, which will adversely affect the Entity.
- There are reasonable doubts as to whether the technical performance of the asset can be maintained in the future, on the basis of the forecasts considered at the date of its recognition by the Entity.
- Suspension of the asset's construction before it is ready to enter into service.
- Cessation of or significant reduction in demand or need for the services rendered with the asset. Nevertheless, a mere reduction in demand does not necessarily indicate that these assets are impaired, as the demand or need for these services may fluctuate over time.

In that regard, the Entity has categorised its assets into operating units which can be assessed for indications of impairment. These units are essentially the railway lines or axes forming the public service rail network in which the assets are utilised. The different operating units considered are listed below:

- Axis 11 of AV Madrid Chamartín - Valladolid - León.
- Axis 12 of AV Madrid Atocha - Barcelona - French border.
- Axis 13 of AV Madrid Atocha - Levante.
- Axis 14 of AV Madrid Atocha - Toledo - Seville Santa Justa - Málaga María Zambrano - Granada.
- Axis 16 of AV Olmedo - Medina del Campo - Zamora - Galicia.

According to rule four from the above-mentioned Ministerial Order, at least at year end the Entity should recognise impairment losses if the carrying amount of operating units exceeds their recoverable amount on the date the analysis is carried out. Recoverable amount is the higher of fair value less costs to sell and the value in use, which is the depreciated replacement cost.

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After this impairment loss or reversal of an impairment loss is recognised, the depreciation charge for the asset is adjusted in future periods based on its new carrying amount. If the specific circumstances of the assets indicate an irreversible loss, this is recognised directly in losses on the disposal of fixed assets in the income statement.

### **3.c) Investment property**

Investment property comprises property which is earmarked totally or partially to earn rentals or for capital appreciation or both. Property that is being constructed for future use as investment property is classified as property, plant and equipment under development until construction is complete. The Entity measures and recognises investment property following the policy for property, plant and equipment.

Investment property is generally depreciated on a straight-line basis over an estimated useful life of 50 years.

Income from real estate operating leases is recognised in the income statement in the year in which it is earned. Rent received in advance are recognised as accruals under liabilities in the balance sheet and taken to profit and loss over the term of the contract signed with the lessee.

### **3.d) Financial assets**

#### ***Classification and valuation***

For valuation purposes, the financial assets held by the Company are classified in the following categories:

- ***Financial assets at cost:***

In any case, the following are included in this valuation category:

- a) Investments in the equity of group companies, jointly controlled entities and associates, as defined in the 13th standard for the preparation of the annual accounts of the Spanish National Chart of Accounts.
- b) The remaining investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and the derivatives underlying these investments.
- c) Hybrid financial assets whose fair value cannot be reliably estimated, unless they meet the requirements for recognition at amortized cost.
- d) Contributions made as a result of joint ventures and similar agreements.
- e) Participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon, conditioned to the fulfillment of a milestone in the borrower company (for example, the obtaining of profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company.



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- f) Any other financial asset that initially should be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value.

Investments included in this category are initially valued at cost, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs, the latter not being included in the cost of investments in group companies.

However, in those cases in which there is an investment prior to its classification as a group, multi-group or associated company, the cost of such investment is considered to be the book value that it should have had immediately before the company was classified as a group, multi-group or associated company.

The initial valuation of the equity instruments also includes the amount of any preferential subscription rights and similar rights acquired.

Subsequent to initial recognition, equity instruments included in this category are valued at cost, less any accumulated impairment losses.

When a value must be assigned to these assets due to derecognition or for other reasons, the weighted average cost method is applied by homogeneous groups, which are understood to be those securities that have equal rights.

Contributions made as a result of joint ventures and similar agreements are valued at cost, increased or decreased by the profit or loss, respectively, corresponding to the Company as a non-managing participant, less, if applicable, the accumulated amount of impairment losses.

Participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon conditioned to the fulfillment of a milestone in the borrower company (for example, the obtaining of profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company, are valued at cost, less, if applicable, the accumulated amount of the valuation adjustments due to impairment. If, in addition to a contingent interest, an irrevocable fixed interest is agreed, the latter is recorded as financial income on an accrual basis. Transaction costs are charged to the income statement on a straight-line basis over the life of the participating loan.

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the carrying amount of an investment will not be recoverable. The amount of the valuation adjustment is the difference between its book value and the recoverable amount, understood as the higher of its fair value less costs to sell and the present value of the future cash flows derived from the investment, which in the case of equity instruments is calculated, either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee, both from its ordinary activities and from its disposal or derecognition.



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Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated on the basis of the equity of the investee and the unrealized gains existing at the valuation date, net of the tax effect. In determining this value, and provided that the investee has in turn invested in another investee, the equity included in the consolidated annual accounts prepared by applying the criteria of the Commercial Code and its implementing regulations is taken into account. When the investee is domiciled outside Spanish territory, the closing exchange rate is applied to the equity and unrealized capital gains existing at that date.

The recognition of impairment losses and, if applicable, their reversal, are recorded as an expense or income, respectively, in the income statement. The reversal of the impairment is limited to the carrying amount of the investment that would have been recognized at the date of reversal if the impairment had not been recorded.

- **Financial assets at amortized cost:**

A financial asset is included in this category, even when it is admitted to trading on an organized market, if it is held under a business model whose objective is to hold the investment to receive the cash flows arising from the execution of the contract and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent to an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.

The management of a group of financial assets to obtain their contractual flows does not imply that the Company has to hold all the instruments to maturity; financial assets may be considered to be managed for this purpose even if sales have occurred or are expected to occur in the future. For this purpose, the Company considers the frequency, amount and timing of sales in prior years, the reasons for those sales and expectations regarding future sales activity. The Company's management of these investments is a matter of fact and does not depend on its intentions for an individual instrument.

In general, this category includes trade receivables (financial assets arising from the sale of goods and the rendering of services in connection with the Company's business transactions with deferred payment), and non-trade receivables (financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose collections are of a determined or determinable amount, arising from loan or credit transactions granted by the Company).

The Company considers that trade debtors and accounts receivable that will be assigned to third parties and that will not be derecognized are maintained in this business model.

## Notes to the Interim Financial Statements 30 September 2022

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration given, plus directly attributable transaction costs. These financial assets are subsequently measured at amortized cost. Accrued interest is recognized in the income statement using the effective interest rate method.

However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are valued at their nominal value when the effect of not discounting cash flows is not significant.

When the contractual cash flows of a financial asset are modified due to the issuer's financial difficulties, the Company analyses whether an impairment loss should be recorded.

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset, or a group of financial assets with similar risk characteristics valued collectively, has deteriorated as a result of one or more events that have occurred after its initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency. In this case, the impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, if applicable, those from the execution of real and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition.

### **Interest and dividends received from financial assets**

Interest and dividends on financial assets accrued after the time of acquisition are recognized as income in the income statement. Interest on financial assets valued at amortized cost is recognized using the effective interest rate method and dividends are recognized when the member's right to receive them is declared.

In the initial valuation of financial assets, the amount of explicit interest accrued and not due at that time, as well as the amount of dividends agreed by the competent body at the time of acquisition, are recorded separately in the initial valuation of the financial assets, based on their maturity. As a result, these amounts are not recognized as income in the income statement.

If the dividends distributed unequivocally derive from results generated prior to the acquisition date because amounts in excess of the profits generated by the investee since the acquisition have been distributed, they are not recognized as income and reduce the carrying amount of the investment.

### **Derecognition of financial assets**

The Company derecognizes a financial asset, or part thereof, when the contractual rights to the cash flows from the financial asset expire or have been

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transferred, and substantially all the risks and rewards of ownership have been transferred, in circumstances that are assessed by comparing the Company's exposure, before and after the transfer, to changes in the amounts and timing of the net cash flows of the transferred asset.

When the financial asset is derecognized, the difference between the consideration received net of attributable transaction costs, (considering any new asset obtained less any new liability assumed), and the carrying amount of the financial asset, determines the gain or loss arising on derecognition of the asset, which forms part of the profit or loss for the year in which it arises. Likewise, any gain or loss accumulated directly in equity is reclassified to the income statement.

### **3.e) Financial liabilities**

Financial instruments issued, incurred or assumed are classified as financial liabilities, in whole or in part, provided that according to their economic reality they entail a direct or indirect contractual obligation for the Company to deliver cash or another financial asset, or to exchange financial assets or liabilities with third parties under potentially unfavourable conditions, such as a financial instrument that provides for its mandatory repurchase by the issuer, or that gives the holder the right to require the issuer to redeem it on a specific or determinable date and for a specific or determinable amount, or to receive a predetermined remuneration provided that there are distributable profits, such as certain redeemable shares and non-voting shares or units.

#### ***Classification and valuation***

For valuation purposes, the financial liabilities held by the Company are classified in the following categories:

- ***Financial liabilities at amortized cost:***

The Company classifies all financial liabilities in this category except when they must be valued at fair value through profit or loss.

In general, this category includes trade payables (financial liabilities arising from the purchase of goods and services in connection with the Company's business transactions with deferred payment) and non-trade payables (financial liabilities which, not being derivative instruments, do not have a commercial origin, but arise from loans or credits received by the Company).

Participating loans that have the characteristics of an ordinary or common loan are also included in this category, regardless of whether the transaction is agreed at a zero or below-market interest rate.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted for directly attributable transaction costs. These financial liabilities are subsequently measured at amortized cost. Accrued interest is recognized in the income statement using the effective interest rate method.

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However, trade payables maturing in less than one year and which do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not discounting cash flows is not significant.

- **Financial liabilities at fair value through profit or loss:**

This category includes financial liabilities that meet any of the following conditions:

- a) They are liabilities held for trading. The Company considers that a financial liability is held for trading when:
  - i. It is issued or assumed principally for the purpose of repurchase in the short term.
  - ii. It is an obligation that a short seller has to deliver financial assets that have been loaned to it.
  - iii. It forms part, at the time of initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actions to obtain gains in the short term; or
  - iv. Is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.
- b) These are liabilities that, from the time of initial recognition and irrevocably, have been designated by the Company to be accounted for at fair value through profit or loss, given that:
  - i. An inconsistency or "accounting asymmetry" with other instruments at fair value through profit or loss is eliminated or significantly reduced; or
  - ii. A group of financial liabilities or financial assets and liabilities is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information on the group is also provided on a fair value basis to key management personnel.
- c) These are non-segregated hybrid financial liabilities included on an optional and irrevocable basis.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received. Transaction costs directly attributable to them are recognized in the income statement for the year. After initial recognition, the Company measures the

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financial liabilities included in this category at fair value through profit or loss.

**Derecognition of financial liabilities**

The Company derecognizes a financial liability, or part thereof, when the obligation has been extinguished, i.e., when it has been satisfied, cancelled or has expired.

If there is an exchange of debt instruments between the Company and the counterparty, provided that they have substantially different terms, the original financial liability is derecognized and the new financial liability is recognized at fair value. In the same way, a substantial modification of the current conditions of a financial liability is recorded. The difference between the carrying amount of the financial liability or part thereof that has been derecognized and the consideration paid, including any costs or commissions incurred, which also includes any asset transferred other than cash or liability assumed, is recognized in the income statement for the year in which it occurs.

In the case of an exchange of debt instruments that do not have substantially different terms, the original financial liability is not derecognized and any transaction cost or commission incurred adjusts the carrying amount of the financial liability. From that date, the amortized cost of the financial liability is determined by applying the effective interest rate that matches the carrying amount of the financial liability with the cash flows payable under the new terms.

For these purposes, the Company considers that the conditions of the contracts are substantially different, among other cases, when the present value of the cash flows of the new contract, including any commission paid, net of any commission received, differs by at least ten percent of the present value of the remaining cash flows of the original contract, both amounts discounted at the effective interest rate of the latter.

**Financial guarantee contracts**

In the case of financial guarantees granted to associated entities without consideration, these are initially recognized at fair value (in this sense, market prices for similar guarantee contracts may be used) with a charge to the investment in the associated entity, which will be subject to the applicable impairment criteria. In subsequent periods the liability for the financial guarantee will be recorded at the higher of:

- the amount determined in accordance with the accounting policy for provisions in paragraph i).
- the amount initially recognized, less, where applicable, the accumulated amortization recognized in accordance with the income accounting policy set forth in paragraph m).

Notes to the Interim Financial Statements  
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Deposits or guarantees provided as security for certain obligations are valued at the amount actually paid, which does not differ significantly from their fair value.

Deposits received as a result of operating leases (or service contracts) are valued following the criteria set out for financial liabilities. The difference between the amount received and the fair value is recognized as an advance payment for the lease (or provision of the service), which is charged to the income statement during the lease period (or during the period in which the service is provided). Advances to be applied in the long term are subject to financial restatement at the end of each year based on the market interest rate at the time of their initial recognition.

Security deposits delivered as a result of operating leases (or service contracts) are valued in accordance with the criteria set out for financial assets. The difference between the amount delivered and the fair value is recognized as an advance payment for the lease (or provision of the service), which is charged to the income statement during the lease period (or during the period in which the service is provided). Advances to be applied in the long term are subject to financial restatement at the end of each year based on the market interest rate at the time of their initial recognition.

When estimating the fair value of the deposits, the remaining period is taken as the minimum contractual period during which the amount cannot be repaid, without taking into account the statistical behaviour of repayment.

**Derivative Financial Instruments.**

Derivative financial instruments that meet hedge accounting criteria are initially recognized at fair value plus, where appropriate, transaction costs that are directly attributable to the contracting thereof or less, where appropriate, transaction costs that are directly attributable to the issuance thereof.

The Entity undertakes cash flow hedges. At the inception of the hedge, the Entity formally designates and documents the hedging relationships, as well as the objective and strategy it assumes with respect to the hedges. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent periods in offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated (prospective analysis) and the actual effectiveness, which can be reliably determined, is in the range of 80-125% (retrospective analysis).

The Company records as income and expenses recognized in equity the gains or losses arising from the valuation at fair value of the hedging instruments corresponding to the portion that has been identified as an effective hedge. The part of the hedge that is considered ineffective, as well as the specific component of the loss or gain or cash flows related to the hedging instrument, excluded from the valuation or effectiveness of the hedge, are recognized in the item of change in fair value in financial instruments in the income statement.



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When the hedging instrument expires, or is sold, terminated or exercised, or no longer meets the criteria for hedge accounting, the corresponding amount accumulated in equity is recognized in the income statement.

### **3.f) Cash and cash equivalents**

This item includes cash in hand, current bank accounts, deposits and resale agreements that meet the following conditions:

- They may be converted into cash.
- They have a maturity of three months or less upon acquisition.
- They are not subject to a significant risk of changes in value.
- They form part of the Entity's usual cash management policy.

### **3.g) Grants, donations and bequests received**

This heading, which corresponds to the Entity's equity, basically includes non-refundable capital subsidies granted for the construction of assets owned by the Entity, including most notably those from European Funds (Cohesion, Trans-European Transport Networks [TEN-T], the European Regional Development Fund [ERDF] and the Recovery and Resilience Facility (RRF)). The Entity records these grants at the amount granted, net of the tax effect, when, in accordance with the provisions of Recording and Measurement Standard 18 of the Spanish National Chart of Accounts, there is a grant agreement, the conditions established for their receipt have been met and there are no reasonable doubts as to their collection.

In application of the single additional provision of Ministry of Economy and Finance Order EHA/733/2010 of 25 March 2010, for accounting purposes only, grant conditions are considered to be met when, at the date of authorisation for issue of the annual accounts, the works have been partially or fully completed, quantified in the proportion of works financed that have been completed. This item also includes grants received in kind from the State through the conveyance of certain railway lines in operation or under construction, for no consideration.

According to corresponding subrogation documents and in line with the reply given by the IGAE's Sub-Directorate General for Planning and Accounting Guidance on 22 April 2013, to the consultation put forth by the Delegate Comptroller in ADIF regarding the accounting application of Royal Decree Law 22/2012 of 20 July 2012, Entity management has considered the assignment to ADIF-AV of finished assets and work in progress corresponding to the connection between the Mediterranean Corridor and the high-speed Madrid-Barcelona-French border line and the high-speed Santiago-Vigo stretch of the high-speed Atlantic Axis to be a free-of-charge title of assets used in an activity of public interest. Article 19, section 2 of the RSL stipulates that rail infrastructure administration is an essential public service.

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As a result of the foregoing and applying recognition and measurement standard 18, and in accordance with regulation 6, section 1 of Order EHA/733/2010 of 25 March 2010, the Entity recognised a capital grant in the amount of 2,476,419 thousand euros, reflecting the fair value of the items received calculated as the depreciated replacement cost of those items pursuant to the aforementioned ministerial order (see Note 3.b)). This grant will be taken to income each year in proportion to the depreciation of the assets received.

Similarly, in application of Royal Decree-Law 4/2013 of 22 February 2013, the Entity has recognised a grant for the value of the works delivered by the State to ADIF-AV for no consideration in 2013 (see Note 1).

The Entity recognises any amounts received in advance, and balances relating to grants awarded and receivable for which not all the above conditions have been met, as payables convertible into grants, under other financial liabilities.

The Entity recognises grants as operating income from non-financial grants, in line with the depreciation for the year of the fixed assets for which the grants have been received.

### **3.h) Long-term employee benefits (liabilities)**

The Entity classifies long-term employee benefit commitments as defined contribution plans and defined benefit plans, accordingly. Defined contribution plans are those whereby the Entity undertakes to make contributions of a specified amount to a separate entity, provided that there is no legal, contractual or constructive obligation to make additional contributions were the separate entity unable to meet the commitments undertaken. Plans other than defined contribution plans are considered as defined benefit plans.

- **Defined benefit plans**

Long-term defined benefit commitments are recognised at the present value of the committed remuneration, which is estimated using actuarial calculation methods and financial and actuarial assumptions that are unbiased and mutually compatible.

The Entity recognises these provisions as and when employees render their services. The contributions payable are recognised as an expense for employee remuneration in the income statement, and as a liability after deducting any contribution already paid.

Variations in the calculation of the present value of this remuneration due to actuarial gains and losses are directly taken to equity in the year in which they arise, recognised as reserves.

- **Defined contribution plans**

Long-term contributions payable are recognised as a liability, where applicable, at the amount of the accrued contributions payable at year end.



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Obligations accrued as a result of changes in the actuarial assumptions used to determine the contributions made by the Entity are recorded directly under equity in the year in which they arise, recognised as reserves.

### **3.i) Provisions**

The Entity recognises as provisions those present obligations arising from past events of which settlement is likely to give rise to an outflow of resources, but for which the amount or date of settlement is uncertain.

All the obligations mentioned in the preceding paragraph are disclosed in these interim financial statements, provided that it is more likely than not that the obligation will require settlement.

Provisions are measured at the present value of the best estimate of the amount required to settle or transfer the obligation, taking into account available information on the event and its consequences, and recognising any adjustments arising on the discounting of these provisions as a finance cost when accrued. Provisions maturing in one year or less are not discounted when the financial effect is immaterial. Provisions are reviewed at each year end and adjusted to reflect the best present estimate of the liability at each given time.

The Entity records, as provisions, the best estimate available at the closing date of the obligations assumed by the participation in various integration companies whose cancellation is likely to result in an outflow of resources, but which are indeterminate as to their amount or date. For the quantification of the aforementioned obligations, estimates of the expected cash flows to be obtained in each case are considered, provided by the Management of each of the Companies, analysing their capacity to obtain income from the sale of land that allows them to face the obligations contracted with third parties to develop the project entrusted to them, as well as the needs for contributions of funds by the shareholders and their capacity to reimburse the financing provided and pending contribution. In the cases in which it is estimated that there will be a deficit to be assumed by the shareholders, the final risk assumed by the Entity is determined, taking into account, in addition, the best estimate of the value of the railway infrastructures that the Company must deliver to ADIF AV. As a result, the loss assumed by the Entity and recognized as a provision for risks and expenses and as a provision for impairment of financial assets is quantified as the difference between the present value of the aforementioned deficit and the estimated cost of the infrastructures that the Entity (See note 3.b).

In quantifying the estimation of the cash flows that the Companies intend to obtain in the future, the residual dynamic method is generally used, for the valuation of soils, for reasons of prudence excluding duly justified exceptions. This method uses techniques to discount cash flows and therefore takes into account the evolution of the value of money over time.

### **3.j) Classification of assets and liabilities as current and non-current**

Assets and liabilities are classified as current and non-current on the balance sheet. Assets and liabilities are classified as current when they are connected with the Entity's normal operating cycle of less than one year and are expected to be

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recovered, consumed or settled within twelve months after the balance sheet date.

**3.k) Foreign currency balances and transactions**

Foreign currency transactions are recognised at the exchange rate prevailing at the transaction date.

Loans in foreign currency are reflected at the effect exchange rate at the balance sheet date and exchange differences are recorded at the time they occur.

**3.l) Income taxes**

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

**(i) Recognition of taxable temporary differences**

Taxable temporary differences are recognised in all cases except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

**(ii) Recognition of deductible temporary differences**

Deductible temporary differences are recognised provided that it is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

Tax planning opportunities are only considered when assessing the recoverability of deferred tax assets and if the Entity intends to use these opportunities or it is probable that they will be utilised.

**(iii) Measurement**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted. The tax consequences that would follow from the manner in which the Entity expects to recover or settle the carrying

## Notes to the Interim Financial Statements 30 September 2022

amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

### (iv) Offset and classification

Deferred tax assets and liabilities are recognised in the balance sheet under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

### **3.m) Recognition of income and expenses**

Income and expenses are recognised on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Revenue is measured at the fair value of the consideration received or receivable, less any interest included in the nominal amount of the receivables. However, the Entity includes embedded interest on trade receivables maturing within one year that do not have a contractual interest rate when the effect of not discounting cash flows is not material.

### **3.n) Related party transactions**

Related party transactions, except those related to mergers, spin-offs and non-monetary contributions, are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

### **3.o) Leases**

Lease contracts which at inception transfer substantially all risks of ownership of the assets to the company are classified as finance leases. Otherwise they are classified as operating leases. Lease agreements in force at the reporting date, all of which are classified as operating leases, consist mainly of the assignment of fibre optic cables not required for rail traffic and the rental of commercial space.

## **(4) Property, Plant and Equipment, Intangible Assets and Investment Property**

Details of the balances of property, plant and equipment, intangibles and investment property and their corresponding depreciation and impairment and movement at 30 September 2022 and full year 2021 are shown in Appendix 1.

By virtue of a Council of Ministers Resolution or Resolutions of the Secretary of State for Planning and Infrastructure, ADIF-AV is entrusted with the following:

- Construction and administration of the Madrid-Zaragoza-Barcelona-French border high-speed rail line. The Figueras-French border sub-stretch was excluded from this service arrangement as it is part of the Figueras-Perpignan stretch by virtue of the agreement between the Spanish and French governments signed on 10 October 1995 (Agreement 9/04/99).

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- Construction of a new North-Northwest rail access: Madrid-Segovia-Valladolid/Medina del Campo.
- Construction and administration of the new Córdoba-Málaga rail access.
- Construction and administration of the new Levante high-speed rail access: Madrid-Castilla la Mancha-Valencia Autonomous Community-Murcia Region.
- Construction and administration of the León-Asturias high-speed line (La Robla-Pola de Lena stretch/Pajares alternate route) of the North-Northwest Corridor.
- Construction and administration of the new Toledo high-speed rail access.
- Construction and administration of the Basque Country high-speed line of the North-Northwest Corridor.
- Construction and administration of the Navalmoral de la Mata-Cáceres stretch of the Madrid-Cáceres / Mérida-Badajoz high-speed line of the Extremadura Corridor.
- Construction and administration of the stretch between Almeria and the Murcia region border of the Murcia-Almeria high-speed line of the Mediterranean Corridor.
- Completion of construction work on the Bobadilla-Granada high-speed line, including track bed and track.
- Drafting and execution of the basic projects and construction of the Madrid-Asturias high-speed line. Stretch: Venta de Baños-León-Asturias (excluding the Pajares alternate route) (Resolution of 28/12/06).
- Drafting and execution of the basic projects and construction of the Madrid-Basque Country/French border high-speed line. Stretch: Valladolid-Burgos-Vitoria. (Resolution of 28/12/2006).
- Drafting and execution of the basic projects and construction of the Mediterranean Corridor high-speed line. Stretch: Murcia region-Murcia border. (Resolution of 28/12/2006).
- Drafting and execution of the basic projects and construction of the Madrid-Extremadura/Portuguese border high-speed line. Stretch: Cáceres-Mérida-Badajoz. (Resolution of 28/12/2006).
- Construction of the Olmedo-Medina-Zamora-Puebla de Sanabria-Lubián-Orense stretch of the Madrid-Galicia high-speed line, in the North-Northwest Corridor. (Resolution of 4/12/2009).
- Construction of the Castejón-Pamplona region stretch of the Zaragoza-Pamplona high-speed line in the Navarre territory. (Resolution of 30/3/2010).
- Construction of the connection of the Mediterranean Corridor with the Madrid-Barcelona-French border high-speed rail line: Vandellós-Tarragona area. (Resolution of 11/5/2012).
- Construction of the Santiago de Compostela-Vigo section of the A Coruña-Vigo stretch of the high-speed Atlantic Axis. (Resolution of 11/5/2012).

## Notes to the Interim Financial Statements 30 September 2022

- Construction of the update for the link between the Medina del Campo siding and the Medina del Campo-Salamanca line.
- The drafting and execution of the projects and maintenance of the overhead lines installations, telecommunications systems, GSM-R mobile radio system and items related with the high-speed Bobadilla-Granada line.

Up to 30 September 2022, as explained in note 3.b), the Entity has recorded the best estimate of railway works executed by various investees whose corporate purpose is the integration of railways in urban areas according to the following breakdown:

|   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 30/09/2022         | 31/12/2021     |
| Valencia Parque Central Alta Velocidad 2003, S.A. | 61,266             | 61,266         |
| Valladolid Alta Velocidad 2003, S.A.              | 54,378             | 54,378         |
| Zaragoza Alta Velocidad 2002, S.A.                | 5,457              | 5,457          |
| AV Alicante Nodo de Transporte S.A.               | 53,167             | 53,167         |
| León Alta Velocidad AV, S.A.                      | 9,686              | 9,686          |
| <b>TOTAL</b>                                      | <b>183,954</b>     | <b>183,954</b> |

The railway works executed by Zaragoza Alta Velocidad were delivered to ADIF AV through a formal act signed on February 1, 2016 and its valuation amounted to 5,457 thousand euros, which were recorded in the annual accounts for 2015.

In the case of Valencia Parque Central 2003, S.A., the Entity has recorded at the end of these interim financial statements, the best estimate of the railway works executed by the aforementioned investee company, amounting to 61,266 thousand euros. At the date of preparation of these interim financial statements, the Entity and Valencia Parque Central Alta Velocidad 2003, S.A. had not formalised a deed of handover for the transfer of ownership.

On 12 November 2018 ADIF-AV and ADIF subscribed with the investee Valladolid Alta Velocidad 2003, SA, hereinafter VAV, an agreement for the transfer of railway assets in which a total value was established, excluding VAT of 54,378 thousand euros. In said agreement it is established that the consideration to be paid for this delivery will consist of the delivery of ADIF AV to VAV of the lands that are unaffected or that may be affected in the future of the railway use and that are owned by them. As of the closing date of these interim financial statements, ADIF AV has recorded a long-term liability for this concept with the company VAV.

The railway works recorded at the end of these interim financial statements delivered by the investee León Alta Velocidad 2003, S.A. are those deriving from the delivery agreement signed between ADIF-AV and the aforementioned company on 3 June 2018 for a total value, excluding VAT, of 9,686 thousand euros.

In addition, it should be noted that, with the exception of Alta Velocidad Alicante Nodo Transportes S.A., the other investee companies have executed other works or ancillary costs that have not been recorded in these interim financial statements and which are pending attribution to their shareholders, depending on their final classification as railway or urban infrastructure and the allocation of certain costs necessary to carry out the overall project entrusted to the aforementioned

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companies. The final allocation of these works to the shareholders must be the subject of an agreement within each company, which is considered complex at the date of these interim financial statements.

Pursuant to Royal Decree Law 4/2013 of 22 February and the Recast Agreement (see Note 3.b), the General State Administration and SEITTSA have transferred to ADIF AV free of charge since 2015 the land and platform works linked to various sections of the Madrid-Galicia High Speed Railway, basically comprised between Medina and Lubián (Zamora). Up to the date of issue of these interim financial statements, the Entity has recorded as property, plant and equipment in progress or completed, when the infrastructures have been put into operation, these assets for an accumulated value of 902.450 thousand euros, recognizing the corresponding capital grant as a balancing entry. Of this amount, a total of 861.943 thousand euros correspond to assets which have been transferred by SEITTSA. Below is a summary, in thousands of euros, of the situation at 30 September 2022 and at 31 December 2021 of the works received by the Entity for free and relating exclusively to the High Speed Line Madrid Galicia, in application of Royal Decree-Law 4/2013 and of the above mentioned recast agreement:

| ORIGIN                         | Land Valuation and works received for free platform<br>in operation Madrid- Galicia High Speed Line |                |
|--------------------------------|---|----------------|
|                                | 30/09/2022  | 31/12/2021     |
| A.G.E. Real Decreto ley 4/2013 | 40,507  | 40,507         |
| SEITTSA, Convenio Refundido    | 861,943   | 778,953        |
|                                | <b>902,450</b>  | <b>819,460</b> |

#### 4.a) Operating property, plant and equipment

The following is a breakdown of the acquisition or production cost at 30 September 2022 and at 31 December 2021 of the Entity's property, plant and equipment by high speed network line:

|   | 30/09/2022 Thousands of Euros    |   |   |  | Total             |
|---|----------------------------------|---|---|--|-------------------|
|   | Land and<br>natural<br>resources | Buildings and<br>other<br>constructions | Track and other<br>technical<br>installations | Other<br>property,<br>plant and<br>equipment |                   |
| Madrid-Barcelona-Figueras                 | 784,425                          | 650,249                                 | 10,442,912                                    | 14,470                                       | <b>11,892,056</b> |
| Corredor Mediterráneo                     | 52,846                           | 25,181                                  | 1,193,238                                     | 137  | <b>1,271,402</b>  |
| Madrid-Levante                            | 917,155                          | 225,642                                 | 8,322,196                                     | 1,516  | <b>9,466,509</b>  |
| Madrid-Sevilla y ramal a Toledo           | 77,426                           | 448,352                                 | 2,493,689                                     | 7,826  | <b>3,027,293</b>  |
| Córdoba-Málaga                            | 117,540                          | 67,418                                  | 2,293,160                                     | 1,284  | <b>2,479,402</b>  |
| Bobadilla-Granada                         | 66,075                           | 42,639                                  | 1,271,629                                     | 125  | <b>1,380,468</b>  |
| Madrid-Valladolid - Burgos                | 89,216                           | 98,299                                  | 4,790,309                                     | 3,223  | <b>4,981,047</b>  |
| Bif Venta de Baños - León                 | 79,396                           | 36,653                                  | 870,101                                       | 235  | <b>986,385</b>    |
| Olmedo - Zamora - Orense                  | 83,236                           | 54,929                                  | 3,778,538                                     | 317  | <b>3,917,020</b>  |
| Santiago de Compostela-Vigo Atlantic axis | 124,636                          | 66,167                                  | 1,871,172                                     | 492  | <b>2,062,467</b>  |
| Plasencia-Cáceres-Mérida-Badajoz          | 51,669                           | 15,469                                  | 1,347,992                                     | 57   | <b>1,415,187</b>  |
| Others                                    | 212,001                          | 25,847                                  | 707,998                                       | 10,831                                       | <b>956,677</b>    |
|   | <b>2,655,621</b>                 | <b>1,756,845</b>                        | <b>39,382,934</b>                             | <b>40,513</b>                                | <b>43,835,913</b> |

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31/12/2021 Thousands of Euros

|   | Land and<br>natural<br>resources | Buildings and<br>other<br>constructions | Track and other<br>technical<br>installations | Other<br>property,<br>plant and<br>equipment | Total             |
|---|----------------------------------|---|---|--|-------------------|
| Madrid-Barcelona-Figueras                 | 783,469                          | 646,374                                 | 10,368,155                                    | 14,470                                       | 11,812,468        |
| Corredor Mediterráneo                     | 52,846                           | 25,181                                  | 1,181,782                                     | 186  | 1,259,995         |
| Madrid-Levante                            | 899,857                          | 216,451                                 | 7,431,414                                     | 1,516  | 8,549,238         |
| Madrid-Sevilla y ramal a Toledo           | 76,924                           | 449,306                                 | 2,483,458                                     | 9,743  | 3,019,431         |
| Córdoba-Málaga                            | 117,492                          | 67,384                                  | 2,277,735                                     | 1,284  | 2,463,895         |
| Antequera-Granada                         | 65,985                           | 42,639                                  | 1,259,008                                     | 125  | 1,367,757         |
| Madrid-Valladolid                         | 44,851                           | 62,929                                  | 3,804,748                                     | 519  | 3,913,047         |
| Valladolid - León                         | 103,398                          | 40,041                                  | 1,191,696                                     | 235  | 1,335,370         |
| Olmedo - Zamora - Orense                  | 81,818                           | 46,509                                  | 3,683,433                                     | 317  | 3,812,077         |
| Santiago de Compostela-Vigo Atlantic axis | 124,422                          | 66,099                                  | 1,867,717                                     | 492  | 2,058,730         |
| Others                                    | 263,780                          | 62,087                                  | 858,064                                       | 13,444                                       | 1,197,375         |
|   | <b>2,614,842</b>                 | <b>1,725,000</b>                        | <b>36,407,210</b>                             | <b>42,331</b>                                | <b>40,789,383</b> |

**4.b) Work in progress**

Work in progress at 30 September 2022 and 31 December 2021 is detailed in the table below:



## Notes to the Interim Financial Statements 30 September 2022

|   | Thousands of Euros |                   |
|---|--------------------|-------------------|
|   | 30/09/2022         | 31/12/2021        |
| Madrid - Zaragoza - Barcelona - Figueras                                      | 425,744            | 414,775           |
| Zaragoza - Pamplona, Tramo Castejón - Comarca de Pamplona                     | 185,166            | 145,842           |
| Madrid - Castilla la Mancha - Com. Valenciana - Región de Murcia              | 1,242,432          | 1,213,499         |
| Corredor Mediterráneo de AV   | 17,050             | 16,363            |
| Enlace Corredor Mediterráneo, Área Tarragona                                  | 90,976             | 91,946            |
| L.A.V. Pulpí - Murcia   | 190,038            | 126,872           |
| L.A.V. Murcia - Almería   | 720,146            | 649,120           |
| Córdoba - Málaga  | 2,777              | 11,324            |
| L.A.V. Antequera - Granada  | 114,210            | 104,660           |
| L.A.V. Madrid - Cáceres, tramo Navalmoral de la Mata - Cáceres                | 230,488            | 857,167           |
| L.A.V. Madrid - Extremadura - F. portuguesa, tramo Cáceres - Mérida - Badajoz | 37,500             | 554,696           |
| Madrid - Segovia - Valladolid   | 3,937              | 5,105             |
| Valladolid - Burgos - Vitoria   | 105,897            | 723,015           |
| L.A.V. País Vasco   | 1,865,920          | 1,714,757         |
| Palencia - León   | 153,469            | 145,018           |
| L.A.V. León - Asturias  | 3,235,660          | 3,162,584         |
| L.A.V. Galicia (Olmedo - Lubián)  | 18,989             | 26,587            |
| L.A.V. Galicia (Lubián - Ourense)   | 174,039            | 157,665           |
| High Speed Atlantic Axis  | 51,079             | 51,318            |
| Madrid Atocha - Madrid Chamartín  | 5,867              | 836,933           |
| Atocha Station complex expansion  | 12,929             | 11,590            |
| Other High Speed investments,   | 100,759            | 138,953           |
| Investments in asset replacement and improvement                              | 485,335            | 374,414           |
| <b>TOTAL</b>  | <b>9,470,407</b>   | <b>11,534,203</b> |

The Entity recognized, in previous years, as a greater value of work in progress, the best available estimate of those executed and outstanding works pending certification at 30 September 2022 and 31 December 2021 arising from outstanding contractual issues pending formalization worth 4,584 and 4,584 thousand euros, respectively. ADIF AV continues with a process of regularization of these situations and is working on the development of instruments to avoid such incidents in the future.

The balances of work in progress at 30 September 2022 and 31 December 2021 include 239,150 thousand euros and 210,049 thousand euros of advances from suppliers of property, plant and equipment, respectively. This heading also includes the advances for future delivery of railway work arising from agreements entered into by the Entity with its associates, as follows at 30 September 2022 and 31 December 2021:



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|   | Thousands of Euros |               |
|---|--------------------|---------------|
|   | 30/09/2022         | 31/12/2021    |
| Valencia Parque Central Alta Velocidad 2003, S.A. | 48,084             | 48,084        |
| Valladolid Alta Velocidad 2003, S.A.              | 1,529              | 1,529         |
| Zaragoza Alta Velocidad 2002, S.A.                | 11,165             | 11,165        |
| Almería Alta Velocidad, S.A.                      | 10,169             | 10,169        |
| <b>TOTAL</b>                                      | <b>70,947</b>      | <b>70,947</b> |

Under the act of formal delivery of signed works on 1 February 2016 between Zaragoza Alta Velocidad 2002, SA, ADIF and ADIF-AV, in 2015, the Entity has partially cancelled the advances for outstanding works to be received from Zaragoza Alta Velocidad 2002, SA, pending at 31 December 2014. The value of the works received and recorded in 2015 amounted to 5,457 thousand euros. In addition, the Entity, in light of the best available estimate at year end, valued the railway projects likely to receive in future years, registered in the 2015 income statement a loss of 2,157 thousand euros.

Applying the same criteria used by the State for its real estate and infrastructure works, ADIF-AV has not taken out any insurance coverage for these assets, except as regards extraordinary infrastructure risks, which do not include stations, tunnels, bridges and other buildings.

Also ADIF-AV, like the State, has not listed its buildings and infrastructure works in the Property Register, except for housing and commercial premises.

At 30 September 2022, the Entity has firm commitments with third parties to make future investments of 3,956,719 thousand euros, excluding VAT. At 31 December 2021, the Company had firm commitments with third parties to make future investments of 3,166,860 thousand euros, excluding VAT.

### 4.c) Capitalised borrowing costs

During the third quarter of 2022, the Entity capitalised borrowing costs totalling 58,676 thousand euros, comprising the cost of the loans received from the EIB or other institutions, and the cost of the liabilities and Green Bonds emissions, which were primarily allocated to finance the construction of various high-speed lines. Among other items, this amount comprises 12,845 thousand euros in relation to the Levante/Murcia line; 18,331 thousand euros reflecting the cost of the high-speed rail network of the Basque Country, called "Y Vasca"; 4,160 thousand euros representing the costs of the Valladolid-Vitoria stretch of the Madrid-Basque Country/French border high-speed line; and 7,902 thousand euros for the costs of the Pajares alternate route of the Madrid-Asturias high-speed line and 7,417 thousand euros for the railway connection between Madrid Atocha station and Madrid Chamartín station; and 60 thousand euros of the Galicia high-speed line.

During the third quarter of 2021, the Entity capitalised borrowing costs totalling 72,596 thousand euros, comprising the cost of the loans received from the EIB or other institutions, and the cost of the liabilities and Green Bonds emissions, which were primarily allocated to finance the construction of various high-speed lines.

## Notes to the Interim Financial Statements 30 September 2022

Among other items, this amount comprises 13,858 thousand euros in relation to the Levante/Murcia line; 19,257 thousand euros reflecting the cost of the high-speed rail network of the Basque Country, called "Y Vasca"; 4,696 thousand euros representing the costs of the Valladolid-Vitoria stretch of the Madrid-Basque Country/French border high-speed line; and 8,195 thousand euros for the costs of the Pajares alternate route of the Madrid-Asturias high-speed line and 11,322 thousand euros for the railway connection between Madrid Atocha station and Madrid Chamartín station; and 8,819 thousand euros of the Galicia high-speed line. (see note 19)

### 4.d) Fully depreciated/amortised assets

Details of the cost of fully depreciated or amortised items of property, plant and equipment, intangible assets and investment property in use at 30 September 2022 and 31 December 2021 are as follows:

|                               | Thousands of Euros |                |
|-------------------------------|--------------------|----------------|
|                               | 30/09/2022         | 31/12/2021     |
| Intangible assets             | 12,450             | 12,911         |
| Property, plant and equipment | 907,441            | 850,211        |
| Investment property           | 103                | 103            |
| <b>TOTAL</b>                  | <b>919,994</b>     | <b>863,225</b> |

### 4.e) Government grants received

The construction of property, plant and equipment for railway infrastructure has partly been financed by non-refundable capital grants, among which some come from European Funds (Cohesion Funds, TEN-T, ERDF, RRF - Mechanism for Recovery and Resilience) (see Note 9).

Current and on-going investments delivered by the State to ADIF AV in 2012 and 2013, mainly the works on the Atlantic Hub and the link to the Valencia-Vandellós section of the Mediterranean Corridor. In 2015 and following by the State and SEITTSA in relation to the platform works of various sections of the Madrid-Galicia line, they have been registered with a counterpart being the recognition of a capital grant (see Notes 3.b) and 3.g)).

### 4.f) Intangible assets

Details of intangible assets at 30 September 2022 and 31 December 2021 are as follows:

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| 30/09/2022 Thousands of Euros              |               |                          |               |
|--|---------------|--------------------------|---------------|
|  | Cost          | Accumulated amortisation | Total         |
| Operating intangible assets                |               |                          |               |
| Computer software                          | 7,644         | (6,748)                  | 896           |
| Rights of use space RENFE 2015             | 50,831        | (4,575)                  | 46,256        |
| Rights of use Torreones Atocha RENFE 2020  | 19,195        | (1,120)                  | 18,075        |
| Research and development expenses          | 12,466        | (7,315)                  | 5,151         |
| Other intangible assets                    | 6,716         | (6,713)                  | 3             |
| <b>Total operating intangible assets</b>   | <b>96,852</b> | <b>(26,471)</b>          | <b>70,381</b> |
| Intangible assets in progress              |               |                          |               |
| Computer software                          | 413           | -                        | 413           |
| Research and development expenses          | 1,573         | -                        | 1,573         |
| Rights of use Torreones Atocha RENFE 2020  | 380           | -                        | 380           |
| Other intangible assets                    |               |                          |               |
| <b>Total intangible assets in progress</b> | <b>2,366</b>  | <b>-</b>                 | <b>2,366</b>  |
| <b>Total intangible assets</b>             | <b>99,218</b> | <b>(26,471)</b>          | <b>72,747</b> |

| 31/12/2021 Thousands of Euros              |               |                          |               |
|--|---------------|--------------------------|---------------|
|  | Cost          | Accumulated amortisation | Total         |
| Operating intangible assets                |               |                          |               |
| Computer software                          | 7,337         | (6,580)                  | 757           |
| Rights of use space RENFE 2015             | 50,831        | (4,067)                  | 46,764        |
| Rights of use Torreones Atocha RENFE 2020  | 19,195        | (640)                    | 18,555        |
| Research and development expenses          | 12,425        | (6,721)                  | 5,704         |
| Other intangible assets                    | 6,713         | (6,712)                  | 1             |
| <b>Total operating intangible assets</b>   | <b>96,501</b> | <b>(24,720)</b>          | <b>71,781</b> |
| Intangible assets in progress              |               |                          |               |
| Computer software                          | 86            | -                        | 86            |
| Research and development expenses          | 1,466         | -                        | 1,466         |
| Rights of use Torreones Atocha RENFE 2020  | 381           | -                        | 381           |
| <b>Total intangible assets in progress</b> | <b>1,933</b>  | <b>-</b>                 | <b>1,933</b>  |
| <b>Total intangible assets</b>             | <b>98,434</b> | <b>(24,720)</b>          | <b>73,714</b> |

The intangible asset called "rights of use Torreones Atocha Renfe 2020" corresponds to the acquisition value agreed between ADIF AV, RENFE-Operadora and RENFE Viajeros SME S.A. in July 2020 for the rights of use of spaces located at Atocha Station in Madrid recognised in Order FOM/2909/2006 in favour of RENFE-Operadora.

The Board of Directors of ADIF-AV approved at its meeting of 30 June 2020, a proposed agreement between RENFE-Operadora, RENFE Viajeros SME S.A. and ADIF Alta Velocidad for the acquisition by ADIF Alta Velocidad of the rights of use in favour of RENFE Operadora at Atocha Station and lease of a part by RENFE Viajeros SME S. A. In July 2020, an agreement was signed with Renfe Operadora and

## Notes to the Interim Financial Statements 30 September 2022

Renfe Viajeros SME, S.A. for this acquisition, which will take effect in December 2020.

The aforementioned agreement of July 2020 includes the obligation of ADIF AV to pay a price of 19,195 thousand euros (excluding VAT) for the recovery of the spaces that RENFE-Operadora had been occupying in the Atocha station towers. With this disbursement made in December 2020, all ADIF AV obligations relating to the replacement of spaces originating in Order FOM/2909/2006 are cancelled.

In application of the above paragraph, ADIF AV has cancelled the impairment provision it had made for these properties up to 2019, totalling 4,875 thousand euros.

The acquisition agreement signed in 2020 provides for the lease of space to Renfe Viajeros S.M.E. for a period of four years.

In addition to the above, the Entity has recognised an intangible asset called "rights to use Renfe 2015 spaces" which corresponds to the current acquisition value of the aforementioned rights after deducting the provision for contingencies and expenses that the Entity had set up to meet the replacement costs for the delivery in suitable conditions of use of the properties that should replace the aforementioned spaces, which is included in the purchase price.

On December 28, 2015, the Entity, together with ADIF, signed with RENFE Operadora, Renfe Viajeros, S.A., Renfe Fabricación y Mantenimiento, S.A. y Renfe Alquiler de Material Ferroviario, S.A an agreement for partial acquisition of the rights of use in spaces owned by the Entity for a current value of 50,831 thousand euros, once applied the provision for risks and expenses cited in the preceding paragraph which the Entity carried on its balance sheet amounting to 21,952 thousand euros.

The purpose of this agreement is to extinguish the rights of use without financial compensation recognized in the Order FOM/2909/2006 to RENFE-Operadora in diverse administrative and operational spaces located in buildings owned by the Railway Infrastructure Administrator. The mentioned Order established the obligation of ADIF to replace, within a maximum period of three years, these spaces for their property that can be capitalized by RENFE Operadora.

As a result of the creation of ADIF AVE, in the Order PRE-2443/2013 of 27 December, the assets, rights and obligations of ADIF which became owned by ADIF AV established the subrogation from the Entity in its obligations for the replacement of the rights of use corresponding to the spaces located in buildings attributed to ADIF AV, for a total of 20,947.76 net square meters.

Given the legal complexity and practice in the execution of Order FOM / 2909/2006, and since ADIF and ADIF AV did not have sufficient property to replace all the rights recognized for RENFE-Operadora's use, it has been necessary to reach an agreement that allows, first partially to replace a portion of the surface subject to such rights of use, by incorporating it in the equity of the mentioned company of certain properties owned by ADIF and ADIF AV and, secondly, the termination of other rights not replenished, recognizing the corresponding RENFE-Operadora consideration.

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In order to extinguish the totality of the commitments assumed by ADIF-AV (see note 10.b.2) derived from the aforementioned FOM Order, the Entity acquired from RENFE Operadora in 2015, the usage rights corresponding to a total of 17,826.35 net useful squares meters and committed to deliver in a maximum period of one year, office space located in the Atocha historic station equivalent to 3,121.41 useful square meters.

The amount payable to RENFE Operadora for the rights of use acquired in 2015 has been quantified at 77,434 thousand euros, excluding VAT. Of that amount the Entity has paid in January 2016 to Renfe Operadora a figure of 50,831 thousand euros and agrees to pay 2,660 thousand euros each year until the year 2025, inclusive. (See notes 10.b.2 and 11.d))

Additionally, the agreement reached with RENFE Operadora includes leasing, by the mentioned entity and the Group companies, in accordance with the conditions shown in the following table:

| Metres squared           | Period    | Annual income (euros) |
|--------------------------|-----------|-----------------------|
| 15,887.49 m <sup>2</sup> | Ten years | 2,406,491.64          |

After the 10-year period, the lease may be extended by mutual agreement between the parties, updating the lease income according to the general index of competitiveness. As the leased assets have a great relationship with the activity undertaken by Renfe Operadora, it is understood that these leases will be extended for the very long term.

### **4.g) Impairment of property, plant and equipment, intangible assets and investment property**

At 30 September 2022 and 31 December 2021, the Entity assessed the operating units forming its property, plant and equipment, intangible assets and investment property for indications of impairment. From this analysis it was concluded that the operating units forming the Entity's non-financial assets showed no indications of impairment except that indicated in Annex I (see Note 3.b)).

### **4.h) Investment property**

The breakdown at 30 September 2022 and 31 December 2021 is as follows:

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| 30/09/2022 Thousands of Euros               |                |                          |  |                |
|---|----------------|--------------------------|--|----------------|
|   | Cost           | Accumulated depreciation | Provision for dep. real estate investments | Total          |
| Urban sites                                 | 16,666         | -                        | (2,699)                                    | 13,967         |
| Shopping centres at passenger rail stations | 196,225        | (31,069)                 | -  | 165,156        |
| Commercial car parks                        | 78,596         | (15,980)                 | -  | 62,616         |
| Buildings and hotels at intermodal stations | 61,683         | (21,099)                 | -  | 40,584         |
| Housing, premises and garages               | 228            | (220)                    | -  | 8              |
| Investment property in progress             | 403            | -                        | -  | 403            |
| <b>Total</b>                                | <b>353,801</b> | <b>(68,368)</b>          | <b>(2,699)</b>                             | <b>282,734</b> |

| 31/12/2021 Thousands of Euros               |                |                          |  |                |
|---|----------------|--------------------------|--|----------------|
|   | Cost           | Accumulated depreciation | Provision for dep. real estate investments | Total          |
| Urban sites                                 | 16,660         | -                        | (2,699)                                    | 13,961         |
| Shopping centres at passenger rail stations | 196,225        | (28,124)                 | -  | 168,101        |
| Commercial car parks                        | 78,596         | (15,089)                 | -  | 63,507         |
| Buildings and hotels at intermodal stations | 61,683         | (20,330)                 | -  | 41,353         |
| Housing, premises and garages               | 228            | (218)                    | -  | 10             |
| Investment property in progress             | 403            | -                        | -  | 403            |
| <b>Total</b>                                | <b>353,795</b> | <b>(63,761)</b>          | <b>(2,699)</b>                             | <b>287,335</b> |

### 4.i) Sale commitments (land associated with Chamartín Station rail complex)

In the case of the railway-urban development transaction, the "Chamartín Transaction", the rights and obligations of ADIF arising from the agreement entered into between ADIF, RENFE Operadora and "Desarrollo Urbanístico Chamartín, S.A." on 23 June 2009 will be split between ADIF-AV and ADIF based on the area pertaining to each entity and the price per square metre established in the agreement.

Under this contract, ADIF and RENFE Operadora signed a Revised Text of the Contract with Desarrollo Urbanístico de Chamartín, S.A. (DUCH), which stipulated that ADIF and RENFE Operadora agree to give priority to DUCH to complete the urban planning of the land included in both the PPRI (Partial Interior Reform Plan) of the APR (Area planned for development to be defined at a later stage) 08.03 "Extension of the Castellana" and the APE (Special Planning Area) 05.27 "Colonia Campamento" and that affects the Chamartín and Fuencarral railway station complexes. In accordance with the terms of the Revised Text of the Contract, DUCH agreed to pay a consideration, part in cash and part in kind (through the transfer of developed land classified for government-supported residential properties) up to the limits established and for specific amounts, in exchange for the transfer of the

## Notes to the Interim Financial Statements 30 September 2022

title to land and building rights included in the APR 08.03 and the APE 05.27, which comprises the Chamartín and Fuencarral station complexes.

Pursuant to the agreement, on 29 July 2014 DUCH petitioned ADIF and RENFE Operadora to formally open renegotiations, since more than five years had elapsed since the last section of the agreement was signed and the PPRI had not been approved on the foreseen terms.

On 22 January 2015, the parties signed a Framework Agreement whereby DUCH undertook to pay the public entities a cash amount of 984,225 thousand euros, over a 20-year payment period and subject to 3% annual interest, and an in-kind payment comprising use of 100,000 m<sup>2</sup> of government-supported residential area. The validity and effectiveness of this agreement is subject to definitive approval of the modification of the PPRI.

In accordance with the Framework Contract, ADIF and ADIF-AV may receive 84.027% of the price foreseen of 1,245,460 thousand euros (including delay interest), namely 1,046,523 thousand euros. A priori, this is the maximum amount receivable, given that if ADIF/ADIF-AV is not allocated ownership of an area in the corresponding urban development re-parcelling, this price would be reduced in accordance with a predetermined unit price. Of the total of 1,046,523 thousand euros, 20.430% corresponds to ADIF-AV (254,447 thousand euros), while 63.507% (792,075 thousand euros) corresponds to ADIF.

In addition, both state-owned entities will receive a payment in kind through the delivery of plots on which 84,027 m<sup>2</sup> can be built for government-supported residential use (53,438.65 m<sup>2</sup> for ADIF and the remaining 30,588.35 m<sup>2</sup> for ADIF-AV).

On 9 June 2015, the High Court of Madrid issued a new ruling on the PPRI, declaring the nullity of the determinations that allowed more than 3 heights plus attic space for buildings in this area. This provision makes the operation technically and economically unfeasible.

Motivated by the new situation of urban development, DCN, ADIF and RENFE-Operadora subscribed, on December 28, 2016, an extension of the Basis Agreement, until August 31, 2018. DCN must pay to Public Entities for this reason an amount of 4,350,274 euros derived from the extension of the Basis Agreement until August 31, 2018. Of this amount, ADIF AV was entitled to 444,380 euros in 2017 and 444,380 euros in 2018, collected in full.

The Technical Subcommittee created for this purpose, reached a principle of agreement between the parties, reflected in the document *"Bases para la ordenación urbanística del área Estación de Chamartín - sur de Calle 30/Fuencarral - norte de Calle 30, Acuerdo ADIF/DCN/ Ayuntamiento de Madrid"*, calling the urban action whose bases are agreed, Madrid Nuevo Norte (MNN).

On 28 December 2018, the Boards of Directors of the ADIF and ADIF-ALTA VELOCIDAD have authorized a modification of the contract they have signed with the company DISTRITO CASTELLANA NORTE, S.A. (DCN), on the preferential adjudication of their rights in relation to the urban development of the Chamartín and Fuencarral rail precincts, in Madrid (the so-called "Operation Chamartín").



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By virtue of the agreement signed on December 28, 2018, included in Clause Eight of the document amending the consolidated text of the Contract, DCN is obliged to pay the signatory Public Entities an additional economic compensation of 6,516,976.86 euros per year, due to the delay in the collection of the Canon. From the distribution of this amount, ADIF AV will receive the amount of 634,623.21 euros for each of the years 2019, 2020 and 2021, fully collected.

On 20 September 2018, the Madrid City Council agreed to the Initial Approval of the Specific Modification of the Madrid General Plan (MPPGOUM) "Madrid Nuevo Norte". This document constitutes the new urban framework of reference for the parties to this Contract and, consequently, it has had to adapt the content thereof to the determinations of this new modification of the Plan.

The most relevant information in this contractual amendment is that, despite the fact that the area to be transferred to DCN by the railway entities has been reduced by 798,366 m<sup>2</sup> and that the net buildable area attributable to the railway spaces has been reduced by 575,246 m<sup>2</sup> t (31.02%), both the price established in the current contract and the agreed form of payment remain unchanged, a fixed canon of € 1,245,459,973 to be paid in 20 years plus the delivery of urbanized plots subject to some regime of public protection with a buildable area of 100,000 m<sup>2</sup>.

On 22 July 2020, the Community of Madrid approved, definitively and unconditionally, the Specific Modification of the General Plan of Madrid (MPG), which will allow the urban development of the Madrid Nuevo Norte Project to be carried out, and on 31 July 2020, the Madrid City Council published the urban development regulations of the MPG in the BOCM (Official Journal of the Madrid City Council).

On 23 December 2020, the Secretary of State for Transport, Mobility and Urban Agenda resolved to approve the public information and hearing file and definitively approved the "Information Study of the New Railway Complex of the Madrid-Chamartín station".

On 29 July 2021, a Collaboration Agreement was signed between the railway entities, the Community of Madrid and the Madrid City Council for the coordination, financing and execution of the singular actions foreseen in the modification of the General Urban Development Plan of Madrid in the areas APE 05.27 Colonia Campamento and APR 08.03 Prolongación de la Castellana, constituting the Monitoring Commission and the Technical Committee on 27 September and 6 October respectively.

Likewise, the Management Committees of the APE 05.31 "Business Center" areas were constituted and are currently in operation having drawn the corresponding contributions to the members.

Finally, the Amendment Document signed between the parties on December 28, 2018 (the Contract) establishes in its Seventh clause, sections A and B, a term of 90 business days for the parties to proceed with the execution of the public deed of transfer and delivery to DCN of the land and uses that are the object of the Contract, as well as for the execution, on the same date, following the previous one and as a single act, of the public deed of mortgage to be constituted by DCN as security for the obligation to pay the monetary fee, in both cases under the terms



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and with the effects provided for in the Contract itself. However, due to circumstances completely and utterly beyond the will and intervention of the parties, the aforementioned period of 90 business days provided for in the Agreement for the execution of the public deeds of sale and mortgage has proved to be manifestly insufficient for such purpose. The Contract expressly contains (clause seven A) that "...In any case, this term may be extended by mutual agreement between the parties", thus finding ourselves in a situation that was already foreseen as possible at the time of signing the same, and the parties therefore proceeded to sign an Agreement for the extension of the term for the execution of the aforementioned deeds. Said Agreement, approved by the highest decision-making bodies of the parties, establishes December 23, 2022 as the date for the execution of the public deeds of sale and mortgage.

### (5) Investments in Group Companies and Associates

#### 5.a) Non-current equity instruments in Group companies and associates

The movements for the nine month period ending 30 September 2022 and full year 2021, in thousands of euros, in the accounts composing this caption are detailed in the tables below:

|                                     | 30/09/2022 Thousands of Euros                 |                          |                |              |
|-------------------------------------|---|--------------------------|----------------|--------------|
|                                     | Investments in Group companies and associates | Uncalled equity holdings | Provisions     | Total        |
| Balance at 1 January 2022           | 10,026  | -                        | (2,049)        | 7,977        |
| Additions                           | -   | -                        | -              | -            |
| Withdrawals                         | -   | -                        | -              | -            |
| <b>Balance at 30 September 2022</b> | <b>10,026</b>                                 | <b>-</b>                 | <b>(2,049)</b> | <b>7,977</b> |

|                                    | 31/12/2021 Thousands of Euros                 |                          |                |              |
|------------------------------------|---|--------------------------|----------------|--------------|
|                                    | Investments in Group companies and associates | Uncalled equity holdings | Provisions     | Total        |
| Balance at 1 January 2021          | 10,026  | -                        | (1,583)        | 8,443        |
| Additions                          | -   | -                        | (466)          | (466)        |
| Withdrawals                        | -   | -                        | -              | -            |
| <b>Balance at 31 December 2021</b> | <b>10,026</b>                                 | <b>-</b>                 | <b>(2,049)</b> | <b>7,977</b> |

Appendix II shows a detail of the main investees domiciled in Spain, and the information related to them.

Within the shareholdings in associated companies, it is worth highlighting those corresponding to companies whose corporate purpose is the integration of the railroad in various cities. The aforementioned companies were incorporated under the agreements entered into between the Ministry of Public Works, currently MITMA, the Public Business Entities assigned to it with powers in railway matters and the Public Administrations involved in each of the cities affected (Autonomous Community and City Council) with powers in land and town planning matters, distributing the shareholding in their capital 50/50 between the General State Administration and the local and Autonomous Community Administrations.

## Notes to the Interim Financial Statements 30 September 2022

This model aims to unite all the parties with interests in the project, achieving the integration of the railroad in various cities with the contributions of the partners and, where appropriate, with the placing on the market of the urban developments derived from land released from railway use that are unnecessary for the railroad. Throughout 2019, new agreements or addenda to pre-existing agreements were signed with certain integration companies. Specifically, agreements were signed for the cities of Alicante, Gijón and Murcia, which respectively affect the integration companies Alta Velocidad Alicante Nodo de Transporte, S.A., Gijón al Norte, S.A., and Murcia AV, S.A. On the other hand, during the years 2021 and 2022 no new agreement has been signed that modifies or updates the agreements signed since 2002 from which the Integration Companies derive, with the exception of the agreement signed in July 2022 with the Generalitat Valenciana and the Valencia City Council for the integration of the railroad in Valencia, Canal de Acceso phase 3. It is planned to subscribe a new agreement for the integration of the railroad in Gijón that will replace the one subscribed in 2019 based on the Informative Study "New Intermodal Station of Gijón" finally approved and published in the BOE on February 11, 2022, dated February 9, 2022. Likewise, a protocol has been signed to promote the integration of the railroad in Vitoria and a new agreement for the integration of the railroad in Vitoria is expected to be signed on the basis of said protocol. Work is also being carried out on a new agreement for the execution and financing of phase 2 of the railroad integration in Almería. In Zaragoza, work is being done on the agreement for the execution and financing of the transfer of the El Portillo facilities. Finally, a new agreement is being negotiated for the integration of the railroad in the city of Logroño. The estimate of the future impact on the Entity derived from the subscription of the aforementioned agreements and addenda is considered complex and will depend on the agreements that are finally adopted within the Company.

In addition, on 4 December 2012, the Extraordinary and Universal General Meeting of León Alta Velocidad 2003, S.A. resolved to dissolve the company in order to proceed to liquidation as soon as possible. The aforementioned meeting also agreed on the acquisition by ADIF of the railway infrastructure works carried out by the company. ADIF-AV's management considers that as a result of this process, ADIF-AV will not have to assume significant liabilities.

### **5.b) Non-current loans to Group companies and associates**

Details of non-current loans to Group companies and associates at 30 September 2022 and 31 December 2021 are as follows:

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| Concept  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 30/09/2022         | 31/12/2021     |
| Zaragoza Alta Velocidad 2002, S.A.                               | 113,256            | 113,256        |
| Cartagena AVE, S.A.  | 1,080              | 1,080          |
| Murcia AVE, S.A.   | 96,677             | 96,677         |
| Logroño Integración del Ferrocarril 2002, S.A.                   | -                  | -              |
| Barcelona Sagrera AV, S.A.                                       | 71,270             | 71,270         |
| Valladolid Alta Velocidad, 2003, S.A.                            | 267,510            | 267,510        |
| Alta Velocidad Alicante Nodo del Transporte, S.A.                | 1,678              | 1,138          |
| Palencia Alta Velocidad, S.A.                                    | 610                | 610            |
| <b>Total non-current loans to Group companies and associates</b> | <b>552,081</b>     | <b>551,541</b> |
| Provision for impairment   | (27,624)           | (27,624)       |
|  | <b>524,457</b>     | <b>523,917</b> |

These amounts correspond to loans granted by the Entity from 1 January, 2013 and those that were assigned to it in the segregation process and that were not impaired as of 31 December, 2012. At that date, ADIF-AV was assigned loans granted by ADIF to the Integración Zaragoza Alta Velocidad 2002, S.A. for a nominal value of 30,279 thousand euros and to Palencia Alta Velocidad for a nominal value of 410 thousand euros. These were totally impaired and therefore in compliance with the accounting regulations and were allocated to ADIF-AV for its net amount, i.e. for zero euros. Therefore, they are not reflected in the above table. The impaired amount of 27,624 thousand euros as of 30 September 2022 and 27,624 thousand euros as of 31 December 2021 correspond to loans granted to the company Zaragoza Alta Velocidad 2002, S.A and Palencia Alta Velocidad, S.A.

The situation at 30 September 2022 and 31 December 2021 in relation to loans granted to its long-term investees at nominal value is shown in the table below:

| Sociedad  | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 30/09/2022         | 31/12/2021     |
| Zaragoza Alta Velocidad 2002, S.A.                | 143,535            | 143,535        |
| Cartagena Alta Velocidad, S.A.                    | 1,080              | 1,080          |
| Murcia Alta Velocidad, S.A.                       | 96,677             | 96,677         |
| Barcelona Sagrera Alta Velocitat S.A.             | 71,270             | 71,270         |
| Valladolid Alta Velocidad 2003 S.A.               | 267,510            | 267,510        |
| Alta Velocidad Alicante Nodo del Transporte, S.A. | 1,678              | 1,138          |
| Palencia Alta Velocidad, S.A.                     | 610                | 610            |
|   | <b>582,360</b>     | <b>581,820</b> |

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The company Valladolid Alta Velocidad 2003, S.A, as a result of its financial situation, has not been able to meet its obligations with the creditors in the framework of the financing agreements signed. Consequently, on 27 June 2017, the Board of Directors of ADIF Alta Velocidad authorized the signing of the agreement for the cancellation of the syndicated line of credit agreement and the interest rate hedging agreements of the Participated Company Valladolid Alta Velocidad 2003, S.A. In said agreement, the accrediting entities would waive the collection of 11,760 thousand euros for the definitive cancellation of the credit and of the coverage and ADIF, ADIF-Alta Velocidad and RENFE Operadora would pay a maximum of 341,205 thousand euros.

Additionally, and derived from the subscription of the aforementioned new agreement, ADIF AV has disbursed a total of 118.16 million euros on 23 November 2017 for the total cancellation of the Company's debt derived from the credit agreement with banking entities.

As established in the new agreement, the contributions already made by ADIF AV as well as those that it undertakes to make will be reimbursed by Valladolid Alta Velocidad with the capital gains generated in the land transfer process and according to the priority of collections established in the signed Agreement. The first amounts obtained were allocated to the cancellation of the debt acquired by the Company with the three EPEs assigned to the Ministry of Development as a result of the cancellation of the loan and of the hedge contracts subscribed by Valladolid Alta Velocidad 2003, SA.

Likewise, ADIF, ADIF AV and Renfe Operadora in order to guarantee the return of the amounts contributed for the cancellation of the credit agreement and the interest rate hedging contracts may expressly reserve ownership of the land freed from the railway use and that they could be contributed to the Company or constitute an explicit resolution condition thereon. In the case of having been land released for rail use contributed to Valladolid Alta Velocidad 2003, SA will be constituted by the Company a pledge of chattel mortgage, or if applicable, real estate in favour of the three SPEs on any Project assets included in the balance of that, being granted to ADIF, ADIF AV and RENFE Operadora irrevocable power for the constitution of mortgage or pledge on assets for a value equivalent to the total amount paid for the cancellation of the aforementioned contracts.

In relation to the loans granted by the Entity to various investees listed in the tables above, in addition to the loan impairments included in the first breakdown, the amounts that the Entity estimates it would have to disburse in the future arising from loans or contributions already granted or committed by the Entity to various companies and for which there is a probability of non-recovery based on current estimates of future cash flows expected by the investee as explained in notes 2. c, 3.i and note 23.

As a result of the recent signing of agreements with urban integration companies or amendments or addenda to existing agreements, ADIF-AV has assumed commitments for future financial contributions estimated on the basis of the best available estimate of the actions to be undertaken at the time of signing the agreements. These contributions committed in certain agreements, such as the one signed with Murcia AV, have materialized in the form of loans granted to these

## Notes to the Interim Financial Statements 30 September 2022

companies, which are recorded in the Entity's current or non-current assets depending on their maturity (see note 5.c). These contributions may be formalized as advances for future works to be received or as participating loans. With the review and restatement as of the date of these interim financial statements and taking into account that during the first half of 2022 a long-term participating loan disbursement of 540 thousand euros has been made to the company Alta Velocidad Alicante Nodo del Transporte S.A., the start of a renegotiation of the Agreement in Almería A.V. S.A., and the readjustment according to the rate of investment of annuities instrumented in participating loans reported by the company Murcia Alta Velocidad S.A., the commitments for monetary contributions assumed by ADIF AV at 30 September 2022 are as follows:

| 30 September 2022 - Thousands of Euros           |          |               |               |               |               |                |                |
|--|----------|---------------|---------------|---------------|---------------|----------------|----------------|
| Company  | 2022     | 2023          | 2024          | 2025          | 2026          | Resto          | TOTAL          |
| Alta Velocidad Alicante Nodo del Transporte, S.A | -        | 244           | 4,344         | 4,344         | 4,344         | 4,776          | <b>18,052</b>  |
| Cartagena A.V, S.A.                              | -        | -             | -             | -             | -             | 82,200         | <b>82,200</b>  |
| Murcia Alta Velocidad, S.A.                      | -        | 31,951        | 50,498        | 45,163        | 41,436        | 79,601         | <b>248,649</b> |
| Valladolid Alta Velocidad 2003, S.A.             | -        | 9,903         | 13,290        | 10,128        | 9,153         | 22,743         | <b>65,217</b>  |
| <b>Total</b>                                     | <b>-</b> | <b>42,098</b> | <b>68,132</b> | <b>59,635</b> | <b>54,933</b> | <b>189,320</b> | <b>414,118</b> |

ADIF AV's monetary contribution commitments as of 31 December 2021 were as follows

| 31 December 2021 - Thousands of Euros            |               |               |               |               |               |                |                |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Company  | 2022          | 2023          | 2024          | 2025          | 2026          | Rest           | TOTAL          |
| Alta Velocidad Alicante Nodo del Transporte, S.A | 540           | 244           | 4,344         | 4,344         | 4,344         | 4,776          | <b>18,592</b>  |
| Almería A.V, S.A.                                | 4,609         | 23,294        | 38,586        | 30,600        | 11,940        | 28,792         | <b>137,821</b> |
| Cartagena A.V, S.A.                              | -             | -             | -             | -             | -             | 82,200         | <b>82,200</b>  |
| Murcia Alta Velocidad, SA                        | 8,760         | 36,999        | 11,106        | 1,985         | 104           | 91,377         | <b>150,331</b> |
| Valladolid Alta Velocidad 2003,SA                | -             | 20,364        | 9,840         | 9,800         | 9,106         | 16,107         | <b>65,217</b>  |
| <b>Total</b>                                     | <b>13,909</b> | <b>80,901</b> | <b>63,876</b> | <b>46,729</b> | <b>25,494</b> | <b>223,252</b> | <b>454,161</b> |

### 5.c) Current investments in Group companies and associates

The balance of the heading "Loans to companies" at 30 September 2022 and 31 December 2021 is as follows:

| Concept  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 30/09/2022         | 31/12/2021     |
| Short-term loans to group companies and associates | 126,310            | 126,333        |
| Loans for disposal of fixed assets                 | 28,822             | 24,267         |
| Other financial assets                             | (30,798)           | (26,244)       |
|  | <b>124,334</b>     | <b>124,356</b> |

The caption of short-term loans to group and associated companies corresponds to loans granted to investees maturing in the short term, at nominal value, and shows the following detail:

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| Concept   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 30/09/2022         | 31/12/2021     |
| Gijón al Norte, S.A.  | 12,739             | 12,739         |
| León Alta Velocidad, 2003, S.A.                                 | 1,976              | 1,976          |
| Valladolid Alta Velocidad 2003, S.A.                            | 1,820              | 1,843          |
| Valencia Parque Central Alta Velocidad 2003 S.A.                | 51,124             | 51,124         |
| Logroño integración del Ferrocarril 2002, S.A.                  | 58,651             | 58,651         |
| <b>Total Short-term loans to Group companies and associates</b> | <b>126,310</b>     | <b>126,333</b> |
| Provision for impairment  | (1,976)            | (1,977)        |
|   | <b>124,334</b>     | <b>124,356</b> |

### (6) Other Financial Assets

The breakdown by category of financial assets, excluding investments in equity of group and associated companies (see note 5), except the balances with Public Administrations (see note 12), at 30 September 2022 and 31 December 2021, is as follows:

|   |  | 30/09/2022 Thousands of Euros      |                          |                                    |                          |
|---|--|------------------------------------|--------------------------|------------------------------------|--------------------------|
|   |  | Non-current                        |                          | Current                            |                          |
|   |  | Financial assets at amortized cost | Financial assets at cost | Financial assets at amortized cost | Financial assets at cost |
| Equity instruments                                    |  | -                                  | 2,188                    | -                                  | -                        |
| Loans to companies                                    |  | -                                  | -                        | 873                                | -                        |
| Other financial assets                                |  | 876                                | -                        | -                                  | -                        |
| Trade and other receivables                           |  | 187                                | -                        | 414,508                            | -                        |
| <b>Total</b>  |  | <b>1,063</b>                       | <b>2,188</b>             | <b>415,381</b>                     | <b>-</b>                 |
| <b>Total current and non-current financial assets</b> |  | <b>3,251</b>                       |                          | <b>415,381</b>                     |                          |

|   |  | 31/12/2021 Thousands of Euros      |                          |                                    |                          |
|---|--|------------------------------------|--------------------------|------------------------------------|--------------------------|
|   |  | Non-current                        |                          | Current                            |                          |
|   |  | Financial assets at amortized cost | Financial assets at cost | Financial assets at amortized cost | Financial assets at cost |
| Equity instruments                                    |  | -                                  | 1,754                    | -                                  | -                        |
| Loans to companies                                    |  | -                                  | -                        | 526                                | -                        |
| Other financial assets                                |  | 876                                | -                        | -                                  | -                        |
| Trade and other receivables                           |  | 280                                | -                        | 365,787                            | -                        |
| <b>Total</b>  |  | <b>1,156</b>                       | <b>1,754</b>             | <b>366,313</b>                     | <b>-</b>                 |
| <b>Total current and non-current financial assets</b> |  | <b>2,910</b>                       |                          | <b>366,313</b>                     |                          |

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The carrying amount of these financial assets does not differ significantly from their fair value.

### 6.a) Investments

The breakdown of financial investments at 30 September 2022 and 31 December 2021 is as follows:

|   | Thousands of Euros |            |              |            |
|---|--------------------|------------|--------------|------------|
|   | 30/09/2022         |            | 31/12/2021   |            |
|   | Non-current        | Current    | Non-current  | Current    |
| Equity instruments (see Appendix II)                            | 2,428              | -          | 1,994        | -          |
| Impairment  | (240)              | -          | (240)        | -          |
| <b>Total equity instruments</b>                                 | <b>2,188</b>       | <b>-</b>   | <b>1,754</b> | <b>-</b>   |
| Other financial assets (deposits, guarantees and other credits) | 876                | 873        | 876          | 526        |
| <b>Total financial investments</b>                              | <b>3,064</b>       | <b>873</b> | <b>2,630</b> | <b>526</b> |

#### 6.a.1) Equity instruments

Equity instruments are the Entity's holdings in companies over whose management it does not have significant influence. The Entity's interest in each of these companies is less than 20%.

Annex II shows a detail of the main investees that are domiciled in Spain, and the information related to them.

### 6.b) Trade and other receivables

The breakdown of trade and other receivables at 30 September 2022 and 31 December 2021 is as follows:

|                                 | Thousands of Euros |                |             |                |
|---------------------------------|--------------------|----------------|-------------|----------------|
|                                 | 30/09/2022         |                | 31/12/2021  |                |
|                                 | Non-current        | Current        | Non-current | Current        |
| Group companies and associates  |                    |                |             |                |
| Receivables (Note 6.b.1))       | -                  | 11             | -           | 1,100          |
| Unrelated parties               |                    |                |             |                |
| Trade receivables (Note 6.b.2)) | -                  | 102,736        | -           | 86,173         |
| Other receivables (Note 6.b.3)) | 187                | 311,735        | 280         | 278,495        |
| Personnel                       | -                  | 26             | -           | 19             |
|                                 | <b>187</b>         | <b>414,508</b> | <b>280</b>  | <b>365,787</b> |

#### 6.b.1) Group Companies and Associates

The detail of the balances of these accounts of current assets in the accompanying balance sheet as of 30 September 2022 and 31 December 2021, is as follows:

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|   | Thousands of Euros |              |
|---|--------------------|--------------|
|   | 30/09/2022         | 31/12/2021   |
|   | Current            | Current      |
| Valladolid Alta Velocidad 2003                    | 11                 |              |
| Murcia Alta Velocidad S.A.                        | -                  | 273          |
| Almería Alta Velocidad, S.A.                      | -                  | 817          |
| Valencia Parque Central Alta Velocidad 2003, S.A. | -                  | 10           |
|   | <b>11</b>          | <b>1,100</b> |

### 6.b.2) Trade receivables

As of 30 September 2022, the account trade receivables for sales and provision of services includes the balance settled and pending collection for railroad fees for the amount of 55,159 thousand euros and additionally the amount accrued and pending settlement for the amount of 47,484 thousand euros. It also includes, for a value of 93 thousand euros, the liquidated and pending collection income for Railway Taxes.

As of 31 December 2021, the account trade receivables for sales and provision of services includes the balance settled and pending collection for railroad fees for the amount of 48,252 thousand euros and additionally the amount accrued and pending settlement for the amount of 37,678 thousand euros. It also includes, for a value of 243 thousand euros, the liquidated and pending collection income for Railway Taxes.

### 6.b.3) Other receivables

The detail at 30 September 2022 and 31 December 2021 is as follows:

|                                   | Thousands of Euros |                |
|-----------------------------------|--------------------|----------------|
|                                   | 30/09/2022         | 31/12/2021     |
| Agreements with rail operators    | 135,283            | 110,138        |
| Fibre-optics rental               | (7)                | (7)            |
| Amounts due to ADIF-AV from ADIF  | 6,466              | 5,845          |
| Other rentals                     | 5,326              | 25,023         |
| Other items                       | 19,185             | 35,640         |
| Services rendered pending invoice | 162,132            | 123,452        |
| Agreements with rail operators    | 118,188            | 83,727         |
| Agreements with ADIF              | 43,214             | 46,058         |
| Other                             | 730                | (6,333)        |
| Impairment of trade receivables   | (16,650)           | (21,596)       |
| <b>Total other receivables</b>    | <b>311,735</b>     | <b>278,495</b> |

The agreements with railway operators correspond mainly to Renfe Operadora and its group.



## Notes to the Interim Financial Statements 30 September 2022

The balance receivable from ADIF at 30 September 2022 and at 31 December 2021 corresponds to services rendered to ADIF billed up to that date and pending billing, based on the additions listed in note 1.

The movement of valuation adjustments for impairment of short and long-term receivables at 30 September 2022 and 31 December 2021 is as follows:

|   | Thousands of Euros |                 |             |                 |
|---|--------------------|-----------------|-------------|-----------------|
|   | 30/09/2022         |                 | 31/12/2021  |                 |
|   | Non-current        | Current         | Non-current | Current         |
| Balances at 1 January                                     | -                  | (21,596)        | -           | (7,426)         |
| Provisions, reversals and/or applications during the year | -                  | 4,946           | -           | (14,170)        |
| Balances at 30 September 2022                             | -                  | <b>(16,650)</b> | -           | <b>(21,596)</b> |

### (7) Cash and Cash Equivalents

The breakdown of cash and cash equivalents as of 30 September 2022 and 31 December 2021 is as follows:

|                           | Thousands of Euros |                |
|---------------------------|--------------------|----------------|
|                           | 30/09/2022         | 31/12/2021     |
| Cash on hand and at banks | 19,625             | 156,039        |
| Cash equivalents          | -                  | -              |
|                           | <b>19,625</b>      | <b>156,039</b> |

### (8) Equity

Details of and movement in equity are shown in the statement of changes in equity.

#### 8.a) Equity contribution

On 30 September 2022, 103,858 thousand euros have been received on account of the 311,574 thousand euros of the amount appropriated in the State General Budget for the year 2022 (see note 1.c). As of 31 December 2021, a total of 466,173.95 thousand euros were received from the National Government for the total contribution consigned in the General State Budget and included in the agreement signed in July 2021 with MITMA for the aforementioned amount. At the date of preparation of these interim financial statements, the Entity has prepared an advance proposal for the settlement of the aforementioned contribution and the amount to be settled coincides with the amount collected. Therefore, the Entity recorded in equity the total amount collected from the National Government in 2021 amounting to 466,174 thousand euros (see Note 1.c).

At the date of preparation of these financial statements, the settlement proposal has not been approved and, therefore, the figures expressed herein could be subject to some modification; however, the Entity estimates that, should any differences arise, they would not be significant.

## Notes to the Interim Financial Statements 30 September 2022

### 8.b) Reserves

The movement in the Reserves heading at 30 September 2022 and 31 December 2021 is as follows:

|   | 30/09/2022 Thousands of Euros           |                |               |
|---|---|----------------|---------------|
|   | Reserves for actuarial gains and losses | Other reserves | Total         |
| Balance at 31 December 2021                                     | (199)                                   | 31,300         | 31,101        |
| Recognition of actuarial gains and losses and other adjustments | -                                       | -              | -             |
| <b>Balance at 30 September 2022</b>                             | <b>(199)</b>                            | <b>31,300</b>  | <b>31,101</b> |

|   | 31/12/2021 Thousands of Euros           |                |               |
|---|---|----------------|---------------|
|   | Reserves for actuarial gains and losses | Other reserves | Total         |
| Balance at 31 December 2020                                     | (218)                                   | 29,948         | 29,730        |
| Recognition of actuarial gains and losses and other adjustments | 19                                      | 1,352          | 1,371         |
| <b>Balance at 31 December 2021</b>                              | <b>(199)</b>                            | <b>31,300</b>  | <b>31,101</b> |

### 8.c) Proposed application of loss for the year

The Entity's management proposed the application of the loss for 2021, in the amount of 425,444 thousand euros, to the heading "Retained earnings" in equity.

On 31 March 2022, the Board of Directors of ADIF AV approved the aforementioned proposal of the Entity's management.

### 8.d) Valuation adjustments

The amount recognised in equity during the first nine months ending 30 September 2022 and full year 2021, as well as the amounts reclassified from equity to finance expenses in the income statement in these years are disclosed in the statement of recognised income and expense, which forms part of the statement of changes in equity for each year,

The equity for the third quarter of 2022 and at 2021 reflects the variations in the fair value of the derivative arranged by the Entity. Due to the fluctuations in interest rates these show a loss in value (see Note 11.a.2).

## (9) Grants, Donations and Bequests

The balance of this section of the accompanying balance sheet as of 30 September 2022 and 31 December 2021 includes the non-refundable capital grants pending attribution to income.

The movement registered on 30 September 2022 and 31 December 2021 is detailed in the attached tables:

## Notes to the Interim Financial Statements 30 September 2022

| 30/09/2022 Thousands of Euros                                   |                |                  |                  |                |  |                      |                      |
|---|----------------|------------------|------------------|----------------|--|----------------------|----------------------|
|   | RRF Funds      | Cohesion Funds   | ERDF funds       | TEN-T funds    | State grants for work performed <sup>(1)</sup> | Other capital grants | Total capital grants |
| Balances at 31 December 2021                                    | <b>49,555</b>  | <b>4,695,040</b> | <b>3,263,514</b> | <b>328,730</b> | <b>2,452,519</b>                               | <b>365,761</b>       | <b>11,155,119</b>    |
| Additions   | <b>161,714</b> | -                | <b>13,264</b>    | <b>741</b>     | <b>82,990</b>                                  | <b>7,391</b>         | <b>266,100</b>       |
| European funds accrued in the year                              | 161,714        | -                | 13,264           | 741            | -  | -                    | 175,719              |
| SEITTSA Actions received  | -              | -                | -                | -              | 82,990   | -                    | 82,990               |
| Other capital grants  | -              | -                | -                | -              | -  | 7,391                | 7,391                |
| Withdrawals   | -              | -                | (25,199)         | (1,124)        | -  | -                    | <b>(26,323)</b>      |
| Tax effect of capital grants accrued during the year (note 12)  | (40,430)       | -                | 2,984            | 96             | (20,748)                                       | (1,848)              | <b>(59,946)</b>      |
| Allocation to income of net capital grants tax effect (note 17) | (54)           | (28,884)         | (21,446)         | (2,098)        | (20,208)                                       | (2,344)              | <b>(75,034)</b>      |
| <b>Balances at 30 September 2022</b>                            | <b>170,785</b> | <b>4,666,156</b> | <b>3,233,117</b> | <b>326,345</b> | <b>2,494,553</b>                               | <b>368,960</b>       | <b>11,259,916</b>    |

<sup>(1)</sup> RD ley 22/2012 and RD-ley 4/2013

| 31/12/2021 Thousands of Euros                                   |               |                  |                  |                |  |                      |                      |
|---|---------------|------------------|------------------|----------------|--|----------------------|----------------------|
|   | RRF Funds     | Cohesion Funds   | ERDF funds       | TEN-T funds    | State grants for work performed <sup>(1)</sup> | Other capital grants | Total capital grants |
| Balances at 31 December 2020                                    | -             | <b>4,731,687</b> | <b>3,248,675</b> | <b>334,614</b> | <b>2,470,839</b>                               | <b>265,465</b>       | <b>11,051,280</b>    |
| Additions   | 66,073        | -                | 54,500           | 13,436         | 5,310  | 137,681              | 277,000              |
| European funds accrued in the year                              | 66,073        | -                | 54,500           | 13,436         | -  | -                    | 134,009              |
| SEITTSA Actions received  | -             | -                | -                | -              | 5,310  | -                    | 5,310                |
| Other capital grants  | -             | -                | -                | -              | -  | 137,681              | 137,681              |
| Withdrawals   | -             | -                | -                | (17,597)       | -  | (130)                | (17,727)             |
| Tax effect of capital grants accrued during the year (note 12)  | (16,518)      | -                | (13,625)         | 1,040          | (1,328)  | (34,388)             | (64,819)             |
| Allocation to income of net capital grants tax effect (note 17) | -             | (36,647)         | (26,036)         | (2,763)        | (22,302)                                       | (2,867)              | (90,615)             |
| <b>Balances at 31 December 2021</b>                             | <b>49,555</b> | <b>4,695,040</b> | <b>3,263,514</b> | <b>328,730</b> | <b>2,452,519</b>                               | <b>365,761</b>       | <b>11,155,119</b>    |

<sup>(1)</sup> RD ley 22/2012 and RD-ley 4/2013

### 9.a) Cohesion Funds

Details of Cohesion Funds at 30 September 2022 and 2021, without taking into account the tax effect and including the amounts accrued for payables convertible into grants, are as follows:

| 30/09/2022 Thousands of Euros             |                    |                  |  |                  |
|---|--------------------|------------------|--|------------------|
| STRETCH                                   | ASSISTANCE GRANTED | GRANTS ACCRUED   | PAYABLES CONVERTIBLE INTO GRANTS (Note 11,b) | COLLECTIONS MADE |
| L.A.V. Madrid-Barcelona-Frontera francesa | 3,342,953          | 3,342,953        | -  | 3,342,953        |
| Madrid-Lérida                             | 2,112,357          | 2,112,357        | -  | 2,112,357        |
| Lérida-Martorell                          | 790,698            | 790,698          | -  | 790,698          |
| Martorell-Barcelona                       | 439,898            | 439,898          | -  | 439,898          |
| L.A.V. Madrid-Valladolid                  | 1,553,670          | 1,553,670        | -  | 1,553,670        |
| L.A.V Madrid-Levante                      | 573,450            | 573,450          | -  | 573,450          |
| Cohesion Funds 2007-2013                  | 1,415,083          | 1,415,083        | -  | 1,415,083        |
| <b>TOTAL</b>                              | <b>6,885,156</b>   | <b>6,885,156</b> | <b>-</b>                                     | <b>6,885,156</b> |

Notes to the Interim Financial Statements  
30 September 2022

31/12/2021 Thousands of Euros

| STRETCH                                   | ASSISTANCE<br>GRANTED | GRANTS ACCRUED   | PAYABLES<br>CONVERTIBLE INTO<br>GRANTS<br>(Note 11,b) | COLLECTIONS<br>MADE |
|---|-----------------------|------------------|---|---------------------|
| L.A.V. Madrid-Barcelona-Frontera francesa | 3,342,953             | 3,342,953        | -   | 3,342,953           |
| Madrid-Lérida                             | 2,112,357             | 2,112,357        | -   | 2,112,357           |
| Lérida-Martorell                          | 790,698               | 790,698          | -   | 790,698             |
| Martorell-Barcelona                       | 439,898               | 439,898          | -   | 439,898             |
| L.A.V. Madrid-Valladolid                  | 1,553,670             | 1,553,670        | -   | 1,553,670           |
| L.A.V Madrid-Levante                      | 573,450               | 573,450          | -   | 573,450             |
| Cohesion Funds 2007-2013                  | 1,415,083             | 1,415,083        | -   | 1,415,083           |
| <b>TOTAL</b>                              | <b>6,885,156</b>      | <b>6,885,156</b> | <b>-</b>  | <b>6,885,156</b>    |

**9.b) European Regional Development Fund (ERDF)**

Details of European Regional Development Funds at 30 September 2022 and 31 December 2021, without taking into account the tax effect, including the amounts accrued for debts convertible into grants, are as follows:

30/09/2022 Thousands of Euros

| OPERATING<br>PROGRAMME | PROJECT              | ASSISTANCE<br>GRANTED | GRANTS<br>ACCRUED | PAYABLES<br>CONVERTIBLE INTO<br>GRANTS (Note 11,b) | COLLECTIONS<br>MADE |
|------------------------|----------------------|-----------------------|-------------------|--|---------------------|
| ANDALUCIA              | Córdoba - Málaga     | 883,614               | 883,614           | -  | 883,614             |
| CASTILLA Y LEÓN        | Segovia - Valladolid | 193,256               | 193,256           | -  | 193,256             |
| MURCIA                 | Entrance Murcia      | 28,412                | 28,412            | -  | 28,412              |
| CASTILLA LA MANCHA     | Entrance Toledo      | 67,127                | 67,127            | -  | 67,127              |
| VALENCIA               | Entrance Alicante    | 99,402                | 99,402            | -  | 99,402              |
| CASTILLA Y LEÓN        | Túneles de Pajares   | 283,995               | 283,995           | -  | 283,995             |
| ASTURIAS               | Túneles de Pajares   | 107,873               | 107,873           | -  | 107,873             |
| ERDF 2007-2013         |                      | 2,275,323             | 2,275,323         | -  | 2,275,323           |
| ERDF 2014-2020         |                      | 774,512               | 596,182           | 112,396  | 579,284             |
| <b>TOTAL</b>           |                      | <b>4,713,514</b>      | <b>4,535,184</b>  | <b>112,396</b>                                     | <b>4,518,286</b>    |

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31/12/2021 Thousands of Euros

| OPERATING PROGRAMME | PROJECT              | ASSISTANCE GRANTED | GRANTS ACCRUED   | PAYABLES CONVERTIBLE INTO GRANTS (Note 11,b) | COLLECTIONS MADE |
|---------------------|----------------------|--------------------|------------------|--|------------------|
| ANDALUCIA           | Córdoba - Málaga     | 883,614            | 883,614          | -  | 883,614          |
| CASTILLA Y LEÓN     | Segovia - Valladolid | 193,256            | 193,256          | -  | 193,256          |
| MURCIA              | Entrance Murcia      | 28,412             | 28,412           | -  | 28,412           |
| CASTILLA LA MANCHA  | Entrance Toledo      | 67,127             | 67,127           | -  | 67,127           |
| VALENCIA            | Entrance Alicante    | 99,402             | 99,402           | -  | 99,402           |
| CASTILLA Y LEÓN     | Túneles de Pajares   | 283,995            | 283,995          | -  | 283,995          |
| ASTURIAS            | Túneles de Pajares   | 107,873            | 107,873          | -  | 107,873          |
| ERDF 2007-2013      |                      | 2,275,323          | 2,275,323        | -  | 2,275,323        |
| ERDF 2014-2020      |                      | 772,741            | 608,118          | 98,385                                       | 579,284          |
| <b>TOTAL</b>        |                      | <b>4,711,743</b>   | <b>4,547,120</b> | <b>98,385</b>                                | <b>4,518,286</b> |

### 9.c) Community financial aid to trans-European networks (TEN)

The situation as of 30 September 2022 and 31 December 2021 of the TEN funds, without considering the tax effect and including the amounts accrued for debts convertible into subsidies, is as follows:

30/09/2022 Thousands of Euros

| STRETCH   | ASSISTANCE GRANTED | GRANTS ACCRUED | PAYABLES CONVERTIBLE INTO GRANTS (Note 11,b) | COLLECTIONS MADE |
|---|--------------------|----------------|--|------------------|
| L.A.V. Madrid-Barcelona-Frontera francesa                       | 80,694             | 80,694         | -  | 80,694           |
| L.A.V. Madrid-Valladolid  | 20,603             | 20,603         | -  | 20,603           |
| L.A.V. Madrid-Levante   | 61,320             | 61,320         | -  | 61,320           |
| Nuevo Acceso Ferroviario a Asturias                             | 3,192              | 3,191          | -  | 3,191            |
| L.A.V. Vitoria-Bilbao-San Sebastián y Valladolid-Burgos-Vitoria | 148,660            | 141,775        | 5,430  | 147,005          |
| L.A.V. Madrid-Extremadura                                       | 35,881             | 35,881         | -  | 35,881           |
| L.A.V. Bobadilla-Granada  | 2,174              | 2,174          | -  | 2,174            |
| Mediterranean Corridor  | 128,226            | 106,912        | -  | 96,614           |
| Other High-Speed  | 11,827             | 7,751          | -  | 5,967            |
| <b>TOTAL</b>  | <b>492,577</b>     | <b>460,301</b> | <b>5,430</b>                                 | <b>453,449</b>   |

## Notes to the Interim Financial Statements 30 September 2022

31/12/2021 Thousands of Euros

| <b>STRETCH</b>  | <b>ASSISTANCE<br/>GRANTED</b> | <b>GRANTS<br/>ACCRUED</b> | <b>PAYABLES<br/>CONVERTIBLE INTO<br/>GRANTS (Note 11,b)</b> | <b>COLLECTION<br/>S MADE</b> |
|---|-------------------------------|---------------------------|---|------------------------------|
| L.A.V. Madrid-Barcelona-Frontera francesa                       | 80,694                        | 80,694                    | -   | 80,694                       |
| L.A.V. Madrid-Valladolid  | 20,603                        | 20,603                    | -   | 20,603                       |
| L.A.V. Madrid-Levante   | 61,320                        | 61,320                    | -   | 61,320                       |
| Ferrovial a Asturias New Access                                 | 3,192                         | 3,191                     | -   | 3,191                        |
| L.A.V. Vitoria-Bilbao-San Sebastián y Valladolid-Burgos-Vitoria | 148,660                       | 141,355                   | 5,776   | 147,005                      |
| L.A.V. Madrid-Extremadura                                       | 35,881                        | 35,881                    | -   | 35,881                       |
| L.A.V. Bobadilla-Granada  | 2,174                         | 2,174                     | -   | 2,174                        |
| Mediterranean Corridor  | 128,226                       | 108,036                   | 4661  | 101,275                      |
| Other High-Speed  | 11,595                        | 7,430                     | -   | 5,967                        |
| <b>TOTAL</b>  | <b>492,345</b>                | <b>460,684</b>            | <b>10,437</b>   | <b>458,110</b>               |

### **9.d) Capital subsidies for railway infrastructure deliveries and other subsidies**

Grants for deliveries of State works include the value of the works and land received without consideration by ADIF from MITMA under Royal Decree-Law 4/2013 of 22 February and which in application of Royal Decree-Law 15/2013 of 13 December become the property of ADIF AV, including the Vigo-Santiago section of the Atlantic axis or the AV link with the Mediterranean corridor. (See notes 3.b, 3.g and 4). In addition, the actions entrusted by the National Government to SEITTSA and which ADIF AV has been receiving free of charge under the recasting agreement of 25 August 2015 are also considered. In both cases, these subsidies were reduced, where appropriate, by the depreciation of the assets received.

Other subsidies include those relating to contributions received from other bodies such as State Ports when they finance infrastructure actions owned by ADIF AV. These include most notably the State aid relating to investments in Trans-European Transport Network (TEN-T) corridors", amounting to 118,847 thousand euros, collected in full in 2020, of which at 30 September 2022, 22,458 thousand euros is recognised under "Payables Transformable into Grants" and at 31 December 2021, 29,859 thousand euros, as indicated in Note 11.b.1.

### **9.e) Capital subsidies for RRF (Recovery, Transformation and Resilience Plan) grants**

In accordance with the operation and management Facility of the Recovery and Resilience Facility (RRF) and the Recovery, Transformation and Resilience Plan (RRRP) contained in Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 and in Ministerial Orders HPA 1030/2021 and HPA 1031/2021, it is necessary to achieve certain Milestones and Objectives. In order to achieve them, it is necessary to execute a series of investments whose estimated cost is based on a methodology approved by the Commission and the Council.

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Based on the cost estimate prepared for the approval of the Plan, the figures indicated in this section correspond to the best reference for estimating and justifying the reasonableness and plausibility of the final cost of the investments included in the Plan.

Additionally, both entities participate in Strategic Projects for Economic Recovery and Transformation (PERTE) which are structured on the basis of Expressions of Interest published by the different Ministries. PERTEs are strategic projects with a high capacity to boost economic growth, employment and the competitiveness of the Spanish economy, with a high degree of public-private collaboration and transversal to the different administrations.

Specifically, ADIF AV has expressed its support for innovation in the development of measures that contribute to the continuous improvement of the railway system in terms of Safety, Service and Sustainability, within the investment of the PRTR Connectivity Plan (Component 15), investment 6 earmarked for transport corridors. To this end, as of 30 September 2022, funding of 96.5 million euros is available for the execution of the project "Deployment of 5G infrastructure at certain points of the high-speed rail infrastructure network".

The information on the RRF plan as of 30 September 2022 for ADIF AV, expressed in thousands of euros, is shown below:

30/09/2022 Thousands of Euros

| CONCEPT  | ASSIGNED AID     | GRANTS<br>ACCRUED | DEBTS<br>TRANSFORMABLE<br>INTO SUBSIDIES<br>(note 11.b) | RECEIVABLES<br>RECEIVED |
|--|------------------|-------------------|---|-------------------------|
| Movilidad Urbana Cercanías y Movilidad Urbana    | 352,976          | 31,112            | -   | 31,112                  |
| Movilidad Interurbana Corredores TEN-T           | 2,459,206        | 173,056           | -   | 173,056                 |
| Movilidad Interurbana Red TEN-T - Others Actions | 287,043          | 23,620            | -   | 23,620                  |
| Others   | -                | -                 | 1,477,131   | 1,477,131               |
| PERTE  | 96,548           | -                 | 96,548  | 96,548                  |
| <b>TOTAL</b>                                     | <b>3,195,773</b> | <b>227,788</b>    | <b>1,573,679</b>  | <b>1,801,467</b>        |

31/12/2021 Thousands of Euros

| CONCEPT  | ASSIGNED AID     | GRANTS<br>ACCRUED | DEBTS<br>TRANSFORMABLE<br>INTO SUBSIDIES<br>(note 11.b) | RECEIVABLES<br>RECEIVED |
|--|------------------|-------------------|---|-------------------------|
| Movilidad Urbana Cercanías y Movilidad Urbana    | 352,976          | 7,100             | -   | -                       |
| Movilidad Interurbana Corredores TEN-T           | 2,459,206        | 58,581            | -   | -                       |
| Movilidad Interurbana Red TEN-T - Others Actions | 287,043          | 392               | -   | -                       |
| Others   | -                | -                 | 1,218,264   | -                       |
| PERTE  | 26,250           | -                 | 26,250  | 26,250                  |
| <b>TOTAL</b>                                     | <b>3,125,475</b> | <b>66,073</b>     | <b>1,244,514</b>  | <b>26,250</b>           |

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**(10) Provisions for Liabilities and Charges**

The breakdown by item in the section of the balance sheet for provisions for current and non-current risks and expenses as of 30 September 2022 and 31 December 2021 is as follows:

|  | Thousands of Euros |               |                |               |
|--|--------------------|---------------|----------------|---------------|
|  | 30/09/2022         |               | 31/12/2021     |               |
|  | Non-current        | Current       | Non-current    | Current       |
| Employee benefits                                      | <b>921</b>         | <b>840</b>    | <b>868</b>     | <b>796</b>    |
| -Defined benefit plans                                 | 921                | 10            | 868            | 17            |
| <i>Length-of-service bonuses</i>                       | 141                | 11            | 133            | 15            |
| <i>Provision for leisure travel, retired personnel</i> | 780                | (1)           | 735            | 2             |
| -Other employee benefits                               | -                  | 830           | -              | 779           |
| Other provisions                                       | <b>905,999</b>     | <b>61,010</b> | <b>851,591</b> | <b>72,240</b> |
| Provisions for legal proceedings                       | 766,066            | -             | 711,658        | -             |
| 2% for culture provision                               | -                  | 18,117        | -              | 25,957        |
| Other items (note 10.b.3 and note 23)                  | 139,933            | 42,893        | 139,933        | 46,283        |
|  | <b>906,920</b>     | <b>61,850</b> | <b>852,459</b> | <b>73,036</b> |

The changes in the section "Provisions for long-term risks and expenses" at 30 September 2022 and 31 December 2021 are shown in the tables below:

|  | 30/09/2022 Thousands of Euros                      |   |                                 |                |                |
|--|--|---|---------------------------------|----------------|----------------|
|  | Non-current provisions for liabilities and charges |   |                                 |                |                |
|  | Length-of-service bonuses                          | Provision for leisure travel, retired personnel | Provision for legal proceedings | Other items    | TOTAL          |
| <b>Balances at 01/01/2022</b>                      | <b>133</b>   | <b>735</b>                                      | <b>711,658</b>                  | <b>139,933</b> | <b>852,459</b> |
| Charges for the year recognised in profit and loss | 6  | 36  | 21                              | -              | 63             |
| Charges for the year recognised in investments     | -  | -   | 64,821                          | -              | 64,821         |
| Financial effect of discount                       | 2  | 9   | -                               | -              | 11             |
| Payments for the year                              | -  | -   | (7,035)                         | -              | (7,035)        |
| Transfers to current                               | -  | -   | -                               | -              | -              |
| Amounts taken to profit and loss                   | -  | -   | (711)                           | -              | (711)          |
| Other movements                                    | -  | -   | (2,688)                         | -              | (2,688)        |
| <b>Balances at 30/09/2022</b>                      | <b>141</b>   | <b>780</b>                                      | <b>766,066</b>                  | <b>139,933</b> | <b>906,920</b> |



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| 31/12/2021 Thousands of Euros                      |                                  |   |                                       |                |                |
|--|----------------------------------|---|---------------------------------------|----------------|----------------|
| Non-current provisions for liabilities and charges |                                  |   |                                       |                |                |
|  | Length-of-<br>service<br>bonuses | Provision for<br>leisure travel,<br>retired personnel | Provision for<br>legal<br>proceedings | Other items    | TOTAL          |
| <b>Balances at 01/01/2021</b>                      | <b>141</b>                       | <b>695</b>  | <b>814,507</b>                        | <b>132,484</b> | <b>947,827</b> |
| Charges for the year recognised in profit and loss | 9                                | 47  | 560                                   | 7,449          | 8,065          |
| Charges for the year recognised in investments     | -                                | -   | (87,148)                              | -              | (87,148)       |
| Financial effect of discount                       | 2                                | 12  | -                                     | -              | 14             |
| Payments for the year                              | -                                | -   | (12,159)                              | -              | (12,159)       |
| Transfers to current                               | (16)                             | (3)   | (333)                                 | -              | (352)          |
| Amounts taken to profit and loss                   | -                                | -   | (3,056)                               | -              | (3,056)        |
| Other movements                                    | (3)                              | (16)  | (713)                                 | -              | (732)          |
| <b>Balances at 31/12/2021</b>                      | <b>133</b>                       | <b>735</b>  | <b>711,658</b>                        | <b>139,933</b> | <b>852,459</b> |

### **10.a) Provisions for liabilities and charges related to personnel**

#### **10.a.1) Long Service bonuses**

The heading "Long Service bonuses" includes the amount of ADIF-AV's obligation, in accordance with its labour regulations, to grant a bonus to employees based on their years of service to the Entity. This award is consolidated at 30, 35 and 40 years of service and its amount is established in the 2nd collective bargaining agreement signed on 8 May 2019, which is applicable to it. The amount recorded at 30 September 2022 totals 152 thousand euros, of which a total of 141 thousand euros is presented under "Provisions for long-term liabilities and charges" and 11 thousand euros under "Provisions for short-term liabilities and charges".

The value of the fund at 30 September 2022 has been determined by means of an actuarial study based on the individual capitalisation method using the following technical parameters: annual interest rate 1.5866%, annual growth rate of 2.5% for 2022 and 2.3% for the remaining years and the ADIF permanence table based on the PERM/F-2000 actuarial table.

#### **10.a.2) Provision for future commitments for staff leisure travel**

The provision for staff leisure travel reflects the present value of commitments undertaken by ADIF-AV and accrued at 30 September 2022 for the entitlement of its personnel to rail travel at reduced prices upon retirement. This provision amounts to 779 thousand euros and is recognised under non-current provisions for liabilities and charges, of which a total of 780 thousand euros are presented in the chapter "Provisions for long-term risks and expenses" and -1 thousand euros in "Provisions for short-term risks and expenses".

The entitlement to travel at reduced prices is reflected in ADIF-AV's employment regulations for active and retired personnel and their beneficiaries. At 8 November 2006, with retrospective effect as of 1 January 2005, ADIF and RENFE Operadora signed an agreement regulating their

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relationship in this regard. Under the mentioned agreement, ADIF will pay RENFE Operadora the amount of fare reductions afforded to its currently-serving personnel and to personnel that retired or took pre-retirement prior to 1 January 2005.

On 18 February 2022, the new agreement signed by ADIF and ADIF Alta Velocidad with Renfe Viajeros, S.A. was registered in the State Electronic Register of Cooperation Bodies and Instruments, the purpose of which is to regulate the travel conditions of active and passive personnel with reduced fares, as well as the beneficiaries of such personnel, using Renfe Viajeros transport services in the situations included in the aforementioned agreement. As a result of this agreement, no changes are expected in the valuation of the fund for future travel commitments.

The provision for 2022 has been determined through an actuarial study which used the following inputs:

- An average fare increase of 2% for 2022 and subsequent years.
- A technical interest of 1.5866% for passive staff and active staff.
- The actuarial table PERM/F 2000.
- Retirement age of 65.

### 10.b) Other provisions

#### 10.b.1) Non-Current provisions for legal proceedings

Included under "provisions for litigation" are the estimated risks arising from labour disputes and with third parties. The Entity considers that such litigation is likely to result in an outflow of future resources. At 30 September 2022 and 31 December 2021, ADIF A.V. has recorded the present value of the best estimate of the future costs corresponding to these disputes for a total of 766,066 thousand euros and of 711,658 thousand euros respectively.

The following is a breakdown of these estimates:

| Concept   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 30/09/2022         | 31/12/2021     |
| Risks for investment works urged by contractors | 751,943            | 696,846        |
| Risks for investments in land expropriated      | 13,809             | 13,809         |
| Other risks                                     | 314                | 1,003          |
|   | <b>766,066</b>     | <b>711,658</b> |

The amounts related to litigations filed by construction companies for the execution of construction contracts have been charged to the property, plant and equipment in the Balance Sheet and basically originated in claims for differences in measurements and in the determination of the price revisions. Also, for possible cost overrides caused by paralyzes and extensions of the execution time of the works. Likewise, the claims registered as a result of expropriation of land have also been recorded under the item of property,

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plant and equipment. The rest of the amounts reflected in the previous table were recognized in the corresponding year with a charge to the profit and loss account, according to their nature.

In addition, as of 30 September 2022, the Entity is involved in a series of litigations related predominately to claims for liability and expropriations, with the maximum risk estimated, with the best information available, at 166,056 thousand euros. This is expected to be concluded shortly and for which it is considered that an exit of resources is not probable, the reason why ADIF AV has not provisioned any amount. At year-end 2021, the maximum risk estimated by the Entity for this same concept amounted to 137,121 thousand euros.

Furthermore, on 30 September 2022, ADIF-AV acts as a claimant in a judicial process for diversion of funds through the alleged alteration of the prices of various projects for the replacement of hydraulic infrastructures affected by the execution of a high-speed line. The Entity is charged as a private accusation for being harmed by the diversion of funds and surcharges and estimates that the amount to claim could amount to 35,000 thousand euros. The Entity has considered this claim as a financial asset that has been fully impaired in 2016 under the heading "Impairment and result from disposal of financial instruments" in the accompanying income statement.

It is also worth mentioning the legal proceedings filed in a file for the execution of works in the area of La Sagrera (Barcelona) for alleged payment of unjustified cost overruns. The Entity has carried out several external audits of works to be able to assess the damage which, at the date of closing of these Interim Financial Statements, according to the best information available, is valued at a maximum amount of 23 million euros. As this case is in insolvency proceedings, the Entity decided to write down the contingent asset valued at the best available estimate by 23 million euros against the heading "Impairment and gains or losses on disposal of financial instruments".

The National Commission of Markets and Competition (hereinafter, CNMC) issued in June 2016, March 2019 and September 2021 Resolutions on the files S/0519/14 Railway Infrastructures, S/DC/0598/2016 Railway Electrification and Electromechanical and S/DC/0614/17 Railway Safety and Communications respectively. As stated in the aforementioned Resolutions, the facts revealed evidence the existence of agreements between the main companies in the various sectors with the aim of sharing the award of contracts tendered by the Entity over several years. Most of the affected contractors have filed ordinary proceedings before the National Court against these Resolutions issued by the CNMC. At the date of issuance of these Interim Financial Statements, it is not possible to determine the impact, if any, that may exist as a result of the practices described in the Resolutions or associated proceedings. However, the Entity expects that, as a result of this process, no significant impact affecting ADIF-AV will arise.

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**10.b.2) 2% for culture provision**

The heading "Provisions for short-term risks and expenses" includes, where appropriate, the provision for the amount pending payment for the contribution to the Spanish Historical Heritage, regulated by Law 16/1985, R.D. 111/1986 and Instruction number 43 of the Subsecretaría de Fomento dated 16 May 2014. At 30 September 2022, the balance was 18,117 thousand euros.

**10.b.3) Other items**

In the heading "Other items" included in the provisions section for risks and expenses of non-current liabilities, a provision for the amount of 139,933 thousand euros and 139,933 thousand euros is included as of 30 September 2022 and 31 December 2021 respectively, corresponding to the best estimate of the risk assumed with certain railway integration companies as a result of the loans granted or the letters of commitment or comfort letter subscribed by the Entity to the extent that the investee is not capable of generating sufficient resources to repay bank loans or contributions from partners, Note 23 contains a breakdown of the aforementioned amount broken down by each of the affected companies.

In addition, the Entity included under the "Other Items" section, a provision for the estimated value of the interest on late payment of certificates of works and expropriations, in some cases claimed judicially, whose amount as of 30 September 2022 amounted to 37,591 thousand euros and which at the end of the year 2021 amounted to 38,920 thousand euros.

**(11) Financial Liabilities**

Details of financial liabilities classified by category at 30 September 2022 and 31 December 2021 are as follows:

|  | 30/09/2022 Thousands of Euros           |                     |   |                     |
|--|---|---------------------|---|---------------------|
|  | Non-current                             |                     | Current                                 |                     |
|  | Financial Liabilities at Amortized Cost | Hedging derivatives | Financial Liabilities at Amortized Cost | Hedging derivatives |
| Debts with credit institutions                             | 10,722,366                              | -                   | 619,423                                 | -                   |
| Bonds  | 4,391,272                               | -                   | 632,001                                 | -                   |
| Other financial liabilities                                | 1,782,422                               | -                   | 239,217                                 | -                   |
| Payable to group and associated companies                  | 115,644                                 | -                   | 13,442                                  | -                   |
| Derivatives  | -                                       | 48                  | -                                       | (4)                 |
| Trade and other payables                                   | -                                       | -                   | 350,661                                 | -                   |
| <b>Total</b>   | <b>17,011,704</b>                       | <b>48</b>           | <b>1,854,744</b>                        | <b>(4)</b>          |
| <b>Total current and non-current financial liabilities</b> |   | <b>17,011,752</b>   |   | <b>1,854,740</b>    |

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| 31/12/2021 Thousands of Euros                                  |  |                        |   |                        |
|--|--|------------------------|---|------------------------|
|  | <b>Non-current</b>                         |                        | <b>Current</b>                                |                        |
|  | Financial Liabilities<br>at Amortized Cost | Hedging<br>derivatives | Financial<br>Liabilities at<br>Amortized Cost | Hedging<br>derivatives |
| Debts with credit institutions                                 | 10,580,831                                 | -                      | 674,645                                       | -                      |
| Bonds  | 4,988,397                                  | -                      | 1,247,075                                     | -                      |
| Other financial liabilities                                    | 1,461,523                                  | -                      | 172,217                                       | -                      |
| Payable to group and associated<br>companies                   | 53,911                                     | -                      | 76,766  | -                      |
| Derivatives  | -  | 674                    | -   | 25                     |
| Trade and other payables                                       | -  | -                      | 285,213                                       | -                      |
| <b>Total</b>   | <b>17,084,662</b>                          | <b>674</b>             | <b>2,455,916</b>                              | <b>25</b>              |
| <b>Total current and non-current<br/>financial liabilities</b> | <b>17,085,336</b>                          |                        | <b>2,455,941</b>                              |                        |

### 11.a) Loans and borrowings and bonds and other marketable securities

#### 11.a.1) Debts with credit institutions and obligations

Loans and borrowings primarily comprise debt arranged by ADIF and allocated to the Entity, subject to State approval, with the European Investment Bank and other financial institutions, including BBVA, Banco Sabadell, Banco Santander and the Spanish Official Credit Institute, to finance investments in property, plant and equipment foreseen in the Multi-Year Action Plan (MAP).

It is also worth mentioning the issues of Obligations made by the Entity from the end of May 2014 until today.

The detail of the financial liabilities of ADIF AV with credit institutions in the short and long term as of 30 September 2022 and 31 December 2021 is shown in the table below:

|  |                 | 30/09/2022 Thousands of Euros |                   |
|--|-----------------|-------------------------------|-------------------|
|  |                 | Maturity                      |                   |
|  | Interest        | Current                       | Non-current       |
| Loans in Euros (EIB)   | 0% to 4.415%    | 440,670                       | 10,630,713        |
| Accrued interest payable   |                 | 68,680                        | -                 |
| <b>Total loans and borrowings (EIB)</b>  |                 | <b>509,350</b>                | <b>10,630,713</b> |
| Loans in Euros (other entities)  | 0.78% to 3.795% | 109,079                       | 91,653            |
| Accrued interest payable   |                 | 994                           | -                 |
| Other loans and borrowings, for derivatives  |                 | (4)                           | 48                |
| <b>Total loans and borrowings (other entities)</b>   |                 | <b>110,069</b>                | <b>91,701</b>     |
| Bonds (Euros)  | 0.55% to 3.5%   | 596,127                       | 4,391,272         |
| Accrued interest payable on bonds  |                 | 35,874                        | -                 |
| <b>Total bonds</b>   |                 | <b>632,001</b>                | <b>4,391,272</b>  |
| <b>Total loans and borrowings and bonds and<br/>other marketable securities at 30 September<br/>2022</b> |                 | <b>1,251,420</b>              | <b>15,113,686</b> |

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|   |                 | 31/12/2021 Thousands of Euros |                   |
|---|-----------------|-------------------------------|-------------------|
|   |                 | Maturity                      |                   |
|   | Interest        | Current                       | Non-current       |
| Loans in Euros (EIB)  | 0% to 4.415%    | 435,337                       | 10,410,937        |
| Accrued interest payable  |                 | 75,803                        | -                 |
| <b>Total loans and borrowings (EIB)</b>   |                 | <b>511,140</b>                | <b>10,410,937</b> |
| Loans in Euros (other entities)   | 0.26% to 3.795% | 161,606                       | 169,894           |
| Accrued interest payable  |                 | 1,899                         | -                 |
| Other loans and borrowings, for derivatives   |                 | 25                            | 674               |
| <b>Total loans and borrowings (other entities)</b>  |                 | <b>163,530</b>                | <b>170,568</b>    |
| Bonds (Euros)   | 0.55% to 3.5%   | 1,188,639                     | 4,988,397         |
| Accrued interest payable on bonds   |                 | 58,436                        | -                 |
| <b>Total bonds</b>  |                 | <b>1,247,075</b>              | <b>4,988,397</b>  |
| <b>Total loans and borrowings and bonds and other marketable securities at 31 December 2021</b> |                 | <b>1,921,745</b>              | <b>15,569,902</b> |

The financial amortization of long-term debt, valued at the closing exchange rate at 30 September 2022 and at 31 December 2021 and at amortized cost, are as follows according to the maturity:

| Maturity   | Thousands of Euros |                   |
|------------|--------------------|-------------------|
|            | 30/09/2022         | 31/12/2021        |
| 2022       | 152,378            | 1,787,143         |
| 2023       | 1,118,391          | 1,120,295         |
| 2024       | 1,475,131          | 1,475,128         |
| 2025       | 1,481,134          | 1,477,865         |
| 2026       | 1,120,820          | 1,116,569         |
| 2027       | 1,120,738          | 1,121,887         |
| 2028       | 542,438            | 520,738           |
| 2029       | 555,047            | 533,347           |
| 2030       | 1,155,047          | 1,133,347         |
| 2031       | 1,155,047          | 1,133,347         |
| Thereafter | 6,383,343          | 5,935,144         |
|            | <b>16,259,514</b>  | <b>17,354,810</b> |

The average annual interest rate on ADIF-AV's borrowings at 30 September 2022 and 31 December 2021 is 1.66% and 1.59%, respectively.

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At the 30 September 2022 and 31 December 2021, the total limit on credit facilities that ADIF-AV had received from financial institutions stood at 355,000 and 460,000 thousand euros respectively. At 30 September 2022 and 31 December 2021, no amounts had been drawn down on these credit facilities. These credit facilities mature in the short term, and certain policies may be tacitly renewed each year up to a specified number of years.

### 11.a.2). Derivatives

Details of derivatives held by the Entity at 30 September 2022 and at 31 December 2021 are as follows:

|                               | 30/09/2022 Expressed in thousands of Euros |         |                                 |         |        |
|-------------------------------|--|---------|---------------------------------|---------|--------|
|                               | Assets                                     |         | Liabilities                     |         | Equity |
|                               | Non-current tax effect                     | Current | Non-current financial liability | Current |        |
| Interest rate cash flow hedge | 12   | -       | (48)                            | -       | (36)   |
| Collections / payments swap   |  |         |                                 |         |        |
| interest rate hedging         | -  | -       | -                               | 4       | -      |
|                               | 31/12/2021 Expressed in thousands of Euros |         |                                 |         |        |
|                               | Assets                                     |         | Liabilities                     |         | Equity |
|                               | Non-current tax effect                     | Current | Non-current financial liability | Current |        |
| Interest rate cash flow hedge | 169  | -       | (674)                           | -       | (505)  |
| Collections / payments swap   |  |         |                                 |         |        |
| interest rate hedging         | -  | -       | -                               | (25)    | -      |

#### Interest rate swaps

The Entity uses interest rate swaps to manage its exposure to interest rate fluctuations on two bank loans with a total nominal amount of 27.6 million euros at 30 September 2022 and 110.42 million at 31 December 2021.

Derivative liabilities at 30 September 2022 include, on the one hand, the fair value of an interest rate swap agreement (IRS) signed in March 2015 with maturity in 2022, the fixed rate being set at 1.275% to be paid by the Entity and a variable rate of Euribor at 3 months to be paid by the financial institution with a notional amount of 27.6 million euros.

At year-end 2021, derivative liabilities included, on the one hand, the fair value of an interest rate swap contract signed in March. On the other hand, the fair value of an interest rate swap agreement (IRS) signed in March 2015 with maturity in 2022, the fixed rate being set at 1.275% to be paid by the Entity and a variable rate of Euribor at 3 months to be paid by the financial institution with a notional amount of 110.42 million euros.

The fair value of swaps is based on market values of equivalent derivative financial instruments at the date of the interim financial statements. This interest rate swap is effective as a cash flow hedge, so changes in the fair value of the hedge are recognized directly in equity as of 30 September 2022 and 31 December 2021.



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### 11.b) Other financial liabilities

Details of other financial liabilities at 30 September 2022 and at 31 December 2021 are as follows:

|                                  | Thousands of Euros |                |                  |                |
|----------------------------------|--------------------|----------------|------------------|----------------|
|                                  | 30/09/2022         |                | 31/12/2021       |                |
|                                  | Non-current        | Current        | Non-current      | Current        |
| Payables convertible into grants | 1,713,963          | -              | 1,392,359        | -              |
| Suppliers of fixed assets        | 60,870             | 239,217        | 63,892           | 172,217        |
| Other financial debts            | -                  | -              | -                | -              |
| Deposits and guarantees          | 7,589              | -              | 5,272            | -              |
|                                  | <b>1,782,422</b>   | <b>239,217</b> | <b>1,461,523</b> | <b>172,217</b> |

At 30 September 2022, no amounts have been drawn down by ADIF-AV under the reciprocal policy signed between ADIF AV and ADIF on 31 January 2019.

At 31 December 2021, no amounts have been drawn down under the reciprocal policy signed between ADIF and ADIF AV on 31 January 2019.

#### 11.b.1) Payables convertible into grants

At 30 September 2022 and at 31 December 2021, this account comprises European funds or grants received from other entities to finance the railway infrastructure forming part of ADIF-AV, which will be reclassified to equity and deferred tax liabilities when the grant conditions have been met. Breakdown at 30 September 2022 and 31 December 2021 are as follows:

|   | Thousands of Euros |                  |
|---|--------------------|------------------|
|   | 30/09/2022         | 31/12/2021       |
| European Funds  |                    |                  |
| ERDF  | 112,396            | 98,385           |
| TEN-T   | 5,430              | 10,437           |
| RRF (notes 1.c, 9 and 12)                             | 1,573,679          | 1,244,514        |
| Other   |                    |                  |
| AGE Subsidy for TENT Network investments and others   | 22,458             | 29,859           |
| AGE Subsidy for tariff deficit 2021 (note 1.c and 14) | -                  | 9,164            |
|   | <b>1,713,963</b>   | <b>1,392,359</b> |

The item relating to RRF funds, which at 30 September 2022 amounts to 1,573,679 thousand euros and at 31 December 2021 amounts to 1,244,514 thousand euros, corresponds to the amounts recorded in the Treasury as advances granted to Adif AV in 2021 amounting to 1,284,337 euros thousand and which will be paid in 2022 (see Note 12) and to the amount collected in 2022 amounting to 420,582 thousand euros relating to an advance granted in 2022 and reduced by the amounts reclassified to equity in the amount of 227,788 thousand euros. Additionally, the RRF heading includes the payment on account of the aid included in the Recovery, Transformation and Resilience

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Plan in relation to the "Deployment of 5G Infrastructure" project at certain points of the high-speed rail infrastructure network in the amount of 96,548 thousand euros received by ADIF AV from the State Secretariat for Digital Infrastructures (SETELCO) and which at 30 September 2022 had not met the conditions for presentation as Equity.

The item relating to RRF funds, which at 31 December 2021 amounted to 1,244,514 thousand euros, corresponds to the amount recorded in the Treasury as advances granted to Adif AV in 2021 amounting to 1,284,337 thousand euros and which will be effective in 2022 (see Note 12) less the amounts reclassified to equity at that date amounting to 66,073 thousand euros. Additionally, the payment on account of the aid included in the Recovery, Transformation and Resilience Plan in relation to the "Deployment of 5G Infrastructure" project at certain points of the high-speed rail infrastructure network in the amount of 26,250 thousand euros received by ADIF AV from the Secretary of State for Digital Infrastructure (SETELCO) and which at 31 December 2021 had not met the conditions for presentation as Equity, is included in the RRF heading.

In relation to the item of debts transformable into subsidies for aid from the National Government for investments in the Ten-T Network, they derive from the granting of aid amounting to 118 million euros according to the modification in the Capital Budget of ADIF-AV approved on 14 June 2020 by the Minister of Finance. By virtue of said modification, a new budget application was created for investments in Trans-European Transport Network (TEN-T) corridors", in the amount of 118,847,259.38 euros (Expte. Atenea 1591/20 with the aim of meeting the increase in investments derived from the boost committed in the 2020 financial year for the development of the trans-European network through the following actions:

|                                       |                 |
|---------------------------------------|-----------------|
| - L.A.V. Levante                      | 36.750.425,00 € |
| - L.A.V. Murcia-Almería               | 20.478.572,00 € |
| - L.A.V. Vitoria-Bilbao-San Sebastián | 22.458.471,00 € |
| - L.A.V. Valladolid-Burgos-Vitoria    | 7.450.248,00 €  |
| - L.A.V. Madrid-Extremadura           | 31.709.543,38 € |

At 31 December 2020 this amount was collected in full by ADIF Alta Velocidad. Of this amount, at 31 December 2021 a total of 29,859 thousand euros and at 30 September 2022 a total of 22,458 thousand euros had been recognised as debts transformable into grants (see note 9.d).

### **11.b.2) Suppliers of fixed assets**

At 30 September 2022, non-current payables to suppliers of fixed assets amount to 60,870 thousand euros, of which 28,761 thousand euros relates to works carried out on the Madrid-Castilla la Mancha-Valencia Autonomous Community-Murcia Region line, and 24,767 thousand euros to works on the Olmedo-Orense stretch, under a public-private partnership. Also, it includes

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an amount of 7,342 thousand euros for the net present value of invoices to be paid to Renfe Operadora, with a long-term maturity as a result of the acquisition it of the rights of use of spaces that ADIF AV has possessed since the segregation of Renfe in 2005 (see Note 4).

At 31 December 2021, non-current payables to suppliers of fixed assets amount to 63,892 thousand euros, of which 31,650 thousand euros relates to works carried out on the Madrid-Castilla la Mancha-Valencia Autonomous Community-Murcia Region line, and 25,166 thousand euros to works on the Olmedo-Orense stretch, under a public-private partnership. Also, it includes an amount of 7,076 thousand euros for the net present value of invoices to be paid to Renfe Operadora, with a long-term maturity as a result of the acquisition it of the rights of use of spaces that ADIF AV has possessed since the segregation of Renfe in 2005 (see Note 4).

In addition, the balance as of 30 September 2022 and 31 December 2021, for fixed asset suppliers includes the debt for works for own assets and expropriations for the amount of 143,087 thousand euros and 108,249 thousand euros respectively. Also the amount of the invoices of fixed assets suppliers receivable for a total of 96,130 thousand euros at 30 September 2022 and 63,968 thousand euros at 31 December 2021.

### 11.c) Payables to Group companies and associates

Details of the balances of these current liabilities accounts in the accompanying balance sheets at 30 September 2022 and 31 December 2021 are as follows:

|  | Thousands of Euros                        |  |   |  |
|--|---|--|---|--|
|  | 30/09/2022                                |  | 31/12/2021                                |  |
|  | Suppliers, Group companies and associates | Suppliers and payables, Group companies and associates | Suppliers, Group companies and associates | Suppliers and payables, Group companies and associates |
| <b>Non-Current Liabilities</b>                     |   |  |   |  |
| Valencia Parque Central A.V. S.A.                  | 61,266                                    | -  | -   | -  |
| Valladolid Alta Velocidad 2003, S.A.               | 54,378                                    | -  | 53,911                                    | -  |
|  | <b>115,644</b>                            | <b>-</b>   | <b>53,911</b>                             | <b>-</b>   |
| <b>Current Liabilities</b>                         |   |  |   |  |
| Ingeniería y Economía del Transporte, S.A. (INECO) | 13,442                                    | 427  | 15,033                                    | 666  |
| Valencia Parque Central A.V.S.A.                   | -   | -  | 61,266                                    | -  |
| Valladolid Alta Velocidad 2003, S.A.               | -   | -  | 467                                       | -  |
|  | <b>13,442</b>                             | <b>427</b>   | <b>76,766</b>                             | <b>666</b>   |

The account payable of non-current liabilities represents the obligation to deliver land to the company Valladolid Alta Velocidad S.A. in consideration of railway works received under the delivery certificate signed in 2018 as indicated in note 4.

## Notes to the Interim Financial Statements 30 September 2022

These payables have arisen as a result of the different commercial and non-commercial transactions carried out between the Entity and these companies.

### 11.d) Trade and other payables

The breakdown of trade and other payables at 30 September 2022 and 31 December 2021, excluding balances with public administrations, is as follows:

|  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 30/09/2022         | 31/12/2021     |
| Other suppliers and payables                                       | 349,793            | 284,260        |
| Suppliers and payables, Group companies and associates (Note 11.d) | 427                | 666            |
| Personnel  | 441                | 287            |
|  | <b>350,661</b>     | <b>285,213</b> |

The heading "Suppliers and various creditors " includes payables for purchases or services rendered pending payment at 30 September 2022 and 31 December 2021. This includes, among others, the amount payable to ADIF for services rendered, as detailed below. In addition, the fixed asset suppliers caption includes 19,047 thousand euros and 15,403 thousand euros of ADIF AV's debts with ADIF in this connection, at the respective dates indicated.

|  | Thousands of Euros |               |
|--|--------------------|---------------|
|  | 30/09/2022         | 31/12/2021    |
| Suppliers and creditors debt with ADIF               | 65,029             | 68,263        |
| Agreements with ADIF for outstanding invoices        | 6,565              | 35,322        |
| Agreements with ADIF for invoices pending processing | 58,464             | 32,941        |
| Suppliers of fixed assets with ADIF                  | 19,047             | 15,403        |
| By invoice processed                                 | 11,131             | 3,080         |
| By invoicing pending processing                      | 7,916              | 12,323        |
|  | <b>84,076</b>      | <b>83,666</b> |

The information relating to the first half of 2022 and 2021 on payments to suppliers as established by Additional Provision Three of Law 15/2010 of 5 July 2010 and in accordance with the methodology established in the Resolution of the Institute of Accounting and Auditing Accounts of 29 January 2016, shown in the following table:

|   | 30/09/2022         | 31/12/2021 |
|---|--------------------|------------|
|   | Days               |            |
| Average payment period to suppliers       | 44.91              | 46.49      |
| Ratio paid operations                     | 46.79              | 48.45      |
| Ratio of outstanding payment transactions | 29.32              | 29.89      |
|   | Thousands of euros |            |
|   | 30/09/2022         | 31/12/2021 |
| Total payments                            | 1,847,217          | 1,783,437  |
| Total outstanding payments                | 222,554            | 210,494    |

## Notes to the Interim Financial Statements 30 September 2022

This calculation includes both figures relating to other suppliers and payables as well as those relating to suppliers of fixed assets.

### (12) Income Tax

The breakdown of the balances with Public Administrations as of 30 September 2022 and 31 December 2021 is as follows:

|  | Thousands of Euros |               |                  |                  |
|--|--------------------|---------------|------------------|------------------|
|  | 30/09/2022         |               | 31/12/2021       |                  |
|  | Non-current        | Current       | Non-current      | Current          |
| <b>Assets</b>                            |                    |               |                  |                  |
| Receivables for awarded funds and grants | 129,294            | -             | 127,220          | -                |
| Deferred tax assets (Note 11)            | 12                 | -             | 168              | -                |
| Public entities, other receivables       | -                  | 75,606        | -                | 1,320,496        |
| <b>Total assets</b>                      | <b>129,306</b>     | <b>75,606</b> | <b>127,388</b>   | <b>1,320,496</b> |
| <b>Liabilities</b>                       |                    |               |                  |                  |
| Deferred tax liabilities                 | 3,753,308          | -             | 3,718,373        | -                |
| Public entities, other payables          | -                  | 1,802         | -                | 616              |
| <b>Total liabilities</b>                 | <b>3,753,308</b>   | <b>1,802</b>  | <b>3,718,373</b> | <b>616</b>       |

### 12.a) Public entities, receivables

The breakdown of the balances with debtor Public Administrations as of 30 September 2022 and 31 December 2021 is as follows:

|  | Thousands of Euros |               |                |                  |
|--|--------------------|---------------|----------------|------------------|
|  | 30/09/2022         |               | 31/12/2021     |                  |
|  | Non-current        | Current       | Non-current    | Current          |
| Receivables for awarded funds and grants | 129,294            | -             | 127,220        | -                |
| FEDER Alta Velocidad                     | 129,294            | -             | 127,220        | -                |
| Deferred tax assets (Note 11)            | 12                 | -             | 168            | -                |
| Current tax assets                       | -                  | -             | -              | -                |
| Public entities, other receivables       | -                  | 75,606        | -              | 1,320,496        |
| Current VAT receivable                   | -                  | 56,673        | -              | 23,006           |
| Receivables for awarded funds and grants | -                  | 18,931        | -              | 1,297,495        |
| HIGH-SPEED R.T.E. FUNDS                  | -                  | 11,926        | -              | 12,655           |
| RRF and others (see note 11.b.1)         | -                  | 38            | -              | 1,284,840        |
| Collection rights MITMA Agreement 21-25  | -                  | 6,967         | -              | -                |
| Other Credits (Social Security Debtor)   | -                  | 2             | -              | (5)              |
| <b>Total assets</b>                      | <b>129,306</b>     | <b>75,606</b> | <b>127,388</b> | <b>1,320,496</b> |

## Notes to the Interim Financial Statements 30 September 2022

In relation to current and non-current receivables from grants and subsidies granted, mainly correspond to the amounts accrued and pending collection at 30 September 2022 and 31 December 2021 for subsidies granted by European Funds. These funds were granted to finance the construction of high-speed lines and investments in own assets (see note 9). In 2022, the advance payment of RRF aid, which at 31 December 2021 was withheld in the Treasury and pending collection, was collected in the amount of 1,284,337 thousand euros.

The current tax asset corresponds to the receivable from the tax authorities for tax refunds derived from withholdings and payments on account of corporate income tax.

### 12.b) Public entities, payables

The breakdown of the balances with the Receivable Public Administrations as of 30 September 2022 and 31 December 2021 is as follows:

|                                 | Thousands of Euros |              |                  |            |
|---------------------------------|--------------------|--------------|------------------|------------|
|                                 | 30/09/2022         |              | 31/12/2021       |            |
|                                 | Non-current        | Current      | Non-current      | Current    |
| Deferred tax liabilities        | 3,753,308          | -            | 3,718,373        | -          |
| Current tax liabilities         | -                  | -            | -                | -          |
| Public entities, other payables | -                  | 1,802        | -                | 616        |
| Social Security                 | -                  | 359          | -                | 319        |
| VAT                             | -                  | 1,227        | -                | -          |
| Withholdings                    | -                  | 216          | -                | 297        |
| <b>Total liabilities</b>        | <b>3,753,308</b>   | <b>1,802</b> | <b>3,718,373</b> | <b>616</b> |

Deferred tax liabilities that are expected to be realised or reversed in periods exceeding 12 months are those deriving from capital grants and total 3.753.308 thousand euros at 30 September 2022 and at 31 December 2021 was 3,718,373 thousand euros.

The movement registered in 2022, from 1 January 2022 to 30 September 2022 and in 2021, of the deferred tax liabilities, broken down by origin, is as follows:

|  | 30/09/2022 Thousands of Euros |                  |                  |                |                         |                      |
|--|-------------------------------|------------------|------------------|----------------|-------------------------|----------------------|
|  | RRF Funds                     | Cohesion Funds   | ERDF Funds       | TEN-T Funds    | Execution of grants (1) | Other capital grants |
| Balances at 31 December 2021             | <b>16.518</b>                 | <b>1.565.013</b> | <b>1.087.837</b> | <b>109.575</b> | <b>817.509</b>          | <b>121.921</b>       |
| Additions in 2022                        | 40.430                        | -                | (2.984)          | (96)           | 20.748                  | 1.848                |
| Capital grants taken to income (Note 19) | (18)                          | (9.627)          | (7.149)          | (700)          | (6.736)                 | (781)                |
| Other concepts                           | -                             | -                | -                | -              | -                       | -                    |
| <b>Balances at 30 September 2022</b>     | <b>56.930</b>                 | <b>1.555.386</b> | <b>1.077.704</b> | <b>108.779</b> | <b>831.521</b>          | <b>122.988</b>       |

## Notes to the Interim Financial Statements 30 September 2022

31/12/2021 Thousands of Euros

|  | RRF Funds     | Cohesion Funds   | ERDF Funds       | TEN-T Funds    | Execution of grants (1) | Other capital grants | Total            |
|--|---------------|------------------|------------------|----------------|-------------------------|----------------------|------------------|
| Balances at 31 December 2020             | -             | <b>1,577,229</b> | <b>1,082,892</b> | <b>111,536</b> | <b>823,614</b>          | <b>88,488</b>        | <b>3,683,759</b> |
| Additions in 2021                        | 16,518        | -                | 13,625           | (1,040)        | 1,328                   | 34,388               | 64,819           |
| Capital grants taken to income (Note 19) | -             | (12,216)         | (8,680)          | (921)          | (7,433)                 | (955)                | (30,205)         |
| Other concepts                           | -             | -                | -                | -              | -                       | -                    | -                |
| <b>Balances at 31 December 2021</b>      | <b>16,518</b> | <b>1,565,013</b> | <b>1,087,837</b> | <b>109,575</b> | <b>817,509</b>          | <b>121,921</b>       | <b>3,718,373</b> |

### 12.c) Income tax

The Entity taxes under the individual regime. The negative tax base amounts to 127,286 thousand euros at 30 September 2022.

The reconciliation between the accounting result for the year and the tax base is as follows:

|   | 01/01/2022 to 30/09/2022 Thousands of Euros |           |                  |   |           |                |
|---|---|-----------|------------------|---|-----------|----------------|
|   | Income statement                            |           |                  | Income and expense taken directly to equity |           |                |
|   | Increases                                   | Decreases | Total            | Increases                                   | Decreases | Total          |
| Income and expenses for the period (01/01/2022 - 31/09/2022)      |   |           | (233,600)        |   |           | 105,266        |
| Income tax adjustments  |   |           | -                |   |           | 35,091         |
| Income and expenses before income tax                             |   |           | <b>(233,600)</b> |   |           | <b>140,357</b> |
| Permanent differences   |   |           |                  |   |           |                |
| Temporary differences:  |   |           |                  |   |           |                |
| - Originating in current year                                     | 123,949                                     |           | 123,949          | (625)                                       | (239,777) | (240,402)      |
| - Originating in prior years                                      |   | (17,635)  | (17,635)         |   |           | 100,045        |
| Prior taxable income of the Entity                                |   |           | <b>(127,286)</b> |   |           | -              |
| Offset of prior years' tax loss carry forwards (Limit 25% of GDP) |   |           |                  |   |           |                |
| Taxable income  |   |           |                  |   |           |                |
| Tax rate  |   |           |                  |   |           |                |
| Tax payment   |   |           |                  |   |           |                |
| Deductions for double taxation                                    |   |           |                  |   |           |                |
| Adjusted tax payment  |   |           |                  |   |           |                |
| Tax payable   |   |           |                  |   |           |                |
| Withholdings and payments on account                              |   | -         |                  |   |           |                |
| Pre-payments  |   |           |                  |   |           |                |
| Income tax recoverable  |   | -         |                  |   |           |                |

The negative tax base at 31 December 2021 amounted to 146,386 thousand euros. The reconciliation between the accounting result for the year and the tax base is as follows:



## Notes to the Interim Financial Statements 30 September 2022

|  | 01/01/2021 to 31/12/2021 Thousands of Euros |           |                  |   |           |                |
|--|---|-----------|------------------|---|-----------|----------------|
|  | Income statement                            |           |                  | Income and expense taken directly to equity |           |                |
|  | Increases                                   | Decreases | Total            | Increases                                   | Decreases | Total          |
| Income and expenses for the period<br>(01/01/2021 -31/12/2021)       |   |           | (425,444)        |   |           | 106,545        |
| Income tax adjustments   |   |           |                  |   |           | 35,059         |
| Income and expenses before income tax                                |   |           | <b>(425,444)</b> |   |           | <b>141,604</b> |
| Permanent differences  | 606   | (2,308)   | (1,702)          |   |           |                |
| Temporary differences:   |   |           |                  |   |           |                |
| - Originating in current year  | 309,669                                     |           | 309,669          | (3,151)                                     | (259,273) | (262,424)      |
| - Originating in prior years   |   | (28,909)  | (28,909)         |   |           | 120,820        |
| Prior taxable income of the Entity                                   |   |           | <b>(146,386)</b> |   |           | -              |
| Offset of prior years' tax loss carry forwards<br>(Limit 25% of GDP) |   |           |                  |   |           |                |
| Taxable income   |   |           |                  |   |           |                |
| Tax rate   |   |           |                  |   |           |                |
| Tax payment  |   |           |                  |   |           |                |
| Deductions for double taxation                                       |   |           |                  |   |           |                |
| Adjusted tax payment   |   |           |                  |   |           |                |
| Tax payable  |   |           |                  |   |           |                |
| Withholdings and payments on account                                 | -   |           |                  |   |           |                |
| Pre-payments   |   |           |                  |   |           |                |
| Income tax recoverable   | -   |           |                  |   |           |                |

As at 30 September 2022, there are no taxes payable in any of the tax jurisdictions and no full tax refundable or payable.

The temporary differences mentioned above in the profit and loss account had been considered as permanent differences, since the Entity's Management does not consider that sufficient positive tax bases will be generated to allow the recognition of deferred tax assets.

The detail of the temporary differences in the recognition of expenses and income for accounting and fiscal purposes is as follows:

## Notes to the Interim Financial Statements 30 September 2022

| Thousands of Euros                                |           |            |           |          |
|---|-----------|------------|-----------|----------|
| Income statement                                  |           |            |           |          |
| 30/09/2022  |           | 31/12/2021 |           |          |
| Increases   | Decreases | Increases  | Decreases |          |
| - Amortisation and depreciation                   | -         | -          | -         | -        |
| - Impairment                                      | -         | 112,503    | -         | -        |
| - Pensions  | -         | 71         | -         | -        |
| - Net finance expense                             | 123,949   | 195,491    | -         | -        |
| Temporary differences originating in current year | 123,949   | 308,065    | -         | -        |
| - Amortisation and depreciation                   | -         | (17,635)   | -         | (17,635) |
| - Impairment                                      | -         | -          | -         | (11,266) |
| - Pensions  | -         | -          | -         | (8)      |
| - Net finance expense                             | -         | -          | -         | -        |
| Temporary differences originating in prior years  | -         | (17,635)   | -         | (28,909) |

Temporary differences recorded in income and expenses and recognized directly in equity correspond to grants, donations and bequests.

The detail of the permanent differences corresponding to the financial years 30 September 2022 and 31 December 2021 is as follows:

| Thousands of Euros                           |           |            |           |         |
|--|-----------|------------|-----------|---------|
| Income statement                             |           |            |           |         |
| 30/09/2022                                   |           | 31/12/2021 |           |         |
| Increases                                    | Decreases | Increases  | Decreases |         |
| - Other non-deductible expenses              | -         | 606        | -         | -       |
| - Exemption for double taxation of dividends | -         | -          | -         | (2,308) |

The negative tax bases of previous years to be offset, as well as their amounts, origin and terms are as follows:

| Thousands of Euros |       |                |                     |                     |                |
|--------------------|-------|----------------|---------------------|---------------------|----------------|
| Year               | Limit | Originating in | Pending from origin | Applied in the year | Pending        |
| 2013               | N/A   | ADIF-AV        | 19,091              | -                   | 19,091         |
| 2015               | N/A   | ADIF-AV        | 76,852              | -                   | 76,852         |
| 2016               | N/A   | ADIF-AV        | 119,130             | -                   | 119,130        |
| 2017               | N/A   | ADIF-AV        | 49,948              | -                   | 49,948         |
| 2018               | N/A   | ADIF-AV        | 72,234              | -                   | 72,234         |
| 2019               | N/A   | ADIF-AV        | 74,270              | -                   | 74,270         |
| 2020               | N/A   | ADIF-AV        | 281,682             | -                   | 281,682        |
| 2021               | N/A   | ADIF-AV        | 232,692             | -                   | 232,692        |
|                    |       |                | <b>925,899</b>      |                     | <b>925,899</b> |

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Net finance costs pending deduction, including the amount, origin and deduction period, are as follows:

| Year | Limit | Originating in | Thousands of Euros |
|------|-------|----------------|--------------------|
| 2012 | N/A   | ADIF (*)       | 128,712            |
| 2013 | N/A   | ADIF-AV        | 110,832            |
| 2014 | N/A   | ADIF-AV        | 172,657            |
| 2015 | N/A   | ADIF-AV        | 223,576            |
| 2016 | N/A   | ADIF-AV        | 193,512            |
| 2017 | N/A   | ADIF-AV        | 171,695            |
| 2018 | N/A   | ADIF-AV        | 157,374            |
| 2019 | N/A   | ADIF-AV        | 122,504            |
| 2020 | N/A   | ADIF-AV        | 195,151            |
| 2021 | N/A   | ADIF-AV        | 194,481            |
|      |       |                | <b>1,670,494</b>   |

(\*)Transferred to ADIF-AV as of 1 January 2013.

Accounting amortization expenses not deductible up to the date of issuance of these interim financial statements pursuant to article 7 of Law 16/2012 are as follows:

| Year | Originating in | Thousands of Euros | Available until |
|------|----------------|--------------------|-----------------|
| 2013 | ADIF-AV        | 88,299             | 2015-2024       |
| 2014 | ADIF-AV        | 88,050             | 2015-2024       |
|      |                | <b>176,349</b>     |                 |

These amounts will be deducted in a Straight-line method for an amount of 17,635 thousand euros during a period of 10 years from this financial year 2015 until the year 2024 as provided in that same article 7.

The Entity has the following deductions for reversal of temporary measures of transitional provision 37.1 of the Corporation Tax Law:

| Thousands of Euros |       |              |                     |              |
|--------------------|-------|--------------|---------------------|--------------|
| Year               | Limit | Origin       | Applied during year | Pending      |
| 2015               | N/A   | 352          | -                   | 352          |
| 2016               | N/A   | 882          | -                   | 882          |
| 2017               | N/A   | 882          | -                   | 882          |
| 2018               | N/A   | 882          | -                   | 882          |
| 2019               | N/A   | 882          | -                   | 882          |
| 2020               | N/A   | 882          | -                   | 882          |
| 2021               | N/A   | 882          | -                   | 882          |
|                    |       | <b>5,644</b> | <b>-</b>            | <b>5,644</b> |

## Notes to the Interim Financial Statements 30 September 2022

Also, the deductions pending to be applied to encourage the performance of certain activities, namely by Technological Innovation, which the Entity has, are the following:

| Thousands of Euros |       |            |                     |            |
|--------------------|-------|------------|---------------------|------------|
| Year               | Limit | Origin     | Applied during year | Pending    |
| 2015               | 2033  | 42         | -                   | 42         |
| 2016               | 2034  | 68         | -                   | 68         |
| 2017               | 2035  | 70         | -                   | 70         |
| 2018               | 2036  | 71         | -                   | 71         |
| 2019               | 2037  | 72         | -                   | 72         |
| 2020               | 2038  | 82         | -                   | 82         |
| 2021               | 2039  | 89         | -                   | 89         |
|                    |       | <b>494</b> | <b>-</b>            | <b>494</b> |

The following deductions are also pending for donations to non-profit entities of Law 49/2002:

| Thousands of Euros |       |            |                     |            |
|--------------------|-------|------------|---------------------|------------|
| Year               | Limit | Origin     | Applied during year | Pending    |
| 2017               | 2027  | 194        | -                   | 194        |
| 2018               | 2028  | 192        | -                   | 192        |
| 2019               | 2029  | 171        | -                   | 171        |
| 2020               | 2030  | 170        | -                   | 170        |
| 2021               | 2031  | 210        | -                   | 210        |
|                    |       | <b>937</b> | <b>-</b>            | <b>937</b> |

The accompanying balance sheet does not include the possible tax effect of the offsetting of losses and deductions pending application, as the Entity's management does not consider it probable that these will be recoverable within the periods stipulated by current legislation.

### 12.d) Value added tax

The Entity opted for the application of the special pro rata rule from 2014 and beyond. The tax charged on the purchase or importation of goods or services used exclusively in carrying out operations that cause the deductibility have been fully deducted.

### 12.e) Years open to inspection

At 30 September 2022, the Company has the years 2018 to 2021 open for inspection for value added tax, 2018 to 2021 for withholding tax and 2017 to 2020 for corporation tax.

## (13) Revenue

The breakdown of revenue in the income statement for the nine month period ending 30 September 2022 and 2021 is as follows:

Notes to the Interim Financial Statements  
30 September 2022

|  | Thousands of euros |                |
|--|--------------------|----------------|
|  | 30/09/2022         | 30/09/2021     |
| Revenue from use of rail facilities and other fees |                    |                |
| Use of the public service rail network             | 334,780            | 224,539        |
| Use of stations and other rail installations       | 66,260             | 47,675         |
| Passenger rail transport safety levy               | 328                | 359            |
|  | <b>401,368</b>     | <b>272,573</b> |

The distribution of revenue at 30 September 2022 and 30 September 2021 by business segment or activity carried out by the Entity is shown in the following table:

|   | 30/09/2022 Thousands of Euros          |  |                                      |                |
|---|--|--|--------------------------------------|----------------|
|   | Use of the public service rail network | Use of stations and other rail infrastructures | Passenger rail transport safety levy | Total          |
| Construction and administration of high-performance network | 334,780                                | 9,531  | -                                    | 344,311        |
| Management of ADIF-AV-owned assets (passenger stations)     | -                                      | 56,729   | 328                                  | 57,057         |
| <b>Total</b>  | <b>334,780</b>                         | <b>66,260</b>                                  | <b>328</b>                           | <b>401,368</b> |

|   | 30/09/2021 Thousands of Euros          |  |                                      |                |
|---|--|--|--------------------------------------|----------------|
|   | Use of the public service rail network | Use of stations and other rail infrastructures | Passenger rail transport safety levy | Total          |
| Construction and administration of high-performance network | 224,539                                | 11,578   | -                                    | 236,117        |
| Management of ADIF-AV-owned assets (passenger stations)     | -                                      | 36,097   | 359                                  | 36,456         |
| <b>Total</b>  | <b>224,539</b>                         | <b>47,675</b>                                  | <b>359</b>                           | <b>272,573</b> |

**13.a) Revenue from use of rail facilities**

The breakdown of the revenues from settlement of railway charges accrued at 30 September 2022 and 30 September 2021, broken down by the different modalities established in the Order of the of the Railway Sector 38/2015, is as follows:

## Notes to the Interim Financial Statements 30 September 2022

|   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 30/09/2022         | 30/09/2021     |
| Use of infrastructure                           | <b>334,780</b>     | <b>224,539</b> |
| <i>Adjudication capacity</i>                    | 66,478             | 47,589         |
| <i>Use of railway lines</i>                     | 250,105            | 165,625        |
| <i>Use Transformation and distribution EET</i>  | 19,090             | 13,837         |
| <i>Bonus Canon use RFIG lines</i>               | (893)              | (2,512)        |
| Use of stations and other rail installations    | <b>66,260</b>      | <b>47,675</b>  |
| <i>Use Passenger transport stations</i>         | 56,639             | 36,037         |
| <i>Wide changers</i>                            | 3,308              | 2,817          |
| <i>Use Tracks with platform</i>                 | 6,310              | 8,821          |
| <i>Use of Roads in other service facilities</i> | 3                  | -              |
|   | <b>401,040</b>     | <b>272,214</b> |

At 30 September 2022, railroad fees accrued for the network owned by ADIF AV totalling 102,737 thousand euros were pending collection (see Note 6.b.2).

### 13.b) Revenue from rail rates

It is establish that the taxable event of the rate is the exclusive use or the special use of goods of public railway domain that are made by concessions and authorizations, as well as, the provision of the necessary services for the granting of homologations, certifications, issuance of titles to the railway personnel, issuance of railway company licenses, safety certificates for railway companies and safety authorizations for railway infrastructure managers, by the State Agency for Railway Safety.

### (14) Other Operating Income

The breakdown of this income statement heading at 30 September 2022 and 30 September 2021 are as follows:

|  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 30/09/2022         | 30/09/2021     |
| Rentals and services   | 78,523             | 69,492         |
| Utilities, basically relates to traction power               | 541,637            | 223,778        |
| Investment actions for third parties                         | 5,653              | 8,381          |
| Services Administration Infrastructure                       | 2,255              | 2,922          |
| Subsidies AGE Deficit in royalty rates (note 1.c and 11.b.1) | 46,128             | 27,799         |
| Other  | 25,407             | 21,560         |
| Third-party personal services                                | 2,597              | 2,429          |
| Advertising  | 3,814              | 4,104          |
| Diverse services   | 16,949             | 13,964         |
| Others   | 2,047              | 1,063          |
|  | <b>699,603</b>     | <b>353,932</b> |

Included in this income are the derivatives of services rendered to ADIF at 30

## Notes to the Interim Financial Statements 30 September 2022

September 2022 and 30 September 2021 under the management fees indicated in note 1, according to the following breakdown:

|   | Thousands of Euros |               |
|---|--------------------|---------------|
|   | 30/09/2022         | 30/09/2021    |
| Revenue from intra-administration agreements            |                    |               |
| NTU electricity   | 27,519             | 11,948        |
| Maintenance of fibre optics and auxiliary installations | 2,255              | 2,922         |
| ADIF investment actions                                 | 2,753              | 6,462         |
| Other intra-administrative services                     | 3,044              | 2,143         |
|   | <b>35,571</b>      | <b>23,475</b> |

Revenues from leasing of real estate, premises and other properties amounting to 45,921 thousand euros at 30 September 2022. These are generated by assets included under "Investments in real estate", including those derived from long-term lease agreements.

In addition, income from optical fibre leasing amounting to 22,177 thousand euros at 30 September 2022 and 29,905 thousand euros at 30 September 2021, is recorded under this heading in the income statement.

In Operating Subsidies AGE for fee deficit, the amounts destined to the compensation of the tariff reduction of income from Railway Fees, included in the PGE law for the year 2021 and 2022, are included. The contributions to be received for this concept will be calculated as the difference between the revenues accrued and those actually paid to the railway operators in each fiscal year. At the date of preparation of these interim financial statements, the best estimate of this contribution for the year 2021 is 40,836 million euros, these figures being subject to their definitive settlement. At 31 December 2021 collections have been received from the State to compensate the tariff deficit for royalties amounting to 50,000 thousand euros, of which 9,164 thousand euros are pending application as debts transformable into grants (see notes 1.c and 11.b.1). With respect to 2022, at 30 September the best estimate of this contribution is 46,128 thousand euros, having received collections from the State for compensation of the tariff deficit for royalties amounting to 29,997 thousand euros out of an amount appropriated for 2022 of 40,000 thousand euros. 29,997 thousand euros collected up to 30 September 2022 together with the remainder of 2021 amounting to 9,164 thousand euros, at the date of preparation of these interim financial statements there remains a balance receivable of 6,967 thousand euros (see Note 12-a), these figures being subject to the settlement pending for 2021 and the settlement due on 31 December 2022.

The amounts received in advance relating to long-term contracts and pending recognition as income are shown under the balance sheet heading "Long-term accruals", which at 30 September 2022 and 30 September 2021 amounted to 483,258 thousand euros and 512,158 thousand euros, respectively.

In 2021 the Entity recognised under long-term accruals the value of the advance rent of 98,743 thousand euros for the long-term lease agreement, 50 years, entered into with CEETRUS URBAN PLAYER SPAIN, S.A. for the Vialia shopping centre at Vigo Urzaiz station.

## Notes to the Interim Financial Statements 30 September 2022

This rent was collected in kind and in advance in 2021 upon receipt by ADIF AV of the construction work on this shopping centre, the provisional value of which, pending settlement, amounts to 96,293 thousand euros and which has been performed and paid by the aforementioned contractor. In addition, the Entity is entitled to receive an advance cash rent amounting to 2,450 thousand euros, which is expected to be collected in 2022.

Additionally, the heading "Short-term accruals" includes at 30 September 2022 the amount to be charged to income in the following year amounting to 28,734 thousand euros.

Also included in the section long-term accruals are the revenues collected in advance at 30 September 2022 and pending allocation to results as of that date, arising from the awarding of the "Lease and exploitation of car parks located at various stations" contract. On 20 December 2013 awarded to Saba Park 3, SLU for an amount of 111,467 thousand euros once the amount corresponding to ADIF has been discounted for the parking of its ownership. The contract has a term of 10 years and was formalized on 31 January 2014.

Non-current accruals also comprise the amounts collected in advance and pending transfer to income, in connection with rentals derived from the "Concession of the Rights to Use and Manage the Operation of the fibre optic cable network and other related items owned by ADIF-AV, which are not used for the railway services" to Red Eléctrica Internacional S.A.U., hereinafter REI, for an amount of 462,000 thousand euros, excluding VAT, for a period of 20 years. This amount was awarded by the Board of Directors of ADIF-AV, at its meeting held on 25 April 2014, and was reduced by 28,300 thousand euros, as one of the clients did not accept the assignment (telecommunications operator). The remaining clients authorised the assignment of their contracts, and therefore the final award proposal was valued at 433,700 thousand euros. The agreement with REI was signed on 20 November 2014 having obtained once the approval of the Spanish National Markets and Competition Commission, the effective transaction date has been 21 November 2014. At 31 December 2014, ADIF-AV had received the entire amount relating to the assignment of the usage rights.

As of 28 December 2015 the Entity, as already mentioned in notes 3 and 4, signed an agreement with ADIF and Renfe Operadora to acquire the rights to use spaces in buildings owned by ADIF A.V. and were being used without any financial consideration by RENFE Operadora, as set out in the Order FOM 2909/2006 which allocates to that entity certain assets, rights and obligations of the National Network of Spanish Railways. Under this acquisition agreement, the Entity has leased Renfe Operadora and its subsidiaries a total of 15,887.49 m<sup>2</sup> at various stations and facilities for an annual rate of 2,406,491.64 euros and for a period of 10 years, with an option of renewing.

### **(15) Personnel Expenses**

Details of this income statement heading at 30 September 2022 and 30 September 2021 are as follows:



## Notes to the Interim Financial Statements 30 September 2022

|                           | Thousands of Euros |               |
|---------------------------|--------------------|---------------|
|                           | 30/09/2022         | 30/09/2021    |
| Salaries and wages        | 8,886              | 8,749         |
| Employee benefits expense | 2,546              | 2,417         |
| Provisions                | 42                 | 50            |
|                           | <b>11,474</b>      | <b>11,216</b> |

Details of employee benefits expense are as follows:

|                                       | Thousands of Euros |              |
|---------------------------------------|--------------------|--------------|
|                                       | 30/09/2022         | 30/09/2021   |
| Social Security payable by the Entity | 2,430              | 2,345        |
| Other employee benefits expenses      | 116                | 72           |
|                                       | <b>2,546</b>       | <b>2,417</b> |

The distribution of the Entity's employees by gender and category at 30 September 2022 and 30 September 2021 is as follows:

| Category             | Headcount<br>30/09/2022 |           |            |
|----------------------|-------------------------|-----------|------------|
|                      | Male                    | Female    | Total      |
| Administrative staff | 127                     | 52        | 179        |
| Middle management    | 18                      | 6         | 24         |
| Operating personnel  | 59                      | 6         | 65         |
|                      | <b>204</b>              | <b>64</b> | <b>268</b> |

| Category             | Headcount<br>30/09/2021 |           |            |
|----------------------|-------------------------|-----------|------------|
|                      | Male                    | Female    | Total      |
| Administrative staff | 121                     | 51        | 172        |
| Middle management    | 19                      | 6         | 25         |
| Operating personnel  | 5                       | 5         | 10         |
|                      | <b>145</b>              | <b>62</b> | <b>207</b> |

The average number of employees at each year end is shown in the following chart:

|                      | Average number of |            |
|----------------------|-------------------|------------|
| Category             | 30/09/2022        | 30/09/2021 |
| Administrative staff | 175               | 173        |
| Middle management    | 25                | 26         |
| Operating personnel  | 20                | 14         |
|                      | <b>220</b>        | <b>213</b> |

The breakdown by sex and categories of Entity staff at 30 September 2022 and 30 September 2021, with disability greater than 33% is shown in the following tables:

## Notes to the Interim Financial Statements 30 September 2022

| Category             | Average number of employees<br>at 30 September 2022 |          |          |
|----------------------|---|----------|----------|
|                      | Male  | Female   | Total    |
| Administrative staff | 1   | -        | 1        |
| Middle management    | -   | -        | -        |
| Operating personnel  | -   | -        | -        |
|                      | <b>1</b>  | <b>-</b> | <b>1</b> |

| Category             | Average number of employees<br>at 30 September 2021 |          |          |
|----------------------|---|----------|----------|
|                      | Male  | Female   | Total    |
| Administrative staff | 1   | -        | 1        |
| Middle management    | -   | -        | -        |
| Operating personnel  | -   | -        | -        |
|                      | <b>1</b>  | <b>-</b> | <b>1</b> |

### (16) Other Operating Expenses

Details of this income statement heading at 30 September 2022 and 30 September 2021 are as follows:

|  | Thousands of Euros |                |
|--|--------------------|----------------|
|  | 30/09/2022         | 30/09/2021     |
| Infrastructure repairs and maintenance             | 292,751            | 265,155        |
| Traction power                                     | 502,863            | 202,420        |
| Traffic and passenger service-related services     | 50,185             | 49,519         |
| Other supplies                                     | 70,329             | 31,493         |
| Rentals and fees                                   | 7,820              | 7,906          |
| Advertising and public relations                   | 2,651              | 2,558          |
| Other maintenance and repairs                      | 2,476              | 1,932          |
| Investment actions on behalf of third parties      | 4,980              | 8,233          |
| Other  | 17,226             | 18,297         |
| <b>Total external services</b>                     | <b>951,281</b>     | <b>587,513</b> |
| Taxes other than income tax                        | 4,156              | 3,875          |
| Losses, impairment and changes in trade provisions | (4,850)            | 7,064          |
|  | <b>950,587</b>     | <b>598,452</b> |

The signing by ADIF and ADIF AV in 2019 of the management entrustment agreement for the execution of activities of a material or technical nature indicated in section 1.b of this report has meant for ADIF AV the recording of accrued expenses for services rendered by ADIF for 327,586 thousand euros at 30 September 2022 and 308,520 thousand euros at 30 September 2021 and formalized in annexes to the agreement, the detail of which is shown in the following table:

## Notes to the Interim Financial Statements 30 September 2022

|   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 30/09/2022         | 30/09/2021     |
| Infrastructure repairs and maintenance                                  | 204,283            | 191,590        |
| Fibre optic network maintenance, right of way services and right of use | 8,680              | 9,453          |
| Comprehensive management of safety and protection                       | 25,428             | 26,428         |
| Comprehensive management of stations                                    | 49,276             | 42,061         |
| Traffic safety  | 2,089              | 2403           |
| Award of capacity and traffic management                                | 22,666             | 20,687         |
| Comprehensive communication services                                    | 2,543              | 2406           |
| Other agreements  | 12,621             | 13,492         |
|   | <b>327,586</b>     | <b>308,520</b> |

### (17) Recognition of Grants for Fixed Assets and Other

The breakdown of income from capital grants generated at 30 September 2022 and 30 September 2021 is as follows:

|                | Thousands of Euros |               |
|----------------|--------------------|---------------|
|                | Total income       |               |
|                | 30/09/2022         | 30/09/2021    |
| RRF Funds      | 72                 | -             |
| Cohesion Funds | 38,511             | 36,629        |
| ERDF           | 28,595             | 25,958        |
| TEN-T          | 2,798              | 2,797         |
| Other grants   | 30,069             | 25,184        |
|                | <b>100,045</b>     | <b>90,568</b> |

### (18) Finance Costs

Details of this income statement heading at 30 September 2022 and 30 September 2021 are as follows:

|   | Thousands of Euros |                |
|---|--------------------|----------------|
|   | 30/09/2022         | 30/09/2021     |
| On loans with third parties               | <b>234,826</b>     | <b>241,290</b> |
| Interest on loans and bonds               | 213,577            | 215,953        |
| Late payment interest for works contracts | 21,249             | 25,337         |
| Late payment interest for expropriations  | <b>11</b>          | <b>11</b>      |
|   | <b>234,837</b>     | <b>241,301</b> |

### (19) Finance Income

Details of this income statement heading at 30 September 2022 and 30 September 2021 are as follows:

## Notes to the Interim Financial Statements 30 September 2022

|  | Thousands of Euros |               |
|--|--------------------|---------------|
|  | 30/09/2022         | 30/09/2021    |
| Capitalised finance costs (note 4,c))                      | <b>58,676</b>      | <b>72,596</b> |
| From marketable securities and other financial instruments | <b>4,803</b>       | <b>4,531</b>  |
| <i>Interest on current investments</i>                     | 4,532              | 4,469         |
| <i>Interest on current accounts</i>                        | 271                | 62            |
| <i>Other</i>   | <b>2,690</b>       | <b>2,789</b>  |
| Other finance income                                       | <b>1,721</b>       | <b>2,308</b>  |
| From participations in equity instruments                  | 1,563              | 2,168         |
| <i>Group companies and associates</i>                      | 158                | 140           |
|  | <b>67,890</b>      | <b>82,224</b> |

### (20) Environmental Information

At 30 September 2022 and 31 December 2021, ADIF-AV's fixed assets included specific environmental works with a net book value of 1,452,854 and 1,355,630 thousand euros respectively, used in order to minimise environmental impacts and to protect and improve the environment, as per the following breakdown:

| 30 September 2022 - Thousands of Euros                  |                  |                          |                  |
|---|------------------|--------------------------|------------------|
|   | Cost             | Accumulated depreciation | Net book value   |
| Tunnels _and cut-and-cover tunnels; environmental works | 501,856          | (13,569)                 | 488,287          |
| Environmental integration works                         | 746,268          | (14,874)                 | 731,394          |
| Other environmental works                               | 136,111          | (37,093)                 | 99,018           |
| <b>Total property, plant and equipment in operation</b> | <b>1,384,235</b> | <b>(65,536)</b>          | <b>1,318,699</b> |
| <b>Work in progress</b>                                 | <b>134,155</b>   | -                        | <b>134,155</b>   |
| <b>Total at 30 September 2022</b>                       | <b>1,518,390</b> | <b>(65,536)</b>          | <b>1,452,854</b> |

| 31 December 2021 - Thousands of Euros                   |                  |                          |                  |
|---|------------------|--------------------------|------------------|
|   | Cost             | Accumulated depreciation | Net book value   |
| Tunnels _and cut-and-cover tunnels; environmental works | 476,139          | (12,793)                 | 463,346          |
| Environmental integration works                         | 697,980          | (13,655)                 | 684,325          |
| Other environmental works                               | 125,691          | (34,103)                 | 91,588           |
| <b>Total property, plant and equipment in operation</b> | <b>1,299,810</b> | <b>(60,551)</b>          | <b>1,239,259</b> |
| <b>Work in progress</b>                                 | <b>116,371</b>   | -                        | <b>116,371</b>   |
| <b>Total at 31 December 2021</b>                        | <b>1,416,181</b> | <b>(60,551)</b>          | <b>1,355,630</b> |

Additions at 30 September 2022 and 31 December 2021 amount to 84,425 and 52,608 thousand euros respectively and predominately correspond to preventive and corrective actions.

Notes to the Interim Financial Statements  
30 September 2022**(21) Information on Directors and Senior Management of the Entity**

At 30 September 2022, the Board of Directors comprises eleven members, the Chairman, Secretary and nine regular directors. Four of the Board members are female and seven are male.

At 31 December 2021, the Board of Directors comprises eleven members, the Chairman, Secretary and nine regular directors. Two of the Board members are female and nine are male.

Pursuant to article 21 of the Royal Decree 1044/2013 of 27 December 2013, which establishes ADIF-AV's statutes, no members of the Board of Directors will accrue any remuneration for attending Board meetings. (Nor have they received any remuneration for any other reason)

In accordance with to article 26 of mentioned Royal Decree 1044/2013, the Entity's senior management will not accrue any remuneration. (Neither senior management personnel have received advances or credits, nor has any commitment been made in terms of pensions or life insurance).

**(22) Financial Risk Management**

ADIF-AV is exposed to various financial risks due to its activity and the debt contracted to finance construction of the new high-speed lines. The most significant risks, which primarily affect the Entity, are as follows:

**22.a) Credit risk**

Credit risk arises primarily in relation to trade and non-trade receivables, current investments and cash equivalents.

The Entity assesses the credit ratings of its trade debtors, considering their financial position, history and other economic factors to determine individual credit limits.

With regard to current investments and cash equivalents, the Entity carries out transactions using instruments to guarantee recovery of the entire capital investment and assesses the credit rating of the financial institutions, considering the credit rating awarded by rating agencies, based on the term of the investment and calculating individual credit limits in line with specific factors (mainly the equity of the financial institution).

**22.b) Interest rate risk**

Interest rate risk arises from the variation in borrowing costs with credit institutions.

Borrowings have been arranged under several different interest rate regimes, namely fixed interest rates for bond issues and EIB loans.

## Notes to the Interim Financial Statements 30 September 2022

The Entity has 71.08% of its outstanding debt at 30 September 2022 as a fixed rate until maturity and 21.74% at a fixed rate revisable. 75.38% of the Entity's outstanding debt, as of 31 December 2021, was at a fixed rate until maturity and 17.51% was at a fixed rate revisable.

The breakdown and quantification of financial guarantees extended to associates are provided in Note 23.

Loan transactions contracted by the Entity with the EIB generally consider the possibility of changing the type of interest rate at different times over the term of the loan.

### 22.c) Liquidity risk

Liquidity risk arises from possible imbalances between cash flow requirements and sources of cash flows.

The Entity applies a prudent policy to cover its liquidity risks based on having sufficient financing through credit facilities with financial institutions.

Entity management monitors ADIF-AV's liquidity forecasts based on expected cash flows.

At 30 September 2022, the Entity's negative result is (233,600) thousand euros and its negative working capital, amounts to (1,312,180) thousand euros.

In this regard, it is the intention of the Finance and Management Control Department to diversify ADIF-Alta Velocidad's sources of financing for the 2022 financial year, in order to have different financial instruments available to adapt to the circumstances that may arise at any given time.

In this scenario, three sources of financing are proposed to cover the net increase in indebtedness for 2022:

- a) Firstly, the arrangement of credit operations with the European Investment Bank (EIB).
- b) Secondly, public and/or private issues of bonds, debentures or other fixed-income securities of any kind, in the domestic or foreign capital markets, whether in euros or other currencies, in accordance with the domestic and foreign regulations applicable in each case.
- c) Thirdly, the arrangement of bilateral and/or syndicated loans with financial institutions.

In addition, the Entity has the following sources of financing to mitigate this liquidity risk:

- Law 22/2021, of 28 December 2022, on the General State Budget for 2022 establishes:
  - A budget appropriation as equity contributions (Chapter VIII), amounting to 311,574 thousand euros.

## Notes to the Interim Financial Statements 30 September 2022

- A contribution for compensation for tariff reduction (Chapter IV), in the amount of 40,000 thousand euros.
- Capital transfers (Chapter VII), amounting to 630,873 thousand euros (RRF).
- This law also establishes an authorization for a net increase in indebtedness of 758,033 thousand euros.

These contributions are also established in the agreement signed with MITMA in July 2021 (see note 1).

- On 11 February 2022, the EMTN Program was renewed on the Irish Stock Exchange and passed to the National Securities Market Commission, on which the Entity plans to carry out, if necessary, one or more public bond issues to meet its financial obligations.
- On 26 July 2021, the Entity and MITMA signed an Agreement for the economic sustainability of the railway infrastructures that make up its network, during the period 2021-2025, which provides for contributions from MITMA to finance, among others, ADIF AV's investment activities during the aforementioned period.
- As explained above, the Entity participates in the Transformation, Recovery and Resilience Plan (RRF) as an executing agency for investments within components C1 and C6, associated with the investment lines included in said Plan (see note 9.e).
- At 30 September 2022, as reported in note 11.a.1, the Entity has undrawn bank credit lines for a total amount of 355.000 thousand euros

In this context, and based on the above, the Entity has sufficient cash and/or the possibility of its availability to meet its financial obligations, which guarantees that ADIF - Alta Velocidad, with the information available, will not be significantly affected in the coming months by possible liquidity tensions or hypothetical contractions in the credit market as a result of the recent war between Ukraine and Russia and the health crisis of the COVID-19 Coronavirus, the impacts of which are described in notes 22 d) and 22.e) below.

ADIF Alta Velocidad has recently made use of financing through the European Investment Bank, with the drawdown of 120,000 thousand euros in June 2022: 90,000 thousand euros corresponding to a loan called "Ave Madrid-Sevilla Renewal and ERTMS Deployment", and 30,000 thousand euros corresponding to a loan called "Adif Infrastructure Inspection and Maintenance". Additionally, it had 410,000 thousand euros (200,000 thousand euros in August and 215,000 thousand euros in September), corresponding to the Madrid-Extremadura project.

On September 2022, Adif Alta Velocidad must face the repayment of the bond issue it executed last 2015, for 1,190,200 thousand euros.

On October 17, 2022, Adif Alta Velocidad made its sixth "green" issue, amounting to 500,000 thousand euros and maturing in seven years.

## Notes to the Interim Financial Statements 30 September 2022

At 31 December 2021, the Entity's result was negative by (425,444) thousand euros and its working capital, with a negative sign, amounted to (591,071) thousand euros.

### **22.d) COVID - 19 impact**

The appearance of the Coronavirus COVID-19 in China in January 2020 and its recent global expansion to a large number of countries, including Spain, has led to the viral outbreak being classified as a pandemic by the World Health Organization since 11 March 2020.

To address this serious and exceptional situation, the Government has declared a State of Emergency by Royal Decree 463/2020 of 14 March, which has remained in force with successive extensions until 22 June 2020 and caused major restrictions on rail traffic.

Subsequently, on 25 October 2020, the Government approved the declaration of a state of alarm throughout Spain, which was extended until 9 May 2021.

In this context, the Entity, as the manager of a critical infrastructure, has been developing and implementing the necessary contingency plans to ensure the continuity of its activity in all its areas of activity with all the necessary security measures in accordance with the regulations in force.

The circumstances described above had a negative impact, especially on the Entity's revenue, although it has begun to recover, since it shows a year-on-year increase of around 47% at 30 September 2022 (at 31 December 2021, a year-on-year increase of 19.3%) and in relation to operating income, the losses obtained by the Entity have decreased by 62% in the period from 1 January 2022 to 30 September 2022 when compared to the same period in 2021.

ADIF - Alta Velocidad implemented a series of measures to partially offset this effect, including the following:

- Maintenance of the discounts/allowances to encourage the growth of rail traffic by means of the discounts/allowances for incremental long-distance passenger transport services on high-speed lines with a 50% reduction of the amounts to be paid corresponding to modes A and B and the addition to the referred mode B of the fee in accordance with the provisions of Article 97 of the Rail Sector Act.
- An expense rationalization plan that has allowed that at 30 September 2022, other operating expenses (excluding traction power and UDT) amounting to 378 million euros, shows a decrease of 11% compared to the amounts foreseen at that date and incorporated in the Entity's budget, (at 31 December 2021, other operating expenses (excluding traction power and UDT) amounting to 511 million euros showed a decrease of 5% compared to the amounts foreseen at that date and incorporated in the Entity's budget).

At present it is not possible to foresee how long it will take to recover the number of traffic movements and occupancy levels that existed prior to this situation.



## Notes to the Interim Financial Statements 30 September 2022

In any case, although at this time it is not possible to quantify the exact evolution of these items, it does not seem foreseeable that they will have a significant negative effect on the Entity's financial situation, taking into account the characteristics of its activity, its condition as manager of a strategic network for the transport of goods and people, as well as the contributions allocated in the general State budgets.

### **22.e) Russia's invasion of Ukraine**

The armed conflict unleashed between Russia and Ukraine since 24 February 2021 has unleashed a geopolitical and economic scenario of difficult prognosis. Although we will have to wait and see how events evolve, for the time being it seems to be a war that could drag on for a long time due to Russia's attempt to control Ukraine politically, economically and territorially and due to the repercussions derived from it, with implications on the supply of energy and raw materials to Europe, as well as on the levels of economic activity, interest rates, energy and raw material prices and inflation rates, among other impacts.

Taking into consideration the complexity of the markets due to their globalization and the existing uncertainty, the consequences for the Company's (the Group's) operations are uncertain and will depend to a large extent on the evolution of the conflict in the coming months, as well as on the reaction and adaptation capacity of all the political and economic agents affected.

Therefore, at the date of formulation of these interim financial statements, it is premature to make a detailed assessment or quantification of the possible impacts that this conflict will have, due to the uncertainty of its consequences, in the short, medium and long term.

Finally, it should be noted that the Company's Directors and Management are constantly monitoring the evolution of the situation, in order to successfully face the possible impacts, both financial and non-financial, that may arise.

### **(23) Commitments and contingencies**

The guarantees granted to third parties by the Entity at 30 September 2022 and 31 December 2021 amounted to 1,957 and 1,957 thousand euros respectively. The Entity's Management does not expect significant liabilities to arise, such as Consequence of the said guarantees.

The Entity has also assumed comfort letters guaranteeing financing transactions entered into by various investees, which have the statutory activity of railway integration in cities. Given current property market conditions, the financial scale and technical complexity of the works to be undertaken in the coming years, and the difficulty of determining the future value of land received or to be received in exchange for these works, these companies may be unable to recover all the costs they ultimately incur. In view of the current state of the property market, ADIF-AV management is working together with the different shareholders of each of the companies to streamline their future investments based on the actual progress made in the works, to ensure their financial sustainability. ADIF-AV has assumed the obligations guaranteed by ADIF through comfort letters issued on behalf of several of

## Notes to the Interim Financial Statements 30 September 2022

these investees in proportion to the interest held in these companies as assigned by virtue of Order PRE/2443/2013.

As of 30 September 2022 and 31 December 2021, the Entity does not assume any risk derived from the subscription of letters of commitment or comfort letters, having replaced these letters of commitment with financial contributions to the company that would allow the cancellation of the bank debt within the investee (see Note 5.b).


Below is the breakdown by company of the provisions for risks and expenses arising from the Entity's participation in the related companies and by virtue of the contributions made and committed under the agreements entered into. These provisions for risks have been recorded by the Entity under non-current liabilities with a balancing entry for impairment losses on financial instruments recorded in the Entity's income statement (see notes 2.c, 3.i, 5.b, 5.c and 10.b.3):

| Expressed in thousands of Euros                   |                               |   |                                 |                             |                             |
|---|-------------------------------|---|---------------------------------|-----------------------------|-----------------------------|
| Company   | Share capital %<br>30/09/2022 | Risk assumed by ADIF-AV<br>(comfort letter) |                                 | Provisions at<br>30/09/2022 | Provisions at<br>31/12/2021 |
|   |                               | Risk amount<br>at<br>30/09/2022             | Risk amount<br>at<br>31/12/2021 |                             |                             |
|   |                               |   |                                 |                             |                             |
| Zaragoza Alta Velocidad 2002, S.A.                | 30.00%                        | -   | -                               | 40,835                      | 40,835                      |
| Valencia Parque Central Alta Velocidad 2003, S.A. | 30.00%                        | -   | -                               | 30,278                      | 30,278                      |
| Logroño Integración del Ferrocarril 2002, S.A.    | 30.00%                        | -   | -                               | -                           | -                           |
| Barcelona-Sagrera Alta Velocitat, S.A.            | 30.00%                        | -   | -                               | 2,487                       | 2,487                       |
| Cartagena Alta Velocidad S.A.                     | 40.00%                        | -   | -                               | 1,080                       | 1,080                       |
| Murcia Alta Velocidad, S.A.                       | 40.00%                        | -   | -                               | -                           | -                           |
| Valladolid Alta Velocidad 2003, S.A.              | 30.00%                        | -   | -                               | 65,253                      | 65,253                      |
| <b>Total railway integration companies</b>        |                               | <b>-</b>                                    | <b>-</b>                        | <b>139,933</b>              | <b>139,933</b>              |

Notes to the Interim Financial Statements  
30 September 2022**Preparation of Interim Financial Statements for the nine-month period ended 30 September 2022.**

The President of ADIF - Alta Velocidad, on ..... 2022, proceeded to prepare these financial statements as of September 30, 2022 and the corresponding report, which are presented before this page.

MARIA LUISA  
DOMINGUEZ  
GONZALEZ - DNI  
02624176Z

 Firmado digitalmente por  
MARIA LUISA DOMINGUEZ  
GONZALEZ - DNI 02624176Z  
Fecha: 2022.12.15 20:54:16  
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María Luisa Domínguez González - President

## APPENDICES



ENTIDAD PÚBLICA EMPRESARIAL  
ADIF - Alta Velocidad

## Property, Plant and Equipment and Investment Property for the nine-month period ended 30 September 2022

Expressed in Thousands of Euros

|   | Balance at<br>1.1.2022 | Additions        | Transfers        | Derecognitions | Reclassifications | Balance at<br>30.09.2022 |
|---|------------------------|------------------|------------------|----------------|-------------------|--------------------------|
| Buildings and other constructions   | 1,725,000              | -                | 33,238           | (1,393)        | -                 | 1,756,845                |
| Land and natural resources  | 2,614,842              | 42,109           | -                | (405)          | (925)             | 2,655,621                |
| <b>Total land and buildings</b>   | <b>4,339,842</b>       | <b>42,109</b>    | <b>33,238</b>    | <b>(1,798)</b> | <b>(925)</b>      | <b>4,412,466</b>         |
| Accumulated depreciation of buildings and other constructions                               | (424,940)              | (20,426)         | -                | 590            | -                 | (444,776)                |
| Provision for depreciation of buildings and other structures                                | -                      | -                | -                | -              | -                 | -                        |
| <b>Total carrying amount of buildings and other constructions</b>                           | <b>3,914,902</b>       | <b>21,683</b>    | <b>33,238</b>    | <b>(1,208)</b> | <b>(925)</b>      | <b>3,967,690</b>         |
| Track installations   | 36,407,210             | -                | 2,991,158        | (15,376)       | (58)              | 39,382,934               |
| Accumulated depreciation of track installations and other installations                     | (5,015,472)            | (282,028)        | -                | 12,229         | -                 | (5,285,271)              |
| Impairment of track installations   | (25,026)               | -                | -                | -              | -                 | (25,026)                 |
| <b>Total carrying amount of track installation and other installations</b>                  | <b>31,366,712</b>      | <b>(282,028)</b> | <b>2,991,158</b> | <b>(3,147)</b> | <b>(58)</b>       | <b>34,072,637</b>        |
| Other Property, Plant and equipment   | 42,331                 | -                | 147              | (1,965)        | -                 | 40,513                   |
| Accumulated depreciation of other property, plant and equipment                             | (37,538)               | (1,806)          | -                | 1,939          | -                 | (37,405)                 |
| <b>Total carrying amount of other property, plant and equipment</b>                         | <b>4,793</b>           | <b>(1,806)</b>   | <b>147</b>       | <b>(26)</b>    | <b>-</b>          | <b>3,108</b>             |
| <b>Total carrying amount of track installations and other property, plant and equipment</b> | <b>31,371,505</b>      | <b>(283,834)</b> | <b>2,991,305</b> | <b>(3,173)</b> | <b>(58)</b>       | <b>34,075,745</b>        |
| Work in progress  | 11,534,203             | 960,747          | (3,024,543)      | -              | -                 | 9,470,407                |
| <b>Total net property, plant and equipment</b>  | <b>46,820,610</b>      | <b>698,596</b>   | <b>-</b>         | <b>(4,381)</b> | <b>(983)</b>      | <b>47,513,842</b>        |
| Investment property   | 353,392                | -                | -                | (919)          | 925               | 353,398                  |
| Accumulated depreciation of investment property   | (63,761)               | (4,607)          | -                | -              | -                 | (68,368)                 |
| Provision for depreciation of investment property   | (2,699)                | -                | -                | -              | -                 | (2,699)                  |
| Investment property in progress   | 403                    | -                | -                | -              | -                 | 403                      |
| <b>Total net investment property</b>  | <b>287,335</b>         | <b>(4,607)</b>   | <b>-</b>         | <b>(919)</b>   | <b>925</b>        | <b>282,734</b>           |
| Intangible assets   | 96,501                 | -                | 293              | -              | 58                | 96,852                   |
| Accumulated depreciation intangible assets  | (24,720)               | (1,751)          | -                | -              | -                 | (26,471)                 |
| Intangible assets in progress   | 1,933                  | 726              | (293)            | -              | -                 | 2,366                    |
| <b>Total net intangible assets</b>  | <b>73,714</b>          | <b>(1,025)</b>   | <b>-</b>         | <b>-</b>       | <b>58</b>         | <b>72,747</b>            |

This appendix forms an integral part of note 4 to the interim financial statements as of 30 September 2022 and should be read in conjunction with

ENTIDAD PÚBLICA EMPRESARIAL  
ADIF - Alta Velocidad

Property, Plant and Equipment and Investment Property for year end 31 December 2021

Expressed in Thousands of Euros

|   | Balance at<br>1.1.2021 | Additions        | Transfers        | Derecognitions | Reclassifications | Balance at<br>31.12.2021 |
|---|------------------------|------------------|------------------|----------------|-------------------|--------------------------|
| Buildings and other constructions   | 1,682,509              | -                | 42,852           | (361)          | -                 | 1,725,000                |
| Land and natural resources  | 2,583,917              | 35,864           | 48               | (302)          | (4,685)           | 2,614,842                |
| <b>Total land and buildings</b>   | <b>4,266,426</b>       | <b>35,864</b>    | <b>42,900</b>    | <b>(663)</b>   | <b>(4,685)</b>    | <b>4,339,842</b>         |
| Accumulated depreciation of buildings and other constructions                               | (398,942)              | (26,107)         | -                | 109            | -                 | (424,940)                |
| Provision for depreciation of buildings and other structures                                | -                      | -                | -                | -              | -                 | -                        |
| <b>Total carrying amount of buildings and other constructions</b>                           | <b>3,867,484</b>       | <b>9,757</b>     | <b>42,900</b>    | <b>(554)</b>   | <b>(4,685)</b>    | <b>3,914,902</b>         |
| Track installations   | 33,049,195             | -                | 3,361,629        | (3,309)        | (305)             | 36,407,210               |
| Accumulated depreciation of track installations and other installations                     | (4,675,654)            | (342,724)        | -                | 2,906          | -                 | (5,015,472)              |
| Impairment of track installations   | (25,026)               | -                | -                | -              | -                 | (25,026)                 |
| <b>Total carrying amount of track installation and other installations</b>                  | <b>28,348,515</b>      | <b>(342,724)</b> | <b>3,361,629</b> | <b>(403)</b>   | <b>(305)</b>      | <b>31,366,712</b>        |
| Other Property, Plant and equipment   | 41,217                 | -                | 1,236            | (122)          | -                 | 42,331                   |
| Accumulated depreciation of other property, plant and equipment                             | (35,352)               | (2,308)          | -                | 122            | -                 | (37,538)                 |
| <b>Total carrying amount of other property, plant and equipment</b>                         | <b>5,865</b>           | <b>(2,308)</b>   | <b>1,236</b>     | <b>-</b>       | <b>-</b>          | <b>4,793</b>             |
| <b>Total carrying amount of track installations and other property, plant and equipment</b> | <b>28,354,380</b>      | <b>(345,032)</b> | <b>3,362,865</b> | <b>(403)</b>   | <b>(305)</b>      | <b>31,371,505</b>        |
| Work in progress  | 14,131,959             | 808,009          | (3,405,765)      | -              | -                 | 11,534,203               |
| <b>Total net property, plant and equipment</b>  | <b>46,353,823</b>      | <b>472,734</b>   | <b>-</b>         | <b>(957)</b>   | <b>(4,990)</b>    | <b>46,820,610</b>        |
| Investment property   | 252,849                | -                | 96,293           | (435)          | 4,685             | 353,392                  |
| Accumulated depreciation of investment property   | (59,103)               | (4,658)          | -                | -              | -                 | (63,761)                 |
| Provision for depreciation of investment property   | -                      | (2,699)          | -                | -              | -                 | (2,699)                  |
| Investment property in progress   | 403                    | 96,293           | (96,293)         | -              | -                 | 403                      |
| <b>Total net investment property</b>  | <b>194,149</b>         | <b>88,936</b>    | <b>-</b>         | <b>(435)</b>   | <b>4,685</b>      | <b>287,335</b>           |
| Intangible assets   | 76,131                 | -                | 20,065           | -              | 305               | 96,501                   |
| Accumulated depreciation intangible assets  | (22,309)               | (2,411)          | -                | -              | -                 | (24,720)                 |
| Intangible assets in progress   | 19,764                 | 2,234            | (20,065)         | -              | -                 | 1,933                    |
| <b>Total net intangible assets</b>  | <b>73,586</b>          | <b>(177)</b>     | <b>-</b>         | <b>-</b>       | <b>305</b>        | <b>73,714</b>            |

This appendix is an integral part of the interim financial statements as of 30 September 2022 and should be read in conjunction with it.



ENTIDAD PÚBLICA EMPRESARIAL  
ADIF - Alta Velocidad

Detail of associated companies for the nine month period ending 30 September 2022

| Name   | Activity   | % ownership | Cost of the investment | Not disbursed | Equity    | Other equity items | Profit/(loss) | Operating profit/(loss) | Dividends received |
|--|--|-------------|------------------------|---------------|-----------|--------------------|---------------|-------------------------|--------------------|
| Cartagena AVE, S.A. (a).                                 | High-speed integration in Cartagena  | 40.00%      | -                      | -             | 604       | -                  | -             | -                       | -                  |
| Murcia AVE, S.A.(a)                                      | High-speed integration in Murcia   | 40.00%      | -                      | -             | 625       | -                  | -             | -                       | -                  |
| Palencia Alta Velocidad, S.A.(a)                         | High-speed integration in Palencia   | 40.00%      | -                      | -             | 390       | -                  | (29)          | (29)                    | -                  |
| Ingeniería y Economía del Transporte, S.A. (INECO)(b)    | Preparation of civil and industrial railway engineering projects. Consultancy services | 20.68%      | 7,977                  | -             | 82,488    | 12                 | 7,557         | 19,771                  | 2,168              |
| León Alta Velocidad 2003, S.A.(b)                        | High-speed integration in León   | 37.50%      | -                      | -             | 149       | -                  | (45)          | (45)                    | -                  |
| Logroño Integración Ferrocarril 2002, S.A. (a)           | Management of high-speed rail in Logroño   | 30.00%      | -                      | -             | 710       | -                  | -             | -                       | -                  |
| Valencia Parque Central Alta Velocidad 2003, S.A.(a)     | High-speed integration in Valencia   | 30.00%      | -                      | -             | (18,727)  | 23,978             | 357           | 408                     | -                  |
| Valladolid Alta Velocidad 2003 S.A.(b)                   | Management of high-speed rail in Valladolid  | 30.00%      | -                      | -             | (66,106)  | 595                | (10,337)      | (541)                   | -                  |
| Gijón al Norte, S.A.(b)                                  | High-speed integration in Gijón  | 30.00%      | -                      | -             | (12,816)  | -                  | (514)         | (332)                   | -                  |
| Zaragoza Alta Velocidad 2002, S.A. (a)                   | High-speed integration in Zaragoza   | 30.00%      | -                      | -             | (309,172) | 4,794              | 71            | 2,561                   | -                  |
| Alta Velocidad Alicante Nodo Transportes, S.A.(a)        | High-speed integration in Alicante   | 30.00%      | -                      | -             | (1,099)   | 1,620              | -             | -                       | -                  |
| Barcelona Sagrera Alta Velocitat S.A.(a)                 | High-speed integration in Barcelona  | 30.00%      | -                      | -             | (43,811)  | -                  | -             | -                       | -                  |
| Almería Alta Velocidad, S.A.(a)                          | High-speed integration in Almería  | 40.00%      | -                      | -             | 557       | 7,590              | (8)           | (8)                     | -                  |
| A.V. Vitoria-Gasteizko Abiadura Handia, S.A.(a)          | High-speed integration in Vitoria  | 40.00%      | -                      | -             | 560       | -                  | (8)           | (8)                     | -                  |
| <b>Total shares in group companies and associates</b>    |  |             | <b>7,977</b>           | <b>-</b>      |           |                    |               | <b>21,777</b>           | <b>2,168</b>       |
| Enajenación de Materiales Ferroviarios, S.A.(EMFESA) (a) | Disposal and handling of unnecessary materials   | 12.50%      | 15                     | -             | 2,058     | -                  | 143           | 188                     | 2                  |
| Albali Señalización, S.A.(b)                             |  | 10.00%      | 1,131                  | -             | 13,312    | -                  | 1,386         | 3,754                   | 135                |
| Energía Olmedo Orense Fase I (b)                         |  | 10.00%      | 508                    | -             | 7,520     | -                  | 93            | 1,418                   | -                  |
| Vía Olmedo- Pedralba (b)                                 |  | 10.00%      | 46                     | (240)         | 3,156     | -                  | 61            | 81                      | -                  |
| HIT RAIL B.V (b)   |  | 4.35%       | 54                     |               | 3,430     | -                  | 299           | 365                     | 3                  |
| <b>Total others (see note 6.a)</b>                       |  |             | <b>1,754</b>           | <b>(240)</b>  |           |                    |               | <b>5,806</b>            | <b>140</b>         |
| <b>TOTAL</b>   |  |             | <b>9,731</b>           | <b>(240)</b>  |           |                    |               | <b>27,583</b>           | <b>2,308</b>       |

a) Audited annual accounts at 31 December 2021  
 (b) Provisional annual accounts as at 31 December 2021  
 c) Annual Accounts prepared pending audit at 31 December 2021  
 (d) Provisional annual accounts with draft audit report as at 31 December 2021  
 (e) The data on own funds and profit/loss are for the latest available financial year, whether provisional or final.

This appendix forms an integral part of note 5 to the interim financial statements as of 30 September 2022 and should be read in conjunction with it.

ENTIDAD PÚBLICA EMPRESARIAL  
ADIF - Alta Velocidad

Detail of associated companies as of 31 December 2021

| Name  | Activity   | % ownership | Cost of the investment | Not disbursed | Equity    | Other equity items | Profit/(loss) | Operating profit/(loss) | Dividends received |
|---|--|-------------|------------------------|---------------|-----------|--------------------|---------------|-------------------------|--------------------|
| Cartagena AVE, S.A. (a).                                  | High-speed integration in Cartagena  | 40.00%      | -                      | -             | 604       | -                  | -             | -                       | -                  |
| Murcia AVE, S.A. (a)                                      | High-speed integration in Murcia   | 40.00%      | -                      | -             | 625       | -                  | -             | -                       | -                  |
| Palencia Alta Velocidad, S.A. (a)                         | High-speed integration in Palencia   | 40.00%      | -                      | -             | 390       | -                  | (29)          | (29)                    | -                  |
| Ingeniería y Economía del Transporte, S.A. (INECO) (b)    | Preparation of civil and industrial railway engineering projects. Consultancy services | 20.68%      | 7,977                  | -             | 88,179    | 18                 | 10,481        | 17,508                  | 2,168              |
| León Alta Velocidad 2003, S.A. (b)                        | High-speed integration in León   | 37.50%      | -                      | -             | 194       | -                  | (34)          | (34)                    | -                  |
| Logroño Integración Ferrocarril 2002, S.A. (a)            | Management of high-speed rail in Logroño   | 30.00%      | -                      | -             | 710       | -                  | -             | -                       | -                  |
| Valencia Parque Central Alta Velocidad 2003, S.A. (a)     | High-speed integration in Valencia   | 30.00%      | -                      | -             | (18,726)  | 23,978             | 357           | 408                     | -                  |
| Valladolid Alta Velocidad 2003 S.A. (b)                   | Management of high-speed rail in Valladolid  | 30.00%      | -                      | -             | (55,769)  | 951                | (8,324)       | 1,266                   | -                  |
| Gijón al Norte, S.A. (b)                                  | High-speed integration in Gijón  | 30.00%      | -                      | -             | 538       | -                  | 1             | 151                     | -                  |
| Zaragoza Alta Velocidad 2002, S.A. (a)                    | High-speed integration in Zaragoza   | 30.00%      | -                      | -             | (309,172) | 4,794              | 71            | 2,561                   | -                  |
| Alta Velocidad Alicante Nodo Transportes, S.A. (a)        | High-speed integration in Alicante   | 30.00%      | -                      | -             | (1,099)   | 1,620              | -             | -                       | -                  |
| Barcelona Sagrera Alta Velocitat S.A. (a)                 | High-speed integration in Barcelona  | 30.00%      | -                      | -             | (43,811)  | -                  | -             | -                       | -                  |
| Almería Alta Velocidad, S.A. (a)                          | High-speed integration in Almería  | 40.00%      | -                      | -             | 557       | 7,590              | (8)           | (8)                     | -                  |
| A.V. Vitoria-Gasteizko Abiadura Handia, S.A. (a)          | High-speed integration in Vitoria  | 40.00%      | -                      | -             | 560       | -                  | (8)           | (8)                     | -                  |
| <b>Total shares in group companies and associates</b>     |  |             | <b>7,977</b>           | <b>-</b>      |           |                    |               | <b>21,815</b>           | <b>2,168</b>       |
| Enajenación de Materiales Ferroviarios, S.A. (EMFESA) (a) | Disposal and handling of unnecessary materials   | 12.50%      | 15                     |               | 2,056     | -                  | 141           | 185                     | 2                  |
| Albali Señalización, S.A. (b)                             |  | 10.00%      | 1,131                  | -             | 13,275    | -                  | 1,499         | 4,128                   | 135                |
| Energía Olmedo Orense Fase I (b)                          |  | 10.00%      | 508                    | -             | 7,241     | -                  | 186           | 1,575                   | -                  |
| Vía Olmedo- Pedralba (b)                                  |  | 10.00%      | 46                     | (240)         | 3,096     | -                  | 88            | 117                     | -                  |
| HIT RAIL B.V (b)  |  | 4.35%       | 54                     |               | 3,182     | -                  | 64            | 76                      | 3                  |
| <b>Total others (see note 6.a)</b>                        |  |             | <b>1,754</b>           | <b>(240)</b>  |           |                    |               | <b>6,081</b>            | <b>140</b>         |
| <b>TOTAL</b>  |  |             | <b>9,731</b>           | <b>(240)</b>  |           |                    |               | <b>27,896</b>           | <b>2,308</b>       |

a) Audited annual accounts at 31 December 2021  
(b) Provisional annual accounts as at 31 December 2021  
(c) Annual Accounts prepared pending audit at 31 December 2021  
(d) Provisional annual accounts with draft audit report as at 31 December 2021  
(e) The data on own funds and profit/loss are for the latest available financial year, whether provisional or final.

This appendix forms an integral part of note 5 to the interim financial statements as of 30 September 2022 and should be read in conjunction with it.