



Entidad Pública Empresarial ADIF – Alta Velocidad

**INTERIM FINANCIAL STATEMENTS 30 SEPTEMBER 2023,
TOGETHER WITH THE LIMITED REVIEW REPORT**

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, 2023, 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.

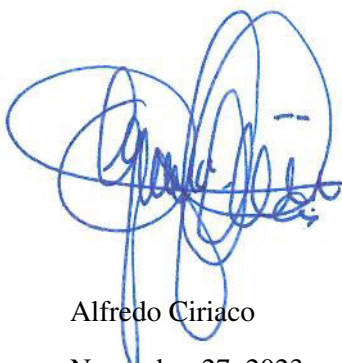
Scope of Review

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, 2023, 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

November 27, 2023

ENTIDAD PÚBLICA EMPRESARIAL ADIF ALTA VELOCIDAD

30 September 2023



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Interim Financial Statements

30 September 2023



ENTIDAD PÚBLICA EMPRESARIAL ADIF – Alta Velocidad

Balance Sheet at 30 September 2023 and 31 December 2022

Expressed in thousands of Euros

ASSETS	NOTE	30/09/2023	31/12/2022
Intangible assets	4	75,919	74,609
Property, plant and equipment	4	48,645,206	47,792,703
Land and buildings		3,993,939	3,970,447
Technical installations, machinery, equipment, furniture and other items		33,852,095	34,135,696
Under construction and advances	4	10,799,172	9,686,560
Investment property	4	278,089	281,742
Non-current investment in Group companies and associates	5	574,288	532,434
Equity instruments		7,977	7,977
Loans to companies		566,311	524,457
Non-current investments		389,519	184,454
Equity instruments	6	2,188	2,188
Public entities	12	386,455	181,390
Other financial assets	6	876	876
Non-current trade receivables	6	94	188
Total non-current assets		49,963,115	48,866,130
Trade and other receivables		428,684	484,041
Trade receivables	6	117,739	121,111
Trade receivables, from Group companies and associates	6	9,110	6,807
Other receivables	6	186,081	264,343
Personnel	6	6	13
Current tax assets	12	1,417	108
Public entities, other	12	114,331	91,659
Current investments in Group companies and associates	5	124,334	124,335
Loans to companies		124,334	124,335
Short-term financial investments	6	323	1,185
Cash and cash equivalents	7	122,183	397,468
Cash		122,183	147,098
Cash equivalents		-	250,370
Total current assets		675,524	1,007,029
TOTAL ASSETS		50,638,639	49,873,159



ENTIDAD PÚBLICA EMPRESARIAL ADIF – Alta Velocidad

Balance Sheet at 30 September 2023 and 31 December 2022

Expressed in thousands of Euros

EQUITY AND LIABILITIES	NOTE	30/09/2023	31/12/2022
Equity	8	14,064,364	13,966,210
Equity contributions		16,603,300	16,395,584
Reserves		45,767	45,767
Retained earnings		(2,475,141)	(2,178,353)
Loss for the year		(109,562)	(296,788)
Grants, donations and bequests received	9	11,804,415	11,385,621
Total equity		25,868,779	25,351,831
Non-current provisions	10	844,713	847,035
Long-term employee benefits		1,067	1,009
Other provisions		843,646	846,026
Non-current payables	11	17,304,979	17,404,708
Bonds and other marketable securities		4,990,394	4,891,190
Loans and borrowings		10,518,374	10,593,590
Other financial liabilities		1,796,211	1,919,928
Long-term debts with group companies and associates	11	112,425	115,644
Deferred tax liabilities	12	3,934,804	3,795,208
Non-current accruals	14	453,153	475,297
Total non-current liabilities		22,650,074	22,637,892
Current provisions	10	41,503	41,444
Short-term employee benefits		943	881
Other provisions		40,560	40,563
Current payables	11	1,830,958	1,532,737
Bonds and other marketable securities		1,046,839	651,366
Loans and borrowings		548,940	601,701
Derivatives		-	-
Other financial liabilities		235,179	279,670
Current payables, to Group companies and associates	11	21,742	22,020
Trade and other payables		195,753	257,405
Other suppliers and payables	11	194,014	255,733
Suppliers, Group companies and associates	11	594	698
Personnel	11	483	305
Public entities, payables	12	662	669
Current provisions	14	29,830	29,830
Total current liabilities		2,119,786	1,883,436
TOTAL EQUITY AND LIABILITIES		50,638,639	49,873,159



ENTIDAD PÚBLICA EMPRESARIAL
ADIF – Alta Velocidad

Income Statement
30 September 2023 and 2022

Expressed in thousands of Euros

	NOTE	30/09/2023	30/09/2022
Revenue	13	535,523	401,368
Self-constructed assets		9,395	7,725
Other operating income	14	531,695	699,603
Personnel expenses	15	(13,371)	(11,474)
Other operating expenses	16	(741,417)	(950,587)
External services		(747,187)	(951,281)
Taxes		(4,912)	(4,156)
Losses, impairment and changes in trade provisions		10,682	4,850
Amortisation and depreciation		(326,248)	(310,618)
Non-financial and other capital grants	17	102,817	100,045
Provision surpluses		25	2,433
Impairment and result on disposal of fixed assets		(580)	(498)
Impairments and losses		-	-
Results from disposals and others		(580)	(498)
Results from operating activities		97,839	(62,003)
Finance income	19	68,728	67,890
From equity instruments		167	1,721
From marketable securities and other financial instruments		14,243	4,803
Capitalised finance costs	19 and 4	54,318	58,676
Other		-	2,690
Finance costs	18	(269,800)	(234,837)
On third party loans		(269,786)	(234,826)
Provision adjustments		(14)	(11)
Change in fair value of financial instruments		-	(529)
Impairment and losses on disposal of financial instruments	10.b.1	(6,329)	(4,121)
Net finance expense		(207,401)	(171,597)
Loss before income tax		(109,562)	(233,600)
Income tax	12.c	-	-
Loss for the year		(109,562)	(233,600)



Statement of Changes in Equity
30 September 2023

A) Statement of Recognized Income and Expense corresponding to the nine month period ending 30 September 2023 and full year 2022

Expressed in thousands of Euros

	NOTE	30/09/2023	31/12/2022
Loss for the year		(109,562)	(296,788)
Income and expense recognised directly in equity			
Grants, donations and bequests	9	661,207	441,399
Cash flow hedges	11	-	673
Actuarial gains and losses and other adjustments		-	14,666
Grants tax effect	9 and 12	(165,300)	(110,351)
Cash flow hedges tax effect	11	-	(168)
Total income and expense recognised directly in equity		495,907	346,219
Amounts transferred to the income statement			
Grants, donations and bequests	17	(102,817)	(134,062)
Tax effect	12	25,704	33,516
Total amounts transferred to the income statement		(77,113)	(100,546)
Total recognised income and expense		309,232	(51,115)



ENTIDAD PÚBLICA EMPRESARIAL
ADIF – Alta Velocidad

Statement of Changes in Equity
Corresponding to the year ended 30 September 2023

B) Statement of Total Changes in Equity corresponding to the nine month period ending 30 September 2023

Expressed in thousands of Euros

	Equity contributions (Note 8a)	Reserves	Retained earnings	Loss for the year	Grants, donations and bequests received (Note 9)	Valuation adjustments (Note 11.a.1)	Total
Balance at 31 December 2021	16,084,010	31,101	(1,752,909)	(425,444)	11,155,119	(505)	25,091,372
Recognised income and expense	-	14,666	-	(296,788)	230,502	505	(51,115)
Increase in equity contributions (note 8.c)	311,574	-	-	-	-	-	311,574
Other changes in equity	-	-	(425,444)	425,444	-	-	-
Balance at 31 December 2022	16,395,584	45,767	(2,178,353)	(296,788)	11,385,621	-	25,351,831
Recognised income and expense	-	-	-	(109,562)	418,794	-	309,232
Increase in equity contributions (note 8.c)	207,716	-	-	-	-	-	207,716
Other changes in equity	-	-	(296,788)	296,788	-	-	-
Balance at 30 September 2023	16,603,300	45,767	(2,475,141)	(109,562)	11,804,415	-	25,868,779



**ENTIDAD PÚBLICA EMPRESARIAL
ADIF – Alta Velocidad**

**Cash Flow Statement corresponding to the nine month period ending 30 September
2023**

Expressed in thousands of Euros

	30/09/2023	30/09/2022
Cash flows from/(used in) operating activities		
Loss for the period before tax	(109,562)	(233,600)
Adjustments for:	413,330	367,893
Depreciation and amortisation (+)	326,248	310,618
Impairment (+/-)	(4,333)	(729)
Change in provisions (+/-)	1,995	(2,200)
Grants recognised in the income statement (-)	(102,817)	(100,045)
Proceeds from disposals of fixed assets (+/-)	580	498
Gains/losses on disposal of financial instruments (+/-)	(20)	-
Finance income (-)	(68,728)	(67,890)
Finance costs (+)	269,800	234,837
Change in fair value of financial instruments (+/-)	-	529
Other income and expenses (-/+)	(9,395)	(7,725)
Changes in operating assets and liabilities	(177,590)	(124,862)
Trade and other receivables (+/-)	53,640	(84,834)
Trade and other payables (+/-)	(153,829)	39,853
Other current liabilities (+/-)	(8,943)	(13,103)
Other non-current assets and liabilities (+/-)	(68,458)	(66,778)
Other cash flows from/(used in) operating activities	(250,916)	(244,545)
Interest paid (-)	(259,806)	(239,857)
Dividends received (+)	167	1,721
Interest received (+)	7,883	-
Payments (collections) by tax of benefits (- / +)	-	-
Other amounts paid (received) (-/+)	840	(6,409)
Cash flows from/(used in) operating activities	(124,738)	(235,114)



Cash Flow Statement corresponding to the nine month period ending 30 September 2023

	30/09/2023	30/09/2022
Cash flows from/(used in) investing activities		
Payments for investments (-)	(1,104,180)	(706,380)
Group companies and associates	(41,854)	(540)
Property, plant and equipment, intangible assets and investment property	(1,062,326)	(705,840)
Other financial assets	-	-
Proceeds from disposals (+)	-	-
Group companies and associates	-	-
Cash flows from/(used in) investing activities	(1,104,180)	(706,380)
Cash flows from/(used in) financing activities		
Proceeds from and payments for equity instruments	299,184	331,646
Issue of equity instruments	207,716	103,858
Grants, donations and bequests received	91,468	227,788
Europe	83,102	227,788
Others	8,366	-
Proceeds from and payments for financial liability instruments	654,449	473,434
Issue	1,651,237	3,294,621
Bonds and other marketable securities	1,100,000	-
Loans and borrowings (+)	275,000	535,000
Other payables (+)	276,237	2,759,621
Europe	253,737	1,547,429
A.G.E	22,500	29,997
Reciprocal debts Adif/Adif AV	-	1,182,195
Redemption and repayment of	(996,788)	(2,821,187)
Bonds and other marketable securities (-)	(600,000)	(1,190,200)
Loans and borrowings (-)	(393,499)	(440,981)
Other payables (-)	(3,289)	(1,190,006)
Europe	-	(4,661)
A.G.E	-	-
Reciprocal debts Adif/Adif AV	-	(1,182,195)
Others	(3,289)	(3,150)
Cash flows from/(used in) financing activities	953,633	805,080
Net increase in cash and cash equivalents	(275,285)	(136,414)
Cash and cash equivalents at beginning of year	397,468	156,039
Cash and cash equivalents at 30 September of year	122,183	19,625



Notes to the Interim Financial Statements

30 September 2023



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.



ENTIDAD PÚBLICA EMPRESARIAL ADIF – Alta Velocidad

Notes to the Interim Financial Statements 30 September 2023

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:

- 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:



**ENTIDAD PÚBLICA EMPRESARIAL
ADIF – Alta Velocidad**

**Notes to the Interim Financial Statements
30 September 2023**

- 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.
- 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 Ministries of Economy and Finance and Public Works, currently Transport, Mobility and Urban Agenda, may entrust ADIF-AV with the administration of State-owned infrastructures by means of the corresponding agreements or contracts - programs.
- 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



ENTIDAD PÚBLICA EMPRESARIAL
ADIF – Alta Velocidad

Notes to the Interim Financial Statements
30 September 2023

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.
- 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.



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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 Resolutions of the Presidents of ADIF and ADIF-AV dated 31 December 2013, these Entities entrusted each other with the performance of certain tasks, giving rise to the execution of Agreements as well as the corresponding addenda.

Subsequently, on 26 June 2019, given the need to update the aforementioned assignments, the Board of Directors of the public business entity Administrador de Infraestructuras Ferroviarias (ADIF) agreed to approve and authorize the signing of the management assignment agreement between the public business entity Administrador de Infraestructuras Ferroviarias (ADIF) and the public business entity ADIF-AV, whereby the E.P.E. ADIF-AV is entrusted with the execution of activities of a material or technical nature.

In execution of the Agreement of the Board of Directors of ADIF of 26 June 2019, the management entrustment agreement between ADIF and ADIF-AV was signed on 9 July 2019, whereby the E.P.E. ADIF-AV was entrusted with the execution of activities of a material or technical nature, which was published in the BOE (Official State Gazette) 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

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. There are currently two addenda to the aforementioned Agreement published in the Official State Gazette (BOE). The first is published on 20 December 2019 and the second on 12 February 2020.

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



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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.

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
- 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.



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- 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.
- 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.



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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.
- 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).



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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 2021	2021	2022	2023	2024	2025	Accumulated 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 Facility	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
Total contributions from the AGE		1,800,511	982,447	580,787	331,574	321,574	4,016,893

a) 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.

b) 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.

c) 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:

a) 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 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.



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- 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, the Monitoring Committee has definitively approved the liquidation of the 2021 fiscal year following the liquidation report issued by the IGAE on December 28, 2022. The liquidation proposal for 2022 is currently being prepared and therefore all references contained in this document to such liquidation should be treated as provisional. However, the Entity believes that the final settlement of these contributions will not result in 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 year 2022, once the annual accounts have been approved. This settlement proposal will show a breakdown of the differences between the forecasts and the values actually achieved in terms of compensation for fare reductions, the Entity's Income Statement, the volume of own investments and those financed by MRR-EU, the 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



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established for said fiscal year is established for future fiscal 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.



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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.

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.

Based on the final settlement report issued by the IGAE and in the event that any amount of the contributions remains pending in the respective Reserve Accounts in favour of or against the Entity as a result of the final settlement of the Agreement, the Monitoring Committee will submit a proposal for application to the Ministry of Transport, Mobility and Urban Agenda and to the Ministry of Finance, which may proceed to reimburse it to the Treasury or take it into account for the next agreement.

At each year-end, the Entity records the best information available on the settlement proposals for each of the contributions that can be financed by the AGE. In the event of differences between the estimate of the settlement proposal known at year-end and the final settlement, the Entity records these differences in the accounting period in which the settlement is approved.

For the 2021 financial year, in December 2022, following a report from the IGAE, the Monitoring Committee of the Mitma 2021 2025 agreement approved the settlements of the contributions of the AGE referred to in this agreement. The result of these settlements did not reveal any significant discrepancies with respect to those foreseen in the closing of the 2021 annual accounts. The situation at the closing of these financial statements of the items referred to in the aforementioned Agreement and recorded in these financial statements is shown below:

	Status as of 30/09/2023 (Thousands of euros)					
	2023 09	2022	2021	Balance at 30/09/2023		
	Settlement proposal	Settlement proposal	Liquidated IGAE	Accumulated realized	Accumulated Collections	Balances receivable/(to be returned)
ADIF Contributions AGE						
- For compensation fee reduction	70,182	66,105	40,836	177,123	112,500	64,623
- Patrimonial Contribution	207,716	311,574	466,174	985,464	985,464	-
Total contributions from the AGE	277,898	377,679	507,010	1,162,587	1,097,964	64,623

The situation as of 31 December 2022 was as follows:

	Status as of 31/12/2022 (Thousands of euros)						
	2021			2022	Balance at 31/12/2022		
	Settlement proposal	Liquidated IGAE	Dif	Settlement proposal	Accumulated realized	Accumulated Collections	Balances receivable/(to be returned)
ADIF Contributions AGE							
- For compensation fee reduction	40,836	40,836	-	66,105	106,941	90,000	16,941
- Patrimonial Contribution	466,174	466,174	-	311,574	777,748	777,748	-
Total contributions from the AGE	507,010	507,010	-	377,679	884,689	867,748	16,941



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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.



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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.
 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 22/2021 of 28 December on the General State Budget for the year 2022 appropriates a capital 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.
 - Law 31/2022 of 23 December on the General State Budget for 2023 appropriates an equity contribution for ADIF AV of 311,574 thousand euros in 2023. Likewise, a current transfer to finance the tariff deficit linked to railway fees of 30,000 thousand euros has been appropriated in the 2023 General State Budget for 2023. An authorization for a net increase in indebtedness of 1,191,449 thousand euros has also been 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



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services and the establishment of new and more precise rules on charging for access to railway infrastructure.

Article 23 of the LSF establishes the functions of the general managers of railway infrastructures, including the determination, review and collection of fees for the use of railway infrastructures, in accordance with the applicable legal and regulatory regime.

Title VI of the LSF also 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.

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.

The approval of Law 26/2022, of December 19, which amends Law 38/2015, of 29 September 2015, on the Railway Sector, has introduced changes in the wording of its CHAPTER II, Railway Fees and prices derived from the use of railway infrastructure and service facilities. The Railway Fees are the amounts that the infrastructure managers receive from the railway companies for the use of the lines of the General Interest Railway Network (RFIG) and the passenger stations, reight terminals and other service facilities.

However, in accordance with the First Transitional Provision of the aforementioned Law 26/2022, "Provisional application of the fees in force and suspension of the entry into force of the modification of certain penalties", the system for the determination of railway fees in force at the time of the entry into force of this law shall continue to be applicable, until the approval and official publication of the values obtained in accordance with the system established therein..

Law 31/2022, of December 23, of the General State Budget for the year 2023, has established the new tariffs for railway charges, in its article 86.

On the other hand, and with the purpose of mitigating the effects of the crisis caused by the COVID-19 on railway transport, the unit amounts paid by the Railway Companies and Operators for the railway fees provided for in Article 86 of this Law (Law 31/2022, of December 23, of the General State Budget for the year 2023) are without effect, being the rates established in the Eighth Transitory Provision, the ones that the Railway Companies and Operators will have to pay. This Eighth Transitory Provision shall be in force as long as there is no modification of the tariffs of Article 86.



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The Ministry of Transport, Mobility and Urban Agenda shall continue to compensate railway infrastructure managers for the difference between the fees that such entities should have received through the application of the unit amounts set forth in Article 86 and those actually paid by Railway Companies and Operators as a result of the settlements issued with the unit amounts set forth in the Eighth Transitional Provision.

This compensation by the Ministry of Transport, Mobility and Urban Agenda was charged to the budget allocations contemplated in the Agreements signed on 26 July 2021 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 tariff proposal is to provide incentives to the railway system to facilitate and enhance the supply of services at the beginning of the liberalization of passenger transport by rail and the recovery of traffic levels existing prior to the pandemic.

Therefore, in order to determine the rates of royalties and, as a consequence, the collection of the infrastructure managers that make up the entity's Turnover during 2023, by virtue of the First Transitory Provision of Law 26/2022, "*the system for the determination of railway royalties in force at the time of the entry into force of this law shall continue to be applicable, until the approval and official publication of the values obtained in accordance with the system established therein*", the following Railway Royalties are applicable:

- Fee for Use of the Railway Lines that are part of the RFIG 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 assignment service of those time slots, defined in the declaration on the network, to the corresponding candidates so that a train can circulate between two points during a certain period of time. The costs of the process of capacity allocation, traffic management, security in the circulation and the replacement of the security and control facilities of the traffic, directly attributable to the operation of the rail service. The amount will be determined by each train-kilometre awarded, distinguishing by type of affected line 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 railway infrastructure, directly attributable to the operation of the rail service. The amount will be determined by each train-kilometre circulated distinguishing by type of line and type of service.



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- c) Charge for the use of the transformation and distribution facilities of the electric power of traction (Module C), by the action or effect of using the electrification installations of a railway line. The costs will be passed on maintenance and conservation of electrification facilities and their Replacement costs, directly attributable to the operation of the service railway. The amount will be determined by each train-kilometre circulated by lines electrified railways distinguishing by type of line, type of service and type of traction.

- 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.



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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 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 the financial situation as of 30 September 2023 and the results of its operations, changes in the net equity and cash flows for the period from 1 January 2023 to 30 September 2023.

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 Royal Decree 1/2021 of 12 January 2022, as well as 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 posed by ADIF or ADIF-AV in accordance with Law 47/2003, of 26 November 2003. If these policies are significant, they are included 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 2023, the figures for the previous year that formed part of the 2022 annual accounts approved by the Board of Directors of ADIF AV on 28 March 2023.



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In addition to the figures for the nine-month period ended 30 September 2023, 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 2022, which were included in the 2022 profit and loss account and the 2022 cash flow statements included in the annual accounts for the year ended 31 December 2022.

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 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



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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 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 OM FOM/2909/2006, of 19 September, which established a right of use without



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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.

The Entity values the rights of use acquired in the aforementioned years at the present value of the acquisition price from RENFE Operadora. These fixed assets are presented net of the related accumulated depreciation provided on a straight-line basis and 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 probable to obtain from other third parties. These business plans consider various assumptions of variations in the occupancy of space, variations in price indexes and interest rates in line with current real estate and financial market conditions. The Entity has estimated a useful life of 75 years for the rights of use acquired in 2015 and 30 years for the rights of use acquired in 2020.

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:

	YEARS
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



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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 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.

In addition, 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 by ADIF-AV 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.



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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 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.



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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 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



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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 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



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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:

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



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- 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:

	Years
Buildings and constructions	50
Transport elements	10 – 30
Other items of property, plant and equipment	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:

- 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.



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- 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.

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.



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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:

- 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.
- 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.
- Hybrid financial assets whose fair value cannot be reliably estimated, unless they meet the requirements for recognition at amortized cost.
- Contributions made as a result of joint ventures and similar agreements.
- Participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon, conditioned to the fulfilment 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.
- 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



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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 fulfilment 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.

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



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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.

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



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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 transferred,



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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



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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.

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



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year. After initial recognition, the Company measures the 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).



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

Deposits given and received

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).



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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.

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.



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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.

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.



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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.

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



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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 3b).

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 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.



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(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 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.



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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

The breakdown of the balances of property, plant and equipment, intangibles and investment property and their corresponding depreciation and impairment and movement at 30 September 2023 and full year 2022 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).
- 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.



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- 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).
- 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 2023, 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:



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	Thousands of Euros	
	30/09/2023	31/12/2022
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
TOTAL	183,954	183,954

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 Interim Financial Statements 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 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 SEITSA have transferred to ADIF AV



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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 del Campo (Valladolid) 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 903,347 thousand euros, recognizing the corresponding capital grant as a balancing entry. Of this amount, a total of 862,840 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 2022 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 in operation Madrid- Galicia High Speed Line	
	30/09/2023	31/12/2022
A.G.E. Real Decreto ley 4/2013	40,507	40,507
SEITTSA, Convenio Refundido	862,840	861,943
	903,347	902,450

4.a) Operating property, plant and equipment

The following is a breakdown of the acquisition or production cost at 30 September 2023 and at 31 December 2022 of the Entity's property, plant and equipment by high speed network line:

	30/09/2023 Thousands of Euros				Total
	Land and natural resources	Buildings and other constructions	Track and other technical installations	Other property, plant and equipment	
Madrid-Barcelona-Figueras	784,988	653,458	10,457,930	14,475	11,910,851
Corredor Mediterráneo	52,846	25,252	1,193,540	137	1,271,775
Madrid-Levante	936,634	242,155	8,576,227	1620	9,756,636
Madrid-Sevilla y ramal a Toledo	78,834	448,829	2,496,806	7,884	3,032,353
Córdoba-Málaga	117,646	67,747	2,304,592	1286	2,491,271
Antequera-Granada	66,234	42,730	1,271,656	136	1,380,756
Madrid-Valladolid – Burgos	88,687	99,497	4,808,383	3223	4,999,790
Bif Venta de Baños – León	79,242	36,653	883,797	255	999,947
Olmedo – Zamora – Orense	83,728	55,033	3,779,914	320	3,918,995
Eje Atlántico Vigo - Santiago de Compostela	124,774	66,566	1,894,908	492	2,086,740
Plasencia-Cáceres-Mérida-Badajoz	54,899	19,234	1,315,136	57	1,389,326
Others	216,866	24,236	572,225	10,906	824,233
	2,685,378	1,781,390	39,555,114	40,791	44,062,673



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31/12/2022 Thousands of Euros

	Land and natural resources	Buildings and other constructions	Track and other technical installations	Other property, plant and equipment	Total
Madrid-Barcelona-Figueras	784,340	651,348	10,447,358	14,470	11,897,516
Corredor Mediterráneo	52,846	25,181	1,193,457	137	1,271,621
Madrid-Levante	924,012	234,429	8,607,843	1,614	9,767,898
Madrid-Sevilla y ramal a Toledo	77,702	448,517	2,494,640	7,878	3,028,737
Córdoba-Málaga	117,540	67,448	2,294,548	1,284	2,480,820
Antequera-Granada	66,075	42,639	1,271,638	125	1,380,477
Madrid-Valladolid - Burgos	88,745	98,331	4,791,252	3,223	4,981,551
Bif Venta de Baños – León	79,514	36,653	870,579	252	986,998
Olmedo – Zamora - Orense	83,245	55,010	3,778,825	317	3,917,397
Eje Atlántico Vigo - Santiago de Compostela	124,657	66,167	1,871,239	492	2,062,555
Plasencia-Cáceres-Mérida-Badajoz	52,619	15,469	1,348,757	57	1,416,902
Others	206,278	23,396	570,713	10,851	811,238
	2,657,573	1,764,588	39,540,849	40,700	44,003,710

4.b) Work in progress

Work in progress at 30 September 2023 and 31 December 2022 is detailed in the table below:



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	Thousands of Euros	
	30/09/2023	31/12/2022
Madrid - Zaragoza - Barcelona – Figueras	528,608	462,525
Zaragoza - Pamplona, Tramo Castejón – Comarca de Pamplona	234,510	199,275
Madrid - Castilla la Mancha - Com. Valenciana – Región de Murcia	1,187,508	1,113,054
Corredor Mediterráneo de AV	18,252	17,764
Enlace Corredor Mediterráneo, Área Tarragona	94,810	89,744
L.A.V. Pulpí – Murcia	364,046	239,223
L.A.V. Murcia – Almería	852,571	752,359
Córdoba – Málaga	1,152	3,482
L.A.V. Antequera – Granada	114,713	109,934
L.A.V. Madrid - Cáceres, tramo Navalmoral de la Mata – Cáceres	305,790	249,275
L.A.V. Madrid - Extremadura - F. portuguesa, tramo Cáceres - Mérida – Badajoz	154,721	48,673
Madrid - Segovia – Valladolid	5,102	4,356
Valladolid - Burgos – Vitoria	111,423	111,457
L.A.V. País Vasco	2,072,620	1,936,172
Palencia – León	130,605	152,263
L.A.V. León – Asturias	3,330,550	3,261,034
L.A.V. Galicia (Olmedo - Lubián)	43,761	43,415
L.A.V. Galicia (Lubián - Ourense)	127,649	158,104
Eje Atlántico de Alta Velocidad	36,397	52,318
Madrid Atocha - Madrid Chamartín	25,066	7,070
Atocha Station complex expansion	16,353	13,472
Other High Speed investments,	155,070	98,517
Investments in asset replacement and improvement	887,895	563,074
TOTAL	10,799,172	9,686,560

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 31 December 2022 arising from outstanding contractual issues pending formalization worth 4,584 thousand euros, respectively. As of 30 September 2023, no amount is owed for this item. 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 2023 and 31 December 2022 include 322,162 thousand euros and 302,107 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 2023 and 31 December 2022:



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	Thousands of Euros	
	30/09/2023	31/12/2022
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.	11,291	11,291
Almería Alta Velocidad, S.A.	10,169	10,169
TOTAL	71,073	71,073

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 2023, the Entity has firm commitments with third parties to make future investments of 4,483,967 thousand euros, excluding VAT. At 31 December 2022, the Company had firm commitments with third parties to make future investments of 4,105,706 thousand euros, excluding VAT.

4.c) Capitalised borrowing costs

Through the first 3 quarters of 2023, the Entity has capitalized a total amount of 54,318 thousand euros of financial expenses, corresponding to the cost of loans subscribed with the EIB or other entities and the cost of issuances of Green Bonds and Obligations intended to finance, primarily, the construction of various high-speed rail lines. Of this amount, among others, a total of 9,179 thousand euros pertained to the Levante/Murcia Line; 17,463 thousand euros reflected the cost of the high-speed rail network in the Basque Country, known as the 'Y Vasca'; 249 thousand euros represented the cost of the Valladolid-Vitoria section of the Madrid-Basque Country/French Border high-speed line; 6,550 thousand euros reflected the Pajares Variant of the Madrid-Asturias High-Speed Line; 3,205 thousand euros for the railway connection between Madrid Atocha and Madrid Chamartín stations; 7,012 thousand euros represented the cost of the Almería-Region of Murcia section; 1,439 thousand euros for the Madrid-Extremadura line, and 724 thousand euros represented the cost of the high-speed rail network in Galicia.



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Through the first 3 quarters of 2022, the Entity capitalized a total amount of 58,676 thousand euros of financial expenses, corresponding to the cost of loans subscribed with the EIB or other entities and the cost of issuances of Green Bonds and Obligations intended to finance, primarily, the construction of various high-speed rail lines. Of this amount, among others, a total of 12,845 thousand euros pertained to the Levante/Murcia Line; 18,331 thousand euros reflected the cost of the high-speed rail network in the Basque Country, known as the 'Y Vasca'; 4,160 thousand euros represented the cost of the Valladolid-Vitoria section of the Madrid-Basque Country/French Border high-speed line; 7,902 thousand euros reflected the Pajares Variant of the Madrid-Asturias High-Speed Line; 7,417 thousand euros for the railway connection between Madrid Atocha and Madrid Chamartín stations, and 60 thousand euros represented the cost of the high-speed rail network in Galicia. (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 2023 and 31 December 2022 are as follows:

	Thousands of Euros	
	30/09/2023	31/12/2022
Intangible assets	12,522	12,455
Property, plant and equipment	979,234	935,049
Investment property	103	103
TOTAL	991,859	947,607

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, TEN-T, ERD. And RRF -Recovery and Resilience Facility) (see Note 9).

Current and on-going investments delivered by the State to ADIF 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 SEITSA 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 2023 and 31 December 2022 are as follows:



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30/09/2023 Thousands of Euros			
	Cost	Accumulated amortisation	Total
Operating intangible assets			
Computer software	8,191	(7,112)	1,079
Rights of use space RENFE 2015	50,831	(5,252)	45,579
Rights of use Torreones Atocha RENFE 2020	19,195	(1,760)	17,435
Research and development expenses	16,471	(8,420)	8,051
Other intangible assets	6,716	(6,714)	2
Total operating intangible assets	101,404	(29,258)	72,146
Intangible assets in progress			
Computer software	1,566	-	1,566
Research and development expenses	1,800	-	1,800
Other intangible assets	407	-	407
Total intangible assets in progress	3,773	-	3,773
Total intangible assets	105,177	(29,258)	75,919

31/12/2022 Thousands of Euros			
	Cost	Accumulated amortisation	Total
Operating intangible assets			
Computer software	8,011	(6,823)	1,188
Rights of use space RENFE 2015	50,831	(4,744)	46,087
Rights of use Torreones Atocha RENFE 2020	19,195	(1,280)	17,915
Research and development expenses	13,973	(7,539)	6,434
Other intangible assets	6,716	(6,713)	3
Total operating intangible assets	98,726	(27,099)	71,627
Intangible assets in progress			
Computer software	891	-	891
Research and development expenses	1,710	-	1,710
Other intangible assets	381	-	381
Total intangible assets in progress	2,982	-	2,982
Total intangible assets	101,708	(27,099)	74,609

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



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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.

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 28 December 2015, the Entity, together with RENFE Operadora, 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.

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.

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



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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.c))

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 ²	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 2023 and 31 December 2022, 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 2023 and 31 December 2022 is as follows:

	30/09/2023 Thousands of Euros			
	Cost	Accumulated depreciation	Provision for dep. real estate investments	Total
Urban sites	15,495	-	-	15,495
Shopping centres at passenger rail stations	196,224	(34,994)	-	161,230
Commercial car parks	78,596	(17,188)	-	61,408
Buildings and hotels at intermodal stations	61,683	(22,136)	-	39,547
Housing, premises and garages	228	(222)	-	6
Investment property in progress	403	-	-	403
Total	352,629	(74,540)	-	278,089



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	31/12/2022 Thousands of Euros			
	Cost	Accumulated depreciation	Provision for dep. real estate investments	Total
Urban sites	14,510	-	-	14,510
Shopping centres at passenger rail stations	196,225	(32,049)	-	164,176
Commercial car parks	78,596	(16,277)	-	62,319
Buildings and hotels at intermodal stations	61,683	(21,356)	-	40,327
Housing, premises and garages	228	(221)	-	7
Investment property in progress	403	-	-	403
Total	351,645	(69,903)	-	281,742

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

In 1993, RENFE (today ADIF) called an international tender for the preferential award of urban development rights in the Chamartín area, which was awarded to a specific company for its development, Crea Madrid Nuevo Norte, S.A. (CreaMNN) (formerly Distrito Castellana Norte S.A., DCN). Subsequently, the urban development rights were extended to the railway land in Fuencarral.

On 19/09/2018, the General Secretariat of Infrastructures resolved to provisionally approve and submit to public information the "Informative Study of the New Railway Complex of Madrid-Chamartín Station".

On 20/09/2018, the Madrid City Council adopted the agreement of Initial Approval of the modification of the General Urban Development Plan of Madrid of 1997 (MPG) for the APR 08.03 "Prolongación de la Castellana" and APE 05.27 "Colonia Campamento", for the definition of the determinations and planning parameters of the urban development operation "Madrid Nuevo Norte", with the creation of a Remitted Planning Area 05.10 "Estación Chamartín" and three Specific Planning Areas called APE 08.20 "Malmea-San Roque-Tres Olivos", APE 08.21 "Las Tablas-Oeste" and APE 05.31 "Centro de Negocios Chamartín".

In order to update the contract to the changes in the urban and railway situation, on 28/12/2018, the "Document of Modification of the Consolidated Text of the Contract signed by RENFE, today ADIF, ADIF-Alta Velocidad, RENFE-Operadora and RENFE Fabricación y Mantenimiento, and DCN, on the Preferential Adjudication of the Rights of the Former in relation to the Urban Development of the Chamartín and Fuencarral Railway Precincts, in Madrid" was subscribed, with two suspensive conditions, already fulfilled: the definitive approval of the modification of the General Plan (MPG) and the ratification of the urban development agreements.

CreaMNN is obliged to pay the Public Entities a monetary fee of 984,225 thousand euros to be paid in 20 years with an annual interest rate of 3% and a fee in kind



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consisting of 100,000 m² of residential use subject to public protection. The validity and effectiveness of this agreement was subject to the final approval of the PPRI amendment.

ADIF and ADIF AV are expected to receive 91.897% of the expected price of 1,245,460 thousand euros (including deferral interest totalling 261,234 thousand euros), that is, 1,144,540 thousand euros, which is, in principle, a maximum amount, since if ADIF/ADIF AV is not recognized as the owner of any area in the corresponding urban reparcelling, this price will be reduced in accordance with a pre-established unit price. Of the total amount of 1,144,540 thousand euros, ADIF AV will receive 29.214%, that is, 363,849 thousand euros, and ADIF will receive 62.683%, amounting to 780,692 thousand euros.

In addition, both public entities will receive a payment in kind through the delivery of plots of land with a buildable area of 84,027 m² for subsidized housing (53,438.65 m² for ADIF and the remaining 30,588.35 m² for ADIF Alta Velocidad).

On 25 March 2020, the Community of Madrid gave final approval to the MPG, conditioning its effectiveness until certain modifications were complied with. The Madrid City Council Plenary agreed to approve these modifications on 29 May 2020. The Community of Madrid approved the Agreement of 22 July 2020. On 31 July 2020, the Madrid City Council published the urban development regulations of the MPG in the BOCM (Official Gazette 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 "Informative Study of the New Railway Complex of 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. The Follow-up Commission and the Technical Committee were constituted on 27 September and 6 October, respectively.

Likewise, the Management Commissions of the APE 05.31 "Centro de Negocios" on 30 June 2021 and of the APE 08.20 "Malmea, San Roque Tres Olivos" on 4 November 2021 were constituted.

The Revised Text of the Contract (TRC) establishes, for the first public deed of transfer and delivery to CreaMNN of the land and uses, a term of 90 working days from the publication in the BOCAM of the Agreements or other legal instruments with the allocation of costs of the infrastructures and charges, once the MPG has been finally approved. Said term expired on 6/05/2022 and the parties to the contract signed an agreement to extend the term to grant the deeds until 23/12/2022. Finally, after agreement of the parties in the Monitoring Committee, on 8/11/2022 a new



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Agreement was signed to extend the term established in Clause Seven of the Document of Modification of the Consolidated Text of the Contract, extending the term for the execution of the deeds until 30/11/2023.

For the transfer, the TRC provides for the fulfilment of the following conditions:

- Prior de-assignment.
- Registration in an independent folio of the use of the SGF land.
- If this is not possible, it is admitted with the registration of the demaniales lands that generate the uses.

In addition, although the TRC does not require the registry regularization of the land prior to its transfer, this need is derived from CreaMNN's obligation to proceed with the constitution of the mortgages, as a guarantee of the pending payment.

Consequently, work is being carried out with RENFE-Operadora, CreaMNN, the Property Registries No. 29, 38 and 54, as well as with the Madrid City Council, to regularize the registration of the railway land subject to concession in accordance with the areas and the General Railway Service defined in the MPG, as well as to register the urban development of the demaniales land in an independent folio. On October 3, 2023, the initiative of direct execution of the planning by the owners of the land of APE 08.21 Las Tablas Oeste was formalized before the City Council by means of a Compensation Board.

In the Contract Monitoring Committee of October 20, 2023, it was agreed to extend the term established for the execution of the public deeds of sale and mortgage until November 30, 2024.

The Extension Agreement was signed between the Public Entities and CreaMNN on 6 November 2023.

5. Investments in Group Companies and Associates

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

The movements for in the nine-month period ended 30 September 2023 and full year 2022, in thousands of euros, in the accounts composing this caption are detailed in the tables below:



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30/09/2023 Thousands of Euros				
	Investments in Group companies and associates	Uncalled equity holdings	Provisions	Total
Balance at 1 January 2023	10,026	-	(2,049)	7,977
Additions	-	-	-	-
Withdrawals	-	-	-	-
Balance at 30 September 2023	10,026	-	(2,049)	7,977

31/12/2022 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	-	-	-	-
Balance at 31 December 2022	10,026	-	(2,049)	7,977

A breakdown of the main investees and related information is presented in Appendix II.

Within the shareholdings in associated companies, it is worth mentioning those corresponding to the companies whose corporate purpose is the integration of the railroad in various cities. The aforementioned companies were incorporated under the agreements signed between the Ministry of Public Works, currently MITMA, the Public Business Entities assigned to it with competencies in railway matters and the Public Administrations involved in each of the cities affected (Autonomous Community and City Council) with competencies in land and urban planning, with the participation in their capital being distributed 50/50 between the General State Administration and the local and autonomous community administrations. This model aims to unite all parties with an interest 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 development uses derived from land released from railway use that are unnecessary for the railroad. In 2019, agreements or addenda were signed to the pre-existing agreements relating to the cities of Alicante, Gijón and Murcia that respectively affect the integration companies Alta Velocidad Alicante Nodo de Transporte, S.A., Gijón al Norte, S.A., and Murcia AV, S.A. In July 2022, the agreement was signed with the Generalitat Valenciana and the City Council of Valencia for the integration of the railroad in Valencia, Canal de Acceso phase 3. A new agreement is expected to be signed for the integration of the railroad in Gijón that will replace the one signed in 2019 based on the Informative Study "New Intermodal Station of Gijón" finally approved and published in the BOE on 11 February 2022, dated 9 February 2022. Likewise, a protocol was subscribed in 2022 to promote the integration of the railroad in Vitoria and it is planned to subscribe, based on said protocol, a new agreement for the integration of the railroad in Vitoria. In Zaragoza, the agreement for the execution



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and financing of the transfer of the El Portillo facilities was also signed in 2022. In March 2023, a Protocol for the integration of the railroad in Cartagena was signed, which lays the foundations of the solution agreed within the company and the commitment to sign a new agreement where the actions to be developed will be specified; and, in July an Agreement was signed for the execution and financing of phase 2 of the integration of the railroad in Almería. 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 2023 and 31 December 2022 are as follows:

Concept	Thousands of Euros	
	30/09/2023	31/12/2022
Zaragoza Alta Velocidad 2002, S.A.	113,256	113,256
Cartagena AVE, S.A.	1,080	1,080
Murcia AVE, S.A.	128,628	96,677
Barcelona Sagrera AV, S.A.	71,270	71,270
Valladolid Alta Velocidad, 2003, S.A.	277,413	267,510
Alta Velocidad Alicante Nodo del Transporte, S.A.	1,678	1,678
Palencia Alta Velocidad, S.A.	610	610
Total non-current loans to Group companies and associates	593,935	552,081
Provision for impairment	(27,624)	(27,624)
	566,311	524,457

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 31 December 2022 and 27,624 thousand euros as of 31



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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 2023 and 31 December 2022 in relation to loans granted to its long-term investees at nominal value is shown in the table below:

Company	Thousands of Euros	
	30/09/2023	31/12/2022
Zaragoza Alta Velocidad 2002, S.A.	143,535	143,535
Cartagena Alta Velocidad, S.A.	1,080	1,080
Murcia Alta Velocidad, S.A.	128,628	96,677
Logroño Integración Ferrocarril 2002, S.A.	-	-
Barcelona Sagrera Alta Velocitat S.A.	71,270	71,270
Valladolid Alta Velocidad 2003 S.A.	277,413	267,510
Alta Velocidad Alicante Nodo del Transporte, S.A.	1,678	1,678
Palencia Alta Velocidad, S.A.	610	610
	624.214	582.360

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



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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 will have to disburse in the future as a result of loans or contributions already granted or committed by the Entity to various investees and for which there is a probability of non-recovery based on the probability of non-recovery have been recorded under "Provisions for liabilities and charges" (see note 10), 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 made commitments for future financial contributions based on 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 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 revision and updating as of the date of these Interim Financial Statements and taking into account that during the first half of 2023 disbursements have been made for long-term participating loans of 41,854 thousand euros (9,903 thousand euros to the company Valladolid Alta Velocidad 2003, S.A. and 31,951 thousand euros to the company Murcia Alta Velocidad S.A.), the previous renegotiation of the Agreement in Almería A.V. S.A., and the readjustment according to the pace of the 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 Murcia Alta Velocidad S.A., the commitments for monetary contributions assumed by ADIF AV as of 30 September 2023 are as follows:

30 September 2023 - Thousands of Euros

Company	2023	2024	2025	2026	2027	Resto	TOTAL
Alta Velocidad Alicante Nodo del							
insporte, S.A	244	4,344	4,344	4,344	4,344	432	18,052
rtagena A.V, S.A.	-	2,800	-	-	-	82,200	85,000
ircia Alta Velocidad, S.A.	-	105,600	66,000	16,500	16,500	12,098	216,698
ladolid Alta Velocidad 2003,							
S.A.	-	13,290	10,128	9,153	8,157	14,586	55,314
Total	244	126,034	80,472	29,997	29,001	109,316	375,064



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The commitments for monetary contributions assumed by ADIF AV at 31 December 2022 were as follows

31 December 2022 - Thousands of Euros

Company	2023	2024	2025	2026	2027	Rest	TOTAL
Alta Velocidad Alicante Nodo del Transporte, S.A	244	4,344	4,344	4,344	4,344	432	18,052
Cartagena A.V, S.A.	-	-	-	-	-	82,200	82,200
Murcia Alta Velocidad, S.A.	31,951	50,498	41,550	41,550	41,550	41,550	248,648
Valladolid Alta Velocidad 2003, S.A.	9,903	13,290	10,128	9,153	8,157	14,586	65,217
Total	42,098	68,132	56,022	55,047	54,051	138,768	414,117

5.c) Current investments in Group companies and associates

The balance of the heading “Loans to companies” at 30 September 2023 and 31 December 2022 is as follows:

Concept	Thousands of Euros	
	30/09/2023	31/12/2022
Short-term loans to group companies and associates	126,311	126,311
Loans for disposal of fixed assets	36,718	30,370
Other financial assets	(38,695)	(32,346)
	124,334	124,335

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, with the following breakdown:

Concept	Thousands of Euros	
	30/09/2023	31/12/2022
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.	1,821	1,821
Valencia Parque Central Alta Velocidad 2003 S.A.	51,124	51,124
Logroño integración del Ferrocarril 2002, S.A.	58,651	58,651
Total Short-term loans to Group companies and associates	126,311	126,311
Provision for impairment	(1,977)	(1,976)
	124,334	124,335

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 2023 and 31 December 2022, is as follows:



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30/09/2023 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	-	-	323	-
Other financial assets	876	-	-	-
Trade and other receivables	94	-	312,936	-
Total	970	2,188	313,259	-
Total current and non-current financial assets	3,158		313,259	

31/12/2022 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	-	-	1,185	-
Other financial assets	876	-	-	-
Trade and other receivables	188	-	392,274	-
Total	1,064	2,188	393,459	-
Total current and non-current financial assets	3,252		393,459	

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 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Equity instruments (see Appendix II)	2,428	-	2,428	-
Impairment	(240)	-	(240)	-
Total equity instruments	2,188	-	2,188	-
Other financial assets (deposits, guarantees and other credits)	876	323	876	1,185
Total financial investments	3,064	323	3,064	1,185



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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 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Group companies and associates				
Receivables (Note 6.b.1))	-	9,110	-	6,807
Unrelated parties				
Trade receivables (Note 6.b.2))	-	117,739	-	121,111
Other receivables (Note 6.b.3))	94	186,081	188	264,343
Personnel	-	6	-	13
	94	312,936	188	392,274

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 2023 and 31 December 2022, is as follows:

	Thousands of Euros	
	30/09/2023	31/12/2022
	Current	Current
Murcia Alta Velocidad S.A.	2,829	523
Barcelona Sagrera Alta Velocitat, S.A.	6,281	6,281
Ingeniería y Economía del Transporte S.A. (INECO).	-	2
Cartagena AV	-	1
	9,110	6,807

6.b.2) Trade receivables

At 30 September 2023 the account Trade receivables for sales and services rendered includes the balance settled and pending collection for railway fees amounting to 72,683 thousand euros and additionally the amount accrued and pending settlement amounting to 44,992 thousand euros. It also includes



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income settled and pending collection for Railway Charges amounting to 64 thousand euros.

At 31 December 2022, the Trade receivables for sales and services rendered account includes the balance of 62,198 thousand euros settled and pending collection in respect of railway levies and, in addition, the amount accrued and pending settlement of 58,777 thousand euros. It also includes the revenue settled and pending collection for Railway Charges amounting to 136 thousand euros.

6.b.3) Other receivables

The detail at 30 September 2023 and 31 December 2022 is as follows:

	Thousands of Euros	
	30/09/2023	31/12/2022
Agreements with rail operators	88,350	147,983
Fibre-optics rental	(7)	(7)
Amounts due to ADIF-AV from ADIF	8,615	8,726
Other rentals	2,101	4,876
Other items	5,110	22,539
Services rendered pending invoice	90,723	101,175
Agreements with rail operators	37,922	50,588
Agreements with ADIF	41,572	40,687
Other	11,229	9,900
Impairment of trade receivables	(8,811)	(20,949)
Total other receivables	186,081	264,343

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

The balance receivable from ADIF at 30 September 2023 and at 31 December 2022 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 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Balances at 1 January	-	(20,949)	-	(21,596)
Provisions, reversals and/or applications during the year	-	12,138	-	647
Balances at 30 September 2023	-	(8,811)	-	(20,949)



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7. Cash and Cash Equivalents

The breakdown of cash and cash equivalents as of 30 September 2023 and 31 December 2022 is as follows:

	Thousands of Euros	
	30/09/2023	31/12/2022
Cash on hand and at banks	122,183	147,098
Cash equivalents	-	250,370
	122,183	397,468

The breakdown of other cash equivalents as of 30 September 2023 and 31 December 2022 is as follows:

	Thousands of Euros	
	30/09/2023	31/12/2022
Time deposits	-	250,000
Non-matured accrued interest	-	370
	-	250,370

8. Equity

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

8.a) Equity contribution

At 30 September 2023, 207,716 thousand euros had been received on account of the 311,574 thousand euros allocated in the General State Budget for 2023 (see Note 1-c). At the date of preparation of these Interim Financial Statements, the Entity had sent the proposal for settlement of the contribution for 2022 to the Monitoring Committee, and the amount to be settled coincides with the amount collected. At 31 December 2022, a total of 311,574 thousand euros were received from the National Government for the total contribution allocated 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 proposed settlement for the year 2022 is pending approval and therefore all references contained in this document to such settlement should be treated as provisional. However, the Entity considers that the final settlement of these contributions will not give rise to significant changes in the issuance of these financial statements.

The MITMA Agreement Monitoring Committee definitively approved the settlement for 2021 amounting to 466,174 thousand euros, following the settlement report issued by the IGAE on 28 December 2022 (see note 1.c).



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8.b) Reserves

The movement in the Reserves heading at 30 September 2023 and 31 December 2022 is as follows:

	30/09/2023 Thousands of Euros		
	Reserves for actuarial gains and losses	Other reserves	Total
Balance at 31 December 2022	(283)	46,050	45,767
Recognition of actuarial gains and losses and other adjustments	-	-	-
Balance at 30 September 2023	(283)	46,050	45,767

	31/12/2022 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	(84)	14,750	14,666
Balance at 31 December 2022	(283)	46,050	45,767

8.c) Proposed application of loss for the year

The Entity's Management proposes that the 296,788 thousand euros losses for 2022 be carried forward as prior years' losses, under the equity item "Retained earnings".

On 28 March 2023, the Board of Directors of ADIF-AV approved the proposals of the Board of Directors mentioned above.

9. Grants, Donations and Bequests

The balance of this section of the accompanying balance sheet as of 30 September 2023 and 31 December 2022 includes the non-refundable capital grants pending attribution to income.

The movement registered on 30 September 2023 and 31 December 2022 is detailed in the attached tables:



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	RRF Funds	Cohesion Funds	ERDF funds	TEN-T funds	State grants for work performed ⁽¹⁾	Other capital grants	Total capital grants
Balances at 31 December 2022	232,940	4,656,681	3,263,937	374,426	2,488,374	369,263	11,385,621
Additions	367,231	-	280,116	2111	896	10,853	661,207
European funds accrued in the year	367,231	-	280,116	2111	-	-	649,458
Agreement of the Council of Ministers	-	-	-	-	896	-	896
Other capital grants	-	-	-	-	-	10,853	10,853
Withdrawals	-	-	-	-	-	-	-
Tax effect of capital grants accrued during the year (note 12)	(91,807)	-	(70,028)	(528)	(224)	(2,713)	(165,300)
Allocation to income of net capital grants tax effect (note 17)	(292)	(29,132)	(25,327)	(2,457)	(17,082)	(2,823)	(77,113)
Balances at 30 September 2023	508,072	4,627,549	3,448,698	373,552	2,471,964	374,580	11,804,415

⁽¹⁾ RD ley 22/2012 and RD-ley 4/2013

31/12/2022 Thousands of Euros

	RRF Funds	Cohesion Funds	ERDF funds	TEN-T funds	State grants for work performed ⁽¹⁾	Other capital grants	Total capital grants
Balances at 31 December 2021	49,555	4,695,040	3,263,514	328,730	2,452,519	365,761	11,155,119
Additions	244,778	-	65,248	65,004	82,990	9,088	467,108
European funds accrued in the year	244,778	-	65,248	65,004	-	-	375,030
SEITTSA Actions received	-	-	-	-	82,990	-	82,990
Other capital grants	-	-	-	-	-	9,088	9,088
Withdrawals	-	-	(25,379)	(330)	-	-	(25,709)
Tax effect of capital grants accrued during the year (note 12)	(61,195)	-	(9,967)	(16,169)	(20,748)	(2,272)	(110,351)
Allocation to income of net capital grants tax effect (note 17)	(198)	(38,359)	(29,479)	(2,809)	(26,387)	(3,314)	(100,546)
Balances at 31 December 2022	232,940	4,656,681	3,263,937	374,426	2,488,374	369,263	11,385,621

⁽¹⁾ RD ley 22/2012 and RD-ley 4/2013

9.a) Cohesion Funds

Details of Cohesion Funds at 30 September 2023 and 31 December 2022, without taking into account the tax effect and including the amounts accrued for payables convertible into grants, are as follows:



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30/09/2023 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
TOTAL	6,885,156	6,885,156	-	6,885,156

31/12/2022 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
TOTAL	6,885,156	6,885,156	-	6,885,156

9.b) European Regional Development Fund (ERDF)

Details of European Regional Development Funds at 30 September 2023 and 31 December 2022, without taking into account the tax effect, including the amounts accrued for debts convertible into grants, are as follows:



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30/09/2023 Thousands of Euros

OPERATING PROGRAMME	PROJECT	ASSISTANCE GRANTED	GRANTS ACCRUED	PAYABLES CONVERTIBLE INTO GRANTS (Note 11,b)	COLLECTION S 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		1,193,162	928,102	175,105	725,027
TOTAL		5,132,164	4,867,104	175,105	4,664,029

31/12/2022 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		782,462	647,987	112,464	579,284
TOTAL		4,721,464	4,586,989	112,464	4,518,286

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

The situation as of 30 September 2023 and 31 December 2022 of the TEN funds, without considering the tax effect and including the amounts accrued for debts convertible into subsidies, is as follows:



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30/09/2023 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	294,083	202,417	5,634	183,361
L.A.V. Extremadura	35,881	35,881	-	35,881
L.A.V. Antequera-Granada	2,174	2,174	-	2,174
Mediterranean Corridor	128,226	113,076	4,330	117,406
Other High-Speed	12,383	8,114	-	7,648
TOTAL	638,556	527,470	9,964	512,278

31/12/2022 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	294,083	202,417	5,634	183,361
L.A.V. Extremadura	35,881	35,881	-	35,881
L.A.V. Antequera-Granada	2,174	2,174	-	2,174
Mediterranean Corridor	128,226	110,965	-	106,912
Other High-Speed	12,190	8,114	-	6,455
TOTAL	638,363	525,359	5,634	500,591

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



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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 22,458 thousand euros is included under the heading "Debts Transformable into Grants" at 30 September 2023 and 22,458 thousand euro at 31 December 2022, 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.

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 aimed at transport corridors. To this end, as of 31 December 2022 funding of 113.2 M€ is available for the implementation 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 2023 and 31 December 2022 for ADIF AV, expressed in thousands of euros, is shown below:



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30/09/2023 Thousands of Euros

CONCEPT	ASSIGNED AID	GRANTS ACCRUED	DEBTS TRANSFORMABLE INTO SUBSIDIES (note 11.b)	RECEIVABLES RECEIVED
URBAN MOBILITY COMMUTER AND URBAN MOBILITY	352,976	118,207	-	118,207
INTERURBAN MOBILITY TEN-T CORRIDORS	2,459,206	490,020	-	490,020
INTERURBAN MOBILITY TEN-T NETWORK - OTHER ACTIONS	287,043	69,498	-	69,498
Others	-	-	1,416,894	1,416,894
PERTE	113,186	356	112,830	113,186
TOTAL	3,212,411	678,081	1,529,724	2,207,805

31/12/2022 Thousands of Euros

CONCEPT	ASSIGNED AID	GRANTS ACCRUED	DEBTS TRANSFORMABLE INTO SUBSIDIES (note 11.b)	RECEIVABLES RECEIVED
URBAN MOBILITY COMMUTER AND URBAN MOBILITY	352,976	53,068	-	53,068
INTERURBAN MOBILITY TEN-T CORRIDORS	2,459,206	228,079	-	228,079
INTERURBAN MOBILITY TEN-T NETWORK - OTHER ACTIONS	287,043	29,704	-	29,704
Others	-	-	1,604,359	1,604,359
PERTE	113,186	-	113,186	113,186
TOTAL	3,212,411	310,851	1,717,545	2,028,396

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 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Employee benefits	1,067	943	1,009	881
-Defined benefit plans	1,067	20	1,009	23
<i>Length-of-service bonuses</i>	126	19	119	19
<i>Provision for leisure travel, retired personnel</i>	941	1	890	4
-Other employee benefits	-	923	-	858
Other provisions	843,646	40,560	846,026	40,563
Provisions for legal proceedings	692,708	-	695,088	-
2% for culture provision	-	-	-	-
Other items (note 10.b.3 and note 23)	150,938	40,560	150,938	40,563
	844,713	41,503	847,035	41,444



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The changes in the section "Provisions for long-term risks and expenses" at 30 September 2023 and 31 December 2022 are shown in the tables below:

30/09/2023 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
Balances at 01/01/2023	119	890	695,088	150,938	847,035
Charges for the year recognised in profit and loss	6	40	1,565	-	1,611
Charges for the year recognised in investments	-	-	14,665	-	14,665
Financial effect of discount	1	11	-	-	12
Payments for the year	-	-	(16,793)	-	(16,793)
Transfers to current	-	-	-	-	-
Amounts taken to profit and loss	-	-	(25)	-	(25)
Other movements	-	-	(1,792)	-	(1,792)
Balances at 30/09/2023	126	941	692,708	150,938	844,713

31/12/2022 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
Balances at 01/01/2022	133	735	711,658	139,933	852,459
Charges for the year recognised in profit and loss	9	57	99	11,005	11,170
Charges for the year recognised in investments	-	-	(2,948)	-	(2,948)
Financial effect of discount	2	12	-	-	14
Payments for the year	-	-	(10,983)	-	(10,983)
Transfers to current	(18)	(7)	-	-	(25)
Amounts taken to profit and loss	-	-	(793)	-	(793)
Other movements	(7)	93	(1,945)	-	(1,859)
Balances at 31/12/2022	119	890	695,088	150,938	847,035

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 2023 totals 145 thousand



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euros, of which a total of 126 thousand euros is presented under "Provisions for long-term liabilities and charges" and 19 thousand euros under "Provisions for short-term liabilities and charges".

The value of the fund at 30 September 2023 has been determined by means of an actuarial study based on the individual capitalisation method using the following technical parameters: annual interest rate 1.71%, annual growth rate of 3.5% for 2023 and 2% 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 2023 for the entitlement of its personnel to rail travel at reduced prices upon retirement. This provision amounts to 942 thousand euros and is recognised under non-current provisions for liabilities and charges, of which a total of 941 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 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 2023 has been determined through an actuarial study which used the following inputs:

- An average fare increase of 2% for 2023 and subsequent years.
- A technical interest of 1.71% for passive staff and active staff.
- The actuarial table PERM/F 2000.
- Retirement age of 65.



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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 2023 and 31 December 2022, ADIF A.V. has recorded the present value of the best estimate of the future costs corresponding to these disputes for a total of 692,708 thousand euros and of 695,088 thousand euros respectively.

The following is a breakdown of these estimates:

Concept	Thousands of Euros	
	30/09/2023	31/12/2022
Risks for investment works urged by contractors	686,981	690,902
Risks for investments in land expropriated	3,877	3,877
Other risks	1,850	309
	692,708	695,088

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, 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 2023, 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 140,589 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 2022, the maximum risk estimated by the Entity for this same concept amounted to 201,014 thousand euros.

Furthermore, on 30 September 2023, 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



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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. 23 million against the heading "Impairment and gains or losses on disposal of financial instruments", as the successful bidder of this file is in insolvency proceedings.

The National Commission of Markets and Competition (hereinafter, CNMC) issued in June 2016, March 2019 and September 2021 and July 2022, Resolutions on the files S/0519/14 Railway Infrastructures, S/DC/0598/2016 Railway Electrification and Electromechanical, S/DC/0614/17 Railway Safety and Communications and S/0021/20 Civil Works 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. A large part of the affected contractors have filed ordinary proceedings before the National Court against these Resolutions issued by the CNMC, being at the close of the fiscal year the Resolution of the file S/0519/14 Infraestructuras Ferroviarias of June 2016 annulled. At the date of issuance of these Interim Financial Statements, it is not possible to determine the impact that may exist, if any, 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.

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 2023, the balance was 0 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 150,938 thousand euros and 150,938 thousand euros is included as of 30 September 2023 and 31 December 2022 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



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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 2023 amounted to 35,684 thousand euros and which at the end of the year 2022 amounted to 35,390 thousand euros.

11. Financial Liabilities

Details of financial liabilities classified by category at 30 September 2023 and 31 December 2022 are as follows:

30/09/2023 Thousands of Euros				
	Non-current		Current	
	Financial Liabilities at Amortized Cost	Hedging derivatives	Financial Liabilities at Amortized Cost	Hedging derivatives
Debts with credit institutions	10,518,374	-	548,940	-
Bonds	4,990,394	-	1,046,839	-
Other financial liabilities	1,796,211	-	235,179	-
Payable to group and associated companies	112,425	-	21,742	-
Trade and other payables	-	-	195,091	-
Total	17,417,404	-	2,047,791	-
Total current and non-current financial liabilities	17,417,404		2,047,791	

31/12/2022 Thousands of Euros				
	Non-current		Current	
	Financial Liabilities at Amortized Cost	Hedging derivatives	Financial Liabilities at Amortized Cost	Hedging derivatives
Debts with credit institutions	10,593,590	-	601,701	-
Bonds	4,891,190	-	651,366	-
Other financial liabilities	1,919,928	-	279,670	-
Payable to group and associated companies	115,644	-	22,020	-
Trade and other payables	-	-	256,736	-
Total	17,520,352	-	1,811,493	-
Total current and non-current financial liabilities	17,520,352		1,811,493	



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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 AV 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 2023 and 31 December 2022 is shown in the table below:

		30/09/2023 Thousands of Euros	
		Maturity	
	Interests	Current	Non-current
Loans in Euros (EIB)	0% to 4.415%	440,670	10,465,043
Accrued interest payable		69,253	-
Total loans and borrowings (EIB)		509,923	10,465,043
Loans in Euros (other entities)	1.45% to 3.795%	38,322	53,331
Accrued interest payable		695	-
Other loans and borrowings, for derivatives		-	-
Total loans and borrowings (other entities)		39,017	53,331
Bonds (Euros)	0.55% to 3.9%	995,982	4,990,394
Accrued interest payable on bonds		50,857	-
Total Green Bonds and Obligations		1,046,839	4,990,394
Total loans and borrowings and bonds and other marketable securities at 30 September 2023		1,595,779	15,508,768



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		31/12/2022 Thousands of Euros	
		Maturity	
	Interest	Current	Non-current
Loans in Euros (EIB)	0% to 4.415%	440,670	10,505,267
Accrued interest payable		77,988	-
Total loans and borrowings (EIB)		518,658	10,505,267
Loans in Euros (other entities)	0.78% to 3.795%	81,571	88,323
Accrued interest payable		1,472	-
Other loans and borrowings, for derivatives		-	-
Total loans and borrowings (other entities)		83,043	88,323
Bonds (Euros)	0.55% to 3.5%	596,039	4,891,190
Accrued interest payable on bonds		55,327	-
Total Green Bonds and Obligations		651,366	4,891,190
Total loans and borrowings and bonds and other marketable securities at 31 December 2022		1,253,067	15,484,780

The financial amortization of long-term debt, valued at the closing exchange rate at 30 September 2023 and at 31 December 2022 and at amortized cost, are as follows according to the maturity:

Maturity	Thousands of Euros	
	30/09/2023	31/12/2022
2023	128,778	1,118,280
2024	1,474,974	1,475,032
2025	1,478,096	1,478,155
2026	1,116,801	1,119,932
2027	1,119,169	1,120,738
2028	1,142,438	542,438
2029	1,066,577	1,055,047
2030	1,166,577	1,155,047
2031	1,166,577	1,155,047
2032	566,577	555,047
Thereafter	6,557,178	5,828,297
	16,983,742	16,603,060

The average annual interest rate on ADIF-AV's borrowings at 30 September 2023 and 31 December 2022 is 2.07% and 1.78%, respectively.

At the 30 September 2023 and 31 December 2022, the total limit on credit facilities that ADIF-AV had received from financial institutions stood at 430,000 and 355,000 thousand euros respectively. At 30 September 2023 and 31 December 2022, no amounts had been drawn down on these credit facilities.



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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

At 30 September 2023 and 31 December 2022 the Entity does not hold this type of financial instrument.

11.b) Other financial liabilities

Details of other financial liabilities at 30 September 2023 and at 31 December 2022 are as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Payables convertible into grants	1,737,251	-	1,858,101	-
Suppliers of fixed assets	51,708	235,179	54,938	279,670
Deposits and guarantees	7,252	-	6,889	-
	1,796,211	235,179	1,919,928	279,670

At 30 September 2023 and 31 December 2022, no amounts have been drawn down by ADIF-AV under the reciprocal policy signed between ADIF AV and ADIF on 31 January 2019.

11.b.1) Payables convertible into grants

At 30 September 2023 and at 31 December 2022, 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 2023 and 31 December 2022 are as follows:

	Thousands of Euros	
	30/09/2023	31/12/2022
European Funds (note 9)		
ERDF	175,105	112,464
TEN-T	9,964	5,634
RRF (notes 1.c, 9 and 12)	1,529,724	1,717,545
Other		
AGE Subsidy for TENT Network investments and others	22,458	22,458
	1,737,251	1,858,101

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 for investments in corridors of the Trans-European Transport



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Network (TEN-T)", in the amount of 118,847,259.38 euros, collected in 2020 and which contemplates 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 €

Of this amount, 22,458 thousand euros is recorded as debts transformable into grants at 30 September 2023 and 31 December 2022 (see note 9.d).

11.b.2) Suppliers of fixed assets

At 30 September 2023, non-current payables to suppliers of fixed assets amount to 51,707 thousand euros, of which 23,931 thousand euros relates to works carried out on the Madrid-Castilla la Mancha-Valencia Autonomous Community-Murcia Region line, and 22,803 thousand euros to works on the Olmedo-Orense stretch, under a public-private partnership. Also, it includes an amount of 4,974 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 2022, non-current payables to suppliers of fixed assets amount to 54,938 thousand euros, of which 25,812 thousand euros relates to works carried out on the Madrid-Castilla la Mancha-Valencia Autonomous Community-Murcia Region line, and 24,355 thousand euros to works on the Olmedo-Orense stretch, under a public-private partnership. Also, it includes an amount of 4,771 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 2023 and 31 December 2022, for fixed asset suppliers includes the debt for works for own assets and expropriations for the amount of 122,390 thousand euros and 132,341 thousand euros respectively, also the amount of the invoices of fixed assets suppliers receivable for a total of 112,789 thousand euros at 30 September 2023 and 147,329 thousand euros at 31 December 2022.



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11.c) Payable to group and associated companies

The breakdown of the balance of these current and non-current liabilities in the accompanying balance sheet as of 30 September 2023 and 31 December 2022 is as follows:

	Thousands of euros			
	30/09/2023		31/12/2022	
	Suppliers of fixed assets, group companies and associated companies	Payable to group and associated companies	Suppliers of fixed assets, group companies and associated companies	Payable to group and associated companies
Non-current liabilities				
Valencia Parque Central A.V. S.A.	61,266	-	61,266	-
Valladolid Alta Velocidad 2003, S.A.	51,159	-	54,378	-
	112,425	-	115,644	-
Current liabilities				
Ingeniería y Economía del Transporte, S.A. (INECO)	15,526	594	15,804	698
Barcelona-Sagrera Alta Velocitat, S.A.	6,216	-	6,216	-
	21,742	594	22,020	698

The non-current liability payable represents the obligation to deliver land to Valladolid Alta Velocidad S.A. in consideration for the railway works received under the delivery agreement signed in 2018 and to Valencia Parque Central A.V. S.A. with which, at the date of preparation of these financial statements, the Entity has not executed a delivery agreement for the transfer of ownership as indicated in Note 4.

Current liabilities payables have arisen as a result of the various 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 2023 and 31 December 2022, excluding balances with public administrations, is as follows:

	Thousands of Euros	
	30/09/2023	31/12/2022
Other suppliers and payables	194,014	255,733
Suppliers and payables, Group companies and associates (Note 11.c)	594	698
Personnel	483	305
	195,091	256,736

The heading "Suppliers and various creditors" includes payables for purchases or services rendered pending payment at 30 September 2023 and 31 December 2022. This includes, among others, the amount payable to ADIF for services rendered, as



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detailed below. In addition, the fixed asset suppliers caption includes 17,041 thousand euros and 14,729 thousand euros of ADIF AV's debts with ADIF in this connection, at the respective dates indicated.

	Thousands of Euros	
	30/09/2023	31/12/2022
Suppliers and creditors debt with ADIF	60,725	65,755
Agreements with ADIF for outstanding invoices	50,645	50,566
Agreements with ADIF for invoices pending processing	10,080	15,189
Suppliers of fixed assets with ADIF	17,041	14,729
By invoice processed	7,236	4,742
By invoicing pending processing	9,805	9,987
	77,766	80,484

The information relating to the third quarter of 2023 and full year 2022 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:

	30/09/2023	31/12/2022
	Days	
Average payment period to suppliers	37.40	44.40
Ratio paid operations	39.19	46.10
Ratio of outstanding payment transactions	15.27	23.79
	Thousands of Euros	
	30/09/2023	31/12/2022
Total payments	2,185,765	2,688,343
Total outstanding payments	176,450	221,740

Additionally, in accordance with the provisions of the third additional provision of Law 15/2010, below is detailed the information relating to the monetary volume and number of invoices paid in a period lower than the maximum established in the regulations on late payment, and the percentage that they represent over the total number of invoices and over the total monetary payments to its suppliers, corresponding to 2022:

Year	Thousands of Euros	Number of invoices	% of total paid	% of total number of invoices
3 ^{er} T 2023	1,938,150	16,469	89%	81%
2022	1,969,509	15,387	73%	65%

The Entity has included in this calculation both the figures relating to "suppliers and sundry creditors" and the figures relating to suppliers of fixed assets.



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12. Income Tax

The breakdown of the balances with Public Administrations as of 30 September 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Assets				
Receivables for awarded funds and grants	386,455	-	181,390	-
Current tax assets	-	1,417	-	108
Public entities, other receivables	-	114,331	-	91,659
Total assets	386,455	115,748	181,390	91,767
Liabilities				
Deferred tax liabilities	3,934,804	-	3,795,208	-
Public entities, other payables	-	662	-	669
Total liabilities	3,934,804	662	3,795,208	669

12.a) Public entities, receivables

The breakdown of the balances with debtor Public Administrations as of 30 September 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Receivables for awarded funds and grants	386,455	-	181,390	-
FEDER Alta Velocidad	378,179	-	181,167	-
Other grants	8,276	-	223	-
Current tax assets	-	1,417	-	108
Public entities, other receivables	-	114,331	-	91,659
Current VAT receivable	-	24,849	-	44,493
Receivables for awarded funds and grants	-	89,483	-	47,175
High-speed TEN funds	-	24,799	-	30,046
RRF and others (see note 11.b.1)	-	61	-	188
Receivables MITMA Agreement 21-25 (note 1.c)	-	64,623	-	16,941
Other Credits (Social Security Debtor)	-	(1)	-	(9)
Total assets	386,455	115,748	181,390	91,767

In relation to the current and non-current subsidies and grants receivable as of 30 September 2023 and 31 December 2022, most of the amounts related to aid 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.



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12.b) Public entities, payables

The breakdown of the balances with the Receivable Public Administrations as of 30 September 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	30/09/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Deferred tax liabilities	3,934,804	-	3,795,208	-
Current tax liabilities	-	-	-	-
Public entities, other payables	-	662	-	669
Social Security	-	422	-	361
VAT	-	-	-	-
Withholdings	-	240	-	308
Total liabilities	3,934,804	662	3,795,208	669

Deferred tax liabilities that are expected to be realised or reversed in periods exceeding 12 months are those deriving from capital grants and total 3,934,804 thousand euros at 30 September 2023 and at 31 December 2022 was 3,795,208 thousand euros.

The movement registered in 2023, from 1 January 2023 to 30 September 2023 and in 2022, of the deferred tax liabilities, broken down by origin, is as follows:

	30/09/2023 Miles de euros						Total
	RRF Funds	Cohesion Funds	ERDF Funds	TEN-T Funds	Execution of grants (1)	Other capital grants	
Balances at 31 December 2022	77,647	1,552,226	1,087,976	124,808	829,462	123,089	3,795,208
Additions in 2023	91,807	-	70,028	528	224	2,713	165,300
Capital grants taken to income (Note 19)	(98)	(9,710)	(8,442)	(819)	(5,694)	(941)	(25,704)
Other concepts	-	-	-	-	-	-	-
Balances at 30 September 2023	169,356	1,542,516	1,149,562	124,517	823,992	124,861	3,934,804

	31/12/2022 Thousands of Euros						Total
	RRF Funds	Cohesion Funds	ERDF Funds	TEN-T Funds	Execution of grants (1)	Other capital grants	
Balances at 31 December 2021	16,518	1,565,013	1,087,837	109,575	817,509	121,921	3,718,373
Additions in 2022	61,195	-	9,967	16,169	20,748	2,272	110,351
Capital grants taken to income (Note 19)	(66)	(12,787)	(9,828)	(936)	(8,795)	(1,104)	(33,516)
Other concepts	-	-	-	-	-	-	-
Balances at 31 December 2022	77,647	1,552,226	1,087,976	124,808	829,462	123,089	3,795,208



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12.c) Income tax

The Entity taxes under the individual regime. The negative tax base amounts to 22,408 thousand euros at 30 September 2023.

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

01/01/2023 to 30/09/2023 Thousands of Euros

	Income statement			Income and expense taken directly to equity		
	Increases	Decreases	Total	Increases	Decreases	Total
Income and expenses for the period (01/01/2023 - 30/09/2023)			(109,562)			418,794
Income tax adjustments			-			139,596
Income and expenses before income tax			(109,562)			558,390
Permanent differences						
Temporary differences:						
- Originating in current year	104,789		104,789	-	(661,207)	(661,207)
- Originating in prior years		(17,635)	(17,635)			102,817
Prior taxable income of the Entity			(22,408)			-
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 2022 amounted to 125,155 thousand euros. The reconciliation between the accounting result for the year and the tax base is as follows:



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01/01/2022 to 31/12/2022 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 -31/12/2022)			(296,788)			245,673
Income tax adjustments			-			77,003
Income and expenses before income tax			(296,788)			322,676
Permanent differences	15,801	(1,721)	14,080			
Temporary differences:						
- Originating in current year	186,861		186,861	(15,339)	(441,399)	(456,738)
- Originating in prior years		(29,308)	(29,308)			134,062
Prior taxable income of the Entity			(125,155)			-
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		-				

As at 30 September 2023, 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:



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	Thousands of Euros			
	Income statement			
	30/09/2023		31/12/2022	
	Increases	Decreases	Increases	Decreases
- Amortisation and depreciation	-	-	-	--
- Impairment	-	-	28,510	-
- Pensions	-	-	81	-
- Net finance expense	104,789	-	158,270	-
Temporary differences originating in current year	104,789	-	186,861	-
- Amortisation and depreciation	-	(17,635)	-	(17,635)
- Impairment	-	-	-	(11,655)
- Pensions	-	-	-	(18)
- Net finance expense	-	-	-	-
Temporary differences originating in prior years	-	(17,635)	-	(29,308)

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 2023 and 31 December 2022 is as follows:

	Thousands of Euros			
	Income statement			
	30/09/2023		31/12/2022	
	Increases	Decreases	Increases	Decreases
- Change in accounting principles reserves	-	-	14,750	-
- Other non-deductible expenses	-	-	1,051	-
- Exemption for double taxation of dividends	-	-	-	(1,721)

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



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Year	Limit	Originating in	Thousands of Euros		
			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	148,458		148,458
2022	N/A	ADIF-AV	125,155		125,155
			966,820		966,820

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	195,491
2022	N/A	ADIF-AV	158,270
			1,829,774

(*) 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
		176,349	



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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
2022	N/A	882	-	882
		6,526	-	6,526

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	43	-	43
2016	2034	68	-	68
2017	2035	70	-	70
2018	2036	71	-	71
2019	2037	72	-	72
2020	2038	82	-	82
2021	2039	89	-	89
2022	2040	98	-	98
		593	-	593

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



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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
2022	2032	368	-	368
		1,305	-	1,305

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 31 December 2022, the Company has the years 2019 to 2022 open for inspection for value added tax, 2019 to 2022 for withholding tax and 2018 to 2021 for corporation tax.

13. Revenue

The detail of revenue in the income statement for the nine months ended 30 September 2023 and 30 September 2022 is as follows:

	Thousands of Euros	
	30/09/2023	30/09/2022
Revenue from use of rail facilities and other fees		
Use of the public service rail network	445,184	334,780
Use of stations and other rail installations	89,762	66,260
Passenger rail transport safety levy	577	328
	535,523	401,368

The distribution of revenue at 30 September 2023 and 30 September 2022 by business segment or activity carried out by the Entity is shown in the following table:



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	30/09/2023 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	445,184	14,956	-	460,140
Management of ADIF-AV-owned assets (passenger stations)	-	74,806	577	75,383
Total	445,184	89,762	577	535,523

	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
Total	334,780	66,260	328	401,368

13.a) Revenue from use of rail facilities

The detail of the income from the settlement of railway fees accrued at 30 September 2023 and at 30 September 2022 broken down by the different modalities established in Law 38/2015 of the Railway Sector, is as follows:

	Thousands of Euros	
	30/09/2023	30/09/2022
Use of infrastructure	445,184	334,780
<i>Adjudication capacity</i>	90,836	66,478
<i>Use of railway lines</i>	349,144	250,105
<i>Use Transformation and distribution EET</i>	26,088	19,090
<i>Bonus Canon use RFIG lines</i>	(20,884)	(893)
Use of stations and other rail installations	89,762	66,260
<i>Use Passenger transport stations</i>	74,678	56,639
<i>Wide changers</i>	3,446	3,308
<i>Use Tracks with platform</i>	11,633	6,310
<i>Use Tracks in other service facilities</i>	5	3
	534,946	401,040

At 30 September 2023, railroad fees accrued for the network owned by ADIF AV totalling 117,675 thousand euros were pending collection (see Note 6.b.2).



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13.b) Revenue from rail rates

The taxable event of the tax is the private use or special use of railway public domain property made by concessions and authorizations.

14. Other Operating Income

Details of this income statement heading at 30 September 2023 and 30 September 2022 are as follows:

	Thousands of Euros	
	30/09/2023	30/09/2022
Rentals and services	95,907	78,523
Utilities, basically relates to traction power	319,925	541,637
Investment actions for third parties	14,338	5,653
Services Administration Infrastructure	2,477	2,255
Subsidies AGE Deficit in royalty rates (note 1.c and 11.b.1)	70,182	46,128
Other	28,866	25,407
Third-party personal services	2,683	2,597
Advertising	5,830	3,814
Diverse services	19,786	16,949
Others	567	2,047
	531,695	699,603

Included in this income are the derivatives of services rendered to ADIF at 30 September 2023 and 30 September 2022 under the management fees indicated in note 1, according to the following breakdown:

	Thousands of Euros	
	30/09/2023	30/09/2022
Revenue from intra-administration agreements		
NTU electricity	13,899	27,519
Maintenance of fibre optics and auxiliary installations	2,478	2,255
ADIF investment actions	7,644	2,753
Other intra-administrative services	4,255	3,044
	28,276	35,571

The figure for rentals and services includes, among other items, income from the lease of buildings, premises and other properties amounting to 53,511 thousand euros at 30 September 2023, generated by assets included basically under the heading "Investment Property", including most notably those deriving from long-term lease contracts.

In addition, this heading in the income statement includes income from the lease of



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optical fibre amounting to 30,167 thousand euros at 30 September 2023 and 22,177 thousand euros at 30 September 2022.

Operating Subsidies to the General Government for tariff deficits include the amounts allocated to compensate for the reduction in tariffs for Railway Charge income, included in the 2022 and 2023 General State Budget Acts. 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.

The amounts received in advance relating to long-term contracts and pending recognition as revenue are shown under "Long-Term Accruals and Deferred Income" in the balance sheet, which amounted to EUR 453,153 thousand at 30 September 2023 and 483,258 thousand euros at 30 September 2022 and 483,258 thousand euros at 30 September 2022, respectively.

In 2022 the Entity recognised under "Long-Term Accruals and Deferred Income" the value of the advance rent of 98,743 thousand euros for the long-term lease, 50 years, entered into with CEETRUS URBAN PLAYER SPAIN, S.A. for the Vialia shopping center at Vigo Urzaiz station.

This rent was collected in kind and in advance in 2021 upon receipt by ADIF AV of the construction work on this shopping center, the provisional value of which, pending settlement, amounts to 96,293 thousand euros and which was undertaken and paid by the aforementioned awardee company. 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 2024.

Additionally, the "Short-Term Accruals" caption includes at 30 September 2023 the amount to be charged to income in the following year amounting to 29,830 thousand euros.

Long-term accruals also include the income collected in advance at 30 September 2023 and not yet taken to income at that date, arising from the award of the contract for the "Lease and operation of parking lots located at various stations" on 20 December 2013 awarded to Saba Park 3, S.L.U. for 111,467 thousand euros after deducting the amount corresponding to ADIF for the parking lots owned by it. The contract entered into on 31 January 2014 for a term of ten years has been extended to 29 July 2024 by virtue of the addendum entered into in November 2022.

Additionally, long-term accruals include the amounts collected in advance and pending allocation to rental income derived from the contract "Assignment of the Rights of Use and Management of the Operation of the fiber optic cable network and other associated elements owned by ADIF AV not dedicated to railway service" to Red Eléctrica Internacional S.A.U., hereinafter REI, amounting to 433,700 thousand euros, VAT not included, for a term of 20 years. At 31 December 2014 ADIF AV had received the full amount relating to the assignment of the right of use.



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On 28 December 2015 the Entity, as already mentioned in Notes 3 and 4, entered into an agreement with ADIF and Renfe Operadora to acquire the rights of use over spaces in real estate owned by ADIF A.V. that had been used without consideration by RENFE Operadora, as established in FOM Order 2909/2006 assigning certain assets, rights and obligations of the Spanish National Railway Network to the aforementioned entity. By virtue of this acquisition agreement, the Entity has leased to Renfe Operadora and its subsidiaries a total of 15,887.49 m⁽²⁾ useful net annually reviewable, in various stations and facilities of its ownership for an annual rent of 2,406,491.64 euros and for a term of 10 years, being this term extendable.

15. Personnel Expenses

Details of this income statement heading at 30 September 2023 and 30 September 2022 are as follows:

	Thousands of Euros	
	30/09/2023	30/09/2022
Salaries and wages	10,177	8,886
Employee benefits expense	3,148	2,546
Provisions	46	42
	13,371	11,474

Details of employee benefits expense are as follows:

	Thousands of Euros	
	30/09/2023	30/09/2022
Social Security payable by the Entity	2,985	2,430
Other employee benefits expenses	163	116
	3,148	2,546

The distribution of the Entity's employees by gender and category at 30 September 2023 and 30 September 2022 is as follows:

Category	Headcount 30/09/2023		
	Male	Female	Total
Administrative staff	134	55	189
Middle management	27	9	36
Operating personnel	39	4	43
	200	68	268



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

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

Category	Average number of	
	30/09/2023	30/09/2022
Administrative staff	181	175
Middle management	31	25
Operating personnel	49	20
	261	220

The breakdown by sex and categories of Entity staff at 30 September 2023 and 30 September 2022, with disability greater than 33% is shown in the following tables:

Category	Average number of employees 30 September 2023		
	Male	Female	Total
Administrative staff	-	-	-
Middle management	-	-	-
Operating personnel	-	-	-
	-	-	-

Category	Average number of employees 30 September 2022		
	Male	Female	Total
Administrative staff	1	-	1
Middle management	-	-	-
Operating personnel	-	-	-
	1	-	1

16. Other Operating Expenses

Details of this income statement heading at 30 September 2023 and 30 September 2022 are as follows:



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	Thousands of Euros	
	30/09/2023	30/09/2022
Infrastructure repairs and maintenance	308,218	292,751
Traction power	300,715	502,863
Traffic and passenger service-related services	55,616	50,185
Other supplies	38,404	70,329
Rentals and fees	2,430	7,820
Advertising and public relations	2,434	2,651
Other maintenance and repairs	2,585	2,476
Investment actions on behalf of third parties	13,861	4,980
Other	22,924	17,226
Total external services	747,187	951,281
Taxes other than income tax	4,912	4,156
Losses, impairment and changes in trade provisions	(10,682)	(4,850)
	741,417	950,587

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 338,550 thousand euros at 30 September 2023 and 327,586 thousand euros at 30 September 2022 and formalized in annexes to the agreement, the detail of which is shown in the following table:

	Thousands of Euros	
	30/09/2023	30/09/2022
Infrastructure repairs and maintenance	211,793	204,283
Fibre optic network maintenance, right of way services and right of use	3,096	8,680
Comprehensive management of safety and protection	27,549	25,428
Comprehensive management of stations	51,502	49,276
Traffic safety	2,736	2,089
Award of capacity and traffic management	25,332	22,666
Comprehensive communication services	2,341	2,543
Other agreements	14,201	12,621
	338,550	327,586

17. Recognition of Grants for Fixed Assets and Other

The breakdown of income from capital grants generated at 30 September 2023 and 30 September 2022 is as follows:



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	Thousands of Euros	
	Total income	
	30/09/2023	30/09/2022
RRF Funds	390	72
Cohesion Funds	38,842	38,511
ERDF	33,769	28,595
TEN-T	3,276	2,798
Other grants	26,540	30,069
	102,817	100,045

18. Finance Costs

Details of this income statement heading at 30 September 2023 and 30 September 2022 are as follows:

	Thousands of Euros	
	30/09/2023	30/09/2022
On loans with third parties	269,786	234,826
Interest on loans and bonds	249,716	213,577
Late payment interest for works contracts	20,070	21,249
Late payment interest for expropriations	14	11
	269,800	234,837

19. Finance Income

Details of this income statement heading at 30 September 2023 and 30 September 2022 are as follows:

	Thousands of Euros	
	30/09/2023	30/06/2022
Capitalised finance costs (note 4,c))	54,318	58,676
From marketable securities and other financial instruments	14,243	4,803
<i>Interest on current investments</i>	<i>8,834</i>	<i>4,532</i>
<i>Other</i>	<i>5,409</i>	<i>271</i>
Other finance income	-	2,690
From participations in financial instruments	167	1,721
<i>Interest on financial investments</i>	-	<i>1,563</i>
<i>Other financial income</i>	<i>167</i>	<i>158</i>
	68,728	67,890

20. Environmental Information

At 30 September 2023 and 31 December 2022, ADIF-AV's fixed assets included specific environmental works with a net book value of 1,582,144 and 1,486,075 thousand euros respectively, used in order to minimise environmental impacts and to protect and



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improve the environment, as per the following breakdown:

30 September 2023 - Thousands of Euros			
	Cost	Accumulated depreciation	Net Value
Tunnels and cut-and-cover tunnels; environmental works	543,819	(14,941)	528,878
Environmental integration works	805,102	(16,695)	788,407
Other environmental works	148,810	(41,294)	107,516
Total property, plant and equipment in operation	1,497,731	(72,930)	1,424,801
Work in progress	157,343	-	157,343
Total at 30 September 2023	1,655,074	(72,930)	1,582,144

31 December 2022 - Thousands of Euros			
	Cost	Accumulated depreciation	Net book value
Tunnels and cut-and-cover tunnels; environmental works	503,809	(13,890)	489,919
Environmental integration works	778,904	(15,317)	763,587
Other environmental works	143,347	(38,128)	105,219
Total property, plant and equipment in operation	1,426,060	(67,335)	1,358,725
Work in progress	127,350	-	127,350
Total at 31 December 2022	1,553,410	(67,335)	1,486,075

Additions at 30 September 2023 and 31 December 2022 amount to 71,671 and 126,250 thousand euros respectively and predominately correspond to preventive and corrective actions.

21. Information on Directors and Senior Management of the Entity

At 30 September 2023, the Board of Directors comprises ten members, the Chairman, Secretary and eight regular directors. Five of the Board members are female and five are male.

At 31 December 2022, the Board of Directors comprises eleven members, the Chairman, Secretary and nine regular directors. Five of the Board members are female and six 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)



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In accordance with to article 26 of mentioned Royal Decree 1044/2013, the Entity's senior management will not accrue any remuneration. (No 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

The Entity has 71.58% of its outstanding debt at 30 September 2023 as a fixed rate until maturity and 22.09% at a fixed rate revisable. 71.91% of the Entity's outstanding debt, as of 31 December 2022, was at a fixed rate until maturity and 21.21% was at a fixed rate revisable.

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

In general, the credit operations entered into by the Entity with the EIB contemplate the possibility of modifying the interest rate regime at different dates during the life of the loan.



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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 2023, the Entity's negative result is (109,562) thousand euros and its negative working capital, amounts to (1,444,262) 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 2023 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 2023:

- 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 31/2022, of 23 December, on the General State Budget for 2023 establishes:
 - A budget appropriation as equity contributions (Chapter VIII), amounting to 311,574 thousand euros.
 - A contribution for compensation for tariff reduction (Chapter IV), in the amount of 30,000 thousand euros.
 - Capital transfers (Chapter VII), amounting to 239,213 thousand euros (RRF).



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- This law also establishes an authorization for a net increase in indebtedness of 1,191,449 thousand euros.

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

- 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 2023, as reported in note 11.a.1., the Entity has undrawn bank credit lines for a total amount of 430,000 thousand euros.
- In April and July, the entity drew down loans from the European Investment Bank for an aggregate amount of 275,000 thousand euros.
- At the date of preparation of these Interim Financial Statements, the Entity has renewed the EMTN Program on the Irish Stock Exchange and passported to the National Securities and Exchange Commission, on which the Entity has issued in April 2023, 500 million euros and in July 2023, 600 million in bonds to meet its financial commitments.

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 armed conflicts, the impacts of which are described in note 22 d) below.

At 31 December 2022, the Entity's result was negative by (296,788) thousand euros and its working capital, with a negative sign, amounted to (876,407) thousand euros.

22.d) Russia's invasion of Ukraine

The armed conflict unleashed between Russia and Ukraine since 24 February 2022 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



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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

Guarantees granted to third parties by the Entity as of September 30, 2023 and 31 December 2022 amount to 1,957 thousand euros and 1,957 thousand euros, respectively. The Entity's management does not expect any significant liabilities to arise as a result of the aforementioned guarantees.

As of 30 September 2023 and 31 December 2022 the Entity does not assume any risk derived from the subscription of letters of commitment or comfort letters with integration companies, having replaced these letters of commitment with financial contributions to the aforementioned companies that would allow the cancellation of the bank debt within the investee (see note 5.b).

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 in accordance with the agreements entered into, is as follows. 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):



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Expressed in thousands of Euros

Company	Share capital %	Provisions	Provisions
	30/09/2023	30/09/2023	31/12/2022
Zaragoza Alta Velocidad 2002, S.A.	30.00%	41.520	41.520
Valencia Parque Central Alta Velocidad 2003, S.A.	30.00%	39.699	39.699
Barcelona-Sagrera Alta Velocitat, S.A.	30.00%	3.386	3.386
Cartagena Alta Velocidad S.A.	40.00%	1.080	1.080
Valladolid Alta Velocidad 2003, S.A.	30.00%	65.253	65.253
Total railway integration companies		150.938	150.938



Preparation of Interim Financial Statements for the nine-month period ended 30 September 2023.

The President of ADIF - Alta Velocidad, on 2023, proceeded to prepare these financial statements as of September 30, 2023 and the corresponding report, which are presented before this page.

Firmado electrónicamente por: MARIA LUISA DOMINGUEZ GONZALEZ
25.11.2023 17:08:06 CET

M^a Luisa Dominguez González- President





APPENDICES

ENTIDAD PÚBLICA EMPRESARIAL ADIF – Alta Velocidad

Property, Plant and Equipment, Intangible Assets and Investment Property for the nine-month period ended 30 September 2023

Expressed in thousands of euros

	Balance at 1.1.2023	Additions	Transfers	Derecognitions	Reclassifications	Balance at 30.09.2023
Buildings and other constructions	1,764,588	-	16,802	-	-	1,781,390
Land and natural resources	2,657,573	28,407	(152)	(459)	9	2,685,378
Total land and buildings	4,422,161	28,407	16,650	(459)	9	4,466,768
Accumulated depreciation of buildings and other constructions	(451,714)	(21,115)	-	-	-	(472,829)
Provision for depreciation of buildings and other structures	-	-	-	-	-	-
Total carrying amount of buildings and other constructions	3,970,447	7,292	16,650	(459)	9	3,993,939
Track installations	39,540,849	-	15,260	(995)	-	39,555,114
Accumulated depreciation of track installations and other installations	(5,382,859)	(296,769)	-	380	-	(5,679,248)
Impairment of track installations	(25,026)	-	-	-	-	(25,026)
Total carrying amount of track installation and other installations	34,132,964	(296,769)	15,260	(615)	-	33,850,840
Other Property, Plant and equipment	40,700	-	132	-	(41)	40,791
Accumulated depreciation of other property, plant and equipment	(37,968)	(1,568)	-	-	-	(39,536)
Total carrying amount of other property, plant and equipment	2,732	(1,568)	132	-	(41)	1,255
Total carrying amount of track installations and other property, plant and equipment	34,135,696	(298,337)	15,392	(615)	(41)	33,852,095
Work in progress	9,686,560	1,144,654	(32,042)	-	-	10,799,172
Total net property, plant and equipment	47,792,703	853,609	-	(1,074)	(32)	48,645,206
Investment property	351,242	-	1,867	(874)	(9)	352,226
Accumulated depreciation of investment property	(69,903)	(4,637)	-	-	-	(74,540)
Provision for depreciation of investment property	-	-	-	-	-	-
Investment property in progress	403	1,867	(1,867)	-	-	403
Total net investment property	281,742	(2,770)	-	(874)	(9)	278,089
Intangible assets	98,726	-	2,637	-	41	101,404
Accumulated depreciation intangible assets	(27,099)	(2,159)	-	-	-	(29,258)
Intangible assets in progress	2,982	3,428	(2,637)	-	-	3,773
Total net intangible assets	74,609	1,269	-	-	41	75,919

This appendix forms an integral part of note 4 to the Interim Financial Statements as of 30 September 2023 and should be read in conjunction with it.



ENTIDAD PÚBLICA EMPRESARIAL ADIF – Alta Velocidad

Property, Plant and Equipment, Intangible Assets and Investment Property at 31 December 2022

Appendix I

Expressed in thousands of euros

	Balance at 1.1.2022	Additions	Transfers	Derecognitions	Reclassifications	Balance at 31.12.2022
Buildings and other constructions	1,725,000	-	40,981	(1,393)	-	1,764,588
Land and natural resources	2,614,842	46,128	-	(862)	(2,535)	2,657,573
Total land and buildings	4,339,842	46,128	40,981	(2,255)	(2,535)	4,422,161
Accumulated depreciation of buildings and other constructions	(424,940)	(27,364)	-	590	-	(451,714)
Provision for depreciation of buildings and other structures	-	-	-	-	-	-
Total carrying amount of buildings and other constructions	3,914,902	18,764	40,981	(1,665)	(2,535)	3,970,447
Track installations	36,407,210	-	3,149,074	(15,377)	(58)	39,540,849
Accumulated depreciation of track installations and other installations	(5,015,472)	(379,616)	-	12,229	-	(5,382,859)
Impairment of track installations	(25,026)	-	-	-	-	(25,026)
Total carrying amount of track installation and other installations	31,366,712	(379,616)	3,149,074	(3,148)	(58)	34,132,964
Other Property, Plant and equipment	42,331	-	531	(1,966)	(196)	40,700
Accumulated depreciation of other property, plant and equipment	(37,538)	(2,369)	-	1,939	-	(37,968)
Total carrying amount of other property, plant and equipment	4,793	(2,369)	531	(27)	(196)	2,732
Total carrying amount of track installations and other property, plant and equipment	31,371,505	(381,985)	3,149,605	(3,175)	(254)	34,135,696
Work in progress	11,534,203	1,342,943	(3,190,586)	-	-	9,686,560
Total net property, plant and equipment	46,820,610	979,722	-	(4,840)	(2,789)	47,792,703
Investment property	353,392	-	-	(4,685)	2,535	351,242
Accumulated depreciation of investment property	(63,761)	(6,142)	-	-	-	(69,903)
Provision for depreciation of investment property	(2,699)	-	-	2,699	-	-
Investment property in progress	403	-	-	-	-	403
Total net investment property	287,335	(6,142)	-	(1,986)	2,535	281,742
Intangible assets	96,501	-	1,971	-	254	98,726
Accumulated depreciation intangible assets	(24,720)	(2,379)	-	-	-	(27,099)
Intangible assets in progress	1,933	3,020	(1,971)	-	-	2,982
Total net intangible assets	73,714	641	-	-	254	74,609

This appendix forms an integral part of note 4 to the Interim Financial Statements as of 30 September 2023 and should be read in conjunction with it.



ENTIDAD PÚBLICA EMPRESARIAL ADIF – Alta Velocidad

Details of associated companies for the nine months ended 30 September 2023

Appendix II

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%	-	-	359	-	(32)	(32)	-
Ingeniería y Economía del Transporte, S.A. (INECO)(a)	Preparation of civil and industrial railway engineering projects. Consultancy services	20.68%	7,977	-	89,834	8	14,903	21,205	1,563
León Alta Velocidad 2003, S.A.(a)	High-speed integration in León	37.50%	-	-	121	-	(28)	(28)	-
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%	-	-	(17,551)	23,978	1,176	1,189	-
Valladolid Alta Velocidad 2003 S.A.(a)	Management of high-speed rail in Valladolid	30.00%	-	-	(76,528)	595	(10,423)	(303)	-
Gijón al Norte, S.A.(a)	High-speed integration in Gijón	30.00%	-	-	(13,298)	-	(483)	(301)	-
Zaragoza Alta Velocidad 2002, S.A.(a)	High-speed integration in Zaragoza	30.00%	-	-	(306,454)	4,794	2,627	3,786	-
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%	-	-	538	7,590	(20)	(20)	-
AZV. Vitoria-Gasteizko Abiadura Handia, S.A.(a)	High-speed integration in Vitoria	40.00%	-	-	552	-	(8)	(8)	-
Total shares in group companies and associates			7,977	-	(365,398)	38,585	7,712	25,488	1,563
Enajenación de Materiales Ferroviarios, S.A.(EMFESA) (a)	Disposal and handling of unnecessary materials	12.50%	15	-	2,088	-	144	189	14
Albali Señalización, S.A.(a)		10.00%	1,131	-	13,630	-	1,566	3,759	125
Energía Olmedo Orense Fase I (a)		10.00%	508	-	7,506	-	70	1,345	-
Vía Olmedo- Pedralba (a)		10.00%	46	(240)	3,216	-	60	85	8
HT RAIL B.V (a)		4.35%	54	-	3,519	-	290	348	10
Total others (see note 6.a)			1,754	(240)				5,726	157
TOTAL			9,731	(240)				31,214	1,720

(a) Audited annual accounts at 31 December 2022

(b) Provisional annual accounts as at 31 December 2022

(c) Annual Accounts prepared pending audit at 31 December 2022

(d) Provisional annual accounts with draft audit report as at 31 December 2022

(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 2023 and should be read in conjunction with it.



ENTIDAD PÚBLICA EMPRESARIAL ADIF – Alta Velocidad

Detail of associated companies as of 31 December 2022

Appendix II

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%	-	-	359	-	(32)	(32)	-
Ingeniería y Economía del Transporte, S.A. (INECO)(a)	Preparation of civil and industrial railway engineering projects. Consultancy services	20.68%	7,977	-	89,834	8	14,903	21,205	1,563
León Alta Velocidad 2003, S.A.(a)	High-speed integration in León	37.50%	-	-	121	-	(28)	(28)	-
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%	-	-	(17,551)	23,978	1,176	1,189	-
Valladolid Alta Velocidad 2003 S.A.(a)	Management of high-speed rail in Valladolid	30.00%	-	-	(76,528)	595	(10,423)	(303)	-
Gijón al Norte, S.A.(a)	High-speed integration in Gijón	30.00%	-	-	(13,298)	-	(483)	(301)	-
Zaragoza Alta Velocidad 2002, S.A.(a)	High-speed integration in Zaragoza	30.00%	-	-	(306,454)	4,794	2,627	3,786	-
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%	-	-	538	7,590	(20)	(20)	-
A.V. Vitoria-Gasteizko Abiadura Handia, S.A.(a)	High-speed integration in Vitoria	40.00%	-	-	552	-	(8)	(8)	-
Total shares in group companies and associates			7,977	-	(365,398)	38,585	7,712	25,488	1,563
Enajenación de Materiales Ferroviarios, S.A.(EMFESA) (a)	Disposal and handling of unnecessary materials	12.50%	15	-	2,088	-	144	189	14
Albali Señalización, S.A.(a)		10.00%	1,131	-	13,630	-	1,566	3,759	125
Energía Olmedo Orense Fase I (a)		10.00%	508	-	7,506	-	5	112	-
Vía Olmedo- Pedralba (a)		10.00%	46	(240)	3,216	-	60	87	8
HIT RAIL B.V (a)		4.35%	54		3,384	-	219	273	10
Total others (see note 6.a)			1,754	(240)				4,420	157
TOTAL			9,731	(240)				29,908	1,720

(a) Audited annual accounts at 31 December 2022
(b) Provisional annual accounts as at 31 December 2022
(c) Annual Accounts prepared pending audit at 31 December 2022

This appendix forms an integral part of note 5 to the Interim Financial Statements as of 30 September 2023 and should be read in conjunction with it.

