

ADIF - Alta Velocidad

Fixed Income Investor Presentation

Jul 2022



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Adif - Alta Velocidad

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Agenda

1. Company Overview

2. Financial Information

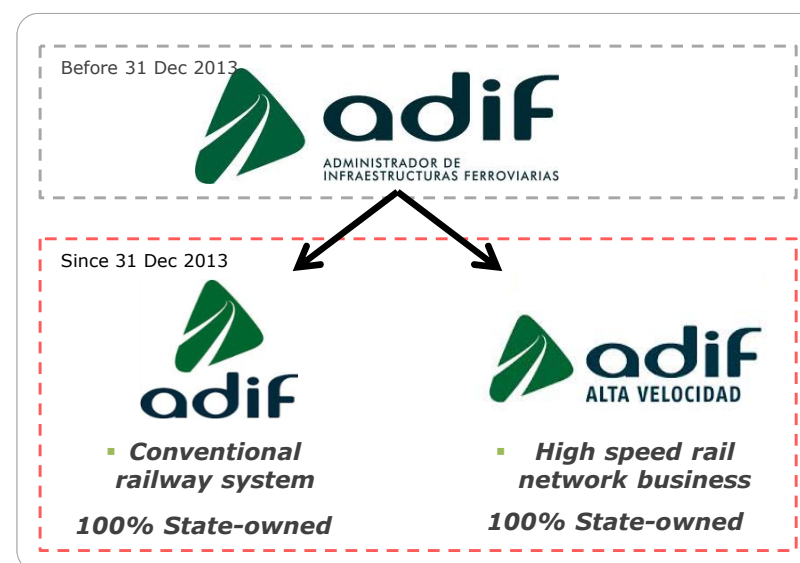
3. Rating Agencies

4. Credit Highlights

5. Green Bond Framework and Green Bond Issuance Highlights

Adif - Alta Velocidad - Company Overview

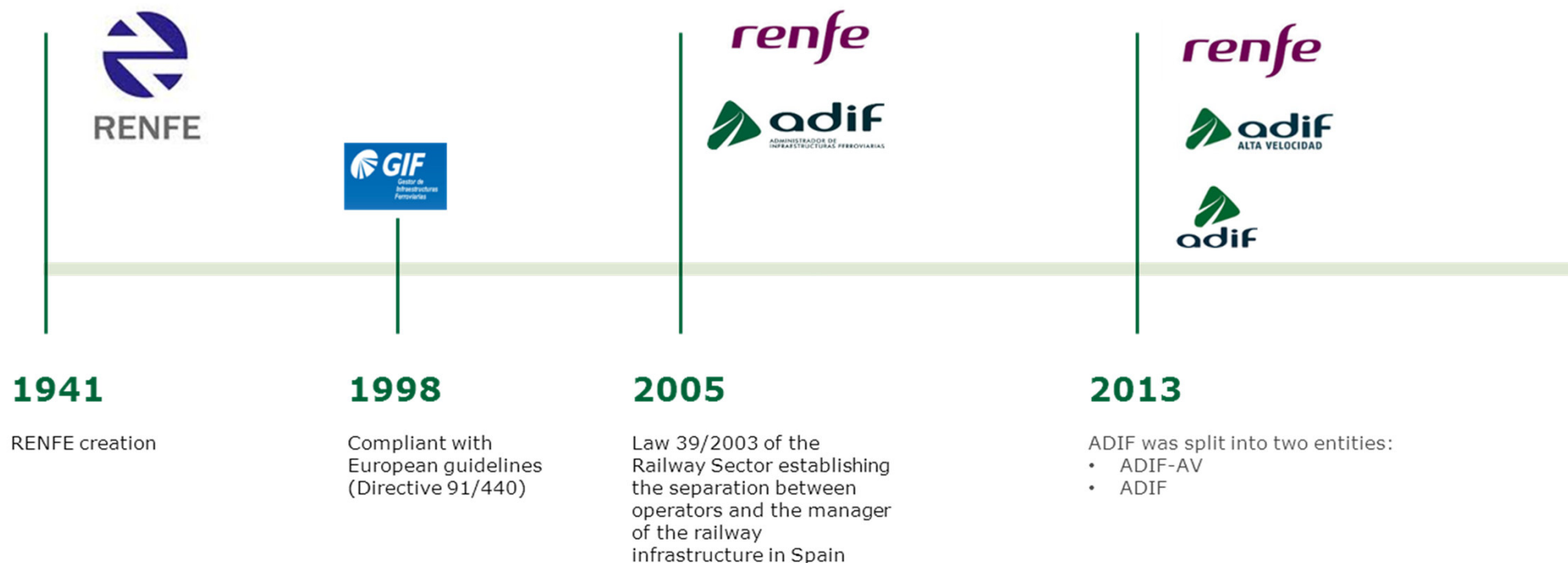
- RDL 15/2013 approved by the Spanish Government established, since 31st December 2013 the split of ADIF, the railway infrastructure management entity, into two separate entities: ADIF-AV to manage the high speed rail network and ADIF in charge of the conventional rail network.
- ADIF-AV is a 100% State-owned Entidad Pública Empresarial (public corporate entity) created under Law 6/1997 on Organization and Functioning of the State's General Administration ⁽¹⁾. It operates under the supervision of the Ministerio de Transporte, Movilidad y Agenda Urbana (Ministry of Transport, Mobility and Urban Agenda).
- The new entity is responsible for the construction and management of Spain's high speed rail network in line with the political directives fixed by the Government.



(1) Formerly regulated pursuant to article 43.1(b) of Act 6/1997, of 14 April, on the Organisation and Function of the General State Administration (Ley 6/1997, de 14 de abril, de Organización y Funcionamiento de la Administración General del Estado) which was derogated by Act 40/2015, of 1 October, on Legal Status of the Public Sector (Ley 40/2015, de 1 de octubre, de Régimen Jurídico del Sector Público ("Act 40/2015")).

Adif - Alta Velocidad - Company Overview

- Following the different EU Directives on train transportation, in 2003 the Spanish Parliament approved Law 39/2003 of the Railway Sector opening the sector to competition in transport activities and enforcing the separation between operators and managers of the railway infrastructure.



Adif - Alta Velocidad - Company Overview

- ADIF-AV is the main investor in rail infrastructure in Spain
 - ✓ **Fixed assets amount to 48,041 M€** ⁽¹⁾
- **Total Assets** ⁽¹⁾: **50,018 M€**
- **Total Equity** ⁽¹⁾: **24,996 M€**
- **Total Debt** ⁽¹⁾: **17,226 M€**
- High Speed Rail Network⁽²⁾: 2,781 km
- Railway stations ⁽²⁾: 45
- Kilometres – train(millions in a year)⁽²⁾⁽³⁾: 30.02

High Speed Lines in operation	
	Line Length (km)
Madrid-Barcelona-French Border	820
Madrid-Castilla La Mancha-C. Valenciana-Región de Murcia	660
Madrid-Sevilla	475
Madrid-Valladolid-Palencia-León	349
Córdoba-Málaga	247
Madrid-Toledo	21
Madrid-Galicia (Medina del Campo-Zamora-Pedralba)	209
Total	2,781

Source: ADIF-AV

(1) Data as of 31 March 2021

(2) Data as of 31 December 2020, as stated in the Base Propectus.

(3) Kilometres-train is a ratio that is used as a market standard in the international railway sector and it means the sum of the total of the routes made by all trains using a specific railway infrastructure.

Source: ADIF-AV

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Adif - Alta Velocidad - Company Overview

■ The link between ADIF-AV and the Spanish Government

Legal Framework

- ADIF-AV is an Entidad Pública Empresarial (public corporate entity) with legal personality, management autonomy, its own resources different from that of the State General Administration, operating under the supervision of the Ministerio de Transporte, Movilidad y Agenda Urbana (Ministry of Transport, Mobility and Urban Agenda).
- An Entidad Pública Empresarial is a State Body, dependent from or related to the State General Administration, created to perform functions considered to be in the public interest, reserved to the State General Administration.
- ADIF-AV is subject to ongoing audit by the Intervención General de la Administración del Estado (the General Public Auditor) under supervision from the Ministry of Finance and the Civil Service.
- Contracting and management is carried out according to Rail Sector Law and state contract provisions, which are adapted to EU Directives.
- For the performance of its activities, ADIF-AV may receive transfers from the General State Budget, as well as from other Public Administrations.
- Given its legal nature ADIF-AV cannot become insolvent and may only be extinguished by way of an Act of Parliament or a Royal Decree Law approved by the Government.
- ADIF AV must operate under the principle of financial sustainability.

Adif - Alta Velocidad - Company Overview

■ The link between ADIF-AV and the Spanish Government

Corporate Organization

- The Chairwoman of ADIF-AV is proposed by the Ministry of Transport, Mobility and Urban Agenda and appointed by the Government.
- The rest of the members of the Board of Directors are appointed and removed by the Ministry of Transport, Mobility and Urban Agenda. There is no time limit for Board members.

Principal Sources of Funds

- The largest part of ADIF-AV's resources are:
 - ✓ Charges for the use of the rail infrastructure.
 - ✓ State contributions.
 - ✓ European Union subsidies for the construction of the high speed rail infrastructure.
 - ✓ Debt operations (within the annual limits approved in the State General Budget). Main creditor is EIB (65% of debt).

Control

- ADIF-AV's annual accounts are controlled by the General Public Auditor (Intervención General de la Administración del Estado).
- ADIF-AV's annual budget and capex plans have to be initially approved by the Ministry of Transport, Mobility and Urban Agenda and are included in the General State Budget, approved by the Spanish Parliament.
- Any new indebtedness must be contracted within the limits approved in the General State Budget and subject to the Ministry of Finance and the Civil Service and the Ministry of Economic Affairs and Digital Transformation's approval.
- ADIF-AV's activities are monitored and controlled by the Ministry of Transport, Mobility and Urban Agenda.
- ADIF AV is classified as a "Non-Financial Corporate" for Eurostat purposes (operating income over operating expenses plus net financial expense > 50%). The Ministry of Finance and the Civil Service will check this classification quarterly.

Adif - Alta Velocidad - Company Overview

■ ADIF's Master Plan to Combat Climate Change 2018-2030

MASTER PLAN TO COMBAT CLIMATE CHANGE 2018-2030

- on 22 January 2019, ADIF has approved the Master Plan to Combat Climate Change 2018-2030, aiming at reducing greenhouse gas emissions in the railway system and in the whole transport sector.
- This Master Plan answers the Framework Agreement to Combat Climate Change subscribed by ADIF and ADIF-Alta Velocidad with Renfe in March 2018.
- The Plan is based on the environmental advantage of the railway regarding other transport means, enhancing the main character that the railway must perform within the transport sector to be able to reach the objectives that both at international, European and national level, have been established regarding the fight against the climate change.

CONCRETE Sustainability Goals

- The Plan seeks to diminish the emissions in the whole national transport through the capture of traffic by the development and improvement of the railway network.
- Particularly, the reduction of emissions accumulated up to 2030 due to the modal shift is estimated in more than 8 million tons of CO₂.
- Likewise, the Plan contains a series of measures of energetic efficiency and decarbonization applied to the railway system as a whole and focused to achieve an accumulated reduction of the energetic consumption in around 5,300 GW/h until 2030. These measures will entail, similarly, a reduction of accumulated emissions in a million and a half tons of CO₂ in the same period.
- It is aligned with the European policies and its objectives to 2030 and 2050, established to be able to comply with the target of the Agreement of Paris, which consists in preventing that the increase of global average temperature of the planet exceeds 2 °C, compared to the preindustrial levels.
- The Plan also envisages among its actions the purchase of green electric energy (with certificates of Guarantee of Origin), which will enable the reduction of accumulated emissions in more than 7 million tons of CO₂ from now to 2030.

Adif - Alta Velocidad - Company Overview

■ ADIF's Sustainability strategy is aligned with the UN SDG's



Positive impact on the UN SDGs

The construction and maintenance of High-Speed lines, including those to which the resources obtained with the emission of green bonds have been allocated, have a positive impact in the following Objectives and Goals of Sustainable Development of the UN 2030 Agenda



"Resilient infrastructures, inclusive and sustainable industrialization, innovation". Goal 9.1: "Develop quality, reliable, sustainable and resilient infrastructures, included regional and cross-border infrastructures, to support the economic development and human well-being, supporting in particular the affordable and equitable access for everyone". The high-speed railway lines are built with the highest standards of quality to ensure its resilience and reliability; in addition, it is applied for their construction and maintenance strict criteria of sustainability and respect to the environment, establishing environmental vigilance measures which ensure the preservation of the natural, cultural and archeological heritage.



"Sustainable cities and communities". Goal 11.a: "To support the economic, social and environmental positive links between the urban, peri-urban and rural areas strengthening the planification of the national and regional development". The high-speed railway lines improve substantially, in a planned manner, the connection between the urban, peri-urban and rural areas, facilitating the generation of economic and social links, generating with it opportunities of growth and well-being.



"Combat climate change and its impacts". Goal 13.2: "Add measures related to the climate change in the policies, strategies and national plans". The development of the high-speed network will lead to significant quantities of traffic of the transport by road and of the air transport transferring to the railway, being this one the mode of transport which generates less CO2 emissions and other greenhouse gases, thus fighting the climate change through a better contribution of the transport sector to the fight against this phenomenon.

Agenda

1. Company Overview
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3. Rating Agencies
4. Credit Highlights
5. Green Bond Framework and Green Bond Issuance Highlights

Adif - Alta Velocidad - Profit & Loss Statement

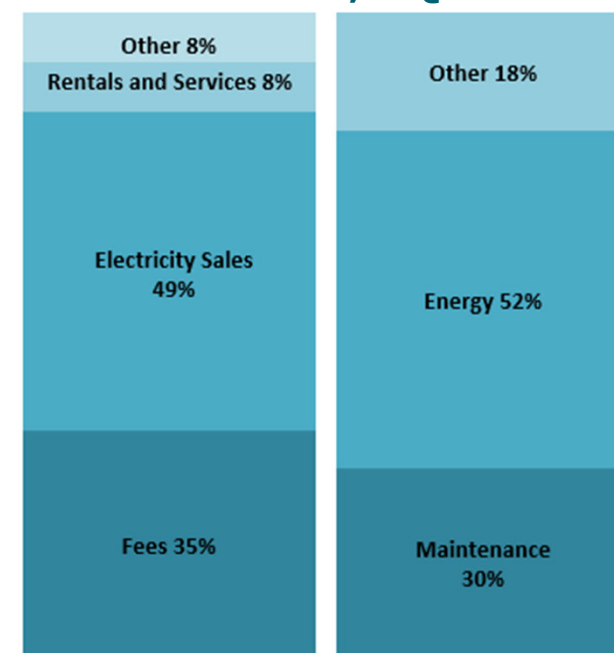
(M€)	2020 (1)	2021 (1)	3Q21 (2)
+ Use of the public service rail network	268	326	104
+ Use of stations and other rail installations	59	64	23
+ Passenger rail transport safety levy	0	1	1
+ Revenue from use of rail facilities	327	391	128
+ Rentals and services	92	105	28
+ Utilities, basically relates to traction power	200	379	178
+ Provision surpluses	5	3	2
+ Others	64	105	26
+ Other operating revenues	361	592	234
Total Revenues	688	983	362
- Infrastructure repairs and maintenance	-327	-366	-94
- Traction power	-186	-348	-166
- Personnel expenses	-17	-15	-4
- Other operating expenses	-164	-198	-54
Total Expenses	-694	-927	-318
EBITDA	-6	56	44
- Amortisation and depreciation	-374	-378	-100
+ Non-financial and other capital grants	121	121	31
EBIT	-259	-201	-25
+ Financial income	121	110	23
- Financial costs	-311	-318	-81
- Impairment and losses on disposal of financial instruments and others	-10	-14	-1
- Change in fair value of financial instruments	-2	-2	-1
Income before taxes	-461	-425	-85
- Taxes	0	0	0
Net Income	-461	-425	-85

(1) ADIF-AV 2020 and 2021 audited accounts.

(2) ADIF-AV 1Q2022 interim financial statements

Source: ADIF-AV

Breakdown, 1Q2022



Adif - Alta Velocidad - BS I - Assets

- 96.05% of ADIF-AV assets correspond to tangible fixed assets as of 31 March 2022.
- Work in progress fixed assets represent 23.4% of total assets as of 31 March 2022.

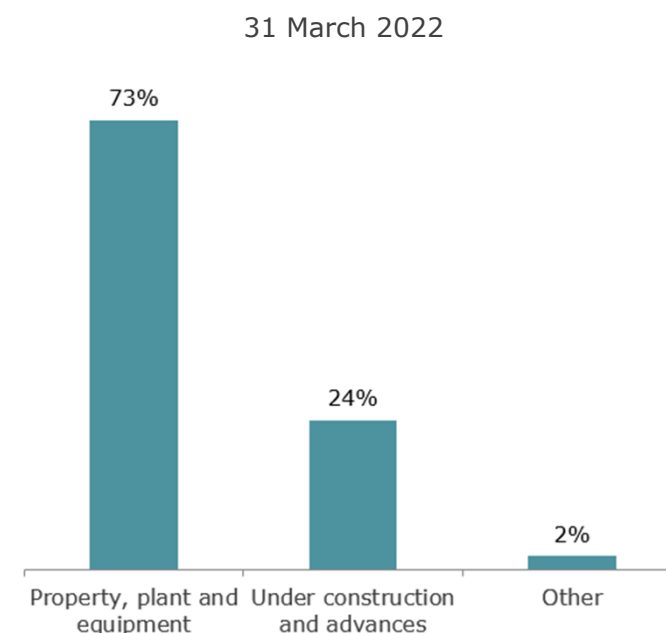
(M€)	2020 (1)	2021 (1)	1Q22 (2)
Intangible assets	74	74	74
Property, plant and equipment	32,222	35,286	35,272
Under construction and advances	14,132	11,534	11,704
Investment property	194	287	286
Other non-current investments	511	663	705
Non Current Assets	47,133	47,844	48,041
Trade and other receivables	246	1,686	1,724
Current financial assets (3)	0	1	0
Loans to companies	190	124	73
Cash and cash equivalents	353	156	180
Current Assets	789	1,967	1,977
Assets	47,922	49,811	50,018

(1) ADIF-AV 2020 and 2021 audited accounts.

(2) ADIF-AV 1Q2022 interim financial statements

(3) Current financial assets = Financial Institutions deposits with a tenor longer than 3 months

Source: ADIF-AV



Source: ADIF-AV

Adif - Alta Velocidad – BS II – Equity and Liabilities

- 53% of liabilities are financed by equity and capital grants as of 31 March 2022.
- Bonds and banking debt represents 35% of total equity + liabilities.

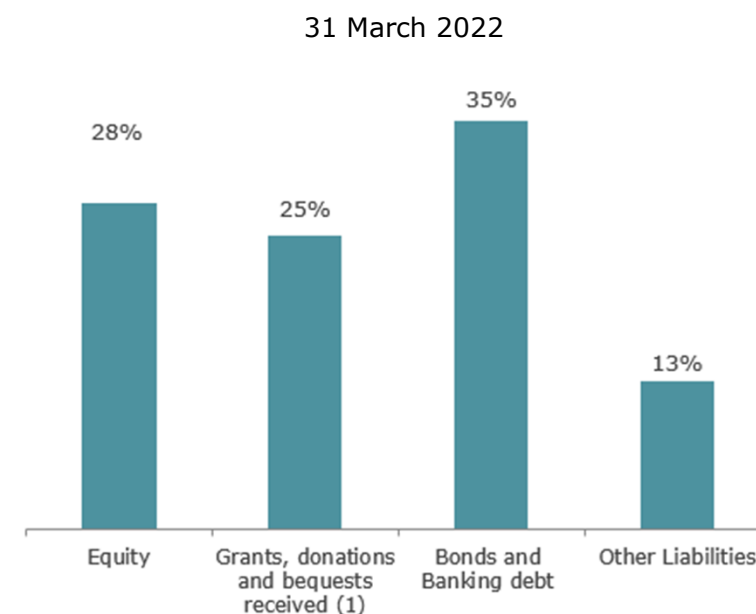
(M€)	2020 (1)	2021 (1)	1Q22 (2)
Equity	13,895	13,937	13,851
Valuation adjustments	-2	-1	-1
Grants, donations and bequests received	11,051	11,155	11,144
Total equity	24,944	25,091	24,995
Bonds and other market securities	5,638	6,235	6,242
Non-current loans and borrowings	10,379	10,581	10,480
Current loans and borrowings	681	675	649
Derivatives	3	1	1
Bonds and Banking debt (3)	16,701	17,492	17,372
Payables convertible into grants	276	1,392	1,368
Deferred tax liabilities	3,684	3,718	3,715
Non-current provisions	948	852	869
Other non-current liabilities	564	629	621
Current provisions	52	73	74
Other current liabilities	753	564	1,004
Other liabilities	6,277	7,228	7,651
Total	47,922	49,811	50,018

(1) ADIF-AV 2020 and 2021 audited accounts.

(2) ADIF-AV 1Q2022 interim financial

(3) Including accrued interests (139 M€ as of December 2020, 136 M€ as of December 2021 and 144 M€ as of March 2022). Gross nominal debt amounts to 16,560 M€ as of December 2020, 17,355 M€ as of December 2021, and 17,226 M€ as of March 2022.

Source: ADIF-AV



(1) Includes "Grants, donations and bequests received" and "Payables convertible into grants"

Source: ADIF-AV

Adif - Alta Velocidad - BS III – Debt

(M€)	2020 (1)	2021 (1)	1Q22 (2)	Weight
Bond	5,580	6,177	6,177	34%
EIB	10,448	10,846	10,773	64%
Bank debt	535	332	276	2%
Total	16,563	17,355	17,226	100%

(1) ADIF-AV 2020 and 2021 audited accounts.

(2) ADIF-AV 1Q2022 interim financial

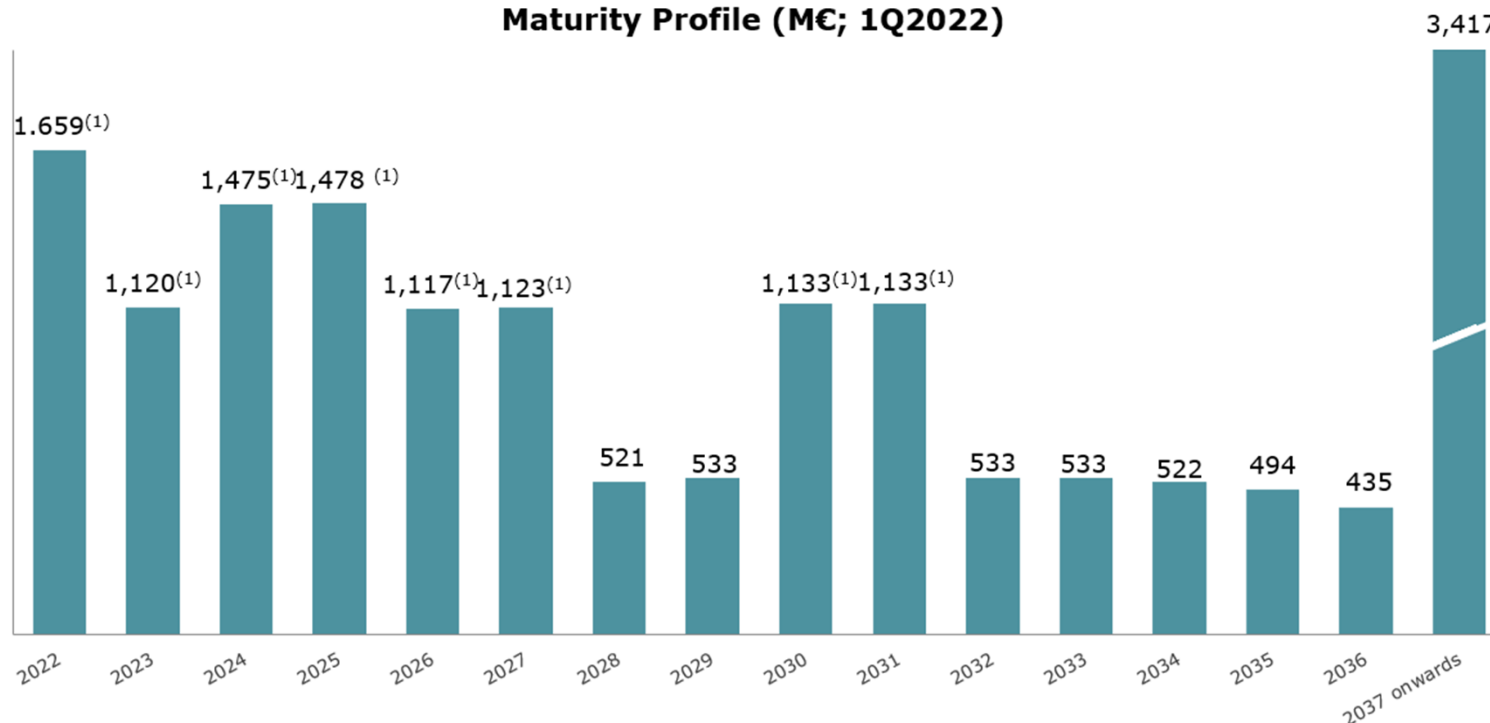
Note: Not including 139 M€ of accrued interests as of December 2020, 136 M€ as of December 2021, and 144 M€ as of March 2022.

Source: ADIF-AV

- EIB is the largest creditor (64%) ⁽²⁾.
- Bond issued amounts to 34% ⁽²⁾.
- Adequate maturity profile: 8.84 ⁽²⁾.
- Average interest rate: 1.58% ⁽²⁾.

(2) Data as of 31 March 2022

Maturity Profile (M€, 1Q2022)



(1) 2024 and 2025 maturities include €1bn bond maturing each year; 2022 maturity include €1.19bn bond maturing this year; 2023, 2026, 2027 and 2030 include €0.6bn bond maturing each year.

Note: Not including 144 M€ of accrued interests as of 31 March 2022.

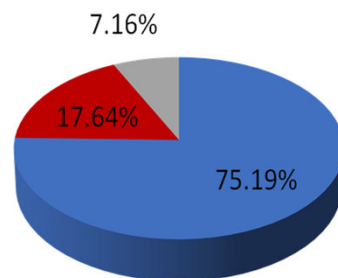
Source: ADIF-AV

Debt situation with financial entities and fixed income securities (nominal value expressed in thousands of Euros)

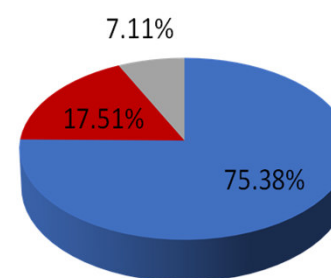
- Floating vs Fixed debt type breakdown

	31/03/2022	% total	31/12/2021	% total
Fixed Rate	12,963,345	75.19%	13,092,036	75.38%
Fixed Reversible Rate	3,041,928	17.64%	3,041,928	17.51%
Floating	1,234,479	7.16%	1,234,479	7.11%

31 march 2022



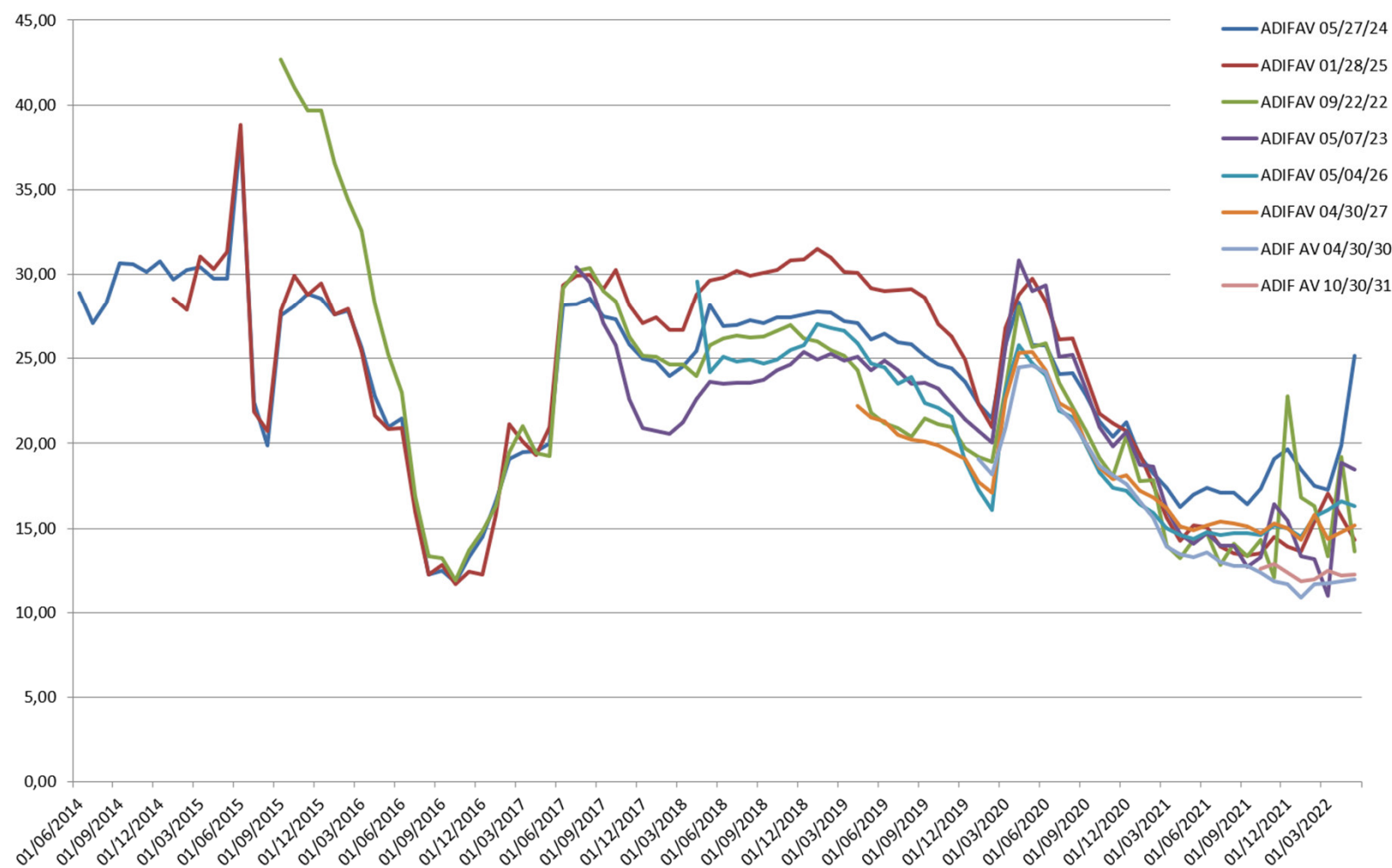
31 december 2021



■ Fixed rate ■ Fixed reversible rate ■ Floating

Adif - Alta Velocidad Benchmark Transactions

Adif-AV historic spread vs SPGB (bps)



Source: Bloomberg

As of 26th January 2022

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Adif - Alta Velocidad - Rating Agencies

Rating agency	Long-term	Short-term	Outlook
Moody's	Baa2	P-2	Stable
Fitch	A-	F-1	Stable

MOODY'S
April 2018 (1)



- **A Government-related issuer.**

ADIF AV rating assignment reflects the strong linkage between ADIF AV's rating and that of The Kingdom of Spain. Despite the lack of explicit government guarantees, this linkage is based on ADIF AV's status as a government-related issuer (GRIs), its strategic importance to Spain, and the very high implicit government support and default dependence that Moody's incorporates within the rating.

- **Funding from Central Government**

Moody's expects that the Spanish government will provide emergency funds in the unlikely event that they were needed, although no automated process is in place.

FitchRatings
January 2018 (1)



- **Special Legal Status**

ADIF AV reports directly to the Spanish Ministry of Public Works. The Ministry appoints members of the board of directors and its President. While ADIF AV does not have an explicit guarantee, it cannot become bankrupt; if dissolved, its assets and liabilities would revert to the state. ADIF AV also cannot be privatised without a change in its legal status.

- **Tight Control by Government**

ADIF AV's budget, including debt, is approved by the Spanish parliament at the same time the central government's budget is tabled. In addition, all debt contracted with non-Spanish residents or bond issuance requires prior authorisation by the Treasury. The State appointed auditor also audits the accounts of ADIF AV.

(1) Date of the last rating change

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Adif - Alta Velocidad - Highlights



Stable legal framework due to the strategic importance of ADIF-AV to the Spanish economy



100% state-owned, operates under the supervision of the Ministry of Transport, Mobility and Urban Agenda, the Ministry of Finance and the Ministry of Economical Affairs and Digital Transformation



Budget approved by the **Spanish Parliament** under the Annual General Budget Framework



ADIF-AV is a highly regulated entity with a **public funding mechanism** which allows the company to **cover most of its capex**



ADIF-AV can **only be extinguished by a specific law** approved by the Government. In such case the entity's assets and liabilities are transferred to the State or another entity of a similar legal nature



ADIF-AV must operate under the principle of **financial sustainability**

Adif - Alta Velocidad - Credit Highlights



Adif-AV qualifies as a government-related issuer (GRI) →
Implicit Government Guarantee



Rated **Baa2** (stable) by **Moody's** and
A- (stable) by **Fitch**



Adif-AV qualifies as an **eligible agency** for the ECB **Public Sector Purchase Programme (PSPP)**
since 2 July 2015

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Seeking to minimize the environmental impact

- ADIF-AV in its activity seeks to contribute to the constant improvement of the environment and socio-economic well-being by incorporating in its line of action values consistent with these objectives that guide its strategic decisions and incorporating them into its management model.
- The Strategic Plan of ADIF Alta Velocidad is based on the Sustainable Development Goals (SDG) approved by the United Nations in 2015, with which ADIF Alta Velocidad is completely committed.
- As a following step within this strategic approach, ADIF-Alta Velocidad has approved the MASTER PLAN TO COMBAT CLIMATE CHANGE 2018-2030, which has as main target the reduction of greenhouse gas emissions in the railway system and in the whole transport sector.
- Aligned with the MASTER PLAN TO COMBAT CLIMATE CHANGE 2018-2030, ADIF-AV has a concrete sustainability goal, contained in their Master Plan for Energy Savings and Efficiency 2014-2020, of reducing their energy consumption by 106.81 GWh equiv per year by 2020, relative to energy use in 2008. The environment is one of its fundamental commitments and values.
- Following its inaugural issuance of June 2017, ADIF-AV has issued its second Green Bond in April 2018, its third Green Bond in April 2019 and its fourth Green Bond issuance in February 2020. The reporting of allocation and of the relevant impact metrics have been released for the first three issuances.
- ADIF-AV develops its activity of design, construction and maintenance of the rail system seeking to minimize the environmental impact derived from these activities. Our objective is to achieve the maximum degree of environmental integration of the new rail lines.
- ADIF-AV has an Environmental Management System certified by ISO 14001.



Rationale to issue Green Bonds



Provide market participants (investors, relationship banks, stakeholders) with further clarity, transparency and certainty of the investments that ADIF-AV is undertaking and how the investments are aligned with sustainability



Promote a new fixed income market with a great impact in the achievement of the SDGs



Diversify and increase investor base with focus on SRI investors



ADIF-AV aim is to play a key role in sustainable developments and therefore to increase its involvement in the Spanish transition to a low carbon and climate resilient economy



ADIF-AV acknowledge the importance of sustainability and climate change and is responding to society's demand

ADIF AV Green Bond Framework at a glance



Green Financing Framework dated on September 2019 and fully compliant with the Green Bond Principles and Green Loan Principles



Green Bond Proceeds will be used to finance and refinance new and ongoing Eligible Green Projects with disbursements up to 2 years prior to the Notes issuance and up to 24 months since launching date



The framework received the Second party opinion provided by CICERO (Dark Green shading) in 2019



An external third party (Auditor firm) will verify the allocation and management of funds for each Green Bond launched by ADIF AV under this framework



A clear and robust project evaluation and selection process with the participation of ADIF-AV Environmental Management Department in the review of the allocation process



For each Green Bond ADIF-AV will publish on its website an annual report including the allocation of funds to specific Eligible Green Projects and relevant environmental impact metrics linked to these Green investments

Overview of ADIF AV Green Bond Issuances (I)

Inaugural Green Bond	€600m 0.800% due July-2023 Issued July 2017 Spread SPGB + 33 bps	<ul style="list-style-type: none"> • Listing AIAF (Spain); ECB eligible • Widespread demand: mainly coming from Spain (21%), Germany (18%), France (18%), Nordics (11%), and UK (10%). In terms of investor type, Fund Managers took 47%, Insurance and Pension Funds 28%, and Banks & Private Banks 22%. • 45% of investors with strong SRI investment policies or SRI specific mandates.
Second Green Bond	€600m 1.250% due May-2026 Issued April 2018 Spread SPGB + 34 bps	<ul style="list-style-type: none"> • Listing AIAF (Spain); ECB eligible • Demand mainly coming from Spain (47%), France (14%), Germany (14%), Netherlands (8%), and Nordics (6%). In terms of investor type, Fund Managers took 46%, Insurance and Pension Funds 20%, and Banks & Private Banks 27%. • 45% of investors with strong SRI investment policies or SRI specific mandates.
Third Green Bond	€600m 0.950% due Apr-2027 Issued April 2019 Spread SPGB + 28 bps	<ul style="list-style-type: none"> • Listing AIAF (Spain); ECB eligible • Widespread demand: Spain (34%), Germany & Austria (29%) and France (16%). In terms of investor type, Fund Managers took 56%, Insurance and Pension Funds 14%, and Banks & Private Banks 11% while Central Banks and Official Institutions 10% • 60% of investors with strong SRI investment policies or SRI specific mandates.
Fourth Green Bond	€600m 0.550% due Apr-2030 Issued February 2020 Spread SPGB + 23 bps	<ul style="list-style-type: none"> • Listing AIAF (Spain); ECB eligible • Widespread demand: Spain (23%), Germany & Austria (22%), France (15%) and UK (14%). In terms of investor type, Fund Managers took 47%, Insurance and Pension Funds 20%, and Banks & Private Banks 19% while Central Banks and Official Institutions 13% • 55% of investors with strong SRI investment policies or SRI specific mandates.
Fifth Green Bond	€600m 0.550% due Oct-2031 Issued October 2021 Spread SPGB + 17 bps	<ul style="list-style-type: none"> • Listing AIAF (Spain); ECB eligible • Widespread demand: Iberia (24%), Germany & Austria (25%) and France (20%). In terms of investor type, Fund Managers took 62%, and Banks & Private Banks 19% and Insurance and Pension Funds 19% while Central Banks and Official Institutions 6% • 72% of investors with strong SRI investment policies or SRI specific mandates.

Overview of ADIF AV Green Bond Issuances (II)

Use of Proceeds

Based on ADIF-AV's environmental management system and internal sustainability policies, ADIF-AV has allocated the net proceeds of its Green Bond issuances to investments in the following green eligible project categories:

- ✓ **Investments related to new rail lines and rail lines extensions**
- ✓ **Investments related to maintenance, upgrades and energy efficiency of the rail system promoting sustainable transport**

Implementation in six substations of a recovery system of the energy coming from the regenerative braking of the trains. This system will allow the return of the braking energy to the network of distribution and the use of such energy for the functioning of railway installations.

Management of Proceeds and Reporting

An external Audit firm appointed by ADIF-AV has provided an Independent Assurance Report of each green bond issuance after having reviewed the allocation of funds, responsible management and environmental and social outcomes of the financed projects (ISAE 3000)

ADIF AV has published the Reporting of its Green Bond issuances, as well as the negative assurance provided by the auditor firm, in its webpage www.adifaltavelocidad.es

ADIF AV Green Bonds Annual Reports – issuances of June 2017, April 2018, April 2019 and February 2020 (I)

Highlights

- Published in April 2018 / April 2019 / July 2020 / April 2021 at: www.adifaltavelocidad.es
- Audit Firms** has provided Independent Assurance Reports (published) after verified the method of internal follow-up and allocation of funds to the Eligible Green Projects.
- Contribution to the SDGs:** the projects financed with the use of proceeds of the Green Bond have a positive impact on the following objectives and goals of the Sustainable Development of the UN 2030 Agenda
 - SDG 9 Resilient infrastructures, inclusive and sustainable industrialization, innovation
 - SDG 11 Sustainable cities and communities
 - SDG 13 Combat climate change and its impacts
- The methodology and the definitions of the impact metrics** are explained in the Annual Reports published by ADIF-AV
- Overview of the **allocation of proceeds from the Green Bond** issuances detailed on the reports:

Project	2017 issuance		2018 issuance		2019 issuance		2020 issuance	
	Amount	% of issuance	Amount	% of issuance	Amount	% of issuance	Amount	% of issuance
Madrid - Levante HSL	103,809	17.36%	53,144	8.93%	101,356	16.94%	108,175	18.10%
Antequera - Granada HSL	61,705	10.2%	42,747	7.18%	14,982	2.5%	41,921	7.02%
Valladolid-Burgos-Vitoria HSL	32,793	5.49%	18,906	3.18%	10,305	1.72%	16,071	2.69%
Madrid - Extremadura HSL	62,765	10.5%	75,374	12.66%	86,056	14.39%	105,470	17.65%
Madrid - Galicia HSL	302,805	50.65%	372,508	62.58%	374,848	62.67%	303,765	50.83%
Atlantic Axis HSL	33,988	5.68%	31,234	5.25%	9,046	1.51%	9,113	1.53%
Chamartín - Atocha Connect. Reversible Substations			1,298	0.22%	1,583	0.26%	13,073	2.19%
TOTAL	597,864	100.00%	595,212	100.00%	598,176	100.00%	597,56	100.00%

ADIF AV Green Bonds Annual Reports – issuances of June 2017, April 2018, April 2019 and February 2020 (II)

Impact Metrics I

- Investors are encouraged to read the full Annual Reports of the Green Bonds of ADIF-AV at www.adifaltavelocidad.es

SAVINGS

	EXTERNAL COSTS (Thousand euros)	TIME (Thousand hours)		MODAL TRANSFER (Thousand travelers KM Transferred)		TONS OF CO ₂ (Tons)	
	30 years	30 years	Annual average	30 years	Annual average	30 years	Annual average
Madrid - Levante HSL	18,196,280	283,178	9,439	95,507,061	3,183,569	3,898,322	129,944
Antequera - Granada HSL	2,783,655	56,478	1,883	26,727,956	890,932	1,360,089	45,336
Valladolid - Burgos - Vitoria HSL	5,778,232	114,677	3,823	60,397,188	2,013,240	2,625,652	87,522
Madrid - Extremadura HSL	4,190,579	28,886	963	27,653,706	921,790	4,270,103	142,337
Madrid - Galicia HSL (Olmedo-Zamora-Ourense Section)	4,228,626	144,273	4,809	38,418,279	1,280,609	3,839,225	127,974
Atlantic Axis Santiago de Compostela-Vigo Section	2,578,482	84,509	2,817	7,508,705	250,290	711,214	23,707
Atocha-Chamartín and Atocha-Torrejón de Velasco Connection	15,138,957	266,739	8,891	91,156,778	3,038,559	8,594,328	286,478
TOTAL	52,894,811	978,740	32,625	347,369,673	11,578,989	22,420,545	747,352

ADIF AV Green Bonds Annual Reports – issuances of June 2017, April 2018, April 2019 and February 2020 (III)

Impact Metrics II

- Investors are encouraged to read the full Annual Reports of the Green Bonds of ADIF-AV at www.adifaltavelocidad.es

- 0,22% of the Second Green Bond issuance and 0,26% of the Third Green Bond issuance have been allocated to the category “Investments related to the maintenance, upgrades and energy efficiency of the high-speed rail system” (“Reversible Substations Project”), for a total of 2,880.44 thousand of euros.
- Below appears the estimation of annual saved energy and avoided CO2 emissions once the energy recovery systems have been implemented in the indicated substations.

REVERSIBLE SUBSTATIONS	Energy saved (GWh)	Emissions avoided (ton CO2)
Installation of a converter which recuperates energy of the regenerative braking in the substation of Alcorcón	2,531	585
Installation of a converter which recuperates energy of the regenerative braking in the substation of Guarnizo	1,146	265
Installation of a converter which recuperates energy of the regenerative braking in the substation of Olabeaga	2,217	513
Installation of a converter which recuperates energy of the regenerative braking in the substation of Getafe	1,303	301
Installation of a converter which recuperates energy of the regenerative braking in the substation of Martorell	1,728	400
Installation of a converter which recuperates energy of the regenerative braking in the substation of Arenys de Mar	1,526	353
TOTAL 6 SUBSTATIONS	10,451	2,417

ADIF-AV Green Financing Framework 2019 (I)

Use of Proceeds

- Two Eligible Projects categories:
 1. Investments related to new rail lines and rail lines extensions
 2. Investments related to maintenance, upgrades and energy efficiency of the rail system promoting sustainable transport
- **Eligible Green Projects include new and ongoing projects with disbursements up to 2 years prior to the Notes issuance and up to 24 months from the launch of the issue of The Note**

Project Evaluation and Selection

- Based on ADIF-AV's environmental management system and internal sustainability policies, **ADIF-AV will allocate the net proceeds of the Green Financing instruments to Eligible Green Projects**
- Process of Evaluation and Selection at ADIF-AV:
 - The Treasury and Accounting Department, in coordination with the Financial Planning and Budget Department and the Environmental Management Department, will review the allocation of the projects annually

Management of Proceeds

- Until the total allocation of an amount equal to the net proceeds from the Green Financing instruments to Eligible Green Projects, ADIF-AV will temporarily invest an amount equal to the unallocated net proceeds from the Green Financing instruments in monetary funds managed following a responsible investment approach, in bank deposits, cash, or equivalents
- An external Audit firm or any other third party appointed by ADIF-AV will verify the internal tracking method and the allocation of funds from the Green Bond proceeds to the Eligible Green Projects

Source: ADIF-AV Green Bond Framework

ADIF-AV Green Financing Framework 2019 (II)

Reporting

- Within one year of the issuance of ADIF-AV Green Bonds and until the full allocation of an amount equal to the net proceeds of the Green Bonds issued, **ADIF-AV will annually publish on its website:**
 - Annual updates on the amounts allocated to the Eligible Green Projects
 - **Relevant expected impact metrics and where feasible actual impact metrics, related to the Eligible Green Projects**
 - Annual report from auditors or any other third party appointed by ADIF-AV, that will verify the internal tracking method and the allocation of funds from the Green Bond proceeds to the Eligible Green Projects
- Some examples of relevant metrics are:
 - 1. Investments related to new lines and rail line extensions:**
 - Estimated average time saving because of the project: minutes
 - Modal shift: Number of passenger-Km. and/or tons-Km
 - GHG emissions avoided: Ton. CO2 equivalent
 - Savings in external costs: Euro
 - 2. Investments related to maintenance, upgrades and energy efficiency of the ADIF-AV rail system:**
 - % Achievement of objectives of the ADIF-AV Master Plan for Energy Savings and Efficiency 2014-2020
 - Reduction of energy consumption: GWh equivalents
 - Reduction of CO2 emissions: Kton. CO2

Source: ADIF-AV Green Bond Framework

Second Party Opinion Highlights*



"Based on the overall assessment of the projects that will be financed under this framework, and governance and transparency considerations, ADIF-Alta Velocidad's updated green finance framework receives a CICERO Dark Green shading* and a governance score of Excellent

ADIF-Alta Velocidad has ambitious climate targets, which aim to reduce its carbon footprint by 25 % by 2030. The issuer is currently developing a new Plan to Combat Climate Change 2018-2030 which will include clear targets for emission reduction for 2020, 2025 and 2030 as well as a plan to begin the implementation of TCFD recommendations.

Based on this review, this updated framework is found in alignment with the Green Bond and Green Loan Principles."

Source: Further information contained in CICERO's Second Opinion on ADIF-AV Green Finance Framework. Dated October 2019

Note: Cicero's 'shade of green' to a green finance framework: Dark green, Medium green, Light green, Brown*

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