

INVESTOR **NEWSLETTER**

June 2024 / Vol. 16

LEADING
SUSTAINABILITY

**FORÉTICA'S SUSTAINABILITY AND CSR
IN PUBLIC COMPANIES ACTION GROUP**

Please find below the sixteenth issue of ADIF Alta Velocidad (hereafter, Adif AV) Newsletter, based on our commitment to provide the highlights related to our financial situation as well as our ESG policies.

HIGHLIGHTS AND SUMMARY OF 2023 RESULTS

EBITDA
€431 million

Continuing the positive trend, Adif AV's 2023 EBITDA reached €431 million, meaning an increase of 86% compared to 2022 results (€232 million). This is the company's best result since its inception in 2013.

Net finance expense
€264 million

Additionally, and also compared to 2022, net finance expense amounts €264 million, meaning an increase of €20 million.

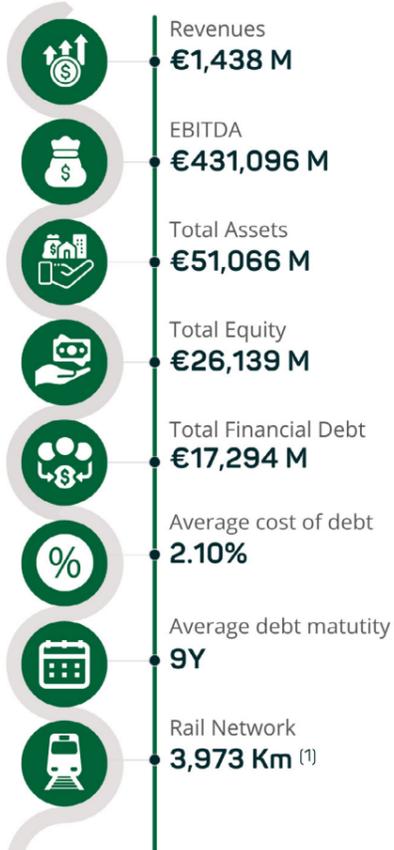
Charges
+€164 million

Charges in the network managed by Adif AV increased in €164 million compared with 2022, which means a total amount of revenues from charges of €728 million.

Investments
€1,978 million

In line with the investment budget for 2023, Adif AV has performed investments amounting to €1,978 million as of 31 December 2023.

KEY FIGURES 2023



(1) Data from 2024 Network Statement



It highlights the following High-Speed Lines (HSL)

Almería-Murcia Investment 380 million	Mainly platform works / Sections Vera-Almería Murcia-Lorca Pulpi-Vera
Vitoria-Bilbao-San Sebastián Investment 212 million	Mainly platform works / Sections Elorrio-Bilbao Mondragón-Bergara Vitoria-Legutiano San Sebastian - Bilbao (through Guipuzcoa and Vizcaya)
Madrid-Extremadura Investment 218 million	Mainly platform works / Sections Navalmoral de la Mata-Plasencia Mérida-Badajoz Electrification and superstructure works Carmonita-Mérida Mérida-Badajoz
La Sagrera and Sant Andreu stations Investment 108 million	Mainly remodeling works focused on both stations La Sagrera Sant Andreu
Chamartín Station Investment 131 million	Mainly works focused on Chamartín Station area North Head and UIC Connection with Airport

Leading Sustainability

Adif and ICO lead the 7th edition of Forética's Sustainability and CSR in Public Companies Action Group

The Sustainability and CSR in Public Companies Action Group has held the first session of its seventh edition, promoted by Forética and led by Adif and the Instituto de Crédito Oficial (ICO), where the challenges for attracting and retaining talent in public companies, marked by generational change, have been addressed.

This meeting highlighted how labor flexibility is positioned as a tool for attracting talent, as well as the interest that artificial intelligence is arousing in organizations to respond to new environments and how its implementation is being addressed. Among the medium-term strategic priorities for human resources in organizations stand out the selection and recruitment of qualified personnel, employee welfare, and the training of workers to take advantage of the opportunities of disruptive technologies (such as AI).

The attraction and retention of talent, therefore, has positioned itself as a key factor for the social impact, sustainability and competitiveness of companies and, in general, of society.

The group has two more working sessions planned for this year, which will address topics such as Internal Control of Non-Financial Information and initiatives for mitigating and adapting to climate change.

ESG ACTIVIST

About the Action Group

The Sustainability and CSR in Public Companies Action Group, coordinated by Forética and led by Adif and ICO, is made up of more than 35 public entities.

This initiative was conceived as a collaborative platform for the public business sector, with the aim of advancing in the field of corporate sustainability and contributing to the achievement of the 2030 Agenda for Sustainable Development, increasing ambition, accelerating action and strengthening alliances.

About Forética

Forética is the leading organization in sustainability and corporate social responsibility in Spain. Its mission is to integrate social, environmental and good governance aspects into the strategy and management of companies and organizations. It currently has more than 200 members.

It is also the representative of the World Business Council for Sustainable Development (WBCSD) in Spain, leads the Spanish Business Council for Sustainable Development (made up of CEOs of large Spanish companies) and forms part of the State CSR Council in Spain. In Europe, Forética is a national partner of CSR Europe.



Adif Alta Velocidad publishes the 2023 Management Report

For another year, as has been the case since 2018, in application of Law 11/2018 on non-financial information and diversity, ADIF Alta Velocidad presented last month its **Management Report**, which includes its Statement of Non-Financial Information (NFIS).

Reporting information on our sustainability performance, from the triple environmental, social and governance (ESG) perspective, allows us to better connect with the demands and expectations of our stakeholders, who increasingly require companies to play an active role in promoting an inclusive, ethical and environmentally friendly growth model.

Providing concrete and detailed information in these areas on results and impacts with a comparative traceability, gives greater credibility to the company by showing with data and facts its commitment to a model of sustainable development.

To this end, we rely on the guidelines of the Global Reporting Initiative (GRI) Guidelines, establishing a complementary correlation between these GRI standards and the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

As part of our commitment to the reliability of the information reported, the contents of the Management Report's NFIS have been subjected, as required by current legislation, to review by an independent external verifier.

The main figures related to ESG indicators in 2023 for ADIF Alta Velocidad are shown in the following table:

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ENVIRONMENTAL		SOCIAL		GOVERNANCE	
€3 M** resources earmarked for fire prevention	93.9% renewable energies	100% purchases framed by responsible criteria	2 workplace health and safety assessments	10 board members	3% >50 years on the board
9.64 MJ/km train final energy intensity	123.67 Gwh year energy saving	€319,951 investment in the community	120 agreements and conventions with industry and business organizations and associations in force	13 board meetings	66.66% women on the Audit Committee
34 projects subject to environmental monitoring	721.71 Tj/year of electricity purchased with GoO certification	€1.41 M contributions to foundations and non-profit organisations	206* suggestions received at Passenger stations (Adif + Adif AV)	30% female board representation	2 non-executive directors on the Audit Committee
86.39 M€** resources allocated for environmental protection (investment + operation)	3,458 electricity supply points	€79,073 * value of sponsorships	3,965* claims at passenger stations	34 employees received ethics training	2 independent directors on the Audit Committee
298.79 Tj/year renewable resources used	3 TWh volume of electricity consumed	€1,366.3 contribution to stakeholders (economic value distributed)		8 non-executive directors on the Board	3 non-executive directors (currently vacant) on the Appointments and Remuneration Committee
15,620 tCO _{2e} /year reduction of GHG emissions	114.2 €/MWh energy cost			4 independent directors on the Board	1 independent director (chairmanship vacant) on the Appointments and Remuneration Committee
				7% between 30-50 years on the Board	

Figures with *: Adif + Adif AV. Figures with **: Data as of the end of 2022. Last available information. Information regarding 2023 will be presented in the first half of 2024, in Adif AV's Environmental Report. Content linked to GRI Indicator 201-1: Direct economic value generated and distributed. Distributed economic value: operating costs + financial expenses + taxes.

Since 2022, ADIF Alta Velocidad includes in the NFIS an annex analyzing the entity's activity according to the criteria of the European Union Taxonomy on Sustainable Investments (Regulation (EU) 2020/852). Thus, Adif AV evaluates the information available in its economic-financial systems to define the degree of eligibility and alignment with respect to the requirements of the Taxonomy regarding activity 6.14 "Infrastructure for rail transport".

GREEN BOND NEWS



ADIF Alta Velocidad closes its eighth issuance of “green bonds” for an amount of 600 million to continue financing sustainable projects

With a bond maturity of 8 years, and an annual coupon payment of 3.5%, the issue had a very diverse demand and was oversubscribed by 5.5 times, making it the second most oversubscribed issue in the company's history, with a total volume of 3.28 billion euros and 120 orders. As in the last issues, there was a strong geographical distribution of investors, with 79% coming from foreigner accounts (mainly Germany, Austria, Switzerland and Italy).

This is the eighth green bond issued by ADIF Alta Velocidad since 2017, consolidating its position as the most active 'green' issuer in the European sector of high-speed rail infrastructure managers and maintaining its benchmark position in the domestic market, with a total of €4,600 M issued.

This is the second issuance of 2024, after the conventional bond issue made in January, where for the first time in its history ADIF Alta Velocidad issued €1.5 billion in two tranches (€700 million at 5 years and €800 million at 10 years). In the last four months, the company has placed €2.1 billion, a volume that reaffirms the company's credibility in the markets and reinforces its strategy of expanding and diversifying its investor base.

ADIF Alta Velocidad launches its green issues under the umbrella of its green financing framework, which is aligned with the Green Bond Principles of ICMA (International Capital Market Association). It was renewed in 2022 and received the highest rating from the external rating agency Sustainable Fitch. In addition to assigning the rating of “Excellent”, the company confirmed ADIF Alta Velocidad's alignment with the European Taxonomy regarding the objective of climate change mitigation.

On the other hand, ADIF Alta Velocidad maintains a strategy aligned with the Sustainable Development Goals (SDG) of the United Nations. Specifically, the construction and maintenance of high-speed lines have a positive impact on Goals 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Communities) and 13 (Combat climate change and its effects).

In 2023, Sustainability's ESG Risk Rating, an indicator that rates ESG aspects (environmental, social and governance), ranked ADIF Alta Velocidad as the second best company in the transport infrastructure sector (from a population of almost 200 entities) and fourth in the global universe of companies rated, more than 15,000 companies.

Also recently, Moody's rating agency has upgraded the outlook for both Adif and ADIF Alta Velocidad from stable to positive.

BREAKING NEWS

Innovation Challenges Map

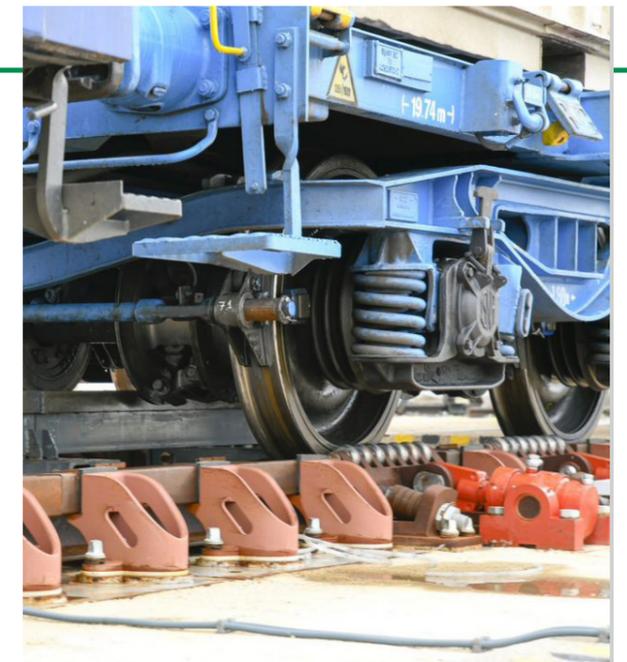
Adif, in its desire to address current and future challenges in mobility and more specifically in rail transport, has designed a Map of Innovation Challenges, a document that includes the aspects on which it focuses its activity, aimed at finding specific and innovative solutions for specific aspects of the operation and maintenance of railway infrastructures, promoting and developing new products, services and, ultimately, solutions to the challenges posed.

This approach is part of Adif's desire to position innovation as the main element in a global and competitive environment in which talent and innovation are sought beyond the company itself. Its reference document is the Adif and ADIF Alta Velocidad 2030 Strategic Plan, a guide on the direction, planning and tools available within this horizon. The plan is built with the participation of all the General Directorates of both entities to achieve a joint and collaborative vision to face and anticipate present and future challenges, technological trends that are already part of our reality, new consumption and life patterns and compliance with regulatory frameworks, among other elements of reality. It is structured around four basic pillars: Safety, Service, Sustainability and Results-Oriented, around which the most relevant aspects of our results and impacts are concentrated.

Adif therefore poses innovation challenges for which it seeks solutions. These challenges are published as a Preliminary Market Consultation (PMC) in which participant companies are invited to submit proposals to solve them. These proposals are studied and evaluated, thus defining the technical requirements of a bidding process.

With this process, Adif connects its own innovation with that generated abroad, being able to incorporate new proposals as high-level technological solutions that contribute to strengthen railway innovation.

The innovation challenges are published on the [Adif website](#), along with all the necessary information for the submission of proposals by interested parties and the corresponding resolutions. In addition, any proposal or suggestion, regardless of the existence or not of a Preliminary Market Consultation (PMC), can be sent to innovacion@adif.es.



Technological solutions

Active

Currently, in 2024, two Preliminary Market Consultation are active:

- Search for a system for monitoring zones and hot spots in rail cars.
- Neutral zone protection system.

Closed

Previously, other tenders were called, but have already been closed:

- Automatic variable gauge system for rail freight traffic (Mercave project).
- Implementation of predictive maintenance in track circuits and turnout drives.
- Train presence warning system, at track crossings between platforms in stations and passenger stops, belonging to the General Interest Railway Network.
- Prediction and detection of rail breakage.
- Replacement of obsolete technologies (like telephone blocking) with new ones.
- Prediction and Detection of external phenomena on the infrastructure
- Introduction of blockchain technology in processes requiring information assurance.
- New value-added services for wifi network in stations.

FUNDING POLICY & FUNDING ACTIVITY

BOND FUNDING HIGHLIGHTS

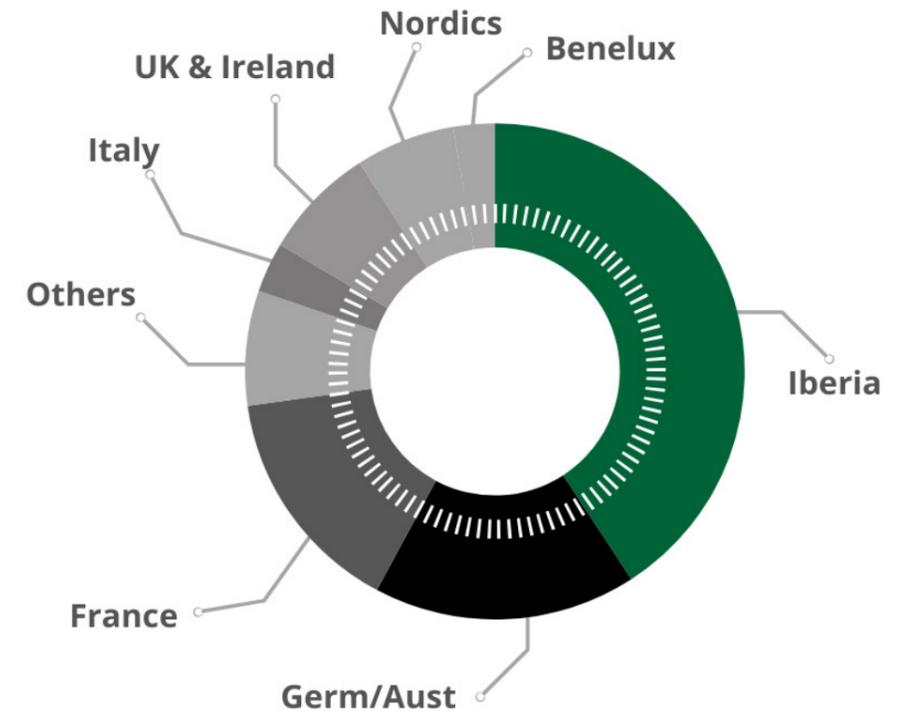
- Frequent bond issuer
- EUR market
- Benchmark transactions
- Focus on the Green market

ADIF ALTA VELOCIDAD RATING

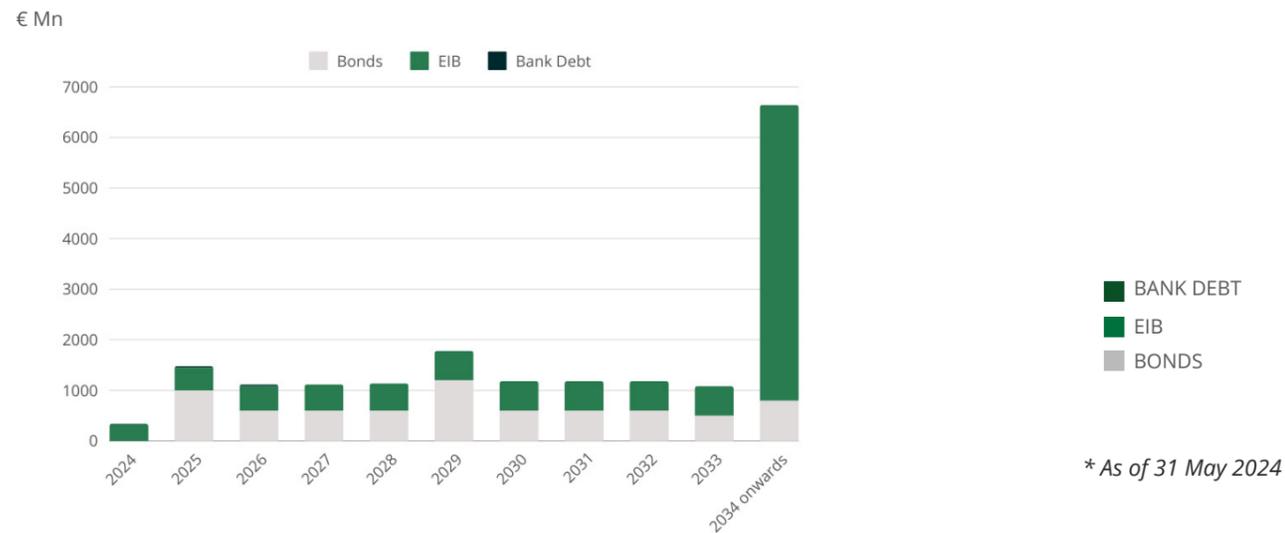
RATING	LONG-TERM	SHORT-TERM	OUTLOOK
AGENCY	TERM	TERM	
Moody's	Baa2	P-2	Positive
Fitch	A-	F-1	Stable



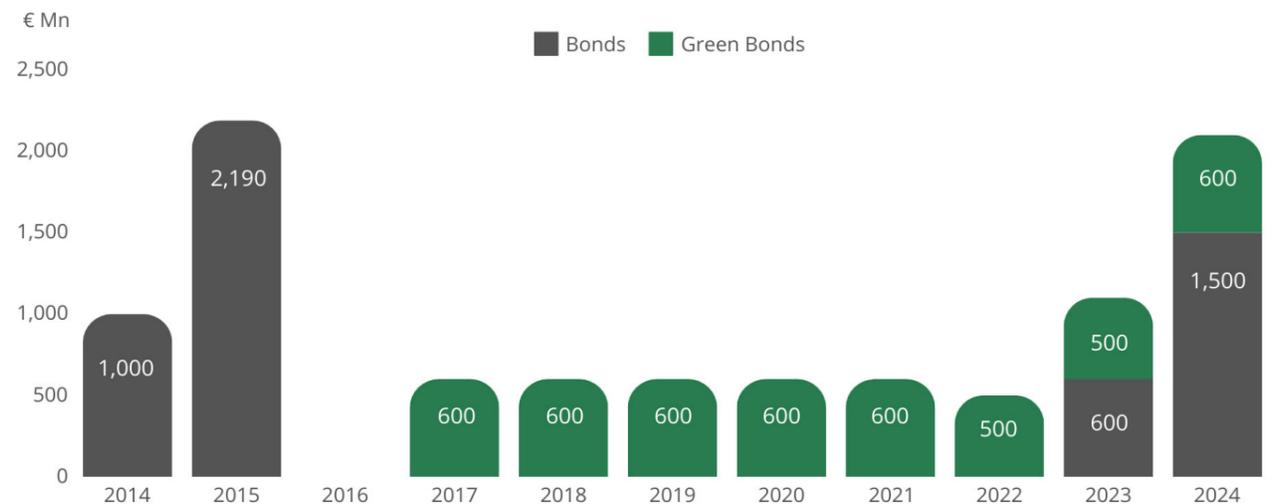
BOND DISTRIBUTION BY COUNTRY



FINANCIAL DEBT MATURITY PROFILE*



BOND ISSUANCE ACTIVITY



OUTSTANDING BONDS

ISIN	ISSUE DATE	SECURITY	RATINGS	COUPON (%)	MATURITY	TENOR (Years)	OUTSTANDING (€ Mln)
ES0200002006	28/01/2015	ADIFAL 1.875 01/28/25	Baa2/A -	1.875	28/01/2025	0.7	1,000
ES0200002030	04/05/2018	ADIFAL 1.250 05/04/26	Baa2/A -	1.250	04/05/2026	1.9	600
ES0200002048	25/04/2019	ADIFAL 0.950 04/30/27	Baa2/A -	0.950	30/04/2027	2.9	600
ES0200002055	12/02/2020	ADIFAL 0.550 04/30/30	Baa2/A -	0.550	30/04/2030	5.9	600
ES0200002063	08/10/2021	ADIFAL 0.550 10/31/31	Baa2/A -	0.550	31/10/2031	7.4	600
ES0200002071	17/10/2022	ADIFAL 3.500 07/30/29	Baa2/A -	3.500	30/07/2029	5.2	500
ES0200002089	18/04/2023	ADIFAL 3.900 04/30/33	Baa2/A -	3.900	30/04/2033	8.9	500
ES0200002097	21/06/2023	ADIFAL 3.500 07/30/28	Baa2/A -	3.500	30/07/2028	4.2	600
ES0200002105	25/01/2024	ADIFAL 3.250 05/31/29	Baa2/A -	3.250	31/05/2029	5.0	700
ES0200002113	25/01/2024	ADIFAL 3.650 04/30/34	Baa2/A -	3.650	30/04/2034	9.9	800
ES0200002121	29/04/2024	ADIFAL 3.500 04/30/32	Baa2/A -	3.500	30/04/2032	7.9	600

SPANISH AND EURO AREA ECONOMY SNAPSHOT

MACROECONOMIC PROJECTIONS FOR THE SPANISH ECONOMY

Annual rate of charge (%)

	GDP				HICP			
	2023	2024	2025	2026	2023	2024	2025	2026
March 2024	2.5	1.9	1.9	1.7	3.4	2.7	1.9	1.7
December 2023	2.4	1.6	1.9	1.7	3.4	3.3	2.0	1.9

Sources: Banco de España and INE.
Note: Latest QNA figure published: 2023 Q4

INTERNATIONAL ENVIRONMENT, AND MONETARY AND FINANCIAL CONDITIONS

Annual rate of charge (%), unless otherwise indicated

	March 2024 projections				Difference between the current projections and the December 2023 projections		
	2023	2024	2025	2026	2024	2025	2026
Spain's export markets	-0.1	1.4	3.1	3.1	-0.8	0.1	0.2
Oil price in dollars / barrel (level)	83.7	79.8	75.2	73.1	-0.3	-1.4	-2.3
Monetary and financial conditions							
Dollar/euro exchange rate (level)	1.08	1.08	1.08	1.08	-0.01	-0.01	-0.01
Nominal effective exchange rate against non-euro area countries (2000 = 100)	115.6	115.5	115.5	115.4	-1.1	-1.2	-1.2
Short-term interest rate (3-month EURIBOR; level)	3.4	3.4	2.5	2.3	-0.2	-0.4	-0.4
Long-term interest rate (10-year Spanish government bond yield; level)	3.5	3.3	3.4	3.5	-0.3	-0.4	-0.4

Sources: Banco de España and ECB





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Investors can find further information on our investors' portal.
For any queries you may have, please contact us by mail at
gestion.financiera@adifaltavelocidad.es

www.adifaltavelocidad.es

DISCLAIMER

