



# INVESTOR NEWSLETTER

Nº9 / JULY 2022

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

## HIGHLIGHTS AND SUMMARY OF H1 2022 RESULTS\*

Still in the path of recovery from the effects produced by mobility restrictions caused by Covid-19 pandemic, **Adif Alta Velocidad's EBITDA by June 2022 increased to €86.2 million (from a negative result of €(4.2) million in the same period of 2021).**

**Charges in the network managed by Adif Alta Velocidad increased in €98.8 million** compared with the same month in 2021, which means a total amount of revenues from charges of €258.7 million.

Additionally, and also compared with June 2021, **net finance expense is stabilized at around €(113.5) million.**

Based on the **investment budget for 2022**, Adif Alta Velocidad has performed investments which amount to **€509 million** as of 30 June 2022.

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

- + Almería - Murcia HSL**, with investments amounting **€72 million**, mainly due to platform and signaling works on Vera - Almería and Murcia - Lorca sections.
- + Vitoria - Bilbao - San Sebastián HSL**, with investments amounting to **€70 million**, mainly due to platform works on Elorrio - Bilbao and Mondragón - Bergara sections.
- + Extremadura HSL**, with investments amounting to **€40 million**, mainly due to electrification and platform works on Plasencia - Cáceres and Carmonita - Mérida sections.

(\*): Data from Interim Accounts.

## KEY FIGURES H1 2022\*

REVENUES	EBITDA	TOT. ASSETS	TOT. EQUITY	TOT. FIN. DEBT	AVERAGE COST OF DEBT	AVERAGE DEBT MATURITY	RAIL NETWORK
698.45 M€	86.16 M€	50,251 M€	25,107 M€	17,370M€	1.60 %	8.74 years	3,762 km



## A NEW TUNNEL CROSSES MADRID, CONSOLIDATING SPAIN'S HIGH SPEED NETWORK

Adif has put into service the new tunnel for high-speed trains that crosses Madrid, that will not only connect Chamartín-Clara Campoamor and Puerta de Atocha stations, but will be the **node linking all the high-speed lines in the country**, forming a single, transversal network.

This new tunnel, with its **7.3 km long**, has required an **investment of 338 million euros** and is considered a strategic infrastructure for the development and operation of the Spanish high-speed rail network, arriving at a timely moment, with the liberalisation of passenger rail transport.

In addition, with an **investment of 734 million euros**, Adif has developed a **new high-speed southern access to Madrid**: a new set of tracks that have doubled the 28-km stretch between Atocha and Torrejón de Velasco, increasing the capacity and smoothness of traffic entering the capital.

The new tracks will channel the traffic of the high-speed corridor to Levante on its arrival and departure to Madrid, separating it from the Madrid-Seville HSL, with which it previously shared the final line section to Madrid.

The commissioning of the tunnel and this new entrance to Madrid, both connected, open the gates to transversal high-speed trains, allowing routes linking

cities in the north and northwest with cities in the south and east of the country directly, without the need to transfer in Madrid, channelling this traffic through the new tunnel.

Until now, the northern lines, Galicia HSL and the line linking Madrid-Valladolid-Palencia-León (and, soon, Burgos), had their origin and destination at Chamartín station, while eastern and southern HSLs (linking Madrid with Barcelona, Valencia and Sevilla) were using Puerta de Atocha station.

It will also allow trains crossing Madrid to stop at Chamartín and/or Atocha. For this purpose, the construction of an underground extension of Puerta de Atocha station is planned, which will have four tracks and will connect with the new tunnel and, therefore, with Chamartín station.

This action will increase the capacity of the infrastructure and will allow distribution of traffic and passenger flows between both facilities, creating in the practice a "single" railway station in Madrid, with two terminals: Atocha and Chamartín.

This way, both infrastructures, currently engaged in ambitious expansion and modernisation plans, will cease to be terminals (i.e. stations of origin and final destination for traffic) and will become hubs or intermediate stations.

# ADIF ALTA VELOCIDAD COMMITS TO ELECTRIC SELF-CONSUMPTION

Adif and Adif Alta Velocidad have initiated together a **new electric self-consumption plan**, based on the implementation of photovoltaic facilities in their infrastructures, with an **investment over 22 million euros**.

This plan includes the construction of **46 solar facilities**, 25 of them with spare capability, overturning the surplus to the public network. With a total output of 22,9 MW, net energy produced each year by all this new infrastructures will reach 35 GWh.

The other 21 new facilities without spare capability will be implemented on infrastructures like Huelva and Calatayud high speed stations, covering 13% of the consumption of those infrastructures, and **avoiding the emission of 318 Tons of CO2 equivalent per year**.

On the other hand, surplus facilities (with the high speed stations of Córdoba and Sevilla among them), will save 1,079 Tons eq per year on CO2 emissions.

In addition, and also included inside this self-consumption plan, works have started for the construction of a solar plant on Adif Alta Velocidad's grounds, located at the south exit of Guadarrama's

tunnel (Madrid). This facility will count with an installed output of 15MW, extended along 210.000 m<sup>2</sup>, capable of generate more than 23,3 GWh. An agreement with the commercializing company will allow the surplus produced to be reverted into different points of Adif Alta Velocidad network, what has been called as "virtual self-consumption".

All this actions fall within **2018-2030 Plan to Combat Climate Change of Adif and Adif Alta Velocidad**, reflecting specifically its decarbonization and promotion of renewable energy sources line, and being also an initiative included in its 2030 Strategic Plan, aligned with the goals of Spain Government's Recovery, Transformation and Resilience Plan.



# ADIF AND ADIF-ALTA VELOCIDAD PARTICIPATE AS FOUNDING MEMBERS IN THE EUROPE'S RAIL JOINT UNDERTAKING, WHICH HAS REPLACED THE PREVIOUS EUROPEAN UNION RAIL R&D&I PROGRAM "SHIFT2RAIL".

Europe's Rail Joint Undertaking is the largest European rail research and innovation program ever created. It will generate activities worth of at least €1,236 million from 2022 to 2030, carried out by its founding members and other beneficiaries.

It aims to develop, through innovation focused on a widespread deployment and use, an integrated and high-capacity European rail network, and the removal of barriers to interoperability.

This initiative seeks to harness the enormous potential of digitalization and automation in order to reduce costs of the railway system, increase its capacity and improve its flexibility and reliability.

The candidacy formed by Adif, Adif-Alta Velocidad, Cedex, Ineco and Renfe Operadora expressed its interest in becoming a founding member of ERJU at the end of September 2020. Since then, it has proven the European Institutions that it has enough resources, experience and implementation to enter this new railway partnership.

The first projects to be launched, with a duration of four years, will focus on the development of R&D&I projects divided into eight areas of innovation, called Flagship Areas (FA).

The areas of innovation consider, in general terms, the development of new technological solutions for traffic and station control and management processes (FA 1), automatic train operation and technological evolution of the European traffic control system ERTMS (FA 2), intelligent management of railway assets, including new maintenance models (FA 3), railway sustainability, highlighting new energy sources (FA 4), new technologies in rail freight transport (FA 5), application of new technologies in low traffic density railway lines (FA 6), development of new railroad concepts (FA 7) and a cross-cutting innovation area (TT), specialized in the development of digital twins and common data platforms.

Adif-Alta Velocidad specifically participates in FA 4, related to new technologies linked to sustainability, alternative fuels and energy efficiency. Its purpose is to generate a railway operation focused on circular economy, with lower emissions and helping the introduction of cleaner energy sources.

In the coming weeks, the first projects to be launched in each of the above innovation areas will be announced.

# FUNDING POLICY & FUNDING ACTIVITY

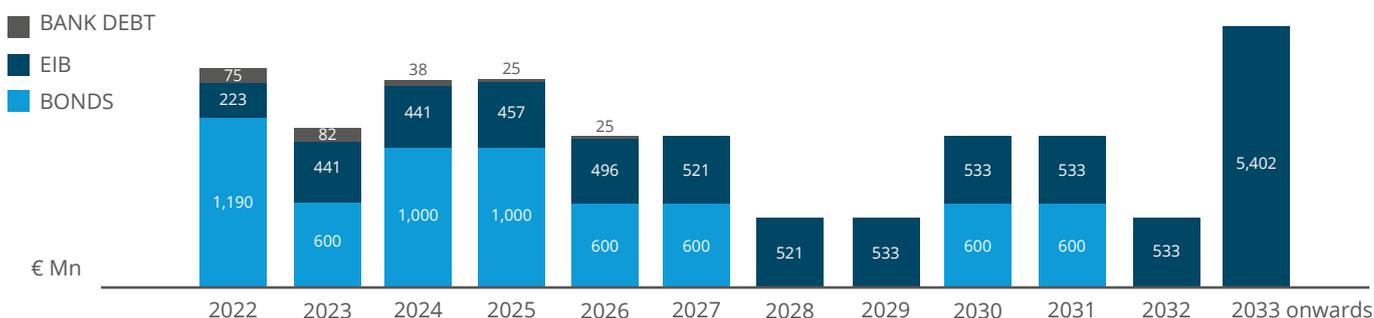
## BOND FUNDING HIGHLIGHTS

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

## ADIF ALTA VELOCIDAD RATING

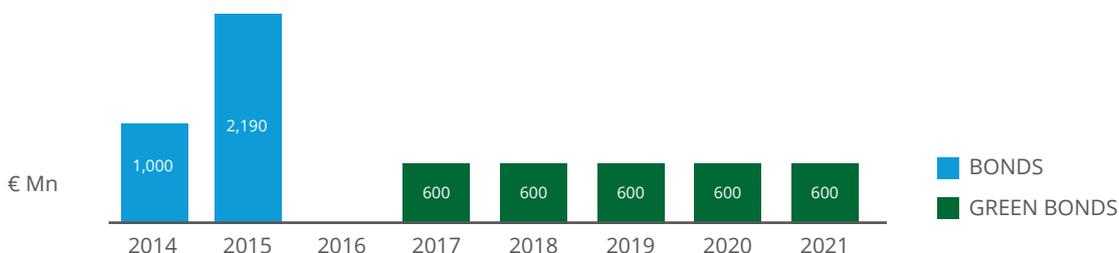
RATING AGENCY	LONG-TERM	SHORT-TERM	OUTLOOK
Moody's	Baa2	P-2	Stable
Fitch	A-	F-1	Stable

## FINANCIAL DEBT MATURITY PROFILE\*



\* As of 3 June 2022

## BOND ISSUANCE ACTIVITY



## GREEN BOND DISTRIBUTION BY COUNTRY\*



\* Weighted average distribution by country on primary market transactions.

# OUTSTANDING BONDS

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



# SPANISH AND EURO AREA ECONOMY SNAPSHOT

## SPANISH AND EURO AREA ECONOMY

### MACROECONOMIC SCENARIO (YoY GROWTH RATES IN PERCENT)

	2017	2018	2019	2020	2021	2022	Q1	2023	2024	2025
Private consumption expenditure	3.0	1.7	1.0	-12.0	4.6	4.1	3.0	2.7	1.2	1.3
General Government consumption expenditure	1.0	2.3	2.0	3.3	3.1	2.0	0.8	2.2	2.1	0.4
Gross Fixed Capital Formation	6.8	6.3	4.5	-9.5	4.3	9.3	6.8	7.5	3.3	2.9
<b>National Demand (Contribution to GDP Growth)</b>	<b>3.1</b>	<b>2.9</b>	<b>1.6</b>	<b>-8.6</b>	<b>5.2</b>	<b>4.6</b>	<b>3.3</b>	<b>3.6</b>	<b>1.8</b>	<b>1.4</b>
Exports of goods and services	5.5	1.7	2.5	-20.1	14.7	7.8	20.8	6.2	6.3	4.4
Imports of goods and services	6.8	3.9	1.2	-15.2	13.9	9.1	12.1	6.5	4.7	3.4
<b>External demand (Contribution to GDP Growth)</b>	<b>-0.2</b>	<b>-0.6</b>	<b>0.5</b>	<b>-2.2</b>	<b>0.4</b>	<b>-0.3</b>	<b>3.1</b>	<b>-0.1</b>	<b>0.6</b>	<b>0.4</b>
<b>Gross Domestic Product</b>	<b>3.0</b>	<b>2.3</b>	<b>2.1</b>	<b>-10.8</b>	<b>5.1</b>	<b>4.3</b>	<b>6.4</b>	<b>3.5</b>	<b>2.4</b>	<b>1.8</b>

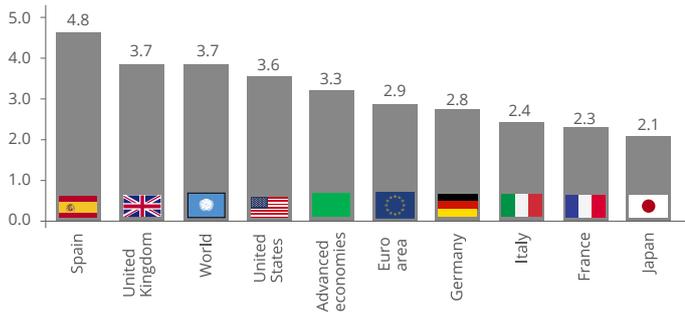
### OTHER VARIABLES

	2017	2018	2019	2020	2021	2022	Q1	2023	2024	2025
Unemployment rate (in % of Active Population)	17.2	15.3	14.1	15.5	14.8	12.8	13.6	11.7	10.6	9.6
Full-time Equiv. Employment (YoY Growth)	2.9	2.2	2.6	-7.6	6.6	3.0	5.3	1.7	1.8	1.5
Net lending (+) / borrowing (-) with RoW (% of GDP)	3.0	2.4	2.4	1.2	1.9	1.0	--	1.3	1.7	1.8
Private Consumption deflator (YoY Growth)	1.5	1.4	1.0	0.0	1.9	6.1	6.0	2.2	1.6	1.6
Headline Balance General Gov't (in % of GDP)*	-3.1	-2.6	-3.1	-10.3	-6.9	-5.0	--	-3.9	-3.3	-2.9
USD / € exchange rate	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.10
Euro Area GDP growth (YoY growth)	2.8	1.8	1.6	-6.5	5.3	3.7	5.0	2.8	1.6	--
Oil prices (Brent, USD / barrel)	54.3	70.9	64.8	41.5	71.1	99.1	103.5	92.3	86.2	80.0

Source: Spanish Treasury Chart Pack, June 2022

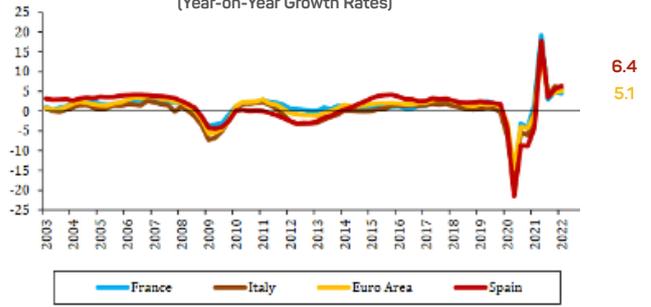
# ECONOMIC SENTIMENT

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



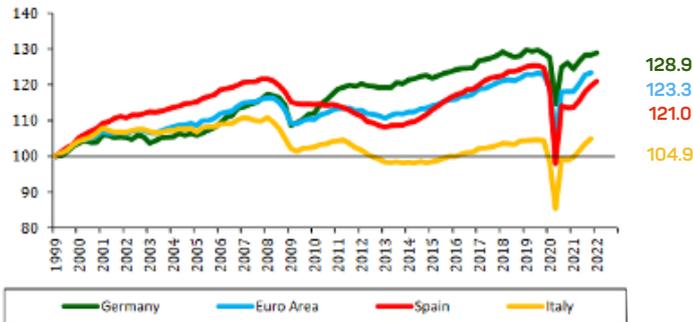
Source: IMF, WEO Update April 2022.

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



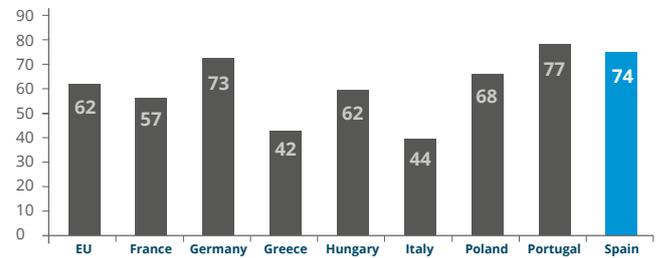
Source: Instituto Nacional de Estadística.

**Per capita Real GDP Volume**  
(Index 1999=100)



Source: EUROSTAT.

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



Source: EUROSTAT, Eurobarometer Autumn 2021

Source: Spanish Treasury Report



DISCLAIMER



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