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REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE OF CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (CAF) FOR THE FINANCIAL YEAR 2023

1. Purpose of the report

In accordance with the provisions of Article 3 e), vii, of the Regulations of the Audit Committee (hereinafter the “**Audit Committee**” or the “**Committee**”) of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (hereinafter “**CAF**” or the “**Company**”), this Committee is responsible for issuing an annual report on the operation and activities of the Committee during the previous financial year.

The purpose of this report is to inform shareholders and other stakeholders of the activities carried out by the Committee during the financial year that ended on December 31, 2023, for which purpose it will be published in accordance with Recommendation 6 of the CNMV's Code of Good Governance for Listed Companies (hereinafter the “**Code of Good Governance**” or “**CGG**”) and will contain at least the aspects defined in the CNMV's Technical Guide 3/2017 on Audit Committees of Public Interest Entities (hereinafter the “**Technical Guide**”).

2. Regulations for the Audit Committee

The Audit Committee is regulated in article 37 bis of CAF's Bylaws, article 11 of the Regulations of the Board of Directors, and its own Regulations, which determine the most relevant aspects of the Committee in detail, including its nature, composition, duties and scope of application, operating rules, powers, and relationships with third parties.

All of the aforementioned regulations are available in the “*Shareholders and Investors*” section, in the “*Corporate Governance*” subsection, of CAF's corporate website and have not undergone changes during the year reported.

3. Composition of the Audit Committee during the financial year

During this financial year, the composition of the Committee was modified as follows:

Pursuant to the provisions of Article 529 quaterdecies 2 of the Capital Companies Act (hereinafter, **CCA**) and Article 2.4 of the Committee Regulations, which provide for the mandatory replacement of the Chairman of the Audit Committee every four years, on October 4, 2023, the Board of Directors unanimously agreed to appoint Ms. Begoña Beltrán de Heredia Villa as Chairwoman of the Committee, replacing the former Chairwoman, Ms. Carmen Allo Pérez, who remains on the Committee as a member.

The current composition of the Audit Committee is as shown in the table below:

<i>Board Member</i>	<i>Position</i>	<i>Category</i>	<i>Seniority</i>
Ms. Begoña Beltrán de Heredia Villa	Chairwoman	Independent	She was appointed as a Board Member through co-optation on February 24, 2023, and her appointment was ratified by the Shareholders in their General Meeting of June 10, 2023. She has been a member of the Committee since February 24, 2023, and its Chairwoman since October 4, 2023.
Ms. Carmen Allo Perez	Voting member	Independent	Appointed as a Board Member on June 11, 2016. Member of the Committee since February 27, 2018. She served as Chairwoman of the Committee from October 8, 2019, to October 4, 2023.
Mr Juan José Arrieta Sudupe	Voting member	Other External	Appointed as a Board Member on June 7, 2008. Member of the Committee since October 20, 2010.

In accordance with the provisions of Article 37 bis of the Bylaws, Article 12 of the Board Regulations, and Article 2 of its own Regulations, the Committee is made up of three non-executive Board Members, the majority of whom are independent. The Chairwoman of the Committee has been appointed from among the independent Board Members who are members of the Committee.

The members of the Committee, as members of the Board, have experience and knowledge in the management, economic, financial, and business fields. As a whole, they have the relevant technical knowledge in relation to the sector of activity to which the Company belongs, as well as in aspects of internal control and risk management and of the business.

All the voting members, and especially the Chairwoman of the Committee, have been appointed on the basis of their knowledge and experience in the field of accounting, auditing and risk management, both financial and non-financial.

This complies with the provisions of article 529 quaterdecies of the CCA in the internal regulations, and Recommendation 39 of the Code of Good Governance regarding the composition of the Audit Committee. The guidelines set out in points 13 and 14 of the Technical Guide on the subject are also followed.

The members of the Committee are appointed by the Board of Directors and shall cease their roles (i) by resignation, (ii) when they cease to be directors, (iii) by resolution of the Board, or (iv) due to failure to comply with the requirements of the Regulations or the legal provisions.

In the “*Shareholders and Investors*” section of CAF's corporate website, in the “*Corporate Governance*” subsection, up-to-date information regarding the composition of the Audit Committee and the public information corresponding to each of the board members, including their respective professional profiles, can be found.

4. Duties and tasks performed throughout the financial year by the Audit Committee, changes thereto, and reference to the regulations governing it

The duties and powers attributed to the Audit Committee are detailed in Articles 37 bis of the Bylaws and in Articles 3 and 10 to 13 of its specific Regulations, which can be consulted on the Company's website and none of which have been modified during the financial year reported.

In accordance with the aforementioned regulations, the Committee is entrusted with the legal duties set forth in Article 529 quaterdecies of the CCA, as well as those recommended by the CGG (Recommendations 40, 41, 42, 44, 45, and 46) and by the Technical Guide for this body. In addition to these responsibilities, it was also responsible for supervising matters in relation to compliance with internal codes of conduct and the Internal Reporting System and the application of the General Communication Policy, which were attributed to it in the distribution of responsibilities provided for in Recommendations 53 and 54 of the aforementioned Code, which was carried out between the Audit Committee and the Appointments and Remuneration Committee.

5. Meetings held during the financial year and number of Committee member attendees and other attendees

During the 2023 financial year, the Committee met 8 times, with all of its members in attendance. In addition to the 6 regular meetings provided for in the Plan of Activities approved for the year, it was deemed necessary to hold 2 additional meetings to address other matters within its competence. Two of the meetings were held by videoconference, while the other 6 were held in person, with all members having the necessary documentation sufficiently in advance to address the items on the agenda.

At the invitation of the Chairwoman in office at any given time, the Chief Executive Officer, the Chief Financial Officer, the Chief Strategy Officer, and other members of the management team participated in the Committee's meetings. The attendance of the Head of Internal Audit and the external auditors is reported in the following section of this report.

<i>Meeting no.</i>	<i>Date</i>	<i>Number of Committee member attendees</i>	<i>Other attendees</i>
1	1/24/2023	3	<ul style="list-style-type: none"> • Head of Internal Audit.
2	2/23/2023	3	<ul style="list-style-type: none"> • Economic-Financial and Strategy Director. • External Auditors: Partner in charge of E&Y and its team. • Head of Internal Audit.
3	5/04/2023	3	<ul style="list-style-type: none"> • Economic Director.

			<ul style="list-style-type: none"> • Head of Internal Audit. • Risk Management Unit Director.
4	7/27/2023	3	<ul style="list-style-type: none"> • Economic-Financial and Strategy Director. • External Auditors: Partner in charge of E&Y and its team.
5	10/03/2023	3	<ul style="list-style-type: none"> • CEO
6	11/14/2023	3	<ul style="list-style-type: none"> • Economic Director. • Head of Internal Audit. • Head of the Tax Area.
7	11/23/2323	3	<ul style="list-style-type: none"> • CEO • Economic-Financial and Strategy Director.
8	12/18/2023	3	<ul style="list-style-type: none"> • Head of Internal Audit.

The Committee meetings covered all matters within its competence, facilitating the free participation of all members in the deliberations.

The Secretary of the Committee drafted minutes of the content of the meetings, accurately reflecting the discussions and resolutions adopted.

Everything discussed and agreed at each meeting has been reported on in due course at subsequent meetings of the Board of Directors.

Annex I to this document details the schedule of meetings held and the matters addressed by the Committee in the 2023 financial year.

6. Number of meetings held with the internal auditor and the external auditor

During the 2023 financial year, a total of 5 meetings were held with the internal auditor and 2 meetings were held with the heads of the external auditing firm.

7. Significant activities carried out during the period

The main activities carried out by the Committee during the financial year reported are as follows:

i. Financial and non-financial reporting activities and associated internal control mechanisms

- Examination, prior to their presentation to the Board of Directors for filing, of the individual and consolidated Annual Accounts and Management Reports of CAF, S.A. and the CAF Group, respectively, for the 2022 financial year. Supervision of the integrity of the non-financial information, in particular that information contained in the Management Report, in which the Annual Corporate Governance Report, the Annual Board Remuneration Report and the Non-Financial Information Statement, which contains non-financial indicators relating to environmental activity, social issues, Human Resources, Respect for Human Rights, and the Fight against Corruption and Bribery, are included.

- Examination, prior to submission to the Board of Directors for approval, of the half-yearly financial statements as well as the information of the results of first and third quarter.
- Review of the remaining information to be made available to the market or to the supervisory bodies during the financial year reported.

ii. Related party activities

The Committee has received the report from the Economic and Financial Management on the related party transactions executed during the 2023 financial year, all of which have been approved by delegation, in accordance with the provisions of the CAF Group's Related Party Transactions Manual.

iii. Activities in the area of the Sustainability Policy and terms of implementation thereof during the financial year

The supervision of the Company's Sustainability Policy and its environmental and social practices is attributed to the Appointments and Remuneration Committee, notwithstanding verification by the Audit Committee of the information on this matter which the Company publishes as part of the Management Report accompanying the individual and consolidated Annual Accounts of CAF, S.A. and the CAF Group, respectively.

For their part, the Committee's activities in relation to the Internal Reporting System (whistleblower channels) and the Group's internal codes of conduct, as well as the application of the Company's General Communication Policy, are covered later in this report.

iv. Internal control and risk management activities

- Continuous evaluation of the internal control system of financial information (ICSFI) and analysis of the recommendations and plans for improvement thereof, proposed by the Internal Audit department.
- Supervision of the Risk Management Unit. In the exercise of this function, the Committee received a report from the Risk Management Unit regarding the main risks and contingencies of the Company and its Group, including the following aspects:
 - Monitoring of the Unit's Plan of Activities.
 - Periodic supervision of the assurance map, in particular the financial and non-financial risks, including operating, technological, legal, social, environmental, and compliance risk, among others, distinguishing those that affect each project and its progress during the financial year.
 - Supervision of the risk management system in the different Businesses and Projects.
- Supervision of the actions of the Company's internal Tax Function, responsible for the control and management of tax risk in the Group, with in-person participation of its Head to report on the inspections underway, transactions carried out, evolution of the risk matrix, monitoring of compliance with the tax policy, and new developments in tax matters most relevant to the Company, among other things.

- Proposed General Policy for the Internal Reporting System, the procedure for its management, and the designation of its Head, to be submitted to the Board of Directors.
- Supervision of compliance with the internal codes of conduct and the Internal Reporting System.

v. Activities related to internal audit

The Committee has directly and continuously analyzed and supervised the actions carried out by the Internal Audit of the Company.

In addition to the above, the Committee has carried out the following actions:

- Review of the Annual Internal Audit Activity Report for the 2022 financial year, which includes the follow-up of internal control recommendations made by Internal Auditing through various reports.
- Approval of the Internal Audit Work Plan for 2023, which includes:
 - Review of published information (quarterly financial statements, annual accounts, and management report);
 - Quarterly monitoring of the main financial and tax risks.
 - Monitoring of recommendations;
 - Risk-based audit work rotation plan (processes, dependent companies, risk): Economic monitoring of Rolling Stock programs, Solaris Cash Forecasts, People Management, and Offers in Railway Services.
- Monitoring of the execution of the Internal Audit Work Plan throughout the financial year.
- Evaluation of the functioning of Internal Audit and the performance of its head.

vi. Activities related to the external auditor

- Analysis of the external auditor's reports on the Company's individual and consolidated annual accounts for the 2022 financial year.
- Analysis of the limited review report on the 2023 half-yearly financial statements.
- Request for written confirmation of independence issued by the auditor, and preparation of the auditor's independence report, in connection with the audit of the 2022 annual accounts.
- Approval of the non-audit services proposal for the 2024 financial year and the corresponding budget. Verification of the actual fees incurred for services contracted for 2023, according to the approved budget, verifying that the budgeted amounts have not been exceeded, nor unapproved services contracted by the Committee.
- Evaluation of the external auditor's performance.

vii. Analysis of corporate operations

Analysis of ongoing strategic corporate transactions for prior reporting to the Board of Directors.

viii. Activities on financing

Analysis of the proposed annual renewal of the promissory note issuance program in MARF, registered for the first time in December 2020, and proposal to the Board of Directors for approval.

ix. Follow-up activities to the Committee's own action plans

Throughout this financial year, the Committee has verified the action plans for 2023, proposed in the Report on the annual assessment of its performance, approved at its meeting on December 19, 2022:

In particular, the Committee followed up on key issues related to Cybersecurity and their possible implications for the Board of Directors, including the publication of the 2023 Cybersecurity Good Governance Code, drawn up and published by the CNMV, presenting these issues to the Board in its plenary meeting in November.

x. Other activities

- Approval of the report on the operation of the Audit Committee for the 2022 financial year.
- Supervision of the application of the General Communication Policy.
- Supervision of the activity of the Shareholders and Investor Relations Office during the financial year and of its Business Plan for 2023.
- Approval of an annual work plan for the 2024 financial year which includes the annual schedule of meetings of the Committee with the external auditors.

xi. Nature and scope of communications, where appropriate, with regulators

The Board of Directors of CAF has established that communications with the Spanish Securities Market Commission will be carried out through the Secretariat of the Board. In turn, responsibility for relations with the markets and stock exchanges on which the Company is listed lies with a specific department within the Company (Shareholder and Investor Relations Office or “*Investor Relations*”), which reports to the Economic, Financial, and Strategy Management.

In any case, the members of the Audit Committee are completely free and independent to establish direct communications with the regulators, if they consider it necessary for the adequate performance of their functions, as well as to supervise those carried out by the aforementioned bodies.

In particular, during the year reported, the Committee has not had any communication with regulators.

8. Evaluation of the operation and performance of the Audit Committee and methods of assessing its effectiveness

In accordance with the provisions of Article 529 nonies of the CCA and Recommendation 36 of the CGG, the evaluation of the Board and its Committees this year has been entrusted to an independent external consultant.

From a methodological standpoint, the evaluator has taken into consideration, among other indicators, the degree to which the Committee has followed the recommendations of the CGG and the applicable Technical Guides and its adaptation to the current legal framework in matters of corporate governance. Compliance with the action plans established for this financial year was also analyzed.

As a result, the evaluator has positively assessed the performance of the Board and, in particular, of the Audit Committee in 2023.

For its part, the Board unanimously approved the evaluation carried out.

The results of the evaluation have not led to significant changes in its internal organization or procedures.

9. Information on the Audit Committee's opinion regarding the account auditor's independence

On February 23, 2023, the Audit Committee drew up the report referred to in Article 529 quaterdecies, Section 4.f), of the CCA for the financial year that ended on December 31, 2022.

This report assessed the non-audit services provided by the external auditor in that financial year, analyzing their nature and amount. Similarly, the statement of independence sent by the external auditor was reviewed, along with the information on the services provided to CAF and its subsidiaries, and the corresponding fees received.

Based on the information obtained and the analysis carried out, it was concluded that no legally prohibited services were provided and that the amount of these services was below the limit set by the applicable regulations as well as the more restrictive limit established by the Audit Committee itself. Likewise, compliance with legal obligations regarding the duration of the audit contract and auditor rotation was verified.

As a result, it was concluded that the Audit Committee has not identified any aspects that would call into question compliance with current regulations applicable to the accounts auditing activity in terms of auditor independence.

10. Information on which, if any, practical guides for audit committees are being followed and to what extent

Since the publication of the Technical Guide on this subject, the Audit Committee has followed these guidelines in the performance of its functions.

11. Conclusions

The Audit Committee considers its organization and operation during the 2023 financial year to have been in line with the provisions of the law, the Company's Bylaws, and its own Regulations.

The Commission also believes that, through the work carried out throughout the year reported, it has faithfully fulfilled the duties entrusted to it.

The evaluation carried out by the independent external evaluator also yielded positive results. Nevertheless, the Committee reaffirms its willingness to continue improving the efficiency of its operation and fulfillment of its goals, in line with best practices in the area of Corporate Governance.

This report was issued by the Audit Committee on February 1, 2024.

Approval by the Board of Directors and publishing:

This report was approved by CAF's Board of Directors during its meeting on February 2, 2024.

In accordance with Recommendation 6 of the CNMV's Code of Good Governance for Listed Companies, this document will be published on the Company's website (www.caf.net) sufficiently in advance of the Ordinary General Meeting.

ANNEX
Calendar of meetings in 2023

Date	Issues addressed
1/24/2023	<ul style="list-style-type: none">• 2022 Internal Audit annual activities report.• ICSFI Report.• 2023 Internal Audit Activity Plan.• Approval of the Report on the Operation of the Committee for the 2022 financial year.• Miscellaneous.
2/23/2023	<ul style="list-style-type: none">• Presentation by the external auditors of the conclusions of the audit for the 2022 financial year.• Review of the Annual Accounts and Management Report for the 2022 financial year.• Report on the Independence of the External Auditor.• Evaluation of the External Auditor's performance.• Evaluation of the functioning of Internal Audit and the performance of its Head.• Report on the application of the General Communication Policy.• Miscellaneous.
5/04/2023	<ul style="list-style-type: none">• Quarterly Interim Statement.• Monitoring of the main financial and tax risks.• Evolution of the 2023 Internal Audit Plan.• Proposal for the General Policy of the Internal Information System, procedure for its management, and appointment of its Head.• Risk Management Unit Report.• Report on communication and relationship with shareholders and investors.• Miscellaneous.
7/27/2023	<ul style="list-style-type: none">• Presentation by the external auditors of their limited review report on the financial statements for the first half of 2023.• Review of financial information for the first half of 2023.• Summary of the main financial and tax risks.• Miscellaneous.
10/03/2023	<ul style="list-style-type: none">• Information on corporate transactions for analysis prior to submission of a non-binding offer.

11/14/2023

- Miscellaneous.
- Quarterly Interim Statement for the third quarter of the 2023 financial year.
- Internal Audit Review Report of the Financial Information corresponding to the third quarter of the 2023 financial year.
- Reports of the 2023 Internal Audit Plan: (i) People Management, (ii) Solaris Cash Management and Forecasting.
- Report on the Tax Function.
- Risk Management Unit Report.
- Information on the corporate transaction following the non-binding offer submitted.
- Miscellaneous.

11/23/2023

- Information on the corporate transaction underway, for analysis and reporting to the Board prior to the submission of a binding offer.
- Miscellaneous.

12/18/2023

- Evolution of the Internal Audit Plan for the 2023 financial year: Offers in Railway Services.
- Approval of the Non-Audit Services Budget for the year 2024.
- Proposal for the Renewal of the Short-Term Promissory Note Issuance Program in MARF.
- Report on Related-Party transactions.
- Report on the Corporate Compliance System and Whistleblower Channel.
- Approval of the Plan of Activities for 2024.
- Miscellaneous.