Audit Report on Financial Statements
issued by an Independent Auditor

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2024

Building a better
working world

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AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of Construcciones y Auxiliar de Ferrocarriles, S.A. (the Company), which comprise the balance sheet as at December 31, 2024, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition in long-term contracts using the measurement of progress method

Description

The Company carries out an important part of its activity through long-term construction contracts.

As indicated in Note 3.f.1 of the attached notes to the financial statements, the income and results corresponding to contracts for the construction of trains and traction equipment are recorded, in general, based on the estimated progress measurement of the same, obtained based on the percentage that represents the number of hours allocated to the contract over the total of the budgeted hours. The amount of revenue recognized in 2024 in relation to this type of contract by applying the progress method amounted to 1,474,265 thousand euros.

The revenue recognition from these contracts requires significant estimates to be made in relation to, among other aspects, the total costs to be incurred, the number of hours allocated over the total budgeted hours or the estimation of the margin considering the expected income and the costs estimated to be incurred, as well as, where appropriate, the amount of the modifications and claims on the initial contract that will finally be accepted by the client.

We have considered this area as a key audit matter in our audit due to the relevance of the amounts involved and the complexity associated with said estimates, which entail the application of judgments by the Company's Management in determining the assumptions considered, since changes in the aforementioned assumptions could give rise to material differences in the recorded income.

The breakdowns corresponding to the aforementioned income are disclosed in Note 20.a of the attached notes to the financial statements.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by the Company´s Management for the management of projects in the budgeting and contract execution phases and for the recognition of revenue, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- Selection of a sample of projects, taking into consideration both quantitative and qualitative criteria, for which the corresponding contracts have been obtained for their reading and understanding of the most relevant clauses and their implications, as well as the budgets and follow-up reports of the execution of the projects.
- Evaluation, for said contracts, of the reasonableness of the assumptions considered by the Company´s Management through meetings held with the technical staff and those responsible for the development of the projects, analyzing the reasons for the deviations between the initially planned costs and the actual costs and its impact on the estimation of the margin of the projects.
- Review of the disclosures included in the notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Registration and valuation of provisions and contingencies related to commercial contracts

Description	The Company has recorded provisions as of December 31, 2024, under the heading "Current provisions", to meet obligations for guarantees and technical assistance and contractual responsibilities that are detailed in Note 18 of the attached notes to the financial statements amounting to 205,051 and 71,019 thousand euros. The evaluation of the contingencies derived from the commercial contracts and, where appropriate, the valuation of the possible associated provisions, requires complex estimates to be made by the Company's Management, which entails the application of judgments in the determination of the assumptions considered in relation to said estimates, associated, among other aspects, with the eventualities that occurred during the execution of the contracts, including the identification of causes not attributable to the Company, which are conditioned by a high degree of uncertainty. We have considered this area a key audit matter in our audit due to the complexity of the judgments inherent in assigning value to the key assumptions considered and the variation in such judgments that could lead to material differences in the amounts carried at the date, having a significant impact on the balance sheet and profit and loss account. The information regarding the criteria applied by Company´s Management and the main assumptions considered in determining the corresponding provisions and their amounts, as well as their movement during the year, is disclosed in Notes 3.f, 3.l and 18 of the attached notes to the financial statements.
Our response	In relation to this area, our audit procedures have included, among others, the following: ▶ Understanding of the process established by the Company's Management for the identification, assessment and recording of contingencies arising from commercial contracts that may be provisioned, and evaluation of the design and implementation of the relevant controls established in the aforementioned process. ▶ Obtaining the detail of recorded provisions and selecting a sample, taking into consideration quantitative and qualitative criteria, for which the documentation that supports the estimates made has been obtained and reviewed. ▶ Understanding and evaluation, for said provisions, of the reasonableness of the key assumptions considered for their quantification based on consultations with the Management and other professionals of the Company in charge of the matters from which contingencies that could be provisioned could arise and, in their case, to written statements from third parties, such as legal advisors, regarding the current situation of the contingencies and the evaluation of the risk derived from them, estimated cash outflows and their probability of occurrence. ▶ Carrying out a general analytical review of the movement of the different provisions recorded, obtaining evidence and supporting documentation about them and considering our expectations about their potential evolution, obtaining responses from Management to our inquiries in the event of deviations with respect to those expectations.

- Review of the disclosures included in the notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Valuation of investments in group companies and associates

Description

As indicated in Notes 8 and 9 of the attached notes to the financial statements, the Company has registered as of December 31, 2024, under the heading "Non-current investments in group companies and associates", holdings in group companies and associates and loans granted to group companies and associates amounting to 973,428 and 74,488 thousand euros, respectively, and under the heading "Current investments in group companies and associates", loans granted to group companies and associates amounting to 193,304 thousand euros.

The Company's Management evaluates, at least at the end of each financial year, the existence of indications of impairment and makes the necessary valuation corrections whenever there is objective evidence that the book value of an investment will not be recoverable, being the amount of the valuation adjustment the difference between its book value and the recoverable amount.

The determination of the recoverable amount requires making complex estimates, which entails the application of judgments in establishing the assumptions considered by the Company's Management in relation to said estimates.

We have considered this area as a key audit matter in our audit due to the significance of the amounts involved and the complexity inherent in the estimation process in determining the recoverable amount of the aforementioned investments.

The information regarding the valuation standards applied and the main assumptions considered in determining the value impairment of investments in group companies and associates is disclosed in Note 3.d of the attached notes to the financial statements.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by the Company's Management to identify signs of impairment and determine the recoverable amount of investments in group companies and associates, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- Evaluation of the analysis of the value impairment indicators of the investments in group companies and associates carried out by the Company's Management.
- Review of the model used by the Company's Management to determine the recoverable amount, in collaboration with our valuation specialists, covering, in particular, the mathematical coherence of the model, and the reasonableness of the projected cash flows and interest rates. discount and long-term growth. In carrying out our review we have held interviews with those responsible for developing the model and used recognized external sources and other available information to compare the data used.
- Review of the sensitivity analysis carried out by the Company's Management regarding the estimates made in determining the recoverable amount due to changes in the relevant assumptions considered.
- Review of the disclosures included in the notes to the financial statements in accordance with the applicable regulatory framework for financial information.

Other information: management report

Other information refers exclusively to the 2024 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, were provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2024 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Construcciones y Auxiliar de Ferrocarriles, S.A. for the 2024 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Construcciones y Auxiliar de Ferrocarriles, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital file prepared by the directors of the Company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 26, 2025.

Term of engagement

The ordinary general shareholders' meeting held on June 15, 2024 appointed us as auditors for 3 years, commencing on December 31, 2024.

Previously, we were appointed as auditors by the shareholders for 3 years and we have been carrying out the audit of the financial statements continuously since December 31, 2021.

ERNST & YOUNG, S.L.

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The original signed in Spanish

February 26, 2025

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.

ANNUAL REPORT 2024

FEBRUARY 2025

TRANSPORT SYSTEMS
TRAINS
BUSES
SIGNALLING
COMPONENTS
SERVICES

Your Way
to Future Mobility

Contents

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

1 CAF GROUP BUSINESS MODEL AND OUTLOOK

At the close of the second year of the current strategic cycle, framed within the Strategic Plan 2023-2026, the Group has made significant progress in all the defined lines of work, remaining fully aligned with the objectives set for achieving the announced results.

CAF is currently configured as a multinational group with more than 100 years of experience, distinguished by its position as one of the international leaders in the implementation of comprehensive rail and bus mobility solutions. The company has solid experience in managing projects developed in multiple geographies covering all stages of the life cycle: viability analysis and studies, system design and engineering, construction and manufacturing, installation and start-up, operation, maintenance and even financing.

- In the railway sector, the CAF Group offers its customers one of the widest and most versatile ranges of products on the market. Its offering covers complete transport systems to rolling stock, components, infrastructure, signalling and services, such as maintenance, refurbishment and financing. These capabilities, together with the Group's current diversity of solutions, position CAF at the level of the main players in the sector.

  Within this area, activity related to railway vehicles not only generates value but also strengthens other business areas. Furthermore, railway services contribute significantly to the Group's profitability, complemented by integrated solutions and systems, whose participation in company results is expected to grow progressively.

- In the bus sector, CAF, through Solaris, has led innovation in the development of new products and currently offers the most complete range of low and zero emission solutions. Its positioning in electromobility is unique, backed by its leadership in zero-emissions buses, a verified experience in this area, and a solid offering in zero emissions advanced technologies, such as electric and hydrogen. Solaris, and by extension, the CAF Group, have the advantage of not being conditioned by the production of internal combustion engines, which reinforces their commitment to a decisive effective transition towards electromobility. Thanks to these features, Solaris outperforms its European competitors in terms of backlog, practical experience and market share.

- In both sectors, CAF serves a wide diversity of clients worldwide, including municipalities, regional and national administrations, both public and private, railway manufacturers, private system operators and maintenance companies. Likewise, it works with transport administrations that require consortium structures, backed by entities with a financial profile. It aims to be the global benchmark in sustainable urban mobility, offering an unrivalled value proposition that includes metros, trams, light rail vehicles (LRVs) and low and zero emission buses. This position is backed by solid technological synergies and extensive cross selling opportunities between the railway and bus sectors, in a context in which urban public transport will be consolidated as a fundamental pillar in any future mobility scenarios.

The following aspects make CAF stand out as a leading multinational group:

- **State-of-the-art technology:** The company is positioned at the head of innovation, with strategic investments in key areas for mobility, such as decarbonisation, automation, digitalisation and competitiveness, to build a sustainable, interconnected, multimodal and safe transport model.

- **Global scope and European leadership:** CAF operates in more than 60 countries, with a particularly strong position in Europe. In the railway sector, it has a solid industrial infrastructure in Spain, France, the United Kingdom, the United States, Brazil and Mexico, as well as more than 100 maintenance centres worldwide. The company has executed over 225 projects valued at approximately EUR 35,000 million, delivered over 5,000 trains and refurbished over 1,000 carriages. In the bus sector, CAF operates an industrial plant in Poland, with a consolidated presence in more than 870 cities in 33 countries and more than 25,000 buses in operation. In recent years, the Group has strengthened its commercial focus in Europe, expanding its industrial capacity in France, establishing a new production base in Newport (United Kingdom), consolidating its presence in Poland through the acquisition of Solaris and managing maintenance workshops in the Nordic region through EuroMaint.

- **Qualified human team:** CAF has more than 16,000 employees, highly trained and aligned with the company's vision. Among them, there are nearly 6,000 university graduates, of whom more than 3,000 are engineers dedicated to innovation, product design and project management activities.

- **Commitment to sustainability:** The company stands out in sustainability, surpassing the sector average, supported by recognitions such as the "low risk" rating by Sustainalytics and the "Gold" medal awarded by Ecovadis. Furthermore, CAF is making significant progress in reducing Scope 1, 2 and 3 emissions, in line with the objectives established in its Strategic Plan.

- **Financial strength:** CAF has a solvent and proven financial capacity, reflected in a controlled Net Financial Debt / EBITDA ratio, which reinforces its stability and projection.

- **Trust and repetitiveness of its customers:** The high increasing level of satisfaction of its customers and repeat contracts is proof of CAF's reliability. This translates into an order book of over EUR 14 billion, giving the company high business visibility for the coming years.

As anticipated at the end of the previous year, the defined Strategic Plan establishes the following main objectives for 2026:

- Achieve growth above that of the market and reach total sales of close to EUR 4.8 billion.

- Situate operating profit at around EUR 300 million by 2026.

- Guarantee a dividend distribution in keeping with profit performance.

- Preserve financial stability, maintaining a balanced Net Financial Debt / EBITDA ratio.

- To reduce scope 1 and 2 emissions by 30% and scope 3 emissions by 40% with respect to 2019, progressing towards the goal of becoming a net zero emissions company by 2045.

Since the definition of the Strategic Plan 2026 in the second half of 2022, the hypotheses supporting said plan have undergone significant evolution due to various contextual factors. Among them are: changes in the geopolitical area (such as conflicts in the Ukraine and the Middle East), the macroeconomic climate (high interest rates, persistent inflation and supply shortages), as well as internal aspects (including a historical hiring record at the end of 2022, exceeding expectations contemplated in said Strategic Plan 2026, and the impacts on operations related to the change of ERP at CAF, S.A.)

All the objectives set for 2024 have been fully achieved:

- A Book-to-Bill index equal to or higher than 1, prioritising a selective recruitment strategy.

- Sales growth of around 10% compared to 2023.

- An improvement in profitability compared to 2023.

- A dividend distribution proposal aligned with the evolution of financial results.

- Maintaining a stable net financial debt.

- Improvement in ESG indicator rating, consolidating commitment to sustainability.

In this regard, 2024 was crucial to strengthen the foundations of the company's future strategy, despite an environment characterised by uncertainty and instability. Despite this, among the main milestones attained to date within each of the four strategic axes, the following stand out:

1. Commercial focus:

   CAF reaffirms its commitment to sustainable mobility in 2024, achieving technological progress and projects that stand out. In Spain, of note was the collaboration with the Madrid underground to renew the fleet with 80 trains, including automatic driving units. In addition, the FCH2Rail project successfully validates hydrogen and battery hybrid trains after 10,000 kilometres of testing. In cities such as Barcelona and Vitoria, CAF promotes sustainable solutions with hydrogen buses and more accessible trams.

   In Europe, CAF consolidates its leadership with contracts in France, Italy, Germany and the Netherlands. SNCF extends its trust with 22 new Oxygène trains, while Roma and Palermo modernise their transportation systems. In Germany, of note was the inclusion of the battery passport in electric buses and, in the Netherlands, the inclusion of the ERTMS system and automatic operation tests that improve railway efficiency. Furthermore, the following signalling contracts obtained should be highlighted due to their importance: (i) in Spain to renew the traffic control and signalling systems of the conventional network, involving ADIF metric gauge and high speed trains, and (ii) the first signalling contract obtained in the United Kingdom, which forms part of the plan to modernise railway signalling systems in the United Kingdom, to be carried out by Network Rail, the owner and manager of infrastructures in most of the English, Scottish and Welsh rail network.

CAF strengthens its global leadership through important projects outside Europe, consolidating its position as a benchmark in sustainable and latest generation transport:

- In the United States, the Omaha Streetcar Authority (Nebraska) has contracted the supply of up to 35 high-tech catenary-free trams. This project is part of the development of a new streetcar network in Omaha. The vehicles, supplied by CAF, will operate with on-board energy, marking a technological milestone in the country.

- Also, Solaris has taken an historical step in its strategy with the signing of its first zero-emissions bus supply contract in the USA. with King County Metro, which provides transit service to the city of Seattle, WA and 34 other cities. The contract involves the supply of two electric battery buses 12 metres long and two articulated buses 18 metres long. The agreement also includes an option for up to 12 additional units.

- In Colombia, CAF leads the supply of modern trains for the Medellín Metro, a key system for the mobility of millions of people.

- In Chile, it will implement state-of-the-art trains for the Santiago Metro, optimising the capacity and comfort of daily transportation.

2. Operational efficiency:

Within the framework of the Strategic Plan, CAF has set itself the objective of optimising efficiency in production, engineering and purchasing, complementing its current industrial footprint with new capabilities that support the commercial focus in the strategic geographies defined in the Plan, while maximising cost efficiencies.

Among the most significant initiatives to attain this objective is the preparation and implementation of a detailed plan aimed at ensuring the operating capacity and competitiveness required to execute the current portfolio, complying with the deadlines, cost and quality standards established. To this end, a new transfer office has been established in the vehicle business to prepare the production facilities and thus be able to undertake the projects in progress.

Likewise, improvements are being promoted in the efficiency of production processes through the deployment of the new Digital Operating Model (SOM), already implemented at over 35 centres and the RSNEXT transformation programme, which focuses on improving profitability within the services area. In the bus segment, processes have been reviewed and measures have been established to continue improving direct labour productivity and reducing missing critical parts.

Alongside this, multiple initiatives are being implemented in the technological field to reinforce the competitiveness of the products throughout their entire life cycle. The most significant include the implementation of advanced tools, such as virtual validation and the digital twin, which are applied on a cross-cutting basis in all phases of the Group's businesses, including the design, validation, approval and maintenance.

3. Innovation:

Progress in the 4 axes defined in the Innovation Management Plan:

- Decarbonization and zero emissions program progressing on its different fronts. Specifically, progress in the alternative propulsion systems, such as those based on energy storage in batteries or the use of hydrogen as a fuel.

- Autonomous and automatic mobility programme, highlighting (i) remote and autonomous driving in trams and ADAS for buses, (ii) progress in the CBTC GoA2 system with successful tests and certifications and the launch of the OPTIO solution with high interest; and (iii) automation of mainline systems and ERTMS performance.

- Digitalisation programme with projects aimed at reducing costs or periods, the implementation of cybersecurity and the Digital Platform and the implementation of Digital Twin and Artificial Intelligence technologies.

- Product backlog extension programme, highlighting: (i) the improvement of the data generation process to set up signalling systems, the standardisation of tram and substation systems, (ii) the development of the SIL 3 certified emergency brake for trams; and (iii) the development of interurban electric buses for the European market and of urban buses for the US market.

4. Sustainability:

    It is worth remembering that in 2023 the CAF Purpose was defined, "developing sustainable transport solutions that improve people's lives", and updated our Mission, Vision and Values, maintaining sustainability as a cross-cutting and backbone element for the success of the company's strategy.

    During 2024, the Sustainability Master Plan was developed, which responds to the result of Double Materiality, the commitments of the Strategic Plan and the Sustainability Policy (the latter updated in December 2024). This plan will regulate the most significant procedures of 2025 and 2026, which are summed up into 10 strategic initiatives and 11 strategic objectives.

    For additional information, please consult the Non-Financial Statement - Sustainability Report of this report.

Looking ahead to 2025, the great ambition for profitable growth of the Strategic Plan continues:

- Continue the growth path, ensuring a book-to-bill greater than 1, with a priority approach regarding strategic offers within the geographies selected.

- Maintain focus on improving profitability by strengthening the pipeline of transformation initiatives planned for 2025, aimed at achieving the established results.

- Begin expansion into new markets in specific segments and products, with the aim of consolidating our global presence in strategic areas.

- Implement the 2025 Innovation Management Plan through various programmes, thus ensuring the competitive positioning of our products and services in the medium term.

- Accompany this growth with an effective strategy for attracting and retaining talent, ensuring the development and sustainability of the organisation.

The full Strategic Plan document 2023-2026 is available on the CAF corporate website (www.cafmobility.com).

2 BUSINESS PERFORMANCE AND RESULTS

2.1 MAIN INDICATORS

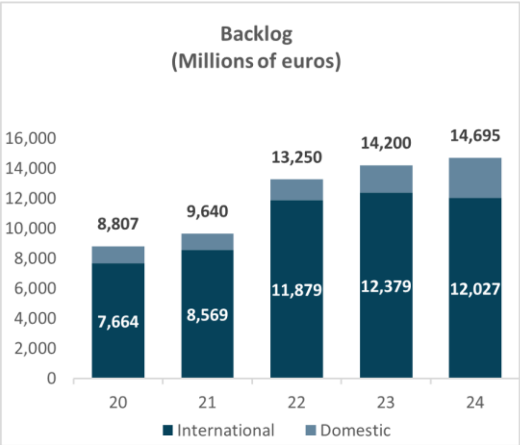
Figures in millions of euros (*)	2024	2023	Change (%)
Backlog -(**)			
Backlog	14,695	14,200	3%
Order intake in the year	4,707	4,775	-1%
Profit and cash flow -			
Revenue	1,898	1,862	2%
EBIT	(23)	19	-220%
Profit/(Loss) for the year	94	48	96%
Cash flow (**)	72	55	32%
Net Financial Debt (**)	226	256	-12%
Equity	715	661	8%
Proposed dividend per share (***)	1.34	1.11	21%

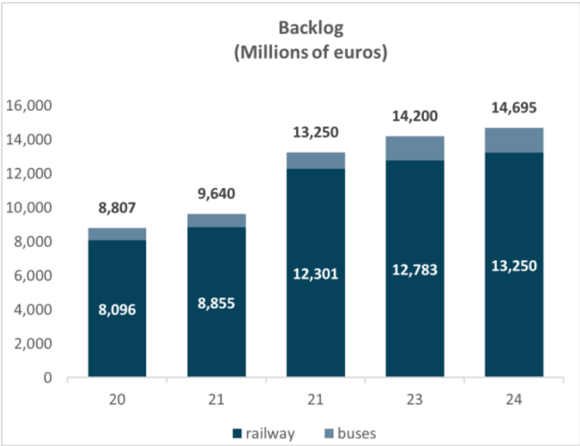
(*) Definitions of indicators are included in the "Alternative Performance Measures" section.
(**) Information on the consolidated group.
(***) Proposal for gross dividend per share for the 2024 financial year subject to approval by the 2025 General Shareholders' Meeting.

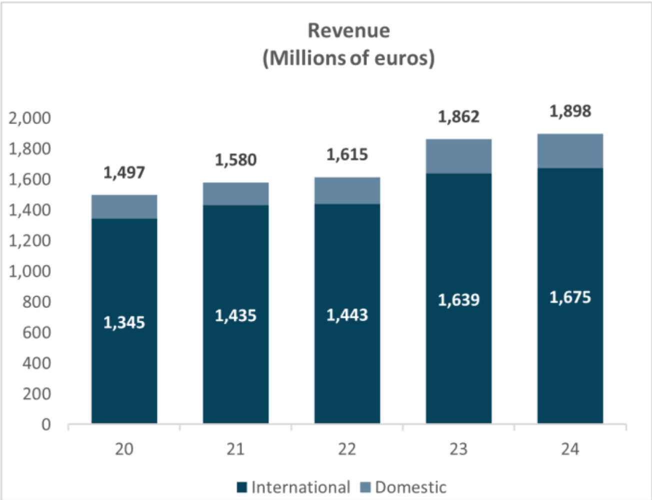
- The order backlog at year-end represents 3.5 times consolidated revenue, providing high visibility for future sales. Likewise, it is characterised by its broad diversification, both geographically and by business.

- The changes in profit for the year, considerably up on the previous year, and the increased revenue with respect to the previous year, are due to the volume of dividends received from the Group's operating subsidiaries.

- The proposed allocation of results consists of allocating EUR 46 million to the distribution of dividends, a figure that represents a gross amount of EUR 1.34 per share.







2.2 RAILWAY SEGMENT

COMMERCIAL ACTIVITY

In 2024, CAF reached an order intake value in the railway segment of EUR 3,752 million, in line with the year's target, which increased the backlog to EUR 13,250 million, a new record high. The Book-to-Bill ratio is 1.1. As in previous years, Europe continues to gain weight in the order book due to the important successes obtained in this market in the year.

Europe

- On the French market, the French operator SNCF Voyageurs has once again trusted CAF to supply 22 intercity trains, called Oxygène, which will provide a service on the Bordeaux-Marseilles line, added to the 28 trains contracted in 2019, earmarked to the Paris-Limoges-Toulouse and Paris-Clermont-Ferrand lines. The initial Oxygène train contract envisaged the option of extending supply in up to 75 additional trains. The purchase of new intercity rolling stock material is financed by the State as the authority that manages the TET (Territorial Equilibrium Network), for medium- and long-distance trains that provide a service between the main French cities not connected by high-speed trains.

- On the Spanish market, CAF and Metro Madrid have signed two important contracts: one for the supply of 40 narrow gauge units–which would circulate along line 1-, and another for the purchase of 40 broad gauge units, which would provide a service to travellers on lines 6, 8 and 11. The narrow gauge units will operate on line 1, which links 1 the stations of Pinar de Chamartín and Valdecarros, a line which contains the route inaugurated in 1919, on which the Madrid underground has been growing for over a century. The wide-gauge trains intended to operate on the circular line are designed for fully automatic operation without a crew. These agreements also include the development and implementation of a fleet life cycle optimisation programme, envisaging the possibility of increasing the number of units to be supplied in the future. Metro Madrid is undergoing a renovation plan, financed by the European Investment Bank, to achieve greater energy efficiency and increase its transport capacity.

  Through the railway maintenance company Actren, CAF has signed a comprehensive railway contract with RENFE for the coming five years for trains belonging to the 120 and 120,050 series manufactured by CAF. The contract covers the maintenance of these electric trains, which can reach a maximum speed of 250 km/h and are equipped with the Brava bogie, which allows the track gauge to be changed during operation. The maintenance of these trains, which will take place at four different workshops, involves a great technical complexity and has greater requirements than those of conventional trains, thereby highlighting the trust newly demonstrated by RENFE. These units currently circulate throughout the whole Spanish network, communicating the high-speed line with those cities that this infrastructure does not reach, including those that link Madrid with Logroño, Pamplona and the Basque Country, or Barcelona with Valencia and the Basque Country, and internal services in Catalonia.

  CAF has signed important signalling contracts with ADIF: firstly, in the conventional broad gauge network, it will modernise the Ourense Traffic Control Centre, renew the signalling and fixed telecommunications systems of the Trubia and Collanzo tranche in Asturias (line 764 of ADIF RAM), eliminate the Telephone Block between Los Cotos and Cercedilla (line C9 of the Madrid commuter service), and, lastly the project also in Asturias for the renewal of the signalling and fixed telecommunications systems of the Trubia and San Esteban de Pravia tranche and the tranche between Pravia and Cudillero (lines 762 and 740 of ADIF RAM).

  In addition, ADIF Alta Velocidad has also selected CAF, this time together with FCC Industrial and Revenga Smart Solutions, to promote the Mediterranean Corridor through the execution of the project that includes the drafting of the basic and construction projects, the execution of the works, conservation and maintenance of the interlocking facilities, train protection system, CTC, auxiliary detection systems, fixed telecommunications and the energy supply system for the Murcia-Almería high-speed line and the Pulpí-Aguilas branch.

  Additionally, Euskotren signed a contract to supply new units for operation on the Vitoria-Gasteiz tram network, thereby increasing the fleet serving the capital of Alava to 10 extra-long units.

- In Italy, the Bologna municipal council (Comune di Bolonia) awarded CAF the Framework Agreement to supply up to 60 trams, which includes the maintenance of units over four years, and the delivery of the park parts and special tools for the fleet. Initially, a first contract has been signed for the delivery of 33 units, which could be extended within a maximum period of 6 years to the 60 trams mentioned above or even up to 72 trams (an additional 20% provided for by law), which would more than double the value of the operation if all the options contemplated were implemented. The units designed by CAF belong to the Urbos tram platform, a model that already has a fleet of more than 1,000 vehicles in service in more than 20 countries on five continents.

On the other hand, the Italian operator ATAC S.p.A., the company that manages public transport in the metropolitan area of Rome, has exercised a first option for expansion contemplated in the Framework Agreement for the tram supply project that was awarded to CAF at the end of last year. The Framework Agreement included a first contract covering the design and manufacture of an initial number of 40 trams, with the possibility of increasing the number of units in the project by 81 more vehicles, up to a total of 121. With the signing of this second contract, the Rome operator has decided to increase supply with an initial extension of 20 additional trams, including their maintenance over a five-year period.

Finally, one year after the signing of the first contract, The Comune di Palermo has decided to carry out a first extension of the agreement with the acquisition of 14 additional trams. Last year, the joint venture formed by the Italian company Sis Scpa and CAF was awarded the project for the construction of the new lines A, B and C of the Palermo tram and the supply of the units that will provide a service on such tranches. In this case, the new units will be earmarked to the new tranches D, E2, F and G of the tram network, whose construction shall be tendered shortly.

- Sporveien, the public urban transport operator of the municipality of Oslo, has once again placed its trust in CAF as a supplier of vehicles to operate urban transport in the city. In this case, the contract signed with CAF covers the supply of 20 metro and their corresponding park parts, also contemplating the option to increase the number of units by up to 90 additional units to serve the Oslo underground network, T-Bane, which structures the city through its over 85 kilometres of track. All CAF mobility solutions are designed to operate in the demanding weather conditions of snow and extreme temperatures typical of the Norwegian capital's climate. These new metro units will have on-board batteries, which will enable autonomous movement in the event of an accidental loss of voltage in the overhead lines, allowing the safe evacuation of passengers at a station on the line or the possibility of moving around the operator's depot without the need for overhead lines.

- In the Netherlands, GVB, the operator responsible for public passenger transport in the Amsterdam area, has agreed with CAF to supply 13 additional metro units, model M7. It is an option envisaged in the contract signed with CAF in 2018, which initially envisaged the supply of 30 trains. The delivery of the new metro units will enable the replacement of the oldest units in the fleet, which were also supplied by CAF in the 1990s and which have reached the end of their useful life.

  Also, the Dutch public transport operator, Qbuzz, belonging to the FS Group, has selected CAF to supply 10 commuter trains, and their corresponding park parts, whose delivery is envisaged from 2028. The new units will be earmarked to provide a service on the line that links the cities of Dordrecht and Geldermalsen (the "MerwedeLinge line"). These new trains will substitute the units that currently cover the line's service and that do not have the ERTMS signalling system, which do include the new units, whose implementation on part of the line is envisaged for 2027.

- It should be noted that CAF has also achieved another great milestone in the signalling business with its first contract in the United Kingdom, obtaining third position in the ERTMS Level 2 digital signalling framework agreement (batch 2). This agreement is part of the plan to modernize railway signalling systems in the United Kingdom that will be carried out by Network Rail, the company that owns and manages the infrastructure of most of the railway network in England, Scotland and Wales. It is a plan that will have a duration of ten years, and for which over EUR 4,600 million divided into two batches will be allocated; firstly, the conventional signalling with a budget of EUR 1,170 million (batch 1) and, secondly, the digital signalling, with a budget of EUR 3,500 million (batch 2), in which CAF will participate. The main objective will be to modernise the British railway infrastructure, equipping it with the most innovative technology, which will increase the capacity of the network, while providing it with greater reliability and safety during operation.

- EuroMaint also made a significant contribution to the backlog, highlighting mainly the renewal of major contracts.

Other markets

- CAF has signed a contract in the United Arab Emirates with the operator Etihad Rail, which covers the comprehensive maintenance for 5 years of the locomotives and passenger cars of the nine diesel-electric Push-Pull trains that CAF is currently manufacturing for this operator. The agreement can be extended up to 15 years, in 5-year periods. These maintenance operations are planned to be carried out at the operator's new workshop to be built in the Al Faya area, east of the capital Abu Dhabi.

- The Omaha Streetcar Authority, the interlocal agency created by the City of Omaha and Omaha Metro to develop the city's new streetcar network project, has chosen CAF as the supplier of the units that will provide service on the aforementioned line. The contract includes the initial supply of six trams with their corresponding park parts and special tools, with the agreement contemplating the option of increasing this number in the future by up to 29 additional units. These trams are capable of operating on sections without overhead lines thanks to on-board power technology.

- In Colombia, Empresa de Transporte Masivo del Valle de Aburrá Limitada – Metro de Medellín LTDA., operator of the Medellín underground, awarded CAF the design and supply of 13 metro for its metropolitan network. The new units will be similar to those previously delivered by CAF, they will be composed of 3 cars each and will have full interoperability with the current fleet in operation. These units will be earmarked to provide a service on the A and B lines to provide a response to the increased passenger demand envisaged for the coming years.

- On the other hand, in Chile, Empresa de Transporte de Pasajeros Metro S.A. - Metro Santiago, company of the state of Chile, has chosen CAF to design, supply and maintain 6 new units with 5 cars each for the extensions of Line 6. With those contracted this year, more than 45 units will be manufactured and maintained by CAF that will be able to provide service on Lines 3 and 6 in Santiago without personnel on board, in a completely automated manner and supervised from a control centre. If we add those that provide service on Line 1 of the Chilean capital, the number of CAF units exceeds 80.

In addition to the contracts signed during the year, the FCH2Rail project has been successfully completed, confirming the viability of developing an emission-free hybrid fuel cell and battery technology that offers a competitive alternative to diesel trains. The CIVIA unit manufactured by CAF and provided by Renfe to the project was equipped with a zero-emission energy generation system that uses electric energy from hydrogen fuel cells and batteries, allowing the vehicle to run in electric mode on electrified infrastructure as well as in hybrid mode on sections of the network without overhead lines. This unit, modified at CAF's Zaragoza factory, obtained the first authorisation from Adif for the circulation of hydrogen train tests on the RFIG (General Interest Railway Network), exceeding all the risk analysis and security validation processes inherent to the testing of new technologies.

This prototype travelled more than 10,000 km in hydrogen mode, demonstrating the reliability of the new technology in a wide range of power conditions and energy demand in scenarios that included operation in different climatic and operational conditions, travelling for several months on different routes mainly in Aragon, Madrid and Galicia, as well as in Portugal.

Hand in hand with the operator NS, the ATO (Automatic Train Operation) system was satisfactorily tested on the European Train Control System (ETCS) on the trains supplied to this Dutch operator. It is an important milestone on carrying out the ATO system tests on passenger trains that circulate on lines with a high traffic density and investigates the possible benefits of automatic driving in terms of improving punctuality and reducing energy consumption.

INDUSTRIAL ACTIVITY

Throughout 2024, CAF's different manufacturing plants worked on over 27 different projects, each in different manufacturing phases, completing a total of 219 trains of different categories and compositions, leading to a total of 980 carriages manufactured.

And we should not forget the manufacture of other railway components which, as in the case of wheels, have exceeded 66,000 units manufactured, or the more than 3,300 gearboxes completed.

In short, 27 projects distributed throughout the whole of the world and that cover almost all existing morphologies in the railway rolling stock material market.

In a more detailed manner, it must be said that some projects have reached their end, such as the contract with the city of Freiburg for the delivery of 8 trams with the completion of the last 3 units, or the order of 15 trams for the Portuguese city of Lisbon with the delivery of the last 3 trains, the 8 trams of the contract signed for the city of Granada with the delivery of the 5 last units, the 5 trams manufactured in full in this year, earmarked to the Australian city of Canberra, as well as the total of the 8 trams of the contract signed with the American city of Kansas, the 5 commuter trains for Mallorca, the 12 underground units of the contract signed with the city of Amsterdam, or the 6 trains for the RENFE commuter network within the RAMYA project in their batch 2, with the delivery of the last 5 units.

In another order, a significant portion of industrial activity was occupied by projects which or first begun to be manufactured in 2024, or those that, having commenced in previous years, have continued their development, as is the case of the 6 trains delivered for the Brussels underground, 18 underground units of the order for 43 trains for Docklands, and 8 trains formed of 2 carriages and another 8 trains formed of 3 carriages of the DMU (Diesel Multiple Unit) type for the operator Wales & Borders, 31 trams of the 87 contracted for the city of Oslo, 30 trams for Jerusalem of a total order of 114 units, 15 additional trams to the 4 already delivered in the previous year, of the total of 20 contained in the second batch for the Belgian city of Antwerp, the second of the 28 trains of the order taken out with the French operator SNCF, 19 trains broken down into 6 carriages for Myanmar, 15 trains formed of 4 carriages for the Coradia platform for the TFA project, and the first of the trains for the same platform and 4 carriages for Dakar, as well as the first 2 trams of the 51 contracted by the city of Budapest, the first 2 trams of the 51 contracted for the German city of Essen, the first of the 28 trains of the AKT project contracted by the Swedish operator AB Transitio, the first 3 trams of the extension of 5 units contracted by the city of Seville, the first 2 locomotives for the French operator RATP, the first 10 trains of the extension project for 23 units for the New Zealand city of Auckland or the first LRV (Light Rail Vehicle) of the extension order contracted for the US city of Maryland.

As for the rest of the projects, already in the initial stages of assembly, it is worth highlighting the progress in the manufacturing of the project contracted by the operator Etihad of the United Arab Emirates, in the composition of locomotives and towed cars, the contract signed with the German operator VRR or the trams for Tel Aviv or the Andalusian city of Alcalá de Guadaíra.

The most significant products manufactured in 2024 were as follows:

	No. cars
Medium-distance DMU Wales and Borders (2-car unit)	16
Medium-distance DMU Wales and Borders (3-car unit)	24
Medium distance SNCF	10
AKT medium distance AB Transitio	4
Regiolis medium distance TFA	60
Coradia medium distance Dakar	4
Commuter trains Majorca	20
Commuter trains Myanmar	114
Commuter trains Auckland	30
RENFE suburban trains – RAMYA Batch 2	10
Brussels Metro	36
Amsterdam Metro	36
Docklands Metro	90
Maryland LRV	5
Antwerp Tram (Bidirectional)	75
Freiburg Tram	21
Oslo Tram	155
Jerusalem Tram	150
Lisbon Tram	15
Granada Tram	25
Essen Tram	4
Canberra Tram	25
Seville Tram	15
Budapest Tram	10

Kansas Tram	24
RATP Locomotives	2
TOTAL	**980**

BOGIES	
With mechanic-welded chassis	1,116

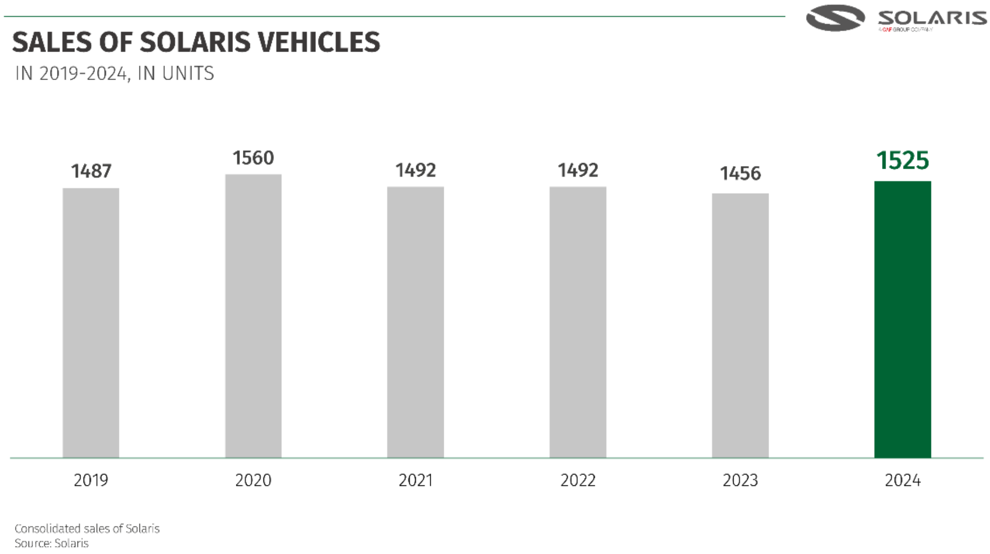
WHEEL SETS AND COMPONENT UNIT – MiiRA	
Wheel set (power car + push-pull car)	3,943
Axles	11,246
Monoblock wheels	66,150
Resilient wheels	2,477
Gearboxes	3,315
Wheel tyres	1,376

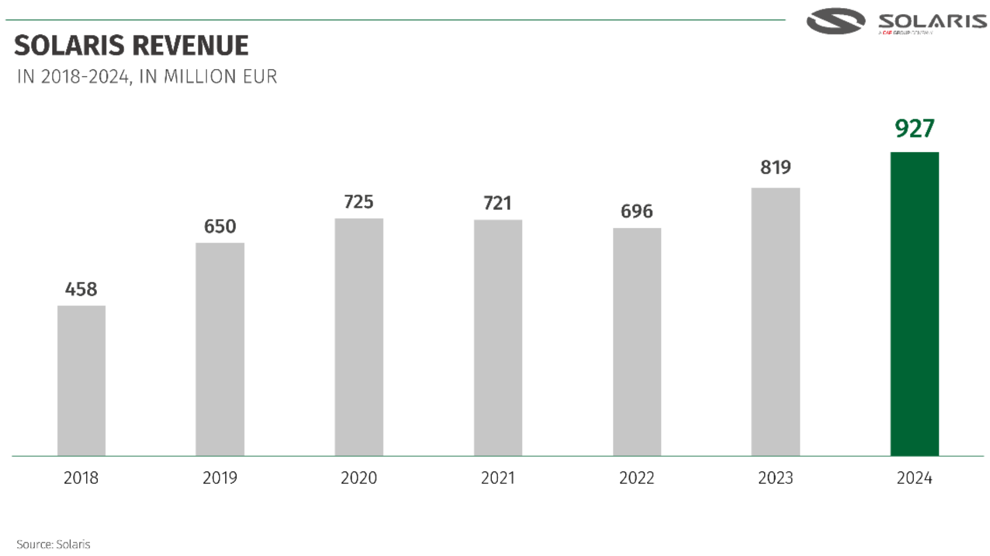
2.3 BUS SEGMENT – SOLARIS

Solaris sums up 2024. Strong sales growth, market expansion, and prestigious awards

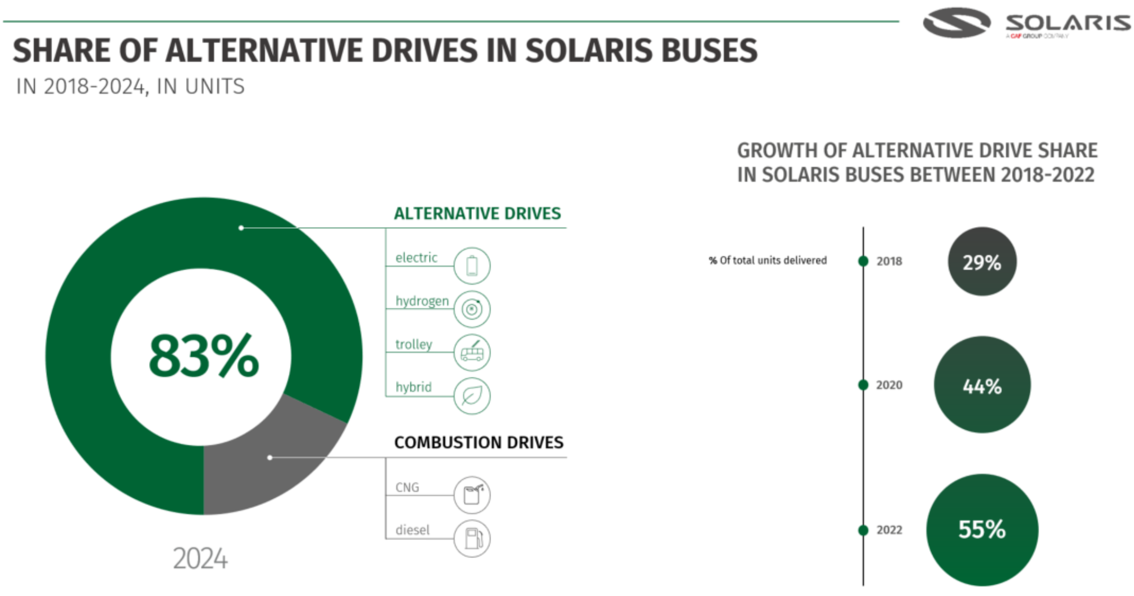
- **Solaris has sold a total of 1,525 vehicles in 2024, which represents a 4.7% increase compared to 2023.**
- **The company's revenues in 2024 stood at €927 million, representing a growth of over 13% compared to 2023 and represents its historical sales record.**
- **Electric buses, hydrogen buses, trolleybuses, and hybrid vehicles accounted for a record 83% of total sold vehicles in 2024.**
- **In 2024, Solaris signed its first contract for the supply of electric buses in the USA market. This is a milestone toward achieving the company's strategic plans to enter the zero-emission bus market in the USA and Canada.**
- **The world's first series-produced bus with a battery passport has been the Solaris Urbino 18 electric model, which joined the BVG fleet in Berlin in 2024.**
- **The hydrogen bus by Solaris was recognized as the best city bus of 2025 in the prestigious international industry competition.**

In 2024, Solaris has demonstrated with its production and sales results that it is a company well-equipped to navigate the ever-changing market landscape and resilient in the dynamically shifting economic environment. Solaris has sold a total of 1,525 vehicles, achieving sales of 927 million euros (+13% compared to 2023). This figure is its historical record for revenues.





It is worth emphasizing that the vast majority of contracts executed in 2024 were for the supply of vehicles with completely zero-emission or low-emission drives. Electric buses, hydrogen buses, trolleybuses, and hybrid buses achieved the highest share in the company's history, reaching 83% of total sales.



Source: Solaris

The growing share of low- and zero-emission vehicles in Solaris' sales mix, shows good market recognition and the manufacturer's ability to adapt to market expectations. In most EU countries, the share of e-mobility vehicles in the transport mix has been growing dynamically in the last few years. With years of experience in building its product offering in this segment, Solaris is very well prepared to meet the changing expectations of end-users.

In 2024, Solaris delivered its products to customers in 12 countries. Major recipients of Solaris vehicles included operators from Italy, Poland, Germany, Romania, Sweden and Spain. In 2024, Solaris sold a total of 544 electric buses. It is also worth noting, the company achieved the record sales of hydrogen buses in 2024, delivering as many as 259 units. Trolleybuses also played a significant role among the zero-emission vehicles sold, with 180 units delivered.

Among the largest contracts completed by Solaris in 2024, the following can be highlighted:

- Delivery of 245 buses to ATAC Roma carrier in the capital of Italy, including 110 Urbino 18 mild hybrid vehicles and 135 (out of a total of 248 ordered) Urbino 12 CNG buses.
- Delivery of 100 hybrid buses to ARST and 38 electric buses to CTM Cagliari in Sardinia.
- Delivery of 100 Solaris Trollino 12 trolleybuses to Bucharest, in Romania.
- Delivery of 83 Solaris Urbino 15 LE electric vehicles to the Nobina operator in Sweden.
- Delivery of 48 Urbino 18 mild hybrid buses to MPK Łódź, Poland.
- Delivery of 37 Solaris Urbino 12 hydrogen buses to TPER Bologna (out of a total of 130 ordered), Italy.
- Delivery of 36 Solaris Urbino 12 hydrogen buses to TMB Barcelona, Spain.
- Delivery of 36 Solaris Urbino 12 electric buses to ATM Milan, Italy.

As for the future, the company maintains a solid backlog. At the end of 2024, Solaris had a backlog of 1,445 million euros (1,609 vehicles and long-term maintenance contracts), of which 92% of the vehicles correspond to zero and low emission buses.

In 2024, Solaris has secured significant contracts for low and zero-emission vehicles. Among them, the following orders for hydrogen buses are worth mentioning:

- In France, Solaris hydrogen buses will play a key role in hydrogen pilot project by Île-de-France Mobilités. The manufacturer has been selected, with the support of the CATP (Centrale d'Achat du Transport Public), to deliver to France a total of 22 Urbino 12 hydrogen buses by 2025. The aim was to evaluate the potential of hydrogen technology for the region's public transport system. This trial is part of the initiatives and investments undertaken since 2018 to renew the entire bus fleet in Île-de-France under one of Europe's most ambitious and fastest renewal programs.
- Another contract in France for delivery of hydrogen buses won in 2024 by Solaris was in city of Belfort. The local operator ordered eight articulated Urbino 18 hydrogen buses which are scheduled for the delivery in the second half of 2025. The vehicles were purchased by the public entity SMTC (Le Syndicat Mixte des Transports en Commun du Territoire de

Belfort), which brings together transport operators in the region. The ultimate operator of the new hydrogen buses will be the Régie des Transports du Territoire de Belfort (RTTB), which manages mobility, including bus transport, in Belfort.

- In Italy, the transport operator APAM Esercizio S.p.A. from Mantua, placed an order for five modern Solaris Urbino 12 hydrogen buses. Deliveries are scheduled for the end of 2025. Located in the Lombardy region, Mantua is targeting hydrogen solutions in its efforts to decarbonize the region. It is worth noting that the province of Mantua is participating in a project to establish a Hydrogen Valley which aims to produce 1,500 tons of hydrogen from renewable sources per year.
- In Germany, the public transport operator in Cologne, Regionalverkehr Köln GmbH (RVK) continued its cooperation with Solaris in 2024, placing a new order for nine buses Urbino 12 hydrogen buses and eleven articulated Urbino 18 hydrogen buses. Once the order is fulfilled, the hydrogen fleet in Cologne will consist of 84 Solaris buses, with 64 vehicles already delivered by the end of 2024. The supply of the newly ordered buses is scheduled for the first half of 2025. The continued investment in hydrogen-based public transportation confirms Cologne's commitment to the development of hydrogen technology, which is becoming the foundation for the city's public transportation system.
- In 2024 In-der-City-Bus GmbH (ICB), the public transport operator in Frankfurt am Main, placed an order for 9 Solaris Urbino 18 hydrogen buses. There are already 23 hydrogen-powered Solaris buses running in the metropolis, supplied between 2022 and 2024. Deliveries of the articulated buses from the latest order are scheduled for July 2025. The carrier aims for a fully electrified bus fleet by the early 2030s, which is in line with the climate protection goals set by Frankfurt am Main.
- Additionally it is worth to mention that in 2024 Solaris secured contracts for delivery of 32 hydrogen buses to Wuppertal in Germany and 14 hydrogen buses to Keolis Metz and 7 hydrogen Urbino do Keolis Peschadoires in France.

Among the contracts for the delivery of electric buses, the most important ones signed by the company Solaris in 2024 can be indicated:

- In the Netherlands, has been signed a contract for the delivery of 30 electric buses to the operator Arriva. 26 Urbino 12 electric and 4 articulated Urbino 18 electric will serve traffic in West-Brabant region and will join Arriva's fleet in 2025. The investment is part of Arriva's plan to make the entire bus fleet in the region zero-emission by the start of the new concession on the 6th of July 2025. The buses are set to arrive in West-Brabant in the first half of 2025.
- Additionally, Transdev Nederland Holding selected Solaris Bus & Coach as the supplier for a relevant order of 96 electric buses. Deliveries are scheduled for the last quarter of 2025. The modern fleet of battery-powered Solaris buses will serve public transportation in the province of Utrecht, central Netherlands. Transdev Nederland Holding is one of the largest operators in the Netherlands and a leader in zero-emission mobility. The order for 96 electric Solaris buses is a part of the company’s strategy to replace the entire fleet in Utrecht with zero-emission vehicles. Currently, the city operates 50 bus lines, serving 30 million passengers annually.
- In 2024, Solaris secured a contract with Nobina Skåne for the delivery 92 electric buses. The order includes both 15-meter and 18-meter models for the towns of Malmö, Gothenburg, and Karlstad.
- In Belgium, Solaris has won a tender for up to 45 double-articulated Urbino 24 electric buses, that will be integrated into the transport network of the Belgian city of Liège. The first order under this tender was placed for 18 buses. This is the largest tender for double-articulated buses won by the manufacturer to date. The unique 24-meter length of these double-articulated buses translates into high passenger capacity, making them ideal for high-frequency Bus Rapid Transit (BRT) systems. The Urbino 24 electric buses generate no emissions at the point of use, thus supporting the development of sustainable transportation and enhancing the quality of life of city residents. The 24-meter Solaris bus was first unveiled to the public at Busworld Europe 2019 and was developed exclusively as a platform for zero-emission vehicles, including electric buses and trolleybuses.
- In Sweden Solaris secured a contract with Keolis Sverige, one of Sweden's largest transport operators in the country, to supply 46 electric buses. The order includes 19 Solaris Urbino 12 electric buses and 27 Solaris Urbino 15 LE electric models, which will operate on routes in Dalarna region. The first deliveries are scheduled for 2025.
- Finally, one of Solaris' key achievements in 2024 was securing its first contract to deliver electric buses to a client in the USA. The Group's strategic plan published in December 2022 announced the entry of Solaris in the North American market, with a value proposition consisting of pure zero-emission buses. In December 2024 Solaris achieved a milestone step towards the execution of its strategy, signing its first contract for zero-emission buses deliveries in the U.S. with King County Metro, which provides transit service to the city of Seattle, WA and 34 other cities. Solaris' first contract in the U.S. market involves the delivery of two 40-foot battery electric buses and two 60-foot articulated buses. The agreement also includes an option for up to 12 additional units. Vehicle deliveries are expected in the second half of 2026. These buses will be based on an electric-born platform designed specifically for the North American market, compliant with all U.S. regulations, including FMVSS and ADA compliance. This platform will feature the most progressive battery bus technology developed by Solaris in its 15 years of experience in battery buses, including advanced electrical propulsion systems, Solaris’ proprietary battery integration technology and state-of-the-art connectivity features, service proven in the European market.

In 2024, Solaris became the first company in the world to develop and obtain the so-called battery passport for electric bus. The world's first series-produced bus with a battery passport is the Solaris Urbino 18 electric model, which in 2024 joined the BVG fleet in Berlin.It was delivery of first bus out of 50 units ordered by BVG within this contract. The battery passport is a digital document providing detailed information on the battery's origin and composition, fostering more responsible and sustainable raw material management. Solaris delivered the battery passport vehicle three years ahead of EU regulations. According to the new Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, a digital battery passport will be required from February 18, 2027, for each battery, including those in electric vehicles. The document aims to increase transparency throughout the battery lifecycle – from raw material extraction and use to recycling. Electric vehicle batteries contain valuable and rare materials, and their responsible management is crucial for preserving natural resources and minimizing environmental impact. The battery passport enables the tracking of raw materials such as lithium, cobalt, and nickel, promoting responsible and ethical sourcing. Access to detailed data on composition and environmental impact also supports efficient recycling and optimal use of renewable materials.

The year 2024 was significant for Solaris also in terms of winning important and prestigious industry awards.

- In September 2024, the international Bus of the Year jury has awarded the title of Bus of the Year 2025 to the Solaris Urbino 18 hydrogen. This marks the second title for a Solaris vehicle and the first time in the competition's history, which has been held since 1989, that a zero-emission hydrogen-powered vehicle has won. The statuette for the best bus of 2025 was presented the manufacturer of Urbino 18 hydrogen. This is the second time that a Solaris vehicle has won the Bus of the Year title. In 2017, the prestigious honour went to the Solaris Urbino 12 electric – a battery-powered bus. This time, industry experts appreciated the advantages of hydrogen technology and awarded the articulated version of the Solaris Urbino 18 hydrogen, which is powered by electricity generated in a hydrogen fuel cell. Solaris is therefore the first company in the history of the competition to win the title for both battery-powered bus and now a hydrogen-powered bus.

  The Bus Euro Test, which precedes the Bus of The Year award, is a prestigious industry competition organized since 1989 by the Association of Commercial Vehicle Editors (ACE). The competition is held every two years and each time the event' host is a jury member from a different European country. The winning vehicle receives the title of the best bus for the next year, so in this year's edition the title is "Bus of the Year 2025". The jury evaluates such factors as acceleration, braking distance, vibration and noise levels, as well as the subjective feelings of the jury, who test the bus as both drivers and passengers.

  To date, Solaris has delivered over 430 hydrogen buses to its customers, with over 400 more in the company's order backlog.

- Another prestigious award for zero-emission buses Solaris gained in October 2024. Battery-powered Urbino 12 electric with modular drive was awarded the "Sustainable Bus Award 2025" in the "Urban" category. The Sustainable Bus Award is an international competition that recognises the most innovative and sustainable buses and coaches introduced to the European market.

In 2024, the company continued to implement actions related to sustainability and ensuring compliance with the highest standards of corporate governance in line with strategic goals and the plan for 2024-2026. Among the main projects completed last year in the sustainability area, the following can be mentioned:

- Continuation of adapting the entire organization to the requirements of the new EU CSRD (Corporate Social Responsibility Directive) as part of the European Green Deal, which obliges Solaris, as a member of the CAF Group, to report on sustainable development from 2024.
- Commencement of CBAM reporting concerning the import of certain goods into the European Union.
- Preparation for reporting on deforestation according to the EU EUDR regulation, aimed at reducing forest degradation caused by excessive consumption in the EU.
- Continuation of environmental product analyses. In 2024, the Urbino 18 hydrogen vehicle type was assessed. The plan for the coming years is to obtain EPD labels (Environmental Product Declaration) for all vehicle types. This analysis allows the company to identify processes, materials, and components that have the greatest environmental impact. With the obtained information, Solaris can continue to work on improving the product profile throughout its life cycle.
- Publication of the fourth Solaris sustainability report, which presents the company's activities in sustainability area in a comprehensive manner.

In 2024, Solaris Bus & Coach was recognized in several competitions related to sustainable development activities. The Company was awarded:

- Silver CSR Leaf by "Polityka". This way, the weekly "Polityka", Deloitte, and the Responsible Business Forum reward leaders of sustainable development among Polish enterprises.
- Platinum Award in the "E" (Environment) category in the ESG Innovator competition, organized by the ESG Association. The Solaris Urbino 18 hydrogen bus was submitted to the competition as an innovative, zero-emission product, manufactured in a sustainable production process.
- Diamond Planet in the "Net-zero Promoter" category in the "Together for the Planet" competition. Sustainable practices implemented in the company in the pursuit of achieving zero emissions by 2045 were awarded.

During the reporting period, Solaris actively promoted its offerings on many fronts. Among the most significant events in the promotion of Solaris products and brand during the reporting period were:

- Mobility Move 2024, March 5-7, 2024, Berlin, Germany, an event organized by VDV, the Association of German Transport Companies, is one of the largest exhibitions dedicated to electric buses in Europe. Solaris presented the electric Urbino 12 in a new version.
- Next Mobility 2024, May 8-10, 2024, Milan, Italy. Solaris presented the Urbino 12 Hydrogen bus at the fair.
- EUMO 2024 (European Mobility Expo), 1-3 October 2024, Strasbourg, France. The company presented the Solaris Urbino 12 hydrogen bus, which offers a range of up to 600 km without generating any emissions at the point of use.
- TRANSEXPO international public transport fair, 6-18 October 2024, Kielce, Poland. Solaris presented the Solaris Urbino 18 hydrogen bus, the prestigious winner of the Bus of the Year 2025 award.
- FIAA (International Bus and Coach Fair), 22-25 October 2024, Madrid, Spain. Solaris presented the hydrogen-powered Urbino 18, the winning vehicle of the Bus of the Year 2025 competition.

2.4 R&D&i ACTIVITY

In the last months of fiscal year 2023, the CAF Group's new Innovation Management Plan for the year 2024 was defined, aligned with the Strategic Plan.

The Innovation Management Plan, defined according to the Innovation Process, includes the innovation projects of the following businesses: CAF Rolling Stock, CAF I+D, Rail Services, MiiRA, CAF Power & Automation, CAF Signalling, CAF Turnkey & Engineering, Lander, Orbital, Cetest and Solaris.

The Innovation Management Plan contemplates more than one hundred projects grouped into the following Innovation Programmes:

- **Zero emissions**
  - Alternative propulsion systems, such as those based on energy storage in batteries or the use of hydrogen as fuel.
  - Reduction of energy consumption through on-board energy optimisation and management systems.
  - Reduction of other emissions such as EMC and Noise.
- **Autonomous and Automatic Vehicle**
  - Remote autonomous driving on trams and ADAS for buses.
  - Development of CBTC for automatic metro systems.
  - Automation of mainline systems and ERTMS performance.
  - Enabling technologies such as 5G and secure positioning.
- **Digitalisation**
  - Projects aimed at reducing costs or deadlines.
  - Implementation of cybersecurity and digital platform.
  - Digital Twin and Artificial Intelligence Technologies.
- **Product portfolio extension**
  - Transportation systems: improvement of the data generation process for the configuration of signalling systems, standardisation of tram systems and substations.
  - Rolling Stock vehicles: SIL 3 certified emergency brake for tram vehicles. Low floor LRV for the USA.
  - Buses: interurban electric bus for the European market. Urban electric bus for the US market.
  - Services: train and track geometry monitoring systems.

All of the above combined the execution of projects aimed at assimilating technologies with the development of products based on such technologies and strategic projects.

To finance these projects, the Group has relied on various types of R&D subsidies, most notably the aid obtained from:

- Provincial Government of Gipuzkoa
- Basque Autonomous Community Government
- Government of Spain
- French Government
- European Commission

In addition, we have continued to collaborate very intensively with different technology centres and universities.

The CAF Group is participating in collaboration projects within the scope of national programs and also the European framework program Horizon Europe. Noteworthy projects included:

- **FCHRAIL,** a project within the framework of FCH JU (Fuel Cells and Hydrogen Joint Undertaking), involving the design and manufacture of a prototype based on an existing RENFE three-carriage commuter unit. Under this project, a new electric generation system will be installed, based on the hybridisation of energy from hydrogen cells and batteries, making it one of the first railway bimode vehicles with a hydrogen cell.
- **EURAIL,** in 2022, CAF formalised its participation as a founding member in the EU RAIL initiative. This programme promotes R&D in the railway sector in Europe with a contribution of over EUR 1,200 million. In this regard, it participates in five large projects that were signed in the previous year and whose operations began in January 2023.
- **CLUG 2.0** a project driven by the main European infrastructure managers, aims to demonstrate an autonomous train localisation system involving a SIL4 level of safety that does away with the need for signalling infrastructure.

- **ERABIL+,** a project located within the zero emissions initiative that shares the objectives of the H2PLAN project and which also favours collaboration and guarantees the competitiveness and excellence of the agents of the Basque Research Network, around technologies for the use of hydrogen in industry and mobility applications, adapted to the needs of the Basque industrial fabric and which can be easily transferred.
- **RAIL SPACE,** a project that responds to CAF's strategy of researching, studying and training in digital disciplines that are fundamental to the mobility sector, with the aim of bringing open, interoperable and cyber-secure Data Spaces closer as a transformative lever for modernising the railway sector.
- **MODCA,** a project that will address the technological field of materials and manufacturing processes with the aim of reducing as much as possible the duration of the fatigue test in the approval of conical rubber/metal primary suspensions of bogies. The objective pursued is to reduce the usual duration of the test from one month to at least one week and preferably a couple of test days.
- **SILICON BURMUIN,** a project comprising a total of 10 agents from the Basque Network that will focus on the use of knowledge in neuroscience existing in the Basque Country to generate a disruptive Neuomorphic IP due to the current compromised situation of production following the scarcity of microelectronic components and systems.
- **TCRINI2**, a project made up of a total of eight agents of the Basque Network, aims to develop technologies that allow maintenance work to be optimised. The developments carried out within this project will take advantage of current developments in areas such as artificial intelligence, Big data, Digital Twins, cloud computing, etc., to apply them to the field of maintenance of critical elements of railway and road infrastructure.
- **AUTOTRAM,** a project encompassed within the autonomous vehicle initiative, mainly aims to develop methodologies and tools for 3D modelling and simulation that allow the validation of new safe absolute positioning systems and train the industry in the virtual validation of autonomous trams.
- **DYNAMAIN**, a project within the Digitalisation initiative to evolve the LeadMind platform by adding predictive functionality through the development of an intelligent layer that will enable a paradigm shift in the maintenance of railway assets towards dynamic and intelligent maintenance based on CBM (Condition Based Maintenance). A maintenance strategy for the vehicle and its systems will be enabled based on the actual and expected health status, instead of current strategies based on the kilometers travelled by the train.
- **IT4OCC**, a project within the Digitalisation initiative, aims to research enabling technology to develop an automated system for managing digital train services from the ground in order to reduce the costs associated with the implementation, management and operation of digital train services.
- **DATACCESS**, a project encompassed in the Digitalisation initiative that generally aims to facilitate access to a massive database originating from the railway system through Cloud Computing tools based on data cybersecurity. All of this will enable access to both internal and external users who will be able to interact with the information to exploit it as appropriate.
- **AIDOL**, a project encompassed in the Digitalisation initiative, which aims to include Artificial Intelligence in the internal tool LOTO (**L**ife Cycle Cost **O**ptimisation **To**ol Box), which, from the railway dynamics perspective, enables the complex interactions between the dynamic variables and operation conditions to be modelled, simulated and foreseen, together with the costs associated with the maintenance and operation of railway assets.
- **RAILABEL,** a project encompassed within the Digitalisation and autonomous vehicle initiative and, more specifically, in the technological area of artificial intelligence. The project aims to develop an agile multi-sensor data labelling and data processing module, validated and compliant with the OpenLabel automotive standard. The validation of these systems ranges from the collection and processing of real-time operation data to the simulation of complex and varied scenarios. This is essential to ensure that advanced driving systems can effectively cope with and respond to a wide range of conditions, from adverse weather to emergency situations.
- **BAYESRAIL,** a project encompassed in the Digitalisation initiative, which aims to improve the accuracy and reliability of digital models, taking advantage of the information available on CAF's digital platform, and applying Bayesiana advanced interference techniques.
- **PLATIA,** a project within the Digitalization initiative that aims to research and generate knowledge to define the artificial intelligence architecture for two generic use cases based on Generative Artificial Intelligence: Virtual Assistant (Chatbot) and Platform for automatic generation of content from existing documentation.
- **VIRTREN 2**, a project that aims to research and generate knowledge about acoustic, vibrational and thermal phenomena inside the vehicle in order to characterise them accurately and reliably through new calculation methodologies and simulation tools. The resulting methodologies will be designed to address challenges facing the train of the future: sustainability, digitalization and comfort.
- **DIAVOLO,** a project that aims to generate knowledge around the wheel-lane dynamic by monitoring to service critical parameters of the rolling system, as a channel to be able to perform a smart diagnosis of problems that have a great impact on the optimisation of the entire system's LCC.
- **INNOFILT**, a project within the scope of electromagnetic compatibility of train systems, whose main objective is to advance innovative non-invasive filtering solutions for the railway sector in order to mitigate problems and maximise system efficiency.

- **MoreDigital**, a project encompassed in the Digitalisation initiative, which aims to investigate methodologies that enable the future development of reduced system models and industrial processes based on the physics that governs them and also on the methodologies that make them possible to be integrated into digital twins.
- **AIDDYA**, a project encompassed in the Digitalisation initiative, which aims to develop an Artificial Intelligence system that can replicate and optimise the railway dynamic simulation capacities of the physical multibody model (MBS), making the most of the advantages of AI to improve the efficiency and adaptability of the simulation system in the railway area.

In addition, in the area of railway engineering, the company is involved in more than 60 vehicle manufacturing and refurbishment projects. Among the latest projects contracted, the following engineering projects stand out:

- Projects based on consolidated platforms: the Alcalá de Guadaíra, Palermo, Roma, Bologna tramway systems and the extension of the Vitoria system, regional trains for VRR (Germany), units for SJ (Sweden) and Coradia Polyvalent units for Aquitaine (France) and Senegal. Extension of metro units for Amsterdam, Medellín and Santiago de Chile
- EMUs for Qbuzz (Netherlands)
- Trams for Omaha (United States)
- Broad and narrow gauge units for the Madrid metro system
- Units for the Oslo metro system
- Double deck train units for NS (the Netherlands)
- LRVs for Germany (Bonn and Hannover)
- LRVs for Boston (United States)
- Units for RENFE (medium distance and commuter trains)
- EMUs for Euskotren (S/980)
- Tri-mode units for London North Eastern Railway (LNER)
- EMUs for the Philippines
- Extension of the Oxygène SNCF intercity units for the Bordeaux-Marseilles line

Solaris has maintained its leading position for many years in providing low- and zero-emission urban transport solutions to cities across Europe. Keen to be at the forefront of manufacturers influencing ecological change in public transport, the company continually invests in further development. Of note among the leading R&D projects carried out by the company's engineering teams in 2024 were the following:

- Implementation of the Solaris Urbino 18 electric with modular control engineering in serial production. The aim of the project was to design and implement the production and sale of an 18-metre articulated city bus with electric propulsion, offering greater capacity to accommodate more passengers compared to existing vehicles of this type, while also maximising battery capacity and autonomy. The product enhances Solaris' competitive offering by providing a vehicle with improved operating parameters.
- In 2024, a similar R&D project was implemented for a 12-metre bus. After a series of tests and studies, approval for this type of vehicle was obtained. They continued with the work to optimise the design in terms of material costs and energy consumption. The offer was commenced and, as a result, the first customers were obtained and the first contracts were signed to supply these buses.
- In 2024, a major R&D project focused on cybersecurity was carried out. The company implemented a bus-level cybersecurity management system, in accordance with the requirements of UN Regulations 155 and 156 and related requirements. In 2024, recognition was obtained of compliance with Regulations 155 and 156, certifying the conformity of the company and its products with the cybersecurity and software supervision requirements. Obtaining these approvals was preceded by audits and the acquisition of certificates that accredit the implementation of the CSMS and SUMS (Cybersecurity Management System and Software Update Management System).
- In addition, R&D work continued in 2024 related to the company's entry into the United States and Canadian markets and into the zero-emission intercity bus segment in Europe.

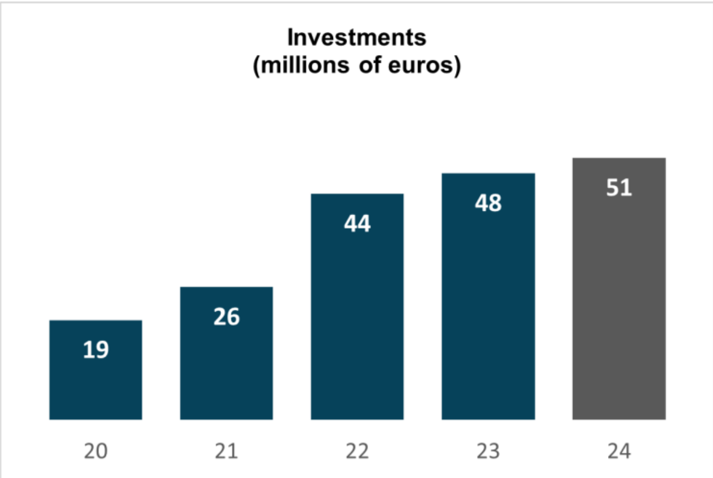
2.5 INVESTMENTS

CAF's material investments in 2024 amounted to EUR 18 million. The most salient investments were as follows:

Furthermore, with regard to train manufacturing and the extension of production capacity being carried out by the Group to meet its high order backlog, we must mention the extension and modernisation of the welding areas and the sanding down of boxes through the robotisation and automation of such processes, which will improve execution times and efficiency. Likewise, manufacturing equipment was renewed, highlighting new production means for structures, the installation of watering systems, a new transborder, subset tip-levers and the electronic retrofit of robots and the fitting out of warehouse areas. It should also be noted that the testing area is being expanded in several plants, with the aim of dealing with the new projects initiated by the company, while at the same time adapting them to the specific technical needs of the types of vehicles to be developed in the coming years.

In the MiiRA wheel set activity, the most significant investment was the new installation of a wheel heat treatment facility, equipped with the most modern technology for the wheel manufacturing process, which incorporates automatic handling throughout the entire line. This investment, commenced in 2022, will become fully operational in the first quarter of 2025, offering enhancements both from a technical standpoint, thanks to the heating process's uniformity and the treatment's temperature control, and in terms of an improved cost efficiency of the process itself. This is accompanied by the ongoing investor effort of the area in the renewal and fitting out of its facilities to provide them with the most modern equipment and tools that comply with the customers' demanding requirements.

Investments in intangible assets in 2024 amounted to EUR 33 million. Of this amount, the most significant investment has been the one corresponding to the implementation process of the new ERP, the start-up phase of which has been carried out by the Group this year. Likewise, the measures established in the corporate cybersecurity policy continue to be deployed, as well as the recommendations established by the different audits in this area. Furthermore, the initiative should be highlighted to implement a project management system in product lines and technical management, to improve efficiency in engineering projects, by standardising tasks and optimising processes, contributing, among other improvements, data quality, robustness, scalability and usability.



3 MAIN RISKS AND UNCERTAINTIES

The CAF Group is exposed to various risks inherent to the activities it carries on and to the various countries and markets in which it operates, which may prevent it from meeting its objectives.

With the commitment to addressing this matter, the CAF Group's Board of Directors establishes the mechanisms and basic principles to appropriately control and manage risks through the General Risk Management and Control Policy. This policy, which is aligned with the Group's mission, vision and values, expresses its commitment to providing greater certainty and security in:

- Achieving the strategic objectives set by the CAF Group with a controlled volatility;
- Providing the utmost level of guarantees to shareholders;
- Protecting the CAF Group's results and reputation;
- Defending the interests of its stakeholders; and
- Ensuring business stability and financial strength in a sustained way over time.

To do so, the General Risk Management and Control Policy is implemented throughout the entire CAF Group by means of an Integrated Risk Management and Control System. This system constitutes a series of rules, processes, procedures, controls and IT systems, whereby all the risks are appropriately managed by means of the following system phases and activities, which include:

1. Establishment of the risk-management context for each activity, by setting, inter alia, the level of risk the Group considers to be acceptable.
2. Identification of the various risk types, in line with the main risks detailed in the Policy, faced by the Group.
3. Analysis of the risks identified and what they entail for the CAF Group as a whole.
    - Corporate Risks – Risks affecting the Group as a whole.
    - Business Risks – Risks specifically affecting each of the businesses/projects, which vary in accordance with the particularities in each case.
4. Risk assessment based on the level of risk that the Group considers acceptable (risk appetite).
5. The measures envisaged to address the identified risks.
6. Regular monitoring and control of current and potential risks through the use of information and internal control systems.

The Integrated Risk Management System adopted by the CAF Group detailed above is aligned with international standards as regards the use of an effective methodology for the comprehensive analysis and management of risks and the Three Lines of Defence Model in relation to the allocation of responsibilities in the risk management and control area.

In this regard, the Board of Directors is ultimately responsible for the General Risk Management and Control Policy, and approves the appropriate procedures to identify, measure, manage and control risks. It is also responsible for establishing clear lines of authority and responsibility and requires the existence of appropriate methodologies to measure the various types of risks and the effective internal controls to manage them. It is the body responsible for establishing and monitoring the Integrated Risk Management and Control System implemented at the Group and verifies whether the significant risks for the Group are consistent and fall within the defined risk tolerance level.

The Audit Committee is responsible for the independent oversight or assessment of the effectiveness of the Integrated Risk Management and Control System implemented and of the procedures designed to monitor it. In doing so, it will be supported by the Risk Management Department and additionally by the Internal Audit function.

The most significant risks facing the Group can be categorised as follows:

- Strategic risks: these are risks arising from the uncertainty that macroeconomic and geopolitical conditions represent, in addition to characteristics inherent to the industry and markets in which the Group operates and the strategic planning and technological decisions adopted.
- Financial Risks: arising from market fluctuations (financial and commodities markets), contractual relations with third parties (customers, debtors) and counterparties related to investments in financial assets and financial liabilities (banks, investors). The subcategories of risks that are included are as follows:
    - Market risk, which includes the following risks:
        - Interest rate risk: risk of fluctuations in interest rates that might give rise to changes in the Group's profit or loss and the value of its assets and liabilities.
        - Foreign currency risk: risk arising from fluctuations in exchange rates of one currency with respect to another with a possible effect on future transactions and the valuation of assets and liabilities denominated in foreign currency.

- Commodity price risk: risk arising from changes in prices and market variables relating to commodities required in the businesses' supply chain.

- Credit risk: this risk relates to doubtful debts, insolvency proceedings or bankruptcy or possible default on payment of quantifiable monetary obligations by counterparties to which the Group has actually granted net credit that is yet to be settled or collected.
- Liquidity and financing risk: in relation to liabilities, it is the risk tied to the impossibility of performing transactions or breach of obligations arising from operating or financing activities due to a lack of funds or access to financial markets, either because of a drop in the Parent's credit rating or other reasons. In relation to assets, it is the risk of being unable to find at any given time parties to purchase an asset at the arm's length price or to obtain an arm's length price.

  The Company's exposure to market risk and credit risk and the use of derivative financial instruments to hedge the risks to which its activities are exposed is detailed in Note 15 "Management of financial risks and derivative financial instruments" to the individual financial statements.

- Legal Risks: arising from the preparation and performance of various types of agreements and obligations (commercial, administrative, intellectual and industrial property, etc.) and the possible contingencies arising therefrom. Risks relating to legal proceedings, administrative procedures and claims are also included.
- Operating Risks: inherent to all the Group's activities, products, systems and processes that have an economic and reputational impact arising from human/technological errors, insufficiently robust internal processes, or the involvement of external agents.
- Corporate Governance Risks: arising from potential non-compliance with the Group's corporate governance system, which governs the design, integration and operation of the governance bodies and their relations with the Group's stakeholders and is rooted in the Group's commitment to ethical principles, best practices and transparency as the Group seeks to defend its interests and create sustainable value.
- Compliance and Regulatory Risks: arising from the breach of applicable national and international regulations and laws irrespective of the activity in question, included in the following large blocks: (i) Commercial and Competition (market abuse, corporate obligations and securities market regulations, antitrust and unfair competition), (ii) Criminal (prevention of crimes, including those arising from corruption), (iii) Labour, (iv) Tax and (v) Administrative (including personal data protection regulations, environmental laws, etc.).

Due to its global risk scope, the Integrated Risk Management and Control System is continuously updated to include new risks that might affect the Group as a result of changes in the environment or revised objectives and strategies, as well as updates that arise from lessons learned from monitoring and controlling the system.

The Israel-Palestine conflict poses a risk of uncertainty in the markets in which the Group operates. The current conflict is affecting the execution rates of several Israeli projects. Even so, the Group maintains continuous communications with its clients, working collaboratively to address the problems arising from this situation.

The supply chain continues to be part of the businesses focus. That is why actions such as the signing of framework contracts with key suppliers of equipment and supplies continue to be implemented, linking price indexation to the performance of market indexes for the medium term. Alongside this, actions such as outsourcing purchases continue to be deployed to mitigate increased prices and cover the volume of purchases necessary for the global allocation of workloads.

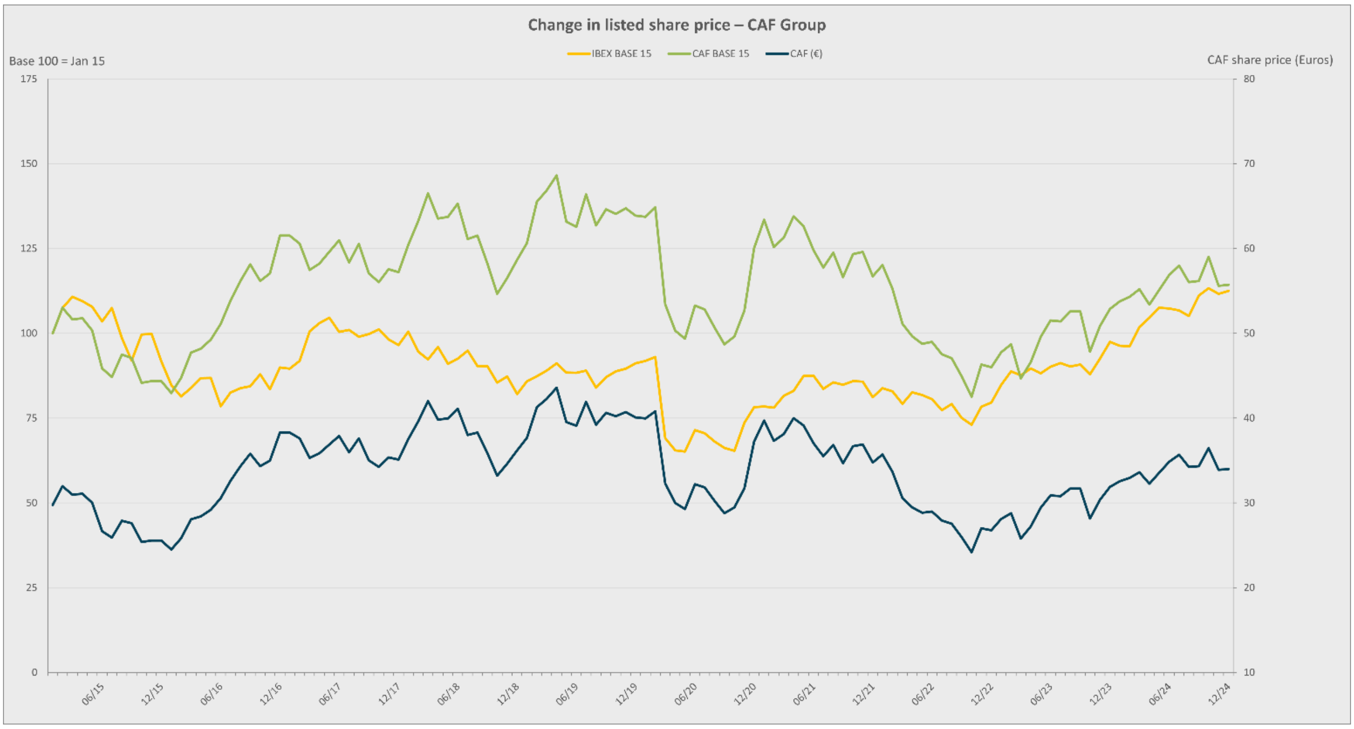
It should be noted that in 2024, the Group's main supplier of aluminium profiles, Costellium, suffered flooding at its main plant and generated supply problems, leading to the consequent risk of plant downtime and delays in the execution of contracts. In order to respond to these risks, different response plans have been activated to mitigate the impact of this event. The impact of this incident on sales and results in 2024 has not been significant.

However, and as has been observed, increased costs caused by inflation and interest rates have improved their tendency with respect to the previous year.

The contingencies managed in the Compliance area are part of the overall risks supervised within the system and a description of the material topics for 2024 can be found in Note 23 to the Individual Financial Statements and in the Consolidated Non-Financial Information and Sustainability Information Statement.

4 STOCK MARKET INFORMATION

	2024	2023	2022	2021	2020
Share price -					
Market capitalisation at year-end (millions of euros)	1,198	1,118	908	1,255	1,346
Closing price (euros)	34.95	32.60	26.50	36.60	39.25
Minimum price (euros)	31.10	24.05	22.30	33.05	25.20
Maximum price (euros)	37.75	33.50	38.00	42.10	43.30
Data per share (euros) -					
Earnings per share (EPS)	3.02	2.60	1.52	2.51	0.26
Dividend per share	1.34	1.11	0.86	1.00	0.00
Stock market ratios -					
PER (average market price/EPS)	11.24	11.28	18.56	14.88	127.70
Market average price/EBITDA adjusted	3.58	3.52	4.18	5.02	5.71
PBV (average market price/BV)	1.32	1.18	1.25	1.76	1.82
Dividend yield	3.9%	3.8%	3.0%	2.7%	0.0%
Pay-out ratio (Dividend/EPS)	44%	43%	56%	40%	0%
Liquidity ratios -					
Free-float rotation	40%	62%	83%	51%	70%
Traded volume (millions of shares)	6.9	10.2	13.4	8.6	11.3



5 EVENTS AFTER THE REPORTING PERIOD

At 31 December 2024, the Group had a firm backlog of approximately EUR 14,695 million (EUR 14,200 million at 31 December 2023) (Note11 to the consolidated financial statements).

6 ACQUISITION AND DISPOSAL OF TREASURY SHARES

During the year 2024, various operations with treasury shares have been carried out in the continuous market. The breakdown of treasury shares held by Construcciones y Auxiliar de Ferrocarriles, S.A. is as follows:

	No. of shares	Nominal value (thousands of euros)	Average purchase price (euros)	Total cost (thousands of euros)
Treasury shares at 31 December 2024	37,832	11	33.91	1,283

Note 12-f to the financial statements provides additional information on the treasury share operations carried out in 2024.

7 PAYMENTS TO SUPPLIERS

In relation to the information on the average payment period to suppliers, the information required by the Second Final Provision of Law 31/2014, of 3 December (modified through the Third Additional Provision of Law 18/2022, of 28 September) is detailed below, prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016:

	2024	2023
	Days	Days
Average period of payment to suppliers	69.27	70.38
Ratio of transactions settled	68.89	69.88
Ratio of transactions not yet settled	70.84	72.17
	Thousands of euros	Thousands of euros
Total payments made	1,543,840	1,422,716
Total payments outstanding	372,140	394,534

Year 2024

Invoices paid to suppliers in a period shorter than the legal maximum period			
Thousands of euros	Number of invoices	% to total payments	% to the total no. of invoices
697,164	56,868	45%	21%

Year 2023

Invoices paid to suppliers in a period shorter than the legal maximum period			
Thousands of euros	Number of invoices	% to total payments	% to the total no. of invoices
569,195	43,688	40%	15%

In order to reduce this period to the maximum payment period established by Law 11/2013, the Company is making an effort to align events giving rise to payments with those giving rise to collection in order to reduce the payment time without losing the necessary liquidity.

8 ALTERNATIVE PERFORMANCE MEASURES

The breakdown of all the Alternative Performance Measures used in this document, as well as their definition and, where applicable, the reconciliation with the financial statements is detailed in section 8 - "Alternative Performance Measures" of the consolidated Management Report.

9 NON-FINANCIAL INFORMATION AND SUSTAINABILITY INFORMATION STATEMENT

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. is the Parent of the CAF Group and has prepared the Non-Financial Statement in accordance with the Spanish Law 11/2018 on non-financial information and diversity. This Non-Financial Statement is included in the Consolidates Director’s Report, which will be deposited, together with the Consolidates Financial Statements, at the Guipúzcoa Mercantile Registry where the Parent of the CAF Group is registered.

Additionally, the content required by the Norwegian Transparency Act is found in chapter “7.2.7 Respect for Human Rights and international sanctions” of the Consolidated Non-Financial Information and Sustainability Information Statement 2024 available in the corporate website www.cafmobility.com.

10 ANNUAL CORPORATE GOVERNANCE REPORT

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

The following English translation is provided by the Company for information purposes only and is based on the original official document in Spanish available on the Company's website (www.cafmobility.com). In the event of any discrepancy between the English version and the original document in Spanish, the latter will prevail.

ISSUER'S PARTICULARS

End date of financial year in question: 31/12/2024

Tax Identification Number (CIF): A20001020

Company name:

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA

Registered office:

JOSE MIGUEL ITURRIOZ, 26 20200 BEASAIN (GUIPUZCOA)

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

[ ] Yes
[√] No

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
04/08/1999	10,318,505.75	34,280,750	

Indicate whether there are different classes of shares with different associated rights:

[ ] Yes
[√] No

A.2. List the company's significant direct and indirect shareholders at year end, including directors who have a significant interest:

Name or company name of shareholder	% voting rights attributed to the shares		% voting rights through Of financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
CARTERA SOCIAL, SA	23.75	0.00	0.00	0.00	23.75
BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	3.00	10.23	0.00	0.00	13.23
INDUMENTA PUERI, SL	0.00	5.02	0.00	0.00	5.02
DANIEL BRAVO ANDREU	0.00	5.00	0.00	0.00	5.00
INSTITUTO VASCO DE FINANZAS	0.00	3.00	0.00	0.00	3.00

Breakdown of the indirect holding:

Name of the indirect owner	Name of the direct owner	% voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	KUTXABANK, SA	10.23	0.00	10.23
INDUMENTA PUERI, SL	GLOBAL PORTFOLIO INVESTMENTS, SL	5.02	0.00	5.02
DANIEL BRAVO ANDREU	DANIMAR 1990, SL	5.00	0.00	5.00
INSTITUTO VASCO DE FINANZAS	FINKATZE KAPITALA FINKATUZ, S.A.U.	3.00	0.00	3.00

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

- On 30 August 2024, Invesco Ltd. crossed the 1% share capital threshold downwards.

- On 12 December 2024, Bilbao Bizkaia Kutxa Fundación Bancaria exceeded the 3% threshold of the share capital through a direct position. On December 17, 2024, Bilbao Bizkaia Kutxa Fundación Bancaria notified CNMV of this direct position and updated its indirect position in the share capital of CAF, through Kutxabank, S.A.

On 19 December 2024, Kutxabank, S.A. made a voluntary notification to CNMV, without crossing any regulatory threshold, to notify its shareholder position in line with the notice provided days earlier by Bilbao Bizkaia Kutxa Fundación Bancaria.

A.3. Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	Of the total % of voting rights attributed to the shares, indicate, as applicable, the % of additional attributed votes that correspond to shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. JAVIER MARTÍNEZ OJINAGA	0.03	0.00	0.00	0.00	0.03	0.00	0.00
MS. MARTA BAZTARRICA LIZARBE	0.05	0.00	0.00	0.00	0.05	0.00	0.00
MR. JUAN JOSÉ ARRIETA SUDUPE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. BEGOÑA BELTRAN DE HEREDIA VILLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	0,09

As the system only allows for two decimal points, we have not been able to enter the correct percentages of the total voting rights, which are as follows: MR. JAVIER MARTÍNEZ OJINAGA 0,036%, MS. MARTA BAZTARRICA LIZARBE 0,050%, MR. JUAN JOSÉ ARRIETA SUDUPE 0,003%, AND MS. BEGOÑA BELTRÁN DE HEREDIA VILLA 0,0014%. Total 0,0904%

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total % of voting rights attributed to the shares, indicate, if applicable, the % of the additional attributed votes that relate to shares with a loyalty vote
No data					

List the total percentage of voting rights represented on the board:

Total percentage of voting rights represented on the Board of Directors	18,34

The total percentage of voting rights represented on the Board of Directors is the sum of:

- The total voting rights held by the members of the Board of Directors (0,0904%) and

- The equity interest of the significant shareholders Kutxabank, S.A. and its parent Bilbao Bizkaia Kutxa Fundación Bancaria, (which hold a total stake of 13,231%) and Indumenta Pueri, S.L. (5,022%), who, although they are not members of the Board, sought the appointment of proprietary directors Ms. Idoia Zenarrutzabeitia Beldarrain and Mr. Manuel Domínguez de la Maza, respectively.

A.4. If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in Section A.6:

Name or company name of related party	Nature of relationship	Brief description
No data		

A.5. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
CARTERA SOCIAL, SA	Contractual	Workers’ share instrument in CAF’s share capital

A.6. Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention, where appropriate, the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of
the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of shareholder significant linked shareholder	Company name of the group company Significant shareholder	Description of relationship / post
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	KUTXABANK, SA	KUTXABANK, SA	Ms. Zenarrutzabeitia is a member of the Board of Trustees of the EPSV ZAINTZA, EPSV HAZIA and EPSV GAUZATU of the BILBAO BIZKAIA KUTXA BANKING FOUNDATION
MR. MANUEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, SL	GLOBAL PORTFOLIO INVESTMENTS, SL	Mr. Domínguez de la Maza is a shareholder and board member of INDUMENTA PUERI, SL and also the joint and several attorney-in-fact of that company and of GLOBAL PORTFOLIO INVESTMENTS, S.L.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

[ ] Yes
[√] No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

[ ] Yes
[√] No

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

[ ] Yes
[√] No

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares(*)	Total % of share capital
37,832		0.11

(*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

Explain any significant changes
The company's treasury stock is associated with the liquidity contract signed between the Company and the entity Norbolsa, S.V. S.A. (currently Kutxabank Investment Sociedad de Valores, S.A.) on 5 April 2022. The changes in treasury shares in 2024 are the result of the normal operation of this liquidity contract, as periodically reported to the market in accordance with the regulations applicable to this transaction.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

The CAF General Meeting held on 13 June 2020 resolved to authorise the derivative acquisition of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA for five years and under the following terms: a) Acquisitions may be executed by CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA directly, or indirectly through its affiliates; b) Acquisitions shall be performed through purchase or exchange transactions or any others permitted by law; c) Acquisitions shall be performed, at each given time, up to the maximum amount provided by law; d) Acquisitions shall be performed at market price; e) Acquisitions performed within the scope of this authorisation shall fulfil the legal requirements in force; f) This authorisation shall be valid for a five-year term.

Within the framework of this delegation, the Board of Directors of CAF authorised the agreement of a liquidity contract. The market was informed of the signing of this agreement through an Other material disclosure to the CNMV on 26 April 2022, which remains current. In accordance with prevailing law and regulations, the Company reports quarterly to the CNMV on all transactions carried out under this contract. See the section above for more information on treasury shares.

A.11. Estimated floating capital:

	%
Estimated floating capital	49.80

A.12. Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

[ ] Yes
[√] No

A.13. Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

[ ] Yes
[√] No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

[ ] Yes
[√] No

If so, indicate each share class and the rights and obligations conferred.

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details.

[ ] Yes
[√] No

B.2. Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

[ ] Yes
[√] No

B.3. Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The regime for modifying the Company's Bylaws does differ from the provisions of Articles 285 et seq of the Consolidated Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, which require the approval of the General Shareholders' Meeting with the majorities indicated in Articles 194 and 201 of that Law.

Thus, article 13 of the Bylaws, in its ninth section, attributes to the General Meeting the power to agree to modify them. Article 20 sets down that the adoption of resolutions on the issue of bonds that are convertible into shares or bonds that attribute a share in Company earnings to bondholders; capital increases and reductions; the removal or limitation of pre-emptive rights to acquire new shares; the conversion, merger or spin-off or the global assignment of the Company's assets and liabilities or the transfer of its registered office abroad, and, in general, any amendment of the Articles of Association, shall require that the shareholders present or represented at first call hold at least 50% of the subscribed share capital with voting rights. On second call, the attendance of shareholders accounting for 25% of the share capital will be sufficient. When shareholders representing 25% or more of the subscribed capital with voting rights but less than 50% attend the second call, such resolutions may only be validly adopted with the vote of two-thirds of the capital present or represented at the Meeting. Further, in compliance with the provisions of Article 286 of the Spanish Corporate Enterprises Act, when the annual or extraordinary General Meeting has to resolve on the modification of the Bylaws, the notice of call must, with due clarity, express the matters to be modified and the rights of every shareholder to examine, at the registered office, the full text of the proposed modification and the report thereon, as well as to request that these documents be delivered or sent to them (Article 16 of the Company's Bylaws).

Pursuant to Article 21 of the Company's Bylaws, shareholders holding one thousand or more shares of the Company may attend the General Meeting physically or telematically and take part in its deliberations with the right to speak and vote. In order to exercise their right to attend, shareholders must have the shares registered in their name in the corresponding book entry register five days prior to the day on which the General Shareholdres' Meeting is to be held. Shareholders owning fewer shares may group together and grant their proxy to another shareholder in order to reach one thousand or more shares. Any shareholder entitled to attend may be represented at the General Shareholders' Meeting by another person, even if that person is not a shareholder.

B.4. Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Date of General Meeting	Attendance data				
	% physical presence	% present by proxy	% distance voting Electronic voting	Other	
11/06/2022	40.32	25.47	8.90	1.18	75.87
Of which, free float:	0.00	22.46	3.90	1.18	27.54
10/06/2023	43.49	23.40	8.18	1.61	76.68
Of which, free float:	0.15	23.40	3.00	1.61	28.16
15/06/2024	43.24	24.21	8.80	1.47	77.72
Of which, free float:	0.06	24.21	3.62	1.47	29.36

B.5. Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

[ ] Yes
[√] No

B.6. Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

[√] Yes
[ ] No

Number of shares required to attend General Meetings	1,000
Number of shares required for voting remotely	1

B.7. Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

[ ] Yes
[√] No

B.8. Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The Company's corporate information is available in the "Shareholders and Investors" section of its website (www.cafmobility.com). The complete route to follow is https://www.cafmobility.com/en/shareholders-investors/

The Company's Board of Directors, at its meeting held on 10 October 2024, unanimously agreed to transfer the domain to said URL address, from its previous address, www.caf.net, of which the market was informed, via notification of other relevant information, on the same date.

This link includes, in a structured way, the information required by the Spanish Corporate Enterprises Act, Law 6/2023, of 17 March, on Securities Markets and Investment Services, and Circular 3/2015, of 23 June, of the Spanish National Securities Market Commission, on technical and legal specifications and information that must be contained on the websites of listed corporations and savings banks that issue securities admitted to trading in official secondary securities markets, as well as that provided for in Recommendation 18 of the CGG.

In addition to the current Articles of Association, the website's "Corporate Governance" subsection contains the most relevant information on this matter (General Shareholders' Meeting, Board of Directors and its Committees, Bylaws and Regulations of the General Shareholders' Meeting, the Company's Board and Committees, Policies and other Corporate Governance and Ethics and Compliance Rules, Corporate Governance Reports and Internal Reporting System).

In addition, the "General Shareholders' Meeting" subsection contains all the information that the Company makes available to shareholders ahead of the General Shareholders' Meeting, including the announcement of the agenda and call, the motions to be voted on, the documents to be laid before the General Shareholders' Meeting for approval, the procedures and channels in place for exercising the rights of information, attendance, granting of proxies and remote attendance, requesting further information and clarifications and obtaining information on the business discussed at the meeting and the resolutions passed after the General Meeting has finished. Information is likewise provided on meeting announcements, motions, available documentation and resolutions adopted at General Meetings held in previous years.

In addition, under article 539.2 of the Spanish Corporate Enterprises Act, at the same time as the call to each general meeting, direct access to the Electronic Shareholders' Forum is enabled to allow for communication among shareholders regarding the call and the meeting itself.

The corporate website provides further information on these matters in both Spanish and English.

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	7
Number of directors set by the general meeting	11

C.1.2 Complete the following table on Board members:

Name of director	Natural person representative	Category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MR. ANDRÉS ARIZKORRETA GARCÍA		Other external	CHAIRMAN	26/12/1991	11/06/2022	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. JAVIER MARTÍNEZ OJINAGA		Executive	DIRECTOR	13/06/2015	10/06/2023	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. JUAN JOSÉ ARRIETA SUDUPE		Other external	DIRECTOR	07/06/2008	11/06/2022	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. LUIS MIGUEL ARCONADA ECHARRI		Other external	DIRECTOR	29/01/1992	11/06/2022	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. CARMEN ALLO PÉREZ		Independent	DIRECTOR	11/06/2016	15/06/2024	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. JULIÁN GRACIA PALACÍN		Independent	DIRECTOR	10/06/2017	05/06/2021	AGREEMENT GENERAL SHAREHOLDERS' MEETING

Name or company name of director	Natural person representative	Category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MS. BEGOÑA BELTRÁN DE HEREDIA VILLA		Independent	DIRECTOR	24/02/2023	10/06/2023	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. MARTA BAZTARRICA LIZARBE		Executive	SECRETARY AND DIRECTOR	22/01/2016	15/06/2024	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN		Proprietary director	DIRECTOR	13/06/2020	15/06/2024	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. MANUEL DOMÍNGUEZ DE LA MAZA		Proprietary director	DIRECTOR	13/06/2020	15/06/2024	AGREEMENT GENERAL SHAREHOLDERS' MEETING

Total number of directors	10

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name of director	Type of director at time of leaving	Date of last appointment	Date director left	Specialist committees of which they were a member	Indicate whether the director left before the end of their term
MR. IGNACIO CAMARERO GARCÍA	Independent	15/06/2019	09/05/2024	Appointments and Remuneration Committee	YES

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of nonexecutive directors, explanation or opinion of the director dismissed by the general meeting.
Mr. Ignacio Camarero García, independent director, tendered his resignation on 9 May 2024 from his position as director, which expired on 15 June of the same year, the date scheduled for the General Shareholders' Meeting. This resignation was accompanied by a letter, addressed to all Board members, in which the outgoing director gave an account of the reasons for his resignation, indicating that, due to the forthcoming end of his term as director, and in view of the resolutions adopted by the Appointments and Remuneration Committee at its meeting on 8 May, relating to the General Shareholders' Meeting scheduled for 15 June 2024, in particular, in relation to the point regarding the re-election of directors, he was notifying his immediate and irrevocable resignation from his post of director.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name of director	Post in organisational chart of the company	Profile
MR. JAVIER MARTÍNEZ OJINAGA	Executive Director	Lawyer and Economist from Universidad de Deusto, holds an MBA from the University of Glasgow. His professional career has unfolded at companies within the electricity sector, as well as in project management and interim management. He is Chairman of CIC Nanogune. He was appointed as Chief Executive Officer, replacing Mr Andrés Arizkorreta on 29 April 2021, effective from 1 September 2021.
MS. MARTA BAZTARRICA LIZARBE	Director – Secretary of the Board	Holds a Degree in Law and in Economic and Business Sciences from Comillas Pontifical University (ICADE E-3) and an Executive Master's Degree in Business Administration from ICADE business school. She is the Group's Chief Legal Officer and Compliance Director and is also secretary to the Board of Directors of CAF and its Committees

Total number of executive directors	2
Percentage of Board	20.00

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	KUTXABANK, SA	Degree in Law from the University of Deusto. She has held, among others, the positions of Vicelehendakari in the Basque Parliament, and of Director of Finance and Public Administration and Deputy of the Basque Government. She has been a Director of the National Energy Commission and the National Commission on Markets and Competition. She is currently a member of the Board of Trustees of various voluntary social welfare entities of BBK.
MR. MANUEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, SL	Holds a degree in Economics from Universidad de Málaga and holds an MBA from IESE as well as a Master's Degree in Leadership from Columbia University, among other post-graduate studies. He is a member of the Board of Directors of Indumenta Pueri, S.L. and since 2007 he has held the position of General Manager of Mayoral Moda Infantil, S.A.

Total number of proprietary directors	2
Percentage of Board	20.00

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of director	Profile
MR. JULIÁN GRACIA PALACÍN	Industrial engineer and MBA from ICADE. He has spent his professional career in the telecommunications, logistics and consulting sectors, where he has held various senior management positions. He is the Chairman of CAF's Appointments and Remuneration Committee.
MS. BEGOÑA BELTRÁN DE HEREDIA VILLA	She has a doctorate in Economics and Business Studies from Universidad de Deusto. She has pursued her career in leading audit and law firms. She is a Chartered Accountant and member of the Official Registry of Account Auditors. She was an independent director of Solarpack Corporación Tecnológica S.A., where she chaired the Audit and Compliance Committee and the Appointments and Remuneration Committee at different times. She is chair of CAF's Audit Committee.
MS. CARMEN ALLO PÉREZ	She holds a degree in Exact Sciences from the University of Zaragoza and a Master's Degree in Business Administration from Instituto de Empresa. Most of her professional career has been spent in the financial industry, occupying various management positions. She holds the position of Independent Director and Chairwoman of the Audit Committee of eDreams ODIGEO. She is Chairwoman of the Investment Committee of Crisae Private Debt S.L.U. and Associate Professor at IE. She is an independent director of SAREB. She is Chairwoman of its Audit Committee and member of its Appointments and Remuneration Committee. She is a member of CAF's Audit Committee and Appointments and Remuneration Committee.

Total number of independent directors	3
Percentage of Board	30.00

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior manager of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS			
Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:			
Name of director	Reasons	Company, director or shareholder to whom the director is related	Profile
MR. ANDRÉS ARIZKORRETA GARCÍA	Mr. Andrés Arizkorreta held the position of Chief Executive Officer of the Company until 1 September 2021, and so he cannot be classified as an independent director, in accordance with the provisions of article 529.12 of the Spanish Corporate Enterprises Act.	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA	Holds a degree in Economics and Business Administration from the Deusto University and has spent his entire professional life at CAF, where he was appointed General Manager of the company in 1992. From 2006 until 1 September 2021, he was the Company's Chief Executive Officer. From that date forward, he has been the non-executive Chairman of the Board of Directors. He is an independent director and Chairman of the Audit Committee of Viscofan, S.A., as well as a member of its Appointments, Remuneration and Sustainability Committee. He is also Chairman of the Basque Business Circle. He is also a member of the Board of Trustees of the Matía Foundation.
MR. LUIS MIGUEL ARCONADA ECHARRI	Mr. Luis Miguel Arconada Echarri has been a Director for a continuous period of more than twelve years. therefore, in accordance with the provisions of article 529.12 of the Spanish Corporate Enterprises Act, he cannot be classified as an independent director.	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA	Mr. Luis Arconada has extensive experience and knowledge in the corporate and business sector. He is also well renowned in various social and economic circles, due to his success in the sports world. He is a member of the Company's Appointments and Remuneration Committee.
MR. JUAN JOSÉ ARRIETA SUDUPE	Mr. Juan José Arrieta Sudupe has been a director for an uninterrupted period of more than 12 years. Therefore, in accordance with Article 529 dudodecies of the Spanish Corporate Enterprises Act, he cannot be classified as an independent director.	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA	He holds a doctorate in Economics and Business Studies from Deusto University. He has extensive experience in management of financial institutions and leading business schools prestige. It is part of the

OTHER EXTERNAL DIRECTORS			
Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:			
Name of director	Reasons	Company, director or shareholder to whom the director is related	Profile
			Strategic Council of the Technology Centre attached to Navarre University. He is also a Board Member and member of the Executive Committee of Elkargi, Sociedad de Garantía Recíproca. He is a member of the Company's Audit Committee.

Total number of other external directors	3
Percentage of Board	30.00

Indicate any changes that have occurred during the period in each director category:

Name of director	Date of change	Previous status	Current status
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each one:

	Number of female directors				% of directors for each category			
	2024	2023	2022	2021	2024	2023	2022	2021
Executive	1	1	1	1	50.00	50.00	50.00	50.00
Proprietary	1	1	1	1	50.00	50.00	50.00	50.00
Independent	2	2	1	2	66.66	50.00	33.33	50.00
Other External					0.00	0.00	0.00	0.00
Total	4	4	3	4	40.00	36.36	30.00	36.36

In 2024, no unforeseen circumstances occurred that led to any changes in the categories of the different Board Members.

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the gender diversity policy that they have put in place.

[√] Yes
[ ] No
[ ] Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

The Company has a Diversity and Board Member Selection Policy (hereinafter, the "Policy"), of a specific and verifiable nature, available on the corporate website

(https://admin.cafmobility.com/uploads/SGC_0006_Politica_Diversidad_y_seleccion_consejeros_E_Nines_c9ac862584.pdf).

This Policy, updated by the Board of Directors at its meeting on 17 December 2024, to essentially adapt its content to the new legal obligations on gender equality established by Organic Law 2/2024, of 1 August, on equal representation and the balanced presence of women and men, which incorporates Directive 2022/2381/EU into the Spanish legal system by modifying, among others, the Spanish Corporate Enterprises Act, which will be applicable to CAF from 30 June 2027 onwards, aims to ensure that the proposals for the appointment and re-election of CAF Board Members are based on a prior analysis of the skills required by the Board of Directors, and promote equality between women and men, as well as diversity with respect to issues such as knowledge, experience, age or disability among Board members, applying criteria that ensure the existence of adequate diversity in its composition and the absence of implicit bias that may constitute discrimination based on age, gender, sexual orientation and identity, gender expression, disability or any other personal condition.

The Policy establishes that it is the responsibility of the Board to ensure that the director selection procedures meet these objectives and, in particular, that they facilitate the selection of female directors in a number that allows for a balance between women and men to be achieved.

The aim is to ensure that the Board of Directors and its committees have a balanced composition that enriches decision-making and contributes a diversity of points of view, with full compliance with the suitability requirements, both individual and joint, of these bodies.

In this respect, criteria aimed at ensuring diversity on the Board of Directors serve as an important element in analysing the needs of the Board of Directors when it comes to the selection of directors. This is achieved by using the Board's competences matrix, which the Appointments and Remuneration Committee regularly updates.

Diversity criteria may influence the selection of board members when the assurance of a diverse membership is required so as to benefit the Company by offering a broad range of experiences and perspectives that add value in the decision-making processes of the Board of Directors.

Notably, the Policy sets out diversity criteria in relation to the following categories: (i) Training and work experience, (ii) Age, (iii) Disability and (iv) Gender equality (see section 4 of the Policy).

The Regulations of the Appointments and Remuneration Committee attribute to this Committee the function of annually verifying compliance with the Diversity and Director Selection Policy, reporting on this in the annual corporate governance report.

In 2024, the Board of Directors submitted to the General Shareholders' Meeting the proposals for the re-election of Ms. Idoia Zenarrutzabeitia Beldarrain (proprietary director), Ms. Marta Baztarrica Lizarbe (Executive Director), Ms. Carmen Allo Pérez (independent director) and Mr. Manuel Domínguez de la Maza (proprietary director), as well as setting the number of directors at eleven (11) members, thus maintaining the number that had been previously set by the Board in 2022.

In all the aforementioned re-election processes, strict compliance was given to the provisions of the Policy, both in relation to the diversity criteria, as well as in terms of the conditions that candidates must meet in terms of honourability, suitability, recognised solvency, competence, experience, training, qualifications, dedication and commitment to the role of director. On the occasion of the convening of the the General Meeting, the mandatory reports of the Board of Directors were made available to the shareholders, which, together with the previous reports and proposals of the Appointments and Remuneration Committee that were mandatory in each case, contained the assessment of the competence, experience and merits of the various candidates, as well as their suitability to continue fulfilling the functions of directors.

The proposed resolutions presented to the General Meeting were approved with sufficient majorities in all cases.

At the end of the reporting year, the Board comprised ten (10) members. Its composition is balanced in terms of knowledge, experience, age and gender and is aligned with good governance recommendations and legal provisions on the percentage of female directors, enriched with skills that are relevant to the Company and in line with the diversity objectives set out in the Policy.

As a fundamental tool for supervising the balance, diversity and quality of the Board, the Appointments and Remuneration Committee duly updated its competences matrix in 2024, submitting this tool for review to ensure its validity and alignment with the Company's strategy.

On 16 December 2024, the Appointments and Remuneration Committee issued its Annual Report verifying compliance with the Diversity and Director Selection Policy in that year. The conclusions presented were favourable, as explained in greater detail in Section C.1.7 of this report.

C.1.6 Describe the measures, if any, agreed upon by the Appointments Committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of women in executive positions:

Explanation of measures

CAF's Appointments and Remuneration Committee ensures that when covering new vacancies, the selection processes utilised are not implicitly biased and do not hinder the selection of female directors, thus it includes women with the required profile among potential candidates and under the same conditions to achieve a balance between men and women. Article 3 of the Committee's Regulations also set out, as one of its duties, "Establishing a target level of representation of the gender with the lowest representation on the Board of Directors and issuing guidelines on how to achieve that target".

The Company's Diversity and Director Selection Policy, updated in December 2024 with the fundamental objective of adapting its content to the new legal obligations regarding the balanced presence of men and women, promotes the objective that the number of female directors represents at all times, at least the established percentage of the total members of the Board of Directors.
Good governance recommendations or, where appropriate, the Law. This aspect has been especially considered in the successive renewals of the Board of Directors that have taken place, which has resulted in significant progress in recent years in terms of the presence of women on the Board of Directors. Thus, at the close of the reported year, the number of female directors as a percentage of the total Board members stood at 40%; a percentage that complies with that provided for by Recommendation 15 of the Code of Good Governance of listed companies (hereinafter, "CGG"), as well as with that incorporated into article 529 bis of the Spanish Corporate Enterprises Act, in its latest version, which will be applicable to CAF from 30 June 2027 onwards.

As regards senior managers, the Company maintains a clear commitment to equality objectives that promote the creation of mechanisms that facilitate the access of all available talent to managerial positions, irrespective of their gender. In this regard, it should be noted that the Group's Legal and Compliance Department is led by a woman who is an executive director and Secretary to the Board. Additionally, the head of Internal Audit is a woman.

The Company is also seeking to include more women on the management committees of the Group’s business units and at various subsidiaries, having made significant progress in recent years.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons

CAF promotes equality in the selection and promotion processes and is advancing in the implementation of measures that ensure a balanced representation of women and men at the various levels within the organisation.

As explained in the previous sections, the Company has been making progress in general terms regarding the inclusion of women both on the Board of Directors and in managerial positions within the organisation.

As provided for in CAF's Code of Conduct, Sustainability Policy and Diversity and Director Selection Policy, the Company is committed to respecting diversity and the right to equal treatment between women and men.

To this end, the Group, under the leadership of the Human Resources Department, actively promotes the absence of all discrimination, direct or indirect, especially on grounds of gender, as well as equal opportunities, through internal policies and strategies.

For its part, the Collective Agreement of CAF, S.A. expresses the desire to promote women's access to employment and the effective application of the principle of equality and non-discrimination in working conditions between men and women.

Also, the existence of an Equality Committee in the Company should be noted, which is responsible for the implementation and monitoring of equality plans and, in particular, of annually supervising the equality indicators in the personnel selection and promotion processes. A plan on diversity, equity and inclusion has been set in motion and will be implemented throughout 2025.

In view of all of the foregoing, the measures that have been implemented will foreseeably lead to a progressive increase in the number of women in executive positions at the Group in the coming years.

C.1.7 Explain the conclusions of the Appointments Committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

On December 16, 2024, the Appointments and Remuneration Committee issued its Annual Report on verification of compliance with the Diversity and Board Member Selection Policy in said year.

This report monitors the proper application of this Policy in the re-election processes of Ms. Idoia Zenarrutzabeitia Beldarrain (proprietary director), Ms. Marta Baztarrica Lizarbe (Executive Director), Ms. Carmen Allo Pérez (independent director) and Mr. Manuel Domínguez de la Maza (proprietary director), respectively, as Company directors, who were approved by the General Shareholders' Meeting on 15 June, concluding that the provisions had been strictly complied with, both in relation to the criteria of diversity with respect to selection, and in the conditions that candidates must meet in terms of honourability, solvency, competence, experience, training, qualifications, dedication and commitment to the role of director.

In particular, the report confirms that the preparation of the proposals for re-election of the aforementioned Directors took into consideration the needs of the Board, in accordance with the competency matrix, in order to promote diversity in the broadest sense, both in terms of gender and experience, knowledge, age or seniority in office of the Directors, among other aspects, as an essential factor to achieve their objectives from a plural and balanced vision for decision-making. As a result of their respective analyses, the Board and the Appointments and Remuneration Committee itself considered that the presence of the candidates, both on the Board and on the Audit Committee, in the case of Ms. Allo Pérez, would contribute to strengthening the diversity and balance of profiles already existing in the composition of said bodies, providing extensive knowledge and experience in areas of value to the Company.

Of the ten Board members, at the closing date of the reported financial year and at the date of issue of this report, two were classified as executives, two as proprietary directors, three as independent and three as other non-executive directors. Four of the Board members are women, thus reaching the percentage of 40% provided for in Recommendation 15 of the Good Governance Code, as well as in article 529 bis of the Spanish Corporate Enterprises Act, following the reform carried out by Organic Law 2/2024 of 1 August, on equal representation and the balanced presence of women and men.

As regards the number of independent directors, the Company intends to restore the former equilibrium with respect to the number of members in this category, which decreased due to the vacancy that arose on the Board during the year reported.

Based on all of the foregoing, CAF's Appointments and Remuneration Committee concluded in its report that the Diversity and Board Member Selection Policy had been satisfactorily complied with in the year, reporting on this to the Board. It has also confirmed that during the year 2024 no unforeseen circumstances have occurred that have resulted in any variation in the category of the various Directors.
Without prejudice to the above, the Commission remains committed to continuing its drive for continuous improvement in the area of good corporate governance, particularly in relation to the composition of the Board.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
No data	

Detail any failure to address formal requests for Board representation form shareholders with ownership interests equal to or exceeding those of others at whose request proprietary directors were appointed. If so, explain the reasons why the request was not entertained:

[ ] Yes
[√] No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees.

Name of director	Brief description
JAVIER MARTÍNEZ OJINAGA	Delegation of all Board powers, pursuant to the law and the Company's Bylaws except for those which the law stipulates that cannot be delegated.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name of director	Name of group member	Position	Does the director have executive powers?
MR. JAVIER MARTÍNEZ OJINAGA	CAF ARGELIA EURL	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF CHILE, SA	Chairman	NO
MR. JAVIER MARTÍNEZ OJINAGA	CAF DEUTSCHLAND GmbH	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF FRANCE SAS	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF INDIA PRIVATE LTD	Executive Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF NEW ZEALAND LIMITED	Joint Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF RAIL AUSTRALIA PTY LTD	Executive Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF SISTEME FEROVIARE, SRL	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, CAF COLOMBIA S.A.S.	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF INVESTMENT PROJECTS, S.A.U.	Joint Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	TRENES CAF VENEZUELA, C.A.	Sole Director	YES

Name of director	Name of group member	Position	Does the director have executive powers?
MR. JAVIER MARTÍNEZ OJINAGA	CAF HUNGARY Korlátolt Felelösségu Tárasság	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF NETHERLANDS BV	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF BELGIUM, SPRL	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF NORWAY AS	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF PORTUGAL UNIPESSOAL LDA.	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF ITALIA SRL	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF MÉXICO SA de CV	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF USA Inc.	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF POLSKA sp. zoo	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	SOLARIS BUS & COACH sp. z.o.o.	Chairman of the Supervisory Board	NO
MR. JAVIER MARTÍNEZ OJINAGA	Myanmar CAF Limited	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF Rail Philippines Inc	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF Greece Single Member S.A.	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF Canada Inc.	Sole Director	YES

C.1.11 List the positions of director, administrator or director, or their representative, held by the directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Positio n
MR. ANDRÉS ARIZKORRETA GARCÍA	Círculo de Empresarios Vascos	CHAIRMAN
MR. ANDRÉS ARIZKORRETA GARCÍA	VISCOFAN, SA	DIRECTOR
MR. ANDRÉS ARIZKORRETA GARCÍA	MATÍA FOUNDATION	TRUSTEE

Identity of the director or representative	Company name of the listed or non-listed entity	Positio n
MR. JAVIER MARTÍNEZ OJINAGA	CIC nanoGUNE Cooperative Research Center	CHAIRMAN
MR. JUAN JOSÉ ARRIETA SUDUPE	Elkargi, Mutual Guarantee Society	DIRECTOR
MR. JUAN JOSÉ ARRIETA SUDUPE	Technology Centre attached toUniversidad de Navarra (CEIT)	DIRECTOR
MS. CARMEN ALLO PÉREZ	eDreams ODIGEO, S.A.	DIRECTOR
MS. CARMEN ALLO PÉREZ	Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, Sociedad Anónima (SAREB)	DIRECTOR
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	E.P.S.V. ZAINTZA	TRUSTEE
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	E.P.S.V. HAZIA	TRUSTEE
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	E.P.S.V. GAUZATU	TRUSTEE
MR. MANUEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, SL	DIRECTOR
MR. MANUEL DOMÍNGUEZ DE LA MAZA	Mayoral Moda Infantil, S.A.	OTHERS

To the extent that the CNMV electronic document does not allow information on membership on specialised committees of Boards of Directors to be included in the previous table, the following is specified:
- Mr. Andrés Arizkorreta García is Chairman of the Audit Committee of VISCOFAN, S.A, as well as a member of its Appointments, Remuneration and Sustainability Committee.
- Ms Carmen Allo Pérez is the Chairwoman of the Audit Committee of eDreams ODIGEO, S.A., Chairwoman of the Audit Committee and a member of the Appointments and Remuneration Committee of Sociedad de Gestión de Activos Procedentes de la Restructuración Bancaria, Sociedad Anónima (SAREB).
- Mr. Juan José Arrieta Sudupe is a member of the Executive Committee of Elkargi, Reciprocal Guarantee Society.

Furthermore, since the same document does not allow the specific position of director to be identified, the following information is added:
- Mr. Manuel Domínguez de la Maza is the Managing Director of Mayoral Moda Infantil, S.A.

Of the positions identified in Section C.1.11, the following are remunerated:
- Mr. Andrés Arizkorreta García: The positions held by Mr Arizkorreta in VISCOFAN, SA are remunerated.
- Ms. Carmen Allo Pérez: The positions indicated in this section are remunerated.
- Mr. Juan José Arrieta Sudupe: The position in Elkargi, Sociedad de Garantía Recíproca is remunerated.
- Mr. Manuel Domínguez de la Maza: The positions indicated in this section are remunerated.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
MS. CARMEN ALLO PÉREZ	Chairwoman of the Investment Committee of Crisae Private Debt S.L.U. (debt fund investee of Banco Sabadell). Associate Professor at the Instituto de Empresa business school.

C.1.12 C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

[√] Yes
[ ] No

Explanation of the rules and identification of the document where it is regulated

Article 23.2.b) of the Regulations of the Board of Directors states that no director shall belong simultaneously to more than four Boards of Directors in listed companies other than the Company or its group.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	2,545
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	1,461
Pension rights accumulated by former directors (thousands of euros)	

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name	Position
JOSU IMAZ MURGUIONDO	GENERAL CHIEF OF VEHICLES
IBON GARCÍA NEILL	DIRECTOR OF RAILWAY SERVICES
URTZI MONTALVO IBARGOYEN	DIRECTOR OF INTEGRAL SOLUTIONS AND SYSTEMS
AITOR GALARZA RODRÍGUEZ	CHIEF FINANCIAL OFFICER AND STRATEGY
JESUS MARÍA IBARBIA IRIONDO	DIRECTOR OF TECHNOLOGY
GORKA ZABALEGI AGINAGA	CHIEF HUMAN RESOURCES OFFICER
JAVIER IRIARTE IBAÑEZ	GENERAL CHIEF OF BUSES
IRUNE LÓPEZ FERNÁNDEZ	INTERNAL AUDITOR

Number of women in executive positions	1
Women as a percentage of the total executive positions	12.50

Total remuneration of senior management (thousands of euros)	2,824

There are other unconsolidated remuneration items for Senior Management that are identified in the Consolidated Annual Accounts Report. In particular, during 2024, the Company made contributions to long-term savings systems, implemented through long-term collective savings insurance under the defined contribution system, with non-vested economic rights, for an amount of EUR 1,153 thousand. Likewise, Senior Management participates in a long-term incentive plan payable, where applicable, in fiscal year 2027 and, therefore, not consolidated in the reported fiscal year.

C.1.15 Indicate whether the Board regulations were amended during the year:

[√] Yes
[ ] No

Description of amendments

At its meeting on 17 December 2024, the Board of Directors unanimously approved the amendment of its Regulations to adapt it to the new legal developments introduced by Technical Guide 1/2024 on Audit Committees, published by CNMV, which affect its powers and those of its Committees, as well as the new wording of article 529 bis of the Spanish Corporate Enterprises Act.

The amended Regulations were filed at the Companies Registry of Guipúzcoa on 14 January 2025 and disclosed to the CNMV on 21 January 2025. Since this last date, it is also published on the corporate website (https://admin.cafmobility.com/uploads/SGC_0003_Reglamento_Cd_A_EN_0f43245838.pdf)

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The Board of Directors shall be composed of no less than seven and no more than fifteen members freely appointed by the General Shareholders' Meeting or, in the case of early vacancy, by the same Board through co-option. The director does not need to be a shareholder. The prohibitions and incompatibilities established by law will apply (Article 29 of the Company's Bylaws). Should a vacancy occur during the period the Directors were appointed, the Board of Directors may cover them until the first General Meeting is held. Should the vacancy take place once the General Meeting has been called but before it is held, the Board of Directors may appoint a director until the following General Meeting is held. Should the vacancy be for the position of Chairman or Chief Executive Officer, the Board of Directors may cover the vacancies and temporarily appoint a Chairman. The Board may also appoint a Chief Executive Officer with the favourable vote of two thirds of its members. These appointments shall be fully effective until the first General Shareholders' Meeting (Article 33 of the Company's Bylaws). Furthermore, in the exercise of its powers to lay proposals before the General Shareholders' Meeting and regarding co-option in the case of vacancies, the Board shall ensure a balanced membership, with a broad majority of non-executive directors and an adequate proportion between proprietary and independent directors, with the latter representing at least one third of total Board membership (article 7 of the Board of Directors' Regulations).

Any director appointment or re-election proposal submitted by the Board of Directors to the General Shareholders' Meeting for approval and any Appointments made by the Board by virtue of its powers of co-option must be preceded by the corresponding proposal from the Appointments and Remuneration Committee in the case of independent directors, and from the Board for all other director categories. The proposal shall be accompanied with an explanatory report issued by the Board of Directors, assessing the competence, experience and merits of the proposed candidate, to be attached to the General Meeting or Board of Directors' Meeting minutes. The proposal for appointment or re-election of any non-independent director must also be preceded by a report from the Appointments and Remuneration Committee. When the Board departs from the proposals of the Appointments and Remuneration Committee, it must give reasons for its action and record these reasons in the minutes. (Article 15 of the Regulations of the Board of Directors).

With respect to the appointment of non-executive directors, the Board shall endeavour to ensure that candidates shall be selected from among persons recognised for their solvency, competence and experience, and extreme care shall be taken in respect of calls to fill independent director positions. Independent directors will be considered those who, appointed based on their personal and professional conditions, can perform their duties without being conditioned by relations with the Company or its group, its significant shareholders or its directors. No directors meeting the conditions provided for in article 16.3 of the Board of Directors' Regulations can be deemed to be independent directors.

Those who hold a shareholding equal to or greater than that legally considered significant or who have been appointed due to their status as shareholders, even if their shareholding does not reach said amount, as well as those who represent shareholders of those previously mentioned, will be considered proprietary directors. Proprietary directors who lose their status due to the disposal of shares by the shareholder they represent may only be re-elected as independent directors once the shareholder they represented up to that moment has sold all its remaining shares Company shares. A director who holds a shareholding in the Company may have the status of independent director, provided that they meet all the conditions established in that article and, in addition, their participation is not significant (sections 4 and 5 of article 16 of the Board of Directors' Regulations).

The selection of candidates for directorships will be based on a prior analysis of the needs of the Company's Board of Directors, which must be carried out by the Appointments and Remuneration Committee. Taking into account the Board's competences matrix, the Appointments and Remuneration Committee will specify the profile and skills required from the new director and assess the suitability of each candidate. This Committee will keep a record of the evaluation carried out and the suitability of the candidate for the category to which he or she has been assigned in the minutes of the session in which the matter was discussed and, where applicable, in the report or proposal that the Committee must submit to the Board for the appointment or re-election of directors.

Continued in section H

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendments
The annual evaluation of the Board, its Committees and the performance of its members has not led to any significant changes in its internal organisation or in the procedures applicable to its activities.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

In accordance with article 5.5 of the Board of Directors' Regulations, the Board of Directors must carry out an annual evaluation of its functioning and that of its Committees and propose, based on its results, an action plan that corrects the shortcomings detected.

Following Recommendation 36 of the CGG and in accordance with the criteria established by Technical Guide 1/2019 of the CNMV, on Appointments and Remuneration Committees, the following main areas have been examined:

a) Quality and efficiency of the functioning of the Board of Directors and its Committees, including the degree of effective use of the contributions of its members.

b) Size, composition and diversity of the Board and its committees.

c) Performance of the Chairman of the Board and the Chief Executive Officer of the Company.

d) Performance and contribution of each director, paying special attention to those responsible for the various Board Committees.

e) Frequency and duration of meetings.

f) Contents of the agenda and adequacy of the time devoted to discussing the various topics according to their importance.
g) Quality of the information received.

h) Breadth and openness of the debates.

i) If the decision-making process is dominated or strongly influenced by one member or a small group of members.

From a methodological standpoint, the indicators taken into consideration included the degree to which the Board and the committees comply with applicable legal and regulatory requirements, guidelines and best practices in the area of corporate governance and the internal regulatory compliance system, and the level of attainment of the plans and goals set for the year in question.

As a result of this process, the Board of Directors' assessment of its work and that of its members and Committees in 2024 was positive, in line with the favourable conclusions set forth in the preliminary reports prepared by the Committees, which the Board of Directors approved at its meeting held on 30 January 2025. Specifically, the Board verified that all the action plans put into place during the year evaluated had been satisfactorily complied with.

Based on these conclusions, the Board has drawn up different procedures to be undertaken in 2025, which will allow the Board and its committees to make further progress in the design of and compliance with the Company's internal regulatory compliance system.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

Not applicable

C.1.19 Indicate the cases in which directors are obliged to resign.

Directors are required to make their positions available to the Board of Directors and, if the latter deems it appropriate, to formalise their resignation in the following cases:
a) When the specific reasons for which they were appointed, if applicable, disappear suddenly and, in particular, when they are a proprietary director, they must resign when the shareholder they represent sells all of their shareholding or reduces it to a level that requires a reduction in the number of proprietary directors. b) When any of the cases of incompatibility or prohibition provided for by law arise. c) When they are prosecuted for an alleged criminal act. (d) When they are seriously reprimanded by the Board of Directors following a report by the Appointments and Remuneration Committee for having breached their obligations as directors. (e) When they incur a conflict of interest with the Company and fail to comply with the duties of communication and abstention. (f) When they fail to comply with the obligation of non-competition.

Directors must inform the Board and, where appropriate, resign when situations arise that affect them, whether or not related to their performance in the Company itself, which may harm the credit and reputation of the Company and, in particular, in the event of any criminal case in which they appear as investigated, as well as any procedural developments. The Board of Directors, having been informed or having otherwise become apprised of any of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Appointments and Remuneration Committee, the measures to be adopted. All of this will be disclosed in the Annual Corporate Governance Report, unless there are special justifying circumstances, which must be recorded in the minutes. The foregoing is without prejudice to the information that the Company must release, if required, at the time the corresponding measures are implemented. The Board of Directors will not propose the dismissal of an independent director before the completion of the statutory period for which he or she was appointed, except when there is just cause, assessed by the Board of Directors following a report from the Appointments and Remuneration Committee. When a director resigns from their position before their tenure expires, they must sufficiently explain their reasons or, in the case of non-executive directors, their opinion on the reasons for removal by the General Shareholders' Meeting, in a letter sent to all members of the Board of Directors. (Article 18 of the Regulations of the Board of Directors).

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

[√] Yes
[ ] No

If so, describe the differences.

Description of differences

Article 3.3. of the Board of Directors’ Regulations stipulates that "to be valid, any modification of the Regulations will require a resolution adopted by a two-thirds majority of the directors present and represented at the meeting, unless the modifications are imposed by mandatory regulations."

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

[ ] Yes
[√] No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

[ ] Yes
[√] No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

[ ] Yes
[√] No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so, the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, provide a brief description of the rules.

Article 31 of the Company's Articles of Association and article 14 of the Board of Directors' Regulations stipulate that directors must attend Board meetings and, when they cannot do so personally, they may confer their representation to another director in writing addressed to the Board Chairman, with no restrictions on the number of proxies that each director can hold for Board attendance, although a separate proxy must be granted for each meeting. Proxy may be granted in writing through any means and shall include the corresponding direction of the vote for each of the matters mentioned in the agenda.

These same rules also specify that non-executive directors may only confer their proxy on a fellow non-executive director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of Board meetings	9
Number of Board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

Indicate how many meetings of the various Board committees were held during the year:

Number of meetings held by the AUDIT COMMITTEE	7
Number of Meetings held by the APPOINTMENTS AND REMUNERATION COMMITTEE	5

The Company does not currently have a Coordinating Director, since the positions of Chairman and CEO are separate.

C.1.26 Indicate the number of meetings held by Board of Directors during the year and with member attendance data:

Number of meetings in situ of at least 80% of directors	9
Attendance in person as a % of total votes during the year	100.00

Number of meetings attended in person, or by proxies granted with specific instructions, by all the directors	9
% of votes cast by attendees or proxies granted with specific instructions, as % of the total votes during the year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

[√] Yes
[ ] No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Positio n
MR. JAVIER MARTÍNEZ OJINAGA	Executive Director
MR. AITOR GALARZA RODRÍGUEZ	Chief Economic-Financial and Strategy Officer

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Board of Directors will submit to the General Meeting the financial statements prepared in accordance with accounting legislation. If the auditor includes any qualification in its report, the Audit Committee Chair shall clearly explain the Committee's opinion on its content and scope at the General Shareholders' Meeting. Also, a summary of that opinion will be made available to shareholders at the time of publication of the call to the General Meeting, together with the other proposals and reports of the Board (Article 37 of the Board Regulations).

To this end, the separate and consolidated financial statements are subject to prior review by the Company's Audit Committee, which is assigned, inter alia, the responsibility of supervising and evaluating the preparation, presentation and completeness of the financial and non-financial information relating to the Company and, where applicable, to the group, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria, and presenting recommendations or proposals to the Board of Directors, directed to safeguard its integrity (Article 3 of the Regulations of the Audit Committee). It is also up to the to collect information regularly from the auditors on the auditing process and in particular on any differences that may arise between the auditors and the Company's management. When the audit has been completed, the Committee shall review, along with the external auditor, any significant findings brought to light from these tasks, as well as the content of its mandatory reports. (Article 13 of the Audit Committee Regulations).

The financial statements for 2023 and previous years were approved by the Board of Directors without qualifications.

C.1.29 Is the secretary of the Board also a director?

[√] Yes
[ ] No

If the secretary is not a director, complete the following table:

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Mechanisms to preserve the independence of external auditors:

In addition, according to the Company's Bylaws, the Audit and Compliance Committee is responsible for managing the relationships with the external auditors in order to gather information on matters that may call the auditor's independence into question, to be analysed by the Committee, as well as any other matters related to the auditing process, and any other disclosures set forth in accounting and auditing legislation and auditing standards. The Audit Committee must receive a statement from the external auditor, annually, affirming its independence in relation to the Company or companies directly or indirectly connected to such, as well as the information of any type of additional services rendered and corresponding fees received from these entities by the auditor, or by persons or entities associated to the latter, pursuant to the governing regulations concerning the undertaking of account auditing. Similarly, according to the Company's Bylaws, every year the Audit Committee is required to issue, prior to the issuance of the audit report, an annual report containing an opinion on the auditor's independence (Article 37 bis of the Company's Bylaws).

In accordance with the above, the Audit Committee has its own Regulations that govern its nature, composition, functions, operating rules and powers. This Regulation stipulates that the Audit Committee is responsible, among others, for the following functions related to the external auditor and the preservation of its independence: (i) Submit to the Board of Directors the proposals for the selection, appointment, re-election and replacement of the auditor, taking responsibility for the selection process, as well as their recruitment conditions, in accordance with the applicable regulations, and regularly obtain information from it on the audit plan and its execution, in addition to preserving its independence in the exercise of its functions. (ii) Establish the appropriate relations with the external auditor to receive information on those issues that may pose a threat to its independence, for examination by the Committee, and any other matters related to the audit process and, where appropriate, the authorisation of services other than those prohibited, in accordance with the applicable regulations, as well as any other notifications provided for in the Auditing legislation and auditing standards. In any case, they must receive a declaration of independence annually from the external auditors in relation to the entity or entities linked to them directly or indirectly, as well as detailed individual information on the additional services of any kind provided and the corresponding fees received from these entities by external auditor or by persons or entities linked thereto and their network, in accordance with the audit regulations. (iii) Issue annually, prior to the issuance of the auditor's report, a report expressing an opinion on whether the independence of the auditors or audit firms has been jeopardised. This report must contain a reasoned evaluation of each and every one of the aforementioned additional services rendered, as referred to in the previous point, taken on an individual basis and as a whole, other than statutory audit services and in relation to independence or audit regulations. In this regard, in compliance with Recommendation 6 of the CGG, the Company shall post the report of the Audit Committee on the External Auditor's independence on its corporate website in due course ahead of the date of the General Shareholders' Meeting. (iv) Ensure that the external auditor's remuneration for his work does not compromise its quality or independence, as well as establish an indicative limit on the fees that the auditor may receive annually for services other than auditing. (vi) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence. With respect to auditor relations, article 13 of the Audit Committee's Regulations states that (i) communications between the Committee and the auditors will be fluid, ongoing and comply with the obligations established in the audit regulations, without compromising auditor independence or the effectiveness with which the audit and verification of sustainability information is carried out or with which audit procedures are implemented, (ii) communication with the auditor must be included in an annual meeting agenda, most of which will be held without the presence of the Company's management, and (iii) the Audit Committee shall collect information regularly from the auditors on the audit process and, in particular, on any differences that may arise between the auditors and Company management.

When the audit has been finalised, the Committee will review, along with the external auditor, any significant findings brought to light from these tasks, as well as the content of its mandatory reports.

Likewise, and to ensure the independence of the external auditors, the Company has an internal Procedure for Engaging the Services of the Accounts Auditor. The entire CAF Group must follow and comply with this procedure.

According to this procedure, the Audit Committee must approve, prior to their arrangement, any non-audit services requested from the audit firm of the CAF Group or other entities in its network, so as to verify that the services would not compromise the auditor's independence.

Before any application is submitted to the Commission, the Company's Corporate Economic and Financial Department and Internal Audit check that the requested services are not prohibited in accordance with Regulation (EU) No 537/2014 of 16 April.

In this regard, it should be noted that, without prejudice to applicable legal provisions, the Committee has prudently, and to protect the Company's good name, set a limit on the fees to be received by the statutory auditor for non-audit services. This limit is more restrictive than that provided for in Article 4.2 of Regulation (EU) No 537/2014 and Article 41.1 of Spanish Audit Law 22/2015. More precisely, this limit is 50% of the average audit fee for the last three years, i.e. below the legal limit of 70%.

Continued in Section H.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

[ ] Yes
[√] No

If there were any disagreements with the outgoing auditor, explain their content:

[ ] Yes
[√] No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

[√] Yes
[ ] No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousands of euros)	75	100	175
Amount invoiced for non-audit services/Amount invoiced for audit work (in %)	30.20	9.88	13.85

The cost of work other than audit engagements (thousands of euros) does not include fees for services other than auditing activities, but which are legally required under national or European Union legislation. Services not included in 2024 include fees for the verification of the Consolidated Non-Financial Statement and Sustainability Report.

For its part, all non-audit services provided to the CAF Group by the external auditor and its organisation in the reported year were duly approved by the Audit Committee within the framework of the procedure described above. More precisely:

- On 18 December 2023, the Audit Committee verified that the services included in the 2024 non-audit services proposal: (i) were reasonable; (ii) were permitted under the Audit Law; and (iii) were below the maximum limit provided for in Article 4.2 of Regulation (EU) No 537/2014 and Article 41.1 of the Spanish Audit Law 22/2015, as well as the more restrictive limit set by the Committee itself in the interests of prudence, at 50% of the average audit fee for the last three years.

- Likewise, on December 16, 2024, Internal Audit presented to the Audit Committee the comparison between the budget approved for 2024 and the actual fees incurred for said services, verifying that the estimated amounts had not been exceeded, nor had unapproved services been contracted. Subsequently, on 29 January 2025, the Audit Committee was asked to approve the extension of the budget for non-audit services for 2025, by EUR 6,000 for the inclusion of the verification service comprising four Key Performance Indicators of the Green and Sustainable Financing Framework, which was unanimously agreed.

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

[ ] Yes
[√] No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	4	4

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	8.51	16.67

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time:

[√] Yes
[ ] No

Explanation of procedure

At its December meeting, the Board approves its schedule for the following year, so that directors ascertain meeting dates early enough to prepare some of the subjects to be dealt with thereat as a guiding plan is established on the subjects to be addressed at every Board meeting. At least eight Board meetings are held per year, at least once each quarter, distributed with sufficient time between them so that directors can study and prepare the necessary information. On the other hand, the call for ordinary Board meetings must be made at least five days in advance. With the call, the meeting's agenda is included, together with the documents that must be previously reviewed by the directors sufficiently ahead of the meeting. In any case, the directors have the right to request all the information that they may reasonably require on the Company and its group to carry on their duties. The exercise of this right of disclosure must be channelled through the Chair of the Board of Directors who, with the assistance of the Secretary for these purposes, will provide such information, identify the appropriate interlocutors of the Company or arbitrate the appropriate actions to ensure that the desired inspection or examination is carried out. The information powers of the directors are referred to in Article 20 of the Regulations of the Board of Directors.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

[√] Yes
[ ] No

Explain the rules

Pursuant to article 18 of the Board of Directors' Regulations and as set forth in section C.1.19 above, the directors must tender their resignation in certain situations, especially if they are prosecuted for an alleged criminal offence or when they are subject to disciplinary proceedings for serious or very serious misconduct by the supervisory authorities. Likewise, directors must inform the Board and, where appropriate, resign when situations arise that affect them, whether or not related to their performance in the Company itself, which may harm the credit and reputation of the Company and, in particular, in the event of any criminal case in which they appear as investigated, as well as any procedural developments.

The Board of Directors, having been informed or having otherwise become apprised of any of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the
Appointments and Remuneration Committee, the measures to be adopted. All of this will be disclosed in the Annual Corporate Governance Report, unless there are special justifying circumstances, which must be recorded in the minutes. The foregoing is without prejudice to the information that the Company must release, if required, at the time of the adoption of the corresponding measures. When a director ceases their

duties before their tenure expires, they must sufficiently explain their reasons or, in the case of non-executive directors, their opinion on the reasons for dismissal by the General Shareholders' Meeting, in a letter sent to all members of the Board of Directors.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

[ ] Yes
[√] No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

There are no such agreements.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation
or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	1
Type of beneficiary	Description of agreement
Executive Director	Termination benefit due to termination ordered by the Company for reasons not related with the Director

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	√	

	Yes	No
Are these clauses notified to the General Shareholders' Meeting?	√	

The content of these clauses is included in the Annual Report on Directors' Remuneration, which is submitted to a consultative vote at the General Shareholders' Meeting.

C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

AUDIT COMMITTEE		
Name	Position	Category
MS. BEGOÑA BELTRAN DE HEREDIA VILLA	CHAIRWOMAN	Independent
MS. CARMEN ALLO PÉREZ	MEMBER	Independent
MR. JUAN JOSÉ ARRIETA SUDUPE	MEMBER	Other external

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	66.67
% of external directors	33.33

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Organisation:
The Audit Committee shall comprise three (3) non-executive directors, appointed by the Company's Board of Directors, most of which must at least be independent directors and one of them shall be appointed considering their knowledge and experience in accounting, auditing or both. As a whole, the members of the Committee, and especially its Chair, shall have the knowledge and experience in accounting, auditing and financial and non-financial risk management, as well as the relevant technical knowledge in relation to the business sector to which the Company belongs.

The Board of Directors shall also appoint a Chairman from among the members acting as independent directors of the Committee. The Chairman shall be replaced every four years but may be re-elected after stepping down for one year. The Board of Directors shall appoint a person to act as Secretary of the Committee, who need not be a director (Article 37 bis of the Bylaws and Article 2 of the Audit Committee Regulations).

The functions and powers assigned to the Audit Committee are detailed in articles 37 bis of the Articles of Association and in articles 3 and 10 to 13 of its specific regulations, both available on the corporate website (www.cafmobility.com), the latter of which was modified during the reporting period, in the terms that will be indicated in section C.2.3 of this report.

The functions mentioned refer to the areas identified below and include all those attributed to audit committees by law and those recommended by the Good Governance Board, as well as by the applicable Technical Guide:

a) Functions in relation to the General Meeting.
b) Functions in relation to internal control systems.
c) Duties relating to internal audit.
d) Functions in relation to the external auditor and the verifier.
e) Other functions.

Continued in Section H.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairman of this committee was appointed.

Name of directors with experience	MS. BEGOÑA BELTRÁN DE HEREDIA VILLA / MS. CARMEN ALLO PÉREZ / MR. JUAN JOSÉ ARRIETA SUDUPE
Date of appointment of the chairperson	04/10/2023

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MR. JULIÁN GRACIA PALACÍN	CHAIRMAN	Independent
MR. LUIS MIGUEL ARCONADA ECHARRI	MEMBER	Other external
MS. CARMEN ALLO PÉREZ	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	66.67
% of external directors	33.33

Ms. Carmen Allo Pérez was appointed as director of the Appointments and Remuneration Committee by agreement of the Board of Directors on 17 December 2024, to fill the vacancy generated on this Committee in the year.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Organisation:
In accordance with the provisions of articles 37 ter of the Articles of Association, 12 of the Board Regulations and 4 of its own Regulations, the Appointments and Remuneration Committee (or "CNyR") is made up of three non-executive directors appointed by the Board of Directors, at least two of whom are independent. The members of the Committee are appointed
Knowledge, skills and experience appropriate to the functions they are called upon to perform and, in particular, in areas such as corporate governance, human resources, selection of directors and managers, senior management functions and the design of remuneration policies and plans. The Chairman of the Committee shall be elected by the Board of Directors from among the independent directors forming part of said committee.
The Board shall appoint its Secretary, who may not necessarily be a director. Appointment, renewal, re-election and removal shall correspond to the Board of Directors, as provided for in the law and the Company's Bylaws. Also, Committee members who are re-elected as directors in accordance with a resolution of the General Shareholders' Meeting will continue to discharge their functions on the Committee, without the need for new appointment, unless the Board of Directors resolves otherwise (Articles 5 and 6 of the Regulations of the Appointments and Remuneration Committee).

Functions:
The functions and powers assigned to the Appointments and Remuneration Committee are detailed in article 37 ter of the Bylaws and in article 3 of its specific Regulations, both available on the corporate website (www.cafmobility.com), the latter having been modified during the reported year in the terms that will be indicated in section C.2.3 of this report.
The functions mentioned refer to the areas identified below and include all those attributed to appointments and remuneration committees by law and those recommended by the Code of Good Governance of Listed Companies and by the applicable Technical Guides:
a) In relation to nominations and remuneration:
b) In relation to the Corporate Governance and Sustainability System:

c) In relation to other matters.

Continued in Section H.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2024		2023		2022		2021	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	2	66.66	2	66.66	1	33.33	1	33.33
APPOINTMENTS AND REMUNERATION COMMITTEE	1	33.33	0	0.00	0	0.00	1	33.33

Following the appointment of Ms. Carmen Allo Pérez to the Appointments and Remuneration Committee on 17 December 2024. This Committee has one director out of a total of three members.

C.2.3 Indicate, where applicable, the existence of any regulations governing board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

AUDIT COMMITTEE: An up-to-date version of the Regulations is available on CAF's website (www.cafmobility.com), in the Corporate Governance subsection, within the Shareholder and Investor Information section. The Audit Committee Regulations have been modified by a resolution of the Board of Directors dated 17 December 2024, mainly to (i) adapt their terminology to the CSRD Directive and to make other adjustments in accordance with the new recommendations contained in Technical Guide 1/2024 of 27 June 2024, published by the CNMV on 1 July 2024, on Audit Committees of public interest entities; (ii) incorporate the figure and sustainability information verifier system; (iii) establish the necessary collaboration between the Audit Committee and the Appointments and Remuneration Committee, in particular, in matters of Sustainability; and (iv) include other technical adjustments and improvements.

An annual report on the activities carried out by this committee during the 2024 financial year has been prepared and will be published in accordance with Recommendation 6 of the CGG.

APPOINTMENTS AND REMUNERATION COMMITTEE: The updated version of the Regulations of this Commission is available on the CAF website (www.cafmobility.com), in the Corporate Governance subsection, within the section on Information for Shareholders and Investors. The Appointments and Remuneration Committee Regulations have been modified, by agreement of the Board of Directors of 17 December 2024, mainly to adapt them to the technical concepts and regulatory clarifications included in Technical Guide 1/2024, clarify the wording of the powers relating to the corporate governance and sustainability system, align them with the reform of article 529 bis of the Spanish Corporate Enterprises Act, introduced by Organic Law 2/2024, of 1 August, on equal representation and the balanced presence of women and men, as well as to establish the necessary collaboration between the Audit Committee and the Appointments and Remuneration Committee, particularly in the sustainability area and to make other technical adaptations and adjustments.

An annual report on this Committee's activities in 2024 was also prepared, which will be published in accordance with Recommendation 6 of the CGG.

D. RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1. Explain, where appropriate, the procedure and competent bodies for the approval of operations with related parties and intragroup, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders and detailing the procedures
Internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to the provisions of its Regulations, the Board of Directors is responsible, on a non-delegable basis, for approving, subject to a prior report from the Audit Committee, transactions of the Company or companies in its group that qualify as related party transactions, unless such approval falls within the remit of the General Shareholders' Meeting and without prejudice to the possible delegation by the Board of such powers in the situations and under the terms prescribed by law and in the aforementioned Regulations. (Article 5 of the Regulations of the Board of Directors).

Regarding the approval of related party transactions and the abstention obligations of the affected directors and shareholders, the Board Regulations explicitly state that the power to approve related party transactions whose amount or value is 10%
or more of the Company's total assets according to the latest annual balance sheet approved by the Company shall be vested in the General Shareholders' Meeting. When the General Shareholders' Meeting is called to decide on a related party transaction, the shareholder concerned shall be deprived of the right to vote, except where the motion has been approved by the Board of Directors without the majority of independent directors voting against. However, where applicable, the rule of the reversal of the burden of proof provided for in the Capital Companies Act shall apply. The Board of Directors shall have the power to approve all other related party transactions and this power may not be delegated. In accordance with the Spanish Corporate Enterprises Act, the affected director, or the director representing or related to the affected shareholder, must abstain from taking part in the deliberations and voting on the corresponding motion.

However, directors who represent or are related to the parent company on the governing body of the subsidiary listed company should not abstain. In such cases, if their vote was decisive to adopt the resolution, the rule of reversal of the burden of proof shall apply in the same terms as those provided for in the Spanish Corporate Enterprise Act for the approval of related party transactions by the General Shareholders' Meeting.

The approval of a related party transaction by the General Meeting or by the Board shall be subject to a prior report by the Audit Committee. In its report, the Committee must assess whether the transaction is fair and reasonable in the eyes of the Company and, if applicable, of the shareholders other than the related party, and give an account of the assumptions on which the assessment is based and the methods used. The directors concerned may not participate in drawing up the report.

Notwithstanding the foregoing, the Board of Directors may delegate the approval of the following related party transactions:

a) transactions between companies forming part of the same group that are carried out in the ordinary course of business and under market conditions;
b) transactions entered into under contracts whose standard terms and conditions are applied en masse to a large number of customers; are at prices or rates established generally by the party acting as supplier of the goods or services in question; and whose amount does not exceed 0.5 per cent of the Company's revenues.

In such cases, the approval of any related party transactions that may have been delegated will not require a prior report from the Audit Committee. However, the Board of Directors shall establish an internal reporting and periodic control procedure for such transactions, in which the Audit Committee shall be involved and shall verify the fairness and transparency of such transactions and, as the case may be, compliance with the legal criteria applicable to the above exceptions (Article 29 Regulations of the Board of Directors).

In furtherance of the foregoing, on 16 December 2021 the Board of Directors, following a report from the Audit Committee, unanimously resolved to delegate, jointly and severally, to the Company's Chief Executive Officer and to the Chief Financial and Strategy Officer, the approval of the transactions described in Sections a) and b) above.

Continued in Section H.

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against by the majority of the independent directors:

	Name or company name of the shareholder or any of its dependent companies	% Ownership interest	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independent directors
(1)	BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	13.23	Kutxabank, SA	45,111	(See Observations below)	(See Observations below)	NO

	Name or company name of the shareholder or Of any of its subsidiary companies	Nature of the relationship	Type of transaction and other information required for its evaluation
(1)	BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	Contractual	Guarantee and loan refinancing operations, as well as a liquidity contract, registered advisor contracts, placing bank ("Dealer Agreement") and payment agent within the framework of the renewal of the promissory note issuance programme in MARF, signed by the Company with its significant shareholder Kutxabank, S.A., a subsidiary of Bilbao Bizkaia Kutxa Fundación Bancaria, and Kutxabank Investment, Sociedad de Valores, S.A. (formerly Norbolsa Sociedad de Valores, S.A.), belonging to the same group, during the year 2024. All these contracts have been approved by the competent body, in each case, according to the breakdown included In the Observations section.

The breakdown of the operations carried out in the year included in the table above was as follows:

• Liquidity contract, dated 5 April 2022, signed between CAF, S.A. and Norbolsa, Sociedad de Valores, S.A. (currently Kutxabank Investment, Sociedad de Valores, S.A.), belonging to the Kutxabank Group, as a Financial Intermediary, in line with Circular 1/2017, of 26 April, of the National Securities Market Commission, on liquidity contracts, for an amount of EUR 30 thousand, which was extended by
the period of one year in April 2024. The contract was initially approved, by delegation, by the CEO, on 25 February 2022 and publicly announced, in accordance with article 529.11 of the Spanish Corporate Enterprises Act, via communication of Other Relevant Information number 17144, of 30 June, including the favourable report upon its signing, issued by the Audit Committee.

• Novation agreement for a guarantee facility according to which the total amount of the general guarantee facility outstanding at the time of novation was increased by EUR 25,000 thousand.

• Agreement to refinance a bank loan for an amount of EUR 20 thousand.

Both contracts were approved by the Board of Directors on 9 May 2024, following a favourable report from the Audit Committee.

- Contracts entered into with Kutxabank Investment, S.V. (formerly Norbolsa, Sociedad de Valores, S.A), belonging to the Kutxabank Group, within the framework of the renewal of the promissory note issuance programme in MARF, dated December 23, 2024:

- Registered Advisor agreement for the amount of EUR 65 thousand.
- Placement Bank agreement for the amount of EUR 5 thousand.
- Paying Agent Contract, in the amount of EUR 11,000.

The three previous operations met the requirements to be subject to delegation, in accordance with the provisions of the Company's Manual of Related-Party Transactions and were approved by the Economic-Financial and Strategy Director on December 5, 2024.

In addition, Note 9 to the consolidated financial statements contains a breakdown of the Group's outstanding balances with Kutxabank, including transactions carried out in previous years.

During the reported financial year there have been no related-party transactions whose approval is the responsibility of the General Meeting.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against by the majority of the independent directors:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or corporate name of the company or dependent entity	Relationship	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independent directors
No data						

Name or company name of the administrators or managers or their controlled or jointly controlled entities set	Nature of the operation and other information necessary for its evaluation
No data	

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company,
except where no other related party of the listed company has interests in these subsidiaries or they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Name of entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Name of entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

The CAF Group holds non-controlling or jointly controlled interests in companies engaged in concessions for the operation of railway operating systems, the supply of fleet and subsequent maintenance, as well as the leasing of railway equipment. The CAF Group's operations with these companies involve the supply of fleet and the performance of turnkey projects, as well as the maintenance of railway equipment and material. It also has various financial loans in place that are consistent with the typical financing structure for these types of concession or leasing companies. These transactions are part of the ordinary business of the CAF Group and are carried out under normal market conditions. Information on CAF's stakes in these companies is included in Notes 2-f and 8 to the 2024 consolidated financial statements and Note 9 to the consolidated financial statements includes information on the balances and transactions carried out in 2024 with these companies that were not eliminated as part of the consolidation process.

D.6. Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other related parties.

Pursuant to article 229 of the Spanish Corporate Enterprises Act and articles 24 and 25 of the Board of Directors' Regulations, the directors have the duty to notify the Board of Directors of any situation of conflict, direct or indirect, that they or persons linked to them may have with the Company's interests. In addition, in the case of conflict of interests, the affected director should refrain from intervening in the discussion and voting of the decisions and resolutions causing such conflict. Any conflict of interest should be mentioned in the Notes to the Financial Statements. On the other hand, the Board Regulations regulate in detail the obligations of non-competition and of avoiding situations of conflict of interest and establishes a series of prohibited conducts for directors, as well as the consequences that arise in the event of non-compliance with these. The Board's Regulations expressly state in article 18 that the Board members must make their post available to the Board and resign, if the Board sees fit, if they encounter a conflict of interest and breach the duties of disclosure and abstention or where they breach the non-compete obligation. All this without prejudice to the regime applicable to related-party transactions that has been explained in section D.1 above.

D.7. Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

CAF Group's Comprehensive Risk Management System works in a continuous manner and is managed at corporate level for all businesses and geographic areas in which the Group operates.

The undertaking of the Board of Directors' of CAF in establishing the mechanisms and basic principles for adequate control and risk management is reflected in the General Risk Control and Management Policy, whose essential principles rest upon the previously mentioned Comprehensive Risk Control and Management System. This policy is part of the Group's internal regulations and is available on the website www.cafmobility.com, in the corporate policies area.

The General Risk Control and Management Policy covers all the companies comprising the CAF Group in all jurisdictions where CAF operates, being applicable to all Group employees. In those non-CAF Group companies, the Company seeks to ensure that the principles, guidelines and risk limits are consistent with those established through this General Risk Control and Management Policy.

The purpose of the aforementioned Policy is to establish the basic principles and guidelines for the control and management of risks of any nature affecting the Company and the CAF Group, through the identification of the main risks and by employing appropriate internal control and information systems, while conducting periodic monitoring on the performance of these mechanisms.

It should be noted that through the General Risk Control and Management Policy, CAF Group is committed to developing all its capabilities so that all types of risks are properly identified, measured, managed, prioritised and controlled. In this regard, the Audit Committee is tasked with ensuring, on an ongoing basis, compliance with the General Risk Control and Management Policy and that the integrated system in place operates properly.

In practice, the Comprehensive Risk Control and Management System is based on a range of strategic and operational actions in order to manage risks and meet the objectives set by the Board of Directors. The diversity and complexity of the activities carried out by the Group carry a variety of risks and the Company defines basic guidelines and instructions to ensure standard operating procedures at each of the divisions so as to ensure an adequate level of internal control.

The Comprehensive Risk Control and Management System of the CAF Group is an interlinked system of rules, processes, procedures, controls and information systems where the global exposure is determined after assuming all the risks that the Company is exposed to and it takes into consideration their impacts on mitigation. This system allows the consolidation of the risk exposures of the business divisions and areas of the Group and their valuation, as well as the preparation of the corresponding management information for decision making in terms of risk and expected profitability, which is subject to a continuous improvement process that enables it to be strengthened over time.

To respond to the need for global and homogeneous risk management, CAF Group assumes a corporate risk control and assessment model under the following basic assumptions:

- Defining maximum risk limits that can be assumed for each business according to its characteristics and expected profitability.
- Establishing procedures for the identification, analysis, evaluation, treatment, monitoring, control and reporting of the various risks.
- Coordination and communication so that the corporate procedures and the different businesses are consistent with this General Risk Control and Management Policy and the Group's Comprehensive Risk Control and Management System.

The Comprehensive Risk Management System adopted by CAF is aligned with international standards, ISO 31000 and COSO ERM (Committee of Sponsoring Organisations of the Treadway Commission – Enterprise Risk Management), regarding the use of an effective methodology for the analysis and integrated management of risk and the Three Lines Model, on the assignment of responsibilities in the area of risk management and control as developed in section E.2 below.

Continued in Section H.

E.2. Identify the bodies within the company responsible for preparing and executing the Financial and Non-financial Risk Management and Control System, including tax risk.

As explained in the previous section, the Board of Directors of the Company is responsible for determining the General Risk Control and Management Policy, including tax risks, as well as supervising the internal information and control systems.

Likewise, as provided for in its Regulations, the Audit Committee is the body responsible for supervising and evaluating the financial and non-financial risk control and management systems relating to the Company and, where applicable, to the group, including operational and technological risks, including cybersecurity and artificial intelligence, legal, sustainability, political, reputational or corruption-related risks, as well as supervising the Company's internal risk control and management function.

For its part, the Executive Committee is the Company's highest executive body and as such is responsible for ensuring the effective implementation of the Risk Control and Management System and knowing the main elements of its evolution and control, although Risk management and internal control are based on the Three Lines Model.

With an entire organisation focused on risk and opportunity management, the work of the second line is crucial in three aspects:

1) Ensure the correct evaluation and quantification of risks: it challenges the assessments of the first line and supports it in quantification based on its knowledge and experience, and its independence.
2) Provide management with information on the different types of risks in an understandable and common language that allows risk-based decision making.
3) Ensure that the Company's overall risk level remains within the appetite established by the Board of Directors, maintaining sufficient independence for its proper functioning and reporting directly to the Audit Committee.

In the case of the CAF Group, the Risk Management Department, under the direct supervision of the Audit Committee, has been expressly assigned the following functions:

• Ensure the proper functioning of the comprehensive risk control and management system and, in particular, that all the most important risks affecting the Company are identified, managed and adequately assessed, maintaining the risk at levels consistent with the established appetite.
• Actively participating in drawing up the risk strategy and in important decisions regarding risk management and
• Ensure that the comprehensive risk control and management system adequately mitigates risks within the framework of the policy defined by the Board of Directors.

The Group has various complementary second lines of assurance based on specific areas of expertise and internal control systems. In particular, different Compliance Officers have been appointed. In the specific case of fiscal compliance risks, the second line role is fulfilled by the Corporate Tax Function, whose functions include: (i) applying the Tax Policy determined and approved by the Board of Directors; and (ii) ensuring compliance with the principles of action in tax matters set out in the Tax Policy approved by the Board of Directors, which expressly include the prevention and reduction, as far as possible, of tax risks, both for each business and geography and at corporate level.

The third line is made up of the Internal Audit team. From the objectivity, authority and credibility conferred by its independence from Management, it evaluates the suitability and effectiveness of risk management and governance, within the framework of the Annual Internal Audit Plan. Its systematic analysis and reporting of its findings to both Management and the Audit Committee promotes and facilitates continuous improvement.

In addition, the remit of CAF's Internal Audit function includes, among others, the assurance of risks to which the Company is exposed and, for that purpose, it is involved in the examination and assessment of control systems and procedures and risk mitigation processes.

E.3. Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these may affect the achievement of business objectives.

The most important risks facing the Group may be classified into the following categories:

Strategic risks: these being risks stemming from the uncertainty of the macroeconomic and geopolitical environment, along with the inherent characteristics of the sector and markets where the Group operates, and the decisions adopted on strategic and technological plans.

Financial risks: arising from market fluctuations (financial and commodities markets), contractual relations with third parties (customers, debtors) and counterparties related to investments in financial assets and financial liabilities (banks, investors). The subcategories of risks that are included are as follows:

Market risk, which includes the following risks:

Interest rate risk: risk of variations in interest rates that might give rise to changes in the Group's profit or loss and the value of its assets and liabilities.

Foreign currency risk: risk arising from changes in the exchange rates of currencies with an effect on future transactions and the valuation of assets and liabilities denominated in currency.

Commodity price risk: risk arising from changes in prices and market variables relating to commodities required in the businesses' supply chain.

Credit risk: it is the risk of insolvency or bankruptcy or possible non-payment of quantifiable monetary obligations by the counterparts to which the Group has effectively granted net credit and are pending liquidation or collection.

Liquidity and financing risk: in relation to liabilities, it is the risk linked to the impossibility of carrying out transactions or to non-compliance with obligations arising from operating or financial activities due to lack of funds or access to financial markets, whether derived from a decrease in the company's credit quality (rating) or other causes. In relation to assets, it is the risk of being unable to find at any given time parties to purchase an asset at the arm's length price or to obtain an arm's length price.

For more information on the financial risks, see the section on "Financial Risk Management" of the Notes to the Financial Statements.

Legal Risks: arising from the preparation and performance of various types of agreements and obligations (commercial, administrative, intellectual property, etc.) and the possible contingencies arising therefrom. Risks relating to legal proceedings, administrative procedures and claims are also included.

Operating Risks: inherent to all Group activities, products, systems and processes that lead to financial losses and damage in the Company image due to human/technological error, inadequate/defective internal processes or the intervention of external agents.

Corporate Governance Risks: arising from potential non-compliance with the Group's corporate governance system, which governs the design, integration and operation of the governance bodies and their relations with the Group's stakeholders and is rooted in the Group's commitment to ethical principles, best practices and transparency as the Group seeks to defend its interests and create sustainable value.

Compliance and Regulatory Risks: arising from the breach of applicable national and international regulations and laws irrespective of the activity in question, included in the following large blocks: (i) Commercial and Competition (market abuse, corporate obligations and securities market regulations, antitrust and unfair competition), (ii) Criminal (prevention of crimes, including those arising from corruption), (iii) Employment, (iv) Tax and (v) Administrative (including personal data protection regulations, environmental laws, etc.).

The 2024 Consolidated Non-Financial Statement and Sustainability Report delves into the different types of risks listed previously. In particular, emphasis is placed on risks related to human rights, society, the environment, people, reputation and the fight against corruption and bribery.

E.4. Indicate whether the entity has risk tolerance levels, including for tax risk.

The risk tolerance level established at corporate level is understood at CAF as the willingness to assume a certain risk level, insofar as it allows value creation and business development, achieving an adequate balance between growth, performance and risk.

The CAF Group presents an overall prudent risk profile with a low tolerance level, in which the objective of guaranteeing the continuity over time of its activity and the sustainable growth, and therefore of its value contribution to its shareholders and to the company in general, prevails.

In order to achieve this risk profile, the Group is based on:

- A prudent policy in relation to bid submissions in tender processes, applying predetermined Risk-Reward thresholds in the decision-making process.

- A suitable risk management infrastructure in terms of governance and availability of material and human resources.

- Search for positioning in high growth segments, in geographies that are classified as strategic and in products in relation to which CAF has proven expertise and experience that enable value generation for the Company, maintaining in all cases the desired profitability and cash generation levels.

The level of risk is defined as the product of probability and impact. Both probability of occurrence and impact are assessed on a five-level scale, and uniform criteria are used to determine each level in each of the axes. The possible results of the combination of both are:

Very low and low-level risks may be accepted and a Control or Action Plan may not be needed in order to manage them.

Moderate-level risks should be carefully analysed in order to determine whether or not they are acceptable and, if appropriate, to establish a Control or Action Plan that brings the risk down to a low and therefore acceptable level.

High and very high-level risks shall require adequate administration and management and a formal Action Plan must be drawn up and then monitored according to its criticality, either by the Risk Management Department or directly by the Executive Committee and the Audit Committee.

Additionally, the risk assessment considers the different types of risks to which the Group may be exposed. Risk tolerance thresholds are generally defined, although largely in relation to Operational Business Risks. If these thresholds are exceeded, new or existing Controls or Actions Plans would be triggered. As for Operational Business Risks, tolerance is defined on the basis of the main figures of the businesses/projects.

With regard to other risks such as financial and strategic risks, a level of tolerance is proposed in terms of their economic impact at corporate level. Notably, there is a principle of zero tolerance towards the commission of illegal acts and fraud.

With regard to tax risks, the Corporate Tax Policy expressly covers the basic principles regarding tax matters for the Group, including, to the fullest extent possible, the prevention and reduction of tax risks while carrying on its activities and maintaining a prudent risk profile at all times. The management of fiscal risks is carried out within the Comprehensive Risk Control and Management System.

E.5. Indicate which financial and non-financial risks, including tax risks, have materialised during the year.

No material or extraordinary risks materialised in 2024. The main aspects to be highlighted in relation to the most relevant strategic, operational and financial risks of the reported year are detailed below.

The main risks that may affect the achievement of business goals are managed actively by the organisation, while minimising any adverse risks faced by the Group. In general terms, the Group’s business and regional diversification assists in reducing any material impacts on the Company’s equity due to risk exposure.

The supply chain continues to be part of the business focus. That is why actions such as the signing of framework contracts with key providers of equipment and supplies continue to be implemented, linking price indexation to the performance of market indexes for the medium term. Alongside this, actions such as outsourcing purchases continue to be deployed to mitigate increased prices and cover the volume of purchases necessary for the global allocation of workloads.

It should be noted that in 2024, the Group's main supplier of aluminium profiles, Costellium, suffered flooding at its main plant and generated supply problems, leading to the consequent plant downtime risk and contract execution delays. In order to respond to these risks, different response plans have been activated to mitigate the impact of this event. The impact on sales and results in 2024 was insignificant.

However, and as has been observed, increased costs caused by inflation and interest rates have improved their tendency with respect to the previous year.

The Israel-Palestine conflict poses a risk of uncertainty in the markets in which the Group operates. The current conflict is affecting the execution rates of several Israeli projects. Even so, the Group maintains continuous communications with its clients, working collaboratively to address the problems arising from this situation.

With regard to Compliance risk management, it is worth noting that in 2024, ongoing projects awarded in previous years were monitored, subject to general or intensified reinforced due diligence, in accordance with section 7.2.7 of the Consolidated Non-Financial Statement and Sustainability Report and section E.6 below which, due to their relevance, are subject to intensive monitoring and to non-financial reporting requirements, without any adverse impacts having materialised.

In 2024, no fines or sanctions were received and no significant non-financial risks materialised that had an impact on the Company's results.

The management in 2024 of significant contingencies from previous years is detailed in Note 25 of the Consolidated Notes to the Financial Statements and in the Consolidated Non-Financial Statement and Sustainability Report.

E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

CAF’s Comprehensive Risk Management System is based on preparing Controls and Action Plans through the appropriate corrective measures, using the META strategy.

Based on the criteria established by the CAF Group and the META analysis methodology, 4 possible strategies for risk management have been defined:

• Mitigate: The risk is accepted but Action Plans are implemented to reduce it.

• Avoid: It is considered that the conditions are not acceptable by the CAF group, so the risk must be eliminated (Zero Tolerance).

• Transfer: It is considered that there are measures that allow transferring the risk to a third party.

• Assume: It is considered that there are no measures to help reduce the risk, so the risk is accepted in its entirety.

In the case of non-manageable risks that raise the risk profile above the tolerance level, contingency plans to remediate the project in progress or in a previous stage are evaluated in order to decide on whether or not to submit the corresponding bid.

The Risk Management Department, under the direct supervision of the Audit Committee, is in charge of ensuring the proper functioning of the System. In particular, it ensures that all relevant risks that affect the Company are properly identified, managed and evaluated, and that these risks are suitably mitigated within the framework of the Policy approved by the Board of Directors.

At different intervals during the year, the Risk Management Department reviews the level of risk and compliance with the unique risk management methodology. On a monthly basis, the Risk Management Department meets with the different business units to form a picture of the business risk situation. And on a quarterly basis, it looks at the situation risks managed at the corporate level. Lastly, every six months, this same department prepares a global risk report on the Group for the Audit
Committee. The Consolidated Financial Statements and Management Report provide details on the Company's risk management.

During the 2024 financial year, the Audit Committee has received an updated report on risks from the Head of the Risk Management Department, in its May and November sessions, with the personal attendance of its Head in both. Such report included a breakdown of the level of the Group's main risks (see section E.3), differentiating between risks managed at i) corporate and ii) business unit level.

In November, the head of the Tax Function, as the person in charge of the control and management of Group tax compliance risks, also presented to the Committee its annual report on compliance with the principles of action in tax matters established by the Board in the Tax Policy, describing the fiscal developments and their impact on the Group.

The Compliance Function approves several activity reports during the year, one of which constitutes the annual report of the Compliance Function, periodically reporting to the Audit Committee on the relevant aspects of the different areas of Compliance and their significant risks and, in particular, on compliance with the internal Codes of Conduct and on the Internal Information System (reporting channels).

In particular, relevant projects in the area of Human Rights Due Diligence and International Sanctions are monitored.

Continued in Section H.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

Describe the mechanisms forming your company's Internal risk management and Control systems relating to the process of publishing Financial Reporting (ICFR) of the company.

F.1. The entity's control environment

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

CAF's Board of Directors is the body responsible for having and maintaining a proper and effective Financial Information Internal Control System. The Audit Committee is the body responsible for supervising, inter alia, the preparation, presentation and integrity of the regulated financial and non-financial reporting and information systems and the effectiveness of the Company's internal control, in particular, the ICFR system. It also monitors the risk management systems or the systems and mechanisms linked to the Company's internal codes of conduct, as well as the internal audit services, and liaises with the auditors or audit firms on any significant weaknesses in the internal control system that may have been detected over the course of the audit. These functions are described in the Regulations of the Audit Committee.

The Internal Audit Function is entrusted by the Audit Committee with the supervision of the Internal Control System over Financial Reporting (ICFR), through the exercise of a unique and independent governance function, aligned with professional quality norms and standards, which contributes to good corporate governance and to ensuring that financial information has been prepared reliably.

The Economic-Financial and Strategy Management is the area responsible for the design, implementation and maintenance over time of an adequate and effective internal control system over financial information. The main specific functions of this area in relation to the internal control system over financial information are the following: (i) the design of the corporate ICFR model, which includes, among other aspects,
the determination of relevant risks and key corporate control activities, (ii) the management of the governance model referred to in the ICFR: (iii) the design of the annual plan, which includes, among other functions, the analysis of materiality, the assessment of the needs for model extensions in the group, possible redesigns and the design of the rotating review plan, (iv) the recurring review of compliance with the model as well as the monitoring of recommendations and improvement plans, (v) coordination with other control models of the group (mainly the Risk and Compliance areas), (vi) management and coordination with the internal audit area and with the external auditor on internal control matters and (vii) maintenance and updating of the internal control manual.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

· Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Executive Director and the head of Human Resources are tasked with designing and reviewing the organisational structure and defining the lines of responsibility and authority for each business unit and subsidiary.

With regard to ICFR, the main tasks and controls to be carried out and supervised, and those persons responsible for them, are clearly defined in the processes determined as critical for the generation of financial information. Therefore, the lines of responsibility and authority are clearly defined in all cases. The breakdown of functions of the tasks considered incompatible is also documented for these processes.

In 2024, the definition and communication of the lines of responsibility and authority have been reinforced, through the publication of the Delegation of Authority matrix of the Group's Economic-Financial area. In addition to its publication on the corporate intranet and the dispatch by email through a broadcast list, specific training was established to publish the document within the organisation.

The organisational structure, as well as the lines of responsibility and authority, are accessible to all Group employees through the corporate Intranet, where updated documents are available.

· Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

CAF's Board of Directors keeps the CAF Group's Code of Conduct updated (the initial version of which dates from 27 July 2011), establishing at all times the good practice commitments and standards in force in terms of business ethics.

The Code of Conduct is, therefore, a declaration at the highest level and a guarantee of the CAF Group's leadership in, and commitment to, ethics, sustainability and good governance. The Code provides the basis for policies and standards of internal action.

The general principles of the CAF Code of Conduct are mandatory rules of conduct and ethical standards based on scrupulous respect for the law, human rights, public freedoms and fundamental rights, the principles of equal treatment, non-discrimination, protection from the exploitation of child labour and other principles contained in the international instruments it cites. In addition to the above, they are the minimum basis that must govern any business behaviour or action of CAF and its value chain.

With respect to financial information, the Code of Conduct includes a specific commitment to complete transparency, paying particular attention to ensuring that the information is prepared in a truthful manner and is recorded and disclosed to the market as required by applicable legislation. Likewise, the CAF Group seeks to faithfully and transparently reflect the reality of the Group, reporting in an integrated manner on all aspects of sustainability required by applicable regulations.

In this way, the CAF Group undertakes to transmit financial and non-financial information in a complete and truthful manner, allowing shareholders, investors, advisors and analysts and other stakeholders to form an objective judgment about the Group in line with best practices and applying the provisions of the General Corporate Communication Policy.

The CAF Group complies fully with legal obligations in relation to regular public information, always respecting applicable regulations on inside and other material information, in accordance with regulations on securities market and investment services.

The CAF Group Code of Conduct has been available on the corporate website (www.cafmobility.com) since its approval, in an easily identifiable section. This document is provided to new recruits and specific training on this subject is provided as a mandatory course in the onboarding programmes mentioned below.

Ongoing training initiatives to raise awareness and promote Compliance standards continued in 2024.

At the end of the year, although the dissemination of the Code of Conduct and the Crime Prevention Manual has been generalized to all employees, the corresponding training has been launched in accordance with plans adjusted to the needs of the different recipients within the Group. In 2024, 90% of the people included in the training plan in this subject have completed it. Since the start of the plan, more than 8,500 people have been trained (of which, 934 in 2024 and 1,045 in 2023). General anti-corruption training is included in this training plan.

Similarly, there is a system in place for training new employees. These programmes are included in the on-boarding plans for new employees. Training materials are constantly revised and updated.

Additionally, 100% of the CAF Group's project partners, in all the regions in which it operates, are informed of the existence and obligation of compliance on their part with the General Principles of the CAF Code of Conduct.

In furtherance of the above, the Corporate Compliance System (of which the Code of Conduct is its basic standard as indicated above) is intended for the prevention, detection and early management of compliance risks.

The CAF Group Compliance Function is the body with autonomous surveillance and control powers, entrusted to supervise the functioning of and compliance with the Corporate Compliance System as a whole and the direct management of at least the following areas: . (i) Business Ethics and Due Diligence in general, in terms of Human Rights and International Sanctions, (ii) Criminal Compliance, (iii) Anti-corruption, (iv) Competition, (v) Market Abuse and (vi) Protection of Personal Data).

In addition, this function is also entrusted with the supervision of other areas managed by other managers. It also coordinates with the remaining corporate functions with other responsibilities in the area of internal control and risk management and, in particular, with the ICFR Head.

To this end, the Compliance Function must, at a minimum, have the appropriate knowledge, skills and experience and must at all times have the integrity, autonomy and independence necessary to be able to perform its duties.

If there is an collegiate Compliance Function, one of its members will act as the Internal Reporting System (whistleblowing channels) Delegate, and will be considered to be the Corporate Compliance Officer, without simultaneously being allowed to be the head of other Functions or Departments unrelated to Compliance, thus permanently ensuring the necessary independence.

Furthermore, the Compliance Function has the necessary skills and authority to carry out the principles and objectives defined in the Policies corresponding to each of the areas and has a Corporate Department and Compliance Delegates with functional dependence within the Group, being able to delegate its own powers to any of the above, with sufficient organisational freedom to ensure the correct implementation of the Corporate Compliance System.

In particular, the Compliance Function will be the internal body responsible for monitoring, supervising and controlling the application of the Code of Conduct, periodically evaluating its effectiveness and adopting appropriate measures to resolve any deficiencies.

For further details on the Corporate Compliance System, please consult section 7.2 of the Consolidated Non-Financial Statement and Sustainability Report included in the Management Report.

· • Whistleblowing channel, allowing for the disclosure to the Audit Committee of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct and irregular activities within the organisation. Such disclosures may be made on a confidential or anonymous basis and the rights of the whistleblower and the reported party are respected in all cases.

The Internal Reporting System Policy and the Internal Reporting System Corporate Procedure approved by CAF's Board of Directors, after consultation with the legal representatives of the workers, establish the basic rules for the management and operation of the Internal Reporting System that integrates all reporting channels into a single computer tool, publicly accessible through the corporate website.

Both the Policy and the Procedure comply with the different international and national regulatory requirements for the protection of whistleblowers and the fight against corruption and remain equally accessible, along with the rest of the System's documentation, on the CAF website.

The CAF Group's Internal Reporting System is managed by means of an IT tool, as the preferred channel for reporting actions or omissions constituting a criminal, serious or very serious administrative or criminal offence, as well as breaches related to the Code of Conduct or any other rule of the CAF Group's Internal Regulatory System.

This System allows for anonymous or named communications, both verbal and written, indicating the entity within the Group to which they are addressed, and guarantees the protection measures established by law for informants, related third parties and persons affected by the communications.

Among the System documentation is the detail of the existing information channels for each legal entity of the CAF Group and the person responsible for receiving communications, as well as the applicable Privacy Policy.

The Head of the Internal Information System is a collegiate body appointed by the Board of Directors of the parent company, which has delegated to one of its members the powers of management and processing of investigation files.

Throughout 2024, there has been a permanent monitoring of the different reporting channels and a periodic check of their proper functioning, with 32 complaints having been registered, which have given rise to 19 cases in the Internal Information System. Three internal investigations have also been initiated ex officio. None of the complaints or cases have resulted in the detection of any accounting irregularities.

· Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

The Group has a corporate training budget and a training plan are designed at least every two years. Training needs are detected and activities for each department are scheduled as part of this plan.

Staff performance assessments are held every year and an individual development and training plan is set out for every employee included in the Training Plan. In addition, refresher courses taught by external specialists are held at least on an annual basis so as to ensure staff remain up to date on regulatory changes that can affect the preparation of the financial statements and webinars presented by experts on the matter are attended.

It is important to note that the recommendations issued by regulatory bodies such as ESMA and CNMV are also reviewed annually when drawing up the financial statements, with a focus on regulatory developments and other key economic circumstances and events.

The main indicators in relation to CAF, S.A.'s economic and financial training programmes in support of the businesses in 2024 are:

- Number of participants in these training actions: 1,679.
- Number of training hours received: 4,262 hours.

It should be noted that in 2024, as in 2023, a significant number of training hours were provided to employees related to the new ERP implemented.

Apart from general training, the main training activities focus on technical updating in relation to economic and financial aspects (such as legislation, tax and risks).

F.2. Assessment of risks in financial reporting

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

· Whether the process exists and is documented.

The basic mechanisms and principles for adequate risk control and management are reflected in the General Risk Control and Management Policy, on whose basic principles the Comprehensive Risk Control and Management System is based.

The Comprehensive Risk Control and Management System assumes a centralised risk control and management model that covers all areas of its activity and integrates their vision into the management of the Organisation. This model establishes that all members of the organisation are actors in the process and aims to integrate it into the Company's culture.

CAF adopts a robust three-line system to organise this global management and ensure its consistency, in line with the best practices and recommendations in the international ISO 31000 and COSO ERM standards.

In line with what was set out in section E above, the first line is defined around risk management in the day-to-day operations of the Company and each of its businesses.

The second line comprises the assurance functions that control and supervise risk. There is a complementary assurance function for the specific case of the ICFR. This is aligned with the premises of the Comprehensive Risk Control and Management System and undertaken by the Economic-Financial and Strategy Department. This is an independent function with respect to the business functions, promoting a tight segregation of functions between the areas that assume the risk and the area responsible for its supervision.

This area defines the critical processes associated with each of the accounts and significant breakdowns. Risks that could generate errors or fraud in the financial information are identified based on the potential impact of an error on the financial statements and the likelihood of the risk occurring.

The third line is the independent review of the first two lines and is carried out by the Internal Audit Function. Its scope includes assessing the effectiveness of risk appetite management, control and governance processes and their correct execution.

· Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so, how often.

At the beginning of each financial year, based on the Group's consolidated information and supported by projected financial information, an analysis is carried out of the main risks of error in the financial information, in relation to attributes such as existence and occurrence, integrity, valuation, presentation, breakdown and comparability and rights and obligations. The identified risks are subject to an evaluation process, estimating the probability and the impact they would have on financial information. This analysis includes the review of the routine financial reporting processes. During the 2024 financial year, the process has been updated, redesigning the impact thresholds as well as the probability parameters.

Additionally, during the year, the identified risk areas are monitored and updated, taking into account new relevant events that have occurred during the period. Thus, the internal control system includes the performance of periodic control activities focused on identifying new risk areas, such as, for example, meetings of the Corporate Economic-Administrative Department with the heads of the business units and meetings to review the reported financial information.

· The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

At least quarterly, the Corporate Economic-Administrative Department receives from the Corporate Legal Department the corporate organisation chart of the Group, identifying the variations in the perimeter that exist in the period. All variations in the perimeter are analysed by the Corporate Economic-Administrative Department.

· Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

The process takes into account all risks identifiable insofar as they affect the financial statements.

· The governing body within the company that supervises the process.

The Audit Committee is the body responsible for overseeing the regulated financial and related non-financial information preparation process and presentation, which includes the risk identification process.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud)
of the various types of transactions that may materially affect the financial statements, including the procedure for the accounting close and the specific review of significant judgements, estimates, valuations and projections.

Certification of financial statements: The financial statements are certified by the CEO together with the Economic-Financial and Strategy Director. Prior to that, the information used to draw up the statements will have been validated by the senior employees involved in preparing the statements and control activities will have been carried out to minimise the risks of any error that may affect the financial reporting process.

The Audit Committee is responsible for supervising and evaluating the preparation, presentation and completeness of the financial and non-financial information on the Company and, where appropriate, the Group, checking compliance with legal provisions, the appropriate definition of the scope of consolidation and the correct application of accounting standards, and submitting recommendations or proposals to the Board of Directors, aimed at safeguarding its completeness. The Audit Committee meets periodically to monitor, among other matters, periodic financial information, prior to its presentation to the Board of Directors, which is the body responsible for approving the financial statements and agreeing their publication and disclosure to the market.

Specifically, the Audit Committee ensures that the annual accounts submitted by the Board of Directors for approval by the General Shareholders' Meeting are prepared in accordance with accounting regulations. The Audit Committee shall report on the conclusions of its analyses to the Board of Directors at its subsequent meetings.

Prior to the formulation of financial information, specific actions are established for the supervision of the process of preparation and formulation of periodic financial information, among which the following stand out:

• Periodic meetings of the Audit Committee with the external auditor to review relevant matters of the audit work and analysis of the report with the final audit considerations.

• Review of the status of compliance with internal control activities and certifications by the Internal Audit Head, who periodically communicates their conclusions to the Audit Committee, as well as any weaknesses detected, recommendations and action plans to implement them. Likewise, the Internal Audit Head reports to the Committee on the conclusions of the review carried out on periodic financial information, both quarterly and half-yearly.

• As the area responsible for preparing financial information, the Economic-Financial and Strategy Department presents the most important aspects of the periodic financial statements to the Audit Committee prior to their authorisation for issue.

The main processes for generating financial information that materially affect the financial statements and for which there are risk and control matrixes are the following:

Consolidation
Recognition of Accounting Entries and Reporting of Financial Statements (Accounting Close)
Employee remuneration
Recognition of Income and Expenses (for each type of activity)
Billing and Clients (for each type of activity)
Purchasing and Inventory Management (for each type of activity)
Treasury Management
Tax
Investments

The risks of error that may affect the reliability of the financial information (including risks of error in relevant judgements, estimates, assessments and projections) have been identified for each of these processes, as have the control activities to mitigate those risks. A person is designated to implement and oversee each control activity, ensure that it is carried out in due course and gather all evidence needed to carry out the activity.

This system is updated on a continual basis and is adapted according to the risks identified.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

The Management of Information and Communication Technologies (ICT) is a corporate process that falls under the CAF Group's Management Model. Its mission is to provide and manage services, supporting the Group's information technology and communication needs in any of the areas of business activity, enhancing the use of these technologies and providing an efficient and effective management over the available resources, ensuring confidentiality, integrity, availability and assurances over the information.

The objectives of this process are to:

Comply with the Corporate ICT development plan

Ensure the availability of information systems (availability)

Guarantee the security (confidentiality and integrity) of Information Systems

Promote the standardisation of systems

Improve the level of satisfaction of users of ICT systems

Develop the ICT corporate framework

The ICFR includes control activities that monitor the proper performance of Reporting System processes in relation to:

Information Technology management

User management

Configuration management

Physical security management

Change management

Operational management and system control

Continuity management

Third-party management

Further highlights include the Information Security Management System (ISMS) that has been in place since 2017 in accordance with ISO 27001. The system has been certified since 2018 and was renewed in 2024 for the information systems managed by the Corporate Digital Department that support CAF's corporate processes. As a result of the implementation, a Security Committee has been created and a Security Manager designated, and the suppliers and personnel affected are required to read the Security Policy and expressly accept certain Terms and Conditions and a Best Practices Manual.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

There is an Accounting Policies Manual applicable to all CAF, S.A. subsidiaries, which includes, among others, an approval and supervision procedure for activities subcontracted to third parties with regard to the preparation of financial statements.

According to the existing matrix with delegation of authority, the hiring of independent experts to perform significant calculations or valuations must be approved by the Corporate Economic-Administrative Department, which assesses the training and independence of the expert before hiring them, to ensure their suitability.

The main activities identified as having been subcontracted to third parties include the preparation of the payroll and tax returns of certain subsidiaries (areas considered to be low-risk and subsidiaries that cannot materially affect the Group's financial statements)
Group) and subcontracting. In any case, with regard to the valuations entrusted to third parties that may materially affect the financial statements, it is the Company's policy to use firms of recognised prestige and independence and involve internal controls to review the hypotheses used and the calculations made by the third party.

F.4. Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The Corporate Economic-Administrative Department is responsible for preparing the consolidated financial statements and those of the parent company. Its tasks include the resolution of accounting queries for the rest of the Group companies with which the Company has a direct and fluid relationship through the designated persons in charge at each subsidiary and the updating of the Accounting Policies Manual. This Manual is updated at least annually. To this end, the Corporate Economic-Administrative Department analyses the possible effects on the Group's accounting policies of any changes or novelties in accounting matters, along with the dates that each of these standards enter into force.
When it is determined that a new regulation, or interpretations of it, have an effect on the Group's accounting policies, the Manual is updated. The Manual was last updated in May 2024.

The Manual is available on CAF's internal portal.

F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR system

Every year a schedule is drawn up of the information required to prepare the financial information for the following fiscal year.

The financial information of each subsidiary is reported directly to the Corporate Economic-Administrative Department, through a web support tool (SAP BPC) with consistent reporting formats, through which information is obtained to support the consolidated financial statements, as well as the consolidated information contained in the notes to the financial statements, and to aggregate and consolidate the information reported.

The Corporate Economic-Administrative Department is responsible for establishing the formats in the web application (chart of accounts, information packages). Those who have been designated for each subsidiary and are charge of control supervise the process used to harmonise the information of each subsidiary with the Group standards.

Furthermore, considering the growth of the Group in recent years, with the aim of continuing to ensure the robustness of the internal control system, it has been decided to implement a new tool for the management of the ICFR. Thus, during the 2024 financial year, the implementation of the internal control model in the SAP GRC tool has begun. This tool will be operational during the first quarter of 2025, and will allow, in addition to the performance, supervision and demonstration of the control activities of the ICFR model, the establishment of automatic controls and the integration of controls from other regulations (Cybersecurity, Compliance and ICNFR-ICFR) into the same system.

F.5. Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the

responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. In addition
describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an
action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

In accordance with the provisions of its own Regulations, the Audit Committee is responsible for supervising the preparation process and the integrity of the financial information, ensuring its compliance with the legal provisions, the accurate determination of the consolidation scope, as well as overseeing the proper internal control risk management systems, including ICFR.

The Audit Committee ensures the staff involved in the ICFR:

• Act with integrity and are independent in the performance of their work, thus ensuring that their conclusions are objective and impartial.

• Are competent and possess the necessary technical expertise to perform their work diligently.

The CAF Group has an Internal Audit Function whose functions include supporting the Audit Committee in its work of supervising the design and operation of the ICFR.

The Internal Audit Function reports functionally to the aforementioned Audit Committee and administratively to the CEO. This position provides it with the authority and status within the organisation to perform internal audit services independently without interference.

The CAF Internal Audit Function Statute, aligned with the International Framework for the Professional Practice of Internal Auditing and the Global Internal Audit Standards, was updated in January 2025, and has an Implementation Manual that defines the methodology and system by which said function must be guided.

The Statute defines the purpose, authority, roles, responsibilities and scope of the activities of the function, as well as its position within the organisation, establishing the framework for its relations with the Audit Committee, the CEO and the Executive Committee.
Among other responsibilities and functions, the Internal Audit Head annually submits the proposed internal audit activities to the Audit Committee for approval, including the tasks to be performed for supervision of the ICFR. The content of the Annual Work Plan is reviewed and updated on an ongoing basis.

Based on this plan, the head of Internal Audit reports regularly to the Audit Committee on its conclusions, any weaknesses detected, recommendations for improvement and action plans to implement corrective measures. This report can be presented either in person at the Audit Committee meetings or by sending it to the Committee.

In the 2024 financial year, the annual work plan presented and subsequently executed by the Internal Audit Function includes the following aspects related to the ICFR.

• Review of the updating of the financial information risk map in a process coordinated by the Economic-Financial Department. To this end, it is analysed whether changes in the organisation, systems, businesses and processes should include variations in the identification and evaluation of the main risks to financial information.

• Analytical review of the financial information submitted to the CNMV on a quarterly basis, together with the review of the execution of control activities in the accounting close and consolidation and reporting processes, including a review of the main judgements and estimates.

• Review of processes and subsidiaries according to a risk-based rotation plan. This review shall include relevant financial information risks and their key controls.

• Quarterly follow-up on the status of the action plans proposed to tackle identified shortfalls and recommendations for further improvement.

• Annual report on ICFR indicators.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others that have been entrusted to them. Likewise, whether there is an action plan that tries to correct or mitigate the shortfalls observed.

Per its regulations, the Audit Committee has, among other functions, those of supervising and evaluating the preparation, presentation and the integrity of financial information, supervising internal control effectiveness and discussing with the auditor the significant weaknesses in the internal control system identified during the audit.

In general terms, the procedure for discussing significant internal control weaknesses is based on periodic meetings.

The Audit Committee meets prior to the issuance of financial information to the markets with the Internal Audit Manager and the Management responsible for preparing the financial information to comment on any relevant aspects and, if appropriate, discuss significant control weaknesses identified. The Internal Audit manager attended six Audit Committee meetings in 2024, reporting on the evolution of the annual work plan and of the existing action plans to implement the internal control improvement recommendations.

The external auditor meets the Audit Committee to present the conclusions of the audit work on the financial statements and to report any significant internal control weaknesses detected during the course of the audit, assessing their possible effects on the financial information. In this regard, there were no points that needed to be communicated.

In 2024, the external auditors appeared three times before the Audit Committee and met with the Board in the plenary session held on 17 December 2024.

F.6. Other relevant information

F.7. External auditor's report

Report:

F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The external auditor’s report regarding the financial information internal control system (ICFR) is attached hereto as an annex.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

   Complies [X]   Explain [ ]

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

   a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

   b) The mechanisms in place to resolve any conflicts of interest that may arise.

   Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

   a) Changes that have occurred since the last General Shareholders' Meeting.

   b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

   Complies [X]   Complies partially [ ]   Explain [ ]

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

   Complies [X] Complies partially [ ] Explain [ ]

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

   Complies [X] Complies partially [ ] Explain [ ]

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

   a) Report on the auditor's independence.

   b) Reports on the functioning of the Audit and Appointments and Remuneration Committees.

   c) Report by the audit committee on related party transactions.

   Complies [X] Complies partially [ ] Explain [ ]

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

   Complies [X] Complies partially [ ] Explain [ ]

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in those cases where the auditor has included a qualification or reservation in its audit report, the chairman of the Audit Committee should clearly explain to the general meeting the opinion of the Audit Committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, together with the other Board proposals and reports.

Complies [X] Complies partially [ ] Explain [ ]

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [X] Complies partially [ ] Explain [ ]

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies [X] Complies partially [ ] Explain [ ]

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies [X] Explain [ ]

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

a) Is concrete and verifiable;

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior managers favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the Appointments Committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The Appointments Committee will annually verify compliance with this policy and explain its findings in the Annual Corporate Governance Report.

Complies [X] Complies partially [ ] Explain [ ]

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies [X] Complies partially [ ] Explain [ ]

16. That the number of proprietary directors as a percentage of the total number of non-executive directors cannot be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

a) In large-cap companies where very few shareholdings are legally considered significant.

b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies [X] Explain [ ]

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies [ ] Explain [X]

As a result of the vacancy generated on the Board during the year, the percentage of independent directors, which until the 9 May 2024 was 36.36% of the total number of Board members, dropped to 30%, thus remaining slightly below the percentage recommended for companies that are not high-cap companies. The Company intends to restore the previous balance in terms of the presence of members with the status of independent members on the Board of Directors.

18. That companies should publish the following information on its directors on their website, and keep it up to date:

a) Professional profile and biography.

b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

e) Company shares and share options that they own.

Complies [X] Complies partially [ ] Explain [ ]

19. That the annual corporate governance report, after verification by the Appointments Committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the Appointments Committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

    The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

    Complies [X]　　Explain [ ]

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. Without prejudice to the information that the company must disseminate, if appropriate, at the time of adopting the corresponding measures.

    Complies [X]　　Complies partially [ ]　　Explain [ ]

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

    Complies [X]　　Complies partially [ ]　　Explain [ ]　　Not applicable [ ]

24. That whenever a director leaves before the completion of his or her term of office, due to resignation or resolution of the General Shareholders' Meeting, the director should explain the reasons for this decision, or, in the case of non-executive directors,
their opinion of the reasons for the cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

25. That the Appointments Committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies [X] Complies partially [ ] Explain [ ]

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies [X] Complies partially [ ] Explain [ ]

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies [X] Complies partially [ ] Explain [ ]

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company’s expense.

Complies [X] Complies partially [ ] Explain [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies [X] Explain [ ] Not applicable [ ]

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies [X] Complies partially [ ] Explain [ ]

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [X] Complies partially [ ] Explain [ ]

33. That the president, as responsible for the effective functioning of the board of directors, in addition to exercising the functions that are legally and statutorily attributed to him, prepare and submit to the board of directors a program of dates and matters to be discussed; organize and coordinate the periodic evaluation of the board, as well as, where appropriate, that of the company's chief executive; be responsible for the direction of the
Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues and approve and supervise refresher courses for each director when circumstances warrant.

Complies [X] Complies partially [ ] Explain [ ]

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies [X] Explain [ ]

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the Appointments Committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the Appointments Committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies [X] Complies partially [ ] Explain [ ]

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies [X] Complies partially [ ] Explain [ ]

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [X] Complies partially [ ] Explain [ ]

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following functions:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establish and supervise a mechanism that allows employees and other people related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting ones,
or of any other nature, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor’s independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor’s business, and, in general, all other rules regarding auditors' independence.

Complies [X]   Complies partially [ ]   Explain [ ]

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [X]   Complies partially [ ]   Explain [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [X]   Complies partially [ ]   Explain [ ]

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies [X]   Complies partially [ ]   Explain [ ]

47. That in designating the members of the Appointments and Remuneration Committee – or of the Appointments Committee and the Remuneration Committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies [X]   Complies partially [ ]   Explain [ ]

48. That large-cap companies have separate Appointments and Remuneration Committees.

Complies [ ]   Explain [ ]   Not applicable [X]

49. That the Remunerations Committee consult with the chairman of the Board of Directors and the Company's Chief Executive Officer, especially in relation to matters concerning executive directors.

And that any director can ask the Appointments Committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies [X]   Complies partially [ ]   Explain [ ]

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [X]   Complies partially [ ]   Explain [ ]

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies [X]   Complies partially [ ]   Explain [ ]

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors selects members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discusses their proposals and reports; and requires them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the Audit Committee, the Appointments Committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee that the board of directors, in exercise of its powers of self-organisation, has decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies [X]   Complies partially [ ]   Explain [ ]

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [X]　　Complies partially [ ]　　Explain [ ]

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X]　　Complies partially [ ]　　Explain [ ]

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [X]　　Explain [ ]

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [X] Complies partially [ ] Explain [ ]

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) They are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period
long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies [ ] Complies partially [ ] Explain [X] Not applicable [ ]

The possibility of linking the variable remuneration of executive directors to the delivery of shares or financial instruments tied to their value was expressly incorporated into CAF's current Directors' Remuneration Policy, following its modification by agreement of the Ordinary General Shareholders' Meeting on 15 June 2024, which was adopted by a large majority of votes. Since the executive directors of the Company currently participate in a long-term incentive plan, which was approved in fiscal year 2023, that is, before the policy modification and whose duration runs until December 31, 2026, coinciding with the strategic cycle, it is not possible to apply this remuneration system in the current long-term incentive plan. However, the Company will consider the possibility of incorporating the remuneration linked to shares or financial instruments referenced to their value into the next long-term incentive plan, subjecting its application to the decision of the general meeting of shareholders, prior to or simultaneously with the approval of the new plan, in accordance with the terms set forth in article 219 of the Capital Companies Law. Likewise, the Company plans to incorporate remuneration linked to shares or financial instruments tied to their value in the new remuneration policy that will be approved when the current one expires and which will support the new long-term incentive plan.

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the Appointments and Remuneration Committee, to deal with such extraordinary situations as may arise and so require.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

H. OTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. If applicable,
   name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010:

The Company adhered to the UN Global Compact on 4 December 2020.

C.1.16 (continued)

The Diversity and Board Member Selection Policy for Board Members defines the conditions that candidates must meet, placing special emphasis on the fundamental objective of promoting diversity in terms of knowledge, experience, age and disability among the members of the Board, applying criteria that ensure the existence of adequate diversity in its composition and the absence of implicit biases that may constitute discrimination based on age, sex, sexual orientation and identity, gender expression, disability or any other personal condition. Specifically, the Board will ensure that the selection procedures promote equality between women and men, as well as diversity with regard to issues such as age, disability or professional training and experience and do not suffer from implicit bias that may entail any discrimination and, in particular, that they facilitate the selection of directors in a number that allows for a balanced presence of women and men. For further details, see section C.1.5 of this report.

The directors shall hold office for a term of four years. Directors may be re-elected for office one or more times for periods of equal duration. The appointments of the directors shall be effective as soon as they are accepted (Article 29 of the Company's Bylaws). Renewal of the Board of Directors shall take place on the expiry of each director’s tenure (Article 30 of the Company's Bylaws).

The General Meeting has the power to dismiss members of the Board of Directors (Article 13.1 of the Company's Bylaws). Directors will be dismissed in accordance with prevailing legislation (article 18.1 of the Board of Directors' Regulations).

The Board Regulations establish the cases in which directors must make their position available to the Board of Directors and tender, if deemed appropriate by the Board, the corresponding resignation (see section C.1.19 of this Report).

Directors must inform the Board and, where appropriate, resign when situations arise that affect them, whether or not related to their performance in the Company itself, which may harm the credit and reputation of the Company and, in particular, in the event of any criminal case in which they appear as investigated, as well as any procedural developments. The Board of Directors, having been informed or having otherwise become apprised of any of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Appointments and Remuneration Committee, the measures to be adopted. All of this will be disclosed in the Annual Corporate Governance Report, unless there are special justifying circumstances, which must be recorded in the minutes. The foregoing is without prejudice to the information that the Company must release, if required, at the time the corresponding measures are implemented. The Board of Directors will not propose the dismissal of an independent director before the completion of the statutory period for which he or she was appointed, except when there is just cause, assessed by the Board of Directors following a report from the Appointments and Remuneration Committee. When a director resigns from their position before their tenure expires, they must sufficiently explain their reasons or, in the case of non-executive directors, their opinion on the reasons for removal by the General Shareholders' Meeting, in a letter sent to all members of the Board of Directors. (Article 18 of the Regulations of the Board of Directors).

C.1.30 (continued)

With reference to fiscal year 2024:

- The Audit Committee met with the external auditors, Ernst & Young, SL. (E&Y), on three occasions in 2024, without E&Y reporting on issues that could put their independence at risk.

- On 26 February 2024, the external auditors, submitted to the Committee the external confirmation of its independence in relation to the financial information pertaining to 2023. In that document, the auditor confirmed that they had implemented internal policies and procedures designed to provide reasonable assurance that the audit firm and its staff had maintained independence to the extent required by applicable law and regulations.

- On 26 February 2024, the same Committee approved the report on the independence of the Company's auditors, concluding that no aspects had been identified that called into question their compliance with prevailing regulations for the auditing of accounts in terms of auditor independence. In accordance with Recommendation 6 of the CGG, the Company published this report on its corporate website well in advance of the date of the 2024 General Shareholders' Meeting.

On the same date the Committee issued its report on the evaluation of the external auditor, which, among other parameters, assessed its independence, reaching favourable conclusions.

- On 30 July 2024, the Committee received the External Auditors' presentation on their limited review report on the financial statements for the first half of the year, with no issues reported that would jeopardise their independence.

- On 13 November 2024, the Committee was presented the partner appointed by the audit firm as the new partner in charge of CAF's audit work, who will replace the current Audit Head after the latter's retirement, which will take place in 2025.

Finally, the Committee has encouraged the attendance of the external auditor at full meetings of the Board to report on issues of interest in their audit work. This took place at the meeting of the Board of Directors held on 17 December 2024.

Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies:

The principles underpinning the Company's relationship with analysts, investment banks and rating agencies are set out in the General Policy on Communication of Economic-Financial, Non-Financial and Corporate Information and Contact with Shareholders, Institutional Investors and Proxy Advisors and are those of transparency, equal treatment and non-discrimination, truthfulness, and reliability of the information provided.

The "Investor Relations" Department, attached to the Company's Financial and Strategy Department, is responsible for channelling communication between the Company and shareholders, investors, asset managers, financial intermediaries and analysts who cover the analysis of CAF as a listed company, respecting in all cases the general principles established in the aforementioned Policy, which guarantees its objective, equitable and non-discriminatory treatment.

C.2.1 (continued)

AUDIT COMMITTEE Operation:

The operating rules of the Audit Committee are detailed in articles 5 to 9 of its specific Regulations.

The Audit Committee shall meet whenever the Chairman deems it to be appropriate so that it may perform its functions, and at least four times a year. As a minimum, the Committee shall meet when the annual or interim financial and sustainability information is published and, in these cases, the meeting shall be attended by the internal auditor and, if a review report is published, it shall be attended by the auditor and verifier of sustainability information with respect to those matters on the agenda in relation to which they were invited. At least a part of these meetings with the internal auditor, the auditor and the verifier must take place without the presence of Company management, so that the specific matters that arose in the reviews performed may be discussed with them exclusively. Likewise, the Committee will meet whenever required to do so by the Board of Directors (Article 5 of the Audit Committee Regulations). The call will be communicated with a minimum of five days' notice by the Secretary of the Commission, in accordance with the instructions of its President, to each of its members by email or by any other means that allows proof of receipt, except for special reasons of urgency in the opinion of the President. The call notice shall include the meeting's agenda items. Without prejudice to the foregoing, the Audit Committee may also deliberate on and adopt resolutions regarding other matters not included on the agenda. Exceptionally, when circumstances so require, Committee meetings may be held by conference call, video call or any other means of remote communication provided that this guarantees the identities and participation of the attendants in real time. In this case, the meeting will be deemed to have been held at the registered office. Also, the Committee Chair may authorise the attendance of one or more directors at the meeting through remote connection systems that duly guarantee the identity and participation of the directors who, for all purposes, will be deemed to be attendees at the Committee meeting. In all cases, the Chairman of the Committee shall, acting through the Secretary, channel and provide the necessary information and documentation to the other members of the Committee sufficiently in advance so that they are able to analyse it prior to the meeting in question (Article 6 of the Audit Committee Regulations). Committee meetings shall be held at the place indicated in the call notice except in the case of meetings held by conference call, video call or any other means of remote communication (Article 7 of the Audit Committee Regulations). The Audit Committee shall be validly convened where more than half of its members attend, either in person or by proxy. Proxy may only be granted to another director who is a Committee member. The positions of Chairman and Secretary of the Board shall be held by those appointed to these positions. In the event of incapacity or absence, the Chairman shall be substituted by the longest-serving Committee member and, in the event that various members have served for the same length of time, by the oldest Committee member. In the event of incapacity or absence, the Secretary shall be substituted by the youngest Committee member. Committee meetings may also be held without prior notice if all the members of the Committee are in attendance, in person or by proxy, and agree unanimously to hold the meeting (Article 8 of the Audit Committee Regulations). The Audit Committee shall adopt its resolutions by absolute majority of the directors attending the meeting in person or by proxy. The Secretary shall issue minutes of each meeting which, following approval thereof either at the end of the meeting or in the following meeting, shall be signed by the Chair and the Secretary. The minutes of the Committee meetings shall be made available to all members of the Board of Directors (Article 9 of the Audit Committee Regulations).

The most relevant activities carried out by this Committee in 2024 are described in the Activities Report to be published at the time of the announcement of the General Shareholders' Meeting on the corporate website corporativawww.cafmobility.com. Among these activities, the following are worth highlighting:

i. Financial and non-financial reporting and internal control mechanism activities

• Review, prior to their submission to the Board of Directors for their authorisation for issue, of the Individual and Consolidated Financial Statements and Management

Reports of CAF, S.A. and the CAF Group, respectively, for 2023. Supervision of the integrity of non-financial information, in particular, that contained in the Management Report, which includes the Annual Corporate Governance Report, the Annual Directors' Remuneration Report and the Consolidated Non-financial Statement and Sustainability Report, which includes non-financial indicators relating to environmental activity, social issues, human resources, respect for human rights and the fight against corruption and bribery.

• Examination, prior to its presentation to the Board of Directors for approval, of the semi-annual interim financial information and information on results for the first and third quarters.

• Review of the remaining information to make it available to the market or supervisory bodies during the reported year.

ii. Related-party transaction activities.

• Preparation of the mandatory report on related-party transactions subject to approval by the Board of Directors during the year.

• Reporting of the Economic-Financial and Strategy Department on related party transactions performed in 2024 that have been approved by delegation, within the framework of the agreement granted by the Board.

iii. Sustainability Activities

The supervision of the corporate policy and sustainability practices is the responsibility of the Appointments and Remuneration Committee, without affecting the competence of the Audit Committee to supervise sustainability reporting and the effectiveness of the control and risk management systems linked thereto. In order to properly perform their functions, the two Commissions act in a coordinated manner.

iv. Activities regarding internal control and risk management

• Ongoing evaluation of the ICFR system and analysis of the recommendations and improvement plans proposed by Internal Audit.

• Supervision of the Risk Management Unit. In performing this function, the Committee received a report from the Risk Management Unit on the main risks and contingencies of the Company and its Group, with the head of this unit attending the Committee.

• Follow-up of the cement asbestos case.

• Supervision of the activities of the Company's internal Tax Department, which is tasked with the control and management of the Group's tax risks, with the head of the area attending to report on current inspections, transactions carried out, changes in the risk matrix, monitoring of compliance with the Tax Policy and any developments in tax matters relevant to the Company.

• Submission to the Board for approval of a proposal to update the Internal Regulations on Conduct in Securities Markets.

• Supervision of the Cybersecurity Department's activities in the year.

• Supervision of compliance with internal codes of conduct and the Internal Information System.

• In particular, supervision of compliance with the Securities Market's Internal Conduct Regulations.

v. Internal audit-related activities:

The Audit Committee analysed and oversaw, on a direct and ongoing basis, the actions taken by the company’s internal audit area. Additionally, it has carried out the

following actions:

• Review of the Annual Report on Internal Audit Activities corresponding to fiscal year 2023, which includes the monitoring of internal control recommendations made by Internal Audit through different reports.

• Approval of the Internal Audit Work Plan corresponding to the 2024 financial year.

• Monitoring the execution of the Internal Audit Work Plan throughout the year.

• Evaluation of the functioning of Internal Audit and the performance of the head of this area.

vi. External auditor-related activities:

• Analysis of the external auditor's reports relating to the individual and consolidated annual accounts of the Company, for the financial year 2023.

• Analysis of the limited review report on the 2024 semi-annual financial statements.

• Request for written confirmation of independence issued by the auditor, and preparation of the Report on the auditor's independence, in relation to the audit of the 2023 annual accounts.

• Evaluation of the external auditor's conduct.

• Proposal for re-election of auditors for the years 2024, 2025 and 2026.
• Presentation of the new Head of Audit at EY for the year 2025.
• Approval of the proposal for non-audit services for the 2025 and its budget. Verification of the fees incurred for services contracted in 2024, according to the approved budget.
• Preparation of a Proposal for the Selection Policy of the Account Auditor and the Sustainability Information Verifier.

vii. Activities related to the sustainability information verifier

• Preparation of a proposal for the appointment of a Sustainability Information Verifier for 2024, for submission to the Board of Directors.
• Furthermore, as stated in the previous point, during the year reported on, the Committee has prepared a Proposal for the Selection Policy for the Auditor and the Verifier of Sustainability Information.

viii. Activities regarding financing:

• Monitoring of Solaris refinancing process.
• Analysis of the proposed renewal of the annual commercial paper issuance programme on the Spanish Alternative Fixed Income Market (MARF), registered for the first time in December 2020, and proposed to the Board of Directors for its approval.

ix. Audit Committee action plan monitoring activities:

In accordance with Recommendation 36 of the CGG, in 2023, the Company had the assistance of an independent external consultant for the annual evaluation of the functioning of the Board and its Committees. The evaluator's report, with positive results, included certain proposals to consolidate the Company's commitment to ongoing improvement in corporate governance, none of which affected areas of competence of this Committee.

x. Other activities

• Approval of the report on the activities of the Audit Committee for the year 2023 (previously, the Operating Report).
• Supervision of the application of the General Communication Policy.
• Supervision of the communication strategy and relations with shareholders and investors.
• Monitoring of new developments on regulations and good practices regarding the composition, operation and powers of the Committee (Technical Guide 1/2024 on Audit Committees of Public Interest Entities).
• Preparation, for submission to the Board, of the proposal to amend the Regulations of this Committee.
• Approval of a 2025 annual work plan, which includes the Committee's annual meeting schedule with the external auditors and with the sustainability information verifier.

APPOINTMENTS AND REMUNERATION COMMITTEE:

Functioning:

The rules on the functioning of this committee are provided for in Article 12 of the Regulations of the Board of Directors and in Chapter V of the Regulations of the Appointments and Remuneration Committee, and can be summarised as follows:

The Appointments and Remuneration Committee meets on a periodic basis depending on need and, at least, three times a year. In particular, it shall meet when required by the Board of Directors. In addition, the Chairman of the Board of Directors or the Chief Executive Officer may request the Committee to hold informative meetings on an extraordinary basis.

The call notice shall be issued, at least five days in advance, by the Committee Secretary, in accordance with the Chair's instructions, to each of the members by email or by any other channel that provides proof of receipt, unless the meeting is called on an exceptional basis due to an emergency by the Chair. The call notice shall include the meeting's agenda items. The Chairman of the Committee, himself or through the Secretary, shall channel and provide the necessary information and documentation to the other members of the Committee sufficiently in advance so that they are able to analyse it prior to the meeting in question. Exceptionally, when circumstances so require, Committee meetings may be held by conference call, video call or any other means of remote communication provided that this guarantees the identities and participation of the attendants in real time. In this case, the meeting shall be understood to have been held at the registered office. Also, the Committee Chair may authorise the attendance of one or more directors at the meeting through remote connection systems that duly guarantee the identity and participation of the directors who, for all purposes, will be deemed to be attendees at the Committee meeting.

The Committee shall be deemed to be convened when more than half of its members attend and pass its resolutions by absolute majority, either in person or by proxy. Proxy may only be granted to another director who is a member of the Committee. The positions of Chairman and Secretary of the Board shall be held by those appointed to these positions. In the event of incapacity or absence, the Chairman shall be substituted by the longest-serving Committee member and, in the event that various members have served for the same length of time, by the oldest Committee member. In the event of incapacity or absence, the Secretary shall be substituted by the youngest Committee member. Committee meetings may also be held without prior notice if all the members of the Committee are present and agree unanimously to hold the meeting. The resolutions adopted shall be recorded by the Secretary in the related minutes, which shall be approved by the same meeting or at the immediately following meeting, and shall be signed by the Chair and the Secretary. The minutes of the Committee meetings shall be made available to all the Board members.

The main activities performed by the Committee in 2024 included:

a. Appointment activities

• Presentation to the Board, for submission to the General Meeting: (i) of the respective prior reports formulated on the proposal for the re-election of Ms. Idoia Zenarrutzabeitia Beldarrain (Proprietary director), Ms. Marta Baztarrica Lizarbe (executive director) and Mr. Manuel Domínguez de la Maza (proprietary director); and (ii) the proposal for the re-election of Ms. Carmen Allo Pérez (Independent director).
• Analysis to cover the existing vacancy on the Committee and on the Board.

b. Remuneration activities

• Review of the Long-Term Incentive Plan and approval of its Regulations.
• Submission of the proposed Directors' Remuneration Report for 2023 to the Board of Directors.
• Verification of compliance with the predetermined economic-financial and non-financial parameters for the accrual of the variable remuneration corresponding to 2023.
• Proposal to the Board of the variable remuneration plan for the Executive Directors and the Executive Committee for the financial year 2024.
• Presentation to the Board, for submission to the General Shareholders' Meeting, of the report on the proposal to approve the Directors' Remuneration Policy for 2024, 2025 and 2026.
• Submission to the Board of Directors of the proposal for provisions to the Long-Term Savings System for the financial year 2024.

c. Corporate Governance and Sustainability activities

• Review of the consolidated Non-Financial Statement and Sustainability Report corresponding to the year 2023, for approval by the Board of Directors.
• Review of the Modern Slavery Declaration reports for 2023.
• Supervision of effective compliance with corporate governance rules and evaluation of the Corporate Governance System during 2024.
• Supervision of the Sustainability Policy as well as the Company's sustainability practices in 2024.
• Submission to the Board for approval of a new Sustainability Policy.
• Annual assessment of compliance with the Diversity and Director Selection Policy in 2024.
• Submission to the Board for the consideration of a proposal to update the Directors' Diversity and Selection Policy.

• Preparation, for submission to the Board, of the proposal to amend the Regulations of this Committee.

d. Other activities
• Approval of the Report on Activities of the Appointments and Remuneration Committee, corresponding to the year 2023 (previously, the Operating Report).
• Authorisation for the renewal of the insurance policy for Directors and Managers.
• Approval of the Committee's 2025 Activities Plan.

e. Appointments and Remuneration Committee action plan monitoring activities

Throughout the year reported on, the Committee has continuously monitored the 2024 action plans, proposed in the Report on the annual evaluation of the functioning of the Board and its Committees in 2023, prepared by an independent external consultant, verifying that said plans had been satisfactorily implemented.

D.1. (continued)

At the same meeting, the Board approved the CAF Group's Related Party Transactions Manual (the "Manual"), which sets out the basic rules governing the management of the Group's related party transactions. In particular, the Manual addresses:

i the procedure for approving related party transactions, in accordance with the following key steps:
(i) Submission of a related party transaction proposal to the Chief Financial and Strategy Officer, accompanied by the corresponding documentary justification.
(ii) Analysis the type of transaction proposed and identification of the body responsible for its approval.
* In the case of a potential related party transaction subject to approval by the Board or the Committee: relaying the justified proposal to the Audit Committee so that it may issue its report on the matter.
Relaying the proposal and the Committee's report to the Board for approval or referring the matter to the General Meeting for a decision by shareholders, assuming the meeting is competent to decide on the matter.
* In the case of delegable related party transactions: the delegated person shall assess and determine whether the objective requirements for approval of the transaction have been met. No report of the Audit Committee will be required in such cases. However, the reasons for approval or rejection of the transaction must be duly documented for the purpose of reporting to the Audit Committee as part of the periodic reporting and control procedure described in the following section.

ii the internal procedure for reporting and regular monitoring of delegable related party transactions, as described below:
The Company's Economic-Financial and Strategy Director shall submit to the Audit Committee, through the Committee's Secretary, a periodic report summarising the Related Party Transactions whose approval has been delegated by the Board of Directors and which have been approved during the period corresponding to that defined for reporting, the duration of which must allow the Company to comply with its legal obligations regarding Related Party Transactions.

The report shall include at least the following:
(i) The number of transactions by type and related party;

(ii) The following information in respect of each related party transaction: type of transaction, amount or consideration of the transaction and market price ranges for similar transactions, related party to which the transaction relates and other relevant terms of the transaction;
(iii) Extent to which each transaction meets the requirements for approval by delegation.
(iv) A summary of the rationale for approving each transaction, focusing on the fairness and transparency of the transactions.

The Chief Financial and Strategy Officer of the Company shall establish the necessary resources and mechanisms to ensure a permanent supply of up-to-date information:
- A register of proposed related party transactions.
- A record of completed related party transactions, which shall necessarily include the status of the applicable thresholds for approval and publication of related party transactions.

The Secretary to the Board shall provide the Economic-Financial and Strategy Director with a list of persons related to the directors who are to be considered Related Parties of the Company for the purpose of applying the regulations on Related Party Transactions. (Article 8 of the Manual on Related Party Transactions).

Intragroup transactions which, due to their characteristics, qualify as related party transactions are managed in accordance with the terms of the Manual. For the approval of intragroup transactions, from the perspective of the subsidiaries referred to in article 231 bis of the Spanish Corporate Enterprises Act, the provisions of said article apply.

E.1 (continued)

The main aspects of the Three Lines Model are set out below:

Determining the General Risk Control and Management Policy and supervising the internal information and control systems are two of the functions and competencies of our Board of Directors, with the Audit Committee being delegated the responsibility of supervising and evaluating the Group's risk control and management systems, as well as supervising the Company's internal risk control and management function.

Responsibility for all activities aimed at achieving the Organisation's objectives, including those related to risk and opportunity management, falls to the Company's Management, which promotes a culture sensitive to respect for risk appetite.

Every activity undertaken involves uncertainties. These can be risks that can hinder us achieving our objectives, or opportunities we can exploit to maximise them. For this reason, the functions that carry out activities at CAF, both in the provision of products and services and in support areas, always keep in mind the importance of anticipating and identifying uncertainty events, evaluating them and, if appropriate, managing them.

As new features in 2024 within the framework of the performance of the Risk Management System, we highlight the following:

Progress continued on updating the Group's risk catalogue, improving the methodology and management dynamics associated with each type of risk. In 2024, the focus was placed on the identification of risks, opportunities and impacts arising from the Double Materiality analysis. These risks and opportunities are integrated, together with the risks and opportunities of the climate change analysis, with the rest of the Company's risks and opportunities.

In addition, the methodology for managing risks and opportunities arising from climate change has continued to be improved. The main improvements include the incorporation of the locations of each of the Group's headquarters into the physical risk assessment, and the updating of climate scenarios and assumptions or foundations to calculate financial impacts.

E.6 (continued)

In this regard, due to the nature of CAF's activity, projects involving the construction of infrastructure and civil works are of particular relevance as there is a greater risk of causing incidents in the groups affected by CAF's direct operations or through its value chain in high-risk countries. In the case of a conflict zone, the analysis is tailored to the particular context, as in the case of the Jerusalem Light Rail project, which is partly located in politically contested territories and is subject to enhanced due diligence.

With regard to the regulatory context of the conflict, the CAF Group has closely followed the resolutions and pronouncements of different international organisations on the matter, comparing them at all times with external expert advisors in the field.

No complaints have been received directly from affected communities, nor have any significant reputational risks or opportunities related to these communities been identified. However, the CAF Group's Reputational Risk Committee, which is responsible for analysing, on an ongoing basis, the different impacts that may arise from the different aspects of reputational risk, in particular, those of Communication, Risks or Compliance, has been tracking the potential reputational risk arising from the Project, and to date no quantifiable damage has been identified in this regard.

Regarding Human Rights risks, the CAF Group has carried out several re-evaluations for this project, the most recent being in 2024.

The most notable risks, potential impacts and the adoption of control measures of the project in accordance with the aforementioned updated risk management system, both generalised by the nature of the activity and specific to the project, are described in detail in the section 7.2.7 of the Consolidated Non-Financial Statement and Sustainability Report.

In accordance with the continuous monitoring of the Project's due diligence measures, no deficiencies have been identified to date in the design and/or operational effectiveness of the implemented control activities.

After the application of the established internal procedures, throughout the 2024 financial year, no violation of Human Rights derived from the CAF Group's participation in any project has been detected. Therefore, there has been no need to take remedial measures.

For its part and on a regular basis, the Head of Internal Audit has reported to the Committee during this year on the degree of compliance and sufficiency of the Group's internal control and on the monitoring of the main financial and fiscal risks.

The matters discussed by the Audit Committee and, in particular, those relating to Company risks, are reported to the Board of Directors at its following meeting to keep it specifically informed in this regard and for it to adopt the appropriate resolutions within the scope of its powers.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on 25/02/2021

26/02/2025

Indicate whether any director voted against or abstained in relation to the approval of this Report.

[ ] Yes
[√] No

Auditor´s report on the "Information Related to the System of Internal Control Over Financial Reporting (ICFR)" of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. for the year 2024

Building a better working world

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AUDITOR´S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report and information originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Board of Directors of CONTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.:

In accordance with the request from the Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (hereinafter the Entity) and our engagement letter dated October 15, 2024, we have performed certain procedures on the "ICFR related information" attached in section F of the Annual Corporate Governance Report of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A., which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity´s internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity´s financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2024 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).

2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.

3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.

4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.

5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.

6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

The original signed in Spanish

February 26, 2025

11 ANNUAL REPORT ON DIRECTORS' REMUNERATION

ANNUAL DIRECTORS' REMUNERATION REPORT OF LISTED COMPANIES

The following English translation is provided by the Company for information purposes only and is based on the original official document in Spanish available on the Company's website (www.cafmobility.com). In the event of any discrepancy between the English version and the original document in Spanish, the latter will prevail.

ISSUER'S PARTICULARS

End date of financial year in question: 31/12/2024

Tax Identification Number (CIF): A20001020

Company name:

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA

Registered office:

JOSE MIGUEL ITURRIOZ, 26 20200 BEASAIN (GUIPUZCOA)

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the policy in force applicable to the current year relating to the remuneration of directors. If relevant, certain information may be included in relation to the remuneration policy approved by the shareholders at the General Shareholders' Meeting, provided that the information included is clear, specific and precise.

The specific decisions for the current year should be described, both in relation to the remuneration of the directors in their capacity as such and for the discharge of executive functions by the Board in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the shareholders at the General Shareholders' Meeting.

In any case, the following matters must be reported, at minimum:

a) Description of the company's procedures and bodies involved in determining, approving and applying the remuneration policy and the conditions thereof.

b) Indicate and, where applicable, explain whether any comparable companies were taken into account to establish the company's remuneration policy.

c) Information on whether any external advisor has participated and, if so, their identity.

d) Procedures considered in the director remuneration policy in force to apply temporary exceptions to the policy, conditions in which these exceptions can be applied and components that can be subject to exemption according to the policy.

* CAF's remuneration policy for 2025 was approved by the General Shareholders' Meeting held on 15 June 2024, following a proposal made by the Board of Directors dated 9 May 2024 in view of the report and proposal issued by the Appointments and Remuneration Committee on 8 May 2024. It should be noted that the remuneration policy approved by the General Meeting reflects a deliberate dialogue with shareholders and institutional investors, as well as proxy advisors, initiated as a result of the dissent observed with respect to the previous remuneration policy, which highlighted the need to review it more closely to align the expectations of shareholders and institutional investors with CAF's remuneration practices. Consequently, the following changes and improvements were included:

1. The inclusion of the enhanced development of the characteristics of the variable remuneration system, both in the short and especially in the long term.

2. The introduction of the possibility of remunerating executive directors through shares, stock option rights or remuneration linked to the value of shares, be they of CAF or of its Group companies.

3. The option of combining the items included in point 2 above, together with cash compensation, to offer a more flexible remuneration package; and

4. The updating and establishment of limits on remuneration components in line with companies comparable to CAF in terms of turnover, market capitalisation or size, while also avoiding sharp increases in remuneration between financial years.

Likewise, as resolved by the General Meeting, the remuneration policy was applicable from the very date of its approval (i.e. 15 June 2024) and for the remainder of 2024 and remains in force for the two years following its approval (i.e. 2025 and 2026), without prejudice to any modifications, adaptations or updates that may be approved at any time by CAF's General Shareholders' Meeting.

* CAF's remuneration policy is based on the following principles and foundations:

1. General criteria

- in general, the aim is to meet market criteria, taking as a basis the remuneration established for directors of listed companies of a similar size, billing figures or stock market capitalisation to those of CAF, in accordance with the public information furnished by those companies, as well as compliance with the principles of moderation and prudence;

- the remuneration system is based on the fundamental principle of attracting and retaining the best professionals, rewarding them according to their level of responsibility and their professional career, based on internal fairness and external competitiveness;

- CAF also considers the remuneration system for its directors and executives to be a fundamental factor that contributes to the business strategy, interests, sustainability and creation of long-term value for the Company, in particular to ensure that it corresponds with its results and an appropriate distribution of profits to shareholders, in the interests of both such shareholders and its employees; and

- likewise, CAF's remuneration system complies with the applicable legislation at all times and seeks to incorporate the standards and principles of generally accepted national and international best practices in matters of remuneration and good corporate governance at any given time, such as the provisions of the Code of Good Governance for Listed Companies approved by the Spanish National Securities Market Commission (CNMV), which was most recently revised in June 2020.

2. External directors

- in the case of non-executive directors, the remuneration must be sufficient to compensate for their dedication, qualifications and responsibility;

- in the particular case of directors who are neither executive nor proprietary directors, this remuneration shall be set at a level that in no case compromises their independence of judgement; and

- the aim of the remuneration policy is to motivate and retain the most suitable professionals.

3. Executive directors

Specifically with regard to executive directors, the remuneration policy for the performance of their executive functions, other than supervision and collective decision-making, is based on the following premises:

- to offer remuneration that makes it possible to attract, retain and motivate the most suitable professionals in order to enable the Company to meet its strategic objectives within the increasingly competitive and internationalised framework in which it carries on its activities; and

- to have a competitive overall remuneration level in relation to comparable entities in the industry.

In this regard, the remuneration policy approved by the General Meeting provides for the inclusion of variable remuneration concepts, both annual and long-term, linked to (a) the achievement of specific, quantifiable economic-financial objectives aligned with the social interest and the strategic objectives of the Company and (b) the achievement of non-financial parameters that promote sustainability and the creation of long-term value for the Company.

Continued in Section D.

A.1.2 Relative importance of the variable remuneration items with respect to fixed items (remuneration mix) and the criteria and objectives considered in order to establish these and ensure a suitable balance between the fixed and variable remuneration items. Specifically, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to adjust it to the company's long-term objectives, values and interests, which will include, where appropriate, a reference to: measures envisaged to ensure that the remuneration policy takes account of the long-term performance of the company, measures adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile and measures envisaged to avoid conflicts of interest.

Also, indicate whether the company has established a vesting period for certain variable remuneration items, cash, shares or other financial instruments, or a period of deferral for the payment of amounts or the delivery of accrued and vested financial instruments, or whether agreement has been reached regarding any clauses to reduce unvested remuneration or which oblige the director to return remuneration received, whenever such remuneration was based on information manifestly proved to be inaccurate after it was initially paid.

For the definition of the items and amounts that make up the remuneration system, CAF takes into account at all times the long-term interests of the Company and, in particular, guarantees correspondence with the evolution of the Company's results and an adequate distribution of profits to shareholders.

In the case of non-executive directors, remuneration shall be set at a level that will under no circumstances compromise their independence of judgement, as has been habitual practice in previous years.

Executive directors are covered by a long-term incentive plan approved in 2023 (as detailed in section B.7) for the period from 1 January 2023 to 31 December 2026. This plan, which, if applicable, will settle in financial year 2027, includes parameters linked to quantifiable business and financial objectives and non-financial objectives defined in the Strategic Plan in line with the corporate interest (aggregate EBIT operating profit for the period 2023-2026 and reduction of CO_2 emissions (Scope 3) at year-end 2026, respectively).

Furthermore, it is expected that the short-term variable remuneration will be conserved in the executive directors' remuneration package in 2025. In such case, the parameters chosen to assess the degree of compliance with the objectives and determine the variable remuneration of the executive directors must be both (i) of an economic-financial nature (such as hiring, sales, cash-flow or profit before taxes), which must represent at least 80% of the short-term variable remuneration and may, subject to the approval of the General Meeting, include parameters referenced to the value of the shares and (ii) of a non-financial nature (such as customer satisfaction, the organisational health index, the result of the Ecovadis evaluation, the CO_2 emissions reduction indicator or other ESG indicators that promote CAF's sustainability), which must represent, at most, 20% of the short-term variable remuneration. The intention is that these parameters, which will be set minimum objectives below which variable remuneration will not be accrued in the short term associated with the parameter in question, will address the viability and sustainability of the CAF Group both in the short and long term, selecting parameters that, although measured annually, have a medium- and long-term impact on the Group's sustainability.

The degree of compliance with the established objectives will be verified by the Board of Directors once the final data obtained are known (at the end of the year for annual variable remuneration and during the year 2027 for long-term variable remuneration). Likewise, efforts will be made to ensure that the amount of said variable remuneration maintains an appropriate balance between the fixed and variable components, so it is related to the performance of the executive directors and is in line with the Company's objectives, values and interests and, in the case of annual variable remuneration, this constitutes an appropriate incentive without distorting its complementary nature of the fixed amounts.

However, payment of variable components (both short and long term) is expected to be deferred (until after the following year's General Shareholders' Meeting for annual variable remuneration and after the 2027 General Shareholders' Meeting for long-term variable remuneration), so that there is time to effectively verify compliance with the performance-linked parameters and thus allow the Board of Directors to adequately measure the degree of achievement of the objectives and assess whether there are any circumstances that make it advisable to reduce and/or, where appropriate, claim the refund of the variable remuneration to be received by executive directors, such as serious breaches of their obligations, the introduction of qualifications in the audit report, the need to reformulate the Company's financial statements or the identification of any error in the calculation or measurement of the degree of achievement of said objectives.

Both the reduction and the refund of the incentive can be total depending on the severity of the event.

To accrue annual variable remuneration, beneficiaries must remain at the Company for the entire year, losing their right to said remuneration if they leave the Company during said year. For the accrual of the long-term incentive plan, beneficiaries must still be working for the Company at 31 December 2026 (although the right to receive the prorated incentive will continue to exist under the terms set forth in section B.7).

The long-term incentive plan will be remunerated in cash, while annual variable remuneration can be paid in cash, shares or in option rights thereon or through instruments linked to the value of the shares, be they of the Company or its Group companies or through a combination of the above items. Remuneration involving the delivery of shares, option rights thereon or instruments linked to share value must be approved by the General Shareholders' Meeting.

When the annual variable remuneration is paid in shares, in option rights thereon or through instruments linked to share value, while executive directors hold such position, they cannot transfer their ownership or exercise them until a period of at least three (3) years has elapsed. The following are excepted from the above: (i) if the executive director maintains, at the time of transmission or exercise, net economic exposure to share price fluctuations for a market value equivalent to an amount of at least two times their annual fixed remuneration through the ownership of shares, options or other financial instruments; and (ii) the shares that the executive director needs to sell to meet the costs related to their acquisition or, subject to a favourable assessment by the Appointments and Remuneration Committee, to deal with extraordinary situations that may arise that require it.

Section D continues

A.1.3 Amount and nature of the fixed components that are due to be accrued during the year by the directors in their capacity as such.

In 2025 the components of the directors' remuneration for the performance of their corresponding duties are expected to include fixed remuneration for membership of the Board, remuneration for serving on Committees, and per diems for attending Board meetings, and pursuant to the provisions of Section 3.1.4 of the remuneration policy, an additional fixed amount will be paid to directors who perform other functions or responsibilities.

The total current fixed components of directors' remuneration for 2025 are not expected to increase with respect to 2024 (see section B.5 of this report and section 3.1 of CAF's new remuneration policy.

No other benefits, such as advances or loans, are expected.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

It is expected that the fixed components for the performance of senior management functions of executive directors in 2025 will be updated, where applicable, in line with the fixed salary reviews agreed in the applicable collective agreement, set at 4.35% of wages, the same as applied to all CAF employees under employment contracts.

There are no other benefits, such as advances or loans.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Company has not agreed remuneration in kind with its directors, except for life insurance included among the remuneration items that may be applied to executive directors.

Although an estimate of the total amount of the insurance premiums to be paid in 2025 cannot currently be provided, no substantial changes are envisaged with respect to the amounts paid in 2024.

A.1.6 Amount and nature of the variable items, differentiating between short-term and long-term. Financial and non-financial parameters, with the latter including social, environmental and climate change parameters, selected to determine the variable remuneration in the current year; an explanation of to what extent such parameters relate to performance, both of the director and of the entity, and to the related risk profile; and the methodology and timeframe required, as well as the techniques envisaged, to be able to determine at year-end the effective degree of achievement of the parameters used in designing the variable remuneration, explaining the criteria and factors applied in terms of the time required and the methods used to check whether the performance or any other type of conditions to which the accrual and vesting of each variable remuneration item were linked have been met.

Indicate the monetary range of the various variable items based on the level of achievement of the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

For the definition of the items and amounts that make up the remuneration system, CAF takes into account at all times the long-term interests of the Company and, in particular, guarantees correspondence with the evolution of the Company's results and an adequate distribution of profits to shareholders.

With regard to long-term variable remuneration, executive directors participate in a long-term incentive plan approved during fiscal year 2023, the terms of which are described in detail in section B.7, and which seeks to establish an incentive to achieve results and the Company's strategic objectives that reinforce its performance and long-term sustainability. Said remuneration is settled, if applicable, in fiscal year 2027, once the annual accounts corresponding to fiscal year 2026 have been approved by the General Meeting.

Also, with regard to short-term variable remuneration, the inclusion of which is expected to be maintained in 2025, the intention is that the parameters chosen, for which minimum objectives shall be set below which there will be no accrual of short-term variable remuneration associated with the parameter in question, take into account the viability and sustainability of the CAF group in both the short and long term, selecting parameters that, even when measured annually, have a medium and long-term impact on the sustainability of the group. These parameters must be both (i) of an economic-financial nature (such as hiring, sales, cash-flow or EBIT), which must represent at least 80% of the short-term variable remuneration and may, subject to the approval of the General Meeting, include parameters linked to share value and (ii) of a non-financial nature (such as customer satisfaction, the organisational health index, the result of the Ecovadis assessment, the CO_2 emissions reduction indicator or other ESG indicators that promote CAF's sustainability or corporate social responsibility), which must represent, at most, 20% of short-term variable remuneration.

In this regard, it is expected that these short-term variable components will be similar to those already included in previous years, both with respect to the link between the reference parameters and CAF's performance, and in the way they are verified and with respect to the possibility of the Company claiming the refund of any variable remuneration that may have been paid out as a result of inaccurate data. The objectives set in relation to the parameters are also expected to be ambitious and challenging for their beneficiaries.

The degree of compliance with the short-term objectives will be measured in keeping with the financial statements and management report at 31 December 2025, once authorised for issue by the Board of Directors during the first quarter of 2026 (with regard to the financial parameters) and on the basis of satisfaction surveys, evaluations carried out by independent third parties or similar methods (with regard to non-financial parameters). In any case, to accrue annual variable remuneration, beneficiaries must remain at the Company for the entire year, losing their right to said remuneration if they leave the Company during said year. For the accrual of the long-term incentive plan, beneficiaries must still be working for the Company at 31 December 2026 (although the right to receive the prorated incentive will continue to exist under the terms set forth in section B.7).

Likewise, when setting the annual variable remuneration of the Executive Directors, the short-term variable component will not be able to compromise the search for the best interest of the Group and its payment may be deferred over time from the end of the financial year. Likewise, the Board of Directors may reduce and/or, where appropriate, request the beneficiaries of the annual variable remuneration to refund the incentive if any circumstance arises making it advisable, such as the identification of any error in its calculation or in the measurement of the degree of achievement of objectives, the existence of serious breaches of their obligations, the existence of qualifications in the audit report or the need to reauthorise the Company's financial statements for issue. Said reduction and/or refund of the incentive may be total depending on the severity of the event that gives rise to said reduction and/or refund.

At today's date, the amount of the maximum limit of the annual variable remuneration of executive directors in 2025 is not available. In accordance with the remuneration policy in force, during its validity, the annual variable remuneration shall not exceed, in any case, 50% of the fixed salary for 100% achievement of the objectives or 60% in the event of achievement exceeding 100% in all economic-financial metrics, with these limits being conservative compared to those applied by mid-cap companies comparable to CAF in terms of their turnover and size. In any case, the annual variable remuneration will not operate at its maximum limit in 2025.

Therefore, the Company considers that the remuneration system is aligned with its objectives, values and long-term interests.

A.1.7 Main characteristics of the long-term savings schemes. Among other information, the contingencies covered by the scheme will be indicated, as well as whether it involves defined contributions or benefits, the annual contribution that must be made to the defined contribution schemes, the benefits to which the beneficiaries are entitled in the case of defined benefit systems, the vesting conditions of the economic rights of the directors and its compatibility with any type of payment or indemnity for early termination or dismissal, or resulting from termination of the contractual relationship between the company and the director under the envisaged terms and conditions.

It should be indicated whether the accrual or vesting of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short-term and long-term performance of the director in question.

The Company has a long-term savings scheme in place for executive directors as part of its defined contribution scheme, which is compatible with other types of compensation. This scheme covers retirement, death, full permanent disability and severe disability.

The accrual or consolidation of the rights derived from the long-term savings system occurs when one of these causative events occurs or in certain cases of termination of the employment or commercial relationship with the Company.

The provision to the aforementioned long-term savings system for executive directors during fiscal year 2025 will be a similar amount to that corresponding to fiscal year 2024.

In any case, the limit on ordinary contributions is established as a percentage of the pensionable salary, under the terms provided for each beneficiary in the plan regulations, and in no case does it exceed 30% of the pensionable salary for executive directors, except the CEO, whose limit stands at EUR 205,000 per year.

The extraordinary contributions agreed on an exceptional basis to compensate for the years of seniority in the company without participation in the previous long-term savings system will also remain unchanged, which will definitively end in the year 2027, in line with the planning already agreed by the Board of Directors.

It is noted that the amount of contributions to the long-term savings system is not consolidated as a fixed salary nor does it count towards the calculation of variable remuneration, nor towards the revisions of the fixed salary itself approved by collective agreement.

The new long-term savings system approved in 2022, which did not benefit the current executive directors, involves significantly more moderate contributions than those under the previous system. Additionally, the current system is a defined contribution and not a defined benefit like the previous one, which generates greater certainty for the Company regarding the cost and disbursement to be made in the future.

On the occasion of the approval of the remuneration policy currently in force and to ensure that the remuneration structure was as competitive as possible and in line with best market practices, a comprehensive analysis was carried out of mid-cap companies that are comparable to CAF in terms of turnover and size, with the support of specialised external advisors. This analysis enabled a more precise contextualised assessment of remuneration in relation to the previous mid-cap companies, concluding that CAF's remuneration components were generally below the average of this group of comparable companies, which suggests that, to date, CAF has adopted a very prudent approach to its remuneration structure.

A.1.8 Any other type of payment or indemnity for early termination or dismissal, or arising from termination of the contract between the Company and the director under the terms and conditions envisaged, whether the relationship is terminated by the Company or the director, and any type of agreements entered into, such as exclusivity, post-contractual non-compete and minimum-stay or loyalty agreements, that grant the director the right to receive any remuneration.

There are no termination benefits agreed upon or paid by the Company in the event of termination of the functions as director, except as indicated in the following section in relation to the CEO.

A.1.9 Indicate the conditions that must be respected in the contracts of those exercising senior management functions as executive directors. Among other matters, information will be provided on the duration, the limits on the amounts of termination benefits, minimum-stay clauses, notice periods, as well as payment in lieu of the aforementioned notice period, and any other clauses relating to hiring bonuses, as well as indemnities or golden parachute clauses for early termination or termination of the contractual relationship between the Company and the executive director. Include, among others, non-compete, exclusivity, minimum-stay or loyalty and post-contractual non-compete clauses or agreements, unless they have been explained in the preceding section.

Pursuant to the system set out in Article 249 of the Spanish Corporate Enterprises Act in relation to directors who perform executive functions following the delegation of powers by the Board or by any other nature, the Company entered into a commercial contract with the current CEO, who was appointed on 29 April 2021, effective 1 September 2021, for an indefinite duration and subject to the content indicated in said article.

This contract establishes compensation equivalent to two years of their fixed remuneration in the event of the termination of the CEO's contract (i) at the discretion of the Company and without any cause attributable to the director, or (ii) at the discretion of the CEO, if the decision was motivated by a serious, malicious breach on the part of the Company of the obligations assumed under the contract or in the event that there is a significant loss or amendment of their functions, powers or conditions without any cause attributable to the CEO.

Likewise, the contract imposes obligations on the CEO in terms of non-competition and exclusivity for two years from their departure. These obligations do not accrue additional remuneration.

The Company has another executive director (the Secretary to the Board) without delegation of authority, whose relationship with the Company is by virtue of an employment contract and with whom no clauses or agreements of any type other than those provided under the standard employment regime have been established.

A.1.10 The nature and estimated amount of any other supplementary remuneration earned by the directors in the current year as consideration for services rendered other than those inherent to their position.

No supplementary remuneration is expected to be accrued to directors as consideration for services rendered other than those inherent to their position.

A.1.11 Other remuneration items such as any arising from the company granting advances, loans, guarantees and other remuneration to the directors.

The directors are not expected to receive any remuneration in the form of advances, loans or guarantees.

A.1.12 The nature and estimated amount of any other envisaged supplementary remuneration not included in the items above, whether settled by the entity or another group entity, that will be earned by the directors in the current year.

No additional items of remuneration are expected to exist in the current year.

A.2. Explain any significant change in the remuneration policy in force in the year arising from:

a) A new policy or a change to the policy already approved by the General Shareholders' Meeting.

b) Significant changes in the specific decisions established by the Board for the current year to which the remuneration policy in force refers, with respect to those applied in the previous year.

c) Proposals that the Board of Directors may have resolved to present to the General Shareholders' Meeting, to which this annual report will be submitted and which are to be applied in the current year.

As explained in the annual directors' remuneration report for the previous year, the Board of Directors was considering proposing a modification of the remuneration policy to the Company's Ordinary General Shareholders' Meeting to include the possibility of Directors' remuneration would include the allocation of shares, stock options or remuneration linked to the value of the shares, in addition to other adjustments that are deemed appropriate. On 9 May 2024, the Board of Directors made a reasoned proposal to modify the remuneration policy, in light of a prior proposal and a specific report issued by the Nominations and Remuneration Committee on 8 May 2024. As a result, the Ordinary General Meeting of Shareholders held on 15 June 2024 approved the modification of the remuneration policy of the Company's directors.

It should be noted that the remuneration policy approved by the General Meeting was applicable from the date of its approval (i.e., 15 June 2024) and for the remainder of 2024 and will remain in force for the two fiscal years following its approval, that is, fiscal years 2025 and 2026, without prejudice to any modifications, adaptations or updates that may be approved at any time by the General Meeting of Shareholders of CAF.

The main modifications incorporated into the new policy reflect a deliberate process of dialogue with shareholders and institutional investors, as well as proxy advisors, initiated as a result of the dissent observed with respect to the previous Remuneration Policy, which highlighted the need for a review of the same to more closely align the expectations of shareholders and institutional investors with CAF's remuneration practices. The main modifications were the following:

1. The inclusion of the enhanced development of the characteristics of the variable remuneration system, both in the short and especially in the long term.

2. The introduction of the possibility of remunerating executive directors through shares, stock option rights or remuneration linked to the value of shares, be they of CAF or of its Group companies.

3. The option of combining the concepts included in point 2 above, together with cash payment, to offer a more flexible remuneration package.

4. The updating and establishment of limits on remuneration components in line with companies comparable to CAF in terms of turnover, market capitalisation or size, while also avoiding sharp increases in remuneration between financial years.

As of the date of preparation of this report, the Board of Directors has not agreed to propose to the General Meeting any amendments applicable to the current year.

A.3. Identify the direct link to the document that contains the company’s current remuneration policy, which should be available on the company’s website.

https://admin.cafmobility.com/uploads/SGC_0007_Politica_Remuneraciones_Consejeros_EN_f5bb4f9930.pdf

A.4. Taking into consideration the information provided in Section B.4, explain the manner in which the shareholders' votes were taken into account at the General Meeting at which the annual remuneration report for the previous year was submitted for an advisory vote.

The 2023 Annual Remuneration Report was approved by a large majority (91.1% of votes in favour), significantly up on 2022 (65.17%). The current remuneration policy was approved at the same meeting with a vote in favour of 97.51% of the capital present or represented. All of this demonstrates the Company's efforts to respond to the concerns expressed by shareholders when casting their votes at previous meetings. Nevertheless, the Company has considered it appropriate to take a series of measures to take into account the shareholders' vote at the general meeting at which the Annual Remuneration Report for the year 2023 was put to a vote:

- Moreover, the Company's main proxy advisors and significant shareholders and investors have, in recent years, been demanding the inclusion of the possibility of remunerating executive directors through shares, share option rights or remuneration linked to their value. In light of these observations, the Company has implemented, within its remuneration policy, the possibility of executive directors being remunerated in the form of shares, stock option rights or remuneration linked to their value, thereby achieving greater alignment of executive director remuneration with the Company's long-term performance and sustainability.

- This remuneration report provides further information on the maximum and minimum weighting of the economic-financial and non-financial parameters of short-term variable remuneration.

- This remuneration report also includes more detailed information about the requirements necessary for the accrual of both the annual variable remuneration and the long-term incentive plan.

- It has been deemed appropriate in this report (section A.1.6 and section A.1.7, respectively) to provide more information on the mechanism for calculating the limit established for the annual variable remuneration, as well as on the mechanism for calculating contributions to the long-term savings system.

- Lastly, it has been considered appropriate to expand the information provided in section B.7 on the long-term incentive plan, indicating the existence of minimum objectives below which the incentive associated with a certain metric will not accrue, the possibility of receiving an incentive greater than 100% in the event of overachievement, the methods for assessing the degree of compliance and the accrual requirements of the long-term incentive plan.

B. GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE LAST FINANCIAL YEAR

B.1.1 Explain the process by which the remuneration policy was applied and the individual remuneration reflected in Section C of this report determined. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, where appropriate, the identity and role of the external advisors whose services were used to apply the remuneration policy in the last financial year.

This remuneration policy was approved by the Ordinary General Meeting of Shareholders held on 15 June 2024, following a proposal by the Board of Directors dated 9 May 2024, which in turn formulated said proposal in light of the report and the proposal issued by the Appointments and Remuneration Committee on 8 May 2024.

Furthermore, the Board establishes the various items of the Directors' remuneration package on the basis of the proposal made the Nomination and Remuneration Committee in each case, in accordance with the responsibilities assumed by each director and the functions they discharge.

In particular, the agreements adopted during the 2024 financial year and up to the date of approval of this report regarding the remuneration package for directors for the 2024 financial year are as follows:

(i) Within the first quarter of 2024, the Appointments and Remuneration Committee agreed to propose to the Board of Directors the approval of the parameters on which the annual variable remuneration of executive directors would be based, as well as its maximum amount.

(ii) The Board of Directors then unanimously agreed on the proposal made by the Nomination and Remuneration Committee described above.

(iii) On 13 November 2024, the Appointments and Remuneration Committee resolved to submit a proposal to the Board of Directors for contributions to the long-term savings scheme for executive directors, the aggregate amount of which is included in table a) iii) of section C.1 of this report.

(iv) On 14 November 2024, the Board of Directors approved the proposal made by the Nomination and Remuneration Committee described above.

(v) On 26 February 2025, the Board of Directors approved the final remuneration for executive directors for 2024, following the formulation of the 2024 annual financial statements and having assessed the levels of compliance with the parameters that had been proposed by the Nomination and Remuneration Committee and approved by the Board.

B.1.2 Explain any deviation in the procedure established for applying the remuneration policy during the year.

There have been no deviations from the procedure established for applying the remuneration policy during the year.

B.1.3 Indicate whether any temporary exception to the remuneration policy has been applied and, in such cases, explain the exceptional circumstances resulting in the application of these exceptions, the specific components of the remuneration policy affected and the reasons that the company believes that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its feasibility. Also quantify the impact of applying these exemptions on the remuneration of each director during the year.

No temporary exceptions to the remuneration policy were applied in 2024.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adjusting it to the objectives, values and long-term interests of the company, including a reference to the measures that have been adopted to guarantee that the remuneration accrued has taken into account the long-term results of the company and reached an adequate balance between the fixed and variable components of the remuneration, what measures have been adopted in relation to those categories of personnel whose activities professionals have a material repercussion on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

CAF's remuneration policy is primarily focused on market criteria and compliance with the principles of moderation and prudence.

For the definition of the items and amounts that make up the remuneration system, CAF takes into account at all times the long-term interests of the Company and, in particular, guarantees correspondence with the evolution of the Company's results and an adequate distribution of profits to shareholders.

As an example of this, in 2024 the directors did not receive any advances, guarantees or loans; nor did they receive any additional remuneration for belonging to the Boards of Directors or senior management of other Group companies.

With regard to executive directors, with the aim of aligning their interests with those of the Company and ensuring that their remuneration reflects the company's long-term results, during the 2024 financial year variable components have been included in their remuneration, linked to professional performance criteria, as described in greater detail in section B.7 below.

In this regard and starting in 2023, the Board of Directors decided to implement a long-term incentive plan applicable to executive directors, which will last from 1 January 2023 to 31 December 2026 and includes parameters linked to the achievement of economic-financial and non-financial objectives defined in the Strategic Plan, quantifiable and aligned with the corporate interest (Aggregate EBIT Operating Result for period 2023-2026 and Reduction of CO2 Emissions (Scope 3) at the end of fiscal year 2026, respectively). It has also been agreed, as in previous years, to link the short-term variable remuneration of directors to parameters linked to the achievement of specific, quantifiable economic-financial objectives aligned with the Company's corporate interest and strategic objectives in different areas (recruitment, sales, EBIT) and to an adequate operational management (cash flow), as well as to non-financial parameters (customer satisfaction organisational health index, results of the Ecovadis evaluation and emissions reductions (Scopes 1 & 2)), suitable for the creation of long-term value.

Furthermore, and as a new feature for the 2024 financial year, the remuneration policy has included the possibility of paying the annual variable remuneration in shares or in option rights over them or through instruments referenced to the value of the shares, whether of the Company or of companies in its group or, together with payment in cash, through a combination of the above concepts.

Payment of variable remuneration is deferred over time, so the Board of Directors has sufficient time to verify the degree of compliance with the objectives and can assess whether there is any circumstance that make it advisable to reduce this remuneration.

It is also envisaged that, in the event of any error in the calculation of the variable remuneration or in the measurement of the degree of achievement of the objectives, the executive directors would be required to reimburse any excess that they had received.

In addition, to approve the current remuneration policy, a group comparing 18 companies with a parent company located in Spain and a size in terms of invoicing, employees, assets and market capitalisation comparable to that of CAF was analysed. From the analysis of the data from this sample, obtained after a study commissioned by a renowned external specialist consultancy firm, it was concluded that CAF's remuneration components were generally below the average for this group of comparable companies.

With regard to directors who are neither executive nor proprietary, their remuneration is set at a level that does not in any case compromise their independence of judgment.

As a result of all the foregoing, the Company considers that exposure to excessive risks is reduced and that the remuneration system in place reflects the Company's long-term objectives, values and interests.

B.3. Explain how the remuneration accrued and consolidated in the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the sustainable and long-term performance of the company.

Also report on the relationship between the remuneration obtained by the directors and the results or other measures of performance, in the short and long term, of the entity, explaining, where appropriate, how the variations in the performance of the company may have influenced the variation in the remuneration of directors,
Including those accrued whose payment has been deferred, and how they contribute to the company's short and long-term results.

The remuneration accrued in 2024 fully complies with the provisions of the former director remuneration policy approved by CAF's Ordinary General Shareholders' Meeting held on 11 June 2022 and the new director remuneration policy approved by the CAF Ordinary General Shareholders' Meeting held on 15 June 2024, which entered into force that same day. Compliance with both policies is explained below:

(i) The remuneration accrued by directors in their capacity as such consisted solely of fixed remuneration for membership on the Board, per diems for the attendance at Board meetings, remuneration for belonging to the Committees and an additional fixed assignment for those directors that perform other functions or responsibilities, while not exceeding the maximum figure established in section 3.1 both of CAF'S previous remunerations policy and its new one.

(ii) In addition to the items mentioned in paragraph (i) above, the fixed remuneration of executive directors included the items provided for in Section 3.2 of both remuneration policies, and the quantitative limits set out therein have not been exceeded.

(iii) The variable remuneration of executive directors is linked to achieving financial and non-financial objectives that promote sustainability and long-term value creation for the Company, as set down in section 3.2.2 of both CAF's previous remuneration policy and its new one.

Regarding the relationship between the remuneration of directors and the results of the Company, the inclusion of variable components (long and short term) in the remuneration of executive directors has allowed the latter to be linked to performance criteria.

In 2023, the Board of Directors approved a long-term incentive plan linked to the 2023-2026 Strategic Plan, which was approved in November 2022 and runs from 1 January 2023 to 31 December 2026, covering the entire strategic cycle. Through this plan, the achievement of the Company's results and strategic objectives is encouraged and the remuneration of executive directors is aligned with the interests of the Company and its shareholders. Therefore, achievement of the objectives in the incentive plan, measured through a financial (aggregate EBIT operating profit for 2023-2026) and a non-financial (reduction of Scope 3 CO2 emissions at the end of 2026) parameter, linked to achievement of the Strategic Plan, has a positive impact on the Group's long-term performance. This is particularly true when it is considered that the incentives under this plan will not be settled and paid until achievement of the objectives for 31 December 2026 has been verified.

Although the accrual period for short-term variable remuneration is one year, it contributes to obtaining results and the sustainable performance of the Company, both in the short and long term, given that (i) the achievement of the objectives on which it is based has an impact on the Group's performance both in the short term (as occurs with the level of cash flow or sales) and in the long term (as occurs with the level of contracting and sustainability indicators, such as customer satisfaction, the organisational health index and the results of the Ecovadis assessment), and (ii) due to the nature of CAF's business, attaining the objectives reflected in various parameters, such as the level of contracting or customer satisfaction, is a consequence of the dedication of resources and efforts over a significantly longer period of time.

For example, a contract awarded is the result of a tender process that, for the most part, lasts for more than one year. This means that even though the measurement of the objectives and the accrual of short-term variable remuneration related to the volume of contracting are components that are verified annually, achieving the objective is the result of the dedication of resources and efforts over a considerably longer period of time.

Furthermore, most contracts signed by CAF tend to last more than three years, in the case of manufacturing and supply contracts, or even 15 years, in the case of maintenance contracts. This means that the achievement of the contracting volume target for a given year necessarily contributes to the medium and long-term sustainability of the Group, regardless of whether the target is measured on an annual basis, as signing a new contract involves a minimum two-year workload for the factories, thus generating positive effects for the Group in the future.

The case is similar when it comes to the level of customer satisfaction. This parameter is assessed by conducting surveys amongst Group customers. Given the long duration of CAF contracts, the assessment of customer satisfaction necessarily refers to the customer's continued relationship with CAF for a period of much more than one year. Therefore, although the objective is measured once per year, its achievement is the result of efforts extending over several years.

Continued in Section D.

B.4. Report on the outcome of the advisory vote of the general meeting on the annual report on remuneration for the previous year, indicating the number of abstentions and "no" votes cast, blank votes and "yes" votes cast:

	Number	% of total
Votes cast	26,642,380	77.72

	Number	% of votes cast
"No" votes	349,800	1.31
"Yes" votes	24,271,109	91.10
Blank votes	550	0.00
Abstentions	2,020,921	7.59

Observations

Percentages have been rounded to two decimal places.

The 2023 annual remuneration report was approved by a large majority of the votes cast.

B.5. Explain how the fixed items earned and vested in the year by the directors in their capacity as such were determined, their relative proportion for each director and how they have changed with respect to the previous year.

The remuneration of the directors in their capacity as such comprises the following items: fixed remuneration for membership of the Board of Directors, per diems for the attendance of Board of Directors meetings, additional fixed remuneration for members of Committees and fixed remuneration for the Chairman, the Secretary of the Board and the chairs of the Committees, in light of their special duties and responsibilities. Fixed components represent 100% of the remuneration for all directors in their capacity as such.

The amount of the current fixed remuneration items of directors in their capacity as such was approved in 2023 and will be valid until 2025, amounting to:

- Fixed allocation for membership of the Board of Directors: EUR 75,000 per year per director.
- Fixed allocation for membership in the Committees: EUR 25,000 per year per Committee.
- Allowances for attendance at meetings of the Board of Directors: EUR 40,000 per year per director.
- Additional remuneration for the Chairman of the Board: EUR 100,000 per year.
- Additional remuneration for the Secretary of the Board: 50,000 annually.

- Additional remuneration to the Chairmen of the Committees: EUR 10,000 per year each.

B.6. Explain how the salaries earned and vested in the last financial year by each of the executive directors for the performance of their management duties were determined and how they have changed with respect to the previous year.

As indicated in Section A.1.9, the Company has signed a commercial contract for an indefinite term with the Chief Executive Officer, as approved by the Board of Directors. The other executive director, who has not been delegated powers by the Board, has an ordinary employment contract.

The salaries of the executive directors for 2024 are included in their respective contracts, with the amounts that appear in table a) i) of Section C.1 of this report. In the case of the Managing Director, his fixed salary has not changed. In the case of the Secretary to the Board, under her employment contract, her fixed salary has increased by 3.6% in accordance with her collective bargaining agreement, just like the remaining CAF workers.

There are no other benefits, such as advances or loans.

B.7. Explain the nature and main features of the variable items of the remuneration systems earned and vested in the last financial year.

In particular:

a) Identify each of the remuneration plans determining the variable remuneration earned by each of the directors in the last financial year, including information on the scope of the plan, its approval date, implementation date, vesting conditions, if any, accrual periods and periods of validity, criteria used to assess performance and how this has affected the establishment of the variable amount earned, as well as the measurement criteria used and the time required in order to be in a position to adequately measure all the stipulated conditions and criteria. Provide a detailed description of the criteria and factors applied with respect to the time required and the methods for verifying effective compliance with the performance or other conditions to which the earning and vesting of each variable remuneration item was linked.

b) In the case of stock option plans and other financial instruments, the general features of each plan will include information on the conditions both for acquiring unconditional ownership (vesting) thereof, and for being able to exercise those options or financial instruments, including the price and period for the exercise thereof.

c) Each of the directors, and their category (executive directors, non-executive proprietary directors, non-executive independent directors or other non-executive directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.

d) Where applicable, information shall be provided on the accrual periods or the periods of deferral of payment applied and/or the periods of retention/non-disposal of shares or other financial instruments, if any.

Explain the short-term variable items of the remuneration systems:

At its meeting held on 25 October 2017, the Board of Directors approved the inclusion of variable items in the remuneration of executive directors for 2018 onwards.

The setting of the specific parameters to which the short-term variable remuneration for 2024 should be linked was carried out on the basis of a proposal formulated by the Appointments and Remuneration Committee in the first quarter, subsequently approved by the Board. The following parameters were defined, with an equal weighting for each executive director in the total variable remuneration: contracting volume, sales volume, profit before taxes (EBIT), cash flow, level of customer satisfaction, organisational health index, the results of the Ecovadis assessment and reduction of scope 1 and 2 CO2 emissions, at the level of the consolidated Group in all cases.

The contracting volume, sales volume, profit before tax (EBIT) parameters and cash flow are linked to the achievement of specific business and financial objectives. The other parameters - customer satisfaction, the organisational health index, the results of the Ecovadis assessment and reduction of scope 1 and 2 CO2 emissions - are non-financial criteria that foster the creation of long-term value for the Company.

A series of objectives were established for each parameter which, if achieved, enabled 100% of the short-term variable remuneration to be obtained, up to a maximum limit. Likewise, minimum objectives were set, which allowed 50% of the short-term variable remuneration to be obtained and below which the short-term variable remuneration associated with the parameter in question would not be accrued. In the event that the minimum objectives were achieved but not the fixed objectives, short-term variable remuneration of between 50% and 100% would be earned, calculated on a straight-line basis depending on the degree of achievement of the objectives.

The objectives linked to financial metrics are sensitive. Their publication could harm CAF's interests. However, it is worth highlighting that these objectives were ambitious and challenging for their beneficiaries. Firstly, both the sales and EBIT targets increased by double digits compared to the value of these parameters in the previous year. The objective was also to achieve a contracting figure higher than the sales figure, as well as the generation of positive cash flow.

Below is a table showing the weighting of each financial parameter, the value obtained for each parameter, the degree of achievement of each objective and the amount of the annual variable remuneration accrued in relation to each of them.

Parameter // Weighting // Value obtained // Degree of achievement // % of total variable remuneration accrued EBIT // 30% //
161 // 100% // 30%
Cash flow // 25% // 72 // 100% // 25%
Sales // 15% // 4,212 // 92.80% // 13.92%
Backlog // 15% // 4,707 // 100% // 15%

The data on the actual achievement of each financial parameter in 2024 can also be consulted in the annual accounts published by CAF. In this regard, the values obtained in the EBIT parameters stand out (with an increase of over 14% compared to the value obtained in 2023), sales (with an increase of over 10%) and cash flow (with an increase of 31%).

The table below shows the objective for each non-financial parameter, the value obtained, the degree of achievement of each objective, and the amount of annual variable remuneration accrued in relation to each.

Parameter // Weighting // Objective (100%) // Value obtained // Degree of compliance // % of total variable remuneration earned Customer satisfaction (1-10) // 3.75% // 7.9 // 8.0 // 100% // 3.75%
Organisational Health Index (1-10) // 3.75% // 6.7 // 6.7 // 100%// 3.75% Ecovadis Evaluation (1-100) // 3.75%// 76 // 79 // 100% // 3.75% CO2 Emissions Reduction 1&2 (%) // 3.75% // 30% // 29.3% // 96.1%// 3.60%

The values obtained for each of these non-financial parameters are available in the sustainability report.

The EBIT parameter is classed as a key performance indicator. This means achieving a level equal to or greater than the objective set in the 2023 Management Plan is an essential requirement for short-term variable remuneration to accrue in relation to the remaining parameters.

In accordance with this scheme, the Appointments and Remuneration Committee proposed to establish a maximum limit of the short-term variable remuneration to be received by the CEO and the Secretary to the Board of Directors, respectively, EUR 150 thousand for the CEO and EUR 100 thousand for the Secretary to the Board, maximum limits that were approved by the Board, thus resuming maximum levels of variable remuneration for executive directors similar to those for 2022, as set forth in the Annual Directors' Remuneration Report for the previous year.

At the current remuneration level, the CEO-to-worker compensation ratio, which compares the CEO's remuneration with the average remuneration earned by the rest of the CAF Group's workforce, yields a value of 15.5, which is in the bottom quartile of mid-cap listed companies, according to publicly available information.

The measurement of the degree of compliance with the objectives is based on the annual financial statements and management report at 31 December 2024, once formulated by the Board of Directors during the first quarter of 2025 (with regard to the "contracting", "sales", "EBIT" and "cash flow" parameters), customer surveys (with regard to the "customer satisfaction" parameter), a questionnaire for people in the organisation (with regard to the "organisational health index" parameter), the rating that the independent entity Ecovadis attributes to CAF (regarding the "results of the Ecovadis assessment" parameter), and the calculation of the Group's Scope 1 and 2 carbon footprint for the year. This calculation is subsequently verified by an external entity for the "scope 1&2 CO2 emissions reduction indicator" parameter. The short-term variable remuneration has an annual accrual period based on the calendar year. However, as explained in greater detail in Section B.3, achieving the objectives for several parameters ("contracting" and "customer satisfaction", among others) is due to the dedication of resources and efforts over a much longer period of time.

The payment of short-term variable remuneration, if accrued, is paid in cash and is deferred in time for a minimum of six months from year-end, so that the Board of Directors has sufficient time to verify the degree of compliance of the objectives and can assess whether there are any circumstances that make it advisable to reduce the variable remuneration to be received by the Company's executive directors. Although the variable remuneration is paid in cash, it must be taken into account that the executive directors are the owners, in total, of 29,540 CAF shares (12,500 in the case of the CEO and 17,040 in the case of the secretary-director), the value of which is equivalent to a significant percentage of their respective salaries. The executive directors have owned these shares since they were acquired in 2022.

It is also envisaged that, in the event of any error in the calculation of the variable remuneration or in the measurement of the degree of attainment of the objectives, the Board of Directors can request the executive directors to reimburse any excess that they had received.

The degree of achievement of the various parameters was assessed by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, at its meeting held on 26 February 2025, the date on which the Board authorised the 2024 financial statements and management report for issue, and the level of achievement of the financial parameters was effectively verified. After said evaluation, partial fulfilment of the objectives has been confirmed, resulting in the accrual and consolidation of 98.8% of the maximum short-term variable remuneration. Subsequently, the Board has calculated the amounts to be received by the executive directors in the form of short-term variable remuneration for 2024, as detailed in section C.1, having also found that, at the moment, no events have occurred that would make the reduction of this remuneration advisable.

Explain the long-term variable items of the remuneration systems:

As announced in the annual remuneration report for 2022, the Nomination and Remuneration Committee and the Board of Directors have analysed the possibility of implementing a long-term incentive plan, in line with the observations of the main proxy advisors in their vote recommendation reports and the results of the advisory vote on the annual remuneration report for the last two years.

To this end, in 2023, the Appointments and Remuneration Committee worked on the design of a long-term incentive plan that is aligned with the highest market standards, relying on specialised external advice. Before formulating its proposal to the Board of Directors, the Appointments and Remuneration Committee consulted the content thereof with CAF's main proxy advisors, significant shareholders and institutional investors, with their comments being taken into consideration.

At its meeting held on 19 December 2023, the Board of Directors approved the proposal made by the Nomination and Remuneration Committee to implement a long-term incentive plan linked to the achievement of the 2023-2026 Strategic Plan approved in November 2022 and communicated to the market in December of that year.

The duration of the long-term incentive plan runs from 1 January 2023 to 31 December 2026, covering the entire Strategic Plan cycle, and is aimed at executive directors and other members of the Group's management team.

Achievement of the long-term incentive plan will be evaluated based on a business-financial (aggregate EBIT operating profit for 2023-2026) and non-financial (scope 3 CO2 emission reductions at the end of 2026) metric, with a weighting of 85% and 15%, respectively, in the total incentive.

The aggregate EBIT operating profit metric was chosen as it is considered a core element of the Strategic Plan, on which the management team is fully focused, and is a key parameter for the long-term growth of the CAF group.

For its part, the CO2 Emissions Reduction metric (Scope 3) has been introduced in response to the suggestions received from the main proxy advisors to incorporate non-financial parameters in the long-term incentive plan. Of the possible non-financial metrics, the one chosen is considered to be especially relevant as it constitutes one of the main sustainability objectives established in the Strategic Plan and respond to the important decarbonisation commitments assumed by the Company towards its stakeholders. This scope 3 reduction metric differs from the metric used in the short-term variable remuneration system, which uses scope 1&2 reductions.

For the weighting between both metrics, the suggestions received by external advisors, proxy advisors, shareholders and investors have also been taken into account.

Regarding the Aggregate Operating Result EBIT metric for the period 2023-2026, an objective of EUR 981.6 million has been set, which is aligned with the aspirations for 2026 established in the Strategic Plan and represents a demanding and challenging objective for the management team.

The incentive corresponding to this metric accrues as follows:

(i) Below an aggregate EBIT amount of EUR 785.28 million, no incentive is accrued associated with this metric;

(ii) Between 50% and 100% of the incentive will accrue, proportionally, if aggregate EBIT is between EUR 785.28 million and EUR 981.6 million;

(iii) Between 100% and 124% of the incentive will accrue, proportionally, if aggregate EBIT is between EUR 981.6 million and EUR 1,109.21 million; and

(iv) Above an aggregate EBIT of EUR 1,109.21 million, 124% of the incentive accrues.

A reduction target of 50% at the end of 2026 has been set for the scope 3 CO2 emissions reduction metric. This is a substantial tightening - by 25% - of the 40% reduction target set in the Strategic Plan. It should also be noted that the Reduction of CO2 Emissions in Scope 3, unlike that referred to in Scopes 1&2, is not cumulative from year to year. In other words, the result in one year does not guarantee that it will be repeated in the next year, as this metric depends on the product mix sold each year, which may have a greater or lesser weight of diesel (more CO2 intensive) or electric products, depending on the contracts awarded and their performance during the year. An ambitious objective has therefore been set for this metric, as a sign of CAF's commitment to sustainable mobility, which is one of the main axes of the new Strategic Plan.

The incentive corresponding to this metric accrues as follows:

(i) No incentive will accrue for this metric if the level of scope 3 CO2 emissions reductions is less than 32%;

(ii) 50% to 100% of the incentive will accrue, proportionally, if the level of scope 3 CO2 emissions reductions is between 32% and 50%; and

(iii) Above a CO2 Emissions reduction level (Scope 3) of 50%, 100% of the incentive is accrued.

Each metric operates independently, establishing a minimum aggregate EBIT Operating Profit amount below which no incentive associated with this metric accrues and a minimum CO2 emissions reduction level (Scope 3), below which no incentive associated with this other metric accrues. Likewise, a minimum aggregate EBIT operating profit of EUR 687.12 million was set as a key indicator. No incentive will accrue below this level, even if the targets for the other metric are attained.

Similarly, for over 100% of the incentive corresponding to the aggregate EBIT Operating Profit metric to accrue, the EBIT margin on Sales (as accounted for under IFRS) for 2026 must be higher than the weighted average of a comparison group comprising Alstom, Stadler and Talgo, the weighting of which will be based on the sales volume of each of these companies in 2026. In any case, it is expressly stated that the incentive corresponding to the aggregate EBIT Operating Profit metric will never exceed 124% of the incentive associated with this metric. For its part, the incentive corresponding to the CO2 Emissions Reduction metric (Scope 3) will never exceed 100% of the incentive associated with this metric.

The Board of Directors has set the maximum amount of the incentive that may accrue upon completion of the plan, which amounts, assuming 100% compliance with the objectives, to an annualised 50% of the executive directors' fixed salary for 2023 (without prejudice to the possibility of paying a higher incentive in the event of over-compliance as provided for in this section). In order to establish this amount, a comparison group of 18 companies was analysed, with their parent company located in Spain and a size in terms of turnover, employees, assets and market capitalisation comparable to that of CAF. Analysis of the data from this sample, obtained from a study commissioned with a specialised external consultancy firm of acknowledged prestige, concluded that the amount of the long-term incentive was in line with that of comparable companies.

As regards the methods for assessing the degree of compliance, the aggregate EBIT Operating Profit parameter will be measured on the basis of the financial statements and management report prepared each year by the Board. The measurement of the CO2 Emissions Reduction parameter (Scope 3) will be carried out through internal measurements validated by an independent external certifier.

For the incentive to accrue under the plan, the beneficiaries must still be working for the Company at 31 December 2026. However, the right to receive the incentive prorated based on the time actually worked from the start date of the long-term incentive plan will continue to exist if the termination of employment occurs for any of the reasons stated in the Plan Regulations, such as death, retirement or declaration of permanent disability, among others.

If the plan objectives are met, the incentive will be paid in cash once the 2026 results are approved at the General Shareholders' Meeting held in 2027. However, the Board of Directors may reduce the amount of the incentive or, if applicable, require repayment by the beneficiaries of the plan if any circumstances arise that makes this advisable.

Identification of any error in its calculation or in the measurement of the degree of achievement of the objectives, the introduction of qualifications in the audit report or the need to reformulate the financial statements of the Company, or the existence of serious breaches of its obligations on the part of the beneficiaries. The reduction and/or refund of the incentive may be total depending on the severity of the event that gives rise to said reduction and/or refund.

B.8. Indicate whether certain variable items earned were reduced or claimed back where, in the first case, the payment of unvested amounts was deferred, or, in the second case, the items had vested and been paid on the basis of information subsequently demonstrated. Describe the amounts that were reduced or reimbursed under reduction (malus) or reimbursement (clawback) clauses, why they were enforced and the years to which they relate.

To date, no variable component has been paid out nor has any variable component accrued and vested in 2024 been reduced or claimed back.

However, as approved by the Board of Directors at its meeting held on 26 February 2025, it has been noted that no event has occurred that would make it advisable, for the time being, to reduce the amount accrued as remuneration.

variable, although the Company may claim reimbursement of the variable remuneration paid to executive directors if the degree of attainment of targets was determined on the basis of data whose inaccuracy is later clearly demonstrated.

B.9. Explain the main features of long-term savings schemes, the equivalent annual amount or cost of which is shown in the tables in Section C, including retirement and any other survivor's benefits, partially or totally financed by the company, whether internally or externally, indicating the type of plan, whether it is a defined-contribution or a defined-benefit plan, the conditions that it covers, the conditions for vesting the economic rights in favour of the directors and its compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

As indicated in Section A.1.7, the Company has a long-term savings scheme in place for executive directors as part of its defined contribution scheme, which is compatible with other types of compensation. This scheme covers retirement, death, full permanent disability and severe disability.

The accrual or consolidation of the rights derived from the long-term savings system occurs when one of these causative events occurs or in certain cases of termination of the employment or commercial relationship with the Company.

The aggregate amount of the provision made in fiscal year 2024 in favour of each of the executive directors is shown in table a) iii) of section C.1 of this report and is within the limits established in section 3.2.1 of the new CAF remuneration policy. This amount corresponds to the annual contributions agreed by the Board of Directors in accordance with the agreement adopted in December 2022, in which this new long-term savings system and its Regulations were approved. At the November meeting of each year, the Appointments and Remuneration Committee, after analysing the Company's situation, proposes to the Board to make the annual contribution, consisting of a fixed percentage of the pensionable salary of each executive director for the year and an additional contribution for seniority in the post and to compensate the years of permanence in said position without participating in the previous plan that was previously in force. The additional contributions will be completed in 2027, in line with the planning agreed by the Board of Directors.

The new long-term savings system approved in fiscal year 2022 involves significantly more moderate contributions than those under the previous system, which the current executive directors were not beneficiaries of. Additionally, the current system is a defined contribution and not a defined benefit like the previous one, which generates greater certainty for the Company regarding the cost and disbursement to be made in the future. The amounts to be contributed each year are predetermined in the initial agreement approving the long-term savings system and established in its Regulations. These amounts are not expected to vary significantly over the coming years and will even decrease once the four years of exceptional contributions referred to in the previous paragraph have elapsed. It is likewise noted that the amount of contributions to the long-term savings system is not consolidated as a fixed salary nor does it count towards the calculation of variable remuneration, nor towards the revisions of the fixed salary itself approved under the collective bargaining agreement.

Finally, the sum of the annual contributions to the long-term savings system, the fixed remuneration and the variable remuneration of executive directors is in line with companies comparable to CAF. In this regard, upon the approval of the remuneration policy currently in force and to ensure that the remuneration structure is as competitive as possible and in line with best market practices, a comprehensive analysis was carried out of mid-cap companies that are comparable to CAF in terms of invoicing and size, with the support of specialised external advisors. This analysis enabled a more precise contextualised assessment of remuneration in relation to the previous mid-cap companies, concluding that CAF's remuneration components were generally below the average of this group of comparable companies, which suggests that, to date, CAF has adopted a very prudent approach to its remuneration structure.

B.10. Explain any termination benefits or other payments arising from early retirement, whether prompted by the company or the director, or from termination of contract, in the terms provided therein, earned and/or received by the directors in the last financial year.

No directors earned or received any termination benefits or payment arising from early retirement or termination of contract in 2024.

B.11. Indicate whether there have been any significant amendments to the contracts of executive directors exercising senior management functions. Also, describe the main terms and conditions of the new contracts entered into with executive directors in the year, except as described in Section A.1.

In 2024, there were no significant changes to the contracts of the executive directors performing senior management functions, the main terms of which are described in Sections A.1.8 and A.1.9.

B.12. Explain any supplementary remuneration accrued to directors as consideration for services rendered other than those inherent to their position.

No supplementary remuneration has accrued to directors as consideration for services rendered other than those inherent to their position.

B.13. Explain any remuneration arising from the grant of advances, loans and guarantees, with an indication of the interest rates, main conditions and amounts repaid, as well as any obligations assumed on their behalf by way of guarantees.

The directors have not received any remuneration in the form of advances, loans or guarantees.

B.14. Detail the remuneration in kind accrued by the directors in the year and provide a brief description of the nature of the various salary items.

The Company has not agreed to pay any remuneration in kind to its directors, except for life insurance for executive directors.

B.15. Explain the remuneration accrued by directors by virtue of payments made by the listed company to a third party in which the director provides services, when such payments are intended to remunerate the director's services in the company.

No remuneration has been accrued by any directors by virtue of the payments made by the Company to a third entity at which the director provides services.

B.16. Explain and provide details of the amounts accrued during the year in relation to any kind of compensation other than those listed above, of whatever nature and provenance within the group, including all provisions, regardless of their form, especially when it may be a related-party transaction or when its issuance would detract from a true and fair view of the total remuneration accrued by the director, providing an explanation of the amount awarded or pending payment, the nature of the consideration received and the reasons for them not being considered as director remuneration, where appropriate, for their performance of said role or as a consideration for their performance of their executive functions and whether it has been considered appropriate or not to include the amounts accrued in the “other items” heading in section C.

There are no additional remuneration items.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	2024 accrual period
MR. ANDRÉS ARIZKORRETA GARCÍA	Chairman Other external	From 01/01/2024 to 31/12/2024
MR. JAVIER MARTÍNEZ OJINAGA	Executive director	From 01/01/2024 to 31/12/2024
MR. MANUEL DOMÍNGUEZ DE LA MAZA	Proprietary director	From 01/01/2024 to 31/12/2024
MR. JUAN JOSÉ ARRIETA SUDUPE	Other external director	From 01/01/2024 to 31/12/2024
MR. LUIS MIGUEL ARCONADA ECHARRI	Other external director	From 01/01/2024 to 31/12/2024
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	Proprietary director	From 01/01/2024 to 31/12/2024
MS. MARTA BAZTARRICA LIZARBE	Executive director	From 01/01/2024 to 31/12/2024
MS. CARMEN ALLO PÉREZ	Independent director	From 01/01/2024 to 31/12/2024
MR. JULIÁN GRACIA PALACÍN	Independent director	From 01/01/2024 to 31/12/2024
MR. IGNACIO CAMARERO GARCÍA	Independent director	From 01/01/2024 to 09/05/2024
MS. BEGOÑA BELTRÁN DE HEREDIA VILLA	Independent director	From 01/01/2024 to 31/12/2024

C.1. Complete the following tables regarding the individual remuneration of each of the director (including remuneration received for performing executive duties) accrued in the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (in thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for belonging to Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2024	Total 2023
MR. ANDRÉS ARIZKORRETA GARCÍA	175	40							215	215
MR. JAVIER MARTÍNEZ OJINAGA	75	40		510	148				773	851
MR. MANUEL DOMÍNGUEZ DE LA MAZA	75	40							115	115
MR. JUAN JOSÉ ARRIETA SUDUPE	75	40	25						140	140
MR. LUIS MIGUEL ARCONADA ECHARRI	75	40	25						140	140
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	75	40							115	115
MS. MARTA BAZTARRICA LIZARBE	125	40		274	99				538	528
MS. CARMEN ALLO PÉREZ	75	40	26						141	148
MR. JULIÁN GRACIA PALACÍN	85	40	25						150	150
MR. IGNACIO CAMARERO GARCÍA	27	15	9						51	146
MS. BEGOÑA BELTRÁN DE HEREDIA VILLA	85	40	25						150	120

Observations

The fixed remuneration includes, in addition to the amount for membership on the Board of Directors, the specific remuneration corresponding to each director for the performance of certain positions on it or on its committees.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of the plan	Financial instruments at the beginning of 2024		Financial instruments granted in 2024		Financial instruments vested in the year				Matured instruments not exercised	Financial instruments at the end of 2024	
		No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of (vested) shares	Price of vested shares	Gross earnings on vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	Equivalent no. of shares
No data												

Observations
There were no remuneration systems based on shares or financial instruments.

iii) Long-term saving schemes.

Name	Remuneration from vesting of rights to savings schemes
MR. JAVIER MARTÍNEZ OJINAGA	
MS. MARTA BAZTARRICA LIZARBE	

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	2024	2023	2024	2023	2024	2023	2024	2023
MR. JAVIER MARTÍNEZ OJINAGA			204	204			812	608
MS. MARTA BAZTARRICA LIZARBE			222	219			649	427

Observations

iv) Other items

Name	Concept	Remuneration amount
MR. JAVIER MARTÍNEZ OJINAGA	Life insurance premiums	15
MS. MARTA BAZTARRICA LIZARBE	Life insurance premiums	2

Observations

b) Remuneration accrued by directors of the listed company for sitting on the boards of other Group companies:

i) Remuneration accruing in cash (in thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for membership on committees of the Board of Directors	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2024	Total 2023
No data										

Observations

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of the plan	Financial instruments at the beginning of 2024		Financial instruments granted in 2024		Financial instruments vested in the year				Matured instruments not exercised	Financial instruments at the end of 2024	
		No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of (vested) shares	Price of vested shares	Gross earnings on vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	Equivalent no. of shares
No data												

Observations

iii) Long-term saving schemes.

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	2024	2023	2024	2023	2024	2023	2024	2023
No data								

Observations

iv) Other items

Name	Concept	Remuneration amount
No data		

Observations

c) Summary of remuneration (in thousands of euros):

The summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in Group companies					
Name	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2024 - Company	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2024 - Group	Total 2024 - Company + Group
MR. ANDRÉS ARIZKORRETA GARCÍA	215				215						215
MR. JAVIER MARTÍNEZ OJINAGA	773			15	788						788
MR. MANUEL DOMÍNGUEZ DE LA MAZA	115				115						115
MR. JUAN JOSÉ ARRIETA SUDUPE	140				140						140
MR. LUIS MIGUEL ARCONADA ECHARRI	140				140						140
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	115				115						115

	Remuneration accruing in the Company					Remuneration accruing in Group companies					
Name	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2024 - Company	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2024 - Group	Total 2024 - Company + Group
MS. MARTA BAZTARRICA LIZARBE	538			2	540						540
MS. CARMEN ALLO PEREZ	141				141						141
MR. JULIÁN GRACIA PALACIN	150				150						150
MR. IGNACIO CAMARERO GARCÍA	51				51						51
MS. BEGOÑA BELTRAN DE HEREDIA VILLA	150				150						150
TOTAL	2,528			17	2,545						2,545

Observations

C.2. State the evolution over the past five years of the amount and percentage variation in the remuneration accrued by each of the directors at the listed company that have served in the position during the year, the company's consolidated results and the average remuneration against an equivalent full-time base of company and subsidiary employees not considered directors of the listed company.

	Total amounts accrued and % annual variation								
	2024	% Variation 2024/2023	2023	% Variation 2023/2022	2022	% Variation 2022/2021	2021	% Variation 2021/2020	2020
Executive directors									
MR. JAVIER MARTÍNEZ OJINAGA	788	-9.00	866	19.12	727	120.30	330	202.75	109
MS. MARTA BAZTARRICA LIZARBE	540	2.08	529	21.89	434	27.65	340	35.46	251
External directors									
MR. ANDRÉS ARIZKORRETA GARCÍA	215	0.00	215	7.50	200	-96.48	5,683	203.09	1,875
MR. JULIÁN GRACIA PALACÍN	150	0.00	150	30.43	115	0.00	115	12.75	102
MS. CARMEN ALLO PÉREZ	141	-4.73	148	28.70	115	0.00	115	5.50	109
MR. JUAN JOSÉ ARRIETA SUDUPE	140	0.00	140	21.74	115	0.00	115	-0.86	116
MR. LUIS MIGUEL ARCONADA ECHARRI	140	0.00	140	21.74	115	0.00	115	5.50	109
MR. IGNACIO CAMARERO GARCÍA	51	-65.07	146	18.70	123	12.84	109	14.74	95
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	115	0.00	115	21.05	95	0.00	95	97.92	48
MR. MANUEL DOMÍNGUEZ DE LA MAZA	115	0.00	115	15.00	100	0.00	100	108.33	48

	Total amounts accrued and % annual variation								
	2024	% Variation 2024/2023	2023	% Variation 2023/2022	2022	% Variation 2022/2021	2021	% Variation 2021/2020	2020
MS. BEGOÑA BELTRÁN DE HEREDIA VILLA	150	25.00	120	-	0	-	0	-	0
Consolidated results of the company									
	160,630	14.20	140,658	54.37	91,115	-29.82	129,832	164.55	49,077
Average employee remuneration									
	51	8.51	47	6.82	44	7.32	41	5.13	39

Observations

Main changes 2024/2023:

- The 9% decrease in Mr. Javier Martínez Ojinaga's total remuneration relates to the setting of a maximum limit of the short-term variable remuneration to be received by the CEO in 2024, which is lower than that set for 2023.
- The 2.08% increase in the total remuneration received by Ms. Marta Baztarrica Lizarbe relates to the increase in her fixed annual remuneration as a result of the application of CAF's collective bargaining agreement and short-term variable remuneration, following a greater degree of attainment of the established targets, compared to those of 2023.
- The 4.73% decrease in the total remuneration received by Ms. Carmen Allo Pérez is due to her replacement in October 2023 as chairwoman of the Audit Committee, for which she had received a fixed allowance, meaning that she no longer received said allowance in 2024.
- The 65.07% decrease in the total remuneration of Mr. Ignacio Camarero García is due to his resignation as director and member of the Appointments and Remuneration Committee with effect from 9 May 2024, for which reason he only received the remuneration corresponding to the period between 1 January 2024 and the aforementioned date.
- The 25% increase in the remuneration received by Ms. Begoña Beltrán de Heredia Villa is due to the accrual of the full amount of her fixed remuneration, allowances and salary for membership on the Audit Committee and for her position as chairwoman thereon, as compared with 2023, when she did not hold said positions for the entire year.

The explanations regarding the main variations for the period 2023/2022 are detailed in the annual report on the remuneration of the directors for the year ended 31 December 2023, the explanations regarding the main variations for the period 2022/2021 are detailed in the annual report on the remuneration of the directors for the year ended 31 December 2022 and the explanations regarding the main variations for the period 2021/2020 are detailed in the the annual report on the remuneration of the directors for the year ended 31 December 2021.

D. OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

A.1.1 (continued)

In the case of annual variable remuneration, it is the responsibility of the Board of Directors at the beginning of each financial year, upon proposal of the Appointments and Remuneration Committee, to determine the amount of annual variable remuneration (subject to the maximums indicated in section 3.2.1(b) of the Remuneration Policy), the parameters on which it is based, its weighting, the inclusion, where appropriate, of key parameters and the objectives to be achieved in relation to each parameter and, once the financial year has ended, the evaluation of compliance therewith.

In the case of the long-term incentive plan approved in 2023 (as described in more detail in section B.7 above), the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, was responsible for its design and approval. This process included, among other aspects, the definition of parameters, weightings, key parameters and objectives to be attained for each of them. The Appointments and Remuneration Committee strove to align the plan with the highest market standards, relying on specialised external advice In addition, the content of the plan was verified by the main proxy advisors, as well as by CAF's significant shareholders and institutional investors, whose comments were considered.

An analysis was conducted of a comparison group of 18 companies with their parent company in Spain in 2023 with a comparable size in terms of invoicing, employees, assets and market capitalisation to that of CAF. From the analysis of the data from this sample, obtained after a study commissioned by a renowned external specialist consultancy firm, it was concluded that CAF's remuneration components were generally below the average for this group of comparable companies.

* The Board determines the various items of the Directors' remuneration package on the basis of the proposal made in each case by the Nomination and Remuneration Committee, in accordance with the responsibility assumed by each director and the functions they discharge.

* The remuneration policy was determined with the support of specialised external advisors to ensure that the remuneration structure is as competitive as possible and in line with best market practices.

* The current directors' remuneration policy does not contemplate the possibility of applying temporary exceptions to the policy; therefore, it does not include details of the procedures for applying these exceptions or the conditions under which they can be used.

A.1.2 (continued)

It should be noted that the executive directors as a whole own 29,540 CAF shares (12,500 in the case of the CEO and 17,040 in the case of the Director Secretary), the value of which is equivalent to a significant percentage of their respective salaries. The executive directors have owned these shares since they were acquired in 2022.

As a result, the Company considers that the exposure to excessive risks is reduced and that the remuneration mix shows an adequate balance between fixed and variable components such that the remuneration is related to the performance of the executive directors and is appropriate to the objectives, values and interests of the Company.

B.3 (continued)

Furthermore, it should be noted that high customer satisfaction may result in contracts being extended (involving the manufacture and supply of additional train units) or a greater probability of being successful in future tender processes organised by the customer. All this means that the achievement of the objective set in relation to the level of customer satisfaction contributes significantly to improving the future prospects of the Group and, therefore, its sustainability in the medium and long term.

This annual remuneration report was approved by the Company's Board of Directors at its meeting held on:

26/02/2025

Indicate whether any director voted against or abstained in relation to the approval of this Report.

[ ] Yes
[√] No

FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 31
DECEMBER 2024

Construcciones y Auxiliar de Ferrocarriles, S.A.
Balance sheets at 31 December 2024 and 2023
(Thousands of Euros)

Assets	Note	31.12.24	31.12.23 (*)
Non-current assets:			
Intangible assets	**5**	**110,835**	**99,772**
Property, plant and equipment	**6**	**94,610**	**88,022**
Non-current investments in Group companies and associates	**8**	**1,047,916**	**1,062,819**
Non-current financial assets	**7-a**	**7,635**	**27,602**
Deferred tax assets	**17-d**	**57,834**	**56,294**
Total Non-current assets		**1,318,830**	**1,334,509**
Current assets:			
Inventories	**10**	**393,976**	**101,800**
Trade and other receivables:	**11**		
Trade receivables for sales and services		1,660,647	1,721,049
Other receivables		16,618	19,573
Current tax assets		2,064	2,064
		1,679,329	**1,742,686**
Current investments in Group companies and associates	**8 & 9**	**193,304**	**177,317**
Current financial assets	**7-b**	**34,754**	**118,965**
Current prepayments and accrued income		**6,305**	**3,060**
Cash and cash equivalents		**298,503**	**184,892**
Total Current assets		**2,606,171**	**2,328,720**
Total Assets		**3,925,001**	**3,663,229**

Equity and liabilities	Note	31.12.24	31.12.23 (*)
Equity:	**12**		
Shareholders' equity			
Share capital:			
Registered share capital		10,319	10,319
		10,319	**10,319**
Share Premium		**11,863**	**11,863**
Reserves		**594,272**	**585,575**
Treasury shares and equity investments		**(1,283)**	**(1,268)**
Profit/(Loss) for the year		**94,484**	**48,447**
		709,655	**654,936**
Valuation adjustments:	**15**		
Financial assets at fair value with changes in equity		(245)	(319)
Hedges		(73)	(3)
		(318)	**(322)**
Grants, donations and legacies received	**12-h**	**5,323**	**6,380**
Total Equity		**714,660**	**660,994**
Non-current liabilities:			
Non-current provisions	**18**	**10,672**	**5,836**
Non-current payables:			
Bank borrowings, debt instruments and other marketable securities	14	433,201	477,927
Other financial liabilities	13	3,748	26,231
		436,949	**504,158**
Non-current payables to Group companies and associates	**9**	**160,211**	**197,221**
Deferred tax liabilities	**17-d**	**1,821**	**2,178**
Non-current accruals		**311**	**442**
Total Non-current liabilities		**609,964**	**709,835**
Current liabilities:			
Current provisions	**18**	**284,061**	**261,106**
Current payables:			
Bank borrowings, debt instruments and other marketable securities	14	225,658	150,894
Other financial liabilities	13	20,006	59,665
		245,664	**210,559**
Current payables to Group companies and associates	**9**	**114,937**	**143,272**
Trade and other payables:			
Suppliers	9	939,993	834,871
Other payables	16	1,015,717	842,362
		1,955,710	**1,677,233**
Current prepayments and accrued income		**5**	**230**
Total Current liabilities		**2,600,377**	**2,292,400**
Total Equity and liabilities		**3,925,001**	**3,663,229**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 25 are an integral part of the balance sheets at 31 December 2024.

Construcciones y Auxiliar de Ferrocarriles, S.A.

Statements of Profit or Loss for the years ended 31 December 2024 and 2023

(Thousands of Euros)

	Note	(Debit) Credit	
		2024	**2023 (*)**
Continuing operations:			
Revenue	9 and 20.a	1,897,632	1,861,621
+/- Change in inventories of finished goods and work in progress		251,605	(78,603)
In-house work on non-current assets		5,900	-
Procurements	9 and 20-b	(1,473,094)	(1,135,793)
Other operating income	9 and 20-g	29,643	24,076
Staff costs	20.d	(406,207)	(342,841)
Other operating expenses	9 and 20-e	(297,028)	(283,350)
Depreciation and amortisation charge	20-h	(33,268)	(27,314)
Allocation to profit or loss of grants related to non-financial non-current assets and other grants	12-h	1,391	1,391
Impairment and gains or losses on disposals of non-current assets	20-h	71	(106)
Profit/(Loss) from operations		**(23,355)**	**19,081**
Finance income	20.i	152,392	96,316
Finance costs	20.i	(45,743)	(40,367)
Changes in fair value of financial instruments	7-b	(374)	2,674
Exchange differences	19	(3,804)	(472)
Impairment and gains or losses on disposals of financial instruments	8	8,523	(6,139)
Financial profit/(loss)		**110,994**	**52,012**
Profit/(Loss) before tax		**87,639**	**71,093**
Income tax	17	6,845	(22,646)
Profit/(Loss) for the year from continuing operations		**94,484**	**48,447**
Profit/(Loss) for the year		**94,484**	**48,447**
Earnings per share (in euros)	12		
Basic		2.76	1.42
Diluted		2.76	1.42

(*) Presented for comparison purposes only.
The accompanying Notes 1 to 25 are an integral part of the statements of profit or loss for 2024.

Construcciones y Auxiliar de Ferrocarriles, S.A.

Statements of Comprehensive Income for the year ended 31 December 2024 and 2023

(Thousands of Euros)

	Note	2024	2023 (*)
A) Profit/(Loss) for the year (per statement of profit or loss)		**94,484**	**48,447**
B) Income and expense recognised directly in equity		**(1,893)**	**(2,627)**
Arising from valuation of financial assets	7.a	74	(502)
Arising from cash flow hedges	15	(92)	500
Grants, donations and legacies received	12.h	-	904
Arising from actuarial gains and losses and other adjustments	18	(1,897)	(3,192)
Tax effect	17	22	(337)
C) Transfers to profit or loss		**(1,057)**	**(1,261)**
Arising from cash flow hedges	15	-	(268)
Grants, donations and legacies received	12-h	(1,391)	(1,391)
Tax effect	17	334	398
Total comprehensive income (A+B+C)		**91,534**	**44,559**

(*) Presented for comparison purposes only.
The accompanying Notes 1 to 25 are an integral part of the statements of comprehensive income for 2024.

Construcciones y Auxiliar de Ferrocarriles, S.A.

Statements of Changes in Equity for 2024 and 2023

(Thousands of Euros)

	Shareholders' Equity					Valuation adjustments	Grants, donations and legacies received	Total equity
	Share capital	Share Premium	Reserves	Shares and equity investments	Profit/(Loss) for the year			
Ending balance at 31 December 2022 (*)	**10,319**	**11,863**	**555,215**	**(1,292)**	**62,956**	**4**	**6,750**	**645,815**
Total comprehensive income	**-**	**-**	**(3,192)**	**-**	**48,447**	**(326)**	**(370)**	**44,559**
Transactions with shareholders or owners	**-**	**-**	**33,552**	**24**	**(62,956)**	**-**	**-**	**(29,380)**
Distribution of dividends (Note 12.g)	-	-	-	-	(29,481)	-	-	(29,481)
Distribution of profit/(loss)	-	-	33,475	-	(33,475)	-	-	-
Transactions with own shares or interests (net) (Note 12.f)	-	-	77	24	-	-	-	101
Ending balance at 31 December 2023 (*)	**10,319**	**11,863**	**585,575**	**(1,268)**	**48,447**	**(322)**	**6,380**	**660,994**
Total comprehensive income	**-**	**-**	**(1,897)**	**-**	**94,484**	**4**	**(1,057)**	**91,534**
Transactions with shareholders or owners	**-**	**-**	**10,594**	**(15)**	**(48,447)**	**-**	**-**	**(37,868)**
Distribution of dividends (Note 12.g)	-	-	-	-	(38,052)	-	-	(38,052)
Distribution of profit/(loss)	-	-	10,395	-	(10,395)	-	-	-
Transactions with own shares or interests (net) (Note 12.f)	-	-	199	(15)	-	-	-	184
Ending balance at 31 December 2024	**10,319**	**11,863**	**594,272**	**(1,283)**	**94,484**	**(318)**	**5,323**	**714,660**

(*) Presented for comparison purposes only.
The accompanying Notes 1 to 25 are an integral part of the statements of changes in equity for 2024.

Construcciones y Auxiliar de Ferrocarriles, S.A.

Statements of Cash flow for the years ended 31 December 2024 and 2023

(Thousands of Euros)

	Note	2024	2023 (*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**118,069**	**(16,965)**
Profit/(Loss) for the year before tax		**87,639**	**71,093**
Adjustments for:			
Depreciation and amortisation charge	5, 6 and 20-h	33,268	27,314
Impairment losses	5	-	130
Changes in provisions	18	8,642	3,714
Recognition of grants in profit or loss	12-h	(1,391)	(1,391)
Gains/Losses on derecognition and disposal of non-current assets	20-h	(71)	(24)
Gains/Losses on derecognition of and valuation adjustments to financial instruments	8	(8,523)	6,139
Finance income		(152,392)	(96,316)
Finance costs		45,743	40,367
Other income and expenses		(1,698)	(6,720)
Changes in working capital			
Inventories		(292,176)	3,426
Trade and other receivables		90,309	(305,302)
Other current assets		(7,342)	(4,564)
Trade and other payables		248,678	159,987
Other current liabilities		23,621	47,157
Other non-current assets and liabilities		(5,089)	(4,909)
Other cash flows from operating activities			
Interest received/(paid)		(31,436)	(33,983)
Dividends received		87,337	77,633
Income tax recovered (paid)	17	(7,050)	(716)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**89,293**	**(125,086)**
Payments due to investment			
Group companies and associates	8 & 9	(82,734)	(79,345)
Intangible assets, property, plant and equipment and investment property	5 and 6	(42,870)	(42,806)
Other financial assets	7	(958)	(12,105)
Proceeds from disposal			
Group companies and associates	8 & 9	129,340	8,451
Intangible assets, property, plant and equipment and investment property	6	92	34
Other financial assets	7	86,423	685
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(91,340)**	**56,348**
Proceeds and payments relating to equity instruments			
Disposal/(Acquisition) of own equity instruments		184	101
Proceeds and payments relating to financial liability instruments			
Proceeds from debt instruments and other marketable securities	14	363,300	362,300
Proceeds from issue of bank borrowings	14	265,000	25,952
Proceeds from issue of borrowings from Group companies and associates	9	51,430	68,799
Proceeds from issue of other borrowings	13	3,223	6,770
Repayment of debt instruments and other marketable securities	14	(362,100)	(303,400)
Repayment of bank borrowings	14	(236,477)	(28,583)
Repayment of borrowings from Group companies and associates	9	(109,923)	(42,618)
Repayment and amortisation of other borrowings	13	(27,925)	(3,492)
Dividend payments and returns on other equity instruments paid			
Dividends	12.g	(38,052)	(29,481)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		**(2,411)**	**1,211**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**113,611**	**(84,492)**
Cash and cash equivalents at beginning of year		184,892	269,384
Cash and cash equivalents at end of year		298,503	184,892

(*) Presented for comparison purposes only.
The accompanying Notes 1 to 25 are an integral part of the statements of cash flow for 2024.

Construcciones y Auxiliar de Ferrocarriles, S.A.

Notes to the financial statements for the
year ended
31 December 2024

1.- NATURE AND ACTIVITY OF THE COMPANY

Construcciones y Auxiliar de Ferrocarriles, S.A. ("CAF" or "the Company") was incorporated in 1917 for an indefinite period of time in San Sebastián (Guipuzcoa) and its registered office is located at Calle José Miguel Iturrioz 26, Beasain (Guipuzcoa) (Spain).

The Company did not change its name in the last financial year.

The corporate purpose is described in article 2 of its Bylaws, which are available on the Company's website (www.cafmobility.com).

The Company's main activity at present is the manufacture of railway equipment and its main centre of activity is Beasain (Gipuzkoa), Spain.

The Company is the head of a group of subsidiaries and is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements of the CAF Group for 2024 were authorised for issue by the directors at the meeting of their Board of Directors held on 26 February 2025. The consolidated financial statements for 2023, were approved by the General Shareholders' Meeting of Construcciones y Auxiliar de Ferrocarriles, S.A. on 15 June 2024 and were filed at the Gipuzkoa Mercantile Registry.

2.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Regulatory financial reporting framework applicable to the Company

These financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Spanish Commercial Code and all other Spanish corporate law.
- General Accounting Plan approved by Royal Decree 1514/2007, which has been modified by Royal Decree 1/2021 and Law 7/2024, of 20 December and its sectoral adaptations and, especially, by the sectoral adaptation to construction companies.
- The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.
- All other applicable Spanish accounting legislation.

b) Fair presentation

The accompanying financial statements for 2024, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations, changes in equity and cash flows for that year. These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes.

The financial statements for 2023, authorised for issue by the directors, were approved by the General Shareholders' Meeting held on 15 June 2024.

c) Non-obligatory accounting principles applied and changes in accounting policies

No non-obligatory accounting principles were applied. The directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

d) Use of estimates

Estimates have occasionally been used in the financial statements for 2024 . These estimates, which were made on the basis of the best information available, relate basically to the following:

- The assessment of possible impairment losses on certain assets (Notes 5, 6, 7, 8, 9, 10 and 11);
- The assumptions used in the actuarial calculation of pension and other obligations to employees (Note 18);
- The useful life of the property, plant and equipment and intangible assets (Notes 3-a and 3-b);
- The fair value of certain financial assets (Note 3-d);
- The calculation of provisions and penalties that reduce the selling price (Notes 11, 18 and 23-a);
- The assessment of the probability of having future taxable profits against which unused recognised tax assets can be utilised (Note 17);
- Changes in estimated costs in the budgets for construction projects performed and percentage of completion (Note 3-f).

Although these estimates were made on the basis of the best information available at 31 December 2024 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related statement of profit or loss.

e) Comparative information

The information relating to 2024 contained in these notes to the financial statements is presented, for comparison purposes, with the information for 2023.

f) Grouping of items

Certain items in the balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

g) Consolidated group and basis of consolidation

As indicated in Note 8, the Company has ownership interests in the share capital of other (unlisted) companies, which are equal to or greater than 20%.

The Company's long-term investments in Group companies and associates are presented in accordance with the corporate legislation in force (Note 8). Consequently, the Company's financial statements for 2024 do not reflect the financial and equity changes arising from the application of consolidation methods to these ownership interests or to the transactions performed by them. These changes, which are significant, are however reflected in the CAF Group's consolidated financial statements for 2024.

The main aggregates in the consolidated financial statements of the CAF Group for 2024 and 2023, prepared in accordance with Final Provision Eleven of Law 62/2003, of 30 December, applying International Financial Reporting Standards as adopted by European Union Regulations, are as follows:

Consolidated financial statements 2024

	Thousands of Euros
Total Assets	**5,215,857**
Equity–	**896,251**
Of the Parent	882,194
Of non-controlling interests	14,057
Revenue	**4,211,543**
Profit/(Loss) for the year-	**107,646**
Of the Parent	103,255
Of non-controlling interests	4,391

	Thousands of Euros
Total Assets	**5,052,354**
Equity–	**868,183**
Of the Parent	855,237
Of non-controlling interests	12,946
Revenue	**3,825,285**
Profit/(Loss) for the year-	**92,317**
Of the Parent	89,158
Of non-controlling interests	3,159

h) Correction of errors

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2023.

i) Climate change

CAF aspires to lead the transition towards sustainable mobility, which is why the challenge of decarbonisation constitutes one of the main axes of its strategy. Thus, reinforcing its commitment to sustainable and long-term development, the Group consolidated sustainability as one of the four axes of its 2026 Strategic Plan (available at www.cafmobility.com). In this axis, the transition towards net zero emissions mobility stands out as the main purpose. This same priority is reflected in the Sustainability Master Plan (available at www.cafmobility.com), which integrates the strategic initiative associated with the decarbonisation of our operations.

The Company's strategic commitment to decarbonisation and the energy transition is reflected in its inclusion in the SBTi (*Science Based Targets Initiative*) and the *Race to Zero,* international alignment initiatives in the fight against climate change and the Paris Agreement. CAF has also made public its short- and long-term emission reduction targets, which have been validated by SBTi, with an ambition to achieve net zero carbon emissions (*Net Zero*) by 2045.

To meet these commitments and promote climate strategies focused on reducing Greenhouse Gas (GHG) emissions and promoting renewable energies, during the year 2024, the Group carried out various activities, among which the following stand out:

- Carrying out the double materiality analysis in accordance with the requirements established in the European Sustainability Reporting Standards (ESRS). The results of this analysis, published in the 2024 Consolidated Non-Financial Information and Sustainability Information Statement, confirm that climate change continues to be one of the most relevant priorities for our stakeholders. The priority nature of these issues is reflected in several strategic initiatives included in the Sustainability Master Plan, which address aspects such as decarbonisation of operations, zero-emission mobility and eco-design management. CAF's Sustainability Master Plan was published in December 2024 and develops the roadmap to be followed in the current strategic cycle to respond to the Group's priority issues in this area.
- In the area of managing risks and opportunities arising from climate change, an analysis of the quantification of these risks and opportunities based on climate scenarios was conducted. This work consolidates the framework implemented in 2022, based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and updates the risk and opportunity analysis to respond to the changing context of the CAF Group.
- Deployment of reduction plans for the businesses to comply with the reduction targets set at Group level.

Within this decarbonisation process, the Group is immersed in the transition towards zero emissions vehicles, mainly electric and hydrogen, with a significant impact on the Bus segment and considerable activity in the Railway sector through the implementation of innovative solutions that substitute diesel vehicles. The potential impacts of this transition have been considered in the re-evaluation of the useful life of the intangible and material assets of the subsidiaries. Within the framework of this periodic review, the transition to zero-emission vehicles has required reevaluating the useful life of capitalized development expenses, adjusting them individually to each project. Likewise, the useful lives of property, plant and equipment have been reviewed, and no material adjustments were required in 2024 compared to the useful lives detailed in previous years.

In chapter "5. In the 2024 Consolidated Non-Financial Information and Sustainability Information Statement, additional information is collected on the Group's performance in terms of climate change and other matters related to sustainability, under "Our commitment to the environment". Specifically, more detailed information on the analysis of risks and opportunities derived from climate change and the progress made in this period is provided in section 5.3.1. "Risks and opportunities derived from climate change" of the aforementioned Report. As a result of the analysis carried out on the most significant risks and opportunities, no impairments have been detected on assets, provisions and/or significant contingencies to be disclosed in the attached financial statements.

j) Macroeconomic situation

The Israel-Palestine conflict poses a risk of uncertainty in the markets in which the Group operates.

Currently, the CAF Group is executing the following contracts in Israel:

Jerusalem City Light Rail Extension Project. This project was awarded in 2019 under public-private participation to the consortium consisting of CAF and Shapir. The project consists of extending the network by 27 kilometres and 53 new stations, as well as the delivery of 114 trams. In addition to supplying new units, CAF is carrying out the refurbishment of 46 units currently in service, including signalling, energy and communications systems, and project integration. In addition, CAF has a 50% stake in the company that manages the operation and maintenance activity of the two tram lines for an initial period of 25 years for maintenance and 15 years for operation, extendable up to 25 years.

Purple Line Project of the Tel Aviv city light rail. This project was awarded in 2022 by NTA Metropolitan Mass Transit Systems under public-private participation to the consortium involving CAF and Shapir. Within the project, CAF executes the design and manufacturing of 98 tram units, the supply of signalling, energy and communications systems, and the integration of the project. In addition, CAF has a 50% stake in the special purpose vehicle that manages the line's maintenance activity during the 25-year concession.

The current conflict is affecting the pace of execution of both projects, although normal operations are being maintained on the Jerusalem city light rail line. The Group maintains continuous communications with its clients, working collaboratively to address the problems arising from this situation.

In addition, the variations in inflation and interest rates during the year have been considered in the hypotheses used in the following cases: i) preparation of recoverability tests for non-financial assets, including goodwill, as well as the discount rates applied and the sensitivity analyses performed (Notes 5 and 6); ii) the updating of the value of actuarial obligations (Note 18); iii) the updating of budgets of contracts with customers, having reviewed and updated the cost of wages and raw materials (Note 10); and iv) the valuation of financial assets (Note 7).

3.- ACCOUNTING POLICIES

The principal accounting policies used by the Company in preparing its financial statements as at 31 December 2024 and 2023, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Intangible assets

Intangible assets (internal computer software developments and development projects for which there are no doubts as to their technical and commercial success) are measured at their acquisition cost or accumulated production cost applied in accordance with inventory measurement bases (Note 3-e).

These items are amortised by the straight-line method by applying the percentages resulting from the following years of estimated useful life:

	Years of estimated useful life
Development projects	5
Computer software	5 – 10

b) Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in Note 3-c. The acquisition price is updated in accordance with various legal provisions, among which are Gipuzkoa Regulation 11/1996, of 5 December, Gipuzkoa Regulation 13/1991, of 13 December, and Gipuzkoa Regulation 1/2013, of 5 February (Note 12-c).

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The items of property, plant and equipment are depreciated on a straight-line basis at rates based on the following years of estimated useful life:

	Years of estimated useful life
Buildings	25-50
Plant and machinery	6-10
Other fixtures, tools and furniture	3-10
Other items of property, plant and equipment	4-10

c) Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets might have suffered an impairment loss. Regardless of the existence of any indication of impairment, an estimate of the recoverable amount of said asset is made annually to determine the amount of the provision if it is ultimately necessary. Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is deemed to be the present value of estimated future cash flows.

d) Financial instruments

Financial assets

The Company classifies all financial assets into one of the categories listed below:

1. Financial assets at amortised cost

This category includes financial assets that are held for the purpose of collecting contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are initially recognised at fair value and are subsequently measured at amortised cost.

The Company calculates a loss allowance for expected credit losses taking as a reference the expected losses in the next 12 months, unless the credit risk has increased significantly, in which case the Company calculates the loss allowance taking as a reference the expected life of the financial instrument.

The Company derecognises a financial asset when all the risks and rewards of ownership of the asset have been transferred to another entity or when the contractual rights to the cash flows from the asset expire.

2. Financial assets at fair value with changes in equity

Equity instruments that the Company has made the irrevocable election to classify as financial assets at fair value with changes in equity are recognised in this category.

The financial assets included in this category are initially recognised at fair value including any transaction costs. They are subsequently measured at fair value. Changes in fair value are recognised directly in equity until the financial asset is derecognised or impaired, whereupon the amount so recognised is taken to profit or loss. Accrued dividends are recorded under "Finance income" in the statement of profit or loss.

3. Financial assets at fair value through profit or loss

Assets that are originated or acquired for the purpose of selling them in the short term, are part of a portfolio of financial instruments identified and managed together for short-term gain, or financial instruments that are neither financial guarantee contracts nor designated as hedging instruments, are recognised in this category. They are initially recognised at fair value which, in the absence of evidence to the contrary, is the transaction price, which is the fair value of the consideration given. Directly attributable transaction costs are recognised in profit or loss for the year. After initial recognition, the assets in this category are measured at fair value through profit or loss.

4. Financial assets at cost

These are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

Financial liabilities

The Company classifies all financial liabilities into one of the categories listed below:

1. Financial liabilities at amortised cost

The trade liabilities whose settlement is managed by financial institutions are recognised under "Suppliers" and "Other payables" in the balance sheet when they are commercial liabilities, whose settlement is managed by financial institutions and in which the Company has transferred only the handling of their payment, but remains the primary obligor for the payment of the debts to the trade creditors, with no change in maturity and no further financial guarantees granted.

Borrowings are recognised initially at fair value less the transaction costs incurred. They are subsequently measured at amortised cost, and any difference between the funds obtained (net of the costs required to obtain them) and the repayment value is recognised in the statement of profit or loss over the term to maturity of the debt using the effective interest method.

The Company derecognises financial liabilities only when the obligations giving rise to them are cancelled, eliminated or expire.

2. Financial liabilities at fair value through profit or loss.

The financial liabilities included in this category are initially measured at fair value. After initial recognition they are measured at fair value through profit or loss.

The Company derecognises financial liabilities only when the obligations giving rise to them are cancelled, eliminated or expire.

Derivative financial instruments

The Company uses these instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Basically, it does so to hedge the foreign currency risk to which its project contracts, certain investments in investees and the financing received are exposed, and to hedge the interest rate risk arising from loan drawdowns (see Note 15).

The fair value of the derivative financial instruments was calculated including the credit risk, the entity's own credit risk for liability derivative financial instruments, and the counterparty's credit risk for asset derivative financial instruments.

The Company reviews the conditions for a financial derivative to qualify for hedge accounting to ensure that such conditions are met, i.e.: (1) it hedges one of the following three types of risk: fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation; (2) it effectively eliminates any risk inherent to the hedged item or position throughout the projected term of the hedge; and (3) there is suitable documentation to evidence that the financial derivative was arranged specifically to hedge certain balances or transactions and how it was intended to achieve and measure the effectiveness of the hedge, provided that this was consistent with the Company's risk management policy.

CAF has defined financial risk management objectives and policies which set forth, in writing, the policy in respect of the arrangement of derivatives and hedging strategy.

These financial instruments are initially recognised at acquisition cost. The changes in the fair value of the derivative financial instruments that were designated and effective as hedges are subsequently recognised as follows:

- In fair value hedges, the gains or losses arising on both the hedging instrument and the hedged item attributable to the type of risk being hedged are recognised directly under “Changes in Fair Value of Financial Instruments” in the accompanying statement of profit or loss. The Company recognises as fair value hedges the hedges arranged for construction work when the necessary conditions are met for hedges of this nature (existence of a firm commitment).

- In cash flow hedges, the gains or losses attributable to the effective portion of the hedging instrument are recognised temporarily in equity under “Valuation Adjustments - Hedges”. This method is used by the Company for those projects in which the hedged risk is not a firm and signed commitment but rather a highly probable forecast transaction, and for interest rate hedges. To the extent that a highly probable transaction gives rise to firm commitments, the amounts previously recognised in equity are reclassified to profit or loss.

- In hedges of net investments in foreign operations, the gains or losses attributable to the effective portion of the hedging instrument are charged or credited to “Impairment and Gains or Losses on Disposals of Financial Instruments” in the statement of profit or loss and are adjusted in the line item that includes the value of the investment by the portion of the hedge that meets the criteria to be considered effective.

The measurement of financial assets and liabilities at fair value is broken down into levels according to the following hierarchy determined by measurement standard 9 of the Spanish Chart of Accounts:

- Level 1: quoted prices in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i-e. as prices) or indirectly (i-e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data.

The breakdown of the Company's assets and liabilities measured at fair value according to the levels indicated above at 31 December 2024 and 2023 is as follows (in thousands of euros):

Year 2024

	Level 1	Level 2	Level 3	Total
Assets				
Equity instruments (Note 7-a)	-	-	1,701	1,701
Derivatives (Note 15)	-	13,833	-	13,833
Other financial assets (Note 7-b)	-	-	-	-
Total Assets	**-**	**13,833**	**1,701**	**15,534**
Liabilities				
Derivatives (Note 15)	-	5,719	-	5,719
Other financial liabilities (Note 13)	-	-	-	-
Total liabilities	**-**	**5,719**	**-**	**5,719**

Year 2023

	Level 1	Level 2	Level 3	Total
Assets				
Equity instruments (Note 7-a)	-	-	1,627	1,627
Derivatives (Note 15)	-	32,722	-	32,722
Other financial assets (Note 7-b)	86,113	-	-	86,113
Total Assets	**86,113**	**32,722**	**1,627**	**120,462**
Liabilities				
Derivatives (Note 15)	-	34,994	-	34,994
Other financial liabilities (Note 13)	-	-	38,092	38,092
Total liabilities	**-**	**34,994**	**38,092**	**73,086**

The fair value of the derivative financial instruments was calculated using mainly variables based on observable market data (year-end exchange rates and yield curves).

e) Measurement of inventories

Raw materials and other supplies and goods held for resale are measured at the lower of average acquisition cost or net realisable value.

Work in progress and finished and semi-finished goods are presented net of the costs already settled, as described in Note 3-f and they are measured as follows:

- Materials and expenses allocated to each project: at the average acquisition or production cost.

- Processing costs: based on standard hourly absorption rates for labour and direct and indirect production overheads, which do not differ significantly from actual hourly rates.

- For inventories that require a period of more than twelve months to be ready for sale, cost includes borrowing costs.

f) Recognition of revenue and profit

The Company's main sources of revenue are formalised through contracts and orders accepted by customers which may include, individually or in combination, the following goods and services which are identified as separate performance obligations:

- Supply of train fleet.
- Maintenance of the train fleet throughout its useful life (estimated at 25-30 years on average), or in shorter periods of time depending on the customer's maintenance strategy.
- Refurbishment of customer-owned trains.
- Civil works that include integrated engineering solutions for railway systems and infrastructure in general.
- Signalling systems.
- Sale of train equipment and components: wheel sets, reduction gearboxes and spare parts in general.

The main characteristics of each of these are described below, grouped according to how the performance obligations are met:

f.1) Performance obligations that are fulfilled over time:

- Train construction

Revenues from performance obligations for the construction of trains relate to rolling stock and other items specifically negotiated with customers on the basis of mutually agreed technical terms and conditions through a prior specification sheet as part of an offer. The Company therefore designs and manufactures vehicles tailored to the individual needs of each customer. Along with the delivery of the trains, the same performance obligation being considered, it is customary to deliver what are known as fleet parts (or strategic spare parts) and equipment for the maintenance workshops so that the customer can ensure, at all times, the availability of all trains in operation.

Trains are built as soon as the contract is signed, starting with the design and ending with the contractually established warranty period, once the trains have been made available to the customer.

These obligations are met throughout the life of the contract, from signature to completion of the various agreed obligations, as the trains are built to the technical specifications agreed individually with each customer. Additionally, the contracts include cancellation clauses that provide for the right to be paid for the work completed to date.

The technical specifications of the trains, with specific designs to suit each customer's needs, making it more difficult to find an alternative use for the trains and equipment in the event of contract cancellation, as the Company would have to incur significant costs to adapt them to other customers, assuming they are not downright incompatible.

This type of performance obligation also includes a warranty period that is not a differentiated service but is there to ensure the proper functioning of the trains. These are industry-standard warranties and feature standard terms and conditions in accordance with the legal requirements of each country in which the Company operates. The Company estimates the related provision for future warranty claims based on historical information on warranty claims, as well as recent trends that may suggest that past cost information may differ from the cost of future claims.

This type of performance obligation usually takes more than a year to complete, and advance payments are often received from customers. Invoicing and payment schedules depend on the degree of performance of each project and invoicing milestones take place during the main phases of the projects (signing of the contract, approval of the design, launching of orders to suppliers, delivery of the first unit, mass delivery of units, delivery of warranty, etc.). In the initial stages of a project (contract signature, design approval, orders delivered to suppliers, delivery of initial units) it is common for billing milestones to exceed recognised revenues, while as the project progresses and moves into delivery phases, revenues typically exceed cumulative billing until the deliveries are made and the train warranty period ends and there is no longer any significant financing component to the project. In addition, the price introduces an element of variability and the customer may establish penalties depending on the fulfilment of delivery milestones, which may therefore modify the likely price of the transaction.

In this type of contract, it is common to include an option to purchase additional units, the price of which may vary depending on when the option is exercised. In this case, the Company identifies each set of units as a separate obligation, recognising the original contract and, if applicable, the option exercised separately.

For train construction contracts, the Company generally recognises revenue and profit for each contract based on the estimated measure of progress of the contract, calculated as a percentage of the number of hours assigned to the contract out of the total hours budgeted.

Once the projected profit or loss on each contract has been determined, the Company applies the following correcting coefficients to determine the profit or loss and revenue (correcting indexes that were re-assessed in 2024, considering the characteristics of the current backlog):

- With a measure of progress of between 0% and 10%, no profit or revenue is recognised, in order to take into account the initial margin of uncertainty in the contracts in the long term.
- From 10% onwards, a percentage of profit and revenue equal to the percentage of contract completion is recognised.
- The progress of the hours allocated in the design phase is limited based on the percentage represented by the budgeted cost for the design phase with respect to the project's total budgeted cost.

- Construction contracts for civil works, refurbishments, signalling and engineering services

In this type of performance obligation, the Company agrees upon an integral system solution with the customer; one that includes civil works and building, electrification, signalling, communications and other systems, which encompasses the preliminary design, supply management, construction and commissioning of both railway systems and infrastructure in general so as to provide a solution tailored to the specific needs of the customer.

These contracts include a warranty period that is not a differentiated service but relates to the proper functioning of the construction or service. They are industry-standard warranties and feature standard terms and conditions in accordance with the legal requirements of each country in which the Company operates. Meanwhile, the Company has similar warranties in place with its main subcontractors and therefore no significant warranty provisions are recorded.

The term of these contracts is usually more than one year. In these cases, billing and payment schedules are pegged to the achievement of various project milestones and the degree of project completion and do not differ significantly from the revenues recognised. Therefore, there is no significant financing component.

Revenue and profit or loss on civil works, signalling and engineering services contracts are recognised by reference to the estimated measure of progress of the contract, calculated on the basis of the costs incurred compared with the total budgeted costs.

The Company analyses for each contract the applicable regulatory framework for unilateral cancellations, in order to guarantee the right to be paid for the services rendered to date at a price that reflects the cost plus margin incurred.

- Maintenance contracts

The Company provides maintenance services for trains and systems, in relation to material delivered by both the Company and other manufacturers. The duration of maintenance contracts varies, depending on the customer's specific needs and maintenance strategy.

These revenues are established on the basis of fees that are negotiated in each contract, with revenues recognised over the life of the contract on the basis of the method that best reflects the percentage of progress made at the relevant time. In the case of multi-year projects with monthly invoicing where the resources used to render the service are linear, it is assumed that the invoicing is equivalent to revenues, in the absence of a significant financing component.

However, in those maintenance contracts where the resources to perform the service are not linear (mainly when major overhauls or repair work are required) the cost to be incurred in each of them is estimated and the income is from the billings is deferred to the periods in which the major repair work is to take place. The resulting difference is recorded as either non-current or current “Liabilities under contract”, depending on whether the major repair work is expected to be performed within a period of more or less than 12 months, respectively.

f.2) Performance obligations that are fulfilled at a specific point in time

- Wheel sets and spare parts

The Company sells other products such as assembled axles, wheels and reduction gearboxes for the railway market and other spare parts for rolling stock. In these cases, the Company recognises the revenue when the customer takes control of the asset and the performance obligation is fulfilled.

f.3) Common aspects

Potential losses on contracts are recognised in full when they become known or can be reliably estimated.

The Company only recognises income arising from claims or contract scope modifications once the customer has accepted the claim and there is evidence of such acceptance in the form of a contractual amendment or similar legal document.

Based on the revenues realised, the projected profit or loss on each contract and the measure of progress, inventories are derecognised with a charge to the related heading of the statement of profit or loss and with a credit to “Inventories” on the asset side of the balance sheet (Note 10).

Income from financial assets

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment is established. Interest and dividends from financial assets accrued after the date of acquisition are recognised in the statement of profit or loss.

g) Customer advances and completed contract work

Unlike the method used to recognise revenue from contracts, the amounts billed to the customer are based on achievement of the milestones established in the contract. The difference between revenue recognised on each project (Note 3-f) and the amount billed for the project is recognised as follows:

- If it is positive, as "Production executed pending billing" (deferred billing) within "Customers for sales and services provided" (Note 10).
- If negative, as "Advance payments received for orders" (advance billing) in the heading "Trade creditors and other accounts payable - Other creditors" (Note 10).

h) Foreign currency transactions and other obligations

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing (Note 19). Any resulting gains or losses are recognised directly in the statement of profit or loss in the year in which they arise. Those operations carried out in foreign currency in which the Company has decided to mitigate the exchange rate risk by contracting financial derivatives are recorded according to the principles described in the Note 3-d.

i) Current/Non-current classification

Items are classified under "Current Assets" and "Current Liabilities" (prebillings, deferred billings and short-term provisions) which may be realised or settled in more than twelve months, since they form part of the Company's normal operating cycle as established in the applicable legislation. Considering the items as a whole, the directors estimate that the current assets will be realised essentially in the short term and, in any event, the current liabilities to be settled in more than 12 months exceed the current assets that would be realised in more than 12 months (Notes 10 and 18).

j) Income tax

The expense for income tax and other similar taxes are recognised in the statement of profit or loss, except when it results from a transaction the result of which is recognised directly in equity, in which case the related tax is also recognised in equity.

Deferred tax liabilities are recognised for all taxable temporary differences, unless, in general, the temporary difference arises from the initial recognition of goodwill. Also, deferred tax assets are recognised for tax loss and tax credit carryforwards and temporary differences to the extent that it is considered probable that the entities will have sufficient taxable profits in the future against which the deferred tax assets can be utilised, considering for such purpose the projections based on the backlog.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

k) Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

l) Provisions and contingent liabilities

When identifying obligations, the Company distinguishes between:

- Provision: a present obligation (legal or constructive) as a result of past events when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- Contingent liability: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the Company's control; or possible obligations whose occurrence is unlikely or whose amount cannot be reliably estimated.

Provisions are recognised when it is probable that the obligation will have to be settled and the amount can be measured reliably. Contingent liabilities are not recognised and are only disclosed in the financial statements, except for those arising from business combinations.

Provisions are recognised on the basis of the best estimate of the expenditure that will be required to settle the present obligation at the reporting date. Provisions are fully or partially reversed when they cease to exist or when the obligations are reduced, respectively.

Provisions for guarantees are recognised when the significant risks and rewards of a project are transferred to the customer.

Expected losses on onerous contracts are recognised when the best estimate of total contract costs exceeds the expected contract revenue.

Provisions are discounted to reflect the present value of expected expenses where the effect of the time value of money is material.

4.- DISTRIBUTION OF PROFIT

The proposed distribution of the profit that the Company's directors will submit for approval by the General Shareholders' Meeting is as follows:

Distribution	Thousands of Euros
Distributable profit	
Profit/(Loss) for the year	94,484
Distribution	
To dividends	45,936
To voluntary reserves	48,548

5.- INTANGIBLE ASSETS

Changes in “Intangible assets” in the balance sheet in 2024 and 2023 were as follows:

Year 2024

	Thousands of Euros			
	31/12/23	Additions or charge for the year	Disposals or reductions	31/12/24
Cost:				
Development	124,231	3,268	(983)	126,516
Computer software	94,234	29,965	(1,554)	122,645
Total cost	**218,465**	**33,233**	**(2,537)**	**249,161**
Accumulated amortisation:				
Development	95,212	9,701	(983)	103,930
Computer software	22,950	12,448	(1,533)	33,865
Total accumulated amortisation	**118,162**	**22,149**	**(2,516)**	**137,795**
Impairment:				
Development	531	-	-	531
Total impairment	**531**	**-**	**-**	**531**
Net:				
Development	28,488	(6,433)	-	22,055
Computer software	71,284	17,517	(21)	88,780
Intangible fixed assets, net	**99,772**	**11,084**	**(21)**	**110,835**

Year 2023

	Thousands of Euros			
	31/12/22	Additions or charge for the year	Disposals or reductions	31/12/23
Cost:				
Development	123,285	4,134	(3,188)	124,231
Computer software	60,860	33,374	-	94,234
Total cost	**184,145**	**37,508**	**(3,188)**	**218,465**
Accumulated amortisation:				
Development	86,530	11,870	(3,188)	95,212
Computer software	18,266	4,684	-	22,950
Total accumulated amortisation	**104,796**	**16,554**	**(3,188)**	**118,162**
Impairment:				
Development	401	130	-	531
Total impairment	**401**	**130**	**-**	**531**
Net:				
Development	36,354	(7,866)	-	28,488
Computer software	42,594	28,690	-	71,284
Intangible fixed assets, net	**78,948**	**20,824**	**-**	**99,772**

Additions recognised as developments in 2024 relate to costs incurred in the development of new products including, inter alia, alternative technologies to diesel propulsion, signalling systems for underground trains, and driver assistance, energy management and automation for trains, buses and trams. In addition, developments have been carried out based on Artificial Intelligence and the Digital Twin aimed at efficiency in the design and reduction of lead times in putting vehicles into operation. Additionally, computer software additions relate to the final phase of the implementation process of the new management software (ERP). This is in addition to the implementation of the measures established in the Company's cybersecurity policy, as well as the recommendations established by the various audits in this area. Finally, it is worth highlighting the development of a new project management system for product lines and technical management, with the aim of improving efficiency in engineering projects by standardising tasks and optimising processes. At 31 December 2024, the Company had investment commitments amounting to EUR 5,000 thousand (EUR 12,660 thousand committed at 31 December 2023), mainly for the implementation of the new computer system for other Group companies.

In 2024, the Company had derecognised development projects and computer software, recognising a loss of EUR 21 thousand (all write-offs had been fully amortised in 2023).

Research and development expenditure incurred in 2024 and recognised in profit or loss amounted to EUR 5,252 thousand (2023: EUR 3,035 thousand).

At the end of 2024, the Company had fully amortised intangible assets that were still in use and/or whose technology was still being applied, for an amount of EUR 68,739 thousand (EUR 25,902 thousand at 31 December 2023).

The directors have analysed the relevant indicators to assess whether there are any indications of impairment in the Company's intangible assets at 31 December 2024 and believe that there are no indications of impairment.

6.- PROPERTY, PLANT AND EQUIPMENT

The changes in the years ended 31 December 2024 and 2023 in the various property, plant and equipment accounts and in the related accumulated depreciation were as follows:

Year 2024

	Thousands of Euros				
	31/12/23	Additions or charge for the year	Disposals or reductions	Transfers	31/12/24
Cost:					
Land	14,023	-	-	-	14,023
Buildings	156,597	2,980	-	-	159,577
Plant and machinery	194,891	5,152	-	-	200,043
Other fixtures, tools and furniture	14,246	3,187	-	-	17,433
Other items of property, plant and equipment	17,369	52	-	-	17,421
Constructions in progress	4,324	6,336	-	-	10,660
Total cost	**401,450**	**17,707**	**-**	**-**	**419,157**
Accumulated depreciation:					
Buildings	107,025	4,183	-	-	111,208
Plant and machinery	180,683	4,924	-	-	185,607
Other fixtures, tools and furniture	8,976	1,506	-	-	10,482
Other items of property, plant and equipment	16,301	506	-	-	16,807
Total accumulated depreciation	**312,985**	**11,119**	**-**	**-**	**324,104**
Impairment losses:					
Buildings	443	-	-	-	443
Total impairment	**443**	**-**	**-**	**-**	**443**
Net:					
Land	14,023	-	-	-	14,023
Buildings	49,129	(1,203)	-	-	47,926
Plant and machinery	14,208	228	-	-	14,436
Other fixtures, tools and furniture	5,270	1,681	-	-	6,951
Other items of property, plant and equipment	1,068	(454)	-	-	614
Constructions in progress	4,324	6,336	-	-	10,660
Property, plant and equipment, net	**88,022**	**6,588**	**-**	**-**	**94,610**

Year 2023

	Thousands of Euros				
	31/12/22	Additions or charge for the year	Disposals or reductions	Transfers	31/12/23
Cost:					
Land	14,023	-	-	-	14,023
Buildings	154,005	2,540	-	52	156,597
Plant and machinery	195,140	3,196	(3,527)	82	194,891
Other fixtures, tools and furniture	12,574	1,953	(12)	(269)	14,246
Other items of property, plant and equipment	22,030	151	(114)	(4,698)	17,369
Constructions in progress	2,164	2,160	-	-	4,324
Total cost	**399,936**	**10,000**	**(3,653)**	**(4,833)**	**401,450**
Accumulated depreciation:					
Buildings	103,338	3,687	-	-	107,025
Plant and machinery	179,049	5,130	(3,522)	26	180,683
Other fixtures, tools and furniture	7,941	1,071	(6)	(30)	8,976
Other items of property, plant and equipment	19,347	872	(114)	(3,804)	16,301
Total accumulated depreciation	**309,675**	**10,760**	**(3,642)**	**(3,808)**	**312,985**
Impairment losses:					
Buildings	575	-	-	(132)	443
Total impairment	**575**	**-**	**-**	**(132)**	**443**
Net:					
Land	14,023	-	-	-	14,023
Buildings	50,092	(1,147)	-	184	49,129
Plant and machinery	16,091	(1,934)	(5)	56	14,208
Other fixtures, tools and furniture	4,633	882	(6)	(239)	5,270
Other items of property, plant and equipment	2,683	(721)	-	(894)	1,068
Constructions in progress	2,164	2,160	-	-	4,324
Property, plant and equipment, net	**89,686**	**(760)**	**(11)**	**(893)**	**88,022**

In 2024, the most significant investments were aimed mainly at the automation of thermal treatment facilities of the wheel business and investments in the manufacturing area, such as the extension and modernisation of welding and box sanding areas via the robotisation and automation of these processes, the extension of the testing area at various production plants and the renewal of the manufacturing lines.

In 2013 the Company revalued its property, plant and equipment pursuant to Gipuzkoa Decree-Regulation 1/2013, of 5 February, paying a one-off rate of 5% of the restated amount. Previously, the Company had availed itself of other updated laws, namely, Gipuzkoa Regulation 11/1996 and Gipuzkoa Decree 13/1991 (Note 12-c).

The 2013 restatement was made applying the rates established in legislation on the acquisition cost, based on the year of acquisition of the property, plant and equipment. In the case of improvements, the year in which they are made was taken into account. Also, the established rates were applied to the depreciation taken for accounting purposes on the acquisition or production cost that was deductible for tax purposes, based on the year in which it was applied. In the case of assets revalued pursuant to Gipuzkoa Regulation 11/1996, the rates were applied to the acquisition price and to the depreciation that was deductible for tax purposes, without taking into account the net increase in value arising from the restatements. The Company revalued items recognised such as buildings, plant, machinery and tools. The restated amount in 2013 was EUR 46,170 thousand on the restated balance sheet items and EUR 19,676 thousand on the amortisations. The net increase in value arising from the restatements is depreciated over the tax periods in the remaining useful lives of the assets.

The effect of the restatements of property, plant and equipment in accordance with Gipuzkoa Regulation 1/2013, Gipuzkoa Regulation 11/1996 and Gipuzkoa Decree 13/1991 on the depreciation charges for the year and the accumulated depreciation recognised in 2024 and in prior years came to approximately EUR 483 thousand and EUR 27,645 thousand, respectively (EUR 496 thousand and EUR 27,162 thousand in 2023 and prior years).

At the end of 2024, the Company had firm investment commitments amounting to EUR 950 thousand in relation mainly to the fitting-out of certain facilities and equipment purchases (EUR 2,635 thousand at year-end 2023). In principle, these investments will be equity financed.

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At the end of 2024 and 2023, property, plant and equipment was fully insured against these risks.

The gross cost of fully amortised assets in use at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Buildings	57,061	53,886
Plant and machinery	164,735	160,979
Other fixtures, tools and furniture	6,689	2,318
Other items of property, plant and equipment	15,958	15,310
Total	**244,443**	**232,493**

The Company has no future dismantling or restoration commitments and, accordingly, no asset was recognised in this connection.

At 31 December 2024 and 2023, the Company did not have any investments in property, plant and equipment located abroad for significant amounts.

Impairment losses

The directors consider that there were no additional indications of impairment at 31 December 2024.

7.- FINANCIAL ASSETS (NON-CURRENT AND CURRENT)

a) Non-current financial assets

The detail of the item "Long-term financial investments" at the end of 2024 and 2023, presented by nature and categories, was as follows (thousands of euros):

	31/12/24		31/12/23	
	% of Ownership	Balance	% of Ownership	Balance
Equity instruments-				
At fair value with changes in equity (Note 3-d)-		**1,701**		**1,627**
Iniciativa FIK, A.I.E.	14.18%	746	14.18%	746
Albali Señalización, S.A.	3.00%	567	3.00%	492
Fik Advanlife, S.L.	5.91%	388	5.91%	389
Loans, derivatives and others-		**5,934**		**25,975**
At amortized cost-		**4,132**		**4,106**
Deposits and guarantees		165		167
Deposits		1,204		1,442
Loans to employees		2,763		2,497
Hedging derivatives (Note 15)		**1,802**		**21,869**
Total		**7,635**		**27,602**

Loans to employees

In accordance with the agreements entered into with employees, the Company grants various loans earning interest at below market rates and maturing between 10 and 15 years. The Company does not discount these amounts since it considers that the effect of doing so is scantly material.

The detail, by maturity, of “Non-Current Financial Assets”, excluding equity instruments, is as follows (in thousands of euros):

Year 2024

	2026	2027	2028	2029 and subsequent years	Total
Financial assets at amortised cost	1,888	436	388	1,420	4,132
Hedging derivatives	544	169	1,089	-	1,802
Total	**2,432**	**605**	**1,477**	**1,420**	**5,934**

Year 2023

	2025	2026	2027	2028 and subsequent years	Total
Financial assets at amortised cost	680	1,878	348	1,200	4,106
Hedging derivatives	3,904	7,892	10,041	32	21,869
Total	**4,584**	**9,770**	**10,389**	**1,232**	**25,975**

b) Current financial assets

The breakdown of “Current financial assets” at the end of 2024 and 2023, by type and category, is as follows (in thousands of euros):

	31/12/24	31/12/23
Debt securities-	**1,492**	**87,421**
At amortised cost	1,492	1,308
At fair value through profit and loss (Note 3-d)	-	86,113
Loans, derivatives and others-	**33,262**	**31,544**
At cost	452	638
At amortised cost	20,779	20,053
Hedging derivatives (Note 15)	12,031	10,853
Total	**34,754**	**118,965**

“Financial assets at amortised cost” includes, mainly, the cash surpluses invested in government debt securities, repos, short-term deposits and term deposits. The section "Financial assets at fair value with changes in results" included fixed-income investment funds.

8.- GROUP COMPANIES AND ASSOCIATES (LONG AND SHORT TERM)

The details of the headings "Investments in long-term Group companies and associates" and "Short-term investments in Group companies and associates" at 31 December 2024 and 2023 are as follows (in thousands of euros):

Year 2024

	31/12/23	Investments	Disposals	Impairment	Transfers/ Others	31/12/24
Non-current investments in Group companies and associates-						
Ownership interests	1,221,239	16,591	(46,188)	-	24,877	1,216,519
Impairment losses on ownership interests	(248,994)	-	423	8,523	(3,043)	(243,091)
Non-current loans (Note 9)	90,574	10,840	(1,488)	-	(25,438)	74,488
Total long term	**1,062,819**	**27,431**	**(47,253)**	**8,523**	**(3,604)**	**1,047,916**
Current investments in Group companies and associates-						
Short-term credits (Note 9)	177,317	55,303	(82,087)	-	42,771	193,304
Total short term	**177,317**	**55,303**	**(82,087)**	**-**	**42,771**	**193,304**
Total	**1,240,136**	**82,734**	**(129,340)**	**8,523**	**39,167**	**1,241,220**

Ownership interests

In 2024, the 50%-owned company CAF AtkinsRéalis Digital Signalling, Limited was formed.

Furthermore, CAF USA, Inc. and CAF Brasil Indústria e Comércio, S.A. have paid out dividends amounting to EUR 46,677 thousand and EUR 26 thousand, respectively, of which EUR 29,644 thousand and EUR 3,043 thousand were recognised with a credit to the "Equity interests" and "Provision for equity interests" accounts (for the cumulative amount of derivatives for net investments in foreign concerns) of this heading, and EUR 386 thousand and EUR 13,630 thousand were recognised with a credit to the "Exchange differences" and “Finance income” headings of the accompanying statement of profit or loss (Note 9).

Likewise, CAF Mexico, S.A. de C.V. made a capital reduction of EUR 25,174 thousand, of which EUR 16,101 thousand were posted with a credit to the equity interest and EUR 9,073 thousand were recognised with a credit to the "Finance income" heading in the accompanying statement of profit or loss (Note 9). A capital reduction was also performed at the subsidiary CAF Brasil Indústria e Comércio, S.A. for an amount of EUR 443 thousand.

Finally, Light TLV NTA Ltd has changed its name to SHACHAF - The Purple Line Light Rail Ltd.

Year 2023

	31/12/22	Investments	Disposals	Impairment	Transfers/ Others	31/12/23
Non-current investments in Group companies and associates-						
Ownership interests	1,179,118	42,121	-	-	-	1,221,239
Impairment losses on ownership interests	(242,127)	-	-	(6,139)	(728)	(248,994)
Non-current loans (Note 9)	129,901	29,091	(6,429)	-	(61,989)	90,574
Total long term	**1,066,892**	**71,212**	**(6,429)**	**(6,139)**	**(62,717)**	**1,062,819**
Current investments in Group companies and associates-						
Short-term credits (Note 9)	64,541	40,042	(2,022)	-	74,756	177,317
Total short term	**64,541**	**40,042**	**(2,022)**	**-**	**74,756**	**177,317**
Total	**1,131,433**	**111,254**	**(8,451)**	**(6,139)**	**12,039**	**1,240,136**

Ownership interests

In 2023, the companies CAF Greece Single Member, S.A., Myanmar CAF Ltd., CAF Rail Philippines, Inc. and CAF Canada Inc. were set up, in which the Company has a 100% stake. Additionally, the company CAF Signalling México, S.A. de C.V. was established, with 11% ownership by the Company and 89% by CAF Signalling, S.L.U.

The most significant information related to the investees in Group companies and long-term associates at the end of 2024 and 2023 is as follows (in thousands of euros):

YEAR 2024

Name	Location	Line of business	Percentage of ownership – Direct	Percentage of ownership – Indirect	Cost	Impairment in the year	Accumulated impairment	Basic financial data (1) – Share capital	Reserves and retained earnings	Profit/(Loss) from operations	Profit/(loss) – 2024
Actren Mantenimiento Ferroviario, S.A.	Madrid	Maintenance	51%	-	1,530	-	-	3,000	1,731	12,047	8,456
Aerosuburbano S.A.P.I. de C.V.	Mexico City	Transportation	50%	50%	-	-	-	-	-	-	-
BWB Holdings Limited	Nottingham	Engineering	100%	-	18,434	-	-	229	17,682	855	541
CAF Arabia Company	Riyadh	Manufacturing and maint.	95%	5%	301	-	-	316	528	5,947	5,136
CAF Argelia (EURL)	Algiers	Manufacturing and maint.	100%	-	2,171	30	(939)	2,171	(905)	(34)	(34)
CAF AtkinsRéalis Digital Signalling, Limited	Coventry	Signalling	50%	-	60	-	-	120	-	-	-
CAF Belgium, S.P.R.L.	Brussels	Manufacturing and maint.	98.3%	1.7%	521	-	-	530	742	1,149	756
CAF Brasil Indústria e Comércio, S.A.	São Paulo	Manufacturing and maint.	0.97%	99.03%	1,244	10	(950)	8,056	(2,954)	5,419	9,603
CAF Canada, Inc.	Calgary	Engineering	100%	-	82	-	-	82	(1)	78	58
CAF Chile, S.A.	S. de Chile	Manufacturing and maint.	99%	1%	1	-	-	1	659	1,261	699
CAF Deutschland GmbH	Munich	Manufacturing and maint.	100%	-	25	-	-	25	715	740	231
CAF Deutschland Real Estate GmbH	Munich	Maintenance	100%	-	29	(36)	(66)	25	(27)	330	(35)
CAF Digital & Design Solutions, S.A.U.	Jaén	Manufacturing and engine.	100%	-	5,262	1,492	(1,698)	1,521	551	1,290	1,492
CAF Diversified Business Development, S.A.U.	Gipuzkoa	Holding Company	100%	-	185,167	3,482	(65,019)	16,000	62,695	10,500	8,633
CAF Egypt for Transportation Systems	Cairo	Maintenance	99.96%	0.04%	4,854	(4,470)	(4,723)	4,858	95	(4,807)	(4,822)
CAF Greece Single Member, S.A.	Markopoulo	Manufacturing, repair and maintenance	100%	-	25	(37)	(37)	25	10	(56)	(47)
CAF Group UK Limited	Coventry	Holding Company	100%	-	37,415	462	-	37,415	1,104	894	(21)
CAF Hungary Kft	Budapest	Manufacturing and maint.	100%	-	372	-	-	46	454	48	38
CAF I+D, S.L.U.	Gipuzkoa	R&D	100%	-	5,734	(272)	(272)	4,705	2,106	(1,467)	(1,351)
CAF India Private Limited	Delhi	Manufacturing and maint.	3.11%	96.89%	110	-	-	3,917	3,904	517	102
CAF Investment Projects, S.A.U.	Gipuzkoa	Business development	100%	-	227,608	-	-	47,917	132,783	56,871	32,099
CAF Israel Rails Ltd.	Tel Aviv	Manufacturing and maintenance	100%	-	-	-	-	-	3,411	1,874	1,401
CAF Italia, S.R.L.	Rome	Reparation and maint..	100%	-	5,600	-	-	100	5,688	2,520	1,723
CAF México, S.A. de C.V.	Mexico City	Manufacturing and maint.	99.99%	0.01%	18,685	-	-	9,627	18,613	4,143	3,508
CAF Netherlands, B.V.	Utrecht	Manufacturing and maint.	100%	-	450	-	-	450	900	388	338
CAF New Zealand Limited	Auckland	Manufacturing and maint.	100%	-	48	-	-	48	1,838	1,096	1,113
CAF Norway AS	Oslo	Manufacturing and maint.	100%	-	206	-	-	206	398	265	196
CAF Polska sp. z.o.o.	Poznan	Engineering	100%	-	791	-	-	791	240	174	145
CAF Portugal Unipessoal Lda.	Lisbon	Manufacturing and maint.	100%	-	100	-	-	100	17	57	45
CAF Power & Automation, S.L.U.	Gipuzkoa	Electronic and power	100%	-	9,011	-	-	6,090	1,239	10,726	7,600
CAF Rail Australia Pty Ltd.	Sydney	Manufacturing and maintenance	100%	-	74	-	-	74	3,066	1,796	817
CAF Rail Luxembourg, S.À R.L.	Luxemburg	Manufacturing and maint.	100%	-	120	-	-	120	131	37	33
CAF Rail Philippines, Inc.	Makati City	Tests	100%	-	199	-	-	199	1	61	44
CAF Rail UK Limited	Belfast	Manufacturing and maint.	100%	-	108	-	-	108	(251)	7,039	5,800
CAF Reichshoffen SAS	Reichshoffen	Manufacture and design	100%	-	78,509	-	-	17,694	84,014	17,219	14,792
CAF Signalling, S.L.U.	Gipuzkoa	Signalling	100%	-	71,562	(839)	(48,143)	16,900	4,903	1,588	1,617
CAF Signalling México, S.A. de C.V.	Mexico City	Signalling	11%	89%	1,842	(214)	(214)	16,820	(1,657)	366	(368)
CAF Signalling, S.L. Limited Partnership	Bizkaia	Engineering	20%	80%	3,900	(1,829)	(3,316)	3,600	8,467	(8,974)	(9,145)
CAF Sisteme Feroviare, S.R.L.	Bucharest	Manufacturing and maint.	100%	-	-	-	-	-	191	(23)	(27)
CAF Turnkey & Engineering, S.L.U.	Bizkaia	Engineering	100%	-	13,720	69	-	5,703	26,579	12,086	13,124
CAF USA, Inc.	Delaware	Manufacturing and maint.	100%	-	24,665	-	-	54,283	(28,258)	(1,173)	(491)
CAFTurk Tren Sanayí Ve Tícaret Límíted Sírketí	Istanbul	Manufacturing and maint.	99.96%	0.04%	3,365	(6)	(2,835)	3,367	(2,894)	(2)	57
Centro de Ensayos y Análisis Cetest, S.L.	Gipuzkoa	Tests	58.55%	41.45%	5,650	-	-	9,650	6,236	140	50
Consorcio Traza, S.A.	Zaragoza	Holding Company	25%	-	15,709	9,578	(6,131)	575	(5,335)	9,201	227
Construcciones Ferroviarias de Madrid, S.L.U.	Madrid	Maintenance	100%	-	2,500	-	-	2,500	425	1,753	1,414
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	Buenos Aires	Reparation and maint..	97.61%	2.39%	4,017	114	(3,787)	2	80	(6)	153
Construcciones y Auxiliar de Ferrocarriles CAF Colombia, S.A.S.	Medellin	Manufacturing and maint.	100%	-	456	(226)	(226)	36	535	(344)	(341)
EuroMaint Gruppen AB	Solna	Maintenance	100%	-	121,440	757	(25,277)	10	90,463	3,602	1,155
Ferrocarril Interurbano S.A. de C.V.	Mexico City	Manufacturing and equip.	17.20%	32.43%	902	-	-	5,316	2,522	281	922
Ferrocarriles Suburbanos, S.A.P.I. de C.V.	Mexico City	Transportation	28.05%	15.30%	60,925	-	(60,925)	16,301	(116,655)	9,100	(11,000)
Geminys, S.L.	Gipuzkoa	Operating manuals	100%	-	172	-	-	150	1,902	1,125	870
LAVI Light Rail O&M Ltd.	Petach Tikva	Operation and maint.	50%	-	1,740	-	-	3,480	32,162	2,577	1,110
Metro CAF (Mauritius) Ltd.	Mauritius	Manufacturing and maintenance	100%	-	1	-	-	1	3,090	132	174
Myanmar CAF Ltd.	Bahan Township	Reparation and maint..	100%	-	130	-	-	130	101	21	17
PL Light Rail Maintenance Ltd.	Ramat Gan	Maintenance	50%	-	-	-	-	-	1,688	1,866	(3,126)
Rail Line Components, S.L.U.	Gipuzkoa	Marketing	100%	-	60	-	-	60	398	8,740	6,958
Rifer SRL	Milán	Component Maintenance	100%	-	4,713	(217)	(3,283)	20	1,658	(251)	(248)
Sermanfer, S.A.U.	Madrid	Maintenance	100%	-	301	-	-	301	2,641	496	591
Solaris Bus & Coach, sp. z.o.o.	Bolechowo	Transportation	97.33%	-	244,679	-	-	37,166	76,307	46,476	14,224
Tradinsa Industrial, S.L.	Lleida	Reparation and maint..	82.34%	17.66%	3,215	219	(869)	3,850	(1,267)	359	266
Trenes CAF Venezuela, C.A.	Caracas	Manufacturing and maint.	100%	-	78	38	(123)	64	(139)	42	30
Trenes de Navarra, S.A.U.	Navarre	Manufacturing	100%	-	24,676	421	(14,255)	8,971	1,029	(120)	1,197
Oher investments					1,255	(3)	(3)	-	-	-	-
					1,216,519	**8,523**	**(243,091)**				

1) After adjustments and unifying entries for consolidation purposes and counting unrealised capital gains at the acquisition date. The financial statements in foreign currencies were translated to euros using the "year-end exchange rate" method, which means that any translation gains or losses and valuation adjustments on hedges are recognised under “Translation Differences - Reserves” and “Valuation Adjustments – Reserves”.

YEAR 2023

Name	Location	Line of business	Percentage of ownership		Cost	Impairment in the year	Accumulated impairment	Basic financial data (1)			
			Direct	Indirect				Share capital	Reserves and retained earnings	Profit/(Loss) from operations	Profit/(loss) – 2023
Actren Mantenimiento Ferroviario, S.A.	Madrid	Maintenance	51%	-	1,530	-	-	3,000	1,773	9,378	7,012
Aerosuburbano S.A.P.I. de C.V.	Mexico City	Transportation	50%	50%	-	-	-	-	-	-	-
BWB Holdings Limited (4)	Nottingham	Engineering	100%	-	18,434	-	-	229	15,918	1,410	931
CAF Arabia Company	Riyadh	Manufacturing and maint.	95%	5%	301	-	-	316	196	4,568	3,711
CAF Argelia (EURL)	Algiers	Manufacturing and maint.	100%	-	2,171	(58)	(969)	2,171	(927)	(42)	(42)
CAF Belgium, S.P.R.L.	Brussels	Manufacturing and maint.	98.3%	1.7%	521	-	-	530	727	570	15
CAF Brasil Indústria e Comércio, S.A.	São Paulo	Manufacturing and maint.	0.97%	99.03%	1,713	(38)	(1,383)	201,855	(187,751)	4,888	(1,510)
CAF Canada, Inc.	Calgary	Engineering	100%	-	82	-	-	82	-	2	2
CAF Chile, S.A.	S. de Chile	Manufacturing and maint.	99%	1%	1	-	-	1	823	2,237	2,217
CAF Deutschland GmbH	Munich	Manufacturing and maint.	100%	-	25	-	-	25	521	452	194
CAF Deutschland Real Estate GmbH	Munich	Maintenance	100%	-	29	(24)	(30)	25	(3)	232	(24)
CAF Digital & Design Solutions, S.A.U.	Jaén	Manufacturing and engine.	100%	-	5,262	310	(3,190)	1,521	(157)	830	708
CAF Diversified Business Development, S.A.U.	Gipuzkoa	Holding Company	100%	-	185,167	5,339	(68,501) (2)	16,000	58,850	8,027	6,385
CAF Egypt for Transportation Systems	Cairo	Maintenance	95%	5%	71	(246)	(253)	75	(15)	(251)	(251)
CAF Greece Single Member, S.A.	Markopoulo	Manufacturing, repair and maintenance	100%	-	25	-	-	25	-	10	10
CAF Group UK Limited	Coventry	Holding Company	100%	-	37,415	(462)	(462)	37,415	990	(2,567)	(1,653)
CAF Hungary Kft	Budapest	Manufacturing and maint.	100%	-	372	-	-	46	437	63	56
CAF I+D, S.L.U.	Gipuzkoa	R&D	100%	-	5,734	-	-	4,705	3,174	(1,927)	(1,068)
CAF India Private Limited	Delhi	Manufacturing and maint.	3.11%	96.89%	110	-	-	3,917	3,584	370	66
CAF Investment Projects, S.A.U.	Gipuzkoa	Business development	100%	-	227,608	-	-	47,917	158,707	76,183	66,867
CAF Israel Rails Ltd.	Tel Aviv	Manufacturing and maintenance	100%	-	-	-	-	-	1,803	1,836	1,352
CAF Italia, S.R.L.	Rome	Reparation and maint..	100%	-	5,600	89	-	100	5,413	552	205
CAF México, S.A. de C.V.	Mexico City	Manufacturing and maint.	99.99%	0.01%	34,786	-	-	34,804	17,947	4,607	6,254
CAF Netherlands, B.V.	Utrecht	Manufacturing and maint.	100%	-	450	-	-	450	1,401	884	699
CAF New Zealand Limited	Auckland	Manufacturing and maint.	100%	-	48	-	-	48	2,822	832	882
CAF Norway AS	Oslo	Manufacturing and maint.	100%	-	206	-	-	206	303	200	128
CAF Polska sp. z.o.o.	Poznan	Engineering	100%	-	791	-	-	791	105	154	118
CAF Portugal Unipessoal Lda.	Lisbon	Manufacturing and maint.	100%	-	30	-	-	30	-	23	17
CAF Power & Automation, S.L.U.	Gipuzkoa	Electronic and power	100%	-	9,011	-	-	6,090	2,373	4,711	4,765
CAF Rail Australia Pty Ltd.	Sydney	Manufacturing and maintenance	100%	-	74	-	-	74	2,437	2,500	746
CAF Rail Luxembourg, S.À R.L.	Luxemburg	Manufacturing and maint.	100%	-	120	-	-	120	82	64	50
CAF Rail Philippines, Inc.	Makati City	Tests	100%	-	199	-	-	199	(3)	-	-
CAF Rail UK Limited	Belfast	Manufacturing and maint.	100%	-	108	-	-	108	(619)	4,180	3,133
CAF Reichshoffen SAS	Reichshoffen	Manufacture and design	100%	-	78,509	-	-	17,694	63,910	22,722	20,103
CAF Signalling, S.L.U.	Gipuzkoa	Signalling	100%	-	63,562	(2,905)	(47,304)	15,900	2,923	(3,285)	(2,565)
CAF Signalling México, S.A. de C.V.	Mexico City	Signalling	11%	89%	494	-	-	4,548	(6)	47	62
CAF Signalling, S.L. Limited Partnership	Bizkaia	Engineering	20%	80%	1,700	(1,487)	(1,487)	2,500	4,960	(6,321)	(6,393)
CAF Sisteme Feroviare, S.R.L.	Bucharest	Manufacturing and maint.	100%	-	-	-	-	-	163	40	28
CAF Turnkey & Engineering, S.L.U.	Bizkaia	Engineering	100%	-	13,720	(69)	(69)	5,703	35,793	(6,611)	(4,404)
CAF USA, Inc.	Delaware	Manufacturing and maint.	100%	-	54,283	-	3,043 (3)	54,283	13,534	1,130	1,918
CAFTurk Tren Sanayí Ve Tícaret Límíted Sírketí	Istanbul	Manufacturing and maint.	99.96%	0.04%	3,365	(541)	(2,829)	3,367	(3,161)	34	330
Centro de Ensayos y Análisis Cetest, S.L.	Gipuzkoa	Tests	58.55%	41.45%	5,650	-	-	9,650	5,299	851	936
Consorcio Traza, S.A.	Zaragoza	Holding Company	25%	-	15,709	-	(15,709)	575	(6,370)	8,530	(246)
Construcciones Ferroviarias de Madrid, S.L.U.	Madrid	Maintenance	100%	-	2,500	-	-	2,500	991	522	435
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	Buenos Aires	Reparation and maint..	97.61%	2.39%	4,017	(106)	(3,901)	2	(179)	365	297
Construcciones y Auxiliar de Ferrocarriles CAF Colombia, S.A.S.	Medellin	Manufacturing and maint.	100%	-	456	319	-	36	168	251	394
EuroMaint Gruppen AB	Solna	Maintenance	100%	-	96,563	(6,123)	(26,034)	10	73,169	(3,457)	(4,903)
Ferrocarril Interurbano S.A. de C.V.	Mexico City	Manufacturing and equip.	17.20%	32.43%	902	-	-	5,316	3,269	64	523
Ferrocarriles Suburbanos, S.A.P.I. de C.V.	Mexico City	Transportation	28.05%	15.30%	60,925	-	(60,925)	16,301	(123,627)	3,779	(10,056)
Geminys, S.L.	Gipuzkoa	Operating manuals	100%	-	172	-	-	150	965	1,067	936
LAVI Light Rail O&M Ltd.	Petach Tikva	Operation and maint.	50%	-	1,740	-	-	3,480	41,453	2,130	3,248
Metro CAF (Mauritius) Ltd.	Mauritius	Manufacturing and maintenance	100%	-	1	-	-	1	2,179	951	891
Myanmar CAF Ltd.	Bahan Township	Reparation and maint..	100%	-	-	-	-	-	-	-	-
PL Light Rail Maintenance Ltd.	Ramat Gan	Maintenance	50%	-	-	-	-	-	-	-	-
Rail Line Components, S.L.U.	Gipuzkoa	Marketing	100%	-	60	-	-	60	2,915	1,948	983
Rifer SRL	Milán	Component Maintenance	100%	-	4,713	(977)	(3,066)	20	2,570	(679)	(944)
Sermanfer, S.A.U.	Madrid	Maintenance	100%	-	301	-	-	301	2,176	414	551
Solaris Bus & Coach, sp. z.o.o.	Bolechowo	Transportation	97.33%	-	244,679	-	-	37,166	78,018	20,281	(5,903)
Tradinsa Industrial, S.L.	Lleida	Reparation and maint..	82.34%	17.66%	3,215	236	(1,088)	3,850	(1,553)	460	286
Trenes CAF Venezuela, C.A.	Caracas	Manufacturing and maint.	100%	-	78	(74)	(161)	64	(76)	(69)	(71)
Trenes de Navarra, S.A.U.	Navarre	Manufacturing	100%	-	24,676	678	(14,676)	8,971	352	431	678
Oher investments					1,255	-	-	-	-	-	-
					1,221,239	**(6,139)**	**(248,994)**				

1) After adjustments and unifying entries for consolidation purposes and counting unrealised capital gains at the acquisition date. The financial statements in foreign currencies were translated to euros using the "year-end exchange rate" method, which means that any translation gains or losses and valuation adjustments on hedges are recognised under “Translation Differences - Reserves” and “Valuation Adjustments – Reserves”.
2) Includes a provision of EUR 3,114 thousand corresponding to the impact of derivatives related to net investments in foreign operations.
3) Includes a balance receivable of EUR 3,043 thousand, relating to the impact of derivatives related to net investments in foreign operations.
4) Taking into account the cross-purchase options of the remaining capital of the Company.

Head of a group of companies

The composition of the Group's parent companies in the years 2024 and 2023 is as follows:

Head of a group of companies	2024		2023		Location	Line of business
	% of direct stake	% of indirect stake	% of direct stake	% of indirect stake		
CAF Brasil Indústria e Comércio, S.A. -						
Ctrens - Companhia de Manutençao, S.A.	1%	-	1%	-	São Paulo	Lease services
CAF México, S.A. de C.V. -						
Provetren, S.A. de C.V.	2%	-	2%	-	Mexico City	Lease services
Ferrocarril Interurbano S.A. de C.V.	15.93%	-	15.93%	-	Mexico City	Manufacturing and equipment
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	0.1%	-	0.1%	-	Mexico City	Building and Maintenance
Regiotren, S.A. de C.V.	97.02%	-	97.02%	-	Mexico City	Lease services
BWB Holdings Limited -						
Quincey Mason Practice, Ltd.	100%	-	100%	-	Nottingham	Engineering
BWB Consulting, Ltd.	100%	-	100%	-	Nottingham	Engineering
EDCM Building Services Consulting Engineers Ltd.	-	100%	-	100%	Nottingham	Engineering
The BWB Partnership Ltd.	-	100%	-	100%	Nottingham	Engineering
BWB Regeneration, Ltd.	100%	-	100%	-	Nottingham	Engineering
Deetu Consulting Ltd.	-	100%	-	100%	Nottingham	Engineering
BWB Regeneration Trustee Ltd.	-	100%	-	100%	Nottingham	Holding Company
CAF Signalling, S.L.U.-						
CAF Sinyalizasyon Sistemleri Ticaret Limited Sirketi	100%	-	100%	-	Istanbul	Signalling
Ferrocarril Interurbano S.A. de C.V.	3.65%	-	3.65%	-	Mexico City	Manufacturing and equipment
CAF Signalling Uruguay, S.A.	100%	-	100%	-	Montevideo	Signalling
CAF Signalling, S.L. Limited Partnership	80%	-	80%	-	Bizkaia	Engineering
CAF Signalling México, S.A. de C.V.	89%	-	89%	-	Mexico City	Signalling
CAF Turnkey & Engineering, S.L.U. -						
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	99.90%	-	99.90%	-	Mexico City	Building and Maintenance
Ferrocarril Interurbano S.A. de C.V.	-	12.84%	-	12.84%	Mexico City	Manufacturing and equipment
Arabia One for Clean Energy Investments, PSC.	40%	-	40%	-	Ma'an	Power generation
Sermanfer, S.A.U. -						
Corporación Sefemex, S.A. de C.V.	95%	-	95%	-	Mexico City	Rendering of services
Corporación Trainemex, S.A. de C.V.	95%	-	95%	-	Mexico City	Rendering of services
Sermantren, S.A. de C.V.	95%	-	95%	-	Mexico City	Rendering of services
Tradinsa Industrial, S.L.	17.66%	-	17.66%	-	Lleida	Repairs and maintenance
CAF Investment Projects, S.A.U. -						
Plan Metro, S.A.	40%	-	40%	-	Gipuzkoa	Lease services
Ctrens - Companhia de Manutençao, S.A.	98%	-	98%	-	São Paulo	Lease services
Provetren, S.A. de C.V.	98%	-	98%	-	Mexico City	Lease services
Momentum Trains Holding Pty Ltd.	25.5%	-	25.5%	-	Sydney	Lease services
Ferrocarriles Suburbanos, S.A.P.I. de C.V.	15.30%	-	15.30%	-	Mexico City	Provision of transportation services
Regiotren, S.A. de C.V.	1.98%	-	1.98%	-	Mexico City	Lease services
Aerosuburbano S.A.P.I. de C.V.	50%	-	50%	-	Mexico City	Provision of transportation services
CFIR Light Rail Ltd.	50%	-	50%	-	Petach Tikva	Lease services
Blue and White – Blue Line Jerusalem Light Rail Ltd.	50%	-	50%	-	Petach Tikva	Manufacturing and maintenance
SHACHAF - The Purple Line Light Rail Ltd	50%	-	50%	-	Petach Tikva	Lease services
Galilee Rail LTD	-	-	50%	-	Petach Tikva	Lease services
CAF Diversified Business Development, S.A.U. -						
CAF Brasil Indústria e Comércio, S.A.	99.03%	-	99.03%	-	São Paulo	Manufacturing and maintenance
CAF France, SAS	100%	-	100%	-	Paris	Manufacturing and maintenance
Centro de Ensayos y Análisis Cetest, S.L.	41.45%	-	41.45%	-	Gipuzkoa	Tests
Lander Simulation and Training Solutions, S.A.U.	100%	-	100%	-	Gipuzkoa	Simulators
Lander Simulation India Private Limited	1%	99%	-	-	New Delhi	Simulators
CAF India Private Limited	96.89%	-	96.89%	-	Delhi	Manufacturing and maintenance
CAF Taiwan Ltd.	100%	-	100%	-	Kaohsiung	Manufacturing and maintenance
Orbital Sistemas Aeroespaciales, S.L.U.	100%	-	100%	-	Navarre	Aeronautical solutions
Orbital Aerospace GmbH	-	100%	-	100%	Munchen	Engineering
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	2.39%	-	2.39%	-	Buenos Aires	Repairs and maintenance
CAF Chile, S.A.	1%	-	1%	-	Santiago de Chile	Manufacturing and maintenance
CAF México, S.A. de C.V.	0.01%	-	0.01%	-	Mexico City	Manufacturing and maintenance
Corporación Sefemex, S.A. de C.V.	5%	-	5%	-	Mexico City	Rendering of services
Corporación Trainemex, S.A. de C.V.	5%	-	5%	-	Mexico City	Rendering of services
CAFTurk Tren Sanayí Ve Tícaret Límíted Síroketí	0.04%	-	0.04%	-	Istanbul	Manufacturing and maintenance
Sermantren, S.A. de C.V.	5%	-	5%	-	Mexico City	Rendering of services
CAF Arabia Company	5%	-	5%	-	Riyadh	Manufacturing and maintenance
CAF Belgium, S.P.R.L.	1.7%	-	1.7%	-	Brussels	Manufacturing and maintenance

Head of a group of companies	2024 % of direct stake	2024 % of indirect stake	2023 % of direct stake	2023 % of indirect stake	Location	Line of business
CAF Rail Digital Services, S.L.U.	100%	-	100%	-	Gipuzkoa	Maintenance
CAF Egypt for Transportation Systems	0.04%	-	5%	-	Cairo	Maintenance
CAF Engineered Modernizations, S.L.U.	100%	-	100%	-	Gipuzkoa	Engineering
Sermanbra - Serviços de Manutençao Brasil Ltda.	0.01%	-	0.01%	-	São Paulo	Maintenance
Consorcio Traza, S.A. -						
S.E.M. Los Tranvías de Zaragoza, S.A.	80%	-	80%	-	Zaragoza	Design, manufacture and provision of railway services
EuroMaint Gruppen AB -						
EuroMaint Rail AB	100%	-	100%	-	Solna	Maintenance
EuroMaint Rail AS	-	100%	-	100%	Oslo	Maintenance
EuroMaint Bemanning AB	-	100%	-	100%	Solna	Maintenance
EuroMaint Components and Materials AB	-	100%	-	100%	Solna	Maintenance
CAF Group UK Limited -						
CAF Rolling Stock UK Limited	100%	-	100%	-	Newport	Manufacturing
CAF Rail UK, Ltd -						
CAF Rail Traincare, Ltd.	100%	-	100%	-	Coventry	Manufacturing and maintenance
Trenes de Navarra, S.A. -						
CAF Track Test Center, S.L.	100%	-	100%	-	Navarre	Track testing
CAF Belgium SPRL -						
Tram Liége Maintenance, S.A.	65%	-	65%	-	Liege	Maintenance
Solaris Bus & Coach, sp. z.o.o.-						
Solaris Austria GmbH	100%	-	100%	-	Vienna	Urban transport solutions
Solaris Bus Iberica, S.L.U.	100%	-	100%	-	Navarre	Urban transport solutions
Solaris Bus & Coach Latvia Ltd.	100%	-	100%	-	Riga	Urban transport solutions
Solaris Bus Canada, Inc.	100%	-	-	-	Toronto	Urban transport solutions
Solaris Bus US, Inc.	100%	-	-	-	Wilmington	Urban transport solutions
Solaris Czech spol. S.R.O.	100%	-	100%	-	Ostrava	Urban transport solutions
Solaris Danmark Bus A/S	100%	-	100%	-	Padborg	Urban transport solutions
Solaris Deutschland GmbH	100%	-	100%	-	Berlin	Urban transport solutions
Solaris Estonia OU	-	-	100%	-	Tallinn	Urban transport solutions
Solaris France S.A.R.L.	100%	-	100%	-	Ennery	Urban transport solutions
Solaris Hellas, S.A.	70%	-	70%	-	Athens	Urban transport solutions
Solaris Interurban Bus sp. z.o.o.	100%	-	-	-	Warsaw	Urban transport solutions
Solaris Italia S.R.L.	100%	-	100%	-	Rome	Urban transport solutions
Solaris Norge AS	100%	-	100%	-	Oslo	Urban transport solutions
Solaris Schweiz GmbH	100%	-	100%	-	Hausen	Urban transport solutions
Solaris Slovakia S.R.O.	100%	-	100%	-	Kosice	Urban transport solutions
Solaris Sverige AB	100%	-	100%	-	Malmö	Urban transport solutions
Solaris Netherlands, B.V.	100%	-	100%	-	Riethoven	Urban transport solutions
Solaris Belgium, S.R.L.	100%	-	100%	-	Villers-le-Bouillet	Urban transport solutions
UAB Solaris Bus & Coach LT	100%	-	100%	-	Kaunas	Urban transport solutions

9.- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The breakdown of transactions with related parties (in addition to those specified in Notes 7 and 23) in 2024 and 2023 is as follows:

Year 2024

	Thousands of Euros (*)				
Company	**Services provided or sales recognised**	**Services received or purchases recognised**	**Finance income**	**Dividends received**	**Finance costs**
Actren Mantenimiento Ferroviario, S.A.	6,973	3,020	-	3,598	62
BWB Consulting Limited	11	-	-	-	-
CAF Arabia Company	9,438	-	(25)	3,624	660
CAF Argelia (EURL)	-	209	-	-	-
CAF AtkinsRéalis Digital Signalling, Limited	50	-	-	-	-
CAF Belgium, S.P.R.L.	62	7,165	142	-	-
CAF Brasil Indústria e Comércio, S.A.	2,837	3,147	-	-	-
CAF Canada, Inc.	-	169	3	-	-
CAF Chile, S.A.	1,761	-	-	1,956	77
CAF Deutschland GmbH	37	11,299	249	-	-
CAF Deutschland Real Estate GmbH	-	-	365	-	-
CAF Digital & Design Solutions, S.A.U.	56	16,811	-	-	27
CAF Diversified Business Development, S.A.U.	-	-	-	-	991
CAF Engineered Modernizations, S.L.U.	20	5,337	-	-	10
CAF France, SAS	177	24,722	1,581	-	-
CAF Greece Single Member, S.A.	-	1,301	-	-	-
CAF Group UK Limited	-	-	-	-	2,629
CAF Hungary Kft	16	1,665	-	-	-
CAF I+D, S.L.U.	3,798	6,622	-	-	91
CAF India Private Limited	194	3,370	-	-	-
CAF Investment Projects, S.A.U.	7	(157)	1,534	66,232	115
CAF Israel Rails Ltd.	101	45,829	-	-	-
CAF Italia, S.R.L.	348	8,901	64	-	34
CAF México, S.A. de C.V. (**)	21,211	36,153	599	9,073	760
CAF Netherlands B.V.	1,471	6,719	-	1,200	47
CAF New Zealand Limited	4,260	246	-	1,668	442
CAF Norway AS	12	4,004	-	-	-
CAF Polska sp. z.o.o.	91	3,072	-	-	-
CAF Portugal Unipessoal, Lda.	21	912	-	-	-
CAF Power & Automation, S.L.U.	1,291	92,798	-	5,900	430
CAF Rail Australia, Pty Ltd	21,584	11,413	627	-	-
CAF Rail Digital Services, S.L.U.	40	5,429	-	-	65
CAF Rail Luxembourg, S.À.R.L.	2	601	-	-	6
CAF Rail Philippines Inc.	139	-	-	-	-
CAF Rail UK Limited	37,554	14,911	2,267	3,005	-
CAF Reichshoffen SAS	9,710	23,616	-	-	877
CAF Rolling Stock UK Limited	1,985	78,917	-	-	-
CAF Signalling, S.L.U.	1,884	31,509	-	-	547
CAF Signalling, S.L.U. Com.	74	-	-	-	-
CAF Sisteme Feroviare, S.R.L.	1	81	1	-	-
CAF Taiwan Ltd.	(323)	198	38	-	-
CAF Track Test Center, S.L.U.	10	3,187	70	-	-
CAF Turnkey & Engineering, S.L.U.	94	21,862	1,054	-	-
CAF USA, Inc. (***)	8,224	2,441	114	13,630	305
CAFTurk Tren Sanayí Ve Tícaret Límíted Sírketí	1	726	-	-	-
Centro de Ensayos y Análisis Cetest, S.L.	276	7,535	-	-	289
CFIR Light Rail Ltd	121,157	-	-	-	-
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	3,628	(6)	1,947	-	-
Construcciones Ferroviarias de Madrid, S.L.U.	58	5,146	-	1,000	119
Construcciones y Auxiliar de Ferrocarriles CAF Colombia, S.A.S.	206	82	-	-	-
Ctrens - Companhia de Manutençao, S.A.	2,184	(60)	-	172	-
EuroMaint Components & Materials AB	47	-	-	-	-
EuroMaint Gruppen AB	-	-	814	-	-
EuroMaint Rail AB	(241)	3,976	-	-	-
Geminys, S.L.	4	5,441	-	-	69
Lander Simulation and Training Solutions, S.A.U.	-	1,597	-	-	66
LAVI Light O&M Ltd.	28	-	-	-	-
SHACHAF - The Purple Line Light Rail Ltd	54,793	-	-	-	-
Metro CAF (Mauritius) Ltd.	773	49	-	-	84
Momentum Trains Holdings Pty Ltd.	18,212	-	-	-	-
Myanmar CAF Limited	4	-	-	-	-
Orbital Sistemas Aeroespaciales, S.L.U.	-	617	-	-	25
Plan Metro, S.A.	15,090	-	-	-	-
Rail Line Components, S.L.U.	1,605	5,852	-	3,500	78
Rifer SRL	129	703	-	-	11
S.E.M. Los Tranvías de Zaragoza, S.A.	1,643	(17)	-	-	-
Sermanfer, S.A.U.	24	7,498	-	-	66
Solaris Bus & Coach, sp. zoo	250	(19)	6,222	-	-
Solaris Bus Ibérica, S.L.U.	2	-	-	-	-
Tradinsa Industrial, S.L.	27	8,065	7	-	12
Trenes CAF Venezuela, C.A.	-	143	-	-	-
Trenes de Navarra, S.A.U.	135	13,051	18	1,500	20
Total	**355,256**	**537,858**	**17,691**	**116,058**	**9,014**

(*) These transactions are carried out on an arm's length basis.

(**) The capital reduction amounted to EUR 25,174 thousand, of which EUR 16,101 thousand was credited to "Non-current investments in Group companies and associates" (Note 8)

(***) Dividends received amounted to EUR 46,677 thousand, of which EUR 32,661 thousand was credited to "Non-current investments in Group companies and associates" and EUR 386 thousand was credit to "Exchange differences" (Note 8).

Year 2023

Company	Thousands of Euros (*)				
	Services provided or sales recognised	Services received or purchases recognised	Finance income	Dividends received	Finance costs
Actren Mantenimiento Ferroviario, S.A.	5,160	2,774	-	3,231	-
BWB Holdings Limited	-	-	-	-	-
CAF Arabia Company	10,779	-	-	1,856	453
CAF Argelia (EURL)	-	280	-	-	-
CAF Belgium, S.P.R.L.	5	5,175	550	-	-
CAF Brasil Indústria e Comércio, S.A.	2,457	1	-	-	-
CAF Chile, S.A.	3,452	-	-	2,141	182
CAF Deutschland GmbH	10	7,899	111	-	-
CAF Deutschland Real Estate GmbH	-	-	257	-	-
CAF Digital & Design Solutions, S.A.U.	264	15,993	-	400	24
CAF Diversified Business Development, S.A.U.	-	-	-	-	1,521
CAF Engineered Modernizations, S.L.U.	-	4,606	-	-	15
CAF France, SAS	87	33,375	1,033	-	-
CAF Greece Single Member, S.A.	-	518	-	-	-
CAF Group UK Limited	-	-	-	-	2,487
CAF Hungary Kft	17	1,659	11	-	-
CAF I+D, S.L.U.	4,812	6,422	-	-	131
CAF India Private Limited	20	2,381	-	-	-
CAF Investment Projects, S.A.U.	149	(72)	3,009	59,356	35
CAF Israel Rails Ltd.	220	42,830	-	-	-
CAF Italia, S.R.L.	384	9,454	146	-	-
CAF México, S.A. de C.V.	23,511	35,420	-	-	547
CAF Netherlands B.V.	52	7,401	-	-	29
CAF New Zealand Limited	4,605	118	-	-	273
CAF Norway AS	-	3,953	-	-	-
CAF Polska sp. z.o.o.	11	2,468	-	-	-
CAF Portugal Unipessoal, Lda.	-	492	-	-	-
CAF Power & Automation, S.L.U.	2,083	80,990	-	1,000	470
CAF Rail Australia, Pty Ltd	16,878	8,603	1,411	-	-
CAF Rail Digital Services, S.L.U.	34	4,614	-	-	61
CAF Rail Luxembourg, S.À.R.L.	-	963	-	-	1
CAF Rail UK Limited	23,039	14,048	1,940	4,602	-
CAF Reichshoffen SAS	1,979	9,695	-	-	2,400
CAF Rolling Stock UK Limited	4,994	56,080	-	-	-
CAF Signalling, S.L.U.	1,309	20,488	161	-	9
CAF Signalling, S.L.U. Com.	20	-	-	-	-
CAF Sisteme Feroviare, S.R.L.	-	364	6	-	-
CAF Taiwan Ltd.	(903)	35	53	-	-
CAF Track Test Center, S.L.U.	-	3,488	168	-	-
CAF Turnkey & Engineering, S.L.U.	77	26,569	50	-	-
CAF USA, Inc.	11,382	13,182	-	-	478
CAFTurk Tren Sanayí Ve Tícaret Límíted Şírketí	72	768	-	372	-
Centro de Ensayos y Análisis Cetest, S.L.	225	7,198	-	-	271
CFIR Light Rail Ltd	143,304	-	-	-	-
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	4,422	-	973	-	-
Construcciones Ferroviarias de Madrid, S.L.U.	389	3,972	-	-	62
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	-	11	-	-	-
Construcciones y Auxiliar de Ferrocarriles CAF Colombia, S.A.S.	1,887	13,815	-	-	-
Ctrens - Companhia de Manutençao, S.A.	2,120	-	-	180	-
EuroMaint Components & Materials AB	284	-	-	-	-
EuroMaint Gruppen AB	-	-	881	-	-
EuroMaint Rail AB	124	3,843	-	-	-
Geminys, S.L.	-	4,409	-	2,000	94
Lander Simulation and Training Solutions, S.A.U.	1	2,401	-	-	86
LAVI Light O&M Ltd.	350	-	-	-	-
SHACHAF - The Purple Line Light Rail Ltd	51,620	-	-	-	-
Metro CAF (Mauritius) Ltd.	714	-	-	-	29
Momentum Trains Holdings Pty Ltd.	30,029	-	-	-	-
Orbital Sistemas Aeroespaciales, S.L.U.	-	461	(1)	-	2
Plan Metro, S.A.	14,091	-	-	-	-
Rail Line Components, S.L.U.	3,479	10,284	-	2,500	92
Rifer SRL	311	657	-	-	13
S.E.M. Los Tranvías de Zaragoza, S.A.	5,777	3	-	-	-
Sermanfer, S.A.U.	13	6,979	-	-	22
Solaris Bus & Coach, sp. zoo	189	5	5,398	-	-
Tradinsa Industrial, S.L.	187	4,658	38	-	-
Tram Liége Maintenance, S.A.	-	-	5	-	-
Trenes de Navarra, S.A.U.	9,849	14,194	19	-	-
Total	**386,324**	**495,924**	**16,219**	**77,638**	**9,787**

(*) These transactions are carried out on an arm's length basis.

As a result of these transactions, of those performed in previous years, the measurement of progress of the projects arranged, of the loans granted, of the taxes payable under the consolidated tax regime (Note 17) and of the advances granted, the Company's balances with Group companies, associates and related parties at 31 December 2024 and 2023, were as follows:

Year 2024

	Thousands of euros						
	Non-current loans (Note 8)	Short-term investments in group companies and associates (Note 17)	Receivable from group companies and associates (Note 11)	Measure of progress, net of billings (*) (Note 11)	Work in progress and advances to suppliers	Suppliers, group companies and associates	Current and non-current payables to group companies and associates (Note 17)
Actren Mantenimiento Ferroviario, S.A.	-	-	1,999	727	-	1,812	-
BWB Consulting Limited	-	-	11	-	-	-	-
CAF Arabia Company	-	3,655	11,809	2,622	-	244	7,867
CAF Argelia (EURL)	-	-	-	-	-	(7)	-
CAF Belgium, S.P.R.L.	-	1,039	88	-	-	528	-
CAF Brasil Indústria e Comércio, S.A.	-	5	767	771	-	3,147	-
CAF Canada, Inc.	-	69	1	-	-	169	-
CAF Chile, S.A.	-	-	733	873	-	-	1,308
CAF Deutschland, GmbH	-	6,423	2	-	-	2,628	-
CAF Deutschland Real Estate GmbH	-	8,901	349	-	-	-	-
CAF Digital & Design Solutions, S.A.U.	-	-	47	-	-	2,696	1,403
CAF Diversified Business Development, S.A.U.	-	826	-	-	-	-	8,493
CAF Engineered Modernizations, S.L.U.	-	530	23	-	-	1,354	276
CAF France, SAS	-	23,604	54	-	42,000	3,340	-
CAF Greece Single Member, S.A.	-	303	-	-	-	151	-
CAF Group UK Limited	-	-	-	-	-	-	54,902
CAF Hungary Kft	-	-	-	-	-	210	-
CAF I+D, S.L.U.	-	550	437	-	-	2,584	3,188
CAF India Private Limited	-	5	94	-	-	773	-
CAF Investment Projects, S.A.U.	-	57,333	-	-	-	-	235
CAF Israel Rails Ltd.	-	-	-	-	-	16,757	-
CAF Italia, S.R.L.	-	-	94	183	-	2,745	1,126
CAF México, S.A. de C.V.	-	19,798	10,899	10,312	-	4,381	32
CAF Netherlands B.V.	-	82	57	1,416	-	911	2,119
CAF New Zealand Limited	-	1,904	114	4,786	-	246	7,465
CAF Norway AS	-	59	-	-	-	798	-
CAF Polska sp. z.o.o.	-	-	-	-	-	441	-
CAF Portugal Unipessoal, Lda.	-	-	-	-	-	67	-
CAF Power & Automation, S.L.U.	-	10,047	42	-	64,061	48,209	24,212
CAF Rail Australia Pty Ltd	-	3,530	2,852	18,539	-	2,692	-
CAF Rail Digital Services, S.L.U.	-	722	-	-	4	2,321	2,267
CAF Rail Luxembourg, S.À.R.L.	-	-	-	-	-	37	295
CAF Rail Philippines Inc.	-	-	-	139	-	-	-
CAF Rail UK Limited	-	2,412	20,033	16,935	-	5,156	-
CAF Reichshoffen SAS	-	6	6,941	-	-	5,711	58,096
CAF Rolling Stock UK Limited	-	-	1,502	-	-	13,932	-
CAF Signalling, S.L.U.	-	1,904	1,036	(275)	5,432	7,344	48,456
CAF Signalling, S.L.U. Com.	-	-	-	(75)	-	-	-
CAF Sisteme Feroviare, S.R.L.	-	-	-	-	-	20	-
CAF Taiwan Ltd	-	-	-	(395)	-	208	-
CAF Track Test Center, S.L.U.	-	503	-	-	-	(239)	910
CAF Turnkey & Engineering, S.L.U.	-	32,318	47	-	-	3,376	1,372
CAFTurk Tren Sanayí Ve Tícaret Límíted Sírketí	-	-	1	(1,825)	-	129	-
CAF USA, Inc.	-	87	15,537	(11,652)	-	855	14,447
Centro de Ensayos y Análisis Cetest, S.L.	-	513	58	-	-	1,343	13,776
CFIR Light Rail Ltd	-	-	3,008	34,956	7,770	-	-
Constr. y Aux. de Ferrocarriles CAF Colombia, S.A.S.	-	-	8	-	215	238	-
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	-	13,658	34	(2,503)	-	(3)	-
Construcciones Ferroviarias de Madrid, S.L.U.	-	-	17	-	264	552	2,922
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	-	-	173	-	-	52	-
Ctrens - Companhia de Manutenção, S.A.	-	17	423	-	-	-	-
EuroMaint Components & Materials AB	-	16	-	-	-	-	-
EuroMaint Gruppen AB	3,927	48	-	-	-	-	-
EuroMaint Rail AB	-	47	53	(682)	-	377	-
Geminys, S.L.	-	794	-	-	-	2,063	3,099
Lander Simulation and Training Solutions, S.A.U.	-	465	1	-	448	(104)	3,060
LAVI Light Rail O&M Ltd.	-	-	98	-	-	-	-
SHACHAF - The Purple Line Light Rail Ltd	-	-	824	(96,669)	-	-	-
Metro CAF (Mauritius) Ltd.	-	-	27	566	-	-	2,105
Momentum Trains Holding Pty Ltd.	-	-	338	93,168	-	-	-
Myanmar CAF Limited	-	128	55	-	-	-	-
Orbital Sistemas Aeroespaciales, S.L.U.	-	-	-	-	-	102	816
Plan Metro, S.A.	-	-	16	1,302	-	-	-
Rail Line Components, S.L.U.	-	974	1,029	(1,261)	1,761	1,104	7,086
Rifer SRL	-	-	120	-	-	229	339
SEM Tranvías de Zaragoza	-	-	-	(35)	-	-	-
Sermanfer, S.A.U.	-	-	-	-	-	782	1,994
Sermantren, S.A. de C.V.	-	25	-	-	-	-	-
Solaris Bus & Coach sp. zoo	70,561	9	179	-	-	-	-
Tradinsa Industrial, S.L.	-	(1)	1	-	2,244	3,081	169
Trenes CAF Venezuela C.A.	-	-	-	-	196	(10)	-
Trenes de Navarra, S.A.U.	-	(4)	6	(4)	-	1,144	1,313
Total	**74,488**	**193,304**	**82,037**	**71,919**	**124,395**	**146,676**	**275,148**

(*) The measurement of progress net of billings at 31 December 2024 includes EUR 219,084 thousand in deferred billings (assets) (Note 11) and EUR 147,165 thousand in prebillings (liabilities).

Year 2023

	Thousands of euros						
	Non-current loans (Note 8)	Short-term investments in group companies and associates (Note 17)	Receivable from group companies and associates (Note 11)	Measure of progress, net of billings (*) (Note 11)	Work in progress and advances to suppliers	Suppliers, group companies and associates	Current and non-current payables to group companies and associates (Note 17)
Actren Mantenimiento Ferroviario, S.A.	-	-	1,982	1,574	-	1,011	-
BWB Holdings Limited	-	-	-	-	-	-	-
CAF Arabia Company	-	-	6,728	1,566	-	-	8,633
CAF Argelia (EURL)	-	-	(19)	-	-	27	-
CAF Belgium, S.P.R.L.	-	3,890	8	-	-	1,485	-
CAF Brasil Indústria e Comércio, S.A.	-	-	453	(231)	-	-	-
CAF Chile, S.A.	-	-	2,176	80	-	-	5,840
CAF Deutschland, GmbH	-	2,625	-	-	-	1,722	-
CAF Deutschland Real Estate GmbH	7,780	78	-	-	-	-	-
CAF Digital & Design Solutions, S.A.U.	-	-	32	-	-	3,513	665
CAF Diversified Business Development, S.A.U.	-	-	-	-	-	31	33,250
CAF Engineered Modernizations, S.L.U.	-	478	-	-	-	1,039	348
CAF France, SAS	-	19,252	50	-	42,000	9,009	-
CAF Greece Single Member, S.A.	-	320	-	-	25	677	-
CAF Group UK Limited	-	-	-	-	-	-	50,164
CAF Hungary Kft	-	-	11	-	-	353	-
CAF I+D, S.L.U.	-	1	517	-	-	1,811	3,503
CAF India Private Limited	-	46	194	-	-	414	-
CAF Investment Projects, S.A.U.	-	84,670	14	-	-	-	3,023
CAF Israel Rails Ltd.	-	314	(2)	-	-	11,547	-
CAF Italia, S.R.L.	-	112	-	223	-	1,892	-
CAF México, S.A. de C.V.	-	-	(2,392)	11,318	-	611	19,113
CAF Netherlands B.V.	-	20	53	-	-	1,250	1,717
CAF New Zealand Limited	-	-	80	2,892	-	(37)	7,850
CAF Norway AS	-	59	-	-	-	629	-
CAF Polska sp. z.o.o.	-	-	11	-	-	408	-
CAF Power & Automation, S.L.U.	-	4,786	1,024	-	39,620	14,959	21,729
CAF Rail Australia Pty Ltd	-	27,013	2,113	29,346	-	2,392	-
CAF Rail Digital Services, S.L.U.	-	485	-	-	(136)	1,390	2,593
CAF Rail Luxembourg, S.À.R.L.	-	-	-	-	-	167	83
CAF Rail UK Limited	-	2,051	1,046	16,361	-	4,988	-
CAF Reichshoffen SAS	-	48	1,284	-	-	9,068	87,734
CAF Rolling Stock UK Limited	-	-	955	-	-	16,647	-
CAF Signalling, S.L.U.	-	79	598	219	4,881	10,848	17,640
CAF Signalling, S.L.U. Com.	-	-	-	(54)	-	-	-
CAF Sisteme Feroviare, S.R.L.	-	58	-	-	-	15	-
CAF Taiwan Ltd	-	1,418	-	(2,533)	-	3	-
CAF Track Test Center, S.L.U.	1,488	524	-	-	-	846	1,104
CAF Turnkey & Engineering, S.L.U.	-	8,838	36	-	-	12,322	3,382
CAFTurk Tren Sanayí Ve Tícaret Límíted Sírketí	-	2	-	(1,825)	-	102	-
CAF USA, Inc.	-	19	3,335	6,210	-	279	44,518
Centro de Ensayos y Análisis Cetest, S.L.	-	628	50	-	(8)	1,362	11,699
CFIR Light Rail Ltd	-	-	10,860	(9,081)	6,835	-	-
Constr. y Aux. de Ferrocarriles CAF Colombia, S.A.S.	-	-	792	(198)	4,052	3,109	-
Construcción, Mantenimiento, Ferrovías y Subsistemas, S.A. de C.V.	-	14,320	1,375	790	-	(3)	-
Construcciones Ferroviarias de Madrid, S.L.U.	-	-	78	-	254	492	3,400
Construcciones y Auxiliar de Ferrocarriles Argentina, S.A.	-	-	173	-	-	92	-
Ctrens - Companhia de Manutençao, S.A.	-	63	362	-	-	-	-
EuroMaint Components & Materials AB	-	8	64	-	-	-	-
EuroMaint Gruppen AB	18,025	308	-	-	-	-	-
EuroMaint Rail AB	-	18	90	-	-	741	-
EuroMaint Rail AS	-	-	-	-	-	-	-
Geminys, S.L.	-	575	-	-	-	1,265	2,431
Lander Simulation and Training Solutions, S.A.U.	-	596	-	-	144	141	4,630
LAVI Light Rail O&M Ltd.	-	-	310	-	-	-	-
SHACHAF - The Purple Line Light Rail Ltd	-	-	100,433	(62,115)	-	-	-
Metro CAF (Mauritius) Ltd.	-	-	659	-	-	-	2,407
Momentum Trains Holding Pty Ltd.	-	-	54	116,769	-	-	-
Orbital Sistemas Aeroespaciales, S.L.U.	-	-	-	-	-	127	343
Plan Metro, S.A.	-	-	-	1,129	-	-	-
Rail Line Components, S.L.U.	-	1,484	481	1,501	1,247	4,460	866
Rifer SRL	-	-	60	-	-	119	209
SEM Tranvías de Zaragoza	-	-	66	443	-	-	-
Sermanfer, S.A.U.	-	-	-	-	-	657	1,619
Sermantren, S.A. de C.V.	-	25	-	-	-	-	-
Solaris Bus & Coach sp. zoo	63,281	-	205	-	-	-	-
Tradinsa Industrial, S.L.	-	720	72	-	2,629	3,290	-
Tram Liège Maitenance, S.A.	-	1	-	-	-	-	-
Trenes CAF Venezuela C.A.	-	-	-	-	196	(12)	-
Trenes de Navarra, S.A.U.	-	1,385	6,165	-	-	7,554	-
Total	**90,574**	**177,317**	**142,636**	**114,384**	**101,739**	**134,812**	**340,493**

(*) The measurement of progress net of billings at 31 December 2023 includes EUR 218,736 thousand in deferred billings (assets) (Note 11) and EUR 104,352 thousand in prebillings (liabilities).

Joint Ventures

The following tables show the Company's interests in joint ventures, by type, at 31 December 2024 and 2023:

Year 2024

Name	Ownership interest	Jointly controlled assets (Thousands of Euros)	Jointly controlled liabilities (Thousands of Euros)
UTE CSM	61.79%	22,233	22,230
UTE Valencia	39.35%	468	461

Year 2023

Name	Ownership interest	Jointly controlled assets (Thousands of Euros)	Jointly controlled liabilities (Thousands of Euros)
UTE CSM	61.79%	22,138	22,134
UTE Valencia	39.35%	249	247

Balances and transactions with shareholders

At 31 December 2024 and 2023, the Company maintains the following financial transactions with shareholders holding 10% or more of voting rights (in thousands of euros):

		2024		2023	
Shareholder	Type of transaction	Amount of transaction	Balance drawn at 31.12.24	Amount of transaction	Balance drawn at 31/12/23
Kutxabank, SA	Bank loans	40,000	33,000	40,000	35,000
Kutxabank, SA	Credit accounts	35,000	-	35,000	-
Kutxabank, SA	Bank guarantees	170,545	133,031	150,119	129,811

With respect to the outstanding transactions detailed in the previous table, in 2024, the guarantee facility was extended by EUR 25,000 thousand and a bank loan with a limit of EUR 20,000 thousand was refinanced.

Also, in 2024, the Company took out professional services with Kutxabank, S.A. and other subsidiaries of Bilbao Bizkaia Kutxa Fundación Bancaria, amounting to EUR 111 thousand (EUR 95 thousand in 2023). Furthermore, in 2023, the Company carried out non-recourse factoring transactions amounting to EUR 16,373 thousand.

10.- INVENTORIES AND CONSTRUCTION CONTRACTS

The breakdown of “Inventories” at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Raw materials and other supplies, work in progress, finished and semi-finished products (Note 20-b)	264,023	7,167
Advance payments from suppliers (Note 9)	129,953	94,633
Total	**393,976**	**101,800**

At 31 December 2024 and 2023, the Company had firm raw material purchase commitments amounting to approximately EUR 886,049 thousand and EUR 712,969 thousand, respectively.

The Company takes out insurance policies to adequately insure its inventories. At 31 December 2024 and 2023, the insurance policies taken out covered the carrying amount of the inventories at those dates.

Construction contracts

Details of deferred and prepaid billings at 31 December 2024 and 2023 are as follows:

	Thousands of euros	
	31/12/24	31/12/23
Deferred billing (asset) (Note 11)	1,242,464	1,287,164
Advance billing (liability) (Note 16)	(880,934)	(750,071)
Net balance	**361,530**	**537,093**

The aggregate change in deferred billings and advance billings in 2024 and 2023 was as follows:

	Thousands of Euros
Balance at 31/12/22	**350,259**
Changes in measure of progress	1,584,802
Billings	(1,426,564)
Penalties applied	18,699
Reclassifications and other	9,897
Balance at 31/12/23	**537,093**
Changes in measure of progress	1,426,690
Billings	(1,603,637)
Penalties applied	4,321
Reclassifications and other	(2,937)
Balance at 31/12/24	**361,530**

11.- TRADE AND OTHER RECEIVABLES

a) Trade receivables for sales and services

At 31 December 2024 and 2023, the breakdown of “Trade receivables for sales and services” was as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Euros	Foreign currency	Total	Euros	Foreign currency	Total
Trade receivables for sales and services	1,079,145	280,381	**1,359,526**	1,018,252	341,425	**1,359,677**
Trade receivables from Group companies and associates	61,678	239,443	**301,121**	157,930	203,442	**361,372**
Total	**1,140,823**	**519,824**	**1,660,647**	**1,176,182**	**544,867**	**1,721,049**

The breakdown of this heading, broken down into invoiced clients and deferred billings, is as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Invoiced	Deferred billing (Note 10)	Total	Invoiced	Deferred billing (Note 10)	Total
Trade receivables for sales and services	336,146	1,023,380	1,359,526	291,249	1,068,428	1,359,677
Trade receivables from Group companies and associates	82,037	219,084	301,121	142,636	218,736	361,372
Total	**418,183**	**1,242,464**	**1,660,647**	**433,885**	**1,287,164**	**1,721,049**

At 31 December 2024 and 2023, the Company had not derecognised accounts receivable for non-recourse factoring transactions in the accompanying balance sheet.

Likewise, the balance "Trade receivables for sales and services" includes withholdings on collections at 31 December 2024 in the amount of EUR 17,998 thousand (EUR 8,685 thousand at 31 December 2023).

The amount of the net balances due with third parties at 31 December 2024 and 2023 was as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Past due > 90 days	12,110	3,191
Past due > 180 days	108,401	101,573
Total	**120,511**	**104,764**

The Company is carrying out active debt collection, although no unprovisioned losses are expected:

- At 31 December 2024, the Company had recognised EUR 26,903 thousand corresponding to billed and unbilled balances receivable under a contract already performed that had yet to be collected, after securing arbitration awards favourable to the Company, with subsequent favourable rulings (EUR 29,294 thousand at 31 December 2023). At 31 December 2024, no significant event had been identified that might have affected credit risk, and it is not expected that any loss will be incurred in relation to the recoverability of the pending amounts.

- At 31 December 2024, the Company had recognised an amount of EUR 39,131 thousand (31 December 2023: EUR 39,189 thousand) relating to billed and unbilled balances pending collection in respect of various disputes with a customer for a project in which there are cross claims for delays in meeting the contractual milestones signed by the consortium to which CAF belongs. As the litigation is ongoing, it is difficult to assess its potential impact, although the Company's directors consider that the likelihood of this situation generating losses is low as some of the delays categorically cannot be attributed to the consortium. Moreover, the damages suffered by the customer are lower than the amounts being claimed, and there are also claims for cost overruns incurred by the consortium that are attributable to the customer. As of the date of preparation of these financial statements during the judicial proceedings, two expert reports have been issued analysing the alleged delays and the Company continues to defend its interests in these proceedings, estimating that they will recover, at least, the acknowledged amounts.

Write-downs

Changes in impairment allowances in 2024 and 2023 are as follows:

	Thousands of Euros
Balance at 31/12/22	**1,230**
Variation in provisions charged to "Other Operating Expenses" (Note 20-e)	613
Reclassifications	-
Balance at 31/12/23	**1,843**
Variation in provisions charged to "Other Operating Expenses" (Note 20-e)	(363)
Reclassifications	-
Balance at 31/12/24	**1,480**

Provisions for liabilities

Provisions for liabilities that reduce the figure under “Trade receivables for sales and services” amounted to EUR 25,284 thousand at 31 December 2024 (EUR 21,045 thousand at 31 December 2023).

b) Other receivables

The breakdown of the "Other receivables" heading at 31 December 2024 and 2023 was as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Other taxes receivable		
VAT	14,281	13,697
Grants	1,676	1,600
Employee receivables	533	1,120
Sundry accounts receivable	128	3,156
Total	**16,618**	**19,573**

12.- EQUITY

a) Registered share capital

At both 31 December 2024 and 2023, the Company’s share capital was represented by 34,280,750 fully subscribed and paid up shares, each with a par value of EUR 0.301, all represented in book entry form and all listed on the stock exchange.

At 31 December 2024 and 2023, the following companies or entities had notified the CNMV that they held voting rights of more than 3% of the Company's share capital:

	% 2024	% 2023
Cartera Social, S.A. (i)	23.75%	24.04%
Bilbao Bizkaia Kutxa Fundación Bancaria (ii)	13.23%	14.06%
Indumenta Pueri S.L.(iii)	5.02%	5.02%
Daniel Bravo Andreu (iv)	5.00%	5.00%
Instituto Vasco de Finanzas (v)	3.00%	3.00%

i. The shareholders of this company are employees of the Company.
ii. Bilbao Bizkaia Kutxa Fundación Bancaria has a direct stake of 3%. It also has an indirect stake of 10.23%, through Kutxabank S.A., a company controlled by it.
iii. Indumenta Pueri, S.L. is the indirect holder. The direct holder is Global Portfolio Investments, S.L., a company controlled by Indumenta Pueri, S.L.
iv. Daniel Bravo Andreu holds indirect ownership interest, although the indirect holder is Danimar 1990, S.L.
v. Instituto Vasco de Finanzas is the indirect owner, with FINKATZE KAPITALA FINKATUZ, S.A.U. holding the direct stake.

The Annual General Shareholders' Meeting held on 5 June 2021 authorised the Board of Directors to increase share capital on one or more occasions, over a period of five (5) years from that date, and subject to a cap of half of the share capital at the time of the authorisation, including the power to exclude pre-emptive subscription rights, if the Company’s interest so requires and without such exclusion exceeding 20% of the share capital at the time of the authorisation. This authorisation superseded and rendered null and void the powers previously granted to the directors at the General Shareholders' Meeting held on 2 June 2018. No capital increases have been carried out from the date of that resolution through to the date of authorisation for issue of these financial statements.

Lastly, the Annual General Shareholders' Meeting held on 11 June 2022 resolved to vest powers in the Company's Board of Directors, with express powers of delegation, for a term of five (5) years running from that date, to issue debt instruments and fixed income or other securities (including warrants) convertible into shares of the Company or other Group companies, including the power to exclude shareholders' pre-emption rights for a maximum of 20% of the share capital at the authorisation date. Said agreement replaced the one adopted by the Annual General Meeting of the Company held on June 10, 2017. As of the date of preparation of these financial statements, no issues of convertible securities have been made since said agreement.

b) Share Premium

The share premium account balance has no specific restrictions on its use.

c) Revaluation reserve

The amount of these adjustments and restatements (Notes 3-b and 6) at 31 December 2024 and 2023 is allocated to the following accounts:

	Thousands of Euros	
	31/12/24	**31/12/23**
Update Gipuzkoa Decree-Regulation 1/2013 (*)	25,170	25,170
Update Gipuzkoa Regulation 11/1996	8,701	8,701
Total	**33,871**	**33,871**

(*) Net of the 5% tax paid in July 2013.

Update Gipuzkoa Decree-Regulation 1/2013

The Company complied with the provisions of Gipuzkoa Decree-Regulation 1/2013, of 5 February, restating balance sheets, recognising a reserve in the amount of EUR 25,170 thousand, corresponding to the restated amount of the assets (Note 6), net of its tax effect of 5%. The balance of the revaluation reserve under Gipuzkoa Decree-Regulation 1/2013, of 5 February, is restricted until it is verified and accepted by the tax authorities, which should be performed within the three-year period following presentation of the tax return.

Once it has been verified by the tax authorities or the verification period has elapsed, the balance of this account may be used to offset losses, increase capital, or, after ten years have elapsed from the date of the balance sheet in which the restatements were recognised, be allocated to unrestricted reserves. However, it may only be distributed when the revalued assets have been fully depreciated, transferred or derecognised.

Update Gipuzkoa Regulation 11/1996

This balance can be used to offset accounting losses and to increase share capital, and the remainder, if any, can be taken to restricted reserves. If this balance were used in a manner other than that provided for in Gipuzkoa Regulation 11/1996, it would be subject to tax.

d) Legal reserve

Under the Consolidated Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 20% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. At 31 December 2024 and 2023, the balance of this reserve had reached the legally required minimum. At 31 December 2024 and 2023, the balance of the "Legal reserve" heading was EUR 2,064 thousand.

e) Restricted and unavailable reserves

Until the balance of "Development expenditure" has been fully amortised, no dividends may be distributed, unless the balance of the unrestricted reserves is at least equal to the amount of the unamortised balances. Consequently, at the end of 2024, EUR 22,055 thousand (EUR 28,488 thousand at the end of 2023) of the balance of "Other reserves" was restricted (Note 5).

f) Treasury shares and Earnings per share

The Annual General Shareholders' Meeting, held on June 13, 2020, authorized the Board of Directors of the Company to acquire treasury shares for a period of five (5) years from that date. This authorisation superseded that granted by resolution of the Annual General Shareholders' Meeting, held on 13 June 2015. By virtue of the powers vested in it, the Company's Board of Directors authorised the signing of a liquidity contract, the signing of which was communicated to the market via "Other material disclosures" to the CNMV, dated 26 April 2022, which remains in force. In accordance with prevailing law and regulations, the Company reports periodically to the CNMV on all transactions carried out under that contract.

In 2024 and 2023, various transactions of treasury shares were carried out on the continuous market. The breakdown of treasury shares held by the Company is as follows:

Year 2024

	No. of shares	Nominal value (thousands of euros)	Average purchase price (euros)	Total cost (thousands of euros)
Treasury shares at 31 December 2024	37,832	11	33.91	1,283

Year 2023

	No. of shares	Nominal value (thousands of euros)	Average purchase price (euros)	Total cost (thousands of euros)
Treasury shares at 31 December 2023	43,318	13	29.26	1,268

The following table breaks down changes in treasury shares in 2024 and 2023 :

	No. of shares
Treasury shares at 31 December 2022	**46,947**
+ Purchases	646,511
- Sales	(650,140)
Treasury shares at 31 December 2023	**43,318**
+ Purchases	373,693
- Sales	(379,179)
Treasury shares at 31 December 2024	**37,832**

The par value of treasury shares acquired directly or indirectly by CAF did not exceed 10% of the share capital during the 12-month period ended 31 December 2024 and 2023.

Basic earnings per share are obtained by dividing profit for the year by the weighted average number of ordinary shares in circulation, excluding the average number of treasury shares held during the year. As the Group has no dilutive potential ordinary shares, there is no difference between basic and diluted earnings per share. Basic earnings per share are calculated as follows:

	2024	2023
Profit or loss for the year (thousands of euros)	94,484	48,447
Average number of shares outstanding (in thousands of shares)	34,239	34,236
Earnings per share (in euros)	**2.76**	**1.42**

g) Dividends

On 15 June 2024, the General Shareholders' Meeting agreed to distribute a dividend charged to the results for 2023, in the amount of EUR 38,052 thousand. It was subsequently paid in July 2024.

On 10 June 2023, the General Shareholders' Meeting agreed to distribute a dividend charged to the results for 2022, in the amount of EUR 29,481 thousand. It was subsequently paid in July 2023.

h) Grants

The information on the grants received by the Company, which form part of equity, and on the amounts taken to income in this connection is as follows:

	Thousands of Euros
Balance at 31/12/22	**6,750**
Increase	904
Amount taken to profit or loss	(1,391)
Tax effect	117
Balance at 31/12/23	**6,380**
Increase	-
Amount taken to profit or loss	(1,391)
Tax effect	334
Balance at 31/12/24	**5,323**

At the end of 2024 and 2023, the Company had fulfilled all the conditions attaching to the grants detailed above and, therefore, it does not expect differences to arise in possible future reviews.

13.- OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The balance of this item in the accompanying balance sheet at the close of 2024 and 2023, presented by nature and categories, is as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Non-current	Current	Total	Non-current	Current	Total
Other financial liabilities-						
At amortised cost-	**2,315**	**15,720**	**18,035**	**4,464**	**8,346**	**12,810**
Refundable advances	2,315	2,256	4,571	4,464	2,923	7,387
Payable to non-current asset suppliers (Note 6)	-	12,629	12,629	-	4,558	4,558
Other liabilities	-	835	835	-	865	865
At fair value through profit or loss (Note 3-d)-	**-**	**-**	**-**	**-**	**38,092**	**38,092**
Share purchase liabilities	-	-	-	-	38,092	38,092
Hedging derivatives (Note 15)	**1,433**	**4,286**	**5,719**	**21,767**	**13,227**	**34,994**
Total	**3,748**	**20,006**	**23,754**	**26,231**	**59,665**	**85,896**

In 2024, the option to purchase the remaining 26% of the capital of BWB Holdings Limited was exercised.

The details of the maturities in the coming years of "Other long-term financial liabilities" are as follows (in thousands of euros):

Year 2024

	Refundable advances		Hedging derivatives	Total	
	Interest	Principal	Principal	Interest	Principal
2026	13	1,224	380	13	1,604
2027	-	302	50	-	352
2028	-	186	1,003	-	1,189
2029	-	617	-	-	617
2030 and subsequent years	-	-	-	-	-
Total	**13**	**2,329**	**1,433**	**13**	**3,762**
Discount rate discounting and accruals		(14)	-		**(14)**
Total carrying amount		**2,315**	**1,433**		**3,748**

Year 2023

	Refundable advances		Hedging derivatives	Total	
	Interest	Principal	Principal	Interest	Principal
2025	27	2,190	3,977	27	6,167
2026	13	1,244	7,810	13	9,054
2027	-	302	9,948	-	10,250
2028	-	186	32	-	218
2029 and subsequent years	-	617	-	-	617
Total	**40**	**4,539**	**21,767**	**40**	**26,306**
Discount rate discounting and accruals		(75)	-		**(75)**
Total carrying amount		**4,464**	**21,767**		**26,231**

14.- BANK BORROWINGS AND DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

The balance of this item in the accompanying balance sheet at the close of 2024 and 2023, by nature and category, is as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Non-current	Current	Total	Non-current	Current	Total
Bank borrowings, debt instruments and other marketable securities -						
At amortised cost-						
Loans and credit accounts	433,201	131,223	564,424	477,927	57,702	535,629
Accrued interest payable	-	2,225	2,225	-	2,392	2,392
	433,201	133,448	566,649	477,927	60,094	538,021
Debt instruments or other marketable securities:						
Commercial paper issue	-	92,210	92,210	-	90,800	90,800
Total	**433,201**	**225,658**	**658,859**	**477,927**	**150,894**	**628,821**

In 2024 and 2023, changes in “Bank borrowings" and "Debt instruments or other marketable securities” were as follows:

	Thousands of euros		
	Bank borrowings	Bonds and other negotiable securities	Total
Balance at 31 December 2022	**538,600**	**31,900**	**570,500**
Cash flows			
New drawdowns	25,952	362,300	388,252
Maturity payments	(28,583)	(303,400)	(331,983)
	(2,631)	**58,900**	**56,269**
Other changes	**2,052**	**-**	**2,052**
Balance at 31 December 2023	**538,021**	**90,800**	**628,821**
Cash flows			
New drawdowns	265,000	363,300	628,300
Maturity payments	(236,477)	(362,100)	(598,577)
	28,523	**1,200**	**29,723**
Other changes	**105**	**210**	**315**
Balance at 31 December 2024	**566,649**	**92,210**	**658,859**

The bank borrowings are presented in the balance sheet adjusted by the costs incurred in the arrangement of the loans.

Commercial paper issue-

The Company, as per the approval granted by its Board of Directors on 17 December 2020, arranged the commercial paper programme (Commercial Paper Programme CAF 2020), for an aggregate maximum nominal balance of EUR 250 million, which was listed on the Spanish Alternative Fixed Income Market ("MARF") subsequently renewed for annual periods on 21 December 2020 and renewed on 23 December 2024. The Programme allows the Company, under the terms and conditions set out in the Information Memorandum and for a period of 12 months, to issue commercial papers maturing within 730 days, which will be listed on the MARF.

Undrawn credit facilities and maturities –

The Company constantly assesses its available liquidity, including cash balances, short-term liquid investments, the availability of lines of credit, access to short-term capital market instruments and the generation of cash flows from operating activities, in order to meet the Company’s liquidity needs at all times. To this end, the following factors, among others, are taken into consideration: the historic volatility of the Company’s liquidity needs, their seasonality, the maturity profile of the borrowings, the needs arising from investment plans, the expected level of customer advances and the evolution of working capital. To define target levels of available liquidity worse-than-base-case scenarios are taken into consideration.

The Company also has undrawn credit facilities amounting EUR 336,210 thousand (31 December 2023: EUR 285,322 thousand) in the form of undrawn loans, credit facilities and factoring arrangements, which are tied mainly to Euribor plus a market spread.

Maturity of Debts with long-term credit institutions -

The repayment schedule of non-current bank borrowings is as follows (in thousands of euros):

Year 2024

	Interest	Principal
2026	13,401	84,978
2027	10,719	141,562
2028	6,668	41,769
2029	4,681	61,983
2030 and subsequent years	4,916	103,019
Total	**40,385**	**433,311**
Accruals		(110)
Total carrying amount		**433,201**

Year 2023

	Interest	Principal
2025	9,898	331,500
2026	2,635	121,700
2027	119	25,000
2028	-	-
Total	**12,652**	**478,200**
Accruals		(273)
Total carrying amount		**477,927**

15.- FINANCIAL RISK MANAGEMENT AND DERIVATIVE FINANCIAL INSTRUMENTS

The Company is exposed to various risks inherent to the activities it carries on and to the various countries and markets in which it operates, which might prevent the achievement of its objectives.

These risks include financial risks: market risk (inter alia: foreign currency risk, interest rate risk and commodity price risk), credit risk, liquidity risk and financing risk.

The financial risk management policy adopted by the Company focuses on managing the uncertainty of financial markets and aims to minimise the potential adverse effects on the achievement of the Company's objectives.

The Company's Financial Department identifies, analyses, assesses and defines the treatment, and performs the monitoring and control, of the financial risks in accordance with General Risk Management and Control Policy and the specific financial risk management policies established by the Board of Directors.

a) Market risk

Market risk is managed by the Company in accordance with the principles established in the Market Risk Policy, which provides for different strategies aimed at reducing said risk, such as, for example, the establishment of financial or natural hedges, constant monitoring of exchange rate fluctuations and other complementary measures.

The Company arranges foreign currency hedges in order to mitigate the potential adverse effect that changes in exchange rates might have on future cash flows relating to transactions and loans in currencies other than the functional currency of the company concerned.

The Company also maintains interest rate hedging contracts.

a.1) Cash flow and fair value interest rate risk

The interest rate risk arises from the possibility that changes may occur in the value of the Company's financial assets and liabilities as a result of changes in market interest rates. In accordance with the policy, financing transactions are performed under appropriate cost, terms and risk terms and conditions, considering at all times optimal use of the various instruments and sources of financing. Specifically, the Group sets an objective, to the extent permitted by the markets, of maintaining a borrowing structure balanced between fixed and floating interest rates (usually Euribor) the goal of which is to maintain an adequate balance between the cost of financing and the risk of changes in interest rates.

The exposure to interest rate risk of the Company's financial debt at 31 December 2024 and 2023 after the hedges applied was as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Variable	Permanent	Total	Variable	Permanent	Total
Debts with credit institutions (Note 14)	204,486	359,938	564,424	276,798	258,831	535,629
Bonds or other marketable valuations (Note 14)	-	92,210	92,210	-	90,800	90,800
Net position after hedging	**204,486**	**452,148**	**656,634**	**276,798**	**349,631**	**626,429**

The details of the hedges arranged by the Company to cover the interest rate risk at 31 December 2024 was as follows:

Derivatives at 31/12/24	Thousands of Euros				
	Net notional	Valuation of derivatives	Maturity of notional amounts		
			2025	2026	2027 and subsequent years
Cash flow hedges-					
IRS	45,000	(95)	-	-	45,000
Collar	112,000	(26)	-	-	112,000
Total cash flow hedges	**157,000**	**(121)**	**-**	**-**	**157,000**

Taking into consideration the balance at 31 December 2024 and 2023, if the average of the market-tied interest rates of third-party borrowings had been 100 basis points higher or lower, with all other variables remaining constant, and considering the hedging policies described above, the finance costs arising from the financial debt would have risen by approximately EUR 2,045 thousand and EUR 2,768 thousand, respectively.

According to the valuation carried out by an independent expert, the fair value of the Company's fixed-rate debt would be EUR 12,685 thousand lower than its carrying amount at 31 December 2024 (down EUR 13,000 thousand at 31 December 2023).

a.2) Foreign currency risk

The Company operates internationally and is therefore exposed to exchange risk when carrying out transactions in foreign currency.

Following the principles of the Market Risk Policy, as a general rule the Company transfers the exchange rate risk to third parties in its contracts structured in currencies other than their functional currency. The hedges are intended to avoid the impact of currency fluctuations on the various contracts entered into, so that the Company's results present fairly its industrial and services activity. These operations consist, at the initial time of contracting the hedges, either of firm commitments (in which case they are recorded as fair value hedges) or of highly probable transactions (in which case they are recorded as cash flow hedges).

The breakdown of the net balances of derivatives, basically fair value hedges, recognised in the balance sheets at 31 December 2024 and 2023 is as follows:

Derivatives at 31/12/24	Thousands of Euros					
	Notional amount of sales	Notional amount of purchases	Valuation of derivatives	Maturity of notional amounts (net)		
				2025	2026	2027 and subsequent years
Fair value hedges–						
USD currency forwards	244,388	(58,808)	230	(12,837)	51,509	146,908
GBP currency forwards	391,447	(209,179)	4,030	(35,896)	80,768	137,396
NZD currency forwards	16,129	(9,415)	(60)	6,714	-	-
BRL currency forwards	7,234	-	110	7,234	-	-
SEK currency forwards	196,108	(6,199)	(10,875)	144,046	35,529	10,334
AUD currency forwards	343,957	(16,275)	12,518	128,590	199,092	-
SAR currency forwards	9,347	(7,712)	(229)	1,635	-	-
MXN currency forwards	46,062	(28,789)	2,663	17,273	-	-
CAD currency forwards	106,973	(13,881)	4,359	(8,716)	-	101,808
JPY currency forwards	155,292	(9,166)	(1,065)	128,270	10,901	6,955
HKD currency forwards	9,644	-	958	9,644	-	-
NOK currency forwards	5,992	(9,913)	1,234	(2,183)	(1,738)	-
TWD currency forwards	32,944	-	(1,097)	32,944	-	-
ILS currency forwards	31,735	(14,924)	(1,097)	16,811	-	-
AED currency forwards	143,713	-	(2,498)	143,713	-	-
PLN currency forwards	66,896	(491)	(1,091)	66,405	-	-
TRY currency forwards	-	(111)	104	(111)	-	-
HUF currency forwards	2	(4,295)	16	(4,293)	-	-
Total Fair Value Hedges	**1,807,863**	**(389,158)**	**8,210**	**639,243**	**376,061**	**403,401**
Cash flow hedges-						
CAD currency forwards	1,513	-	5	1,513	-	-
HUF currency forwards	811	-	20	811	-	-
Total cash flow hedges	**2,324**	**-**	**25**	**2,324**	**-**	**-**

Derivatives as of 12/31/23	Thousands of Euros					
	Notional amount of sales	Notional amount of purchases	Valuation of derivatives	Maturity of notional amounts (net)		
				2024	2025	2026 and subsequent years
Fair value and net investment abroad hedges-						
USD currency forwards (*)	298,178	(95,175)	(641)	(39,282)	15,036	227,249
GBP currency forwards	393,867	(194,733)	3,032	112,460	(27,860)	114,534
NZD currency forwards	14,332	(9,967)	234	(9,967)	14,332	-
BRL currency forwards	8,669	-	(704)	8,669	-	-
SEK currency forwards	230,500	(8,745)	(10,910)	57,712	127,153	36,890
AUD currency forwards	445,596	(28,001)	13,293	327,336	82,782	7,477
SAR currency forwards	9,050	(7,251)	(239)	1,799	-	-
MXN currency forwards	36,011	(63,239)	(1,717)	(37,876)	10,648	-
CAD currency forwards	112,948	(17,320)	5,845	100,155	(5,381)	854
JPY currency forwards	163,543	(31,569)	(4,760)	60,920	62,340	8,714
HKD currency forwards	10,004	-	1,067	-	10,004	-
NOK currency forwards	9,608	(9,371)	813	406	(169)	-
TWD currency forwards	34,829	-	(475)	34,829	-	-
ILS currency forwards	8,868	(14,137)	639	8,868	(14,137)	-
AED currency forwards	158,458	-	(2,150)	17,678	140,780	-
PLN currency forwards	57,610	(691)	(5,924)	56,919	-	-
TRY currency forwards	-	(476)	332	(146)	(330)	-
HUF currency forwards	-	(5,852)	(3)	(1,118)	(4,734)	-
Total Fair Value Hedges	**1,992,071**	**(486,527)**	**(2,268)**	**699,362**	**410,464**	**395,718**
Cash flow hedges-						
HUF currency forwards	352	-	(4)	352	-	-
Total cash flow hedges	**352**	**-**	**(4)**	**352**	**-**	**-**

(*) Includes the partial hedge of the net investment in CAF USA, Inc. amounting to USD 22,300 thousand.

The impact on the statement of profit or loss for 2024 and 2023 of a 10% devaluation of the following currencies against the euro, considering the closing exchange rate at 31 December and the exchange rate insurance contracted at the date of preparation of these financial statements, would be as follows:

Currency	Thousands of euros			
	2024		2023	
	Exposure	Gain/(loss)	Exposure	Gain/(loss)
Brazilian real	16,905	(1,690)	17,861	(1,786)
Pound sterling	16,527	(1,653)	(5,649)	565
US dollar	(3,244)	324	(4,319)	432

The sensitivity of the statement of profit or loss to the other foreign currencies was not material.

Furthermore, at 31 December 2024 and 2023, the Company was exposed to the exchange rate risk on the net investment of those subsidiaries whose functional currency was different to the euro.

Following is a reconciliation of the remeasurement at each year-end to the carrying amounts recognised in the balance sheet (in thousands of euros):

	31/12/24	31/12/23
Non-current assets (Note 7)	1,802	21,869
Current assets (Note 7)	12,031	10,853
Non-current liabilities (Note 13)	(1,433)	(21,767)
Current liabilities (Note 13)	(4,286)	(13,227)
Balance sheet net total	**8,114**	**(2,272)**
Interest rate cash flows	(121)	-
Fair value	8,210	(2,268)
Exchange rate cash flows	25	(4)
Total derivatives value	**8,114**	**(2,272)**

In 2024, the ineffective portion of hedging transactions credited to profit or loss represented an expense of EUR 153 thousand (income of EUR 6,193 thousand in 2023), mainly as a result of changes in the estimated amounts of the hedged items.

Additionally, the settlement of fair value derivatives has resulted in income of EUR 1,970 thousand and an expense of EUR 9,657 thousand in 2024 and 2023, respectively, amounts similar to those of the change in value of the hedged items.

a.3) Commodity price risk

For the most significant commodities, the Company's orders are placed and prices closed when each new project commences. The risk of a rise in commodity prices having an adverse effect on the contractual margins is thus hedged.

b) Credit risk

The Company's accounts receivable and work in progress correspond to clients located in different countries. Most railway contracts include progress billings.

The Company's standard practice is to hedge against certain risks of termination or default associated with export contracts by taking out export credit insurance policies, pursuant to the rules in the OECD Consensus concerning instruments of this nature. The decision on whether or not to hedge is taken on the basis of the type of customer and the country in which it operates.

c) Liquidity and financing risk

As set out in the Liquidity and Financing Policy, liquidity and funding risk management involves securing payment commitments arising from the obligations, optimising the funding structure, and safeguarding adequate management of the Company's surpluses within the framework of its long-term strategy (Notes 7 and 14).

The Company manages liquidity and financing risk using the following mechanisms:

- Seeking and selecting business opportunities with the highest possible level of self-financing, within existing market conditions, for each of the contracts. In vehicle manufacturing projects of an average term of approximately three years, the milestones for billing and executing the work may not be in the same time frame, which may result in financial resources being consumed.
- Implementing and maintaining an active working capital management policy through ongoing monitoring of compliance with billing milestones for each project commissioned.
- Maintaining a strong short-term liquidity position.
- Maintaining surplus undrawn credit balances.

16.- TRADE AND OTHER PAYABLES

a) Suppliers

The Company has contracted with various financial entities operations for managing payments to suppliers ("confirming" or "reverse factoring"). Through these contracts, financial institutions offer the possibility of early payment to suppliers, discounting at a market interest rate (without any guarantee from CAF). As a general rule, the Company's payment terms for trade credits covered by these operations are identical to those of other trade debts and do not accrue interest.

The balance drawn down related to "confirming" or "reverse factoring" at the close of 2024 and 2023, which is recognised under the heading "Trade creditors and other accounts payable - Suppliers and other creditors" in the balance sheet is as follows:

	Thousands of Euros	
	31/12/24	**31/12/23**
Balance of advance confirming by suppliers	20,182	20,789
Balance of non-advance confirming by suppliers	37,797	47,776
Total confirming balance	**57,979**	**68,565**

b) Other payables

The breakdown of the heading "Other payables" was as follows at 31 December 2024 and 2023:

	Thousands of Euros	
	31/12/24	**31/12/23**
Sundry trade payables	56,946	33,742
Prebillings (liability) (Note 10)	880,934	750,071
Other taxes payable	32,035	29,693
Staff – Outstanding remuneration	45,802	28,856
Total	**1,015,717**	**842,362**

The heading "Other taxes payable" at 31 December 2024 and 2023 breaks down as follows:

	Thousands of Euros	
	31/12/24	**31/12/23**
Accrued social security taxes	15,690	11,402
Taxes payable — VAT and other taxes	6,642	6,379
Personal income tax withholdings	9,703	11,912
Total	**32,035**	**29,693**

In 2011 Construcciones y Auxiliar de Ferrocarriles, S.A., as the parent, and certain subsidiaries availed themselves of the special VAT regime for groups.

17.- TAX INFORMATION

Since 2007 the Company has filed consolidated tax returns under Gipuzkoa Regulation 2/2014, of 7 January, as part of consolidated tax group no. 03/07/G, the parent of which is Construcciones y Auxiliar de Ferrocarriles, S.A. and the subsidiaries are: CAF Investment Projects, S.A.U, CAF I+D, S.L.U., CAF Power & Automation, S.L.U., Geminys, S.L., Rail Line Components, S.L.U., CAF Turnkey & Engineering, S.L.U., Centro de Ensayos y Análisis Cetest, S.L., CAF Signalling, S.L.U., CAF Diversified Business Development, S.A.U., CAF Engineered Modernizations, S.L.U., CAF Rail Digital Services, S.L.U. and Lander Simulation and Training Solutions, S.A.U. The tax consolidation regime will last indefinitely as long as the requirements continue to be met or the taxpayer does not expressly waive its application by making the corresponding census declaration.

If the tax treatment were to differ from that provided for in current legislation as a result of tax reforms, such treatment would be applied immediately in the financial statements issued subsequent to the approval thereof. Under the legislation in force, the income tax rate applied was 24%. The Company's tax liability to the tax authorities should be interpreted in the context of the consolidated tax regime under which it files tax returns. In this respect, the Tax Group pays corporate income tax jointly to the central government and to the regional governments of Gipuzkoa and Bizkaia, based on the volume of operations carried out in each territory.

a) Reconciliation of accounting profit to taxable profit

	Thousands of Euros	
	2024	**2023**
Accounting profit (before tax)	**87,639**	**71,093**
Permanent differences–		
Sundry obligations to employees (Note 18)	619	373
Subsidiary dividends, litigation and other	(130,704)	(76,671)
Increases and reductions due to temporary differences –		
Sundry obligations to employees (Note 18)	4,636	(932)
Provisions for reliability, guarantees and other (Note 18)	(2,138)	53,428
Impairment losses on investments, results of joint ventures and other (Note 8)	(10,364)	4,436
Amortization due to update of balance sheets NF1/2023 (Note 6)	(60)	(56)
Taxable profit/Tax loss	**(50,372)**	**51,671**
Tax consolidation adjustments (impairment)	**(2,440)**	**(2,366)**
Adjusted taxable profit	**(52,812)**	**49,305**

Of the negative tax base generated in the year, the Company has transferred EUR 27,048 thousand, which have been offset against positive bases from other Group companies, recording the corresponding account receivable (in 2023, a positive tax base was generated; the Company used negative tax bases generated in the year by other Group companies for an amount of EUR 16,851 thousand, recording the corresponding account payable).

b) Tax recognised in equity

The breakdown of the tax recognised directly in equity is as follows:

	Thousands of Euros	
	31/12/24	**31/12/23**
Arising in the year		
Grants (Note 12-h)	334	117
Hedges (Note 15)	22	(55)
Arising in prior years		
Grants (Note 12-h)	(2,015)	(2,132)
Hedges (Note 15)	1	56
Total tax recognised directly in equity	**(1,658)**	**(2,014)**

c) Reconciliation of accounting profit to income tax expense

The reconciliation of the accounting profit to the income tax expense is as follows:

	Thousands of euros	
	2024	2023
Accounting profit before tax	**87,639**	**71,093**
Tax charge at 24%	**21,033**	**17,062**
Impact of permanent differences and tax consolidation adjustments	(31,806)	(18,879)
Differences - previous year's tax return	243	295
Other (taxes paid abroad)	976	2,445
Tax assets and deferred tax assets not recognized	2,709	21,723
Total income tax expense recognised in profit or loss	**(6,845)**	**22,646**
Current tax expense (income)	**(5,306)**	**8,868**
Deferred tax expense (income)	**(1,539)**	**13,778**

The difference between the estimated income tax for 2023 and the tax return ultimately filed amounted to EUR 243 thousand under "Income tax" in the accompanying statement of profit or loss.

In 2024, the Company expects to report tax credits amounting to EUR 5,101 thousand (EUR 6,275 thousand in 2023), which relate mainly to international double taxation tax credits and R&D+i tax credits.

d) Deferred tax assets and deferred tax liabilities

The composition and movement of the headings "Deferred tax assets" and "Deferred tax liabilities" of the attached balance sheet is as follows:

	Thousands of euros						
	31/12/22	Additions	Disposals	31/12/23	Additions	Disposals	31/12/24
Deferred tax assets-							
Tax assets recognised	14,594	5,926	(2,428)	18,092	1,264	(4,104)	15,252
Tax effect of tax losses	14,601	2,556	(6,185)	10,972	-	(1,615)	9,357
Recognised temporary differences-							
Provisions temporarily not deductible	40,709	21,125	(34,759)	27,075	14,777	(8,722)	33,130
Restatement of balance sheets	162	-	(7)	155	-	(60)	95
Hedges	-	-	-	-	-	-	-
	70,066	**29,607**	**(43,379)**	**56,294**	**16,041**	**(14,501)**	**57,834**
Deferred tax liabilities-							
Grants (Note 12-h)	2,132	217	(334)	2,015	-	(334)	1,681
Hedges	(56)	135	(80)	(1)	10	(33)	(24)
Other	157	7	-	164	-	-	164
	2,233	**359**	**(414)**	**2,178**	**10**	**(367)**	**1,821**

Deferred tax assets at 31 December 2024 and 2023 break down as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Capitalised	Not capitalised	Total	Capitalised	Not capitalised	Total
Pending deductions and others (Note 3-j)	15,252	69,442	84,694	18,092	58,085	76,177
Tax losses (Note 3-j)	9,357	18,630	27,987	10,972	11,110	22,082
Other deferred tax assets	33,225	45,680	78,905	27,230	53,511	80,741
Total	**57,834**	**133,752**	**191,586**	**56,294**	**122,706**	**179,000**

The Company has tax deductions generated between 2009 and 2024 yet to be applied, amounting to EUR 84,694 thousand, of which EUR 15,252 thousand was capitalised in the accompanying balance sheet at 31 December 2024 (at 31 December 2023, it had EUR 76,177 thousand generated between 2009 and 2023, of which EUR 18,092 thousand had been capitalised). The amounts not deducted due to insufficient tax charge can be used, observing the same limit, in the tax returns for the tax periods concluding in the immediately subsequent 30 years. In view of the uncertainty inherent to the recoverability of deferred tax assets, the Company's recognition policy is based on an assessment of future taxable profit on the basis of its backlog.

In 2020, the Company availed itself of the tax incentive provided for in Article 36 of Gipuzkoa Income Tax Regulation 2/2014, thereby reducing its taxable profit by EUR 14,113 thousand. The reinvestment commitment amounting to EUR 15,000 thousand has materialised in investments made during the years 2020, 2021 and 2022 by the Parent and the rest of the entities that make up the tax consolidation regime in tangible and intangible fixed assets.

In 2022, the Company availed itself of the tax incentive provided for in Article 36 of Gipuzkoa Income Tax Regulation 2/2014, thereby reducing its taxable profit by EUR 103 thousand. The reinvestment commitment, which totalled EUR 1,498 thousand, took the form of investments made by the Company in 2022.

The amount of the (unrecognised) tax credits, tax loss carryforwards and deferred tax assets and their schedule for use by the Company is as follows:

	Thousands of euros	
	31/12/24	31/12/23
Due 2040	670	-
Due 2041	489	-
Due 2042	1,944	1,333
Due 2043	1,720	1,720
Due 2044	3,931	1,708
Due 2045	3,185	3,185
Due 2046	5,899	5,899
Due 2047	8,867	8,867
Due 2048	11,844	11,844
Due 2049	8,838	8,192
Due 2050	14,519	13,828
Due 2051	3,182	3,182
Due 2052	4,441	4,441
Due 2053	8,522	4,996
Due 2054	10,021	-
No maturity	45,680	53,511
	133,752	**122,706**

e) Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At the date of authorisation for issue of the financial statements for 2024, the Company had all years since 2016 open for review for income tax and all years since 2020 open for review for the other taxes applicable to it. The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

f) Supplementary tax - Global anti-Base Erosion rules (BEPS-Pillar 2)

Under Gipuzkoa Decree-Regulation 2/2024, of 27 December, approving the transposition of EU Directive 2022/253, establishing a complementary tax to guarantee a minimum taxation level. In this regard, an analysis has been carried out to benefit from the temporary suspension provided for in the regulation for the year 2024 when reasonable tax ratios are met in the jurisdictions in which the CAF Group operates. As a result of the analysis, it is that all the jurisdictions of the CAF Group can benefit from this moratorium in 2024.

18.- PROVISIONS AND CONTINGENT LIABILITIES

The breakdown, by item, of "Non-current provisions" and "Current provisions" in the balance sheet at 31 December 2024 and 2023 was as follows:

	Thousands of Euros					
	31/12/24			31/12/23		
	Non-current	Current	Total	Non-current	Current	Total
Provisions for contractual obligations	-	71,019	71,019	-	63,850	63,850
Provisions for warranties and technical support	-	205,051	205,051	-	188,178	188,178
Provisions for litigation	783	-	783	1,040	-	1,040
Provisions for commitments with staff	8,424	6,269	14,693	3,331	6,756	10,087
Other provisions	1,465	1,722	3,187	1,465	2,322	3,787
Total	**10,672**	**284,061**	**294,733**	**5,836**	**261,106**	**266,942**

Changes in these headings in 2024 and 2023 were as follows (in thousands of euros):

	Non-current and current provisions					
	Contractual liability	Warranty and support services	Litigation	Employee benefit obligations	Other provisions	Total provisions
Balance at 31/12/22	**49,127**	**160,603**	**1,522**	**7,040**	**1,252**	**219,544**
Net charge for the period	14,723	68,362	1,108	5,000	2,535	91,728
Actuarial gains and losses	-	-	-	3,192	-	3,192
Amounts used	-	(40,787)	(1,590)	(10,625)	-	(53,002)
Transfers	-	-	-	5,480	-	5,480
Balance as of 12/31/23	**63,850**	**188,178**	**1,040**	**10,087**	**3,787**	**266,942**
Net charge for the period	7,169	62,401	1,023	10,704	(600)	80,697
Actuarial gains and losses	-	-	-	1,897	-	1,897
Amounts used	-	(45,528)	(1,280)	(7,995)	-	(54,803)
Transfers	-	-	-	-	-	-
Balance at 31/12/24	**71,019**	**205,051**	**783**	**14,693**	**3,187**	**294,733**

Contractual liability and warranty and support services

The provisions for contractual liability relate mainly to provisions for onerous contracts. The provisions for warranty and support services relate to estimated future costs (based on historic data and technical analyses) to which the Group is committed in accordance with the warranty period provided for in the contracts.

The expected period to settle the provisions varies on the basis of their nature, the average approximate period being:

- Contractual liability: 1-2 years.
- Warranty: 1-4 years (varies on the basis of the contractual arrangement to which it relates).

The Company recognised a net provision of EUR 20,095 thousand under “Other operating expenses” (2023: net provision of EUR 41,709 thousand) relating to the difference between the provisions required in this connection at year-end and the provisions recognised at the end of the previous year. The guarantee expenses incurred to meet the various obligations in 2024, which amounted to approximately EUR 45,528 thousand (2023: EUR 40,787 thousand), were recognised primarily under “Procurements” and “Staff costs”.

Provisions for litigation

The Company recognises provisions under "Long-Term Provisions” in the balance sheet for present obligations arising from past events that it expects to settle when they fall due through an outflow of resources. The amount is based on the best estimate made by the Company's directors at the reporting date and the obligations are recognised at the present value whenever the financial effect is material.

Employee benefit obligations

The details of provisions for staff commitments at 31 December 2024 and 2023 were as follows:

	Thousands of Euros					
	31/12/2024			31/12/2023		
	Non-current provisions	Current provisions	Total	Non-current provisions	Current provisions	Total
Total outsourced commitments	-	3,826	3,826	-	3,793	3,793
Total non-outsourced commitments	8,424	2,443	10,867	3,331	2,963	6,294
Total	**8,424**	**6,269**	**14,693**	**3,331**	**6,756**	**10,087**

Non-outsourced commitments-

The Company has recognised future commitments to employees under early retirement plans, which relate to the present estimated value of the future payments to be made to employees who, in December 2024 had signed relief contracts, and the payment of a long-service premium at production headquarters.

At its meeting held on 19 December 2023, the Board of Directors approved the proposal made by the Nomination and Remuneration Committee to implement a long-term incentive plan linked to the achievement of the 2023-2026 Strategic Plan approved in November 2022 and communicated to the market in December of that year. The duration of the long-term incentive plan runs from 1 January 2023 to 31 December 2026, covering the entire Strategic Plan cycle, and is aimed at executive directors and other members of the Group's management team. The provision for this item amounted to EUR 3.8 million.

Outsourced commitments-

Among the outsourced commitments, the Company maintains legal and contractual obligations with part of its staff to supplement retirement and death benefits that are provided through the payment of defined contribution/benefit premiums to external funds deposited or in the process of being outsourced to independent insurance companies.

The movement corresponding to 2024 and 2023 with regard to these obligations is as follows:

	Thousands of Euros
Balance at 31/12/22	**5,480**
Losses/(gains) charged to the statement of profit or loss (Note 20-d)	3,248
Imputed losses/(gains) in equity	3,192
Contributions	(8,127)
Transfers	-
Balance at 31/12/23	**3,793**
Losses/(gains) charged to the statement of profit or loss (Note 20-d)	3,348
Imputed losses/(gains) in equity	1,897
Contributions	(5,212)
Transfers	-
Balance at 31/12/24	**3,826**

The future modifications to the obligations assumed will be recognised in profit or loss for the related year.

The breakdown of the present value of the obligations assumed by the Company relating to post-employment remuneration and the assets allocated to the coverage thereof, which are outsourced, at the end of 2024 and 2023, was as follows:

	Thousands of Euros	
	31/12/24	31/12/23
Present value of the obligations assumed	46,416	45,726
Less – Fair value of plan assets	(42,590)	(41,933)
Other current (assets) liabilities, net	**3,826**	**3,793**

The present value of the obligations assumed by the Company was determined by qualified independent actuaries using the following actuarial techniques:

- Valuation method: projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately.
- Actuarial assumptions used: unbiased and mutually compatible. In general, the most significant actuarial assumptions used in the calculations were as follows:

Actuarial Assumptions	2024	2023
Discount rate	3.47% - 3.50%	3.30%-3.77%
Mortality tables	PER2020 Col	PER2020 Col
Annual salary or pension increase rate	2%	2%
Retirement age	65-67	65-67

In the assumptions applied in the actuarial study performed by an independent third party, the future obligations were discounted at a market rate, taking into account salary increases similar to those made in the past. The fair value of the plan assets was calculated at year-end using the projected unit credit method.

Lastly, in accordance with the applicable collective labour agreement, the Company contributes 2.3% per year of the contributions (the same percentage in 2023) for all personnel at certain locations to a social security entity, recognising an amount of EUR 4,421 thousand (EUR 3,816 thousand in 2023) charged to “Personnel expenses”.

19.- FOREIGN CURRENCY BALANCES AND TRANSACTIONS

The breakdown of the most significant balances and transactions in foreign currency, translated to euros at the year-end exchange rates and the average exchange rates for the year, respectively, is as follows:

	Thousands of euros	
	2024	2023
Accounts receivable (Note 11) (*)	280,381	341,425
Group accounts receivable (Notes 9 and 11) (*)	239,443	203,442
Loans granted to Group companies (**) (Note 9)	110,466	121,280
Loans received from Group companies (Note 9) (***)	83,640	122,295
Accounts payable (*)	34,784	22,349
Sales	517,359	321,687
Purchases and services received	149,568	138,908

(*) Balance in Australian dollars and pounds sterling, mainly.
(**) Balance in Polish zlotys and Mexican pesos, mainly.
(***) Balance in US dollars and pounds sterling, mainly.

20.- INCOME AND EXPENSES

a) Revenue

The detail, by line of business, of the Company's revenue for 2024 and 2023 is as follows (in thousands of euros):

	2024	2023
High-speed, regional and commuter trains	869,972	727,522
Metros	224,911	232,302
Trams and light metros	343,954	438,618
Bogies and other	35,428	31,193
Trains	**1,474,265**	**1,429,635**
Services (*)	**153,585**	**153,977**
Integral Systems, Equipment and Other (**)	**269,782**	**278,009**
Total	**1,897,632**	**1,861,621**

(*) Mainly includes all revenues from maintenance services and sales of railway spare parts.
(**) Mainly civil construction, refurbishment, signalling and engineering contract revenue.

The following is a breakdown of the Company's sales by geographical area (National, EU, Other) (in thousands of euros):

	2024	2023
Spain	222,582	222,615
European Union:		
EU – Euro Area	603,101	634,258
EU – No Euro Area	110,574	81,575
	713,675	**715,833**
Rest of the world	961,375	923,173
Total	**1,897,632**	**1,861,621**

b) Procurements

The breakdown of “Cost of goods held for resale sold”, “Cost of raw materials and other consumables used” and “Work performed by other companies” in 2024 and 2023 is as follows (in thousands of euros):

	2024	2023
Cost of raw materials and other consumables used-		
Purchases from and work performed by third parties	1,541,583	1,218,497
Changes in inventories	(68,489)	(82,704)
Total	**1,473,094**	**1,135,793**

c) Breakdown of purchases by origin

The breakdown, by origin, of the purchases made by the Company in 2024 and 2023 is as follows:

	2024			2023		
	Spain	EU countries	Imports	Spain	EU countries	Imports
Purchases	62%	30%	8%	65%	29%	6%

d) Staff costs

The average headcount in 2024 and 2023 was as follows:

	2024			2023		
Professional category	Average headcount	Men	Women	Average headcount	Men	Women
Board members	2	1	1	2	1	1
Senior executives	8	7	1	7	6	1
Employees	2,297	1,646	651	2,159	1,576	583
Operators	2,225	2,162	63	2,076	2,018	58
Total (*)	**4,532**	**3,816**	**716**	**4,244**	**3,601**	**643**

(*) At 31 December 2024, the workforce comprised 4,542 permanent employees and 42 temporary employees. At 31 December 2023, the workforce comprised 4,401 permanent employees and 25 temporary employees.

Since CAF does not meet the quota reserved for disabled employees, it has taken certain alternative measures established by Royal Decree 364/2005, of 8 April, which regulates alternative compliance of an exceptional nature with the quota reserved for disabled employees.

The average number of persons employed by the Company in 2024 and 2023 with a disability equal to or greater than 33%, by category, was as follows:

Professional category	2024			2023		
	Average headcount	Men	Women	Average headcount	Men	Women
Employees	12	11	1	14	11	3
Operators	26	24	2	30	29	1
Total	**38**	**35**	**3**	**44**	**40**	**4**

At 31 December 2024, the Company's Board of Directors comprised six men and four women. At 31 December 2023, it comprised seven men and four women.

The breakdown of staff costs is as follows (in thousands of euros):

	2024	2023
Wages and salaries	307,410	255,944
Social security costs	86,519	76,145
Other expenses	12,278	10,752
Total	**406,207**	**342,841**

The heading “Staff costs — Wages and salaries” in the statement of profit or loss includes an expense of EUR 4,398 thousand (expense of EUR 3,118 thousand in 2023) for early retirements completed in 2024 and the provision for the relief contract.

e) Other operating expenses

The detail of the heading "Other operating expenses" for 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Outside services	275,869	240,041
Taxes other than income tax	1,075	864
Change in operating provisions and others-		
Net provision for customer insolvencies (Note 11)	(363)	613
Net provisions for contractual liabilities, guarantees and technical assistance (Note 18)	20,095	41,709
Other	352	123
Total	**297,028**	**283,350**

e.1) Audit fees

The fees for audit services relating to Construcciones y Auxiliar de Ferrocarriles, S.A. and subsidiaries amounted to EUR 1,890 thousand in the period (2023: EUR 1,664 thousand). Of this amount, those incurred for the annual audits of the companies reviewed by the global organisation Ernst & Young amounted to EUR 1,260 thousand (EUR 1,057 thousand in 2023), of which EUR 147 thousand related for the audit fees of the Parent in 2024 (EUR 118 thousand in 2023). In addition, fees for other professional services provided by the principal auditor amounting to EUR 226 thousand were billed in the period (2023: EUR 152 thousand), of which EUR 173 thousand was for audit-related attest services, including six-monthly reviews and the Non-Financial Statement (2023: EUR 105 thousand) and EUR 53 thousand were for tax services (2023: EUR 47 thousand).

e.2) Leases

At 31 December 2024 and 2023, the Company had various outstanding operating leases for which it had recognised an expense of EUR 2,039 thousand and EUR 2,156 thousand in 2024 and 2023, with a charge to “Other operating expenses” in the accompanying statement of profit or loss. The Company expects to continue to lease these assets (principally equipment and real estate), the costs of which are tied to the CPI.

The payment commitments for future years in relation to outstanding operating leases at 31 December 2024 amounted to EUR 1,864 thousand, of which EUR 712 thousand will fall due in 2025 (EUR 2,818 thousand, of which EUR 954 thousand were payable within one year at 31 December 2024).

f) Information on the environment

In 2024, investments made in systems, equipment and facilities for environmental protection and improvement amounted to EUR 508 thousand (EUR 3,627 thousand in 2023).

In 2024 the Group incurred environmental expenses amounting to EUR 920 thousand (2023: EUR 812 thousand).

At 31 December 2024 and 2023, the Company did not have any litigation in progress or contingencies relating to environmental protection and improvement. The Company's directors do not expect any material liabilities to arise as a result of the Company's environmental activities and, accordingly, the accompanying balance sheet does not include any provisions in this connection.

In 2024, the Company received environmental grants amounting to EUR 9 thousand (no environmental grants were received in 2023).

g) Other operating income

The detail of the heading "Other operating income" for the years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Ancillary income and other ordinary management income	26,485	22,641
Operating grants taken to income	3,158	1,435
Total	**29,643**	**24,076**

Most of the grants transferred to profit or loss in 2024 and 2023 related to grants awarded under various Spanish ministerial and European programme calls, having incurred the costs to be justified.

h) Depreciation and amortisation charge, impairment and gains or losses on disposals of non-current assets

	Thousands of euros	
	2024	2023
Amortization of intangible assets	22,149	16,554
Depreciation of tangible fixed assets	11,119	10,760
Total	**33,268**	**27,314**

The detail of the line item "Impairment and result from disposal of fixed assets" in 2024 and 2023 was as follows:

	Thousands of euros	
	2024	2023
Profit/(Loss) due to impairment		
Impairment of intangible assets (Note 5)	-	(130)
Impairment of property, plant and equipment (Note 6)	-	-
Results from disposals and others		
Profits/(Losses) from intangible assets (Note 5)	(21)	-
Profits/(Losses) from property, plant and equipment (Note 6)	92	24
Total	**71**	**(106)**

i) Finance income and costs

The details of the headings "Finance income" and "Finance costs" in 2024 and 2023 were as follows:

	Thousands of Euros	
	2024	2023
Finance income:		
Finance income from dividends	38	42
Finance income from dividends from Group companies and associates (Note 9)	116,058	77,638
Finance income from loans to Group companies and associates (Note 9)	17,691	16,219
Other finance income	18,605	2,417
Total finance income	**152,392**	**96,316**
Finance costs:		
Finance costs for contracted debts	24,273	21,187
Finance costs for payables to Group companies and associates (Note 9)	9,014	9,787
Finance costs for contracted coverage	12,456	9,211
Other finance costs	-	182
Total finance costs	**45,743**	**40,367**

21.- INFORMATION ON THE BOARD OF DIRECTORS

a) Remuneration and other benefits of directors

In 2024 and 2023, the total consolidated remuneration of the members of the Company's Board of Directors amounted to approximately EUR 2,545 thousand and EUR 2,684 thousand, in the form of wages, life insurance, attendance fees and fixed remuneration. In 2024, the Company made contributions to long-term savings plans in the form of long-term savings insurance under the defined contribution system and under which the Company is the policyholder, for a total of EUR 426 thousand, (2023: EUR 423 thousand). At 31 December 2024 and 2023, the Company's Board of Directors had not granted any advances, guarantees or loans to its current or former directors.

In 2024, a total of EUR 125 thousand was paid in connection with the third-party liability insurance premium of the directors for damage caused by acts or omissions (2023: EUR 168 thousand).

b) Information regarding conflicts of interest involving the directors

In 2024 and 2023, neither the members of the Board of Directors of Construcciones y Auxiliar de Ferrocarriles, S.A., nor persons related to them, as defined in the Spanish Limited Liability Companies Law, notified the other members of the Board of any direct or indirect conflict of interest that they might have with the Company.

22.- REMUNERATION OF SENIOR MANAGEMENT

The consolidated remuneration of the Company's Senior Management, as per the binding definition of "Senior Management" provided in the Corporate Governance Report, amounted to EUR 2,824 thousand in 2024 (2023: EUR 2,392 thousand). In 2024, the Company made contributions to long-term savings plans in the form of long-term collective savings insurance under the defined contribution system and under which the Company is the policyholder, for a total of EUR 1,153 thousand (2023: EUR 1,056 thousand).

In 2024 and 2023 there were no other transactions with senior management outside the ordinary course of business.

23.- OTHER DISCLOSURES

a) Guarantees and other contingent assets and liabilities

At 31 December 2024 and 2023, the details of the endorsements and guarantees in favour of third parties provided by financial entities and insurance companies to the Company, and to other Group companies when the Company acts as a counterguarantor, and which basically correspond to technical guarantees in compliance with the orders received, are as follows:

	Thousands of euros	
	2024	**2023**
Guarantees provided to public organizations for financing obtained or for subsidies	6,617	6,323
Guarantees for future contributions in investee companies (*)	118,462	116,008
Guarantees provided to third parties for business transactions	4,545,468	4,522,777
Guarantees provided to third parties for other purposes	65,651	65,051
Total	**4,736,198**	**4,710,159**

(*) Includes sureties for future contributions in 2025, 2026, 2027 and 2029 that CAF Investment Projects, S.A.U. will make to the investees Tramardent S.A., Momentum Trains Holding Pty Ltd., CFIR Light Rail Ltd and SHACHAF - The Purple Line Light Rail Ltd, respectively.

The Company and its directors consider that no material liabilities will arise in this connection

In March 2014, following completion of an administrative investigation process initiated in May 2013 into the participation of several rolling stock manufacturers, one of which is a subsidiary of the CAF Group in Brazil, in public tenders, the Brazilian Administrative Council for Economic Defence (CADE) initiated administrative proceedings arising from possible anti-competitive practices. In July 2019, the CADE tribunal issued an administrative decision ordering the subsidiary to pay a fine of BRL 167,057,982.53 (equivalent to EUR 26,000 thousand at 31 December 2024) and advised the competent authorities not to grant the subsidiary certain tax benefits for a period of five years. The Group posted a provision for this amount in 2019 with a charge to "Other operating expenses" in the statement of profit or loss and a credit to "Non-current provisions" heading in the balance sheet (Note 18). At the date of authorisation for issue of these financial statements, the subsidiary has appealed the CADE's decision in court.

The subsidiary rejects CADE's assessment of the facts when imposing the aforementioned penalty and argues that, with respect to the facts under investigation, it has always acted in strict compliance with the applicable law. The subsidiary's legal advisers consider there to be a reasonable chance that the penalty will ultimately be reduced to an amount that is substantially lower than the one mentioned, and they do not rule out the total annulment of the fine.

Also, as a result of the investigations conducted by CADE, other authorities, including the Sao Paulo State Public Prosecutor, initiated administrative and judicial proceedings, in relation to which the Group has already presented its corresponding defences. CADE's investigations also prompted the Court of Auditors to file administrative proceedings, in response to which the subsidiary presented its preliminary defence in the first half of 2016. Following a finding by the Court of Auditors that no irregular conduct had been proven, as a result of the sentence imposed by CADE, in 2022 the Court of Auditors decided to continue with the proceedings and, to date, the subsidiary has submitted its statements to the Court of Auditors. Lastly, also as a result of the investigations conducted by CADE, the Brazilian Administrative Council of Economic Defence, processed an administrative procedure in relation to which the subsidiary filed initial claims during the second half of 2018.

The CAF Group continues to defend its interests in these proceedings. However, at the reporting date it was not possible to determine the result or the impact that these proceedings might have on the Group's financial statements should the outcome be unfavourable and, therefore, no liabilities were recognised therein in this connection.

Meanwhile, in a lawsuit into the validity of a contractual extension to supply several additional units, CAF and its subsidiary in Brazil, together with other railway material manufacturing companies, were ordered in first instance to pay a fine of BRL 10,000,000 (plus its update) each and have been banned from taking part in public tenders in Brazil and from claiming tax incentives or loans for five years. Both CAF and its subsidiary company in Brazil filed a judicial appeal against said decision. In June 2024, a judgment was issued in favour of CAF and its subsidiary in Brazil, annulling the previous resolution and said annulling judgment has become final.

In addition, the CAF Group subsidiary in Brazil is part of a consortium in Brazil, the purpose of which is the performance of a construction contract for a new tramway and the supply of rolling stock for the tramway. CAF's scope in the consortium basically entails the supply of the rolling stock and the signalling. Currently, various administrative and court proceedings have been initiated in relation to this project, in which, among other issues, the potential termination of the contract, alleged irregular practices, the imposition of payments for damages, fines and penalties or the potential breach of contract by both the consortium and the customer are under analysis, mainly in relation to civil engineering work. The CAF Group's subsidiary in Brazil is a defendant in these proceedings. In relation to the potential breach of contract, CAF's legal advisers consider that the consortium has solid arguments to justify its defence and to conclude that the non-completion of the work is the result of the customer not complying with its commitments. In any case, should a court rule against the consortium for breach, since the breaches are mainly attributable to other members of the consortium, CAF could claim the potential losses from such members. Furthermore, in one of these proceedings, the competent judge granted an interim injunction against the subsidiary in Brazil in the form of a prohibition to dispose of real estate and vehicles as security for possible liabilities that may result from an eventual court ruling against the subsidiary. The subsidiary is continuing to defend its interests in these proceedings. Meanwhile, in another administrative process initiated by the authorities of the State of Mato Grosso in relation to this project in the second half of 2021, the administrative body fined the Consortium and its members BRL 96,170,604.55 (equivalent to EUR 14,968 thousand at 31 December 2024) (the subsidiary holds a 36.8% stake in the Consortium, which, were the fine to be distributed in proportion to the interests in the Consortium, would be equivalent to approximately EUR 5.5 million) and a ban on contracting with public entities for five years in the State of Mato Grosso and for two years in Brazil. The Consortium and the subsidiary have appealed this administrative sanction and have obtained from the judicial authorities a precautionary suspension of the effectiveness of the fine imposed and of the prohibition on arranging public contracts in Brazil. Also, in relation to this project, the subsidiary continues to challenge in court the termination of the contract requested by the State of Mato Grosso and the consequences arising from this decision, in relation to which the competent courts ordered the precautionary suspension of the effectiveness of the fine imposed as a result of the termination. In relation to the above, the proceedings in progress against the State of Mato Grosso and the fines and sanctions imposed on the Consortium have been suspended, pursuant to an agreement dated July 2024. This agreement also provides for the definitive cancellation of said proceedings, fines and sanctions, once certain established conditions are met.

Meanwhile, on 27 August 2018 the National Commission for Markets and Competition ("CNMC") initiated sanctioning proceedings against various companies, including CAF Signalling, S.L.U. and its parent, Construcciones y Auxiliar de Ferrocarriles, S.A. (considered jointly and severally liable), in relation to alleged anti-competitive practices. At the date of authorisation for issue of these financial statements, the proceedings had concluded following notification of the ruling of 30 September 2021. While this decision marked an end to the administrative process, it has been the subject of an appeal for judicial review before the National Court (Audiencia Nacional). The main aspects of the case and the decision, which affect the subsidiary company CAF Signalling, S.L.U., are that in 2015 this CAF subsidiary joined the cartel initiated in 2002 by other entities, consisting of distribution agreements between the various companies involved. The subsidiary was charged with exercising this conduct for a shorter duration than all the other sanctioned companies (from April 2015 to December 2017) and was handed a fine of EUR 1.7 million. CAF, S.A. is jointly and severally liable for payment of the fine based on the economic unit that makes up the parent company and subsidiary for the purposes of competition regulations. As part of this same case, two former directors of CAF Signalling, S.L.U. were also fined. As of the date of authorisation for issue of these financial statements, CAF, S.A. and CAF Signalling, S.L.U. have filed a contentious-administrative appeal against the CNMC's resolution before the National Court, having accepted the precautionary suspension of payment of the fine until the National Court rules on the merits of the case. The proceedings relating to the prohibition on public tendering is also suspended.

The Group's legal advisors consider that an unfavourable outcome for the CAF Group is unlikely and that the outcome of the lawsuit will not materially affect the financial statements for the years in which the amounts are ultimately paid, if at all. Therefore, no provision was recognised in this respect at 31 December 2024.

b) Disclosures on the average period of payment to suppliers

Set forth below are the disclosures required by Final Provision Two of Law 31/2014, of 3 December (amended by Additional Provision Three of Law 18/2022, of 28 September), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

	2024	2023
	Days	Days
Average period of payment to suppliers	69.27	70.38
Ratio of transactions settled	68.89	69.88
Ratio of transactions not yet settled	70.84	72.17
	Thousands of euros	Thousands of euros
Total payments made	1,543,840	1,422,716
Total payments outstanding	372,140	394,534

Year 2024

Invoices paid to suppliers in a period shorter than the legal maximum period			
Thousands of euros	Number of invoices	% to total payments	% to the total no. of invoices
697,164	56,868	45%	21%

Year 2023

Invoices paid to suppliers in a period shorter than the legal maximum period			
Thousands of euros	Number of invoices	% to total payments	% to the total no. of invoices
569,195	43,688	40%	15%

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued since the date of entry into force of Law 31/2014, of 3 December.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in “Payable to Suppliers” and “Other Payables” under current liabilities in the balance sheet.

The statutory maximum payment period applicable to the Company in 2024 under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, was 60 days, unless no payment date or period has been agreed, in which case the maximum payment period would be 30 days.

24.- EVENTS AFTER THE REPORTING PERIOD

At 31 December 2024, the Group had a firm backlog of approximately EUR 14,695 million (EUR 14,200 million at 31 December 2023).

25.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company in Spain (see Note 2-a). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPROVAL BY THE BOARD OF DIRECTORS

MR. ANDRÉS ARIZKORRETA GARCÍA
CHAIRMAN

MR. JAVIER MARTÍNEZ OJINAGA
EXECUTIVE DIRECTOR

MR. JUAN JOSÉ ARRIETA SUDUPE
DIRECTOR

MR. LUIS MIGUEL ARCONADA ECHARRI
DIRECTOR

MR. JULIÁN GRACIA PALACÍN
DIRECTOR

MS. BEGOÑA BELTRÁN DE HEREDIA VILLA
DIRECTOR

MS. CARMEN ALLO PÉREZ
DIRECTOR

MS. IDOIA ZENARRUTZABEITIA BELDARRAIN
DIRECTOR

MR. MANUEL DOMÍNGUEZ DE LA MAZA
DIRECTOR

MS. MARTA BAZTARRICA LIZARBE
DIRECTOR AND BOARD SECRETARY

MR. ANDRÉS ARIZKORRETA GARCÍA

MR. JAVIER MARTÍNEZ OJINAGA

MR. JUAN JOSÉ ARRIETA SUDUPE

MR. LUIS MIGUEL ARCONADA ECHARRI

MR. JULIÁN GRACIA PALACÍN

MS. BEGOÑA BELTRÁN DE HEREDIA VILLA

MS. CARMEN ALLO PÉREZ

MS. IDOIA ZENARRUTZABEITIA BELDARRAIN

MR. MANUEL DOMÍNGUEZ DE LA MAZA

MS. MARTA BAZTARRICA LIZARBE

Certificate issued by the Secretary to the Board of Directors stating that the Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A., pursuant to prevailing commercial law, has drawn up and authorised for issue, on 26 February 2025, the financial statements and directors' report of the Company for 2024, following the format (and labelling) requirements set out in the European Commission Delegated Regulation EU 2019/815. The financial statements and directors' report are located in the electronic file bearing the hash code 1C706535D44F645E0DF6B97ED49FB73F26B0C600942AD2143F4655C4EE964F81.

The members of the Company's Board of Directors hereby declare that the aforementioned financial statements and directors' report for 2024 have been signed and authorised for issue unanimously, ahead of their verification in due course by the auditors and subsequent approval by the General Shareholders' Meeting.

San Sebastián, 26 February 2025.

APPROVED BY THE CHAIRMAN

MR ANDRÉS ARIZKORRETA GARCÍA

Signed THE SECRETARY OF THE BOARD

MS. MARTA BAZTARRICA LIZARBE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Certification issued by the Secretary of the Board of Directors of Construcciones y Auxiliar de Ferrocarriles, S.A., Ms. Marta Baztarrica Lizarbe, for the purposes of Article 8.1.b) of Royal Decree 1362/2007, of 19 October, whereby each and every member of the Board of Directors states that, to the best of their knowledge, the separate financial statements for 2024, authorised for issue at the meeting held on 26 February 2025 and prepared in accordance with the applicable accounting principles, present fairly the equity, financial position and results of Construcciones y Auxiliar de Ferrocarriles, S.A., and that the directors' reports approved together with the financial statements contain a fair analysis of the business performance, results and position of Construcciones y Auxiliar de Ferrocarriles, S.A., together with a description of the main risks and uncertainties that it faces. I attest that this certificate has been signed, evidencing approval thereof, by each and every one of the Company's directors, the names and surnames of whom are shown below.

San Sebastián, 26 February 2025.

Signed: Ms. Marta Baztarrica Lizarbe

MR. ANDRÉS ARIZKORRETA GARCÍA CHAIRMAN	MR. JAVIER MARTÍNEZ OJINAGA EXECUTIVE DIRECTOR
MR. JUAN JOSÉ ARRIETA SUDUPE DIRECTOR	MR. LUIS MIGUEL ARCONADA ECHARRI DIRECTOR
MR. JULIÁN GRACIA PALACÍN DIRECTOR	MS. BEGOÑA BELTRÁN DE HEREDIA VILLA DIRECTOR
MS CARMEN ALLO PÉREZ DIRECTOR	MS. IDOIA ZENARRUTZABEITIA BELDARRAIN DIRECTOR
MR. MANUEL DOMÍNGUEZ DE LA MAZA DIRECTOR	MS. MARTA BAZTARRICA LIZARBE DIRECTOR AND BOARD SECRETARY