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REPORT OF THE AUDIT COMMITTEE ON THE INDEPENDENCE OF THE AUDITOR OF THE ACCOUNTS OF CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. AND SUBSIDIARIES (CAF GROUP) FOR FISCAL YEAR 2021

1. INTRODUCTION

Article 529 quaterdecies section 4.f) of the Revised Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of July 2 (hereinafter "**Capital Companies Act**"), assigns the Audit Committee the following function:

“Annually issuing a report that expresses an opinion regarding the independence of the accounts auditor, prior to the issuing of the audit report. This report shall contain, as applicable, the appraisal of provision of the additional services referred to in the previous section, considered individually and as a whole, other than legal auditing and in relation to their independence or the legislation that regulates auditing activity”

In compliance with the above obligation and in accordance with Article 3.d) vii) section 2 of the Regulations of the Audit Committee of Construcciones y Auxiliar de Ferrocarriles, S.A. (hereinafter "**CAF**"), the Audit Committee issues this report, prior to issuing the audit report on the accounts.

2. ANALYSIS OF THE STATUTORY AUDITOR'S INDEPENDENCE

2.1 Appointment and relationship with the auditor

The Ordinary General Meeting of the Shareholders of CAF held on June 13, 2020 agreed to appoint EY as the auditor of the financial statements of CAF and its consolidated group for FY 2021, 2022, and 2023. In fiscal year 2021, the transition process from the outgoing auditor, Deloitte, S.L., to the new auditor, EY, in which both firms have collaborated satisfactorily, was completed.

Article 529 quaterdecies section 4.e) of the Revised Text of the Capital Companies Act determines, among other issues, that the Audit Committee must establish the appropriate relations with the external auditor in order to receive information on matters that may jeopardize its independence.

In 2021 the external auditor appeared before the Audit Committee twice, and more specifically, at the meetings held on February 25 and July 29, 2021.

At these meetings, the external auditor has not reported on any issues that might compromise its independence.

2.2 Auditor's Statement of Independence

On February 25, 2022, the Audit Committee received from the external auditor a written declaration of its independence in relation to the audit of the consolidated financial statements of the CAF Group for the year ended December 31, 2021, referred to in article 529 quaterdecies section 4.e) of the Capital Companies Act.

The aforementioned statement contains written confirmation of the independence of the team in charge of the audit assignment, the auditing company EY, S.L., and other firms in the network with the extensions applicable to it, as well as information on the audit and non-audit services provided to CAF and its subsidiaries. In addition, it shows that during the fiscal year 2021, the auditor has not identified any circumstances that could pose a threat to its independence and which, therefore, require the application of safeguard measures or which could give rise to causes of incompatibility.

2.3 Non-audit services provided

The CAF Group has an internal procedure for contracting additional services to the accounts audit from the accounts auditor or companies in its network, which requires the prior approval of the Audit Committee, to ensure that the services do not pose a conflict of independence. This procedure is defined in the internal regulation "Contracting services from the accounts auditor", which is mandatory in the CAF Group.

The breakdown of the fees for the services provided by EY in 2021 is as follows (in thousands of euros):

Audit services	Total	770
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Non-audit services	EY, S.L. and its network in Spain	REST OF THE EY NETWORK	Total
Verification services	53	22	75
Tax services	-	7	7
Other services	5	-	5
Total	58	29	87

Fees for audit services are not contingent.

Verification services

Included under the heading "Verification services" are:

- 16 thousand euros corresponding to reports on agreed procedures and reviews: (i) of financial ratios associated with bank debt and (ii) of certain financial information to be submitted in bids in tender processes.
- 24 thousand euros relates to the fees for the limited reviews of the half-yearly financial statements of the CAF Group and the dependent companies Ctrens and Solaris Bus&Coach.
- 21 thousand euros for services to verify the consolidated non-financial information statement and,
- 14 thousand euros for services to verify information relating to the IFICS included in the annual corporate governance report.

Tax Services

The heading "Tax Services" includes fees in the amount of 7 thousand euro derived from the audit of Form n° 3CD in India and the review of certain tax information in the subsidiaries in Mexico, both required by law.

Other services

The heading "Other services" includes 5 thousand euros for training on the Tagger tool (XBRL) used for tagging accounts against the ESEF taxonomy.

Where the audit firm provides non-audit services to the audited entity, its parent company, or the companies it controls for a period of three or more consecutive fiscal years, the total fees charged for these services may not exceed 70% of the average fees paid in the last three consecutive fiscal years for the auditing of the consolidated financial statements. In addition, the Committee agreed to set a more restrictive limit (specifically 50%), based on reputation and prudence criteria.

Fiscal year 2021 is the first audited by EY and therefore the previous limit does not apply.

Nonetheless, the fees for additional non-audit services provided by EY S.L. and its network in Spain represent 8.57% of the average fees paid in the last three consecutive years for statutory audits of CAF Group companies.

The Audit Committee has assessed and approved the provision of the non-audit services detailed above and declares that they are not among the services prohibited by Law 22/2015 of July 20 on the Auditing of Accounts (hereinafter the "**Audit Act**").

2.4 Duration of the audit contract and rotation of the auditors

Article 17.1 of Regulation (EU) No. 537/2014 establishes the maximum duration of the audit engagement. In relation to the rotation of auditors, art. 40.2 of the Audit Act together with art. 17.7 of Regulation (EU) no. 537/2014 of April 16 establishes, among other things, that the main auditors responsible for statutory audit work must be replaced after five years from the initial contract.

Fiscal year 2021 is the first to be audited by EY, responsible for the statutory audit of the annual accounts of CAF and its consolidated group.

In accordance with the foregoing, the Audit Committee finds that the legal obligations regarding the duration of the audit contract and the rotation of the auditors have been met.

3. **CONCLUSION**

Based on the information obtained and the above considerations, CAF's Audit Committee has not identified any aspects that would call into question compliance with current regulations on auditing the accounts in terms of auditor independence.

This report was unanimously approved at the Audit Committee meeting held on February 25, 2022, and will be published on the corporate website sufficiently in advance of the Ordinary General Meeting of Shareholders, as established in Recommendation no. 6 of the Code of Good Governance of Listed Companies.

In Beasain, on February 25, 2022