

ISTI (INDRA) AND THE TRADE UNIONS REACH AN AGREEMENT ON THE LABOR REORGANIZATION PROCEDURE

Madrid, November 19, 2020.- ISTI (*Indra Soluciones Tecnológicas de la Información*) and a broad majority of the employees' legal representation have reached an agreement that puts an end to the consultation process of the labor reorganization procedure that began on 20 October.

During the course of the meetings held in recent weeks, the two parties have made an effort to reach an agreement that minimizes the impact of the restructuring process on the volume of employment, thanks to the addition of social measures, including the following:

- Internal flexibility measures to reduce the number of workers affected by the job amortization and to improve the training and retraining of a large group of employees, such as:
 - Suspension of the work contract (ERTE) as a measure to facilitate vocational training and retraining and, therefore, job retention for a maximum number of 125 workers. Over a period of six months the employees will be obligated to undergo the vocational training and retraining program chosen and funded by the company, which will allow them to obtain a certificate of aptitude for certain relevant skills to improve their employability.
 - A salary adjustment for a group of employees with earnings significantly above the average for their role or activity to conserve employment, a measure that will affect a maximum of 100 employees.
- As a consequence of the aforementioned, a reduction in the number of workers affected by contract termination measures from the initially planned figure of 1,036 to the definitive maximum figure of 580.
- Mechanisms to protect any employees who, due to their age, are closer to retirement.
- Measures to protect certain collectives that are more vulnerable or deserving of more favorable treatment to enable them to retain their jobs.
- An outplacement plan, thus improving the requirements of the current legislation to protect and promote outplacements and self-employment.

The agreement therefore includes innovative measures which reconcile the need of the company to achieve its objectives of rationalizing and optimizing the workforce, with the importance of permanent training and retraining as well as their application in accordance with social criteria for the protection of collectives with greater difficulties in accessing employment.

This agreement for the transformation of ISTI's workforce forms part of an action plan announced by Indra last July to overcome the difficulties motivated by structural changes in markets where ISTI and Indra Sistemas operate and adapt to the current market demand, remove inefficiencies and improve the company's competitiveness. This general action plan focuses on cost efficiency and the prioritization of investments and resources and is based on the proactive management of the new demand, boosting income, leveraging its technological capabilities and speeding up the transformation of its operations. This plan is framed within the context of ongoing negotiations with the employees' legal representation of Indra Sistemas that started two weeks ago and should end by the first week of December.

Its main lines of action include a reduction of non-personnel costs, improvements to the internal processes and new working models, reorientation of the investment in CAPEX and balance sheet adjustments and the transformation of the workforce.