

INDRA SISTEMAS AND THE UNIONS REACH AN AGREEMENT ON THE LABOR REORGANIZATION PROCEDURE

Madrid, 2 December 2020.- Indra Sistemas, the company that encompasses Indra's Transportation, Defence and Security and Air Traffic businesses and a significant part of the workers' legal representation have reached an agreement that puts an end to the consultation process of the labor reorganization procedure that began on 6 November.

During the negotiations held in recent weeks, the two parties have exchanged proposals and debated the reasons that have led to the restructuring process. They have finally reached an agreement to prevent the application of drastic measures that would have a significant negative impact on employment and the company's stability in a period of crisis such as the current one, during which it is necessary to reinforce and optimize the available resources and enhance the training and retraining of the company's employees.

By virtue of the agreement, Indra Sistemas will replace the collective dismissal process launched on 6 November with a plan for early retirements and voluntary redundancies, which will also enable the company to achieve the goals of reducing and adjusting the workforce it has proposed to improve its competitiveness. The maximum number of employees affected will be 220, of whom up to 135 will be affected by the early retirement proposal and up to 85 by the voluntary redundancy measure. Opting for early retirement or voluntary redundancy will be optional for both the company and the worker.

If at least 75% of the maximum number of envisaged early retirements and voluntary redundancies are not covered, Indra Sistemas reserves the right to initiate a further collective dismissal process in order to achieve the stated objectives, a task it regards as essential.

In addition, the two parties will negotiate a framework labor agreement that is valid for three years (2021-2023), to consolidate the path they have already set out on to build fluid labor relations between the company's management and the trade union representations present within it. To do so, they have created a monitoring committee to guarantee compliance with the agreement.

On 19 November Indra Soluciones Tecnológicas de la Información (ISTI), the company that encompasses Indra's Information Technology businesses, reached an agreement with a significant part of the workers' legal representation with regard to their labor reorganization.

The agreements for the transformation of the Indra Sistemas and ISTI workforce form part of an action plan announced by Indra last July to overcome the difficulties generated by the structural changes in the sectors in which the ISTI and Indra Sistemas businesses operate, to adapt to the new market and demand-related conditions, to eliminate inefficiencies and to improve their 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. 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.