

INDRA ACHIEVED HISTORICAL RECORD HIGHS IN BACKLOG, REVENUES AND FREE CASH FLOW IN 2021, BEATING GUIDANCE LEVELS IN ALL METRICS, WHICH WERE UPGRADED TWICE DURING THE YEAR

- **Revenues in 2021 achieved record highs, both in Transport & Defence as well as in Minsait, both delivering double-digit growth vs 2020, and comfortably exceeding 2019 levels**
- **EBIT reached €256m, implying +16% increase compared to 2019**
- **EBIT margin stood at 7.5% in 2021, improving versus 2019 levels (6.9%), before Covid impact**
- **Net Profit reached €143m in 2021 vs €121m in 2019 (+18%), before the health crisis**
- **Free Cash Flow (FCF) in 2021 was €289m, a new record level, substantially above the previous one at €186m in 2017, and well above 2021 guidance of more than €140m**
- **Net debt was reduced to €240m, a ten-year low, from €481m in December 2020, bringing Net Debt/EBITDA ratio down to 0.8x vs 2.5x in December 2020**
- **The company announced in 2021 the payment of a dividend of €0.15 per share in July 2022, after seven years without any shareholder remuneration**
- **Last evening the Spanish Cabinet issued a statement authorizing SEPI to increase its stake in Indra by 10%, up to a total of 28%. According to the statement filed with the Stock Exchange Commission, SEPI said that this step confirms the Government's support to all of Indra's businesses, as well as to its corporate governance.**

This report may contain certain forward-looking statements, expectations and forecasts about the Company at the time of its elaboration. These expectations and forecasts are not in themselves guarantees of future performance as they are subject to risks, uncertainties and other important factors that could result in final results differing from those contained in these statements. This should be taken into account by all individuals or institutions to whom this report is addressed and that might have to take decisions or form or transmit opinions relating to securities issued by the Company and in particular, by the analysts and investors who consult this document.

Madrid, February 23rd, 2022 – Cristina Ruiz and Ignacio Mataix, Chief Executive Officers of Indra: “2021 results were excellent and can be considered historic, as we achieved record highs in Indra's history in backlog, revenues and free cash flow, all in a pandemic environment that has not yet been overcome. During 2021, we have upgraded our guidance twice, and we have finally beaten them by a wide gap.

Indra's commercial momentum continues to be very positive. We reached a record backlog of more than €5.45 billion, and we face 2022 with strong demand for all our businesses, supported by the expected economic recovery in the main geographies where we operate.

Both Transport & Defence and Minsait revenues reached all-time highs in 2021, growing at double-digit rates compared to the previous year, while operating profitability is already well above pre-crisis levels. Finally, net profit exceeds the €140 million threshold and is already almost 20% higher than in 2019, before the crisis.

For its part, cash generation achieved an all-time high of €289 million, reducing net debt, both in absolute terms and as a multiple of EBITDA, to levels not seen in more than 10 years, making it easy to return to the dividend payment.

Finally, we would like to highlight once again Indra's excellent performance in the ESG field, which places us as one of the most internationally recognised companies in our sector in environmental, social and corporate

governance matters. Among other awards, this year Indra achieved the best overall score in the Software & Services industry in the Dow Jones Sustainability Index (DJSI) World and has been rated by S&P for the second consecutive year as "Gold Class" with the best score among companies in the IT services sector. We have also become one of the "leading" companies against Climate Change according to the CDP (Carbon Disclosure Project) Index, which recognises Indra as one of the most transparent companies and with the best environmental practices.

These solid results put in value the company's efforts to place sustainability at the core of our strategy, to contribute meeting the sustainable development challenges of the 2030 Agenda through technology and to facilitate the transition to a low-carbon economy".

Main Figures 2021 vs 2020

Main Figures	2021 (€m)	2020 (€m)	Variation (%) Reported / Local currency	4Q21 (€m)	4Q20 (€m)	Variation (%) Reported / Local currency
Net Order Intake	3,714	3,858	(3.7) / (2.7)	1,125	1,028	9.5 / 9.3
Revenues	3,390	3,043	11.4 / 12.7	1,028	890	15.4 / 15.4
Backlog	5,459	5,229	4.4 / 5.2	96	80	21.2 / (6.5)
EBITDA	349	77	351.0 / 357.4	92	(2)	(3998.7) / (4028.3)
EBITDA Margin %	10.3%	2.5%	7.8 pp	8.9%	(0.3%)	9.2 pp
Operating Margin	284	168	69.5	83	80	3.6
Operating Margin %	8.4%	5.5%	2.9 pp	8.1%	9.0%	(0.9) pp
EBIT	256	(33)	(877.1) / (890.4)	67	(24)	(383.2) / (386.5)
EBIT margin %	7.5%	(1.1%)	8.6 pp	6.6%	(2.7%)	9.3 pp
Net Profit	143	(65)	NA	29	(34)	NA
Net Debt Position	240	481	(50.1)	240	481	(50.1)
Free Cash Flow	289	83	NA	284	158	NA
Basic EPS (€)	0.814	(0.370)	NA	NA	NA	NA

Transport and Defence (T&D)	2021 (€m)	2020 (€m)	Variation (%) Reported / Local currency	4Q21 (€m)	4Q20 (€m)	Variation (%) Reported / Local currency
Revenues	1,257	1,120	12.3 / 12.4	431	378	13.9 / 13.5
EBITDA	181	94	92.7 / 92.9	61	16	282.1 / 281.7
EBITDA Margin %	14.4%	8.4%	6.0 pp	14.1%	4.2%	9.9 pp
Operating Margin	150	99	52.3	53	42	26.0
Operating Margin %	12.0%	8.8%	3.2 pp	12.2%	11.0%	1.2 pp
EBIT	147	55	167.9 / 168.3	52	12	317.9 / 317.7
EBIT margin %	11.7%	4.9%	6.8 pp	12.0%	3.3%	8.7 pp

Minsait	2021 (€m)	2020 (€m)	Variation (%) Reported / Local currency	4Q21 (€m)	4Q20 (€m)	Variation (%) Reported / Local currency
Revenues	2,133	1,924	10.9 / 13.0	597	512	16.6 / 16.9
EBITDA	168	(17)	(1117.4) / (1146.5)	31	(18)	(269.9) / (274.1)
EBITDA Margin %	7.9%	(0.9%)	8.8 pp	5.2%	(3.6%)	8.8 pp
Operating Margin	134	69	94.3	30	38	(20.9)
Operating Margin %	6.3%	3.6%	2.7 pp	5.1%	7.5%	(2.4) pp
EBIT	108	(88)	NA	16	(36)	(143.4) / (145.7)
EBIT margin %	5.1%	(4.6%)	9.7 pp	2.6%	(7.1%)	9.7 pp

Indra acquired SmartPaper on December 31st, 2020. SmartPaper balance sheet and cash flow statement are consolidated in 2020 numbers, while the income statement started to consolidate from January 1st, 2021. SmartPaper sales stood at €36m in 2021, same figure as in 2020. Indra also acquired six other companies in the year with an immaterial contribution to 2021 results.

Indra sold its facilities at 4, Mar Egeo Street in San Fernando de Henares to XDATA Properties in 4Q21. This transaction generated capital gains of €17m and resulted in a cash inflow of €40m in 2021.

Indra launched a new Real Estate Action Plan during 4Q21 (mainly focused on Minsait) in addition to the transformation plan announced in 2020, having provisioned €7m in 4Q21, with estimated run-rate savings of €11.5m from 2023 onwards.

Main Figures 2021 vs 2019

Main Figures	2021 (€m)	2019 (€m)	Variation (%) Reported / Local currency	4Q21 (€m)	4Q19 (€m)	Variation (%) Reported / Local currency
Net Order Intake	3,714	3,686	0.8	1,125	1,054	6.8
Revenues	3,390	3,204	5.8 / 11.0	1,028	916	12.1 / 16.4
Backlog	5,459	4,511	21.0	96	4,511	(97.9)
EBITDA	349	346	0.8	92	123	(25.6)
EBITDA Margin %	10.3%	10.8%	(0.5) pp	8.9%	13.5%	(4.6) pp
Operating Margin	284	257	10.5	83	95	(12.7)
Operating Margin %	8.4%	8.0%	0.4 pp	8.1%	10.4%	(2.3) pp
EBIT	256	221	15.6	67	94	(28.6)
EBIT margin %	7.5%	6.9%	0.6 pp	6.6%	10.3%	(3.7) pp
Net Profit	143	121	18.1	29	57	(49.3)
Net Debt Position	240	552	(56.4)	240	552	(56.4)
Free Cash Flow	289	8	3,753.3	284	246	15.6
Basic EPS (€)	0.814	0.688	18.3	NA	NA	NA

Transport and Defence (T&D)	2021 (€m)	2019 (€m)	Variation (%) Reported / Local currency	4Q21 (€m)	4Q19 (€m)	Variation (%) Reported / Local currency
Revenues	1,257	1,189	5.8 / 7.4	431	374	15.0 / 16.2
EBITDA	181	184	(1.7)	61	70	(13.6)
EBITDA Margin %	14.4%	15.5%	(1.1) pp	14.1%	18.8%	(4.7) pp
Operating Margin	150	160	(5.9)	53	64	(17.6)
Operating Margin %	12.0%	13.4%	(1.4) pp	12.2%	17.0%	(4.8) pp
EBIT	147	145	1.5	52	64	(19.1)
EBIT margin %	11.7%	12.2%	(0.5) pp	12.0%	17.0%	(5.0) pp

Minsait	2021 (€m)	2019 (€m)	Variation (%) Reported / Local currency	4Q21 (€m)	4Q19 (€m)	Variation (%) Reported / Local currency
Revenues	2,133	2,015	5.9 / 13.2	597	542	10.1 / 16.6
EBITDA	168	162	3.6	31	53	(41.6)
EBITDA Margin %	7.9%	8.0%	(0.1) pp	5.2%	9.8%	(4.6) pp
Operating Margin	134	97	37.4	30	31	(2.7)
Operating Margin %	6.3%	4.8%	1.5 pp	5.1%	5.8%	(0.7) pp
EBIT	108	76	42.8	16	30	(48.4)
EBIT margin %	5.1%	3.8%	1.3 pp	2.6%	5.6%	(3.0) pp

Backlog stood at €5,459m in 2021, implying +4% growth in reported terms (+5% in local currency) vs 2020. Transport & Defence backlog amounted to €3.9bn and increased by +6% both in reported and local currency terms in 2021 vs 2020, standing out Defence & Security, which amounted to €2.4bn. For its part, Minsait backlog went up +1% in 2021 in reported terms (+3% in local currency) and totaled €1.6bn. Backlog/Revenues LTM ratio stood at 1.61x vs 1.72x in 2020.

Order intake in 2021 registered -3% decrease in local currency (-4% in reported terms):

- Order intake in the Transport & Defence division in 2021 decreased by -15% in local currency, due to the strong order intake recorded in 2020 in Defence & Security (-23% in local currency in 2021 vs 2020), mainly in Spain (F110 Frigates, 8x8 Vehicle, NH90 Helicopter and update of the Chinook Simulator), Europe (MK1 Radar of the Eurofighter project) and AMEA (Tunisia, South Korea, among others). For its part, order intake in 2021 remained stable compared to 2020 in Transport & Traffic.
- Order intake in the Minsait division in 2021 increased + 8% in local currency (+6% in reported terms), backed by the growth showed in all its verticals (Energy & Industry: +22%; Public Administrations & Healthcare: +7%; Financial Services: +6%) except for Telecom & Media (-13%, dragged by the renewal of certain relevant multi-year contracts that took place in 2020). It is worth highlighting the double-digit growth

registered in Energy & Industry, bolstered by Europe (thanks to the positive performance of the Italian subsidiary in Energy and the inorganic contribution of SmartPaper) and Spain (mainly in the Industry segment).

2021 revenues grew +13% in local currency (+11% in reported terms) vs 2020 and +11% in local currency (+6% in reported terms) vs 2019, before the pandemic. 4Q21 revenues went up +15% both in local currency and in reported terms vs 4Q20:

- 2021 revenues in the T&D division increased by +12% both in local currency and in reported terms, pushed by the growth registered in Defence & Security (+22% in local currency), derived from higher activity in AMEA (Azerbaijan and Saudi Arabia), Spain (Lanza 3D Radars, F110 Frigates, 8x8 Vehicle, NH90 Helicopter and the Chinook Helicopter) and Europe (Eurofighter/FCAS). For its part, Transport & Traffic sales went up +4% in local currency, showing both Air Traffic and Transport same growth. Revenues in 4Q21 grew +13% in local currency vs 4Q20, driven by Defence & Security (+34% in local currency).
- 2021 revenues in the Minsait division increased by +13% in local currency (+11% in reported terms), standing out Public Administration & Healthcare (+28% in local currency, due to the higher activity with the Spanish Administrations, the Italian subsidiary and the Election business) and Energy & Industry (+13% in local currency, backed by the inorganic contribution of SmartPaper, higher activity in Italy and Brazil, as well as the recovery of the Industry segment in Spain). For its part, Financial Services grew +7% in local currency and Telecom & Media went up +5% in local currency. Revenues in 4Q21 up +17% in local currency, showing all the verticals strong growth: Energy & Industry (+29% in local currency), Public Administrations & Healthcare (+16% in local currency), Telecom & Media (+12% in local currency) and Financial Services (+9% in local currency).

FX impact contributed negatively with €-41m in 2021, mainly dragged by the Latin-American currencies (Brazilian real, Argentinean peso and Peruvian soles). There was not FX impact in 4Q21.

Organic revenues in 2021 increased +11% (excluding the inorganic contribution of SmartPaper and the FX impact). By divisions, Minsait posted +11% organic growth and Transport & Defence recorded +12% organic growth in 2021. Organic sales in 4Q21 increased by +14% vs 4Q20, registering both Minsait (+15%) and Transport & Defence (+13%) sales growth.

Digital revenues reached €581m (27% of Minsait sales) in 2021, which implies +15% increase vs 2020. Digital sales in 4Q21 recorded +17% growth vs 4Q20.

2021 reported EBITDA stood at €349m (€339m excluding the capital gain of €17m from the sale of San Fernando de Henares' facilities and €-7m from the provision of the Real Estate Plan) vs €77m in 2020 (€231m excluding the impact of the action plan provisions and the capital gain of Metrocall) and vs €346m in 2019. 4Q21 reported EBITDA stood at €92m (€99m excluding the provision of the Real Estate Plan) vs €-2m in 4Q20 (€92m excluding the impact of the action plan provisions) and vs €123m in 4Q19.

Operating Margin amounted to €284m in 2021 vs €168m in 2020 and vs €257m in 2019 (equivalent to 8.4% operating margin in 2021 vs 5.5% in 2020 and vs 8.0% in 2019), mainly due to the improvement in profitability in both divisions, as well as by the lower amortization vs last year same period. Operating margin in 4Q21 amounted to €83m vs €80m in 4Q20 and vs €95m in 4Q19 (equivalent to 8.1% margin in 4Q21 vs 9.0% in 4Q20 and vs 10.4% in 4Q19). This lower profitability in 4Q21 was explained by the higher annual variable remuneration linked to the achievement of the targets, the increase in the total workforce (linked to the higher activity in both divisions), and some salary inflation, as well as an occasional lower contribution from Eurofighter:

- 2021 Operating Margin in the T&D division reached €150m vs €99m in 2020 and vs €160m in 2019, equivalent to 12.0% margin vs 8.8% last year same period and vs 13.4% in 2019. The profitability stood close to pre-pandemic levels thanks to the sales growth and the action plan efficiency measures, although it continues to be affected by the Covid impact, as well as by some delays in the supply chain. Operating margin in 4Q21 amounted to €53m vs €42m in 4Q20 and vs €64m in 4Q19 (equivalent to 12.2% margin in 4Q21 vs 11.0% in 4Q20 and vs 17.0% in 4Q19).

- 2021 Operating Margin in Minsait stood at €134m vs €69m in 2020 and vs €97m in 2019, equivalent to 6.3% operating margin in 2021 vs 3.6% in 2020 and vs 4.8% in 2019. This increase is explained by the higher level of sales, the efficiency measures and savings derived from the action plan, turning into an improvement of margins in all the verticals. Operating margin in 4Q21 amounted to €30m vs €38m in 4Q20 and vs €31m in 4Q19 (equivalent to 5.1% operating margin in 4Q21 vs 7.5% in 4Q20 and vs 5.8% in 4Q19).

Total workforce restructuring costs which are not part of the action plan amounted to €-17m in 2021 vs €-33m in 2020.

FX impact on EBIT was €-4m in 2021.

2021 reported EBIT was €256m (€246m excluding the capital gain of €17m from the sale of San Fernando de Henares' facilities and €-7m from the provision of the Real Estate Plan) vs €-33m in 2020 (€120m excluding the impact of the action plan provisions and the capital gain of Metrocall) and vs €221m in 2019, equivalent to 7.5% EBIT margin in 2021 (7.2% excluding the capital gain from the sale of San Fernando de Henares' facilities and the provision of the Real Estate Plan) vs -1.1% in 2020 (4.0% excluding the impact of the action plan provisions and the capital gain of Metrocall) and vs 6.9% in 2019, before the pandemic.

- EBIT margin in the T&D division before the capital gain from the sale of San Fernando de Henares' facilities and the provision of the Real Estate Plan stood at 11.2% in 2021 vs 7.3% in 2020 (excluding the impact of the action plan provisions and the capital gain of Metrocall) and vs 12.2% in 2019.
- EBIT margin in Minsait before the capital gain from the sale of San Fernando de Henares' facilities and the provision of the Real Estate Plan stood at 4.9% in 2021 vs 2.0% in 2020 (excluding the impact of the action plan provisions) and vs 3.8% in 2019.

EBIT in 4Q21 reached €67m (€74m excluding the provision of the Real Estate Plan) vs €-24m in 4Q20 (€70m excluding the impact of the action plan provisions) and vs €94m in 4Q19, equivalent to 6.6% EBIT margin in 4Q21 (7.2% excluding the provision of the Real Estate Plan) vs -2.7% in 4Q20 (7.9% excluding the impact of the action plan provisions) and vs 10.3% in 4Q19.

- 4Q21 EBIT margin in the T&D division excluding the provision of the Real Estate Plan stood at 12.1% vs 9.4% in 4Q20 (excluding the impact of the action plan provisions) and vs 17.0% in 4Q19, which had an occasional higher contribution from Eurofighter.
- 4Q21 EBIT margin in Minsait excluding the provision of the Real Estate Plan stood at 3.7% vs 6.8% in 4Q20 and vs 5.6% in 4Q19, due to the worse operating margin level already explained (mainly due to the higher annual variable remuneration linked to the achievements of the targets).

Net profit of the group stood at €143m vs €-65m in 2020.

2021 Free Cash Flow was €289m (€307m excluding the cash outflows of the workforce transformation plans carried out in 2015 which amounted to €-24m and in 2020 which amounted to €-34m, as well as the cash inflow of €+40m from the sale of San Fernando de Henares' facilities) vs €83m last year same period (€121m excluding the cash out of €-38m of the 2020 workforce transformation plan). This cash generation figure includes around €100m of delayed projects collections from the T&D division, as well as prepayments from specific projects.

Net Debt declined to €240m in December 2021 vs €503m in September 2021 and vs €481m in December 2020. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16, the capital gain from the sale of San Fernando de Henares' facilities and the provision of the Real Estate Plan) stood at 0.8x in December 2021 vs 1.7x in September 2021 and vs 2.5x in December 2020.

Outlook 2022

Revenues in constant currency: > €3,550m.

EBIT reported: > €270m.

Free Cash Flow reported: > €170m.

Human Resources

At the end of December 2021, total workforce amounted to 52,084 professionals implying an increase of +6.2% vs December 2020 (3,057 additional employees). This increase was concentrated in America (2,046 more employees) and in Spain (938 more employees). In the quarter, final headcount at the end of December 2021 increased by +1.5% compared to September 2021 (774 more employees). The average headcount in 2021 increased by +3.9% vs 2020.

Final Workforce	2021	%	2020	%	Variation (%) vs 2020
Spain	28,414	55	27,476	56	3.4
America	18,140	35	16,094	33	12.7
Europe	3,522	7	3,380	7	4.2
Asia, Middle East & Africa	2,008	4	2,077	4	(3.3)
Total	52,084	100	49,027	100	6.2

Average Workforce	2021	%	2020	%	Variation (%) vs 2020
Spain	27,835	55	28,281	58	(1.6)
America	17,232	34	15,921	33	8.2
Europe	3,431	7	2,336	5	46.8
Asia, Middle East & Africa	2,041	4	2,121	4	(3.8)
Total	50,539	100	48,659	100	3.9

*Note: 2020 workforce includes SmartPaper employees (1,047 employees as of 31/12/2020)

Other events over the period

At its meeting of October 26th, The Board of Directors has resolved to reinstate the payment of the dividend and to submit for approval by the next Ordinary General Shareholders' Meeting the distribution of a dividend in cash of €0.15 per share, payable in July 2022.

On November 15th Indra was awarded as the world's most sustainable company in the technology sector, according to the Dow Jones Sustainability Index. The company has become a world leader in sustainability in the Software and Services technology and is the only company in the sector that has managed to remain in the DJSI World for 16 consecutive years.

On November 29th Minsait Payments signed binding agreement to acquire Chilean firm Nexus and consolidates its operating model and its positioning in the payments sector in Latin America. Together with the acquisition, the company signed service provision agreements with the selling banks to guarantee the continuity of the services over the coming years. Minsait Payments consolidates its position as one of the leading payment method firms with a presence in Latin America, with the capacity to provide services to companies in any sector.

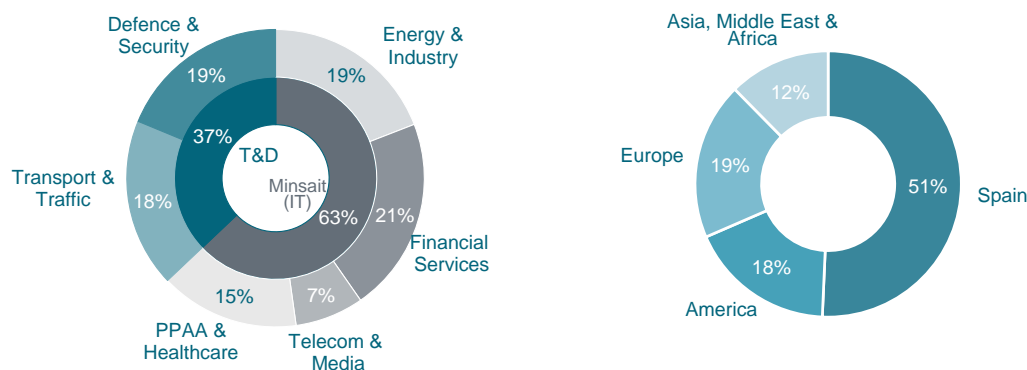
Events following the close of the period

On January 17th of 2022 Minsait Payments announced the acquisition of the Ecuadorian company Credimatic to enhance its leadership of payment methods in Latin America. Credimatic's value proposition is clearly aligned in industrial terms with the activity of Minsait Payments, focusing on the integrated management of payment methods.

On January 20th Indra renewed its Top Employers Institute certificate, which includes Indra and Minsait among the companies providing the best working environment, achieving the highest ratings in terms of the workplace, ethics and values and making considerable progress in several aspects of its attractiveness.

On January 26th Indra was included in the Bloomberg Gender Equality Index for the third consecutive year thanks to its commitment to equality, diversity, women's advancement and transparency in its gender-related information.

Revenues by divisions and regions:



Analysis by Division

Transport & Defence (T&D)

T&D	2021	2020	Variation (%)		4Q21	4Q20	Variation (%)	
	(€m)	(€m)	Reported	Local currency	(€m)	(€m)	Reported	Local currency
Net Order Intake	1,529	1,800	(15.1)	(15.0)	559	626	(10.6)	(11.0)
Revenues	1,257	1,120	12.3	12.4	431	378	13.9	13.5
- Defence & Security	636	521	22.1	22.0	227	169	34.2	34.1
- Transport & Traffic	621	599	3.7	4.0	203	209	(2.6)	(3.3)
- Transport	332	323	2.9	4.1	104	121	(14.3)	(14.3)
- Air Traffic	289	276	4.7	3.8	99	87	13.6	12.0
Book-to-bill	1.22	1.61	(24.3)		1.30	1.65	(21.5)	
Backlog / Revs LTM	3.07	3.25	(5.5)					

Transport & Defence revenues in 2021 went up +12% in local currency, pushed by the growth registered both in Defence & Security (+22% in local currency) and Transport & Traffic (+4% in local currency).

Compared to 2019, before the pandemic, revenues have grown +7% in local currency in 2021.

Order intake in 2021 went down by -15% in local currency, dragged by the declines registered in Defence & Security (-23% in local currency). For its part, order intake in Transport & Traffic remained stable at 2020 levels. Backlog/Revenues LTM ratio stood at 3.07x vs 3.25x in 2020. Book-to-bill ratio was 1.22x vs 1.61x in 2020.

Minsait

Minsait	2021	2020	Variation (%)		4Q21	4Q20	Variation (%)	
	(€m)	(€m)	Reported	Local currency	(€m)	(€m)	Reported	Local currency
Net Order Intake	2,185	2,058	6.2	8.0	566	402	40.9	40.7
Revenues	2,133	1,924	10.9	13.0	597	512	16.6	16.9
- Energy & Industry	648	587	10.4	12.6	186	144	29.0	29.0
- Financial Services	719	680	5.8	7.2	189	174	8.8	8.7
- Telecom & Media	253	249	1.8	5.1	68	61	11.5	12.4
- PPAA & Healthcare	513	409	25.5	27.8	154	133	15.6	16.4
Book-to-bill	1.02	1.07	(4.3)		0.95	0.79	20.8	
Backlog / Revs LTM	0.75	0.83	(9.3)					

Minsait sales in 2021 grew by +13% in local currency, with all the verticals registering growth. It is worth mentioning the strong growth posted in Public Administrations & Healthcare (+28% in local currency) and Energy & Industry (+13% in local currency).

Compared to 2019, before the pandemic, 2021 revenues grew by +13% in local currency.

Excluding the inorganic contribution of SmartPaper (BPO Company based in Italy, acquired on December 31st, 2020) and the FX impact, Minsait sales in 2021 would have grown +11%.

2021 order intake in Minsait went up +8% in local currency vs 2020, with all the verticals showing growth (Energy & Industry: +22%; Public Administrations & Healthcare: +7%; Financial Services: +6%) except for Telecom & Media (-13%).

Backlog/Revenues LTM stood at 0.75x vs 0.83x in 2020. Book-to-bill ratio declined and stood at 1.02x vs 1.07x in 2020.

Digital sales amounted to €581m (which represents 27% of Minsait sales) in 2021, implying an increase of +15% vs 2020. In 4Q21, Digital revenues went up by +17% vs 4Q20.

Minsait	2021	2020	Variation (%)	4Q21	4Q20	Variation (%)
	(€m)	(€m)	Reported	(€m)	(€m)	Reported
Digital	581	506	14.9	168	144	16.8
Proprietary solutions	182	143	26.9	59	30	94.2
Implementation of third party solutions & Others	319	311	2.6	77	87	(11.5)
Technological and Process Outsourcing	1,058	973	8.8	294	254	15.9
Eliminations	(7)	(9)	N/A	(1)	(3)	N/A
Total	2,133	1,924	10.9	597	512	16.6

Analysis by Region

Revenues by Region	2021	2020	Variation (%)		4Q21	4Q20	Variation (%)	
	(€m)	(€m)	Reported	Local currency	(€m)	(€m)	Reported	Local currency
Spain	1,719	1,581	8.7	8.7	502	449	12.0	12.0
America	603	593	1.6	8.8	176	160	9.8	10.8
Europe	649	565	14.7	14.5	204	187	9.5	9.2
Asia, Middle East & Africa	420	303	38.3	38.1	145	95	53.0	51.8
Total	3,390	3,043	11.4	12.7	1,028	890	15.4	15.4

All geographies reported sales growth in 2021, highlighting the double-digit growth showed in AMEA (+38% in local currency; 12% of total sales) and Europe (+15% in local currency; 19% of total sales). For its part, Spain (+9%; 51% of total sales) and America (+9% in local currency; 18% of total sales) also showed solid growth.

APPENDICES:
CONSOLIDATED INCOME STATEMENT

	2021	2020	Variation		4Q21	4Q20	Variation	
	€m	€m	€m	%	€m	€m	€m	%
Revenue	3,390.4	3,043.4	347.0	11.4	1,027.5	890.2	137.3	15.4
In-house work on non-current assets and other income	55.6	69.5	(13.9)	(20.0)	21.8	14.9	6.9	46.8
Materials used and other supplies and other operating expenses	(1,237.4)	(1,107.8)	(129.6)	11.7	(441.9)	(390.1)	(51.8)	13.3
Staff Costs	(1,872.5)	(1,877.9)	5.4	(0.3)	(504.5)	(514.7)	10.2	(2.0)
Other gains or losses on non-current assets and other results	12.9	(49.9)	62.8	NA	(11.2)	(2.5)	(8.7)	338.0
Gross Operating Result (EBITDA)	349.1	77.4	271.7	351.0	91.8	(2.4)	94.2	NA
Depreciation and amortisation charge	(93.5)	(110.3)	16.8	(15.2)	(24.5)	(21.4)	(3.1)	14.4
Operating Result (EBIT)	255.5	(32.9)	288.4	NA	67.3	(23.8)	91.1	NA
EBIT Margin	7.5%	(1.1%)	8.6 pp	NA	6.6%	(2.7%)	9.3 pp	NA
Financial Loss	(44.6)	(41.1)	(3.5)	8.5	(15.1)	(10.3)	(4.8)	46.5
Result of companies accounted for using the equity method	0.5	1.6	(1.1)	(65.6)	0.5	0.2	0.3	112.5
Profit (Loss) before tax	211.4	(72.4)	283.8	NA	52.7	(33.8)	86.5	NA
Income tax	(65.4)	14.9	(80.3)	NA	(23.2)	0.6	(23.8)	NA
Profit (Loss) for the year	146.0	(57.5)	203.5	NA	29.5	(33.3)	62.8	NA
Profit (Loss) attributable to non-controlling interests	(2.7)	(7.7)	5.0	(65.4)	(0.7)	(0.9)	0.2	(18.2)
Profit (Loss) attributable to the Parent	143.4	(65.2)	208.6	NA	28.8	(34.2)	63.0	NA

Earnings per Share (according to IFRS)	2021	2020	Variation (%)
Basic EPS (€)	0.814	(0.370)	NA
Diluted EPS (€)	0.754	(0.325)	NA

	2021	2020
Total number of shares	176,654,402	176,654,402
Weighted treasury stock	518,659	421,506
Total shares considered	176,135,743	176,232,896
Total diluted shares considered	193,159,819	193,322,239
Treasury stock in the end of the period	499,888	546,555

Figures not audited

Basic EPS is calculated by dividing net profit by the average number of outstanding shares during the period less the average treasury shares of the period.

Diluted EPS is calculated by dividing net profit (adjusted by the impact of the €250m convertible bond issued in October 2016 with a conversion price of €14.629, as well as the redemption of €4.1m of this amount on October 7th of 2021 following the exercise of the put option by bondholders), by the average number of outstanding shares during the period less the average treasury shares of the period and adding the theoretical new shares to be issued once assuming full conversion of the bonds.

The average number of shares used in the calculation of the EPS and dilutive EPS for treasury shares, total number of shares and theoretical shares to be issued related to the convertible bonds, are calculated using daily balances.

CONSOLIDATED BALANCE SHEET

	2021 €m	2020 €m	Variation €m
Property, plant and equipment	78.1	96.2	(18.1)
Property investments	1.1	1.2	(0.1)
Assets for the right of use	98.8	119.5	(20.7)
Goodwill	921.4	889.5	31.9
Other Intangible assets	274.0	278.9	(4.9)
Investments using the equity method and other non-current financial assets	222.8	260.0	(37.2)
Deferred tax assets	182.5	199.1	(16.6)
Total non-current assets	1,778.6	1,844.4	(65.8)
Assets held for sale	9.8	9.6	0.2
Operating current assets	1,367.2	1,292.0	75.2
Other current assets	144.6	132.2	12.4
Cash and cash equivalents	1,235.0	1,184.9	50.1
Total current assets	2,756.5	2,618.6	137.9
TOTAL ASSETS	4,535.1	4,462.9	72.2
Share Capital and Reserves	825.0	668.5	156.5
Treasury shares	(4.9)	(3.8)	(1.1)
Equity attributable to parent company	820.2	664.8	155.4
Non-controlling interests	21.0	19.1	1.9
TOTAL EQUITY	841.1	683.9	157.2
Provisions for contingencies and charges	67.9	65.9	2.0
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	1,436.0	1,372.8	63.2
Other non-current financial liabilities	386.4	224.5	161.9
Subsidies	27.4	28.3	(0.9)
Other non-current liabilities	0.4	0.7	(0.3)
Deferred tax liabilities	2.2	1.5	0.7
Total Non-current liabilities	1,920.4	1,693.8	226.6
Liabilities classified as held for sale	0.0	0.0	0.0
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	39.4	293.4	(254.0)
Other current financial liabilities	54.6	75.0	(20.4)
Operating current liabilities	1,329.1	1,365.4	(36.3)
Other current liabilities	350.5	351.5	(1.0)
Total Current liabilities	1,773.6	2,085.2	(311.6)
TOTAL EQUITY AND LIABILITIES	4,535.1	4,462.9	72.2
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(39.4)	(293.4)	254.0
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(1,436.0)	(1,372.8)	(63.2)
Gross financial debt	(1,475.5)	(1,666.2)	190.7
Cash and cash equivalents	1,235.0	1,184.9	50.1
Net Debt	(240.4)	(481.4)	241.0
Working Capital	2021 €m	2020 €m	Variation €m
Inventories	366.8	411.4	(44.6)
Accounts Receivable	1,000.4	880.5	119.9
Operating current assets	1,367.2	1,292.0	75.2
Prepayments from clients	787.9	809.0	(21.1)
Accounts Payable	541.2	556.4	(15.2)
Operating current liabilities	1,329.1	1,365.4	(36.3)
Working Capital	38.1	(73.4)	NA

Figures not audited

CONSOLIDATED CASH FLOW STATEMENT

	2021	2020	Variation	4Q21	4Q20	Variation
	€m	€m	€m	€m	€m	€m
Profit Before Tax	211.4	(72.4)	283.8	52.7	(33.8)	86.5
Adjusted for:						
- Depreciation and amortization charge	93.5	110.3	(16.8)	24.5	21.4	3.1
- Provisions, capital grants and others	(15.6)	111.8	(127.4)	15.7	58.5	(42.8)
- Result of companies accounted for using the equity method	(0.5)	(1.6)	1.1	(0.5)	(0.2)	(0.3)
- Financial loss	44.6	41.1	3.5	15.1	10.3	4.8
Dividends received	1.9	2.2	(0.3)	0.8	1.5	(0.7)
Profit (Loss) from operations before changes in working capital	335.3	191.3	144.0	108.3	57.6	50.7
Changes in trade receivables and other items	19.5	186.3	(166.8)	181.5	92.3	89.2
Changes in inventories	78.9	(28.2)	107.1	101.0	77.1	23.9
Changes in trade payables and other items	(43.1)	(115.3)	72.2	(77.8)	(38.6)	(39.2)
Cash flows from operating activities	55.3	42.7	12.6	204.7	130.8	73.9
Tangible (net)	25.9	(19.3)	45.2	12.9	(0.7)	13.6
Intangible (net)	(14.4)	(20.0)	5.6	(2.3)	8.8	(11.1)
Capex	11.5	(39.2)	50.7	10.6	8.2	2.4
Interest paid and received	(33.5)	(36.6)	3.1	(6.0)	(12.1)	6.1
Other financial liabilities variation ⁽¹⁾	(33.7)	(36.9)	3.2	(8.9)	(9.8)	0.9
Income tax paid	(46.0)	(38.1)	(7.9)	(24.5)	(16.9)	(7.6)
Free Cash Flow	289.0	83.1	205.9	284.1	157.7	126.4
Changes in other financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments/divestments	(41.4)	10.5	(51.9)	(21.9)	(11.9)	(10.0)
Dividends paid by companies to non-controlling shareholders	(1.2)	(5.5)	4.3	(0.0)	(5.4)	5.4
Dividends of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders contributions	0.0	0.0	0.0	0.0	0.0	0.0
Changes in treasury shares	(4.8)	(2.3)	(2.5)	(0.0)	0.1	(0.1)
Cash-flow provided/(used) in the period	241.5	85.8	155.7	262.2	140.6	121.6
Initial Net Debt	(481.4)					
Cash-flow provided/(used) in the period	241.5					
Foreign exchange differences and variation with no impact in cash	(0.5)					
Final Net Debt	(240.4)					
Cash & cash equivalents at the beginning of the period	1,184.9	854.5	330.4			
Foreign exchange differences	1.5	(13.6)	15.1			
Increase (decrease) in borrowings	(192.8)	258.1	(450.9)			
Net change in cash and cash equivalents	241.5	85.8	155.7			
Ending balance of cash and cash equivalents	1,235.0	1,184.9	50.1			
Long term and current borrowings	(1,475.5)	(1,666.2)	190.7			
Final Net Debt	(240.4)	(481.4)	241.0			

Figures not audited

(1) The IFRS 16 effect is included in "other financial liabilities variation"

ALTERNATIVE PERFORMANCE MEASURES (APMS)

Due to the application of the Alternative Performance Measures (APM) published by the European Securities and Markets Authority (EMSA), Management of the Group considers that certain APMs provides useful financial information that should be considered to evaluate the performance of the Group by users. Additionally, Management uses these APMs for making financial, operating and strategic decisions, as well as to evaluate the Group performance. It should be noted that the amounts of the APMs have not been subject to any type of audit or review by the auditors of the Company.

Organic Revenues

Definition/Conciliation: Revenues adjusted by foreign exchange impact and perimeter changes of consolidation (acquisitions and divestments). Foreign exchange impact is adjusted by calculating the revenues with the average forex of the previous period. Perimeter changes are adjusted taken into account the acquisitions as if they had been consolidated in the previous period.

Explanation: Metric that reflects the revenue growth excluding the impacts coming from the perimeter changes (acquisitions and divestments) and the foreign exchange.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Operating Result (EBIT):

Definition/Conciliation: It is defined in the consolidated income statement.

Explanation: Metric that the Group uses to define its operating profitability and widely used by investors when evaluating businesses.

Likewise, the Group uses it as an indicator of the performance of the EBIT margin, which is the result of the ratio between EBIT and the amount of sales for the same period. This indicator is explained as the operating profit of the Group for each euro of sales.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Operating Margin

Definition/Conciliation: Represents the Operating Result (EBIT) plus staff reorganization costs, impairments, integration and acquisition costs, amortization of intangible assets from acquisitions, equity based compensation and possible fines.

Explanation: Metric that the Group uses to define its operating profitability before certain extraordinary costs and widely used by investors when evaluating Information Technology businesses.

Likewise, the Group uses it as an indicator of the performance of the Operating Margin (%) that is the result of the ratio between Operating Margin and the amount of sales for the same period.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Gross Operating Result (EBITDA):

Definition/Conciliation: It is calculated by adding the Depreciations and Amortizations to the "Operating Result (EBIT)" as indicated in the consolidated income statement

Explanation: Metric that the Group uses to define its operating profitability, and widely used by investors when evaluating businesses.

Likewise, the Group uses it as an indicator of the performance of the EBITDA margin, which is the result of the ratio between EBITDA and the amount of sales for the same period. This indicator is explained as the operating profit of the Group plus Depreciations and Amortizations for each euro of sales.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Net Financial Debt:

Definition/Conciliation: Represents Non-current Loans and Borrowings and Current Loans and Borrowings less Cash and Cash equivalents. Net Financial Debt is obtained by subtracting the balances corresponding to the headings of the Consolidated Balance Sheet, "Long and Current borrowings with Credit Institutions" and "Financial Liabilities for Issuance of Non-current and Other Marketable Securities", the amount of the heading "Cash and cash equivalents".

Explanation: Financial proxy that the Group uses to measure its leverage.

Likewise, the Group uses the ratio Net Financial Debt over EBITDA as an indicator of its leverage and repayment capacity of its financial debt. For that reason, the figure used to calculate the ratio for intermediate periods is made by taking into consideration the equivalent last twelve months EBITDA immediately preceding the calculation date of the ratio.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Free Cash Flow:

Definition/Conciliation: These are the funds generated by the Company excluding dividend payment, net financial investments/divestments and others, and the investment in treasury stock. It is calculated starting from "Profit Before Tax" as indicated in the consolidated statement of cash flows, adjusted for depreciation and amortization, deducting provisions, capital grants and others, result of companies accounted for using the equity method and financial loss, and adding dividend received, adding cash flow from operating activities, deducting capex, deducting interest paid and received, deducting other financial liabilities variation and deducting income tax paid. This figure could exclude the cash outflow due to some extraordinary impacts, including but not limited to (non-exhaustive): workforce adjustments, write offs, fines, project write-offs and others.

Explanation: It is the treasury made by the operations of the Group that is available to providers (shareholders and financial creditors) once the investment needs of the Group are already satisfied. It is an indicator used by investors when evaluating businesses.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Order Intake:

Definition/Conciliation: It is the amount of contracts won over a period of time. Order intake cannot be confused with revenues or the net amount of sales because the amount of a contract won in a specific period of time (and that computes as Order Intake in that period of time) can be executed over several years.

Explanation: Order intake is an indicator of the future performance of the Group because it is the amount of the contracts won over a period of time.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

"Book to bill" Ratio:

Definition/Conciliation: It is the amount of contracts won over a period of time, divided by the revenues in the last twelve months.

Explanation: is a financial indicator used to measure the amount of contracts won in relation to the revenues in the last twelve months.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Backlog:

Definition/Conciliation: It is the amount of accumulated order intake less revenues executed, plus/minus forex adjustments and the renegotiation of the contracts, among others. It is the pending revenues figure until the completion of the project to complete the order intake figure.

Explanation: Backlog is an indicator of the future performance of the Group because it is the amount of the contracts won still to be executed.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Backlog / Revenues in the Last Twelve Months

Definition/Conciliation: It is the amount of accumulated order intake less revenues executed, plus/minus forex adjustments and the renegotiation of the contracts, among others. It is the pending revenues figure until the completion of the project to complete the order intake figure, divided by the revenues in the last twelve months.

Explanation: is a financial indicator used to measure the amount of contracts won still to be executed in relation to the revenues in the last twelve months.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

GLOSSARY

AMEA: Asia, Middle East and Africa.

ATM: Air Traffic Management.

BPO: Business Process Outsourcing.

Book-to-Bill: Order intake/Revenues ratio.

CAPEX: Capital Expenditure.

DoS: Days of Sales.

EBITDA: Earnings Before Interests, Taxes, Depreciations and Amortizations.

EBIT: Earnings Before Interests and Taxes.

EPS: Earnings Per Share.

IT: Information Technology

L/T: Long Term.

LTM: Last Twelve Months.

S/T: Short Term.