

INDRA AND BAIN CAPITAL REACH AN AGREEMENT FOR THE PURCHASE OF A 9.5% STAKE IN ITP AERO WITH THE AIM OF STRENGTHENING THE AEROSPACE AND DEFENCE SECTOR IN SPAIN

- Indra and the U.S. fund Bain Capital have agreed to acquire a 175-million-euro stake in ITP, a flagship global leader in the aeronautical engine market, enabling it to secure representation on its Board of Directors
- Likewise, Indra and ITP Aero have reached a framework agreement which sets the basis for a technological and strategical collaboration in order to enhance the company's value, leverage their synergies and promote the joint development of systems and technologies, including developments resulting from their cooperation in the FCAS, the future European air combat system
- With this transaction, Bain Capital boosts ITP Aero's growth and furthers its presence in international markets and, together with the stake acquired by the Basque government's Instituto Vasco de Finanzas (Basque Finance Institute), in November 2022, gives shape to the consortium of Spanish industrial companies and institutions envisaged in the Spanish Ministry Council's agreement authorizing the acquisition of ITP Aero by Bain Capital in August
- Furthermore, Indra will take a new step in its growth strategy and reinforce its position as a major driving force of the Defence and Security industry in Spain, with a key role as the coordinator of most Spanish and European programs

Madrid, August 4 2023.- Indra and the U.S. Bain Capital fund have agreed to acquire a 9.5 percent stake—valued at 175 million euros—in ITP Aero, a global leader in the aeronautical and industrial engine market.

Likewise, Indra and ITP Aero have reached a framework agreement which sets the basis for a technological and strategical collaboration in order to enhance the company's value, leverage their synergies and promote the joint development of systems and technologies, including developments resulting from their cooperation in the FCAS, the future European air combat system, of which Indra is the national industrial leader.

As a result of this acquisition, Indra will enjoy the rights that are customary for a minority shareholding of this size, including representation on the Board of Directors.

“Indra’s stake in ITP Aero’s capital has a clear industrial vocation and constitutes a further step in its growth strategy to become the great driving force of the Spanish defence industry in order to guarantee our country’s strategic autonomy and technological sovereignty. This operation will also give both Indra and ITP Aero greater strength, broaden their technological capabilities and expand their opportunities to compete with large companies in the aerospace and defence markets,” highlighted Indra’s chairman, Marc Murtra.

Meanwhile, Indra’s CEO, José Vicente de los Mozos, emphasized that ***“this operation will reinforce our position as a prime contractor in the Defence and Security sector, with a key role as the coordinator of many of the Spanish and European defence programs. We shall continue to foster collaboration and cooperation with other companies, as we’ve already done with ITP Aero, Navantia and TecnoBit, so as to build a strong industrial ecosystem that can take on a relevant role corresponding to our country in Europe and on a global scale.”***

Ivano Sessa of Bain Capital said, ***“We welcome Indra as a shareholder of ITP Aero. Since our acquisition, ITP Aero has had a successful journey of growth and internationalization and we believe this event marks an important strategic milestone for ITP Aero. We believe that Indra's support, together with the***

Basque Finance Institute, will further strengthen ITP Aero's position as a leading player in the global A&D landscape."

For Carlos Arzola, Managing Director of ITP Aero, "***with the incorporation of Indra as a shareholder and the technological collaboration framework agreement, ITP Aero continues its growth path, driven by the recovery of civil aviation—air transport has almost completely recovered from the consequences of the Covid-19 pandemic and airlines are announcing large orders to increase and renew their fleets—as well as the strong demand in the defence business. This agreement increases synergies between the two companies, which help our continued growth and investment in capabilities across the A&D value chain.***"

The operation is expected to be completed in the next few weeks. The incorporations of Indra and the Basque Finance Institute fulfill the obligations with the Spanish and Basque governments in terms of governance, location in the Basque Country and maintenance of employment, strengthening their industrial, technological and R&D capabilities.

Prior collaboration

Indra already partners with ITP Aero in the FCAS program, which is developing the future European air combat system. Indra is the national industrial leader of the FCAS program, in which it also internationally leads the sensor pillar and jointly leads the two transversal pillars, in addition to leading the combat cloud pillar in Spain. As for ITP Aero, it leads the NGF Engine at a national level. Likewise, the two companies were recently awarded a contract valued at 40 million euros to provide a comprehensive engineering and support service for the aircraft weapons systems of the Air and Space Force.

About ITP Aero

ITP Aero is one of the world's leading aeronautical engine component manufacturers, present in more than half of the world's twin-aisle aircraft. ITP Aero is headquartered in Zamudio, Bizkaia, and has more than 4,700 employees in Spain, the United Kingdom, Mexico, Malta and India. Since Bain Capital signed the purchase of ITP Aero in 2021, the company has experienced significant growth due to strong demand in the civil and defence markets. In 2023, ITP Aero will experience a 30% growth in production and the incorporation of more than 900 new employees, reactivating investments in Spain, with the R&D center in Zamudio, with an investment of more than 20 million euros and 120 highly specialized positions and more than 10 million euros in PCB production capacities in Barakaldo and Sestao.

ITP Aero is leading the growth with major US and OEM customers with investments in excess of 100 million euros over the next 5 years. National leader of the FCAS engine pillar, it was awarded Phase 1B of its share in 2022. In terms of R&D, ITP Aero allocated €60M in 2022 (Spanish company with the highest aeronautical investment - EU Rating), participates in the CDTI's (Center for Technological Development and Innovation) 2022 Aeronautical Technology Plan (PTA) with two projects for the decarbonization of future engines. It has public funding for projects in Europe (Clean Aviation, EDF) and the Basque Country (Hazitek).

About Indra

[Indra](http://www.indracompany.com) (www.indracompany.com) is one of the leading global technology and consulting companies, and a world leader in technological engineering for the aerospace, defence and mobility markets and digital transformation and information technologies in Spain and Latin America through its subsidiary, Minsait. Its business model is based on a comprehensive range of proprietary products, with an end-to-end, high-value approach and a significant innovative component, making it the technological partner for the digitization and key operations of its clients around the world. Sustainability forms part of its strategy and culture in order to overcome current-day and future social and environmental challenges. In the 2022 fiscal year, Indra achieved revenue totaling €3.851 billion, with almost 57,000 employees, a local presence in 46 countries and business operations in over 140 countries.

Communication Contact

Toñi García Carballal
magcarballal@indra.es
+34 648 102 948

Susana Herrero
susana.herrero@itpaero.com

+34 610 260 992