

Annual Report of the Auditing and Compliance Committee on the Independence of the external Auditor

March 2022

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

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1 Introduction

The Auditing and Compliance Committee (the "**Committee**") of Indra Sistemas, S.A. ("**Indra**" or the "**Company**") is tasked with, among other duties, evaluating the progress and results of the work of external auditors, taking into account, in particular, those issues that would may jeopardize their independence and any other issues related to the process of producing the audit of financial statements, and, where applicable, the authorization of fees for services other than the audit of annual accounts prior to their engagement.

In that regard, Article 18, section 6.2 of the Regulations of the Board of Directors ("**Board Rules**") sets out all the functions, not otherwise expressly provided for by applicable law, which are delegated to the Committee regarding the external auditor. In particular, that Article requires that the Committee ensure that the Company and the external auditor comply with existing rules on auditor independence.

In accordance with Article 529 quaterdecies, section 4 e) of the *Ley de Sociedades de Capital* ("**Spanish Corporations Act**" or "**SCA**") and the rules governing auditing of financial statements, the Committee shall receive from the external auditors an annual declaration of its independence regarding the Company or entities directly or indirectly linked to it as well as detailed and individualized information regarding additional services of any kind provided, as well as fees charged by the external auditor or by persons or entities linked to it as consideration for the performance of those services. In addition, the Committee ensures that the revenue from business relationships between the external auditor and the Company does not compromise its independence.

Pursuant to Article 529 quaterdecies, section 4 f) of the SCA, prior to the issuance of the audit report for each fiscal year, the Committee must issue an annual report expressing an opinion on whether the independence of the Company's external auditors or audit firms is compromised. This report shall in all cases detail additional audit services provided.

To this end, the Committee drafts this annual report on the independence of the external auditor (the "**Report**"), which describes the Committee's analysis and verification of the above aspects and renders the Committee's opinion on the independence of external auditors Deloitte, S.L. ("**Deloitte**").

2 Analysis of the Independence of the External Auditor

In 2016 Deloitte was appointed as external auditor of the Company's individual and consolidated annual financial statements and management report for an initial period of three years. After the end of that initial period, its appointment was renewed as auditors of the Group's financial statements for another three-year period. As a result, the 2021 financial year represents Deloitte's sixth year as external auditor for the Company.

The next Ordinary General Shareholders' Meeting of the Company will vote on the re-election of Deloitte as the Company's external auditor (individual and consolidated financial statements and management report) for fiscal years 2022, 2023 and 2024.

Deloitte partner, Ana Sánchez Palacios, will sign the audit report of the financial statements corresponding to the 2021 fiscal year, being her first year as principal external auditor in accordance with Article 40.2 of the *Ley de Auditoría de Cuentas* ("**Financial Statements Auditing Act**").

For its part, the Committee has received from the external auditors written confirmation of their independence from Indra and its consolidated group, as well as a detailed explanation of all services of any kind in addition to and distinct from the audit of financial statements provided to the Indra Group by Deloitte or by the persons or entities linked to that auditing company, in accordance with the regulatory provisions regarding financial statements audit activity.

In the letters of confirmation of independence sent dated 29th March, the auditor stated that:

"The audit team and Deloitte, S.L., along with support personnel which fall under its provisions, have complied with applicable independence requirements in accordance with the provisions of Law 22/2015, of 20 July on Audit of Financial statements, its regulatory development, as well as Regulation (EU) No. 537/2014, of 16 April."

The Committee also acknowledged the provisions of those letters confirming the auditor's independence regarding the procedures which the auditor has in place to ensure its independence:

"We have designed and implemented internal policies and procedures to provide reasonable security for maintaining our independence. These procedures include those aimed at identifying and evaluating threats that may arise from circumstances related to audited entities, including those which may give rise to incompatibility and, where appropriate, application of necessary safeguard measures, [which can be found in the Deloitte Transparency Report available at www.deloitte.es]. As regards the present audit and the period covered by the financial statements and until the issuance of this letter, no circumstances have been identified which, individually or as a whole, would pose a significant threat to our independence and therefore require the application of safeguard measures or which would give rise to incompatibility."

Finally, with respect to the fees paid to the external audit firm, all items have been verified by internal Company records and it has been confirmed that in no case do they represent a relevant percentage of the total revenue of the auditor during the last fiscal year. The total fees paid by Indra to Deloitte and its global network in 2021 account for 0.005% of the auditor's revenue worldwide. For its part, the fees paid to Deloitte España during the 2021 financial year represent 0.14% of its gross revenue.

3 Fees for Services other than Auditing Services

The Committee has implemented a procedure for the review and, where appropriate, authorisation of services other than auditing services. To this end, it has discussed at several meetings the proposals for such services and confirmed in each case that they were reviewed by

the Internal Auditing Department, that the amount was not material, and the Committee has received confirmation from Deloitte of the absence of independence problems.

The following is the amount of fees paid in 2021 for services other than auditing services and their relationship to the total fees of the external auditor:

	Company	Group Companies	Total
Fees for work other than audit work (thousands of euros)	131	13	144
Fees for work other than audit work / fees for audit work ⁽ⁱ⁾ (in %)	19.00	1.00	6.00

⁽ⁱ⁾ Fees for audit work includes fees for audits of the Group's financial statements and limited review of the semi-annual consolidated financial statements.

Details of fees for services other than audit services provided by the external auditor in its independence confirmation letter are as follows:

Other Verification Services

Number of Engagements	Description	Fees in Thousands of Euros
1	Auditor's report on the information relating to the internal control over financial reporting system	66
2	Other reports on agreed upon procedures not related to Ecoembes, covenants or subsidies	3
1	Verification report (ISAE 3000) on the Declaration (IKOP-B) regarding Indra Navia's SESAR-funded projects	6
1	Verification report regarding tax certification required by local regulations in Norway	3
1	Verification report ISAE 3410 ¹	9
1	Report required under International Standard on Related Services 4410	1
1	ISAE 3402 report on the controls implemented by Indra in the IT platform used by WiZink Bank, S.A.U. ²	-
Total		88

¹ Services provided by the Auditing firm Deloitte, S.L.

² The fees for these services have been charged to Wizink Bank.

Tax Services

Number of Engagements	Description	Fees in Thousands of Euros
1	Tax services to the Indra Sistemas branch, related to tax returns, tax audits by tax authorities, transfer pricing and general tax assistance.	33
Total		33

Other Services

Number of Engagements	Description	Fees in Thousands of Euros
1	Service related to Corporate Social Responsibility risks.	23
Total		23

Furthermore, in accordance with Article 529 *quaterdecies* of the SCA, a breakdown of the referenced services is attached as an annex with an explanation of the foundations for assessment of each of them by the Committee.

4 Conclusion

It is clear from the information provided by the external auditors on the policies, procedures and tools used by the team carrying out the Company audit, as well as from the Committee's verification of the items contained in this Report, that Deloitte possesses the independence necessary to act as external auditor of Indra Sistemas, S.A. and its consolidated group.

In witness thereof, the Audit and Compliance Committee, with the favourable vote of all its members, issued this Report at its meeting held 24th March, 2022.

Annex

Other Verification Services

	Description	Group Company Engaging the Service	Fees in Thousands of Euros	Foundation for Assessment
Auditor's report on the information relating to the internal control over financial reporting system	Auditor's report under ISAE 3000 regulations on information regarding the system for internal control of financial reporting (ICFR)	Indra Sistemas, S.A.	66	The <i>Comisión Nacional de Mercados de Valores</i> ("Spanish Securities Exchange Commission") recommends that listed companies request from their external auditor a report on ICFR information that forms part of the Annual Corporate Governance Report.
Other reports on agreed upon procedures not related to Ecoembes, covenants or subsidies	Agreed procedures on the financial report related to "Reliable reception of GNSS signals", Contract No. NAV 02.16.1.	Indra Navia, S.A.	1.5	The agency overseeing the execution of the SESAR project requires the company's auditor to review the project's financial information.
	Agreed procedures on the financial report related to "Preliminary project for the development of satellite-based ATC and UAV landing", Contract No. NAV 01.19.1.	Indra Navia, S.A.	1.5	The agency overseeing the execution of the SESAR project requires the company's auditor to review the project's financial information.
Verification report (ISAE 3000) on the Declaration (IKOP-B) regarding Indra Navia's SESAR-funded projects	Verification report (ISAE 3000) on the Declaration (IKOP-B) regarding Indra Navia's SESAR-funded projects	Indra Navia, S.A.	6	The agency overseeing the execution of this project in Norway requires the company's auditor to review the project's financial information.
Verification report regarding tax certification required by local regulations in Norway	Certification of the company's tax return ("Næringsoppgave"); salary and pension form, and other tax return attachments requiring auditor certification	Indra Navia, S.A.	3	The Tax Assessment Act requires the company's auditor to sign the tax return and the form for salary and pension expenses.

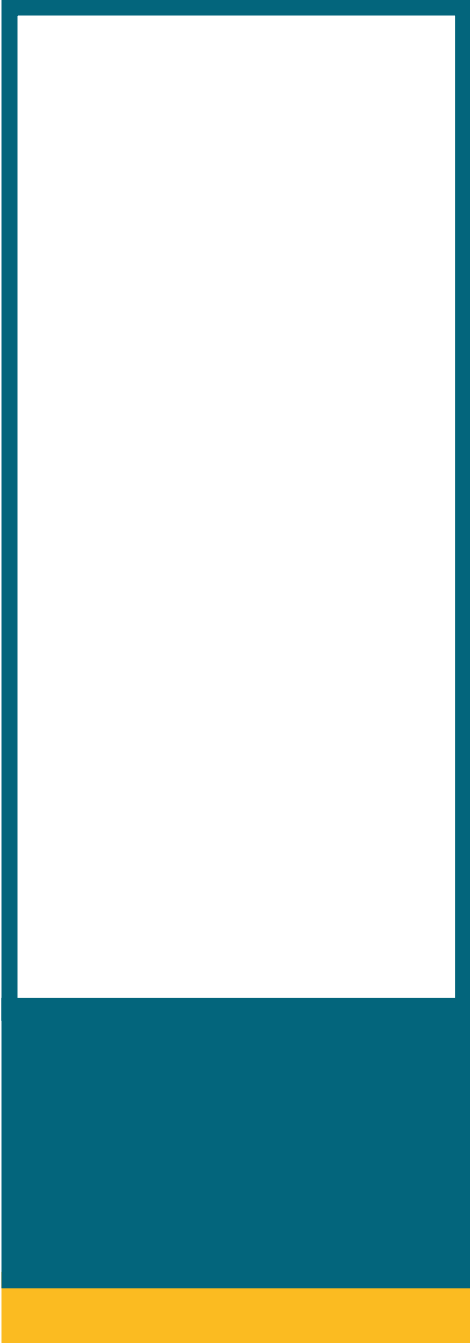
Verification report ISAE 3410	Verification of greenhouse gas inventory	Indra Sistemas, S.A.	9	As Company's auditor, Deloitte has a thorough general understanding of the Group, which facilitates, simplifies and favors the provision of this type of service. This certification service of Carbon Footprint data according to ISO 14064 generates significant synergies with the verification of Carbon Footprint data performed for the 2020.
Report required under International Standard on Related Services 4410	Compilation of special purpose financial statements of Soluciones y Servicios Indracompany Uruguay, S.A. for the year ended December 31, 2020 prepared in accordance with the appropriate accounting standards in Uruguay and presentation standards established by the Internal Audit Office of the Nation	Soluciones y Servicios Indracompany Uruguay, S.A.	1	In this service a third party specifically required the performance of the company's auditor.
ISAE 3402 report on the controls implemented by Indra in the IT platform used by WiZink Bank, S.A.U.	ISAE 3402 report on the controls implemented by Indra in the IT platform used by WiZink Bank, S.A.U.	-	-	Deloitte has been selected by WiZink to perform the independent review service of the general computer controls established in the organizations that provide service to WiZink (Service Organizations). Specifically, in the case of Indra, the review is performed on the IT platform that Indra uses to provide service to WiZink as a client. There is no type of threat or incompatibility with the Group Auditor since the independent review is carried out on systems used by WiZink, which are totally independent from Indra's own management systems.

Tax Services

	Description	Group Company Engaging the Service	Fees in Thousands of Euros	Foundation for Assessment
General tax advice services in India for the period 2020-2021	Tax services to the Indra Sistemas branch, related to tax returns, tax audits by tax authorities, transfer pricing and general tax assistance	Indra Sistemas, S.A.	33	Deloitte has worked since 2010 with Indra on the preparation of its tax returns and with tax audits as a non-resident entity in India, giving it a thorough understanding of tax issues affecting the Company as well as a historical knowledge that is difficult to replace.

Other Services

	Description	Group Company Engaging the Service	Fees in Thousands of Euros	Foundation for Assessment
Service related to Corporate Social Responsibility risks.	Advising on the preparation of the Social Action Plan 2021-2023	Indra Sistemas, S.A.	23	Deloitte has a high general understanding of the Group, and more specifically on aspects related to Corporate Social Responsibility, due to the fact that it has performed the verification of the company's CSR report since 2016. Its proposal is the one with the highest and most complete technical quality of those received, as well as the most adjusted.



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