



2023 General Shareholders' Meeting

Speech by the Chief Executive Officer
Mr. José Vicente de los Mozos Obispo

Good morning, Shareholders.

It is an honor for me to address all of you for the first time at this General Shareholders' Meeting of Indra.

I would like to begin my speech by thanking the Chairman and all members of the Board of Directors for their support in my appointment as Chief Executive Officer of Indra, whose ratification will be submitted to a vote today.

Then, I will proceed with my assessment of the state of the company after a complete immersion over the last six weeks. After which, I will share the challenges and priorities that we need to address in this new stage. Lastly, I will end my remarks by sharing the path I want to take in the coming weeks, if I am ratified.

Indra has strategic capabilities for the Spanish industrial and technological fabric, as well as unique assets and financial situation, so my perception of the future is optimistic:

- Indra operates in markets with clear long-term growth fundamentals and a very favorable industry situation, such as defense, air traffic management and mobility. Minsait also has digital capabilities that act as enablers or drivers of change in many of the global economy's value chains. I also believe that this company has some cross-cooperations and best practices that have not been properly exploited to date
- We are a knowledge-intensive company, where talent is key; however, we find ourselves in a situation of "fierce competition" among all industry players for recruiting and retaining highly qualified and specialized professionals. During my visits to the workplaces, I have been able to see our employees' tremendous passion; their skills; and the huge commitment they have shown over the years with their sheer dedication
- We have achieved excellent results in 2022, as the Chairman mentioned in his speech, and we continue on an even better path in 2023. Our historical portfolio closed last year with 1.6 times greater sales, which is reassuring us with a view to carrying out transformational changes in our company. Our 7.8% return was also excellent, being one of the best in the market in industries such as Aerospace and defense with 14.7%. Furthermore, our net debt has been reduced to €43 million, in other words, 0.1 times the Net Debt-to-EBITDA Ratio, allowing us to deal with possible inorganic growth actions

However, we have a number of challenges to address, partly as a result of a roadmap focused on investment prudence, which has impacted the company's growth. It is true that these measures were absolutely necessary, but a new stage is now beginning. Indra needs to become the "Spanish multinational benchmark in defense and technology", updating our strategy towards a company based on the excellence of our product, increasing its added value, and with profitable growth without forgetting our financial discipline:

- We need to grow to be able to compete in Europe with companies like Leonardo or Thales in the defense industry, which have a much larger scale and whose value chain control is substantially higher. We must grow by exercising our role as prime, as has happened with these companies in the industry reorganization processes in their home countries
- We also need to focus on segments with higher added value, evolving from a broad portfolio with legacy elements to a simpler and more streamlined one based on disruptive technologies beyond the digital world. A new portfolio with a dual vocation between civilian and military technologies, as well as cutting-edge and sustainable design processes and tools
- We need to improve our performance by investing in capabilities to ensure the delivery of our programs in terms of quality, cost, and time, as well as to adapt to a new competitive environment, where we must position ourselves at the same level as a benchmark company for our products
- Finally, we need to continue to develop excellence in the way we work, working together under the same objectives

For this, we must act on what I consider to be Indra's four priorities: the 4 T's, that is, traction, transformation, talent and technology

- We have the capabilities to drive the national defense and technology ecosystem as prime, from a country project perspective and by collaborating with the entire value chain. Spain has a remarkable technological and industrial fabric, but its capabilities are fragmented and sub-scale compared to Europe. Indra must lead its integration through different means (not only through acquisition, but also by seeking technological agreements with different companies), in order to subsequently take the significant step into the international environment. An international environment with Europe as a spearhead and the United States as an ambition to develop through recent acquisitions such as Selex US in ATM

- We must therefore transform our company model to respond to this new paradigm. Transformation that must come through two levers: adapting the company structure so that we can play this key role in the ecosystem; as well as simplifying and evolving our internal operations to respond more quickly to our customers in terms of quality, cost, and time. In short, being excellent and competitive in what we do
- Carrying out this transformation requires the best national and international talent in an industry where people are the main asset. We need to be able to both attract and retain the best employees and create a distinctive work environment that makes them feel proud of the company they work for
- Finally, we must invest more in technology in a sustainable, focused and customer-oriented way. We are a benchmark for some of our products, we have attracted a large part of the European Defense Funds, ... but it is not enough, technology is advancing faster and faster and recently we have not been able to keep up with the pace. We must define and execute a long-term roadmap, investing and capturing external capabilities that meet our customers' needs

We have already taken a number of short-term actions, such as my appointment as CEO of the FCAS program, as a result of the size and transformational effect that this program must have on the rest of the company. However, if my appointment is confirmed, I announce that a series of concrete actions will be carried out in the coming weeks:

- Launch a Management Committee structured around the businesses, with end-to-end responsibility for the income statement - where Minsait will preserve its management autonomy as a subsidiary - and support areas geared towards the company's medium term and long term future
- Draw up a new Strategic Plan 2024-26, with vision up to 2030, which should set out and align the company's new roadmap. We must make our revolution toward the future
- Commence the Indra 4.0 project with the objective of repositioning Indra as the benchmark digital company in all operational and business processes
- Share the company's planning for the coming months at the presentation of first-half results to analysts and investors
- Sign the first agreements with companies in the industry that will contribute to redefining the current outlook around this new country project

I would like to conclude my speech by sharing my high degree of motivation, determination and commitment to Indra's future, and to express my gratitude to lead this great company, should you approve my appointment.

Thank you very much.



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