



Annual Report of the Auditing and Compliance Committee on Auditor Independence

March 2023

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

Among other responsibilities, the Auditing and Compliance Committee (the “**Committee**”) of Indra Sistemas, S.A. (“**Indra**” or “**the Company**”) is responsible for assessing the performance and findings of the work carried out by the external auditors, paying particular attention to matters that could jeopardise their independence and any other aspects related to the audit process and, where applicable, for authorising the fees for services other than the audit of the annual accounts before the external auditor is engaged.

In this regard, Article 18, section 6.2 of the Board of Directors Regulations sets out all of the Committee's functions in connection with the external auditor that are not specified by Law. Specifically, that article lays down the Committee's obligation to ensure that the Company and the external auditor abide by prevailing legislation on auditor independence.

In any event, and in accordance with Article 529 quaterdecies, section 4 e) of the Spanish Companies Act (“**SCA**”) and with auditing legislation, the Committee must receive an annual statement from the external auditors of independence from the Company or entities directly or indirectly related to the latter, as well as detailed, itemised information on additional services of any kind provided and the corresponding fees received by the external auditor or by persons or entities related to the latter as consideration for the provision of such services. The Committee also checks that the revenues from the business relationships in which the external auditor and the Company collaborate do not compromise auditor independence.

The Committee must issue an annual report under Article 529 quaterdecies, section 4 f) of the SCA, prior to the issuance of the audit report on the annual accounts each year, expressing an opinion on whether the independence of the external auditors or audit firms has been compromised. This report must in any case express an opinion on the provision of non-audit services.

To this end, the Committee prepares this annual report on auditor independence (the “**Report**”) describing the Committee's analysis and verification of the above-mentioned aspects and issues an opinion on the independence of the external auditor, Deloitte, S.L. (“**Deloitte**”).

2 Analysis of external auditor independence

2.1. Duration of the audit mandate

The General Shareholders' Meeting held on 23 June 2022 approved the reappointment of Deloitte, S.L. as the auditor of the accounts of the Company and its consolidated group for the financial years ending 31 December 2022, 2023 and 2024, so that 2022 is Deloitte's seventh year as the Company's external auditor.

2.2. Gradual rotation of the audit partner

The Deloitte partner Ana Sánchez Palacios will sign the audit report on the 2022 annual accounts in her second year as the audit lead partner, in accordance with Article 40.2 of the Audit Act.

2.3. Annual confirmation of independence

The Committee has received from the external auditors written confirmation of their independence from Indra and its consolidated group, as well as a breakdown of services of all kinds, in addition to the audit of accounts, provided to the Indra Group by Deloitte or by persons or entities related to that audit firm, in compliance with audit legislation.

In the letters confirming independence sent on 28 March 2023, the auditor stated the following:

“The engagement team and Deloitte, S.L., including applicable extensions, have complied with the independence requirements applicable under Law 22 of 20 July 2015 on Auditing (Audit Act), related implementing regulations and Regulation (EU) no. 537 of 16 April 2014.”

The Committee also acknowledged the content of those letters confirming independence in relation to the procedures that the auditor has in place to guarantee independence:

“We have designed and implemented internal policies and procedures so as to provide reasonable assurance that our independence will be maintained. These include procedures to identify and assess any threats that may arise from circumstances related to entities audited, including those that may be causes for incompatibility and, if applicable, to apply the necessary safeguards [which may be consulted on www.deloitte.es]. In relation to our audit, and for the period covered by the financial statements up until the issuance of this letter, no circumstances have been identified that, individually or as a whole, could represent a significant threat to our independence and thus require the application of safeguards or could be causes for incompatibility.”

2.4. Auditor's fees for all items

The fees paid to the audit firm for all items have been compared with the Company's internal records and we have verified that they do not in any case represent a significant percentage of the audit firm's total revenues for the past year.

The fees paid by Indra to Deloitte and its global network in 2022 account for 0.004% of the auditor's worldwide revenue. The fees paid to Deloitte Spain in 2022 represent 0.15% of its gross revenue.

3 Fees for non-audit services

The Committee has a procedure in place to review and, if applicable, authorise non-audit services. To this end, proposals for services of this kind are analysed in the Committee meetings and confirmation is obtained, in each case, that the proposals have been reviewed by the Internal

Audit Department, that the amount is immaterial and that Deloitte has confirmed the absence of independence issues.

The amount of fees paid in 2022 for non-audit services and their relationship to the external auditor's total fees are as follows:

	Company	Group companies	Total
Amount invoiced for non-audit services (thousand euro)	167	17	184
Amount invoiced for non-audit work/Amount for audit work ⁽ⁱ⁾ (in %)	24.00	1.00	9.00

⁽ⁱ⁾ The cost of auditing work includes the fees paid for the accounts audits carried out by the Group and the limited reviews conducted on the half-yearly consolidated financial statements

Set out below is a breakdown of the fees for non-audit services provided by the external auditor in its letters confirming independence:

Other verification services

Number of engagements	Description	Fees (thousand euro)
1	Auditor's Report on information relating to Internal Control Over Financial Reporting ¹	62
1	Assurance report (ISAE 3000) on the Sustainability Report ¹	55
1	Assurance report (ISAE 3000) on the Declaration (IKOP-B) regarding Indra Navia AS's SESAR-funded projects	6
1	Other agreed-upon procedures reports unrelated to Ecoembes, covenants and grants	2
1	Agreed-upon procedures reports related to the review of accounts supporting grants	4
1	Assurance report on the tax certification required by Norwegian local legislation	3
1	Information required under International Standard on Related Services 4410	2
1	ISAE 3402 report on controls implemented by Indra in the IT platform used by WiZink Bank, S.A.U. ²	-
Total		134

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

² The fees for these services were charged to Wizink Bank, S.A.U.

Tax services

Number of engagements	Description	Fees (thousand euro)
1	Tax services provided to Indra Sistema's branch in India in relation to tax returns, tax inspections by the tax authorities, transfer pricing and general tax assistance	27
Total		27

Other services

Number of engagements	Description	Fees (thousand euro)
1	Service related to Corporate Social Responsibility risks	23
Total		23

In addition, pursuant to Article 529 quaterdecies of the SCA, a breakdown of the services of reference and reasoned opinions in each case is included as an appendix to this report.

4 Conclusion

On the basis of the information furnished by the external auditors on the policies, procedures and tools used by the team that audits the Company and the Committee's verification of the aspects set out in this report, Deloitte has the necessary independence to audit Indra and its consolidated group.

In witness whereof, the Auditing and Compliance Committee unanimously votes in favour of issuing this report in the meeting of 23 March 2023.

Appendix

Other verification services

	Description	Group company contracting the service	Fees (thousand euro)	Reasoned opinion
Auditor's Report on information relating to Internal Control Over Financial Reporting ¹	Auditor's report under ISAE 3000 standards on information relating to the Internal Control over Financial Reporting (ICFR) system	Indra Sistemas, S.A.	62	The Spanish National Securities Market Commission (CNMV) recommends listed companies to ask their external auditor to issue a report on ICFR-related information, which forms part of the Annual Corporate Governance Report
Assurance report (ISAE 3000) on the Sustainability Report ¹	Assurance report (ISAE 3000) on the Sustainability Report	Indra Sistemas, S.A.	55	Deloitte has a high level of general understanding of the Group and, more specifically, of aspects relating to Sustainability, as it has been verifying reports of this kind since 2016
Assurance report (ISAE 3000) on the Declaration (IKOP-B) regarding Indra Navia AS's SESAR-funded projects	Assurance report (ISAE 3000) on the Declaration (IKOP-B) regarding Indra Navia AS's SESAR-funded projects	Indra Navia, A.S.	6	The body overseeing the execution of the SESAR project requires the company's auditor to review the project's financial information
Other agreed-upon procedures reports unrelated to Ecoembes, covenants and grants	Agreed-upon procedures relating to R&D for the Norsk Romsenter project	Indra Navia, A.S.	2	The body overseeing the execution of the SESAR project requires the company's auditor to review the project's financial information
Agreed-upon procedures reports related to the review of accounts supporting grants	Agreed-upon procedures - R&D project	Indra Navia, A.S.	4	The body overseeing the execution of the SESAR project requires the company's auditor to review the project's financial information
Assurance report on the tax certification required by Norwegian local legislation	Certification of the tax return of the company "Næringsoppgave", the form reflecting salaries and pensions, and other documents attached to tax returns requiring auditor certification	Indra Navia, A.S.	3	The Tax Assessment Act requires the company's auditor to sign the tax return and the form reflecting salaries and pension expenditure

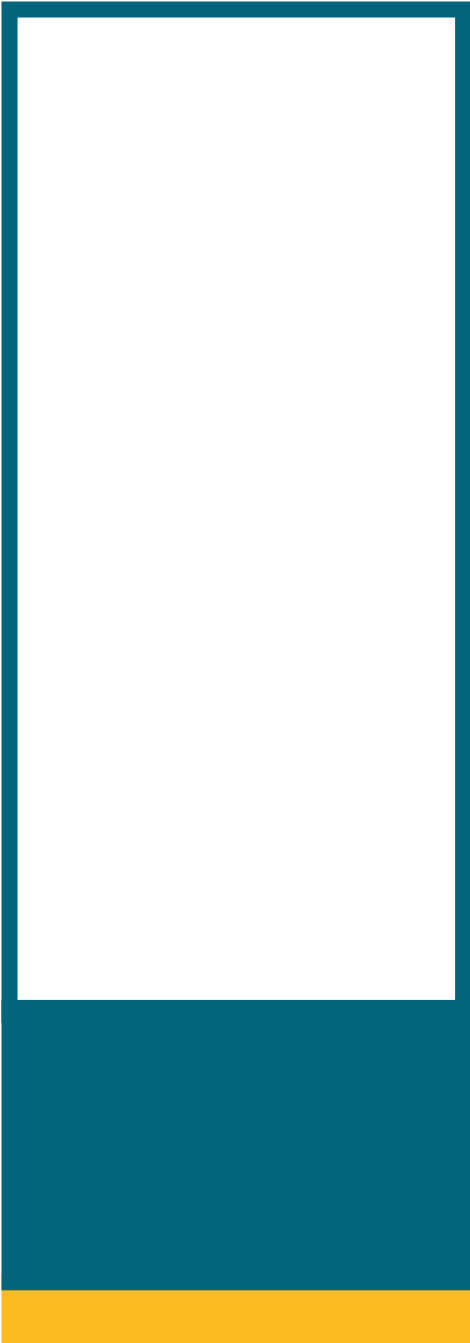
Information required under International Standard on Related Services 4410	Compilation of special-purpose financial statements of Soluciones y Servicios Indracompany Uruguay, S.A. for the financial year ended 31 December 2022, prepared under the appropriate accounting standards in Uruguay and the presentation standards established by the Internal Audit Office of the Nation	Soluciones y Servicios Indracompany Uruguay, S.A.	2	In this service, a third party would specifically require the involvement of the company's auditor
ISAE 3402 report on controls implemented by Indra in the IT platform used by WiZink Bank, S.A.U. ²	ISAE 3402 report on controls implemented by Indra in the IT platform used by WiZink Bank, S.A.U.	-	-	<p>Deloitte has been selected by WiZink to provide independent review services addressing the general IT controls in place in its service organisations. Specifically, in Indra's case, the review is performed on the IT platform used by Indra when providing services to WiZink as a customer</p> <p>There is no kind of threat to or incompatibility with the Group's auditor, since the independent review is carried out on systems used by WiZink, which are entirely separate from Indra's own management systems</p>

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Tax services provided to Indra Sistemas' branch in India in relation to tax returns, tax inspections by the tax authorities, transfer pricing and general tax assistance	Tax services provided to Indra Sistemas' branch in India in relation to tax returns, tax inspections by the tax authorities, transfer pricing and general tax assistance	Indra Sistemas, S.A.	27	Deloitte has been working with Indra since 2010 in relation to the preparation of the tax return as a non-resident entity in India and the resulting tax inspections, so it has a high level of understanding of the tax aspects affecting the Company and historical knowledge that is difficult to replace

Other services

	Description	Group company contracting the service	Fees (thousand euro)	Reasoned opinion
Service related to Corporate Social Responsibility risks	Advisory services during preparation of the Social Action Plan 2021-2023	Indra Sistemas, S.A.	23	Deloitte has a high level of general understanding of the Group and, more specifically, of aspects relating to Corporate Social Responsibility, as it has been verifying the Company's CSR report since 2016. Of those received, Deloitte's proposal shows the highest and most complete technical quality, and the lowest economic amount



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