Indra Sistemas, S.A. and Subsidiaries

Consolidated Annual Accounts for the year ended 31 December 2024 and Management Report, together with the Independent Auditor's Report.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (Notes 2 and 45). In the event of a discrepancy, the Spanish language version prevails.

indracompany.com

INDRA GROUP

Indra Sistemas, S.A. and Subsidiaries

Consolidated financial statements
for the year ended
31 December 2024 and
consolidated directors' report,
together with independent auditor's report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Indra Sistemas, S.A.,

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Indra Sistemas, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2024, and its consolidated results and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte Auditores, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Recognition of revenue by reference to stage of completion	
Description	**Procedures applied in the audit**
The Group recognises revenue by applying the percentage of completion method and percentage of completion method with reference to billed milestones to certain contracts. This revenue recognition method affects a highly significant amount of total consolidated revenue and requires Group management to make significant estimates relating mainly to the expected outcome of the contract, to the measurement of billed milestones, to the amount of costs to be incurred at the end of the construction work, to the measurement of work completed in the period and to the accounting for modifications to the initial contract, all of which impact the revenue recognised in the year. These judgements and estimates are made by the persons in charge of performing the contracts, are subsequently reviewed at the various levels of the organisation, and are submitted to controls designed to ensure the consistency and reasonableness of the criteria applied. Accordingly, the situation described was considered to be a key matter in our audit.	Our audit procedures included a combination of tests to verify the operating effectiveness of the controls that mitigate the risks identified in the process for recognising contract revenue by reference to the stage of completion, together with substantive procedures, such as a detailed, case-by-case analysis of the main contracts in order to evaluate the reasonableness of the estimates made by the Group in relation to total project costs and total project revenue, the remaining costs to complete the contracts, the measurement of billed milestones, contract risks and other parameters including, among others, the accounting treatment of the contract modifications approved by the customer. In this connection, for a representative sample of contracts, we checked that the revenue recognised by the Group was consistent with the terms and conditions of those contracts, verifying the price agreed on under those contracts, the reasonableness of the cost budgets considered, and whether the future milestones would be achieved on the basis of comparable historical information and inquiries made of the Group's technical personnel. In addition, we analysed the reasonableness of the percentage of completion reached at year-end, performing a review after the reporting period to verify the absence of any unexpected variances in costs or in the stage of completion of the contract, and of any modifications to the price initially agreed upon. We also reviewed the consistency of the estimates made by the Group in 2023 with the actual data for the contracts in 2024. Lastly, we checked that the disclosures included in Notes 4.v and 27 to the accompanying consolidated financial statements in connection with the recognition of revenue were in conformity with those required by the applicable accounting regulations.

Recovery of goodwill and other intangible assets	
Description	**Procedures applied in the audit**
The Group has recognised goodwill amounting to EUR 1,043 million and intangible assets amounting to EUR 250 million, as presented in the consolidated statement of financial position as at 31 December 2024 and as indicated in Notes 8 and 9 to the accompanying consolidated financial statements. The measurement of goodwill and other intangible assets requires management to make significant judgements, including the projection of cash flows from operating activities and the determination of appropriate discount rates and long-term growth rates, and, therefore, this matter was considered to be a key matter in our audit.	Our audit procedures to address this matter included, among others, tests to verify the operating effectiveness of the controls that mitigate the risks identified in the impairment analysis process. Also, we were assisted by internal valuation specialists in evaluating the reasonableness of the models and of the key assumptions used. We evaluated the reasonableness of the cash flow projections and the discount rates by comparing the assumptions with data obtained from internal and external sources, and performed a critical evaluation of the key inputs of the models used. Specifically, we compared the revenue growth rates with the latest approved strategic plans and budgets and checked that they were consistent with market information. We also evaluated the historical accuracy of management in its budgeting process and questioned the discount rates by measuring the cost of capital of the Group and comparable organisations, as well as the perpetuity growth rates, among other information. In addition, we checked that the Group's disclosures in relation to the impairment test met the requirements of EU-IFRSs, and that the disclosures relating to the sensitivity of the impairment test to changes in the key assumptions adequately reflected the risks inherent to the assumptions, all of which is described in Note 8 to the accompanying consolidated financial statements.

Other Information: Consolidated Directors’ Report

The other information comprises only the consolidated directors' report for 2024, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors’ report, in accordance with the audit regulations in force, consists of:

a) Solely checking that the consolidated non-financial information statement, certain information included in the Annual Corporate Governance Report and the Annual Directors' Remuneration Report, to which the Spanish Audit Law refers, have been furnished as provided for in the applicable legislation and, if this is not the case, reporting this fact.

b) Evaluating and reporting on whether the other information included in the consolidated directors’ report is consistent with the consolidated financial statements, based on the knowledge of the Group obtained in the audit of those consolidated financial statements, as well as evaluating and reporting on whether the content and presentation of this section of the consolidated directors’ report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we observed that the information described in section a) above had been furnished as provided for in the applicable legislation and that the other information in the consolidated directors’ report was consistent with that contained in the consolidated financial statements for 2024 and its content and presentation were in conformity with the applicable regulations.

Responsibilities of the Directors and Audit and Compliance Committee of the Parent for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with EU-IFRSs and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent’s audit and compliance committee is responsible for overseeing the process involved in the preparation and presentation of the consolidated financial statements.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix 1 to this auditor’s report. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

European Single Electronic Format

We have examined the digital files in European Single Electronic Format (ESEF) of Indra Sistemas, S.A. and subsidiaries for 2024, which comprise the XHTML file including the consolidated financial statements for 2020 and the XBRL files with the tagging performed by the entity, which will form part of the annual financial report.

The directors of Indra Sistemas, S.A. are responsible for presenting the annual financial report for 2024 in accordance with the format and markup requirements established in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (“ESEF Regulation”). In this regard, the Annual Corporate Governance Report and the Annual Directors’ Remuneration Report were included by reference in the consolidated directors’ report.

Our responsibility is to examine the digital files prepared by the Parent’s directors, in accordance with the audit regulations in force in Spain. Those regulations require that we plan and perform our audit procedures in order to ascertain whether the content of the consolidated financial statements included in the aforementioned digital files corresponds in full to that of the consolidated financial statements that we have audited, and whether those consolidated financial statements and the aforementioned files were formatted and marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond in full to the audited consolidated financial statements, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent’s Audit and Compliance Committee

The opinion expressed in this report is consistent with the content of our additional report to the Parent’s audit committee dated 26 February 2025.

Engagement Period

The Annual General Meeting held on 23 June 2022 appointed us as auditors of the Group for a period of three years from the year ended 31 December 2021.

Previously, we were designated pursuant to a resolution/resolutions of the General Meeting for the period of three years and have been auditing the financial statements uninterruptedly since the year ended 31 December 2015.

DELOITTE AUDITORES, S.L.
Registered in ROAC under no. S0692

Ana Sánchez Palacios
Registered in ROAC under no. 22221

26 February 2025

Originally signed in the Spanish version

Appendix 1 to our auditor’s report

Further to the information contained in our auditor’s report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent’s audit and compliance committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit and compliance committee with a statement that we have complied with relevant ethical requirements regarding independence, and we have communicated with it all matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards applied to eliminate or reduce the corresponding threat.

From the matters communicated with the Parent’s audit and compliance committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Indra Sistemas, S.A. and Subsidiaries

Consolidated Statement of Financial Position at 31 December 2024 and 2023

(Thousand euro)

Assets	Notes	2024	2023
Property, plant and equipment	6	118,765	99,143
Investment property		9,601	11,708
Right-of-use assets	7	125,861	119,025
Goodwill	8	1,043,490	996,374
Intangible assets other than goodwill	9	250,450	263,827
Investments accounted for using the equity method	11	14,678	16,898
Non-current asset derivatives	10, 12, 37	868	1,376
Non-current trade and other receivables	10, 16	42,014	31,805
Other non-current financial assets	10, 12	294,981	364,150
Non-current contract assets	14	132,988	106,191
Deferred tax assets	35	104,174	118,109
Non-current assets		**2,137,870**	**2,128,606**
Assets held for sale	13	213,696	108
Current inventories and contract assets	14	658,756	554,747
Trade and other receivables	10, 16	1,155,084	1,229,826
Current tax assets	35	65,588	75,764
Current asset derivatives	10, 12, 37	3,530	4,671
Other current financial assets	10, 12	90,419	60,548
Other current non-financial assets	15	75,595	72,579
Cash and cash equivalents	10, 17	555,147	595,741
Current assets		**2,817,814**	**2,593,985**
Assets		**4,955,684**	**4,722,590**

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (Notes 2 and 45). In the event of a discrepancy, the Spanish language version prevails.

Indra Sistemas, S.A. and Subsidiaries

Consolidated Statement of Financial Position at 31 December 2024 and 2023

(Thousand euro)

Equity and liabilities	Notes	2024	2023
Share capital	18	35,330	35,330
Share premium	18	523,754	523,754
Retained earnings	18	898,677	701,154
Treasury shares	18	(12,635)	(32,960)
Other own equity instruments	18	7,830	21,090
Cash flow hedges	18	(12,079)	(4,044)
Currency translation differences	18	(143,720)	(126,817)
Total equity attributable to the owners of the parent company		**1,297,157**	**1,117,507**
Non-controlling interests		17,550	18,461
Equity		**1,314,707**	**1,135,968**
Non-current provisions for employee remuneration	24	34,873	11,384
Other non-current provisions	24	52,652	60,540
Total non-current provisions		**87,525**	**71,924**
Non-current bank borrowings and debentures	10, 21	343,176	479,063
Non-current liability derivatives	10, 22, 37	4,002	1,217
Other non-current financial liabilities	10, 22	688,043	695,210
Grants	10, 23	54,147	43,391
Other non-current non-financial liabilities		1,370	1,286
Deferred tax liabilities	35	3,945	4,140
Non-current liabilities		**1,182,208**	**1,296,231**
Liabilities held for sale	13	83,699	2
Current provisions for employee remuneration	24	27,738	38,614
Other current provisions	24	102,715	89,105
Total current provisions		**130,453**	**127,719**
Current bank borrowings, debentures and other	10, 21	186,336	223,528
Current liability derivatives	10, 22, 37	14,176	8,303
Other current financial liabilities	10, 22	119,343	113,874
Sundry trade and other payables	10, 26	1,699,373	1,579,603
Current tax liabilities	35	21,896	38,352
Other current non-financial liabilities	25	203,493	199,010
Current liabilities		**2,458,769**	**2,290,391**
Liabilities		**3,640,977**	**3,586,622**
Equity and liabilities		**4,955,684**	**4,722,590**

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Indra Sistemas, S.A. and Subsidiaries

Consolidated Income Statement at 31 December 2024 and 2023

(Thousand euro)

Income statement	Note	2024	2023
Revenue	27	4,842,857	4,343,072
Other operating income	28	34,189	32,903
Changes in inventories	14	125,616	130,832
Own work capitalised	9	69,958	40,989
Raw materials and consumables	29	(1,169,275)	(1,032,710)
Staff costs	30	(2,610,943)	(2,403,416)
Other operating expenses	31	(725,463)	(645,150)
Changes in trade provision	31	(21,424)	(19,491)
Fixed asset depreciation	6, 7, 9	(106,950)	(99,070)
Other gains/(losses) on fixed assets	32	(309)	(965)
Profit/(loss) from operating activities		**438,256**	**346,994**
Financial income	10	36,158	32,617
Financial expenses	10	(82,683)	(73,110)
Change in fair value of financial instruments		-	311
Profit/(loss) from financing activities		**(46,525)**	**(40,182)**
Share of equity-accounted gain/(loss)	11	(5,470)	(3,220)
Profit/(loss) before tax		**386,261**	**303,592**
Tax income/(expense)		(105,981)	(94,896)
Profit/(loss) from continuing operations		**280,280**	**208,696**
Profit/(loss) for the year		**280,280**	**208,696**
Profit/(loss) attributable to the owners of the parent company	18	277,541	205,752
Profit/(loss) attributable to non-controlling interests	19	2,739	2,944
Basic earnings per share			
Basic earnings/(loss) per share from continuing activities	20	1.5799	1.1690
Basic earnings/(loss) per share from discontinued operations		-	-
Total basic earnings/(loss) per share		1.5799	1.1690
Diluted earnings per share			
Diluted earnings/(loss) per share from continuing activities	20	1.5799	1.1008
Diluted earnings/(loss) per share from discontinued operations		-	-
Total diluted earnings/(loss) per share		1.5799	1.1008

The notes to the accounts and appendices form an integral part of the Consolidated Annual Accounts

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (Notes 2 and 45). In the event of a discrepancy, the Spanish language version prevails.

Indra Sistemas, S.A. and Subsidiaries

Consolidated Statement of Comprehensive Income at 31 December 2024 and 2023

(Thousand euro)

	Note	2024	2023
Profit/(loss) for the year		280,280	208,696
Other comprehensive income			
Components of other comprehensive income that will be reclassified to profit or loss, before tax			
Currency translation differences			
Profit/(loss) from currency translation differences taken directly to equity	18	(16,662)	(12,577)
Other comprehensive income from currency translation differences, before tax		**(16,662)**	**(12,577)**
Cash flow hedges			
Cash flow hedges taken directly to equity	18	(11,701)	5,740
Cash flow hedges taken to the income statement	18	987	(2,090)
Other comprehensive income from cash flow hedges, before tax		**(10,713)**	**3,650**
Total other comprehensive income that will be reclassified to profit or loss, before tax		**(27,375)**	**(8,927)**
Total other comprehensive income, before tax		**(27,375)**	**(8,927)**
Income tax on components of other comprehensive income that will be reclassified to profit or loss			
Tax effect of cash flow hedges taken directly to equity		2,925	(1,435)
Tax effect of cash flow hedges taken to the income statement		(247)	522
Total other comprehensive income		**(24,697)**	**(9,840)**
Total comprehensive income		**255,583**	**198,856**
Comprehensive income attributable to			
Comprehensive income attributable to the owners of the parent company		252,603	196,447
Comprehensive income attributable to non-controlling interests		2,980	2,409

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Indra Sistemas, S.A. and Subsidiaries

Consolidated Statement of Changes in Equity for the years ended 31 December 2024 and 2023

(Thousand euro)

	Equity attributed to the owners of the parent company								Non-controlling interests	Total
						Other comprehensive income				
	Issued capital	Share premium	Treasury shares	Share-based payments	Retained earnings	Currency translation differences	Cash flow hedge	Subtotal		
Balance at 01.01.2023	**35,330**	**523,754**	**(5,342)**	**13,794**	**541,035**	**(114,775)**	**(6,781)**	**987,015**	**17,566**	**1,004,581**
Changes in equity										
Profit/(loss) for the year	-	-	-	-	205,752	-	-	205,752	2,944	208,696
Other comprehensive income						(12,042)	2,737	(9,305)	(535)	(9,840)
Total comprehensive income	**-**	**-**	**-**	**-**	**205,752**	**(12,042)**	**2,737**	**196,447**	**2,409**	**198,856**
Dividends recognised	-	-	-	-	(44,094)	-		(44,094)	(981)	(45,075)
Increase/(decrease) due to other changes	-	-	-	-	(2,807)	-	-	(2,807)	(533)	(3,340)
Increase/(decrease) in equity due to treasury share transactions (Note 18)	-	-	(27,618)	7,296	1,268	-	-	(19,054)	-	(19,054)
Total increase/(decrease) in equity	**-**	**-**	**(27,618)**	**7,296**	**160,119**	**(12,042)**	**2,737**	**130,492**	**895**	**131,387**
Balance at 31.12.2023	**35,330**	**523,754**	**(32,960)**	**21,090**	**701,154**	**(126,817)**	**(4,044)**	**1,117,507**	**18,461**	**1,135,968**
Balance at 01.01.2024	**35,330**	**523,754**	**(32,960)**	**21,090**	**701,154**	**(126,817)**	**(4,044)**	**1,117,507**	**18,461**	**1,135,968**
Changes in equity										
Profit/(loss) for the year	-	-	-	-	277,541	-	-	277,541	2,739	280,280
Other comprehensive income	-	-	-	-	-	(16,903)	(8,035)	(24,938)	241	(24,697)
Comprehensive income	**-**	**-**	**-**	**-**	**277,541**	**(16,903)**	**(8,035)**	**252,603**	**2,980**	**255,583**
Dividends recognised	-	-	-	-	(44,100)	-	-	(44,100)	(2,560)	(46,660)
Increase/(decrease) due to other changes	-	-	-	-	(46,232)	-	-	(46,232)	(1,331)	(47,563)
Increase/(decrease) in equity due to treasury share transactions (Note 18)	-	-	20,325	(13,260)	10,314	-	-	17,379	-	17,379
Total increase/(decrease) in equity	**-**	**-**	**20,325**	**(13,260)**	**197,523**	**(16,903)**	**(8,035)**	**179,650**	**(911)**	**178,739**
Balance at 31.12.2024	**35,330**	**523,754**	**(12,635)**	**7,830**	**898,677**	**(143,720)**	**(12,079)**	**1,297,157**	**17,550**	**1,314,707**

The notes to the accounts and appendices form an integral part of the Consolidated Annual Accounts

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (Notes 2 and 45). In the event of a discrepancy, the Spanish language version prevails.

Indra Sistemas, S.A. and Subsidiaries

Consolidated Cash Flow Statement at 31 December 2024 and 2023

(Thousand euro)

	Note	2024	2023
Cash flows generated from/(absorbed by) operating activities			
Profit/(loss) for the year		280,280	208,696
Income tax expense	35	105,981	94,896
Profit/(loss) before tax		**386,261**	**303,592**
Grants	23, 28	(25,444)	(22,745)
Provisions	16, 24	21,424	19,491
Other gains/(losses) on fixed assets	32	309	965
Depreciation and amortisation	6, 7, 9	106,950	99,070
Profit/(loss) in associates	11	5,470	3,220
Net financial income/(expense)	10	46,526	40,182
Dividends received	11, 12a	-	66
Operating profit before changes in working capital		**541,496**	**443,841**
Decrease/(increase) in inventories and contract assets		(125,854)	(116,406)
Decrease/(increase) in other trade receivables		121,305	53,947
Decrease/(increase) in other receivables from operating activities		(22,432)	(16,616)
Decrease/(increase) in other trade payables		78,859	26,055
Decrease/(increase) in other payables from operating activities		(57,324)	67,106
Change in working capital		**(5,446)**	**14,086**
Cash from operating activities		**536,050**	**457,927**
Corporate income tax paid		(85,155)	(78,406)
Net cash flows generated from/(absorbed by) operating activities		**450,895**	**379,521**

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Indra Sistemas, S.A. and Subsidiaries

Consolidated Cash Flow Statement at 31 December 2024 and 2023

(Thousand euro)

	Note	2024	2023
Cash flows generated from/(absorbed by) investing activities			
Other cash receipts from sales of debt or equity instruments of other entities		60,723	-
Other cash payments to acquire debt or equity instruments of other entities	5	(92,140)	(284,155)
Payments to acquire property, plant and equipment	6	(23,562)	(22,988)
Receipts on sale of property, plant and equipment		260	-
Payments to acquire intangible assets	9	(87,438)	(39,719)
Receipts of government grants	9, 23	41,364	47,186
Interest received		18,881	25,410
Net cash flows generated from/(absorbed by) investing activities		**(81,912)**	**(274,266)**
Cash flows generated from/(absorbed by) financing activities			
Acquisition of treasury shares	18	(150,124)	(125,031)
Sale of treasury shares	18	121,357	92,527
Repayment and redemption of debentures and other marketable securities	21	(150,000)	(245,000)
Repayment and redemption of bank borrowings	21	(35,805)	(40,052)
Dividends paid to non-controlling interests	19	(2,689)	(981)
Interest paid	10	(44,662)	(44,310)
Dividends paid to the parent company		(44,100)	(44,094)
Other flows from financing activities	7, 22	(27,699)	(32,693)
Net cash flows generated from/(absorbed by) financing activities		**(333,722)**	**(439,634)**
Net increase/(decrease) in cash and cash equivalents before the foreign exchange effect		35,262	(334,379)
Effective transfer to held for sale	13	(60,841)	-
Effect of foreign exchange fluctuations on cash and cash equivalents		(15,015)	(2,919)
Net increase/(decrease) in cash and cash equivalents		**(40,594)**	**(337,298)**
Cash and cash equivalents at beginning of the year	17	**595,741**	**933,039**
Cash and cash equivalents at end of year	17	**555,147**	**595,741**

The notes to the accounts and appendices form an integral part of the Consolidated Annual Accounts

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (Notes 2 and 45). In the event of a discrepancy, the Spanish language version prevails.

Indra Sistemas, S.A. and Subsidiaries

Notes to the Annual Accounts as at 31 December 2024

Contents

1. The Group's nature, composition and activities

The Group's parent company, Indra Sistemas, S.A. (the parent company) took its current name in the Extraordinary General Shareholders' Meeting held on 9 June 1993. Its registered office for mercantile and tax purposes is located at Avenida Bruselas 35, 28108 Alcobendas (Madrid), Spain.

The parent company's shares are listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges (Note 18) and are currently included in the selective IBEX 35 index.

The parent company's objects are the design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products that make use of information technologies, as well as any part or component thereof and any kind of services related thereto, including the civil works necessary for the installation thereof, in any field or industry; the provision of business consultancy and management, technology consultancy and training services in any field or industry, and the provision of business and process outsourcing services in any field or industry.

Appendix I, which forms an integral part of the Group's Consolidated Annual Accounts for the financial year ended 31 December 2024, indicates the companies forming part of the scope of consolidation, their address and activity, and the ownership interest held.

During the year ended 31 December 2024, the Group set up the following subsidiaries:

- On 18 March 2024, the parent company set up the company Indra Espacio, S.L.U. by demerging the space business. The demerged net assets amounted to €28,043 thousand. Issued capital totalled €845 thousand.
- On 30 July 2024, the parent company set up the company Indra Mobility, S.L.U., subscribing and paying up 100% of share capital in the amount of €3 thousand.
- On 30 August 2024, the parent company set up the company Orbitude, S.L.U., subscribing and paying up 100% of share capital in the amount of €3 thousand.
- On 22 December 2024, the parent company set up the company Indra Regional Headquarter Company in Saudi Arabia, subscribing and paying up 100% of share capital in the amount of €1,097 thousand (4,455 Saudi rials).

During the financial year ended 31 December 2024, the Group derecognised a number of companies, as summarised below:

- On 1 January 2024, the three Italian companies Softfobia, S.R.L., Unclick, S.R.L. and Riganera, S.R.L. merged into the company Indra Italia, S.P.A., with all assets and liabilities, rights and obligations having been transferred to Indra Italia, S.P.A.
- On 1 March 2024, the Italian companies Smartpaper, S.P.A. and Smartest, S.R.L. merged (effective 1 January 2024), all the latter company's assets and liabilities, rights and obligations having been transferred to Smartpaper, S.P.A.
- On 15 March 2024, the Spanish company Tagsonomy, S.L was sold for €100 thousand.
- In September 2024, the company Eurofighter Simulation Systems GMBH was wound up.

During the year ended 31 December 2024, the Group acquired the following subsidiaries (Note 5):

- On 5 February 2024, the parent company acquired 65% of the Spanish company Global Training Aviation, S.L. for €18,723 thousand, having previously owned a 35% holding, thereby taking control of its entire share capital. A liability of €500 thousand was also recognised, reflecting the deferred payment that the Group must make in the future.
- On 31 May 2024, the Group company Minsait Payment Systems, S.L.U. completed the acquisition of 100% of the company Compañía Uruguaya de Medios de Procesamiento, S.A. for €5,272 thousand, after signing the purchase agreement in the previous year and receiving approvals from the competent authorities in Uruguay.
- On 8 October 2024, the Group company Indra Soluciones Tecnologías de la Información, S.L.U. acquired 100% of the companies MQA Business Consultants, S.A. and MQA Américas Group, Inc. for an initial amount of €32,172 thousand. An additional liability of €5,785 thousand was recognised, reflecting the probable value that the Company estimates will be payable as an earn-out in the event that the company reaches the targets agreed in the sale and purchase agreement.

- On 29 October 2024, as part of the implementation of the Strategic Plan "Leading the Future", the Company reached an agreement with the other shareholders of TESS DEFENCE, S.A. ("TESS"), a Spanish company specialising in the design and manufacture of state-of-the-art military land vehicles, to increase Indra's ownership interest in TESS from the current 24.67% to 51.01%, for the amount of €106.7 million, leaving the remaining share capital distribution as follows: Santa Bárbara Sistemas, S.A.: 16.33%; Escribano Mechanical & Engineering, S.L.: 16.33% and SAPA Operaciones, S.L.: 16.33%.

  The agreement provides for an additional earn-out of a maximum of €30 million in the event that TESS generates sales and EBITDA in excess of the business plan estimates at the acquisition date.

  The transaction, completion of which is subject to the fulfilment of certain conditions precedent that are essentially regulatory in nature, will allow Indra to consolidate TESS under the full consolidation method. TESS will in turn only account for the revenue from the manufacture of phase 1 of the VCR 8x8 vehicle in its financial statements for the period 2025-2026, while TESS' own management margin as the main contractor will be considered for the other phases of the VCR 8x8 programme, as well as for the VAC and other future programmes.

  At the issuance date of these Consolidated Annual Accounts, the conditions stipulated in the sale and purchase agreement have not yet been met, so the business acquisition has not yet been completed.

- On 31 October 2024, the Group company Orbitude, S.L.U. acquired 100% of the Deimos Group for €19,000 thousand.

- On 4 November 2024, Indra's Board of Directors approved the purchase of 100% of the share capital of the leading company in air traffic and air defence simulators, "Micro Nav", and of the air traffic control training services company "Global ATS", which is a benchmark in the United Kingdom market. Thanks to this transaction Indra is well positioned to serve the growing demand from customers for this kind of air traffic control simulation and training solutions and services, having bolstered its foothold in the United Kingdom and also in the Middle East and Asia-Pacific. Completion of the acquisition is conditional on prior regulatory approval. At the issuance date of these Consolidated Annual Accounts, the conditions stipulated in the sale and purchase agreement have not yet been met, so the business acquisition has not yet been completed.

- On 29 November 2024, the parent company acquired 100% of the CLUE Group for €13,777 thousand. An additional discounted liability of €25,000 thousand was recognised, reflecting the probable value that Indra estimates will be payable as an earn-out in the event that the company reaches the targets agreed in the sale and purchase agreement, in addition to a sum of €1,000 thousand deposited in an escrow account.

- On 18 December, Indra and the EDGE Group formed a joint venture, "PULSE", to design and manufacture radars in Abu Dhabi. The agreement is aligned with Indra's Strategic Plan "Leading the Future" and with the EDGE Group's vision of expanding sovereign capabilities, driving innovation and producing high-tech solutions in the United Arab Emirates.

During the year ended 31 December 2023, the Group set up the following subsidiaries:

- On 22 February 2023, the Group company Minsait Payment Systems, S.L.U. set up the company Minsait Payment Systems Brasil, LTDA in Brazil, subscribing and paying up 100% of share capital in the amount of 10 thousand Brazilian reals (€2 thousand).

- On 8 March 2023, the Group company Minsait Payment Systems, S.L.U. set up the company Minsait Payment Systems Colombia, S.A.S. in Colombia, subscribing COP 963,600 thousand in share capital and paying up 50% of this share capital in the amount of €98 thousand.

- On 3 June 2023, the Group companies Indra III Soluções de Tecnologia da Informação Portugal and Minsait Payment Systems Portugal set up the company Indra Soluções de Tecnologia da Informação Angola, LDA. in Angola, subscribing and paying up share capital in the amount of 286,088 thousand Angolan Kwanzas (€308 thousand).

- On 20 July 2023, the Group company Indra Soluciones Tecnologías de la Información, S.L.U. set up the company Minsait Payment Systems Latam, S.L.U. A part of the assets and liabilities of Indra Soluciones Tecnologías de la Información, S.L.U., comprising the Chilean means of payment business unit formed by a 99.9% ownership interest in Tecnocom Chile, S.A., was spun off to Minsait Payment Systems Latam, S.L.U. In exchange, Indra Holding Tecnologías de la Información, S.L.U. (the sole shareholder of Indra Soluciones Tecnologías de la Información, S.L.U.) received shares in Minsait Payment Systems Latam, S.L.U. The vertical merger of Minsait Payment Systems Latam, S.L.U. (target company) into Minsait Payment Systems, S.L.U. (acquiring company) then took place, the latter acquiring all Minsait Payment Systems Latam, S.L.U.'s assets, liabilities, rights and obligations by way of universal succession.

During the year ended 31 December 2023, the Group deregistered the following subsidiaries:

- On 16 October 2023, the two Portuguese companies Indra III Soluções de Tecnologia da Informaçao Portugal Unipessoal, LDA and Cesce Soluçoes Informáticas, S.A. were merged, all the latter's assets, liabilities, rights and obligations being transferred to the former.

During the year ended 31 December 2023, the Group acquired the following subsidiaries:

- On 28 April 2023, the Group company Indra Air Traffic, Inc. acquired the Selex air traffic management business line in the United States for €43,969 thousand (USD 47,816 thousand) after having made a purchase commitment in the previous year.
- On 12 May 2023, the Group company Indra Soluciones Tecnologías de la Información, S.L.U. acquired 100% of the Spanish company Deuser Tech Group, S.L.U. for €4,297 thousand. A liability of €500 thousand is also recognised, reflecting the deferred payment that the Group must make in the future.

  Deuser Tech Group is a company focused on industrial digitalisation with headquarters in Córdoba. It has close to 100 employees and various customers in industries such as food, automobiles and energy.
- On 27 July 2023, the Group company Sistemas Informáticos Abiertos, S.A. acquired 100% of the Spanish company ICA Sistemas y Seguridad, S.L. for €6,263 thousand.
- On 29 September 2023, the parent company acquired 100% of the British company Park Air Systems Ltd, a leader in ground-to-air radio systems which designs, manufactures, supplies and supports radio systems for air traffic management (ATM) all around the world and has two basic product lines serving the civil and military markets. The cost of this acquisition amounted to GBP 10,349 thousand (€12,072 thousand). This amount includes an earn-out of GBP 3,000 thousand as a price adjustment.
- On 29 September 2023, the parent company acquired 100% of the ownership interests in Antexia Technologies S.L. for €2,500 thousand. An additional liability of €600 thousand was recognised, reflecting the probable value that the Group estimates will be payable as an earn-out in the event that the company reaches the targets agreed in the sale and purchase agreement.
- On 14 November 2023, the Group company Minsait Payment Systems, S.L.U. acquired 100% of the Spanish company Tramasierras 2021 S.L. for €4,332 thousand.
- On 21 December 2023, the Group company Minsait Payment Systems, S.L.U. entered into an agreement to acquire Compañía Uruguaya de Medios de Procesamiento, S.A. Completion of the acquisition was conditional on prior approval by the competent authorities in Uruguay. The acquisition was completed in 2024.
- On 29 December 2023, the Group company Indra Business Consulting, S.L.U. acquired 100% of the Spanish company NAE Comunicacions, S.L.U. for €27,993 thousand. An additional discounted liability of €8,500 thousand was recognised, reflecting the probable value that Indra estimates will be payable as an earn-out in the event that the company reaches the targets agreed in the sale and purchase agreement.

There were no other significant scope changes affecting these consolidated financial statements at the date of authorisation for issue.

2. Basis of presentation and comparability

The Consolidated Annual Accounts have been prepared by the parent company's Directors on the basis of the accounting records of Indra Sistemas, S.A. and the other Group companies. The Consolidated Annual Accounts for 2024 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU) which are in force at 31 December 2024 and other provisions of the applicable financial reporting regulatory framework in order to present fairly the consolidated equity and consolidated financial position of Indra Systems, S.A. and subsidiaries at 31 December 2024 and the Group's consolidated financial performance, consolidated cash flows and changes in consolidated equity for the year then ended.

The Group adopted IFRS-EU for the first time on 1 January 2004.

The parent company's Directors consider that the 2024 Consolidated Annual Accounts, which were authorised for issue on 26 February 2025, will be approved by the General Shareholders' Meeting without changes.

The 2023 Consolidated Annual Accounts were approved by the General Shareholders' Meeting on 27 June 2024.

Presentation approach and formats

These Consolidated Annual Accounts are presented in thousand euro and rounded to the nearest thousand (€ thousand), the euro being the parent company's functional and presentation currency. Transactions completed abroad are recognised in accordance with the policies described in Note 4.w.

Critical measurement issues and estimates of uncertainty

The preparation of Consolidated Annual Accounts in accordance with IFRS-EU requires significant accounting estimates, judgements and assumptions when applying the Group's accounting policies. The estimates and assumptions employed are based on experience, good faith, best estimates and other historical factors which assure that the results are reasonable in the circumstances. Nonetheless, the results could differ should other estimates be used or events unforeseen by the Group occur, or due to other factors. There follows a summary of aspects that have entailed a greater degree of judgement or complexity, or in which the assumptions and estimates are significant to the preparation of the Consolidated Annual Accounts:

- The Group's core business is based on executing projects contracted with customers. The Group recognises revenue in accordance with IFRS 15. For certain contracts, Indra applies the so-called stage of completion method to account for sales so as to assure the fairest presentation. Group Management continuously reviews all project estimates and adjusts them accordingly.
- Costs incurred in development projects are capitalised in the account "Development expenses" when they are likely to generate economic benefits in the future that will offset the cost of the asset recognised. Intangible assets are amortised based on the best estimates of their useful lives. The estimation of these useful lives requires a certain degree of subjectivity, so they are determined on the basis of analyses performed by the relevant technical departments so that the estimates are duly supported (Note 9).
- The Group performs annual goodwill impairment tests. Management uses estimates in order to determine the recoverable amount of a cash-generating unit (CGU) to which goodwill is assigned. The recoverable amount is the higher of fair value less costs to sell or otherwise dispose of an asset and value in use. The Group generally employs cash flow discounting methods to determine such values. Discounted cash flow calculations are based on five-year projections taking into account past experience and represent Management's best estimate of future business trends. Cash flows beyond year five are extrapolated applying individual growth rates. The key assumptions when determining these values include sales growth rates, weighted average cost of capital, the EBIT margin and working capital levels (Note 8).
- The Group estimates the useful life of property, plant and equipment and intangible assets so as to calculate the depreciation or amortisation charged on fixed assets. Useful life is determined using estimates of expected technological developments, entailing a significant degree of judgement. The need to assess potential impairment means taking into consideration factors such as technological obsolescence, cancellation of certain projects and other changes to circumstances estimated (Notes 6 and 9).
- The Group records provisions for liabilities and charges. The final cost of litigation and contingencies may vary depending on the interpretations of legislation, opinions and final evaluations. Any change to these circumstances could have a material effect on the amounts recognised under the heading Provisions for liabilities and charges (Note 24).
- Deferred tax assets are reflected for all deductible temporary differences, tax-loss carryforwards and tax credits pending application for which the Group is likely to record sufficient future taxable income. The Group must make estimates to determine the amount of deferred tax assets that may be recognised, taking into account the amounts and dates on which the future taxable income will be obtained and the reversal period of taxable temporary differences (Note 35).
- The Group is involved in regulatory and legal proceedings and government inspections in a number of jurisdictions. A provision is recognised if it is likely that there will be an obligation at the year end which will give rise to an outflow of resources, provided that the amount can be reliably measured. Legal processes usually involve complex legal matters and are subject to considerably uncertainty. As a result, Management uses significant judgement when determining whether it is likely that the process will result in an outflow of resources and when estimating the amount (Notes 24 and 35).

- Measurement adjustments for bad debts require a high degree of judgement on the part of Management and the review of individual balances based on the credit quality of customers, current market trends and historical analysis of bad debts at the aggregate level (Note 16). A provision is recorded for the expected loss, in accordance with IFRS 9, based on a number of parameters:
  - Segmentation of trade receivables by maturity.
  - Large customers and other customers.
  - Project debt by country based on credit ratings.

  Past debt performance is also analysed on the basis of:
  - Impairment rates for billings.
  - Debt ageing rates.
  - Impairment rates for past-due balances receivable.
- The calculation of provisions for onerous contracts is subject to a high degree of uncertainty. The Group records provisions for onerous contracts when estimated total costs exceed expected contract revenue. These estimates are subject to changes based on new stage of completion information (Note 24).

Although these estimates are based on the best information available at the date these Consolidated Annual Accounts are authorised for issue, future events could give rise to adjustments in the coming years, which would be made prospectively, recognising the effects of the change of estimate in the relevant future Consolidated Annual Accounts.

Global and geopolitical impacts and uncertainties

War in Ukraine

Three years after the start of Russia's invasion of Ukraine, the conflict is currently in a stalemate. The rise of Donald Trump to the US presidency could be a turning point, after having publicly stated his intention to lead an agreement to end the war in the short term.

The invasion of Ukraine has had a profound geopolitical impact, with global repercussions, above all in Europe. The NATO countries have ramped up plans to meet the alliance's targeted defence spending threshold of 2% of GDP. Specifically, on several occasions, Spain has reiterated its commitment to converge at this level of expenditure by 2029. In this context, Indra's prospects in the Defence and Security business for the coming years are positive.

Concerning the direct impact on Indra, the company ceased its operations in Russia and Ukraine at the beginning of the conflict. In any event, the company did not have any relevant operations in either of these countries.

New government in the US

The start of Trump's new term in January 2025 marks the beginning of a new political cycle, which is expected to trigger significant changes in foreign and economic policy.

For the moment, the announcement of tariffs to be imposed on various countries and products is rekindling trade tensions with the US. The potential impact of Trump's arrival on trade relations between the US and the EU is still uncertain. Indra is monitoring the situation so as to be able to take the necessary measures within our grasp and adapt to any changes as they occur.

This new political cycle reaffirms the need for NATO members to increase their defence spending, and there are even proposals to raise it above the current target of 2% of GDP. This new scenario implies further tailwinds for the defence industry.

Conflict in the Middle East

Hamas' terrorist attack on Israel in October 2023 triggered a major conflict in the Gaza Strip, with repercussions for the entire region. In 2024, there were direct air strikes between Israel and Iran, the conflict between Israel and the Hezbollah militia in Lebanon intensified and there was further disruption to the shipping lanes through the Suez Canal due to the risk of attack from the Houthi militias.

At the beginning of 2025, a ceasefire was agreed in Gaza and could be the start of a period of greater stability in the region. If it lasts, this ceasefire could also facilitate a return to normality on commercial shipping routes. However, many shipping companies are still opting for a longer but safer route between Asia and Europe, which is impacting timescales and costs for global supply chains.

To date, Indra has not identified a significant impact on our business, but we will continue to monitor the situation with regard to potential impacts on our supply chain.

Interest rates

Amid geopolitical tensions, the level of uncertainty makes it impossible to know where interest rates will end up. Despite the monetary policy pursued in recent months by the ECB and the Federal Reserve, their future decisions will depend on the effects on growth and inflation of the new geopolitical situation and the potential trade war fanned by cross tariffs.

Increasing demands on companies with regard to sustainability

Sustainability has consolidated its status as a key issue for companies to keep in mind. Beyond compliance with the associated increasing regulation, sustainability is an additional decision-making criterion for customers and investors. Companies increasingly need to demonstrate a good ESG (Environmental, Social and Governance) performance to maintain customer confidence, obtain better access to capital market financing, and attract and retain talent.

In particular, 2024 brought challenges relating to compliance with new European Union legislation in the form of the Corporate Sustainability Reporting Directive, which establishes new guidelines on the reporting of non-financial information, facilitating the comparison of performance and tightening ESG requirements for companies, although it has not yet been transposed into Spanish law.

For its part, Indra treats sustainability as a cross-cutting aspect of our Strategic Plan “Leading the Future”. We have drawn up a new ESG Plan for 2024-2026, which will allow initiatives to be deployed in response to growing stakeholder demands and regulatory changes affecting ESG areas.

Standards and interpretations issued and approved by the European Union, in force and applicable to the Consolidated Annual Accounts for the financial year ended 31 December 2024

The following standards have been first-time adopted in the Consolidated Annual Accounts for the year ended 31 December 2024:

- **Amendment to IAS 1:** “Classification of liabilities as current or non-current and classification of non-current liabilities with covenants”. Clarifications regarding the presentation of liabilities as current or non-current, particularly where conditional on compliance with covenants.
- **Amendment to IFRS 16:** “Lease liability in a sale and leaseback”. This amendment clarifies the subsequent accounting treatment of lease liabilities arising from sale and leaseback transactions.
- **Amendment to IAS 7 and IFRS 7:** “Supplier finance arrangements”. This amendment introduces new specific disclosure requirements for supplier finance arrangements and their effects on the company's liabilities and cash flows, including liquidity risk and management of associated risks.

There have been no material impacts on the Group due to the adoption of the above-mentioned amendments.

Standards and interpretations issued, approved by the European Union and to be adopted by the Group as from 1 January 2025 (not early adopted):

- **Amendment to IAS 21:** "Lack of exchangeability". This approach specifies when a currency is exchangeable into another currency and, if it is not, how to determine the exchange rate to be used.

The Group does not expect any significant impacts due to the adoption of these standards and amendments.

Standards and interpretations issued by the International Accounting Standards Board (IASB), pending approval by the European Union:

New standards	Proposed effective date
IFRS 18: "Presentation and disclosure in financial statements"	1 January 2027
IFRS 19: "Subsidiaries without public accountability: disclosures"	1 January 2027
Amendments and/or interpretations	
Amendment to IFRS 7 and IFRS 9: "Classification and measurement of financial instruments"	1 January 2026
Amendment to IFRS 7 and IFRS 9: "Contracts referencing nature-dependent electricity"	1 January 2026
Annual improvements (vol. 11)	1 January 2026

The application of the amendments and the revised standards included in the table above will not have any material impact on the Group's Consolidated Annual Accounts. However, they will result in the disclosure of broader information in the Consolidated Annual Accounts.

Comparability of information

As required under IFRS-EU, these 2024 Consolidated Annual Accounts include, for comparative purposes, the corresponding figures for the previous year.

Changes to accounting policies

Except for the adaptation of the Group's accounting policies due to the adoption of the new accounting standards referred to previously, the Group's accounting approach has not changed with respect to the previous year.

3. Application/distribution of results

The Board of Directors of the parent company Indra Sistemas, S.A. will propose to the General Shareholders' Meeting the following distribution of the profit of €121,369,367.00:

Dividend payable	44,163,600.50
Offset of prior-year losses	77,205,766.50
	121,369,367.00

The proposed distributions of profits in Group companies for 2024 have been drawn up by their respective boards and will be submitted for approval at the relevant General Shareholders' Meetings. The proposed dividend is subject to approval by the Annual General Shareholders' Meeting and has not been recognised as a liability in these Consolidated Financial Statements at 31 December 2024. The proposed dividend is payable to all the shareholders in the register of members at the date on which the General Shareholders' Meeting adopts the dividend payment resolution. The total dividend to be paid is estimated at €0.25 per share (€0.25 per share in 2023). The dividend payment will not have tax implications for the Group.

4. Accounting principles

The Consolidated Annual Accounts have been prepared in accordance with the International Financial Reporting Standards and interpretations adopted by the European Union (IFRS-EU).

The accounting policies described below have been applied consistently during the financial years presented in these Consolidated Annual Accounts.

The most relevant are as follows:

a. Subsidiaries and business combinations

Subsidiaries, including structured entities, are entities over which the parent company exercises control directly or indirectly. The parent company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to influence those returns through its power over the subsidiary. The parent company has power over a subsidiary when there are substantive rights in force that give it the ability to direct the relevant activities. The parent company is exposed, or has the right, to variable returns from its involvement with the subsidiary when the returns obtained have the potential to vary as a result of the subsidiary's business performance.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate only to administrative tasks and the relevant activities are directed by means of contractual arrangements.

Subsidiaries are consolidated as from the acquisition date and deconsolidated as from the date control is lost.

Subsidiaries are consolidated using the full consolidation method. All their assets, liabilities, income, expenses and cash flows are included in the Consolidated Annual Accounts following the relevant adjustments and eliminations to allow for intra-group transactions.

The Group applies the acquisition method for business combinations.

The acquisition date is the date on which the Group obtains control of the business acquired.

The consideration in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred or assumed, equity instruments issued and any consideration contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any payment that does not form part of the exchange for the acquiree. Acquisition costs are recognised as an expense when incurred.

Contingent liabilities are recognised until they are settled, cancelled or expire in the higher of the amount initially recorded, less any amounts that must be taken to the consolidated income statement in accordance with the revenue recognition standard, and the amount calculated applying the provisioning standard.

At the acquisition date, the Group recognises the assets acquired, the liabilities assumed and any non-controlling interest at fair value. Non-controlling interests in the acquiree are recognised in the proportionate part of the fair value of the net assets acquired. These criteria are only applicable for non-controlling interests which carry a current share of economic benefits and entitlement to the proportionate part of the net assets of the acquiree in the event of liquidation. Otherwise, non-controlling interests are measured at fair value or at a value based on market conditions. The liabilities assumed include contingent liabilities to the extent that they represent present obligations arising from past events and fair value may be reliably measured. The Group also recognises indemnification assets provided by the seller at the same time and following the same measurement approach as for the related indemnified item of the acquiree, considering any risk of insolvency and any contractual limit on the amount indemnified.

The assets and liabilities assumed are classified and designated for subsequent measurement on the basis of the contractual agreements, financial conditions, accounting and operating policies and other conditions applicable at the acquisition date, except for leases and insurance contracts.

The excess of the consideration paid, plus the value attributed to non-controlling interests, over the net amount of assets acquired and liabilities assumed, is recognised as goodwill. If applicable, any shortfall is taken to the income statement after assessing the consideration paid and the value attributed to non-controlling interests, and identifying and measuring the net assets acquired.

i. Non-controlling interests

Non-controlling interests are reflected in consolidated equity separately from the equity attributed to the parent company's shareholders. Non-controlling interests in consolidated results for the year (and in total consolidated comprehensive income for the year) are also presented separately in the consolidated income statement and the consolidated statement of comprehensive income.

The Group's interest and non-controlling interests in the subsidiaries' consolidated results for the year (total consolidated comprehensive income for the year) and changes in equity, after consolidation adjustments and eliminations, are determined based on the ownership interests at the year end, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or otherwise, on cumulative preference shares that have been classified in equity accounts. However, the Group's interest and non-controlling interests are calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the ownership interests held, that is the entitlement to a share in future dividends and changes in the value of the subsidiaries.

The results and each component of other comprehensive income are allocated to equity attributable to the parent company's shareholders and to non-controlling interests in proportion to their ownership interest, even if this results in a debtor balance in non-controlling interests. Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

The increase and reduction in non-controlling interests in a subsidiary while control is maintained is recognised as an transaction involving equity instruments. Therefore, no new acquisition cost arises from the increases and no results are recognised as a result of the reductions, the difference between the consideration paid or received and the carrying amount of the non-controlling interests being recognised in the reserves of the investing entity, notwithstanding the reclassification of consolidation reserves and the re-allocation of other comprehensive income among the Group and the non-controlling interests. When the Group's interest in a subsidiary decreases, the share of non-controlling interests in consolidated net assets, including goodwill, is recognised.

The Group recognises options to sell interests in subsidiaries granted to non-controlling shareholdings on the acquisition date of a business combination as a pre-acquisition of the shares, recording a financial liability for the present value of the best estimate of the amount payable, which forms part of the consideration paid.

In subsequent years, the change in the financial liability, including the financing component, is taken to the income statement. Any discretionary dividends paid to the non-controlling interests to the option exercise date are recognised as a distribution of results. If the options are not finally exercised, the transaction is recognised as a sale of shares to the minority shareholders.

Instruments containing options to sell and embodying settlement obligations which qualify to be classified as equity instruments in the subsidiaries' separate financial statements are carried as financial liabilities in the Consolidated Annual Accounts and not as non-controlling interests.

ii. Other aspects related to the consolidation of subsidiaries

Intragroup balances and transactions and any unrealised gains or losses are eliminated on consolidation. However, unrealised losses are seen as an indication of the impairment of the transferred assets.

The subsidiaries' accounting policies have been adapted to the Group's policies for transactions and other events that are similar and have taken place in similar circumstances.

The annual accounts or financial statements of the subsidiaries used in the consolidation process relate to the same presentation date and same period as those of the parent company.

b. Jointly-controlled operations and assets

Joint arrangements are considered to be those in which there is a bylaw or contractual agreement to share control of an economic activity, such that strategic business decisions on both financial and operating matters require the unanimous consent of the Company and the other investors.

For jointly-controlled operations and assets, the Group recognises in the annual accounts the assets under its control, the liabilities it has incurred and the proportionate part, based on its equity interest, of the jointly-controlled assets and jointly-incurred liabilities, as well as the portion of the revenue obtained from the sale of goods or provision of services, and the expenses incurred by the joint arrangement. The statement of changes in equity and the cash flow statement also reflect the proportionate part pertaining to the Group under the arrangements made.

Reciprocal transactions, balances, income, expenses and cash flows are eliminated in proportion to the Group's share of the joint arrangements.

Unrealised gains or losses on the Group's non-monetary contributions or downstream transactions with the joint arrangements are recognised based on the substance of the transactions. In the event that the assets transferred remain in the joint arrangements and the Group has transferred the significant risks and rewards inherent in the ownership of the assets, only the proportionate part of the gains or losses pertaining to the other investors is recognised. Unrealised losses are not eliminated provided they are evidence of the impairment of the asset transferred.

Gains or losses on transactions between the joint arrangements and the Group are only recognised in the proportionate part corresponding to the other investors, applying the same recognition approach described in the previous paragraph in the case of losses.

The Group has made the value and timing adjustments necessary to include the joint arrangements in the annual accounts.

The information on jointly-controlled business activities in the form of temporary consortia (UTEs) is presented in Appendix II.

i. Joint operations

For joint operations, the Group recognises the assets in the Consolidated Annual Accounts, including its share of the jointly-controlled assets; the liabilities, including its share of the liabilities incurred jointly with the other operators; the revenue obtained from the sale of its share of the products of the joint venture; and the expenses, including its share of joint expenditure.

For sales or contributions by the Group to the joint operations, only the results relating to the shares of the other operators are recognised, unless losses reflect the decline in value or impairment of the assets transferred, in which case the entire amount is recognised.

In the case of purchases made by the Group from the joint operations, the results are only recognised when the assets acquired are sold to third parties, unless losses reflect the decline in value or impairment of the assets acquired, in which case the Group recognises the full amount of its share of the losses.

The Group’s acquisition of the initial and subsequent interests in a joint operation is recognised using the same approach as for business combinations, based on its ownership interest in the individual assets and liabilities. Nonetheless, when an additional interest in a joint operation is subsequently acquired, the prior interest in the individual assets and liabilities is not restated.

c. Investments accounted for using the equity method

Associates are entities over which the Group directly or indirectly exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Potential voting rights that may be exercisable or convertible at the end of each reporting period, including potential voting rights held by the Group or another entity, are considered when assessing whether there is significant influence.

Investments in associates are carried under the equity method from the date significant influence is exercised to the date on which the Group can no longer prove this influence exists.

The Group’s share of the profits or losses of an associate obtained as from the date of acquisition is recognised as an increase or decrease in the value of the investment, credited or debited to the consolidated income statement heading “Results of equity-consolidated companies”.

d. Intangible assets

i. Goodwill

Goodwill (Note 8) on business combinations is initially recognised at an amount equivalent to the difference between the cost of the business combination and the Group’s share in the net fair value of the assets acquired and the liabilities and contingent liabilities assumed with respect to the subsidiary or joint venture acquired.

Goodwill is not amortised. However, goodwill is analysed to identify any impairment annually or as soon as there are signs of a potential loss of value. To this end, goodwill arising on a business combination is allocated to each cash-generating unit (CGU) that is expected to benefit from the combination synergies, applying the approach described in letter g) of this note. Following initial recognition, goodwill is stated at cost less accumulated impairment losses.

Each segment is formed by a CGU that has all the necessary capabilities to develop the various products offered in that segment.

In this regard, in accordance with IAS 36.68, each individual product or vertical market may not be considered a CGU since they are not separate cash-flow-generating assets due to being strongly interdependent and requiring the use of common elements and resources.

Each CGU identified benefits from the economic and operating synergies of the goodwill allocated as a result of the business combinations.

The optimisation of common resources in each business segment and the generation of synergies between them is achieved by:

- Centralising the development of each business, which improves thanks to integrated management.
- Fostering the continuous improvement of service levels provided.
- Streamlining and simplifying the organisational structure of each business separately and of the Indra Group as a whole.
- Enhancing the consistency and effectiveness of processes and systems in each business.
- Implementing more agile commercial management in each segment.
- Gaining strategic flexibility and simplifying the management structure and decision-making and implementation processes by adapting them to the individual needs of each business line.
- Facilitating strategic alliances, joint ventures and integration processes with other companies engaged in the IT business.

Goodwill impairment losses recognised are not reversed in subsequent years.

In the event that a business is sold, the associated goodwill is derecognised as follows: (i) identify the business in the CGU; (ii) derecognise the goodwill based on the percentage of the fair value of the business sold in relation to the total fair value of the relevant CGU.

ii. Other intangible assets

Intangible assets are recognised at acquisition or production cost. They are adjusted annually to reflect any decline in value, as described in letter g) of this note. The assets included under this heading are as follows:

- Development expenses: They include direct costs incurred in specific individual developments by project.

  Expenses related to research, development and innovation (R&D&i) projects are recognised directly in the consolidated income statement for the relevant period, except in the case of costs incurred in development projects, which are capitalised in the intangible asset account "Development expenses", provided the following conditions are met:

  - The outlay attributable to the project may be reliably measured.
  - Project costs are clearly assigned, allocated and time-apportioned.
  - There are sound reasons for the project's technical success, both in the case of direct operations and for the sale of the project's results to a third party on completion, where there is a market.
  - The project's economic and commercial profitability is reasonably assured.
  - The funding to complete the project and availability of adequate technical or other resources to complete it and to use or sell the intangible are reasonably assured.
  - Management intends to complete the intangible asset for use or sale.

  Development expenses are only capitalised where there is certainty that future income will be obtained to offset the capitalised project costs.

The Group analyses development projects to identify impairment and make any value adjustments. Development expenses are recognised directly under this heading as the asset definition is fulfilled. Once completed, they are transferred to computer software and amortisation begins.

Amortisation of development expenses transferred to computer software begins when the asset is available for use following the development process, tests and quality controls applicable in each case.

- Computer software: Amounts paid to acquire ownership or the right of use of computer programs, as well as costs of programs developed by the Group, are capitalised when the software contributes to the generation of income for the Group.

  The amounts capitalised do not in any case include costs incurred to modify or upgrade programs in use in the Group, nor those relating to review work, consultancy or staff training provided by other companies in order to implement the software.

  Computer software arising from business combinations is carried at the fair value of the identifiable asset acquired on the date of exchange.

  The cost of completed development projects that are transferred to computer software is taken to the income statement through the amortisation account, applying an amortisation rate based on the estimated useful life.

- Industrial property: It is presented at acquisition cost and amortised over the period in which the rights inherent in ownership of the industrial property are exercised.

  Industrial property arising from business combinations is carried at the fair value of the identifiable asset acquired on the date of exchange.

  Industrial property having an indefinite useful life is not amortised. Instead, it is tested annually for impairment, or earlier if there are indications of a potential decline in value.

- Contractual relationships: They include the portfolio of customer relationships derived from business combinations. The amortisation of contractual relationships is charged to the consolidated income statement over a useful life of between nine and 17 years. Impairment testing is carried out to adjust the carrying amount to reflect the fulfilment of commitments made.

Intangible assets acquired in a business combination and carried separately from goodwill are initially recognised at fair value at the acquisition date. Following initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and cumulative impairment losses, on the same terms as intangible assets that are acquired separately.

Useful life and amortisation charges: The Group assesses whether the useful life of each intangible asset is finite or indefinite. For such purposes, an intangible asset is understood to have an indefinite useful life when there is no foreseeable limit to the period during which it will generate net cash inflows.

Intangible assets with finite useful lives are amortised by distributing the amortisable amount on a straight-line basis over the following estimated average useful lives:

	Estimated years of useful life
Industrial property	From 10 to 20 years
Computer software	1 to 10 years
Contractual relationships	9 to 17 years

Acquisition cost less any residual value is deemed to be the amortisable amount. The Group records no asset with a residual value.

The Group reviews the useful life and amortisation method of intangible assets at each year end. Changes to the approach initially adopted are recognised as changes in estimates and are therefore accounted for prospectively.

e. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and cumulative impairment losses. Costs of expansion, upgrade or improvement that lead to an increase in productivity, capacity or efficiency, or an extension in the useful life of assets, are capitalised. Repair and maintenance costs are taken to the consolidated income statement when incurred.

Depreciation is calculated on the basis of cost values or values allocated by independent, third-party experts using the straight-line method over the following average estimated useful lives:

	Estimated years of useful life
Buildings	50
Plant, machinery and other installations	10
Furniture	10
Data-processing equipment	4
Vehicles	7
Other PPE	10

The Group reviews the useful life and depreciation method of property, plant and equipment at each year end. Changes to the approach initially adopted are recognised as changes in estimates and are therefore accounted for prospectively.

f. Investment property

Investment properties reflect the values of land, buildings and other structures held for rent or to obtain a capital gain on their sale as a result of future increases in market prices.

These assets are carried applying the same approach indicated in letter e) on property, plant and equipment.

g. Impairment of non-financial assets subject to amortisation or depreciation

The Group looks for signs of the possible impairment of non-financial assets subject to amortisation or depreciation so as to check whether their carrying amount exceeds their recoverable amount.

Similarly, and irrespective of the existence of any indication of impairment, the Group tests, at least annually, for potential impairment that may affect goodwill, intangible assets with an indefinite useful life and intangible assets that are not yet ready for use.

The recoverable amount is the higher of fair value less costs to sell or otherwise dispose of an asset and value in use.

The asset's value in use is calculated on the basis of future cash flows expected to arise from the use of the asset, expectations about possible variations in the amount or timing of cash flows, the time value of money, the cost to be paid for bearing the uncertainty linked to the asset and other factors that market participants take into consideration when assessing future cash flows relating to the asset.

Negative differences identified by comparing the carrying amounts of the assets with their recoverable amounts are taken to the consolidated income statement.

Recoverable amounts must be calculated for each individual asset, unless the asset does not generate cash inflows that are largely independent from those of other assets or asset groups. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) of which the asset forms part.

Impairment losses on CGUs initially reduce the goodwill allocated to the CGU, if applicable, and then the CGU's other assets, pro rata with each asset's carrying amount, up to the limit in each case of the higher of fair value less costs to sell or otherwise dispose of the assets, value in use and zero.

At each year end, the Group looks for signs that the impairment loss recognised in previous years no longer exists or may have decreased. Impairment losses on goodwill are not reversible. Impairment losses on other assets are only reversed if there is a change in the estimates used to determine the asset's recoverable amount.

Reversals of impairment losses are credited to the income statement. Nonetheless, the reversal of the loss cannot increase the asset's carrying amount over the amount at which it would have been carried, net of amortisation or depreciation, had the impairment loss not been recognised.

A reversal of an impairment loss for a CGU is allocated to the non-current assets of each unit, except goodwill, pro rata with the carrying amounts of those assets. The carrying amount of an asset may not be increased above the lower of its recoverable amount and the carrying amount that would have been disclosed, net of amortisation or depreciation, had no impairment loss been recognised.

h. Leases

The Group recognises whether a contract is or contains a lease at inception. The Group recognises a right-of-use asset and the corresponding financial liability in relation to all leases in which the Group is the lessee, except for short-term leases (expiring in 12 months or less) and leases in which the underlying asset has a low value (below USD 5,000 or the equivalent amount in euros). For these leases, the Group recognises payments as an operating expense on a straight-line basis over the lease term.

The financial liability is initially measured at the present value of the payments to be made during the remaining life of the lease, discounted at the implicit interest rate. In cases in which it cannot be determined, the standard allows the application of the incremental borrowing rate, which has been used by the Company, taking into account the lease term and country.

Lease payments included in the measurement of financial liabilities include the following:

- fixed payments to be made less any lease incentives;
- variable payments depending on an index or rate, initially measured in accordance with the index or rate at inception;
- residual value guarantees expected to be incurred;
- exercise price of a purchase option if it is expected to be exercised;
- lease termination penalty payments, if the lease term reflects that the lessee will exercise an option to terminate the lease.

The financial liability arising from the lease will subsequently increase in the amount of interest accruing and reduce as a result of the payments made. The liability will be reassessed if changes are made to the amounts payable and lease terms.

The cost of right-of-use assets includes the initial amount of the lease liability, any initial direct cost, lease payments made before or on the inception date, and any cost of decommissioning. Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any associated impairment losses, and is adjusted to reflect any subsequent amendment of the lease.

From a theoretical viewpoint, since right-of-use assets do not usually generate cash flows separately from other assets, it is not possible to estimate the recoverable amount of the asset individually and therefore they are included in the carrying amounts of the CGUs of which they form part when analysing recoverability. The right-of-use asset is therefore deemed to increase the carrying amount and the corresponding liability is deemed to decrease the carrying amount and the recoverable amount. It must be noted that the methodology described above should be roughly equivalent (in terms of the calculation of possible impairment) to the method applied prior to IFRS 16.

Right-of-use assets are depreciated over the shorter of the lease term and the underlying asset's useful life. If ownership of the underlying asset is transferred or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Depreciation begins on the lease inception date.

The Group's main leases relate to buildings/offices and warehouses. These leases primarily include commitments to restore the premises to their original state. In some cases, they include early termination or renewal options and rent-free or rent-rebate periods, although this is not the general rule. The Group has no leases in which payment depends on variables beyond the parties' control. The Group has no leases containing financial covenants or whose underlying asset carries a residual value guarantee, or leases signed and not in force at year-end 2024 and 2023. The Group has no leases that could be deemed sale and leaseback arrangements, that is agreements to sell fixed assets in order for the Group to lease the associated underlying asset.

The Group's leases that have been recognised as short-term arrangements (less than 12 months) relate primarily to various equipment, temporary accommodation, etc., irrespective of the value of the underlying asset. The Group also applies the exception for the recognition of right-of-use assets in cases in which the value of the underlying asset is low (below USD 5,000 or the equivalent amount in euros). This group of assets mainly comprises leased IT equipment.

i. Financial instruments

I. Financial assets

Classification

The classification depends on the measurement category determined on the basis of the business model and the features of the contractual cash flows. Financial assets are only reclassified when the business model used to manage the assets changes.

The Group classifies its financial assets in the following categories:

- at fair value through equity;
- at fair value through profit or loss; and
- at amortised cost.

Measurement

Interest income on financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive it is established.

As stated in Note 10, the Group company has divided its financial assets into the following categories:

i. Equity instruments

Equity instruments are initially recognised at fair value plus transaction costs directly attributable to the purchase.

Following initial recognition, financial assets carried in this category are measured at fair value, any loss or gain being taken to other comprehensive income. The amounts recognised in other comprehensive income are taken to reserves when the financial assets are written off or impaired, if applicable.

Equity investments the fair value of which cannot be reliably estimated and related derivatives that must be settled by delivering the unlisted equity instruments are carried at cost. However, if the Group is able to obtain at any time a reliable measurement of the financial asset, it is then recognised at fair value and subsequent gains or losses are taken to equity.

ii. Debt instruments

The subsequent measurement of debt instruments depends on the Group's business model for managing the asset and on the features of the asset's cash flows. The Group classifies debt instruments in three measurement categories:

- Amortised cost: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those carried in other financial asset categories. These assets are initially recognised at fair value, including transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method, provided they mature after more than one year.
- Fair value through other comprehensive income: assets that are held to collect contractual cash flows and to sell the financial assets, where cash flows from the assets consist only of principal and interest payments, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except impairment gains or losses, interest income and exchange gains or losses, which are taken to the income statement. When the financial asset is derecognised, the gain or loss previously accumulated in other comprehensive income is reclassified from equity to profit or loss under the heading "Other financial income/(expense)". The Group has no debt instruments in this category.
- Fair value through profit or loss: assets that do not qualify to be carried at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on debt instruments that are subsequently measured at fair value through profit or loss is presented net in the income statement under the heading "Other financial income/(expense)" in the period it arises. The Group includes non-hedging derivatives in this category.

Impairment

Financial assets carried at amortised cost, finance lease receivables, trade receivables pending collection and financial guarantee contracts will be subject to the impairment provisions of IFRS 9.

The Group applies the simplified approach to recognise the expected credit loss over the life of trade receivables, finance lease receivables and contract assets under the scope of IFRS 15.

The expected credit impairment loss (IFRS 9) was calculated as follows:

- Segmentation of trade receivables by maturity and of "Accounts Receivable for Billable Production", distinguishing between:
  - Large customers.
  - Project debt in countries with investment-grade credit ratings as compared with other countries.
- Analysis of past debt performance. Based on:
  - Impairment rates for billings.
  - Debt ageing rates.
  - Impairment rates for past-due balances receivable.
- Application to the previous two points of an "Expected credit loss provision rate".

Disposals

The Group applies financial asset derecognition criteria to a part of a financial asset or a part of a group of similar financial assets, or to a financial asset or to a group of similar financial assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Where the Group retains the contractual rights to receive cash flows, financial assets are only derecognised when contractual obligations have been assumed which determine the payment of such flows to one or more recipients and the following requirements are met:

- Payment of the cash flows is conditional upon prior collection;
- The Group cannot sell or pledge the financial asset; and
- The cash flows collected on behalf of eventual recipients are remitted without material delay and the Group is not entitled to reinvest the cash flows. Investments in cash or cash equivalents made by the Group during the settlement period from the collection date to the date of required remittance to the eventual recipients are excluded from this approach, provided that interest earned on such investments is passed to the eventual recipients.

For transactions in which a financial asset is fully written off, the financial assets obtained or financial liabilities, including the liabilities relating to the administration services incurred, are recognised at fair value.

In transactions in which a financial asset is partially derecognised, the carrying amount of the entire financial asset is allocated to the part sold and to the part retained, including assets pertaining to administrative services, in proportion to the fair value of each part.

The full derecognition of a financial asset entails the recognition of results in the amount of the difference between its carrying amount and the sum of the consideration received, net of transaction costs, including assets obtained or liabilities assumed and any loss or gain deferred through other comprehensive income.

The derecognition of financial assets in operations in which the Group neither assigns nor retains substantially all the risks and rewards of ownership is based on an analysis of the degree of control retained. Accordingly:

- If the Group does not retain control, the financial asset is derecognised and any rights or obligations created or retained due to the assignment are recognised separately as assets or liabilities.

- If control is retained, the Group continues to recognise the financial asset due to its ongoing commitment and reflects an associated liability. The ongoing commitment in relation to the financial asset is determined based on exposure to changes in its value. The associated asset and liability are measured on the basis of the rights and obligations recognised by the Group. The associated liability is recognised such that the carrying amount of the asset and the associated liability is equal to the amortised cost of the rights and obligations retained by the Group, where the asset is carried at amortised cost, or at the fair value of the rights and obligations held by the Group, if the asset is carried at fair value. The Group continues to recognise income from the asset on the basis of its ongoing commitment and the expenses arising from the associated liability. Changes in the fair value of the asset and associated liability are recognised consistently in profit or loss or in equity, following the general recognition criteria described above, and they may not be netted.

Transactions in which the Group retains substantially all the risks and rewards inherent in the ownership of a financial asset are reflected by recognising the consideration received in liability accounts.

II. Financial liabilities

Classification

The Group classifies its financial liabilities in the following categories:

- at amortised cost;
- at fair value through profit or loss.

Measurement

As described in Note 10, the Group divides financial liabilities into the following categories:

i. Financial liabilities at amortised cost

Loans and payables are non-derivative financial liabilities other than those carried in other financial liability categories. These liabilities are initially recognised at fair value, including transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method, provided they mature after more than one year.

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the repayment value is recognised in the income statement over the life of the borrowings using the effective interest method.

When issuing convertible bonds, the parent company analyses whether it is an issue of compound financial instruments or a liability issue.

When compound financial instruments including liability and equity components are issued, the parent company determines the equity component as the residual amount obtained, after deducting the amount of the liability component, including any derivative financial instrument, from the fair value of the instrument as a whole. The liability component is measured at the fair value of a similar instrument that does not have an associated equity component. Transaction costs related to the issuance of compound financial instruments are distributed on the basis of the carrying amount of each component at the time of classification. When a convertible bond issue contract includes a clause providing an option for the bondholder to redeem the bond in advance, in full and in cash, the parent company treats the entire instrument as a financial liability for accounting purposes.

In order to facilitate payments to suppliers, the company arranges reverse factoring with various financial institutions. Trade liabilities are recognised under the heading “Trade and other payables” in the balance sheet until they are settled, cancelled or expire, irrespective of whether the supplier has advanced payment.

Income received from the financial institutions in return for the assignment of business through the acquisition of customer invoices or payment documents is recognised at the date of accrual in the income statement. Costs associated with the financing are recognised in the income statement as they accrue.

Amounts payable to the financial institutions as a result of the assignment of trade payables are recognised as trade payables prepaid by credit institutions under the consolidated balance sheet heading “Trade and other payables”.

ii. Financial liabilities at fair value through profit or loss

These liabilities are acquired in order to be sold in the short term. Derivatives are included in this category unless they are designated as hedging instruments. These financial liabilities are carried at fair value, both on initial recognition and on subsequent measurement, and any changes in that value are reflected in the consolidated income statement for the year.

Disposals

The Group writes off a financial liability or a part of it when the obligation contained in the liability has been fulfilled or it is legally exonerated from the primary responsibility contained in the liability, whether by a court proceeding or by the creditor.

The exchange of debt instruments between the Group and the counterparty or substantial changes to the liabilities initially recognised are accounted for by writing off the original financial liability and recording a new financial liability, provided the instruments have substantially different terms.

The Group considers that the terms are substantially different if the present value of the cash flows discounted under the new terms, including any commission paid net of any commission received, and using the original effective interest rate for the discount, differs by at least 10% from the discounted present value of the cash flows still remaining from the original financial liability.

The Group recognises the difference between the carrying amount of the financial liability, or the part of it, settled or assigned to a third party and the consideration paid, including any non-cash asset assigned or liability assumed, in the income statement.

III. Netting principles

A financial asset and a financial liability may be netted only when the Group has the legally enforceable right to offset the amounts recognised and has the intention to settle the net amount or to realise the asset and cancel the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the ordinary course of business and in the event of the default, insolvency or bankruptcy of the company or counterparty.

IV. Hedges

Derivative financial instruments which qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction costs directly attributable to the issuance of the financial instruments. Nonetheless, transaction costs are subsequently recognised in profit or loss, as they do not form part of the effective change in the hedge. Those that do not meet the above-mentioned hedging criteria are classified and measured as financial assets or liabilities at fair value through profit or loss.

The Group recognises hedges of foreign currency risk under firm commitments as cash flow hedges.

At hedge inception, the Group formally designates and documents hedging relationships, purposes and strategies. Hedge accounting is only applicable when the hedge is expected to be highly effective at inception and in subsequent years in offsetting changes in the fair value or cash flows attributable to the hedged risk, throughout the designated hedging period (prospective analysis).

For cash flow hedges of forecast transactions, the Group assesses whether the transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit or loss for the year.

The Group has arranged currency forward call/put contracts. These insurance contracts are treated as derivative financial instruments that qualify for hedge accounting.

The portion of any changes in the fair value of effective derivatives is recognised directly in equity, net of taxes, under the heading “Cash flow hedges” until the committed or expected transaction is completed, when they are reclassified to the consolidated income statement. The ineffective portion is taken directly to the consolidated income statement under the heading “Financial income/(expense)”.

The fair value of foreign exchange insurance is calculated based on the currency price at the end of each accounting period (hierarchy level 2).

As the hedge accounting requirements are consistent with the Group's risk management policies, the Group’s current hedging relationships have been assessed and meet conditions to continue to be classed as hedging relationships under IFRS 9.

V. Fair value hierarchy for financial assets and liabilities and non-financial assets and liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Measurement is based on the premise that the transaction occurs in the principal market, that is the market with the greatest volume and level of activity for the asset or liability. In the absence of a principal market, the transaction is assumed to occur in the most advantageous market, which is the market that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer the liability.

The fair value of the asset or liability is determined by applying the assumptions that the market participants would use when pricing the asset or liability, on the premise that the market participants act in their own best economic interests. The market participants are mutually independent, informed, able to enter into a transaction with the asset or liability and interested in completing the transaction, but are not obligated or by any other means forced to do so.

The assets and liabilities measured at fair value can be classified at the following levels:

- Level 1: fair value is calculated taking into consideration quoted prices in active markets for identical assets or liabilities.
- Level 2: fair value is calculated taking into account inputs other than quoted market prices included within Level 1 that are observable in the market for the asset or liability, either directly or indirectly. The methods and assumptions used to determine fair values at this level by type of assets or liabilities take into consideration estimated future cash flows discounted to present value applying the zero-coupon interest rate curves for each currency on the last business day of each period, and converting the amount calculated to euro using the exchange rate on the last business day of each period. All the measurements described are made using the Group's internal tools.
- Level 3: fair value is calculated taking into consideration unobservable inputs for the asset or liability. When measuring assets and liabilities at fair value, the Indra Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of derivative financial instruments is calculated as follows:

- The fair value of derivatives quoted on an organised market is their year-end market price.
- In the case of derivatives not quoted on organised markets, the Indra Group calculates fair value taking into consideration observable market inputs, estimating future cash flows discounted to present value applying the zero-coupon interest rate curves for each currency on the last business day of each period, and converting the amount calculated to euro using the exchange rate on the last business day of each period. These measurements are made by means of internal tools. Once the gross market value is obtained, a debt valuation adjustment (DVA) or a credit valuation adjustment (CVA) is made. The credit valuation adjustment (CVA) or debt valuation adjustment (DVA) is measured based on the instrument's potential future exposure (credit or debtor position) and the risk profile of the counterparties and the Indra Group itself. During 2023 and 2022, the value of the credit valuation adjustments (CVA) and debt valuation adjustments (DVA) made was immaterial.

The fair value of non-financial assets and liabilities is determined, in the case of properties, in accordance with appraisals prepared by independent experts and, for other assets and liabilities, based on available market prices or by discounting future cash flows if a market cannot be identified.

Financial instruments are classified at the time of initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic substance of the contractual agreement and the definitions of financial asset, financial liability or equity instrument contained in IAS 32 “Financial instruments: Presentation”.

j. Parent company’s treasury shares

The Group's acquisition of the parent company's equity instruments is recognised separately at cost of acquisition in the consolidated statement of financial position as a reduction in equity, irrespective of the reason for the purchase. No gains or losses are recognised in respect of transactions with own equity instruments.

Share sales are carried at weighted average cost.

The subsequent redemption of the parent company's instruments entails a capital reduction equivalent to the par value of the shares and the positive or negative difference between the acquisition price and the par value is debited or credited to reserves.

Transaction costs related to own equity instruments, including issuance costs related to a business combination, are accounted for as a reduction in equity, net of any tax effect.

k. Non-current assets and disposal groups held for sale

The Group carries a non-current asset or disposal group as held for sale when the decision has been taken to sell and the sale is highly probable and expected to take place within the coming 12 months.

For the sale to be highly probable, the appropriate level of Management must be committed to a plan to sell the asset (or group of assets) and an active programme to locate a buyer and complete the plan must have been initiated.

There may be events and circumstances that could delay the sale beyond one year. This extension does not prevent the held-for-sale classification if the delay is caused by events or circumstances outside the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or group of assets). Such circumstances are as follows:

- On the date on which the entity commits to a plan to sell the asset, there is a reasonable expectation that third parties (other than the purchaser) will impose conditions on the transfer of the assets that will extend the period necessary to complete the sale and that actions in response to such conditions cannot be initiated until the firm purchase commitment has been obtained, it being highly probable that the commitment will be obtained within a year.
- The entity obtains a firm purchase commitment that will extend the period required to complete the sale, provided the necessary actions have been taken on a timely basis to respond to the conditions imposed and the factors giving rise to the delay are expected to be resolved favourably.
- During the initial one-year period, circumstances arise that were previously deemed improbable and, as a result, the non-current asset previously classified as held for sale has not been sold by the end of that period, provided that:
  * During the initial one-year period, the entity took the necessary steps to respond to the change of circumstances;
  * The non-current assets are being actively sold at a reasonable price due to the change of circumstances; and
  * The above-mentioned criteria relating to the likelihood of the sale and Management's commitment are fulfilled.

These assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets held for sale are not depreciated but the necessary measurement adjustments are made at each balance sheet date to ensure that the carrying amount does not exceed fair value less costs to sell.

Income and expenses generated on non-current assets and disposal groups held for sale that do not meet requirements to be classed as discontinued operations are recognised in the relevant consolidated income statement item by nature.

l. Inventories and Contract assets

Inventories are initially carried at acquisition or production cost. The cost of inventories is based on the FIFO method. Work in progress includes direct labour, materials and other services acquired for projects. The direct acquisition of the materials or services necessary for the project is recognised at acquisition cost, while labour is reflected at standard cost, which does not different significantly from actual cost.

The cost of inventories is adjusted where cost exceeds net realisable value. For such purposes, net realisable value is:

- Replacement price, in the case of raw materials. The parent company does not recognise the measurement adjustment where the finished products that include the raw materials and other supplies are expected to be sold at a value equal to or above production cost.
- Estimated selling price less necessary selling expenses in the case of goods purchased for resale.
- Estimated selling price less estimated costs necessary to complete production and sell the products, in the case of work in progress.

The measurement adjustment previously recognised is reversed against results if the circumstances that caused the impairment no longer exist or when there is clear evidence of an increase in net realisable value as a result of a change in economic circumstances. The reversal of the measurement adjustment is limited to the lower of cost and the new net realisable value of inventories.

Measurement adjustments and reversals of inventory impairment losses are recognised under "Change in inventories".

In addition, the Indra Group recognises "contract assets", that is costs of work in progress for which the performance obligations are pending fulfilment under the new revenue recognition standard IFRS 15 (Note 4v).

Once the Group obtains acceptance of the work carried out (milestone certification), the revenue is recognised as the sum of the capitalised cost and the associated mark-up. The cost recognised as a contract asset is then taken to the income statement under "Change in inventories".

The relationship between the timing of fulfilment of obligations and the usual timing of payment is explained below:

i. When a contract provides for an advance payment at the effective date, it is reflected on the liabilities side of the balance sheet under "Advance payments from customers" when the invoice is issued.

ii. Subsequently, as the contract's performance obligations are met, the associated revenue is progressively recognised and balances not yet invoiced are carried as "Accounts receivable for billable production".

iii. At the invoice date, the balance of "Accounts receivable for billable production" is transferred to "Trade receivables for sales and services" until the debt is settled by paying the amount owed. Any effect on the time value of money will be immaterial.

iv. As the contract is executed, the customer will offset the amounts paid in advance in the various invoices and the balance will be settled when the contract is fully performed.

m. Cash and cash equivalents

Cash and cash equivalents include cash and demand bank deposits with credit institutions. This heading also includes other highly-liquid short-term investments provided that they are easily convertible to specific cash amounts and the risk of changes in value is immaterial. An investment normally qualifies as a cash equivalent when it has a maturity of less than three months from the date of acquisition.

n. Government grants

Non-repayable grants received by the Group to fund research and development are recognised by reducing the value of the grant-related assets and are released to the consolidated income statement under "Amortisation" at the same rate as the projects capitalised as other intangible assets are amortised. Where the amount of the grant exceeds the carrying amount of the related asset because it is in the development stage, the maximum amount to be offset will be the amount capitalised, the difference being recorded in liabilities as deferred income.

Financial liabilities that include implicit aid in the form of below-market interest rates are initially recognised at fair value. The difference between that value, adjusted for financial liability issuance costs and the amount received, if appropriate, is reflected as a government grant based on the nature of the grant awarded.

Grants received that are not associated with assets are released to the income statement in proportion to the expenses incurred. Most of these grants relate to development expenditure not capitalised by the Group and to other operating expenses, mainly training.

o. Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, there is likely to be an outflow of funds including future economic benefits to settle the obligation and the amount of the obligation may be reliably estimated.

Obligations at the year end arising from past events that could be detrimental to the Group's assets, the amount and settlement date of which are uncertain, are recognised in liabilities in the consolidated statement of financial position as provisions for liabilities and charges, at the present value of the most probable amount that the Group is estimated to be required to disburse to settle the obligation.

The amount of these provisions is quantified at each accounting close based on the best information available on the consequences of the event that gave rise to them.

The amounts recognised in the consolidated statement of financial position reflect the best estimate at the year end of the payments necessary to settle the present obligation, after taking into account risks and uncertainties affecting the provision and, where material, the financial effect of the discount, provided the payments to be made in each period may be reasonably determined. The discount rate is a pre-tax rate and takes into account the time value of money and specific risks not considered in the cash flows related to the provision at each closing date.

Separate obligations are measured based on the most likely individual outcome. If the obligation implies a significant population of consistent items, it is measured by weighing up the probability of each possible outcome. If there is a continuous range of possible outcomes and each point in the range shows the same probability as the rest, the obligation is measured at the average amount.

The financial effect of provisions is recognised as a financial expense in the income statement.

The tax effect and gains on the expected disposal of assets are not taken into account in measuring a provision.

Provisions are reversed against the income statement when an outflow of funds to settle the obligation is unlikely. They are reversed against the income statement item in which the corresponding expense was recorded. Any overprovision reversed is recognised in the same item as expense.

i. Provisions for restructuring

Restructuring-related provisions are recognised when the Group has a constructive obligation under a detailed formal plan and there is a valid expectation on the part of those affected that the plan will be carried out, either because the Group has already started to implement the plan or its main features have been announced. Restructuring provisions only include outlays directly related to the process and not associated with the Group's continuing operations.

ii. Provisions for onerous contracts

The amount of provisions for onerous contracts is based on the present value of unavoidable costs, determined as the lower of the contract costs, net of any income that could be generated, and the cost of compensation or penalties payable for breach of contract.

iii. Trade provisions

They reflect the amount of expense estimated to carry out repair or review work during the guarantee period of completed projects.

iv. Provision for litigation and Contingent liabilities

Contingent liabilities are possible obligations arising from past events, the materialisation of which is conditional on the occurrence of future events that are not entirely under the Group's control, and present obligations resulting from past events in respect of which there is not likely to be an outflow of funds to settle the obligations or which cannot be reliably measured. These liabilities are not recorded in the accounts but are described in the notes.

The Group's Legal Department monitors all litigation, arbitration and proceedings to which any Group company is a party, following the established internal procedure. The Legal Department makes its own estimates and, where necessary, relies on the external legal advisor in charge of the matter to verify the assessments made or request an independent evaluation.

The Group provisions all liabilities the probability of occurrence of which is estimated to be probable (above-50% possibility of an outflow of resources).

v. Provision for remuneration

The Group's Management and Board of Directors agreed to establish a Medium-Term Incentive (MTI) for 2024, 2025 and 2026 so as to align the management decisions of a group of key executives with the Company's medium-term objectives.

The general vesting and payment terms and targets are set out in the relevant Medium-Term Remuneration Plan (the Plan), which is given to all those invited to take part in the MTI. It comprises a series of overall objectives at the Company level, which account for 90% of the total amounts targeted, plus individual objectives measuring the Executive's personal contribution to the achievement of the 24-26 Strategic Plan, accounting for 10% of the total targeted.

The Plan has a 36-month vesting period from 01/01/2024 to 31/12/2026.

The incentive is paid in the form of Company shares on the terms and conditions set out in the Plan. The number of shares targeted reflects 100% fulfilment of the established objectives and may increase to 150%.

In addition, as part of the remuneration policy, the Indra Group's Management and Executive team has the possibility of receiving individual, non-vesting annual variable remuneration (AVR) the amount and accrual of which is determined based on the fulfilment of the objectives and conditions set each year by the Company in the Variable Remuneration Plan.

The achievement of the Company's objectives will determine the total amount payable to the Variable Remuneration Plan beneficiaries.

This variable remuneration is provisioned annually on the basis of the estimated % fulfilment of the objectives set. This percentage may vary depending on developments in the current financial year and is determined by the Management Control team.

For the Management Committee members, percentage of fulfilment is determined by the Board, following a report from the Remuneration Committee on the variable remuneration accrued during the financial year through the fulfilment of quantitative and qualitative targets. The following guidelines are observed:

- 70% of the AVR is paid in cash.
- The remaining 30% will be received entirely in Company shares.

vi. Decommissioning provision

The Group is party to leases containing decommissioning and rehabilitation commitments (Note 7).

On signing the lease, the Group estimates the present value of future decommissioning, close-out and other obligations associated with the lease, such as site restoration costs. The present value is capitalised as an increase in right-of-use assets and a provision is recognised (Note 7).

p. Termination benefits

Unless there is a justified cause, current legislation requires companies to pay indemnities to employees whose employment relationship is terminated under certain conditions. The Group accounts for the indemnities payable when the decision to terminate the employment relationship is approved and the affected parties have been notified.

q. R&D loans

R&D loans are granted to assist with the Group's R&D activities, are generally repayable over more than five years and accrue explicit interest at a rate equal to zero.

They are initially recognised in liabilities in the consolidated statement of financial position at the present value of future cash flows, discounted at the market interest rate, the difference with respect to face value reducing the expense accrued. They are treated as an operating grant if the expense has been incurred or as a capital grant if the expense has not been incurred or has been capitalised.

In subsequent years, the loan is remeasured in financial expense or income.

r. Classification of assets and liabilities

Assets and liabilities are presented in the consolidated statement of financial position based on the following classification reflecting the term of the balances:

Non-current: payables due after more than 12 months as from the consolidated statement of financial position date, this being the Group's normal operating cycle, as well as assets that are not expected to be realised, sold or consumed within that period of time.

Current: assets that are expected to be realised, sold or consumed within the Group's normal operating cycle and payables falling due within 12 months as from the date of the consolidated statement of financial position or payables that may fall due at any time without a right of deferral by the Group.

s. Income tax

Income tax expense or income includes both current and deferred tax.

Current tax is the amount of income tax payable or recoverable in relation to consolidated taxable profit or loss for the year. Current tax assets or liabilities are measured in the amounts expected to be paid to or recovered from the tax authorities, using tax rates and laws that have been enacted or substantively enacted by the year end.

Current or deferred income tax is recognised in the income statement, unless it arises from a transaction or economic event that has been recognised in the same period or in a different period against equity, or from a business combination.

Deferred tax liabilities are amounts of income taxes payable in future periods in respect of taxable temporary differences, while deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits. A temporary difference is the difference between the carrying amount of an asset or liability and its tax value.

The Group recognises tax credits for investment applying the recognition and measurement policies for current or deferred tax assets, unless they have the nature of a grant. If the tax credits have the nature of a grant, they are recognised, presented and measured applying the corresponding accounting policy. To this end, the Group considers that tax credits have the nature of a grant when they may be used whether or not gross tax payable is recognised and are substantively operational beyond the investment that is made or held.

I. Recognition of deferred tax liabilities

The Group recognises deferred tax liabilities in all cases, except where they:

- Arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, on the transaction date, does not affect either the reported result or the tax base.
- Represent differences relating to investments in subsidiaries, associates and joint ventures in which the Group has the ability to control the timing of reversal and reversal is not likely in the foreseeable future.

II. Recognition of deferred tax assets

The Group recognises deferred tax assets provided that:

- There are likely to be sufficient future taxable profits to offset them or when tax legislation provides for the possibility of converting the deferred tax assets into a balance receivable from the tax authorities in the future. Nonetheless, assets that rise from the initial recognition of assets or liabilities in a transaction that is not a business combination and, on the transaction date, does not affect either the reported result or the tax base are not recognised.
- They represent temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the temporary differences will reverse in the foreseeable future and future taxable profits are expected to be obtained against which to offset the differences.

The Group recognises the conversion of a deferred tax asset into a balance receivable from the tax authorities where applicable under prevailing tax legislation. To this end, the deferred tax asset is written off against deferred income tax expense and the receivable is credited to current income tax. The Group also recognises the exchange of a deferred tax asset for government securities at the acquisition date.

The Group recognises the corresponding payment obligation as an operating expense credited to the balance payable to the authorities.

It is considered probable that the Group will generate sufficient taxable profits to recover the deferred tax assets where there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same tax period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from a deductible temporary difference can be carried back or forward. If the only future taxable profit is derived from taxable temporary differences, the recognition of deferred tax assets arising from tax losses carried forward is limited to 70% of the deferred tax liabilities recognised.

In order to determine future taxable profits, the Group takes into account tax planning opportunities, provided it intends or is likely to adopt them.

III. Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are valued at the tax rates to be applied in the years in which assets are expected to be realised or the liabilities settled, using tax rates and laws that have been enacted or substantively enacted and taking into account the tax consequences that will derive from the manner in which the Group expects to recover the assets or settle the liabilities. The Group has treated the deduction for the reversal of temporary measures introduced by Transitional Provision 37 of Law 27/2014 of 27 November on Corporate Income Tax as an adjustment to the tax rate applicable to the deductible temporary difference associated with the non-deductibility of depreciation charged in 2013 and 2014, on 27 December.

The Group reviews the carrying amount of deferred tax assets at the reporting date and reduces this amount to the extent that it is not probable that sufficient taxable profit will be available against which to recover them.

Deferred tax assets that do not meet the above-mentioned conditions are not recognised in the consolidated statement of financial position. The Group reassesses at the year end whether the conditions to recognise the deferred tax assets that were not been previously recognised are met. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the taxes are levied by the same tax authority. The Group intends to settle its current tax assets and liabilities on a net basis.

IV. Classification

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position as non-current assets or liabilities, irrespective of the expected realisation or settlement date.

t. Earnings per share

The Group calculates basic earnings per share using the weighted average number of shares outstanding during the year. Shares outstanding refers to the difference between issued shares and treasury shares held. The calculation of diluted earnings per share also includes the dilutive effect of instruments convertible into shares or having a capital component.

u. Segment reporting

The Group's chief operating decision-makers analyse information on the basis of the services offered by the Group.

For consolidation purposes, the assets and liabilities (non-current assets, goodwill, net working capital, payables to and receivables from public authorities, etc.) have been distributed based on the segment in which they were generated. Additionally, debt and associated finance costs, as well as other assets not directly attributable to the business segments, such as cash and cash equivalents, are allocated to other non-segment activities disclosed in the Corporate (non-attributable) column.

The following geographical segments have been identified based on the geographical areas in which the Group does business: Spain, Brazil, Rest of America, Italy, Rest of Europe and Asia, Middle East and Africa. These notes provide details by geographical segment only at the level of external sales, investments and assets employed.

The accounting policies applied to the segments are the same as those applied to the Group.

v. Revenue recognition

I. Contract type

In general, the Group's ordinary activities are grouped into three main contract types:

- Project execution.
- Provision of various kinds of services, such as technical assistance, consultancy, process outsourcing, maintenance, etc.
- Manufacturing and installation to order of equipment and hardware systems (which may include software and firmware) based on proprietary technologies.

Additionally, in turnkey and manufacturing projects the customer controls the asset, which often has no alternative use to that which can be given by the customer due to the specifications set out in the contract, which means that the Group has a contractually enforceable right to payment for the work executed to date.

In 2024, over 12,000 new projects were contracted (11,000 in 2023) and the number of ongoing projects generating revenues exceeded 13,000 (13,000 in 2023). The weighted average duration of new projects contracted in 2024 and the range of duration are as follows:

Type	Average duration	Range
Projects	4 years 5 months	Between 16 years 8 months and 4
Services	3 years 7 months	Between 11 years 11 months and 3
Manufacturi	6 years 4 months	Between 14 years 4 months and 6

Contracts usually detail the goods or services to be transferred to the customer, so the execution milestones are identified by analysing each contract. Most contracts identify a performance obligation for each of the different goods or services included in the contract, except for turnkey project contracts, where several goods or services can be identified as a single performance obligation under IFRS 15.

The Group considers that performance obligations are satisfied over time because, irrespective of the different nature and structure of contracts with customers, one or more of the criteria provided by paragraph 35 of IFRS 15 are met. For service contracts, the customer primarily receives and simultaneously consumes the benefits provided by the performance of the service as it is carried out.

The complexity and specificity of the Group's contracts with customers means that in most cases the Group works to order in accordance with the customer's requirements, so that manufacturing or development under a given contract has no alternative uses. For this reason, there are practically no situations in which the customer is contractually entitled to return the products and services delivered by the Group or to reimbursement of any amount received under the contract. In addition, certain projects usually have a warranty period in which the customer is entitled to restore the functionality committed to in the contract.

II. Invoicing conditions

As a general rule, the customer's acceptance of the various contractual milestones gives rise to a right to invoice, which in turn leads to payment falling due on the agreed invoice settlement date.

In addition, given the profile of its contracts, the Group very frequently accounts for all committed goods and services as a single performance obligation, provided that one of the factors described in the International Financial Reporting Standard “Revenue from contracts with customers” (IFRS 15) is fulfilled.

In general, contractual milestones for the provision of services recur more often than those of project execution and in-house manufacturing contracts, so that under normal circumstances the services provided in each interim period stipulated in the contract are reviewed by the customer and invoiced in the immediately following interim period.

In the case of projects or equipment manufacturing, milestone certification deadlines can at times be extended due to the complexity of the technical verification tasks to be carried out by the customer and on occasions due to the customer's or the country's own practices.

Similarly, invoicing deadlines for milestones certified by the customer may vary depending on the type of contract:

- For the provision of services, certified work is generally invoiced in the immediately following interim period, which is usually the following month.
- For projects and equipment manufacturing, invoicing deadlines are stipulated in the contract and are tied to milestone certification or to the progress and document review process performed by the customer.

Contracts entered into with the Group's customers may explicitly or implicitly contain billing milestones that have a financial component, which is particularly common in Transport and Defence Division contracts that require the stockpiling of materials for manufacturing. Any effect on the time value of money will be immaterial.

III. Transaction price

The transaction price is determined once the bid is awarded and the contract is signed.

The approach to contract recognition includes in the initial transaction price all components of fixed consideration and the best estimate at the contract signing date of the components of variable consideration for which it is considered that there is insufficient uncertainty to conclude that it is not highly probable that the revenue recognised for the variable consideration, essentially the amount associated with goods and services committed in the short term, will be materially reversed. Each year, a review is conducted to ensure that the variable consideration is considered to be highly probable and that the revenue recognised will not be materially reversed. Any departures from the initially estimated figure arising in the previous year, which are in no event material, are adjusted where appropriate.

As regards the time value of money, the Group recognises contractual liabilities of a financial nature relating to cash flows received before the work is executed. They are accounted for under “Advance payments from customers” and include both the amounts specifically invoiced by the customer and the implicit financial components arising from the contract's billing schedule when a certain amount invoiced has no associated execution costs. Any effect on the time value of money is immaterial.

In general, the prices of the Group's contracts with customers are firm and fixed, although certain types such as technical assistance, service level agreements or pay-per-use services may include variable consideration, in which case the Group includes in the contract price, for IFRS 15 purposes, the amount of revenue recognised that is highly likely not to be materially reversed.

IV. Revenue recognition method

For the most part, the Group recognises project revenue from contracts with customers as the performance obligation(s) stipulated in the contracts are progressively satisfied over time in accordance with IFRS 15. Under this standard, the most appropriate method to reasonably measure progress towards completion of the contract is determined, preferably based on a “certified milestone stage of completion” output method, which is most suited to the nature of the contracts. Failing this, where it is not feasible to identify intermediate contractual milestones to measure progress, it is estimated using the “stage of completion” resource method (input method).

For “certified milestone” contracts, the Group recognises revenue based on the customer's acceptance of completed work. Contractual milestones are normally stipulated in the contract with sufficient detail and traceability to be taken as an objective reference when measuring the progress of the contract. This revenue recognition method requires a plan indicating the milestones that must be certifiable by the customer. These certifiable milestones will include the amount of the revenue or sale to be recognised once the milestone is reached and certified. The evidence supporting these contractual milestones may take different forms, the most common being the periodic certification of work or the performance of tests or checks by the customer on the progress or quality of the work.

For “stage of completion” contracts, the Group recognises revenue based on the estimated proportion of the total contract completed at the closing date. Using this method, the expected total profit is apportioned in the accounts over the years in which the contract is executed, based on stage of completion at each closing date. The percentage of completion of a transaction used to recognise the Company's revenue is determined in proportion to the contract costs incurred in the work already carried out to date, excluding cost overruns, in relation to the estimated total contract costs.

V. Contract modifications

For stage of completion contracts, modifications to the original contract usually relate to changes in scope or price that are agreed following the initial contract date and are arranged through addenda to the contract. The Group analyses whether the contract modification in itself implies a different performance obligation than the original contract or whether it should be combined with the other goods or services under the contract.

Nearly all contract modifications for which revenue is recognised on a stage of completion basis were found not to be a performance obligation separate from the main obligation.

Due to being the same performance obligation, the accounting treatment entails making a new estimate of the total costs of performing the obligation and the estimated margin, so as to determine the new stage of completion on the total new price stipulated in the modified contract.

Revenue recognised on a stage of completion basis due to contract modifications totalled €6 million and €14 million in 2024 and 2023, respectively.

VI. Contract assets and liabilities

The sequence from the time a contract’s performance obligations are satisfied to the usual time of payment and the effect these factors have on the balances of assets and liabilities is as follows:

- When a contract provides for an advance payment at the effective date, it is reflected on the liabilities side of the balance sheet under “Advance payments from customers” when the invoice is issued.
- During execution, the Group capitalises the costs incurred to the date of milestone certification by the customer, provided they are recoverable, under the headings “Inventories”, “Short-term contract assets” and “Long-term contract assets” in the consolidated statement of financial position.
- Once the Group obtains acceptance of the work carried out (milestone certification), the revenue is recognised as the sum of the capitalised cost and the associated mark-up.
- Should the billings have an implicit financial component such that they exceed the revenue obtained with respect to the percentage of completion of costs or customer acceptance of work, the excess is recognised as “Advance payments from customers”.

- Conversely, the amount of revenue not billed (in contracts in which billings are below the revenue obtained with respect to stage of completion or the certification of an unbilled milestone) is recognised as "Accounts receivable for billable production" under "Trade and other receivables" in the consolidated statement of financial position.
- At the invoice date, the balance of "Accounts receivable for billable production" is transferred to "Trade receivables for sales and services" until the debt is settled by paying the amount owed. Any effect on the time value of money will be immaterial.
- As the contract is executed, the customer will offset the amounts paid in advance in the various invoices and the balance will be settled when the contract is fully performed.

w. Transactions and balances denominated in foreign currencies

Foreign currency transactions are translated to the functional currency by applying spot exchange rates between the functional and foreign currency on the dates on which the transactions are completed.

Monetary assets and liabilities denominated in foreign currency are translated to the functional currency by applying the year-end exchange rate, while non-monetary assets and liabilities carried at historical cost are translated by applying the exchange rates on the date the transaction took place. Lastly, non-monetary assets carried at fair value are translated to the functional currency by applying the exchange rate on the date on which they were quantified.

When presenting the consolidated cash flow statement, flows from foreign currency transactions are translated to euro by applying the exchange rates on the date they arose. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currency is presented separately in the consolidated cash flow statement as "Effect of foreign exchange fluctuations on cash and cash equivalents".

Exchange gains or losses related to monetary financial assets or liabilities denominated in foreign currency are taken to the income statement.

Monetary financial assets denominated in foreign currency held for sale are deemed to be recognised at amortised cost in the foreign currency and therefore the exchange differences associated with changes in the amortised cost are recognised in profit or loss and the remainder of the fair value change is recognised as explained in letter i).

I. Translation of foreign operations

Foreign operations whose functional currency is not the currency of a hyperinflationary economy have been translated to euro as follows:

- Assets and liabilities, including goodwill and adjustments to net assets deriving from the acquisition of the businesses, as well as comparative balances, are translated at the year-end exchange rate at each closing date;
- equity items are translated at the historical exchange rate;
- income and expenses, including comparative balances, are translated at the average exchange rate for the year; and
- The resulting exchange differences are recognised as currency translation differences in other comprehensive income.

This same approach is applicable to the translation of the financial statements of equity-consolidated companies, translation differences on the equity interest being recognised in other comprehensive income.

Currency translation differences carried in other comprehensive income are taken to the income statement as an adjustment to the gain or loss on the sale, applying the approach described for subsidiaries and associates.

II. Entities located in high-inflation countries

Since 1 July 2018, in accordance with IAS 29 "Financial reporting in hyperinflationary economies", the Argentinian economy has been regarded as hyperinflationary with retrospective effect to 1 January 2018.

The inflation rate used was the consumer price index (CPI) as from 1 January 2017.

The main impacts at 31 December 2024 are described below:

- An increase in equity of €9,531 thousand (€1,154 thousand in 2023) as a result of applying the inflation rate to the historical cost of the non-monetary assets and liabilities as from the date of acquisition or recognition in the consolidated balance sheet.

- A restatement of the income and expense items to apply the inflation rate as from the date of inclusion in the income statement and a negative effect on financial income/(expense) due to the net monetary position.
- The adjusted financial statements of the Argentinian subsidiaries were translated to euros applying the year-end Argentine peso/euro exchange rate.

The main profit and loss impacts of the hyperinflation adjustments in Argentina on the consolidated financial statements at 31 December 2024 are as follows:

	Thousand euro	
	2024	**2023**
Revenue	1,341	(16,253)
Operating profit/(loss)	(175)	(1,179)
Net financial income/(expense)	(10,069)	(2,061)
Profit/(loss) for the year	(7,293)	(3,762)

Since 30 June 2022, in accordance with IAS 29 "Financial reporting in hyperinflationary economies", the Turkish economy has been regarded as hyperinflationary with retrospective effect to 1 January 2022.

The inflation rate used was the consumer price index (CPI) as from 1 January 2011.

The main impacts at 31 December 2024 are described below:

- A decrease in equity of €1,580 thousand (€793 thousand in 2023) as a result of applying the inflation rate to the historical cost of the non-monetary assets and liabilities as from the date of acquisition or recognition in the consolidated balance sheet.
- Financial income of €1,580 thousand (€793 thousand in 2023).

5. Business combinations

The Group completed the following business combinations during the year ended 31 December 2024:

Global Training Aviation, S.L.

On 5 February 2024, the parent company acquired 65% of the Spanish company Global Training Aviation, S.L. for €18,723 thousand, thereby taking control of its entire share capital. A liability of €500 thousand is also recognised, reflecting the deferred payment that the Group must make in the future. These companies held cash of €2,076 thousand at the acquisition date, so the net cash outflow was €6,647 thousand. The value of the Group's previous 35% stake has been updated, giving rise to financial income of €7,002 thousand.

Provisional goodwill on this transaction amounts to €25,493 thousand. The Group has a period of 12 months to allocate the final value.

The Spanish company Global Training Aviation, S.L. is a leader in the aeronautical training segment, with subsidiaries in Indonesia and Colombia. It has 38 employees. It also holds EASA (European Union Aviation Safety Agency) certification and authorisation from various civil aviation authorities. This acquisition allows Indra to serve the entire aeronautical simulation business value chain.

Net assets acquired and provisional goodwill resulting from the acquisition are as follows:

	Thousand euro
Other intangible assets	43
Property, plant and equipment	13,907
Right-of-use assets	11,566
Deferred tax assets	879
Non-current financial assets	7,788
Total non-current assets	**34,183**
Inventories	17
Trade and other receivables	1,776
Cash and cash equivalents	2,076
Other current assets	4,893
Total current assets	**8,762**
Total assets	**42,944**
Bank borrowings	9,353
Other non-current liabilities	21,738
Total non-current liabilities	**31,091**
Bank borrowings	2,157
Trade and other payables	2,594
Other current liabilities	2,991
Total current liabilities	**7,741**
Total liabilities	**38,832**
Net assets	4,113
% acquisition	100 %
Initial consideration	18,723
Deferred payment	500
Value of previous shareholding	10,383
Goodwill on consolidation	**25,493**

The fair value of trade and other receivables at the acquisition date matches the gross contractual amount.

The GTA Group contributed revenue of €14,390 thousand from the date it was included in the consolidation scope to 31 December 2024. This contribution would have amounted to €15,262 thousand had the company been consolidated throughout 2024.

<u>Compañía Uruguaya de Medios de Procesamiento, S.A.</u>

On 31 May 2024, the Group company Minsait Payment Systems, S.L.U. completed the acquisition of the Uruguayan company Compañía Uruguaya de Medios de Procesamiento, S.A. for €5,272 thousand, after signing the purchase agreement in the previous year and receiving approvals from the competent authorities in Uruguay. These companies held cash of €739 thousand at the acquisition date, so the net cash outflow was €4,533 thousand.

Provisional goodwill on this transaction amounts to €235 thousand. The Group has a period of 12 months to allocate the final value.

Compañía Uruguaya de Medios de Procesamiento, S.A. has the largest market share in Uruguay's merchant acquiring business and 27 employees.

Net assets acquired and provisional goodwill resulting from the acquisition are as follows:

	Thousand euro
Other intangible assets	3,544
Property, plant and equipment	987
Deferred tax assets	221
Total non-current assets	**4,752**
Trade and other receivables	3
Cash and cash equivalents	739
Other current assets	1,358
Total current assets	**2,100**
Total assets	**6,852**
Trade and other payables	608
Other current liabilities	1,207
Total current liabilities	**1,815**
Total liabilities	**1,815**
Net assets	**5,037**
% acquisition	100 %
Initial consideration	5,272
Goodwill on consolidation	**235**

The fair value of trade and other receivables at the acquisition date matches the gross contractual amount.

Compañía Uruguaya de Medios de Procesamiento, S.A. contributed revenue of €12,540 thousand from the date it was included in the consolidation scope to 31 December 2024. This contribution would have amounted to €92,346 thousand had the company been consolidated throughout 2024.

MQA Group

On 8 October 2024, the Group company Indra Soluciones Tecnologías de la Información, S.L.U. acquired 100% of the companies MQA Business Consultants, S.A.S. and MQA Américas Group, Inc. for an initial amount of €32,172 thousand. An additional liability of €5,785 thousand was recognised, reflecting the probable value that Indra estimates will be payable as an earn-out in the event that the company reaches the business targets agreed in the sale and purchase agreement. These companies held cash of €3,360 thousand at the acquisition date, so the net cash outflow was €28,812 thousand.

Provisional goodwill on this transaction amounts to €32,514 thousand. The Group has a period of 12 months to allocate the final value.

The MQA Group specialises in SAP solutions and in digital transformation projects for the industrial sector. It comprises companies in Panama, Colombia, the Dominican Republic, Honduras, Guatemala, El Salvador and Costa Rica. It has approximately 210 employees.

Net assets acquired and provisional goodwill resulting from the acquisition are as follows:

	Thousand euro
Property, plant and equipment	133
Non-current financial assets	299
Deferred tax assets	338
Total non-current assets	**770**
Trade and other receivables	8,488
Current tax assets	555
Cash and cash equivalents	3,360
Other current assets	2,641
Total current assets	**15,044**
Total assets	**15,814**
Deferred tax liabilities	4
Total non-current liabilities	**4**
Current tax liabilities	1,070
Trade and other payables	7,044
Other current liabilities	2,254
Total current liabilities	**10,368**
Total liabilities	**10,372**
Net assets	**5,442**
% acquisition	100 %
Initial consideration	32,172
Earn-out agreement	5,785
Goodwill on consolidation	**32,514**

The fair value of trade and other receivables at the acquisition date matches the gross contractual amount.

The MQA Group contributed revenue of €10,710 thousand from the date it was included in the consolidation scope to 31 December 2024. This contribution would have amounted to €36,252 thousand had the company been consolidated throughout 2024.

TESS DEFENCE, S.A.

On 29 October 2024, as part of the implementation of the Strategic Plan "Leading the Future", Indra reached an agreement with the other shareholders of TESS DEFENCE, S.A. ("TESS"), a Spanish company specialising in the design and manufacture of state-of-the-art military land vehicles, to increase Indra's ownership interest in TESS from the current 24.67% to 51.01%, for the amount of €106.7 million, leaving the remaining share capital distribution as follows: Santa Bárbara Sistemas, S.A.: 16.33%; Escribano Mechanical & Engineering, S.L.: 16.33% and SAPA Operaciones, S.L.: 16.33%.

The agreement provides for an additional earn-out of a maximum of €30 million in the event that TESS generates sales and EBITDA in excess of the business plan estimates at the acquisition date.

The transaction, completion of which is subject to the fulfilment of certain conditions precedent that are essentially regulatory in nature, will allow Indra to consolidate TESS under the full consolidation method.

At the issuance date of these Consolidated Annual Accounts, the conditions stipulated in the sale and purchase agreement have not yet been met, so the business acquisition has not yet been completed.

Deimos Group

On 31 October 2024, the Group company Orbitude, S.L.U. acquired 100% of the Deimos Group for €19,000 thousand. These companies held cash of €5,262 thousand at the acquisition date, so the net cash outflow was €13,738 thousand.

Provisional goodwill on this transaction amounts to €16,435 thousand. The Group has a period of 12 months to allocate the final value.

The Deimos Group is a technology group engaged primarily in Space Engineering, Information Systems and Aeronautics. It comprises companies in Spain, Italy, Portugal, the United Kingdom and Romania. It has approximately 450 employees. Deimos will bring key capabilities in all phases of a space mission, thanks to its experience integrating satellites and flight-critical subsystems. This acquisition will also boost Indra's capabilities in the ground segment, particularly in control and mission software development, as well as in space surveillance and tracking.

Net assets acquired and provisional goodwill resulting from the acquisition are as follows:

	Thousand euro
Other intangible assets	370
Property, plant and equipment	5,546
Deferred tax assets	2,091
Non-current financial assets	170
Total non-current assets	**8,176**
Inventories	3,602
Current tax assets	475
Trade and other receivables	10,721
Cash and cash equivalents	5,262
Other current assets	5,501
Total current assets	**25,561**
Total assets	**33,737**
Bank borrowings	565
Grants	1,896
Deferred tax liabilities	632
Other non-current liabilities	12
Total non-current liabilities	**3,104**
Bank borrowings	2,513
Trade and other payables	18,165
Current tax liabilities	17
Other current liabilities	7,372
Total current liabilities	**28,068**
Total liabilities	**31,172**
Net assets	2,565
% acquisition	100 %
Initial consideration	19,000
Goodwill on consolidation	**16,435**

The fair value of trade and other receivables at the acquisition date matches the gross contractual amount.

The Deimos Group contributed revenue of €9,428 thousand from the date it was included in the consolidation scope to 31 December 2024. This contribution would have amounted to €58,030 thousand had the Group been consolidated throughout 2024.

Micro NAV and Global ATS

On 04 November 2024, Indra's Board of Directors approved the purchase of 100% of the share capital of the leading company in air traffic and air defence simulators, "Micro Nav", and of the air traffic control training services company "Global ATS", which is a benchmark in the United Kingdom market. Thanks to this transaction Indra is well positioned to serve the growing demand from customers for this kind of air traffic control simulation and training solutions and services, having bolstered its foothold in the United Kingdom and also in the Middle East and Asia-Pacific. Completion of the acquisition is conditional on prior regulatory approval. At the issuance date of these Consolidated Annual Accounts, the conditions stipulated in the sale and purchase agreement have not yet been met, so the business acquisition has not yet been completed.

CLUE Group

On 29 November 2024, the parent company acquired 100% of the CLUE Group for €13,777 thousand. An additional discounted liability of €25,000 thousand was recognised, reflecting the probable value that Indra estimates will be payable as an earn-out in the event that the company reaches the targets agreed in the sale and purchase agreement, in addition to a sum of €1,000 thousand deposited in an escrow account.

CLUE is a group of three Spanish companies engaged in the research, design and manufacture of high-performance electronic systems for aircraft comprising AI and data analytics. The integration of CLUE into the Indra Group will allow us to take a leap forward in this market and become a national benchmark for avionics. It has approximately 60 employees.

Provisional goodwill on this transaction amounts to €31,076 thousand. The Group has a period of 12 months to allocate the final value.

Net assets acquired and provisional goodwill resulting from the acquisition are as follows:

	Thousand euro
Property, plant and equipment	1,226
Intangible assets	7,639
Non-current financial assets	228
Deferred tax assets	3,525
Total non-current assets	**12,617**
Inventories	1,940
Trade and other receivables	5,043
Cash and cash equivalents	38
Other current assets	1,597
Total current assets	**8,618**
Total assets	**21,235**
Bank borrowings	271
Grants	2,092
Other non-current liabilities	895
Deferred tax liabilities	2,862
Total non-current liabilities	**6,120**
Bank borrowings	1,555
Trade and other payables	3,836
Current tax liabilities	6
Other current liabilities	1,016
Total current liabilities	**6,414**
Total liabilities	**12,534**
Net assets	8,701
% acquisition	100 %
Initial consideration	13,777
Escrow account	1,000
Earn-out agreement	25,000
Goodwill on consolidation	**31,076**

The fair value of trade and other receivables at the acquisition date matches the gross contractual amount.

The CLUE Group contributed revenue of €5,191 thousand from the date it was included in the consolidation scope to 31 December 2024. This contribution would have amounted to €19,811 thousand had the Group been consolidated throughout 2024.

PULSE

On 18 December, Indra and the EDGE Group entered into a joint venture, “PULSE”, to design and manufacture radars in Abu Dhabi. The agreement is aligned with Indra’s Strategic Plan “Leading the Future” and with EDGE’s vision of expanding sovereign capabilities, driving innovation and producing high-tech solutions in the United Arab Emirates.

Other considerations relating to the year's acquisitions

None of the goodwill referred to above is expected to be deductible.

The Group has a period of 12 months to allocate a final value to the assets and liabilities of the businesses acquired, in compliance with IFRS 3 (on business combinations). The Group estimates that the acquisitions made in 2024 will mainly generate goodwill, although it is true that, in the context of the PPA exercises in progress, some assets could emerge reflecting the value of customer relationships, technology or brands.

During the year ended 31 December 2024, the Group made the following adjustments to 2023 business combinations:

Air traffic business (Selex)

During 2024, an adjustment was made to the fair value of the assets and liabilities of the Air Traffic Management business line, reducing the goodwill calculated in 2023 by €2,152 thousand (USD 2,341 thousand). The following modifications were made in the purchase price allocation process:

- €24 thousand relating to intangible assets.
- Decrease of €1,464 thousand in property, plant and equipment.
- Reduction of €1,055 thousand in deferred tax assets.
- Reduction of €3,635 thousand in deferred tax liability.
- Decline of €1,012 thousand under Trade and other payables.

This business combination is definitive now that the 12-month period as from the acquisition date stipulated in IFRS 3 "Business combinations" has ended. The changes are set out below:

	2023	Additions	2024
	Fair value prior to the PPA	Assets and liabilities identified	Fair value
	Thousand euro		
Intangible assets	18,882	24	18,906
Property, plant and equipment	3,362	(1,464)	1,898
Deferred tax assets	1,055	(1,055)	-
Total non-current assets	**23,299**	**(2,495)**	**20,804**
Total current assets	**18,761**	**-**	18,761
Total assets	**42,060**	**(2,495)**	**39,565**
Non-current provisions	2,079	-	2,079
Other non-current liabilities	88	-	88
Deferred tax liabilities	3,635	(3,635)	-
Total non-current liabilities	**5,802**	**(3,635)**	**2,167**
Total current liabilities	**6,461**	**(1,012)**	5,448
Total liabilities	**12,263**	**(4,648)**	**7,615**
Net assets	**29,797**	**2,152**	**31,950**
% acquisition	100 %		
Total purchase consideration	43,969	-	43,969
Goodwill on consolidation	**14,172**	**(2,152)**	**12,019**

<u>**Deuser Tech Group, S.L.**</u>

During 2024, an adjustment was made to the fair value of the assets and liabilities of the company Deuser Tech Group, S.L., reducing the goodwill calculated in 2023 by €370 thousand. The following assets and liabilities were restated in the purchase price allocation process:

- The amount of €874 thousand relating to customer relationships.
- The amount of €381 thousand relating to provisions for tax and labour contingencies.

This business combination is definitive now that the 12-month period as from the acquisition date stipulated in IFRS 3 “Business combinations” has ended. The changes are set out below:

	Thousand euro		
	2023	**Additions**	**2024**
	Fair value	**Assets and liabilities identified**	**Fair value**
Intangible assets	1,658	874	2,532
Property, plant and equipment	389	-	389
Non-current financial assets	467	-	467
Deferred tax assets	2	95	97
Total non-current assets	**2,517**	**969**	**3,486**
Total current assets	**5,295**	**-**	5,295
Total assets	**7,812**	**969**	**8,781**
Non-current provisions	-	381	381
Other non-current liabilities	2,938	-	2,938
Deferred tax liabilities	156	218	374
Total non-current liabilities	**3,094**	**599**	**3,693**
Total current liabilities	**4,733**	**-**	4,733
Total liabilities	**7,827**	**599**	**8,426**
Net assets	**(15)**	**370**	**355**
% acquisition	100 %		
Consideration	4,297	-	4,297
Deferred payment	500	-	500
Goodwill on consolidation	**4,813**	**(370)**	**4,443**

ICA Sistemas y Seguridad, S.L.

During 2024, an adjustment was made to the fair value of the assets and liabilities of the company ICA Sistemas y Seguridad, S.L., reducing the goodwill calculated in 2023 by €1,184 thousand. The following assets and liabilities were restated in the purchase price allocation process:

- The amount of €2,363 thousand relating to technology (royalties).
- The amount of €785 thousand relating to provisions for tax and labour contingencies.

This business combination is definitive now that the 12-month period as from the acquisition date stipulated in IFRS 3 “Business combinations” has ended. The changes are set out below:

	Thousand euro		
	2023	**Additions**	**2024**
	Fair value	**Assets and liabilities identified**	**Fair value**
Intangible assets	733	2,363	3,096
Property, plant and equipment	57	-	57
Deferred tax assets	36	196	232
Non-current financial assets	14	-	14
Total non-current assets	**839**	**2,559**	**3,399**
Total current assets	**6,980**	**-**	6,980
Total assets	**7,820**	**2,559**	**10,379**
Bank borrowings	765	-	765
Non-current provisions	-	785	785
Deferred tax liabilities	-	591	591
Other non-current liabilities	381	-	381
Total non-current liabilities	**1,147**	**1,375**	**2,522**
Total current liabilities	**4,810**	**-**	4,810
Total liabilities	**5,957**	**1,375**	**7,332**
Net assets	**1,863**	**1,184**	**3,047**
% acquisition	100 %		
Consideration	6,263	-	6,263
Earn-out agreement	2,000	-	2,000
Subsequent payment	1,100	-	1,100
Goodwill on consolidation	**7,500**	**(1,184)**	**6,316**

Tramasierra 2021, S.L.

During 2024, an adjustment was made to the fair value of the assets and liabilities of the Tramasierra Group, increasing the goodwill calculated in 2023 by €981 thousand. The following liabilities were restated in the purchase price allocation process:

- The amount of €1,308 thousand relating to provisions for tax and labour contingencies (€1,261 thousand in non-current liabilities and €47 thousand in current liabilities).

This business combination is definitive now that the 12-month period as from the acquisition date stipulated in IFRS 3 “Business combinations” has ended. The changes are set out below:

	Thousand euro		
	2023	**Additions**	**2024**
	Fair value prior to the PPA	**Assets and liabilities identified**	**Fair value after the PPA**
Intangible assets	4,934	-	4,934
Property, plant and equipment	44	-	44
Deferred tax assets	1,514	327	1,841
Non-current financial assets	794	-	794
Total non-current assets	**7,285**	**327**	**7,612**
Total current assets	**6,966**	**-**	**6,966**
Total assets	**14,251**	**327**	**14,578**
Non-current provisions	335	-	335
Bank borrowings	385	-	385
Other non-current liabilities	161	1,261	1,422
Deferred tax liabilities	-	-	-
Total non-current liabilities	**880**	**1,261**	**2,141**
Total current liabilities	**7,650**	**47**	**7,697**
Total liabilities	**8,531**	**1,308**	**9,839**
Net assets	**5,721**	**(981)**	**4,740**
% acquisition	100 %		
Consideration	10,489		10,489
Goodwill on consolidation	**4,769**	**981**	**5,750**

Nae Comunicaciones, S.L.U.

During 2024, an adjustment was made to the fair value of the assets and liabilities of the company Nae Comunicaciones, S.L.U., reducing the goodwill calculated in 2023 by €11,947 thousand. The following assets and liabilities were restated in the purchase price allocation process:

- The amount of €6,212 thousand relating to customer relationships.
- The amount of €1,615 thousand relating to provisions for tax and labour contingencies.

This business combination is definitive now that the 12-month period as from the acquisition date stipulated in IFRS 3 “Business combinations” has ended. The changes are set out below:

	Thousand euro		
	2023	**Additions**	**2024**
	Fair value prior to the PPA	**Assets and liabilities identified**	**Fair value after the PPA**
Intangible assets	-	6,212	6,212
Property, plant and equipment	85	-	85
Deferred tax assets	1	404	405
Non-current financial assets	32	-	32
Total non-current assets	118	6,615	6,733
Total current assets	**10,420**	**-**	**10,420**
Total assets	**10,538**	**6,615**	**17,153**
Non-current provisions	-	1,615	1,615
Bank borrowings	1,566	-	1,566
Other non-current liabilities	3	-	3
Deferred tax liabilities	2	1,553	1,555
Total non-current liabilities	**1,570**	**3,168**	**4,739**
Total current liabilities	**5,342**	**-**	**5,342**
Total liabilities	**6,913**	**3,168**	**10,081**
Net assets	**3,625**	**3,447**	**7,073**
% acquisition	100 %		
Consideration	27,961		27,961
Earn-out agreement	8,500	(8,500)	-
Goodwill on consolidation	**32,836**	**(11,947)**	**20,889**

No assets and liabilities have been identified in relation to the other companies acquired during 2023 and therefore the definitive goodwill has not changed.

All these effects refer to the transaction date. Nonetheless, the Group decided not to restate the comparative figures because the above-mentioned effects are immaterial to the consolidated statement of financial position, consolidated income statement, consolidated cash flow statement and basic and diluted earnings per share.

6. Property, plant and equipment

Property, plant and equipment are analysed below at 31 December 2024 and 2023:

Thousand euro

	Balance at 31.12.2023	Scope change	Currency translation differences	Additions	Disposals	Transfers	Transfer to held for sale	Balance at 31.12.2024
Investments:								
Land	7,471	261	33	-	(117)	-	-	7,648
Buildings	41,625	5,246	339	430	(469)	(2,135)	-	45,036
Plant, machinery & other installations	243,754	37,268	361	16,217	(3,216)	4	(1,106)	293,281
Furniture	42,684	1,223	15	1,459	(1,381)	(202)	(770)	43,029
Vehicles	1,523	154	4	58	(194)	-	-	1,545
Data-processing equipment	125,554	10,166	(741)	4,982	(2,957)	208	(25,146)	112,067
Other PPE	5,419	2,231	(35)	93	(161)	41	-	7,588
	468,030	**56,549**	**(23)**	**23,239**	**(8,495)**	**(2,084)**	**(27,022)**	**510,194**
Depreciation:								
Buildings	(23,427)	(1,562)	(199)	(798)	244	570	-	(25,171)
Plant, machinery & other installations	(187,118)	(21,775)	(310)	(12,224)	2,823	(72)	999	(217,676)
Furniture	(36,402)	(962)	(238)	(1,170)	1,248	(14)	715	(36,824)
Vehicles	(1,270)	(136)	6	(37)	152	-	-	(1,286)
Data-processing equipment	(114,766)	(8,330)	449	(5,612)	2,780	(59)	22,095	(103,442)
Other PPE	(5,143)	(1,985)	45	(140)	100	94	-	(7,029)
	(368,126)	**(34,750)**	**(247)**	**(19,981)**	**7,347**	**519**	**23,809**	**(391,429)**
Impairment provisions:								
Plant, machinery & other installations	(761)					761	-	-
	(761)	**-**	**-**	**-**	**-**	**761**	**-**	**-**
Net value:								
Land	7,471	261	33	-	(117)	-	-	7,648
Buildings	18,198	3,684	140	(368)	(225)	(1,565)	-	19,865
Plant, machinery & other installations	55,875	15,493	51	3,993	(393)	693	(106)	75,606
Furniture	6,282	261	(223)	289	(133)	(217)	(55)	6,204
Vehicles	253	17	10	21	(43)	-	-	258
Data-processing equipment	10,788	1,836	(291)	(630)	(177)	149	(3,051)	8,624
Other PPE	276	246	10	(47)	(61)	135	-	559
Total	**99,143**	**21,799**	**(270)**	**3,258**	**(1,148)**	**(804)**	**(3,213)**	**118,765**

Thousand euro

	Balance at 31.12.2022	Scope change	Currency translation differences	Additions	Disposals	Transfers	Balance at 31.12.2023
Investments:							
Land	6,954	517	-	-	-	-	7,471
Buildings	36,867	4,734	(43)	118	(51)	-	41,625
Plant, machinery & other installations	219,428	10,169	770	18,171	(4,675)	(109)	243,754
Furniture	40,814	2,710	11	1,277	(2,374)	246	42,684
Vehicles	1,286	290	(29)	92	(112)	(4)	1,523
Data-processing equipment	129,620	337	(1,647)	3,804	(6,525)	(35)	125,554
Other PPE	6,285	26	(40)	77	(934)	5	5,419
	441,254	**18,783**	**(978)**	**23,539**	**(14,671)**	**103**	**468,030**
Depreciation:							
Buildings	(20,108)	(2,532)	60	(898)	51	-	(23,427)
Plant, machinery & other installations	(173,232)	(9,239)	(396)	(9,081)	4,325	505	(187,118)
Furniture	(34,676)	(2,539)	9	(1,206)	2,359	(349)	(36,402)
Vehicles	(1,234)	(122)	23	(53)	112	4	(1,270)
Data-processing equipment	(116,365)	(189)	1,386	(6,004)	6,329	77	(114,766)
Other PPE	(5,830)	(4)	36	(284)	920	19	(5,143)
	(351,445)	**(14,625)**	**1,118**	**(17,526)**	**14,096**	**256**	**(368,126)**
Impairment provisions:							
Plant, machinery & other installations	(896)	-	135	-	-	-	(761)
	(896)	**-**	**135**	**-**	**-**	**-**	**(761)**
Net value:							
Land	6,954	517	-	-	-	-	7,471
Buildings	16,759	2,202	17	(780)	-	-	18,198
Plant, machinery & other installations	45,300	930	509	9,090	(350)	396	55,875
Furniture	6,138	171	20	71	(15)	(103)	6,282
Vehicles	52	168	(6)	39	-	-	253
Data-processing equipment	13,255	148	(261)	(2,200)	(196)	42	10,788
Other PPE	455	22	(4)	(207)	(14)	24	276
Total	**88,913**	**4,158**	**275**	**6,013**	**(575)**	**359**	**99,143**

Scope changes in 2024 relate to the acquisitions of the companies: Global Training Aviation, S.L., Compañía Uruguaya de Medios de Procesamiento, S.A., MQA Group, Deimos Group and CLUE Group (Note 5).

Additions to and disposals of data-processing equipment relate to the technological renewal of equipment, mainly in the parent company.

Additions to plant relate to the refurbishment and optimisation of buildings, primarily by the parent company.

Disposals of plant and in furniture are mainly attributable to the derecognition of various buildings when the leases were cancelled (Note 7).

The Group made payments to acquire property, plant and equipment totalling €23,562 thousand in 2024 (€22,988 thousand in 2023).

At 31 December 2024, fully-depreciated property, plant and equipment amount to €278,258 thousand (€273,032 thousand at 31 December 2023).

The Group has taken out insurance policies to cover the risks to which its property, plant and equipment are exposed. The coverage provided by these policies is considered to be sufficient.

The Group has no property, plant and equipment pledged as collateral and there are no ownership restrictions. There are also no commitments to acquire property, plant and equipment at 31 December 2024 or 2023.

7. Right-of-use assets

Right-of-use assets are analysed below at 31 December 2024 and 2023:

	Thousand euro						
	Balance at 31.12.2023	**Scope change**	**Currency translation differences**	**Additions**	**Disposals**	**Transfer to held for sale**	**Balance at 31.12.2024**
Investments:							
Land and buildings	226,316	-	(967)	27,231	(10,078)	(2,923)	239,579
Vehicles	4,166	-	(20)	2,145	(545)	(18)	5,727
Machinery	-	18,774	-	-	-	-	18,774
Data-processing equipment	1,625	-	26	-	-	-	1,651
	232,107	**18,774**	**(961)**	**29,376**	**(10,623)**	**(2,942)**	**265,732**
Depreciation:							
Land and buildings	(111,132)	-	657	(26,142)	7,018	1,715	(127,883)
Vehicles	(325)		13	(2,142)	410	12	(2,031)
Machinery	-	(7,208)	-	(1,098)	-	-	(8,305)
Data-processing equipment	(1,625)	-	(26)	-	-	-	(1,651)
	(113,082)	**(7,208)**	**644**	**(29,382)**	**7,428**	**1,728**	**(139,871)**
Net value:							
Land and buildings	115,184	-	(310)	1,089	(3,060)	(1,208)	111,696
Vehicles	3,841	-	(7)	3	(135)	(6)	3,696
Machinery	-	11,566	-	(1,098)	-	-	10,469
Data-processing equipment	-	-	-	-	-	-	-
Total	**119,025**	**11,566**	**(317)**	**(5)**	**(3,195)**	**(1,214)**	**125,861**

	Thousand euro					
	Balance at 31.12.2022	Scope change	Currency translation differences	Additions	Disposals	Balance at 31.12.2023
Investments:						
Land and buildings	185,197	130	804	65,209	(25,024)	226,316
Vehicles	557	-	(16)	3,628	(3)	4,166
Data-processing equipment	1,679	-	(54)	-	-	1,625
	187,433	**130**	**734**	**68,837**	**(25,027)**	**232,107**
Depreciation:						
Land and buildings	(99,227)	(47)	(563)	(27,738)	16,443	(111,132)
Vehicles	(250)	-	7	(82)	-	(325)
Data-processing equipment	(1,679)	-	54	-	-	(1,625)
	(101,156)	**(47)**	**(502)**	**(27,820)**	**16,443**	**(113,082)**
Net value:						
Land and buildings	85,970	83	241	37,471	(8,581)	115,184
Vehicles	307	-	(9)	3,546	(3)	3,841
Data-processing equipment	-	-	-	-	-	-
Total	**86,277**	**83**	**232**	**41,017**	**(8,584)**	**119,025**

The average lease term for land and buildings is 3.84 years. This heading relates primarily to leased offices and other leased workplaces. Net property, plant and equipment associated with leases amounted to €81,810 thousand in 2024 (€53,278 thousand in 2023).

The additions of €27,231 thousand to “Land and buildings” in 2024 (€65,209 thousand in 2023) relate to changes in existing lease terms, mainly comprising office lease extensions and the consequent adjustments to cumulative rent. The most significant lease is for the headquarters at Avenida de Bruselas 33-35 Alcobendas, Madrid. An addendum to the lease was signed on 21 April 2023, in which the main changes were the extension of the lease to December 2033 and a change in the amount of rent with a 20-month grace period. These modifications increased right-of-use assets by €40,009 thousand. The amount recognised in the Group's income statement in relation to these right-of-use assets is analysed below:

	Thousand euro	
Impact of IFRS 16 on the income statement	**2024**	**2023**
Depreciation expenses	28,284	27,820
Financial expenses (Note 10)	7,019	5,662
Total effect on the income statement	**35,303**	**33,482**

Cash outflows recognised under the cash flow statement heading “Net cash flows absorbed by financing activities” totalled €27,699 thousand (€32,693 thousand in 2023).

8. Goodwill

Movements in goodwill are analysed below at 31 December 2024 and 2023:

Thousand euro

	31.12.2023	Additions	Currency translation differences	Disposals	Transfers	Transfer to held for sale	31.12.2024
Defence	31,630	73,004	163	-	-	-	104,797
Air Traffic	68,114	-	(237)	(129)	(2,317)	-	65,431
Mobility	28,336	-	(3)	-	-	-	28,333
Minsait	868,294	33,225	23	(8,500)	(4,019)	(44,094)	844,929
Total	**996,374**	**106,229**	**(54)**	**(8,629)**	**(6,336)**	**(44,094)**	**1,043,490**

Thousand euro

	31.12.2022	Additions	Currency translation	Disposals	Transfers	31.12.2023
Defence	31,630	-	-	-	-	31,630
Air Traffic	55,304	14,483	(1,673)	-	-	68,114
Mobility	28,414	-	(78)	-	-	28,336
Minsait	830,719	50,147	567	(2,098)	(11,041)	868,294
Total	**946,067**	**64,630**	**(1,184)**	**(2,098)**	**(11,041)**	**996,374**

Additions relate to the business combinations described in Note 5 and transfers pertain to fair value adjustments to the assets and liabilities of the business combinations described in this same note.

Key assumptions employed in projections

Despite not having identified indications of impairment, the Group periodically assesses the recoverability of the goodwill reflected in the table above. The business plans of the different cash-generating units (CGUs) to which the goodwill is assigned are used for this purpose, discounting forecast future cash flows.

The assumptions on which these cash flow projections are based are supported by past experience and reasonable forecasts included in each CGU's business plan. These forecasts are compared with expected market growth according to different specialised sources, taking into account the company's position in that market and strategic aspects that could affect this position (innovation, entry into other markets, etc.).

Flow projections are based on the 2025 Budget approved by the Board and on the Strategic Plan "Leading the Future" for the following years. Flows are estimated assuming that growth converges to the residual growth rate and that indirect and structural costs remain consistent with the business context. These projections directly reflect the best estimates for each geography and activity carried on by Group.

The main measurement input are determined as follows:

- Residual growth rate: forecast medium/long-term inflation published by the International Monetary Fund. The forecast for Spain is used for goodwill, this being the main, most representative geography for revenue in relative terms. The other geographies are analysed in case the need to make an adjustment is identified.
- Discount rate ("WACC"): calculated using the commonly accepted method, i.e. the Capital Asset Pricing Model, which weights the required returns on both debt and equity invested in proportion to an expected capital structure. The calculation reflects the business risk for a market participant that would be considered by any other company in the industry. The main risks considered under this method are:
  - Risk-free rate, which represents the expected return on long-term government debt issues, calculated as the yield on the 10-year US bond.

- Country risk premium, which represents the additional risk of investing in a foreign country as compared to investing in the United States. This risk includes: economic risk, foreign exchange risk, political risk, sovereign risk and transfer risk. This premium is obtained from public sources. In the specific case of goodwill, Spain's country risk is employed, as the main, most representative geography for revenue in relative terms.
- Market risk premium, reflecting the incremental risk of investing in business as compared to government debt, based on market studies.
- The risk inherent to the market or industry in which the entity operates ("beta"), obtained from a benchmark study of our competitors' performance compared to the relevant market indices.
- Cost of debt, which is simply the return that a debt investor should demand on the financial debt it would grant to the business being valued.
- Market capital structure, which is the average capital structure of competitors.

The Group obtains this information from public sources, such as Bloomberg and the International Monetary Fund, as well as from research published by world-renowned business valuation specialists.

A breakdown of the assumptions used to calculate the recoverable value of each CGU, which has been calculated as value in use, is set out below:

	Year-on-year growth rate		Discount rate after tax		Residual growth rate		Residual EBIT margin		Days working capital	
	Revenue (5 years)									
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Defence	8.19 %	11.30 %	8.81 %	10.41 %	1.80 %	1.70 %	16.90 %	16.90 %	(114)	(157)
Air Traffic	7.48 %	10.47 %	9.12 %	10.65 %	1.80 %	1.70 %	13.30 %	14.43 %	130	143
Mobility	8.70 %	8.21 %	10.10 %	10.82 %	1.80 %	1.70 %	9.20 %	8.00 %	131	130
Minsait	4.67 %	4.39 %	10.32 %	11.62 %	1.80 %	1.70 %	7.84 %	8.51 %	27	27

As in the previous year, the 2024 results (last financial year closed), the 2025 budget approved by the Group and the Strategic Plan approved by the Board of Directors are the starting point for the assumptions employed.

Management considers that, were pre-tax future cash flows and discount rates to be estimated, the findings of the impairment tests carried out in 2024 would not be materially different from those performed using the method applied by management. There would also be no material difference were the discounts on leases in force at year-end 2024 to be applied.

In all cases, sensitivity analyses are carried out on the discount rate and residual growth rate employed to check that reasonable changes to these assumptions will not affect the possible recovery of goodwill recognised. Sensitivity analyses are also performed on the basic assumptions: sales, margins, working capital and residual EBIT.

Cash flows are discounted to present value at a rate after tax that reflects the specific risks of the assets as well as risks not included in the flows, such as specific country risk. This rate is calculated using the Capital Asset Pricing Model (CAPM). The data employed in these calculations are obtained from independent, reputable external information sources and the findings are compared with the rates used by independent financial analysts in comparable business valuations. In 2024, the discount rates after tax were within a range of 8.81%-10.32%.

Projections span a five-year period. Cash flows as from year six are the components of terminal value and are estimated as income in perpetuity at a constant growth rate (residual growth rate) on a normalised flow reflecting the CGU's operations in perpetuity. The residual growth rate is estimated for each CGU taking into account the nature of the business and expected long-term inflation in the CGU's business area and is contrasted with external information sources. A growth rate of 1.80% was used in the 2024 projections for all CGUs.

The effect of the current geopolitical situation was directly taken into account in the flow projections, based on both the Group's own budget and the strategic plan approved by the Group's Board, which already include the possible consequences.

The discount rate is based on market indicators (at the analysis date) for both market risk and our business/sector risk, and indirectly captures the inherent geopolitical risk.

The normalised flow on which the terminal value calculation was based included the following year-five flow adjustments:

Sales $_{\text{Normalised flow}}$ = Sales $_{\text{Year 5}}$ x (1+g)

Operating expenses $_{\text{Normalised flow}}$ = Operating expenses $_{\text{Year 5}}$ x (1+g)

Investment $_{\text{Normalised flow}}$ = Depreciation $_{\text{Normalised flow}}$

Working capital investment $_{\text{Normalised flow}}$ = Days working capital $_{\text{Year 5}}$ / 365 x Sales $_{\text{Year 5}}$ x g [(1)]

Tax rate $_{\text{Normalised flow}}$ = Tax rate $_{\text{Year 5}}$

Normalised flow = (Sales – Operating expenses – Investment – Working capital investment – Taxes) $_{\text{Normalised flow}}$

"g" is the residual growth rate.

(1) Working capital investment is calculated on the basis of residual growth

The amount discounted from terminal value as a percentage of the total recoverable amount of the most significant goodwill in 2024 and 2023 is shown below:

	Residual value	
	2024	**2023**
Defence	77 %	75 %
Air Traffic	77 %	78 %
Mobility	70 %	55 %
Minsait	72 %	67 %

Impairment test findings

Although the Group has reclassified the MPS Group to available for sale (Note 13), it is not regarded as an independent CGU and forms part of the Minsait CGU.

However, the Group has performed an impairment test on the Minsait CGU excluding the Means of Payment business, the recoverable amount exceeding the carrying amount in both cases.

Set out below is a breakdown of the main assets included in the carrying amount of the CGUs at 31 December 2024 and 2023:

	2024				
	Net fixed assets	**Working capital**	**Goodwill**	**Other**	**CGU carrying amount**
Defence	185,042	(308,027)	104,797	(159,456)	(177,644)
Air Traffic	67,246	131,178	65,431	(73,065)	190,790
Mobility	60,507	179,834	28,333	(16,014)	252,660
Minsait	238,337	97,387	889,023	(271,128)	953,619
Total	**551,132**	**100,373**	**1,087,584**	**(519,663)**	**1,219,426**

2023	Net fixed assets	Working capital	Goodwill	Other	CGU carrying amount
Defence	140,369	(303,207)	31,630	(54,788)	(185,996)
Air Traffic	63,591	148,569	68,114	(92,968)	187,306
Mobility	57,221	209,017	28,336	(33,811)	260,763
Minsait	232,522	131,076	868,294	(289,677)	942,215
Total	**493,702**	**185,455**	**996,374**	**(471,243)**	**1,204,288**

The balance sheet items under "Other" relate to the rest of the assets and liabilities that are not included under the other headings (net fixed assets, working capital and goodwill), but are included in the CGU's carrying amount, so they may increase or decrease that carrying amount. The main items relate to other receivables and payables (public entities, accrued wages and salaries, etc.), assets and liabilities without which the recoverable amount of the CGUs cannot be determined, as they do not generate cash flows that are separable from the projected business in the CGUs' cash flows. As liabilities exceed assets, the resulting adjustment to these items is negative in the amount of €519.7 million in 2024 (€471.2 million in 2023).

The Group has verified that, on excluding from the impairment tests deferred tax assets and liabilities and their impact on projected cash flows, the findings confirm that there is no impairment.

The Group has not identified material assets common to the Minsait, Defence, Air Traffic and Mobility CGUs.

Sensitivity analysis

The Group has analysed the sensitivity to the following assumptions of the impairment test performed on the goodwill allocated to the CGUs:

	2024				2023			
	Change in WACC		Residual growth rate		Change in WACC		Residual growth rate	
Defence	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.
Air Traffic	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.
Mobility	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.
Minsait	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.	-1 p.p.	+1 p.p.	-0.5 p.p.	+0.5 p.p.

	2024				2023			
	Change in sales	EBIT margin	Residual EBIT	Change in days working capital	Change in sales	EBIT margin	Residual EBIT	Change in days working capital
Defence	(5) %	-1 p.p.	-1 p.p.	+10 days	(5) %	-1 p.p.	-1 p.p.	+10 days
Air Traffic	(5) %	-1 p.p.	-1 p.p.	+10 days	(5) %	-1 p.p.	-1 p.p.	+10 days
Mobility	(5) %	-1 p.p.	-1 p.p.	+10 days	(5) %	-1 p.p.	-1 p.p.	+10 days
Minsait	(5) %	-1 p.p.	-1 p.p.	+10 days	(5) %	-1 p.p.	-1 p.p.	+10 days

This sensitivity analysis indicates that the relevant CGUs show no significant risks associated with reasonably possible variations in the financial and operating variables, considered individually.

In 2024 and 2023, according to the calculations, there were no signs of impairment of the goodwill allocated to these cash-generating units.

A sensitivity analysis was carried out on the discount parameters, concluding that the recoverable amount exceeds the carrying amount in all cases. The sensitivity range employed considers discount rate variations of over 10% and changes of over 25% in growth rates in perpetuity, the discount parameters remaining in line with market consensus.

9. Other intangible assets

Other intangible assets are analysed below at 31 December 2024 and 2023:

	Balance at 31.12.2023	Scope change	Currency translation differences	Additions	Disposals	Transfers	Transfer to held for sale	Balance at 31.12.2024
Investments:								
Industrial property	55,182	6	(118)	5	-	2,363	(923)	56,515
Computer software	768,979	14,520	80	18,721	(5,145)	42,176	(69,831)	769,500
Development expenses	97,238	13,472	(328)	69,680	(864)	(42,176)	(25,258)	111,764
Contractual relationships	122,140	-	789	-	-	7,110	(14,571)	115,468
Other intangibles	26,931	9	833	25	(14)	-		27,783
	1,070,470	**28,007**	**1,256**	**88,430**	**(6,023)**	**9,473**	**(110,583)**	**1,081,030**
Amortisation								
Industrial property	(15,824)	(6)	119	(1,778)	-	-	413	(17,075)
Computer software	(549,020)	(10,027)	(291)	(38,152)	4,083	(7,228)	51,852	(548,783)
Development expenses	(8,906)	(6,378)	227	(2,582)	731	(530)	1,121	(16,317)
Contractual relationships	(65,467)	-	(339)	(14,641)	-	-	7,376	(73,072)
Other intangibles	(18,598)	-	(134)	(1)	14	-	-	(18,719)
	(657,815)	**(16,411)**	**(419)**	**(57,154)**	**4,828**	**(7,758)**	**60,762**	**(673,967)**
Grants								
Computer software	(30,732)	-	-	(17,672)	2,659	7,228	-	(38,517)
	(30,732)	**-**	**-**	**(17,672)**	**2,659**	**7,228**	**-**	**(38,517)**
Impairment								
Industrial property	(6,066)	-	-	-	-	-	-	(6,066)
Computer software	(109,884)	-	-	-	-	-	-	(109,884)
Development expenses	(3)	-	-	-	-	-	-	(3)
Other intangibles	(2,143)	-	-	-	-	-	-	(2,143)
	(118,096)	**-**	**-**	**-**	**-**	**-**	**-**	**(118,096)**
Net value:								
Industrial property	33,292	-	2	(1,773)	-	2,363	(510)	33,373
Computer software	79,343	4,492	(211)	(37,103)	1,597	42,176	(17,978)	72,316
Development expenses	88,329	7,094	(101)	67,098	(133)	(42,706)	(24,137)	95,445
Contractual relationships	56,673	-	450	(14,641)	-	7,110	(7,195)	42,396
Other intangibles	6,190	9	699	23	-	-	-	6,921
Total	**263,827**	**11,596**	**837**	**13,604**	**1,464**	**8,942**	**(49,820)**	**250,450**

	Thousand euro						
	Balance at 31.12.2022	**Scope change**	**Currency translation differences**	**Additions**	**Disposals**	**Transfers**	**Balance at 31.12.2023**
Investments:							
Industrial property	53,792	1,076	314	-	-	-	55,182
Computer software	750,082	9,958	(1,858)	946	(7,132)	16,983	768,979
Development expenses	66,872	11,199	(220)	40,615	(534)	(20,694)	97,238
Contractual relationships	111,389	5,357	(266)	-	-	5,660	122,140
Other intangibles	21,121	5,715	62	10	(230)	253	26,931
	1,003,256	**33,305**	**(1,968)**	**41,571**	**(7,896)**	**2,202**	**1,070,470**
Amortisation							
Industrial property	(13,695)	(329)	(295)	(1,505)	-	-	(15,824)
Computer software	(510,307)	(2,359)	1,664	(37,956)	7,132	(7,194)	(549,020)
Development expenses	(7,466)	(707)	(70)	(1,056)	393	-	(8,906)
Contractual relationships	(52,617)	-	140	(12,990)	-	-	(65,467)
Other intangibles	(18,142)	-	68	(6)	94	(612)	(18,598)
	(602,227)	**(3,395)**	**1,507**	**(53,513)**	**7,619**	**(7,806)**	**(657,815)**
Grants							
Computer software	(30,246)	-	-	(9,133)	1,544	7,103	(30,732)
	(30,246)	**-**	**-**	**(9,133)**	**1,544**	**7,103**	**(30,732)**
Impairment							
Industrial property	(6,066)	-	-	-	-	-	(6,066)
Computer software	(109,884)	-	-	-	-	-	(109,884)
Development expenses	(3)	-	-	-	-	-	(3)
Other intangibles	(2,143)	-	-	-	-	-	(2,143)
	(118,096)	**-**	**-**	**-**	**-**	**-**	**(118,096)**
Net value:							
Industrial property	34,031	747	19	(1,505)	-	-	33,292
Computer software	99,645	7,599	(194)	(46,143)	1,544	16,892	79,343
Development expenses	59,403	10,492	(290)	39,559	(141)	(20,694)	88,329
Contractual relationships	58,772	5,357	(126)	(12,990)	-	5,660	56,673
Other intangibles	836	5,715	130	4	(136)	(359)	6,190
Total	**252,687**	**29,910**	**(461)**	**(21,075)**	**1,267**	**1,499**	**263,827**

Scope changes in 2024 relate to the acquisitions of the companies: Global Training Aviation, S.L., Compañía Uruguaya de Medios de Procesamiento, S.A., MQA Group, Deimos Group and CLUE Group (Note 5).

Contractual relationships relate to the reassessment of the assets of Tecnocom in the amount of €60,400 thousand (2017), Paradigma Digital, S.L.U. in the amount of €14,500 thousand (2018), North American Transmission & Distribution Group in the amount of €7,442 thousand (2019), Sistemas Informáticos Abiertos, S.A.U. in the amount of €10,097 thousand (2020), SmartPaper, S.R.L. in the amount of €10,430 thousand (2021), Consultoría Organizacional S.A.S. in the amount of €2,229 thousand (2022), Net Studio, S.P.A. in the amount of €1,713 thousand (2022), Indra Air Traffic, Inc. in the amount of €5,358 thousand (2023), and in the current year, due to the purchase price allocation process, the amount of €874 thousand for Deuser Tech Group, S.L. and €6,212 thousand for NAE Comunicaciones, S.L.U. (Note 5).

The Group made payments to invest in intangible assets totalling €87,438 thousand in 2024 (€39,719 thousand in 2023).

The amount of €42,176 thousand was transferred from Development expenses to Computer software in 2024 once the developments had been completed and fulfilled technical and economic feasibility requirements (€20,694 thousand in 2023).

Development and Computer software products are set out below:

	Thousand euro		
	2024	**2023**	**Segments**
Investments (1)			
Public Administrations	26,583	15,918	Minsait
Defence & Security	238,527	201,835	Defence & Security
Energy	166,579	235,948	Minsait
Industry & Consumption	37,198	29,640	Minsait
Election Processes	8,691	3,514	Minsait
Healthcare	31,228	25,593	Minsait
Financial Services	115,195	150,498	Minsait
Telecom & Media	29,607	6,802	Minsait
Air Traffic	113,183	113,270	Air Traffic
Transport	114,474	83,199	Transport
	881,264	**866,217**	**Estimated years of amortisation (2)**
Accumulated amortisation:			
Public Administrations	(20,671)	(12,123)	1 to 5 years
Defence & Security	(152,428)	(125,893)	1 to 10 years
Energy	(109,306)	(159,361)	1 to 10 years
Industry & Consumption	(26,429)	(20,055)	1 to 10 years
Election Processes	(4,635)	(2,418)	1 to 5 years
Healthcare	(19,785)	(16,164)	1 to 10 years
Financial Services	(93,977)	(98,905)	1 to 5 years
Telecom & Media	(9,264)	(6,123)	1 to 5 years
Air Traffic	(71,260)	(77,532)	1 to 5 years
Transport	(57,346)	(39,348)	1 to 5 years
	(565,100)	**(557,924)**	

	Thousand euro	
	2024	**2023**
Accumulated impairment:		
Defence & Security	(28,100)	(28,100)
Energy	(41,647)	(41,647)
Industry & Consumption	(4,400)	(4,400)
Healthcare	(8,000)	(8,000)
Financial Services	(20,100)	(20,100)
Transport	(7,640)	(7,641)
	(109,887)	**(109,888)**
Grants		
Public Administrations	(647)	(971)
Defence & Security	(32)	(326)
Energy	-	(816)
Telecom & Media	(62)	(62)
Air Traffic	(24,546)	(18,445)
Transport	(13,230)	(10,112)
	(38,517)	**(30,732)**
Net value:		
Public Administrations	5,265	2,824
Defence & Security	57,966	47,516
Energy	15,626	34,124
Industry & Consumption	6,369	5,185
Election Processes	4,056	1,095
Healthcare	3,442	1,429
Financial Services	1,119	31,493
Telecom & Media	20,281	616
Air Traffic	17,376	17,293
Transport	36,258	26,098
Total	**167,760**	**167,672**

(1) In 2024, the carrying amount of Development projects capitalised during the year that are not yet being amortised is €56,726 thousand (€35,996 thousand in 2023).

(2) Products comprise numerous projects each of which have an independent useful life. For the same product, a project might be amortised in the same year it is capitalised while other projects relating to that product might have a useful life of up to 10 years.

The main capitalised development projects are as follows:

- Defence: development of radars, air defence, surveillance and security systems, and onboard systems for air and naval platforms.

- Mobility: development of ticketing solutions, a railway management system and an urban and interurban traffic management software program.
- Air Traffic: programme to modernise air transit management in Europe as part of the Single European Sky Air Research (SESAR) initiative.

The following Minsait segment projects stand out:

- The cloud transformation of the means of payment suite was completed, making it one of the first "cloud native" processors in 2024. The merchant acquiring business was upgraded, establishing Minsait as a new challenger in that business and allowing it to offer a comprehensive issuing & acquiring service. In innovation, the exploration of new trends continued so as to identify alternatives to the card business: Digital identity, Generative Analytics & AI, New predictive KPIs & self-service model.
- In the suite of products for the Energy industry, the investment made to accelerate SCADA's technology transformation and functionalities, such as the Taiwan project, stands out. Other investment areas included emerging products for detecting birds in wind farms and fires, or the technological transformation of the Metering product to facilitate scaling.
- Other noteworthy investments in vertical suites relate to Healthcare, focusing on productisation for scaling and margin improvement, and to Hospitality, targeting product transformation to unify different versions deployed, the purpose being to develop a complete, solid product that can become an industry benchmark.
- The investment made this year in the field of Cybersecurity should be noted, relating to electronic signature products to complete electronic passports autonomously, to biometrics products, incorporating innovation into cryptobiometrics components, and to the inclusion of AI in SOC services.

It is deemed likely that these products will generate economic benefits in the future that will offset the recognised cost of the asset.

In 2024, as in 2023, the Group continued to invest in developments in all business areas, the most significant relating to the Defence segment.

At 31 December 2024, the carrying amount of Development projects not being amortised is €84,921 thousand (€70,383 thousand in 2023).

Transfers recognised under the heading "Computer software" in 2024 and 2023 are as follows:

	Thousand euro	
MARKET	**2024**	**2023**
Public Administrations	2,182	-
Defence & Security	6,065	1,324
Energy	2,355	7,570
Industry & Consumption	1,200	510
Healthcare	1,420	-
Financial Services	12,511	4,151
Air Traffic	7,173	4,694
Transport	9,270	2,446
	42,176	**20,694**

Certain capitalised development expenses are financed or subsidised by government bodies. Set out below is a breakdown of the most significant grants in 2024 and 2023:

	Thousand euro	
MARKET	**2024**	**2023**
Public Administrations	647	971
Defence & Security	32	356
Energy	-	1,099
Healthcare	-	1
Telecom & Media	62	62
Air Traffic	24,546	29,627
Transport	13,230	14,490
	38,517	**46,606**

Development expenses total €113,259 thousand in the current year and €66,514 thousand in the previous year. The Group has capitalised €46,003 thousand and €21,497 of these amounts, respectively.

The Industrial property balance includes assets acquired from third parties totalling €56,515 thousand in 2024 (€55,182 thousand in 2023), relating mainly to:

- Industrial property recognised as a result of the acquisition of the company Paradigma, S.L. in the amount of €10,000 thousand in 2018.
- Industrial property recognised by Indra BPO Servicios, S.L.U. in relation to the exclusivity fee under the contract for services entered into with BSOS, S.A. (Business Services for Operational Support, S.A.) in the amount of €6,888 thousand in 2016.
- Industrial property recognised as a result of the acquisition of the company Politec Tecnología da Informação, S.A. in the amount of €13,711 thousand in 2011.
- The purchase of software maintenance rights by the parent company in 2010, amounting to €20,000 thousand.
- Industrial property recognised as a result of the acquisition of the company Flat 101, S.L. in the amount of €1,962 thousand in 2021.

Intangible asset amortisation rates are shown below:

		Thousand euro				
		Expenses incurred in-house		Acquisition from third parties		
	Balance at 31.12.2024	Finite useful life	Amortisation rate	Indefinite useful life	Finite useful life	Amortisation rate
Net value						
Industrial property	33,373	-	0	20,000	13,373	5-10%
Computer software	72,315	63,250	10-100%	-	9,065	25%
Development expenses	95,445	95,408	10-100%	-	37	20%
Contractual relationships	42,396	-	0	-	42,396	6-10%
Other intangibles	6,921	-	0	6,103	818	10%
	250,450	**158,658**		**26,103**	**65,689**	

		Thousand euro				
		Expenses incurred in-house		Acquisition from third parties		
	Balance at 31.12.2023	Finite useful life	Amortisation rate	Indefinite useful life	Finite useful life	Amortisation rate
Net value						
Industrial property	33,292	-	-	20,000	13,292	5-10%
Computer software	79,343	69,071	10-100%	-	10,272	25%
Development expenses	88,329	88,329	10-100%	-	-	10-25%
Contractual relationships	56,673	-	-	-	56,673	6-10%
Other intangibles	6,190	-	-	5,714	478	10%
	263,827	**157,400**		**25,714**	**80,716**	

At 31 December 2024, fully-amortised intangible assets amount to €316,506 thousand (€276,585 thousand at 31 December 2023).

The intangible assets are allocated to the corresponding CGUs and are tested for impairment.

The Group has taken out insurance policies to cover the risks to which its intangible assets are exposed. The coverage provided by these policies is considered to be sufficient.

The Group has no intangible assets pledged as collateral and there are no ownership restrictions. There are also no commitments to acquire property, plant and equipment at 31 December 2024 or 2023.

10. Financial instruments

a. Financial assets

Financial assets (except for investments in associates) are set out below by class and maturity for 2024 and 2023:

		2024 Thousand euro		
FINANCIAL ASSETS: NATURE/CATEGORY	Note	**Fair value through other comprehensive income**	**Amortised cost**	**Hedging derivatives**
Other ownership interests in non-Group companies	12	134,623	-	-
Derivatives	12, 37	-	-	868
Other receivables	12	-	3,125	-
Other financial assets	12	-	199,246	-
Long term / non-current		**134,623**	**202,372**	**868**
Guarantees and deposits	12	-	2,328	-
Derivatives	12, 37	-	-	3,530
Other financial assets	12, 16	-	1,243,175	-
Cash and cash equivalents	17	-	555,147	-
Short term / current		**-**	**1,800,650**	**3,530**
Total		**134,623**	**2,003,022**	**4,397**

		2023 Thousand euro		
FINANCIAL ASSETS: NATURE/CATEGORY	Note	**Fair value through other comprehensive income**	**Amortised cost**	**Hedging derivatives**
Other ownership interests in non-Group companies	12	194,396	-	-
Derivatives	12, 37	-	-	1,376
Other receivables	12	-	3,948	-
Other financial assets	12	-	193,504	-
Long term / non-current		**194,396**	**197,452**	**1,376**
Guarantees and deposits	12	-	1,309	-
Derivatives	12, 37	-	-	4,671
Other financial assets	12, 16	-	1,289,064	-
Cash and cash equivalents	17	-	595,741	-
Short term / current		**-**	**1,886,114**	**4,671**
Total		**194,396**	**2,083,567**	**6,046**

Assets carried at fair value through other comprehensive income are measured taking into consideration other variables and applying techniques appropriate to the circumstances (hierarchy level 3).

b. Financial liabilities

Financial liabilities are set out below by class and maturity for 2024 and 2023:

		2024 Thousand euro		
FINANCIAL LIABILITIES: NATURE/CATEGORY	Note	**Amortised cost**	**Hedging derivatives**	**Fair value through profit or loss**
Bank borrowings	21	252,882	-	-
Debentures and other marketable securities	21	90,294	-	-
Derivatives	22, 37	-	4,002	-
Other financial liabilities	22, 23	718,402	-	23,788
Long-term payables / Non-current financial liabilities		**1,061,578**	**4,002**	**23,788**
Bank borrowings	21	185,538	-	-
Debentures and other marketable securities	21	798	-	-
Derivatives	22, 37	-	14,176	-
Trade payables, other payables, other financial liabilities	22, 26	1,788,547	-	30,171
Short-term payables / Current financial liabilities		**1,974,883**	**14,176**	**30,171**
Total		**3,036,462**	**18,178**	**53,959**

		2023 Thousand euro		
FINANCIAL LIABILITIES: NATURE/CATEGORY	Note	**Amortised cost**	**Hedging derivatives**	**Fair value through profit or loss**
Bank borrowings	21	388,645	-	-
Debentures and other marketable securities	21	90,418	-	-
Derivatives	22, 37	-	1,217	-
Other financial liabilities	22, 23	700,441	-	38,218
Long-term payables / Non-current financial liabilities		**1,179,504**	**1,217**	**38,218**
Bank borrowings	21	70,097	-	-
Debentures and other marketable securities	21	153,432	-	-
Derivatives	22, 37	-	8,303	-
Trade payables, other payables, other financial liabilities	22, 26	1,678,161	-	15,316
Short-term payables / Current financial liabilities		**1,901,690**	**8,303**	**15,316**
Total		**3,081,194**	**9,520**	**53,534**

The fair value of foreign exchange insurance is calculated based on the currency price at the end of each accounting period (hierarchy level 2).

Liabilities carried at fair value through profit or loss are measured taking into consideration other variables and applying techniques appropriate to the circumstances (hierarchy level 3).

Short- and long-term liabilities at fair value through profit or loss at 31 December 2024 relate primarily to the estimated earn-outs from the acquisition of Flat 101 in the amount of €7,885 thousand, the acquisition of Operadora de tarjetas de Crédito Nexus, S.A. in the amount of €14,371 thousand, the acquisition of ICA Sistemas y Seguridad, S.L. in the amount of €3,100 thousand and the acquisitions made in 2024, of the CLUE Group in the amount of €25,000 thousand and the MQA Group in the amount of €5,785 thousand (Note 5).

The characteristics of each liability are described in these notes to the Consolidated Annual Accounts.

The carrying amount of assets and liabilities measured at amortised cost does not differ significantly from fair value, except for the convertible bond (Note 21).

Set out below is a breakdown of Net financial income/(expense) in the consolidated income statement for 2024 and 2023:

	Thousand euro	
	2024	**2023**
Financial expense on bank borrowings	21,624	17,477
Other financial expenses	29,295	19,328
Financial liabilities at amortised cost	18,719	17,693
Interest on debentures and bonds	4,712	11,570
Financial expenses, IFRS 16	7,019	5,662
Profit/(loss) on disposal of financial instruments	-	820
Exchange gains/(losses)	1,316	560
Total financial expenses	**82,683**	**73,110**
Change in fair value of financial instruments	-	311
Profit/(loss) on disposal of financial instruments	1,275	-
Other financial income	34,883	32,617
Total financial income	**36,158**	**32,928**

The heading "Other financial expenses" reflects interest on factoring arrangements, loans not utilised and the cost of buying back convertible bonds.

11. Investments accounted for using the equity method

Set out below is a breakdown of this heading in the consolidated statements of financial position at 31 December 2024 and 2023:

Thousand euro

	Balance at 31.12.2023	Impairment	Investment	Disposals	Currency translation differences	Profit/(loss)	Balance at 31.12.2024	Net assets	Implicit goodwill
SAES Capital, S.A.	1,919	-	-	-	-	(439)	1,481	1,482	(2)
Eurofighter Simulation Systems GmbH	531	-	-	(504)	-	(28)	-	-	-
Euromids SAS	863	-	-	-	-	207	1,070	1,082	(12)
Iniciativas Bioenergéticas, S.L.	2,421	-	-	-	-	644	3,065	3,474	(409)
Tagsonomy (DIVE)	(1,352)	-	-	1,358	-	(6)	-	-	-
A4 Essor SAS	119	-	-	-	-	13	132	260	(128)
Tower Air Traffic System, S.L.	498	-	-	-	-	-	498	498	-
Logistica Portuaria de Tuxpan, S.A.P.I. de C.V.	150	(150)	-	-	-	-	-	-	-
Indra Isolux México S.A. de C.V.	5	-	-	-	-	-	5	-	5
Visión Inteligente Aplicada S.A de C.V.	(97)	-	-	-	-	-	(97)	-	(97)
EFI Túneles Necaxa S.A. de C.V.	105	-	-	-	(4)	34	134	44	90
Societat Catalana Per a la Mobilitat, S.A.	2,349	-	-	-	-	400	2,749	3,132	(383)
Green Border OOD	(23)	-	-	-	-	-	(23)	-	(23)
Global Training Aviation, S.L.	3,518	-	-	(3,380)	-	(138)	-	-	-
Tess Defence, S.A.	329	-	-	-	-	(16)	313	317	(5)
Startical, S.L.	2,851	-	5,930	-	-	(5,784)	2,997	2,997	-
Satelio IOT Services, S.L.	2,712	-	-	-	-	(358)	2,354	540	1,814
Total	**16,898**	**(150)**	**5,930**	**(2,526)**	**(4)**	**(5,470)**	**14,678**	**13,826**	**852**

Thousand euro

	Balance at 31.12.2022	Impairment	Investment	Currency translation differences	Profit/(loss)	Balance at 31.12.2023	Net assets	Implicit goodwill
SAES Capital, S.A.	2,083	-	-	-	(164)	1,919	1,831	88
Eurofighter Simulation Systems GmbH	878	-	-	-	(347)	531	646	(115)
Euromids SAS	723	-	-	-	140	863	1,181	(318)
Iniciativas Bioenergéticas, S.L.	3,967	-	-	-	(1,545)	2,421	2,829	(408)
Tagsonomy (DIVE)	(1,183)	-	-	-	(169)	(1,352)	80	(1,432)
A4 Essor SAS	113	-	-	-	5	119	260	(141)
Tower Air Traffic System, S.L.	498	-	-	-	-	498	498	-
Logistica Portuaria de Tuxpan, S.A.P.I. de C.V.	150	-	-	-	-	150	-	150
Indra Isolux México S.A. de C.V.	5	-	-	-	-	5	-	5
Visión Inteligente Aplicada S.A de C.V.	(97)	-	-	-	-	(97)	-	(97)
EFI Túneles Necaxa S.A. de C.V.	39	-	-	(5)	71	105	11	94
Societat Catalana Per a la Mobilitat, S.A.	2,245	-	-	-	103	2,349	3,129	(780)
Green Border OOD	(17)	-	-	-	(6)	(23)	-	(23)
Global Training Aviation, S.L.	2,756	-	-	-	762	3,518	1,234	2,283
Tess Defence, S.A.	129	-	-	-	200	329	352	(24)
Startical, S.L.	4,689	-	-	-	(1,838)	2,851	2,851	-
Satelio IOT Services, S.L.	3,145	-	-	-	(433)	2,712	970	1,742
Total	**20,123**	**-**	**-**	**(5)**	**(3,220)**	**16,898**	**15,872**	**1,025**

The most significant subsidiary carrying implicit goodwill is Satelio IOT Services, S.L.

Sateliot IOT Services, S.L. is a Barcelona-based startup that provides communications and connectivity services with global coverage, for both civil and defence uses. The Company acts as an industrial partner, particularly in the defence sector. Its services will be provided through a low-orbit satellite infrastructure that is currently under development. Therefore, profits are not expected until the development work is completed. The current business plan, in line with the original plan from when the investment was made, supports the asset's value for the Company.

In 2024, the remaining 65% holding in the company Global Training Aviation, S.L. was acquired (Note 5).

A breakdown of the financial highlights of the most significant equity-consolidated companies is provided in Appendix V.

As at 31 December 2024, there are no restrictions on the receipt of dividends from or on the repayment of loans granted to equity-accounted companies.

The Group reviews the values of equity-accounted subsidiaries whenever there are indications of impairment.

12. Other non-current financial assets and trade receivables

Movements in Other financial assets during the years ended 31 December 2024 and 2023 are set out below:

	Thousand euro								
Net value:	Balance at 31.12.2023	Scope change	Currency translation differences	Additions	Disposals	Impairment	Transfer to held for sale	Transfers	Balance at 31.12.2024
Other long-term ownership interests in non-Group companies	194,396	197	(3)	1,751	(59,733)	(1,947)	(37)	-	134,624
Long-term loans	6,847	-	(478)	36,391	(35,394)	-	(49)	-	7,317
Long-term guarantees and deposits	25,550	246	(299)	1,273	(1,479)	-	(861)	-	24,430
Other long-term investments	137,357	-	(80)	51,570	(42,013)	-	-	(18,225)	128,610
Total	**364,150**	**443**	**(860)**	**90,985**	**(138,619)**	**(1,947)**	**(947)**	**(18,225)**	**294,981**

	Thousand euro						
Net value:	Balance at 31.12.2022	Scope change	Currency translation differences	Additions	Disposals	Transfers	Balance at 31.12.2023
Other long-term ownership interests in non-Group companies	13,696	78	1	180,676	-	(55)	194,396
Long-term loans	8,516	-	235	897	(2,801)	-	6,847
Long-term guarantees and deposits	17,062	814	86	8,287	(698)	-	25,550
Other long-term investments	119,197	292	13	75,121	(39,528)	(17,738)	137,357
Total	**158,471**	**1,184**	**334**	**264,981**	**(43,027)**	**(17,793)**	**364,150**

a. Other long-term ownership interests in non-Group companies

The Group has valued its ownership interests in unlisted companies, concluding that fair value does not different significantly from the carrying amount.

This heading breaks down as follows:

	Thousand euro								
Net value:	**Percentage interest**	**Balance at 31.12.2023**	**Scope change**	**Additions**	**Disposals**	**Impairment**	**Transfer to held for sale**	**Currency translation difference**	**Balance at 31.12.2024**
Aerofondo IV	5.0 %	925	-	250	-	-	-	-	1,175
Grupo de Navegación por Satélite, Sistemas y Servicios, S.L.	13.5 %	135	-	-	-	-	-	-	135
Hisdesat Servicios Estratégicos	7.0 %	7,052	-	-	-	-	-	-	7,052
Neotec	4.8 %	5,071	-	-	(85)	(1,947)	-	-	3,039
ITP Aéreo	9.5 %	175,000	-	-	(59,648)	-	-	-	115,352
Epicom, S.A.	30.0 %	5,500	-	-	-	-	-	-	5,500
Hyperion	15.0 %	-	-	1,500	-	-	-	-	1,500
Noster Finance, S.L.	7.2 %	600	-	-	-	-	-	-	600
Other		112	197	-	-	-	(37)	(3)	269
Total		**194,396**	**197**	**1,750**	**(59,733)**	**(1,947)**	**(37)**	**(3)**	**134,623**

	Thousand euro						
Net value:	**Percentage interest**	**Balance at 31.12.2022**	**Scope change**	**Additions**	**Transfers**	**Currency translation difference**	**Balance at 31.12.2023**
Aerofondo IV	5.0 %	750	-	175	-	-	925
Grupo de Navegación por Satélite, Sistemas y Servicios, S.L.	13.5 %	135	-	-	-	-	135
Hisdesat Servicios Estratégicos	7.0 %	7,052	-	-	-	-	7,052
Neotec	4.8 %	5,071	-	-	-	-	5,071
ITP Aéreo	9.5 %	-	-	175,000	-	-	175,000
Epicom, S.A.	30.0 %	-	-	5,500	-	-	5,500
Noster Finance, S.L.	7.2 %	600	-	-	-	-	600
Other		87	78	1	(55)	1	112
Total		**13,696**	**78**	**180,676**	**(55)**	**1**	**194,396**

In the current year, the Company paid €1,500 thousand for the 15% interest in the venture capital fund Hyperion Fund F.C.R. The Company undertook to make future contributions until reaching the figure of €10,000 thousand or 15% of the ownership interest in the fund.

In 2024, the parent company paid up the amount of €250 thousand in the venture capital fund ACE Aerofondo IV F.C.R., in addition to the €175 thousand paid up in 2023 and €750 thousand paid up in 2022. This fund is also owned by SEPI and Airbus. The parent company undertook to make future contributions until reaching the figure of €5,000 thousand or 5% of the ownership interest in the fund. The fund's management company is ACE Capital Partners.

In 2024, an impairment loss of €1,947 thousand was recognised on the company Neotec as a result of adjusting the value of the shareholding to equity, with a balancing item in Consolidated Comprehensive Income. Dividends were received from the company Neotec in the amount of €66 thousand in 2023.

In 2023, the parent company made a payment of €175,000 thousand to acquire a 9.5% indirect ownership interest in Industria de Turbopropulsores, S.A.U. ("ITP Aereo") by taking a direct 61.3% stake in Bain Propulsión Poolco, S.L., which owns 15.5% of ITP Aero. The Group holds the usual rights pertaining to a minority interest of this size and has therefore accounted for the ownership interest under "Other non-current financial assets", since the conditions to identify significant influence under the relevant accounting legislation are not met. During the current year, the company Industria de Turbopropulsores, S.A.U. ("ITP Aero") paid out an extraordinary dividend of €629 million. As the Group has a 9.5% ownership interest, the investment has been written down in the amount of €59,648 thousand. The Group has calculated the fair value of its ownership interest in this company, concluding that it does not different significantly from the carrying amount.

ITP Aero is a world leader in the design and manufacture of complete aero-engine modules. This investment has boosted Indra's positioning as a major trailblazer in the Defence and Security industry in Spain, including a key role coordinating most Spanish and European programmes.

In 2023, the parent company acquired 30% of the company Epicom, S.A. for €5,500 thousand. Epicom, S.A. is a Spanish company specialised in designing and developing cryptographic solutions, essentially for the Spanish public administration. Its shareholders are Oesía Networks, S.L. and Sociedad Estatal de Participaciones Industriales ("SEPI"). In view of the essential nature of Epicom's business, SEPI has an option under a shareholder agreement to buy out the other shareholders. The Group has therefore concluded that the conditions are not met to identify significant influence under applicable accounting legislation and carries the ownership interest under "Other non-current financial assets".

Long-term ownership interests in non-Group companies are not held to obtain short-term gains but to meet short- and medium-term strategic objectives.

b. Guarantees, long-term deposits and loans to third parties

This heading includes both deposits and guarantees given to lease buildings and properties and those given to secure labour and commercial claims.

Additions to deposits and guarantees in 2024 relate mainly to the amount of €497 thousand (€154 thousand in 2023) for leased buildings due to moves to other work centres. Disposals in 2024, on the same basis, amounted to €1,027 thousand (€399 thousand in 2023). In 2023, this heading also included the amount of €7,461 thousand relating to the payment resulting from the penalty procedure for appealed 2011-2014 corporate income tax assessments, which the parent company expects to be resolved in its favour (see Note 35).

Additions to long-term loans in 2024 include the amount of €3,393 thousand (€892 thousand in 2023) relating to deposits given to secure labour claims of the Group company Indra Brasil Soluções e Serviços Tecnológicos, S.A. Disposals in 2024, on the same basis, amounted to €2,415 thousand (€2,798 thousand in 2023).

c. Other non-current financial investments

In 2024, this heading includes the amount of €76,472 thousand (€76,472 thousand in 2023) relating to receivables from non-controlling interests of the parent company due to the proportionate consolidation of three temporary consortia engaged in Ministry of Defence programmes, which are expected to be billed as from 2026, once all the work has been completed. For this same reason, the amount of €29,436 thousand in current assets in 2023 related to the debt claim yet to be invoiced in 2024. These programmes are funded by the Ministry of Industry, Energy and Tourism (Note 22) in the amount of €76,541 thousand in the long term (€76,541 thousand in the long term in 2023) and €32,867 thousand in the short term.

	Thousand euro	
	2024	**2023**
Asset balances	**76,472**	**105,908**
Long-term accounts receivable for billable	76,472	76,472
Short-term accounts receivable for billable	-	29,436
Liability balances	**(76,541)**	**(109,408)**
Other long-term financial liabilities	(76,541)	(76,541)
Other short-term financial liabilities	-	(32,867)

In 2015, the parent company set up the above-mentioned three temporary consortia (UTEs) to undertake Defence projects. Details are as follows:

Temporary consortium	Indra's % interest	Customer	Contract
UTE VCR 8X8	37.94 %	MINISTRY OF DEFENCE C.G.A.	Technology programmes associated with the future 8X8 wheeled combat vehicle (8X8 WCV)
UTE PROTEC 110	66.02 %	MINISTRY OF DEFENCE C.G.A.	F-110 Frigate technology programmes - development and integration of F-110 mast and shadow Sensors.
UTE IRST F - 110	50.00 %	S.M.E. INSTITUTO NACIONAL DE CIBERSEGURIDAD DE ESPAÑA, M.P., S.A.	Strategic on-site development service for security software at INCIBE.

The above three projects contracted by the Ministry of Defence and the National Cybersecurity Institute (both Ministry of Defence) with the temporary consortia indicated in the table above were funded by the MINETUR (Ministry of Industry, Energy and Tourism) under the corresponding agreements, due primarily to the industrial and technological impact of the projects. On this basis, the temporary consortia receive repayable loans as the works are executed by the companies involved. The loans will be repaid to the MINETUR when the works are invoiced following completion and acceptance. Once the work is finished, the Ministry of Defence will make payment and the temporary consortia will settle the liabilities with the MINETUR. The repayable loans accrue interest of 0% and fall due on final acceptance of the works. The delivery relating to UTE VCR 8X8 was made at the end of the current year. The parent company invoiced the work, received the corresponding amount and repaid the liability to the MINETUR as indicated.

At 31 December 2024, the Group recognises grants for various multi-year projects pending execution and collection in the amount of €53,500 thousand (€62,405 thousand in 2023) under this heading, which are expected to be collected over more than one year. The corresponding liability is reflected in other non-current financial liabilities (Note 22).

d. Other current financial assets

	Thousand euro	
	2024	**2023**
Other receivables	30,268	20,643
Short-term deposits	898	547
Short-term security deposits	1,429	762
Grants pending execution and collection	57,823	38,596
Total net value	**90,419**	**60,548**

Other receivables mainly include insurance premiums and various invoice accruals, such as licences and royalties.

13. Assets and liabilities held for sale

On 30 September 2024, the Group notified the CNMV, as Inside Information through the HR 2401, of “the start of a formal process to analyse the various options relating to Minsait Payments. The Company will report on progress to the market, in accordance with the requirements of securities market regulations”. As the process is still open at the present time, the Group has classified the business under “Assets and liabilities held for sale”, as required by IFRS 5, paragraph 9, on the basis that the business is likely to be sold.

The difference between the data for 2024 and 2023 is explained primarily by the Minsait Payment business being reclassified as held for sale.

Set out below is a breakdown of the Minsait Payment Systems Group's assets (€212,983 thousand) and liabilities (€83,697 thousand) held for sale:

Assets	
Property, plant and equipment	3,213
Right-of-use assets	1,214
Goodwill	44,094
Intangible assets other than goodwill	49,820
Non-current asset derivatives	3
Other non-current financial assets	947
Deferred tax assets	7,673
Total non-current assets	**106,963**
Inventories and short-term contract assets	1,193
Current trade and other receivables	27,941
Current tax assets	9,406
Current asset derivatives	6
Other current financial assets	124
Other current non-financial assets	6,509
Cash and cash equivalents	60,841
Total current assets	**106,020**
Total assets	**212,983**

Liabilities	
Non-current provisions	3,749
Non-current liability derivatives	431
Other non-current financial liabilities	2,174
Deferred tax liabilities	2,885
Total non-current liabilities	**9,240**
Current provisions	1,049
Current liability derivatives	211
Other current financial liabilities	15,873
Current trade and other payables	43,228
Current tax liabilities	7,996
Other current non-financial liabilities	6,100
Current liabilities	**74,457**
Total liabilities	**83,697**

In 2024, the company Indra Czech Republic S.R.O., which is in liquidation, was also reclassified as held for sale.

Set out below is a breakdown of the main movements in non-current assets and liabilities held for sale during 2024 and 2023:

	2024 Thousand euro			
	Investment	Impairment	Net amount	Liabilities
Other financial assets	7,450	(6,737)	713	(2)
Minsait Payments Group	212,983	-	212,983	(83,697)
Loans	4,788	(4,788)	-	-
Total net value	**225,221**	**(11,525)**	**213,696**	**(83,699)**

				2023 Thousand euro
	Investment	Impairment	Net amount	Liabilities
Other financial assets	6,844	(6,737)	108	(2)
Loans	4,788	(4,788)	-	-
Total net value	**11,632**	**(11,524)**	**108**	**(2)**

14. Contract assets and Inventories

This heading breaks down as follows at 31 December 2024 and 2023:

	Thousand euro	
	2024	**2023**
Long-term contract assets	132,988	106,191
Long-term total	**132,988**	**106,191**

	Thousand euro	
	2024	**2023**
Good purchased for resale	2,237	2,810
Raw materials	183,758	180,764
Work in progress	142,967	115,019
Short-term contract assets	340,382	263,970
Subtotal	**669,344**	**562,563**
Impairment	(10,588)	(7,816)
Total net value	**658,756**	**554,747**

Movements in Contract assets during 2024 and 2023 are as follows:

Contract assets	Balance at 31.12.2023	Additions	Disposals	Transfer	Other	Balance at 31.12.2024
Non-current	106,191	30,678	-	(3,881)	-	132,988
Current	263,970	281,077	(210,684)	3,881	2,138	340,382
	370,161	**311,755**	**(210,684)**	**-**	**2,138**	**473,370**

Contract assets	Balance at 31.12.2022	Additions	Disposals	Transfer	Other	Balance at 31.12.2023
Non-current	50,349	74,388	-	(18,546)	-	106,191
Current	240,951	168,337	(163,314)	18,546	(550)	263,970
	291,300	**242,725**	**(163,314)**	**-**	**(550)**	**370,161**

At 31 December 2024 and 2023, the balance of "Long-term contract assets" relates almost entirely to Defence and Mobility CGU projects, due to contractual reasons. However, the balances recognised at the 31 December 2024 close will be recovered when the outstanding milestones are certified, which is expected to take place over more than 12 months following the year end, no indications of impairment having arisen during the year. These amounts are discounted to account for the time value of money. In the current year, the amount of €1,085 thousand has been recognised in net financial income/(expense) in the income statement (€3,510 thousand in 2023).

The associated margin will depend on the costs incurred and the total costs estimated to fulfil the obligation under each contract at the date the revenue correlated to these contract assets is recognised.

The Group estimates that the revenue correlated to 65% of the balance of "Long-term contract assets" at 31 December 2024 will be recognised by 31 December 2026. In addition, 37% of the balance of "Long-term contract assets" at 31 December 2023 was recovered in 2024 and the remaining 44% is expected to be recovered by 31 December 2026.

The expense due to changes in inventories recognised in the 2024 consolidated income statement totals €172,113 thousand (€158,146 thousand in 2023).

The items included under the headings "Goods purchased for resale" and "Raw materials" relate to physical inventories held in warehouses derived from the purchase of materials to meet project manufacturing or supply needs, basically for the Defence and Mobility CGUs.

Once the raw materials are added to the Transport and Defence Division production unit's manufacturing process, the cost is taken to work in progress.

A part of the manufacturing work is carried out in advance to reduce delivery lead times. When this production completed in advance is available and not consumed by a project, the capitalised balance remains recognised under "Work in progress".

The inventories described above will be taken to the income statement if and when they are included in projects and the required progress is made (under "Change in inventories") or they become impaired.

The item "Work in progress" includes materials, direct labour and other services acquired for projects. The items included in "Short-term contract assets" are costs of work in progress associated with performance obligations pending fulfilment (Note 4v). The variation in this item is explained essentially by project certifications and developments.

Movements in impairment are as follows:

	Balance at 31.12.2023	Scope changes	Currency translation differences	Appropriations	Reversal	Application	Balance at 31.12.2024
Provision for impairment	(7,816)	-	(326)	(3,057)	611	-	(10,588)

	Balance at 31.12.2022	Scope changes	Currency translation differences	Appropriations	Reversal	Application	Balance at 31.12.2023
Provision for impairment	(7,590)	(3,107)	25	(1,611)	67	4,400	(7,816)

The Group owns no inventories pledged as collateral.

15. Other current non-financial assets

This heading breaks down as follows at 31 December 2024 and 2023:

	Thousand euro	
	2024	**2023**
Public Administrations (Note 35)	48,993	51,956
Accruals and deferred income	26,602	20,623
Long-term total	**75,595**	**72,579**

Prepayments and accrued income relate mainly to licence expenditure and insurance premiums paid that will be taken to the income statement in the following year.

16. Current trade and other receivables

A breakdown of "Trade and other receivables" at 31 December 2024 and 2023 is as follows:

	Thousand euro	
	2024	**2023**
Trade receivables for sales and services	931,905	969,407
Accounts receivable for billable production	224,034	252,363
Prepayments to suppliers	59,473	67,413
Advances and loans to employees	7,306	7,973
Other receivables	14,883	14,936
Total	**1,237,600**	**1,312,093**
Impairment of trade receivables	(52,547)	(48,403)
Expected loss impairment	(24,061)	(27,408)
Impairment of other receivables	(150)	(484)
Impairment of accounts receivable for billable production	(5,758)	(5,971)
Total impairment	**(82,516)**	**(82,267)**
Total net value	**1,155,084**	**1,229,826**

Movements in Accounts receivable for billable production during 2024 and 2023 are as follows:

Accounts receivable for billable production	Balance at 31.12.2023	Additions	Disposals	Currency trans. diff. & scope changes	Transfer to held for sale	Transfer	Balance at 31.12.2024
Non-current	31,805	18,800	-	-	-	(8,591)	42,014
Current	252,363	160,490	(189,990)	(1,039)	(6,381)	8,591	224,034
	284,168	**179,290**	**(189,990)**	**(1,039)**	**(6,381)**	**-**	**266,048**

Accounts receivable for billable production	Balance at 31.12.2022	Additions	Disposals	Currency trans. diff. & scope changes	Transfer	Balance at 31.12.2023
Non-current	28,396	22,954	-	-	(19,545)	31,805
Current	301,181	176,250	(254,093)	9,479	19,545	252,363
	329,577	**199,204**	**(254,093)**	**9,479**	**-**	**284,168**

The average collection period was 74 days in 2024 (77 in 2023). No interest is charged on outstanding receivables.

The Group considers that the amount of trade and other receivables recognised in the consolidated balance sheet does not differ from fair value.

Non-current receivables for billable production are discounted to reflect the time value of money. In the current year, the amount of €846 thousand has been recognised in net financial income/(expense) in the income statement (€1,051 thousand in 2023).

At year-end 2024 and 2023, non-recourse factoring receivables were written off in the amount of €186,655 thousand and €187,116 thousand, respectively.

The transfer of risks and rewards has been analysed in order to be able to conclude that the non-recourse factoring receivables may effectively be derecognised. The factors (various financial institutions) accept the risks of insolvency and late payment under the agreements signed, so Indra is not exposed to default risk. Financial assets under these arrangements are invoices issued for the Group's services and projects.

Total movements in the impairment provision for the two periods are as follows:

Thousand euro

	Balance at 31.12.2023	Scope change	Appropriations	Applications	Curr. trans. diff.	Transfer to held for sale	Reversal	Balance at 31.12.2024
Impairment	82,267	2,775	20,002	(1,487)	(2,992)	(4,829)	(13,221)	82,516

Thousand euro

	Balance at 31.12.2022	Scope change	Appropriations	Applications	Curr. trans. diff.	Reversal	Balance at 31.12.2023
Impairment	86,154	2,080	33,518	(2,179)	2,032	(39,338)	82,267

Appropriations in 2024 amount to €20,002 thousand (€33,518 thousand in 2023). Most of the 2024 appropriations relate to receivables in respect of which the Group has doubts regarding future recoverability due to a number of events such as litigation with customers or the worsening of the macro situation in some countries.

The Group continues to provision all receivables outstanding for more than one year that are not secured by documentary collection arrangements or specifically recognised by the customer under a new payment schedule.

On this basis, in relation to the amount of €44,476 thousand in 2024 (€54,991 thousand in 2023) detailed in Note 36.b as receivables past due for more than one year, net of the provision, there is documentary evidence reasonably supporting recovery.

None of the above-mentioned amounts relates to litigation in progress or to the operating provisions disclosed in Note 24 (provisions for guarantees and onerous contracts).

At 31 December 2024 and 2023, the Group records past-due receivables totalling €391,470 thousand and €416,278 thousand, respectively (Note 36.b). The Group considers that these amounts will be collected within 12 months.

The heading "Decrease/(increase) in trade receivables" in the consolidated cash flow statement includes the variation in "Advance payments from customers".

As regards the "Expected loss impairment", set out below is a breakdown of the percentages of each of the main attributes of trade receivables giving rise to impairment, the expected loss balance itself and the average weighted loss rate in each range:

	Balance breakdown		Expected loss breakdown		Average expected loss rate	
By age of balance	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Contract assets	42 %	37 %	7 %	5 %	0.4 %	0.3 %
Current receivables	37 %	40 %	2 %	3 %	0.1 %	0.2 %
Receivables past due for less than 180 days	14 %	16 %	15 %	14 %	2.3 %	2.1 %
Receivables past due for 180-365 days	2 %	3 %	11 %	15 %	12.0 %	13.1 %
Receivables past due for more than 365 days	4 %	4 %	65 %	64 %	34.4 %	34.6 %
	100 %	**100 %**	**100 %**	**100 %**	**2.2 %**	**2.4 %**
By customer	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Large customers	22 %	19 %	- %	- %	- %	- %
Other	78 %	81 %	100 %	100 %	2.8 %	3.0 %
	100 %	**100 %**	**100 %**	**100 %**	**2.2 %**	**2.4 %**
By country risk	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
With investment rating	84 %	84 %	62 %	65 %	1.6 %	1.9 %
With speculative rating	16 %	16 %	38 %	35 %	5.4 %	5.5 %
	100 %	**100 %**	**100 %**	**100 %**	**2.2 %**	**2.4 %**
By division	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Defence	26 %	22 %	23 %	23 %	2.0 %	2.5 %
Air Traffic	12 %	11 %	11 %	11 %	2.1 %	2.2 %
Mobility	14 %	17 %	21 %	26 %	3.3 %	4.0 %
Minsait	48 %	50 %	44 %	40 %	2.0 %	1.9 %
	100 %	**100 %**	**100 %**	**100 %**	**2.2 %**	**2.4 %**

Movements in the expected loss provision are as follows:

	Thousand euro		
	Balance at 31.12.2023	**Application**	**Balance at 31.12.2024**
Expected loss	27,408	(3,347)	24,061

	Thousand euro		
	Balance at 31.12.2022	**Application**	**Balance at 31.12.2023**
Expected loss	32,888	(5,480)	27,408

17. Cash and cash equivalents

The breakdown is as follows:

	Thousand euro	
	2024	**2023**
Very-short-term deposits and fixed-income securities	62,937	57,867
Other current asset investments	8,631	9,194
Subtotal	**71,569**	**67,060**
Cash	483,579	528,681
Total	**555,147**	**595,741**

Cash and Short-term deposits and fixed-income securities include the amount of €1,654 thousand relating to the liquidity agreement with Banco Santander (€2,346 thousand in the previous year with Banco Santander) (Note 18).

At 31 December 2024 and 2023, the entire cash balance is available for use in the Group's business activities.

18. Equity attributable to the parent company

Share capital

At 31 December 2024, the parent company's subscribed and paid-up capital amounted to €35,330,880.40, consisting of 176,654,402 ordinary shares with a par value of €0.20 each, represented by book entries.

Share capital is fully-subscribed and paid up.

All the shares are officially listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, are quoted in the Continuous Market and are included in the selective IBEX-35 index, the year-end price being €17.08 (€14.00 at year-end 2023). The average price for the last quarter of 2024 and 2023 was €16.74 and €13.71 per share, respectively.

The Group is aware of the composition of its shareholder structure due to the information that the shareholders submit directly or publish in accordance with applicable legislation on significant shareholdings (requiring disclosure, in general, of purchases or sales of shares or financial instruments carrying voting rights exceeding 3% of capital), as well as the information furnished by Iberclear, which the Company compiles for the purposes of holding General Shareholders' Meetings.

Accordingly, on the basis of the information known to the parent company, significant shareholders owning interests of over 3% of share capital, or 1% for tax haven residents, are as follows:

	31.12.2024		**31.12.2023**	
Sociedad Estatal de Participaciones Industriales (SEPI) (1)	28.00	%	28.00	%
Advanced Engineering and Manufacturing, S.L. (2)	14.30	%	8.00	%
Sapa Placencia, S.L.	7.944	%	7.944	%
Joseph Oughourlian (3)	7.239	%	7.239	%
Fidelity Management & Research LLC	-	%	7.879	%

(1) This reflects the actual position notified to the Company by the said shareholder represented on the Board of Directors.

(2) On 4 December 2024, this shareholder gave notice that its ownership interest exceeded 10% of share capital.

(3) As regards Joseph Oughourlian's position, 6.231% of his ownership interest is held directly by Amber Capital Investment Management ICAV – Amber Global Opportunities Fund, which is a fund managed by Amber Capital UK LLP, the entity that has discretionary power to exercise the voting rights. The remainder of this holding (1.008% of the share capital) is owned by other funds managed by Amber's management companies.

Direct or indirect ownership interests held personally by each of the Directors at 31 December 2024 are as follows:

2024

		No. of shares			% share
Directors	**Class**	**Direct**	**Indirect**	**Total**	**capital**
Marc Thomas Murtra Millar	Executive	3,664	-	3,664	0.002
Virginia Arce Peralta	Independent	-	-	-	-
José Vicente de los Mozos Obispo	Executive	12,400	-	12,400	0.007
Luis Abril Mazuelas	Executive	78,529	-	78,529	0.044
Belén Amatriain Corbi	Independent	-	-	-	-
Jokin Aperribay Bedialauneta (1)	Proprietary	-	-	-	-
Coloma Armero Montes	Independent	-	-	-	-
Antonio Cuevas Delgado (2)	Proprietary	15,324	-	15,324	0.009
Javier Escribano Ruiz (3)	Proprietary		25,261,587	25,261,587	14.30
Francisco Javier Garcia Sanz	Independent	-	-	-	-
Pablo Jiménez de Parga Maseda (4)	Proprietary	-	-	-	-
Juan Moscoso del Prado Hernández (2)	Proprietary	-	-	-	-
Olga San Jacinto Martínez	Independent	-	-	-	-
Ángeles Santamaría Martín	Independent	-	-	-	-
Miguel Sebastián Gascón (2)	Proprietary	14,644		14,644	0.008
Bernardo José Villazán Gil	Independent	-	-	-	-
Total		**124,561**	**25,261,587**	**25,386,148**	**14.37**

(1) Representing the shareholder Sapa Placencia, S.L.

(2) Representing the shareholder Sociedad Estatal de Participaciones Industriales (SEPI).

(3) Representing the shareholder Advanced Engineering & Manufacturing, S.L. For information purposes, it is stated that the 14.30% stake held indirectly by Mr. Javier Escribano Ruiz is indirectly owned by the significant shareholder Advanced Engineering and Manufacturing, S.L. (and directly owned by the shareholder Escribano Mechanical and Engineering Investments, S.L.U.).

(4) Representing the shareholder Amber Capital

Direct or indirect ownership interests held personally by each of the Directors at 31 December 2023 were as follows:

2023

Directors	Class	No. of shares Direct	Indirect	Total	% share capital
Marc Thomas Murtra Millar	Other external	3,664	-	3,664	0.002
Virginia Arce Peralta	Independent	-	-	-	-
José Vicente de los Mozos Obispo	Executive	5,100	-	5,100	0.003
Luis Abril Mazuelas	Executive	74,789	-	74,789	0.042
Belén Amatriain Corbi	Independent	-	-	-	-
Jokin Aperribay Bedialauneta (1)	Proprietary	-	-	-	-
Coloma Armero Montes	Independent	-	-	-	-
Antonio Cuevas Delgado (2)	Proprietary	15,324	-	15,324	0.009
Elena García Armada	Independent	-	-	-	-
Francisco Javier Garcia Sanz	Independent	-	-	-	-
Pablo Jiménez de Parga Maseda (3)	Proprietary	-	-	-	-
Juan Moscoso del Prado Hernández (2)	Proprietary	-	-	-	-
Olga San Jacinto Martínez	Independent	-	-	-	-
Ángeles Santamaría Martín	Independent	-	-	-	-
Miguel Sebastián Gascón (2)	Proprietary	14,644	-	14,644	0.008
Bernardo José Villazán Gil	Independent	-	-	-	-
Total		**113,521**	**-**	**113,521**	**0.064**

(1) Representing the shareholder Sapa Placencia, S.L.

(2) Representing the shareholder Sociedad Estatal de Participaciones Industriales (SEPI)

(3) Representing the shareholder Amber Capital

At 31 December 2024, 101,670,106 shares were represented on the Board of Directors, that is 57.55% of the total. At 31 December 2023, 76,397,479 shares were represented on the Board of Directors, representing 43.246% of the total at the time.

On 26 June 2024 and 30 June 2023, the parent company held its Annual General Shareholders' Meeting, which approved the applications of results for 2023 and 2022, respectively, as may be observed in the accompanying consolidated statements of changes in equity.

The Company manages its capital with the aim of safeguarding the capacity to carry on operating as a going concern, so as to continue providing shareholder remuneration and benefiting other stakeholders, while maintaining an adequate capital structure.

Share premium

The share premium arising from the capital increases carried out in 2001, 2003, 2007 and 2017 is subject to the same restrictions and may be used for the same purposes as the Company's voluntary reserves, including conversion to share capital.

Following the above-mentioned capital increases, the share premium reached €523,754 thousand.

The share premium and voluntary reserves are freely distributable, except for the amount of the fixed asset restatement under Law 9/1983 of 13 July, which stands at €1,329 thousand and €1,417 thousand at 31 December 2024 and 2023, respectively; the amount of the unamortised balances of the parent company's research and development expenses, that is €64,338 thousand at 31 December 2024 (€51,281 thousand at 31 December 2023) and any prior-year losses recognised.

Other own equity instruments

	Thousand euro	
	2024	**2023**
Delivery of shares	7,830	21,090
Total	**7,830**	**21,090**

The outstanding amount of €7,830 thousand at 31 December 2024 (€21,090 thousand in the previous year) relates mainly to the provision for the medium-term incentive payable in 2027 to Management entirely in the form of parent company shares, the number of shares being determined based on the average quoted price for the 30 stock market sessions prior to the accrual date, as well as the accrued portion of Annual Variable Remuneration pending share-based payment (Note 38).

Cash flow hedge reserves

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments regarded as effective cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in the income statement only when the hedged transaction affects the gain or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items.

This heading is analysed below:

	Thousand euro	
	2024	**2023**
Hedge of foreign exchange insurance contract flows	(12,079)	(4,044)
Total	**(12,079)**	**(4,044)**

The derivatives contracted by the Group provide foreign exchange insurance coverage.

Treasury shares

At 31 December 2024, the parent company directly holds a total of 750,530 treasury shares amounting to €12,635 thousand (a total of 2,397,997 treasury shares amounting to €32,960 thousand at 31 December 2023), in accordance with the powers delegated by the General Shareholders' Meeting.

Set out below are breakdowns of balances and movements in the treasury share account during 2024 and 2023:

	Thousand euro			
	Balance at 31.12.2023	**Additions**	**Disposals**	**Balance at 31.12.2024**
Used in:				
- Ordinary and extraordinary transactions	32,960	150,180	(170,505)	12,635

	Thousand euro			
	Balance at 31.12.2022	**Additions**	**Disposals**	**Balance at 31.12.2023**
Used in:				
- Ordinary and extraordinary transactions	5,342	124,875	(97,257)	32,960

Treasury share movements in 2024 and 2023 are as follows:

	% Share capital	31.12.2023	Additions	% Annual volume	Disposals	% Annual volume	31.12.2024	% share capital
		Number of shares						
Used in:								
- Ordinary transactions (*)	0.10	171,471	6,876,193	5.75	(6,853,667)	5.74	193,997	0.11
- Extraordinary transactions	1.26	2,226,526	1,564,000	1.31	(3,233,993)	2.71	556,533	0.32
	1.36	**2,397,997**	**8,440,193**	**7.06**	**(10,087,660)**	**8.45**	**750,530**	**0.43**

	% Share capital	31.12.2022	Additions	% Annual volume	Disposals	% Annual volume	31.12.2023	% share capital
		Number of shares						
Used in:								
- Ordinary transactions (*)	0.11	192,355	7,544,147	5.58	(7,565,031)	5.59	171,471	0.10
- Extraordinary transactions	0.18	318,453	2,380,942	1.76	(472,869)	0.35	2,226,526	1.26
	0.29	**510,808**	**9,925,089**	**7.34**	**(8,037,900)**	**5.94**	**2,397,997**	**1.36**

(*) Includes the residual balance of 8,495 shares (8,495 shares in 2023) from the former treasury share account for ordinary transactions.

Ordinary transactions in the above tables relate to those completed under the parent company's liquidity agreements in force in 2024 with Banco Santander, S.A. and 2023 with Banco de Sabadell, S.A. and Banco Santander, S.A.

The parent company reported the following Relevant Information during the current year:

- On 7 March (Other Relevant Information 27315), the Company reported the launch of a Temporary Buy-back Programme targeting treasury shares in order to allow the Company to meet share-based payment obligations under the remuneration system for executives and employees.
- On 2 April (Other Relevant Information 27806), the Company reported that the established maximum number of shares (1,074,000) had been reached and therefore the programme had been terminated and the Company's liquidity agreement with Banco Santander had been reactivated.
- On 29 November (Other Relevant Information 31576), the Company reported the launch of a Temporary Buy-back Programme targeting treasury shares in order to allow the Company to meet share-based payment obligations under the remuneration system for executives and employees (maximum of 490,000 shares).
- On 13 December (Other Relevant Information 31765), the Company reported that the established maximum number of shares had been reached and therefore the programme had been terminated and the Company's liquidity agreement with Banco Santander had been reactivated.

The Company reported the following Relevant Information during the previous year:

- On 1 December 2023 (Other Relevant Information 24644), the Company terminated the liquidity agreement arranged with Banco Sabadell, S.A. on 29 October 2019 (notified as price-sensitive information on 28 October 2019, registration no. 282939). The liquidity agreement was terminated because a new liquidity agreement was entered into with Banco Santander, S.A. on the same date. No transactions were completed using the terminated liquidity agreement from 18 October 2023, when a temporary suspension was agreed as a consequence of the launch of a Temporary Share Repurchase Programme (notified as Other Relevant Information on 17 October 2023, registration no. 24,920), to and including the termination date.
- On 4 December 2023 (Other Relevant Information 25645), the parent company notified the signing of a new liquidity agreement with Banco Santander, S.A., the only purpose being to support the liquidity and frequency of trading in the Company's shares.

Extraordinary transactions relate to those effected under the parent company's share buy-back agreements in force in the reporting period with Banco Santander, S.A. In 2024, 1,564,000 treasury shares were acquired under the above-mentioned share buyback scheme (2,380,942 shares in the previous year).

The purpose of the buy-back schemes was to allow the parent company to meet share-based payment obligations under the remuneration system in force during the period of reference.

For this purpose, the following shares were handed over during the current financial year:

- In April of the current year, the Group liquidated the Medium-Term Incentive (MTI) plan for the period 2021-2023, which fully vested at 31 December 2023, the weighted payment coefficient resulting from the assessment of target fulfilment being 142.2%. Under this plan, 3,040,760 shares were handed over at the average price (VWAP) on the delivery date, 10 April (€18.3597). The amount of shares to be handed over was determined based on the value on the date the resolution was adopted (€6.8882). The Group has taken the difference between the delivery price and the resolution price to equity. This amounts to €59,913 thousand (IFRS 2 Share-based payments).
- As remuneration for Management Committee members, 63,208 shares were handed over at the average price (VWAP) on the delivery date, 10 April (€18.3597).
- Under the flexible remuneration plan ("Reflex"), 130,027 shares were handed over at a price of €18.993 per share.

The following shares were handed over under extraordinary transactions in the previous year:

- As remuneration for Management Committee members, 280,095 shares were handed over in March and October 2023, valued at the average price on the delivery date.
- Under the flexible remuneration plan ("Reflex"), 127,598 shares were handed over at a price of €12.154 per share.
- Conversion of convertible bonds into 63,942 shares (Note 21 a) on 9 October 2023 at an average price of €14.075 per share.

Retained earnings/(losses)

Retained earnings/(losses) break down as follows:

	Thousand euro	
	2024	**2023**
Legal reserve	7,066	7,066
Reserves in fully-consolidated companies	162,668	97,868
Merger reserve	12,233	12,233
Reserves in equity-consolidated companies	(3,516)	(4,705)
Reserve for own shares held	9,480	(834)
Voluntary reserves	433,204	383,774
Profit/(loss) for the year	277,541	205,752
Total	**898,677**	**701,154**

a) Legal reserve

In accordance with the Spanish Companies Act, the parent company is required to transfer 10% of yearly profits to the legal reserve until the balance reaches at least 20% of share capital. The legal reserve is not available for distribution. Should it be used to offset losses in the event of no other reserves being available, it must be replenished out of future profits. It may also be used to increase share capital under certain circumstances.

At 31 December 2024 and 2023, the Company has allocated the minimum amount stipulated in the Consolidated Text of the Spanish Companies Act to this reserve.

b) Reserves in fully-consolidated companies

The breakdown of consolidation reserves by company at 31 December 2024 and 2023 is as follows:

	Thousand euro	
	2024	**2023**
BPO Group (formerly BMB Group)	42,046	48,437
Indra Sistemas de Seguridad, S.A.U.	4,265	4,243
Indra SI, S.A.	14,647	11,574
Indra Sistemas Chile, S.A.	3,575	5,222
Indra Sistemas Portugal, S.A.	(4,440)	(6,700)
Indra Business Consulting Group	27,041	23,272
Inmize Capital, S.L.	(249)	(239)
Inmize Sistemas, S.L.	206	165
Indra Beijing Information Technology Systems Ltd. (China)	359	686
Indra Sistemas Comunicaciones Seguras, S.L.U.	1,486	1,222
Indra Maroc S.A.R.L.U.	(472)	(474)
Indra Australia Pty Limited	(5,462)	(6,312)
Azertia Tecnologías de la Información Argentina, S.A.	(578)	(591)
Indra USA Inc.	(5,125)	(10,817)
Prointec, S.A.U. Group	8,665	9,263
Indra Panamá, S.A.	(6,975)	(6,618)
Computación Ceicom, S.A.	7,916	7,924
Indra Sistemas India Private Limited	1,318	1,073
Avitech GmbH (Germany)	7,307	7,091
Indra Technology Solutions Malaysia Sdn Bhd	(1,757)	(1,516)
PT Indra Indonesia	348	373

	Thousand euro	
	2024	**2023**
Indra Italia S.P.A Group (Italy)	82,425	74,625
Indra Navia A.S. Group (Norway)	17,657	17,509
Indra Turkey	348	362
Teknatrans Consultores, S.L.U.	877	479
Indra Tecnología Brasil LTDA	271	268
Indra Arabia Company LTD (Arabia)	29,573	24,534
Mobbeel Solutions SL	196	648
Aplicaciones de simulación Simtec, S.L.	(11)	68
Indra L.L.C	3,399	3,285
Indra Corporate Services, S.L.U.	(281)	(723)
Indra Corporate Services Mexico S.A de C.V.	(1,009)	(506)
Indra Advanced Technology	3,106	2,245
Indra Soluciones Tecnologías de la Información, S.L.U. Group	(67,077)	(95,860)
Indra Holding Tecnologia de la Información, S.L.U.	(10,040)	(12,934)
Advance Control Systems INC	(25,872)	(17,393)
CSC Philippines	(148)	(131)
Indra Technology Solutions Co Ltd	(2,252)	(1,396)
Indra Factoria Tecnológica, S.L.U.	490	132
Indra T&D, SAC	(711)	(1,427)
Indra Sistemas T&D, S.A. de CV (Mex)	2,843	2,048
Sistemas Informáticos Abiertos Group	13,984	11,371
Minsait Payment Systems, S.L. Group	27,356	14,071
ALG Global Infrastructure	(6,140)	(10,685)
Park Air Systems LTD	1,104	-
Indra Air Traffic INC	(1,270)	-
Antexia Technologies S.L.	(274)	-
Total	**162,668**	**97,868**

c) Reserves in equity-consolidated companies

The breakdown of consolidation reserves by company at 31 December 2024 and 2023 is as follows:

	Thousand euro	
	2024	**2023**
Saes Capital	580	744
Eurofighter Simulation System	463	810
Euromids	852	712
Iniciativas Bioenergéticas, S.L.	(3,814)	(2,269)
Tagsonomy	(1,351)	(1,182)
Satelio Iot Services, S.L.	(288)	144
A4 Essor SAS	98	92
Indra Isolux México SA de CV	(26)	(26)
Visión Inteligente Aplicada S.A de C.V	(17)	(17)
EFI Túneles Necaxa SA de CV	98	98
Societat Catalana per a la Mobilitat, S.A.	29	(74)
Green Border OOD	(29)	(23)
Global Training Aviation, S.L.	(59)	(821)
Startical	(132)	(2,773)
Tower Air Traffic Services	(3)	(3)
Tess Defense, S.A.	83	(117)
Total	**(3,516)**	**(4,705)**

d) Voluntary and Merger reserves

These reserves are freely distributable, except for the amount of the fixed asset restatement under Law 9/1983 of 13 July, which stands at €1,329 thousand and €1,407 thousand at 31 December 2024 and 2023, respectively, and for the amount of the unamortised balances of the parent company's research and development expenses, that is €64,338 thousand at 31 December 2024 (€51,281 thousand at 31 December 2023) and any prior-year losses recognised.

e) Profit/(loss) for the year attributed to the parent company

The breakdown of results of consolidated companies for 2024 and 2023 is provided in Appendix I.

Currency translation differences

Currency translation differences arise from the translation to the Group's presentation currency, i.e. the euro, of both balance sheet items and income statement items of subsidiaries whose functional currency differs from the presentation currency.

This heading is analysed below:

	Thousand euro	
	2024	**2023**
Brazilian real	(38,760)	(25,631)
Argentine peso	(32,481)	(31,037)
Colombian peso	(18,166)	(15,893)
Norwegian krone	(20,582)	(18,870)
Mexican peso	(8,073)	661
Chilean peso	(15,590)	(11,831)
Peruvian sol	(370)	(2,292)
Omani rial	(9,519)	(5,772)
Turkish lira	(4,827)	(4,745)
Dominican peso	(3,816)	(3,942)
Romanian leu	(2,245)	(2,248)
Algerian dinar	(2,757)	(2,223)
Malaysian ringgit	(1,459)	(1,791)
Kenyan shilling	(1,211)	(2,853)
Saudi riyal	6,427	(574)
US dollar	9,792	3,267
Other currencies	(83)	(1,041)
Total	**(143,720)**	**(126,817)**

The Group does not use net investment hedges.

19. Non-controlling interests

This heading is analysed below at 31 December 2024 and 2023:

Thousand euro

	31/12/2024				31/12/2023			
	Capital of non-contr.	**Reserves of non-**	**Results of non-contr.**	**Total**	**Capital of non-contr.**	**Reserves of non-**	**Results of non-contr.**	**Total**
Inmize Capital, S.L.	32	559	26	617	32	552	7	591
Inmize Sistemas, S.L.	750	914	92	1,756	750	914	42	1,706
ISTI Romania, S.A	15	1,239	182	1,436	15	1,074	330	1,419
Indra Philippines INC.	279	11,331	2,264	13,874	264	10,979	2,458	13,701
The Overview Effect, S.L.	51	(129)	(23)	(101)	51	(86)	(43)	(78)
Normeka, A.S.	5	1,094	198	-	5	998	150	1,153
Prointec Panamá, S.A.	-	(33)	-	(33)	-	(31)	-	(31)
Total	**1,132**	**14,976**	**2,739**	**17,550**	**1,117**	**14,400**	**2,944**	**18,461**

In 2024, a 34% ownership holding in the company Normeka was acquired for €1,027 thousand (12,078 thousand Norwegian krone).

The information on assets, liabilities and consolidated results for 2024 and 2023 of the most significant non-controlling interests, attributed to the parent company, is provided in Appendix IV.

20. Earnings/(loss) per share

At 31 December 2024 and 2023, the calculation of weighted average outstanding and diluting shares is as follows:

	Weighted average ordinary shares at 31.12.2024	**Ordinary shares at 31.12.2024**	**Weighted average ordinary shares at 31.12.2023**	**Ordinary shares at 31.12.2023**
Total shares issued	176,654,402	176,654,402	176,654,402	176,654,402
Treasury shares	(981,761)	(750,530)	(645,542)	(2,397,997)
Total outstanding shares	**175,672,641**	**175,903,872**	**176,008,860**	**174,256,405**

	Weighted average ordinary shares at 31.12.2024	**Weighted average ordinary shares at 31.12.2023**
Total shares issued	176,654,402	176,654,402
Financial instruments related to shares	-	12,508,160
Treasury shares	(981,761)	(645,542)
Total diluting shares	**175,672,641**	**188,517,020**

The diluting factor used to calculate the 12,508,160 figure in 2023 is the effect of the convertible bond issued in 2016 (see Note 21).

The calculation of basic earnings per share (rounded to four digits) for 2024 and 2023 is as follows:

Basic earnings per share	2024	2023
Profit/(loss) attributed to the parent company, in thousand euro	277,541	205,752
Weighted average ordinary shares outstanding	175,672,641	176,008,860
Basic earnings/(loss) per ordinary share, in euro	**1.5799**	**1.1690**

The calculation of earnings per ordinary share (rounded to four digits) for 2024 and 2023 is as follows:

Ordinary share	2024	2023
Profit/(loss) attributed to the parent company, in thousand euro	277,541	205,752
Shares issued	176,654,402	176,654,402
Earnings/(loss) per ordinary share, in euro	**1.5711**	**1.1647**

The calculation of diluted earnings per share (rounded to four digits) for 2024 and 2023 is as follows:

Diluted earnings per share	2024	2023
Profit/(loss) attributed to the parent company, in thousand euro (*)	277,541	207,522
Weighted average ordinary shares outstanding	175,672,641	188,517,020
Diluted earnings/(loss) per ordinary share, in euro	**1.5799**	**1.1008**

(*) Result for the period excluding the accrued cost of the convertible bond, net of the tax effect.

21. Bank borrowings and debentures

Bank borrowings and debentures are analysed below at 31 December 2024 and 2023:

	Thousand euro	
Non-current	**2024**	**2023**
Debentures and bonds	90,294	90,418
Bank borrowings	228,222	358,767
Payables under subsidised research plans	24,660	29,878
Total bank borrowings	**252,882**	**388,645**
Non-current total	**343,176**	**479,063**

	Thousand euro	
Current	**2024**	**2023**
Debentures and bonds	798	153,432
Bank borrowings	139,959	45,423
Interest payable	3,114	4,046
Payables under subsidised research plans	22,950	20,627
Total bank borrowings	**166,023**	**70,096**
Payables to non-financial entities for grants received	19,515	-
Current total	**186,336**	**223,528**

Set out below is a breakdown of movements in non-current and current payables during 2024 and 2023:

Non-current	Balance at 31.12.2023	Scope change	Receipts	Payments	Interest	Transfers	Balance at 31.12.2024
Debentures and bonds	**90,418**	**-**	**-**	**-**	**2,846**	**(2,970)**	**90,294**
Bank borrowings	358,766	7,960	189	(2,011)	205	(136,887)	228,222
Payables under subsidised research plans	29,878	299	520	(139)	-	(5,898)	24,660
Total bank borrowings	**388,644**	**8,259**	**709**	**(2,150)**	**205**	**(142,785)**	**252,882**
Non-current total	**479,063**	**8,259**	**709**	**(2,150)**	**3,051**	**(145,755)**	**343,176**

Current	Balance at 31.12.2023	Scope change	Receipts	Payments	Interest	Transfers	Balance at 31.12.2024
Debentures and bonds	**153,432**	**-**	**-**	**(157,470)**	**1,866**	**2,970**	**798**
Bank borrowings	49,469	2,339	1,402	(47,266)	242	136,887	143,073
Payables under subsidised research plans	20,627	1,985	-	(5,560)	-	5,898	22,950
Total bank borrowings	**70,096**	**4,324**	**1,402**	**(52,826)**	**242**	**142,785**	**166,023**
Payables to non-financial entities for grants received	-	-	19,515	-	-	-	19,515
Current total	**223,528**	**4,324**	**20,917**	**(210,296)**	**2,108**	**145,755**	**186,336**

Non-current	Balance at 31.12.2022	Scope change	Currency translation differences	Receipts	Payments	Interest	Transfers	Balance at 31.12.2023
Debentures and bonds	**239,199**	**-**	**-**	**-**	**-**	**5,138**	**(153,919)**	**90,418**
Bank borrowings	425,144	2,010	-	-	(25,000)	436	(43,824)	**358,766**
Payables under subsidised research plans	36,088	954	-	-	(665)	166	(6,665)	**29,878**
Total bank borrowings	**461,232**	**2,964**	**-**	**-**	**(25,665)**	**602**	**(50,489)**	**388,644**
Non-current total	**700,431**	**2,964**	**-**	**-**	**(25,665)**	**5,740**	**(204,408)**	**479,063**

Current	Balance at 31.12.2022	Scope change	Currency translation differences	Receipts	Payments	Interest	Transfers	Balance at 31.12.2023
Debentures and bonds	**249,519**	**-**	**-**	**-**	**(255,538)**	**6,432**	**153,019**	**153,432**
Bank borrowings	4,578	2,175	(28)	55	(1,135)	-	43,824	**49,469**
Payables under subsidised research plans	21,109	-	-	-	(7,147)	-	6,665	**20,627**
Total bank borrowings	**25,687**	**2,175**	**(28)**	**55**	**(8,282)**	**-**	**50,489**	**70,096**
Current total	**275,206**	**2,175**	**(28)**	**55**	**(263,820)**	**6,432**	**203,508**	**223,528**

a. Financial liabilities due to the issuance of debentures and other marketable securities

This consolidated statement of financial position heading includes:

I. Extension in July 2020 of the non-convertible bond issue completed in December 2019:

On 7 July 2020, non-convertible bonds were issued in the amount of €35,000 thousand (issuance costs of €63 thousand), with a unit nominal value of €100 thousand. The financial liability derived from the issue amounts to €35,302 thousand in 2024 (€35,436 thousand in 2023).

The bond terms and conditions are as follows:

- The bond issue had a nominal value of €35,000 thousand and matures on 23 December 2026.
- The bonds bear fixed interest at a nominal annual rate of 3.50%.
- The amount of €1,225 thousand was paid in the current year.
- The bond’s effective interest rate is 3.076%.
- The issue is personally guaranteed by the parent company's assets and not by third parties.
- According to the price quoted on the Frankfurt Stock Exchange (98.90%), the bond’s fair value at year-end 2024 was €34,614 thousand (€34,948 thousand in 2023).
- The forecast financial expense expected to be generated over the remaining life of the bonds is as follows:

Years	Thousand euro
2025	1,086
2026	1,062
Total	**2,148**

II. Issuance of non-convertible bonds in April 2018:

On 19 April 2018, senior unsecured bonds were issued in the Euromarket in the amount of €300,000 thousand. The bonds were listed on the Luxembourg Stock Exchange's Euro MTF market. The financial liability derived from the issue amounted to €152,634 thousand in 2023. The bonds were redeemed at maturity on 19 April 2024.

The bond terms and conditions were as follows:

- The bond issue had a nominal value of €300,000 thousand (€293,916 thousand including the discount and issuance costs) and matures on 19 April 2024.
- The bonds bore fixed interest at a nominal annual rate of 3%.
- Principal of €150,000 thousand and interest of €4,500 thousand were paid in the current year.
- The bond's effective interest rate is 3.68%, including the discount and issuance costs.
- The issue is personally guaranteed by the parent company's assets and not by third parties.
- According to the price quoted on the Frankfurt Stock Exchange (99.40%), the bond's fair value at year-end 2023 was €149,096 thousand.

III. Issuance of non-convertible bonds in January 2018:

On 26 January 2018, non-convertible bonds were issued in the amount of €30,000 thousand (issuance costs of €90 thousand), with a unit nominal value of €100 thousand. The financial liability derived from the issue amounts to €30,779 thousand in 2024 (€30,767 thousand in 2023).

The bond terms and conditions are as follows:

- The bond issue had a nominal value of €30,000 thousand and matures on 1 February 2026.
- The bonds bear fixed interest at a nominal annual rate of 2.90%.
- The amount of €870 thousand has been paid in the current year.
- The bond's effective interest rate is 2.94%.
- The issue is personally guaranteed by the parent company's assets and not by third parties.
- According to the price quoted on the Frankfurt Stock Exchange (99.92%), the bond's fair value at year-end 2024 was €29,976 thousand (€29,642 thousand in 2023).
- The forecast interest expected to be generated over the remaining life of the bonds is as follows:

Years	Thousand euro
2025	882
2026	154
Total	**1,036**

- Short-term maturities amount to €798 thousand (€733 thousand in 2023).

IV. Issuance of non-convertible bonds in 2016:

On 23 December 2016, a non-convertible bond issue of €25,000 thousand was completed and listed on the Frankfurt Stock Exchange's Freiverkehr (Open Market). The financial liability derived from the issue amounts to €25,012 thousand in 2024 (€25,013 thousand in 2023).

The bond terms and conditions are as follows:

- The bond issue had a nominal value of €25,000 thousand and matures on 23 December 2026.
- The bonds bear fixed interest at a nominal annual rate of 3.5%. The amount of €875 thousand has been paid in the current year and previous year.
- The bond's effective interest rate is 3.496%.
- The issue is personally guaranteed by the parent company's assets and not by third parties.
- According to the price quoted on the Frankfurt Stock Exchange (98.90%), the bond's fair value at year-end 2024 was €24,724 thousand (€24,963 thousand in 2023).

- The forecast interest expected to be generated over the remaining life of the bonds is as follows:

Years	Thousand euro
2025	874
2026	864
Total	**1,738**

V. Issuance of convertible bonds in 2016:

On 7 October 2016, an issue of bonds that were non-convertible and/or exchangeable for shares listed on the Frankfurt Stock Exchange's Freiverkehr (Open Market) was completed in the amount of €250,000 thousand.

The bond terms and conditions were as follows:

- The bond issue had a nominal value of €250,000 thousand and a 7-year term (matures on 7 October 2023). The issuance agreement included a clause whereby the bondholder had an option to surrender the bond in advance on 7 October 2021 (year 5) in exchange for full cash payment. Accordingly, if the bondholder were to exercise the option, the issuer could not avoid a cash outflow. This option was exercised in the amount of €4,100 thousand in 2021.
- Issue costs amounted to €7,751 thousand (€3,000 thousand in fees and €4,751 thousand for the 2013 convertible bond buy-back premium).
- The bonds accrued fixed interest at an annual nominal rate of 1.25% payable six-monthly in arrears on 7 April and 7 October each year, the first payment having been made on 7 April 2017. The amount of €3,068 thousand was paid in 2023.
- The bond’s effective interest rate was 1.739%. The difference between the effective interest reflected in the accounts and the cash interest accrued to the investors is explained by the time apportionment of the initial issuance costs. In the case of the 2016 convertible bond, the accounting treatment of the investors’ conversion option did not affect the effective interest rate because the buy-back option for bondholders in year five can only be settled in cash by the parent company.
- The bond conversion price was the initially stipulated amount of €14.629 per share.
- The shares underlying the bonds initially represented 10.4% of the parent company’s pre-issue share capital.
- Bondholders had the option to exercise conversion rights from the issue date, 7 October 2016, to 28 September 2023, the seventh business day prior to the bond maturity date.
- The parent company could redeem the bond issue in full (not in part) for a cash amount equal to the principal plus accrued unpaid interest at the redemption date, in two scenarios:
  - At any time as from four years and 21 days after 7 October 2016, if the nominal value of the bonds over a certain period of time exceeds the unit nominal value by €130,000.
  - At any time, if 15% or less of the nominal value of the bonds initially issued remains in circulation.

The issue was personally guaranteed by the parent company's assets and not by third parties.

In September 2023, prior to the bond maturity date, the Company launched a buyback scheme for the convertible bond. Share buyback amounted to €226,900 thousand (92.3% of the total). The cost of this buyback totalled €2,836 thousand. In addition, bonds were converted into 63,942 shares amounting to €900 thousand (Note 18). On 6 October, the Company cancelled the remainder of the bond in the amount of €18,100 thousand.

In the consolidated cash flow statement, the amount repaid or redeemed relates to interest on bonds in 2024 amounting to €7,470 thousand (€10,538 thousand in 2023) and the principal amount being €150,000 thousand (€245,000 thousand in 2023).

b. Bank borrowings

Set out below is a breakdown of other long-term borrowings by maturity at 31 December 2024:

	Thousand euro		
Years	**Credit institutions**	**R&D Loans**	**Total**
2026	208,378	3,492	211,870
2027	15,996	3,552	19,548
2028	1,679	3,177	4,856
Beyond	2,169	14,439	16,608
Total 31.12.2024	**228,222**	**24,660**	**252,882**

Set out below is a breakdown of other long-term borrowings by maturity at 31 December 2023:

	Thousand euro		
Years	**Credit institutions**	**R&D Loans**	**Total**
2025	138,284	5,888	144,172
2026	206,202	3,095	209,297
2027	13,934	3,288	17,222
Beyond	346	17,607	17,953
Total 31.12.2023	**358,766**	**29,878**	**388,644**

The average interest rate paid on bank borrowings in 2024 and 2023 was 4.2% and 3.2%, respectively.

The entire balance of R&D loans at 31 December 2024, €24,660 thousand (€29,878 thousand in 2023), relates to the long-term portion of loans granted by official bodies to engage in research programmes. The amount of €22,950 thousand (€20,627 thousand in 2023) reflects the portion falling due in the short-term.

Accrued unmatured interest amounted to €3,114 thousand and €4,046 thousand in 2024 and 2023, respectively.

The bank borrowings are not subject to covenants.

The repayment and redemption of bank borrowings reflected in the consolidated cash flow statement is €35,805 thousand in 2024 (€40,052 thousand in 2023). Interest payments are reflected in the 2024 consolidated cash flow statement in the amount of €44,662 thousand (€44,310 thousand in 2023).

Forecast interest accruing on bank borrowings is set out below:

Years	**Thousand euro**
2025	11,784
2026	5,454
2027	581
Total	**17,819**

The heading “Short-term bank borrowings” includes the amount of short-term credit lines utilised and of bank borrowings maturing in the short term.

Details of amounts drawable and drawn on credit lines are as follows:

	Thousand euro	
Years	**2024**	**2023**
Amount drawable	906,118	747,040
Amount drawn	613	367
Total credit lines	**906,731**	**747,407**

On 28 July 2023, Indra Sistemas, S.A. arranged a Club Deal syndicated line of credit with six Spanish and international financial institutions for up to €500,000,000, maturing in July 2028 and extendable for a further one or two years, subject to lender approval.

No amounts were drawn down on this line of credit in 2024 and 2023.

The Group's bank borrowings and financial liabilities due to the issuance of debentures and other marketable securities are in euros.

22. Other financial liabilities

A breakdown of "Other financial liabilities" at 31 December 2024 and 2023 is as follows:

	Thousand euro	
	2024	**2023**
Deposits and guarantees received	359	389
Fixed asset suppliers	23,788	38,218
Finance lease liabilities	105,505	99,154
Long-term advance payments from customers	427,688	417,512
Other long-term payables	130,703	139,936
Total other non-current financial liabilities	**688,043**	**695,210**

	Thousand euro	
	2024	**2023**
Finance lease liabilities	26,844	24,829
Fixed asset suppliers	34,189	19,011
Other short-term payables	58,310	70,033
Total other current financial liabilities	**119,343**	**113,874**

At 31 December 2024, under the heading "Fixed asset suppliers", the Group mainly recognises €7,885 thousand in current liabilities relating to Flat 101, S.L.U.'s earn-out clause contained in the sale and purchase agreement; €3,100 thousand relating to ICA Sistemas y Seguridad, S.L.'s earn-out clause (€2,350 thousand in non-current liabilities and €750 thousand in current liabilities); €25,000 thousand relating to the CLUE Group's earn-out clause (€20,000 thousand in non-current liabilities and €5,000 thousand in current liabilities) and €5,785 thousand in current liabilities reflecting the MQA Group's earn-out clause.

The heading "Finance lease liabilities" arises from the application of IFRS 16 and reflects the present value of payments to be made over the remaining terms of the Group's leases.

Set out below is a breakdown of the maturities of financial liabilities arising from leases at 31 December 2024:

	Thousand euro
Years	**Finance lease liabilities**
2025	32,917
2026	27,864
2027	24,128
2028	19,478
Beyond	56,918
Total gross liabilities	161,305
Interest to be discounted	(27,677)
Total at 31.12.24	133,629

The heading “Long-term advance payments from customers” includes the amount of €404,748 thousand (€319,359 thousand in 2023) reflecting sales completed over more than one year. These amounts are discounted to account for the time value of money. In the current year, the amount of €10,074 thousand has been recognised in net financial income/(expense) in the income statement (€8,717 thousand in 2023).

The heading “Other long-term payables” mainly includes €76,541 thousand (€76,541 thousand in 2023) relating to financing granted by the Ministry of Industry, Energy and Tourism to engage in defence programmes through various temporary consortia (Note 12c). The amount of €32,867 thousand is carried under “Other short-term payables” in 2023. The Group recognises under “Other long-term payables” the grants pending execution and collection for various multi-year projects amounting to €53,500 thousand in 2024 (€62,405 thousand in 2023). The amount of €58,306 thousand is carried under “Other short-term payables” in 2024 (€37,168 thousand in 2023). The corresponding asset is included in other non-current and current financial assets (Note 12c).

23. Grants

Set out below is an analysis of this heading showing movements during 2024 and 2023:

	Balance at 31.12.2023	Scope changes	Additions	Transfers	Taken to income st.	Balance at 31.12.2024
Grants	43,391	3,987	17,672	(5,435)	(5,468)	54,147

	Balance at 31.12.2022	Scope changes	Additions	Transfers	Taken to income st.	Balance at 31.12.2023
Grants	25,662	315	9,133	13,608	(5,327)	43,391

The grants have been awarded by public bodies primarily for development projects (Note 9).

The R&D&i grants obtained by the Group through competitive national and international R&D&i calls relate to cutting-edge technological developments with a focus on the following sectors: Air Traffic and Mobility. These projects are therefore particularly relevant to the Group's global strategy. In general, grants received for expenditure on these R&D&i projects range from 50% to 100% and relate to the purpose for which they were awarded, so the conditions are totally fulfilled.

24. Provisions

Set out below are movements in non-current provisions showing related temporary differences and forecast maturity dates:

Thousand euro

Item	Balance at 31.12.2023		Scope change	Curr. trans. diff.	Appropri ations	Applicati ons	Payments	Transfers	Transfer to held for sale	Balance at 31.12.2024		Forecast cancellation date
	Balance	Temp. diff.								Balance	Temp. diff.	
Remuneration	11,384	11,384	-	17	35,889	(171)	(3,833)	(7,390)	(1,023)	34,873	34,873	2026-2027
Provisions for guarantees and onerous contracts	336	336	-	13	3	(2)	-	(209)	-	141	141	2026-2027
Provision for decommissioning of fixed assets	4,256	-	-	-	-	-	-	-	-	4,256	-	
Other tax provisions	-	-	-	-	2,242	-	-	2,529	-	4,771	-	
Other provisions	16,348	16,348	-	-	-	(4,975)	-	6,863	(2,406)	15,830	15,830	2026-2027
Operating provisions	**32,324**	**28,068**	**-**	**30**	**38,134**	**(5,148)**	**(3,833)**	**1,793**	**(3,429)**	**59,871**	**50,844**	
HR claims	8,635	3,497	-	(543)	5,708	(5,107)	(178)	(76)	(105)	8,334	8,334	2026-2027
Tax provision	14,536	-	-	(1,060)	3,573	(2,369)	(6,417)	(2,529)	(215)	5,519	-	
Other provisions for litigation	16,429	3,123	-	(3)	-	(390)	-	(2,235)	-	13,801	3,844	2026-2027
Provision for litigation in progress	**39,600**	**6,620**	**-**	**(1,606)**	**9,281**	**(7,866)**	**(6,595)**	**(4,840)**	**(320)**	**27,654**	**12,178**	
Total provisions	**71,924**	**34,688**	**-**	**(1,576)**	**47,415**	**(13,014)**	**(10,428)**	**(3,047)**	**(3,749)**	**87,525**	**63,022**	

Thousand euro

Item	Balance at 31.12.2022								Balance at 31.12.2023		
	Balance	Temp. diff.	Scope change	Curr. trans. diff.	Appropri ations	Reversal	Payments	Transfers	Balance	Temp. diff.	Forecast cancellation date
Remuneration	19,915	19,915	-	(30)	1,188	(118)	(425)	(9,146)	11,384	11,384	2025-2026
Provisions for guarantees and onerous contracts	158	158	-	(4)	200	(18)	-	-	336	336	2025-2026
Provision for decommissioning of fixed assets	4,256	-	-	-	-	-	-	-	4,256	-	
Other provisions	12,220	12,220	2,500	-	3,009	(1,381)	-	-	16,348	16,348	2025-2026
Operating provisions	**36,549**	**32,293**	**2,500**	**(34)**	**4,397**	**(1,517)**	**(425)**	**(9,146)**	**32,324**	**28,068**	
HR claims	10,174	3,497	-	(903)	5,747	(3,614)	(2,649)	(120)	8,635	3,497	2025-2026
Tax provision	11,795	-	-	211	3,161	(700)	-	69	14,536	-	2025-2026
Other provisions for litigation	15,484	3,123	-	(3)	953	-	(5)	-	16,429	3,123	2025-2026
Provision for litigation in progress	**37,453**	**6,620**	**-**	**(695)**	**9,861**	**(4,314)**	**(2,654)**	**(51)**	**39,600**	**6,620**	
Total provisions	**74,002**	**38,913**	**2,500**	**(729)**	**14,258**	**(5,831)**	**(3,079)**	**(9,197)**	**71,924**	**34,688**	

Movements in current provisions are as follows:

Thousand euro

	Balance at 31.12.2023	Scope change	Curr. trans. diff.	Appropriations	Applications	Payments	Transfers	Transfer to held for sale	Balance at 31.12.2024
Provisions for guarantees and onerous contracts	89,076	-	(413)	73,446	(58,788)	(829)	(340)	(336)	101,816
Other provisions	-	-	-	-	-	-	870	-	870
Provisions for other staff costs	25,003	78	(117)	11,426	(4,460)	(19,186)	2,081	(714)	14,111
Social security reserve	29	-	-	-	-	-	-	-	29
Restructuring provisions	13,611	-	-	-	-	16	-	-	13,627
Total	**127,719**	**78**	**(530)**	**84,872**	**(63,248)**	**(19,999)**	**2,611**	**(1,050)**	**130,453**

Thousand euro

	Balance at 31.12.2022	Scope change	Curr. trans. diff.	Appropriations	Applications	Payments	Transfers	Balance at 31.12.2023
Provisions for guarantees and onerous contracts	64,097	571	(340)	36,613	(15,176)	(1,089)	4,400	89,076
Provisions for other staff costs	4,369	16	109	22,763	(930)	(2,132)	808	25,003
Social security reserve	29	-	-	-	-	-	-	29
Restructuring provisions	13,576	-	-	-	-	35	-	13,611
Total	**82,071**	**587**	**(231)**	**59,376**	**(16,106)**	**(3,186)**	**5,208**	**127,719**

Non-current provisions

Non-current "**Operating provisions**" include the following items:

"Remuneration" includes the following provisions:

i. Long-term provisions for staff costs relate primarily to remuneration pending payment that is expected to be paid to management entirely in the form of Company shares in 2027 (Notes 18 and 30).

ii. Retirement plan provision. In October of the current year, the company Indra Soluciones Tecnologías de la Información S.L.U. signed a collective agreement to implement a limited pre-retirement scheme. The plan conditions are as follows:

   – At least five years' length of service.

   – A sufficiently long period of Social Security contributions to be able to access voluntary early retirement on the legally stipulated terms.

   – Double voluntariness. Voluntary access to pre-retirement under the plan for both the Company and the employee.

   Plan coverage is as follows:

   – Employees aged between 59 and 62 on 31 December 2024 (temporary 80% or 90% gross remuneration in the case of salaries below €30 thousand). In all cases, the total income receivable by the employee may not be below 20 days' salary per year of service, with a ceiling of one year's salary. In addition, for the same period of time, the employer will pay the employees a gross amount equal to the cost of the special Social Security contributions.

   – Working persons aged 63 or over on 31 December 2024. They will receive total gross remuneration of 20 days' fixed salary per year of service up to the limit of one year's fixed salary, in a lump sum payment. In all cases, employees that take pre-retirement will have the opportunity to join the group health insurance policy at their own expense.

   – Employees that reach 59 years of age between 31 December 2024 and 28 February 2025. In exceptional cases, should employees reaching the age of 59 between 1 January and 28 February 2025, as well as meeting the other requirements, be interested in requesting pre-retirement, or should the Company be interested in proposing pre-retirement to them, the Company will study their case.

   The amount taken to the income statement (Notes 18 and 30) in connection with this plan, i.e. €17,850 thousand, relates to approximately 122 people. The long-term amount stands at €15,294 thousand and the rest is short term.

   This heading includes provisions for pension plans required under labour legislation in certain countries, such as the Philippines and Italy.

The item "Other provisions" includes amounts covering contingencies deemed to be possible as a result of business combinations (Note 5).

At 31 December 2024, the Group is the defendant in litigation in progress the probability of occurrence of which is deemed to be **probable**, amounting to €30,130 thousand (€2,476 thousand in short-term payments) (€39,600 thousand at 31 December 2023), relating to (i) personnel claims, (ii) tax proceedings and (iii) civil, criminal, commercial and contentious-administrative actions, which are fully provisioned.

i. Personnel claims ("HR claims") classed as probable and thus provisioned fell to €8,334 thousand (€8,635 thousand at 31 December 2023). This amount includes claims from former suppliers of the Brazilian subsidiaries whose nature is equivalent to that of a self-employed worker. Once the relevant contracts for services expired, they brought claims against the company (or there is a risk of such claims) questioning their nature as a self-employed supplier and claiming compensation as if they had had an employment relationship.

ii. Tax claims ("Tax provision") classed as probable and thus provisioned amount to €5,519 thousand (€14,536 thousand at 31 December 2023), as described in Note 35.

iii. Civil, criminal, commercial and contentious-administrative actions ("Other provisions for litigation") classed as probable and thus provisioned amount to €16,277 thousand (€2,476 thousand in the short term) (€16,429 thousand at 31 December 2023), the most significant of which are described below:

– Penalty proceeding initiated by the Spanish National Market and Competition Commission ("CNMC") against the parent company – Proceeding S/DC/565/2015 "Tenders for computer software"

Penalty proceeding initiated by the CNMC against several companies operating in the computer systems and applications development and maintenance service industry, including the parent company.

In July 2018, the CNMC issued a penalty resolution attributing an anti-trust practice to the parent company and imposing a fine of €13,500 thousand.

In September 2018, the parent company appealed the resolution in the contentious-administrative courts and in November 2018 obtained a precautionary measure staying enforcement of the penalty.

The National High Court rejected the parent company's contentious-administrative appeal on 20 September 2023. The parent company has lodged a cassation appeal against that judgement, which is pending a ruling.

– Penalty proceeding initiated by the Spanish National Market and Competition Commission ("CNMC") against the parent company and Indra Business Consulting, S.L.U. – Proceeding S/DC/0627/18 "Consultancy firms"

Penalty proceeding initiated by the CNMC against several companies operating in the consultancy industry, including the parent company and the Group company Indra Business Consulting, S.L.U. ("IBC").

In May 2021, the CNMC issued a penalty resolution attributing an anti-trust practice constituting a cartel to IBC and imposing a fine of €27 thousand.

In the resolution, the CNMC excludes IBC from the imposition of a prohibition on public sector contracting, as it has a specific Anti-trust Compliance Programme (the CNMC declares this prohibition to apply to all the companies under investigation save for IBC).

Specifically, the CNMC considers the Indra Group's measures to be suitable for the detection of anti-trust infringements, since they reflect a genuine willingness to comply with competition rules, inspired by a significant cultural change that has taken place in the organisation.

On 7 July 2021, IBC and the parent company filed a contentious-administrative appeal against the penalty resolution which finds that a single action by IBC constitutes a cartel.

Litigation the occurrence of which is deemed **possible** and which is not therefore provisioned amounts to €99,389 thousand (€131,030 thousand at 31 December 2023).

Of this amount, €63,160 thousand (€92,773 thousand at 31 December 2023) relates to numerous legal proceedings (over 340) of various kinds. Specifically:

- €42,800 thousand (€73,501 thousand at 31 December 2023) relates to over 80 tax proceedings (Note 23).
- €8,640 thousand (€8,345 thousand at 31 December 2023) relates to numerous labour proceedings.
- €11,720 thousand (€10,927 thousand at 31 December 2023) relates to numerous civil, commercial, contentious-administrative and criminal lawsuits.

The remaining amount of €36,229 thousand (€38,257 thousand at 31 December 2023) up to €99,389 thousand relates to the following proceedings:

– Contentious-administrative proceeding initiated by the Office of the Comptroller General of Ecuador against the parent company

Contentious-administrative proceeding related to the alleged breach of the contract for the "Implementation of a Judicial Information System for the Council of the Judiciary of Ecuador" (the "Contract").

In August 2013, the Office of the Comptroller General ("CGE") issued an administrative resolution claiming joint and several fault-based civil liability of the parent company, together with the contract administrators (members of the Council of the Judiciary), due to the frustration of the contract's purpose.

In October 2015, the parent company appealed the CGE's resolution in the contentious-administrative courts and in December 2018 obtained a judgement partially upholding the appeal, which was then appealed by both parties in cassation to the National Court of Justice of Ecuador ("CNJ"). In March 2018, the CNJ resolved to stay the effects of the appealed judgement without imposing a court bond. A judgement has yet to be handed down on the appeal. The proceeding is currently valued at €16,047 thousand (updated at the 31 December 2024 exchange rate).

In February 2018, the parent company officially notified the Republic of Ecuador of its intention to initiate an arbitration proceeding under the Foreign Investment Protection Treaty due to the breach of essential obligations. This proceeding has been suspended until all judicial recourse is exhausted.

In relation to the same matter, there is a second proceeding in which, in February 2016, the Council of the Judiciary filed a claim against the parent company for damages currently valued at €3,928 thousand (updated at the 31 December 2024 exchange rate). This proceeding is pending judgement.

- Claim for alleged defective performance of a contract lodged by the Turkish General Directorate for Administration ("TCDD")

This proceeding relates to the performance of a contract entered into in 2014 between the parent company and TCDD for the implementation of a rail traffic control system.

Following provisional acceptance of the project and expiration of the warranty period, in March 2021 the TCDD terminated the contract on the grounds of a breach by the parent company, alleging that certain incidents had not been resolved which, in its opinion, formed part of the scope of the contract. The parent company understands that all its contractual obligations were fulfilled and that the TCDD's requests do not come under the contract's scope.

In April 2022, notice was received of the claim filed by the TCDD against the parent company for damages of €3,189 thousand. In May 2022, the parent company replied to the claim and the parties filed several responses. The proceeding followed it course until October 2024, when the court-appointed committee of experts issued an opinion favouring INDRA. In view of this report, a judgement dismissing TCDD's claims is expected.

- Lawsuit filed by Datamétrica Consultoria Pesquisa e Telemarketing, LTDA ("Datamétrica")

These proceedings were brought in 2017 by Datamétrica against Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. ("Indra Brazil") for alleged breach of the contract "Private Instrument for the Provision of Billing Services" and "Private Instrument for the Provision of Healthcare Services".

Datamétrica requests the annulment of a contractual clause, damages for alleged breach of contract and the collection of amounts allegedly owed totalling €13,064 thousand (at the 31 December 2024 exchange rate).

The proceedings are pending the start of the conclusion of the discovery phase.

Finally, litigation in which the Group is the defendant for which the probability of occurrence is deemed **remote** amounts to €96,494 thousand (€102,048 thousand at 31 December 2023). The most significant proceedings are described below:

- Project to implement an HR management ERP for Banco do Brasil ("BB")

Civil proceeding related to the termination and alleged breach of the contract to implement an HR management ERP system for BB awarded to the consortium Plantalto (the "Consortium"), in which the parent company's Brazilian subsidiary, Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. ("Indra Brasil") has a 70% ownership interest.

In February 2016, the Consortium filed a claim against BB demanding termination of the contract on grounds not attributable to the Consortium. BB lodged a counterclaim alleging breach of contract by Indra Brazil and claiming damages currently valued at €37,868 thousand (updated at the 31 December 2024 exchange rate).

In May 2017, the court of first instance handed down a judgement favouring Indra Brazil that was appealed by BB. The appeal court disallowed BB's appeal, confirming the lower court's judgement.

In January 2019, BB filed a new appeal at the High Court of Justice, which was resolved in December 2020. The High Court ruled that the proceeding must return to the appeal court in order to resolve omissions in the judgement. The first-instance court's judgement was not altered.

The appeal court ruled in August 2021, confirming the High Court's decision favouring Indra Brazil. BB brought a new appeal that was again rejected in March 2022. BB lodged a new special appeal at Brazil's High Court that is pending judgement.

– Administrative proceeding initiated by Caixa Económico Federal ("CEF") against Indra Brasil Soluçoes e Serviços Tecnológicos Ltda.

Proceeding related to alleged damages suffered by CEF in the mass fraud committed in May 2015 using the bank's credit cards.

In September 2017, the administrative proceeding initiated by CEF came to an end and Indra Brasil was ordered to pay the damages claimed by CEF, currently valued at €21,448 thousand (updated at the 31 December 2024 exchange rate).

Indra Brazil filed a claim against the judgement which is now in the discovery stage. It also obtained a precautionary measure whereby CEF was prohibited from offsetting the amount claimed against any amount owed to Indra Brazil under other contracts in force.

In 2015, the Federal Police launched an investigation into this incident, which was concluded in August 2021 without any charges being brought against those under investigation.

Indra Brazil has given notice of the above in the ongoing legal proceedings and has requested a judgement upholding its claims. The court proceedings are currently pending the start of the discovery phase.

In addition to the matters described above, the most relevant tax proceedings are described in Note 35.

Current provisions

"Provisions for guarantees and onerous contracts" are determined on the basis of the present value of unavoidable costs, which is the lower of the contract costs, net of any income that could be generated, and the cost of compensation or penalties payable for breach of contract. These provisions relate mostly to projects undertaken mainly in Spain, Oman, Poland, Kuwait and Algeria in the Defence and Mobility CGUs.

Appropriations to "Provisions for other staff costs" totalling €11,426 thousand relate to sundry employee remuneration and pre-retirement plans.

"Other provisions" include the following lawsuit:

– Penalty proceeding initiated by the Spanish National Market and Competition Commission ("CNMC") against the parent company – Proceeding S/DC/0598/2016 "Railway electrification and electromechanics".

Penalty proceeding initiated by the CNMC against several companies operating in the rail traffic industry, including the parent company.

In March 2019, the CNMC issued a penalty resolution attributing an anti-trust practice to the parent company in which it (i) imposed a fine of €870 thousand; and (ii) imposed a prohibition on contracting with the public sector. The CNMC forwarded the penalty resolution to the State Consultative Board on Administrative Procurement in order for it to issue a proposal on the scope and duration of the prohibition on contracting, the final decision pertaining to the Ministry of Finance.

In May 2019, the parent company filed a contentious-administrative appeal at the National High Court against the penalty resolution and, as a precautionary measure, requested the stay of enforcement of the penalty (giving a bank guarantee). The National High Court granted the parent company's precautionary measure and later passed judgement disallowing the contentious-administrative appeal. The parent company appealed the judgement on cassation before the Supreme Court, which refused to give the appeal leave to proceed on 6 November 2024.

Therefore, the National High Court's judgement is final as of 6 November 2024 and the CNMC resolution is also definitive.

However, it should be noted that the parent company is not subject to any prohibition on contracting until the State Consultative Board on Administrative Procurement (JCCPE) resolves upon the duration and scope of the prohibition (Note 44).

25. Other current non-financial liabilities

This heading breaks down as follows at 31 December 2024 and 2023:

	Thousand euro	
	2024	**2023**
Public Administrations (Note 35)	199,764	190,359
Deposits and guarantees received	36	153
Accruals and deferred income	2,991	5,856
Other liabilities	701	2,643
Total other current liabilities	**203,493**	**199,010**

26. Current trade and other payables

A breakdown of "Trade and other payables" at 31 December 2024 and 2023 is as follows:

	Thousand euro	
	2024	**2023**
Trade payables	696,863	616,468
Accrued wages and salaries	173,884	189,081
Advance payments from customers	828,626	774,054
Total	**1,699,373**	**1,579,603**

Movements in Advance payments from customers during 2024 and 2023 are as follows:

Advance payments from customers	**Balance at 31.12.2023**	**Additions**	**Disposals**	**Currency trans. diff. & scope changes**	**Transfer to held for sale**	**Transfer**	**Balance at 31.12.2024**
Non-current	417,512	149,472	-	-	(2,168)	(137,128)	427,688
Current	774,054	311,451	(382,326)	4,371	(16,052)	137,128	828,626
Total advance payments	**1,191,566**	**460,923**	**(382,326)**	**4,371**	**(18,220)**	**-**	**1,256,314**

Advance payments from customers	**Balance at 31.12.2022**	**Additions**	**Disposals**	**Currency trans. diff. & scope changes**	**Transfer**	**Balance at 31.12.2023**
Non-current	319,359	212,653	-	-	(114,500)	417,512
Current	789,128	249,684	(382,952)	3,695	114,500	774,054
Total advance payments from customers	**1,108,487**	**462,337**	**(382,952)**	**3,695**	**-**	**1,191,566**

The non-current works advance payment has been discounted considering the time value of money. In the current year, the amount of €10,074 thousand has been recognised in net financial income/(expense) in the income statement (€8,703 thousand in 2023).

Trade payables and accruals mainly comprise amounts pending payment for trade purchases and costs in progress.

In general, the Group meets the established payment deadlines and has interest-free arrangements in place with suppliers should the legal period be exceeded.

The Group considers that the amount of trade and other receivables recognised in the consolidated balance sheet does not differ from fair value.

In addition, 15% and 14% of revenue recognised in 2024 and 2023, respectively, had already been collected and was carried under "Advance payments from customers" at the start of each financial year (Note 27).

Revenue recognised in 2024 as a result of performance obligations satisfied in previous years totalled €23 million (€12 million in 2023).

AVERAGE SUPPLIER PAYMENT PERIOD

Final Provision Two of Law 31/2014 amends the Spanish Companies Act to improve corporate governance and amends Additional Provision Three of Law 15/2010 on measures to combat late payment in commercial transactions, specifically requiring all trading companies to include the average supplier payment period in the notes to the annual accounts. The Spanish Institute of Accounting and Auditing (ICAC) is also authorised to issue the calculation rules and methodology.

This resolution is mandatory for all Spanish companies that issue Consolidated Annual Accounts, although exclusively those that are established in Spain and are fully or proportionately consolidated.

In the resolution of 29 January 2016, the ICAC provided the method for calculating the average supplier payment period for 2015 and successive years.

The calculation of the average supplier payment period is made using the following formula, pursuant to the ICAC Resolution of 29 January 2016:

$$\text{Average supplier payment period} = \frac{\text{Ratio of transactions settled * Amount of payments made + Ratio of transactions pending payment * Total amount of payments pending}}{\text{Total amount of payments made + Total amount of payments pending}}$$

The data for the Spanish companies for 2024 and 2023 are as follows:

	2024	2023
	Days	Days
Average supplier payment period	51	52
Ratio of transactions settled	53	52
Ratio of transactions pending payment	37	45

	Amount (thousand euro)	Amount (thousand euro)
Total payments made	1,260,610	1,224,870
Total payments pending	180,482	102,737

Pursuant to the ICAC's Resolution, the average supplier payment period has been calculated taking into account commercial transactions comprising supplies of goods or provisions of services accrued each year.

Solely for the purposes of providing the information required by this Resolution, suppliers are trade creditors for goods or services included in current "Trade and other payables" under current liabilities in the balance sheet, regardless of any financing related to early collection from the supplier.

"Average supplier payment period" means the period that elapses from the supply of goods or acceptance of the provision of services by the supplier, in accordance with the Group's procedures and systems, to the actual transaction payment date.

Payments made to Spanish suppliers outside the legally stipulated period in 2024 and 2023 are explained by circumstances or incidents beyond the established payment policy, primarily under arrangements with suppliers for the delivery of goods or provision of services.

The monetary amount and number of invoices settled within the legally stipulated period are set out below:

	Thousand euro	
	2024	**2023**
Monetary amount	724,722	681,751
Percentage of total payments	57.49 %	55.82 %
Number of invoices	116,604	106,011
Percentage of total invoices	60.7 %	55.4 %

The Group has confirming lines available to its suppliers that allow them, at their option, to advance the collection of their invoices as specified in the notes to the Group's annual accounts.

27. Segment reporting

The following tables show information on the Group's operating segments, based on the Group companies' financial statements. Review and decision-making in relation to this information is carried out by General Management.

Set out below is the segment information for 2024 and 2023:

	2024 (Thousand euro)											
Segment reporting at 31 December 2024	**Defence**	**%**	**Air Traffic**	**%**	**Mobility**	**%**	**Minsait**	**%**	**Corporate non-distributable**	**Elim.**	**Total**	**%**
Total sales	1,033,610		468,382		362,449		3,000,529			(22,113)	4,842,857	100%
Inter-segment sales	2,378		470		622		18,644			(22,113)	-	
External sales	**1,031,232**		**467,912**		**361,827**		**2,981,886**		**-**	**-**	**4,842,857**	**100%**
Profit/(loss) from operating activities	**186,043**	**18.0%**	**58,458**	**12.5%**	**18,007**	**5.0%**	**175,748**	**5.9%**			**438,256**	**9.0%**
Net financial income/(expense)									(46,525)		(46,525)	(1.0) %
Profit/(loss) in associates	(6,542)		-		1,044		28				(5,470)	(0.1) %
Corporate income tax	(38,692)		(14,740)		(4,485)		(59,694)		11,631		(105,981)	(2.2) %
Segment profit/(loss)	**140,809**	**13.7%**	**43,718**	**9.3%**	**14,566**	**4.0%**	**116,081**	**3.9%**	**(34,894)**		**280,280**	**5.8%**
Other information												
Investments	37,625		15,430		8,926		49,688				111,669	
Depreciation/amortisation	20,687		14,734		6,374		65,155				106,950	
Backlog	2,971,565		854,612		958,636		2,459,836				7,244,649	
Balance sheet												
Segment assets	1,263,947		493,624		441,981		2,125,821		615,635		4,941,007	
Fixed assets in associates	8,325		497		5,813		42				14,678	
Total consolidated assets											**4,955,684**	
Segment liabilities	1,449,028		306,635		190,747		1,165,558		529,010		3,640,977	
Total consolidated liabilities											**3,640,977**	

Geographic information at 31 December 2024:	Spain	Brazil	Rest of America	Italy	Rest of Europe	Asia, Middle East and Africa	Total
External sales	2,491,722	214,228	760,564	215,615	745,752	414,976	4,842,857
Investments	94,587	646	11,481	202	3,454	1,299	111,669
Assets employed	3,208,174	117,169	797,196	193,330	268,230	371,585	4,955,684

2023 (Thousand euro)

Segment reporting at 31 December 2023	Defence	%	Air Traffic	%	Mobility	%	Minsait	%	Corporate non-distributable	Elim.	Total	%
Total sales	817,914		361,101		366,724		2,808,464		-	(11,131)	4,343,072	100%
Inter-segment sales	703		119		288		10,021		-	(11,131)	-	
External sales	**817,211**		**360,982**		**366,436**		**2,798,443**		**-**	**-**	**4,343,072**	**100%**
Profit/(loss) from operating activities	**145,741**	**17.8%**	**44,290**	**12.3%**	**5,947**	**1.6%**	**151,016**	**5.4 %**			**346,994**	**8.0%**
Net financial income/(expense)									(40,182)		(40,182)	(0.9) %
Profit/(loss) in associates	(1,247)		(433)		(1,442)		(98)				(3,220)	(0.1) %
Corporate income tax	(31,789)		(10,653)		(842)		(44,207)		(7,405)		(94,896)	(2.2) %
Segment profit/(loss)	**112,705**	**13.8%**	**33,204**	**9.2%**	**3,663**	**1.0%**	**106,711**	**3.8 %**	**(47,587)**		**208,696**	**4.8%**
Other information												
Investments	15,300		11,875		9,425		28,510				65,110	
Depreciation/amortisation	17,400		12,912		5,600		63,158				99,070	
Backlog	2,953,273		736,940		914,422		2,171,630				6,776,265	
Balance sheet												
Segment assets	1,062,756		507,585		455,000		2,085,016		595,335		4,705,692	
Fixed assets in associates	10,108		3,209		4,919		(1,338)				16,898	
Total consolidated assets											**4,722,590**	
Segment liabilities	1,241,152		320,620		194,076		1,128,588		702,185		3,586,622	
Total consolidated liabilities											**3,586,622**	

Geographic information at 31 December 2023:	Spain	Brazil	Rest of America	Italy	Rest of Europe	Asia, Middle East and Africa	Total
External sales	2,153,536	219,664	709,323	242,699	574,401	443,449	4,343,072
Investments	55,485	561	6,756	372	938	998	65,110
Assets employed	3,094,233	134,921	686,859	201,673	238,135	366,769	4,722,590

Revenue from contracts with customers (Note 4v.) for the years ended 31 December 2024 and 2023 breaks down as follows:

	Thousand euro	
	2024	**2023**
Project execution	1,604,072	1,220,925
Manufacturing based on proprietary technology	242,108	259,605
Services provided	2,996,677	2,862,542
Total revenue	**4,842,857**	**4,343,072**

In 2024 and 2023, 59% and 57% of revenue recognised derived from the order backlog already contracted at the start of the respective periods.

The Group applies revenue recognition methods by contract type. Revenue from most contracts in various segments is recognised on the basis of contractual milestones, which are usually sufficiently detailed and traceable to be taken as an objective reference when measuring the progress of the contract.

In view of the type of reference contracts in each segment, the stage of completion method of revenue recognition is most relevant in the Defence segment. In quantitative terms, stage of completion revenue recognised in each segment in 2024 accounted for the following shares of total revenue:

- Defence: 5%
- Air Traffic: 3%
- Mobility: 9%
- Minsait: 2%.

Maintenance work represented 13% and 14% of revenue in 2024 and 2023, respectively.

There is no concentration of customers representing more than 10% of revenue or more than 10% of the balance of trade receivables, unbilled receivables and contract assets.

28. Other operating income

In 2024, this consolidated income statement heading mainly includes grant income of €25,444 thousand (€22,745 thousand in 2023) relating to operating grants for uncapitalised development expenses and therefore not associated with assets. In addition, other revenue from sundry services amounted to €8,745 thousand (€10,158 thousand in 2023).

29. Raw materials and consumables

Set out below is the breakdown of this heading for the years ended 31 December 2024 and 2023:

	Thousand euro	
	2024	**2023**
Subcontracts and materials consumed	1,168,516	1,031,099
Inventory impairment	759	1,611
Total	**1,169,275**	**1,032,710**

30. Staff costs

Set out below is an analysis of staff costs for the years ended 31 December 2024 and 2023:

	Thousand euro	
	2024	**2023**
Wages, salaries and similar remuneration	1,965,456	1,836,163
Termination benefits	48,225	30,126
Social Security and other staff welfare charges	597,262	537,126
Total	**2,610,943**	**2,403,416**

The heading Wages, salaries and similar remuneration reflects the MTI provision and other similar personnel provisions amounting to €13,500 thousand in 2024 (€18,889 thousand in 2023). The amount of €12,000 thousand was provisioned in 2024 for share-based payments (€17,712 thousand in 2023).

Also included is the amount of the retirement plan (Note 24) totalling €17,850 thousand.

The average number of Group employees by category during 2024 and 2023 is as follows:

	Number of people					
	2024			**2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
General Management	11	1	12	13	2	15
Management	494	114	608	447	100	547
Middle management	3,785	1,420	5,205	3,450	1,246	4,696
Technical personnel	28,317	12,360	40,677	26,486	11,942	38,428
Support	6,402	4,919	11,320	6,945	4,950	11,895
Other categories	586	362	949	748	535	1,283
Total	**39,595**	**19,176**	**58,771**	**38,090**	**18,776**	**56,866**

The distribution by gender and category at year-end 2024 and 2023 is as follows:

	Number of people					
	2024			**2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
General Management	12	1	13	15	1	16
Management	479	105	584	439	104	543
Middle management	3,737	1,404	5,141	3,462	1,240	4,702
Technical personnel	28,941	12,482	41,423	26,750	11,961	38,711
Support	6,779	5,035	11,814	7,056	4,925	11,981
Other categories	442	226	668	545	393	938
Subtotal	**40,390**	**19,253**	**59,643**	**38,267**	**18,624**	**56,891**
New joiners (1)	910	354	1,264	644	220	864
Total	**41,300**	**19,607**	**60,907**	**38,911**	**18,844**	**57,755**

(1) FY 2024: Compañía Uruguaya de Procesamiento, Global Training Aviation, MQA Group, Deimos Group and CLUE Group.

(2) FY 2023: Pecunia, Soltex, Park Air, NAE Comunicaciones, ICA, Antexia, Deuser, Indra Air Traffic and NAE Consulting.

The average number of employees with a disability rating of 33% or more in 2024 and 2023 is shown below by category:

	Number of people					
	2024			2023		
	Men	Women	Total	Men	Women	Total
Management	1	2	3	1	2	3
Middle management	32	9	41	31	4	35
Technical personnel	236	134	370	218	129	347
Support	86	74	160	104	81	185
Other categories	5	2	7	8	8	16
Total	**359**	**221**	**580**	**362**	**224**	**586**

The parent company also complies with the General Law on the Rights and Social Inclusion of the Disabled through alternative measures such as hiring through special employment centres and making donations to promote the inclusion of the disabled in the labour market.

31. Other operating expenses and change in trade provisions

This heading breaks down as follows at 31 December 2024 and 2023:

	Thousand euro	
	2024	2023
Rent and royalties	223,861	195,216
Repairs and maintenance	34,888	25,505
Professional services	157,334	127,550
Transport and freight	12,877	15,702
Insurance	11,399	11,599
Banking services	8,208	8,160
Donations, trade fairs, advertising and entertainment	25,238	29,817
Supplies	20,215	19,309
Travel and other expenses	198,555	178,456
Taxes	33,524	33,695
Other expenses	(635)	142
Other operating expenses	**725,463**	**645,150**
Change in provisions for guarantees and onerous contracts	14,378	23,021
Changes in trade provisions	7,046	(3,530)
Total	**746,887**	**664,641**

Rent and royalties relate to the following items:

	Thousand euro	
	2024	**2023**
Royalties and licences	173,914	146,910
Short-term leases	20,301	19,234
Leases of low-value underlying assets	19,168	17,811
Other leases	10,478	11,260
Total	**223,861**	**195,216**

The Group records the amount of €1,168 thousand under short-term leases at 31 December 2024 (€1,557 thousand at year-end 2023). The Group records no income related to subleases of rights of use previously acquired in 2024 and 2023.

32. Impairment losses and other gains/(losses) on fixed assets

This heading breaks down as follows at 31 December 2024 and 2023:

	Thousand euro	
	2024	**2023**
Impairment and profit/(loss) on other intangible assets (Note 9)	(404)	(277)
Impairment and profit/(loss) on property, plant and equipment (Note 6)	13	(688)
Profit/(loss) on other fixed assets	82	-
Total	**(309)**	**(965)**

33. Foreign currency transactions

The main transactions carried out in currencies other than the euro during 2024 and 2023 break down as follows:

	Thousand euro	
	2024	**2023**
Sales	1,488,942	1,389,343
Purchases	820,662	773,964

The main transactions in currencies other than the euro have been carried out in US dollars, Brazilian reals, Mexican pesos and Chilean pesos.

34. Guarantees

At 31 December 2024, the Group had provided guarantees to third parties, issued by various banks and insurance companies, for a total of €982,664 thousand. The purpose of most of these guarantees is to ensure the fulfilment of contracts in progress or in their guarantee periods and, to a lesser extent, for tenders made. By amount, the guarantees are issued mainly in Spain, Latin America, the Middle East and the Rest of Europe. At 31 December 2023, these guarantees amounted to €1,164,101 thousand.

The Group does not expect any significant liabilities to arise as a result of such guarantees.

Guarantees from third parties were received in 2023 in the amount of €337 thousand (€2,987 thousand in 2023) to secure the fulfilment of project commitments. These guarantees take the form of bank guarantees with different terms, which are enforceable by Indra in the event of a failure of third parties to meet the secured commitments.

35. Tax situation

The parent company pays corporate income tax in Spain under the corporate group scheme and forms part, as the parent company, of tax group No. 26/01 which comprises the parent company and the subsidiaries Indra Sistemas de Seguridad, S.L.U., Inmize Capital, S.L., Indra Business Consulting, S.L.U., Indra BPO, S.L.U., Indra Sistemas de Comunicaciones Seguras, S.L.U., Indra BPO Servicios, S.L.U., Prointec, S.A.U., Indra Advanced Technology, S.L.U., Indra Corporate Services, S.L.U., Indra BPO Hipotecario, S.L.U., Teknatrans Consultores, S.L.U., Indra Soluciones Tecnologías de la información, S.L.U., Indra Holding Tecnologías de la Información, S.L.U., Indra Producción Software, S.L.U., Paradigma Digital, S.L.U., Indra Factoría Tecnológica, S.L.U., Minsait Payment Systems, S.L.U., Sistemas Informáticos Abiertos, S.A.U., Morpheus Aiolos, S.L., ALG Global Infrastructure Advisors, S.L.U, Flat 101, S.L.U., Indra Gestión de Usuarios, S.L.U., The Overview Effect, S.L., Aplicaciones de Simulación Simtec, S.L.U., Mobbeel Solutions, S.L.U. and Mobeel Innovation, S.L.U.
The following companies were incorporated into the Group during 2024: Deuser Tech Group, S.L.U., Antexia Technologies, S.L.U., Indra Espacio, S.L.U. (incorporated in 2024), ICA Sistemas y Seguridad, S.L.U., Tramasierras 2021, S.L.U., Pecunia Cards E.D.E., S.L.U., NAE Comunications, S.L.U., Soluciones Tecnológicas Normax, S.L.U., Orbitude, S.L.U (incorporated in 2024) and Indra Mobility, S.L (incorporated in 2024).

Constitutional Court Judgement of 19 January 2024 on RDL 3/2016 of 2 December

On 19 January 2024, Spain's Constitutional Court issued a judgement declaring several provisions of Royal Decree-Law 3/2016 of 2 December, whereby the Spanish Corporate Income Tax Act was amended, to be unconstitutional and null and void. The following provisions were annulled: (i) reduction of the limit for offsetting tax losses from 70% to 25% of the positive tax base for groups with revenue of €60 million or more; (ii) *ex novo* establishment for large groups of a limit of 50% of gross tax payable when applying double taxation deductions; and (iii) obligation to include in the tax base for 2016-2020 a linear minimum annual reversal of one fifth of the impairment charged on shareholdings that had been tax deductible, regardless of the recovery of the investees' value.

The Constitutional Court judgement does not have full retrospective effect, since its scope is limited to tax returns that were appealed or for which a rectification was requested before the judgement was published in the Official State Gazette (BOE).

Before the judgement date, the Group had requested the rectification of all the Spanish consolidated group's corporate income tax returns for 2016 to 2022, contesting the three items declared to be unconstitutional. At the issuance date of these annual accounts, the proceedings for 2019-2021 were pending a ruling by the Central Economic-Administrative Court (TEAC), while the proceedings for 2022 are pending a ruling by the Tax Administration State Agency (AEAT).

In addition, the proceeding relating to the rectification of tax returns for the period 2016 to 2018 forms part of the litigation that arose from the inspection of income tax for those periods. In the course of this litigation, in February 2024 a partially favourable ruling was issued by the TEAC (this ruling, which joined the principal with the penalty, is the result of the declaration of unconstitutionality of RDL 3/2016). A contentious-administrative appeal was brought against the ruling (which annulled both the tax assessment and the penalty) at the National High Court. Subsequently, in 2024, the AEAT issued a decision to enforce the ruling in which it not only demands an amount payable but also recognises a credit right in the Group's favour, for a total amount of €17,226 thousand (principal of €14,135 thousand and interest of €3,091 thousand). The amount thus assessed has been refunded in 2024.

Set out below is a breakdown of the effect of applying the Constitutional Court's judgement, distinguishing between years already assessed and years pending assessment:

	Thousand euro		
	Best estimate of the judgement (2019-2023)	**Allowed by the AEAT (2016-2018)**	**Estimated total**
- Receivable under RD 3/2016	23,915	14,135	**38,050**
- Deferred tax – Reversal of impairment losses on financial investments	(12,463)	(17,383)	**(29,846)**
- Application of tax bases	(28,431)	(18,652)	**(47,083)**
- Recognition of tax credits	16,979	21,900	**38,879**
Total	**-**	**-**	**-**

Estimated impact of Pillar Two

On 22 December 2024, Law 7/2024 of 20 December came into force, bringing in a supplementary tax to guarantee a global minimum level of taxation on multinational groups and large national groups, a tax on the interest margin, fees and commissions of certain financial institutions, and a tax on liquids for electronic cigarettes and other tobacco-related products, and amending other tax regulations.

This law transposes Council Directive (EU) 2022/2523 of 15 December 2022, incorporating Pillar Two into Spanish legislation.

Law 7/2024 has been approved with effect in tax periods beginning after 31 December 2023. Therefore, the Group is subject to the Pillar Two rules at the end of the current year.

In accordance with the law, the Group has calculated the potential effect of the supplementary tax for 2024 by analysing the Transitional Safe Harbour rules.

The analysis findings indicate that all but one (Bahrain) of the 71 jurisdictions in which the Group operates comply with the Safe Harbour rules, so no supplementary tax has accrued. The effect of the jurisdiction in which the Safe Harbour rules are not met is estimated to be immaterial.

In addition, at 31 December 2024 the Group has availed itself of the exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two, as permitted by the May 2023 amendment to IAS 12.

Deferred tax assets and liabilities

At 31 December 2024 and 2023, in accordance with IAS 12, the Group presented net deferred tax assets and deferred tax liabilities for each jurisdiction amounting to €123,389 thousand and €125,905 thousand, respectively.

	2024		**2023**	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Balance prior to offset	227,563	(127,334)	244,014	(130,045)
Offset of deferred taxes	(123,389)	123,389	(125,905)	125,905
Closing balance	**104,174**	**(3,945)**	**118,109**	**(4,140)**

Set out below is the breakdown of deferred tax assets and liabilities by geography in 2024:

	Thousand euro				
	Tax-loss carryforwards	Deductions pending	Temporary differences	Total deferred tax assets	Temporary liability differences
Spain	9,303	47,073	114,771	171,147	(38,154)
Europe	215	-	2,716	2,930	(113)
Asia, Middle East and Africa	1,883	-	1,961	3,843	(3,643)
America	-	-	39,878	39,878	(2,145)
Consolidation adjustments	-	(132)	9,898	9,766	(83,279)
Total	**11,400**	**46,941**	**169,224**	**227,563**	**(127,334)**

Set out below is the breakdown of deferred tax assets and liabilities by geography in 2023:

	Tax-loss carryforwards	Deductions pending	Temporary differences	Total deferred tax assets	Temporary liability differences
Spain	29,219	68,910	101,873	200,002	(46,078)
Europe	284	-	1,417	1,701	-
Asia, Middle East and Africa	21	-	1,898	1,919	(3,777)
America	-	-	38,701	38,701	(1,892)
Consolidation adjustments	-	899	792	1,691	(78,299)
Total	**29,524**	**69,809**	**144,681**	**244,014**	**(130,045)**

Deferred tax assets

Set out below is an analysis of deferred tax assets:

	Thousand euro								
	Balance at 31.12.2023	Scope change	Transfer to held for sale	Change in rates	Currency translation differences	Generated	Reversals	Other changes	Balance at 31.12.2024
Deferred tax assets	**244,014**	7,054	(7,673)	9,363	(4,732)	49,359	(73,626)	3,804	**227,563**

	Thousand euro						
	Balance at 31.12.2022	Scope change	Currency translation differences	Generated	Reversals	Other changes	Balance at 31.12.2023
Deferred tax assets	**247,359**	1,048	(3,080)	114,581	(96,464)	(19,430)	**244,014**

The recovery of deferred tax asset balances is dependent on obtaining sufficient future taxable profits. The parent company's Directors consider that the forecast future earnings of the various Indra Group companies will be sufficient to recover these assets.

A breakdown of this heading in the consolidated statement of financial position at 31 December 2024 and 2023 is as follows:

	Thousand euro	
Item	**2024**	**2023**
Appropriations and applications of provisions	60,300	59,609
Goodwill amortisation	12,783	11,560
Excess fixed asset amortisation	12,295	12,896
Tax-loss carryforwards and deductions	61,860	99,808
Effects of transition to IFRS 9, 15 and 16	7,835	8,761
Loss-making permanent establishments	19,429	18,905
Other	53,061	32,475
Deferred tax assets	**227,563**	**244,014**

The heading "Other" relates to tax differences to be amortised, mainly from international geographies.

The deferred tax assets of the Spanish companies with reversal periods estimated to exceed one year amount to €115,956 thousand at 31 December 2024 (€123,343 thousand at 31 December 2023).

Regarding the reasonableness of the amounts capitalised, the Group mainly analysed the estimated tax assessment base of the Spanish consolidated group by reference to Spanish tax legislation (in force in 2024), which limits the application of tax-loss carryforwards and tax credits each year, as well as the applicable 15% minimum taxation (Law 22/2021 of 28 December). For the following years, the forecast growth of the CGUs was considered, taking account of temporary differences. It was concluded from this analysis that the Group will have recovered all the capitalised tax-loss carryforwards and tax credits by 2026.

The recovery of tax credits generated before each company joined the tax group is also assessed.

Current tax assets

The asset for current corporate income tax at 31 December 2024 and 2023 breaks down as follows:

	Thousand euro	
	2024	**2023**
Prior-year corporate income tax refundable	8,789	5,014
Current-year corporate income tax refundable	22,454	48,126
Receivable outstanding under RD 3/2016	34,345	22,625
Total	**65,588**	**75,764**

Deferred tax liabilities

The parent company has not recognised the deferred tax liability associated with the retained earnings of subsidiaries in which the control it exercises enables it to manage the timing of the reversal of temporary differences, and it is estimated that they are unlikely to reverse in the near future.

Movements in deferred tax liabilities in 2024 and 2023 break down as follows:

	Thousand euro							
	Balance at 31.12.2023	**Scope change**	**Transfer to held for sale**	**Currency translation differences**	**Generated**	**Reversals**	**Other changes**	**Balance at 31.12.2024**
Deferred tax liabilities	**130,045**	4,564	(2,885)	(160)	18,404	(18,576)	(4,058)	**127,334**

	Thousand euro							
	Balance at 31.12.2022	**Scope change**	**Change in rates**	**Currency translation**	**Generated**	**Reversals**	**Other changes**	**Balance at 31.12.2023**
Deferred tax liabilities	**89,723**	160	(36)	(266)	46,810	(16,769)	10,424	**130,045**

The breakdown of this heading in the consolidated statement of financial position at 31 December 2024 and 2023 is as follows:

	Thousand euro	
Item	**2024**	**2023**
Finance lease transactions	174	194
Non-exempt capital gains	1,073	1,095
Portfolio provisions	49,554	29,846
Goodwill amortisation	67,336	61,457
Other	9,197	37,453
Deferred tax liabilities	**127,334**	**130,045**

The heading "Other" in the table above mainly includes the tax effect of the assets identified in the purchase price allocation process of the Tecnocom Group amounting to €2,040 thousand, Paradigma for €3,757 thousand, North American Transmission and Distribution Group, Inc. for €1,299 thousand, Sistemas Informáticos Abiertos, S.A.U. for €1,066 thousand, SmartPaper, S.P.A. for €1,912 thousand, Consultoría Organizacional, S.A.S. for €245 thousand, Net Studio, S.P.A. for €152 thousand, Flat 101, S.L.U. for €315 thousand, NAE Comunicaciones, S.L.U. for €1,552 thousand and Deuser Tech Group for €100 thousand (Note 5).

The heading "Portfolio provisions" includes the effect of the Constitutional Court Judgement of 19 December declaring RDL 3 of 2 December 2016 to be unconstitutional.

No material reversals of deferred tax liabilities are expected in less than one year.

No deferred tax liability is recognised for retained earnings of foreign subsidiaries since the Group is able to control the timing of reversal of these temporary differences and they are unlikely to reverse in the foreseeable future. Temporary differences that arise in relation to ownership interests in associates are immaterial to the Group.

Current tax liabilities

Current corporate income tax liabilities at 31 December 2024 and 2023 break down as follows:

	Thousand euro	
	2024	**2023**
Prior-year corporate income tax	950	117
Current-year corporate income tax	13,963	30,748
Corporate income tax paid abroad	6,983	7,487
Total	**21,896**	**38,352**

Corporate income tax expense

Due to the different treatment permitted under tax legislation for certain transactions, the accounting results differ from the tax base. The following breakdown includes a reconciliation between the Group companies results for accounting and tax purposes, as well as the calculation of corporate income tax expense at 31 December 2024 and 2023:

	Thousand euro	
Taxes	**2024**	**2023**
A.- Reported results for the year (before taxes)	**386,261**	**303,592**
Adjustments to reported results:		
- Other positive differences	250,023	187,785
- Other negative differences	(188,735)	(91,996)
Total adjustments to reported results	**61,288**	**95,788**
B.- Adjusted reported results	**447,549**	**399,380**
Temporary differences:		
- Positive current year	163,425	174,686
- Positive prior years	39,604	1,288
- Negative current year	(9,774)	(97,099)
- Negative prior years	(98,491)	(91,384)
Total temporary differences	**94,763**	**(12,509)**
C.- Tax base	**542,313**	**386,871**
D.- Tax-loss carryforwards	(58,628)	(42,984)
E.- Adjusted tax base	**483,685**	**343,887**
Tax payable	**124,692**	**92,157**
Tax credits:		
- For international double taxation	(4,737)	(6,393)
- For R&D&i and other investments	(5,656)	(4,431)
F.- Tax credit for tax-loss carryforwards (applied) capitalised	**(22,924)**	**(3,782)**
G.- Foreign regional taxation	**640**	**447**
H.- Total tax payable	**92,015**	**77,997**
Payments and withholdings on account	40,339	58,645
Total payable/(refundable)	**51,676**	**19,353**
I.- Deferred tax assets for the year	(42,243)	(40,698)
J.- Recovery of deferred tax assets	25,833	21,583
K.- Deferred tax liabilities for the year	707	21,282
L.- Recovery of deferred tax liabilities	(9,902)	(469)
Accrued corporate income tax (H+I+J+K+L)	**66,411**	**79,695**
Corporate income tax paid abroad	**15,220**	**8,973**
Prior-year corporate income tax	**1,043**	**4,563**
Corporate income tax due to different tax rates	**-**	**(25)**
Deductions recognised as assets	**23,307**	**1,690**
M.- Corporate income tax for the year	**105,981**	**94,896**
Profit/(loss) for the year after tax (A-M)	**280,280**	**208,696**

The reconciliation between the statutory tax rate and the effective tax rate borne by the Group is detailed below:

	2024	
	Thousand euro	%
- Consolidated profit/(loss) before tax	**386,261**	
- Tax calculated at the tax rate applicable in Spain	96,565	25.00%
- Effect of permanent differences	15,322	3.97%
- Effect of deductions	(10,393)	(2.69) %
- Effect of other adjustments to prior-year income tax	1,043	0.27%
- Effect of tax credit for tax-loss carryforwards	(14,657)	(3.79) %
- Income tax paid abroad	15,861	4.11%
- Effect of different tax rates	2,241	0.58%
Total	**105,981**	**27.45%**

	2023	
	Thousand euro	%
- Consolidated profit/(loss) before tax	**303,592**	
- Tax calculated at the tax rate applicable in Spain	75,898	25.00%
- Effect of permanent differences	23,947	7.89%
- Effect of deductions	(10,824)	(3.57) %
- Effect of other adjustments to prior-year income tax	4,563	1.50%
- Effect of tax credit for tax-loss carryforwards	(10,746)	(3.54) %
- Income tax paid abroad	9,420	3.10%
- Effect of different tax rates	2,638	0.87%
Total	**94,896**	**31.26%**

There were no significant changes to tax rates in the Group's main geographies during 2024 or 2023.

The Group's weighted average tax rate is currently 25.9% (25.9% in 2023).

Tax credits/deductions

A breakdown of tax credits generated by investments, training and exports and carried as assets at 31 December 2024 is as follows:

Tax credits for investments and other	
Years	**2024**
2016 and previous years	11,168
2017	7,633
2018	256
2019	5,465
2020	3,908
2021	2,371
2022	4,037
2023	11,052
2024	1,456
Total 2024	**47,346**

A breakdown of tax deductions generated mainly by investments (R&D) and pending recognition as assets at 31 December 2024 is as follows:

Tax credits for investments and other	
Years	**2024**
2016 and previous years	7,012
2017	14
2018	139
2019	76
2020	15
2023	139
Total 2024	**7,395**

Tax-loss carryforwards

Set out below is a breakdown of tax credits for tax-loss carryforwards recognised at 31 December 2024:

Tax losses available for offset	
Years	**2024**
2016 and previous years	17,333
2017	1,492
2018	9,956
2019	2,686
2020	1,779
2021	602
2022	223
2023	1,159
2024	5,598
Total	**40,828**

The Spanish tax group has generated the majority of these tax credits for the Group, and there is no limit on application.

Tax-loss carryforwards pending offset but not capitalised because the Group considers that they are unlikely to be recovered in a period of less than 10 years break down as follows at 31 December 2024:

(Thousand euro)

Tax losses available for offset	
Years	**2024**
2016 and previous years	279,038
2017	15,592
2018	2,530
2019	3,788
2020	5,155
2021	6,382
2023	3,715
2024	14,155
Total	**332,466**

The majority of these tax losses have been generated by Indra Brasil Solucoes e Servicos Tecnologicos, S.A., the tax group in Spain, Indra USA, Inc and Minsait ACS.

The expiration period for the tax-loss carryforwards pending offset for 2024 which have not been recognised as assets is as follows:

Years	Thousand euro
2025	2,846
2026	4,350
2027	2,801
2028	95
2029	517
After 2029	2,359
No limit	319,498
Total	**332,466**

Pursuant to Additional Provision Nine of Royal Decree-Law 11/2020 of 31 March and Additional Provision One of Royal Decree-Law 15/2020 of 21 April, the period 14 March to 30 May 2020 will not count for the purposes of the limitation periods laid down in General Tax Act 58/2003 of 17 December, so the customary limitation periods are extended by an additional 78 days.

Disputed tax inspections

Inspections from 2011 to 2014

On 21 December 2015, the Group was notified of the start of tax inspection proceedings in Spain for the following taxes and years:

Item	Periods
Corporate income tax	2011 to 2014
Value added tax	2012 to 2014
Withholdings on account. Non-resident income tax	2012 to 2014
Annual statement of transactions	2012 to 2014

The inspection was completed in 2018. The final tax assessments arising from the contested assessments of both value added tax and corporate income tax were appealed to the Central Economic Administrative Court (TEAC). The potential contingent liability, including tax payable and interest, amounted to €9,004 thousand for corporate income tax and €572 thousand for value added tax.

As a result of the contested tax assessments, two penalties were imposed for a total of €12,625 thousand, which were also appealed to the TEAC.

On 31 May 2021, a Resolution was issued in which the value added tax appeal was partially upheld, annulling the tax assessment and the penalty. The tax authorities, in accordance with the Resolution, issued a new assessment (without a penalty) reducing the original amount and demanding €275 thousand. The parent company did not agree with this assessment and lodged an economic-administrative claim at the TEAC. A ruling partially upholding the claim was received in 2023 and appealed through the National High Court's Contentious-Administrative Division. This appeal is pending judgement at the issuance date of these annual accounts.

On 7 March 2022, notification was received of the Resolution, which partially upholds the economic-administrative claim for corporate income tax, annulling both the assessment and the penalty in a joined decision. However, the Group did not agree with the content of the Resolution and filed a contentious-administrative appeal at the National High Court within the stipulated two-month period. The appeal is pending judgement.

On 22 July 2022, a new assessment was received, as ruled by the TEAC, reducing the amount of principal and interest to €6,918 thousand and also reducing the penalty to €7,461 thousand. This final tax assessment was also appealed to the TEAC during the year. On 5 January 2023, a Resolution was issued partially upholding the appeal (in respect of the interest) and confirming the other items. This Resolution was appealed to the National High Court to be joined to the contentious-administrative appeal previously lodged against the original assessments that were annulled. The proceedings have been joined, so they are all pending a National High Court judgement. The amounts of the new assessments have been paid, despite having been appealed.

The Group has not made provision for any additional amount arising from this inspection proceeding because it believes, together with its tax advisors, that the risk of failure is low.

Inspections from 2015 to 2018

On 1 June 2020, Indra Sistemas, S.A., as the parent company of the income tax consolidated group, received notification of the start of a general tax inspection in Spain. On 4 June 2020, the proceedings were extended to the companies Indra BPO Servicios, S.L. and Indra Software Labs, S.L. (in this case, by notifying the companies that benefited from the full spin-off of Indra Sistemas Tecnologías de la Información, S.L.U. and Indra Producción Software, S.L.).

The inspection referred to the following taxes and periods:

Item	Periods
Tax group's corporate income tax	2015 to 2018
Value added tax	May 2016 to December 2018
Withholdings on account. Non-resident income tax	May 2016 to December 2018

The inspection proceedings ended on 31 May 2022 when the following assessments were signed:

- Corporate income tax: (i) an agreed assessment (without a penalty) showing tax payable of €2,831 thousand in relation to transfer prices (which was paid during 2022); (ii) an accepted assessment, now final, showing tax payable of €155 thousand (paid during 2022); and (iii) a contested assessment showing tax payable of €2,295 thousand. Allegations were presented against the contested assessment and the Resolution of the Chief Inspector of the Tax Administration State Agency's Technical Office reduced the amount payable by €1,728 thousand, which was also paid in 2022 (avoiding the need to post a bond), even though the assessment was appealed to the TEAC. In February 2024, the TEAC's partially favourable ruling (triggered by the declaration of unconstitutionality of RDL 3/2016) was received, which annulled the principal and the penalty on joined basis. However, a contentious-administrative appeal was lodged at the National High Court in disagreement with the TEAC's ruling. Subsequently, the AEAT issued a new decision to enforce that ruling, annulling the amount of interest payable, which gave rise to a refundable amount of €17,226 thousand that was paid to the Company in September 2024. Nonetheless, despite the refund, as Indra did not agree with this new assessment either, the decision was appealed to the TEAC. In December 2024, the appeal was rejected by the TEAC and the ruling was appealed to the National High Court.

- Value added tax: (i) an accepted assessment, now final, showing tax payable of €4 thousand (which was paid in 2022); and (ii) a contested assessment showing no tax payable but against which allegations were presented. The Resolution of the Chief Inspector of the Tax Administration State Agency's Technical Office increased the amount payable to €158 thousand, which was also paid, even though the assessment was also appealed to the TEAC. A partially favourable ruling was received in July 2024, but it was appealed in disagreement at the National Court on 30 July 2024. Subsequently, on 20 December 2024, the TEAC's decision enforcing the ruling was received. The enforcement decision will not be appealed, since the penalty not annulled by the TEAC is understood to have already been appealed to the National Court by means of the appeal filed in July 2024.

- Accepted penalties: In addition, on 6 July 2022 the Company was notified of penalty proceedings arising from the accepted income tax and value added tax assessments, proposing penalties of €377 thousand and €11 thousand, respectively, which were paid during 2022.

- Contested penalties: Furthermore, on 14 November 2022 the Company was notified of penalty proceedings arising from the contested income tax and value added tax assessments, proposing penalties of €2,372 thousand and €1,607 thousand, respectively. Allegations were presented against the proposed penalties. In 2023, the Tax Agency gave notice of the resolution of both penalty proceedings. The corporate income tax penalty was confirmed and an economic-administrative claim was lodged at the Central Economic-Administrative Court. In February 2024, the TEAC's partially favourable ruling (triggered by the declaration of unconstitutionality of RDL 3/2016) was received, which annulled the principal and the penalty on joined basis. However, a contentious-administrative appeal was lodged at the National High Court in disagreement with the TEAC's ruling. Subsequently, the AEAT issued an enforcement decision reducing the penalty to €347 thousand. However, Indra did not agree with this decision either and appealed to the TEAC. In December 2024, the appeal was rejected by the TEAC and the ruling was appealed to the National High Court. The Company's allegations in relation to value added tax and the Tax Agency's ruling were partially upheld, the penalty having been considerably reduced to €83 thousand. Nonetheless, this ruling was also appealed at the Central Economic-Administrative Court. A partially favourable ruling was received in July 2024, but it was appealed in disagreement at the National Court on 30 July 2024. Subsequently, on 20 December 2024, the TEAC's decision enforcing the ruling was received. The enforcement decision has not be appealed, since the penalty not annulled by the TEAC is understood to have already been appealed to the National Court by means of the appeal filed in July 2024.

The Group has not made provision for any additional amount in dispute because it believes, together with its tax advisors, that the risk of failure is low.

Years open to inspection

In accordance with current Spanish legislation, tax assessments may not be considered definitive until the returns filed have been inspected by the tax authorities or the four-year limitation period has ended.

At year-end 2024, the Group is open to inspection for the last four years in the case of corporate income tax and all other taxes to which it is subject. The Group's Directors consider that these taxes were correctly assessed and therefore, even in the event of discrepancies relating to the tax treatment of transactions arising from the interpretation of prevailing legislation, any resulting liabilities would not have a material effect on the accompanying Consolidated Annual Accounts.

The main tax litigation is described below:

The Group has appealed various assessments raised by the tax authorities, which are provisioned, together with the applicable interest, under Provisions for liabilities and charges in balance sheet liabilities in the amount of €9,896 thousand in 2024 (€14,536 thousand in the previous year). The most relevant proceedings are described below:

- In 2010, a tax assessment was contested following the tax inspectorate's review of income tax credits for international double taxation for the periods 2004 to 2007. The tax liability amounted to €4,493 thousand (€3,806 thousand in tax payable and €687 thousand in interest). The Group appealed the assessment and recorded a provision of €3,806 thousand under the heading Provision for liabilities and charges on the liabilities side of the balance sheet (Note 24). As a result of the inspection, a mutual agreement procedure was initiated between the Spanish and German tax authorities and is pending resolution at the date these annual accounts are authorised for issue.
- Additionally, the Group set aside a provision of €2,300 thousand during 2022 covering the risk of litigation arising from the inspections of (i) 2018 income tax of the branch in Arabia (€1,900 thousand) and (ii) income tax for the periods 2009 to 2012 of the representative office in Arabia (€400 thousand). Both proceedings were dismissed in 2023. As the amounts in question had already been paid by the Company, the provision was derecognised without giving rise to a new cash outflow or an increase in expenditure.
- Tax proceedings against Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. related to Service Tax (ISSQN) - São Paulo (provisioned in the amount of €4,499 thousand). In addition to this amount, there is a risk classed as possible in the amount of €17,258 thousand in relation to this proceeding, as described in this same note (see possible litigation). In 2024, this procedure (which is described in this same note) came to an end when the company withdrew from the procedure by availing itself of the Incentivised Parcelling Programme announced by São Paulo City Council, which allows for a reduction of up to 95% of the interest and fines on service tax debts.
- In 2023, the Company set aside a provision of €2,200 thousand to cover the risk of litigation as a result of the inspection of the branch in Algeria for 2018, which has been extended to the periods 2019-2022. As regards the proceedings for 2018 and 2019, the decision has been made to make payment, without ruling out an appeal. The provision covering the risk associated with this inspection has been maintained.

The amounts figuring in Note 24, which the Group estimates as possible and which therefore are not provisioned, include the following tax proceedings (with the exception described in the first proceeding):

- Tax proceedings against Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. related to Service Tax (ISSQN) - São Paulo

  Since 2012, the company Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. has been involved in litigation against the São Paulo City Hall in relation to Service Tax (ISSQN) for 2007-2009. The original amount of the infringement was €3,807 thousand. An unfavourable judgement on the special third-instance appeal was notified in October 2022. The extraordinary appeal filed at the Federal Supreme Court is pending judgement, mainly with respect to the penalty. This procedural fact led the advisors to classify the principal amount of the litigation as probable, giving rise to a provision of €4,499 thousand at the closing exchange rate in 2022, while the remaining items in dispute are still classed as possible. This notwithstanding, in June 2024 the company withdrew from the procedure by availing itself of the Incentivised Parcelling Programme announced by São Paulo City Council, which allows for a reduction of up to 95% of the interest and fines on service tax debts. The effect of joining the programme and waiving the procedure was reduced to a cash outflow of €6,800 thousand and an increase in expenditure of €1,100 thousand. The company also derecognised the provision in the amount of €4,499 thousand.

- Tax proceedings against Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. in relation to tax withheld at source (IRRF)

  In 2010, the company Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. received a settlement from the Brazilian tax administration, the main value of which amounted to €13,720 thousand for company tax (IRPJ), social contribution on net profit (CSLL) and tax withheld at source (IRRF).

The amounts payable for IRPJ and CSLL, totalling €3,591 thousand, have either been settled or are being settled through payments in instalments at the date these annual accounts are authorised for issue.

Concerning IRRF, Indra Brasil Soluçoes e Serviços Tecnológicos Ltda. filed an administrative appeal against the assessment, which was disallowed. The administrative resolution was appealed in the courts of law. An unfavourable resolution was passed down on first instance in 2022. The ruling was appealed to a higher court and is pending judgement at the issuance date of these annual accounts. The updated value of the lawsuit at 31 December 2024 is 98,857,329.31 Brazilian reals in local currency, equating to €15,995 thousand at the year-end exchange rate.

Balances receivable from and payable to Public Administrations

Balances receivable from Public Administrations are as follows:

	Thousand euro	
Taxes refundable:	**2024**	**2023**
Value added tax	35,106	34,742
Other taxes	7,781	12,968
Subtotal	**42,887**	**47,710**
Government grants	3,107	1,907
Social Security contributions refundable	2,999	2,339
Total (Note 15)	**48,993**	**51,956**

Balances payable to Public Administrations are as follows:

	Thousand euro	
Taxes payable:	**2024**	**2023**
Value added tax	92,570	83,833
PIT withholdings	45,362	44,697
Other taxes	5,712	7,283
Subtotal	**143,644**	**135,813**
Reimbursable government grants	39	-
Social Security contributions payable	56,081	54,546
Total (Note 25)	**199,764**	**190,359**

36. Financial risk management and hedging policies

Financial risk factors

The Group’s activities are exposed to various financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital management risk. The risk management model attempts to minimise the potential adverse effects on the Group’s financial performance.

Financial risk management is controlled by the Group's Finance and Control Departments. Internal regulations provide written policies for overall risk management and for specific areas such as foreign exchange risk, interest rate risk and liquidity risk.

To better manage the risks mentioned above, the Group maintains, in all significant respects, an effective internal control system over financial reporting.

a. Market risk

I. Foreign exchange risk

The Group operates internationally and is therefore exposed to foreign exchange risk arising from currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities not denominated in each company's functional currency.

In order to mitigate the impact of exchange rate differences in foreign currencies on projects carried out by the Group in currencies other than those of the country of origin, hedging operations (mainly forward currency purchase or sale contracts) are arranged with financial institutions. Indra analyses the foreign exchange risk when signing off on each project and arranges the appropriate hedges (mainly exchange rate insurance) so that future profits cannot be significantly affected by fluctuations in the exchange rate with respect to the respective functional currencies of each subsidiary.

In other words, the Group's foreign exchange risk management policy, in general terms, is to cover 100% of the net exposure from transactions in currency other than each company's functional currency. Hedging instruments are not used in transactions involving immaterial amounts, when there is no active hedge market, as is the case in some non-convertible currencies, and when there are other compensation mechanisms for currency fluctuations available to the customer or supplier.

In addition, the profits generated in subsidiaries whose income and expenses are denominated in a functional currency other than the euro may undergo upward or downward changes when they are consolidated into the Group's accounts, denominated in euros. The Group's significant geographical diversification partly mitigates this risk. However, currency fluctuations, mainly in Latin American countries, given that this is the geographical area with the greatest relative importance in the Group's non-euro business, could have a significant impact on the Group's results. The balances (assets and liabilities) of foreign subsidiaries (not euros) in their own currency are not covered by any hedging instrument.

Appendix III details the Group's exposure to foreign currency risk at 31 December 2024 and 2023. This Appendix reflects the carrying amount, in thousand euro, of the Group's financial instruments or classes of financial instruments denominated in foreign currencies.

To compare the gross exposure covered by hedging instruments, in accordance with Group policies the amounts relating to foreign subsidiaries are eliminated in their own currency.

The sensitivity analysis of exchange rate fluctuations of +/-10% for the main functional currencies (other than the euro) to which the parent company is exposed through its foreign subsidiaries is as follows:

Change in equity 2024

	Thousand euro
Saudi riyal	2,201
Mexican peso	4,309
Chilean peso	5,417
Brazilian real	2,572
Colombian peso	6,349

Change in equity 2023

+10%	Thousand euro
Saudi riyal	1,967
Mexican peso	5,009
Chilean peso	5,477
Brazilian real	2,675
Colombian peso	2,366

Change in results 2024

	Thousand euro
Saudi riyal	864
Mexican peso	515
Chilean peso	1,270
Brazilian real	473
Colombian peso	1,650

Change in results 2023

+10%	Thousand euro
Saudi riyal	255
Mexican peso	589
Chilean peso	1,332
Brazilian real	170
Colombian peso	4,368

The exchange rates used in the analysis are the same rates employed for Group consolidation purposes.

Exposure to the US dollar is immaterial as it is hedged by financial instruments (Appendix III).

II. Interest rate risk

Interest rate risk arises from exposure to movements in the yield curves of short-, medium- and long-term bank financing. The Group envisages the possibility of arranging financial instruments to manage these risks when conditions so advise. In addition, the parent company has outstanding fixed-interest non-convertible bond issues (issued in 2016, 2018 and 2020) which eliminate this risk with respect to a significant part of its long-term debt (Note 21).

The sensitivity of the Group's consolidated profits to changes in interest rates is as follows (thousand euro):

	2024		**2023**	
	Change in interest rates		Change in interest rates	
Effect on profit/(loss)	+0.5%	(0.5) %	+0.5%	(0.5) %
before tax	(241)	241	(527)	527

b. Credit risk

Credit risk is the possibility of financial loss arising from the failure of contract counterparties to meet their obligations.

The Company has applied a model based on expected loss, in accordance with IFRS 9 (Note 4.i). In this model, the Group will account for the expected loss and the changes therein at each reporting date to reflect the changes in credit risk from the date of initial recognition. The Group has no significant concentrations of credit risk since, on an individual basis, no customer exceeds 10% of revenue or 10% of the balance of trade receivables, unbilled receivables and contract assets.

There is a formal procedure implemented by the Company which excludes institutional debt, retention bonds, debts where the third party is a customer and a supplier and there is a sufficient amount for offset, debts where there is a document acknowledging the same and a commitment to pay by the customer, debts due to customer prepayments, and when there is evidence of a negotiation process from which an agreement allowing an imminent resolution is expected. All these items excluded from the 2024 calculation total €44 million (€39 million in 2023).

Indra is exposed to credit risk to the extent customers do not meet their obligations. The credit quality of the Group's customer portfolio is excellent. Due to the nature of its business, Indra has business relations mainly with large business groups, governments and public and public-private entities that are less exposed to default risk. However, mainly in international sales, mechanisms such as irrevocable letters of credit and insurance coverage are used to ensure collection. The Group's exposure to credit risk is mainly attributable to debtors and accounts receivable, the amounts of which are reflected in the balance sheet less the related provisions for bad debts (Note 16). Group Management considers that the credit risk arising from accounts receivable is adequately covered by the existing bad debt provision. In addition, the Group calculates expected credit loss over the life of its trade receivables, finance lease receivables and amounts receivable from customers resulting from transactions under the scope of IFRS 15, as indicated in Note 4.i.

The approach followed by the Company to provision trade receivables is described below:

- Trade receivables that are past due for over one year are automatically provisioned unless the project leader provides evidence that the debt will be collected.
- In the case of insolvency proceedings and/or court claims, the debt is directly provisioned, irrespective of age.

The provisioned debt is written off where the customer or the project leader provides evidence of the asset's definitive impairment.

Besides the approach to individual debts (certain loss), a provision for expected loss must be recognised under IFRS 9.

The accompanying tables reflect the ageing analysis of Trade and other receivables, calculated from the date of the payment obligation, at 31 December 2024 and 2023, but which are not impaired.

	2024 (Thousand euro)				
	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	More than 1 year	Total
Trade and other receivables	256,000	41,875	49,119	44,476	391,470
Total assets	**256,000**	**41,875**	**49,119**	**44,476**	**391,470**

	2023 (Thousand euro)				
	Less than 3 months	More than 3 months and less than 6 months	More than 6 months and less than 1 year	More than 1 year	Total
Trade and other receivables	249,074	57,499	54,714	54,991	416,278
Total assets	**249,074**	**57,499**	**54,714**	**54,991**	**416,278**

Impairment losses on these assets have been disclosed and explained in the relevant notes on financial assets (Note 16).

c. Liquidity risk

Liquidity risk relates to the risk of difficulties arising in meeting obligations associated with financial liabilities that are settled in cash or another financial asset. The objectives of liquidity risk management are to guarantee an adequate level of liquidity while minimising the opportunity cost, and to maintain a financial debt structure based on maturities and funding sources. In the short term, liquidity risk is mitigated by maintaining an adequate level of unconditionally available resources, including cash and short-term deposits, available credit lines and a portfolio of highly liquid assets.

The Indra Group's liquidity policy consists of arranging committed long-term credit facilities with banking institutions and current asset investments for an amount sufficient to cover forecast needs for a period based on the situation and expectations of debt and capital markets. These forecast requirements include maturities of borrowings. For further details of the characteristics and conditions of borrowings and financial derivatives (Notes 21 and 22). The Group prepares cash flow forecasts to ensure that sufficient cash is available to meet operating requirements, while maintaining sufficient levels of availability in its undrawn loans.

At 31 December 2024 and 2023 the maturity of the Indra Group's debt is as follows:

	2024 (Thousand euro)					
	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	1 to 5 years	More than 5 years	Total
Bank borrowings	69,922	46,158	69,458	251,815	1,067	438,420
Financial liabilities for bonds and debentures	-	798	-	90,294	-	91,092
Trade and other payables	197,000	260,836	412,693	-	-	870,529
Other financial liabilities	9,945	19,891	89,507	237,574	22,781	379,698
Total	**276,867**	**327,683**	**571,658**	**579,683**	**23,848**	**1,779,739**
Derivative financial instruments	-	981	13,195	4,002	-	18,178
Total	**276,867**	**328,664**	**584,853**	**583,685**	**23,848**	**1,797,917**

	2023 (Thousand euro)					
	Less than 1 month	From 1 to 3 months	From 3 months to 1 year	1 to 5 years	More than 5 years	Total
Bank borrowings	154	15,476	54,466	377,995	10,649	458,740
Financial liabilities for bonds and debentures	-	798	152,634	90,418	-	243,850
Trade and other payables	155,832	272,896	375,055	637	-	804,420
Other financial liabilities	9,491	18,979	85,404	257,789	19,908	391,571
Total	**165,477**	**308,149**	**667,559**	**726,839**	**30,557**	**1,898,581**
Derivative financial instruments	-	27	8,276	1,217	-	9,520
Total	**165,477**	**308,176**	**675,835**	**728,056**	**30,557**	**1,908,101**

The heading “Trade and other payables” includes “Trade receivables” but excludes associates and “Advance payments from customers”.

The heading “Other financial liabilities” includes “Guarantees and deposits received”, “Fixed asset suppliers”, “Finance lease liabilities and other payables” (Note 22).

d. Capital management risk

The Group manages its capital with the aim of safeguarding the capacity to carry on operating as a going concern, so as to continue providing shareholder remuneration and benefiting other stakeholders, while maintaining an adequate capital structure.

The Group's capital structure comprises net debt and equity (Note 18). Net debt is calculated by subtracting the amount of the balance under “Cash and cash equivalents” from the consolidated statement of financial position balance “Non-current and current bank borrowings and debentures”.

The Group's leverage ratio is analysed below at 31 December 2024 and 2023:

	Thousand euro	
	2024	**2023**
Cash and cash equivalents	555,147	595,741
Non-current bank borrowings and debentures	(343,176)	(479,063)
Current bank borrowings and debentures	(186,336)	(223,528)
Net financial debt	**25,635**	**(106,850)**
Equity	**(1,314,707)**	**(1,135,968)**
Leverage ratio	**(2) %**	**9 %**

In addition, the Group is exposed to a number of other risks which are described in the Management Report attached to these Consolidated Annual Accounts.

37. Foreign currency commitments

The Group has entered into forward currency purchase/sale contracts to hedge its open currency positions at 31 December 2024 (Note 4.w).

At 31 December 2024, the notional amount contracted in the relevant currencies and in euros is as follows:

2024	Currency amount (thousand)			
Currency	Short term		Long term	
	Purchase	Sale	Purchase	Sale
United Arab Emirates dirham	619	30,566	-	-
Australian dollar	934	3,531	878	2,201
Brazilian real	557	892	706	-
Canadian dollar	6,897	17,004	-	920
Chilean peso	-	7,645,205	-	5,405,470
Chinese yuan	2,321	-	-	-
Colombian peso	4,469,768	111,604,904	712,424	43,036,481
Euro	4,708	20,906	510	4,937
Pound sterling	3,219	16,428	4,622	6,904
Kuwaiti dinar	-	4,211	-	1,931
Mexican peso	18,208	137,673	-	1,089
Malaysian ringgit	-	6,470	-	-
Norwegian krone	10,738	-	3,698	-
New Zealand dollar	-	9,011	-	1,142
Peruvian sol	-	19,873	-	-
Philippine peso	-	7,950	-	-
Polish zloty	-	-	-	253,156
Saudi riyal	-	80,734	-	1,910
Singapore dollar	579	141	210	-
US dollar	29,141	100,224	10,032	80,958
Indian rupee	19,600	-	-	-

2024	Amount (thousand euro)			
	Short term		Long term	
Currency	Purchase	Sale	Purchase	Sale
United Arab Emirates dirham	163	8,037	-	-
Australian dollar	559	2,111	525	1,316
Brazilian real	87	139	110	-
Canadian dollar	4,631	11,418	-	618
Chilean peso	-	7,423	-	5,249
Chinese yuan	306	-	-	-
Colombian peso	977	24,386	156	9,403
Euro	4,708	20,906	510	4,937
Pound sterling	3,882	19,812	5,574	8,326
Kuwaiti dinar	-	13,190	-	6,050
Mexican peso	845	6,388	-	51
Malaysian ringgit	-	1,393	-	-
Norwegian krone	913	-	314	-
New Zealand dollar	-	4,869	-	617
Peruvian sol	-	5,092	-	-
Philippine peso	-	132	-	-
Saudi riyal	-	20,750	-	490
Singapore dollar	409	100	149	-
US dollar	28,049	96,472	9,656	77,927
Polish zloty	-	-	-	59,218
Indian rupee	221	-	-	-

At 31 December 2023, the notional amount contracted in the relevant currencies and in euros is as follows:

2023	Currency amount (thousand)			
Currency	Short term		Long term	
	Purchase	Sale	Purchase	Sale
United Arab Emirates dirham	-	25,893	-	-
Australian dollar	1,963	5,020	2,524	1,546
Brazilian real	-	3,187	-	139
Canadian dollar	5,178	15,317	2,463	6,120
Chilean peso	-	8,397,570	-	8,606,922
Chinese yuan	4,581	-	-	-
Colombian peso	5,757,058	15,631,587	5,533,171	698,819
Euro	4,656	25,625	2	2,679
Pound sterling	3,186	18,498	3,502	10,201
Kuwaiti dinar	-	5,705	-	426
Mexican peso	20,299	241,192	14,659	40,751
Malaysian ringgit	-	11,707	-	5,986
Norwegian krone	4,077	-	1,796	-
New Zealand dollar	-	9,051	-	758
Peruvian sol	498	16,936	-	14,862
Philippine peso	49,437	4,927	-	-
Saudi riyal	-	36,211	-	5,731
Singapore dollar	1,028	2,403	421	-
US dollar	57,620	103,275	9,383	50,310
Japanese yen	3,997	-	-	-

2023	Amount (thousand euro)			
	Short term		Long term	
Currency	Purchase	Sale	Purchase	Sale
United Arab Emirates dirham	-	6,387	-	-
Australian dollar	1,212	3,101	1,559	955
Brazilian real	-	594	-	26
Canadian dollar	3,555	10,516	1,691	4,202
Chilean peso	-	8,705	-	8,922
Chinese yuan	581	-	-	-
Colombian peso	1,345	3,652	1,293	163
Euro	4,656	25,625	2	2,679
Pound sterling	3,666	21,285	4,030	11,738
Kuwaiti dinar	-	16,809	-	1,254
Mexican peso	1,084	12,882	783	2,177
Malaysian ringgit	-	2,306	-	1,179
Norwegian krone	363	-	160	-
New Zealand dollar	-	5,189	-	435
Peruvian sol	122	4,139	-	3,633
Philippine peso	807	80	-	-
Saudi riyal	-	8,741	-	1,383
Singapore dollar	704	1,647	288	-
US dollar	51,145	93,462	8,491	45,529
Japanese yen	26	-	-	-

Set out below is a breakdown of average exchange rates under the derivatives contracted at 31 December 2024 and 2023 in each geography:

Spain	EUR/CURRENCY	
	2024	2023
AED	4.218	4.281
AUD	1.667	1.635
BRL	6.178	5.614
CAD	1.487	1.486
CLP	1,064.157	994.351
CNH	7.716	7.749
COP	4,965.640	5,047.622
GBP	0.881	0.894
INR	91.370	-
KWD	0.358	0.388
MXN	21.310	21.128
MYR	5.050	5.108
NOK	11.604	11.119
NZD	1.807	1.768
PEN	4.284	4.360
PHP	63.430	61.270
PLN	4.664	-
SAR	4.211	4.151
SGD	1.443	1.444
USD	1.117	1.117

Australia	AUD/CURRENCY	
	2024	2023
NOK	0.535	-
USD	1.390	0.711
EUR	0.144	-

Mexico	MXN/CURRENCY	
	2024	2023
EUR	0.048	0.052
USD	0.051	0.056

Norway	NOK/CURRENCY	
	2024	2023
AED	0.336	0.343
CAD	0.127	0.128

EUR	0.085	0.088
GBP	0.072	0.075
JPY	-	13.715
SGD	0.119	0.135
USD	0.094	0.097

At 31 December 2024 and 2023, variation in the valuation of exchange rate hedges was as follows:

	Thousand euro							
	2024				2023			
	Short term		Long term		Short term		Long term	
Foreign exchange hedges	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases
Cash flow hedges	8,330	(2,409)	3,652	(157)	(5,073)	824	(441)	(127)
Total	**8,330**	**(2,409)**	**3,652**	**(157)**	**(5,073)**	**824**	**(587)**	**(127)**

Information on foreign exchange cash flow hedges is as follows:

- The gross amount reclassified from equity to the consolidated income statement was a loss of €987 thousand (gain of €2,090 thousand in 2023).
- Extension expenses (recognised ineffectiveness) amount to €1,354 thousand in 2024 (€2,307 thousand in the previous year) and are recognised under "Financial income/(expense)" in the consolidated income statement.

The fair value of the above-mentioned contracts in force at 31 December 2024 and 2023 breaks down as follows:

Foreign exchange risk hedges for financial assets	Thousand euro	
	Exports	Imports
Short term	241,743	45,561
Long term	164,892	16,325
Total 2024	**406,635**	**61,886**

Foreign exchange risk hedges for financial assets	Thousand euro	
	Exports	Imports
Short term	230,883	69,358
Long term	81,701	17,742
Total 2023	**312,584**	**87,100**

38. Board of Directors and senior management remuneration

a. Directors' remuneration

i. Remuneration for membership of administrative bodies

The remuneration of the members of the Board of Directors in their capacity as such consists of a fixed allowance which accrues based on their membership of administrative bodies and is fully paid in cash.

This remuneration is designed to reflect the responsibility and dedication required, following the best practices and recommendations contained in the Remuneration Policy for the period 2024-2026, in force from 30 June 2023, when it was approved by the General Shareholders' Meeting, until 31 December 2026. The policy was later amended by the General Shareholders' Meeting held on 27 June 2024 so as to adapt it to the changes to the Company's governance structure approved in April 2024, relating to the inclusion of the Board Chairman in the executive director category (without altering his current remuneration conditions), and to take account of the remuneration allocated to the Executive Delegate Committee members.

The annual amounts applicable for 2024 and 2023 are as follows: €80 thousand for membership of the Board; €40 thousand for membership of the Auditing and Compliance Committee; €24 thousand for membership of the Executive Delegate Committee; €24 thousand for membership of the Sustainability Committee; €24 thousand for membership of the Strategy Committee and €24 thousand for membership of the Appointments, Remuneration and Corporate Governance Committee (ARCGC).

With regard to the ARCGC, following a favourable report from the ARCGC, the Board of Directors agreed in October 2024 to split the said committee in two and to create, on the one hand, the Appointments and Corporate Governance Committee, and on the other, the Remuneration Committee, establishing that their members would receive gross annual remuneration of €24 thousand.

The chairs of each committee receive 1.5 times the above amounts.

The Board members weighted average remuneration totalled €153 thousand in 2024.

The Executive Chairman's remuneration consists exclusively of fixed items totalling €550 thousand per annum (€275 thousand for his executive duties and €275 thousand as Chairman of the Board of Directors), plus his remuneration as the Chair of the Strategy Committee (€36 thousand) and as Chair of the Executive Committee (€36 thousand). Bearing in mind that the executive duties were assigned to the Chairman on 30 April 2024, the Board Chairman's remuneration for non-executive duties amounted to €354 thousand in 2024.

In view of the special dedication required of the office of Lead Independent Director, this position receives an annual fixed remuneration of €30 thousand.

The total remuneration accrued to each parent company director in 2024 and 2023 for membership of the administrative bodies breaks down as follows:

DIRECTORS' REMUNERATION (€) 2024										
DIRECTOR	FIXED ALLOWANCE									
	BOARD	AUDIT AND COMPLIANCE COMMITTEE	APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE	APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE	REMUNERATION COMMITTEE	SUSTAINABILITY COMMITTEE	STRATEGY COMMITTEE	EXECUTIVE DELEGATE COMMITTEE	LEAD INDEP. DIRECTOR	TOTAL
LUIS ABRIL	80,000									80,000
BELEN AMATRAIN (1)	80,000	40,000		4,000		36,000	4,000	20,000		184,000
JOKIN APERRIBAY (2)	80,000		20,000	4,000			20,000	4,000		128,000
VIRGINIA ARCE (3)	80,000	60,000	20,000		4,000			20,000	30,000	214,000
COLOMA ARMERO	80,000	40,000					24,000			144,000
ANTONIO CUEVAS (4)	80,000		20,000	4,000			4,000	24,000		132,000
JOSÉ VICENTE DE LOS MOZOS	80,000							24,000		104,000
ELENA GARCIA (5)	40,000					12,000				52,000
JAVIER ESCRIBANO (6)	40,000	6,667			4,000					50,667
F. J. GARCÍA (7)	80,000						20,000	4,000		104,000
PABLO JIMÉNEZ DE PARGA	80,000							24,000		104,000
JUAN MOSCOSO DEL PRADO (8)	80,000	40,000			4,000	20,000				144,000
MARC MURTRA (9)	353,571						36,000	36,000		425,571
OLGA SAN JACINTO (10)	80,000		30,000	6,000	4,000	24,000	4,000			148,000
ANGELES SANTAMARÍA (11)	80,000	6,667				24,000		24,000		134,667
MIGUEL SEBASTIÁN (12)	80,000	40,000				4,000	20,000			144,000
BERNARDO VILLAZAN (13)	80,000		20,000	4,000	6,000		24,000	24,000		158,000
TOTAL	1,553,571	233,334	110,000	22,000	22,000	120,000	156,000	204,000	30,000	2,450,905
Weighted average remuneration										**153,182**

(1) Member of the Executive Delegate Committee to October 2024, and member of the Appointments and Corporate Governance Committee and Strategy Committee as from November 2024; (2) Member of the Appointments, Remuneration and Corporate Governance Committee and Strategy Committee to October 2024, and member of the Appointments and Corporate Governance Committee and Executive Delegate Committee as from November 2024; (3) Member of the Appointments, Remuneration and Corporate Governance Committee and Executive Delegate Committee to October 2024, and member of the Remuneration Committee as from November 2024; (4) Member of the Appointments, Remuneration and Corporate Governance Committee to October 2024, and member of the Appointments and Corporate Governance Committee and Strategy Committee as from November 2024; (5) Board Director and member of the Sustainability Committee to June 2024; (6) Board Director as from June 2024, and member of the Auditing and Compliance Committee and Remuneration Committee as from November 2024; (7) Member of the Strategy Committee to October 2024 and member of the Executive Delegate Committee as from November 2024; (8) Member of the Sustainability Committee to October 2024 and member of the Remuneration Committee as from November 2024; (9) Chairman (Other External category) of the Board of Directors to April 2024 and, since May 2024, Executive Chairman of the Board of Directors, without any change to the annual remuneration he had been receiving as Chairman of the Board (€550 thousand), although 50% of this annual remuneration was allocated to his executive duties and the other 50% to his non-executive duties as Board Chair; (10) Chairwoman of the Appointments, Remuneration and Corporate Governance Committee to October 2024, and Chairwoman of the Appointments and Corporate Governance Committee and member of the Remuneration Committee and Strategy Committee as from November 2024; (11) Member of the Auditing and Compliance Committee as from October 2024; (12) Member of the Strategy Committee to October 2024 and member of the Sustainability Committee as from November 2024; and (13) Member of the Appointments, Remuneration and Corporate Governance Committee to October 2024, and Chairman of the Remuneration Committee and member of the Appointments and Corporate Governance Committee as from November 2024.

DIRECTORS' REMUNERATION (€) 2023								
DIRECTOR	FIXED ALLOWANCE							
	BOARD	AUDIT AND COMPLIANCE COMMITTEE	APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE	SUSTAINABILITY COMMITTEE	STRATEGY COMMITTEE	EXECUTIVE DELEGATE COMMITTEE	LEAD INDEP. DIRECTOR	TOTAL
LUIS ABRIL	80,000							80,000
BELEN AMATRIAIN (1)	80,000	40,000		36,000		8,000		164,000
JOKIN APERRIBAY	80,000		24,000		24,000			128,000
VIRGINIA ARCE (2)	80,000	60,000	8,000	16,000		8,000	30,000	202,000
AXEL ARENDT (3)	33,333		10,000		10,000			53,333
COLOMA ARMERO (4)	80,000	40,000	24,000		8,000			152,000
ANTONIO CUEVAS (5)	80,000		24,000	16,000		8,000		128,000
JOSÉ VICENTE DE LOS MOZOS (8)	49,333					8,000		57,333
ELENA GARCIA	40,000			8,000				48,000
F. J. GARCÍA	80,000				24,000			104,000
PABLO JIMÉNEZ DE PARGA (8)	40,000					8,000		48,000
IGNACIO MATAIX (9)	33,333							33,333
JUAN MOSCOSO DEL PRADO	80,000	40,000		24,000				144,000
MARC MURTRA (10)	550,000				36,000	12,000		598,000
OLGA SAN JACINTO (11)	80,000		18,533	24,000	16,000			138,533
ANGELES SANTAMARÍA (12)	40,000			8,000		8,000		56,000
MIGUEL SEBASTIÁN	80,000	40,000			24,000			144,000
BERNARDO VILLAZAN (13)	80,000		24,000	16,000	14,533	8,000		142,533
TOTAL	**1,666,000**	**220,000**	**132,533**	**148,000**	**156,533**	**68,000**	**30,000**	**2,421,066**
Weighted average remuneration								**162,306**

(1) Member of the Executive Delegate Committee as from September 2023; (2) Member of the Sustainability Committee to September 2023; and member of the Appointments, Remuneration and Corporate Governance Committee and the Executive Delegate Committee as from September 2023; (3) Board Director to May 2023 and member of the Strategy Committee and the ARCGC to May 2023; (4) Chair of the ARCGC to September 2023 and member of the Strategy Committee as from September 2023; (5) Member of the Sustainability Committee to September 2023 and member of the Executive Delegate Committee as from September 2023; (6) CEO as from May 2023 and Vice-Chair of the Executive Delegate Committee as from September 2023; (7) Board Director as from June 2023 and member of the Sustainability Committee as from September 2023; (8) Board Director as from June 2023 and member of the Executive Delegate Committee as from September 2023; (9) CEO to May 2023; (10) Chair of the Executive Delegate Committee as from September 2023; (11) Member of the ARCGC from May to September 2023, and Chair as from that date; and member of the Strategy Committee to September 2023; (12) Board Director as from June 2023 and member of the Sustainability Committee and Executive Delegate Committee as from September 2023; (13) Member of the Strategy Committee as from May 2023; member of the Sustainability Committee to September 2023; and member of the Executive Delegate Committee as from September 2023.

The difference between the amounts reflected in both financial years is explained essentially by the allocation of a part of the Chairman's remuneration to his executive duties and to the split of the ARCGC into two committees, the Appointments and Corporate Governance Committee (ACGC) and the Remuneration Committee (RC).

Directors do not receive any benefits in kind as members of the administrative bodies, except for the Executive Chair who, in accordance with the current Remuneration Policy, is the beneficiary of a life insurance policy covering death and disability and a health insurance policy, and is entitled to the use of a company vehicle.

The amounts accrued in this regard are set out below:

Benefits in kind (€ th)	Marc Murtra Chair of the Board of Directors	
	2024	**2023**
Life insurance	1	2
Health insurance	10	9
TOTAL	**11**	**11**

In 2024 and 2023 no options on Company shares were granted to members of the Board of Directors, nor did they exercise any options on the parent company's shares during those years. The members of the Board of Directors did not hold any options to the parent company's shares at year-end 2024 or 2023.

The Directors did not receive any benefit or remuneration in 2024 or 2023 by reason of their membership of the administrative bodies other than those mentioned above, and neither the parent company nor any consolidated Group company has entered into any pension commitment or granted any loans or advances in their favour by reason of such membership.

ii. Remuneration of Executive Directors for their management functions

Apart from the remuneration indicated in section 1.1 above, Executive Directors receive additional remuneration by virtue of their contractual relationship with the Company for the performance of their executive duties.

As indicated previously, 50% of the Executive Chairman's annual fixed remuneration as Chairman has been allocated to his executive functions (€275 thousand).

In relation to the CEO and the Executive Director, IT Managing Director, their remuneration includes the same criteria and items as the remuneration pertaining to the rest of the Company's Senior Management. Therefore, for the sake of clarity, it is explained together with their remuneration in section 2 below.

b. Senior Management remuneration

i. Characteristics and components of the remuneration scheme

The remuneration of the Company's Senior Management personnel, comprising the Executive Directors and members of the Management Committee, is determined individually by the Board of Directors at the proposal of the Remuneration Committee.

It is customary for the Company to determine the Senior Management remuneration framework.

At the proposal of the ARCGC and of the Board of Directors, the General Shareholders' Meeting in June 2023 approved the Remuneration Policy for the period 2024-2026, which came into force on the date of its approval (30 June 2023).

This policy includes a remuneration scheme setting out the following items:

- Fixed remuneration (FR). It is received entirely in cash and remains unchanged for the three-year period, other than in exceptional cases where justified.
- Annual Variable Remuneration (AVR). It is determined by assessing target fulfilment. Seventy percent is received in cash and payment of the remaining 30% is received in full in Company shares, the number of which is determined, based on the average quoted price over the previous thirty calendar days, on the date of accrual of the AVR.

  To determine the degree of achievement of each Senior Manager's targets, both the Company's global targets and individual quantitative and qualitative targets are weighted, referring to their respective areas of responsibility, by the corresponding metrics and achievement rates for each of them.
- Medium-term Remuneration (MTR). It is arranged as a performance share plan or Medium-Term Incentive (MTI), with an initial grant of shares of which a percentage ranging from 0% to 125% may be delivered at maturity in 2026, this being the maximum payment coefficient approved for this incentive, although it is below the maximum stipulated in the Remuneration Policy (150%), calculated according to the level of fulfilment of the established targets.

- Benefits in kind. This includes three items: life insurance, health insurance and company car.

In addition, the CEOs and the Executive Director, IT Managing Director are the beneficiaries of a Long-Term Savings Plan (PALP) which takes the form of a fixed contribution fund that is outsourced through an insurance policy.

The Long-Term Savings Plan is not a pension or retirement scheme, and receipt of the amount that the executive director accrues under the Plan is contingent. The time at which the director will have the right to receive the accumulated amount is set down in his/her contract for the provision of executive services.

In the case of the CEO, he will receive the amount accumulated in the Long-Term Savings Plan in the event that his contract is still in place when he reaches the age of 65, or the age agreed by the parties in the event of an agreed extension, regardless of whether or not he continues with the Company. It will be received either as capital, as a life annuity, or as a combination of both. The Executive Director, IT Managing Director will be entitled to receive the amount accumulated in the Long-Term Savings Plan in the event that his contract is still in place when he reaches the age of 62, regardless of whether or not he continues with the Company. It will be received either as capital, as a life annuity, or as a combination of both.

In both cases, the maximum amount receivable in this regard is limited to one year's total annualised target remuneration.

Annual contributions are determined as a percentage of the Executive Directors' annualised total target remuneration (ATTR) (15% in the case of the CEO and 5% in the case of the Executive Director, IT Managing Director).

Section B of the Annual Remuneration Report explains each of these remuneration items in detail, including, for variable remuneration, information on the targets set for Executive Directors, as well as the procedure and methodology for measuring compliance.

ii. Amounts of remuneration

In 2024, the composition of senior management was as follows:

José Vicente de los Mozos	CEO		
Luis Abril (*)	Executive Director, IT Managing Director		

	Area and market heads
Borja Ochoa (*)	*Defence & Security*
Borja García-Alarcón (i)	*Chief Financial Officer*
Miguel Forteza Garau (ii)	*Chief Financial Officer*
Antonio Mora	*Management Control*
Raúl Ripio (*)	*Mobility & Technology*
Javier Ruano	*ATM*
Miguel Ángel Morell	*Chief Tech Officer*
Sofia Collado (**)	*Chief Human Resources Officer*
David Santos	*Chief Legal Officer*
Jesús Presa	*Chief Communications Marketing Officer*
Manuel Ausaverri	*Chief Strategy Officer*
Reyes Fuentes (iii)	*Director of Internal Auditing and Global Risk*

(i) To end of February 2024

(ii) Since September 2024

(iii) To September 2024

(*) Messrs. Abril, Ochoa and Ripio received their remuneration through Indra Soluciones TI, S.L.

(**) Ms. Collado received her remuneration through Indra Holding TI, S.L. to 1 March 2024

Set out below is a breakdown of Executive Directors' remuneration:

(€ thousand)	Marc Murtra		José Vicente de los Mozos		Luis Abril	
	Executive Chairman (since May 2024)		CEO (since May 2023)		Executive Director, IT Managing Director	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
FR	196 (1)	-	660	410	550	550
AVR	-	-	1,032	662	826	865
MTR	-	-	-	-	-	4,243 (2)
Benefits in kind	11	11	47	20	26	34
Sum	**207**	**11**	**1,739**	**1,092**	**1,402**	**5,692**
Other	-	-	-	-	-	-
PALP	-	-	396	231	110	110
TOTAL	**207**	**11**	**2,135**	**1,323**	**1,512**	**5,802**

(1) As regards the Executive Chairman's fixed remuneration, the amount stated accrued from May to December 2024 for the performance of his executive duties, bearing in mind that they were allocated to him by resolution of the Board of Directors in the meeting held on 30 April 2024.

(2) It includes the proportional part of the 2021-2023 MTI (MTR) for the period from his appointment as Executive Director, IT Managing Director (21 April 2022 to 31 December 2023). The MTR relates to 303,052 gross shares reflecting an overall payment coefficient of 142.2%, common to all the beneficiaries and calculated based on target fulfilment for this incentive. The price considered to calculate the amount reflected in this table is the share price at 31 December 2023, the incentive vesting date, as delivery of the shares had not taken place at the issuance date of the 2023 annual accounts.

The amounts pertaining to the other Senior Managers who are not Executive Directors are as follows:

(€ thousand)	2024	2023 (1)
FR	3,049	3,610
AVR	3,329	3,666
MTR (2)	-	18,990
Benefits in kind	212	295
Sum	**6,590**	**26,561**
Other (3)	381	832
PPALP	-	-
TOTAL	**6,971**	**27,393**

(1) Data concerning the senior managers listed at the beginning of this section 2.2 (including Luis Abril Mazuelas to April 2022, as he was not an executive director until that date, as regards the Medium-Term Incentive (MTI) and excluding the executive directors).

(2) The MTR in 2023 relates to 1,356,453 gross shares reflecting an overall payment coefficient of 142.2%, common to all the beneficiaries and calculated based on target fulfilment for this incentive and on each senior manager's term of office. The price considered to calculate the amount reflected in this table was the share price at 31 December 2023, the incentive vesting date, as delivery of the shares had not taken place at the issuance date of the 2023 annual accounts.

(3) The figure for 2024 includes the amounts received by the ex-senior managers Ms. Fuentes and Mr. García-Alarcón in respect of holidays accrued but not taken included in the settlements (€9 thousand); the extraordinary leaving bonus received by Ms. Fuentes in recognition of her professionalism and extraordinary performance in her post (€20 thousand); the amount received by the ex-senior manager Mr. de León upon termination of his employment relationship and the amount paid to him by the Company under the non-compete clause (€238 thousand); and the hiring bonus paid by the Company to the senior manager Mr. Forteza (€114 thousand).

In 2023, it includes the amounts received by the ex-senior managers Ms Barrero, Ms Gallego and Mr De León on termination of their employment relationships (€609 thousand), and accrued holidays not taken included in their respective settlements (€36 thousand); international removal costs incurred by Mr. De León (€12 thousand); and the amount paid by the Company (€175 thousand) under the non-compete clause agreed with the ex-senior managers Ms Barrero and Mr Gavín.

The amounts of AVR included in the tables in this note follow the approach laid down by the accounting legislation applicable to the Company, and therefore take account of the amounts accrued in this respect during the year.

The amounts of contributions to the Long-Term Savings Plans are disclosed in this note following the criteria established by the accounting legislation applicable to the Company, although as noted, their receipt by the Executive Director is contingent. The total remuneration in the Annual Report on Directors' Remuneration and the Annual Corporate Governance Report follows the approach set out in CNMV Circular 3/2021 of 28 September and therefore does not include the above-mentioned contributions, as they did not vest during the year.

As indicated, the MTI for the period 2024-2026 accrues at the end of the period, so no amount is included in 2024 in this respect.

In 2024 and 2023, no stock options were granted to Executive Directors or Senior Management personnel, nor did they exercise any options on the parent company's shares.

Executive Directors and Senior Management personnel did not receive any benefits, compensation or remuneration in 2024 or 2023 in addition to those indicated in this Note, and neither the parent company nor any of the Group companies have any pension commitments with them nor have they granted any loans or advances to them.

iii. Contractual framework for executive directors and senior managers

The Chief Executive Officer and Executive Director, IT Managing Director have a commercial relationship with the Company under contracts for services containing the terms and conditions applicable to their professional relationship with the Company and the clauses customarily included in contracts of this kind.

The contracts have an open-ended term. In the event of the termination of their contract for reasons that cannot be attributed to the CEO themselves (unilateral voluntary termination by the Company or a significant modification of their duties or service provision conditions), the CEO is entitled to receive compensation equivalent to one year's ATTR and the Executive Director, IT Managing Director is entitled to receive compensation equivalent to 60% of his ATTR.

Both their contracts also stipulate the obligation on the part of the Company to give three months' notice of termination of the professional relationship. Should the Company fail to give three months' notice, the executives will be entitled to compensation equivalent to the amount of their ATTR for the notice period infringed.

Furthermore, these contracts include a post-contractual non-compete clause for a period of one year following termination of their relationship with the Company, compensated in an amount equivalent to 0.75 times their ATTR in the case of the CEO and 0.60 times their ATTR for the Executive Director, IT Managing Director.

Both executive's contracts also include "malus" and "clawback" clauses recognising the Company's right to reduce, cancel and/or claim reimbursement, within 24 months following payment or recognition, of any variable remuneration settled or recognised, should it be subsequently and objectively verified that it was calculated based on incorrect or inaccurate data.

The current Remuneration Policy describes the situations in which these clauses may be applicable.

In addition, as mentioned in point 2.1 above, both Board directors are entitled to receive the balance accumulated in the Long-Term Savings Plan: in the CEO's case, in the event that his contract remains in force when he reaches 65 years of age; and in the case of the Executive Director, IT Managing Director, only on reaching the age of 62. In both cases, the maximum amount receivable is limited to one year's total annualised target remuneration.

The special features of the senior manager contracts at 31 December 2024 are described below:

- The contracts of two senior managers include a temporary indemnity right for an amount equivalent to between one and two years of their total annualised remuneration, which is extinguished either after a transitional period following their joining the Company, or when the compensation legally due to them exceeds the guaranteed minimum amount.
- The contract of a senior manager, as is the case with the executive directors, provides for a three-month notice period in the event of the termination of their professional relationship by the Company, which, if not observed, leads to the same compensation described previously.
- The contracts of three Senior Managers include a non-compete agreement enforceable for a period of one year that stipulates compensation of 0.75x their fixed remuneration.

c. Other information

As required by Royal Decree 602/2016, it is stated that the amount paid as a premium for third-party liability insurance for Directors and Senior Managers by Indra Sistemas, S.A. and its subsidiaries during 2024 and 2023 amounted to €412 thousand and €364 thousand, respectively.

39. Information disclosed by the members of the Board of Directors in relation to Article 229 of the Spanish Companies Act

According to the information reported to the Secretary of the Board of Directors, the Company's Directors and persons related to them have not been and are not involved in any conflict of interest that would need to be reported under Article 229 of the Consolidated Text of the Spanish Companies Act.

40. R&D&i activities

Due to their nature, part of the Group's activities involve R&D&i expenses, which are recorded in the Consolidated Income Statement on an accrual basis (Note 4.d.ii).

The total expenditure on projects of this type carried out during 2024, including capitalised projects (Note 9), amounted to €113,259 thousand, equivalent to 2.3% of the Group's total sales for the year. The expenses incurred under this heading by the parent company during the year accounted for approximately 59% of the total R&D&i expenses incurred by the Group. In 2023, expenditure on R&D&i projects amounted to €66,514 thousand, equivalent to 1.5% of the Group's total sales.

Non-capitalised R&D&i expenditure incurred in 2024 amounted to €67,256 thousand (€45,017 thousand in 2023).

In addition, the 2024 consolidated income statement reflects development expenses in other kinds of projects amounting to €314,337 thousand (€306,099 thousand in 2023) (see the Management Report).

41. Environment

The Group's lines of business have not changed in qualitative terms with respect to previous years, and therefore they continue not to have a significant impact on the environment. The parent company's Directors therefore consider that there are no significant contingencies relating to environmental protection and improvement and accordingly it was not considered necessary to record any provision for environmental risks and expenses during the years 2016 to 2024.

For the same reason, there are no significant assets associated with the protection and improvement of the environment and nor have any relevant environmental expenses been incurred during the year. Therefore, the Group has not requested or received any environmental grants in the years ended 31 December 2016 to 2024.

The Group carries out the activities necessary to meet its corporate responsibility commitments, which include taking care of all matters associated with environmental protection in the performance of its activities. Specifically, this entails implementing an environmental management system under the ISO 14001 standard that is applicable to all the Company's activities at its certified work centres in: Arroyo de la Vega, located at Avd. de Bruselas 35 (Arroyo de la Vega) - 28108 Alcobendas (Madrid); Torrejón, located at Ctra. de Loeches, 9 - 28850 Torrejón de Ardoz, Madrid; Aranjuez, located at Cl. Joaquín Rodrigo, 11 - 28300 Aranjuez (Madrid); Ciudad Real, located at Ronda de Toledo, s/n - 13003 Ciudad Real (Ciudad Real); Bembibre, located on the Bierzo Alto Industrial Estate, plots K-5 and K-10 - 24318 San Román, Bembibre (León); Valencia, located at Avd. Cardenal Benlloch, 67 - 46021 Valencia (Valencia); Malaga, located at Cl. Severo Ochoa, 23 (Parque Tecnológico de Andalucía) - 29590 Campanillas (Malaga); Coslada Simulation Centre, located at Avd. de Europa, 4 - 28821 Coslada (Madrid); Edificio Japón 2 in San Fernando, located at Avd. de Castilla, 2 (San Fernando Business Park, Ed. Japón) - 28830 San Fernando de Henares (Madrid); Edificio VEGA5 (FCAS project) in Alcobendas, located at Cl. Francisca Delgado, 9 - 28108 Alcobendas (Madrid); Puerto de Santa María, located at Cl. Pitágoras, 11 (Salinas De Poniente Industrial Estate) - 11500 Puerto De Sta. María (Cádiz); Seville-Bollullos, located at Ctra. Prado de la Torre, s/n - 41110 Bollullos De La Mitación (Seville); Edificio @22 Barcelona, located at Carrer de Roc Boronat, 133 - 08018 Barcelona (Barcelona); Edificio KENYA in San Fernando de Henares, located at Avd. de Castilla, 2 (San Fernando Business Park, Ed. Kenia) - 28830 San Fernando de Henares (Madrid); Sierra de Guadarrama, located at Cl. Sierra de Guadarrama, 80 - 28830 San Fernando de Henares (Madrid); Nave Lean, located at Cl. Guarnicioneros, 3 - 28830 San Fernando de Henares (Madrid); Fuente Álamo, located at Ctra. el Estrecho-Lobosillo, Km 2 Plot 2.9.1. - 30320 Fuente Álamo (Murcia); Rio Do Pozo, located at Avd. Dos Ferreiros, 5-7 - 15578 Narón, Ferrol (La Coruña); Kuehne Nagel Warehouse, located at Cl. Tajo, 8 (Acacias Industrial Estate) – 28840 Mejorada Del Campo (Madrid); Barberá, located at Carrer De Marie Curie 2b Warehouse 4 (Parc Del Moli) - 08210 Barberá Del Vallés (Barcelona); Edificio Inneo, located at Cl. Samontà, 21-25 - 08970 Sant Joan Despí (Barcelona); Edificio de Miguel Yuste, located at Cl. De Miguel Yuste, 45 - 28037 Madrid (Madrid); Edificio de La Grela, located at Ctra. Baños De Arteixo, 47 - 15007 La Coruña (La Coruña); Edificio de Axpe, located at Cl. Ribera De Axpe, 11 - 48950 Erandio (Vizcaya); Lisbon, located at Estrada do Seminário, 4 (Afrapark - Edifício C) - 2610-171 Amadora (Portugal); Edificio MILAN2, located at Viale Monza, 338 - 20128 Milan (Italy); Edificio Serafico, located at Via Del Serafico, 200 - 00142 Rome (Italy); Edificio Basadre, located at Avd. Jorge Basadre, 233 - 15073 San Isidro, Lima (Peru); Edificio Jesús María, located at Avd. República de Chile, 388 - 15072 - Jesús María, Lima (Peru); LIMA ATE, located at Avd. Prolongación Boulevard, 1048 – 15023 Ate, Lima (Peru); Sao Paulo, located at Avd. Guido Caloi, 1002 (Torre III) - 05802-140 Jardim São Luís, São Paulo (Brazil); Barranquilla, located at Carrera 51b, 80-58 (Edificio Smart Office Center) - Barranquilla (Colombia); Edificio Pereira. located at Carrera 17, 12 - 124-660006 Pereira (Colombia); Medellín Itagui, located at Carrera 42, 66-55 - 05412 - Itaqüí, Medellín Colombia; Edificio Calle 93 located at Calle 93, 16-25 - Bogotá (Colombia); Carrera 7, located at Cl. Carrera, 7, Nº127-48 Oficina 910 Bogotá (Colombia); Whiteley, located at Parkway, 4500 (Solent Business Park) - PO15 7AZ Whiteley, Fareham (United Kingdom).

The Company is also accredited for compliance with European Parliament and Council Regulation 1221/2009 EMAS (Eco Management and Audit Scheme) at the Arroyo de la Vega work centre.

The Arroyo de la Vega work centre is also ISO 50001 certified, the primary aim being to continuously enhance energy efficiency, energy security, energy use and energy consumption through a certified system. The La Grela building at Ctra. Baños De Arteixo, 47 - 15007 La Coruña (La Coruña) and the Bembibre centre at Polígono Industrial Bierzo Alto, plots K-5 and K-10 - 24318 San Román, Bembibre (León) are also ISO 50001 certified.

Climate-related matters

In view of the Company's activity and business model, no significant physical or transition risks associated with climate change have been identified that could have affected its financial statements in 2024.

As described in the Consolidated Non-Financial Information Statement and Sustainability Information, which form part of Indra's Management Report, in 2024 the Company updated its analysis of climate change risks and opportunities to include various scenarios, in line with the TCFD (Task Force on Climate Related Financial Disclosure) recommendations.

This meant identifying and analysing physical and transition risks, as well as the opportunities open to Indra in the work it carries out. The basis for the analysis was five scenarios, expressed both in quantitative and qualitative terms, which were used to identify the climate-related risks and opportunities associated with Indra's operations over a 30-year period beginning in 2019.

- IEA Stated Policies Scenario (STEPS): Explores the outlook for the energy system without a major push from policymakers towards stricter regulation. Physical and transition risks are equally balanced.
- IEA 2°C Scenario (2DS): Describes an energy system consistent with limiting the increase in global temperatures to 2°C. Physical and transition risks are equally balanced.

- The IEA's Net Zero Emissions by 2050 Scenario (NZE): Argues for the need to achieve net zero CO_2 emissions by 2050. Transition risks are more relevant here.
- IPCC RCP 2.6 "very stringent" pathway: Requires a reduction in emissions by 2020 and net zero by 2100 in order to keep temperature increases below 2°C. Transition risks are more relevant here.
- IPCC RCP 8.5 "business as usual" scenario: In this scenario, physical risks are the most important to consider due to the increase in climate events, including chronic Climate Change events.

Overall, no significant impacts on the Company's operations, future cash flows or assets associated with the physical risks of climate change are envisaged. Possible countermeasures are part of other policies and procedures already in place and therefore do not represent a cost overrun requiring a provision for expenses. This is the case, for example, of the development of contingency plans, the resilience of infrastructures, the redundancy of operations or the arrangement of insurance. These measures are carried out with the aim of making the Company more resilient to any type of incident, regardless of its origin, be it climate change or any other cause.

The main transition risks identified relate to the financial, reputational and competitive impact of the increasingly stringent climate regulations being introduced across the world. These compliance risks could affect the Company and its access to capital and markets. The Company has therefore set out an ambitious decarbonisation pathway including science-based emission reduction targets, in line with trends and best practices. Given the non-carbon-intensive nature of the Company's activities and in view of the mitigation measures in place, the financial impact of climate risks is below the materiality threshold. The main response measures are linked to the Company's ordinary environmental management and to the integration of ESG considerations into R&D processes, so there is no significant cost overrun.

For further information, see the 2024 Consolidated Non-Financial Information Statement and Sustainability Information available on the Indra Group's website.

42. Auditors' remuneration

In 2016, Deloitte was appointed as the new auditor of the Group's Consolidated Annual Accounts and those of the subsidiaries. Net fees for professional services provided by Deloitte Auditores, S.L. and other audit firms during the years ended 31 December 2024 and 2023 are as follows:

	Thousand euro	
	2024	
	Fees of the principal auditor or its network firms (1)	**Fees of other auditors or their network firms (2)**
Audit services	3,112	424
Non-audit services		
Services required by legislation in force	445	7
Other assurance services	123	13
Tax services	89	231
Other services	-	139
Total professional services	**3,769**	**814**

	Thousand euro	
	2023	
	Fees of the principal auditor or its network firms (1)	**Fees of other auditors or their network firms (2)**
Audit services	2,562	336
Non-audit services		
Services required by legislation in force	74	1
Other assurance services	101	5
Tax services	4	97
Other services	-	49
Total professional services	**2,741**	**488**

(1) Includes the services provided by Deloitte Auditores, S.L. (auditor of the consolidated accounts), any other company to which the auditor is related through control, common ownership or management and by all the Deloitte network firms to all the consolidated companies, irrespective of country of residence.

(2) Includes both services provided by the individual or component auditor and by entities related to the individual or component auditors through control, common ownership or management.

The amount indicated in the above table includes all fees relating to the audit, irrespective of when they were invoiced, while the non-audit services are included on an invoicing basis.

43. Related-party transactions

Related-party transactions were carried out in the ordinary course of the Indra Group's business, at arm's length and approved by the Board of Directors in accordance with the Board Regulations.

During 2024 and 2023, commercial and service provision/receipt transactions were carried out with significant shareholders at that time or with companies related to them.

Transactions and balances with related parties in 2024 and 2023 break down as follows, by nature:

	2024 (Thousand euro)					
Nature of the transaction	**With shareholders (SEPI Group)**	**With shareholders (Escribano Group)**	**Subtotal 31.12.2024**	**Other transactions (Prisa Group) (*)**	**Directors (Écija Group) (**)**	**Total 31.12.2024**
Sales of goods and services	19,504	12,644	32,148	5,580	-	37,728
Purchase of goods and services	160	535	695	435	39	1,169

	2024 (Thousand euro)					
Year-end balances	**With shareholders (SEPI Group)**	**With shareholders (Escribano Group)**	**Subtotal 31.12.2024**	**Other transactions (Prisa Group) (*)**	**Directors (Écija Group) (**)**	**Total 31.12.2024**
Trade and other receivables	7,016	19,397	26,413	2,233	-	28,646
Trade and other payables	10	404	414	169	7	590

	2023 (Thousand euro)			
Nature of the transaction	**With shareholders (SEPI Group)**	**Subtotal 31.12.2024**	**Other transactions (Prisa Group) (*)**	**Total 31.12.2023**
Sales of goods and services	22,169	22,169	3,560	25,729
Purchase of goods and services	627	627	-	627

	2023 (Thousand euro)			
Nature of the transaction	**With shareholders (SEPI Group)**	**Subtotal 31.12.2024**	**Other transactions (Prisa Group) (*)**	**Total 31.12.2023**
Trade and other receivables	7,379	7,379	1,429	8,808
Trade and other payables	16	16	-	16

(*) Includes transactions with the Prisa Group in the ordinary course of business which, though not classed as related-party transactions under IAS 24, are afforded this treatment internally in the interests of monitoring and control, and are reported for information and transparency purposes.

(**) Includes the transactions effected by Écija Abogados, as Pablo Jiménez de Parga (member of Indra Sistemas, S.A.'s Board of Directors) is the Executive Vice-Chair of Écija Abogados.

a. Transactions with shareholders

"Sales of goods and services" relate to services provided by the Indra Group in the course of business to the above-mentioned shareholders. The figures in the table above relate to amounts already invoiced, since revenue is recognised as explained in Note 4v.

"Purchases of goods and services" pertain to services provided to the Indra Group by the said shareholders that are required for its business activity.

In addition to the above-mentioned transactions, dividends paid to shareholders represented on the Board of Directors and to Board Directors are set out below:

	2024 (Thousand euro)		2023 (Thousand euro)	
	With shareholders	**With Directors**	**With shareholders**	**With Directors**
SEPI Group	12,366	-	12,366	-
SAPA	3,508	-	3,508	-
Amber	3,143	-	3,197	-
Advanced Engineering & Manufacturing, S.L.	3,533	-	-	-
Directors	-	31	-	23

b. Transactions with Directors

No transactions were carried out with Board Directors or parties related to them in 2024 or 2023, besides those indicated previously.

The remuneration of the members of the Board of Directors is detailed in Note 38 to the Consolidated Annual Accounts.

c. Other transactions and balances

Set out below are the Group's balances with Spain's Central Government, given the relationship between SEPI and the Central Government:

	Thousand euro (*)	
	31.12.2024	**31.12.2023**
Total income	535,530	485,219
Total expenses	4,807	4,196
Total receivables	90,008	76,604
Total payables	1,544	721

(*) These amounts are in addition to those included in section a)

The revenue figures in the table above relate to amounts already invoiced, since revenue is recognised as explained in Note 4.u.

d. Transactions with members of Senior Management

No transactions were carried out with Senior Managers or parties related to them in 2024 or 2023.

Senior Management remuneration is analysed in Note 38.b.

e. Transactions with associates

	2024 (Thousand euro)			
	Receivables	**Payables**	**Income**	**Expenses**
Associates	18,900	72,950	31,536	473
	18,900	**72,950**	**31,536**	**473**

	2023 (Thousand euro)			
	Receivables	**Payables**	**Income**	**Expenses**
Associates	15,388	62,616	40,147	837
	15,388	**62,616**	**40,147**	**837**

These amounts include balances and transactions with companies in which Indra and other related parties have an interest (Euromids S.A.S., Societat Catalana per a la Mobilitat, S.A., TESS Defence, S.A. and Epicom).

f. Transactions with joint operations

Most of the Group's “joint arrangements” are temporary consortia (UTEs). They are classified as “joint operations” due to the joint and several liability involved and consolidated using the proportionate method.

The assets, liabilities, income and expenses of transactions carried out through joint operations in the form of temporary consortia for 2024 and 2023 are as follows:

	Thousand euro	
	2024	**2023**
Non-current assets	81,973	83,683
Current assets	55,031	88,032
Non-current liabilities	(90,621)	(80,535)
Current liabilities	(48,635)	(87,059)
Revenue	(118,136)	(109,650)
Subcontracting and other expenses	120,388	105,528

Appendix II lists the temporary consortia in which the Group has been involved.

44. Events after the reporting period

- On 19 January, Indra's Board of Directors accepted the formal resignation of Mr Murtra as board director and Executive Chairman, and chair of the Executive Delegate Committee and Strategy Committee at Indra, after he had been appointed board director and Executive Chairman of Telefónica, S.A. The Board of Directors adopted the following resolutions:

  I. Approve, following a favourable report from the A&CGC, the appointment by co-option of Ángel Escribano Ruiz as a Company Director.

  II. Appoint Ángel Escribano as Executive Chairman of the Board of Directors and grant him the same executive functions relating to corporate and institutional matters previously held by Mr Murtra, in addition to those inherent to his position as Chairman of the Board of Directors, which will be exercised in coordination with the operational and business guidance provided by the CEO, José Vicente de los Mozos.

  III. In addition, under Article 249.3 of the Spanish Companies Act, the Board of Directors, following a favourable report from the Remuneration Committee, approved Mr Ángel Escribano's executive service contract, which maintains the same remuneration conditions as those of the former executive chairman, Mr Murtra, as well as granting him sufficient powers to carry out the executive functions.

  The above-mentioned resolutions assure continuity in the implementation of the Strategic Plan 2024-2026 and are backed by the Company's principal shareholders.

- On 31 January, Indra entered into an agreement with Redeia Corporación, S.A. ("Redeia") to acquire an 89.68% ownership interest in Hispasat, S.A. ("Hispasat"), a satellite services operator and provider, for €725,000 thousand, for which purposes Indra secured financing of €700,000 thousand, while the remainder is to be covered by cash resources.

  The transaction is subject to the fulfilment of certain conditions precedent, which are essentially regulatory in nature, both in Spain and in other jurisdictions; to approval by Indra's General Shareholders' Meeting; and to the performance of certain agreements so that Indra may consolidate, for accounting purposes, Hisdesat Servicios Estratégicos S.A., a government satellite services operator in the areas of defence, security, intelligence and foreign affairs.

- Penalty proceeding initiated by the Spanish National Market and Competition Commission ("CNMC") against the Company – Proceeding S/DC/0598/2016 "Railway electrification and electromechanics".

  Once the Supreme Court's ruling of 6 November 2024 became final and after being required to pay the fine of €870 thousand, the parent company made payment on 4 February 2025.

  At the time of writing, we are waiting for the State Consultative Board on Administrative Procurement (JCCPE) to initiate the administrative procedure to decide on the duration and scope of the prohibition on contracting.

- On 14 February 2025, Telefónica Perú applied for a voluntary Ordinary Insolvency Procedure (PCO) before the National Institute for the Defense of Competition and Protection of Intellectual Property (Indecopi) so as to convene its creditors to meet in order to make decisions on the restructuring of its financial obligations. The process is assessed by Indecopi's Insolvency Procedures Committee, which has a maximum of 90 business days to approve the application.

  Once the application is accepted, Telefónica de Perú can be considered viable and its assets may be restructured. However, if the view is taken that the company cannot continue to operate in the market, it will be wound up and liquidated.

  At the present time, the Group has no delinquent debt, although the Market Department and the customer are reviewing potential effects which, if any, are expected to be immaterial (€2 million to €4 million).

- On 26 February, Indra's Board of Directors resolved to propose, at the next General Shareholders' Meeting, the distribution of a cash dividend of €0.25 gross per share out of 2024 profits, to be paid on 10 July 2025.

45. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (Note 2). Certain accounting pratices applied by the Group that conform with that regulatory framework may not conform with other accepted accounting principles and rules.

1. Appendix I

Details of Group companies at 31 December 2024

Name	Address	Activity
1. Parent company		
Indra Sistemas, S.A.	Spain	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
2. Subsidiaries		
Indra Sistemas de Seguridad, S.A.U.	Spain	Design, development, integration and maintenance of systems and solutions used in surveillance and security controls at facilities.
Indra Sistemas de Comunicaciones Seguras, S.L.U.	Spain	Research, engineering, design, manufacture, development, marketing, installation, maintenance and repair of equipment, devices and systems for security in data communications, encryption, beacons and command and control centres.
Inmize Capital, S.L.	Spain	Management and implementation of systems engineering activities for defence, as well as the marketing and sale thereof.
Inmize Sistemas, S.L.	Spain	Management and implementation of systems engineering activities for defence, as well as the marketing and sale thereof.
Teknatrans Consultores, S.L.U.	Spain	Provision of technical architectural and engineering services.
Indra SI, S.A.	Argentina	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Azertia Tecnologías de la Información Argentina, S.A.	Argentina	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Computación Ceicom, S.A.	Argentina	Data processing, consulting and technical assistance in systems analysis, development and implementation of software for computer equipment.
Minsait Brasil, LTDA.	Brazil	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Brasil Soluçoes e Serviços Tecnologicos, LTDA	Brazil	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.

This Appendix should be read together with Notes 1 and 5 to the Consolidated Annual Accounts, of which it forms an integral part.

Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of Group companies at 31 December 2024

Name	Address	Activity
Indra Tecnología Brasil LTDA	Brazil	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications for the air traffic sector, defence, transport and land, sea and rail traffic, and electoral processes.
Indra Colombia, S.A.S.	Colombia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas Chile, S.A.	Chile	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas México S.A. de C.V.	Mexico	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra BPO México, S.A de C.V.	Mexico	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Panamá, S.A.	Panama	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Minsait Payment Systems Perú, S.A.C.	Peru	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Perú, S.A.	Peru	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Soluciones y Servicios Indra Company Uruguay, S.A.	Uruguay	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra USA, INC	USA	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Italia, S.p.A.	Italy	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Czech Republic S.R.O.	Czech Republic	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sisteme S.R.L.	Moldova	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas Polska S.p.z.o.o	Poland	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.

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Details of Group companies at 31 December 2024

Name	Address	Activity
Indra Sistemas Portugal, S.A.	Portugal	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Soluciones TecnologÍas de la InformaciÓn Romania S.A.	Romania	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Turkey Teknolojileri Çözümleri Anonim Sirketi	Turkey	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Beijing Information Technology Systems Co. Ltd.	China	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Philippines, Inc.	Philippines	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Technology Solutions Malaysia Sdn Bhd	Malaysia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
PT Indra Indonesia	Indonesia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas India Private Limited	India	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Bahrain Consultancy WLL	Bahrain	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Arabia Company LTD.	Saudi Arabia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Technology Solutions Co, LTD.	Saudi Arabia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra L.L.C.	Oman	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Maroc S.A.R.L D'Associé Unique	Morocco	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Limited (Kenya)	Kenya	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.

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Indra Sistemas, S.A. and Subsidiaries
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Name	Address	Activity
Indra Australia Pty Ltd	Australia	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Indra BPO, S.L.U.	Spain	Business process outsourcing (BPO) and management, provision of document management and mortgage management services.
Indra BPO Hipotecario, S.L.U.	Spain	The performance all the requisite formalities for the payment and registration, as appropriate, in public registries, of all kinds of public and private documents, and the performance of all complementary and auxiliary activities considered necessary for the performance of the company's main activities.
Indra BPO Servicios, S.L.U.	Spain	Digitalisation and data capture management.
Indra II Business Process Outsourcing Portugal, unipersonal LTD	Portugal	Business Process Outsourcing (BPO).
Ouakha Services, Sarl AU	Morocco	Back-office process management (BPO) for financial institutions.
Indra Business Consulting, S.L.U.	Spain	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Europraxis ALG Consulting Maroc, S.A.	Morocco	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
ALG Global Infraestructure Advisors Brasil LTDA.	Brazil	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Indra Business Consulting ALG MÉxico, S.A. de C.V.	Mexico	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Europraxis ALG Consulting Andina, S.A.C.	Peru	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Prointec, S.A.U.	Spain	Provision of engineering and consultancy services mainly in the environment, transport, construction, water and industry areas.
Prointec Brasil, Ltda.	Brazil	Provision of civil engineering and consulting services.
Ingeniería de Proyectos e Infraestructuras Mexicana, S.A. de C.V.	Mexico	Provision of technical architectural and engineering services.

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Name	Address	Activity
Prointec Panamá, S.A.	Panama	Provision of civil engineering and consulting services.
Prointec Usa LLC	USA	R&D Autonomous Air Systems and Advanced Solutions in Unmanned Systems.
Consis Proiect S.R.L.	Romania	Provision of civil engineering and consulting services.
Indra Advanced Technology, S.L.U.	Spain	Design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products.
Indra Avitech GMBH	Germany	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Indra Avitech S.R.O.	Slovakia	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Indra Navia, A.S.	Norway	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Normeka, A.S.	Norway	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Indra Corporate Services, S.L.U.	Spain	Provision of all kinds of administration, management and support services to companies, such as financial services, human resource services, commercial support and control services or general corporate security services, and management of property and other assets.
Indra Corporate Services México, S.A de C.V	Mexico	Provision of professional consulting and advisory services in administrative, financial, human resources and accounting matters, in the corporate, business, industrial, engineering, commercial, banking, stock market, financial, credit, insurance and finance areas.
Indra III Soluçoes de Tecnología da Informação Portugal, Unipessoal, LDA	Portugal	IT and outsourcing services
Tecnocom Perú S.A.C.	Peru	Installation and marketing of telecommunications equipment.
Minsait Payments Systems México, S.A. de C.V.	Mexico	Installation and marketing of telecommunications equipment.
Tecnocom Colombia, S.A.S.	Colombia	Installation and marketing of telecommunications equipment.
Tecnocom Chile, S.A.	Chile	Installation and marketing of telecommunications equipment.

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Name	Address	Activity
Tecnocom Procesadora de Medios de Pago, S.A.	Dominican Republic	Credit card processing services
Minsait Payments Systems Chile, S.A.	Chile	Credit card processing services
Paradigma Digital, S.L.U.	Spain	Leading consultant in the Spanish digital transformation market, focusing on the design of customer experience solutions in digital channels, as well as their development and implementation (DCX, Front-end, Digital Strategy).
North American Transmission & Distribution Group Inc	USA	To acquire and grow companies whose main mission is to support the Electricity Distribution Network.
ACS América Latina, S.A de C.V.	El Salvador	Manufacture of control systems and operation of energy transmission and distribution networks. As well as the manufacture of control systems and operation of energy transport and distribution networks.
Minsait ACS, INC	USA	Manufacture of control systems and operation of energy transmission and distribution networks.
Indra Holding Tecnologías de la Información, S.L.U.	Spain	Acquisition, holding, enjoyment, direction, administration, management and disposal of equity securities; incorporation and promotion of companies. Financial operations to grant funding and take on debt from companies in the same group.
Indra Soluciones Tecnologías de la información, S.L.U.	Spain	IT programming activities. IT consultancy activities. Management of IT resources. Other services related to information technology and computing.
Indra Producción Software S.L.U.	Spain	Design, development, production, integration and maintenance of systems, equipment, solutions and products based on the use of information technologies. Provision of business, technology and solutions consulting services. Studies, projects, management, technical assistance, technology transfer; marketing of such studies, projects and activities.
Indra Corporate Services Philippines, INC	Philippines	Provision of professional consulting and advisory services in administrative, financial, human resources and accounting matters, in the corporate, business, industrial, engineering, commercial, banking, stock market, financial, credit, insurance and finance areas.
Indra Factoría Tecnológica, S.L.U.	Spain	The planning, design, development, integration, operation, maintenance and marketing of information and communication technology systems and solutions
Minsait Payments Systems, S.L.U.	Spain	Marketing and distribution of systems, software, infrastructure and technological platforms that assist third party issuers of payment instruments in processing transactions made using such payment instruments
Indra T&D, S.A.C.	Peru	Provision of services and development of projects in the administrative, operational and technological areas on a supervision, administration or implementation level. Computer software development.
Indra Sistemas Transporte y Defensa, S.A. De C.V.	Mexico	Design, development, manufacture, supply, assembly, repair, maintenance and installation of products, solutions, applications and systems based on the intensive use of information technology.

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Name	Address	Activity
Sistemas informaticos Abiertos, S.A.U.	Spain	Provision of cybersecurity services, as well as information management and protection services.
Indra Servicios Perú S.A.C.	Peru	Provision of services and development of projects in the administrative, operational and technological areas on a supervision level. Computer software development.
Morpheus Aiolos, S.L.U.	Spain	Creation, maintenance and operation of Internet sites and portals; website and portal hosting and maintenance services; domain registration, e-mail and Internet communication services; and activities involving conventional and technological design and advertising services, as well as commercial intermediary services in these business lines.
ALG Global Infrastructure Advisors, S.L.U.	Spain	Design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products based on the use of information technologies. Provision of business consultancy and management services. Preparation and execution of all kinds of studies and projects. Management, technical assistance, technology transfer, marketing and administration of such studies, projects and activities.
SmartPaper, S.P.A.	Italy	Design, application and management of solutions for the storage and digital processing of documents.
Baltik IT, S.I.A.	Latvia	BPO (document management, recovery and commercial back office outsourcing) for Enel
MSS Manage Security Services GmbH	Germany	Services related to the management of security services, such as security audits, installation and management of firewall systems and other related services. Cybersecurity
Arcopay, S. de R.L de C.V.	Mexico	Design, development and implementation of all types of private computer communication networks and websites, in which marketing, advertising and consulting for goods or services is carried out through the Internet.
Afterbanks, LTD.	UK	Creation, maintenance and operation of Internet sites and portals; website and portal hosting and maintenance services; domain registration, e-mail and Internet communication services; and activities involving conventional and technological design and advertising services, as well as commercial intermediary services in these business lines.
Flat 101, S.L.U.	Spain	Business development and optimisation through digital consultancy services. The main services relate to the web optimisation programme (CRO), web traffic, digital analytics and user experience.
The Overview Effect, S.L.	Spain	Provision of all kinds of advisory services and work within the field of business and/or company management consultancy and, in particular, work related to sustainability and social impact consultancy.
Consultoría Organizacional, S.A.S.	Colombia	Design and implementation, consultancy and administration of applications for work and publication on the Internet or any other computer network; creation, administration and marketing of websites, intranets, extranets and/or any type of software entailing electronic data transmission; development of information and computer systems and information networks; sale and marketing of all kinds of Internet-related services.
Net Studio, S.P.A.	Italy	Operating in the field of cybersecurity, its core business is to provide integrated risk management, cybersecurity services and solutions, as well as focusing on digital identification.
Credimatic, S.A.	Ecuador	Activities auxiliary to NCP financial services, such as financial transaction processing and settlement, including credit card transactions.

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Name	Address	Activity
Indra Gestión de Usuarios, S.L.U.	Spain	Design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products based on the use of information technologies.
Mobbeel Solutions, S.L.U.	Spain	Design, development, integration, production, operation, maintenance and marketing of systems, solutions and products based on the use of information technologies.
Mobbeel Innovations Labs, S.L.U.	Spain	Programming, consulting and other IT-related activities.
Aplicaciones de Simulación Simtec, S.L.U	Madrid	Virtual simulators
Nexus Payment System, SpA	Chile	Credit card and payment processing, including account and transaction processing services, fraud prevention and security in means of payment. Back office, business intelligence, customer loyalty-building. Delivery and collation.
Minsait Payment Systems Portugal, Unipessoal, LDA	Portugal	Marketing and distribution of systems, software, infrastructure and technological platforms that assist third party issuers of payment instruments in processing transactions made using such payment instruments
Indra Air Traffic, INC	USA	Design, production and marketing of air navigation assistance systems (navaids).
Antexia Technlogies, S.L	Spain	Provision of civil engineering, consulting and technical assistance services. Design and development of multi-sector technology, solutions and services, focusing mainly on the Defence and Security Industry.
Indra Mobility, S.L.U.	Spain	Design, development, production, integration, operation, maintenance, repair and marketing of all kinds of systems, solutions and products, including motor vehicles, ships, aircraft and aerospace devices or vehicles, that make use of applied sciences and technologies (information and/or computing technologies, telecommunications, industrial technologies, robotics, etc.), as well as any related parts, components and services, together with the civil works necessary for installation.
Park Air Systems LIMITED	UK	Design, engineering and manufacture of systems and customer training activities in its own facilities.
Deuser Tech Group, S.L.U.	Spain	Software and hardware engineering, selling of all kinds of computer processing and telecommunication-related products. Advice, consultancy and professional technical assistance for business, industry and institutions, i.e. for any type of industry.
Indra– Soluções de Tecnologia da informação Angola, LDA.	Angola	Management system and technology consulting services.
ICA Sistemas y Seguridad, S.L.	Spain	Import, export, purchase, sale, marketing, development and installation of systems, components, devices and electronic computer equipment, as well as all services related to the electronics and IT sectors; any other activities directly or indirectly related to the above.
Minsait Payment Systems Colombia, S.A.S.	Colombia	Marketing and distribution of systems, software, infrastructure and technological platforms that assist third party issuers of payment instruments in processing transactions made using such payment instruments.
Minsait Payments Systems Brasil LTDA	Brazil	Data processing, application service providers and internet services. Technical support, maintenance and other IT services.

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Name	Address	Activity
Tramasierras 2021, S.L.	Spain	Purchase, sale, administration and exploitation of real estate, and the purchase, sale and administration of securities; tax, economic, financial, accounting, legal, labour, IT, business, commercial and administrative studies and advice for all kinds of individuals and legal entities.
Pecunia Cards, S.L.	Spain	I. Issuance of means of payment in the form of electronic money, i.e. any monetary value stored in electronic or magnetic media representing a receivable from the issuer, which is issued on receipt of funds for the purpose of completing payment transactions, as defined in l.1. Issuance of means of payment in the form of electronic money, i.e. any monetary value stored in electronic or magnetic media representing a receivable from the issuer, which is issued on receipt of funds for the purpose of completing payment transactions, as defined in l.
Soluciones Tecnológicas Normax, S.L.	Spain	Development and marketing of computer software
NAE Comunicaciones, S.L.U.	Spain	Network management and deployment
NAE Colombia, S.A.S.	Colombia	Network management and deployment
Global Training Aviation, S.L.U.	Spain	Consulting, learning and training services for airlines and initiation and recycling courses for pilots.
Global Training Aviation Colombia, S.A.S.	Colombia	Provision of aeronautical training services
Global Training Aviation Indonesia, S.A.S.	Indonesia	Provision of aeronautical training services
Compañia Uruguaya de Medios de Procesamiento, S.A.	Uruguay	Affiliation of businesses in Uruguay to the Visa International and Mastercard systems. Response, processing and channelling to the respective issuer of Visa international/Mastercard products. Processing of sales submitted by stores through the various channels. Issuance and distribution to stores of regular reports containing the list of transactions completed in them using Visa International / Mastercard products. Resolution of complaints submitted by the stores
Indra Espacio, S.L.U.	Spain	Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.
Orbitude S.L.U	Spain	Acquisition, through subscription or purchase, holding, possession, direction, administration, management and disposal of public or private securities and company shares, and of the equity of companies or entities resident in Spain or abroad, save for activities subject to special legislation and all kinds of financial assets; incorporation and promotion of companies.
Deimos Space, S.L.U	Spain	Design, development, production, integration and maintenance of systems, equipment, solutions and products that make intensive use of information technologies (computing, electronics and communications) applicable in any field or industry including civil and military, aerospace, environment and spatial planning. All kinds of services related to the corporate purpose. Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.
Deimos Engenharia S.A	Portugal	Design, development, production, integration and maintenance of systems, equipment, solutions and products that make intensive use of information technologies (computing, electronics and communications) applicable in any field or industry including civil and military, aerospace, environment and spatial planning. All kinds of services related to the corporate purpose. Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.

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Name	Address	Activity
Elecnor Infrast. e Aerospaziale S.R.L.	Italy	Design, development, production, integration and maintenance of systems, equipment, solutions and products that make intensive use of information technologies (computing, electronics and communications) applicable in any field or industry including civil and military, aerospace, environment and spatial planning. All kinds of services related to the corporate purpose. Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.
Deimos Engineerings & Systmes S.L.U.	Spain	Design, development, production, integration and maintenance of systems, equipment, solutions and products that make intensive use of information technologies (computing, electronics and communications) applicable in any field or industry including civil and military, aerospace, environment and spatial planning. All kinds of services related to the corporate purpose. Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.
Deimos Space S.R.L.	Romania	Design, development, production, integration and maintenance of systems, equipment, solutions and products that make intensive use of information technologies (computing, electronics and communications) applicable in any field or industry including civil and military, aerospace, environment and spatial planning. All kinds of services related to the corporate purpose. Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.
Deimos Space UK Limited	UK	Design, development, production, integration and maintenance of systems, equipment, solutions and products that make intensive use of information technologies (computing, electronics and communications) applicable in any field or industry including civil and military, aerospace, environment and spatial planning. All kinds of services related to the corporate purpose. Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.
MQA Business Consultants S.A.S	Colombia	Design, development, production, integration and maintenance of systems, equipment, solutions and products that make intensive use of information technologies (computing, electronics and communications) applicable in any field or industry including civil and military, aerospace, environment and spatial planning. All kinds of services related to the corporate purpose. Design, manufacture, launch and operation of satellites and the research, development and innovation of systems relating to all of these activities that permit the completion of every phase of a space mission.
MQA Américas Group, Inc.	Panama	IT consultancy, provision of agency, representation and marketing services, purchase, leasing, sale, distribution and implementation of technology products, information systems, networks and communications, including, in particular, the provision of consultancy services for the implementation of the business process model based on S/4 Hana Cloud and SAP. SAP solutions and digital transformation projects for the industrial sector.
MQA Americas Corp	Panama	Provision of consultancy services for the implementation of the business process model based on S/4 Hana Cloud and SAP (the business).
MQA Americas Guatemala, S.A	Guatemala	Provision of consultancy services for the implementation of the business process model based on S/4 Hana Cloud and SAP (the business).
MQA Americas Caribe S.R.L.	Dominican Republic	Provision of consultancy services for the implementation of the business process model based on S/4 Hana Cloud and SAP (the business).
MQA Americas Honduras, S.A.	Honduras	Provision of consultancy services for the implementation of the business process model based on S/4 Hana Cloud and SAP (the business).
MQA Americas El Salvador, S.A. de C.V	El Salvador	Provision of consultancy services for the implementation of the business process model based on S/4 Hana Cloud and SAP (the business).
MQA Americas Costa Rica, S.A.	Costa Rica	Provision of consultancy services for the implementation of the business process model based on S/4 Hana Cloud and SAP (the business).

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Name	Address	Activity
Clue Tech, SA	Spain	Design, development, production, maintenance, repair and marketing of systems, solutions and products, including motor vehicles, ships, aircraft and aerospace devices or vehicles, that make use of information technology, as well as any related components and all kinds of related services necessary for installation.
Clue Technologies, S.L.U.	Spain	Design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products, including motor vehicles, ships, aircraft and aerospace devices or vehicles, that make use of information technologies, as well as any related components and all kinds of related services.
Clue Aerospace, S.L.U.	Spain	Creation of IT system prototypes, including both hardware and software, focusing on the manufacture of avionics intelligence systems.
Arabia Indra Regional Headquarter Company	Saudi Arabia	Formulation and monitoring of regional strategy. Business planning and coordination. Identification of new market opportunities. Operational and financial reporting.

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Name	Address	Activity
3. Associates		
Saes Capital, S.A., S.M.E.	Spain	Through associated companies, design, development, production, integration, maintenance and operation of electronic, computer and communication systems, mainly related to naval systems and underwater acoustics.
Euromids, S.A.S.	France	Development, manufacture and marketing of tactical communications systems.
TESS Defence, S.A.	Spain	Manufacture, development, marketing, maintenance and life cycle support for the 8x8 Dragón wheeled combat vehicle.
Tower Air Traffic Services, S.L.	Spain	Provision of aerodrome air traffic services, for the management of aircraft traffic.
A4 Essor, S.A.S.	France	Development of a radio communications security program.
Societat Catalana Per a la Mobilitat, S.A.	Spain	T-Mobilitat project for the implementation of a new technological, fare and management system for the Metropolitan Transport Authority.
Iniciativas Bioenergéticas, S.L.	Spain	Study, promotion, development and implementation of innovative projects in environmental and energy production.
Logística Portuaria de Tuxpan S.A.P.I. de C.V.	Mexico	Provision of civil engineering and consulting services for port infrastructures.
Satelio Iot Services, S.L.	Spain	Provision of Narrowband IoT communications services with global coverage by means of low earth orbit satellite infrastructures.
Startical, S.L.	Spain	Air traffic management from space. Development of new air navigation, surveillance and communication, voice and data services from a satellite platform.
Green Border OOD	Bulgaria	Design, development, integration and maintenance of systems and solutions used in surveillance and security controls at facilities.
Indra Isolux México S.A de C.V.	Mexico	Supply, installation and commissioning of equipment for toll management systems and/or traffic control systems.
Visión Inteligente Aplicada S.A de C.V	Mexico	Services provided
EFI Túneles Necaxa, S.A. de C.V.	Mexico	Study, consultancy, project development and construction of public works, and any type of civil, hydraulic, electrical, infrastructure and similar works in the public and private sectors, acquisition of construction materials and inputs and the transport thereof and, in general, all matters related to construction.

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Name	Address	Activity
1. Parent company		
Indra Sistemas, S.A.	Spain	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
2. Subsidiaries		
Indra Sistemas de Seguridad, S.A.	Spain	Design, development, integration and maintenance of systems and solutions used in surveillance and security controls at facilities.
Indra Sistemas de Comunicaciones Seguras, S.L.	Spain	Research, engineering, design, manufacture, development, marketing, installation, maintenance and repair of equipment, devices and systems for security in data communications, encryption, beacons and command and control centres.
Inmize Capital, S.L.	Spain	Management and implementation of systems engineering activities for defence, as well as the marketing and sale thereof.
Inmize Sistemas, S.L.	Spain	Management and implementation of systems engineering activities for defence, as well as the marketing and sale thereof.
Teknatrans Consultores, S.L.	Spain	Provision of technical architectural and engineering services.
Indra SI, S.A.	Argentina	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Azertia Tecnologías de la Información Argentina, S.A.	Argentina	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Computación Ceicom, S.A.	Argentina	Data processing, consulting and technical assistance in systems analysis, development and implementation of software for computer equipment.
Minsait Brasil, Ltda.	Brazil	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Brasil Soluçoes e Serviços Tecnologicos, Ltda	Brazil	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Tecnología Brasil LTDA	Brazil	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications for the air traffic sector, defence, transport and land, sea and rail traffic, and electoral processes.

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Name	Address	Activity
Indra Colombia LTDA	Colombia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas Chile, S.A.	Chile	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas México S.A. de C.V.	Mexico	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra BPO México, S.A de C.V.	Mexico	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Panamá, S.A.	Panama	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Minsait Payment Systems Perú, S.A.	Peru	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Perú, S.A.	Peru	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Soluciones y Servicios Indra Company Uruguay, S.A.	Uruguay	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra USA Inc.	USA	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Italia Spa	Italy	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Czech Republic s.r.o.	Czech Republic	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sisteme S.R.L.	Moldova	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas Polska S.p.z.o.o	Poland	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas Portugal, S.A.	Portugal	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.

This Appendix should be read together with Notes 1 and 5 to the Consolidated Annual Accounts, of which it forms an integral part.

Details of Group companies at 31 December 2023

Name	Address	Activity
Indra Soluciones Tecnologias de la Informacion Romania S.A.	Romania	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Turkey Teknolojileri Çözümleri Anonim Sirketi	Turkey	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Beijing Information Technology Systems Co. Ltd.	China	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Philippines, Inc.	Philippines	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Technology Solutions Malaysia Sdn Bhd	Malaysia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
PT Indra Indonesia	Indonesia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Sistemas India Private Limited	India	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Bahrain Consultancy SPC	Bahrain	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Arabia Company LTD.	Saudi Arabia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Technology Solutions Co. LTD.	Saudi Arabia	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra L.L.C.	Oman	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Maroc S.A.R.L D'Associé Unique	Morocco	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Limited (Kenya)	Kenya	Design, development, production, integration and maintenance of systems, solutions and services based on the use of information technologies: computing, electronics and communications.
Indra Australia Pty Ltd	Australia	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.

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Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of Group companies at 31 December 2023

Name	Address	Activity
Indra BPO, S.L.U.	Spain	Business process outsourcing (BPO) and management, provision of document management and mortgage management services.
Indra BPO Hipotecario, S.L.U.	Spain	The performance all the requisite formalities for the payment and registration, as appropriate, in public registries, of all kinds of public and private documents, and the performance of all complementary and auxiliary activities considered necessary for the performance of the company's main activities.
Indra BPO Servicios, S.L.U.	Spain	Digitalisation and data capture management.
Indra II Business Process Outsourcing Portugal, unipersonal LTD	Portugal	Business Process Outsourcing (BPO).
OUAKHA Services, Saarl AU (Morocco)	Morocco	Back-office process management (BPO) for financial institutions.
Indra Business Consulting, S.L.U.	Spain	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Europraxis ALG Consulting Maroc, S.A.	Morocco	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
ALG Global Infrastructure Advisor Brasil Ltda	Brazil	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Indra Business Consulting ALG Mexico S.A. de C.V.	Mexico	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Europraxis ALG Consulting Andina, S.A.C.	Peru	Provision of professional services covering the areas of business consulting and technology and solutions consulting.
Prointec, S.A.	Spain	Provision of engineering and consultancy services mainly in the environment, transport, construction, water and industry areas.
Prointec Engenharia, Ltda.	Brazil	Provision of civil engineering and consulting services.
Ingeniería de Proyectos e Infraestructuras Mexicana, S.A. de C.V.	Mexico	Provision of technical architectural and engineering services.
Prointec Panamá, S.A.	Panama	Provision of civil engineering and consulting services.

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Details of Group companies at 31 December 2023

Name	Address	Activity
Prointec Usa LLc	USA	R&D Autonomous Air Systems and Advanced Solutions in Unmanned Systems.
Consis Proiect SRL	Romania	Provision of civil engineering and consulting services.
Indra Advanced Technology, S.L.	Spain	Design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products.
Avitech AG	Germany	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Indra Navia AS (Park Air, Norway)	Norway	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Normeka, AS	Norway	Design, development, production and maintenance of navigation and landing assistance systems and air traffic control systems.
Indra Corporate Services, S.L.U.	Spain	Provision of all kinds of administration, management and support services to companies, such as financial services, human resource services, commercial support and control services or general corporate security services, and management of property and other assets.
Indra Corporate Services México, S.A de C.V	Mexico	Provision of professional consulting and advisory services in administrative, financial, human resources and accounting matters, in the corporate, business, industrial, engineering, commercial, banking, stock market, financial, credit, insurance and finance areas.
Indra III Soluçoes de Tecnología da Informação Portugal Unipessoal, LDA	Portugal	IT and outsourcing services
Tecnocom Perú S.A.C.	Peru	Installation and marketing of telecommunications equipment.
Minsait Payments Systems México	Mexico	Installation and marketing of telecommunications equipment.
Tecnocom Colombia, S.A.S.	Colombia	Installation and marketing of telecommunications equipment.
Tecnocom Chile, S.A.	Chile	Installation and marketing of telecommunications equipment.
Tecnocom Procesadora de Medios de Pago, S.A.	Dominican Republic	Credit card processing services

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Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of Group companies at 31 December 2023

Name	Address	Activity
Minsait Payments Systems Chile, S.A.	Chile	Credit card processing services
Paradigma Digital, S.L.	Spain	Leading consultant in the Spanish digital transformation market, focusing on the design of customer experience solutions in digital channels, as well as their development and implementation (DCX, Front-end, Digital Strategy).
North American Transmission & Distribution Group Inc	USA	To acquire and grow companies whose main mission is to support the Electricity Distribution Network.
ACS América Latina, S.A de C.V.	El Salvador	Manufacture of control systems and operation of energy transmission and distribution networks. As well as the manufacture of control systems and operation of energy transport and distribution networks.
Minsait ACS, INC	USA	Manufacture of control systems and operation of energy transmission and distribution networks.
Softfobia, S.R.L	Italy	Recognised digital agency in Italy with user experience capabilities. Its services cover the value chain from design to development and e-commerce optimisation.
Unclick, S.R.L	Italy	Italian company whose core business is the development, design and marketing of software and digital solutions.
Riganera, S.R.L	Italy	Italian company whose core business is web communication and marketing tools.
Indra Holding Tecnologías de la Información, S.L.U.	Spain	Acquisition, holding, enjoyment, direction, administration, management and disposal of equity securities; incorporation and promotion of companies. Financial operations to grant funding and take on debt from companies in the same group.
Indra Soluciones Tecnologías de la información, S.L.U.	Spain	IT programming activities. IT consultancy activities. Management of IT resources. Other services related to information technology and computing.
Indra Producción Software S.L.U.	Spain	Design, development, production, integration and maintenance of systems, equipment, solutions and products based on the use of information technologies. Provision of business, technology and solutions consulting services. Studies, projects, management, technical assistance, technology transfer; marketing of such studies, projects and activities.
Indra Corporate Services Philippines, INC	Philippines	Provision of professional consulting and advisory services in administrative, financial, human resources and accounting matters, in the corporate, business, industrial, engineering, commercial, banking, stock market, financial, credit, insurance and finance areas.
Indra Factoría Tecnológica, S.L.U.	Spain	The planning, design, development, integration, operation, maintenance and marketing of information and communication technology systems and solutions
Minsait Payments Systems, S.L.U.	Spain	Marketing and distribution of systems, software, infrastructure and technological platforms that assist third party issuers of payment instruments in processing transactions made using such payment instruments

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Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

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Name	Address	Activity
Indra T&D SAC	Peru	Provision of services and development of projects in the administrative, operational and technological areas on a supervision, administration or implementation level. Computer software development.
Indra Sistemas Transporte y Defensa, S.A. De C.V.	Mexico	Design, development, manufacture, supply, assembly, repair, maintenance and installation of products, solutions, applications and systems based on the intensive use of information technology.
Sistemas informaticos Abiertos, S.A.U.	Spain	Provision of cybersecurity services, as well as information management and protection services.
Indra Servicios Perú SAC	Peru	Provision of services and development of projects in the administrative, operational and technological areas on a supervision level. Computer software development.
Morpheus Aiolos, S.L. (Afterbanks)	Spain	Creation, maintenance and operation of Internet sites and portals; website and portal hosting and maintenance services; domain registration, e-mail and Internet communication services; and activities involving conventional and technological design and advertising services, as well as commercial intermediary services in these business lines.
ALG Global Infraestructure Advisors, S.L.	Madrid (Spain)	Design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products based on the use of information technologies. Provision of business consultancy and management services. Preparation and execution of all kinds of studies and projects. Management, technical assistance, technology transfer, marketing and administration of such studies, projects and activities. Provision of activity and process outsourcing services in any field or industry.
Smart Paper	Potenza, Basilicata (Italy)	Design, application and management of solutions for the storage and digital processing of documents.
SmartTest, S.R.L.	Treviso, Italy	BPO (document management, recovery and commercial back office outsourcing) for Enel
Baltik IT	Riga, Latvia	BPO (document management, recovery and commercial back office outsourcing) for Enel
Managed Security Services GmbH	Germany	Services related to the management of security services, such as security audits, installation and management of firewall systems and other related services. Cybersecurity
Arcopay, S, de R.L de C.V	Mexico	Design, development and implementation of all types of private computer communication networks and websites, in which marketing, advertising and consulting for goods or services is carried out through the Internet.
Afterbanks Ltd	UK	Creation, maintenance and operation of Internet sites and portals; website and portal hosting and maintenance services; domain registration, e-mail and Internet communication services; and activities involving conventional and technological design and advertising services, as well as commercial intermediary services in these business lines.
Flat 101	Spain	Business development and optimisation through digital consultancy services. The main services relate to the web optimisation programme (CRO), web traffic, digital analytics and user experience.
The Overview Effect, SL	Madrid	Provision of all kinds of advisory services and work within the field of business and/or company management consultancy and, in particular, work related to sustainability and social impact consultancy.

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Details of Group companies at 31 December 2023

Name	Address	Activity
Consultoría Organizacional.	Colombia	Design and implementation, consultancy and administration of applications for work and publication on the Internet or any other computer network; creation, administration and marketing of websites, intranets, extranets and/or any type of software entailing electronic data transmission; development of information and computer systems and information networks; sale and marketing of all kinds of Internet-related services.
Net Studio, S.P.A.	Italy	Operating in the field of cybersecurity, its core business is to provide integrated risk management, cybersecurity services and solutions, as well as focusing on digital identification.
Credimatic, S.A.	Ecuador	Activities auxiliary to NCP financial services, such as financial transaction processing and settlement, including credit card transactions.
Indra Gestión de Usuarios, S.L.	Madrid	Design, development, production, integration, operation, maintenance, repair and marketing of systems, solutions and products based on the use of information technologies.
Mobbeel Solutions, S.L.	Cáceres	Design, development, integration, production, operation, maintenance and marketing of systems, solutions and products based on the use of information technologies.
Mobbeel Innovations Labs, S.L.	Spain	Programming, consulting and other IT-related activities.
Aplicaciones de Simulación Simtec, S.L.	Madrid	Virtual simulators
Operadora de Tarjetas de Crédito Nexus, S.A.	Chile	Credit card and payment processing, including account and transaction processing services, fraud prevention and security in means of payment. Back office, business intelligence, customer loyalty-building. Delivery and collation.
Minsait Payment Systems Portugal, Unipessoal, LDA	Portugal	Marketing and distribution of systems, software, infrastructure and technological platforms that assist third party issuers of payment instruments in processing transactions made using such payment instruments
Indra Air Traffic INC	USA	Design, production and marketing of air navigation assistance systems (navaids).
Antexia Technologies, SL	Spain	Provision of civil engineering, consulting and technical assistance services. Design and development of multi-sector technology, solutions and services, focusing mainly on the Defence and Security Industry.
Park Air Systems Ltd	UK	Design, engineering and manufacture of systems and customer training activities in its own facilities.
Deuser Tech Group, S.L	Spain	Software and hardware engineering, selling of all kinds of computer processing and telecommunication-related products. Advice, consultancy and professional technical assistance for business, industry and institutions, i.e. for any type of industry.
Indra– Soluções de Tecnologia da informação Angola, LDA.	Angola	Management system and technology consulting services.

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Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of Group companies at 31 December 2023

Name	Address	Activity
I.C.A. Sistemas y Seguridad SL	Spain	Import, export, purchase, sale, marketing, development and installation of systems, components, devices and electronic computer equipment, as well as all services related to the electronics and IT sectors; any other activities directly or indirectly related to the above.
Minsait Payment Systems Colombia, SAS	Colombia	Marketing and distribution of systems, software, infrastructure and technological platforms that assist third party issuers of payment instruments in processing transactions made using such payment instruments.
Minsait Payments Brasil Ltda	Brazil	Data processing, application service providers and internet services. Technical support, maintenance and other IT services.
Tramasierras 2021, SL	Spain	Purchase, sale, administration and exploitation of real estate, and the purchase, sale and administration of securities; tax, economic, financial, accounting, legal, labour, IT, business, commercial and administrative studies and advice for all kinds of individuals and legal entities.
Pecunia Cards EDE, SL	Spain	I. Issuance of means of payment in the form of electronic money, i.e. any monetary value stored in electronic or magnetic media representing a receivable from the issuer, which is issued on receipt of funds for the purpose of completing payment transactions, as defined in l.1. Issuance of means of payment in the form of electronic money, i.e. any monetary value stored in electronic or magnetic media representing a receivable from the issuer, which is issued on receipt of funds for the purpose of completing payment transactions, as defined in l.
Soluciones Tecnológicas Normax, S.L.	Spain	Development and marketing of computer software
NAE Comunicaciones, S.L.U.	Spain	Network management and deployment
NAE Consulting Colombia	Colombia	Network management and deployment

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Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of Group companies at 31 December 2023

Name	Address	Activity
3. Associates		
Saes Capital, S.A.	Spain	Through associated companies, design, development, production, integration, maintenance and operation of electronic, computer and communication systems, mainly related to naval systems and underwater acoustics.
Eurofighter Simulation System GmbH	Germany	Development and production of EF-2000 aircraft simulators.
Euromids SAS	France	Development, manufacture and marketing of tactical communications systems.
TESS Defence, S.A.	Spain	Manufacture, development, marketing, maintenance and life cycle support for the 8x8 Dragón wheeled combat vehicle.
Tower Air Traffic Services, S.L.	Spain	Provision of aerodrome air traffic services, for the management of aircraft traffic.
A4 Essor, S.A.S.	France	Development of a radio communications security program.
Societat Catalana Per a la Mobilitat, S.A.	Calle Roc Boronat, nº 133, Barcelona	T-Mobilitat project for the implementation of a new technological, fare and management system for the Metropolitan Transport Authority.
Iniciativas Bioenergéticas, S.L.	Gran Vía Juan Carlos I nº9, Logroño (La Rioja)	Study, promotion, development and implementation of innovative projects in environmental and energy production.
Logística marítima de Tuxpan S.A.P.I. de C.V.	Mexico	Provision of civil engineering and consulting services for port infrastructures.
Tagsonomy, S.L.	Spain	Operation of a unique technology solution named “Dive”, which is an application that allows decisions to be made automatically by interpreting images in which people and objects are identified in order to distinguish situations and contexts.
Satelio Iot Services, S.L.	Spain	Provision of Narrowband IoT communications services with global coverage by means of low earth orbit satellite infrastructures.
Global Training Aviation, S.L.	Spain	Consulting, learning and training services for airlines and initiation and recycling courses for pilots.
Startical, S.L.	Spain	Air traffic management from space. Development of new air navigation, surveillance and communication, voice and data services from a satellite platform.
Indra Isolux México S.A de C.V.	Mexico	Supply, installation and commissioning of equipment for toll management systems and/or traffic control systems.
Visión Inteligente Aplicada S.A de C.V	Mexico	Services provided
EFI Túneles Necaxa SA de CV	Mexico	Study, consultancy, project development and construction of public works, and any type of civil, hydraulic, electrical, infrastructure and similar works in the public and private sectors, acquisition of construction materials and inputs and the transport thereof and, in general, all matters related to construction.

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Financial data of Group companies at 31 December 2024

Name	Shareholdings Direct	Indirect	Total	Equity	Total operating income	Individual result after taxes
INDRA GROUP				1,314,706	4,877,046	280,280
1. Parent company						
Indra Sistemas, S.A.				854,338	1,640,578	126,198
2. Subsidiaries						
Indra Sistemas de Seguridad, S.A.U.	100%	-	100%	3,108	6,275	(100)
Indra Sistemas de Comunicaciones Seguras, S.L.U.	-	100%	100%	7,363	4,627	(166)
Inmize Capital, S.L.	80%	-	80%	1,669	-	40
Inmize Sistemas, S.L.	-	50%	50%	3,512	904	184
Teknatrans Consultores, S.L.U.	100%	-	100%	1,328	10,606	850
Indra Holding TI Group	**100%**	**-**	**100%**	**1,480,178**	**2,987,096**	**119,596**
Prointec Group	**100%**	**-**	**100%**	**(14,431)**	**37,702**	**1,689**
Indra Advanced Technology, S.L. Group	**100%**	**-**	**100%**	**54,791**	**55,416**	**(1,523)**
Indra Tecnología Brasil	100%	-	100%	250	161	30
Indra Sistemas Chile, S.A.	100%	-	100%	19,330	48,916	743
Azertia Tecnologías de la Información Argentina, S.A.	99.94%	0.06%	100%	(53)	-	(20)
Indra SI, S.A.	82.90%	17.10%	100%	4,704	16,475	1,248
Computación Ceicom, S.A.	95%	5%	100%	(12)	-	(10)
Indra USA, Inc	100%	-	100%	60,400	20,425	121
North American T&D Group, INC	-	100%	100%			
Minsait ACS, INC	-	100%	100%	(6,347)	24,112	542
Indra Panamá, S.A.	100%	-	100%	(2,749)	10,677	(1,681)
Indra Sistemas Portugal, S.A.	100%	-	100%	13,847	38,384	2,033
Indra Navia A.S. (Norway)	100%	-	100%	17,202	66,886	8,145
Normeka, A.S.	-	100%	100%	3,821	7,371	588
Indra Turkey	100%	-	100%	16	18	1
Indra Maroc S.A.R.L.U.	100%	-	100%	(1,112)	334	(36)
PT Indra Indonesia	99.99%	0.01%	100%	94	-	(16)
Indra Arabia Company LTD. (Arabia)	95%	5%	100%	32,253	37,096	8,484
Indra Technology Solutions Co Ltd (Arabia)	95%	5%	100%	(1,601)	2,988	(1,427)
Indra Beijing Information Technology Systems Ltd.	100%	-	100%	581	1,846	(150)
Indra Australia PTY Limited	100%	-	100%	11,197	30,459	3,386
Indra Sistemas India Private Limited	100%	-	100%	1,503	1,654	15
Indra Technology Solutions Malasya Sdn. Bhd	100%	-	100%	(1,200)	681	(129)
Indra L.L.C. (Oman)	99%	1%	100%	4,305	7,206	73
Indra Corporate Services, S.L.U.	100%	-	100%	1,992	11,939	568
Indra Corporate Services México S.A de C.V.	0.01%	99.99%	100%	(564)	2,666	92
Indra Corporate Services Philippines, INC	0.01%	99.99%	100%	(38)	(8)	(10)
Indra Sistemas Transporte y Defensa, S.A De C.V	100%	-	100%	4,262	32,152	1,251
Indra TyD SAC	100%	-	100%	310	14,095	(35)
Indra Factoria Tecnología	100%	-	100%	847	18,665	712
ALG Global Infraestructure Advisors, S.L.	100%	-	100%	11,472	23,458	1,151
ALG Global Infrastructure Advisor Brasil Ltda	20%	80%	100%	1,371	2,246	(254)
Sistemas Informáticos Abiertos, S.A.	100%	-	100%	34,337	133,576	15,520
Mss Managed Security Services Gmbh	-	100%	100%	534	1,634	157

Financial data of Group companies at 31 December 2024

Name	Shareholdings			Equity	Total operating income	Individual result after taxes
	Direct	Indirect	Total			
Net Studio, S.P.A.	-	100%	100%	3,238	11,194	770
Mobbeel Solutions, S.L.	-	100%	100%	1,105	2,324	388
Mobbeel Innovation Labs, S.L.	-	100%	100%	15	564	1
I.C.A. Sistemas y Seguridad, S.L.	-	100%	100%	3,487	15,661	1,275
Indra Air Traffic INC	100%	-	100%	45,440	32,556	824
Park Air Systems Ltd	100%	-	100%	18,738	29,374	1,961
Antexia Technologies, SL	100%	-	100%	2,295	19	(534)
Indra Mobility S.L.U	100%	-	100%	3	-	-
Aplicaciones de Simulación Simtec, S.L.	100%	-	100%	2,203	5,952	185
Global Training Aviation, S.L.	100%	-	100%	5,865	11,090	1,700
Global Training Aviation Colombia, SAS	-	100%	100%	518	1,903	213
PT Global Training Aviation Indonesia	-	100%	100%	(3,449)	1,405	(87)
Indra Espacio S.L.U	100%	-	100%	19,528	54,462	4,793
Orbitude S.L	100%	-	100%	(100)	-	(103)
Deimos Space, S.L.U	100%	-	100%	11,425	5,022	(60)
Deimos Engenharia, S.A.	56%	44%	100%	1,441	898	20
Elecnor Infrast e Aerospaziale S.R.L.	100%	-	100%	943	334	(41)
Deimos Engineerings & Systmes S.L.U.	-	100%	100%	221	3,681	20
Deimos Space S.R.L.	-	100%	100%	(159)	415	22
Deimos Space UK Limited	-	100%	100%	1,431	779	191
Clue Tech, S.A	100%	-	100%	130	122	18
Clue Technologies, SLU	-	100%	100%	9,202	1,324	803
Clue Aerospace, SLU	-	100%	100%	1,506	3,755	1,287
Indra Regional Headquarter Company	100%	-	100%	-	-	-

Financial data of Group companies at 31 December 2024

Name	Shareholdings Direct	Shareholdings Indirect	Shareholdings Total	Equity	Total operating income	Individual result after taxes
3. Associates						
Indra Sistemas, S.A.						
Saes Capital, S.A.	49%	-	49%	—	—	—
Euromids SAS	25%	-	25%	—	—	—
A4 Essor SAS	23.1%	-	23.1%	—	—	—
Tower Air Traffic Services, S.L.	50%	-	50%	—	—	—
Societat Catalana per a la Mobilitat, S.A.	16.8%	-	16.8%	—	—	—
Green Border OOD	50%	-	50%	—	—	—
Startical	50%	-	50%	—	—	—
Tess Defence, S.A.	24.66%	-	24.66%	—	—	—
Satelio Iot Services, S.L.	10.54%	-	10.54%	—	—	—
TI Holding Group composition				**1,480,178**	**2,987,096**	**119,596**
1. Parent company						
Indra Holding Tecnologia de la Información, S.L.U.				**1,140,603**	**596**	**14,768**
2. Subsidiaries						
Indra Soluciones TI Group	**100%**	**-**	**100%**	**1,164,627**	**2,568,592**	**67,685**
BPO Group	**100%**	**-**	**100%**	**94,554**	**145,492**	**12,856**
Business Consulting Group	**100%**	**-**	**100%**	**52,227**	**114,232**	**4,575**
Minsait Payments Systems Group	**100%**	**-**	**100%**	**111,934**	**213,169**	**18,875**
Paradigma Digital, SL	100%	-	100%	17,406	68,837	2,594
Flat 101	100%	-	100%	10,849	14,689	2,249
The Overview Effect, SL	-	75%	75%	843	1,830	(93)

Financial data of Group companies at 31 December 2024

Name	Shareholdings			Equity	Total operating income	Individual result after taxes
	Direct	Indirect	Total			
Indra Soluciones TI Group composition				**1,164,627**	**2,568,592**	**67,685**
1. Parent company						
Indra Soluciones Tecnologia de la Información, S.L.U.				**844,036**	**1,498,197**	**9,901**
2. Subsidiaries						
Indra III Soluções de Tecnologia da Informação Portugal	100%	-	100%	4,674	39,899	(981)
Indra– Soluções de tecnologia da informação Angola, LDA.	-	100%	100%	250	470	(56)
Indra Producción de Software, S.L.U.	100%	-	100%	40,046	181,884	22,977
Indra Italia S.P.A. (Italy)	100%	-	100%	62,038	161,874	(1,247)
Smart Paper	-	100%	100%	17,802	40,853	2,307
Baltik IT	-	100%	100%	1,667	3,550	555
Indra Czech Republic S.R.O.	100%	-	100%	(129)	-	(59)
Indra Sistemas Polska Sp.z.o.o.	100%	-	100%	(445)	689	24
Indra Sisteme S.R.L. (Moldova)	100%	-	100%	592	1,308	234
Indra LTDA (Kenya)	100%	-	100%	6,733	6,669	(578)
Tecnocom Peru, S.A.C.	100%	-	100%	10,454	126	754
Tecnocom Colombia, S.A.	100%	-	100%	370	-	1
Indra Colombia LTDA	100%	-	100%	23,285	120,351	(136)
Soluciones y Servicios Indracompany Uruguay, S.A.	100%	-	100%	288	6,363	23
Indra Brasil Soluçoes e Serviços Tecnologicos S/A	100%	-	100%	31,735	38,338	1,007
Minsait Brasil Ltda	100%	-	100%	32,930	161,244	8,890
Indra Perú, S.A.	100%	-	100%	11,699	91,756	(786)
Indra Sistemas México, S.A. de C.V.	100%	-	100%	4,150	124,101	(7,134)
Indra Soluciones Tecnologías de la Información Romania, SA	50.7%	-	50.7%	2,913	2,057	370
Indra Bahrain Consultancy SPC	100%	-	100%	11,631	7,211	1,543
Indra Philippines INC	50.1%	-	50.1%	27,677	48,673	4,537
Morpheus Aiolos, S.L. (Afterbanks)	100%	-	100%	1,247	2,366	397
Arcopay, S. de R.L de C.V.	100%	-	100%	(83)	-	(32)
Afterbanks Ltd	100%	-	100%	(60)	-	(24)
Consultoría Organizacional.	100%	-	100%	2,660	14,361	85
Indra Gestión de Usuarios, S.L.	100%	-	100%	35,099	102,285	5,054
Deuser Tech Group, S.L	100%	-	100%	535	10,699	(244)
MQA Business Consultants S.A.	100%	-	100%	3,084	5,862	493
MQA Américas Group, Inc.	100%	-	100%	128	-	(3)
MQA Americas Corp	-	100%	100%	1,427	1,572	(4)
MQA Americas Guatemala S.A	-	100%	100%	945	2,634	545
MQA Americas Caribe S.R.L	-	100%	100%	105	39	5
MQA Americas Honduras, S.A	-	100%	100%	117	49	(219)
MQA Americas El Salvador S.A de C.V	-	100%	100%	36	22	(98)
MQA Americas Costa Rica S.A	-	100%	100%	555	533	8

Financial data of Group companies at 31 December 2024

Name	Shareholdings Direct	Shareholdings Indirect	Shareholdings Total	Equity	Total operating income	Individual result after taxes
Indra Soluciones TI Group composition						
3. Associates						
Indra Sistemas México, S.A. de C.V.				-	-	-
Indra Isolux México SA de CV	50%	-	50%	-	-	-
Visión Inteligente Aplicada S.A de C.V	50%	-	50%	-	-	-
EFI Túneles Necaxa SA de CV	10%	-	10%	-	-	-
BPO Group composition				**94,554**	**145,492**	**12,856**
1. Parent company						
Indra BPO, S.L.U.				64,357	22,794	3,574
2. Subsidiaries						
Indra BPO Servicios, S.L.U.	100%	-	100%	-	107,017	7,734
Indra II Business Outsourcing Portugal, Unipessoal, Limitada	-	100%	100%	913	2,062	165
OUAKHA Services, Sarl AU (Morocco)	100%	-	100%	(403)	-	(3)
Indra BPO Hipotecario, S.L.U.	100%	-	100%	3	-	-
Indra BPO México, S.S. de C.V.	100%	-	100%	10,899	6,167	515
Indra Servicios Perú SAC	99.9%	0.10%	100%	353	7,452	869
Business Consulting Group composition				**52,227**	**114,232**	**4,575**
1. Parent company						
Indra Business Consulting, S.L.U.				30,345	60,778	(7)
2. Subsidiaries						
Indra Business Consulting ALG Mexico S.A. de C.V.	100%	-	100%	10,014	29,738	2,428
Europraxis-ALG Consulting Andina, S.A.C. (Peru)	100%	-	100%	272	-	(1)
Europraxis ALG Consulting Maroc, S.A. (Morocco)	65.71%	34.29%	100%	(65)	-	(9)
NAE Comunicacions, S.L.U.	100%	-	100%	7,968	22,614	998
NAE Consulting Colombia	-	100%	100%	907	1,420	(76)

Appendix I

Financial data of Group companies at 31 December 2024

Name	Shareholdings			Equity	Total operating income	Individual result after taxes
	Direct	Indirect	Total			
Composition of Minsait Payments Systems Group				**111,934**	**213,169**	**18,875**
1. Parent company						
Minsait Payments Systems, SL				38,198	81,538	(3,697)
2. Subsidiaries						
Minsait Payments Systems Chile, S.A.	99.98%	0.02%	100%	38,099	30,446	5,397
Minsait Payment Systems México	100%	-	100%	11,091	18,903	1,982
Tecnocom Procesadora de Medios de Pago, S.A.	100%	-	100%	4,099	3,750	852
Minsait Payments Systems Perú	100%	-	100%	3,990	4,017	(756)
Credimatic	100%	-	100%	9,829	12,344	3,303
Operadora de Tarjetas de Crédito Nexus, S.A.	100%	-	100%	16,096	55,433	6,811
Tecnocom Chile, S.A.	100%	-	100%	6,464	10,251	697
Minsait Payment Systems Portugal, Unipessoal, LDA	100%	-	100%	(5)	377	20
Minsait Payment Systems Colombia, SAS	100%	-	100%	(376)	2,396	(550)
Minsait Payments Brasil Ltda	100%	-	100%	360	1,441	317
Tramasierras 2021, SL	100%	-	100%	33,868	-	2
Pecunia Cards EDE, S.L.	-	100%	100%	5,567	17,305	409
Soluciones Tecnolçogicas Normax, SL	-	100%	100%	1,851	538	(412)
Compañia Uruguaya de Medios de Procesamiento de Pago, S.A	100%	-	100%	5,506	12,540	823
Prointec Group composition				**(14,431)**	**37,702**	**1,689**
1. Parent company						
Prointec, S.A.U.				(16,129)	26,760	(2,328)
2. Subsidiaries						
Consis Proiect SRL (Romania)	100%	-	100%	4,272	4,645	1,171
Ingenieria de Proyectos de Infraestructuras Mexicanas, SA de C.V.	100%	-	100%	8,469	6,099	2,582
Prointec Brasil	100%	-	100%	226	297	12
Prointec Panama, S.A.	75%	-	75%	(130)	-	-
Prointec USA LLC	100%	-	100%	14	466	68
3. Associates						
Iniciativas Bioenergéticas, S.L.	20%	-	20%	-	-	-
Logistica Portuaria de Tuxpan, S.A.P.I de C.V.	25%	-	25%	-	-	-
Indra Advanced Technology SL Group composition				**54,791**	**55,416**	**(1,523)**
1. Parent company						
Indra Advanced Technology, S.L.U.				51,668	-	1,362
2. Subsidiaries						
Avitech GmbH (Germany)	100%	-	100%	7,219	41,290	(3,036)
Avitech S.R.O. (Slovakia)	-	100%	100%	1,701	14,126	151

Financial data of Group companies at 31 December 2023

Name	Shareholdings Direct	Indirect	Total	Equity	Total operating income	Individual result after taxes
INDRA GROUP				**1,135,968**	**4,375,974**	**208,696**
1. Parent company						
Indra Sistemas, S.A.				**818,504**	**1,414,903**	**52,203**
2. Subsidiaries						
Indra Sistemas de Seguridad, S.A.U.	100%	-	100%	3,208	4,512	22
Indra Sistemas de Comunicaciones Seguras, S.L.U.	-	100%	100%	7,529	4,202	264
Inmize Capital, S.L.	80%	-	80%	1,629	-	(2)
Inmize Sistemas, S.L.	-	50%	50%	3,411	729	83
Teknatrans Consultores, S.L.U.	100%	-	100%	1,143	9,968	665
Indra Holding TI Group	**100%**	**-**	**100%**	**1,376,696**	**2,580,815**	**100,117**
Prointec Group	**100%**	**-**	**100%**	**(14,982)**	**33,439**	**(2,427)**
Indra Advanced Technology, S.L. Group	**100%**	**-**	**100%**	**55,018**	**37,936**	**1,077**
Indra Tecnología Brasil	100%	-	100%	264	95	3
Indra Sistemas Chile, S.A.	100%	-	100%	19,760	44,962	(1,422)
Azertia Tecnologías de la Información Argentina, S.A.	99.94%	0.06%	100%	(32)	-	13
Indra SI, S.A.	82.90%	17.10%	100%	8,388	39,144	6,836
Computación Ceicom, S.A.	95%	5%	100%	(8)	-	(8)
Indra USA, Inc	100%	-	100%	60,869	33,831	5,852
North American T&D Group, INC	-	100%	100%	-	-	-
Minsait ACS, INC	-	100%	100%	(6,648)	23,742	(8,108)
Indra Panamá, S.A.	100%	-	100%	(1,011)	18,553	(357)
Indra Sistemas Portugal, S.A.	100%	-	100%	11,814	27,510	637
Indra Navia A.S. (Norway)	100%	-	100%	13,832	69,515	6,789
Normeka, A.S.	-	66%	66%	3,381	6,501	438
Indra Turkey	100%	-	100%	14	-	(14)
Indra Maroc S.A.R.L.U.	100%	-	100%	(1,035)	495	1
PT Indra Indonesia	99.99%	0.01%	100%	107	-	(26)
Indra Arabia Company LTD. (Arabia)	95%	5%	100%	22,377	35,360	2,522
Indra Technology Solutions Co Ltd (Arabia)	100%	-	100%	(163)	9,502	25
Indra Beijing Information Technology Systems Ltd.	100%	-	100%	698	1,510	(327)
Indra Australia PTY Limited	100%	-	100%	8,130	27,872	3,677
Indra Sistemas India Private Limited	100%	-	100%	1,442	898	246
Indra Technology Solutions Malasya Sdn. Bhd	100%	-	100%	(987)	462	(241)
Indra L.L.C. (Oman)	99%	1%	100%	3,970	7,518	59
Indra Corporate Services, S.L.U.	100%	-	100%	1,424	11,598	442
Indra Corporate Services México S.A de C.V.	0.01%	99.99%	100%	(742)	2,104	(503)
Indra Corporate Services Philippines, INC	0.01%	99.99%	100%	27	-	(17)
Indra Sistemas Transporte y Defensa, S.A De C.V	100%	-	100%	3,485	21,014	795
Indra TyD SAC	100%	-	100%	337	17,571	716
Indra Factoria Tecnología	100%	-	100%	493	27,647	358
ALG Global Infraestructure Advisors, S.L.	100%	-	100%	14,171	27,372	3,456
ALG Global Infrastructure Advisor Brasil Ltda	20%	80%	100%	1,947	3,599	1,093
Sistemas Informáticos Abiertos, S.A.	100%	-	100%	29,157	119,014	9,601
Mss Managed Security Services Gmbh	-	100%	100%	377	1,110	4
Net Studio, S.P.A.	-	100%	100%	2,468	9,137	(118)
Mobbeel Solutions, S.L.	-	100%	100%	716	1,941	126
Mobbeel Innovation Labs, S.L.	-	100%	100%	15	552	1
I.C.A. Sistemas y Seguridad, S.L.	-	100%	100%	2,212	7,173	242
Indra Air Traffic INC	100%	-	100%	41,979	16,993	(1,294)
Park Air Systems Ltd	100%	-	100%	15,230	12,542	1,148
Antexia Technologies, SL	100%	-	100%	2,829	-	(274)
Aplicaciones de Simulación Simtec, S.L.	100%	-	100%	2,018	5,816	(659)

Financial data of Group companies at 31 December 2023

Name	Shareholdings Direct	Indirect	Total	Equity	Total operating income	Individual result after taxes
3. Associates						
Indra Sistemas, S.A.						
Saes Capital, S.A.	49%	-	49%	—	—	—
Eurofighter Simulation System, GmbH	26%	-	26%	—	—	—
Euromids SAS	25%	-	25%	—	—	—
A4 Essor SAS	23.1%	-	23.1%	—	—	—
Tower Air Traffic Services, S.L.	50%	-	50%	—	—	—
Societat Catalana per a la Mobilitat, S.A.	23.5%	-	23.5%	—	—	—
Green Border OOD	50%	-	50%	—	—	—
Global Training Aviation, S.L.	35.06%	-	35.06%	—	—	—
Startical	50%	-	50%	—	—	—
Tess Defence, S.A.	24.66%	-	24.66%	—	—	—
Satelio Iot Services, S.L.	10.54%	-	10.54%	—	—	—
TI Holding Group composition				**1,376,696**	**2,580,815**	**100,117**
1. Parent company						
Indra Holding Tecnologia de la Información, S.L.U.				1,125,835	601	39
2. Subsidiaries						
Indra Soluciones TI Group	**100%**	**-**	**100%**			
BPO Group	**100%**	**-**	**100%**	**90,051**	**122,108**	**6,829**
Business Consulting Group	**100%**	**-**	**100%**	**51,271**	**88,096**	**5,095**
Minsait Group	**100%**	**-**	**100%**	**91,858**	**191,168**	**18,139**
Paradigma Digital, Sl	100%	-	100%	14,812	63,532	1,552
Flat 101	100%	-	100%	8,600	13	2,239
The Overview Effect, SL	-	75%	75%	936	1,606	(173)
3. Associates						
Tagsonomy (DIVE)	10.38%	-	10.38%	—	—	—

Financial data of Group companies at 31 December 2023

Name	Shareholdings			Equity	Total operating income	Individual result after taxes
	Direct	Indirect	Total			
Indra Soluciones TI Group composition				1,109,722	2,206,185	80,070
1. Parent company						
Indra Soluciones Tecnologia de la Información, S.L.U.				**858,955**	**1,304,005**	**24,176**
2. Subsidiaries						
Indra III Soluções de Tecnologia da Informação Portugal	100%	-	100%	5,651	34,354	(908)
Indra– Soluções de tecnologia da informação Angola, LDA.	-	100.00%	100%	317	39	9
Indra Producción de Software, S.L.U.	100%	-	100%	34,891	150,533	17,822
Indra Italia S.P.A. (Italy)	100%	-	100%	67,485	188,969	8,372
Softfobia	-	100%	100%	2,317	3,065	(195)
Unclick Srl	-	100%	100%	152	499	(14)
Riganera Srl	-	100%	100%	80	255	(89)
Smart Paper	-	100%	100%	12,950	30,204	(176)
Smart Test	-	100%	100%	2,514	8,106	(538)
Baltik IT	-	100%	100%	2,512	3,586	696
Indra Czech Republic S.R.O.	100%	-	100%	1,771	2,246	602
Indra Sistemas Polska Sp.z.o.o.	100%	-	100%	(465)	660	88
Indra Sisteme S.R.L. (Moldova)	100%	-	100%	460	1,491	176
Indra LTDA (Kenya)	100%	-	100%	5,848	8,593	1,454
Tecnocom Peru, S.A.C.	100%	-	100%	9,252	141	(143)
Tecnocom Colombia, S.A.	100%	-	100%	388	-	71
Indra Colombia LTDA	100%	-	100%	25,118	110,105	(834)
Soluciones y Servicios Indracompany Uruguay, S.A.	100%	-	100%	274	5,846	(142)
Indra Brasil Soluçoes e Serviços Tecnologicos S/A	100%	-	100%	36,816	39,030	895
Minsait Brasil Ltda	100%	-	100%	28,755	176,024	7,086
Indra Perú, S.A.	100%	-	100%	11,932	90,084	2,166
Indra Sistemas México, S.A. de C.V.	100%	-	100%	13,615	131,464	(4,107)
Indra Soluciones Tecnologías de la Información Romania, SA	50.7%	-	50.7%	2,882	2,091	670
Indra Bahrain Consultancy SPC	100%	-	100%	13,817	7,077	204
Indra Philippines INC	50.1%	-	50.1%	27,546	48,235	4,925
Morpheus Aiolos, S.L. (Afterbanks)	100%	-	100%	866	1,872	16
Arcopay, S. de R.L de C.V.	100%	-	100%	(58)	-	(37)
Afterbanks Ltd	100%	-	100%	(35)	-	-
Consultoría Organizacional.	100%	-	100%	2,766	10,140	(144)
Gestión de Usuarios, S.L.	100%	-	100%	37,107	105,372	6,987
Deuser Tech Group, S.L	100%	-	100%	778	5,523	794

Financial data of Group companies at 31 December 2023

Name	Shareholdings Direct	Indirect	Total	Equity	Total operating income	Individual result after taxes
Indra Soluciones TI Group composition						
3. Associates						
Indra Sistemas México, S.A. de C.V.						
Indra Isolux México SA de CV	50%		50%	-	-	-
Visión Inteligente Aplicada S.A de C.V	50%		50%	-	-	-
EFI Túneles Necaxa SA de CV	10%		10%	-	-	-
BPO Group composition				**90,051**	**122,108**	**6,829**
1. Parent company						
Indra BPO, S.L.U.				**65,198**	**25,812**	**3,952**
2. Subsidiaries						
Indra BPO Servicios, S.L.U.	100%	-	100%	42,401	92,125	3,651
Indra II Business Outsourcing Portugal, Unipessoal, Limitada	-	100%	100%	748	2	140
OUAKHA Services, Sarl AU (Morocco)	100%	-	100%	(379)	-	(9)
Indra BPO Hipotecario, S.L.U.	100%	-	100%	3	-	-
Indra BPO México, S.S. de C.V.	100%	-	100%	11,982	4,706	221
Indra Servicios Perú SAC	99.9%	0.10%	100%	(497)	641	(442)
Business Consulting Group composition				**51,271**	**88,096**	**5,095**
1. Parent company						
Indra Business Consulting, S.L.U.				**32,685**	**62,078**	**1,352**
2. Subsidiaries						
Indra Business Consulting ALG Mexico S.A. de C.V.	100%	-	100%	8,670	26,211	2,428
Europraxis-ALG Consulting Andina, S.A.C. (Peru)	100%	-	100%	260	-	(3)
Europraxis ALG Consulting Maroc, S.A. (Morocco)	65.71%	34.29%	100%	(54)	-	(10)
NAE Comunicacions, S.L.U.	100%	-	100%	4,019	-	-
NAE Consulting Colombia	-	100%	100%	-	-	-

Financial data of Group companies at 31 December 2023

Name	Shareholdings			Equity	Total operating income	Individual result after taxes
	Direct	Indirect	Total			
Minsait Group composition				**91,858**	**191,168**	**18,139**
1. Parent company						
Minsait Payments Systems, SL				42,055	68,758	(2,219)
2. Subsidiaries						
Minsait Payments Systems Chile, S.A.	99.98%	0.02%	100%	30,697	28,457	18,236
Minsait Payment Systems México	100%		100%	12,285	20,106	1,890
Tecnocom Procesadora de Medios de Pago, S.A.	100%		100%	3,376	6,974	2,976
Minsait Payments Systems Perú	100%		100%	4,544	5,037	1,601
Credimatic	100%		100%	6,219	10,818	3,218
Operadora de Tarjetas de Crédito Nexus, S.A.	100%		100%	10,684	71,177	13,211
Tecnocom Chile, S.A.	100%		100%	6,190	9,369	575
Minsait Payment Systems Portugal, Unipessoal, LDA	100%		100%	(25)	416	(35)
Minsait Payment Systems Colombia, SAS	100%		100%	179	193	67
Minsait Payments Brasil Ltda	100%		100%	51	348	49
Tramasierras 2021, SL	100%		100%	33,867	-	(2)
Pecunia Cards EDE, S.L.		100%	100%	5,494	2,360	312
Soluciones Tecnolçogicas Normax, SL		100%	100%	2,263	161	(75)
Prointec Group composition				**(14,982)**	**33,439**	**(2,427)**
1. Parent company						
Prointec, S.A.U.				(13,781)	23,418	(4,302)
2. Subsidiaries						
Consis Proiect SRL (Romania)	100%		100%	3,111	5,138	1,581
Ingenieria de Proyectos de Infraestructuras Mexicanas, SA de C.V.	100%		100%	6,739	3,727	1,481
Prointec Engenharia, Ltda. (Brazil)	100%		100%	257	875	(65)
Prointec Panama, S.A.	75%		75%	(122)		
Prointec USA LLC	100%		100%	403	621	38
3. Associates						
Iniciativas Bioenergéticas, S.L.	20%		20%	-	-	-
Logistica Portuaria de Tuxpan, S.A.P.I de C.V.	25%		25%	-	-	-
Indra Advanced Technology SL Group composition				**55,018**	**37,936**	**1,077**
1. Parent company						
Indra Advanced Technology, S.L.U.				50,306		861
2. Subsidiaries						
Avitech GmbH (Germany)	100%		100%	10,255	27,441	(480)
Avitech S.R.O. (Slovakia)		100%	100%	1,550	10,495	696

2. Appendix II

Details of activities jointly-controlled with third parties at 31 December 2024

Name	Direct interest
Spanish Group companies	
Indra Sistemas, SA	
UTE PIV2011 (PROINTEC-GMV SISTEMAS-EORIAN SYSTEMS-ETRALUX)	50.58%
UTE INDRA EWS/ STN ATLAS	60.00%
UTE INDRA - SAINCO	64.00%
UTE 2 INDRA - UNITRONICS	50.00%
UTE 3 INDRA - UNITRONICS	85.00%
UTE INDRA SISTEMAS, S.A. - EUROCOPTER ESPAÑA, SA	62.50%
UTE GISS 11	35.00%
UTE INDRA - NOVASOFT - SADIEL	33.33%
UTE CEIDECOM	60.00%
UTE INDRA - CESSER	80.00%
UTE LINEA 9 TRAMO I Y II	64.00%
UTE LINEA 9 MANTENIMIENTO TRAMO IV	64.00%
UTE INDRA - SALLEN	70.00%
UTE INDRA-TECDOA	50.00%
UTE INDRA-INDRA SIST.SEGURIDAD AM 08/2011	50.00%
UTE INDRA-EADS CASA	50.00%
UTE JAÉN	52.12%
UTE INDRA-PUENTES Y CALZADAS INFRAESTRUCTURAS	80.00%
UTE INSTALACIONES MADRID ESTE	7.50%
UTE ABI CORREDOR NORTE	10.42%
UTE TUNELES DE PAJARES	35.15%
UTE TUNELES ANTEQUERA	33.66%
UTE VCR 8X8	37.94%
UTE PROTEC 110	66.02%
UTE IRST F-110	50.00%
UTE ABI EXTREMADURA - CORREDOR OESTE	15.00%
UTE ZONA NORTE GC	20.00%
UTE INDRA-THALES BMS	50.00%
20175305 UTE INDRA - ITP	50.00%
UTE SITRAPLUS	45.56%
UTE CGT LEVANTE	50.00%
UTE INDRA - ITP 201862A4	50.00%
UTE INDRA - ITP 2018/1612	50.00%
UTE TUNELES VILARIÑO-TABOADELA	52.00%
UTE MAESAL AIRBUS DS INDRA	34.35%
UTE MTTO.TELEBILLETICA BCN VII	61.35%
UTE INDRA-COMSA	63.00%
UTE TUNELES DE GUADARRAMA III	50.00%
UTE INDRA AEROPUERTOS SEGUROS	50.00%
UTE INDRA - ITE - 201853A1	50.00%
UTE CENTRO ESTRADA	33.00%
UTE INDRA-AIRBUS DE MAESE 201952A2	90.84%

Details of activities jointly-controlled with third parties at 31 December 2024

Name	Direct interest
UTE INDRA-INTEL ASFA DIGITAL	74.92%
UTE TUNEL DE PAJARES II	35.00%
UTE MINDTRADE PLATFORM	86.44%
UTE IRST F-110 PRODUCCION	48.41%
UTE INDRA SIST-SIA BIOMETRICO 2020-2021	50.00%
UTE ABI EXTREMADURA CORREDOR OESTE II	21.98%
UTE RONDES INDRA-ISC	77.03%
UTE SISCAP FASE 1B	64.99%
UTE MINSAIT-INDRA DTEC112-2021	50.00%
UTE INDRA-DEITEL 2022	42.00%
UTE MTO.REDES Y CONTROL METRO MALAGA 2022	63.00%
UTE INDRA MINSAIT ACTIVOS	15.39%
UTE INDRA AEROPUERTOS SEGUROS	50.00%
UTE CUI LOTE 4 AEROMEDIA-INDRA-ITG	34.00%
UTE INDRA-AIRBUS-ITP DIGIMAES	33.34%
UTE INDRA CPS PONS ITS DGT	65.00%
UTE INDRA-ITP (202362A4)	90.00%
UTE CENTRO NEURONAL DE ESTACIONES	31.55%
UTE IS-SIA-ISS	66.00%
UTE DIAL	53.00%
UTE SILPRE	35.00%
UTE BABEL INDRA AM 20/23 ARMADA	43.16%
UTE CTDA LEÓN	33.00%
UTE THALES ESPAÑA-INDRA SOPORTE BMS	48.78%
UTE AYSA	40.00%
UTE IS-ISCS-IE	5.00%
UTE C-UAS ARMADA	86.30%
UTE C-UAS	48.28%
UTE SDR	22.65%
Indra Espacio	
UTE PRS DE GALILEO	33.00%
UTE IS-ISCS-IE	10.00%
Indra Sistemas Comunicaciones Seguras	
UTE IS-ISCS-IE	85.00%
Indra BPO	
UTE INDRA BMB - T.SOLUCIONES	69.42%
AIE FORMALIZACIÓN ALCALA 265	20.00%
Indra Soluciones Tecnológicas de la Información	
UTE INDRA - ALVENTO	50.00%
UTE INDRA-COMPAÑÍA VASCA DE INGENIERIA	60.00%
UTE INDRA SISTEMAS, S.A. - SIA, S.p.A.	50.00%
UTE INDRA SISTEM	64.26%
UTE INDRA BPO-INDRA-TELEFONICA	9.33%
UTE AYESA TECNOCOM	50.00%
UTE SOLTEL GETRONICS	50.00%
UTE GLOBAL ROSETTA T	50.00%

Details of activities jointly-controlled with third parties at 31 December 2024

Name	Direct interest
UTE INDRA-SOLTEL	66.70%
UTE SCI AV 22/2017 LOTE 3	32.00%
UTE INDRA-COINTEC LABSES	86.00%
UTE INDRA-SATOCAN	70.00%
UTE TECNOCOM -SOPRA	53.00%
UTE SOPRA - TECNOCOM	40.00%
UTE IBERMATICA-TECNOCOM	45.00%
UTE LUGO SMART	52.27%
UTE MINSAIT-IECISA MINECO	52.61%
UTE MINSAIT-SDG	52.00%
UTE MINSAIT-ISOTROL	75.00%
UTE MINSAIT-ECNA (LK4201)	76.00%
UTE ALTIA-MINSAIT (AMT-2020-0007)	36.40%
UTE MINSAIT-SOLTEL	80.00%
UTE MINDTRADE PLATFORM	13.56%
UTE MINSAIT-TELEFONICA (SMS)	50.00%
UTE MINSAIT-AYESA AT CEIS	65.00%
UTE MNEMO-INDRA 2021	49.70%
UTE CPDI AMTEGA 3	47.02%
UTE MINSAITL-BABEL 2021/7201	53.50%
UTE MINSAIT-SISTEM	64.00%
ECOSISTEMA CONSULAR UTE	78.27%
UTE MINSAIT-AYESA AT CEMS	50.00%
UTE MINSAIT-SISTEM	66.23%
UTE MINSAIT-CIBERNOS-BABEL LOTE 2	40.00%
UTE MINSAIT-CIBERNOS-BABEL LOTE 6	42.00%
UTE MINSAIT-CIBERNOS Lote 1	53.00%
UTE MINSAIT-BABEL Lote 5	60.00%
UTE MINSAIT-INDRA DTEC112-2021	50.00%
UTE TSOL-INDRA COC	49.00%
UTE CIBERNOS-MINSAIT IV 27_2021 LOTE 3	48.00%
UTE IBERMATICA-INDRA-BILBOMATICA 2021-01842	21.83%
UTE EY-MINSAIT	49.00%
UTE GLOBAL ROSETTA-INDRA	47.00%
UTE SIA INDRA L3	40.00%
UTE MINSAIT-LABERIT 581/2021 bis	75.00%
UTE ISTI-IPS-INFORMANCE	20.00%
UTE COREMAIN-MINSAIT (AMT 2022-0052)	44.33%
UTE ICASS	52.56%
UTE BABEL-KYNDRYL-SIA-GESEIN GISS 2022-7201 Lote 2	18.00%
UTE MINSAIT-CLINISYS LABCYL	79.21%
UTE TELEFONI-MINSAIT I2CAT	70.72%
UTE ALTIA-MINSAIT EDUCACIÓN AMTEGA 3	37.13%
UTE TELEFÓNICA-MINSAIT PARA SERVICIOS 6G UMU	35.29%
UTE MINSAIT-LABERIT DESIG3 Lote 7	50.00%
UTE INDRA MINSAIT ACTIVOS	84.61%

Details of activities jointly-controlled with third parties at 31 December 2024

Appendix II

Name	Direct interest
UTE SOLUTIA-MINSAIT	49.00%
UTE IST-CIBERNOS L5	55.00%
UTE ISTI-CIBERNOS-BABEL L4	44.00%
UTE MINSAIT-BABEL	57.50%
UTE T-SYSTEMS-MINSAIT, LOTE 3	35.00%
UTE MINSAIT-ODIN-SIA	33.13%
UTE INDRA+LKS KZ GUNEA 2025	5.00%
UTE ISTI-IBC	45.00%
UTE LABERIT-MINSAIT MODERNIZACIÓN L1	50.00%
UTE MINSAIT-CLINISYS CONP-2022-4414	80.82%
UTE ISTI+TEKNEI-EJIE-082-2023	55.00%
UTE MINSAIT- INDRA DTEC 502-2023	75.00%
UTE MINSAIT-INETUM SERVICIO TRANSFORMACIÓN TI BLOQUE I	72.89%
UTE TSOL-INDRA V	33.83%
UTE GLOBAL ROSETTA-INDRA	40.00%
UTE MINSAIT-AYESA	56.22%
UTE MINSAIT-AYESA PREDICTIVO SOCIAL	52.00%
UTE MINSAIT-TSOL-TRC EELL	40.04%
UTE COREMAIN-MINSAIT 2024	44.33%
UTE INDRA-INETUM (SEGADE)	74.23%
Indra Business Consulting	
UTE ISTI-IBC	55.00%
CONSORCIO ALG ANDINA	90.00%
Prointec	
UTE PROINTEC-BLOM	50.00%
GEOPRIN-EUROCONSULT ANDALUCIA-EUROCONSULT SA	50.00%
UTE PAYMA COTAS S.A.U-PRO	50.00%
PyG ESTRUCTURAS AMBIENTALES, S.L. – PROINTEC, S.A. (U.T.E. LODOS)	50.00%
UTE PROINTEC-GIUR LP-2	50.00%
UTE INOCSA-PROINTEC (TUNEL O CAÑIZO)	50.00%
UTE PROINTEC-VIGUECONS ESTEVEZ	50.00%
CONSORCIO GMQ	40.00%
UTE CIESA-PROINTEC	50.00%
UTE PROINTEC SAU E2F SL	70.00%
UTE AT METRO	60.00%
UTE INCOSA-PROINTEC LOTE 2	50.00%
UTE PM CANARIAS	50.00%
UTE CORREDOR MEDITERRANEO	50.00%
UTE ATECSUR-PROINTEC	50.00%
CONSORCIO AVANÇA SAÚDE	4.00%
UTE MANTENIMIENTO LOTE 2	37.00%
UTE PROINTEC-ICYFSA	80.00%
UTE PORRIÑO PROINTEC-GOC	50.00%
UTE COM 20-22	51.00%
UTE LOTE B VSFB	35.00%
UTE BUÑOL-UTIEL	75.00%

Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of activities jointly-controlled with third parties at 31 December 2024

Appendix II

Name	**Direct interest**
UTE MANTENIMIENTO MADRID - SEVILLA	25.00%
UTE PROINTEC-TRN APARTADEROS	60.00%
UTE PROINTEC-ESTEYCO LOTE 1	50.00%
UTE PROINTEC-NTT DATA SEGURIDAD VIARIA LOTE 3	50.00%
UTE CONSULTRANS-PROINTEC-E2F	40.00%
UTE PROINTEC, S.A.-ESTEYCO LOTE 4	60.00%
UTE PROINTEC-ATECSUR 2022	50.00%
UTE LP 1 TIJARAFE (ISLA DE LA PALMA)	50.00%
UTE PROINTEC AERTEC AIRIA LOTE 2	37.50%
UTE CONEXIÓN CASTELLDEFELS	53.65%
UTE MANTENIMIENTO ALTA VELOCIDAD	20.00%
CONSORCIO PROINTEC LETONIA	50.00%
UTE L11 PLAZA ELÍPTICA LOTE 2	50.00%
UTE ESTUDIO INFORMATIVO SALIDA SUR DE VIGO	65.00%
UTE A.T.R.P y A.T.A.AREA TERMINAL-AEROPUERTO TENERIFE SUR	61.00%
UTE PROINTEC-AJP-ATECSUR	37.00%
UTE PROINTEC-NTT DATA SPAIN	50.00%
UTE INTEGRACIÓN LORCA	45.00%
UTE PROINTEC-ATECSUR III	60.00%
UTE IV TRANVÍA ALCALÁ DE GUADAIRA	60.00%
UTE FRADE-LPF-PROINTEC	33.40%
Indra BPO Servicios	
UTE INDRA BPO-INDRA-TELEFONICA	79.79%
UTE CAYMASA-MAILING	50.00%
INDRA+LKS - EJIE 018 - 2021 UTE	64.00%
UTE INDRA+LKS KZ GUNEA 2025	60.00%
UTE IBPOS+GUREAK+TEKNEI-RRCC	60.00%
I.C.A. Sistemas y Seguridad	
UTE GRUPOICA_26_20	50.00%
UTE ICASYS-ICA EXPEDIENTE 2021_039_PA	90.00%
UTE GRUPO ICA_ICASYS_EXPEDIENTE 2021_22706_024	10.00%
UTE ICASYS-ICA EXPEDIENTE AM_2021_01068_LOTE 3	90.00%
UTE GRUPO ICA_GRUPOICASYS_EXPEDIENTE 544/2021	10.00%
UTE ICASYS_GRUPO ICA_ EXPEDIENTE_C102-04MH-1121-0121	90.00%
UTE ICASYS_GRUPOICA EXPEDIENTE 2021_3120011764_286	90.00%
UTE ICASYS_ICA_EXPEDIENTE 2022/48_SDA_25/2022	50.00%
UTE PROXYA-EVOLUTIO-ICA SOPORTE SGAD 202282000040	12.64%
UTE ICASYS_EVOLUTIO EXPEDIENTE 202315PA0001	90.00%
UTE ICASYS_ICA_EXPEDIENTE 2022/68_SDA_24/2022	50.00%
Indra Sistemas de Seguridad	
UTE INDRA-INDRA SIST.SEGURIDAD AM 08/2011	50.00%
UTE TUNELES DE PAJARES	17.10%
UTE TUNELES ANTEQUERA	16.34%
UTE INDRA AEROPUERTOS SEGUROS	50.00%
UTE INDRA AEROPUERTOS SEGUROS II	50.00%
UTE SIA-ISS	80.00%

Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of activities jointly-controlled with third parties at 31 December 2024

Name	Direct interest
Sistemas Informáticos Abiertos	
UTE ALTIA-CONNECTIS-GESEIN-SIA P4/16	26.96%
UTE SIA-ITCONIC	61.80%
UTE SISTEMAS INFORMATICOS ABIERTOS SA- GESEIN SL- CESCE SOLUÇOES INFORMATICAS SA	60.00%
UTE MINSAIT-VODAFONE	75.00%
UTE INDRA SIST-SIA BIOMETRICO 2020-2021	50.00%
UTE SIRT-SIA	30.00%
UTE SIA INDRA L3	60.00%
UTE SIA-PWC ASESORES DE NEGOCIOS	56.27%
UTE SIA-ISS	20.00%
UTE MINSAIT-ODIN-SIA	27.58%
UTE IS-SIA-ISS	28.00%
UTE SIA-GLOBAL ROSETTA	61.00%
Indra Produccion Software, S.L	
UTE ISTI-IPS-INFORMANCE	40.00%
Indra Gestión de Usuarios, S.L	
UTE IECISA-INDRA-ZENSANIA-EMTE	37.50%
UTE INETUM-INDRA-ZEMSANIA-COMSA CTTI-2021-50	50.07%
UTE MINSAIT-T-SYSTEMS LOTE B 2	62.32%
UTE T-SYSTEMS-MINSAIT, LOTE B.4	33.00%
Deimos Space, S.L.U.	
U.T.E. DEIMOS - NAVENTO – EXCELTIC - NADS, EXPEDIENTE 2012-00 639	21.59%
UTE. CONELSAN-DEIMOS-ELENOR (ASEGOP IBIZA)	32.50%
UTE CONTAR	5.00%
UTE. MTO. SIGMA AENA	50.00%
UTE SIPA AENA	50.00%
UTE UCA AENA	50.00%
UTE DEIMOS-INETUM (formerly Informática del Corte Inglés, S.A.)	50.00%
UTE SIPA 2020-2022	50.00%
UTE UCA 2020-2022	50.00%
UTE INETUM-DEIMOS (Expediente 2020-00809)	50.00%
UTE INETUM-DEIMOS_SIVE CANARIAS	50.00%
UTE INETUM-DEIMOS - SANT ANDREU BCN	50.00%
UTE INETUM-DEIMOS CARTELERIA	50.00%
UTE MTO. SCADA AENA	50.00%
UTE DEIMOS INETUM CRONOMETRÍA	50.00%
UTE MICROINFORMÁTICA	50.00%
UTE MONITORES TWR MAD	50.00%
UTE UCA 2023-2026	50.00%
UTE SIPA 2023-2026	50.00%
UTE DEIMOS-DOMOBILITY	80.00%
UTE DEIMOS-AXPE	55.00%
UTE DEIMOS-INETUM - EXPTE 2023-00513	50.00%
UTE INETUM NORTE-DEIMOS	50.00%
UTE PARKING BCN	50.00%
UTE MICROINFORMÁTICA 2024-2027	50.00%

Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Details of activities jointly-controlled with third parties at 31 December 2024

Name	Direct interest
UTE ENTRY-EXIT BARAJAS	50.00%
UTE INETUM-DEIMOS SEVILLA MADRID	50.00%
NAE Comunicaciones, S.L	
UTE DXC NAE LOTE A	20.00%
UTE DXC NAE LOTE B	40.00%
UTE 5G CATALUÑA	12.65%
Foreign Group companies	
Prointec Engenharia	
CONSORCIO Prointec - PBLM	60.00%
Indra SI	
Indra SI SA-Retesar SA UTE	80.00%
Deloitte y Co. SRL-Indra SI SA UTE	50.00%
Deloitte y Co. SRL-Indra Mant. Anses UTE	50.00%
Indra Peru	
CONSORCIO INGORMATICA EL CORTE INGLES	50.00%
CONSORCIO GMD	50.00%
CONSORCIO LYNX LOTE 2	56.00%
CONSORCIO LYNX LOTE 3	78.00%
CONSORCIO MINCETUR	98.00%
CONSORCIO FABRICA DE SOFTWARE	50.00%
CONSORCIO REAPRO	85.00%
CONSORCIO SOLUCIONES DIGITALES	25.00%
CONSORCIO INDRA PETROLEO	95.00%
CONSORCIO PROCOM AGUA	49.00%
CONSORCIO MINEDU	95.00%
CONSORCIO GESTION INDRA SMART	100.00%
CONSORCIO MANTENIMIENTO INDRA	100.00%
CONSORCIO GESTION DE INFORMACIÓN	44.00%
CONSORCIO AULAS SMART	100.00%
CONSORCIO SISTEMAS PREVISIONALES	50.00%
CONSORCIO INDRA TRIBUTOS	100.00%
CONSORCIO INDRA COMPONENTE WEB	100.00%
ADMIRAL LOTE 1	52.00%
ADMIRAL LOTE 2	75.00%
CONSORCIO GIA	100.00%
CONSORCIO SOLUCIÓN DIGITAL	62.00%
Indra Sistemas Colombia	
CONSORCIO COMSA INDRA ITS COVIANDINA	49.00%
CONSORCIO COMSA INDUSTRIAL INDRA ITS CONPACIFICO	49.00%
CONSORCIO COMSA INDUSTRIAL INDRA ITS PROINORIENTE S.A.S	49.00%

This Appendix should be read together with Notes 1, 5 and 45 to the Consolidated Annual Accounts, of which it forms an integral part.

Details of activities jointly-controlled with third parties at 31 December 2023

Name	Direct interest
Spanish Group companies	
Indra Sistemas, SA	
UTE PIV2011 (PROINTEC-GMV SISTEMAS-EORIAN SYSTEMS-ETRALUX)	50.58%
UTE INDRA EWS/ STN ATLAS	60.00%
UTE INDRA - SAINCO	64.00%
UTE 2 INDRA - UNITRONICS	50.00%
UTE 3 INDRA - UNITRONICS	85.00%
UTE INDRA SISTEMAS, S.A. - EUROCOPTER ESPAÑA, SA	62.50%
UTE GISS 11	35.00%
UTE INDRA - NOVASOFT - SADIEL	33.33%
UTE CEIDECOM	60.00%
UTE INDRA - CESSER	80.00%
UTE LINEA 9 TRAMO I Y II	64.00%
UTE LINEA 9 MANTENIMIENTO TRAMO IV	64.00%
UTE INDRA - SALLEN	70.00%
UTE CONTROL MOGAN	33.34%
UTE INDRA-TECDOA	50.00%
UTE INDRA-INDRA SIST.SEGURIDAD AM 08/2011	50.00%
UTE INDRA-EADS CASA	50.00%
UTE JAÉN	52.12%
UTE SEGURIDAD PEAJES	50.00%
UTE INDRA-PUENTES Y CALZADAS INFRAESTRUCTURAS	80.00%
UTE INSTALACIONES MADRID ESTE	7.50%
UTE ABI CORREDOR NORTE	10.42%
UTE TUNELES DE PAJARES	35.15%
UTE INDRA-IECISA M-14-059	75.00%
UTE TUNELES ANTEQUERA	33.66%
UTE ITS MADRID 15	60.00%
UTE VCR 8X8	37.94%
UTE PROTEC 110	66.02%
UTE IRST F-110	50.00%
UTE INDRA-ACISA	50.00%
UTE ABI EXTREMADURA - CORREDOR OESTE	15.00%
UTE ZONA NORTE GC	20.00%
UTE INDRA-DEITEL	55.00%
UTE GESTIO DE TRANSIT RONDES	80.00%
UTE GESTIO VIARIA GVA SICE-INDRA	50.00%
UTE INDRA - ITP	50.00%
UTE INDRA-THALES BMS	50.00%
20175305 UTE INDRA - ITP	50.00%
UTE SITRAPLUS	50.00%
UTE CGT LEVANTE	50.00%
UTE INDRA - ITP 201862A4	50.00%
UTE INDRA - ITP 2018/1612	50.00%
UTE MTTO.TELEBILLETICA PAIS VASCO 5	50.00%
UTE TUNELES VILARIÑO-TABOADELA	52.00%

Details of activities jointly-controlled with third parties at 31 December 2023

Name	Direct interest
UTE MAESAL AIRBUS DS INDRA	34.35%
UTE MTTO.TELEBILLETICA BCN VII	61.35%
UTE INDRA-COMSA	63.00%
UTE TUNELES DE GUADARRAMA III	50.00%
UTE SOCIEDAD IBERICA DE CONSTRUCCUIONES ELECTRICAS, S.A. E INDRA SISTEMAS, S.A.	88.00%
UTE INDRA AEROPUERTOS SEGUROS	50.00%
UTE INDRA-ITP (20195324)	50.00%
UTE INDRA-ITE-201853A1	50.00%
UTE CENTRO ESTRADA	33.00%
UTE INDRA-AIRBUS DE MAESE 201952A2	90.84%
UTE INDRA-INTEL ASFA DIGITAL	74.92%
UTE MTTO.TELEBILLETICA BCN IX	61.35%
UTE TUNEL DE PAJARES II	35.00%
UTE MINDTRADE PLATFORM	86.44%
CONSORCIO INDRA COMPONENTE PORTUARIO	48.00%
UTE IRST F-110 PRODUCCION	48.41%
UTE INDRA SIST-SIA BIOMETRICO 2020-2021	50.00%
UTE MTO. MADRID, BCN, PV	67.71%
UTE ABI EXTREMADURA CORREDOR OESTE II	21.98%
UTE RONDES INDRA-ISC	77.03%
UTE SISCAP FASE 1B	64.99%
UTE PRS DE GALILEO	33.00%
UTE MINSAIT-INDRA DTEC112-2021	50.00%
UTE INDRA-DEITEL 2022	42.00%
UTE MTO.REDES Y CONTROL METRO MALAGA 2022	63.00%
UTE INDRA MINSAIT ACTIVOS	15.39%
UTE INDRA AEROPUERTOS SEGUROS	50.00%
UTE CUI LOTE 4 AEROMEDIA-INDRA-ITG	34.00%
UTE INDRA-AIRBUS-ITP DIGIMAES	33.34%
UTE INDRA CPS PONS ITS DGT	65.00%
UTE INDRA-ITP (202362A4)	90.00%
UTE CENTRO NEURONAL DE ESTACIONES	31.55%
UTE IS-SIA-ISS	66.00%
UTE DIAL	53.00%
UTE SILPRE	35.00%
UTE BABEL INDRA AM 20/23 ARMADA	43.16%
UTE CTDA LEÓN	33.00%
Indra Soluciones Tecnológicas de Ia Información	
UTE INDRA - ALVENTO	50.00%
UTE AEAT 03/07	26.54%
UTE INDRA-COMPAÑÍA VASCA DE INGENIERIA	60.00%
UTE INDRA SISTEMAS, S.A. - SIA, S.p.A.	50.00%
UTE AEAT 10/2011	26.54%
UTE INDRA SISTEM	64.26%
UTE INDRA-ALTIA	48.67%
UTE INDRA BPO-INDRA-TELEFONICA	9.33%

Details of activities jointly-controlled with third parties at 31 December 2023

Name	Direct interest
UTE AYESA TECNOCOM	50.00%
UTE SOLTEL GETRONICS	50.00%
UTE GLOBAL ROSETTA T	50.00%
UTE INDRA-SOLTEL	80.00%
UTE SCI AV 22/2017 LOTE 3	32.00%
UTE INDRA-COINTEC LABSES	86.00%
UTE CIS AV 22/2017 LOTE 1	32.00%
UTE ALFATEC-INDRA	46.00%
UTE INDRA-SATOCAN	70.00%
UTE TECNOCOM -SOPRA	53.00%
UTE E1L4 INDRA - ALFATEC	70.00%
UTE E4L4 INDRA - ALFATEC	50.00%
UTE COREMAIN-INDRA	45.57%
UTE SOPRA - TECNOCOM	40.00%
UTE IBERMATICA-TECNOCOM	45.00%
UTE E1L1 ALFATEC-INDRA	50.00%
UTE LUGO SMART	52.27%
UTE MINSAIT-IECISA MINECO	52.61%
UTE MINSAIT- EVERIS DAH	62.00%
UTE T-SYSTEMS - MINSAIT, ARXIUS	43.00%
UTE MINSAIT-SDG	52.00%
UTE MINSAIT-ISOTROL	75.00%
UTE MINSAIT-ECNA (LK4201)	76.00%
UTE ALTIA-MINSAIT (AMT-2020-0007)	36.40%
UTE MINSAIT-SOLTEL	80.00%
UTE MINSAIT-LEQUALI	23.00%
UTE INDRA-SEMANTIC	50.00%
UTE MINDTRADE PLATFORM	13.56%
UTE MINSAIT-TELEFONICA (SMS)	50.00%
UTE MINSAIT-AYESA AT CEIS	65.00%
UTE MNEMO-INDRA 2021	49.70%
UTE BPO-ISTI	2.50%
UTE CPDI AMTEGA 3	47.02%
UTE MINSAITL-BABEL 2021/7201	53.50%
UTE MINSAIT-SISTEM	64.00%
ECOSISTEMA CONSULAR UTE	78.27%
UTE MINSAIT-AYESA AT CEMS	50.00%
UTE MINSAIT-SISTEM	66.23%
UTE MINSAIT-CIBERNOS-BABEL LOTE 2	40.00%
UTE MINSAIT-CIBERNOS-BABEL LOTE 6	42.00%
UTE MINSAIT-CIBERNOS Lote 1	53.00%
UTE MINSAIT-BABEL Lote 5	60.00%
UTE MINSAIT-INDRA DTEC112-2021	50.00%
UTE TSOL-INDRA COC	49.00%
UTE MINSAIT-T-SYSTEMS LOTE B 2	62.32%
UTE CIBERNOS-MINSAIT IV 27_2021 LOTE 3	48.00%

Details of activities jointly-controlled with third parties at 31 December 2023

Name	Direct interest
UTE IBERMATICA-INDRA-BILBOMATICA 2021-01842	21.83%
UTE EY-MINSAIT	49.00%
UTE GLOBAL ROSETTA-INDRA	47.00%
UTE SIA INDRA L3	40.00%
UTE MINSAIT-LABERIT 581/2021 bis	75.00%
UTE ISTI-IPS-INFORMANCE	20.00%
UTE COREMAIN-MINSAIT (AMT 2022-0052)	44.33%
UTE ICASS	52.56%
UTE MINSAIT-CLINISYS LABCYL	79.21%
UTE TELEFONI-MINSAIT I2CAT	70.72%
UTE ALTIA-MINSAIT EDUCACIÓN AMTEGA 3	37.13%
UTE TELEFÓNICA-MINSAIT PARA SERVICIOS 6G UMU	35.29%
UTE MINSAIT-LABERIT DESIG3 Lote 7	50.00%
UTE INDRA MINSAIT ACTIVOS	84.61%
UTE SOLUTIA-MINSAIT	49.00%
UTE IST-CIBERNOS L5	55.00%
UTE ISTI-CIBERNOS-BABEL L4	44.00%
UTE MINSAIT-BABEL	57.50%
UTE T-SYSTEMS-MINSAIT, LOTE 3	35.00%
UTE MINSAIT-ODIN-SIA	33.13%
UTE INDRA+LKS KZ GUNEA 2025	5.00%
UTE ISTI-IBC	45.00%
UTE LABERIT-MINSAIT MODERNIZACIÓN L1	50.00%
UTE MINSAIT-CLINISYS CONP-2022-4414	80.82%
Prointec	
UTE PROINTEC-BLOM	50.00%
GEOPRIN-EUROCONSULT ANDALUCIA-EUROCONSULT SA	50.00%
UTE PROINTEC-EUSKONTROL	50.00%
UTE EIPSA-PROINTEC-EUSKONTROL (UTE VIADUCTO)	50.00%
UTE PAYMA COTAS S.A.U-PRO	50.00%
PROINTEC-ESTUDIO 7 VARIANTE BAÑADEROS	50.00%
UTE PROINTEC-ESTUDIO 7 CALDERETA	50.00%
PyG ESTRUCTURAS AMBIENTALES, S.L. – PROINTEC, S.A. (U.T.E. LODOS)	50.00%
UTE PROINTEC-GIUR LP-2	50.00%
CONSORCIO P & B COLOMBIA	85.00%
UTE INOCSA-PROINTEC (TUNEL O CAÑIZO)	50.00%
UTE PROINTEC-ACCIONA-ASMATU	50.00%
UTE PROINTEC-VIGUECONS ESTEVEZ	50.00%
CONSORCIO GMQ	40.00%
UTE CIESA-PROINTEC	50.00%
UTE PROINTEC SAU E2F SL	70.00%
UTE AT METRO	60.00%
UTE PROINTEC ATECSUR	60.00%
UTE INCOSA-PROINTEC LOTE 2	50.00%
UTE SANEAMIENTO ALBACETE	50.00%
UTE PM CANARIAS	50.00%

Details of activities jointly-controlled with third parties at 31 December 2023

Name	Direct interest
UTE CORREDOR MEDITERRANEO	50.00%
CONSORCIO PPA	5.00%
UTE ATECSUR-PROINTEC	50.00%
UTE PROINTEC-AC2 BIM	50.00%
CONSORCIO AVANÇA SAÚDE	4.00%
UTE MANTENIMIENTO LOTE 2	37.00%
UTE PROINTEC-ICYFSA	80.00%
UTE PORRIÑO PROINTEC-GOC	50.00%
UTE COM 20-22	51.00%
CONSORCIO PROINTEC-LBR-GERIBELLO	2.00%
UTE LOTE B VSFB	35.00%
UTE BUÑOL-UTIEL	75.00%
UTE MANTENIMIENTO MADRID - SEVILLA	25.00%
UTE PROINTEC-TRN APARTADEROS	60.00%
UTE PROINTEC-ESTEYCO LOTE 1	50.00%
UTE PROINTEC-NTT DATA SEGURIDAD VIARIA LOTE 3	50.00%
UTE CONSULTRANS-PROINTEC-E2F	40.00%
UTE PROINTEC, S.A.-ESTEYCO LOTE 4	60.00%
UTE PROINTEC-ATECSUR 2022	50.00%
UTE LP 1 TIJARAFE (ISLA DE LA PALMA)	50.00%
UTE PROINTEC AERTEC AIRIA LOTE 2	37.50%
UTE PROINTEC-AR2V III	50.00%
UTE CONEXIÓN CASTELLDEFELS	53.65%
UTE MANTENIMIENTO ALTA VELOCIDAD	20.00%
CONSORCIO PROINTEC LETONIA	50.00%
UTE L11 PLAZA ELÍPTICA LOTE 2	50.00%
UTE ESTUDIO INFORMATIVO SALIDA SUR DE VIGO	65.00%
UTE A.T.R.P y A.T.A.AREA TERMINAL-AEROPUERTO TENERIFE SUR	61.00%
Indra Business Consulting	
CONSORCIO ALG ANDINA	90.00%
Indra BPO Servicios	
UTE INDRA BPO-INDRA-TELEFONICA	79.79%
UTE CAYMASA-MAILING	50.00%
UTE BPO-ISTI	97.50%
INDRA+LKS - EJIE 018 - 2021 UTE	64.00%
UTE INDRA+LKS KZ GUNEA 2025	60.00%
UTE IBPOS+GUREAK+TEKNEI-RRCC	60.00%
Indra BPO	
UTE INDRA BMB - T.SOLUCIONES	69.42%
AIE FORMALIZACIÓN ALCALA 265	20.00%
Indra Sistemas de Seguridad	
UTE INDRA-INDRA SIST.SEGURIDAD AM 08/2011	50.00%
UTE SEGURIDAD PEAJES	50.00%
UTE TUNELES DE PAJARES	17.10%
UTE TUNELES ANTEQUERA	16.34%
UTE INDRA SISTEMAS DE SEGURIDAD - MONTAJES ELÉCTRICOS ELECTRISUR	80.00%

Details of activities jointly-controlled with third parties at 31 December 2023

Name	Direct interest
UTE INDRA AEROPUERTOS SEGUROS	50.00%
UTE INDRA AEROPUERTOS SEGUROS II	50.00%
UTE SIA-ISS	20.00%
Sistemas Informáticos Abiertos	
UTE ALTIA-CONNECTIS-GESEIN-SIA P4/16	26.96%
UTE SIA-ITCONIC	61.80%
UTE SAYOS&CARRERA-SIA EXP. 17/182	22.65%
UTE VIEWNEXT-AXIANS-SIA	15.47%
UTE SISTEMAS INFORMATICOS ABIERTOS SA- GESEIN SL- CESCE SOLUÇOES INFORMATICAS SA	60.00%
UTE MINSAIT-VODAFONE	75.00%
UTE INDRA SIST-SIA BIOMETRICO 2020-2021	50.00%
UTE SIRT-SIA	30.00%
UTE SIA INDRA L3	60.00%
UTE BABEL-KYNDRYL-SIA-GESEIN GISS 2022-7201 Lote 2	18.00%
UTE SIA-PWC ASESORES DE NEGOCIOS	56.27%
UTE SIA-ISS	80.00%
UTE MINSAIT-ODIN-SIA	27.58%
UTE IS-SIA-ISS	28.00%
Indra Produccion Software, S.L	
UTE ISTI-IPS-INFORMANCE	40.00%
Indra Gestión de Usuarios, S.L.	
UTE IECISA-INDRA-ZENSANIA-EMTE	37.50%
UTE INETUM-INDRA-ZEMSANIA-COMSA CTTI-2021-50	50.07%
UTE T-SYSTEMS-MINSAIT, LOTE B.4	33.00%
NAE Comunicacions, S.L.	
UTE 5G Cataluña	12.65%
UTE DxC Nae Lote A	20.00%
UTE DxC Nae Lote B	40.00%
Prointec Brasil	
CONSORCIO PPA	45.00%
CONSORCIO Prointec - PBLM	58.00%
CONSORCIO Prointec - Consenso - PBLM	47.10%
CONSORCIO PROINTEC - LBR - GERIBELLO	23.00%
Indra SI	
Indra SI SA-Retesar SA UTE	80.00%
Deloitte y Co. SRL-Indra SI SA UTE	50.00%
Deloitte y Co. SRL-Indra Mant. Anses UTE	50.00%
Indra Peru	
CONSORCIO INGORMATICA EL CORTE INGLES	50.00%
CONSORCIO GMD	50.00%
CONSORCIO LYNX LOTE 2	56.00%
CONSORCIO LYNX LOTE 3	78.00%
CONSORCIO MINCETUR	98.00%
CONSORCIO FABRICA DE SOFTWARE	50.00%
CONSORCIO REAPRO	85.00%
CONSORCIO SOLUCIONES DIGITALES	25.00%

Details of activities jointly-controlled with third parties at 31 December 2023

Appendix II

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Name	Direct interest
CONSORCIO INDRA PETROLEO	95.00%
CONSORCIO PROCOM AGUA	49.00%
CONSORCIO MINEDU	95.00%
CONSORCIO GESTION INDRA SMART	100.00%
CONSORCIO MANTENIMIENTO INDRA	100.00%
CONSORCIO GESTION DE INFORMACIÓN	44.00%
CONSORCIO AULAS SMART	100.00%
CONSORCIO SISTEMAS PREVISIONALES	50.00%
CONSORCIO INDRA TRIBUTOS	100.00%
CONSORCIO INDRA COMPONENTE WEB	100.00%
ADMIRAL LOTE 1	52.00%
ADMIRAL LOTE 2	75.00%
CONSORCIO GIA	100.00%
CONSORCIO SOLUCIÓN DIGITAL	62.00%
Indra Sistemas Colombia	
CONSORCIO COMSA INDRA ITS COVIANDINA	49.00%
CONSORCIO COMSA INDUSTRIAL INDRA ITS PROINORIENTE, S.A.S	49.00%
CONSORCIO COMSA INDUSTRIAL INDRA ITS CONPACIFICO	49.00%

This Appendix should be read together with Notes 1, 5 and 45 to the Consolidated Annual Accounts, of which it forms an integral part.

3. Appendix III

Group's foreign exchange exposure

Appendix III Page 1 of 4

2024	US dollar	Pound sterling	Mexican peso	Chilean peso	Brazilian real	Peruvian sol	Canadian dollar	Norwegian krone
Other financial assets	-	-	-	-	-	-	-	6
Total non-current assets	-	-	-	-	-	-	-	-
NON-GROUP trade and other receivables	52,052	7,255	1,983	18	989	1,480	186	11,983
GROUP trade and other receivables	-	-	-	-	-	-	-	
NON-GROUP other financial assets	2,034	-	-	-	-	-	-	845
GROUP other financial assets	-	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-		-	-	-
Total current assets	**54,087**	**7,255**	**1,983**	**18**	**989**	**1,480**	**186**	**12,828**
Total assets	**54,087**	**7,255**	**1,983**	**18**	**989**	**1,480**	**186**	**12,834**
Bank borrowings	-	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
Total non-current financial liabilities	-	-	-	-	-	-	-	-
Bank borrowings	-	-		-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
NON-GROUP trade and other payables	52,494	26,052	5	15	49	-	-	15,884
Total current liabilities	52,494	26,052	5	15	49	-	-	15,884
Total liabilities	52,494	26,052	5	15	49	-	-	15,884
Gross balance sheet exposures	**1,593**	**(18,797)**	**1,978**	**3**	**940**	**1,480**	**186**	**(3,050)**
Sales coverage	174,398	28,138	6,439	7,423	139	5,092	12,036	-
Purchase coverage	37,705	9,456	845	-	196		4,631	1,227
Net derivative financial instruments - hedging	136,693	18,682	5,594	7,423	(57)	5,092	7,405	(1,227)

This Appendix should be read together with Note 38) a) (I) to the Consolidated Annual Accounts, of which it forms an integral part.

Indra Sistemas, S.A. and Subsidiaries

Notes to the Annual Accounts as at 31 December 2024

Group's foreign exchange exposure

Appendix III Page 2 of 4

2024	Colombian peso	Moroccan dirham	Polish zloty	Bahraini dinar	Malaysian ringgit	Australian dollar	Other currencies	TOTAL
Other financial assets	-	-	-	-	-	-	-	6
Total non-current assets	-	-	-	-	-	-	-	-
NON-GROUP trade and other receivables	15,839	242	-	1,333	2,434	2	35,001	130,797
GROUP trade and other receivables	-	-	-	-	-	-	-	-
NON-GROUP other financial assets	-	-	-	-	-	-	-	2,879
GROUP other financial assets	-	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-	-	-	-	-
Total current assets	**15,839**	**242**	**-**	**1,333**	**2,434**	**2**	**35,001**	**133,677**
Total assets	**15,839**	**242**	**-**	**1,333**	**2,434**	**2**	**34,547**	**133,229**
Bank borrowings		-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
Total non-current financial liabilities	-	-	-	-	-	-	-	-
Bank borrowings	-	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
NON-GROUP trade and other payables	8,686	309	37,877	3	243	-	39,926	181,543
Total current liabilities	**8,686**	**309**	**37,877**	**3**	**243**	**-**	**39,926**	**181,543**
Total liabilities	**8,686**	**309**	**37,877**	**3**	**243**	**-**	**39,926**	**181,543**
Gross balance sheet exposures	**7,153**	**(67)**	**(37,877)**	**1,330**	**2,191**	**2**	**(5,379)**	**(48,314)**
Sales coverage	33,405	-	59,218	-	1,393	3,427	54,236	-
Purchase coverage	1,132	-	-	-	-	1,084	1,099	-
Net derivative financial instruments - hedging	32,273	-	59,218	-	1,393	2,343	53,137	-

This Appendix should be read together with Note 38) a) (I) to the Consolidated Annual Accounts, of which it forms an integral part.

Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Group's foreign exchange exposure

Appendix III Page 3 of 4

2023	US dollar	Pound sterling	Mexican peso	Chilean peso	Brazilian real	Peruvian sol	Canadian dollar	Norwegian krone
Other financial assets	390	-	-	-	-	-	-	-
Total non-current assets	390	-	-	-	-	-	-	-
NON-GROUP trade and other receivables	46,704	5,682	12,783	-	1,412	1,314	325	27
GROUP trade and other receivables	-	-	-	-	-	-	-	-
NON-GROUP other financial assets	-	-	-	-	-	-	-	-
GROUP other financial assets	-	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-	-	-	-	-
Total current assets	**46,704**	**5,682**	**12,783**	**-**	**-**	**1,314**	**325**	**27**
Total assets	**47,094**	**5,682**	**12,783**	**-**		**1,314**	**325**	**27**
Bank borrowings	-	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
Total non-current financial liabilities	-	-	-	-	-	-	-	-
Bank borrowings	-	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
NON-GROUP trade and other payables	45,224	60,239	-	79	6	-	81	-
Total current liabilities	**45,224**	**60,239**	**-**	**79**	**-**	**-**	**81**	**-**
Total liabilities	**45,224**	**60,239**	**-**	**79**	**-**	**-**	**81**	**-**
Gross balance sheet exposures	**1,870**	**(54,557)**	**12,783**	**(79)**	**1,406**	**1,314**	**244**	**27**
Sales coverage	138,991	33,024	15,058	17,626	620	7,772	14,717	-
Purchase coverage	60,636	7,696	1,867	-	-	122	5,245	523
Net derivative financial instruments - hedging	78,355	25,328	13,191	17,627	620	7,650	9,472	(523)

This Appendix should be read together with Note 38) a) (I) to the Consolidated Annual Accounts, of which it forms an integral part.

Indra Sistemas, S.A. and Subsidiaries
Notes to the Annual Accounts as at 31 December 2024

Group's foreign exchange exposure

Appendix III Page 4 of 4

2023	Colombian peso	Moroccan dirham	Bahraini dinar	Malaysian ringgit	Australian dollar	Other currencies	TOTAL
Other financial assets	-	-	-	-	-	-	390
Total non-current assets	**-**	**-**	**-**	**-**	**-**	**-**	**390**
NON-GROUP trade and other receivables	10,150	750	4	2,821	-	69,914	151,886
GROUP trade and other receivables	-	-	-	-	-	-	-
NON-GROUP other financial assets	-	-	-	-	-	-	-
GROUP other financial assets	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-	-	-	-
NON-GROUP debt securities	-	-	-	-	-	-	-
Total current assets	**10,150**	**750**	**4,214**	**2,821**	**-**	**69,914**	**154,684**
Total assets	**10,150**	**750**	**4,214**	**2,821**	**-**	**69,914**	**155,074**
Bank borrowings	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Total non-current financial liabilities	-	-	-	-	-	-	-
Bank borrowings	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
NON-GROUP trade and other payables	15,240	571	371	810	-	97,358	219,979
Total current liabilities	**15,240**	**571**	**371**	**810**	**-**	**97,358**	**219,973**
Total liabilities	**15,240**	**571**	**371**	**810**	**-**	**97,358**	**219,973**
Gross balance sheet exposures	**(5,089)**	**179**	**3,843**	**2,011**	**-**	**(27,444)**	**(63,492)**
Sales coverage	3,815	-	-	3,484	4,056	-	-
Purchase coverage	2,637	-	-	-	2,771	-	-
Net derivative financial instruments - hedging	1,178	-	-	3,484	1,285	-	-

This Appendix should be read together with Note 38) a) (I) to the Consolidated Annual Accounts, of which it forms an integral part.

4. Appendix IV

	2024				
Thousand euro	**Indra Philippines**	**Inmize Sistemas**	**Indra Soluciones TI Romania, SA**	**Other immaterial interests**	**Total**
% non-controlling interest	49.9 %	50 %	49.3 %		
Statement of financial position information					
Non-current assets	4,854	8	19	-	4,881
Non-current liabilities	(4,122)	-	-	-	(4,122)
Total net non-current assets	**732**	**8**	**19**	**-**	**759**
Current assets	40,666	3,583	3,471	-	47,720
Current liabilities	(13,721)	(79)	(578)	-	(14,378)
Total net current assets	**26,945**	**3,512**	**2,893**	**-**	**33,342**
Net assets	**27,677**	**3,512**	**2,913**	**-**	**34,102**
Carrying amount of non-controlling interests (*)	**13,811**	**1,756**	**1,436**	**512**	**17,515**
Total comprehensive income	4,537	184	370	-	5,091
Consolidated profit/(loss) allocated to non-controlling interests	**2,263**	**92**	**182**	**-**	**2,537**

(*) Excluding currency translation differences

	2023					
Thousand euro	**Indra Philippines**	**Inmize Sistemas**	**Indra Soluciones TI Romania, SA**	**Normeka**	**Other immaterial interests**	**Total**
% non-controlling interest	49.9 %	50 %	49.3 %	34.0 %		
Statement of financial position information						
Non-current assets	4,805	-	17	497	-	5,319
Non-current liabilities	(4,912)	-	-	-	-	(4,912)
Total net non-current assets	**(107)**	**-**	**17**	**497**	**-**	**407**
Current assets	41,671	3,680	3,323	4,008	-	52,682
Current liabilities	(18,924)	(268)	(458)	(1,124)	-	(20,774)
Total net current assets	**22,746**	**3,412**	**2,865**	**2,884**	**-**	**31,907**
Net assets	**22,639**	**3,412**	**2,882**	**3,381**	**-**	**32,314**
Carrying amount of non-controlling interests (*)	**11,297**	**1,706**	**1,421**	**1,150**	**529**	**16,103**
Total comprehensive income	4,925	83	670	438	-	6,116
Consolidated profit/(loss) allocated to non-controlling interests	2,458	42	330	149	-	2,978

(*) Excluding currency translation differences

This Appendix should be read together with Note 19 to the Consolidated Annual Accounts, of which it forms an integral part.

5. Appendix V

2024 Thousand euro	A4 Essor SAS	Saes Capital, S.A.	Euromids SAS	Satelio IOT Services, S.L.	Iniciativas Bio-energéticas, S.L.	Societat Catalana per la Mobilitat, S.A.	Green Border OOD	Tess Defence, S.A.	Startical, S.L.	Other immaterial interests	Total
% non-controlling interest	23.1%	49%	25%	10.5%	20%	16.8%	50%	25%	50%		
Non-current assets		2,618	44	18,425	17,897	94,782	-	98	2,383	4,108	140,355
Current assets	80,058	411	44,485	11,550	23,921	43,001	41	887,621	15,256	2	1,106,347
Equity	1,211	3,024	4,330	21,975	17,368	18,642	-	1,269	11,562	406	79,787
Non-current liabilities	-	-	-	7,791	1,600	98,649	-	858,000	5,567	1,926	973,533
Current liabilities	78,847	5	40,200	209	22,850	20,491	41	28,451	510	1,778	193,381
Income	11,013	-	41,021	204	107,199	18,039	-	15,885	243	-	193,603
Profit/(loss) for the year	58	(836)	(244)	(5,572)	(1,383)	2,012	-	(293)	(9,634)	339	(15,555)

2023	A4 Essor SAS	Saes Capital, S.A.	Euromids SAS	Global Training Aviation, S.L.	Eurofighter Simulation Systems GmbH	Iniciativas Bio-energéticas, S.L.	Societat Catalana per la Mobilitat, S.A.	Tagsonomy	Tess Defence, S.A.	Startical, S.L.	Satelio IOT Services, S.L.	Green Border OOD	Other immaterial interests	Total
Thousand euro														
% non-controlling interest	23%	49%	25%	35.07%	26%	20%	17%	29%	25%	50%	10.5%	50%		
Non-current assets	-	3,333	45	26,617	25	22,504	103,829	3,570	161	9,798	12,110	-	2	181,994
Current assets	58,346	409	42,244	7,612	3,958	13,022	41,666	1,277	859,446	8,959	4,414	208	4,075	1,045,636
Equity	1,153	3,737	4,085	3,527	2,567	14,147	18,622	767	1,409	5,691	9,238	(48)	106	65,001
Non-current liabilities	10	-	3	27,495	1,095	4,932	98,052	1,686	858,000	11,134	6,641	-	2,071	1,011,119
Current liabilities	57,183	5	38,201	3,207	321	16,447	28,821	2,394	198	1,182	645	256	1,899	150,759
Income	15,846	183	19,996	13,596	-	57,122	15,933	1,123	53,843	-	195	-	-	177,837
Profit/(loss) for the year	22	(516)	(639)	2,341	(525)	(5,449)	400	(1,611)	452	(2,715)	(2,748)	(6)	(510)	(11,504)

This Appendix should be read together with Note 11 to the Consolidated Annual Accounts, of which it forms an integral part.

Indra Sistemas, S.A. and Subsidiaries
Management Report for the year ended 31 December 2024

1. 2024 Highlights

Revenues rose 12% in 2024 compared to 2023.

EBIT reported in 2024 grew 26%, bringing profitability to 9.0% v. 8.0% in 2023.

Net earnings per share were up 35% in 2024 v. 2023.

Free cash flow reached €329 million in 2024 v. €312 million in 2023.

Net cash stood at €26 million in December 2024 v. net debt of €107 million in December 2023.

Main figures	2024 (€M)	2023 (€M)	Variation (%) Reported/Local Currency
Order backlog	7,245	6,776	6.9/8.1
Net order intake	5,356	4,583	16.9/18.6
Revenues	4,843	4,343	11.5/13.0
EBITDA	545	446	22.2
EBITDA Margin %	11.3%	10.3%	1.0 pp
Operating Margin	512	403	27.0
Operating Margin %	10.6%	9.3%	1.3 pp
EBIT	438	347	26.3
EBIT Margin (%)	9.0%	8.0%	1.0 pp
Net profit/(loss)	278	206	34.9
Basic EPS (€)	1.58	1.17	35.1
Free Cash Flow	328	312	15.6
Total net debt, Group	(86)	107	(193.0)

NB: The amounts in this Management Report are expressed in millions of euros and calculations have been made in euros.

2. Analysis of the consolidated financial statements

Income statement

Consolidated income statement (€M)	2024	2023
Revenue	4,843	4,343
Other operating income	34	33
Changes in inventories	126	131
Own work capitalised	70	41
Raw materials and consumables	(1,169)	(1,033)
Staff costs	(2,611)	(2,403)
Other operating expenses	(725)	(645)
Changes in trade provision	(21)	(19)
Fixed asset depreciation	(107)	(99)
Other gains/(losses) on fixed assets	-	(1)
Profit/(loss) from operating activities	**438**	**347**
Financial income	35	33
Financial expenses	(83)	(72)
Change in fair value of financial instruments	1	(1)
Profit/(loss) from financing activities	**(47)**	**(40)**
Share of profit/(loss) of equity-accounted associates and joint ventures	(5)	(3)
Profit/(loss) before tax	**386**	**304**
Tax income/(expense)	(106)	(95)
Profit/(loss) from continuing operations	280	209
Profit/(loss) for the year	**280**	**209**
Profit/(loss) attributable to the owners of the parent company	278	206
Profit/(loss) attributable to non-controlling interests	3	3
Total basic earnings/(loss) per share	**1.58**	**1.17**
Total diluted earnings/(loss) per share	**1.58**	**1.10**

Statement of Financial Position and Cash Flow Statement

Consolidated cash flow statement (€M)	2024	2023
Operating profit before changes in working capital	541	444
Change in working capital	(5)	14
Corporate income tax paid	(85)	(78)
Payments for acquisition of fixed assets (excluding financial assets)	(111)	(63)
Interest received	19	25
Grant collections	41	47
Interest paid	(45)	(44)
Other flows from investing activities	(28)	(33)
Free cash flow (FCF)	***328***	***312***

3. Human Resources

Final workforce	2024	%	2023	%	Variation (%)
Spain	34,836	57%	32,498	56%	7
America	20,161	33%	19,405	34%	4
Europe	3,802	6%	3,710	6%	2
Asia, Middle East & Africa	2,108	3%	2,142	4%	(2)
Total	**60,907**	**100%**	**57,755**	**100%**	**5**

Average workforce	2024	%	2023	%	Variation (%)
Spain	33,617	57%	31,170	55%	8
America	19,320	33%	19,940	35%	(3)
Europe	3,752	6%	3,613	6%	4
Asia, Middle East & Africa	2,082	4%	2,143	4%	(3)
Total	**58,771**	**100%**	**56,866**	**100%**	**3**

4. Analysis by vertical market

The 2024 highlights of the four business units are shown below, reflecting the Company’s new organisational structure announced on 3 July 2023.

Defence	2024 (€M)	2023 (€M)	Variation (%) Reported/Local Currency
Backlog	2,972	2,953	0.6/0.6
Order intake	1,053	817	28.8/28.8
Revenues	1,031	817	26.2/26.2
EBITDA	207	163	26.7
EBITDA Margin %	20.0%	20.0%	0.0 pp
Operating Margin	191	152	25.8
Operating Margin %	18.5%	18.6%	(0.1) pp
EBIT	186	146	27.7
EBIT Margin %	18.0%	17.8%	0.2 pp
Book-to-bill	1.02	1.00	2.1
Backlog/Rev. 12m	2.88	3.61	(20.3)
Space income	60	46	31.1/31.1
% of Defence sales	6%	6%	

Air Traffic	2024 (€M)	2023 (€M)	Variation (%) Reported/Local Currency
Backlog	855	737	16.0/16.0
Order intake	586	371	58.1/58.1
Revenues	468	361	29.6/29.8
EBITDA	73	57	28.0
EBITDA Margin %	15.6%	15.8%	(0.2) pp
Operating Margin	60	46	29.2
Operating Margin %	12.7%	12.8%	(0.1) pp
EBIT	58	44	32.0
EBIT Margin %	12.5%	12.3%	0.2 pp
Book-to-bill	1.25	1.03	22.0
Backlog/Rev. 12m	1.83	2.04	(10.5)

Mobility	2024 (€M)	2023 (€M)	Variation (%) Reported/Local
Backlog	959	914	4.8 / 5.1
Order intake	411	348	18.2 / 18.6
Revenues	362	366	(1.3) / (0.5)
EBITDA	24	12	N/A
EBITDA Margin %	6.7%	3.2%	3.5 pp
Operating Margin	21	9	N/A
Operating Margin %	5.7%	2.5%	(3.2) pp
EBIT	18	6	N/A
EBIT Margin %	5.0%	1.6%	3.4 pp
Book-to-bill	1.14	0.95	19.7
Backlog/Rev. 12m	2.65	2.50	6.2

Minsait	2024 (€M)	2023 (€M)	Variation (%) Reported/Local
Backlog	2,460	2,172	13.3 / 16.8
Order intake	3,306	3,047	8.5 / 11.1
Revenues	2,982	2,798	6.6 / 8.7
EBITDA	241	214	12.5
EBITDA Margin %	8.1%	7.7%	(0.4) pp
Operating Margin	240	196	22.9
Operating Margin %	8.1%	7.0%	1.1 pp
EBIT	176	151	16.4
EBIT Margin %	5.9%	5.4%	0.5 pp
Book-to-bill	1.11	1.09	1.8
Backlog/Rev. 12m	0.82	0.78	6.3

Note: reclassifications have been made between the Minsait, Air Traffic and Mobility units under the new structure.

5. Analysis by geographical area

Revenues by Region	2024 (€M)	2023 (€M)	Variation (%) Reported	Variation (%) Local Currency
Spain	2,492	2,154	15.7	15.7
America	975	929	4.9	11.5
Europe (*)	961	817	17.7	17.7
Asia, Middle East & Africa	415	443	(6.4)	(5.9)
Total	**4,843**	**4,343**	**11.5**	**13.0**

(*) Revenue reported in the "Europe" area in the notes to the accounts and in this Management Report, differs from the sales figure in the annual report to the CNMV in the "European Union" area, since the latter only includes the Member States of the European Union.

6. Research and development activities

The Group has continued to make a considerable effort in terms of both the human and financial resources channelled into the development of services and solutions, enabling it to position itself as a technological leader in the various sectors and markets in which it operates. The amount allocated to research, development and technological innovation activities was €427,595 thousand, which is equivalent to 8.83% of the Group's total sales in that year (€372,523 thousand, equivalent to 8.6% of the Group's total sales in the previous year). See APMs in Management Report.

7. Average supplier payment period

Final Provision Two of Law 31/2014 amended the Spanish Companies Act in order to improve corporate governance, amending Additional Provision Three of Law 15/2010 which laid down measures to combat late payment in commercial transactions, to require that all companies must expressly disclose their average supplier payment period in the notes to the annual accounts. The Institute of Accounting and Auditing (ICAC) is also authorised to issue the calculation rules and methodology.

This ruling is mandatory for all Spanish companies that draw up Consolidated Annual Accounts, although only for companies based in Spain that are consolidated using the full or proportionate consolidation method.

On this basis, under a ruling dated 29 January 2016, the ICAC established the method for calculating the average supplier payment period for 2015 and subsequent periods.

The average supplier payment period is calculated using the following formula, in line with the ICAC ruling of 29 January 2016:

$$\text{Average supplier payment period} = \frac{\text{Ratio of transactions settled * Amount of payments made + Ratio of transactions pending payment * Total amount of payments pending}}{\text{Total amount of payments made + Total amount of payments pending}}$$

The data for the Spanish companies for 2024 and 2023 are as follows:

	2024	2023
	Days	**Days**
Average supplier payment period	51	52
Ratio of transactions settled	53	52
Transactions pending payment ratio	37	45

	Amount (thousand	Amount (thousand
Total payments made	1,260,610	1,224,870
Total payments outstanding	180,482	102,737

“Average supplier payment period” means the period that elapses from the supply of goods or acceptance of the provision of services by the supplier, in accordance with the Group's procedures and systems, to the actual transaction payment date.

Payments made to Spanish suppliers outside the legally stipulated period in 2024 and 2023 are explained by circumstances or incidents beyond the established payment policy, primarily under arrangements with suppliers for the delivery of goods or provision of services.

The monetary volume and the number of invoices paid within the legally prescribed deadline are as follows:

	2024	2023
Monetary volume	724,722	681,751
Percentage of total payments	57.49%	55.82%
Number of invoices	116,604	106,011
Percentage of total invoices	60.7%	55.4%

The Group has confirming lines available to its suppliers that allow them, at their option, to advance the collection of their invoices as specified in the notes to the Group's annual accounts.

8. Main business risks

The risks associated with the Group, its activity, the sector in which it operates and the environment in which it operates, which could adversely affect the achievement of the Group's objectives, are listed below.

These are not the only risks that the Group could face in the future. It could occur that future financial or non-financial risks, currently unknown or not considered to be relevant, might have an effect on the Group's business, results or financial or economic situation or on the market price of its shares or other securities issued by the Group.

It should also be borne in mind that these risks could have an adverse effect on the price of the parent company’s shares or other securities issued by the Group, which could lead to a partial or total loss of the investment made due to various factors, as well as harming its reputation and image.

(A) FINANCIAL RISKS

The Group is exposed to various financial risks, including credit and liquidity risk, market risk (including foreign exchange risk and interest rate risk) and other specific risks arising from its financing structure. The Group's risk management model seeks to anticipate and minimise the adverse effects that the materialisation of such risks could have on the Group's financial profitability.

However, the management model might not operate adequately, or could even be insufficient. The Group is also subject to external risks that are beyond its internal control and that may adversely affect the Group's business, results or financial situation.

Market risks

- Foreign exchange risk

The Group's international presence, with projects in over 150 countries in different geographical areas such as Spain, the Americas, Europe, Asia, the Middle East and Africa, means that the Group is exposed to the risk of fluctuations in the exchange rates of the currencies in the countries in which it operates against the euro. At 31 December 2024, approximately 51% of the Group's total sales derived from international markets (51% in the previous year).

The Group monitors the impact of adverse exchange rate movements on the Group income statement and balance sheet, and analyses the possible use of hedging instruments on a case by case basis.

The main transactions carried out by the Group in currencies other than the euro during 2024 and 2023 are detailed below:

	Thousand euro	
	2024	**2023**
Sales	1,488,942	1,389,343
Purchases	820,662	773,964

The main transactions in currencies other than the Euro have been carried out in US dollars, Brazilian reals, Mexican pesos and Colombian pesos.

Various macroeconomic and/or geopolitical events have recently led to sharp movements in exchange rates against the euro in the various functional currencies with which the Group operates. In this respect, the Group's activity is exposed mainly to the following risks:

- Translation exposure of accounting items

The Group's main foreign subsidiaries account for all items in their income statements and balance sheets in each country's local currency (local functional currency). When preparing the Group's consolidated accounts, each of these items is translated to euros at the relevant rate in each case (average or spot rate as appropriate), and any necessary consolidation adjustments are made.

At 31 December 2024, the Group has not used financial instruments to hedge exchange rate fluctuations against the euro in any item in the income statement or balance sheets of these foreign subsidiaries, leaving the Group exposed to the effect of translating these accounting items on consolidation.

The following table reflects the sensitivity at 31 December 2024 and 31 December 2023 of the Group's equity and results, expressed in million euros, to changes of +/-10% in the exchange rate against the euro of the foreign subsidiaries' main functional currencies.

Change in equity 2024

	Thousand euro
Saudi riyal	2,201
Mexican peso	4,309
Chilean peso	5,417
Brazilian real	2,572
Colombian peso	6,349

Change in equity 2023

+10%	Thousand euro
Saudi riyal	1,967
Mexican peso	5,009
Chilean peso	5,477
Brazilian real	2,675
Colombian peso	2,366

Change in results 2024

	Thousand euro
Saudi riyal	864
Mexican peso	515
Chilean peso	1,270
Brazilian real	473
Colombian peso	1,650

Change in results 2023

+10%	Thousand euro
Saudi riyal	255
Mexican peso	589
Chilean peso	1,332
Brazilian real	170
Colombian peso	4,368

The exchange rates used in the analysis are the exchange rates used for the Group's consolidation.

At 31 December 2024 and 2023, the Group's equity and consolidated results were most sensitive to changes in the Euro exchange rates of the Saudi Arabian riyal, the Mexican peso, the Chilean peso, the Brazilian real and the Columbian peso. However, it could be that in the future the Group's profits or equity will be more sensitive to changes in the euro exchange rates of the functional currencies of the Group's foreign subsidiaries other than those included in the above tables, depending on the relative importance of the business of the Group's foreign subsidiaries.

- Revenue and expense risk in currencies other than the functional currencies

The Group is also exposed to foreign exchange risk in projects where revenues and expenses are in currencies other than the functional currency of each Group country.

To mitigate this risk, at 31 December 2024 the Group applies a policy of entering into foreign currency hedge agreements with financial institutions that replicate the expected net flow patterns derived from collections and payments in each project, although in some cases these hedges may not be effective or available.

However, delays or variations in project cash flow can lead to hedge renewals which can have a significant impact on project profitability, and losses on projects might even arise in highly volatile currency scenarios.

- Risk of delay or changes in the scope of projects

There is an additional risk related to the fulfilment of collection and payment forecasts in the projects when they are delayed or when changes in their scope take place. In such cases, the Group would be obliged to renegotiate the term or amount of the exchange rate insurance associated with the insured flows, which could give rise to additional financial costs or the generation of losses or profits in the event of a reduction in the project scope, depending on the performance of the currency concerned.

- Risk of a lack of competitiveness due to specific currency fluctuations

A significant part of the costs associated with the Group's export activity are denominated in euros. An appreciation of the euro (against certain currencies) could make the commercial proposals submitted by the Group less competitive compared with the proposals submitted by the Group's international competitors whose cost base is denominated in weaker currencies, which may undermine the Group's competitiveness in international markets.

- Risk of exposure to non-convertible or non-repatriable currencies

The Group's international presence in more than 150 countries entails specific financial risks in terms of exchange rate variations, possible currency depreciation or devaluation, a possible freeze on payments abroad or the escalation of political problems specific to the countries in which the Group is present. Such factors, if they materialise, can plunge currencies into a period of instability and generate sharp fluctuations in their exchange rates.

In particular, the Group may be exposed to markets whose currencies may be subject to existing or emerging legal restrictions limiting their availability and transfer outside the country, normally imposed by local governments, and whose price is not determined by the free play of supply and demand.

- Country credit risk exposure

The Group operates in countries with limited solvency or high country risk according to the standards of international organisations such as the OECD (Organization for Economic Co-operation and Development), IMF (International Monetary Fund) or World Bank, mainly in public projects such as Defence and Security, Air Traffic and Transport.

To reduce this risk, whenever possible, the Group considers the use of Confirmed Letters of Credit and insurance coverage offered by international insurance companies and bodies such as CESCE (Compañía Española de Seguros de Crédito a la Exportación) and other ECAs (Export Credit Agencies) to mitigate country risk in those geographical areas with limited financial solvency.

However, it may not always be possible to obtain such coverage in high risk countries where the Group might operate.

- Interest rate risk

A considerable part of the cost of the group's financing is linked to variable interest rates, which are updated on a quarterly, half-yearly or annual basis depending on the contract in question and on changes in the reference rates on the interbank markets (normally the Euribor rate for the reference term). Therefore, a rise in the associated reference rates implies a higher cost of financing for the Group, with the consequent impact on the Group's profitability.

To partially limit this impact, the Group issues fixed-rate debt instruments and periodically assesses the advisability of arranging derivative financial instruments with financial institutions to manage these risks and hedge against interest rate fluctuations when market conditions so require.

At 31 December 2024, 27.1% of the Group's gross debt bears interest at fixed rates, including €91 million in bonds issued.

Additionally, in accordance with generally accepted accounting principles, the Group carries out exercises to verify the value of the assets included in its balance sheet which, to a large extent, involve rate references to discount the associated flows in order to calculate these values. An increase in these rates may give rise to value adjustments in part of the Group's asset and liability portfolio.

The following table sets out the sensitivity of the Group's consolidated profits, expressed in thousand euro, to changes in interest rates at 31 December 2024 and 2023:

	2024		**2023**	
	Change in interest rates		Change in interest rates	
Effect on profit/(loss) before tax	+0.5%	(0.5) %	+0.5%	(0.5) %
	(241)	241	(527)	527

Credit risks

- Customer counterparty risk

The Group is exposed to credit risk insofar as any customer fails to meet its contractual payment obligations, resulting in losses for the Group. The Group has a broad customer portfolio, maintaining commercial relations with business groups, governments and public and public-private entities, which expose it to trade debts arising from ordinary commercial transactions both in Spain and abroad.

In order to minimise the possible impact of these factors, the Group regularly assesses the use of operational measures (letters of credit, collection insurance), accounting measures (doubtful debt provisions) and financial measures (use of non-recourse factoring lines to advance payment from certain customers).

Despite this, the Group remains exposed to credit risk due to default or delays in collection from its customers, which may result in impairment of balance sheet items (trade receivables) and a reduction in the income already reported (if the impact occurs in the same year), with the consequent impact on the Group's income statement and/or equity.

At 31 December 2024, trade and other receivables in the consolidated balance sheet totalled €1,088 million (€1,154 million in 2023), of which €44 million (€55 million in 2023) is outstanding for over 12 months. The above amount recorded under trade and other receivables includes trade provisions amounting to €83 million (€82 million in 2023) and, depending on how the projects in progress develop, the Group cannot rule out the possibility of additional impairment.

Liquidity risk

- Risk of access to funding sources

The Group's cash generation capacity may not be sufficient to meet its operating payments and financial commitments, which could imply the need to obtain additional financial resources from alternative funding sources.

At 31 December 2024, the Group's gross borrowing position was €530 million (€703 million in 2023), including financing from Spanish and foreign financial institutions, capital markets (convertible bonds), institutional investors (private debt placements) and financing lines from non-banking entities, such as the CDTI (Centre for Technological and Industrial Development).

Despite the diversification in the Group's funding sources, the existence of factors that may make it difficult for the Group to access these sources (due to factors external to or associated with the Group), or non-compliance with ESG strategy, or regulations related to worsening financial terms (maturity, cost, repayment profile, etc.) or contractual (covenants, guarantees, etc.) terms on which this financing is available, may have a significant impact on the Group's strategic and financial flexibility and may even affect the Group's solvency.

- Risk of access to funding sources for R&D activities

The Group uses funding from R&D project financing entities, such as the CDTI, among others, which are important for the implementation of certain R&D projects. These loans have special characteristics in terms of duration, cost and repayment flexibility, sometimes linked to the commercial success of the product. At 31 December 2024, these loans represented 9% (7% in 2023) of the Group's gross borrowings.

A reduction in the availability or possible changes in the characteristics of such loans could limit the Group's ability to obtain resources for its R&D projects in said conditions, which would correlatively determine the need to resort to alternative sources of financing to a greater extent.

- Liquidity risk

The Group is exposed to the risk of not being able to meet its financial commitments on time via payment in cash or other equivalent financial assets.

At 31 December 2024 and 2023, the Group's long-term gross borrowings amounted to €343 million and €479 million, respectively (65% and 68% of the Group's gross borrowings, respectively), while short-term gross borrowings stood at €186 million and €224 million, respectively (35% and 32% of the Group's gross borrowings, respectively). The Group's cash and cash equivalents at 31 December 2024 amounted to €555 million (€596 million in 2023). As a result, at 31 December 2024 the Group's net cash position amounted to €26 million (net borrowings of -€107 million in 2023). In the short term, the Group depends on the generation of cash from its own operations and/or on obtaining additional financial resources from financial institutions to meet its obligations with respect to:

- its commercial and operational payments, and
- the repayment of amounts lent by financial institutions and the interest accrued on their respective due dates.

The Group makes cash flow forecasts to ensure that it has access to the necessary resources to meet its operational and financial needs. The Group has undrawn financing lines amounting to €906 million in 2024 (€747 million in 2023), which include a syndicated line of credit for up to €500 million arranged with six domestic and international financial institutions, falling due in July 2028.

However, these forecasts are based on the best estimates made by the Group at a given time on the foreseeable evolution of cash inflows and outflows and, as such, are subject to fluctuations due to the development of the business or the conditions in which the Group companies operate. Deviations from forecasts have been frequent in the past for the reasons explained above.

- Risks arising from the seasonality of the Group's cash flow

The nature of the budgetary and payment processes of some of the Group's customers (mainly customers associated with the public sector) means that project-related receipts may be concentrated around certain dates, mainly in the last weeks of the calendar year.

During 2024, positive free cash flow of €328 million was generated (€312 million in 2023).

In addition, public sector customers sometimes follow payment management processes that are conditional on review by other authorities or government entities, which can lead to delays or adjustments to their own payment schedules. This dynamic creates seasonality in the cash flows generated by the Group, which could give rise to liquidity pressures in periods during which project-related receipts are structurally lower.

- Risks arising from the availability of guarantees

In the ordinary course of its business, the Group is required to provide guarantees to third parties as security for the performance of contracts and the receipt of advances. These guarantees are mainly issued by banks and insurance companies. In view of the Group's geographical diversification, these guarantees must be issued in many different geographical areas and currencies.

At 31 December 2024, the Group had provided guarantees to third parties issued by various banks and insurance companies mainly for the purpose of ensuring compliance with contracts, totalling €1,224 million (€1,164 million in 2023).

In this context, there is a risk that these banking and insurance entities could increase the cost and/or reduce the amounts or even cancel the lines granted to the Group for issuing these guarantees. Likewise, there is a risk that certain countries, currencies or customers with limited solvency or associated risk will be excluded, which would limit their commercial capacity and ability to attract business.

In addition, these guarantees are mostly linked to the successful execution of the projects and therefore any problems in the delivery of these projects could entail the risk of the guarantees being enforced, which could affect the availability or cost of such guarantees in the future, with the consequent impact on the Group's commercial and financial capacity.

- Risk of non-compliance with financial ratios

Group companies are required to comply with certain solvency ratios, accumulated losses, current asset and liability liquidity ratios in relation to their activities and tenders with public administrations in certain geographical areas.

Regulatory, tax and legal changes or financial developments and/or changes in business could affect these ratios, which could have a financial impact and affect the Company's capacity to do business or meet its financial obligations.

Moreover, at 31 December 2024, the Group's financing is not subject to compliance with financial ratios.

- Risk of supplier payment management using confirming lines

The Group has confirming lines with financial institutions so that suppliers who wish to bring forward the collection of current invoices due may do so. These lines allow suppliers to effectively manage their collections. These lines allow suppliers to effectively manage their collections. A reduction in the limits of these lines could lead to liquidity pressures at some of the Group's suppliers, which could be detrimental to the level of service or even the timely availability of contracted products. The Group maintains an appropriate policy of diversifying the number of its suppliers, but an adverse effect on some of them cannot be ruled out in the case described.

Solvency risk

- Solvency

Poor credit quality vis-à-vis third parties caused by excessive leverage or the business's incapacity to generate the funds required to meet its commitments towards third parties could lead to higher financing costs, difficulties in accessing such sources or even bankruptcy.

The Group's general approach is to proactively manage the financial risks relating to the Indra Group's debt, liquidity and financing levels, ensuring that they remain within thresholds which, even in adverse economic conditions, guarantee its viability and strategic flexibility within a framework of reasonable profitability.

Accounting and reporting risks

- Risks derived from changes in accounting standards

The absence or non-application of accounting policies and the absence of stable and defined processes, lack of internal control mechanisms or lower-than-expected level of disclosure could lead to inadequate economic and financial information being obtained.

The accounting and financial reporting standards governing the preparation of the Group's consolidated financial statements are subject to review and amendment by international accounting standards bodies and other regulatory authorities. Such regulatory changes may have a significant impact on the way the Group accounts for and presents its financial information.

- Risks derived from the presentation of sustainability information

The absence or non-application of internal control criteria, as well as the absence of stable and defined processes or a lower-than-expected level of disclosure, may lead to the reporting of sustainability information that is not adequate, balanced, understandable, error-free or oriented towards interested parties. In particular, in the current year Group management has included the disclosures required by Article 8 of the European Taxonomy Regulation.

In addition, on 16 December 2022, Directive (EU) 2022/2464 of the European Parliament and of the Council on corporate sustainability reporting was published. This directive is part of the European Green Deal policies, amends the previous directive on this topic and if approved, would apply to the Group as from 1 January 2024. However, since the Directive has not been transposed into Spanish law, the Indra Group remains subject to Act 11 of 28 December 2018, amending the Spanish Commercial Code; the consolidated text of the Spanish Companies Act, approved by Royal Legislative Decree 1 of 2 July 2010; and Act 22 of 20 July 2015, on Auditing Accounts in matters of non-financial information and diversity. The Indra Group has opted to prepare the Consolidated Non-Financial Information Statement and Sustainability Information under a dual framework including compliance with Law 11/2018 and with all the requirements of Directive (EU) 2022/2464, in line with the joint notification by the ICAC and the CNMV.

(B) OPERATIONAL RISKS

Risks related to project management

- Risks arising from price definition and scope in proposals

An inadequate analysis of the scope of the project (including temporary consortia), the complexity of the systems and specific technical tasks to be performed, as well as a lack of previous experience, could lead to incorrect price estimates, a lack of specification and/or deficient contractual formalisation, as well as the inclusion of abusive clauses, penalties or the failure to reflect changes in the scope of the proposal, resulting in operations with lower than expected profitability or affecting compliance with product and deliverable requirements. In addition, inaccuracies in requirements and deliverables could lead to continuous changes resulting in non-acceptance of deliveries and non-payment or even cancellation of the contract on the grounds of non-performance.

There is a risk that the Group may not be able to deliver the solution offered or that the scope offered may require greater costs or that technological restrictions may prevent the delivery of the agreed scope in due time and form, which could be seriously detrimental to profitability and cash flow in such projects, with a significant impact on the Group's financial position.

- Risks arising from project execution

Refers to the increase in costs with respect to those planned or delays with respect to the initial project plan due, among other reasons, to force majeure, failures in the coordination and management of the projects derived from the lack of sufficient experience of responsible employees, inadequate planning of the necessary resources, difficulty in defining roles and responsibilities of the persons involved, communication failures, non-compliance with standards, procedures and methods and failures in the Group's project management systems.

Furthermore, deviations in the implementation of a project could lead to contractual penalties and even the cancellation of certain projects. Such situations could affect the Group's reputation and commercial solvency not only with respect to the customer involved but also with respect to other customers in the same or other sectors and regions where the Group operates. In any event, no single project represents more than 10% of the Group's consolidated revenues.

The Group performs ongoing analyses of the expected future profitability of projects in progress with the best information available at any given time, which may give rise to significant provisions after completing this analysis if as a result of this process a higher cost than initially foreseen is expected.

In addition, the Group periodically reviews its project portfolio, identifying projects whose current development shows signs of potential losses, and provisions are made for these as they are identified.

Finally, the Group's contracts with its customers usually contain provisions designed to limit its liability for damages caused or for defects or faults in its products or services. However, it cannot be guaranteed that these provisions will always, and effectively, protect the Group against legal claims, nor that, where appropriate, the liability insurance will be sufficient to cover all costs arising from such legal claims.

- Customer-related risks

Lack of knowledge of the customer or an unstable/complex organisation could imply poor customer management resulting in a demand for additional scopes or non-acceptance of the product/service, lack of involvement, reticence or lack of interest on the part of the customer, delays by the customer in internal work necessary for the project, or customer expectations higher than those established contractually, which may trigger payment delay or failure, project delays, penalties, additional costs, loss of contracts or customer dissatisfaction, among other consequences.

- Product quality risk

The absence of adequate instruments for ensuring and controlling the product and service quality through all phases of their production could increase their cost due to failure to detect and manage variances early, leading to additional work or contractual non-compliance. Additionally, the lack of systematic quality management could limit the organisation's capacity to prevent the repetition of known errors and continuous improvement.

- Order intake and backlog risk

The positive evolution of the Group's order backlog in a given year depends on both the orders accumulating until the beginning of that year and the new orders generated during that year.

The cumulative order intake is affected by variables outside the Group such as exchange rate fluctuations (for contracts denominated in foreign currency), project scope adjustments, delays in the start-up of services or projects and even contract termination.

Obtaining new projects is conditional on the Group's capacity to adapt to the market's evolution in terms of competition, supply and product development.

All these events may have a material impact on the Group's order backlog and therefore on the Group's future revenues.

- International expansion risk

Due to its significant international presence, the Group is exposed to risks related to its adaptation to environments or markets in the regions in which it operates, as well as to risks derived from a lack of knowledge and experience in the geographical markets it intends to develop. This means that the Group may be exposed to reductions in demand or diminished productivity as a result of unfavourable conditions, as well as to changes in national policies and regulations applicable to the sectors in which it operates, all of which could affect the Group's financial and economic situation.

Exposure to this type of risk may increase in those countries and emerging markets where political and good practice standards are less stable or less developed.

- Risk derived from involvement in joint ventures, temporary consortia and associations

The Group operates with some 280 Temporary Consortia (UTEs) in different geographical areas (mainly Spain). Carrying out projects with Temporary Consortia or in Association implies risks that could materialise in an incorrect distribution of responsibilities, lack of capacity among associates, lack of solvency among associates that would force the Group to assume their operational commitments, or previous negative experiences. In addition, if the partners in the Temporary Consortium failed to meet their contractual obligations on a timely basis, the Group would have to comply with the obligations arising from such contracts due to the unlimited joint and several liability of the Consortium members towards third parties.

Furthermore, since a significant part of the Group's business is in the Public Administrations sector, the Group frequently takes part in tenders grouped into Temporary Consortia. In this context, there is a risk that the Group's involvement in a Temporary Consortium to take part in a tender may be considered by the competition authorities (specifically the Spanish National Commission for Markets and Competition) as a way of concealing, under the legal appearance of a Temporary Consortium, the existence of collusive behaviour, particularly in cases where the agreement among the Consortium members is not duly supported from a business standpoint or includes covenants that have the aim or effect of distorting competition.

The Group sometimes takes part in consortia where it has a minority interest and is therefore exposed to the risk of changes in the conditions and/or scope of these projects.

- Risk of loss of certification and accreditation

Non-compliance with the requirements associated with third-party certifications or accreditations to which the Group has adhered could result in these being forfeited, jeopardising the current contracts related to them, access to and competitiveness in the markets in which they are required or valued, and generating a negative reputational impact.

- Risk of disqualification from contracting with public authorities

The Group operates with Public Administrations of differing characteristics and with very diverse regulatory and legal requirements and compliance standards in numerous markets and geographical areas. Possible litigation, disputes or claims with some of these Administrations could lead to the Group's disqualification from contracting with the Public Administration in the country concerned, impacting the Group in both economic and reputational terms. In addition, any failure to comply with certain balance sheet ratios could prevent the Group from taking part in tenders or even make it ineligible to enter into contracts with the Public Administrations.

- Risk of damage to tangible fixed assets

Physical damage to the Company's property and assets at any stage of the project, produced by any cause: weather/natural causes, accidents in the Group's operations, attacks by third parties or inappropriate actions on manoeuvring elements could lead to cost overruns or additional unplanned investments, or could require repairs, replacements or even jeopardise the continuity of the business.

- Information security risk

The possible existence of vulnerabilities and threats that could undermine or result in the loss of confidentiality, availability and integrity of the information contained in the systems could have detrimental impacts on the Group. Cyber-risk is understood as the materialisation of threats that jeopardise the information that is processed, stored and transmitted by information systems that are interconnected.

- System availability risk

The lack of or reduction in availability of Indra's systems could generate delays or interruptions in processes, which could make it difficult to achieve objectives, place the company at a competitive disadvantage or affect the Group's image.

- Risk due to insufficient insurance coverage

Although the Group seeks to insure the risks to which it is reasonably exposed and considers that its insurance coverage meets normal market standards, it cannot guarantee that its policies will cover all its liabilities or damages in the event of an incident.

In this respect, the Group could be required to bear significant costs in the event that (i) its insurance policies do not cover a given loss; (ii) the amounts insured by those policies are insufficient; or (iii) the insurance company is unable to pay the amounts insured, notwithstanding the increase in the insurance premiums.

Risks related to support processes

- Supplier management risk

Risks associated with suppliers such as operational and quality deviations, delays, dependencies, geographical concentration of critical suppliers, supply chain interruption, risks associated with technological obsolescence and legal compliance.

From a social viewpoint, it implies not taking on suppliers through business procedures that guarantee sustainable purchases under social and environmental criteria, prioritising purchases from local suppliers and ensuring transparency and equal conditions and opportunities for the different bidders. This could lead to lost opportunities and cause adverse reputational effects, as well as infringing human rights.

The creation of long-term relationships with suppliers is a key factor in the successful development of the Group's business. However, greater dependence on any of these suppliers in the Group's operations could result in a reduction in its flexibility when dealing with unexpected adverse circumstances that could arise in relation to such suppliers, as well as a reduction in its negotiating power. Likewise, in the event of inappropriate practices by any of the members of its supply chain, the Group could be affected by legal, financial and operational contingencies or damage to its image, among others.

The Group also works in all the sectors in which it operates with a number of niche suppliers specialised in specific products and services that the Group requires to develop and implement its projects. Therefore, in the event that these niche suppliers are unable to supply their products or services within the agreed time frame, it may not be easy to replace them in a short period of time, which could lead to a deviation in the project's implementation time, adversely affecting the Group's results. In addition, any changes in such suppliers' pricing policies could significantly affect the profitability of the associated projects.

- Risk of investor and shareholder relations

Inadequate communication between the Financial, Investor Relations and Legal departments could lead to distortion in institutional or financial messages and could adversely affect the Group's image in the eyes of investors and shareholders. Inadequate frequency of these communications could adversely affect the relationship with investors and shareholders.

- Brand positioning risk

The lack of knowledge and perception of the Group's brand by the target audience and the absence of marketing and communication plans can hamper the implementation and growth of the brand.

- Risk of errors in support processes

The existence of possible failures or obsoletion in all transversal processes that support the Group's activities could have a negative impact in relation to infrastructures and/or invoicing, collection and payments processes, etc.

- Risk derived from relations with trade unions, employers' associations and employees

Inadequate management of relations with employees and their legal representatives could lead to a lack of support for the interests of personnel or the Indra Group, lawsuits, greater conflict, strikes, or media repercussions with negative effects for the Group.

From a society viewpoint, failing to guarantee freedom of trade union membership and association, the right to strike and the right to collective bargaining could have negative social and reputational impacts and violate human rights, among other implications.

- Health and safety risk

The deficient application of the Occupational Risk Prevention management system or a lack of plans to improve the health and well-being of employees (prevention of sedentary behaviour, mental health, etc.) or health risks in the workplace, or other harm suffered by company personnel (kidnapping, extortion, etc.), could result in significant economic and/or legal contingencies between the Group and its employees, as well as a decrease in motivation, productivity and the ability to attract and retain talent.

Productivity related risks

- Risk related to productive efficiency

The lack of efficiency/effectiveness in manufacturing or software development processes (e.g. interruptions due to the absence of information, lack of flexibility in the management of resources/pyramids or possible breakdowns due to a low work-rate or insufficient take-up of new technology) or in the Group's support processes (e.g. due to a failure to leverage synergies or a lack of process standardisation) could have negative repercussions, mainly cost overruns, for the Group.

- Strategy and resource planning risk

An inadequate resource management strategy, higher than expected labour costs (e.g. higher contracting costs), labour rigidity, loss of business due to the unavailability of human resources required to initiate projects, lack of a subcontracting strategy or inefficient planning that fails to match resource needs with availability could generate negative impacts due to cost overruns.

In turn, the profitability of some of the Group's businesses requires the active management of the Group's existing professional pyramids, which is often limited either by the Group's financial capacity or by specific labour regulations in certain countries.

- Risk derived from the supply strategy

The absence of planning and foresight in procurement from a global perspective, rather than project by project, could cause a loss of opportunities for savings or cost reductions, failure to take part in tenders due to the terms involved or an inadequate diversification of the supply base, or conversely, its excessive concentration.

- Risk of warehouse management for the Group's own and third party materials

Inadequate management of materials, whether owned by the Group or third parties, could lead to cost overruns (logistical and financial costs, obsolescence), quality issues (deficient recording of materials) or the interruption of operations due to materials being unavailable.

Key personnel risks

- Risk related to undesired turnover

High undesired turnover of key personnel due to remuneration, benefit or retention policies that fail to reflect the new ways of working or due to ineffective career management, fierce competition in the industry or other causes that undermine the ability to retain employees could lead to a loss of knowledge and innovation, reduced opportunities to generate value and business, cost overruns (increase in hiring costs) and detriment to reputation (customers and employees).

During 2024, undesired turnover stood at 9.70%.

- Risk derived from a lack of talent

A lack of profiles or talent required for a specific job due to shortages in the market or the Company's lack of attractiveness due to inadequate personnel management (compensation, career plans), lack of an internal and external strategy for managing diversity, bias, inclusion or equality.

The sectors in which the Group operates are characterised by a high degree of specialisation, due to a high rate of innovation and constant technological change which requires the Group to have highly qualified employees with the specific know-how for the development of its projects, mostly with a substantial technological component.

- Risk of a lack of training in key areas

The lack of availability of employees with the required education and training in key areas could make it difficult to culminate the projects and initiatives proposed by the Group.

- Diversity and inclusion management

The absence of or failure to apply a governance strategy and/or approach to managing diversity and inclusion so as to ensure equal opportunities, diversity, respect and non-discrimination of Indra's people could mean difficulties in attracting and retaining talent, human rights infringements or adverse effects on the Company's reputation and image, among other aspects.

Reputational risk

Reputational risk is defined as the probability of negative events, public opinions and perceptions, which adversely affect the Group's income, brand, support and public image.

This is a transversal risk and is considered to be related to and interdependent with other risks.

The Group's reputation is linked to operational risks such as product quality and safety, customer satisfaction, information security, worker health and safety, personnel management and subcontracting, as well as other types of risks related to regulatory compliance such as integrity, legal responsibility and corporate governance.

Although the Group has adopted internal control measures aimed at mitigating these risks, it remains exposed to other factors that it might not be able to foresee and control internally, to factors outside its business structure and to the risk that the conduct of certain Group members could affect its image. If this were to occur, any of these situations could adversely affect the Group's brand and therefore its ability to maintain its competitive position in the markets in which it operates.

Sustainability risks

These are the risks and opportunities of an environmental, social or corporate governance nature that could affect the Group. These are key elements for assessing sustainability, the achievement of Sustainable Development Goals (SDGs) and ethical impact from the viewpoint of investing in a company.

The Group has identified the most relevant compliance, financial, operational and strategic risks related to sustainability. Indra is included in various prestigious indices: Dow Jones, MSCI, FTSE4Good and the Bloomberg Gender-Equality Index (GEI). For more information, please see the Consolidated Non-Financial Information Statement and Sustainability Information.

(C) COMPLIANCE RISKS

- Legislative, regulatory and tax compliance risks

As part of its ordinary activity, the Group is exposed to litigation and claims, whether from employees, subcontractors, third parties, suppliers, tax authorities, competition agencies, or customers, among others. Uncertainty about the outcome of litigation and claims carries the risk that a negative outcome will adversely affect the Group's business and reputation, as well as its results or its financial, economic or equity position.

The Group carries out a process for quantifying and rating these risks on a recurring basis, based on the best information available at a given time. There is a risk that this impact may be underestimated or that events may occur that cause the classification and quantification of a dispute or claim to change significantly, with a greater impact than initially anticipated.

The Group provisions 100% of the amount of proceedings in which it is a defendant and risk of occurrence has been classified as “probable” (i.e. the risk of an unfavourable ruling is greater than 50%). At 31 December 2024, the Group is a defendant in litigation totalling €30 million (€40 million in 2023). Provisions at that date amounted to €30 million (€40 million in 2023). For further details on the ongoing proceedings and litigation affecting the Group, see Note 24.

As the Group operates in various countries it is exposed to compliance with varying applicable laws and regulations: (i) of each of the markets in which it operates; (ii) of the European Union; and (iii) of the obligations derived from international treaties, as well as their possible future amendment.

The main regulatory compliance risks that may significantly affect the Group's business are those arising from its ordinary activities, as well as those deriving from national and international measures to prevent crime and fraud. In addition, it is important to note the regulations in force in each country which, in the event of non-compliance, could lead to the imposition of penalties on the Group.

The legal consequences of a criminal (or criminal-like) act committed in the name or on behalf of the legal entity and for its direct or indirect benefit could incur economic and/or commercial penalties (e.g. fines, business interruption, prohibition on contracting with public administrations, reputational harm and, in the most serious cases, even the entity's dissolution).

In addition, the Group's activities are subject to the tax legislation of each country and to the double taxation treaties between the countries in which it operates, and it must therefore comply with successive amendments to such legislation. With regard to tax benefits in favour of the Group, potential tax reforms in the countries in which it operates may lead to the cancellation of such benefits, resulting in additional costs for the Group and therefore adversely affecting its business and financial position.

Also worth noting are the effects of any changes in Spanish tax legislation, which could have an impact on the Group's consolidated results as a result of possible adjustments to deferred taxes at the relevant tax rates, or limitations on deductions, as well as on cash flows, as a result of the need to bring forward payments and defer recoveries of tax credits (Note 35).

Finally, the Group has stepped up activities in the means of payment industry by acquiring companies subject to specific financial sector regulations. This entails building knowledge of those regulations and ensuring that specific internal control, governance and risk management structures are in place. The failure to comply could lead to fines, penalties, criminal proceedings and reputational damage.

- Risk of non-compliance with Corporate Governance recommendations

Possible non-compliance with the recommendations and best practices in the area of Corporate Governance or non-alignment with expectations of investors and proxy advisors could lead to shareholders not approving or giving sufficient support to the proposed resolutions submitted to the General Shareholders' Meeting by the Board or a loss of confidence from stakeholders.

From a corporate viewpoint, a lack of adequate communication and reporting could impact stakeholder engagement and trust.

- Employment and social security regulation risk

Inadequate personnel management for employment and Social Security purposes (e.g. illegal assignment of employees), non-fulfilment of obligations with Social Security administrations in the countries where the Group operates, or changes in regulations in the different geographies and markets in which the Group operates, could lead to: (i) overruns and/or loss of income due to the need to bring operations into line with such regulations (ii) being non-compliant with the rules and criteria established by the courts (iii) significant economic and/or legal contingencies between the Group and its employees, trade unions and Central Government, as well as a potential prohibition on contracting with public administrations, or (iv) human rights violations.

In this respect, the Group operates in markets with specific regulations for certain groups of professionals (for example, the Brazilian labour legislation relating to professionals from subcontracted companies) that may involve significant labour risks and contingencies. Even though the Group has a consistent human resources policy, it is inevitable that it will have to adapt to the local situations of each country, which may lead to risk situations related to such legislation.

- Intellectual and industrial property risks

Failure by the Group to comply with current legislation in relation to intellectual property or industrial property rights could lead to penalties or indemnities.

- Integrity risk

Non-compliance with the Group's internal policies (including the Code of Ethics) by employees or third parties, weaknesses in the detection, oversight or adoption of measures to prevent harassment or the non-ethical use of technologies (e.g. algorithms that could lead to some form of discrimination, use of biased databases) could have a negative impact on the Group's reputation and image vis-à-vis its stakeholders, as well as financial and sustainability aspects, among others.

- Environmental risk

Inadequate management of environmental issues associated with production activities could lead to direct damage to the environment and/or people.

It could also entail non-compliance with environmental regulations, with the resulting risk of legal penalties and liability.

- International business risk

Non-compliance with current international trade legislation in any country where the Group operates could lead to international sanctions.

- Competition risk

Non-compliance with current competition legislation in any country in which the Group operates could lead to economic and/or commercial penalties (e.g. fines, prohibition on contracting with public administrations and/or reputational harm).

- Non-compliance in relation to product quality and safety

Non-compliance with laws and regulations on product and service safety could affect the level of quality offered to customers and may result in financial penalties and reputational damage for the Group.

- Data protection risk

Non-compliance with current regulations on data protection, both at Group level and in the context of its operations, could lead to financial penalties, reputational damage or human rights violations.

- Risk of non-compliance with artificial intelligence regulations

Non-compliance with current regulations on artificial intelligence, both at Company level and in the context of operations, could among other consequences lead to financial penalties for the Company or human rights violations.

- Risk of non-compliance with banking regulation and payment services legislation

The failure to comply with prevailing legislation on banking and payment services could lead to economic penalties for infringements and reputational damage, or the partial or total suspension of activities related to this business.

- Risk of money laundering and the financing of terrorism

The non-fulfilment of applicable prevailing legislation on money laundering and terrorist financing by using, concealing or covering up own or third-party assets or funds deriving from a criminal activity or other illicit source, and financing terrorist groups or committing any other crime of terrorism, among other activities, could result in adverse economic impacts and reputational damage.

(D) STRATEGIC RISKS

Industry risks

- Risk of exposure to the Spanish market

The national economy could be affected by a decrease in investment in Public Administrations as well as in private customers due to the decline in the country's economic and socio-political situation, which could lead to a loss of earnings.

Despite the effort to internationalise the Group in recent years, it is highly dependent on the Spanish market. In 2024, 51% (49% in 2023) of total sales derived from Spain.

- Relevance of the global economic, socio-political and employment situation to the business

The economic, socio-political and employment situation and global macroeconomic trends affect the Group's business, given its international presence.

On the one hand, budgetary constraints resulting, inter alia, from the problems caused by high public deficits (for instance, in Europe) result in a direct (public customers) and indirect decline in business for the Group.

The Group is also affected by the slowdown in emerging economies in recent years. Exposure to these economies represents a significant risk for the Group's business in these markets.

Additionally, geopolitical tensions, international uncertainty, terrorist actions, the growth of populist and/or nationalist political parties opposed to globalisation, uncontrolled spread of infectious diseases, sector deterioration, supply chain interruption, national bankruptcy, decline in the economic situation, and mobility restrictions, among other matters, undermine investor confidence and could considerably affect the economic situation in those countries in which the Group operates, either through budgetary restrictions on sensitive areas for the Group's operations (such as defence, transport, etc.), changes in regulations in sensitive sectors (e.g. the banking sector), increased dependence on local suppliers to the detriment of multinationals such as the Group, interruptions in supply chains, possibility of default or decreased productivity, which might even jeopardise business continuity. Any of these circumstances, as well as any other that could affect the world economy, could have a significant impact on the Group's business.

- Technological development risks

Some of the sectors in which the Group operates are in a constant process of evolution and innovation, which means that the technologies used or developed by the Group may become obsolete, making it necessary to make a considerable effort to maintain the Group's technological development. The lack of flexibility, resources (testbeds, instrumentation), effective investment or knowledge to take on technological changes caused by disruptive technologies (e.g. artificial intelligence, quantum technology) could place the Group at a disadvantage with respect to its competitors and opportunities could be lost. The key to the unique solutions and services offered by the Group lies in innovation. In this context, it is necessary not only to accommodate constant technological changes but also to be able to anticipate them sufficiently in advance to be able to adapt the Group's technological resources in order to provide a quality, up-to-date, reliable and safe service to customers.

In addition, the Group's customers are facing disruptive changes in their own business models that are threatened by new competitors based on much more advanced technological platforms (i.e. new fintech operators versus traditional banks). The capacity of these customers to adapt to such changes is key to ensuring their survival in the medium term and their limited response capacity could adversely affect the Group as it could lose business from them.

- Risks associated with fluctuations in prices of materials, services and labour

Fluctuations in the prices of materials and services and/or qualified labour, and other costs due to price volatility in the commodities markets, shortages of materials and labour or other reasons, could involve risks related to an increase in the costs and negative budget variances.

- Price competition risk

Price competition in the market for services or commodities could lead to a decline in competitiveness due to price cuts by one or more competitors, resulting in a loss of customers.

- Risk associated with the incorrect use of proprietary intellectual and industrial property by third parties

A possible lack of detection, application, registration or control measures or inadequate contractual protection against customers and suppliers could lead to a loss of rights to such know-how with serious consequences for the Group.

The technologies developed by the Group, as well as the knowledge it possesses in relation to certain areas or sectors which is incorporated into its services and solutions, are very valuable intangible assets, and therefore their protection is essential for its business. The Group adopts mechanisms to protect technology against copies, viruses, unauthorised access, identity theft, hardware and software failures, computer fraud, loss of computer records and technical problems, among others.

The protection of the Group's know-how is entrusted to all its professionals, and in particular to its legal services. In accordance with the Group's Code of Ethics and Legal Compliance, all professionals are obliged to protect their technology and know-how, among other essential assets. Specifically, the legal services are responsible for safeguarding the Group's intellectual and industrial property, through:

- adequate contractual protection in relations with customers and suppliers, and
- active management of their rights through the registration and monitoring of intellectual property records and filings, patents and trademarks.

However, the measures adopted by the Group could be insufficient to protect its know-how and technologies, adversely affecting the Group.

- Risk related to regulatory changes

The changes in regulations in the various geographical areas and markets in which the Group operates could lead to higher costs due to the need to adapt operations to these regulations and/or a decline in earnings due to possible business discontinuance.

- Climate change risk

Failure to comply with the adaptation strategy (decarbonisation path) and the objectives established in relation to climate change, negative impacts derived from physical risks (damage to facilities due to global warming and more frequent extreme weather events), transition risks (regulatory, legal, market, technological or reputational), loss of opportunities or higher costs, could have an impact on the business strategy at both an economic and reputational level.

- Risk arising from the implementation of strategic plans

The Group defines medium-term plans that involve risks derived from both the implementation of the plan itself and from the failure to take the measures required to achieve the proposed objectives.

These plans are based on estimates and forecasts concerning the Group that are subject to risks, uncertainties and other factors that could cause the final results to differ from the projected results.

Risks derived from relations with third parties

- Customer counterparty risk

Excessive dependence on certain customers could lead to a loss of profitability in the customer portfolio and curb the Group's growth and sales capacity. In addition, supplier rationalisation processes that could be carried out by large corporations could cause the Group to lose all or part of its business with these customers.

The Group has a broad and diversified portfolio of large customers with which it seeks to build long-term sustainable relationships. Its main customers include large corporate groups, governments and public and public-private entities in the various jurisdictions in which it operates. At 31 December 2024 and 2023, no Group customer accounted for more than 10% of consolidated revenue.

The success of the Group's business is linked to maintaining or increasing demand for its projects and services, which in turn depends on the proper functioning of the business and the budgetary or financial limitations of its customers. Therefore, all factors that can affect its customers' business will indirectly affect the Group's results.

- Risk of finding the right alliances, partners and technology partners

The unavailability of suitable partners, the difficulty in cementing the necessary alliances and the inadequate implementation and monitoring of such arrangements could limit growth, the renewal of the offer and general business competitiveness, as well as hindering the fulfilment of strategic, economic and reputational goals. The main risks include the inappropriate distribution of responsibilities, breaches of agreements, conflicts of interest between partners and disputes over intellectual property rights.

Risks related to the Product and Project Portfolio

- Risk due to a lack of suitable commercial channels

The lack of commercial channels for detecting new potential markets and the needs of current and potential customers could reduce the Group's capacity to generate contracts, with the consequent impact.

- Risk in product offer management

If the Group is unable to offer innovative products tailored to customer needs which are socially and environmentally responsible and involve technology with impacts that help customers to operate sustainably, this could be detrimental to market share, profitability, reputation and image.

Risks related to acquisitions, organisation and planning

- Investment/divestment strategy and monitoring risk

A lack of effective alignment with strategy, incorrect execution (valuation, due diligence, structuring and negotiation), insufficient monitoring and/or non-fulfilment of objectives set in investment/divestment projects, or the emergence of liabilities hidden or unknown at the acquisition date, could jeopardise strategic objectives leading to undesired effects.

Taking advantage of inorganic growth opportunities is essential in sectors with a strong technology base and which require the incorporation of new technologies to complement internal development, as well as in sectors where scale is a crucial factor in competing companies' profitability and competitive positioning.

The success of the inorganic growth strategy will depend on the ability to find suitable acquisition targets on favourable terms, and on the ability to finance and complete these transactions successfully. The integration of new businesses also involves risks inherent to the acquisition process itself and subsequent integration.

In addition, the acquisition of certain businesses could be subject to the fulfilment of certain requirements (e.g. competition, defence, etc.) which could limit the attractiveness of the assets to be acquired or even preclude their acquisition.

There is a risk that the Group will encounter difficulties in integrating the acquired businesses, such as the failure to achieve cost reductions or the expected commercial synergies, which could result in the acquisitions not being as advantageous in financial terms as would have been expected. There is also a risk that the expected operational, tax and/or financial synergies will not be achieved as a result of possible legislative changes. There are also risks associated with the increase in the Group's debt or even the emergence of liabilities not identified in the prior due diligence processes, or the possible impact of impairment of the assets acquired.

Certain specific risks relating to acquisitions are set out below:

- Insufficient or inadequate strategic planning.
- Errors in the due diligence process
- Inappropriate valuation of the acquisition
- Risks arising from integration.
- The resulting group may not be able to retain key managers and professionals, or to manage the workforce efficiently.

At 31 December 2024, the Group recorded net intangible assets (excluding goodwill) totalling €250 million (€264 million in 2023).

Similarly, the Group could be required to make provision for goodwill arising from corporate transactions in the past if the future prospects associated with such business are insufficient to justify the carrying value of the goodwill. At 31 December 2024, the Group recorded goodwill totalling €1,043 million (€996 million in 2023).

- Risk of integration of new businesses

The lack of a clear allocation of responsibilities or the absence of policies and procedures concerning acquisitions and equity interests in new companies, as well as the lack of controlled and managed integration (cultural, procedural, systemic, legal, financial), could prevent compliance with objectives, resulting in negative financial and strategic consequences.

- Positioning and development risk in new and existing markets

Errors and/or departures during the selection, analysis, positioning and definition of business models; the choice of alliances, partners or corporate operations in new or expanding markets; the difficulty of modifying the current positioning or potential mismatches between the desired positioning and market perception; lack of knowledge and experience and/or the selection of the right organisational structure could lead to departures from expected results, nonfulfilment of the strategic plan and errors in investment decisions, among others.

- Planning and forecasting risk

Errors in planning or budgeting due to lack of integrated business vision, uncertainty or changes in the market, lack of business optimisation or because of inadequate follow-up, could generate negative impacts (e.g. loss of business opportunities, higher costs, etc.).

9. Global and geopolitical impacts and uncertainties

War in Ukraine

Three years after the start of Russia's invasion of Ukraine, the conflict is currently at a standstill. The rise of Donald Trump to the US presidency could be a turning point, after having publicly stated his intention to lead an agreement to end the war in the short term.

The invasion of Ukraine has had a profound geopolitical impact, with global repercussions, above all in Europe. The NATO countries have ramped up plans to meet the alliance's targeted defence spending threshold of 2% of GDP. Specifically, on several occasions, Spain has reiterated its commitment to converge at this level of expenditure by 2029. In this context, Indra's prospects in the Defence and Security business for the coming years are positive.

Concerning the direct impact on Indra, the company ceased its operations in Russia and Ukraine at the beginning of the conflict. In any event, the company did not have any relevant operations in either of these countries.

New government in the US

The start of Trump's new term in January 2025 marks the beginning of a new political cycle, which is expected to trigger significant changes in foreign and economic policy.

For the moment, the announcement of tariffs to be imposed on various countries and products is rekindling trade tensions with the US. The potential impact of Trump's arrival on trade relations between the US and the EU is still uncertain. Indra is monitoring the situation so as to be able to take the necessary measures within our grasp and adapt to any changes as they occur.

This new political cycle reaffirms the need for NATO members to increase their defence spending, and there are even proposals to raise it above the current target of 2% of GDP. This new scenario implies further tailwinds for the defence industry.

Conflict in the Middle East

Hamas' terrorist attack on Israel in October 2023 triggered a major conflict in the Gaza Strip, with repercussions for the entire region. In 2024, there were direct air strikes between Israel and Iran, the conflict between Israel and the Hezbollah militia in Lebanon intensified and there was further disruption to the shipping lanes through the Suez Canal due to the risk of attack from the Houthi militias.

At the beginning of 2025, a ceasefire was agreed in Gaza and could be the start of a period of greater stability in the region. If it lasts, this ceasefire could also facilitate a return to normality on commercial shipping routes. However, many shipping companies are still opting for a longer but safer route between Asia and Europe, which is impacting timescales and costs for global supply chains.

To date, Indra has not identified a significant impact on our business, but we will continue to monitor the situation with regard to potential impacts on our supply chain.

Interest rates

Amid geopolitical tensions, the level of uncertainty makes it impossible to know where interest rates will end up. Despite the monetary policy pursued in recent months by the ECB and the Federal Reserve, their future decisions will depend on the effects on growth and inflation of the new geopolitical situation and the potential trade war fanned by cross tariffs.

Increasing demands on companies with regard to sustainability

Sustainability has consolidated its status as a key issue for companies to keep in mind. Beyond compliance with the associated increasing regulation, sustainability is an additional decision-making criterion for customers and investors. Companies increasingly need to demonstrate a good ESG (Environmental, Social and Governance) performance to maintain customer confidence, obtain better access to capital market financing, and attract and retain talent.

In particular, 2024 brought challenges relating to compliance with new European Union legislation in the form of the Corporate Sustainability Reporting Directive, which establishes new guidelines on the reporting of non-financial information, facilitating the comparison of performance and tightening ESG requirements for companies, although it has not yet been transposed into Spanish law.

For its part, Indra treats sustainability as a cross-cutting aspect of our Strategic Plan “Leading the Future”. We have drawn up a new ESG Plan for 2024-2026, which will allow initiatives to be deployed in response to growing stakeholder demands and regulatory changes affecting ESG areas.

10. Capital structure

At 31 December 2024, the parent company’s subscribed and paid-up capital amounted to €35,330,880.40, consisting of 176,654,402 ordinary shares with a par value of €0.20 each, represented by book entries.

All the shares are officially listed on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, are quoted in the Continuous Market and are included in the selective IBEX-35 index, the year-end price being €17.08 (€14.00 at year-end 2023). The average price for the last quarter of 2024 and 2023 was €16.74 and €13.71 per share, respectively.

The parent company’s main shareholders at 31 December 2024, holding an interest of over 3%, are: SEPI (28%); Advanced Engineering and Manufacturing, S.L. (14.30%); Joseph Oughourlian (7.239%); and Sapa Placencia (7.944%).

11. Shareholder remuneration

At a meeting held on 26 February 2025, Indra's Board of Directors resolved to propose, at the next General Shareholders’ Meeting, the distribution of a cash dividend of €0.25 gross per share out of 2024 profits.

The proposed distributions of profits in Group companies for 2024 have been drawn up by their respective boards and will be submitted for approval at the relevant General Shareholders' Meetings.

12. Derivatives

The Group pursues an active policy of hedging risks arising from exchange rate fluctuations by arranging hedges and derivative instruments with financial institutions.

The Group is also considering the use of interest rate swaps to manage its exposure to interest rate fluctuations mainly in its long-term floating rate bank loans.

At present, no interest rate swaps have been entered into.

13. Treasury shares

Making use of the delegated authority conferred by the General Shareholders' Meeting, the parent company directly holds 750,530 shares at 31 December 2024 for a total of €12,635 thousand. Further details can be found in Note 18 to the annual accounts.

During 2024, the Company acquired 8,440,193 of its own shares on the stock exchange (4.78% of share capital) (7.06% of annual volume) and sold 10,087,660 of its own shares (5.71% of share capital) (8.45% of annual volume). Further details on share movements in 2024 can be found in Note 18 to the annual accounts.

14. Outlook

The Group expects revenue in excess of €5,200 million in constant currency, EBIT over €490 million and Free Cash Flow over €300 million in 2025 (not including the acquisitions of TESS Defense or Hispasat).

15. Annual Corporate Governance Report

In accordance with the provisions of Article 538 of the Spanish Companies Act, the Annual Corporate Governance Report forms an integral part of the Consolidated Management Report and is included in a separate section. This report has been prepared in accordance with the model approved by CNMV Circular 3 of 28 September 2021 and is available on the CNMV website (www.cnmv.es), to which it was sent by the Company, and on the corporate website (www.indracompany.com).

16. Annual Report on Directors' Remuneration

In accordance with the provisions of Article 538 of the Spanish Companies Act, the Annual Report on Directors' Remuneration forms an integral part of the Consolidated Management Report and is included in a separate section. This report has been prepared in accordance with the model approved by CNMV Circular 3 of 28 September 2021 and is available on the CNMV website (www.cnmv.es), to which it was sent by the Company, and on the corporate website (www.indracompany.com).

17. Sustainability Information

The Consolidated Non-Financial Information Statement and Sustainability Information forms part, as an appendix, of the Consolidated Management Report and is therefore subject to the same rules for approval, filing and publication as the Management Report, having been drawn up and approved by the Board of Directors together with the Management Report at its meeting on 26 February 2025. The Sustainability Report includes the necessary information to understand the Company's performance, results and situation and the impact of its business activities with respect to, at least, environmental and social issues, as well as those related to personnel, respect for human rights and the struggle against corruption and bribery, among others. The Consolidated Non-Financial Information Statement and Sustainability Information can also be consulted on the company's website (www.indracompany.com).

18. Alternative Performance Measures

Following the guidelines of the European Securities and Markets Authority (ESMA) on Alternative Performance Measures (APMs), Group management believes that certain APMs provide useful additional financial information that should be considered when assessing performance. In addition, Management uses these APMs when taking financial, operational and planning decisions, as well as in the assessment of Group performance. The Group presents the following APMs that it considers useful and appropriate for decision making by investors and which provide greater reliability with respect to the Group's performance.

EBITDA

- Definition/Reconciliation: EBITDA stands for earnings before interest, tax, depreciation and amortisation.
- Explanation of use: this is a financial indicator that the Company uses to determine its productive performance and that investors use for company valuations.
- The Group also uses the EBITDA Margin as a performance indicator, which is the ratio of EBITDA to sales in a given period. This indicator is interpreted as the Group's operating profit for every euro of sales.
- Consistency of the policy used: there is no change in policy with respect to the previous year.

CONSOLIDATED INCOME STATEMENT (€M)	2024	2023
EBIT	438	347
Depreciation/amortisation	107	99
EBITDA	***545***	***446***

EBIT

- Definition/Reconciliation: as defined in the annual income statement.

- Explanation of use: this is a financial indicator that the Company uses to determine its productive performance and that investors use for company valuations.
- The Group also uses the EBIT Margin as a performance indicator, which is the ratio of EBIT to sales in a given period. This indicator is interpreted as the Group's operating profit for every euro of sales.
- Consistency of the policy used: there is no change in policy with respect to the previous year.

CONSOLIDATED INCOME STATEMENT (€M)	2024	2023
EBITDA	545	446
Depreciation/amortisation	107	99
EBIT	***438***	***347***

Operating Margin

- Definition/Reconciliation: operating profit (EBIT) plus personnel reorganisation costs, impairment, business consolidation and acquisition costs, amortisation of intangible assets from acquisitions, share-based remuneration and possible penalties.
- Explanation of use: this a financial indicator that the Company uses to determine its productive performance before certain extraordinary costs and which investors use for valuations of IT businesses.
- The Group also uses the Operating Margin (%) as a performance indicator, which is the ratio of the Operating Margin to sales in a given period.
- Consistency of the policy used: there is no change in policy with respect to the previous year.

CONSOLIDATED INCOME STATEMENT (€M)	2024	2023
EBIT	438	347
Extraordinary Costs	74	56
Operating Margin	***512***	***403***

Net borrowings

- Definition/Reconciliation: amounts owed to credit institutions and bonds or other non-current marketable securities less cash and cash equivalents. Net borrowings is calculated by subtracting the balance under “Cash and cash equivalents” from the balances under the headings “Current and non-current bank borrowings” and “Financial liabilities due to the issuance of debentures and other current and non-current marketable securities” as these figure in the consolidated statements of financial position.
- Explanation of use: this is a financial indicator that the Group uses to measure the company's leverage.

In this respect, the Group uses the Net borrowings/EBITDA ratio as an indicator of its level of leverage and capacity to repay its financial debt. For this reason, the EBITDA figure used in the calculation of the ratio for interim periods is determined taking into account the equivalent annual EBITDA figure for the 12 months immediately prior to the date of calculation of the ratio.

- Consistency of the policy used: there is no change in policy with respect to the previous year. It reflects the effect of the transfer of the MPS Group to held for sale (Note 13).

CONSOLIDATED BALANCE SHEET (€M)	2024	2023
Cash and cash equivalents	555	596
Current bank borrowings and debentures	(166)	(224)
Payables to non-financial entities for grants received	(20)	-
Non-current bank borrowings and debentures	(343)	(479)
Net cash (+)/Net borrowings (-) before transfer to held for sale	***26***	***(107)***
Effective transfer to held for sale	61	-
Net cash (+)/Net borrowings (-) Group total	***86***	***(107)***

Free Cash Flow

- Definition/Reconciliation: these are the funds generated by the Group before dividend payments, net financial investments and other similar amounts, and investment in treasury shares (Note 2. Statement of Financial Position and Cash Flow Statement). It is calculated on the basis of profit before taxes in the consolidated cash flow statement: deducting grants, provisions and gains/losses on fixed assets and other items, adding depreciation and amortisation, adding the results of subsidiaries and other investees, adding financial results, adding dividends received, adding cash from operating activities, deducting payments for the acquisition of property, plant and equipment and intangible assets, deducting financial results and corporate income tax paid, and adding or deducting other flows from investing activities.
- Explanation of use: this is the cash generated by the Group's own business operations that is available to the providers of funds (shareholders and financial creditors) once the parent company's investment needs have been met. It is an indicator that investors use for valuing companies.
- Consistency of the policy used: there is no change in policy with respect to the previous year.
- Reconciliation: see Note 2.

Order intake

- Definition: this is the volume of contracts successfully obtained over a period. The order intake figure should not be confused with the Revenue figure since the amount of a contract secured in a particular year (and which is accounted for as order intake in that year) may be spread over a number of years.
- Explanation of use: as it reflects the amount of contracts obtained in a given year, the order intake figure is an indicator of the future performance of the Group's business.
- Consistency of the policy used: there is no change in policy with respect to the previous year.

ORDER INTAKE	2024	2023
Minsait order intake	3,306	3,047
Defence order intake	1,053	817
Air Traffic order intake	586	371
Mobility order intake	411	348
Order intake	***5,356***	***4,583***

Book to bill ratio

- Definition: the amount of the contracts successfully obtained over a period divided by the company's sales in the last twelve months.

- Explanation of use: this is a financial indicator used by the Company to measure the amount of contracts obtained in relation to the Company's sales in the last twelve months.
- Consistency of the policy used: there is no change in policy with respect to the previous year.

BOOK TO BILL	2024	2023
Order intake	5,356	4,583
LTM Sales	4,843	4,343
Book to Bill	***1.11***	***1.06***

Order backlog

- Definition: This is the accumulated order intake less sales made plus/minus exchange rate and contract renegotiation adjustments, among others. It reflects the amount of a sale remaining until the completion of a project to complete the order intake figure.
- Explanation of use: As it reflects the amount of contracts obtained pending implementation, this figure is an indicator of the future performance of the Group's business.
- Consistency of the policy used: There is no change in policy with respect to the previous year.

ORDER BACKLOG	2024	2023
Minsait backlog	2,460	2,172
Defence backlog	2,972	2,953
Air Traffic backlog	855	737
Mobility backlog	959	914
ORDER BACKLOG	***7,245***	***6,776***

Order backlog/Sales in last 12 months Ratio

- Definition: amount of the backlog less sales made plus/minus exchange rate and contract renegotiation adjustments, among others, and which represents the part of the sale pending until the finalisation of the project to complete the contract figure, divided by the company's sales in the last twelve months.
- Explanation of use: this is a financial indicator used by the Company to measure the amount of contracts obtained pending execution in relation to its sales in the last twelve months.
- Consistency of the policy used: there is no change in policy with respect to the previous year.

ORDER BACKLOG / LTM SALES	2024	2023
Backlog	7,245	6,776
LTM Sales	4,843	4,343
Order backlog / LTM Sales	***1.50***	***1.56***

Working capital (NWC)

- Definition: the amount of current operating assets less current operating liabilities. It can also be calculated as the sum of accounts receivable plus inventories less trade debtors.
- Explanation of use: this is a financial indicator used by the Company to measure the resources it has available to meet its current liabilities. Therefore, it measures the company's insolvency risk.
- Consistency of the policy used: there is no change in policy with respect to the previous year.

Working capital (NWC)	2024	2023
Current operating assets	1,792	1,762
Current operating liabilities	1,627	1,480
Working capital (€M)	***165***	***283***

The calculation is facilitated by adding long-term items, based on the following calculation: Trade receivables is the sum of Trade receivables for net sales and services, Accounts receivable - net long and short-term billable production, Prepayments to suppliers, and Advance payments to customers - long and short term. Inventories is the sum of Short-term inventories plus Long-term inventories.

Working capital S/T+L/T	2024	2023
LTM Sales	4,843	4,343
Sales/days	13	12
Total working capital (€M)	(90)	3
Working capital (DoS)	***(7)***	***0***

Total working capital S/T+L/T (€M)	2024	2023
Inventories	792	661
Trade receivables	(83)	48
Payables	(798)	(706)
Total working capital	***(90)***	***3***

Research and development expenses

Definition: the total amount of the Group's research and development expenditure.

Consistency of the policy used: there is no change in policy with respect to the previous year.

Total research and development expenses (€M)	2024	2023	% of sales 2024	% of sales 2023
Capitalised R&D expenditure	46	22		
Uncapitalised R&D expenditure on research and development projects	67	45		
Subtotal	**113**	**67**	2.3 %	1.5 %
R&D expenditure on other projects (uncapitalised)	314	306		
Total research and development expenditure	***427***	***373***	***8.8 %***	***8.6 %***

19. Events after the reporting date

- On 19 January, Indra's Board of Directors accepted the formal resignation of Mr Murtra as board director and Executive Chairman, and chair of the Executive Delegate Committee and Strategy Committee at Indra, after he had been appointed board director and Executive Chairman of Telefónica, S.A. The Board of Directors adopted the following resolutions:

  I. Approve, following a favourable report from the A&CGC, the appointment by co-option of Ángel Escribano Ruiz as a Company Director.

  II. Appoint Ángel Escribano as Executive Chairman of the Board of Directors and grant him the same executive functions relating to corporate and institutional matters previously held by Mr Murtra, in addition to those inherent to his position as Chairman of the Board of Directors, which will be exercised in coordination with the operational and business guidance provided by the CEO, José Vicente de los Mozos.

  III. In addition, under Article 249.3 of the Spanish Companies Act, the Board of Directors, following a favourable report from the Remuneration Committee, approved Mr Ángel Escribano's executive service contract, which maintains the same remuneration conditions as those of the former executive chairman, Mr Murtra, as well as granting him sufficient powers to carry out the executive functions.

  The above-mentioned resolutions assure continuity in the implementation of the Strategic Plan 2024-2026 and are backed by the Company's principal shareholders.

- On 31 January, Indra entered into an agreement with Redeia Corporación, S.A. ("Redeia") to acquire an 89.68% ownership interest in Hispasat, S.A. ("Hispasat"), a satellite services operator and provider, for €725 thousand, for which purposes Indra secured financing of €700 thousand, while the remainder is to be covered by cash resources.

  The transaction is subject to the fulfilment of certain conditions precedent, which are essentially regulatory in nature, both in Spain and in other jurisdictions; to approval by Indra's General Shareholders' Meeting; and to the performance of certain agreements so that Indra may consolidate, for accounting purposes, Hisdesat Servicios Estratégicos S.A., a government satellite services operator in the areas of defence, security, intelligence and foreign affairs.

- Penalty proceeding initiated by the Spanish National Market and Competition Commission ("CNMC") against the Company – Proceeding S/DC/0598/2016 "Railway electrification and electromechanics".

  Once the Supreme Court's ruling of 6 November 2024 became final and after being required to pay the fine of €870 thousand, the parent company made payment on 4 February 2025.

  At the time of writing, we are waiting for the State Consultative Board on Administrative Procurement (JCCPE) to initiate the administrative procedure to decide on the duration and scope of the prohibition on contracting.

- On 14 February 2025, Telefónica Perú applied for a voluntary Ordinary Insolvency Procedure (PCO) before the National Institute for the Defense of Competition and Protection of Intellectual Property (Indecopi) so as to convene its creditors to meet in order to make decisions on the restructuring of its financial obligations. The process is assessed by Indecopi's Insolvency Procedures Committee, which has a maximum of 90 business days to approve the application.

  Once the application is accepted, Telefónica de Perú can be considered viable and its assets may be restructured. However, if the view is taken that the company cannot continue to operate in the market, it will be wound up and liquidated.

  At the present time, the Group has no delinquent debt, although Market Senior Management and the customer are reviewing potential effects which, if any, are expected to be immaterial (€2 million to €4 million).

- On 26 February, Indra's Board of Directors resolved to propose, at the next General Shareholders' Meeting, the distribution of a cash dividend of €0.25 gross per share out of 2024 profits, to be paid on 10 July 2025.

20. Appendix I – Annual Corporate Governance Report

The Annual Corporate Governance Report forms an integral part of the Management Report as per Article 538 of the Spanish Companies Act. This report is submitted separately to the National Securities Market Commission (CNMV) and can be consulted on its website (www.cnmv.es), as well as on Indra's corporate website (www.indracompany.com).

21. Appendix II – Annual Report on Directors' Remuneration

The Annual Report on Directors' Remuneration forms an integral part of the Management Report as per Article 538 of the Spanish Companies Act. This report is submitted separately to the National Securities Market Commission (CNMV) and can be consulted on its website (www.cnmv.es), as well as on Indra's corporate website (www.indracompany.com).