

**REPORT BY THE AUDITING AND COMPLIANCE COMMITTEE OF INDRA SISTEMAS, S.A. ON THE POTENTIAL ACQUISITION OF A MAJORITY STAKE IN HISPASAT, S.A.**

**1. PURPOSE OF THE REPORT**

Recommendation 44 of the Code of Good Governance for Listed Companies [CGGLC] stipulates that the Auditing Committee should be informed of any structural or corporate transactions the company is planning, so the Committee can analyse the transaction and report to the Board of Directors beforehand on its economic conditions and accounting impact and, where applicable, the proposed exchange ratio.

In response to this recommendation, Indra's economic-financial management has, for the purpose of analysis, provided this Committee with information on the economic conditions of the potential transaction which entails the acquisition by Orbitude, S.L. ("Orbitude"), a wholly-owned subsidiary of Indra Sistemas, S.A. ("Indra" or "the Company"), with Indra acting as guarantor, of the shares of Hispasat, S.A. ("Hispasat") – therefore indirectly including its stake in Hisdesat Servicios Estratégicos, S.A. ("Hisdesat"), Grupo Sylvestris, S.L. ("Sylvestris") and Grupo de Navegación, Sistemas y Servicios, S.L. ("GNSS") – which are owned by Redeia Sistemas de Telecomunicaciones, S.A.U. ("Restel"), a wholly-owned subsidiary of Redeia Corporación, S.A. ("Redeia"), and which represent 89.68% of its share capital (hereinafter, the "Transaction"). It has also provided information on its accounting impact, insofar as it comprises a corporate transaction involving the acquisition of an asset that would be considered an "essential asset", with analysis by the Board requiring a prior report from this Committee.

**2. BODY AUTHORISING THE TRANSACTION: CONSIDERATION AS AN ESSENTIAL ASSET**

The Committee has taken into consideration the following factors as identified by the Company's senior managers and executives in classifying the asset to be acquired as essential:

- From a quantitative standpoint: The relevance of the acquisition price established for the transaction, which, although not reaching the quantitative threshold set out in Article 160 f) of the Spanish Companies Act (25% of the value of the assets reflected in the last balance sheet approved by Indra), is nevertheless very close to that figure; and
- From a qualitative standpoint: The configuration of this asset as a key component of the Company's strategy in the aerospace sector, aimed at driving its development, as well as its classification as an asset capable of generating synergies with Indra's current defence activities (systems and

radars) through access to highly strategic systems in this field, such as Hisdesat and IRIS2.

The Committee has also had access to the report issued by law firm Gómez-Acebo & Pombo on 16 October, which confirms this assessment.

In light of the foregoing, and in accordance with the provisions of Article 160 f) of the Spanish Companies Act, the approval of this transaction falls outside the scope of the ordinary management powers delegated to the Board of Directors and must therefore – prior a report by this Committee – be submitted to Indra's General Shareholders' Meeting for approval.

### **3. FINANCIAL TERMS AND CONDITIONS OF THE TRANSACTION AND VALUATION**

Following negotiations, a Binding Offer amounting to €725,000 submitted by Orbitude to Restel for the shares representing 89.68% of the share capital of Hispasat (the “Binding Offer”), is now being brought before this Committee for its report to the Board of Directors.

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 implementation of certain agreements enabling Indra to consolidate, for accounting purposes, Hisdesat Servicios Estratégicos S.A., a government satellite services operator in the areas of defence, security, intelligence and foreign affairs.

#### **Factors taken into consideration in determining the price**

- Company executives have prepared a Business Plan (“BP”) based on the plans presented by the financial advisors of this transaction.
- The methodologies adopted to determine the price are consistent with those commonly accepted in the market and include, among others, discounted cash flow and/or discounted dividend flow analyses, using a discount rate and long-term growth assumptions that reflect market consensus.
- The fundamental valuation exercise was cross-checked against valuation multiples of comparable listed companies and previous market transactions in the satellite industry.
- The fundamental valuation was carried out using a sum of the parts method to appropriately reflect the differing growth prospects, profitability, level of investment and risk profile of each of Hispasat's principal activities, including its stake in Hisdesat.

#### **4. FINANCIAL, ACCOUNTING AND TAX IMPACTS OF THE TRANSACTION**

In view of the results of the financial, accounting and tax due diligence, the main impacts of the transaction have been identified and described in the documentation made available to the Committee, including specific provisions covering the main tax contingencies set out in the sale and purchase agreement, in addition to the legal contingencies.

#### **5. REPORTS BY INDEPENDENT EXTERNAL ADVISORS**

In order to prepare and compile the offer, the Company engaged the services of three independent external firms, which issued their own fairness opinions on the reasonableness of the consideration offered from a financial point of view. In this regard, the aforementioned fairness opinions concluded that the consideration is reasonable from a financial standpoint.

#### **CONCLUSION OF THE AUDITING AND COMPLIANCE COMMITTEE:**

The Auditing and Compliance Committee considers that, in accordance with the budgets and methods set out previously and under the terms of the transaction described in this Report, the transaction is fair and reasonable from the Company's perspective. It does not prejudice the interests of other shareholders and will be carried out in the Company's corporate interest, with transparency and fairness, and in compliance with applicable legislation.

In this regard, the Committee has made a positive assessment of the decision to treat the transaction as an essential asset, thereby enabling shareholders to express their views and to have access to the necessary information to evaluate the conditions under which the transaction is proposed.

The analysis of this transaction by Indra's Auditing and Compliance Committee was conducted without the participation of the directors of Sociedad Estatal de Participaciones Industriales [SEPI]. Although the Company does not consider this to be a related-party transaction, the directors of SEPI – given that SEPI holds a minority stake in Hispasat – decided, as a precautionary measure and in view of a potential conflict of interest, not to participate in the Committee's deliberations or vote on this transaction, nor will they do so at the meeting of the Board of Directors.

30 January 2025

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