

INDRA'S REVENUES AND EBIT GREW AT DOUBLE-DIGIT RATES IN THE FIRST HALF OF THE YEAR

INDRA REVISES 2023 TARGETS UPWARDS

- 1H23 reported EBIT grew 12.8% vs 1H22, also accelerating its growth in the second quarter of 2023 to increase by 17.0% compared to last year same period
- Revenues up 11.5% in 1H23, accelerating to 14.9% in the second quarter of 2023 vs the same period of 2022: it stood out the strong growth showed in the quarter in Defence (up 48.7%) and Air Traffic (17.4%)
- Year-end targets are increased by 4% in revenues, EBIT and FCF
- 1H23 Free Cash Flow was €54m vs €24m in 1H22. As a result, Net Debt/EBITDA LTM ratio decreased to 0.1x compared to 0.6x in June 2022
- 1H23 Backlog reached all-time high, €6,819m, with Order Intake growing by 8% compared to 1H22, bolstered by Air Traffic, Transport and Minsait
- The Strategic Plan for the coming years, which will be presented in the first quarter of 2024, will be called **LEADING THE FUTURE**

Madrid, July 27th, 2023.

According to Marc Murtra, Indra's Chairman,

"We continue on the path of changes, transformation and improvements at Indra. The arrival of José Vicente give us a new and important boost towards profitable growth, all with the ambition of making Indra the reference in the technology sectors in which it operates. This is a transformational, inspiring and exciting time for all of us at INDRA. In this new stage we will concentrate all our efforts on continuing to grow in a profitable and sustainable manner and on reinforcing our technological leadership."

Regarding the financial results, José Vicente de los Mozos, Indra's Chief Executive Officer, said:

"These very positive results are a reflection of the strength and commitment of all the teams that make up Indra. I would like to highlight in these data the commercial performance and its corresponding growth in order intake together with the acceleration in revenue growth and operating result. Furthermore, based on my vision of the strengths that I have seen during these first weeks in the company, I announce that we are going to improve our year-end outlook by 4 % in terms of revenues, EBIT and cash generation."

On the other side, José Vicente de los Mozos, in reference to the Strategic Plan that will be presented in the first quarter 2024, added:

*"Based on these magnificent results, we will focus the entire company on the creation of a Strategic Plan for the years 2024-2026, but with a vision beyond 2030. This Strategic Plan will be born from within the company and will be based on growth through different vectors such as the optimization of the international footprint, the simplification and creation of the portfolio, and the commitment to value creation all across the activities in which Indra is present. In addition, we are the true leaders in ESG, a subject that is at the core of all our strategic decisions. We want Indra to be a benchmark company in all the areas in which it acts as a leader, which is why we have decided to name this plan **LEADING THE FUTURE**."*

Main Figures

Main Figures	1H23	1H22	Variation (%)	2Q23	2Q22	Variation (%)
	(€m)	(€m)	Reported / Local currency	(€m)	(€m)	Reported / Local currency
Backlog	6,819	6,044	12.8 / 13.4	6,819	6,044	12.8 / 13.4
Net Order Intake	2,512	2,326	8.0 / 9.3	1,112	982	13.3 / 16.9
Revenues	2,012	1,805	11.5 / 12.0	1,095	953	14.9 / 16.1
EBITDA	189	174	8.3	97	87	11.0
EBITDA Margin %	9.4%	9.6%	(0.2) pp	8.9%	9.2%	(0.3) pp
Operating Margin	167	149	11.7	91	77	17.5
Operating Margin %	8.3%	8.3%	0.0 pp	8.3%	8.1%	0.2 pp
EBIT	139	123	12.8	74	63	17.0
EBIT margin %	6.9%	6.8%	0.1 pp	6.7%	6.6%	0.1 pp
Net Profit	90	66	35.3	46	27	70.6
Basic EPS (€)	0.51	0.38	35.3	N/A	N/A	N/A
Free Cash Flow	54	24	126.5	28	11	157.1
Net Debt Position	47	210	(77.6)	47	210	(77.6)

Transport and Defence (T&D)	1H23	1H22	Variation (%)	2Q23	2Q22	Variation (%)
	(€m)	(€m)	Reported / Local currency	(€m)	(€m)	Reported / Local currency
Revenues	663	593	11.8 / 12.7	396	314	26.0 / 27.3
EBITDA	87	80	9.4	46	41	10.5
EBITDA Margin %	13.1%	13.4%	(0.3) pp	11.5%	13.1%	(1.6) pp
Operating Margin	76	65	16.8	44	35	23.3
Operating Margin %	11.5%	11.0%	0.5 pp	11.0%	11.3%	(0.3) pp
EBIT	70	61	14.6	38	33	15.6
EBIT margin %	10.5%	10.2%	0.3 pp	9.7%	10.6%	(0.9) pp

Minsait	1H23	1H22	Variation (%)	2Q23	2Q22	Variation (%)
	(€m)	(€m)	Reported / Local currency	(€m)	(€m)	Reported / Local currency
Revenues	1,349	1,212	11.3 / 11.6	699	639	9.4 / 10.7
EBITDA	101	94	7.4	51	46	11.5
EBITDA Margin %	7.5%	7.8%	(0.3) pp	7.3%	7.2%	0.1 pp
Operating Margin	91	84	7.7	47	42	12.5
Operating Margin %	6.7%	6.9%	(0.2) pp	6.7%	6.6%	0.1 pp
EBIT	69	62	11.0	35	30	18.5
EBIT margin %	5.1%	5.1%	0.0 pp	5.0%	4.7%	0.3 pp

Indra acquired Nexus and Mobbeel for the IT business and Simumak for the T&D business in 2022, and so far in 2023, Indra has acquired Deuser for the IT business and the Air Traffic (ATM) Selex division in the US for the T&D business. These acquisitions had a contribution of €44.7m to 1H23 sales and only €0.3m to 1H22 sales.

Main Highlights

Backlog reached new all-time high and stood at €6,819m in 1H23, implying +13% growth in reported terms vs 1H22. Transport & Defence backlog amounted to €4,769m and increased by +17% in 1H23 vs 1H22, standing out Defence & Security, which amounted to €3,075m. For its part, Minsait backlog went up +4% in 1H23 vs 1H22 and totaled €2,051m. Backlog/Revenues LTM ratio stood at 1.68x in 1H23 vs 1.69x in 1H22.

Order intake in 1H23 registered +9% increase in local currency (+8% in reported terms):

- **Order intake in the Transport & Defence division in 1H23** was up +8% in local currency, backed by the strong growth reported in Air Traffic (+49% in local currency), due to the ATM projects in Belgium, Honduras and higher activity with Enaire in Spain, and in Transport (+20% in local currency), due to the Rail and Ticketing projects in Spain and Tunnel management in the UK. In contrast, order intake in Defence & Security declined (-7% in local currency), due to the strong activity registered in 1H22 (+64% vs 1H21), which was mainly driven by the contract for the modernisation of the Tiger MKIII helicopters in Spain (c. €90m).
- **Order intake in the Minsait division in 1H23** increased +10% in local currency, standing out the double-digit growth posted in Public Administration & Healthcare (+18% in local currency), thanks to the positive

activity showed in Spain, which also offset the strong order intake recorded by the Elections project in Angola in 1H22, and Energy & Industry (+14% in local currency), in which it stood out the positive performance showed in Spain, Philippines, Italy and Peru. In addition, Financial Services also grew (+7% in local currency), pushed by America, specifically in Chile, Mexico and Peru. In contrast, order intake decreased in Telecom & Media (-8% in local currency), due to the strong activity recorded in 1H22 in America (relevant contract in Colombia) and in Spain (renewal of relevant contracts with the main operator).

1H23 revenues grew +12% in local currency (+11% in reported terms) vs 1H22:

- **1H23 revenues in the T&D division** increased by +13% in local currency, due to the strong growth posted in Defence & Security (+24% in local currency), mainly thanks to the higher contribution from FCAS and Eurofighter projects, and Air Traffic (+21% in local currency), which showed solid activity in all geographies, among which it stood out Spain, Belgium, UK, Panama, USA and India. On the contrary, Transport sales fell by -12% due to the decline registered in Spain (relevant contribution of T-Mobilitat interurban project in 1H22) and AMEA (significant contribution of the Control Systems and Ticketing projects in Egypt and the Interurban Systems project in Riyadh in 1H22).
- **1H23 revenues in the Minsait division** increased by +12% in local currency, in an environment in which customer demand continues to be strong and with all the verticals registering growth, standing out the double-digit growth posted in Energy & Industry (+16% in local currency), due to America (Brazil and Peru in Energy) and Spain (relevant clients in Energy, Retail and Food), and Financial Services (+15% in local currency), mainly due to the inorganic contribution of the Chilean company Nexus, specialized in Payment Systems, as well as the positive performance of the business in Mexico and Spain. Additionally, it stood out the growth showed in Public Administrations & Healthcare (+7% in local currency) thanks to the positive performance registered in Spain, which offset the decline posted in AMEA due to the Elections project in Angola that took place in 1H22. For its part, Telecom & Media slightly increased (+1% in local currency).

2Q23 revenues up +16% in local currency (+15% in reported terms):

- **2Q23 revenues in the T&D division** grew +27% in local currency, bolstered by the growths registered in Defence & Security (+49%) and in Air Traffic (+22%). For its part, Transport declined -3%.
- **2Q23 revenues in the Minsait division** increased by +11% in local currency, with all the verticals showing growth except for Telecom & Media, which slightly decreased (-1% in local currency). It is worth noting the double-digit growth posted in Energy & Industry (+17% in local currency) and in Financial Services (+16% in local currency).

FX impact in 1H23 contributed negatively with €-9m, mainly due to the depreciation of currencies in AMEA (mainly Philippines, Australia and India) and in America (Argentina and Colombia). **In the quarter, FX impact** contributed negatively with €-12m.

Organic revenues in 1H23 increased +10% (excluding the inorganic contribution of the acquisitions and the FX impact). By divisions, Transport & Defence recorded +12% growth, while Minsait showed +9% organic growth in 1H23. **Organic revenues in 2Q23** grew by +14%, posting +26% in Transport & Defence and +8% in Minsait.

Minsait Digital revenues reached €378m (28% of Minsait sales) in 1H23, which implied +17% increase vs 1H22, backed by strong customer demand in digital transformation, cybersecurity, advanced analytics, process robotization and cloud migration. Digital, Proprietary solutions and Implementation of third party solutions & Others joint sales showed +13% growth in 1H23 and accounted for 56% of Minsait sales.

1H23 reported EBITDA stood at €189m vs €174m in 1H22, showing +8.3% growth in reported terms, equivalent to 9.4% EBITDA margin in 1H23 vs 9.6% in 1H22. **2Q23 EBITDA** stood at €97m vs €87m in 2Q22, equivalent to 8.9% EBITDA margin in 2Q23 vs 9.2% in 2Q22.

Operating Margin was €167m in 1H23 vs €149m in 1H22, equivalent to 8.3% margin in 1H23, same profitability than in 1H22. **Operating margin in 2Q23** amounted to €91m vs €77m in 2Q22 (equivalent to 8.3% margin in 2Q23 vs 8.1% in 2Q22):

- **1H23 Operating Margin in the T&D division** reached €76m vs €65m in 1H22, equivalent to 11.5% margin vs 11.0% last year same period, mainly thanks to the higher profitability posted in Defence & Security and in Air Traffic. **2Q23 Operating Margin** stood at €44m vs €35m in 2Q22, equivalent to 11.0% margin in 2Q23 vs 11.3% in 2Q22.

- **1H23 Operating Margin in Minsait** stood at €91m vs €84m in 1H22, equivalent to 6.7% operating margin in 1H23 vs 6.9% in 1H22, slightly lower profitability due to the lower contribution of the Elections project, as well as the impact of wage inflation. **2Q23 Operating Margin** reached €47m vs €42m in 2Q22, equivalent to 6.7% margin in 2Q23 vs 6.6% in 2Q22, improvement derived from operating leverage, improved business mix and lower pressure from wage inflation.

Other operating income and expenses (difference between Operating Margin and EBIT) in 1H23 amounted to €-28m vs €-26m in 1H22. Total workforce restructuring costs amounted to €-10m in 1H23 vs €-14m in 1H22 and the provision for equity-based compensation of the medium-term incentive amounted to €-10m in 1H23 vs €-5m in 1H22.

1H23 reported EBIT was €139m vs €123m in 1H22, growing +13% in reported terms, equivalent to 6.9% EBIT margin in 1H23 vs 6.8% in 1H22. **2Q23 reported EBIT** stood at €74m vs €63m in 2Q22, equivalent to 6.7% EBIT margin in 2Q23 vs 6.6% in 2Q22:

- **EBIT margin in the T&D division** stood at 10.5% in 1H23 vs 10.2% in 1H22. **2Q23 EBIT margin** was 9.7% vs 10.6% in 2Q22, affected by the contract resolution of the previous CEO (€4m).
- **EBIT margin in Minsait** stood at 5.1% in 1H23, same profitability than in 1H22. **2Q23 EBIT margin** was 5.0% vs 4.7% in 2Q22.

1H23 Net profit of the group reached €90m vs €66m in 1H22, implying an increase of +35%.

1H23 Free Cash Flow was €54m vs €24m last year same period. **2Q23 Free Cash Flow** was at €28m vs €11m in 2Q22.

Net Debt stood at €47m in June 2023 (increase mainly due to the payment of the acquisition of the Selex division of ATM in the US for €45m) vs €43m in December 2022 and €210m in June 2022. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16, the capital gain from the sale of the facilities and the provision of the Real Estate Plan) stood at 0.1x in June 2023 vs 0.1x in December 2022 and 0.6x in June 2022.

Upgraded Outlook 2023

The Company upgrades its 2023 targets:

- **Revenues in constant currency:** > €4,150m (from previous > €4,000m).
- **EBIT reported:** > €325m (from previous > €315m).
- **Free Cash Flow reported:** > €210m (from previous > €200m).

Finally, the Company announced that will hold a Capital Markets Day in the first quarter 2024

Human Resources

At the end of June 2023, total workforce amounted to 56,849 professionals implying an increase of +3.5% vs June 2022 (1,916 additional employees). This increase was concentrated in Spain (1,723 more employees). In the quarter, total workforce slightly increased +0.5% (276 more employees), as a consequence of the growth registered in Spain (628 additional employees), and despite the decline posted in America (356 less employees), due to the completion of a Data Center Outsourcing contract with a client in Telecom & Media in Colombia.

Average headcount in 1H23 increased by +6.4% vs 1H22.

Final Workforce	1H23	%	1H22	%	Variation (%)
Spain	31,166	55	29,443	54	5.9
America	20,001	35	19,911	36	0.5
Europe	3,581	6	3,560	6	0.6
Asia, Middle East & Africa	2,101	4	2,019	4	4.1
Total	56,849	100	54,933	100	3.5

Average Workforce	1H23	%	1H22	%	Variation (%)
Spain	30,635	54	28,966	54	5.8
America	20,397	36	18,799	35	8.5
Europe	3,582	6	3,533	7	1.4
Asia, Middle East & Africa	2,114	4	2,009	4	5.2
Total	56,727	100	53,308	100	6.4

Other events over the period

On May 18th of 2023 the Board of Directors of Indra, prior a favorable report from the Appointments, Remunerations and Corporate Governance Committee, has adopted the following resolutions with effect from that date:

- To accept the resignation tendered by the director Ignacio Mataix Entero as a consequence of the termination of his executive services contract, after the conclusion of the selection process of the new chief executive officer.
- To appoint José Vicente de los Mozos Obispo as executive director, by co-option procedure, to fill the vacancy generated by the resignation tendered by Mr Mataix, his appointment as Chief Executive Officer and the approval of his executive services contract.

On May 23th of 2023 the Board of Directors of Indra resolved, prior a favorable report from the Appointments, Remuneration and Corporate Governance Committee, to appoint Olga San Jacinto as a member of the Appointments, Remuneration and Corporate Governance Committee and to appoint Bernardo Villazán as a member of the Strategy Committee.

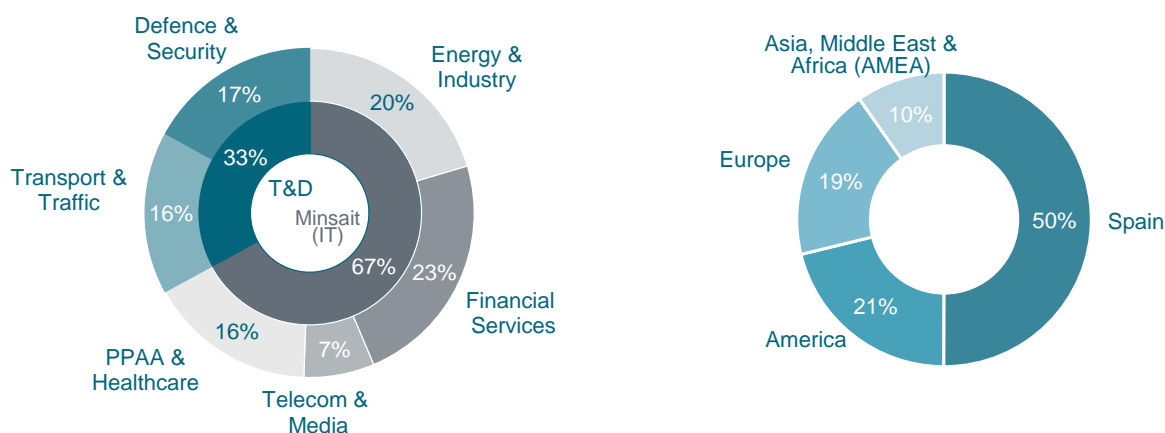
On May 26th of 2023 Indra published the announcement of its 2023 Ordinary General Shareholders' Meeting.

On June 2nd of 2023 Indra entered into a binding agreement with Northrop Grumman to acquire Park Air, one of its subsidiaries in the UK, which is a leader in ground-to-air radio systems and designs, manufactures, delivers and supports ATM radios throughout the world with two core product lines serving the civil and military sectors. This acquisition is pending approval by the competent authorities.

On June 30th of 2023 was held in second call the Ordinary General Shareholders' Meeting of Indra, with an attendance quorum representing the 76.17% of the share capital, at which the proposed resolutions on the agenda were adopted by a large majority of votes in favour.

Among the resolutions approved by Indra's Ordinary General Shareholders' Meeting was, in the third item on the agenda, the payment of a dividend out of the profit after taxes of the 2022 financial year of twenty-five euro cents (0.25€), to be paid on 12th July.

Revenues by divisions and regions:



Revenues by Region	1H23	1H22	Variation (%)		2Q23	2Q22	Variation (%)	
	(€m)	(€m)	Reported	Local currency	(€m)	(€m)	Reported	Local currency
Spain	1,007	909	10.7	10.8	542	473	14.7	14.9
America	425	339	25.4	26.0	228	188	21.3	24.9
Europe	384	316	21.3	21.9	216	153	40.9	41.6
Asia, Middle East & Africa	196	240	(18.4)	(16.6)	110	140	(21.7)	(19.1)
Total	2,012	1,805	11.5	12.0	1,095	953	14.9	16.1

It is worth highlighting the double-digit growth registered in America (+26% in local currency; 21% of total sales), Europe (+22% in local currency; 19% of total sales) and Spain (+11%; 50% of total sales). For the contrary, AMEA was the only region that posted declines (-17% in local currency; 10% of total sales).

Transport & Defence (T&D)

T&D	1H23	1H22	Variation (%)		2Q23	2Q22	Variation (%)	
	(€m)	(€m)	Reported	Local currency	(€m)	(€m)	Reported	Local currency
Net Order Intake	832	778	6.9	7.5	341	403	(15.4)	(14.5)
Revenues	663	593	11.8	12.7	396	314	26.0	27.3
- Defence & Security	342	275	24.1	24.2	219	147	48.7	48.9
- Transport & Traffic	321	318	1.1	2.6	177	167	5.9	8.2
- Transport	157	178	(11.9)	(11.7)	88	91	(3.6)	(2.9)
- Air Traffic	164	139	17.7	21.0	89	76	17.4	21.6
Book-to-bill	1.26	1.31	(4.3)		0.86	1.28	(32.9)	
Backlog / Revs LTM	3.40	3.21	5.7					

Transport & Defence revenues in 1H23 went up +13% in local currency, due to the strong growth registered in Defence & Security (+24% in local currency) and Air Traffic (+21% in local currency).

Organic sales in Transport & Defence in 1H23 (excluding the inorganic contribution of the acquisitions and the FX impact) increased by +12%.

Order intake in 1H23 grew +8% in local currency, bolstered by the strong growth posted in Air Traffic (+49% in local currency) and Transport (+20% in local currency), and despite the decline registered in Defence & Security (-7% in local currency).

Backlog/Revenues LTM ratio improved to 3.40x vs 3.21x in 1H22. Book-to-bill ratio stood at 1.26x vs 1.31x in 1H22.

Defence & Security

- 1H23 Defence & Security sales up +24% in local currency, being the company's vertical that registered the best performance in 1H23. This strong growth was explained by the contribution of the FCAS project in the quarter (c. €50m), as well as the increased activity of the Eurofighter project. Excluding these projects, sales in Defence & Security would also have grown, with strong performances in Space (Galileo project), Simulation (H175 helicopter in China) and Integrated Systems (Air Defence in Tunisia).
- By geographies, it stood out the growth posted in Spain and Europe in 1H23, due to the strong contribution of the FCAS and Eurofighter projects.
- 2Q23 Defence & Security sales increased +49% in local currency, strongly driven by the FCAS and Eurofighter projects.
- The activity of the vertical in 1H23 was concentrated in Spain (c. 45% of sales) and Europe (c. 40% of sales).
- Order intake in 1H23 declined -7% in local currency, due to the strong activity registered in the same period in the previous year (+64% in 1H22), which was mainly driven by the contract for the modernisation of the Tiger MKIII helicopters in Spain (c. €90m).

Transport & Traffic

- 1H23 Transport & Traffic revenues went up +3% in local currency, bolstered by the increase registered in Air Traffic (+21%) and despite the decline showed in Transport (-12%).
- Revenues in the Air Traffic segment in 1H23 increased +21% in local currency, thanks to the solid growth showed in all regions: Spain (higher activity with Enaire), Europe (Belgium and UK), America (Panama and US) and AMEA (India). The distribution by region was: Europe (c. 40%), AMEA (c. 25%) and Spain (c. 25%).
- In the Transport segment, sales in 1H23 declined -12%, mainly because of the decrease registered in Spain (relevant contribution of T-Mobilitat interurban project in 1H22) and AMEA (significant contribution of the Control Systems and Ticketing projects in Egypt and the Interurban Systems project in Riyadh in 1H22). The activity in this segment was distributed between Spain (c. 40%), AMEA (c. 30%) and America (c. 20%).
- Region-wise, most of the activity of the vertical in 1H23 was concentrated in Spain (c. 30% of sales), AMEA (c. 30% of sales) and Europe (c. 25% of sales).
- 2Q23 Transport & Traffic sales went up +8% in local currency, pushed by Air Traffic, which increased by 22% in local currency. However, the Transport segment posted decline in the quarter (-3% in local currency).
- Order intake in 1H23 increased +34% in local currency, bolstered by both the Air Traffic segment (+49%, due to the ATM projects in Belgium, Honduras and higher activity with Enaire in Spain) and Transport (+20%, due to the Rail and Ticketing projects in Spain and Tunnel management in the UK).

Minsait

Minsait	1H23	1H22	Variation (%)		2Q23	2Q22	Variation (%)	
	(€m)	(€m)	Reported	Local currency	(€m)	(€m)	Reported	Local currency
Net Order Intake	1,680	1,548	8.6	10.2	772	579	33.3	38.7
Revenues	1,349	1,212	11.3	11.6	699	639	9.4	10.7
- Energy & Industry	410	359	14.3	15.5	214	187	14.3	16.7
- Financial Services	468	398	17.5	15.4	237	203	16.9	15.5
- Telecom & Media	139	139	0.0	1.5	69	71	(3.2)	(1.1)
- PPAA & Healthcare	332	316	5.1	6.9	179	178	0.8	3.5
Book-to-bill	1.25	1.28	(2.5)		1.10	0.91	21.8	
Backlog / Revs LTM	0.77	0.86	(9.7)					

Minsait sales in 1H23 grew by +12% in local currency, with all the verticals showing very positive performance, among which it stood out the double-digit growth posted in Energy & Industry (+16% in local currency) and Financial Services (+15% in local currency).

Excluding the inorganic contribution of the acquisitions and the FX impact, Minsait sales in 1H23 would have grown +9%.

1H23 order intake in Minsait increased by +10% in local currency. It is worth noting the double-digit growth recorded in Public Administrations & Healthcare (+18% in local currency), which also offset the strong order intake registered due to the Elections project in Angola in 1H22, and Energy & Industry (+14% in local currency).

Backlog/Revenues LTM stood at 0.77x vs 0.86x in 1H22. Book-to-bill ratio (order intake divided by sales) stood at 1.25x vs 1.28x in 1H22.

Digital, Proprietary solutions and Implementation of third party solutions & Others joint sales showed +13% growth in 1H23 and accounted for 56% of Minsait sales.

Minsait	1H23	1H22	Variation (%)	2Q23	2Q22	Variation (%)
	(€m)	(€m)	Reported	(€m)	(€m)	Reported
Digital	378	323	16.9	189	166	14.2
Proprietary solutions	147	105	40.1	71	49	45.7
Implementation of third party solutions & Other	225	234	(4.0)	127	145	(12.5)
Technological and Process Outsourcing	606	553	9.5	317	282	12.4
Eliminations	(7)	(4)	N/A	(4)	(2)	N/A
Total	1,349	1,212	11.3	699	639	9.4

Energy & Industry

- 1H23 Energy & Industry revenues increased +16% in local currency, with both segments posting double-digit growth.
- The Energy segment represented approximately 60% of the vertical sales in 1H23 vs 40% the Industry segment.
- Revenues in 1H23 showed growth in all geographies. It is worth noting the strong performance showed in America in the Energy segment in Brazil and Peru, and Spain due to the higher activity with relevant clients in the Energy, Retail and Food sectors.
- By geographies, most of the activity was concentrated in Spain (c. 50% of sales) and America (c. 30% of sales).
- 2Q23 Energy & Industry sales increased +17% in local currency, registering both Energy and Industry double-digit growth and highlighting the good performance registered in Spain and America.
- 1H23 order intake went up +14% in local currency, with both segments posting growth and highlighting the activity registered in Spain, Philippines, Italy and Peru.

Financial Services

- 1H23 Financial Services sales increased by +15% in local currency. Both the Banking and the Insurance sectors posted growth, specially highlighting the double-digit growth showed in Banking.
- The Banking sector (c. 85% of total sales) concentrated most of the activity of the vertical in 1H23 in respect to the Insurance sector (c. 15% of total sales).
- Sales in 1H23 grew in its main two geographies (Spain and America), among which it stood out America due to the inorganic contribution of the Chilean company Nexus acquired in 2022, as well as the positive performance of the business in Mexico.
- Region-wise, Spain (c. 60% of the sales) and America (c. 40% of the sales) concentrated most of the activity of the vertical in 1H23.
- 2Q23 Financial Services sales went up +16% in local currency, boosted by the growth registered in America.
- Order intake in 1H23 increased by +7% in local currency, pushed by America in Chile, Mexico and Peru.

Telecom & Media

- 1H23 Telecom & Media sales increased by +1% in local currency, due to the higher activity with the main operators in Telecom in Spain and America.
- The Telecom segment (c. 95% of total sales) concentrated most of the activity of the vertical in 1H23 with respect to the Media segment (c. 5% of total sales).
- Telecom & Media sales in 1H23 were bolstered by the growth posted in Spain (increased activity with the main operator) and America (with the main operators in Peru, Mexico and Argentina).
- By geographies, most of the vertical activity in 1H23 was concentrated in Spain (c. 55% of sales) and America (c. 35% of sales).
- 2Q23 Telecom & Media sales slightly decreased -1% in local currency, being Spain the only geography which showed growth.
- Order Intake in 1H23 went down -8% in local currency, due to the strong activity recorded last year same period in America (relevant contract in Colombia) and in Spain (renewal of relevant contracts with the main operator).

Public Administrations & Healthcare

- 1H23 Sales in Public Administrations & Healthcare increased by +7% in local currency, thanks to the good performance showed in Public Administrations in Spain (positive activity with the central government, as well as with the Catalan and Valencian Communities), which offset the declines recorded in Healthcare (lower activity in Spain) and Elections (difficult comparison with the previous year due to the Elections project in Angola).
- The Public Administrations segment (c. 75% of sales) concentrated the highest vertical activity with respect to Healthcare (c. 15% of sales) and Elections (c. 10% of sales) in 1H23.
- By geographies, it stood out the 1H23 sales growth registered in Spain (in the Public Administration and Elections segments) and Europe (in Italy and Belgium).
- By geographies, most of the vertical activity in 1H23 was concentrated in Spain (c. 65% of sales), Europe (c. 20% of sales) and America (c. 10% of sales).

- 2Q23 Public Administrations & Healthcare sales increased +4% in local currency, mainly pushed by the strong growth registered in Spain, which offset the decline registered in AMEA due to the Elections project in Angola that took place in the previous year.
- Order intake in 1H23 up +18% in local currency, thanks to the strong order intake showed in Spain in the Public Administration and Elections segments, which offset the strong order intake posted in 1H22 due to the Elections project in Angola.

Consolidated Income Statement

	1H23		1H22		Variation		2Q23		2Q22		Variation	
	€m	€m	€m	€m	€m	%	€m	€m	€m	€m	€m	%
Revenue	2,011.8	1,804.9	206.9	11.5	1,095.3	953.5	141.8	14.9				
In-house work on non-current assets and other income	33.0	21.7	11.3	52.1	17.8	10.9	6.9	63.9				
Materials used and other supplies and other operating expenses	(628.3)	(568.4)	(59.9)	10.6	(396.3)	(319.6)	(76.7)	24.0				
Staff Costs	(1,227.1)	(1,081.9)	(145.2)	13.4	(619.1)	(555.7)	(63.4)	11.4				
Other gains or losses on non-current assets and other results	(0.9)	(2.3)	1.4	NA	(0.8)	(1.8)	1.0	NA				
Gross Operating Result (EBITDA)	188.5	174.0	14.5	8.3	96.9	87.3	9.6	11.0				
Depreciation and amortisation charge	(49.8)	(51.0)	1.2	(2.4)	(23.2)	(24.3)	1.1	(4.4)				
Operating Result (EBIT)	138.7	123.0	15.7	12.8	73.7	63.0	10.7	17.0				
EBIT Margin	6.9%	6.8%	0.1 pp	NA	6.7%	6.6%	0.1 pp	NA				
Financial Loss	(8.4)	(23.8)	15.4	(64.7)	(4.5)	(16.0)	11.5	(71.8)				
Result of companies accounted for using the equity method	(2.2)	1.3	(3.5)	NA	(2.8)	0.5	(3.3)	NA				
Profit (Loss) before tax	128.1	100.4	27.7	27.6	66.4	47.5	18.9	39.7				
Income tax	(37.1)	(32.2)	(4.9)	15.2	(19.6)	(19.1)	(0.5)	2.5				
Profit (Loss) for the year	91.1	68.2	22.9	33.5	46.7	28.4	18.3	64.8				
Profit (Loss) attributable to non-controlling interests	(1.3)	(1.9)	0.6	NA	(0.7)	(1.4)	0.7	NA				
Profit (Loss) attributable to the Parent	89.7	66.3	23.4	35.3	46.1	27.0	19.1	70.6				

Earnings per Share (according to IFRS)	1H23	1H22	Variation (%)
Basic EPS (€)	0.51	0.38	35.3
Diluted EPS (€)	0.47	0.35	34.6

	1H23	1H22
Total number of shares	176,654,402	176,654,402
Weighted treasury stock	402,056	392,730
Total shares considered	176,252,346	176,261,672
Total diluted shares considered	193,235,563	193,070,750
Treasury stock in the end of the period	270,026	259,503

Figures not audited

Basic EPS is calculated by dividing net profit by the average number of outstanding shares during the period less the average treasury shares of the period.

Diluted EPS is calculated by dividing net profit (adjusted by the impact of the €250m convertible bond issued in October 2016 with a conversion price of €14.629 (€14.479 from 8th July 2022 after the distribution of the cash dividend of €0.15 per share), as well as the redemption of €4.1m of this amount in October 7th of 2021 following the exercise of the put option by bondholders), by the average number of outstanding shares during the period less the average treasury shares of the period and adding the theoretical new shares to be issued once assuming full conversion of the bonds.

The average number of shares used in the calculation of the EPS and dilutive EPS for treasury shares, total number of shares and theoretical shares to be issued related to the convertible bonds, are calculated using daily balances.

- Revenues in reported terms grew by +11% in 1H23.
- Other income stood at €33m in 1H23 vs €22m in 1H22, mainly as a result of the increase in works for own non-current assets (€20m in 1H23 vs €13m in 1H22) and higher subsidies (€10m in 1H23 vs €7m in 1H22).
- Materials used and other supplies and other operating expenses up +11% in 1H23 vs 1H22, mainly due to higher operating costs (leases and royalties, travels, supplies, etc.) and the increase in subcontracting.
- Personnel expenses increased by +13% in 1H23 vs 1H22, as a consequence of the average headcount increase (linked to the higher activity in both divisions and the acquisitions carried out), as well as by the salary inflation. In the quarter, the growth rate of personnel expenses decreased to +11%.
- 1H23 EBITDA stood at €189m vs €174m in 1H22, which implied +8% growth in reported terms.
- 1H23 D&A stood at €50m, similar level than in 1H22 (€51m).
- 1H23 EBIT stood at €139m vs €123m in 1H22, growing +13% in reported terms.
- Financial results declined to €8m in 1H23 vs €24m in 1H22, lower amount mainly explained by higher financial income derived from cash remuneration, and by the fact that in 1H22 there was a higher expense for the partial repurchase of €150m of senior bonds (initially issued for €300m). Gross debt borrowing cost increased to 2.8% in 1H23 vs 1.9% in 1H22.
- Tax income stood at €37m in 1H23 vs €32m in 1H22, mainly due to higher profit before tax registered in the period. Tax rate was 29% in 1H23 vs 32% in 1H22 (which included the accounting recognition of the €5m impact of the inspection in Spain, completed in May 2022).
- Net profit of the group stood at €90m vs €66m in 1H22, implying an increase of 35%.

Consolidated Balance Sheet

	1H23 €m	2022 €m	Variation €m
Property, plant and equipment	91.4	88.9	2.5
Property investments	12.1	11.5	0.6
Assets for the right of use	130.3	86.3	44.0
Goodwill	965.4	946.1	19.3
Other Intangible assets	250.3	252.7	(2.4)
Investments using the equity method and other non-current financial assets	248.6	259.0	(10.4)
Deferred tax assets	159.5	160.8	(1.3)
Total non-current assets	1,857.5	1,805.3	52.2
Assets held for sale	0.1	0.1	0.0
Operating current assets	1,859.3	1,637.4	221.9
Other current assets	197.1	159.6	37.5
Cash and cash equivalents	929.8	933.0	(3.2)
Total current assets	2,986.3	2,730.2	256.1
TOTAL ASSETS	4,843.8	4,535.4	308.4
Share Capital and Reserves	1,044.3	992.4	51.9
Treasury shares	(3.1)	(5.3)	2.2
Equity attributable to parent company	1,041.2	987.0	54.2
Non-controlling interests	17.9	17.6	0.3
TOTAL EQUITY	1,059.1	1,004.6	54.5
Provisions for contingencies and charges	65.0	74.0	(9.0)
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	517.6	700.4	(182.8)
Other non-current financial liabilities	595.3	538.4	56.9
Subsidies	38.2	25.7	12.5
Other non-current liabilities	1.6	1.6	0.0
Deferred tax liabilities	4.2	3.2	1.0
Total Non-current liabilities	1,222.0	1,343.3	(121.3)
Liabilities classified as held for sale	0.0	0.0	0.0
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	459.2	275.2	184.0
Other current financial liabilities	193.3	104.7	88.6
Operating current liabilities	1,479.6	1,423.0	56.6
Other current liabilities	430.7	384.6	46.1
Total Current liabilities	2,562.7	2,187.5	375.2
TOTAL EQUITY AND LIABILITIES	4,843.8	4,535.4	308.4
Current bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(459.2)	(275.2)	(184.0)
Bank borrowings and financial liabilities relating to issues of debt instruments and other marketable securities	(517.6)	(700.4)	182.8
Gross financial debt	(976.8)	(975.6)	(1.2)
Cash and cash equivalents	929.8	933.0	(3.2)
Net Debt	(47.0)	(42.6)	(4.4)

Figures not audited

Consolidated Cash Flow statement

	1H23	1H22	Variation	2Q23	2Q22	Variation
	€m	€m	€m	€m	€m	€m
Profit Before Tax	128.1	100.4	27.7	66.4	47.5	18.9
Adjusted for:						
- Depreciation and amortization charge	49.8	51.0	(1.2)	23.2	24.3	(1.1)
- Provisions, capital grants and others	(5.7)	(10.9)	5.2	4.6	(3.6)	8.2
- Result of companies accounted for using the equity methc	2.2	(1.3)	3.5	2.8	(0.5)	3.3
- Financial loss	8.4	23.8	(15.4)	4.5	16.0	(11.5)
Dividends received	0.0	0.0	0.0	0.0	0.0	0.0
Profit (Loss) from operations before changes in working capital	182.8	163.0	19.8	101.5	83.7	17.8
Changes in trade receivables and other items	(82.3)	(1.4)	(80.9)	(132.3)	47.6	(179.9)
Changes in inventories	(116.1)	(90.5)	(25.6)	(7.5)	(39.9)	32.4
Changes in trade payables and other items	129.6	39.9	89.7	105.5	(20.5)	126.0
Cash flows from operating activities	(68.8)	(52.0)	(16.8)	(34.3)	(12.8)	(21.5)
Tangible (net)	(7.5)	(10.1)	2.6	(4.1)	(6.3)	2.2
Intangible (net)	4.9	(8.4)	13.3	1.1	(5.3)	6.4
Capex	(2.6)	(18.5)	15.9	(2.9)	(11.5)	8.6
Interest paid and received	(7.0)	(22.1)	15.1	(6.6)	(18.3)	11.7
Other financial liabilities variation	(15.9)	(16.6)	0.7	(7.8)	(8.2)	0.4
Income tax paid	(34.2)	(29.9)	(4.3)	(22.3)	(22.1)	(0.2)
Free Cash Flow	54.4	24.0	30.4	27.6	10.7	16.9
Changes in other financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments/divestments	(55.8)	(9.5)	(46.3)	(48.0)	(8.4)	(39.6)
Dividends paid by companies to non-controlling shareholders	(0.7)	(4.4)	3.7	(0.7)	(4.4)	3.7
Dividends of the parent company	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders contributions	0.0	0.0	0.0	0.0	0.0	0.0
Changes in treasury shares	(0.1)	0.2	(0.3)	(0.2)	0.1	(0.3)
Cash-flow provided/(used) in the period	(2.2)	10.4	(12.6)	(21.3)	(2.0)	(19.3)
Initial Net Debt	(42.6)					
Cash-flow provided/(used) in the period	(2.2)					
Foreign exchange differences and variation with no impact in cash	(2.3)					
Final Net Debt	(47.0)					
Cash & cash equivalents at the beginning of the period	933.0	1,235.0	(302.0)			
Foreign exchange differences	2.0	15.1	(13.1)			
Increase (decrease) in borrowings	(3.1)	(498.5)	495.4			
Net change in cash and cash equivalents	(2.2)	10.4	(12.6)			
Ending balance of cash and cash equivalents	929.8	761.9	167.9			
Long term and current borrowings	(976.8)	(971.7)	(5.1)			
Final Net Debt	(47.0)	(209.8)	162.8			

Figures not audited

- Operating Cash Flow before net working capital reached €183m in 1H23 vs €163m in 1H22, mainly thanks to the higher operating profitability.
- Cash flow from operating activities (working capital) was negative and stood at €-69m in 1H23 vs €-52m in 1H22. This negative variation in 1H23 was explained by the worse performance of Accounts receivable and Inventories, which was not offset by the improvement of Accounts payable.
- Working Capital from S/T and L/T stood at €110m in June 2023, equivalent to +10 DoS vs 0 DoS in June 2022. This deterioration in 10 DoS was mainly explained by the increase in Inventories (6 DoS) and Accounts Receivable (6 DoS), despite the improvement in Accounts Payable (3 DoS).

Working Capital S/T and L/T (€m)	1H23	1H22	Variation
Inventories	585	458	127
Accounts Receivable	1,275	995	280
Operating Current Assets	1,859	1,453	407
Inventories L/T	63	53	10
Accounts Receivable L/T	2	13	(11)
Total Operating Assets	1,924	1,519	406
Prepayments from clients	792	824	(33)
Accounts Payable	688	580	108
Operating Current Liabilities	1,480	1,404	76
Prepayments from clients L/T	334	114	220
Total Operating Liabilities	1,814	1,518	296
Working Capital S/T and L/T	110	0	110

Working Capital S/T and L/T (DoS)	1H23	1H22	Variation
Inventories	58	52	6
Accounts Receivable	14	7	6
Accounts Payable	(62)	(59)	(3)
Total	10	0	10

- Non-recourse factoring lines remained stable at €187m.
- 1H23 CAPEX (net of subsidies) implied an investment of €3m vs €18m in 1H22. This difference was explained by a higher subsidy collection, which amounted to €23m in 1H23 vs €5m in 1H22. The payment for tangible investment was €8m in 1H23 vs €10m in 1H22 and the payment for intangible investment (before subsidies collections) amounted to €19m vs €13m in 1H22.
- Financial Results payment in 1H23 was €7m vs €22m in 1H22, mainly due to higher collections derived from cash remuneration, as well as higher payments in 1H22 derived from the partial repurchase of senior bonds maturing in 2024.
- 1H23 Free Cash Flow was €54m vs €24m last year same period. In the quarter, cash generation was €28m vs €11m in 2Q22.
- Payment from Financial Investments, which mainly includes payments for acquired companies, amounted to €56m in 1H23 (of which €45m corresponds to the acquisition of the Selex division of ATM in the US) vs €10m in 1H22.
- Net Debt stood at €47m in June 2023 vs €43m in December 2022 and €210m in June 2022. Net Debt/EBITDA LTM ratio (excluding the impact of IFRS 16, the capital gain from the sale of the facilities and the provision of the Real Estate Plan) stood at 0.1x in June 2023 vs 0.1x in December 2022 and 0.6x in June 2022.

Alternative Performance Measures (APMS)

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.

Organic Revenues

Definition/Conciliation: revenues adjusted for the impact of exchange rates and changes in the consolidation scope due to acquisitions and divestitures. The exchange rate impact is adjusted by calculating income at the average exchange rate for the previous period. The change in the consolidation scope is adjusted by excluding the contribution of the acquisitions in both periods.

Explanation: this is an indicator that reflects the increase in sales excluding the impact of changes in the consolidation scope (acquisitions and divestitures) and the impact of currency exchange rates.

Coherence in the criteria applied: there is a change in the criteria applied compared to last year, in which the calculation was adjusted by considering acquisitions as if they had been consolidated in the previous period. For a better traceability and simplicity in its calculation, it is adjusted excluding the contribution of acquisitions in both periods, thus showing the underlying evolution of the company's revenues without the contribution of acquisitions.

Gross Operating Result (EBITDA):

Definition/Conciliation: EBITDA stands for earnings before interest, tax, depreciation and amortisation.

Explanation: metric that the Group uses to define its operating profitability, and widely used by investors when evaluating businesses.

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.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

Operating Result (EBIT):

Definition/Conciliation: It is defined in the consolidated income statement.

Explanation: EBIT (earnings before interest and tax) 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.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Operating Margin

Definition/Conciliation: 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: 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.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

Net Financial Debt:

Definition/Conciliation: 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: this is a financial indicator that the Group uses to measure the company's leverage.

In this respect, the Group uses the Net Debt/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.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

Free Cash Flow:

Definition/Conciliation: 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 change in working capital, deducting payments for the acquisition of property, plant and equipment and intangible assets, deducting financial results and corporate income tax paid, adding or deducting other flows from financing activities and adding subsidies.

Explanation: 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.

Coherence in the criteria applied: There is no change in the criteria applied compared to last year.

Order Intake:

Definition/Conciliation: 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: 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.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

“Book to bill” Ratio:

Definition/Conciliation: the amount of the contracts successfully obtained over a period divided by the company's sales in the last twelve months.

Explanation: 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.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

Backlog:

Definition/Conciliation: 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 termination of a project to complete the order intake figure.

Explanation: as it reflects the amount of contracts obtained pending implementation, this figure is an indicator of the future performance of the Group's business.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

Backlog / Revenues in the Last Twelve Months

Definition/Conciliation: 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: 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.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

Working Capital (NWC)

Definition/Conciliation: 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: 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.

Coherence in the criteria applied: there is no change in the criteria applied compared to last year.

Glossary

AMEA: Asia, Middle East and Africa.

ATM: Air Traffic Management.

BPO: Business Process Outsourcing.

Book-to-Bill: Order intake/Revenues ratio.

CAPEX: Capital Expenditure.

DoS: Days of Sales.

EBITDA: Earnings Before Interests, Taxes, Depreciations and Amortisations.

EBIT: Earnings Before Interests and Taxes.

EPS: Earnings Per Share.

IT: Information Technology

L/T: Long Term.

LTM: Last Twelve Months.

S/T: Short Term.

T&D: Transport & Defence.

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About Indra

Indra (www.indracompany.com) is one of the leading global technology and consulting companies and the technological partner for core business operations of its customers worldwide. It is a world-leader in providing proprietary solutions in specific segments in Transport and Defence markets, and a leading firm in Digital Transformation and Information Technologies in Spain and Latin America through its affiliate Minsait. Its business model is based on a comprehensive range of proprietary products, with a high-value, end-to-end focus and with a high innovation component. In the 2022 financial year, Indra achieved revenue totaling €3,851 billion, almost 57,000 employees, a local presence in 46 countries and business operations in over 140 countries.

Disclaimer

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