

**LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES**

CONSOLIDATED ANNUAL ACCOUNTS AND
CONSOLIDATED DIRECTOR'S REPORT FOR THE
FINANCIAL YEAR 2022 TOGETHER WITH THE AUDIT
REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS
ISSUED BY AN INDEPENDENT AUDITOR

(TRANSLATION FROM THE CONSOLIDATED ANNUAL ACCOUNTS TO BE ISSUED ORIGINALLY IN SPANISH AND PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN SPAIN. IN THE EVENT OF A DISCREPANCY, THE SPANISH-LANGUAGE VERSION PREVAILS)



**LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES**

Consolidated Annual Accounts and Consolidated Director's
Report for the financial year 2022 together with the
Audit Report on the Consolidated Annual Accounts
issued by an Independent Auditor

**AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT
AUDITOR**

CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2022

Consolidated Balance Sheets as of December 31, 2022 and December 31, 2021
Consolidated Income and Expenses Statement for the year ended on December 31, 2022 and
December 31, 2021.
Consolidated Statements of Changes in Equity for the year ended on December 31, 2022 and
December 31, 2021.
Consolidated Statements of Cash Flows for the year ended on December 31, 2022 and
December 31, 2021.
Notes to the Consolidated Annual Accounts 2022

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR ENDED ON DECEMBER 31, 2022



**LLEIDANET SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARY COMPANIES**

**AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS
ISSUED BY AN INDEPENDENT AUDITOR**

Audit report on the consolidated financial statements issued by an independent auditor

To the Shareholders of LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.:

Opinion

We have audited the consolidated financial statements of LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. (the Parent) AND ITS SUBSIDIARIES (the Group), which comprise the consolidated balance sheet as of December 31, 2022, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements give, in all material respects, a true and fair view of the Company's equity and financial position at December 31, 2022, as well as its consolidated results and cash flows for the financial year ending on said date, in accordance with the application of the regulatory framework of financial information (identified in note 2.a of the consolidated annual report) and, in particular, with the accounting principles and criteria contained therein.

Basis of opinion

We have performed our audit in accordance with the regulations governing the auditing of accounts in force in Spain. Our responsibilities under these standards are described below in the section on the auditor's responsibilities for the audit of the annual accounts in our report.

We are independent from the Group in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the financial statements in Spain as required by the regulations governing the activity of auditing accounts. Accordingly, we have not provided services other than those of the audit of accounts nor have concurred situations or circumstances that, in accordance with the provisions of the aforementioned governing regulations, have compromised the necessary independence.

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

Key audit issues

The key audit matters are matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and in the formation of our opinion on these and we do not express a separate opinion on those matters.

Key audit issues	Audit response
<p>Valuation of capitalized research and development expenditures</p>	<p>We have carried out the following audit procedures, among others:</p>
<p>As described in notes 3.b and 5 to the accompanying consolidated financial statements, the Group has intangible assets for capitalized research and development project expenses amounting to 2.584 thousand. These expenses must be specifically individualised by project and have reasons of economic-commercial profitability, among other requirements in order to be capitalized in the Group's balance sheet. In addition, the assessment by the Parent's management and directors of their recoverable amount or the need for impairment involves value judgements and estimates. For these reasons, we have considered the valuation of these assets to be a key issue in our audit.</p>	<ul style="list-style-type: none">- Understanding of the policies and procedures applied by the Group for the capitalization of research and development expenses.- We have analysed a sample of activations of the projects during the year, obtaining evidence such as the hours and cost of the same incurred by the workers in the different projects and the cost of external collaborations.- We have obtained the certificates issued by an independent third party on the projects regarding the tax validity of the capitalised amounts.- We have obtained a detail of the book value of research and development expenses individualized by projects and have analysed the reasonableness of the recoverable value of these by reviewing the reasonableness of the assumptions, reviewing the arithmetic calculation, analysing the sales projections, their profitability and checking for deviations from past estimates.- We have verified the correct amortization of the different projects activated based on the useful life of the projects.- Finally, we have verified that the notes to the accompanying consolidated financial statements include the related disclosures required by the applicable financial reporting framework. In this respect, Notes 3.b and 5 to the accompanying consolidated annual accounts include the aforementioned disclosures.

Key audit issues	Audit response
<p>Valuation of goodwill on consolidation</p> <p>The accompanying consolidated balance sheet as of December 31, 2022 shows an amount 3.951 thousand Euros in intangible assets, corresponding to the goodwill arising from the acquisition of Indenova, S.L. during the year.</p> <p>We focus on this area, due to the amount of its net book value over total assets, and because the assessment by the Group's management and the Parent Company's Board of Directors of its recoverable value or need for impairment involves judgements and estimates.</p> <p>For these reasons, we have considered the recoverable amount of goodwill as a key issue in our audit.</p>	<p>We have carried out the following audit procedures, among others:</p> <ul style="list-style-type: none">- Understanding of the policies and procedures applied by the Group for the valuation of a consolidation goodwill.- We have assessed the estimates made by the Group's management and by the Parent Company's Board of Directors to determine the recoverable value of the cash generating unit to which the goodwill belongs by reviewing the impairment test provided, analyzing the assumptions contained therein, the methodology applied, the reasonableness of the discount rate used and the reasonableness of the arithmetic calculations, as well as the business plan, to determine the reasonableness of the expected future cash flows.- Lastly, we have verified that the notes to the accompanying consolidated annual accounts include the related disclosures required by the applicable financial reporting framework. In this regard, notes 4.b. and 6 to the accompanying consolidated annual accounts include the aforementioned disclosures.

Other information: Management report

The other information comprises exclusively the management report for the financial year 2022, the formulation of which is the responsibility of the Parent's directors and does not form an integral part of the consolidated financial statements.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors' report. Our responsibility for the consolidated directors' report, as required by the regulations governing the audit activity, is to assess and report on the consistency of the consolidated directors' report with the consolidated annual accounts, based on our knowledge of the Group obtained in the course of the audit of the consolidated annual accounts, and to assess and report on whether the content and presentation of the consolidated directors' report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work performed, as described in the preceding paragraph, the information contained in the consolidated management report agrees with that in the consolidated financial statements for financial year 2022 and its content and presentation are in accordance with the applicable regulations.

The responsibility of the management and the audit in the respect committee of the consolidated financial statements

The management of the Parent Company are responsible for formulating the accompanying financial statements so that they give a true image of the consolidated assets, the consolidated financial situation and the consolidated results of the Company, in accordance with the regulatory framework on financial information applicable to the Entity in Spain, and of the internal control that they consider necessary to allow the preparation of the financial statements free of material misstatement, due to fraud or error.

In the preparation of the consolidated financial statements, the management are responsible for assessing the Company's ability to continue as a going concern, revealing, as appropriate, the matters related with a company in operation and using the accounting principle of a going concern except if the management intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

The Parent's audit committee is responsible for supervising the preparation and presentation of the consolidated financial statements.

The auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with the regulations governing the audit activity 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the regulations governing the account auditing activity in Spain, we exercise professional judgment and maintain an attitude of professional scepticism throughout the entire audit. Also:

- We identify and assess the risks of material misstatement in the consolidated financial statements, due to fraud or error, design and perform audit procedures to respond 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal control.
- We obtain knowledge of the 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.

- We evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and disclosures by the Parent's directors.
- We conclude whether the use, by the Parent's directors, of the accounting principle of the Group as a going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to events or conditions that can generate significant doubts about the ability of the Group to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we express a modified opinion. Our conclusions are based on the audit evidence obtained at the date of our audit report. However, future events or conditions may cause the Group to cease to be a going concern.
- We 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.
- We obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We are solely responsible for our audit opinion.

We are required to communicate with the Parent's audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the course of the audit.

We also required the Parent's audit committee with a statement that we have complied with the relevant ethical requirements, including those of independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Among the matters that have been communicated to the Group's audit committee, we determine those that have been of the greatest significance in the audit of the financial statements for the current period and that are, consequently, the key issues of the audit.

We describe these matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

Report on other legal and regulatory requirements

Additional report to the Parent's Audit Committee

The opinion expressed in this report is consistent with that expressed in our additional report to the Parent's Audit Committee dated April 28, 2023.



Contract period

The Extraordinary General Shareholders' Meeting held on November 25, 2022 appointed us as auditors for a period of 3 years from the year ended December 31, 2022.

Previously, we were appointed by resolution of the General Shareholders' Meeting for the three-year period and we have been auditing the accounts uninterruptedly since the year ended December 31, 2007, and the Parent Company has been a Public Interest Entity (PIE) since 2015.

Services provided

The services, other than the audit of accounts, provided to the Group are detailed in Note 20 to the consolidated financial statements.

BDO Auditores, S.L.P. (ROAC nº S1273)


Ramon Roger Rull (ROAC 16.887)
Audit Partner

April 28, 2023

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED ANNUAL ACCOUNTS FOR
THE PERIOD ENDED ON DECEMBER 31, 2022

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022 AND 2021
(Expressed in Euros)

ASSETS	Notes to the Consolidated Annual Accounts	31/12/2022	31/12/2021
NON-CURRENT ASSETS		11.489.218,96	12.016.175,29
Intangible assets	Note 5	10.376.306,13	11.031.525,90
Goodwill on consolidation		3.951.238,53	4.610.289,09
Research		2.584.503,16	2.277.036,10
Industrial property		684.025,45	665.124,55
Other intangible asset		3.156.538,99	3.479.076,16
Tangible fixed assets	Note 6	555.303,66	626.565,81
Land and buildings		148.577,71	147.805,21
Technical installations and other tangible fixed assets		349.345,35	421.380,00
Fixed assets under construction and advances		57.380,60	57.380,60
Long-term financial investments	Note 8	83.294,04	66.157,21
Deferred Tax Assets	Note 14	474.315,13	291.926,37
CURRENT ASSETS		8.365.946,31	11.459.992,86
Stocks			489,28
Trade and other receivables		5.496.693,24	5.184.067,96
Client receivables for sales and services	Note 8.2	4.358.192,14	4.368.443,08
Sundry debtors	Note 8.2	107.359,36	75.030,31
Staff	Note 8.2	3.065,42	1.084,05
Current tax assets	Note 14	841.283,21	603.755,60
Other receivables from Public Authorities	Note 14	186.793,11	135.754,92
Short-term financial assets	Note 8.2	812.373,00	812.022,00
Short-term accruals		396.412,28	406.670,80
Cash and cash equivalents	Note 8.1	1.660.467,79	5.056.742,82
Cash		1.660.467,79	5.056.742,82
TOTAL ASSETS		19.855.165,27	23.476.168,15

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2022 AND 2021

(Expressed in Euros)

EQUITY AND LIABILITIES	Notes to the Consolidated Annual Accounts	31/12/2022	31/12/2021
EQUITY		5.672.759,63	6.731.536,93
Equity		5.753.800,64	6.727.957,69
Capital	Note 12.1	320.998,86	320.998,86
Share Capital		320.998,86	320.998,86
Issue Premium	Note 12.3	5.244.344,28	5.244.344,28
Reserves	Note 12.2	2.382.907,47	1.935.015,50
Legal and statutory		64.199,77	64.199,77
Other Reserves		2.318.707,70	1.870.815,73
(Shares and own holdings in equity)	Note 12.4	(1.731.481,07)	(1.683.884,76)
Financial year result attributed to the parent company	Note 18	(462.968,90)	911.483,81
Consolidated Losses and Profits (Minority interest losses and profits)		(514.936,11) 51.967,21	875.667,33 35.816,48
Adjustments for changes in value		11.373,14	37.398,75
Minority interests	Note 4	(92.414,15)	(33.819,51)
NON-CURRENT LIABILITIES		6.813.623,00	8.610.096,44
Long-term debts		6.813.623,00	8.610.096,44
Debts with credit institutions	Note 9.1	5.741.553,69	6.894.048,41
Other financial liabilities	Note 9.1	1.072.069,31	1.716.048,03
CURRENT LIABILITIES		7.368.782,64	8.134.534,78
Short-term provisions		17.602,52	38.021,23
Other provisions		17.602,52	38.021,23
Short-terms debts	Note 9.1	4.286.769,65	4.565.359,51
Debts with credit institutions		3.187.612,02	1.940.259,31
Other financial liabilities		1.099.157,63	2.625.100,20
Trade and other payables		3.022.624,39	3.531.154,04
Suppliers	Note 9.1	1.968.970,04	1.222.378,07
Sundry creditors	Note 9.1	373.998,82	1.478.005,69
Staff (remuneration payable)	Note 9.1	17.622,82	114.206,30
Other debts with Public Authorities	Note 14	503.035,44	598.931,70
Advances from clients	Note 9.1	158.997,27	117.632,28
Short-term accruals		41.786,07	-
TOTAL EQUITY AND LIABILITIES		19.855.165,27	23.476.168,15

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED INCOME AND EXPENSES STATEMENT
FOR THE YEAR ENDED ON DECEMBER 31, 2022 AND 2021

(Expressed in Euros)

PROFIT AND LOSS ACCOUNTS	Notes to the Consolidated Annual Accounts	2022	2021
Net turnover	Note 15.a	20.670.691,44	17.974.836,76
Work performed by the Company for its assets	Note 5	1.156.398,38	775.602,22
Supplies	Note 15.b	(9.924.608,74)	(8.616.261,33)
Goods consumed		(9.924.608,74)	(8.616.261,33)
Other operating income		64.576,62	47.709,76
Staff expenses		(6.340.132,32)	(4.380.569,09)
Wage, salaries and the like		(4.913.279,48)	(3.381.695,15)
Fringe benefits	Note 15.c	(1.426.852,84)	(998.873,94)
Other operating expenses		(3.681.463,84)	(4.476.833,44)
External charges for services		(3.411.202,24)	(3.228.095,28)
Taxes		(97.553,04)	(69.413,37)
Losses, impairment and change in trade provisions		(172.708,56)	(179.494,91)
Amortization of fixed assets	Notes 5 and 6	(2.073.247,58)	(1.257.358,53)
Impairment and results of disposals of fixed assets		(194.391,16)	(9.146,92)
Other earnings		(1.555,02)	67.650,90
OPERATING EARNINGS		(323.732,22)	1.125.460,21
Financial income	Note 15.d	559,58	814,19
Financial expenses	Note 15.d	(166.415,99)	(85.640,40)
Exchange differences	Note 15.d	(45.912,98)	(7.989,05)
FINANCIAL EARNINGS		(211.769,39)	(92.815,26)
PRE-TAX EARNINGS		(535.501,62)	1.032.644,95
Profit tax	Note 14	20.565,50	(156.977,62)
FINANCIAL YEAR'S EARNINGS	Note 18	(514.936,11)	875.667,33
Result attributed to the Parent Company		(462.968,90)	911.483,81
Result attributed to minority interests		(51.967,21)	(35.816,48)

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

A) CONSOLIDATED STATEMENTS OF RECOGNISED
INCOME AND EXPENSE FOR THE FINANCIAL YEARS 2022 AND 2021

(Expressed in Euros)

	2022	2021
CONSOLIDATED RESULT FOR THE YEAR	(514.936,11)	875.667,33
Income and expenses recognised directly to equity		
Conversion differences	(32.653,04)	(69.961,94)
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY CONSOLIDATED EQUITY	(32.653,04)	(69.961,94)
Transfers to the profit and loss account		
TOTAL TRANSFERS TO CONSOLIDATED PROFIT AND LOSS ACCOUNT	-	-
TOTAL RECOGNISED CONSOLIDATED CONSOLIDATED RECOGNISED INCOME AND EXPENSES	(547.589,15)	805.705,39
Total income and expenses attributable to the Parent Company	(482.367,08)	860.819,21
Total income and expenses attributed to minority interests	(65.222,07)	(55.113,82)

**LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON DECEMBER 31, 2021 AND 2022**
(Expressed in euros)

	Share Capital	Share Premium	Reserves and previous financial year's income	Own holdings in equity	Result attributed to the Parent Company	Adjustments for changes in value	Minority interests	Total
BALANCE, BEGINNING OF 2020	320.998,86	5.244.344,28	1.309.912,81	(759.458,01)	1.040.470,16	97.712,02	11.645,64	7.265.625,76
Total recognized income and expenses	-	-	-	-	911.483,81	(60.313,27)	(45.465,15)	805.705,39
Transactions with shareholders:	-	-	(422.289,53)	(924.426,75)	-	-	-	(1.346.716,28)
Transactions with own equity instruments (net)	-	-	(175.257,73)	(924.426,75)	-	-	-	(1.099.684,48)
Dividends	-	-	(247.031,80)	-	-	-	-	(247.031,80)
Other changes in equity:	-	-	1.047.392,22	-	(1.040.470,16)	-	-	6.922,06
Distribution of earnings from the previous year	-	-	1.040.470,16	-	(1.040.470,16)	-	-	-
Other movements	-	-	6.922,06	-	-	-	-	6.922,06
BALANCE, END OF 2021	320.998,86	5.244.344,28	1.935.015,50	(1.683.884,76)	911.483,81	37.398,75	(33.819,51)	6.731.536,93
Total recognized income and expenses	-	-	-	-	(462.968,90)	(26.025,61)	(58.594,64)	(547.589,15)
Transactions with shareholders:	-	-	(280.404,43)	(47.596,31)	(243.006,99)	-	-	(571.007,73)
Transactions with own equity instruments (net)	-	-	(280.404,43)	(47.596,31)	-	-	-	(328.000,74)
Dividends	-	-	-	-	(243.006,99)	-	-	(243.006,99)
Other changes in equity:	-	-	728.296,40	-	(668.476,82)	-	-	59.819,58
Distribution of earnings from the previous year	-	-	668.476,82	-	(668.476,82)	-	-	-
Other movements	-	-	59.819,58	-	-	-	-	59.819,58
BALANCE, END OF 2022	320.998,86	5.244.344,28	2.382.907,47	(1.731.481,07)	(462.968,90)	11.373,14	(92.414,15)	5.672.759,63

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR 2022 AND 2021

(Expressed in Euros)

	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES	789.000,55	751.328,54
Financial year's pre-tax earnings	(535.501,62)	1.032.644,95
Adjustments to earnings	2.606.059,37	1.513.823,00
Fixed asset amortisation	2.073.247,58	1.257.358,53
Valuation changes for impairment	172.708,56	179.494,91
Change in provisions	-	(36.659,96)
Gains and losses on derecognition and disposal of fixed assets	194.246,82	9.146,92
Financial income	(559,58)	(814,19)
Financial expenses	166.415,99	105.296,79
Changes in current capital	(716.349,92)	(814.894,80)
Stocks	489,28	(489,28)
Debtors and other accounts receivable	(242.050,58)	(1.127.519,18)
Other current assets	10.258,52	(86.572,67)
Trade payables and other accounts payable	(508.529,65)	579.424,93
Other current liabilities	41.786,07	-
Change in fair value of financial instruments	(18.303,57)	(179.738,60)
Other cash flow from operating activities	(565.207,28)	(980.244,61)
Interest payments	(166.415,99)	(105.296,79)
Receipts of interests	559,58	814,19
Receipts (payments) for profit tax	(399.350,87)	(875.762,01)
CASH FLOW FROM INVESTMENT ACTIVITIES	(1.539.204,56)	(8.560.017,69)
Payments for investments	(1.575.567,47)	(9.023.883,53)
Intangible assets	(1.463.838,55)	(8.554.811,89)
Tangible assets	(94.241,08)	(469.071,64)
Other financial assets	(17.487,84)	-
Divestment proceeds	36.362,91	463.865,84
Intangible assets	36.362,91	14.935,60
Tangible assets	-	3.287,14
Other financial assets	-	445.643,10
CASH FLOW FROM FINANCING ACTIVITIES	(2.646.071,03)	8.809.282,36
Receipts and payments for equity instruments	(328.000,74)	(1.109.001,66)
Disposals (Acquisitions) of own equity instruments	(328.000,74)	(1.109.001,66)
Receipts and payments for financial-liability instruments	(2.075.063,30)	10.165.315,82
Issuance	1.100.000,00	10.970.408,10
Amounts owed to credit institutions	1.100.000,00	6.810.000,00
Others	-	4.160.408,10
Repayment and amortisation of:	(3.175.063,30)	(805.092,28)
Amounts owed to credit institutions	(1.005.142,01)	(805.092,28)
Others	(2.169.921,29)	-
Payments for dividends and remuneration of other equity instruments	(243.006,99)	(247.031,80)
Dividends	(243.006,99)	(247.031,80)
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS	(3.396.275,03)	1.000.593,21
Cash and cash equivalents at start of the financial year	5.056.742,82	4.056.149,61
Cash and cash equivalents at end of the financial year	1.660.467,79	5.056.742,82

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS
FOR THE FINANCIAL YEAR 2022

NOTE 1. INCORPORATION, ACTIVITIES AND LEGAL SYSTEM OF THE PARENT COMPANY

a) Incorporation and registered Office of the Parent Company

LLEIDANETWORKS SERVEIS TELEMÀTICS, S. A. (hereinafter "the Company"), was incorporated in Lleida on 30 January 1995. On October 7, 2017, the Company approved the change of its registered office located in General Lacy, number 42, Planta Baja - Local I, Madrid. In the previous year its registered office was located in the Parc Científic i Tecnològic Agroalimentari de Lleida, Edificio HI, Planta 2, in Lleida. On 26 October 2021, the board of directors resolved to transfer the company's registered office to Calle Téllez, 56 Local C in Madrid.

On June 30, 2011, the General Shareholders' Meeting resolved the transformation from a Limited Company to a Public Limited Company. On December 12, 2011, the agreement reached at the aforementioned meeting was submitted to the Mercantile Registry on February 17, 2012.

b) Activity of the Parent Company

Its activity consists of acting as a teleoperator of short message service (SMS) management services via the Internet, notification and electronic contracting services, as well as any other activity related to the aforementioned corporate purpose.

c) Activities of the Group Companies

Main activity of the subsidiaries consists in the provision of telecommunications services, the development of programs, the sending of text messages and electronic mail, and the provision of study services and analysis of computer processes in general.

d) Legal System of the Parent Company

Parent Company is governed by its Articles of Association and by the current Corporate Enterprises Act.

e) Quotation in Stock Markets

On June 1st, 2015, the Parent Company approved at the Shareholders' Meeting the request for incorporation into the Alternative Stock Market, currently called BME Growth, of all the shares of the Parent Company.

On October 7th, 2015, the Board of Directors of Bolsas y Mercados Españoles, Sistemas de Negociación, S.A., approved the incorporation of 16.049.943 shares of 0,02 euros nominal value each into the segment of companies in expansion of the Alternative Stock Market, effective as of October 9, 2015. On November 7, 2015, the Parent Company changed its Registered Advisor, appointing GVC GAESCO VALORES SV, S.A. On December 19, 2018, the Company was listed on Euronext Growth Paris under the dual listing system, with Invest Securities being the Listing Sponsor. On November 2, 2020, the Company was listed on the OTCQX market in New York. On September 29, 2021, the company changed its liquidity provider, naming Solventis A.V., S.A.

f) Effect of the conflict in Ukraine

Since February 2022, there has been a conflict in Europe between the nations of Russia and Ukraine. In this sense, the possible effects on the economy in general and on the Group in particular that this conflict may have must be taken into account. The Board of Directors of the Parent Company considers that the main effect that this event has had on the Company's figures has been the increase in electricity prices, whose impact on the company's figures has been an increase of 45 thousands of euros on the expense in the current financial year. Additionally, although the Board of Directors of the Parent Company does not consider that there is a risk of continuity in its activity at the close of December 31, 2022, it must constantly be aware of their evolution and their economic effects in the evaluation of future estimates, the effects of which would be recorded prospectively.

1.1) Group Companies

The Parent Company holds, directly, investments in different national and international companies, and controls, directly, these companies. On January 1st, 2016 the first consolidation of the Group Companies was carried out.

Group Companies included in the Consolidation Perimeter

The breakdown of the Group Companies included in the consolidation perimeter as of December 31, 2022 is the following:

	Percentage of Holding	Applied Method of Consolidation
Group Lleidanetworks Serveis Telemàtics, S.A.		
which maintains the following investments:		
Lleidanetworks Serveis Telemàtics, LTD	100%	Integración global
Lleidanet USA Inc	100%	Integración global
Lleidanet Honduras, SA	70%	Integración global
Lleidanet Dominicana, SRL	99,98%	Integración global
Lleida SAS	100%	Integración global
Lleida Chile SPA	100%	Integración global
Lleidanet do Brasil Ltda	99,99%	Integración global
Lleidanet Guatemala	80%	Integración global
Portabilidades Españolas, S.L.U.	100%	Integración global
Lleidanet Costa Rica	100%	Integración global
Lleidanet Perú	100%	Integración global
Lleida Information Technology Network Services	49%	Integración global
Lleidanet South Africa	100%	Integración global
Indenova, S.L.	100%	Integración global
Lleidanet India	25%	Puesta en equivalencia

The financial year of the Parent Company and the Subsidiaries begins on 1st of January and ends on 31st of December of each year. The last Annual Accounts of the Parent Company and its Subsidiaries drawn up correspond to the financial year ended on December 31, 2022.

Detail of activities and registered office of the Subsidiaries included in the perimeter of consolidation as of December 31, 2022, is indicated below:

Lleidatnetworks Serveis Telemàtics, LTD

Incorporated on December 28, 2005 in Dublin, with its registered office in Birchín Court 20, Birchín Lane London (United Kingdom). Its main activity is as operator.

Lleidanet USA Inc.

Incorporated on May 12, 2009 and its registered office is at 2719 Hollywood Boulevard Street 21 FL33020, Hollywood. Its main activity is as operator. On June 30, 2013 a capital increase was made in Lleidanet USA Inc. for 397.515,00 euros which Lleidatnetworks Serveis Telemàtics, S.A. subscribed in entirety.

Lleidanet Honduras, S.A.

Its registered office in Tegucigalpa (Honduras), it was incorporated on January 11, 2012 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 175 shares out of a total amount of 250 that were issued. Its main activity consists on being SMS operator, based on an interconnection network with the fixed and mobile operations of the Republic of Honduras.

Lleidanet Dominicana, S.R.L.

Headquartered in Santo Domingo (Dominican Republic), was incorporated on June 26, 2012 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 4.999 shares of a total of 5.000 that were issued. Its main activity is based on the dissemination of telematics systems. On December 28, 2020, was approved an increase in capital of 14,000 new shares subscribed in full by Lleidatnetworks Serveis Telemàtics, S.A.

Lleida SAS

With its registered office in Bogotá (Colombia), it was incorporated on November 16, 2012 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 100 shares out of a total of 100 that were issued. Its main activity is based on the dissemination of telematics systems. On 15 June 2018, Lleidatnetworks Serveis Telemàtics, S.A. fully subscribed a capital increase in Lleida SAS amounting to 95.802 euros. On December 30, 2020, a capital increase was carried out in Lleida SAS in the amount of 48.000 euros subscribed in full by Lleidatnetworks Serveis Telemàtics, S.A.

Lleida Chile SPA

With its registered office in Santiago (Chile), it was incorporated on March 12, 2013, subscribing, Lleidatnetworks Serveis Telemàtics, SA, 200 shares out of a total of 200 that were issued. Its main activity is based on the provision, organization and commercialization of telecommunications services.

Lleida Networks India Private Limited

With its registered office in New Delhi (India), it was incorporated on January 7, 2013 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 12,500 shares out of a total of 50,000 that were issued. Its main activity is the creation of a telecommunications operator in India, as well as offering VAS services, including SMS, MMS, and UMS and other types of messaging.

Lleidanet do Brasil Ltda

With its registered office in Sao Paulo (Brazil), it was incorporated on October 2, 2013 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 329 shares out of a total of 330 that were issued. Its main activity is based on the provision of telecommunication services, program development, sending of text messages and electronic mail and the provision of services of study and analysis of computer processes in general.

Lleidanet Guatemala, Sociedad Anónima

With its registered office in Guatemala (Guatemala), it was incorporated on November 7, 2013 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 4,800 shares out of a total of 6,000 issued. Its main activity is the provision, organization and commercialization of telecommunication services and activities such as mobile messaging services (SMS and MMS), carriers, etc., the creation, generation and exploitation of information and communication technologies and the provision of consulting and advisory services on these matters.

Portabilidades Españolas, S.L.U.

Incorporated on December 4, 2015, Lleidatnetworks Serveis Telemàtics S.A., representing 100% of the share capital of 3,000 shares for a total value of euros 3,000. Its corporate purpose is the commercialization of services based on numerical portability data to telecommunications operators for the routing of telephone traffic and short text messages. In the previous fiscal year a capital increase was carried out for an amount of 10,000 euros, fully subscribed by Lleidatnetworks Serveis Telemàtics, S.A.

Lleidanet Costa Rica Empresa Individual de Responsabilidad Limitada

On March 31, 2016, the Parent acquires from D. Francisco José Sapena Soler 100% of this Company for the amount of 16.06 euros. Its main activity is the provision, organization and commercialization of telecommunication services and activities such as mobile messaging services (SMS and MMS), carriers, etc., the creation, generation and exploitation of information and communication technologies and the provision of consulting and advisory services on these matters.

Lleidanet South Africa

On September 21, 2020, the Company was incorporated Lleidanet South Africa with registered office in Johannesburg (South Africa), subscribing 100% of the shares of this company.

Lleidanet Perú

With registered office at Cañon del Pato No. 103, Lima (Peru).

On August 25, 2016, the Parent Company made a contribution of 268.09 euros for the incorporation of said company. Its main activity is the provision, organization and commercialization of telecommunication services and activities such as mobile messaging services (SMS and MMS), carriers, etc., the creation, generation and exploitation of information and communication technologies and the provision of consulting and advisory services on these matters. On February 21, 2020 and December 28, 2020, capital increases were carried out by offsetting receivables held with the Parent Company for amounts of 104.283 and 33.637 euros, respectively. On 20 December 2021, a capital increase of Euros 44.309,84 was carried out by offsetting receivables from the Parent company.

Lleida Information Technology Network Services

On October 1, 2020, the Company incorporated the company in the United Arab Emirates with the partner Adil Ismail Ali Al Fahem, with a share capital of 300 shares, 147 of which are subscribed by Lleidanetworks Serveis Telemàtics, S.A. and which correspond to 49% of the share capital of the incorporated company.

Indenova, S.L.

On 30 November 2021, the Company acquires 100% of the shares of Indenova, S.L., with registered office at Calle Traginers, 14 - 2º B, Valencia, for a cost of 7.100.000,00 euros.

NOTE 2. PRESENTATION BASIS OF CONSOLIDATED ANNUAL ACCOUNTS

a) True and Fair View

The attached Consolidated Annual Accounts for the year 2022 have been prepared based on the accounting records of the different companies that make up the Group, whose respective Annual Accounts are prepared in accordance with current commercial legislation and the standards established in the approved General Accounting Plan. by Royal Decree 1514/2007, of November 16, applying the modifications introduced to it by Royal Decree 1159/2010, of September 17, and Royal Decree 602/2016, of December 2 and Royal Decree 1/2021, of January 12, in the case of Spanish companies, and in accordance with the regulations applicable in the rest of the countries where the companies that make up the Consolidated Group are located, and are presented in accordance with the provisions of Royal Decree 1159/ 2010 of September 17, in order to show the true image of the assets, the financial situation and the consolidated results, as well as the veracity of the incorporated flows in the Consolidated Statement of Cash Flows.

b) Presentation Currency

In accordance with the applicable laws and regulations on accounting, the Consolidated Annual Accounts are expressed in euros.

c) Critical Aspects of Uncertainties Valuation and Estimation

In preparing the accompanying consolidated annual accounts, estimates were made by the Parent Company's Board of Directors in order to measure certain of the assets, liabilities, income and expenses reported herein. The estimates and criteria relate to:

- Reasonableness of capitalisation and recoverability of research projects.
- Reasonableness of the recognition and recoverability of the goodwill arising from the acquisition of Indenova, S.L. (see note 2.e)

Although these estimates have been made on the basis of the best information available at year-end 2022, it is possible that future events may make it necessary to change these estimates (upwards or downwards) in future years, which would be done prospectively, recognising the effects of the change in estimate in the corresponding income statement.

The Parent Company's Board of Directors considers that there are no significant uncertainties or aspects about the future that could entail a significant risk that could lead to significant changes in the value of assets and liabilities in the following year.

d) Comparison of the Information

The Directors present, for comparative purposes, with each of the items of the Consolidated Balance Sheet, the Consolidated Profit and Loss Account, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year, in addition to the figures for the year 2022 those corresponding to the previous year. The items of both exercises are comparable and homogeneous.

e) Responsibility for the Information given and the Estimates made

For the preparation of the Consolidated Annual Accounts estimates have been used in order to value some of the assets, liabilities, incomes, expenses and compromises that are registered, and that, basically, these estimations are referred to the evaluation of losses by impairment of certain assets, the useful life of non-current assets and the probability of occurrence of provisions (see section c).

In November 2021, following the acquisition of the company Indenova, S.L., goodwill of 4,7 million euros has been generated. Indenova's main assets are its assets, as reflected in its balance sheet. Indenova has a brand image that is recognised both nationally and internationally, and a recurring customer base that values its services. Its R&D developments will enable new uses of its services, not only for its customer base, but will also be a differentiating element in the Group's R&D strategy. They have key personnel, that is maintained within the Lleida.net Group and are members of the management committee and help to achieve the objectives set by the Board of Directors of the Parent Company of the Group. With the acquisition of Indenova, synergies in sales are achieved, given that Indenova and the other companies of the Group have very few shared customers. Indenova will be able to increase its sales by selling its products to Lleida.net customers.

The Parent Company's Board of Directors has performed the analysis of the recoverability of the aforementioned goodwill on consolidation, using cash flows based on sales projections for the period 2023-2027. According to management, these projections are based on the budget for 2023, the degree of compliance with the budget at the date of formulation of these Consolidated Financial Statements and management's best expectations for the business until 2027 for the corresponding analysis of possible impairment at 31 December 2022. Sales growth has been estimated at 61%, 14%, 12%, 10% and 8% respectively for each of the next 5 years. Cash flows have also been discounted using the average cost of funds after tax. The discount rate used was 17% and a perpetual income of 2.5% was estimated.

As a result of the foregoing, the Parent Company's Board of Directors has considered impairing the goodwill in consolidation in the current year by Euros 190 thousand euros (see Note 5) based on the expectations of cash flow generation forecast for the coming years by this investee company.

Notwithstanding that these estimates were made according to the best information available at the time of the preparation of these Consolidated Annual Accounts, it is possible that future events may occur that require their amendment for the next financial years; which would be carried out prospectively, taking account of the effects of the estimate change on the corresponding profit and loss accounts.

f) Correction of Errors

The 2022 Annual Accounts do not include related adjustments as a result of errors detected in previous years' annual accounts.

g) Fair value

It is the price that would be received to sell an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date. The fair value shall be determined without any deduction for transaction costs that might be incurred due to disposal or disposition by other means. In no case shall the fair value result from a forced or urgent transaction or as a consequence of an involuntary liquidation situation.

Fair value is estimated for a particular date and, because market conditions may change over time, that value may be inappropriate for another date. In addition, in estimating fair value, an enterprise should take into account the conditions of the asset or liability that market participants would take into account in pricing the asset or liability at the measurement date.

In estimating fair value, it is assumed that the transaction to sell the asset or transfer the liability is carried out:

- a) Between interested and duly informed parties, in an arm's length transaction,
- b) In the main market of the asset or liability, understood as the market with the highest volume and level of activity, or
- c) In the absence of a principal market, in the most advantageous market to which the company has access for the asset or liability, understood as the one that maximizes the amount that would be received for the sale of the asset or minimizes the amount that would be paid for the transfer of the liability, after taking into account transaction costs and transportation expenses.

In general, fair value is calculated by reference to a reliable market value.

For those items for which there is no active market, the fair value will be obtained, where appropriate, through the application of valuation models and techniques.

The fair value of a financial instrument must consider, among other things, the credit risk and, in the specific case of a financial liability, the company's default risk, which includes, among other components, its own credit risk. However, no adjustments for volume or market capacity should be made to estimate the fair value.

NOTE 3. RECOGNITION AND VALUATION STANDARDS

The principal valuation standards used by the Group in the drafting of its Consolidated Annual Accounts, in accordance with those established by the General Accounting Plan, were as follows:

a) Consolidation Principles

The consolidation of the Annual Accounts of Lleidanetworks Serveis Telemàtics, S.A. with the Annual Accounts of its investee companies mentioned in Notes 1.1 and 2, was carried out using the following methods:

1. Application of the global integration method for all Group companies, i.e. those over which it has effective control.
2. Application of the equity method as equivalence for associated companies, i.e. those over which a notable influence is exercised in terms of management but in which there is no majority vote or joint management with third parties.

The consolidation of the operations of **Lleidanetworks Serveis Telemàtics, S.A.** with those of the aforementioned subsidiaries was performed according to the following basic principles:

- The criteria used in formulation of the Balance Sheets, the Profit and Loss Account and the Statement of Changes in Equity and Cash-Flow Statements for each one of the consolidated companies are, generally, and in their basic aspects, homogenous.
- The Consolidated Balance Sheet, the Consolidated Profit and Loss Account, the Consolidated Statement of Changes in Equity and Consolidated Statements of Cash Flow include all adjustments and eliminations of the consolidation process, as well as relevant valuation homogenizations to reconcile balances and transactions between the consolidating companies.
- Balances and transactions between consolidated companies were eliminated in the consolidation process. The credits and debts with group, affiliated and associated companies which have been excluded from the consolidation are presented in the corresponding headings of the assets and liabilities headings of the Consolidated Balance Sheet.

- The deletion of Subsidiary equity investment was conducted by compensating the shareholding of the Parent Company with the proportional part of the net equity of the subsidiaries which is represented by the shareholding on the date of the first consolidation. The first consolidation differences were treated as follows:
 - a) Positive differences which cannot be allocated to the equity elements of the Subsidiaries were included in the "Consolidation Goodwill" heading of the Consolidated Balance Sheet. The impairment losses must be recognized in the Consolidated Profit and Loss Account and are irreversible
 - b) Negative differences, obtained as first consolidation, are recognized as reserves for the year considering that the group already existed previously in the different subgroups contributed to the Parent Company.
- The consolidated income for the financial year shows the part that may be attributed to the Parent Company, comprised of the income obtained by the latter plus the corresponding part, by virtue of the financial shareholding, of the income obtained by the invested companies
- The shareholding value of the minority interests in the equity and the attribution of income in the consolidated subsidiaries is presented in the "Minority Interest" heading of the Equity of the Consolidated Balance Sheet. The value breakdown of these shareholdings is presented in Note 4.

b) Intangible Fixed Assets

Assets included in intangible fixed assets are valued by their cost, whether purchase price or production cost, reduced by the corresponding accumulated amortization and losses from any impairment which, where appropriate, has occurred.

The depreciable amount of an intangible asset is allocated on a systematic basis over its useful life. The amortisation charge for each period is recognised in profit or loss.

Research and Development Costs

Capitalized research and development costs are specifically individualized for projects and their costs are clearly established so they can be spread over time. Similarly, Management the Group has substantial grounds for expecting the technical success and the financial and commercial profitability of these projects.

Research and development costs that appear as assets are amortized on a straight-line basis over their useful life, at an annual rate of 20%, and always within a period of 5 years.

As soon as there are reasonable doubts over the technical success or financial and commercial profitability of a project, the values recorded in the asset that apply to it are directly allocated to the financial year's losses.

Computer Applications

Licenses for computer applications purchased from third parties are capitalized on the basis of the costs incurred for purchasing.

Computer applications are amortized on a straight-line basis throughout their useful lives, at an annual rate of 33%.

Maintenance expenses for computer applications incurred during the financial year are recognized in the Consolidated Profit and Loss Account.

Industrial Property

Corresponds to the capitalized development expenses for which the relevant patent or similar has been obtained, and includes the registration and formalization costs for the industrial property, as well as the costs for purchasing the corresponding rights from third parties.

During all these years, the Group has been able to develop methods and unique technologies in its sector by continuous investment in research and development. The result of this effort has been the publication of patents at European, American and PCT levels, putting in value the effort developed during these last years. These patents allow the Group to license this technology to third parties and protect it against possible copies of other actors in the sector, less scrupulous when creating original models.

Consolidation Goodwill

This item includes positive differences between the equity of subsidiaries attributable to the Parent Company and the equity interest in the Parent Company at the date of first consolidation, which could not be attributed to specific assets and liabilities of the subsidiaries.

Goodwill is amortised over ten years and is recovered on a straight-line basis. In addition, goodwill is reviewed annually for impairment and is recognised in the balance sheet at cost less amortisation and, where applicable, accumulated impairment losses.

In order to check for impairment, at the end of each year an analysis is made of the value of each of the investees that have generated them, based on discounted expected cash flows.

c) Tangible Fixed Assets

Tangible fixed assets are valued by their acquisition price or production cost, net of the corresponding accumulated amortization and, where appropriate, of the accumulated value of the recognized allowances for impairment.

Repair and maintenance expenses incurred during the financial year are debited in the Consolidated Profit and Loss Account. Costs for renovating, extending or improving intangible fixed assets, representing an increase in capacity, productivity or lengthening of useful life, are capitalized as a higher value of the corresponding assets, once the book values of the replaced items have been de-recognized.

Tangible fixed assets, net of their residual value, where appropriate, are amortized by a straight-line-basis distribution of the various items that constitute these fixed assets over the years of estimated useful life making up the period in which the Group hopes to use them, according to the following table:

	Annual Percentage	Estimated Years of Useful Life
Buildings	2,50	40
Technical facilities	8 - 10	12,50 - 10
Machinery	20 - 25	5 - 4
Other installations	10	10
Furniture	10 - 15	10 - 6,67
Computer equipment	25 - 50	4 - 2
Other tangible fixed assets	15	6,67

The book value of a tangible fixed-asset item is de-recognized in the accounts through its alienation or disposal by other means; or where no future economic benefits or profits are expected to be obtained for its use, alienation or disposal by other means.

The loss or profit resulting from writing-off a tangible fixed-asset item is determined as the difference between the net values, where appropriate, of the sales costs resulting from its alienation or disposal by other means, where available, and the item's book value, and is allocated to the Consolidated Profit and Loss Account for the financial year in which this occurs.

At the financial year's closure, the Group, assesses whether there are signs of impairment in a tangible fixed-asset item or any cash-generating unit, in which case the recoverable amounts are estimated and the necessary allowances are made.

An impairment loss is deemed to have occurred in a tangible fixed-asset item where its book value exceeds its recoverable value, this being understood as the higher value between its fair value less the sales costs and its value in use.

Allowances for impairment in the tangible fixed-asset items, as well as their reversals where the circumstances producing them cease, are recognized as an expense or income respectively in the Consolidated Profit and Loss Account.

d) Leases and Other Transactions of a Similar Nature

Operating-lease expenses incurred during the financial year are debited in the Consolidated Profit and Loss Account.

e) Financial Instruments

The Company records under financial instruments those contracts that give rise to a financial asset in one company and, simultaneously, to a financial liability or equity instrument in another company.

A financial asset is any asset that is: cash, an equity instrument of another company, or involves a contractual right to receive cash or another financial asset (a debt instrument), or to exchange financial assets or liabilities with third parties on potentially favourable terms.

Financial assets are classified for valuation purposes in the following category:

- Financial assets at amortised cost.

Financial instruments issued, incurred or assumed are classified as financial liabilities, in whole or in part, if, based on their economic substance, they create a direct or indirect contractual obligation for the Company to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with third parties on potentially unfavourable terms.

Financial liabilities are classified for measurement purposes as follows:

- Financial liabilities at amortised cost.

This treatment applies to the following financial instruments:

a) Financial assets:

- Cash and cash equivalents;
- Trade receivables: trade receivables and sundry debtors;
- Receivables from third parties: such as financial loans and receivables, including those arising from the sale of non-current assets;
- Other financial assets: such as deposits with credit institutions, loans and advances to employees, guarantees and deposits given, dividends receivable and payments due on own equity instruments.

b) Financial liabilities:

- Debts from commercial operations: suppliers and sundry creditors;
- Debts with credit institutions;
- Other financial liabilities: debts to third parties, such as financial loans and credits received from persons or companies other than credit institutions, including those arising from the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on shareholdings.

Financial assets at amortised cost

A financial asset is included in this category, even when it is admitted to trading on an organised market, if the Company holds the investment for the purpose of receiving cash flows from the performance of the contract and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent in an arrangement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is arranged at a zero or below-market interest rate.

The following are classified in this category:

- a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in connection with the sale of goods and the provision of services in the ordinary course of business; and
- b) Non-trade receivables: financial assets, other than equity instruments and derivatives, that are not of a commercial substance and for which the amount receivable is fixed or determinable.

Financial liabilities at amortised cost

The following are classified in this category:

- a) Trade payables: financial liabilities arising from the purchase of goods and services in connection with trading transactions; and
- b) Non-trade payables: financial liabilities which, not being derivative instruments, do not arise from trade transactions, but arise from loans or credits received by the Company.

Initial measurement

The financial assets and liabilities included in this category are initially measured at fair value, which is the transaction price and is equal to the fair value of the consideration given plus directly attributable transaction costs.

Notwithstanding the above, trade receivables and payables maturing in less than one year that do not bear contractual interest rates, as well as, where applicable, advances and loans to employees, dividends receivable and payments required on equity instruments, the amount of which is expected to be received in the short term, and payments required by third parties on equity investments, the amount of which is expected to be paid in the short term, are measured at nominal value when the effect of not discounting cash flows is not material.

Subsequent valuation

In subsequent valuations, both assets and liabilities are measured at amortised cost. Accrued interest is recognised in the profit and loss account using the effective interest method. Notwithstanding the above, receivables and payables maturing within one year that were initially measured at nominal value continue to be measured at nominal value, unless, in the case of receivables, they are impaired.

Impairment of financial assets at amortised cost

At least at year-end, the necessary impairment losses are recognised whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after its initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the insolvency of the debtor.

The impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, where applicable, those from the realisation of collateral and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the effective interest rate at the reporting date is used in accordance with the contractual terms.

Impairment losses, as well as reversals of impairment losses when the amount of the impairment decreases due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

Reclassification of Financial Assets

When the Company changes the way in which it manages its financial assets to generate cash flows, it reclassifies all affected assets in accordance with the criteria outlined above. The reclassification is not a derecognition but a change in valuation criteria.

Derecognition of Financial Assets

The Company derecognises a financial asset, or part of a financial asset, when the contractual rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership have been transferred, in circumstances that are assessed by comparing the Company's exposure, before and after the transfer, to changes in the amounts and timing of the net cash flows of the transferred asset. Substantially all the risks and rewards of ownership of the financial asset are deemed to have been transferred when its exposure to such changes is no longer material in relation to the total change in the present value of the future net cash flows associated with the financial asset.

When the financial asset is derecognised, the difference between the consideration received net of attributable transaction costs, taking into account any new asset obtained less any liability assumed, and the carrying amount of the financial asset determines the gain or loss arising on derecognition and forms part of the profit or loss for the period in which the gain or loss arises.

The Company does not derecognise financial assets and recognises a financial liability for an amount equal to the consideration received in transfers of financial assets in which it has retained substantially all the risks and rewards of ownership, such as in bill discounting, factoring with recourse, sales of financial assets under repurchase agreements at a fixed price or at the sale price plus interest and securitisations of financial assets in which the transferor retains subordinated financing or other types of guarantees that absorb substantially all the expected losses.

Derecognition of financial liabilities

The Company derecognises a financial liability, or part of a financial liability, when the obligation has been extinguished, i.e. when it has been satisfied, cancelled or has expired. It also derecognises its own financial liabilities that it acquires, even if it intends to reposition them in the future.

The difference between the carrying amount of the financial liability or part of the financial liability derecognised and the consideration paid, including any costs or fees incurred and including any asset transferred other than cash or liability assumed, is recognised in the income statement in the period in which it occurs.

In the case of an exchange of debt instruments that do not have substantially different terms, the original financial liability is not derecognised. Any transaction costs or fees incurred adjust the carrying amount of the financial liability. From that date, the amortised cost of the financial liability is determined by applying the effective interest rate that matches the carrying amount of the financial liability with the cash flows payable under the new terms.

Own equity instruments

An equity instrument is any legal transaction that evidences, or reflects, a residual interest in the assets of the issuing company after deducting all its liabilities.

In the event that the company enters into any transaction with its own equity instruments, the amount of these instruments is recorded in equity, as a change in shareholders' equity, and in no case may they be recognised as financial assets of the company and no profit or loss is recorded in the profit and loss account.

Expenses arising from these transactions, including the costs of issuing these instruments, such as lawyers', notaries' and registrars' fees; printing of reports, bulletins and securities; taxes; advertising; commissions and other placement expenses, are recorded directly in equity as a reduction in reserves.

Deposits given and received

Deposits or guarantees provided as security for certain obligations are measured at the amount actually paid, which does not differ significantly from their fair value.

In the case of deposits given or received for operating leases or for the provision of services, the difference between their fair value and the amount paid (e.g. because the deposit is long-term and is not remunerated) is treated as an advance payment or collection for the lease or provision of the service, which is taken to profit or loss over the period of the lease in accordance with the standard on leases and similar transactions or over the period in which the service is rendered in accordance with the standard on revenue from sales and services.

In estimating the fair value of the collateral, the remaining period is taken to be the minimum committed contractual period during which the collateral cannot be repaid, without taking into account the statistical behaviour of repayment.

Where the guarantee is short-term, discounted cash flows are not required if their effect is not material.

f) Transactions in Foreign Currencies

Transactions in foreign currencies are recognized by their exchange value in Euros, by using the spot exchange-rate for the dates on which they occur.

On the close of each financial year, monetary items are valued by applying the average spot exchange-rate on that date. Exchange differences, both positive and negative, which result from this process, as well as those generated on selling off equity items, are recognized in the Consolidated Profit and Loss Account for the financial year in which they arise.

g) Profit Tax

Profit tax is recognized in the Consolidated Profit and Loss Account or directly in the Consolidated Equity depending on where the gains or losses giving rise to it are recognized. Profit tax for each financial year includes both current and deferred taxes, where appropriate.

The current tax amount is the sum to be paid by the companies as a result of the assessment notices for the tax.

Differences between the book value of assets and liabilities, and their tax base, generate the deferred tax asset or liability tax balances which are calculated using the expected tax rates at the time of their reversal, and under the method in which it can be reasonably expected to recover or pay the asset or liability.

Variations arising during the financial year in deferred tax asset or liability are recognized either in the Consolidated Profit and Loss Account or directly in the Consolidated Equity, as appropriate.

Deferred tax assets are only recognized insofar as it is probable that the company will have future tax gains that allow these assets to be applied.

In each closing balance sheet the book value of the recognized deferred tax assets is analysed and the necessary adjustments are made insofar as there are doubts over their future tax recoverability. Likewise, in each closing non-recognized deferred taxes are assessed in the balance sheet and these are subject to recognition to the extent that their recovery with future tax benefits is probable.

h) Income and Expenses

The main services offered by the Group consist of SMS, notification, signature and electronic contracting services.

Revenue recognition for sales and services rendered

The Company recognises revenue in the ordinary course of business when (or as) control of the committed goods or services is transferred to the customer. At that time, the Company measures revenue at the amount that reflects the consideration to which it expects to be entitled in exchange for the goods or services.

Control of a good or service (an asset) refers to the ability to decide fully on the use of that item of property, plant and equipment and to obtain substantially all of its remaining benefits. Control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

In order to apply this fundamental approach to revenue recognition, the Company follows a comprehensive process consisting of the following successive steps:

- a) Identify the contract(s) with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations for the parties.
- b) Identify the obligation(s) to be fulfilled in the contract, representing commitments to transfer goods or provide services to a customer.
- c) Determine the transaction price, or contract consideration, to which the firm expects to be entitled in exchange for the transfer of goods or provision of services committed to the customer.
- d) Allocate the transaction price to the obligations to be performed on the basis of the individual selling prices of each separate good or service committed to in the contract or, where appropriate, on the basis of an estimate of the selling price when the selling price is not independently observable.
- e) Recognise revenue when (as) the company satisfies a committed obligation through the transfer of a good or the rendering of a service; such satisfaction occurs when the customer obtains control of that good or service, so that the amount of revenue recognised is the amount allocated to the contractual obligation satisfied.

For each obligation to be fulfilled (delivery of goods or provision of services) identified, the Company determines at the beginning of the contract whether the commitment undertaken is fulfilled over time or at a specific point in time. As specified in note 15, the invoicing issued by the Company is based on customer consumption of each product. In this regard, for all of the Company's business lines, revenue is also recognised on a monthly basis based on the consumption of each customer during the month in question.

Fulfilment of the obligation at a specific point in time

In cases where the transfer of control over the asset does not occur over time, the Company recognises revenue using the criteria established for obligations that are discharged at a point in time. To identify the specific point in time at which the customer obtains control of the asset (generally an asset), the Company considers, among others, the following indicators:

- a) The customer assumes the significant risks and rewards of ownership of the asset. In assessing this, the Company excludes any risk that gives rise to a separate obligation other than a commitment to transfer the asset.
- b) The Company has transferred physical possession of the asset.
- c) The customer has received (accepted) the asset in accordance with the contractual specifications.
- d) The company has a collection right for transferring the asset.
- e) The customer has ownership of the asset.

Valuation

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where appropriate, the fair value of the consideration received or expected to be received, which, in the absence of evidence to the contrary, is the agreed price of the assets to be transferred to the customer, less: the amount of any discounts, rebates or other similar items that the company may grant; and interest included in the nominal amount of the receivables.

However, embedded interest on trade receivables maturing in less than one year that do not have a contractual interest rate is included when the effect of not discounting cash flows is not material. If applicable

Taxes levied on the delivery of goods and services that the company must pass on to third parties, such as value added tax and excise duties, as well as amounts received on behalf of third parties, are not part of revenue.

Where variable consideration exists, the Company takes into account in the measurement of revenue the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of revenue recognised when the uncertainty associated with the consideration is subsequently resolved.

i) Provisions and Contingencies

Debentures existing at the close of the financial year, resulting from past events which may occasion loss in equity for the Group, and whose value and time of cancellation are indeterminate, are recognized on the consolidated balance sheet as provisions and are valued by the current value of the best possible estimate for the amount necessary to cancel the obligation or transfer it to a third party.

j) Grants, Donations and Legacies

Non-refundable capital grants, as well as donations and legacies, are valued by the fair value of the amount granted or of the goods received. They are initially allocated directly as income in the Consolidated equity and recognized in the Consolidated Profit and Loss Account in proportion to the amortization undergone over the period by the assets financed through these grants, unless these are non-depreciable assets, in which case they will be allocated to the earnings of the financial year in which their alienation or de-recognition takes place.

Grants intended for cancelling debts are allocated as income for the financial year in which the cancellation occurs, unless they are received for a specific financing, in which case the allocation is made according to the item that is financed.

Refundable grants are recognized as long-term debt convertible into subsidies until they become non-refundable.

Operation grants are credited to the earnings of the financial year when they accrue.

k) Related-Party Transactions

In general, items forming the subject matter of a related-party transaction are initially recognized by their fair value. The subsequent valuation is made in accordance with the provisions laid down in the corresponding regulations.

l) Cash-Flow Statements

Cash-flow statements use the following expressions according to the meanings given below:

Cash and Equivalents: Cash is both cash in hand and demand deposits. Cash equivalents are financial instruments forming part of the Group's normal cash management, are convertible into cash, have initial maturities no greater than three months and are subject to little significant risk of change in their value.

Cash Stream-flows: inflows and outflows of cash or other equivalent resources, with the latter being understood as investments having terms under three months, high liquidity and low risk of changes in value.

Operating Activities: these are the activities that make up the principal source of the Group's ordinary income, as well as other activities that cannot be classified under investment or financing.

Investment Activities: acquisition, alienation or disposal by other means of long-term assets and other investments not included in cash or cash equivalents.

Financing Activities: activities that lead to changes in the size and composition of the equity and financial liabilities.

NOTE 4. MINORITY INTEREST

The breakdown of the value of minority interests in the equity of the consolidated subsidiaries as the end of the financial year 2022, is as follows, in Euros:

Group Company	Percentage of minority interests shareholders (holdings)	Equity	Others	Period results	Total Minority interests
Lleidanet Guatemala	20%	4.042,50	(263,84)	-	755,73
Lleidanet Honduras	30%	-	-	-	-
Lleidanet Brasil	0,01%	(41.163,82)	2.869,63	(1.685,31)	(4,00)
Lleidanet República Dominicana	0,02%	(8.772,98)	2.446,88	1.069,31	(1,17)
Lleida Information Technology Network Services (*)	51%	(74.803,17)	(5.976,14)	(101.896,59)	(93.164,71)
					(92.414,15)

(*) Shareholders' Equity includes a portion of outstanding disbursements that correspond mainly to the Parent Company, which is why the total of Minority Interests does not correspond exactly to 49% of the total Shareholders' Equity shown in the table below.

The breakdown of the value of minority interests in the equity of the consolidated subsidiaries as the end of the financial year 2021, is as follows, in Euros:

Group Company	Percentage of minority interests shareholders (holdings)	Equity	Others	Period results	Total Minority interests
Lleidanet Guatemala	20%	4.042,50	(524,94)	-	703,51
Lleidanet Honduras	30%	-	-	-	-
Lleidanet Brasil	0,01%	(38.909,84)	7.203,12	(2.253,98)	(3,40)
Lleidanet República Dominicana	0,02%	(9.014,54)	734,21	241,56	(1,61)
Lleida Information Technology Network Services (*)	51%	(4.575,12)	7.120,79	(70.228,05)	(34.518,01)
					(33.819,51)

(*) Shareholders' Equity includes a portion of outstanding disbursements that correspond mainly to the Parent Company, which is why the total of Minority Interests does not correspond exactly to 49% of the total Shareholders' Equity shown in the table below.

NOTE 5. INTANGIBLE FIXED ASSETS

The details and changes in intangible fixed assets throughout the financial year 2022 were as follows, in euros:

	31/12/2021	Additions	De-Recognition	Transfers	31/12/2022
Cost:					
Goodwill on consolidation	4.688.429,58	-	-	-	4.688.429,58
Research	12.372.277,80	1.156.398,38	(5.107,39)	-	13.523.568,79
Industrial Property	1.054.272,10	49.568,26	-	55.367,61	1.159.207,97
Computer applications	5.321.268,91	177.766,70	(956,04)	25.054,90	5.523.134,47
Advances for intangible fixed assets	587.442,81	80.105,22	(32.323,70)	(80.422,51)	554.801,82
	24.023.691,20	1.463.838,56	(38.387,13)	-	25.449.142,63
Accumulated amortization:					
Goodwill on consolidation	(78.140,49)	(468.842,96)	-	-	(546.983,45)
Research	(10.095.241,70)	(844.892,11)	1.068,18	-	(10.939.065,63)
Industrial Property	(389.147,55)	(86.034,97)	-	-	(475.182,52)
Computer applications	(2.429.635,56)	(492.717,78)	956,04	-	(2.921.397,30)
	(12.992.165,30)	(1.892.487,82)	2.024,22	-	(14.882.628,90)
Impairment:					
Goodwill on consolidation	-	(190.207,60)	-	-	(190.207,60)
Intangible Fixed Assets, Net	11.031.525,90	(618.856,86)	(36.362,91)	-	10.376.306,13

The additions in the year mainly relate to the R&D developments that the Company has made in its SaaS product lines as well as the investments made in patents to register the methodology of these new products.

The details and changes in intangible fixed assets throughout the financial year 2021 were as follows, in euros:

	31/12/2020	Perimeter additions	Additions	De-Recognition	Transfers	31/12/2021
Cost:						
Goodwill on consolidation	-	4.688.429,58	-	-	-	4.688.429,58
Research	11.649.345,74	-	722.932,06	-	-	12.372.277,80
Industrial Property	928.218,54	-	14.935,60	(14.935,60)	126.053,56	1.054.272,10
Computer applications	270.661,09	4.627.951,01	455.547,44	(32.890,63)	-	5.321.268,91
Advances for intangible fixed assets	564.399,48	-	158.243,81	(9.146,92)	(126.053,56)	587.442,81
	13.412.624,85	9.316.380,59	1.351.658,91	(56.973,15)	-	24.023.691,20
Accumulated amortization:						
Goodwill on consolidation	-	-	(78.140,49)	-	-	(78.140,49)
Research	(9.280.092,95)	-	(815.148,75)	-	-	(10.095.241,70)
Industrial Property	(307.717,52)	-	(81.430,03)	-	-	(389.147,55)
Computer applications	(241.800,81)	(1.426.403,76)	(794.321,62)	32.890,63	-	(2.429.635,56)
	(9.829.611,28)	(1.426.403,76)	(1.769.040,89)	32.890,63	-	(12.992.165,30)
Intangible Fixed Assets, Net	3.583.013,57	7.889.976,83	(417.381,98)	(24.082,52)	-	11.031.525,90

Goodwill

On 30 November 2021 the Group acquired 100% of the shares of Indenova, S.L. for a cost of 7.100.000,00 euros.

In the current year, the Company has recognised goodwill on consolidation in the amount of 190 thousand euros (see Note 2.e and Note 21).

This goodwill is amortised on a straight-line basis over a period of 10 years.

Fully-amortized and in-use items

The breakdown, by epigraphs, of the most significant assets which were fully-amortised and in use as of December 31, 2022 and 2021, is the following, stating their cost values in Euros:

	31/12/2022	31/12/2021
Research	9.263.012,85	8.492.284,57
Patents	108.806,51	108.806,51
Computer applications	1.404.021,42	1.387.114,48
	10.775.840,78	9.988.205,56

NOTE 6. TANGIBLE ASSETS

The details and changes in tangible fixed assets throughout the financial year 2022 were as follows, in euros:

	31/12/2021	Perimeter additions	Additions	De-recognitions	Transfers	31/12/2022
Cost:						
Land and buildings	197.185,74	5.909,80	-	-	-	203.095,54
Technical installations and machinery	257.392,06	-	-	-	-	257.392,06
Other installations, tools and furniture	699.830,28	-	-	-	-	699.830,28
Data processing equipment	915.009,90	88.331,28	(11.882,23)	42.574,26	(2.219,15)	1.031.814,06
Other tangible fixed assets	12.746,77	-	-	-	-	12.746,77
Advances for tangible fixed assets	57.380,60	-	-	-	-	57.380,60
	2.139.545,35	94.241,08	(11.882,23)	42.574,26	(2.219,15)	2.262.259,31
Accumulated amortization:						
Land and buildings	(49.380,53)	(5.137,30)	-	-	-	(54.517,83)
Technical installations and machinery	(253.872,68)	(1.956,70)	-	-	-	(255.829,38)
Other installations, tools and furniture	(280.039,77)	(4.119,61)	-	-	-	(284.159,38)
Data processing equipment	(918.298,64)	(155.974,88)	11.882,23	(42.574,26)	3.904,41	(1.101.061,14)
Other tangible fixed assets	(11.387,92)	-	-	-	-	(11.387,92)
	(1.512.979,54)	(167.188,49)	11.882,23	(42.574,26)	3.904,41	(1.706.955,65)
Tangible Fixed Assets, Net	626.565,81	(72.947,41)	-	-	1.685,26	555.303,66

Due to the increase in SaaS sales, investments have been made in servers for more storage capacity. Investments have also been made in laptops during the financial year 2022.

The details and changes in tangible fixed assets throughout the financial year 2021 were as follows, in euros:

	31/12/2020	Perimeter additions	Additions	De-recognitions	Transfers	31/12/2021
Cost:						
Land and buildings	197.185,74	-	-	-	-	197.185,74
Technical installations and machinery	257.392,06	-	-	-	-	257.392,06
Other installations, tools and furniture	106.118,89	232.962,47	391.047,47	(30.298,55)	-	699.830,28
Data processing equipment	663.660,87	280.973,00	20.643,57	(50.267,54)	-	915.009,90
Other tangible fixed assets	4.935,79	7.810,98	-	-	-	12.746,77
Advances for tangible fixed assets	-	-	57.380,60	-	-	57.380,60
	1.229.293,35	521.746,45	469.071,64	(80.566,09)	-	2.139.545,35
Accumulated amortization:						
Land and buildings	(44.243,23)	-	(5.137,30)	-	-	(49.380,53)
Technical installations and machinery	(246.191,35)	-	(7.681,33)	-	-	(253.872,68)
Other installations, tools and furniture	(74.609,25)	(219.885,39)	(12.101,84)	26.556,71	-	(280.039,77)
Data processing equipment	(524.340,02)	(289.135,32)	(162.638,71)	50.722,24	7.093,17	(918.298,64)
Other tangible fixed assets	(3.986,70)	-	(308,05)	-	(7.093,17)	(11.387,92)
	(893.370,55)	(509.020,71)	(187.867,23)	77.278,95	-	(1.512.979,54)
Tangible Fixed Assets, Net	335.922,80	12.725,74	281.204,41	(3.287,14)	-	626.565,81

Fully-Amortized and in-Use Items

The breakdown, by epigraphs, of the most significant assets which were fully-amortised and in use as of December 31, 2022 and 2021, is shown below stating their cost values in Euros:

	31/12/2022	31/12/2021
Technical installations and machinery	229.435,65	188.916,95
Other facilities and furniture	260.121,63	260.121,63
Data processing equipment	878.394,67	683.570,38
Other fixed assets	3.087,87	3.087,87
	1.371.039,82	1.135.696,83

NOTE 7. LEASES AND OTHER OPERATIONS OF SIMILAR NATURE

7.1) Financial Leases (the Company as Lessee)

The Company has no assets financed by finance leases at 31 December 2022.

7.2) Operating Leases (the Company as Lessee)

The amount of the contingent payments recognized as an expense in the year 2022 is 308.075,17 euros (229.166,56 euros in the previous year). Corresponds basically to office rentals and vehicle rentals.

The following is the breakdown of the total amount of the minimum future payments corresponding to the non-cancellable operating leases:

	2022	2021
Up to 1 year	205.494,97	229.464,78
Between 1 and 5 years	129.638,34	101.044,71
More of 5 years	538.947,98	524.845,84
Total	874.081,29	855.355,33

NOTE 8. FINANCIAL ASSETS

The following is the breakdown of the long-term financial assets, in Euros:

	Equity instruments 31/12/2022	Equity instruments 31/12/2021	Credits and Other Financial Assets 31/12/2022	Credits and Other Financial Assets 31/12/2021
Financial assets at amortised cost (Note 8.2)	-	-	72.796,13	55.659,30
Financial assets at fair value through equity (Note 8.3)	10.497,91	10.497,91	-	-
Total	10.497,91	10.497,91	72.796,13	55.659,30

The breakdown of the short-term financial assets, is as follows, in euros:

	Credits and Other Financial Assets 31/12/2022	Credits and Other Financial Assets 31/12/2021
Assets at fair value through the profit and loss:	1.660.467,79	5.056.742,82
Cash or other liquid assets (Note 8.1)	1.660.467,79	5.056.742,82
Loans and receivable items (Note 8.2)	5.280.989,93	5.256.579,44
Total	6.941.457,72	10.313.322,26

8.1) Assets at Fair Value through the Profit and Loss

Cash and other Equivalent Liquid Assets

The detail of this assets as of December 31, 2022 and 2021 is as follows, in euros:

	Balance at 31/12/2022	Balance at 31/12/2021
Current Accounts	1.654.851,90	5.008.191,36
Cash	5.615,89	48.551,46
Total	1.660.467,79	5.056.742,82

8.2) Financial Assets at Amortised Cost

The composition of loans and receivable items as of December 31, 2022 and 2021 is as follows:

	Balance at 31/12/2022		Balance at 31/12/2021	
	Long-Term	Short-Term	Long-Term	Short-Term
Loans and receivables items for commercial transactions				
Costumers	-	4.358.192,14	-	4.368.443,08
Debtors	-	107.359,36	-	75.030,31
Total loans and receivables items for commercial transactions	-	4.465.551,51	-	4.443.473,39
Loans and receivables for non-commercial transactions				
Staff	-	3.065,42	-	1.084,05
Short-term deposits (*)	-	812.373,00	-	812.022,00
Securities and deposits	72.796,13	-	55.659,30	-
Total loans and receivables for non-commercial transactions	72.796,13	815.438,42	55.659,30	813.106,05
Total	72.796,13	5.280.989,93	55.659,30	5.256.579,44

(*) Short-term deposits have a maturity to short-term and accrue a market interest rate.

Trade and other receivables include impairments due to insolvency risks, as detailed below:

	Amount
Accumulated impairment January 1, 2020	590.740,72
Impairment losses on trade receivables	28.093,31
Accumulated impairment end of financial year 2021	618.834,03
Impairment losses on trade receivables	4.652,52
Accumulated impairment end of financial year 2022	623.486,55

Additionally, the Group has impaired 172,708.56 euros, derecognising them directly from the balance sheet.

8.3) Financial Assets at Fair Value through Shareholders' Equity

Corresponds to an investment made by the Group in previous years in IBAN Wallet, a global platform, which links investors and loan applicants, with leading rates for both. The investment amounts to 10.197,40 euros and corresponds to 0,38% of the capital stock.

There are no assets as collateral for loans.

NOTE 9. FINANCIAL LIABILITIES

Detail of long-term financial liabilities, is as follows, in euros:

	Debts with credit institutions		Other liabilities		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Financial liabilities at amortised cost (Note 9.1)	5.741.553,69	6.894.048,41	1.072.069,31	1.716.048,03	6.813.623,00	8.610.096,44

Detail of short-term financial liabilities, is as follows, in euros:

	Debts with credit institutions		Other liabilities		Total	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Debits and payable Items at amortised cost (Note 9.1)	3.187.612,02	1.940.259,31	3.618.746,58	5.557.322,54	6.806.358,60	7.497.581,85

9.1) Debits and Payable Items

The breakdown as of December 31, 2022 and 2021 is as follows, in euros:

	Balance as of 31/12/2022		Balance as of 31/12/2021	
	Long-Term	Short-Term	Long-Term	Short-Term
For commercial transactions:				
Suppliers	-	1.968.970,04	-	1.222.378,07
Creditors	-	373.998,82	-	1.478.005,69
Advances from costumers	-	158.997,27	-	117.632,28
Total balances for commercial transactions	-	2.501.966,13	-	2.818.016,04
For non-commercial operations:				
Debts with credit institutions	5.741.553,69	3.187.612,02	6.894.048,41	1.940.259,31
Other financial liabilities	1.072.069,31	1.099.157,63	1.716.048,03	2.625.100,20
Other debts			8.610.096,44	4.565.359,51
Debits and payable items	6.813.623,00	4.286.769,65	-	114.206,30
Staff (remuneration payable)	-	17.622,82	8.610.096,44	4.679.565,81
Total balances for non-commercial operations	6.813.623,00	4.304.392,47	-	-
			8.610.096,44	7.497.581,85
Total debits and payable items	6.813.623,00	6.806.358,60	8.610.096,44	7.497.581,85

9.1.1) Debts with credit institutions

The breakdown of debts with credit institutions as of December 31, 2022 is as follows, in euros:

	Short-Term	Long-Term	Total
Loans	1.971.495,72	5.741.553,69	7.713.049,41
Credit policies	1.216.116,30	-	1.216.116,30
	3.187.612,02	5.741.553,69	8.929.165,71

The breakdown of debts with credit institutions at December 31, 2021 is as follows, in euros:

	Short-Term	Long-Term	Total
Loans	1.741.259,31	6.894.048,41	8.635.307,72
Credit policies	199.000,00	-	199.000,00
	1.940.259,31	6.894.048,41	8.834.307,72

Loans

The detail of the bank loans as of December 31, 2022, expressed in Euros, is the following:

Loans	Last Maturity	Amount granted	Pending at closure
Loan 24 (*)	15/10/2025	78.375,60	33.699,60
Loan 38	18/06/2023	195.000,00	20.415,03
Loan 39	02/07/2023	200.000,00	24.773,17
Loan 40	28/12/2023	400.000,00	81.978,59
Loan 41	29/03/2024	250.000,00	64.801,46
Loan 42	12/04/2024	400.000,00	110.109,36
Loan 43	03/05/2024	300.000,00	87.905,84
Loan 44	04/06/2024	250.000,00	77.639,41
Loan 45	30/04/2025	400.000,00	236.243,09
Loan 46	22/04/2025	400.000,00	236.436,54
Loan 47	08/04/2025	400.000,00	236.533,39
Loan 48	31/03/2026	500.000,00	327.127,95
Loan 49	09/07/2028	1.200.000,00	960.856,61
Loan 50	31/07/2028	3.200.000,00	2.565.865,12
Loan 51	09/10/2027	1.250.000,00	1.014.515,09
Loan 52	01/02/2028	400.000,00	345.939,28
Loan 53	18/09/2029	700.000,00	677.620,76
Loan 54	31/07/2023	415.829,24	50.571,77
Loan 55	18/03/2023	200.000,00	17.158,13
Loan 56	04/06/2026	150.000,00	132.138,84
Loan 57	04/06/2028	250.000,00	230.478,07
Loan 58	24/03/2026	220.000,00	180.242,51
		11.759.204,84	7.713.049,61

(*) It corresponds to a loan granted by the CDTI

The detail of the bank loans as of December 31, 2021, expressed in Euros, is the following:

Loans	Last Maturity	Amount granted	Pending at closure
Loan 24 (*)	15/10/2025	78.375,60	43.627,60
Loan 36	02/11/2022	300.000,00	58.359,29
Loan 37	01/03/2022	150.000,00	9.375,00
Loan 38	18/06/2023	195.000,00	60.620,92
Loan 39	02/07/2023	200.000,00	66.329,07
Loan 40	28/12/2023	400.000,00	162.956,00
Loan 41	29/03/2024	250.000,00	115.518,23
Loan 42	12/04/2024	400.000,00	191.022,69
Loan 43	03/05/2024	300.000,00	148.548,74
Loan 44	04/06/2024	250.000,00	128.121,46
Loan 45	30/04/2025	400.000,00	334.987,79
Loan 46	22/04/2025	400.000,00	335.097,20
Loan 47	08/04/2025	400.000,00	335.151,93
Loan 48	31/03/2026	500.000,00	426.189,63
Loan 49	09/07/2028	1.200.000,00	1.129.856,99
Loan 50	31/07/2028	3.200.000,00	3.014.188,42
Loan 51	09/10/2027	1.250.000,00	1.216.577,45
Loan 52	21/03/2022	350.000,00	18.200,00
Loan 54	31/07/2023	415.829,24	136.000,00
Loan 55	18/03/2023	200.000,00	84.579,31
Loan 56	04/06/2026	150.000,00	150.000,00
Loan 57	04/06/2028	250.000,00	250.000,00
Loan 58	24/03/2026	220.000,00	220.000,00
		11.459.204,84	8.635.307,72

(*) It corresponds to a loan granted by the CDTI

During the year 2021, loans for a total amount of 6.810 thousand euros were contracted with various financial institutions. This contracting arose basically from the acquisition of the investee Indenova, S.L.

Credit Lines

As of December 31, 2022, the Group has credit policies granted with a total limit amounting to 2.504.000 euros (1.913.500 euros at the end of the previous year), which amount drawn at the aforementioned date is 1.216.116,30 euros (199.000,00 euros at the end of the previous year).

Lines of Effects and Import Advances

As of December 31, 2022, the Company has discount policies granted with a total limit amounting to 575.000 euros (780.000 euros at the end of the previous year), of which no provision has been made either at the end of this fiscal year or at the end of the previous fiscal year.

9.1.2) Other Financial Liabilities

Deferred payment for the acquisition of Indenova, S.L.

On 30 November 2021 the Group acquired 100% of the shares of Indenova, S.L. for a price of 7,100,000.00 euros, making a first payment of 4.010.387,67 euros, with the remaining amount, i.e. 3.089.612,33 euros, deferred. A schedule of payments has been established, with dates 30 November 2022, 2023, 2024 and 2025 in cash, and another schedule of payments with dates 30 November 2023, 2024 and 2025 consisting of a fixed amount to be paid by means of the delivery of shares in Lleidanetworks Serveis Telemàtics, S.A. (own shares). At the end of the 2022 financial year, there are pending payments for a value of 1,857,848.66 euros.

Other debts

Other debts mainly comprise two loans held by the Company with the Institut Català de Finances (ICF), CDTI and former members of Indenova, S.L. The detail of these at the close of fiscal years 2022 is as follows, in euros:

Entity	Last Maturity	Amount granted	Pending at closure
Loan 2	25/07/2023	300.000,00	39.196,40
Loan 3	26/03/2024	199.151,00	49.213,45
Loan 4	23/01/2024	672.672,92	116.722,68
Loan 5	31/12/2022	217.000,00	64.971,46
Loan 6	31/12/2022	290.000,00	10.548,00
Loan 7	31/12/2022	162.000,00	12.893,31
		1.840.823,92	293.545,30

The detail at the close of fiscal year 2021 was as follows, in euros:

Entity	Last Maturity	Amount granted	Pending at closure
Loan 2	25/07/2023	300.000,00	106.390,16
Loan 3	26/03/2024	199.151,00	84.470,17
Loan 4	23/01/2024	111.750,00	196.098,13
Loan 5	31/12/2022	217.000,00	217.000,00
Loan 6	31/12/2022	290.000,00	290.000,00
Loan 7	31/12/2022	162.000,00	162.000,00
Loan 8	31/12/2022	32.000,00	32.000,00
		1.311.901,00	1.087.958,46

9.2) Other Information related to Financial Liabilities

a) Classification by Maturity Date

The breakdown of the maturity dates of the liability financial instruments as the end of the financial year 2022 is the following:

	Maturity years					Total
	2023	2024	2025	2026	2027	
Financial debts:						
Debts with credit institutions	3,187,612.02	1,657,966.97	1,381,248.92	1,139,821.14	990,851.50	8,929,165.71
	3,187,612.02	1,657,966.97	1,381,248.92	1,139,821.14	990,851.50	8,929,165.71
Other financial liabilities:						
Other debts	1,099,157.63	568,430.81	503,638.50	-	-	2,171,226.94
Deferred payment acquisition Indenova, S.L.	815,148.55	503,638.50	503,638.50	-	-	348,801.39
	815,148.55	503,638.50	503,638.50	-	-	1,822,425.35
Commercial creditors and other payable items:						
Suppliers	2,519,588.95	-	-	-	-	2,519,588.95
Sundry creditors	1,968,970.04	-	-	-	-	1,968,970.04
Advances from costumers	373,998.82	-	-	-	-	373,998.82
Staff	158,997.27	-	-	-	-	158,997.27
	17,622.82	-	-	-	-	17,622.82
Total	6,806,358.60	2,226,397.78	1,884,887.42	1,139,821.14	990,851.50	13,619,981.60

The breakdown of the maturity dates of the liability financial instruments at the close of 2021 is the following, in Euros:

	Maturity years					Total
	2021	2023	2024	2025	2026	
Financial debts:						
Debts with credit institutions	1,940,259.31	2,019,724.52	1,497,448.33	1,497,448.33	952,521.71	9,118,728.40
	1,940,259.31	2,019,724.52	1,497,448.33	1,497,448.33	952,521.71	9,118,728.40
Other financial liabilities:						
Other debts	2,625,100.20	606,068.72	606,340.81	503,638.50	-	4,341,148.23
Deferred payment acquisition Indenova, S.L.	1,046,403.37	102,430.22	102,702.31	503,638.50	-	1,251,535.90
	1,578,696.83	503,638.50	503,638.50	503,638.50	-	3,089,612.33
Commercial creditors and other payable items:						
Suppliers	2,932,222.34	-	-	-	-	2,932,222.34
Sundry creditors	1,222,378.07	-	-	-	-	1,222,378.07
Advances from costumers	1,478,005.69	-	-	-	-	1,478,005.69
Staff	117,632.28	-	-	-	-	117,632.28
	114,206.30	-	-	-	-	114,206.30
Total	7,497,581.85	2,625,793.24	2,103,789.14	2,001,086.83	952,521.71	16,392,098.97

b) Breach of Contractual Obligations

No incidence has been produced in breach of the obligations relating to the loans received from third parties.

9.3) Guarantees

The Group has contracted guarantees with several financial institutions for a total amount of 475.000 euros, a standard instrument when signing an interconnection agreement.

The Group does not have guarantees for loans except for Indenova, S.L., where the former partners of the company appear as guarantors for certain loans.

NOTE 10. INFORMATION ON THE DEFERMENT OF PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION. "DUTY TO INFORM" OF LAW 15/2010, OF JULY 5

As indicated in the third additional provision. Duty to inform of Law 15/2010, of July 5 (modified by Law 31/2014), to amend Law 3/2004 of December 29, by which are established measures to combat late payment in commercial transactions and with regard to the resolution January 29, 2016, of the Institute of Accounting and Audit Statements, about the information to include in the Notes to the Annual Accounts with regard to the average payment period to suppliers in commercial transactions, is as follows:

	Payments made and pending payment on the balance sheet date	
	Financial year 2022	Financial year 2021
Average payment period to suppliers	29,68	33,37
Ratio paid operations	29,99	33,78
Ratio of outstanding payment transactions	28,05	30,22
	Financial year 2022	Financial year 2021
Total payments	12.529.440,21	11.246.740,85
Total outstanding payments	2.381.552,03	2.324.889,74
	Financial year 2022	Financial year 2021
Monetary Volume Paid	7.319.503,23	7.689.850,41
% of total payments made	58,41%	59%
Number of invoices	3.011	2.716
% of total invoices	69,10%	64%

NOTE 11. INFORMATION ON THE NATURE AND LEVEL OF THE RISK FROM FINANCIAL INSTRUMENT

Group activities are exposed to various types of financial risk, most especially credit, liquidity and market risks (exchange rate, interest rate and other price risks).

11.1) Credit Risk

The Group's main financial assets are cash and cash balances, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is attributable mainly to its commercial debts. The amounts are reflected in the net balance of provisions for bad debts, estimated by the Parent Company's management based on the experience of previous years and its assessment of the current economic environment.

11.2) Liquidity Risk

The treasury department has a daily overview of the actual cash position and compares it with weekly forecasts. The Group has ample short-term financial capacity, as reflected in the positive balances on credit accounts.

11.3) Market Risk

Possible market risks are described in note 1.e.

11.4) Exchange Rate Risk

The Group's main exchange rate risks are with the US dollar and the Colombian peso. The Group does not currently operate with exchange rate insurance, although it is a variable that is being analysed for the future. The risk is low in the group, as the Group has both expenses and revenues in these currencies, and therefore uses current accounts in these currencies to be able to match payments in foreign currency with receipts in foreign currency. When there is a currency mismatch, the Group uses the spot market, always analysing the evolution of the currency one month in advance in order to be able to take advantage of the best moment for the exchange.

11.5) Interest Rate Risk

Changes in interest rates modify the fair value of assets and liabilities bearing a fixed interest rate as well as the future flows of assets and liabilities referenced to a variable interest rate.

The objective of interest rate risk management is to achieve a balance in the debt structure that will minimize the cost of debt over the multiannual horizon with a reduced volatility in the Profit and Loss Account.

NOTE 12. EQUITY

12.1) Share Capital of Parent Company

12.1) Share Capital

As of December 31, 2022 and 2021, the share capital amounts to 320.998,86 euros and is represented by 16.049.943 registered shares of 0,02 euros nominal each, fully subscribed and paid up. These holdings enjoy equal political and economic rights.

As of December 31, 2022, as well as of December 31, 2021, there were no companies with a direct or indirect holding equal to or greater than 10% of the Company's share capital.

Capital Increase

By virtue of the admission to trading on the Alternative Stock Market, the Parent Company carried out the following transactions in its share capital:

- On June 1, 2015, a General Shareholders' Meeting resolved to split the shares of the Parent Company by reducing the par value of the shares by 60,10 euros at a nominal value of 0,02 euros per share. In this operation, 3,005 shares were generated for each old share, with the capital stock being formed by 11.812.655 shares with a nominal value of each share at nominal 0,02 euros each.
- On June 1, 2015, it was agreed by the General Shareholders' Meeting to modify the system of representation of the shares, transforming the nominative securities representing the shares in which the Parent Company's capital is divided into account entries.
- On June 1, 2015, it was resolved by means of a General Meeting of Shareholders to modify the transmission regime of the shares of the Parent Company, passing this transfer of shares to be free and not subject to consent or authorization by the Company nor by shareholders
- On June 1, 2015, it was agreed by the General Meeting of Shareholders to request the incorporation in the segment of Companies in Expansion of the Alternative Stock Market of all the shares representing the Parent Company.
- On September 30, 2015, it was agreed to increase the Parent Company's Capital Stock by 84.745,78 euros through the issuance of 4.237.288 shares with a nominal value of 0,02 euros and an issue premium of 1,16 euros per share. This extension is fully subscribed and disbursed.

12.2) Reserves

The breakdown for Reserves is as follows, in euros:

	31/12/2022	31/12/2021
Legal Reserve	64.199,77	64.199,77
Voluntary Reserves	3.145.977,59	3.220.716,13
Negative results from previous years	(827.269,89)	(1.349.900,40)
	2.382.907,47	1.935.015,50

12.3) Issue Premium

This reserve amounted to 5.244.344,28 euros, of which 329.090,20 euros arose as a result of the capital increase carried out in 2007 and 4.915.254,08 euros arose as a result of the capital increase carried out in the 2015 exercise for the departure of the Parent Company to the Alternative Stock Market. It has the same restrictions and can be used for the same purposes as voluntary reserves, including their conversion into share capital.

12.4) Own Shares

On 1 June 2015, the Company's shareholders' meeting resolved to authorise the Board of Directors to derivatively acquire treasury shares under the terms provided for in current legislation. These acquisitions of treasury shares were made through the liquidity provider GVC Gaesco Valores SV, S.A. At the shareholders' meeting on 7 June 2021, the allocation of funds for the treasury stock programme is approved. ANDBANK SAU was appointed as manager for the acquisition of the first 500,000 euros, to allocate it to Lleidanet contractual obligations with respect to the acquisition of Indenova, whereby it was agreed to pay part of the deferred purchase price in shares of the parent company. Subsequently, on 23 July 2021, a new allocation of a further 500 thousand euros was made, and all in all, 175,534 shares were purchased at an average price of 5.53 euros per share.

On 29 September 2021, the company changed its liquidity provider, appointing Solventis A.V., S.A. in which 30 thousand shares were transferred from the former liquidity provider Gaesco, and an additional 150 thousand euros were provided for the management of the company's treasury shares.

Given the evolution of the Parent Company's share price during the year 2021, there have been numerous transactions with own shares in the market. Specifically, the Group's own share transactions were carried out to pay for the acquisition of Indenova, and the results of these transactions were recognised in equity, as required by prevailing legislation. In 2021, these results have led to a decrease in Voluntary Reserves in the amount of 175.257,73 euros.

As of December 31, 2022, the Parent Company holds own shares for an amount of 1.731.481,07 euros (1.683.884,76 euros in the previous year) at an average cost price of 3,93 euros per share (5,14 euros per share in the previous year). As a result of the sale of shares in the current year, there has been a negative impact on the Company's reserves of 280 thousand euros, which is explained by the decrease in the share price during 2022.

NOTE 13. FOREIGN CURRENCY

The most significant foreign currency balances at the end of the year 2022, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	BRA	DOP	PEN	CLP	CRC	GTQ	AED
ACTIVO CORRIENTE	1.331.657,15	175.449,22	161.991,31	5.808.604,747,83	486.140,70	3.067.779,88	2.549.199,84	3.600.602,11	817.161,75	30.880,62	72.360,29
Trade debtors and other accounts receivable	780.766,49	144.373,53	125.683,36	3.017.607.690,30	33.513,31	2.519.538,36	1.952.016,91	-	-	-	-
Cash	550.890,66	31.075,69	36.307,95	2.790.997.057,53	452.627,39	548.241,52	597.182,93	3.600.602,11	817.161,75	30.880,62	72.360,29
PASIVO CORRIENTE	83.828,85	3.081,77	41.059,51	1.181.480.348,97	-	647.194,33	983.024,58	8.209.510,66	8.571,63	-	1.732,57
Trade creditors and other payable accounts	83.828,85	3.081,77	41.059,51	1.181.480.348,97	-	647.194,33	983.024,58	8.209.510,66	8.571,63	-	1.732,57

The most significant foreign currency balances as the end of the year 2021, in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	BRA	DOP	PEN	CLP	CRC	GTQ	AED	ARS	PNL
CURRENT ASSETS	3.819.629,40	294.759,60	448.301,70	2.181.680.576,00	287.052,57	2.586.258,00	373.231,50	4.212.075,00	860.316,00	30.000,00	122.284,20	-	-
Trade debtors and other accounts receivable	2.618.469,57	249.129,79	359.704,00	1.052.451.015,00	543,34	661.688,00	46.349,50	328.903,00	-	-	32.628,60	-	-
Cash	1.201.159,83	-	88.597,70	1.149.229.561,00	286.489,23	1.924.569,00	324.882,00	3.883.172,00	860.316,00	30.000,00	89.655,60	-	-
CURRENT LIABILITIES	602.288,54	111.169,66	47.482,56	1.127.810.198,00	257.270,67	1.303.422,00	267.663,00	1.275.191,00	35.311,20	-	17.320,90	100.000,00	842,47
Trade creditors and other payable accounts	602.288,54	111.169,66	47.482,56	1.127.810.198,00	257.270,67	1.303.422,00	267.663,00	1.275.191,00	35.311,20	-	17.320,90	100.000,00	842,47

The most significant transactions carried out during the financial year 2022, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	ZAR	DOP	PEN	PLN	MXN	AED	JPY
Purchases and services received	1.689.914,92	1.522.441,62	58.119,95	9.144.292,00	860.692,00	9.234,50	-	344.106,91	37.191,18	320.328,68	224.476,09	471.300,00
Sales and services given	4.221.500,61	1.533.460,43	677,39	-	9.418.742.482,75	-	2.702.372,19	2.403.741,58	-	2.792,00	-	-

The most significant transactions carried out during the financial year 2021, in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	ZAR	BRL	DOP	PER	PNL	MXN	AED	CHF	JPY
Purchases and services received	2.517.190,95	2.014.664,98	250.340,28	8.278.070,47	-	362.051,93	15.518,90	-	256.979,00	35.382,66	275.529,63	84.754,45	700,00	1103.700,00
Sales and services given	5.503.131,86	784.768,90	464.138,55	-	748.978.884,00	-	236.961,50	1.962.395,00	384.980,00	-	8,92	6.271,75	-	-

NOTE 14. TAX SITUATION

The following is the breakdown of the balances with the Tax Authorities as of December 31, 2022 and December 31, 2021, in euros:

	31/12/2022		31/12/2021	
	Receivable	Payable	Receivable	Payable
Non-current:				
Deferred Tax Assets	474.315,13	-	291.926,37	-
	474.315,13	-	291.926,37	-
Current:				
Value Added Tax	136.963,24	198.312,54	97.355,57	339.092,93
Subsidies receivable (*)	37.748,96	-	36.659,96	-
Income Tax retentions	-	173.376,77	-	126.185,04
Company Tax	841.283,22	-	603.755,60	-
Social Security bodies	12.080,90	131.346,13	1.739,39	133.653,73
	1.028.076,32	503.035,44	739.510,52	598.931,70

Tax Situation

In accordance with current legislation, tax payments cannot be considered final until they have been inspected by the tax authorities, or until the statute barring period of four years has passed. In consequence, for the purposes of subsequent inspections, liabilities may arise additional to those recorded by the Group.

As of December 31, 2022, the Group has open to tax inspection all the taxes to which it is subject from the financial year 2019 to the 2022 financial year. Consequently, as a result of possible inspections, additional liabilities could arise to those registered by the Group. However, the Directors of the Parent Company and its tax advisors consider that such liabilities, if they occur, would not be significant on the annual accounts taken as a whole.

Profit Tax

The conciliation of the net amount of income and expenses for the year 2022 of the Parent Company with the taxable income tax base is as follows:

	Profit and Loss Account		
	Increases	Decreases	Net effect
Financial year's earnings (After taxes)			(222.921,22)
Profit tax	89.990,06	(146.582,99)	(56.592,93)
Permanent differences	1.134.635,21	-	1.134.635,21
Taxable income (tax result)			855.121,07

The conciliation of the net amount of income and expenses for the year 2021 of the Parent Company with the taxable income tax base is as follows:

Profit and Loss Account			
Financial year's earnings (After taxes)			772.367,96
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Profit tax	-	(14.902,83)	(14.902,83)
Permanent differences	216.395,78	-	216.395,78
Compensation of tax loss carryforwards			973.860,91

The following are the calculations made with regard to the Company Tax to be paid, in Euros:

	2022	2021
Charge at 25 % of Taxable Income	213.780,27	243.465,23
Deductions	(123.790,20)	(140.648,52)
Net tax payable	89.990,07	102.816,71
Less: withholdings and payments	(129.857,55)	(74.535,20)
Tax payable	(39.867,48)	28.281,50

The main components of corporate income tax expense are as follows:

	2022	2021
Current tax	(121.727,91)	277.197,15
Deferred tax	142.293,41	(120.219,53)
Total	20.565,50	(156.977,62)

The movement of deferred taxes generated and cancelled during the year 2022 is detailed below in euros:

	Balance at 31/12/2021	Generated	Cancelled	Balance at 31/12/2022
Deferred tax assets:				
Tax credits	11.499,38	59.594,43	-	71.093,81
Credits for deductions	280.426,99	122.794,33	-	403.221,32
Total	291.926,37	182.388,76	-	474.315,13

The movement of deferred taxes generated and cancelled during financial year 2021 is detailed below in euros:

	Balance at 31/12/2020	Generated	Cancelled	Balance at 31/12/2021
Deferred tax assets:				
Tax credits	23.540,88	-	(12.041,50)	11.499,38
Credits for deductions	136.418,80	144.008,19	-	280.426,99
Total	159.959,68	144.008,19	(12.041,50)	291.926,37

Credits for Tax Losses Carry Forward

The Group has activated the amount of the credit for tax bases of its investees Lleidanet Peru, Lleidanet Colombia and Lleidanet Dominican Republic, since they meet the requirements established by current regulations for their registration, and since there are no doubts about the ability to generate future tax profits that allow their recovery.

Deductions Pending Application

As of December 31, 2022, the Group has the following deductions to apply:

Origin Year	Amount
2008	11.288,42
2009	172.071,08
2010	181.164,26
2011	214.961,29
2012	344.112,78
2013	428.680,64
2014	245.346,28
2015	369.824,03
2016	188.991,46
2017	180.537,92
2018	170.354,09
2019	163.214,66
2020	136.418,80
2021	236.841,13
2022	205.539,80
	3.249.346,64

In view of the Group's good performance, the Board of Directors of Parent Company has decided to recognise the deductions pending to apply tax credits for the years 2021 and 2022 as assets of the Group.

NOTE 15. INCOME AND EXPENSES

a) Income

I. Disaggregation of revenue from ordinary activities.

The distribution of the net turnover corresponding to the Company's ordinary activities is shown below:

Business areas (figures in thousands of euros)	2022		2021	
	Euros	%	Euros	%
Contracts	2.999	15%	3.219	18%
Notification	2.468	12%	2.359	13%
Other SaaS	3.115	15%	1.869	10%
ICX Wholesale Solutions	8.455	40%	7.818	44%
SMS Solutions	3.634	18%	2.710	15%
Total	20.671	100%	17.975	100%

The distribution of revenue from the Company's ordinary activities by geographical market is shown below:

Geographic market description	2022		2021	
	Euros	%	Euros	%
National	9.189.049,12	44,45%	8.187.464,82	45,55%
European Union	5.355.241,84	25,91%	5.048.371,88	28,09%
Rest of the World	6.126.400,48	29,64%	4.739.000,06	26,36%
Total	20.670.691,44	100,00%	17.974.836,76	100,00%

The distribution of revenue from the Company's ordinary activities, by type of contract, is shown below:

	Financial Year 2022	Financial Year 2021
Type of contract		
Fixed price contracts (*)	19.499.516,12	15.423.864,90
Variable contracts (**)	1.171.175,32	2.550.971,86
Total	20.670.691,44	17.974.836,76

(*) The prices offered to customers for each SaaS product, as well as the Wholesale prices offered in a specific period of time for a destination in the SMS, are considered fixed prices. Please note that all invoices issued are based on customer consumption.

(**) There are agreements with customers where the selling price is variable depending on the number of transactions made.

The distribution of revenue from the Company's ordinary activities, by contract term, is shown below:

	Financial Year 2022	Financial Year 2021
Duration of contract		
Short-term contracts	-	-
Long-term contracts	20.670.691,44	17.974.836,76
Total (*)	20.670.691,44	17.974.836,76

(*) The contracts signed by Lleida.net with its clients are normally for a period of one year with tacit renewal. We are not aware of any clients who have asked us to terminate the contract in the first year.

The distribution of the net turnover corresponding to the Company's ordinary activities, by sales channels, is shown below:

	Financial Year 2022	Financial Year 2021
Sales channels	1.299.412,05	1.944.351,37
Distributors or wholesalers		
Retailers (*)	289.944,01	265.041,39
Direct sales	19.081.335,38	15.765.444,00
Total	20.670.691,44	17.974.836,76

(*) Retailers are customers who buy our products online.

There are invoices to be issued, mainly for interconnection customer consumption in December 2022, which are invoices issued in January 2023.

There are no significant payment terms. The usual method of collection is by transfer, either on demand or 30 days after the invoice date.

There are no returns as there is no tangible asset. As for guarantees, they are those inherent to the service established by standard contract.

b) Supplies

This heading in the Profit and Loss Account is composed as follows, in Euros:

	2022	2021
Consumption of merchandise		
Domestics	3.961.113,66	3.204.573,91
Intra-Community Acquisitions	4.073.073,54	3.547.959,27
Imports	1.890.421,53	1.863.728,15
	9.924.608,74	8.616.261,33

c) Staff expenses

The staff expenses as in the Profit and Loss Account are composed as follows, in euros:

	2022	2021
Company Social Security contributions	1.296.833,96	880.957,66
Other welfare costs	130.018,88	117.916,28
	1.426.852,84	998.873,94

d) Financial Results

This heading in the Profit and Loss Account is composed as follows, in Euros:

	2022	2021
Financial incomes	559,58	814,19
Other financial incomes	559,58	814,19
Financial expenses	(166.415,99)	(85.640,40)
For debts with credit institutions	(166.415,99)	(85.640,40)
Exchange differences	(45.912,98)	(7.989,05)
Financial Result Positive / (Negative)	(211.769,39)	(92.815,26)

NOTE 16. INFORMATION ON THE ENVIRONMENT

The Group has no assets, nor has it incurred expenses, aimed at minimizing the environmental impact and protecting and improving the environment. There are likewise no provisions for risks and expenses and no contingencies relating to protection and improvement of the environment.

NOTE 17. SUBSEQUENT EVENTS

The Lleida.net group notified the market by means of a relevant fact dated 14 March 2023, the decision to cut the certified e-mail and certified SMS service to the public company 472 (Servicios Postales de Colombia). The decision was taken as a result of the accumulated non-payments by 472 to Lleida.net, amounting to approximately 391 thousand euros, of which 249 thousand euros were pending collection at year-end.

There have been no significant events, except for those mentioned above, from December 31, 2022 to the date of formulation of these annual accounts that, affecting them, would not have been included in them, or whose knowledge could be useful to a user of the same.

NOTE 18. CONSOLIDATED EARNINGS

The following is the breakdown for the financial year 2022 of the Consolidated Earnings in Euros:

Subsidiary	Individual Earnings of the Companies	Shareholding	Earnings Attributed to Parent Company	Result attributed to External Partners
Lleidanetworks Serveis Telemàtics, S.A.	(222.921,22)		(222.921,22)	-
Lleidanetworks Serveis Telemàtics, LTD	22.814,50	100%	22.814,50	-
Lleidanet USA Inc	10.722,36	100%	10.722,36	-
Lleidanet Honduras, SA	-	70%	-	-
Lleidanet Dominicana, SRL	1.069,31	99,98%	1.069,10	0,21
Lleida SAS	15.185,75	100%	15.185,75	-
Lleida Chile SPA	(5.691,17)	100%	(5.691,18)	-
Lleidanet do Brasil Ltda	(1.685,31)	99,99%	(1.685,14)	(0,16)
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	-	100%	-	-
Lleidanet Costa Rica	(14,24)	100%	(14,24)	-
Lleidanet Perú	2.151,33	100%	2.151,33	-
Lleida Information Technology Network Services	(101.896,59)	49%	(49.929,33)	(51.967,26)
Indenova, S.L.	(671.151,84)	100%	(671.151,84)	-
Lleidanet South Africa	(832,95)	100%	(832,95)	-
	(952.250,07)		(900.282,86)	(51.967,21)

The following is the breakdown for the financial year 2021 of the Consolidated Earnings in Euros:

Subsidiary	Individual Earnings of the Companies	Shareholding	Earnings Attributed to Parent Company	Result attributed to External Partners
Lleidanetworks Serveis Telemàtics, S.A.	772.367,96	-	772.367,96	-
Lleidanetworks Serveis Telemàtics, LTD	45.932,35	100%	45.932,35	-
Lleidanet USA Inc	14.056,31	100%	14.056,31	-
Lleidanet Honduras, SA	-	70%	-	-
Lleidanet Dominicana, SRL	241,56	99,98%	241,51	0,05
Lleida SAS	1.890,78	100%	1.890,78	-
Lleida Chile SPA	(7.460,87)	100%	(7.460,87)	-
Lleidanet do Brasil Ltda	(2.253,98)	99,99%	(2.253,75)	(0,23)
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	-	100%	-	-
Lleidanet Costa Rica	(35,74)	100%	(35,74)	-
Lleidanet Perú	1.523,21	100%	1.523,21	-
Lleida Information Technology Network Services	(70.228,05)	49%	(34.411,74)	(35.816,31)
Indenova, S.L.	(68.323,97)	100%	(68.323,97)	-
Lleidanet South Africa	(131,86)	100%	(131,86)	-
	687.577,70		723.394,19	(35.816,48)

The adjustments made to the Earnings associated to Parent Company in 2022 is as follows:

Individual earnings attributed to Parent Company	
Consolidation adjustments:	(900.282,86)
Reversal of credit impairment	1.096.364,52
Amortisation of goodwill Indenova, S.L.	(468.842,96)
Impairment of goodwill Indenova, S.L.	(190.207,60)
Total	(462.968,90)

The adjustments made to the Earnings associated to Parent Company in 2021 is as follows:

Individual earnings attributed to Parent Company	723.394,19
Consolidation adjustments:	
Reversal of credit impairment	182.942,76
Amortisation of goodwill Indenova, S.L.	(78.140,49)
Elimination of profit/loss 2021 Indenova prior to acquisition	83.287,35
Total	911.483,81

NOTE 19. TRANSACTIONS WITH RELATED PARTIES

19.1) Balances and Transactions with the Directors of the Parent Company and Senior Executives

The remuneration accrued during the financial year 2022 by the Board of Directors of the Parent Company amounted to 100.500 euros (100.500 euros in the previous year).

Senior Management tasks are carried out by three members of the same Board of Directors (three members in the previous year), with remuneration amounting to 300.474,07 euros (296.947,77 euros in the previous year). The detail for this amount is as follows, in euros:

	2022	2021
Wages and salaries	274.274,29	277.749,63
Payment in kind	26.199,78	19.198,14
	300.474,07	296.947,77

The heading for remuneration in kind includes both vehicle rentals and life insurance for the company's executive directors.

As of December 31, 2022, and 2021, there are no credits or advances with the Board of Directors of the Parent Company, as well as commitments for pension supplements, guarantees or guarantees granted in its favour.

Other Information Regarding the Board of Directors

Pursuant to the Capital Companies Law, it is reported that the members of the Parent Company's Management Body do not hold interests in other companies with the same, similar or complementary corporate purpose.

In accordance with the above-mentioned Law Capital Companies, it is also reported that the members of the Board have carried out no activity, on their own behalf or on behalf of others, with the Group, which may be considered to be not in accordance with normal trading and not carried out under normal market conditions.

NOTE 20. OTHER INFORMATION

The average number of employees during fiscal 2022 and 2021, distributed by category and gender, is as follows:

	2022	2021
Senior Executives	3	3,18
Administration	8,05	7,84
Commercial	27,75	23,50
Production	96,38	57,21
Maintenance	0,88	0,5
Reception	8	9,85
Business development	9,61	7,51
Compliance	5	3,31
Human Resources	3	2,77
Intellectual Property	2	1,5
TOTAL	163,67	117,17

The distribution of the Group's employees at the end of fiscal year 2022, by category and gender, is as follows:

2022				
	Men	Women	Total	Disability greater than or equal to 33%
Senior Executives	1	2	3	-
Administration	4	5	9	1
Commercial	11	17	28	1
Production	81	17	98	-
Maintenance	-	2	2	-
Reception	1	7	8	-
Business development	4	8	12	-
Compliance	-	5	5	-
Human Resources	-	3	3	-
Intellectual Property	2	-	2	-
TOTAL	104	66	170	2

The distribution of the Group's employees at the end of fiscal 2021, by category and gender, was as follows:

2021				
	Men	Women	Total	Disability greater than or equal to 33%
Senior Executives	2	2	4	-
Administration	3	7	10	1
Commercial	10	15	25	1
Production	85	15	100	1
Maintenance	-	1	1	-
Reception	9	10	19	-
Business development	4	5	9	-
Compliance	-	5	5	-
Human Resources	2	3	5	-
Intellectual Property	2	-	2	-
TOTAL	117	63	180	3

The breakdown of the audit fees for the financial years 2022 and 2021 is as follows:

	2022	2021
Statutory Auditor's fees for the provision of audit services:	31.000	33.500
Statutory Auditor's fees for other non-audit services (*)	24.500	17.000
Statutory Auditor's network firms' fees for other and other services (**)	-	7.500
Total	55.500	58.000

(*) The amount of fees for other services corresponded to the verification corresponding to the limited review of the interim financial statements as at 30 June 2022 and 30 June 2021.

(**) The amount of fees from firms in the Statutory Auditor's network for other services other than transfer pricing reports.

The Group is hereby informed that during the year it has paid the premium corresponding to the civil liability policy that would eventually cover any damage caused to third parties by acts or omissions related to the performance of its duties. The premium amounted to 72.904,77 euros (32.064 euros in the previous year).

NOTE 21. GOODWILL ON CONSOLIDATION

Details of goodwill in consolidation at year-end 2022 are as follows, in euros:

	Cost 31/12/2022	Amortisation 31/12/2022	Impairment 31/12/2022	Net Value 31/12/2022
Cost: Indenova, S.L.	4.688.429,58	(546.983,45)	(190.207,60)	3.951.238,53
Goodwill on consolidation	4.688.429,58	(546.983,45)	(190.207,60)	3.951.238,53

The detail of the existing consolidation goodwill at the end of the 2021 financial year is as follows, in euros:

	Cost 31/12/2021	Amortisation 31/12/2021	Net Value 31/12/2021
Cost: Indenova, S.L.	4.688.429,58	(78.140,49)	4.610.289,09
Goodwill on consolidation	4.688.429,58	(78.140,49)	4.610.289,09

The Parent Company's Board of Directors has performed the analysis of the recoverability of this consolidation goodwill mentioned above, using cash flows based on sales projections for the period 2023-2027. According to management, these projections are based on the budget for 2023, the degree of compliance with the budget at the date of formulation of these Consolidated Financial Statements and management's best expectations for the business until 2027 for the corresponding analysis of possible impairments at 31 December 2022. Sales growth has been estimated at 61%, 14%, 12%, 10% and 8% respectively for each of the next 5 years. Cash flows have also been discounted using the average cost of funds after tax. The discount rate used was 17% and a perpetual income of 2.5% was estimated.

As a result of the foregoing, the Parent Company's Board of Directors has considered impairing the goodwill in consolidation in the current year by 190 thousand euros (see Note 5) based on the expectations of cash flow generation forecast for the coming years by this investee company.

GROUP LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022

GROUP LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR
THE FINANCIAL YEAR 2022

In compliance with the provisions of the Corporations Law, the directors present below the management report for the year, in order to complement, expand and comment on the balance sheet, the profit and loss account and the report corresponding to fiscal year 2022.

1. EVOLUTION OF RESULT AND NET TURNOVER

The year 2022 has been the year of integration of Indenova into the Lleida.net Group. The fusion of technologies has been achieved with the first hybrid products that have come onto the market, as well as cross-selling between the entities that make up the group. It has also been a year in which work has been done to implement the group's policies within the new company and to optimize processes.

These efforts have been produced from all areas of the group, but we have managed to reach our record sales figure of 20.7 million, which represents an increase of 15%.

<i>Sales by business line thousand euros</i>	2021	2022	Var. Euros	Var.%
Contracts	3.219	2.999	-220	-7%
Notification	2.359	2.468	109	5%
Other SaaS	1.869	3.115	1.246	67%
SMS Solutions	2.710	3.634	924	34%
ICX WHOLESALE Solutions	7.818	8.455	637	8%
Total	17.975	20.671	2.696	15%

The evolution has been different in each line of business, with an increase in all of them except in the contracting part.

The contracting line has had a 7% decrease derived from the lower demand that we are seeing in the market as well as a reduction in prices, especially in the national market. We have reached almost 3 million euros.

The notification line has grown by 5% to 2.5 million euros. A slower than expected increase, boosted by the evolution of the price of the Colombian peso against the euro. We do not have a reduction in units or prices, but the sales that the Colombian company contributes to the consolidated have had a lower impact derived from the currency price.

In the part of other SaaS services, we have an increase of 67% in sales to 3.1 million euros. This year we have included the total sales of Indenova in the consolidated year, compared to the two months that we included in 2021 after the purchase. We also include in this line of business, all the verification products that have had a decrease as they are services that are prior to the contracting products that have had less demand.

The commercial SMS line that includes the SMS that are sold to end customers, mainly nationals, has increased by 34% to 3.6 million euros. The increases are marked by the increase in consumption by recurring customers, as well as by the acquisition of small accounts.

The SMS Wholesale line, where we group all sales to operators and aggregators, has grown by 8% this year to 8.4 million euros. The increase is explained both by the increase in units sold and by the increase in the finishing prices of these products.

<i>Data in thousand euros</i>	2021	2022	Var. Euros	Var. %
Sales	17.975	20.671	2.696	15%
Cost of sales	-8.616	-9.925	1.309	15%
Gross Profit	9.359	10.746	1.387	15%
Staff Expenses	-4.381	-6.340	-1.959	-45%
Other expenses	-3.477	-3.681	-204	-6%
Capitalization	776	1.156	380	49%
EBITDA	2.277	1.881	-396	-18%
Other incomes	47	65	18	38%
Depreciation	-1.257	-2.073	-816	-65%
Results on disposals	-9	-194	-185	2056%
Other results	67	-2	-69	-96%
Operating Result	1.125	-323	-1.448	-129%
Financial income	-85	-166	81	95%
Impairment and results on disposals				
Exchange rate differences	-7	-46	39	557%
Profit before tax	1.033	-535	-1.328	-129%

The gross margin remains at 52% of sales, but in absolute terms we have an increase of 1.4 million euros, which represents an additional 15% compared to 2021 derived from the increase in sales.

The item of expenses that has increased the most in 2022 has been those associated with personnel. It is mainly derived from the incorporation of the Indenova workforce into the consolidated. We currently have an average workforce made up of 164 professionals compared to the 117 we had in 2021. One of the essential axes of growth for the Group is innovation, which cannot be achieved without the technical staff we have, who are experts within of their subject matter and will be the basis for sales growth in the years to come.

External service expenses reached 3.7 million euros, representing 6% of sales and assuming an increase of 6% compared to 2021. The increase is mainly explained by the incorporation of Indenova's annual expenses to the consolidated, as well as as well as the increase in investment that has been made in trade fairs and missions.

EBITDA stands at 1.9 million euros, with a decrease of 18% compared to the data for 2021, due to the increase in personnel expenses that have been higher than the increase in gross margin.

The operating result is negative by 323 thousand euros, penalised by the incorporation of the amortisation of Indenova's goodwill, which amounted to an additional 469 thousand euros, as well as the depreciation of goodwill of 190 thousand euros.

Profit before tax was negative by 535 thousand euros, compared to 1 million euros in 2021, as a result of the increase in the financial costs required for the acquisition of Indenova, as well as the exchange differences arising from the evolution of the US dollar and the Colombian currency.

2. SUBSEQUENT EVENTS

The Lleida.net group notified the market through a relevant fact of March 14, 2023, of the decision to cut off the certified email and certified SMS service to company 472 (Colombian Postal Services). The decision was made as a result of the accumulated defaults by 472 towards Lleida.net and amounting to approximately 391,000 euros, of which not all have expired.

After December 31, 2022, and up to the date of preparation of this Management Report, there have been no subsequent events in addition to those already mentioned in the Explanatory Notes to the annual accounts and the previous point, which reveal circumstances that already existed as of December 31, 2022 and that due to the importance of their economic impact they should entail adjustments in the Financial Statements or modifications in the information contained in the explanatory notes.

There are also no other subsequent events, other than those already mentioned in the Explanatory Notes, that demonstrate conditions that did not exist as of December 31, 2022 and that are of such importance that they require additional information in the Explanatory Notes to the annual accounts.

3. PROBABLE EVOLUTION OF THE GROUP

The forecasts for the 2023 financial year are to increase sales of the Group's SaaS products, specifically notification and electronic contracting. It will allow an increase in the gross margin and thanks to the containment of expenses we will achieve a higher EBIDTA.

4. RESEARCH ACTIVITIES

In the 2022 financial year, the Group has invested 1,156 thousand euros in research activities aimed mainly at the Group's certification line and hybrid products together with Indenova technology.

5. OPERATIONS WITH OWN SHARES

In accordance with the provisions of the BME Growth and Euronext Growth regulations, the company signed a liquidity agreement with the placement bank on the occasion of its listing on the market. This agreement establishes both the delivery of a certain amount of treasury shares and the deposit of a certain amount of cash. The objective of this contract is to allow investors to negotiate the shares of the company, ensuring that any interested person has the possibility of buying or selling shares.

As of December 31, 2022, the company had 433,357 shares with a valuation on that date of 895,289.01 euros, which represented 2.7% of the shares of *Lleidanetworks Serveis Telemàtics, S.A.*

6. FINANCIAL INSTRUMENTS,

During 2022, the Group is not exposed to significant exchange rate risk, therefore it does not carry out operations with exchange rate financial instruments.

The treasury department has a daily vision of the actual treasury situation and it is compared with the weekly forecasts that are made. The Group has a comfortable short-term financial capacity, as reflected by the positive balances in credit accounts.

Faced with situations of global uncertainty, such as the spread of COVID-19, the Group has achieved the collaboration of financial institutions to sign new financing agreements, both short and long term.

The main exchange rate risks that the Group has are with the dollar and the Colombian peso. The group does not currently operate with exchange rate insurance, although it is a variable that is being analyzed for the future. The risk is reduced in the group, because we have both expenses and income in those currencies, so we use checking accounts in those currencies to be able to meet payments in foreign currency with receipts in foreign currency. When we have a currency defect, we go to the spot market, always analyzing the evolution of the currency a month in advance in order to take advantage of the best moment for the change.

7. DEFERMENT OF PAYMENT TO SUPPLIERS

Information concerning deferrals of payments to suppliers is shown in the Financial Statements in Note 10.

8. EFFECTS DERIVED FROM THE CONFLICT IN UKRAINE

The information referring to the effects derived from the current situation caused by the conflict in Ukraine is shown in the Financial Statements, in Note 1.e

**PREPARATION OF THE CONSOLIDATED
ANNUAL ACCOUNTS AND DIRECTOR'S REPORT**

In compliance with company law, the Board of Directors of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES** draw up the Consolidated Annual Accounts and the Consolidated Director's Report for the financial year 2022, which comprises the attached pages number 1 to 57.

Lleida, March 30, 2023
The Board of Directors



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por 40897755Y
FRANCISCO JOSE
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Mr. Francisco Sapena Soler
Chairman and Chief Executive Officer

**PEREZ SUBIAS
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17147802Z**

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Mr. Miguel Pérez Subías
Independent Director

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***9668**
el día 30/03/2023
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emitido

Mr. Jordi Carbonell i Sebarroja
Independent Director

Firmado por SAINZ DE VICUÑA BARROSO
JORGE - ***1181** el día 30/03/2023
con un certificado emitido por AC
FNMT Usuarios

D. Jorge Sainz de Vicuña
Independent Director

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Mr. Marcos Gallardo Meseguer
Secretary

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Mr. Antonio López del Castillo
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Mrs. Arrate María Usandizaga Ruíz
Executive Director

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Mrs. Beatriz García Torre
Executive Director

BDO Auditores S.L.P., es una sociedad limitada española, y miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido, y forma parte de la red internacional BDO de empresas independientes asociadas.

BDO es la marca comercial (utilizado por toda la red BDO y para todas sus firmas miembros).

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