LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED ANNUAL ACCOUNTS AND CONSOLIDATED DIRECTOR'S REPORT FOR THE FINANCIAL YEAR 2024 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 2024 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, 2024

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR ENDED ON DECEMBER 31, 2024

LLEIDANET SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARY COMPANIES

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

BDO

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

To the Shareholders of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** by order of the General Shareholders' Meeting:

Report on the consolidated financial statements

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, 2024, 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, 2024, 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 consolidated 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.

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Key audit issues	Audit response
Valuation of capitalized research and development expenditures 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 2.918 thousand euros. 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.	We have carried out the following audit procedures, among others: - 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.
Valuation of goodwill on consolidation The accompanying consolidated balance sheet as of December 31, 2024 shows an amount 3.054 thousand Euros in intangible assets, corresponding to the goodwill arising from the acquisition of Lleidanet PKI, S.L. (before Indenova, S.L.) during the year 2021. 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. For these reasons, we have considered the recoverable amount of goodwill as a key issue in our audit.	We have carried out the following audit procedures, among others: - 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 3.b. and 5 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 2024, 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 2024 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 Company'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 plan and perform the group audit to obtain sufficient appropriate evidence regarding the financial information of the Group's entities or business units as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes 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 provide the audit committee of the Parent Company with a statement that we have complied with the ethical requirements relating to independence and have communicated with the audit committee to report any matters that may reasonably be considered to pose a threat to our independence and, where appropriate, the safeguards taken to eliminate or reduce the threat.

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 25, 2025.

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 disclosed in Note 21 to the consolidated financial statements.

BDO Auditores, S.L.P. (ROAC nº S1273)

Ramón Roger (ROAC 16.887)
Audit Partner

April 25th, 2025

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED ANNUAL ACCOUNTS FOR THE PERIOD ENDED ON DECEMBER 31, 2024

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023

(Expressed in Euros)

ASSETS	Notes to the Consolidated Annual Accounts	31/12/2024	31/12/2023
NON-CURRENT ASSETS		**11.053.598,13**	**10.758.513,23**
Intangible assets	**Note 5**	**8.819.641,22**	**9.536.807,30**
Goodwill on consolidation		3.054.106,31	3.501.416,33
Research		2.918.218,82	2.844.261,77
Industrial property		809.063,09	757.911,63
Computer applications		1.523.335,61	1.847.851,67
Other intangible asset		514.917,39	585.365,90
Tangible fixed assets	**Note 6**	**395.515,02**	**534.790,24**
Land and buildings		138.303,11	143.440,41
Technical installations and other tangible fixed assets		199.831,31	333.969,23
Fixed assets under construction and advances		57.380,60	57.380,60
Long-term financial investments	**Note 8**	**94.014,12**	**91.335,07**
Deferred Tax Assets	**Note 14**	**1.744.427,77**	**595.580,62**
CURRENT ASSETS		**6.468.064,22**	**6.811.361,12**
Trade and other receivables		**5.157.514,44**	**5.147.513,23**
Client receivables for sales and services	Note 8.2	4.605.608,13	3.862.974,13
Sundry debtors	Note 8.2	86.674,60	89.464,46
Staff	Note 8.2	836,19	174,03
Current tax assets	Note 14	394.417,88	1.158.179,03
Other receivables from Public Authorities	Note 14	69.977,64	36.721,58
Short-term financial assets	**Note 8.2**	**42.018,99**	**362.390,75**
Short-term accruals		**286.393,33**	**284.233,27**
Cash and cash equivalents	**Note 8.1**	**982.137,46**	**1.017.223,87**
Cash		982.137,46	1.017.223,87
TOTAL ASSETS		**17.521.662,35**	**17.569.874,35**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023
(Expressed in Euros)

EQUITY AND LIABILITIES	Notes to the Consolidated Annual Accounts	31/12/2024	31/12/2023
EQUITY		**4.062.585,32**	**2.958.032,40**
Equity		**4.235.097,69**	**3.020.490,79**
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**	**1.751.574,95**	**1.517.220,86**
Legal and statutory		64.199,77	64.199,77
Other Reserves		1.687.375,18	3.167.250,75
Previous results		**(3.791.720,32)**	**(1.714.229,66)**
(Shares and own holdings in equity)	**Note 12.4**	**(205.051,35)**	**(1.448.058,18)**
Financial year result attributed to the parent company	**Note 18**	**914.951,27**	**(2.614.015,03)**
Consolidated Losses and Profits		882.841,30	(2.656.623,22)
(Minority interest losses and profits)		32.109,97	42.608,19
Adjustments for changes in value		**(2.370,30)**	**63.623,71**
Minority interests	**Note 4**	**(170.142,07)**	**(126.082,10)**
NON-CURRENT LIABILITIES		**3.726.571,87**	**5.706.249,16**
Long-teem provisions	**Note 19**	**8.474,44**	**200.000,00**
Long-term debts		**3.694.500,82**	**5.481.086,95**
Debts with credit institutions	**Note 9.1**	3.208.616,49	4.491.564,12
Other financial liabilities	**Note 9.1**	485.884,33	989.522,83
Deferred tax liabilities	**Note 14**	**23.596,61**	**25.162,21**
CURRENT LIABILITIES		**9.732.505,16**	**8.905.592,79**
Short-term provisions		**217.604,61**	**40.325,36**
Other provisions		217.604,61	40.325,36
Short-terms debts	**Note 9.1**	**4.748.540,97**	**5.357.296,81**
Debts with credit institutions		3.893.719,58	4.488.668,55
Other financial liabilities		854.821,39	868.628,26
Trade and other payables		**4.464.042,29**	**3.278.814,54**
Suppliers	Note 9.1	2.826.021,64	1.987.124,34
Sundry creditors	Note 9.1	707.765,18	375.595,06
Staff (remuneration payable)	Note 9.1	94.880,20	27.468,78
Accrual for current tax	Note 14	35.835,00	-
Other debts with Public Authorities	Note 14	585.882,85	613.308,54
Advances from clients	Note 9.1	213.657,37	275.317,82
Short-term accruals		**302.317,29**	**229.156,08**
TOTAL EQUITY AND LIABILITIES		**17.521.662,35**	**17.569.874,35**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.AND SUBSIDIARIES

CONSOLIDATED INCOME AND EXPENSES STATEMENT FOR THE YEAR ENDED ON DECEBER 31, 2024 AND 2023

(Expressed in Euros)

PROFIT AND LOSS ACCOUNTS	Notes to the Consolidated Annual Accounts	2024	2023
Net turnover	**Note 15.a**	**19.059.442,69**	**16.490.677,38**
Work performed by the Company for its assets	**Note 5**	**1.029.656,11**	**863.267,78**
Supplies	**Note 15.b**	**(8.874.294,52)**	**(7.319.706,33)**
Goods consumed		(8.857.311,04)	(7.319.706,33)
Work carried out by other companies		(16.983,48)	(56.522,30)
Other operating income		**57.619,24**	**79.327,75**
Staff expenses		**(5.503.119,44)**	**(6.988.028,68)**
Wage, salaries and the like	Note 15.c	(4.263.106,30)	(5.502.321,81)
Social charges	Note 15.c	(1.240.013,14)	(1.485.706,87)
Other operating expenses		**(2.585.174,77)**	**(3.266.317,59)**
External charges for services		(2.341.257,55)	(3.110.884,13)
Taxes		(100.517,91)	(91.885,25)
Losses, Impairment and change in trade provisions		(83.370,51)	(63.543,19)
Other current management costs		(60.028,81)	(5,01)
Amortization of fixed assets	**Notes 5 and 6**	**(2.077.470,10)**	**(2.124.635,87)**
Impairment and results of disposals of fixed assets		**220,48**	**-**
Other earnings	**Note 19**	**(8.817,67)**	**(195.558,62)**
OPERATING EARNIGS		**1.098.062,02**	**(2.460.974,17)**
Financial income	**Note 15.d**	**19.681,68**	**3.363,64**
Financial expenses	**Note 15.d**	**(222.142,07)**	**(198.186,27)**
Exchange differences	**Note 15.d**	**(29.635,56)**	**(64.463,72)**
FINANCIAL EARNINGS		**(232.095,95)**	**(259.286,35)**
PRE-TAX EARNINGS		**865.966,07**	**(2.720.260,52)**
Profit tax	**Note 14**	**16.875,23**	**63.637,30**
FINANCIAL YEAR'S EARNINGS	**Note 18**	**882.841,30**	**(2.656.623,22)**
Result attributed to the Parent Company		**914.951,27**	**(2.614.015,03)**
Result attributed to minority interests		**(32.109,97)**	**(42.608,19)**

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 2024 AND 2023

(Expressed in Euros)

	2024	2023
CONSOLIDATED RESULT FOR THE YEAR	**882.841,30**	**(2.656.623,22)**
Income and expenses recognised directly to equity		
Conversion differences	(77.944,00)	61.190,81
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY CONSOLIDATED EQUITY	**804.897,30**	**(2.595.432,41)**
Transfers to the profit and loss account		
TOTAL TRANSFERS TO CONSOLIDATED PROFIT AND LOSS ACCOUNT	-	-
TOTAL RECOGNISED CONSOLIDATED CONSOLIDATED RECOGNISED INCOME AND EXPENSES	**804.897,30**	**(2.595.432,41)**
Total income and expenses attributable to the Parent Company	784.737,31	(2.558.664,51)
Total income and expenses attributed to minority interests	20.159,99	(36.767,90)

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED ON DECEMBER 31, 2023 AND 2024

(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, 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**
Total recognized income and expenses	-	-	-	-	**(2.614.015,03)**	**52.250,57**	**(33.667,95)**	**(2.595.432,41)**
Transactions with shareholders:	-	-	**(401.723,25)**	**283.422,89**	-	-	-	**(118.300,36)**
Transactions with own equity instruments (net)	-	-	(401.723,25)	283.422,89	-	-	-	(118.300,36)
Dividends	-	-	-	-	-	-	-	-
Other changes in equity:	-	-	**(463.963,36)**	-	**(462.968,90)**	-	-	**(994,46)**
Distribution of earnings from the previous year	-	-	(462.968,90)	-	(462.968,90)	-	-	
Other movements	-	-	(994,46)	-				(994,46)
BALANCE END OF 2023	**320.998,86**	**5.244.344,28**	**1.517.220,86**	**(1.448.058,18)**	**(2.614.015,03)**	**63.623,71**	**(126.082,10)**	**2.958.032,39**
Total recognized income and expenses	-	-	-	-	**914.951,27**	**(65.994,01)**	**(44.059,96)**	**804.897,30**
Transactions with shareholders:	-	-	**(951.225,12)**	**1.243.006,83**	-	-	-	**291.781,71**
Transactions with own equity instruments (net)	-	-	(951.225,12)	1.243.006,83	-	-	-	291.781,71
Dividends								
Other changes in equity:	-	-	**(2.606.141,11)**	-	**2.614.015,03**	-	-	**7.873,92**
Distribution of earnings from the previous year	-	-	(2.614.015,03)	-	2.614.015,03	-	-	-
Other movements	-	-	7.873,92	-	-	-	-	7.873,92
BALANCE END OF 2024	**320.998,86**	**5.244.344,28**	**(2.040.145,37)**	**(205.051,35)**	**914.951,27**	**(2.370,30)**	**(170.142,06)**	**4.062.585,32**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR 2024 AND 2023

(Expressed in Euros)

		2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		**2.924.000,60**	**696.590,49**
Financial year's pre-tax earnings		**865.966,07**	**(2.720.260,52)**
Adjustments to earnings		**2.363.080,52**	**2.583.001,69**
Fixed asset amortisation		2.077.470,10	2.124.635,87
Valuation changes for impairment	Note 5 & 6	83.370,51	63.543,19
Change in provisions	Note 19		200.000,00
Gains and losses on derecognition and disposal of fixed assets		(220,48)	-
Financial income	Note 15.d	(19.681,68)	(3.363,64)
Financial expenses	Note 15.d	222.142,07	198.186,27
Changes in current capital		**231.355,74**	**1.158.271,83**
Stocks		147,84	(147,84)
Debtors and other accounts receivable		(857.280,73)	602.680,51
Other current assets		(2.160,06)	112.179,01
Trade payables and other accounts payable		1.017.487,48	256.190,15
Other current liabilities		73.161,21	187.370,00
Other cash flow from operating activities		**(536.401,73)**	**(324.422,51)**
Interest payments		(222.142,07)	(198.186,27)
Receipts of interests		19.681,68	3.363,64
Receipts (payments) for profit tax		(333.941,33)	(129.599,88)
CASH FLOW FROM INVESTMENT ACTIVITIES		**(862.870,24)**	**(959.525,18)**
Payments for investments		**(1.214.808,97)**	**(1.238.959,05)**
Intangible assets	Note 5	(1.172.166,04)	(1.099.830,55)
Tangible assets	Note 6	(12.947,25)	(131.069,71)
Other financial assets		(29.695,68)	(8.058,79)
Divestment proceeds		**351.938,73**	**279.433,87**
Intangible assets		1.938,73	-
Other financial assets		350.000,00	279.433,87
CASH FLOW FROM FINANCING ACTIVITIES		**(2.096.216,77)**	**(380.309,23)**
Receipts and payments for equity instruments		**(64.631,54)**	**(118.300,35)**
Disposals (Acquisitions) of own equity instruments		(64.631,54)	(118.300,35)
Receipts and payments for financial-liability instruments		**(2.031.585,23)**	**(262.008,89)**
Issuance		**551.910,82**	**2.552.562,68**
Amounts owed to credit institutions		551.910,82	2.552.562,68
		(2.582.496,05)	
Repayment and amortisation of:		(2.429.807,42)	**(2.814.571,57)**
Amounts owed to credit institutions		**551.910,82**	(2.501.495,72)
Others		(153.688,63)	(313.075,85)
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		**(35.086,41)**	**(643.243,92)**
Cash and cash equivalents at start of the financial year	Note 8.1	1.017.223,87	1.660.467,79
Cash and cash equivalents at end of the financial year	Note 8.1	982.137,46	1.017.223,87

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2024

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 H1, 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.

1.1) <u>Group Companies</u>

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.

<u>Group Companies included in the Consolidation Perimeter</u>

The breakdown of the Group Companies included in the consolidation perimeter as of December 31, 2024 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%	Consolidation Method
Lleidanet USA Inc	100%	Consolidation Method
Lleidanet Honduras, SA	70%	Consolidation Method
LLeidanet Dominicana, SRL	99,98%	Consolidation Method
Lleida SAS	100%	Consolidation Method
Lleida Chile SPA	100%	Consolidation Method
Lleidanet do Brasil Ltda	99,70%	Consolidation Method
Lleidanet Guatemala	80%	Consolidation Method
Portabilidades Españolas, S.L.U.	100%	Consolidation Method
Lleidanet Costa Rica	100%	Consolidation Method
Lleidanet Perú	99,90%	Consolidation Method
Lleida Information Technology Network Services	49%	Consolidation Method
Indenova, S.L.	100%	Consolidation Method
Lleidanet India	25%	Equity Method

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, 2024.

There has been no variation in the consolidation perimeter in the fiscal year 2024 compared to the fiscal year 2023.

On October 19, 2023, the Group liquidated the company Lleidanet South Africa, in which it held a 100% participation. This company was established on September 21, 2020, and had its registered office in Johannesburg (South Africa).

The details of the Dependent Companies included in the consolidation scope for the 2023 financial year were as follows:

	Percentage of Holding	Applied Method of Consolidation
Group Lleidanetworks Serveis Telemàtics, S.A. which maintains the following investments:		
Lleidanetworks Serveis Telemàtics, LTD	100%	Consolidation Method
Lleidanet USA Inc	100%	Consolidation Method
Lleidanet Honduras, SA	70%	Consolidation Method
LLeidanet Dominicana, SRL	99,98%	Consolidation Method
Lleida SAS	100%	Consolidation Method
Lleida Chile SPA	100%	Consolidation Method
Lleidanet do Brasil Ltda(*)	99,70% (*)	Consolidation Method
Lleidanet Guatemala	80%	Consolidation Method
Portabilidades Españolas, S.L.U.	100%	Consolidation Method
Lleidanet Costa Rica	100%	Consolidation Method
Lleidanet Perú(*)	99,90% (*)	Consolidation Method
Lleida Information Technology Network Services	49%	Consolidation Method
Lleidanet South Africa	100%	Consolidation Method
Indenova, S.L.	100%	Consolidation Method
Lleidanet India	25%	Equity Method

(*) restated

Detail of activities and registered office of the Subsidiaries included in the perimeter of consolidation as of December 31, 2024, is indicated below:

Lleidanetworks Serveis Telemàtics, LTD

Incorporated on December 28, 2005 in Dublin, with its registered office in Birchin Court 20, Birchin 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 Lleidanetworks Serveis Telematics, S.A. subscribed in entirely.

Lleidanet Honduras, S.A.

Its registered office in Tegucigalpa (Honduras), it was incorporated on January 11, 2012 subscribing, Lleidanetworks 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, Lleidanetworks 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 Lleidanetworks Serveis Telemàtics, S.A.

Lleida SAS

With its registered office in Bogotá (Colombia), it was incorporated on November 16, 2012 subscribing, Lleidanetworks 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, Lleidanetworks 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 Lleidanetworks Serveis Telemàtics, S.A.

Lleida Chile SPA

With its registered office in Santiago (Chile), it was incorporated on March 12, 2013, subscribing, Lleidanetworks 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, Lleidanetworks 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, Lleidanetworks 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, Lleidanetworks 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, Lleidanetworks Serveis Telemàticos 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 Lleidanetworks 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 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.

Lleida.net PKI, S.L.U.

On November 30, 2021, the Parent Company acquired 100% of the shares of Lleida.net PKI, S.L.U. (formerly Indenova, S.L.), located 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) Presentation Bases and regulatory framework of financial information

The attached Consolidated Annual Accounts for the year 2024 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:

- Going concern evaluation:

The Group, as of December 31, 2024, presents a negative working capital of 3,26 million euros (2,09 as of December 31, 2023), and a total liability that accounts for approximately 77% of its liabilities and equity (83% as of December 31, 2023). The increase is mainly due to the reclassification to long-term of foreign withholdings pending application to the corporate tax in the amount of 1.075 thousand euros (see Note 14). To reverse this situation, the Group implemented an intensive cost reduction policy in the fiscal year 2023 that included:

- Reduction of personnel expenses. In December 2023, the parent company implemented an employment regulation plan, resulting in the reduction of 17 job positions. Additionally, individual dismissals were carried out in the company in Peru and in the branch of Lleida.net PKI in Colombia, as well as in Lleida SAS.

- Reduction of external service costs, eliminating physical offices, foreign advisors, fairs, business trips, and internal events. The company, in the fiscal year 2024, has continued to thoroughly analyse recurring expenses and eliminate all items that did not provide an immediate return in the income statement.

Additionally, in the 2024 exercise, the following measures have been implemented:

- Enhancement of the commercialization of standard products for 2024, with lower development costs and higher margins.

- Focus on international expansion territories, targeting countries where we already have a recurring commercial presence, specifically Spain, Europe, Colombia, Peru, the Dominican Republic, and Peru.

- The group's financial debt has decreased by 1.878 thousand euros, from 8.980 thousand euros in 2023 to 7.102 thousand euros in 2024.

The reduction in external service and personnel expenses has resulted in a decrease of 2.166 thousand euros in 2024 compared to 2023.

The group's Business Plan for the 2025 fiscal year is aimed at controlling expenses while also increasing sales.

Additionally, on a financial level, the Group has implemented the following measures:

- Renewal of short-term credit lines with banking entities. As of the date of the financial statement preparation, the Group has renewed 3 of the short-term positions it held that were set to expire before the annual accounts consolidated were prepared, for a total value of 600 thousand euros. Efforts are being made to renew the lines that expire in the following months.

- Request for loans from public entities for the financing of R&D projects being carried out for the development of new products.

At the end of the current fiscal year, the Group has managed to return to a path of profitability; however, the existence of negative working capital could indicate uncertainty regarding the application of the going concern accounting principle and, consequently, regarding the Group's ability to realize its assets and settle its liabilities at the amounts listed in the attached balance sheet. Nevertheless, as described in this same note, the Company established an intensive cost reduction policy at the end of 2023, which has been implemented in the 2024 fiscal year, and has additionally secured new contracts compared to the previous year, leading it to expect a recovery in revenues.

Therefore, the Group's administrators have prepared these Annual Consolidates Accounts under the going concern principle, considering that the business plan's compliance and obtaining new financing will allow the Group to address any cash flow tensions that may arise during 2025.

- Reasonableness of capitalisation and recoverability of research projects.

- Reasonableness of the recognition and recoverability of the goodwill arising from the acquisition of Lleida.net PKI, S.L.U. (see note 2.e)

- Patent valuation.

- Recoverability of deferred tax assets.

Although these estimates have been made on the basis of the best information available at year-end 2024, 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 2024 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 Lleidanet PKI S.L.U, goodwill of 4,7 million euros has been generated. Lleida.net PKI's main assets are its assets, as reflected in its balance sheet. Lleidanet PKI 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 Lleidanet PKI, synergies in sales are achieved, given that Lleida.net PKI S.L.U and the other companies of the Group have very few shared customers. Lleidanet PKI will be able to increase its sales by selling its products to Lleida.net customers.

The Board of Directors of the Parent Company has conducted an analysis of the recoverability of the previously mentioned consolidated goodwill, for which cash flows have been based on sales projections for the period 2025-2028. According to management, these projections are based on the budget for 2025, the degree of compliance with it as of the date of preparation of these Consolidated Financial Statements, and management's best expectations for the business until 2028 for the corresponding analysis of potential impairments as of December 31, 2024. A sales growth of 8.8%, 16.7%, 14.2% and 14% has been estimated for each of the subsequent four years, respectively. Additionally, the cash flows have been discounted using the after-tax weighted average cost of capital. The discount rate used has been 10.64%, and a perpetual income of 2% has been estimated.

With regard to the above, the Board of Directors of the Parent Company has decided not to impair the consolidation goodwill in the current fiscal year based on the expected cash flow generation for the upcoming fiscal years by the subsidiary company.

In the previous fiscal year, the Board of Directors of the Parent Company decided to impair the consolidation goodwill by an amount of 190 thousand euros (see Note 5).

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 2024 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 as 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. group** 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
Transport elements	10	10
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 significant.

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 Group 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.

Financial assets at fair value through equity

A financial asset is included in this category when the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount and is not held for trading or classified as financial assets at amortized cost.

For equity instruments that are not held for trading or should be measured at cost, the Company may make an irrevocable election at the time of initial recognition to present subsequent changes in fair value directly in equity.

Initial valuation

Financial assets included in this category are initially valued at their fair value, which, unless evidence to the contrary exists, is the transaction price, which is equivalent to the fair value of the consideration given, plus any directly attributable transaction costs. The initial valuation includes the amount of any preferential subscription rights and similar rights that may have been acquired, if applicable.

Subsequent valuation

Financial assets included in this category are valued at fair value, without deducting transaction costs that may be incurred in their sale. Changes in fair value are recorded directly in equity, until the financial asset is derecognized from the balance sheet or impaired, at which point the amount recognized is charged to the income statement.

However, impairment corrections and gains and losses resulting from exchange rate differences on monetary financial assets in foreign currency are recorded in the income statement.

The amount of interest calculated using the effective interest rate method, and accrued dividends are also recorded in the income statement. When a value must be assigned to these assets due to derecognition from the balance sheet or other reasons, the weighted average value method for homogeneous groups is applied.

Impairment of value

At least at the end of the financial year, necessary revaluations are made whenever there is objective evidence that the value of a financial asset, or group of financial assets included in this category with similar risk characteristics collectively valued, has deteriorated as a result of one or more events that have occurred after its initial recognition, and that result in:

a) In the case of acquired debt instruments, a reduction or delay in estimated future cash flows, which may be caused by the insolvency of the debtor; or

b) In the case of investments in equity instruments, the lack of recoverability of the carrying amount of the asset, evidenced, for example, by a prolonged or significant decline in its fair value.

The impairment loss for these financial assets is the difference between their cost or amortized cost less, if any, any impairment loss previously recognized in the income statement and the fair value at the time of valuation.

Accumulated losses recognized in equity due to a decrease in fair value, provided there is objective evidence of impairment in the value of the asset, are recognized in the income statement.

If the fair value increases in subsequent years, the impairment loss recognized in previous years is reversed with a credit to the income statement for the year. However, if the fair value corresponding to an equity instrument increases, the impairment loss recognized in previous years will not reverse with a credit to the income statement and the increase in fair value is recorded directly against equity.

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 significant.

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 corresponding month.

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 2024, 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	(281,69)	-	752,16
Lleidanet Honduras	30%	-	-	-	-
Lleidanet Brasil	0,30%	(38.925,49)	8.128,40	3.184,24	(111,49)
Lleidanet República Dominicana	0,02%	15.305,77	2.420,07	13.000,46	(1,67)
Lleida Information Technology Network Services (*)	51%	(324.039,80)	(10.561,68)	(62.832,24)	(170.777,82)
Lleida.net Perú	0,10%	(157.277,15)	(1.347,79)	(77.685,64)	(3,25)
					(170.142,07)

(*) *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 2023, 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	0,30%(**)	(42.849,13)	619,11	777,39	(4,15)
Lleidanet República Dominicana	0,02%(**)	(7.703,67)	2.440,44	10.000,98	0,95
Lleida Information Technology Network Services (*)	51%	(176.699,76)	11.553,95	(83.549,55)	(126.834,63)
					(126.082,10)

(*) *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.*

(**) *Restated*

NOTE 5. INTANGIBLE FIXED ASSETS

The details and changes in intangible fixed assets throughout the financial year 2024 were as follows, in euros:

	31/12/2023	Additions	De-Recognition	Transfers	31/12/2024
Cost:					
Goodwill on consolidation	4.688.429,58	-	-	-	4.688.429,58
Research	14.766.563,26	1.029.656,11	-	-	15.796.219,37
Industrial Property	1.320.993,83	-	-	147.397,25	1.468.391,08
Computer applications	5.188.547,49	65.561,19	(5.264,65)	-	5.248.844,03
Advances for intangible fixed assets	585.365,90	76.948,74	-	(147.397,25)	514.917,39
	26.549.900,06	**1.172.166,04**	**(5.264,65)**	**-**	**27.716.801,45**
Accumulated amortization:					
Goodwill on consolidation	(996.805,65)	(447.310,02)	-	-	(1.444.115,67)
Research	(11.922.301,49)	(955.699,06)	-	-	(12.878.000,55)
Industrial Property	(563.082,20)	(96.245,79)	-	-	(659.327,99)
Computer applications	(3.340.695,82)	(390.077,25)	5.264,65	-	(3.725.508,42)
	(16.822.885,16)	**(1.889.332,12)**	**5.264,65**		**(18.706.952,63)**
Impairment:					
Goodwill on consolidation	(190.207,60)	-	-	-	(190.207,60)
Intangible Fixed Assets, Net	**9.536.807,30**	**(717.166,08)**	**-**	**-**	**8.819.641,22**

The increases for the year mainly correspond to the R&D developments that the Company has undertaken in its SaaS product lines, as well as the investments made in patents to register the methodology of these new products. The amount of work carried out by the Group for its intangible assets has reached 1.030 thousand in the current year (compared to 863 thousand in the previous year).

During the current year, the Group has conducted a valuation of some of its patents, which has not resulted in the need for any impairments at the close.

The details and changes in intangible fixed assets throughout the financial year 2023 were as follows, in euros:

	31/12/2022	Additions	Transfers	Exchange rate differneces	31/12/2023
Cost:					
Goodwill on consolidation	4.688.429,58	-	-	-	4.688.429,58
Research	13.903.295,48	863.267,78	-	-	14.766.563,26
Industrial Property	1.159.207,97	-	161.785,86	-	1.320.993,83
Computer applications	5.138.143,13	49.477,48	-	926,88	5.188.547,49
Advances for intangible fixed assets	554.801,82	192.349,94	(161.785,86)	-	585.365,90
	25.443.877,98	**1.105.095,20**	**-**	**926,88**	**26.549.900,06**
Accumulated amortization:					
Goodwill on consolidation	(546.983,45)	(449.822,20)	-	-	(996.805,65)
Research	(10.976.600,22)	(945.701,27)	-	-	(11.922.301,49)
Industrial Property	(475.182,52)	(87.899,68)	-	-	(563.082,20)
Computer applications	(2.883.862,71)	(455.906,23)	-	(926,88)	(3.340.695,82)
	(14.882.628,90)	**(1.939.329,38)**	**-**	**(926,88)**	**(16.822.885,16)**
Impairment:					
Goodwill on consolidation	(190.207,60)	-	-	-	(190.207,60)
Intangible Fixed Assets, Net	**10.371.041,48**	**(834.234,18)**	**-**	**-**	**9.536.807,30**

Goodwill

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

In 2022, the Company impaired the consolidation goodwill by an 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, 2024 and 2023, is the following, stating their cost values in Euros:

	31/12/2024	31/12/2023
Research	11.024.267,87	10.124.956,16
Patents	267.706,28	196.149,07
Computer applications	2.602.775,77	2.596.805,77
	13.894.749,92	**12.917.911,00**

NOTE 6. TANGIBLE ASSETS

The details and changes in tangible fixed assets throughout the financial year 2024 were as follows, in euros:

	31/12/2023	Additions	De-recognitions	Other movements	Exchange rate differences	31/12/2024
Cost:						
Land and buildings	203.095.54	-	-	-	-	203.095.54
Technical installations and machinery	252.969.45	-	-	-	-	252.969.45
Other installations, tools and furniture	311.367.81	-	(9.098.05)	-	(600.63)	301.669.13
Data processing equipment	1.478.469.07	20.152.35	-	-	(745.27)	1.497.876.15
Transport elements	73.767.59	-	(7.174.48)	-	(473.64)	66.119.47
Other tangible fixed assets	4.935.79	-	-	-	-	4.935.79
Advances for tangible fixed assets	57.380.60	-	-	-	-	57.380.60
	2.381.985,85	**20.152,35**	**(16.272,45)**	**-**	**(1.819,54)**	**2.384.046,13**
Accumulated amortization:						
Land and buildings	(59.655.13)	(5.137.30)	-	-	-	(64.792.43)
Technical installations and machinery	(211.774.34)	(30.41)	-	(41.164.70)	-	(252.969.45)
Other installations, tools and furniture	(331.663.31)	(3.174.52)	8.097.24	41.164.70	238.50	(285.337.39)
Data processing equipment	(1.228.072.91)	(141.856.54)	-	-	663.52	(1.369.265.93)
Transport elements	(11.119.07)	(6.970.67)	6.457.03	-	402.59	(11.230.12)
Other tangible fixed assets	(4.910.85)	(24.94)	-	-	-	(4.935.79)
	(1.847.195,61)	**(157.194,38)**	**14.554,27**	**-**	**1.304,61**	**(1.988.531,11)**
Tangible Fixed Assets, Net	**534.790,24**	**(137.042,03)**	**(1.718,26)**	**-**	**(514,93)**	**395.515,02**

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 2024.

The "Other movements" column corresponds to misclassifications that come from previous exercises.

The details and changes in tangible fixed assets throughout the financial year 2023 were as follows, in euros:

	31/12/2023	Additions	De-recognitions	Other movements	Exchange rate differences	31/12/2024
Cost:						
Land and buildings	203.095,54	-	-		-	203.095,54
Technical installations and machinery	257.392,06	27.690,00	-	(32.112,61)	-	252.969,45
Other installations, tools and furniture	699.830,28	-	-	(389.930,98)	1.468,51	311.367,81
Data processing equipment	1.031.814,06	37.260,24	(15.524,83)	423.364,48	1.555,12	1.478.469,07
Transport elements		66.119,47	-	6.490,09	1.158,03	73.767,59
Other tangible fixed assets	12.746,77	-	-	(7.810,98)	-	4.935,79
Advances for tangible fixed assets	57.380,60	-	-	-	-	57.380,60
	2.262.259,31	**131.069,71**	**(15.524,83)**	**0,00**	**4.181,66**	**2.381.985,85**
Accumulated amortization:						
Land and buildings	(54.517,83)	(5.137,30)	-	-	-	(59.655,13)
Technical installations and machinery	(255.829,38)	(1.907,21)	-	45.962,25	-	(211.774,34)
Other installations, tools and furniture	(284.159,38)	(4.098,59)	-	(42.307,60)	(1.097,75)	(331.663,31)
Data processing equipment	(1.101.061,14)	(133.923,49)	13.905,05	(5.572,21)	(1.421,11)	(1.228.072,91)
Transport elements		(5.382,98)	-	(4.867,56)	(868,53)	(11.119,07)
Other tangible fixed assets	(11.387,92)	(308,05)	-	6.785,12	-	(4.910,85)
	(1.706.955,65)	**(150.757,62)**	**13.905,05**	**(0,00)**	**(3.387,38)**	**(1.847.195,61)**
Tangible Fixed Assets, Net	**555.303,66**	**(19.687,91)**	**(1.619,78)**	**(0,00)**	**794,28**	**534.790,24**

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, 2024 and 2023, is shown below stating their cost values in Euros:

	31/12/2024	31/12/2023
Technical installations and machinery	252.969,45	249.269,45
Other facilities and furniture	266.014,90	263.305,08
Data processing equipment	916.206,47	916.206,47
Other fixed assets	4.935,79	3.087,87
	1.440.126,61	**1.431.868,87**

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 2024.

7.2) Operating Leases (the Company as Lessee)

The amount of the contingent payments recognized as an expense in the year 2024 is 235.825,46 euros (170.266,53 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:

	2024	2023
Up to 1 year	152.426,96	162.830,50
Between 1 and 5 years	268.468,87	51.263,76
More of 5 years	495.267,16	505.126,72
	916.162,99	**719.220,98**

For the projection of rentals between 1 and 5 years, the three optional extension years of the office lease in Valencia have been taken into account for 2024.

NOTE 8. FINANCIAL ASSETS

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

	Equity instruments 31/12/2024	Equity instruments 31/12/2023	Credits and Other Financial Assets 31/12/2024	Credits and Other Financial Assets 31/12/2023
Financial assets at amortised cost (Note 8.2)	-	-	83.516,21	80.837,16
Financial assets at fair value through equity (Note 8.3)	10.497,91	10.497,91	-	-
	10.497,91	**10.497,91**	**83.516,21**	**80.837,16**

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

	Credits and Other Financial Assets 31/12/2024	Credits and Other Financial Assets 31/12/2023
Assets at fair value through the profit and loss:	**982.137,46**	**1.017.223,87**
Cash or other liquid assets (Note 8.1)	982.137,46	1.017.223,87
Financial Assets at Amortised Cost (Note 8.2)	**4.735.137,91**	**4.315.003,37**
Total	**5.717.275,37**	**5.332.227,24**

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, 2024 and 2023 is as follows, in euros:

	Balance at 31/12/2024	Balance at 31/12/2023
Short-term highly liquid investments	209.958,55	170.556,13
Current Accounts	766.626,41	841.075,26
Cash	5.552,50	5.592,48
Total	**982.137,46**	**1.017.223,87**

8.2) Financial Assets at Amortised Cost

The composition of loans and receivable items as of December 31, 2024 and 2023 is as follows:

	Balance at 31/12/2024		Balance at 31/12/2023	
	Long-Term	Short-Term	Long-Term	Short-Term
Loans and receivables items for commercial transactions				
Customers	-	4.605.608,13	-	3.862.974,13
Debtors	-	86.674,60	-	89.464.,46
Total loans and receivables items for commercial transactions	**-**	**4.692.282,73**	**-**	**3.952.438,59**
Loans and receivables for non-commercial transactions				
Staff	-	836,19	-	174,03
Short-term deposits (*)	-	42.018,99	-	362.390,75
Securities and deposits	83.516,21	-	80.837,16	-
Total loans and receivables for non-commercial transactions	**83.516,21**	**42.855,18**	**80.837,16**	**362.564,78**
Total	**83.516,21**	**4.735.137,91**	**80.837,16**	**4.315.003,37**

(*) 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 end of financial year 2022	**623.486,55**
Impairment losses on trade receivables	57.984,08
Accumulated impairment end of financial year 2023	**681.470,63**
Losses of impairment on trade receivables	55.541,30
Reversal of impairment on trade receivables	(6.478,94)
Cancellations	(23.736,29)
Accumulated impairment end of financial year 2024	**706.796,70**

Additionally, the Group has impaired 31.428,19 euros, derecognising them directly from the balance sheet.

The detail of the age of the financial assets and their impairment at the end of the 2024 fiscal year is shown below:

	Not due	Due, less than 90 days	Due between 90 and 180 days	Due, more than 180 days	TOTAL
Credits for commercial operations	3.503.202,25	325.420,02	427.214,25	1.143.319,62	5.399.156,14
Impaired balance	-	-	(33.433,28)	(673.440,13)	(706.873,41)
TOTAL	**3.503.202,25**	**325.420,02**	**393.780,97**	**469.879,49**	**4.692.282,73**

The detail of the age of the financial assets and their impairment at the end of the 2023 fiscal year is shown below:

	Not due	Due, less than 90 days	Due between 90 and 180 days	Due, more than 180 days	TOTAL
Credits for commercial operations	3.039.945,91	290.632,37	165.902,31	1.137.428,63	4.633.909,22
Impaired balance	-	-	-	(681.470,63)	(681.470,63)
TOTAL	**3.039.945,91**	**290.632,37**	**165.902,31**	**455.958,00**	**3.952.438,59**

8.3) <u>Financial Assets at Fair Value through Shareholders' Equity</u>

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 10.497,91 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	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Financial liabilities at amortised cost (Note 9.1)	**3.208.616,49**	**4.491.564,12**	**485.884,33**	**989.522,83**	**3.694.500,82**	**5.481.086,95**

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

	Debts with credit institutions		Other liabilities		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Debits and payable Items at amortised cost (Note 9.1)	**3.893.719,58**	**4.488.668,55**	**4.697.145,78**	**3.534.134,26**	**8.590.865,36**	**8.022.802,81**

9.1) Debits and Payable Items

The breakdown as of December 31, 2024 and 2023 is as follows, in euros:

	Balance as of 31/12/2024		Saldo a 31/12/2023	
	Long-Term	Short-Term	Long-Term	Short-Term
For commercial transactions:				
Suppliers	-	2.826.021,64	-	1.987.124,34
Creditors	-	707.765,18	-	375.595,06
Advances from costumers	-	213.657,37	-	275.317,82
Total balances for commercial transactions	**-**	**3.747.444,19**	**-**	**2.638.037,22**
For non-commercial operations:				
Debts with credit institutions	3.208.616,49	3.893.719,58	4.491.564,12	4.488.668,55
Other debts	485.884,33	854.821,39	989.522,83	868.628,26
Debits and payable items	**3.694.500,82**	**4.748.540,97**	**5.481.086,95**	**5.357.296,81**
Staff (remuneration payable)	-	94.880,20	-	27.468,78
Total balances for non-commercial operations	**3.694.500,82**	**4.843.421,17**	**5.481.086,95**	**5.384.765,59**
Total debts and payable items	**3.694.500,82**	**8.590.865,36**	**5.481.086,95**	**8.022.802,81**

9.1.1) Debts with credit institutions

The breakdown of debts with credit institutions as of December 31, 2024 is as follows, in euros:

	Short-Term	Long-Term	Total
Loans	2.160.995,61	3.208.616,49	5.369.612,10
Credit policies	1.336.770,01	-	1.336.770,01
Advanced billing	395.953,96	-	395.953,96
	3.893.719,58	**3.208.616,49**	**7.102.336,07**

The breakdown of debts with credit institutions at December 31, 2023 is as follows, in euros:

	Short-Term	Long-Term	Total
Loans	1.926.216,15	4.491.564,12	6.417.780,27
Credit policies	2.413.155,09	-	2.413.155,09
Advanced billing	149.297,31	-	149.297,31
	4.488.668,55	**4.491.564,12**	**8.980.232,67**

Loans

The detail of the bank loans as of December 31, 2024, expressed in Euros, is the following:

Loans	Last maturity	Amount Granted	Pending at closure
Loan 24 (*)	15/10/2025	78.375,60	13.843,60
Loan 45	30/04/2025	400.000,00	34.256,97
Loan 46	22/04/2025	400.000,00	34.318,98
Loan 47	08/04/2025	400.000,00	34.350,34
Loan 48	31/03/2026	500.000,00	126.762,38
Loan 49	09/07/2028	1.200.000,00	620.055,14
Loan 50	31/07/2028	3.200.000,00	1.659.071,10
Loan 51	09/10/2027	1.250.000,00	602.428,25
Loan 52	01/02/2028	400.000,00	214.248,02
Loan 53	18/09/2029	700.000,00	496.793,74
Loan 54	02/05/2028	330.000,00	234.009,33
Loan 55	20/03/2025	260.000,00	260.000,00
Loan 56	20/12/2028	225.000,00	225.000,00
Loan 57	21/02/2025	200.000,00	66.904,68
Loan 58	20/11/2024	197.821,74	131.881,16
Loan 59	20/12/2024	128.118,84	128.118,84
Loan 60	16/10/2024	150.000,00	50.183,12
Loan 61	14/10/2024	50.000,00	16.721,56
Loan 4P	04/06/2026	150.000,00	58.189,83
Loan 5P	04/06/2028	250.000,00	149.339,81
Loan 6P	24/03/2026	220.000,00	70.886,57
Loan 7P	19/05/2028	200.000,00	142.248,68
		10.889.316,18	**5.362.612,10**

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

The detail of the bank loans as of December 31, 2023, expressed in Euros, is the following:

Loans	Last maturity	Amount Granted	Pending at closure
Loan 24 (*)	15/10/2025	78.375,60	23.771,60
Loan 41	29/03/2024	250.000,00	13.086,82
Loan 42	12/04/2024	400.000,00	27.768,64
Loan 43	03/05/2024	300.000,00	26.100,64
Loan 44	04/06/2024	250.000,00	26.138,41
Loan 45	30/04/2025	400.000,00	136.006,99
Loan 46	22/04/2025	400.000,00	136.185,67
Loan 47	08/04/2025	400.000,00	136.275,27
Loan 48	31/03/2026	500.000,00	227.320,71
Loan 49	09/07/2028	1.200.000,00	790.924,37
Loan 50	31/07/2028	3.200.000,00	2.114.167,81
Loan 51	09/10/2027	1.250.000,00	809.810,19
Loan 52	01/02/2028	400.000,00	280.439,20
Loan 53	18/09/2029	700.000,00	587.580,81
Loan 54	02/05/2028	330.000,00	295.413,56
Loan 55	14/02/2024	260.000,00	162.174,31
Loan 56	04/06/2024	150.000,00	95.672,12
Loan 57	04/06/2028	250.000,00	190.167,68
Loan 58	24/03/2026	220.000,00	126.179,06
Loan 59	19/05/2028	200.000,00	179.263,07
Loan 60	15/01/2024	100.000,00	33.333,34
		11.238.375,60	**6.417.780,27**

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

Credit Lines

As of December 31, 2024, the Group has credit policies granted with a total limit amounting to 1.911.150,00 euros (2.573.500,00 euros at the end of the previous year), which amount drawn at the aforementioned date is amounting 1.336.770,01 euros (2.413.155,92 euros at the end of the previous year).

Lines of Effects and Import Advances

As of December 31, 2024, the Company has granted trade discount policies with a total limit amounting to 750.000 euros (700,000.00 euros in the previous year), of which the Company has used 395.953,96 euros at the end of this 2024 fiscal year.

9.1.2) Other Financial Liabilities

Deferred payment for the acquisition of Lleida.net PKI, SL

On November 30, 2021, the Company acquired 100% of the shares of Lleida.net PKI, S.L.U for a price of 7.100.000,00 euros, making an initial payment of 4.010.387,67 euros, with the remaining amount of 3.089.612,33 euros deferred. A payment schedule has been established, with dates on November 30, 2022, 2023, 2024, and 2025 in cash, and another payment schedule with dates on November 30, 2023, 2024, and 2025 consisting of a fixed amount to be paid with the delivery of shares of Lleidanetworks Serveis Telemàtics, S.A. (own shares).

As of the closing of the 2024 fiscal year, there are outstanding payments totaling 1.225.945,07 euros, of which 485.884,33 euros have been included with a maturity date of 2028. The Company included a payment retention option in the purchase agreement with the sellers for any issues that may arise after the purchase is formalized.

Due to issues identified in previous financial statements, the Company has notified and withheld payments from buyers in the amount of 486 thousand euros. The Company believes it has substantial grounds for not paying these amounts. However, as a prudent measure, it has decided to keep them on the balance sheet and will reverse these amounts when there is sufficient evidence that there are no future adjustments. On January 5th, 2024, the Company proceeded to pay 209 thousand euros corresponding to November 30th, 2023, by delivering company shares.

Other debts

Other debts additionally comprise loans held by the Company with the CDTI and former members of Lleida.net PKI, S.L.U. The detail of these at the close of fiscal year 2024 is as follows, in euros:

Entity	Last Maturity	Amount Granted	Pending at Closure
Loan 3*	31/03/2024	199.151,00	26.399,99
Loan 5	31/12/2023	217.000,00	63.569,26
Loan 6	31/12/2023	290.000,00	10.548,00
Loan 7	31/12/2023	162.000,00	12.893,31
		868.151,00	**113.410,56**

* Loan CDTI

The detail at the close of fiscal year 2023 was as follows, in euros:

Entity	Last Maturity	Amount Granted	Pending at Closure
Loan 3*	31/03/2024	199.151,00	25.889,63
Loan 4*	23/01/2024	672.672,92	40.458,13
Loan 5	31/12/2023	217.000,00	63.568,43
Loan 6	31/12/2023	290.000,00	10.548,00
Loan 7	31/12/2023	162.000,00	12.893,31
		1.540.823,92	**153.357,50**

* Loan CDTI

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 2024 is the following:

	2025	2026	2027	2028	2029	Total
Financial debts:	**3.893.719,58**	**1.286.934,63**	**1.210.499,23**	**626.384,50**	**84.798,13**	**7.102.336,07**
Debts with credit institutions	3.893.719,58	1.286.934,63	1.210.499,23	626.384,50	84.798,13	7.102.336,07
Other financial liabilities:	**854.821,39**	-	-	**485.884,33**	-	**1.340.705,72**
Other debts	114.760,65	-	-	-	-	114.760,65
Deferred payment acquisition Indenova, S.L.	740.060,74	-	-	485.884,33	-	1.225.945,07
Commercial creditors and other payable items:	**3.842.324,38**	-	-	-	-	**3.842.324,38**
Suppliers	2.826.021,64	-	-	-	-	2.826.021,64
Sundry creditors	707.765,18	-	-	-	-	707.765,18
Advances from costumers	213.657,36	-	-	-	-	213.657,36
Staff	94.880,20	-	-	-	-	94.880,20
Total	**8.590.865,35**	**1.286.934,63**	**1.210.499,23**	**1.112.268,83**	**84.798,13**	**12.285.366,17**

The breakdown of the maturity dates of the liability financial instruments at the close of 2023 is the following, in Euros:

	Maturity years						
	2024	2025	2026	2027	2028	Over 5 years	Total
Financial debts:	**4.488.668,55**	**1.462.916,90**	**1.225.979,93**	**1.148.743,56**	**565.275,63**	**88.648,10**	**8.980.232,67**
Debts with credit institutions	4.488.668,55	1.462.916,90	1.225.979,93	1.148.743,56	565.275,63	88.648,10	8.980.232,67
Other financial liabilities:	**868.628,26**	**503.638,50**	-	-	**485.884,33**	-	**1.858.151,09**
Other debts	162.625,04	-	-	-	-	-	162.625,04
Deferred payment acquisition Indenova, S.L.	706.003,22	503.638,50	-	-	485.884,33	-	1.695.526,05
Commercial creditors and other payable items:	**2.666.417,80**	-	-	-	-	-	**2.665.506,00**
Suppliers	1.987.124,34	-	-	-	-	-	1.987.124,34
Sundry creditors	376.506,86	-	-	-	-	-	375.595,06
Advances from costumers	275.317,82	-	-	-	-	-	275.317,82
Staff	27.468,78	-	-	-	-	-	27.468,78
Total	**8.022.802,81**	**2.146.555,40**	**1.225.979,93**	**1.148.743,56**	**1.051.159,96**	**88.648,10**	**13.503.889,76**

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 guarantees contracted with various financial entities for a total amount of 614.991 (563,000 euros in 2023), a common instrument when signing an interconnection agreement.

The Group has no guarantees for loans except for Lleida.net PKI, S.L.U., where for certain loans, the former partners of the company are listed as guarantors.

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	
	Days Financial year 2024	**Days Financial year 2023**
Average payment period to suppliers	56,54	35,95
Ratio paid operations	52,97	37,46
Ratio of outstanding payment transactions	66,16	29,72

	Financial year Amount 2024	Financial year Amount 2023
Total payments	9.634.110,77	9.514.230,81
Total outstanding payments	3.579.880,70	2.300.174,52

	Financial year Amount 2024	Financial year Amount 2023
Monetary Volume Paid	2.207.254,11	4.879.900,65
% of total payments made	22,91%	47,98%
Number of invoices	1.525	2.368
% of total invoices	51,38%	60,27%

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, 2024 and 2023, 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, 2024, as well as of December 31, 2023, 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:

	31/12/2024	31/12/2023
Legal Reserve	64.199,77	64.199,77
Other Reserves	1.687.375,18	3.167.250,75
	1.751.574,95	**3.231.450,52**

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 2022, the allocation of funds for the treasury stock programme is approved. ANDBANK SAU was appointed as manager for the acquisition of the first 500 thousand 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 2022, 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.

As of December 31, 2024, the Parent Company holds own shares for an amount of 205.051,35 euros (1.448.058,19 euros in the previous year) at an average cost price of 1,01 euros per share (2,75 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 951 thousand euros, which is explained by the decrease in the share price during 2024.

At the end of the fiscal year, the Parent Company had 203.360 treasury shares with a nominal unit value of 0,02 euros per share. During the year 2023, the Parent Company acquired 984.462 shares for a total of 1.021.224,11 euros and sold 1.042.388 shares for a total of 956.592,57 euros in the markets where it is listed. The purpose of holding treasury shares is to provide liquidity through agreements with liquidity providers and to cover deferred payments for the purchase of Lleida.net PKI, S.L.U in shares.

NOTE 13. FOREIGN CURRENCY

The most significant foreign currency balances at the end of the year 2024, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	COP	BRL	DOP	PEN	CLP	GTQ	AED
ACTIVO CORRIENTE	**895.760,23**	**86.163,92**	**2.725.323.045,85**	**221.352,75**	**7.974.746,16**	**133.069,34**	**4.394.739,00**	**30.000**	**56.642,00**
Trade debtors and other accounts receivable	620.727,84	70.663,82	2.114.125.349,85	7.066,67	3.505.609,45	82.859,00	1.162.674,00	-	48.122,00
Cash	275.032,39	15.500,10	611.197.696	214.286,08	4.469.136,71	50.210,34	3.232.065,00	30.000	8.520,00
PASIVO CORRIENTE	**934.848,52**	**602.026,87**	**1.398.144.954,65**	**3.041,24**	**780.010,58**	**56.784,57**	**-**	**-**	**72.622,00**
Trade creditors and other payable accounts	934.848,52	602.026,87	1.398.144.954,65	3.041,24	780.010,58	56.784,57	-	-	72.622,00

The most significant foreign currency balances as the end of the year 2023, in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	BRL	DOP	PEN	CLP	GTQ	AED
ACTIVO CORRIENTE	**937.380,73**	**153.206,06**	**1.375,57**	**[illegible].383.745.722,83**	**712.123,03**	**3.600.880,02**	**103.782,00**	**4.330.130,00**	**30.000,00**	**68.654,07**
Trade debtors and other accounts receivable	584.600,62	148.864,05	1.375,57	[illegible].599.699.444,80	21.109,02	2.896.327,73	77.396,00	1.060.610,00	-	19.933,47
Cash	352.780,11	4.342,01	-	784.046.278,03	691.014,01	704.552,29	26.386,00	3.269.520,00	30.000,00	48.720,60
PASIVO CORRIENTE	**230.022,71**	**139.302,28**	**557,94**	**295.960.786,18**	**7.812,19**	**460.894,80**	**96.787,00**	**1.096.136,00**	**-**	**2.373,77**
Trade creditors and other payable accounts	230.022,71	139.302,28	557,94	295.960.786,18	7.812,19	460.894,80	96.787,00	1.096.136,00	-	2.373,77

The most significant transactions carried out during the financial year 2024, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	ZAR	DOP	PEN	MXN	AED	AUD	JPY
Purchases and services received	1.153.408,44	789.261,17	60.975,56	904.596,00	700.842.469,74	6,63	2.425.050,04	429.337,90	352.303,27	11124.936,18	1.000,00	163.100,00
Sales and services given	4.285.490,04	732.704,12	844,59	-	12.208.033.102,89	-	4.748.843,38	3.228.141,74	949,15	40.153,56	-	-

The most significant transactions carried out during the financial year 2023, 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	CAD	AUD	JPY
Purchases and services received	1.558.734,00	1.125.362,00	63.256,25	7.091.212,00	868.629.281,95	295,13	1.312.529,16	482.766,54	80.540,14	343.311,13	-	1.164,49	1.321	1.690.200,00
Sales and services given	2.690.167,32	850.038,80	1.375,57	-	172.273.859,43	-	2.936.279,43	3.107.107,65	-	4.004,96	4.649,37	-	-	-

NOTE 14. TAX SITUATION

The following is the breakdown of the balances with the Tax Authorities as of December 31, 2024 and December 31, 2023, in euros:

	31/12/2024		31/12/2023	
	Receivable	**Payable**	**Receivable**	**Payable**
Non-current:				
Deferred Tax Assets	1.744.427,77	-	595.580,62	-
Deferred tax liabilities	-	23.596,61	-	25.162,21
	1.744.427,77	**23.596,61**	**595.580,62**	**25.162,21**
Current:				
Value Added Tax	67.619,46	371.689,66	32.162,58	296.269,27
Subsidies receivable (*)	1.874,02	-	1.089,00	-
Income Tax retentions	-	105.176,62	-	174.943,25
Company Tax	394.417,88	-	1.158.179,03	-
Social Security bodies	484,16	109.016,57	3.470,00	142.096,02
	464.395,52	**585.882,85**	**1.194.900,61**	**613.308,54**

The board of directors of Lleidanet PKI SL has reclassified the advance payments of the Corporate Tax for withholdings and analogous payments of the Corporate Tax of Spain made abroad as long-term. These withholdings can be applied to the corporate tax once the negative taxable bases from the fiscal years 2022 and 2023 have been exhausted. The company's business plan includes the recovery of these within a period of more than one year, after the utilization of the negative taxable bases.

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, 2024, the Group has open to tax inspection all the taxes to which it is subject from the financial year 2020 to the 2024 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 2024 of the Parent Company with the taxable income tax base is as follows:

		Profit and Loss Account	
Financial year's earnings (After taxes)			**1.090.119,36**
	Increases	*Decreases*	*Net effect*
Profit tax	-	**(62.375,51)**	**(62.375,51)**
Permanent differences	**226.353,70**	-	**226.353,70**
Compensation of negative taxable bases			**(1.000.000,00)**
Taxable income (tax result)			**254.097,54**

Permanent differences mainly correspond to impairments of investments and loans.

The conciliation of the net amount of income and expenses for the year 2023 of the Parent Company with the taxable income tax base is as follows:

		Profit and Loss Account	
Financial year's earnings (After taxes)			**(2.748.268,36)**
	Increases	*Decreases*	*Net effect*
Profit tax	-	**(104.399,12)**	**(104.399,12)**
Permanent differences	**1.738.964,65**	**(132.840,74)**	**1.606.123,91**
Taxable income (tax result)			**(1.246.543,57)**

Permanent differences mainly correspond to impairments of investments and loans.

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

	2024	**2023**
Charge at 25 % of Taxable Income	**63.524,39**	-
Deductions	(45.328,35)	-
Net tax payable	**18.196,04**	-
Less: withholdings and payments	(152.604,85)	(140,43)
Tax payable	**(134.408,81)**	**(140,43)**

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

	2024	**2023**
Current tax	(67.989,58)	(40.761,82)
Deferred tax	84.864,81	104.399,12
Total	**16.875,23**	**63.637,30**

The movement of deferred taxes generated and cancelled during the year 2024 is detailed below in euros:

	Balance at 31/12/2023	Generated	Cancelled	Other Movements	Balance at 31/12/2024
Deferred tax assets:					
Tax credits	75.271,14	-	(11.403,68)	-	63.867,46
Credits for deductions	520.309,48	107.878,85	(23.014,04)	-	605.174,23
Credits for foreign withholding tax	-	-	-	1.075.386,02	1.075.386,02
Total	**595.580,62**	**107.878,85**	**(34.417,72)**	**1.075.386,02**	**1.744.427,77**

The other movements correspond to the long-term reclassification of the subsidiary Lleidanet PKI SL, as noted in above.

The movement of deferred taxes generated and cancelled during financial year 2023 is detailed below in euros:

	Balance at 31/12/2022	Generated	Balance at 31/12/2023
Deferred tax assets:			
Tax credits	71.093,81	4.177,33	75.271,14
Credits for deductions	403.221,32	117.088,17	520.309,48
Total	**474.315,13**	**121.265,50**	**595.580,62**

As of December 31, 2024, the subsidiary Lleidanet PKI has the following payments pending to be applied as advance payments of the Corporate Tax for withholdings and analogous payments of the Corporate Tax of Spain made abroad:

Accrual year	Amount
2019	217.523,34
2020	274.448,55
2021	175.394,32
2022	77.656,87
2023	117.982,04
2024	212.380,90
Total	**1.075.386,02**

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.

At the end of the 2024 financial year, the Group has the following negative tax bases pending to be offset for an amount of 728.079,72 euros that have not been activated and correspond to the Dominant Company and Lleida.net PKI, S.L.U

Deductions I+D+i Pending Application

As of December 31, 2024, the Group has the following deductions for I+D+i to apply:

Origin Year	Amount
2008	62.780,44
2009	172.071,08
2010	181.164,26
2011	214.961,29
2012	344.112,78
2013	336.346,87
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	135.681,89
2021	169.030,63
2022	188.639,73
2023	131.105,51
2024	142.115,84
	3.396.278,76

The Board of Directors has decided to recognize of the group assets the pending deductions to be applied since the 2020 fiscal year. The period for utilizing these deductions is 15 immediate and successive years from their generation, except for those related to R&D and Technological Innovation, which have an 18-year period. The deductions corresponding to the years 2008 and 2009 are the last ones.

NOTE 15. INCOME AND EXPENSES

a) Income

1. *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)	2024 Euros	2024 %	2023 Euros	2023 %
Contracts	3.466	18,19%	3.073	18,63%
Notification	2.044	10,72%	1.640	9,94%
Other SaaS	2.847	14,94%	2.865	17,38%
ICX Wholesale Solutions	6.926	36,34%	5.583	33,85%
SMS Solutions	3.776	19,81%	3.330	20,19%
Total	**19.059**	**100,00%**	**16.491**	**100,00%**

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

Geographic market description	2024 Euros	2024 %	2023 Euros	2023 %
National	8.706.047,33	45,68%	8.659.086,03	52,51%
European Union	2.200.650,03	11,55%	3.510.498,57	21,29%
Rest of the World	8.152.745,33	42,78%	4.321.092,78	26,20%
Total	**19.059.442,69**	**100,00%**	**16.490.677,38**	**100,00%**

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

	Financial Year 2024	Financial Year 2023
Type of contract		
Fixed price contracts (*)	16.293.938,87	14.523.366,15
Variable contracts (**)	2.765.503,82	1.968.311,23
Total	**19.059.442,69**	**16.490.677,38**

(*) *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 2024	Financial Year 2023
Duration of contract		
Long-term contracts	19.059.442,69	16.490.677,38
Total (*)	**19.059.442,69**	**16.490.677.38**

(*) *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 2024	Financial Year 2023
Sales channels		
Distributors or wholesalers	779.717,26	1.579.639,53
Retailers (*)	325.490,49	840.720,66
Direct sales	17.954.234,94	14.070.317,19
Total	**19.059.442,69**	**16.490.677,38**

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

There are invoices to be issued, mainly for interconnection customer consumption in December 2024, which are invoices issued in January 2025.

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:

	2024	2023
Consumption of merchandise		
Domestics	3.303.802,72	3.271.889,34
Intra-Community Acquisitions	2.336.253,69	2.694.525,75
Imports	3.234.238,11	1.353.291,24
	8.874.294,52	**7.319.706,33**

c) Staff expenses

The composition of social charges as in the Profit and Loss Account are composed as follows, in euros:

	2024	2023
Company Social Security contributions	1.124.804,25	1.364.251,18
Other welfare costs	115.208,89	121.455,69
	1.240.013,14	**1.485.706,87**

In the 2023, a workforce adjustment file was carried out in the Parent Company , which affected seventeen employees, and its impact was recorded as severance payments under the heading of "Salaries and wages " The expenses for this concept had been paid by the close of the 2023 fiscal year. Additionally, there had been 5 layoffs between Colombia and Peru. The expenses for this concept had been paid at the end of the exercise 2023. The breakdown of the heading "Wages, salaries and similar" is as follows:

	2024	2023
Wages and Salaries	4.232.824,25	5.243.268,59
Several Pay	30.282,05	259.053,22
	4.263.106,30	**5.502.321,81**

d) Financial Results

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

	2024	2023
Financial incomes	**19.681,68**	**3.363,64**
Other financial incomes	19.681,68	3.363,64
Financial expenses	**(222.142,07)**	**(198.186,27)**
For debts with credit institutions	(222.142,07)	(198.186,27)
Exchange differences	(29.635,56)	(64.463,72)
Financial Result Positive / (Negative)	**(232.095,95)**	**(259.286,35)**

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

There have been no significant events, except for those mentioned above, from December 31, 2024 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 2024 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.	1.090.119,36		1.090.119,36	-
Lleidanetworks Serveis Telemàtics, LTD	3.078,00	100%	3.078,00	-
Lleidanet USA Inc	9.036,68	100%	9.036,68	-
Lleidanet Honduras, SA	-	70%	-	-
LLeidanet Dominicana, SRL	13.008,46	99,98%	13.005,86	2,60
Lleida SAS	39.545,07	100%	39.545,07	-
Lleida Chile SPA	(5.107,73)	100%	(5.107,73)	-
Lleidanet do Brasil Ltda	3.184,24	99,70%	3.174,69	9,57
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	-	100%	-	-
Lleidanet Costa Rica	(25,88)	100%	(25,88)	-
Lleidanet Perú	(77.685,64)	99,90%	(77.685,64)	(77,69)
Lleida Information Technology Network Services	(62.832,24)	49%	(30.787,79)	(32.044,45)
Lleidanet PKI SL (before Indenova, S.L.)	126.843,57	100%	126.843,57	-
	1.139.163,89		**1.171.196,19**	**(32.109,97)**

The following is the breakdown for the financial year 2023 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.	(2.748.268,37)		(2.748.268,37)	-
Lleidanetworks Serveis Telemàtics, LTD	14.838,00	100%	14.838,00	-
Lleidanet USA Inc	9.764,62	100%	9.764,62	-
Lleidanet Honduras, SA	-	70%	-	-
LLeidanet Dominicana, SRL	10.000,98	99,98%	9.998,97	2,00
Lleida SAS	(6.848,96)	100%	(6.848,96)	-
Lleida Chile SPA	(4.551,94)	100%	(4.551,94)	-
Lleidanet do Brasil Ltda	945,91	99,99%	945,81	0,08
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	1.262,16	100%	1.262,16	-
Lleidanet Costa Rica	(28,48)	100%	(28,48)	-
Lleidanet Perú	(124.537,31)	99,90%	(124.537,31)	-
Lleida Information Technology Network Services	(83.549,55)	49%	(40.939,28)	(42.610,27)
Lleidanet PKI SL (antes Indenova, S.L.)	(652.415,97)	100%	(652.415,97)	-
	(3.583.388,91)		**(3.540.780,75)**	**(42.608,19)**

The adjustments made to the Earnings associated to Parent Company in 2024 is as follows:

Individual earnings attributed to Parent Company	**1.171.196,19**
Consolidation adjustments:	
Reversal of impairment on receivables	191.065,10
Amortisation of goodwill Lleida.net PKI, S.L.	(447.310,02)
Total	**914.951,27**

The adjustments made to the Earnings associated to Parent Company in 2023 is as follows:

Individual earnings attributed to Parent Company	**(3.540.780,43)**
Consolidation adjustments:	
Reversal of credit impairment	1.376.587,60
Amortisation of goodwill Indenova, S.L.	(449.822,20)
Total	**(2.614.015,03)**

NOTE 19. LONG TERM PROVISIONS

The Group has an open administrative file, and a provision of 200 thousand euros was included in 2023, corresponding to the total amount of the proposed fine, which has been reclassified to short-term this year.

NOTE 20. TRANSACTIONS WITH RELATED PARTIES

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

The remuneration accrued during the financial year 2024 by the Board of Directors of the Parent Company amounted to 63.000 euros (99.000,00 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 366.336,85 euros (to 325.443,69 euros in the previous year). The detail for this amount is as follows, in euros:

	2024	**2023**
Wages and salaries	302.127,64	296.702,25
Payment in kind	24.209,21	28.741,44
Variable compensation provision	40.000,00	-
	366.336,85	**325.443,69**

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

As of December 31, 2024, and 2023, 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 21. OTHER INFORMATION

The average number of employees during fiscal 2024 and 2023, distributed by category and gender, is as follows:

	2024	2023
Senior Executives	3	3
Administration	7,25	8,13
Commercial	16,92	27,75
Production	81,99	96,60
Maintenance	0,88	0,88
Reception	8,17	8,17
Business development	8,93	10,47
Compliance	4,32	6,94
Human Resources	2	3,50
Intellectual Property	1	1
TOTAL	**134,46**	**166,44**

The distribution of the Group's employees at the end of fiscal year 2024, by category and gender, is as follows:

	2024			
	Men	Women	Total	Disability greater t han or equal to 33%
Senior Executives	1	2	3	-
Administration	3	6	9	1
Commercial	7	9	16	1
Production	62	15	77	-
Maintenance	-	2	2	-
Reception	2	6	8	-
Business development	3	5	8	-
Compliance	1	3	4	-
Human Resources	-	2	2	-
Intellectual Property	1	-	1	-
TOTAL	**80**	**50**	**130**	**2**

The distribution of the Group's employees at the end of fiscal 2023, by category and gender, was as follows:

	2023			
	Men	**Women**	**Total**	**Disability greater than or equal to 33%**
Senior Executives	1	2	3	-
Administration	3	5	8	1
Commercial	8	13	21	1
Production	72	17	89	-
Maintenance	-	2	2	-
Reception	1	6	7	-
Business development	3	5	8	-
Compliance	1	4	5	-
Human Resources	-	2	2	-
Intellectual Property	1	-	1	-
TOTAL	**90**	**56**	**146**	**2**

The breakdown of the audit fees for the financial years 2024 and 2023 is as follows:

	2024	2023
Audit fees for audit services (individual and consolidated):	33.800	32.475
Fees of the auditor for rendering audit services (other group companies)	12.400	11.965
Audit fees for other services (*)	26.750	25.700
Total	**72.950**	**70.140**

(*) The amount of fees for other services corresponded to the verification corresponding to the limited review of the interim financial consolidated statements as at 30 June 2024 and 30 June 2023.

It is reported that during the year the Group has paid the premium corresponding to the civil liability policy that would eventually cover damages caused to third parties due to acts or omissions related to the performance of its functions. The premium amounted to 76.942,52 euros (76.942,52 euros in the previous year).

NOTE 22. GOODWILL ON CONSOLIDATION

Details of goodwill in consolidation at year-end 2024 are as follows, in euros:

	Cost 31/12/2024	Amortisation 31/12/2024	Impairment 31/12/2024	Net Value 31/12/2024
Cost:				
Lleidanet PKI SL (antes Indenova, S.L.)	4.688.429,58	(1.444.115,67)	(190.207,60)	3.054.106,31
Goodwill on consolidation	**4.688.429,58**	**(1.444.115,67)**	**(190.207,60)**	**3.054.106,31**

The detail of the existing consolidation goodwill at the end of the 2023 financial year is as follows, in euros:

	Cost 31/12/2023	Amortisation 31/12/2023	Impairment 31/12/2023	Net Value 31/12/2023
Cost:				
Lleidanet PKI SL (antes Indenova, S.L.)	4.668.429,58	(996.805,65)	(190.207,60)	3.501.416,33
Goodwill on consolidation	**4.688.429,58**	**(996.805,65)**	**(190.207,60)**	**3.501.416,33**

The Board of Directors of the Parent Company has conducted an analysis of the recoverability of the aforementioned consolidation goodwill, utilizing cash flows based on sales projections for the period 2025-2028. According to Management, these projections are based on the budget for 2025, the degree of compliance with it as of the date of preparation of these Consolidated Financial Statements, and Management's best expectations for the business until 2028 for the corresponding analysis of potential impairments as of December 31, 2024. A sales growth of 8.8%, 16.7%, 14.2%, and 14% has been estimated for each of the subsequent four years.

Furthermore, the cash flows have been discounted using the average cost of capital after taxes. The discount rate used has been 10,64%, and a perpetual income of 2% has been estimated.

In light of the above, the Board of Directors of the Parent Company has decided not to impair the consolidation goodwill in the current fiscal year based on the expected cash flow generation for the upcoming years from this subsidiary.

In the fiscal year 2022, the Board of Directors of the Parent Company considered impairing the consolidation goodwill by an amount of 190 thousand euros (see Note 5).

GROUP LLEIDANETWORS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2024

GROUP LLEIDANETWORS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2024

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 2024.

1. EVOLUTION OF RESULT AND NET TURNOVER

The year 2024 has been a year of transition for the Lleida.net group.

Sales by business line thousand euros	2023	2024	Var. Euros	Var.%
Contracts	3.073	3.466	393	13%
Notification	1.640	2.044	404	25%
Other SaaS	2.865	2.847	(18)	-1%
SMS Solutions	3.330	3.776	446	13%
ICX WHOLESALE Solutions	5.583	6.926	1.343	24%
Total	**16.491**	**19.059**	**2.568**	**16%**

The main business lines of the group have experienced double-digit percentage growth, reflecting the efforts made by the entire Lleida.net team to reverse the situation from the previous year.

- The Wholesale market, which encompasses SMS traffic with major global aggregators and operators, has grown by 24%, reaching 6,9 million euros. Lleida.net has a strong brand presence in the sector, with growth coming from both the number of units sold and the increase in prices for the destinations of the SMS traffic.

- The commercial sales market for SMS Solutions, which includes sales of SMS to end clients, has increased by 446 thousand euros compared to 2023, driven by increased consumption from recurring clients as well as the acquisition of new accounts, boosted by the viability of our products.

- The contracting line has increased its sales by 13% to 3,5 million euros. The new functionalities of the standard circuits we have developed have allowed us to attract new clients, as well as increase the average invoicing of recurring clients.

- The notification line has grown by over 25% compared to 2023, surpassing €2 million. In 2023, sales were significantly affected by the interruption of national postal mail in Colombia, 472. However, the sales teams have managed to recover the previous sales volume by acquiring new clients. This allows us to have more diversified sales in this business line.

- The only line that remains stable, with a slight decrease of 18,000 euros, is the other SaaS line.

Data in thousand euros	2023	2024	Var. Euros	Var.%
Sales	16.491	19.059	2.568	16%
Cost of sales	(7.320)	(8.874)	1.554	21%
Gross Profit	**9.171**	**10.185**	**1.014**	**11%**
Staff Expenses	(6.748)	(5.473)	(1.275)	-19%
Other expenses	(3.202)	(2.502)	(700)	-22%
Capitalization	863	1.030	167	19%
EBITDA	**84**	**3.240**	**3.156**	**3757%**
Other incomes	79	58	(21)	-27%
Depreciation	(2.124)	(2.077)	(47)	-2%
Results on disposals	(64)	(83)	19	30%
Other results	(196)	(9)	(187)	-95%
Severance pay	(240)	(30)	(210)	-88%
Operating Result	**(2.461)**	**1.099**	**3.560**	**145%**
Financial income	(195)	(203)	8	4%
Exchange rate differences	(64)	(30)	(34)	-53%
Profit before tax	**(2.720)**	**866**	**3.586**	**132%**
Taxes	63	17	(46)	-73%
Profit after tax	**(2.657)**	**883**	**3.540**	**133%**

The Lleida.net group has managed to reverse the losses of 2,7 million from the previous year and achieve a post-tax profit of 888 thousand euros, representing an increase of 133%. The 16% increase in sales has translated into an 11% increase in gross margin, an additional million compared to 2023. The cost adjustments that were made have resulted in obtaining an EBITDA of 3,2 million euros.

In 2023, the Group undertook a workforce regulation file in its parent company that led to a reduction of its workforce by 17 people. Additionally, layoffs were carried out in both Peru and Colombia. In 2024, the adjustment of the workforce continued in the Lleida.net PKI subsidiary, with the dismissal of 5 people. The reduction in staff has involved processes of automation and internal process optimization, which has allowed the Group to achieve its set objectives.

Likewise, all group expenses were reviewed, subsidiaries were closed, office virtualization was carried out, as well as a reduction in travel, trade fairs, and external advisor expenses, resulting in a decrease in external service costs of 700 thousand euros, 22% lower compared to 2023.

The Lleida.net group continues to innovate in its products, forming the basis for growth in future years. This fiscal year, the company has invested one million euros, which is reflected in the income statement.

The increase in sales, along with cost containment, has allowed EBITDA to grow by 3.757% compared to 2023, ending the 2024 fiscal year at 3,2 million euros compared to 84 thousand euros in 2023.

Operating income is positive at 1.1 million euros, 145% higher than the figures for 2023, resulting from the increase in EBITDA as well as the lower amount of severance payments and other results.

Financial results remain in line with 2023, only 8 thousand euros higher, due to the increase in interest rates on the short-term financial policies maintained by the Group. The long-term financing that the group has is primarily at fixed rates, with monthly amortizations, and at interest rates lower than the current Euribor.

The result before taxes of 866 thousand euros reflects a shift in trend compared to the exceptional situation experienced in 2023 when losses reached 2,7 million euros. The recovery plan of the Lleida.net group encompasses the 2024 and 2025 fiscal years, during which we will continue with corrective measures for cost control, as well as pursue the strategy of standardizing products and verticals, and geographical sales focus.

2. SUBSEQUENT EVENTS

After December 31, 2024, 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 of the financial statements and the previous section, which reveal circumstances that already existed as of December 31, 2024 and which, due to the importance of their economic impact, should result in adjustments to the Financial Statements or modifications to the information contained in the explanatory notes.

There are also no other subsequent events, different from those already mentioned in the explanatory notes, that demonstrate conditions that did not exist as of December 31, 2024 and that are of such importance that they require additional information in the explanatory notes of the annual accounts.

3. PROBABLE EVOLUTION OF THE GROUP

Following the expense adjustments made within the group, both due to personnel departures resulting from the labor force layoffs carried out in December 2023 at the parent company, as well as the dismissals carried out in the companies across Latin America, and the review of all expense items, the group has returned to a path of profitability. Sales forecasts are optimistic, maintaining growth with current clients through cross-selling, as well as acquiring new accounts that allow us to diversify our risk. Increases in sales will come from higher consumption by recurring customers, the acquisition of new accounts, as well as the marketing of new hybrid products developed in collaboration with the technology of Lleida.net PKI, S.L.U.

4. RESEARCH ACTIVITIES

In the 2024 financial year, the Group has invested 1.030 thousand euros in research activities primarily focused on the Group's certification line and hybrid products, along with the technology from Lleida.net PKI, S.L.U.

5. OPERATIONS WITH OWN SHARES

According to the regulations of BME Growth and Euronext Growth, the company signed a liquidity agreement with the placement bank for its market debut. This agreement establishes both the delivery of a certain amount of own shares, as well as the deposit of a cash amount. The objective of this contract is to allow investors to trade the company's shares, ensuring that anyone interested has the possibility to buy or sell shares.

As of December 31, 2024, the company had 203.360 shares with a valuation on that date of 205.051,35 euros, representing 1.26% of the shares of Lleidanetworks Serveis Telemàtics, S.A.

6. FINANCIAL INSTRUMENTS

During 2024, the Group is not exposed to significant exchange rate risk, so it does not carry out operations with financial instruments of exchange rate.

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

In the face of global uncertainty situations, such as the spread of COVID-19, the Group has managed to secure the collaboration of financial institutions for the signing of new financing agreements both in the short and long term.

The main exchange rate risks that the Group faces are with the dollar and the Colombian currency (COP). The group does not currently operate with exchange rate insurance, although this is a variable that is being analysed for the future. The risk is low in the group, as we have expenses and income in these currencies, so we use current accounts in these currencies to be able to meet payments in foreign currency with receipts in foreign currency. When we have a currency shortfall, we go to the spot market, always analysing the currency's evolution a month in advance to take advantage of the best time for the exchange.

7. DEFERMENT OF PAYMENT TO SUPPLIERS

Information concerning deferrals of payments to suppliers is shown in the Financial Statements in Note 10. During the year 2024, the Group has increased the payment term to its suppliers compared to the year 2023, negotiating in most cases the extensions of the term. The operations pending payment at the end of the year have a period of less than 30 days. To reduce the term, the Group has negotiated payment lines with banking entities, as well as longer payment terms with certain suppliers. The expected cash generation for 2025 will allow for a reduction in the payment terms in the new year.

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PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS AND DIRECTOR'S REPORT

In compliance with company law, the Board of Directors of **LLEIDANETWORS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES** draw up the Consolidated Annual Accounts and the Consolidated Director's Report for the financial year 2024, which comprises the attached pages number 1 to 62.

Lleida, March 28th, 2025
The Board of Directors

Firmado digitalmente por 40897755Y FRANCISCO JOSE SAPENA (R:A25345331)

Mr. Francisco Sapena Soler
Chairman and Chief Executive Officer

MARCOS GALLARDO MESEGUER

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Mr. Marcos Gallardo Meseguer
Secretary

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Mr. Miguel Pérez Subias
Independent Director

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Mr. Antonio López del Castillo
Independent Director

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Mr. Jordi Carbonell i Sebarroja
Independent Director

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Mrs. Arrate María Usandizaga Ruíz
Executive Director

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D. Jorge Sainz de Vicuña
Independent Director

BEATRIZ CARMEN GARCIA TORRE - DNI 43749850D

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Mrs. Beatriz García Torre
Executive Director

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