Lleida.net
La Primera Operadora Certificadora

ES https://investors.lleida.net/docs/es/20250428_HRelev.pdf

Lleida, 28 April 2025

Other Relevant Event:

Comparison with data from 2023, presentation audit and consolidated accounts 2024, presentation audit and individual parent company accounts 2024, and presentation organizational structure.

Under the provisions of Article 17 of Regulation (EU) No. 596/2014 on market abuse and Article 227 of Law 6/2023 of 17 March on Stock Markets and Investment Services, and concordant provisions, and in accordance with Circular 3/2020 of the BME Growth segment of BME MTF Equity (hereinafter “BME Growth”), the following information is made available to the Market regarding Lleidanetworks Serveis Telemàtics, S. A (hereinafter the “Company” or “Lleida.net” or the “Company”, or “the Group”) prepared under the exclusive responsibility of the issuer and its administrators.

On 4 February 2025, the Company published a Relevant Event, a preview of the leading figures of the Company's P&L and consolidated debt. This preview was drawn up based on the available accounting information.

As of today, the following documents are provided to complement that information:

- Audit Report and Consolidated Annual Accounts for 2024
- Audits Report and Individual annual accounts for the financial year 2024.
- Report on Organisational Structure and Internal Control System

We are available for any clarifications needed.

Sincerely,
Francisco Sapena Soler
CEO of Lleida.net

Firmado digitalmente por 40897755Y FRANCISCO JOSE SAPENA (R: ESA25345331)

ES https://investors.lleida.net/docs/es/20250428_HRelev.pdf

Highlights from the Lleida.net Group's 2024 financial year

On 4 February 2025, the Lleida.net Group published a preliminary set of results based on the provisional figures available at that time. Following the audit of the company's accounts, we now provide a reconciliation between the preliminary figures and those formally approved in the audited consolidated financial statements by the Board of Directors.

Figures in thousands of euros Consolidated	**Preliminary Relevant Event**	**Audited FS 2024**	**YoY. €**	**YoY %**
Sales	19,059	19,059	0	0
Sales costs	(8,913)	(8,874)	(39)	(0%)
Gross Margin	**10,146**	**10,185**	**39**	0
% Gross margin	*53.23%*	*53.44%*		
Personnel expenses	(5,471)	(5,473)	2	(0%)
External Services	(2,415)	(2,502)	87	4%
EBITDA W/OUT CAPITALIZATIONS	2,260	2,210	**(50)**	-2%
% of Gross margin	*-8%*	*22%*		
Capitalizations	1,009	1,030	21	2%
EBITDA	3,269	3,240	**(29)**	-1%
% of Gross margin	*32%*	*32%*		
Depreciation	(2,106)	(2,077)	(29)	(1%)
Other incomes	56	58	2	0
Other earnings	(7)	(9)	(2)	0
Compensations	(32)	(30)	2	(6%)
Provisions for Trade Receivables	(140)	(83)	57	(41%)
Ordinary result	**1,040**	**1,099**	**59**	(6%)
Net Financial Debt	(203)	(203)	0	0
Exchange Rate Differences	3	(30)	(33)	(1,100%)
Earnings before Tax	**840**	**866**	**26**	(3%)

The differences between the preliminary and final figures are immaterial and relate primarily to a reclassification of expenditure between external services and purchases.

Year-on-Year Comparison with 2023:

Figures in thousands of euros	**2023**	**2024**	**YoY. €**	**YoY %**
Sales	16,491	19,059	2,568	16%
Sale costs	(7,320)	(8,874)	1,554	21%
Gross Margin	**9,171**	**10,185**	**1,014**	11%
Personnel expenses	(6,748)	(5,473)	(1,275)	-19%
External Services	(3,202)	(2,502)	(700)	-22%
Capitalisations	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%
Losses for Impairment and change	(64)	(83)	19	30%
Other results	(196)	(9)	(187)	-95%
Compensations	(240)	(30)	(210)	-88%
Operating Profit	**(2,461)**	**1,099**	**3,560**	145%
Net Financial Debt	(195)	(203)	8	4%
Exchange Rate Differences	(64)	(30)	(34)	-53%
Earnings before Tax	**(2,720)**	**866**	**3,586**	132%
Taxes	63	17	(46)	-73%
Earnings before Tax	**(2,657)**	**883**	**3,540**	133%

The Group increased its sales by over €2.5 million, equivalent to a 16% rise. Double-digit growth was recorded across almost all business lines, including a 24% increase in SMS Wholesale revenues (€1.3 million more than in 2023) and a 25% increase in the Notification business line.

Sales per business line Thousands euros

	2023	**2024**	**YoY. €**	**YoY %**
Contracting	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 Wholesale market—comprising SMS traffic routed through global aggregators and operators—grew by 24%, reaching €6.9 million. Lleida.net enjoys strong brand recognition within the sector. Growth is driven by higher SMS volumes and increased pricing for destination routes.

The Commercial SMS Solutions line (SMS to end users) grew by €446k due to higher consumption from existing customers and the onboarding of new clients, driven by product viability and market demand.

Notification services exceeded €2 million, marking a growth rate above 25% compared to 2023. In 2023, sales were adversely affected by the disruption of Colombia's domestic postal services (Colombia 472). However, Commercial teams have since restored prior volumes through new client acquisition, improving diversification in this segment. As a result, revenue in this line has become more diversified.

The Contracting business line grew by 13%, reaching €3.5 million. Newly developed standard workflows have enabled the acquisition of new clients and increased the average billing of existing customers.

The only segment that remained broadly unchanged compared to 2023 was the 'Other SaaS' line, which closed the year with revenues €18k lower than in the prior year. Growth across this segment is uneven: BPM and Signature products expanded, while validation services (especially those linked to Spanish portability sales) declined.

Gross margin over sales for 2024 stood at 53.44%, compared to 55.61% in 2023. The decline is attributable to the increased proportion of SMS-related revenue within the overall sales mix. Despite this, the increase in revenue enabled consolidated gross margin to reach €10.2 million, representing 11% growth year-on-year.

In 2023, the Group implemented a comprehensive recovery plan that included strict cost-containment measures in staffing and outsourced services.
Staff-related expenses were reduced via a redundancy plan (ERE) implemented at the parent company in late 2023, combined with individual dismissals across Group subsidiaries in both 2023 and 2024. The average Group headcount at year-end 2024 was 134 employees, a 24% decrease from 2023. Resource optimisation and process automation led to a €1.3 million reduction in costs
As part of the recovery plan, all external service costs were reviewed. Physical offices abroad were closed, contracts with external advisers were discontinued, and investment in trade fairs and business travel was streamlined. As a result, external service expenses fell by 22%, representing a €700,000 reduction.

The combination of revenue growth and cost optimisation enabled the Group to significantly improve its EBITDA, reaching €3.2 million in 2024, up from €84,000 in 2023. The Group returned to profitability in the first year of its recovery plan.
Operating profit stood at €1.1 million, compared to a €2.5 million loss in 2023.
Profit before tax reached €883k, an improvement of €3.5 million over the previous year.

Consolidated balance Thousands of euros	**31/12/2023**	**31/12/2024**	**YoY. €**	**YoY %**
NON-CURRENT ASSETS	**10,759**	**11,054**	**295**	**3%**
Intangible fixed assets	9,537	8,820	(717)	-8%
Tangible fix assets	535	396	(139)	-26%
Long-term financial investments	91	94	3	3%
Deferred tax assets	596	1,744	1,148	193%
TOTAL CURRENT ASSETS	**6,810**	**6,468**	**(342)**	**-5%**
Trade receivables and other accounts receivable	5,147	5,158	11	0%
Short term financial investments	362	42	(320)	-88%
Short terms accruals	284	286	2	1%
Cash and other equivalent liquid assets	1,017	982	(35)	-3%
TOTAL ASSETS	**17,569**	**17,522**	**(47)**	**0%**

	31/12/2023	**31/12/2024**	**YoY. €**	**YoY %**
TOTAL EQUITY	**2,958**	**4,063**	**1,105**	**37%**
Equity	3,020	4,235	1,215	40%
Conversion differences	64	-2	(66)	-103%
Minority Interests	-126	-170	(44)	35%
NON-CURRENT LIABILITIES	**5,706**	**3,728**	**(1,978)**	**-35%**
Length term provisions	200	9	(191)	
Long term debts	5,481	3,695	(1,786)	-33%
Deferred tax assets	25	24	(1)	-4%
TOTAL CURRENT LIABILITIES	**8,905**	**9,731**	**826**	**9%**
Short term provisions	40	217	177	443%
Short term debts	5,357	4,748	(609)	-11%
Trade payables and other accounts payable	3,279	4,464	1,185	36%
Accruals and Deferrals	229	302	73	32%
TOTAL EQUITY AND LIABILITIES	**17,569**	**17,522**	**(47)**	**0%**

Intangible assets declined due to the amortisation of goodwill and a lower level of capitalised development costs relative to amortisation recognised during the year. The Group maintained its commitment to innovation, investing €1 million in R&D during the period.
Changes in tangible fixed assets were minimal and attributable to regular depreciation.
Deferred tax assets increased due to tax withholdings applied to Group subsidiaries in foreign jurisdictions. These amounts are expected to be recovered over the long term via corporate tax filings and have been recognised accordingly.

Trade receivables remained broadly consistent with the prior year
The Group's total available liquidity (cash and short-term investments) decreased by €355,000, primarily as a result of loan repayments.

Equity rose by 37%, driven by the 2024 net profit and a reduction in treasury shares.
Trade and other payables increased by 36%, reflecting higher procurement volumes required to support the growth in sales.
Financial debt decreased from €10.8 million at year-end 2023 to €8.4 million.
This includes amounts payable to former shareholders of Lleida.net PKI S.L. (formerly Indenova S.L.) under outstanding loan agreements and deferred payments (regardless of whether settled in cash or shares).

Figures in thousands of euros	**31/12/2023**	**31/12/2024**
Long term debts	5,481	3,695
Short term debts	5,357	4,748
Total debt	**10,838**	**8,443**
Short term financial investments	362	42
Cash and other equivalent liquid assets	1,017	982
Total available	**1,379**	**1,024**
Net financial debt (NFT)	**9,459**	**7,419**

In the 4 February 2025 preliminary results release, net financial debt was reported at €7.4 million — a figure now confirmed in the audited consolidated financial statements. The net financial debt to EBITDA ratio has improved substantially, standing at 2.29x in 2024, compared to 112x at the end of 2023.

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

LLEIDANET SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARY COMPANIES

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

BDO

Tel: +34 932 003 233
www.bdo.es

San Elías 29-35, 8ª pl.
08006 Barcelona
España

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.

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) <u>Tangible Fixed Assets</u>

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) Financial Assets at Fair Value through Shareholders' Equity

Corresponds to an investment made by the Group in previous years in IBAN Wallet, a global platform, which links investors and loan applicants, with leading rates for both. The investment amounts to 10.497,91 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**	**:.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	.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		2023	
	Euros	%	Euros	%
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		2023	
	Euros	%	Euros	%
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.

* * * * * * * * * * * *

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

Firmado digitalmente por MARCOS GALLARDO MESEGUER
Fecha: 2025.03.28 18:05:56 +01'00'

Mr. Marcos Gallardo Meseguer
Secretary

PEREZ SUBIAS MIGUEL - 17147802Z

Firmado digitalmente por PEREZ SUBIAS MIGUEL - 17147802Z
Fecha: 2025.03.28 15:25:08 +01'00'

Mr. Miguel Pérez Subias
Independent Director

Firmado digitalmente por LOPEZ DEL CASTILLO, ANTONIO (AUTENTICACIÓN)
Fecha: 2025.03.28 17:44:46 +01'00'

Mr. Antonio López del Castillo
Independent Director

Firmado por CARBONELL SEBARROJA JORDI - ***9668** el día 28/03/2025
con un certificado emitido por AC FNMT Usuarios

Mr. Jordi Carbonell i Sebarroja
Independent Director

USANDIZAGA RUIZ ARRATE MARIA - 44558454W

Firmado digitalmente por USANDIZAGA RUIZ ARRATE MARIA - 44558454W
Fecha: 2025.03.28 15:02:11 +01'00'

Mrs. Arrate María Usandizaga Ruíz
Executive Director

Firmado por SAINZ DE VICUÑA BARROSO JORGE - ***1181** el día 28/03/2025 con un certificado emitido por AC FNMT Usuarios

D. Jorge Sainz de Vicuña
Independent Director

BEATRIZ CARMEN GARCIA TORRE - DNI 43749850D

Firmado digitalmente por BEATRIZ CARMEN GARCIA TORRE - DNI 43749850D
Fecha: 2025.03.28 15:15:01 +01'00'

Mrs. Beatriz García Torre
Executive Director

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

Annual Accounts and Director's Report for financial year 2024 together with the Audit Report on Annual Accounts issued by an Independent Auditor

(FREE TRANSLATION OF THE ACCOUNTS ORIGINALLY ISSUED IN SPANISH.IN THE EVENT OF DISCREPANCY, THE SPANISH LANGUAGE VERSION PREVAILS)

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

Annual Accounts and Director's Report
for financial year 2024 together with
the Audit Report on Annual Accounts
issued by an Independent Auditor

AUDIT REPORT ON ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2024:

- Balance Sheets as of December 31, 2024 and 2023
- Profit and Loss Accounts for the financial years 2024 and 2023
- Statement of Changes in Partner's Equity for the financial years 2024 and 2023
- Cash-Flow Statement for the financial years 2024 and 2023
- Notes to the accounts for the financial year 2024

DIRECTOR'S REPORT FOR FINANCIAL YEAR 2024

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

AUDIT REPORT ON THE ANNUAL ACCOUNTS
ISSUED BY AN INDEPENDENT AUDITOR

BDO

Tel: +34 932 003 233
www.bdo.es

San Elías 29-35, 8ª pl.
08006 Barcelona
España

Audit report on the annual accounts issued by an independent auditor

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

Report on the annual accounts

Opinion

We have audited the annual accounts of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** (the Company), which comprise the balance sheet as of December 31, 2024, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the annual accounts for the year then ended.

In our opinion, the accompanying annual accounts give, in all material respects, a true and fair view of the Company's equity and financial position as of December 31, 2024, as well as its results and cash flows for the financial year then ended, in accordance with the application of the regulatory framework of financial information (identified in note 2.a of the annual accounts) and, in particular, with the accounting principles and criteria contained therein.

Basis of opinion

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

We are independent from the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the annual accounts 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 matters

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

Key audit matters	Audit response
Valuation of capitalized research expenditures As described in notes 4.a. and 5 to the accompanying notes, the Company presents in the balance sheet intangible assets for expenses on research and development projects amounting to 2.035 thousand. These expenses must be specifically individualised by project and have a sound basis for economic-commercial profitability, among other requirements in order to be capitalized in the Company's balance sheet. In addition, the evaluation by the Company's management and directors of their recoverable value and possible need for impairment involves value judgements and estimates. For these reasons, we have considered the valuation of these assets as a key audit matter in our audit.	We have carried out the following audit procedures, among others: - Understanding of the policies and procedures applied by the Company 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 breakdown of the carrying amount of research and development expenditure by project and have analysed the reasonableness of their recoverable value by reviewing the reasonableness of the assumptions, reviewing the arithmetic calculation, analysing the sales projections, their profitability and verifying the deviations that occurred in past estimates. - We have verified the correct amortization of the different projects capitalised on the basis of their useful life. - Finally, we have verified that the notes to the accompanying annual accounts include the disclosures of related information required by the applicable financial reporting framework. In this regard, Notes 4.a and 5 of the attached report include the aforementioned information breakdowns.
Valuation of investments, loans and balances with group companies As described in notes 4.d, 8, 9 and 19 to the accompanying notes to the annual accounts, investments in group companies together with the balances of group customers and other investments represent, on an aggregate basis, 47% of the Company's total assets. We focus on this area, due to the amount of its net book value over the total assets of said investments, credits and balances, and because the evaluation by the management and the Directors of the Company of its recoverable value implies the execution of value judgments and important estimates, mainly on the results, discount rate, calculation methodology, and future flows of the investee companies. For these reasons, we have considered the valuation of investments and loans with group companies as a key matter in our audit.	We have carried out, among others, the following audit procedures: - Understanding of the policies and procedures applied by the Company in respect of the valuation of investments and balances with group companies. - We analysed the evolution of the investments in group companies, loans and balances of the various subsidiaries during the year. - We have analysed the existence of signs of impairment of investments in group companies by comparing the net book value of the investment with the net book value of the subsidiaries' financial statements and, where appropriate, through the analysis of the business plan and discounted cash flows. - We have reviewed the impairment test provided by analysing the assumptions contained therein, the methodology applied, the reasonableness of the discount rate used and the reasonableness of the calculations as well as the business plans of the different subsidiaries, to determine the reasonableness of future cash flows in the current forecasts. - We have assessed whether events up to the date of the audit report provide audit evidence regarding the estimates made. - Finally, we have verified that the notes to the accompanying annual accounts include the disclosures of related information required by the applicable financial reporting framework. In this regard, Notes 4 d), 8, 9 and 19 of the attached report include the aforementioned information breakdown.

Other information: Directors' report

The other information comprises exclusively the directors' report for the financial year 2024, the draw up of which is the responsibility of the Board of Directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility for the directors' report, as required by the regulations governing the audit activity, is to assess and report on the consistency of the directors' report with the annual accounts, based on our knowledge of the Entity obtained in the course of the audit of the annual accounts, and to assess and report on whether the content and presentation of the 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 directors' report agrees with that in the annual accounts for financial year 2024 and its content and presentation are in accordance with the applicable regulations.

The responsibility of the Board of Directors and the Audit Committee of the annual accounts

The Board of Directors are responsible for drawing up the accompanying annual accounts so that they give a true image of the equity, the financial situation and the 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 annual accounts free of material misstatement, due to fraud or error.

In the preparation of the annual accounts, the Board of Directors 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 Board of Directors intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

The audit committee is responsible for supervising the preparation and presentation of the annual accounts.

The auditor's responsibility for the audit of the annual accounts

Our objectives are to obtain reasonable assurance that the annual accounts 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 annual accounts.

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 annual accounts, 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, and not for the purpose of expressing an opinion on the effectiveness of the internal control of the Entity.

- We evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and disclosures by the Board of Directors.

- We conclude whether the use, by the Board of Directors, of the accounting principle of the Company 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 Company 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 annual accounts 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 Company to cease to be a going concern.

- We evaluate the overall presentation, structure and content of the annual accounts, including the disclosures and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the 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 Company's audit committee with a statement that we have complied with ethics requirements regarding independence and have communicated with the audit committee to report those matters that reasonably could 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 audit committee, we determine those that have been of the greatest significance in the audit of the annual accounts for the current period and that are, consequently, the key matters 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 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, starting 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 Company has been a Public Interest Entity (PIE) since 2015.

Services provided

The services, other than the audit of accounts, provided to the Company are detailed in Note 20 to the annual accounts.

BDO Auditores, S.L.P. (ROAC S1273)

Ramón Roger (ROAC 16.887)
Audit Partner

April 25th, 2025

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2024

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023

(Stated in Euros)

ASSETS	Notes to the Annual Accounts	31/12/2024	31/12/2023
NON-CURRENT ASSETS		**10.550.825,06**	**10.788.459,33**
Intangible assets	**Note 5**	**3.508.597,89**	**3.533.994,19**
Research		2.035.113,96	2.058.330,60
Patents, licenses, trademarks and similar		809.063,09	757.911,63
Computer applications		149.503,45	132.386,06
Other intangible assets		514.917,39	585.365,90
Tangible fixed assets	**Note 6**	**360.403,21**	**473.750,72**
Land and buildings		138.303,11	143.440,41
Technical installations and other tangible fixed assets		164.719,50	272.929,71
Tangible assets in progress		57.380,60	57.380,60
Long-term investments in group and affiliated companies		**6.027.339,63**	**6.215.413,90**
Equity instruments	Note 9	5.009.265,28	5.009.265,28
Loans to companies	Notes 8.2 and 19.1	1.018.074,35	1.206.148,62
Long-term financial investments		**49.310,04**	**44.991,04**
Equity instruments	Note 8.3	10.197,40	10.197,40
Other financial assets	Note 8.2	39.112,64	34.793,64
Deferred Tax Assets	**Note 15**	**605.174,29**	**520.309,48**
CURRENT ASSETS		**5.597.282,30**	**4.674.000,18**
Trade and other receivables		**3.653.182,26**	**3.254.877,06**
Client receivables for sales and services	Note 8.2	3.131.143,24	2.424.901,12
Clients of the Group and affiliated companies	Notes 8.2 and 19.1	302.325,76	702.232,04
Sundry debtors	Note 8.2	82.754,62	83.176,98
Staff	Note 8.2	836,19	-
Current tax assets	Note 15	134.549,24	40.007,92
Other receivables from Public Authorities	Note 15	1.573,21	4.559,00
Short-term investments in group and affiliated companies	**Notes 8.2 and 19.1**	**1.248.598,60**	**485.801,18**
Loans to companies		1.248.598,60	485.801,18
Short-term financial investments	**Note 8.2**	**42.000,64**	**362.373,00**
Other financial assets		42.000,64	362.373,00
Short-term accruals		**249.562,02**	**242.948,75**
Cash and cash equivalents	**Note 8.1**	**403.938,78**	**328.000,19**
Cash		403.938,78	328.000,19
TOTAL ASSETS		**16.148.107,36**	**15.462.459,51**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

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

EQUITY AND LIABILITIES	Notes to the Annual Accounts	31/12/2024	31/12/2023
EQUITY		**4.336.269,36**	**2.954.368,29**
Equity		**4.336.269,36**	**2.954.368,29**
Capital	**Note 13.1**	**320.998,86**	**320.998,86**
Share Capital		320.998,86	320.998,86
Issue premium	**Note 13.3**	**5.244.344,28**	**5.244.344,28**
Reserves	**Note 13.2**	**1.677.578,53**	**2.628.803,65**
Legal and statutory		64.199,77	64.199,77
Other Reserves		1.613.378,76	2.564.603,88
(Shares and own holdings in equity)	**Note 13.4**	**(205.051,35)**	**(1.448.058,18)**
Retained earnings		**(3.791.720,32)**	**(1.043.451,96)**
Financial year's earnings		**1.090.119,36**	**(2.748.268,36)**
NON-CURRENT LIABILITIES		**3.457.955,04**	**5.260.440,53**
Long-term provisions	**Note 17**	**8.474,45**	**200.000,00**
Long-term debts		**3.449.480,59**	**5.060.440,53**
Debts with credit institutions	Note 10.1	2.963.596,26	4.070.917,70
Other financial liabilities	Note 10.2	485.884,33	989.522,83
CURRENT LIABILITIES		**8.353.882,96**	**7.247.650,69**
Short-term provisions		**217.604,61**	**40.325,36**
Short-term debts		**4.091.298,88**	**4.270.099,32**
Debts with credit institutions	Note 10.1	3.349.888,05	3.556.264,52
Other financial liabilities	Note 10.2	741.410,83	713.834,80
Trade and other payables		**4.044.834,31**	**2.937.226,01**
Suppliers	Note 10.1	2.746.066,99	1.831.102,39
Suppliers, group and affiliated companies	Note 10.1 and 19.1	349.239,74	238.463,03
Sundry creditors	Note 10.1	484.573,97	230.818,10
Personnel (outstanding salaries)	Note 10.1	40.000,00	1.229,00
Other debts with Public Authorities	Note 15	213.817,21	361.825,36
Advances from clients	Note 10.1	211.136,40	273.788,13
Short-term accruals		**145,16**	-
TOTAL EQUITY AND LIABILITIES		**16.148.107,36**	**15.462.459,51**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

PROFIT AND LOSS ACCOUNTS
FOR THE FINANCIAL YEARS 2024 AND 2023
(Stated in Euros)

PROFIT AND LOSS ACCOUNTS	Notes to the Annual Accounts	2024	2023
Net turnover	**Note 16.a**	**16.227.341,65**	**13.665.536,36**
Net sales		16.277.341,65	13.665.536,36
Work performed by the company for its assets	**Note 5**	**739.437,19**	**554.672,85**
Supplies	**Note 16.b**	**(9.148.175,09)**	**(7.182.757,92)**
Goods consumed		(9.148.175,09)	(7.182.757,92)
Other operating income		**21.751,89**	**72.709,94**
Ancillary and other current operating income		21.751,89	71.984,55
Operating grants income		-	725,39
Staff expenses		**(3.609.684,31)**	**(4.826.267,45)**
Wages, salaries and the like	Note 16.c	(2.722.168,76)	(3.740.496,81)
Fringe benefits	Note 16.c	(887.515,55)	(1.085.770,64)
Other operating expenses		**(1.906.549,08)**	**(2.194.115,05)**
External charges for services		(1.765.432,86)	(2.250.095,33)
Taxes		(43.363,11)	(47.117,62)
Losses, Impairment and change in trade provisions		(97.753,11)	103.097,90
Amortization of fixed assets	**Notes 5 and 6**	**(1.033.638,18)**	**(1.146.034,98)**
Other earnings	**Note 17**	**(3.731,14)**	**(200.000,00)**
OPERATING EARNINGS		**1.286.752,93**	**(1.256.256,25)**
Financial income	**Note 16.d**	**73.704,12**	**46.344,04**
Income from negotiable securities and other financial instruments, group and affiliated companies		61.245,39	43.194,36
Other income from negotiable securities and other third-party financial instruments		12.458,73	3.149,68
Financial expenses	**Note 16.d**	**(168.123,98)**	**(140.549,93)**
For debts with group companies and associates		-	(1.909,03)
For debts with third parties		(168.123,08)	(138.640,90)
Exchange differences	**Note 16.d**	**(9.507,77)**	**7.259,31**
Impairments and earnings for disposals of financial instruments		**(155.082,35)**	**(1.509.464,65)**
Impairments and losses	Note 16.d	(155.082,35)	(1.509.464,65)
Gains (losses) on disposals and others			
FINANCIAL EARNINGS		**(259.009,08)**	**(1.596.411,23)**
PRE-TAX EARNINGS		**1.027.743,85**	**(2.852.667,48)**
Profit tax	**Note 15**	**62.375,51**	**104.399,12**
FINANCIAL YEAR'S EARNINGS FROM CONTINUED OPERATIONS		**1.090.119,36**	**(2.748.268,36)**
FINANCIAL YEAR'S EARNINGS		**1.090.119,36**	**(2.748.268,36)**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

STATEMENT OF CHANGES IN PARTNER'S EQUITY
TOTAL STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEARS 2024 AND 2023

(Stated in Euros)

	Share Capital	Own Shares	Issue Premium	Reserves	Results from previous years	Financial Year's Earnings	Total
BALANCE END OF YEAR 2022	320.998,86	(1.731.481,07)	5.244.344,28	3.030.526,90	(820.530,75)	(222.921,22)	5.820.937,00
Total recognized income and expenses	-	-	-	-	-	(2.748.268,36)	(2.748.268,36)
Transactions with shareholders or owners	-	283.422,89	-	(401.723,25)	-	-	(118.300,36)
Operation with own shares	-	283.422,89	-	(401.723,25)	-	-	(118.300,36)
Dividends							
Other changes in equity	-		-	-	(222.921,22)	222.921,22	-
Distribution of earnings from the previous financial year	-		-	-	(222.921,22)	222.921,22	-
BALANCE END OF YEAR 2023	320.998,86	(1.448.058,18)	5.244.344,28	2.628.803,65	(1.043.451,96)	(2.748.268,36)	2.954.368,28
Total recognized income and expenses	-	-	-	-	-	1.090.119,36	1.090.119,36
Transactions with shareholders or owners	-	1.243.006,83	-	(951.225,12)	-	-	291.781,72
Operation with own shares	-	1.243.006,83	-	(951.225,12)	-	-	291.781,72
Dividends	-	-	-		-	-	-
Other changes in equity	-	-	-	-	(2.748.268,36)	2.748.268,36	-
Distribution of earnings from the previous financial year	-	-	-	-	(2.748.268,36)	2.748.268,36	-
BALANCE END OF YEAR 2024	320.998,86	(205.051,35)	5.244.344,28	1.677.578,53	(3.791.720,32)	1.090.119,36	4.336.269,36

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

CASH FLOW STATEMENT
FOR FINANCIAL YEARS 2024 AND 2023
(Stated in Euros)

		2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		**2.912.347,20**	**774.443,09**
Financial year's pre-tax earnings		**1.027.743,85**	**(2.852.667,48)**
Adjustments to earnings		**1.380.892,60**	**2.846.607,62**
Amortization of fixed assets	Note 5 y 6	1.033.638,18	1.146.034,98
Valuation changes for impairment	Note 16.d and 8.2	252.835,46	1.406.366,75
Provisiones variables	Note 17	-	200.000,00
Financial incomes	Note 16.d	(73.704,12)	(46.344,04)
Financial expenses	Note 16.d	168.123,08	140.549,93
Changes in current capital		**715.160,33**	**887.538,31**
Trade and other receivables		(401.120,22)	621.144,80
Other current assets		(6.613,27)	83.285,92
Trade and other payables		1.122.748,66	183.107,59
Other current liabilities		145,16	-
Other cash flow from operating activities		**(211.449,58)**	**(107.035,36)**
Interest payments		(168.123,08)	(140.549,93)
Interest incomes		73.704,12	46.344,04
Tax income		(117.030,62)	(12.829,47)
CASH FLOW FROM INVESTMENT ACTIVITIES		**(1.304.390,53)**	**(736.653,17)**
Payments for investments		**(1.654.390,53)**	**(1.019.160,88)**
Group and associated companies		(729.800,48)	(124.545,55)
Intangible fixed assets	Note 5	(881.947,12)	(791.235,62)
Tangible fixed assets	Note 6	(12.947,25)	(103.379,71)
Other financial assets		(29.695,68)	-
Proceeds from disposals		**350.000,00**	**282.507,71**
Group companies and subsidiaries		-	3.073,84
Other financial assets		350.000,00	279.433,87
CASH FLOW FROM FINANCING ACTIVITIES		**(1.532.018,08)**	**(293.016,33)**
Receipts and payments for equity instruments		**(64.631,54)**	**(118.300,35)**
Disposals (Acquisitions) of own equity instruments		(64.631,54)	(118.300,35)
Collections and payments for financial liability instruments		**(1.467.386,54)**	**(174.715,98)**
Issuing:		**551.910,82**	**2.102.925,46**
Amounts owed to credit institutions		551.910,82	2.102.925,46
Repayment and amortization of:		**(2.019.297,36)**	**(2.277.641,44)**
Amounts owed to credit institutions		(1.865.608,73)	(2.123.150,21)
Others		(153.688,63)	(154.491,23)
NET INCREASE/REDUCTION OF CASH AND CASH EQUIVALENTS		**75.938,59**	**(255.226,41)**
Cash or cash equivalents at start of financial year	Note 8.1	**328.000,19**	**583.226,60**
Cash or cash equivalents at end of financial year	Note 8.1	**403.938,78**	**328.000,19**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2024

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

a) Incorporation and Registered Office

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. (hereinafter "Parent Company"), was registered in Lleida on January 30th, 1995. On October 7, 2017, the Parent Company approved the change of registered office, which is currently located at General Lacy, number 42, Ground Floor - Local I in Madrid. Previously its registered office was at the Parc Científic i Tecnològic Agroalimentari de Lleida, Edifici H1, Planta 2, 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 was held in which the transformation from a Limited Company to a Public Limited Company was agreed. On December 12, 2011, the agreement reached at the aforementioned meeting was notarized and deposited in the Mercantile Registry on February 17, 2012.

b) Activities

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) Legal System

The Company is governed by its Articles of Association and by the Law Capital Companies.

d) 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 NewYork. On 29 September 2021, the company changed its liquidity provider, appointing Solventis A.V., S.A.

e) Consolidated Annual Accounts

As indicated more extensively in Note 9, the Company holds majority interests in various companies. Therefore, in accordance with Royal Decree 1159/2010 of 17th September, Royal Decree 602/2016 of 2nd December and Royal Decree 1/2021 of 12th January, it is required to prepare and present Consolidated Annual Accounts, although this obligation does not exempt it from preparing and presenting Individual Annual Accounts. The attached Annual Accounts correspond exclusively to Lleidanetworks Serveis Telemàtics, S.A

NOTE 2. BASIS OF PRESENTATION OF ANNUAL ACCOUNTS

a) True and Fair View and applicable financial information regulatory framework.

The Annual Accounts for the financial year 2024 have been taken from the Company accounting records and drawn up in accordance with the applicable commercial law currently in force and with the standards established in the General Accounting Plan approved by Spanish Royal Decree 1514/2007, of 16 November, applying the modifications introduced by Royal Decree 1159/2010, of 17 September, and Royal Decree 602/2016, of 2 December and Royal Decree 1/2021, of 12 January, to show a true and fair view of the Company assets and liabilities, financial position and earnings, as well as the accuracy of the cash flows included in the cash flow statement.

b) Accounting Principles Applied

The Annual Accounts have been drawn up by applying the accounting principles established in the Spanish Commercial Code and in the General Accounting Plan.

c) Presentation Currency

In accordance with the applicable laws and regulations on accounting, the annual accounts are expressed in Euros.

d) Critical Aspects of Uncertainties Valuation and Estimation

In preparing the accompanying annual accounts, estimates made by the Board of Directors of the Company have been used to assess some of the assets, liabilities, revenues, and expenses recorded in them. The estimates and criteria refer to:

- Evaluation of the going concern entity:

o As of December 31, 2024, the Company presents a negative working capital of 2,74 million euros (2.57 million as of December 31, 2023) and total liabilities representing approximately 73% of its total liabilities and equity (82% as of December 31, 2023). To reverse this situation, the Company implemented an intensive cost reduction policy in 2023, which included:

  - Reduction of personnel expenses. In December 2023, the Company implemented an employment regulation file, leading to the reduction of 17 positions.

  - Reduction of external service costs by eliminating physical offices, foreign advisors, exhibitions, commercial travel, internal events. In 2024, the company continued to thoroughly analyse recurring expenses and eliminated all items that did not provide an immediate return in the income statement.

The reduction in external services and personnel expenses has resulted in a decrease of 1.702 million euros in 2024 compared to 2023.

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

  - Enhancement of standard product marketing for the year 2024, with lower development costs and higher margins.
  - Focus on international expansion territories, with a concentration in countries where we already have recurring business, specifically Spain, Europe, Colombia, Dominican Republic, and Peru.
  - The company's financial debt has decreased by 1.313 thousand euros, from 7.627 thousand euros in 2023 to 6.314 thousand euros in 2024.

The company's Business Plan for the year 2025 is focused on cost containment alongside an increase in sales.

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

▪ Renewal of short-term credit lines with banking entities; to date of the financial statements preparation, the company has renewed 3 of the short-term positions it held that were due before the annual accounts were prepared, for a 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 undertaken for the development of new products.

At the end of the current fiscal year, the Company has managed to return to profitability, although the existence of negative working capital may indicate uncertainty regarding the application of the accounting principle of going concern and, consequently, regarding the Company's ability to realize its assets and settle its liabilities at the amounts stated in the attached balance sheet. However, as described in this note, the Company established an intensive cost reduction policy at the end of 2023, which has been implemented in fiscal year 2024, and has additionally obtained new contracts compared to the previous year, which leads it to expect a recovery in revenues. The Company's directors have prepared these Financial Statements under the going concern principle, considering that the fulfillment of the business plan, as well as the acquisition of new financing, will enable the Company to face potential cash flow tensions that may arise during the fiscal year 2025.

- Possible impairment of assets: investments, loans, and balances with group companies (Note 4.d):

  As of December 31, 2024, the Company maintains significant receivables and equity instruments with Group companies (Note 19.1), whose recovery will be linked to the residual value of the cash flow estimate. Based on the budgets set by Management, the Board of Directors of the Company estimates that the recovery of all receivables with Group companies listed on the Company's balance sheet will occur.

- Reasonableness of the activation and recoverability of research projects.

- Patent evaluation

- Recoverability of assets through deferred tax

In addition to the matters mentioned above, there are uncertainties and aspects about the future that may carry significant risks that could lead to significant changes in the value of assets and liabilities in the following fiscal year:

- Slower growth than planned in the Business Plan: slower maturation in some countries.

- Foreign exchange risk, although the Company has a natural hedge with revenues and costs in foreign subsidiaries denominated in the same currency.

- Highly fragmented and competitive market at the local level.

Although these estimates have been made based on the best available information at the end of the 2024 financial year, future events may require them to be modified (upward or downward) in the coming years, which would be done prospectively, recognizing the effects of the change in estimation in the corresponding income statement account.

e) <u>Comparison of the Information</u>

In accordance with commercial law, for comparison purposes, the Board of Directors presents, in addition to the figures for the financial year 2024, for each of the items in the Balance Sheet, Profit and Loss Accounts, the Statement of Changes in Equity and the Cash-Flow Statement, the figures for the previous financial year. The items for both financial years are comparable and homogeneous.

f) Correction of Errors

The 2024 Annual Accounts do not include related adjustments as a result of errors detected in the annual accounts of previous years.

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.

h) Responsibility for Information and Estimates Made

The information contained in these Annual Accounts is the responsibility of the members of the Company's Board of Directors. In these Annual Accounts, estimates have been used to value some of the assets, liabilities, income, expenses and commitments that are recorded therein, and that, basically, these estimates refer to the evaluation of impairment losses of certain assets, to the useful life of non-current assets and to the probability of occurrence of provisions (see section d) above).

Even though these estimates were made based on the best information available on the date of preparation of the annual accounts, it is possible that events that could take place in the future may force them to be modified in future years. In such a case, this would be done prospectively, recognizing the effects of the change in estimate in the corresponding profit and loss accounts.

i) Statement of Recognized Income and Expenses

In this year, as in the previous year, the Company has not recognized income or expenses directly in Equity, having recorded all of them in the Profit and Loss Account for the corresponding year. Therefore, these annual accounts do not include the Statement of Recognized Income and Expenses.

NOTE 3. DISTRIBUTION OF EARNINGS

The proposed distribution of 2024 and 2023, drawn up by the Board of Directors are shown below, in Euros:

	2024	2023
Distribution base:		
Profits obtained/ (Generated losses) in the financial year	1.090.119,36	(2.748.268,36)
Distribution to:		
Compensation of previous years losses	1.090.119,36	(2.748.268,36)
Distribution of dividends		

There are no limitations on the distribution of dividends in the Company's bylaws.

NOTE 4. RECOGNITION AND VALUATION STANDARDS

The principal standards used by the Company in the drafting of its Annual Accounts for the 2024 financial year, in accordance with those established by the General Accounting Plan, were as follows:

a) 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 amortization charge for each period is recognized in profit or loss account.

Research Costs

Capitalized research 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 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 Company 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.

b) Tangible Fixed Assets

Tangible fixed assets are valued by their acquisition price 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 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	10 – 12,50
Machinery	20 - 25	4 - 5
Transportation assets	10	10
Other installations	10	10
Furniture	10 - 15	6,67 – 10
Computer equipment	25 - 50	2 – 4
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 Profit and Loss Account for the financial year in which this occurs.

At the financial year's closure, the Company 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 Profit and Loss Account.

c) Leases and Other Transactions of a Similar Nature

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

d) 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.

For valuation purposes, financial assets are classified in the following category:

- Financial assets at amortized cost.

Financial instruments issued, incurred or assumed are classified as financial liabilities, in whole or in part, provided that according to their economic reality they represent a direct or indirect contractual obligation for the Company to deliver cash or another financial asset, or to exchange financial assets or liabilities with third parties under potentially unfavourable conditions.

For valuation purposes, financial liabilities are classified in the following category:

- Financial liabilities at amortized cost.

This treatment applies to the following financial instruments:

a) Financial assets:

   - Cash and cash equivalents.

   - Trade receivables: trade accounts receivable and sundry accounts receivable.

   - Loans to third parties: such as loans and financial credits granted, including those arising from the sale of non-current assets.

   - Equity instruments of other companies acquired: shares, units in collective investment undertakings and other equity instruments.

   - Other financial assets: such as deposits in credit institutions, loans to personnel, guarantees and deposits, dividends receivable and disbursements required on own equity instruments.

b) Financial liabilities:

   - Trade accounts payable: suppliers and sundry creditors.

   - Debts with credit institutions.

   - Other financial liabilities: debts with third parties, such as loans and financial 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 participations.

Financial assets at amortized cost

A financial asset is included in this category, even when it is admitted to trading on an organized market, if the Company holds the investment with the objective of receiving cash flows from the execution 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 to an agreement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.

In this category are classified:

a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in connection with trade transactions, and

b) Receivables from non-trade operations: financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose collections are of a determined or determinable amount.

Financial liabilities at amortized cost

The following are classified under this category:

a) Trade debts: financial debts arising from the purchase of assets and services through commercial transactions, and

b) Nontrade debts: Financial liabilities which, not being derivate instruments, have no commercial origins, but arise from loans or credit operations received by the Company.

Initial assessment

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

Notwithstanding the preceding paragraph, trade receivables and payables maturing in less than one year that do not have a contractual interest rate, as well as, if applicable, advances and loans to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, and disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are valued at their nominal value when the effect of not discounting the cash flows is not significant.

Subsequent assessment

In subsequent valuations, both assets and liabilities are valued at amortized cost. Accrued interest is recorded in the income statement, applying the effective interest rate method. Notwithstanding the foregoing, receivables and payables maturing within one year that were initially valued at their nominal value continue to be valued at that amount, unless, in the case of receivables, they have been impaired.

Impairment of financial assets at amortized cost

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

The impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, if applicable, those from the execution of real and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of their initial recognition. For financial assets at variable interest rates, the effective interest rate corresponding to the closing date of the financial statements is used in accordance with the contractual conditions.

Impairment losses, as well as their reversal when the amount of such loss decreases due to a subsequent event, are recognized 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 recognized at the date of reversal had no impairment loss been recognized.

Financial assets at cost

This valuation category includes equity investments in group companies, jointly controlled entities and associates.

Initial valuation

Investments included in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs, applying, where applicable, in relation to group companies, the criteria included in the specific rules of the standard on transactions between group companies, and the criteria for determining the cost of the combination established in the standard on business combinations.

However, if an investment existed prior to its classification as a group company, jointly controlled entity or associate, the cost of that investment is taken to be the carrying amount that it should have had immediately before the company was classified as a group company, jointly controlled entity or associate.

The initial valuation includes the amount of any pre-emptive subscription rights and similar rights that may have been acquired.

Subsequent valuation

Equity instruments included in this category are measured at cost less any accumulated impairment losses.

When value needs to be assigned to these assets due to a balance sheet reduction or other reasons, the weighted average cost method is applied by homogeneous groups, understood as those values that have equal rights.

Impairment

At least at year-end, the necessary value adjustments are made whenever there is objective evidence that the carrying amount of an investment is not recoverable.

The amount of the impairment loss is the difference between the carrying amount and the recoverable amount, the latter being the higher of fair value less costs to sell and the present value of future cash flows arising from the investment, which in the case of equity instruments are calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated on the basis of the equity of the investee and the discounted future cash flows expected to be obtained from these investments. In determining this value, and provided that the investee has in turn invested in another investee, the equity included in the consolidated annual accounts prepared by applying the criteria of the Commercial Code and its implementing regulations is taken into account.

The recognition of impairment losses and, where applicable, their reversal, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the investment that would have been recognised at the date of reversal had no impairment loss been recognised.

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 it is not held for trading or classified as financial assets at amortized cost.

For equity instruments that are not held for trading, or should not be measured at cost, the Company may make an irrevocable election at initial recognition to present the 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, equivalent to the fair value of the consideration transferred, plus directly attributable transaction costs. The initial valuation also includes the amount of any preferential subscription rights and similar rights that may have been acquired.

Subsequent valuation

Financial assets included in this category are valued at their fair value, without deducting transaction costs that may be incurred in their sale. Changes in fair value are recognized 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 value adjustments and gains and losses resulting from exchange rate differences in foreign currency monetary financial assets 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 it is necessary to assign a value to these assets due to derecognition from the balance sheet or for other reasons, the weighted average method by homogeneous groups is applied.

Impairment of value

At least at the end of the financial year, necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset, or a 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 cause:

a) In the case of acquired debt instruments, a reduction or delay in estimated future cash flows, which may be caused by the debtor's insolvency; 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 adjustment for the value deterioration of these financial assets is the difference between their cost or amortized cost less, if applicable, any impairment adjustment previously recognized in the income statement, and the fair value at the time of valuation.

Accumulated losses recognized in equity due to decrease in fair value, whenever 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 adjustment recognized in previous years reverses with credit to the income statement for the year. However, in the event that the fair value of an equity instrument increases, the impairment adjustment recognized in previous years will not reverse with credit to the income statement and the increase in fair value is recorded directly against equity.

Reclassification of Financial Assets

When the Company changes the way in which it manages its financial assets to generate cash flows, it will reclassify all the affected assets in accordance with the criteria previously indicated. The reclassification of category is not a derecognition but a change in the valuation criteria.

Derecognition of Financial Assets

The Company derecognizes a financial asset, or part of it, when the contractual rights to the cash flows from the financial asset expire or have been transferred and the risks and rewards of ownership have been substantially 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. It is understood that the risks and benefits inherent to ownership of the financial asset have been substantially transferred when its exposure to such variation ceases to be significant in relation to the total variation in the present value of the future net cash flows associated with the financial asset.

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

The Company does not derecognize financial assets and recognizes 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 with repurchase agreements at a fixed price or at the sale price plus interest and securitizations 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 derecognizes a financial liability, or part thereof, when the obligation has been extinguished, i.e., when it has been satisfied, cancelled or has expired. The Company also derecognizes its own financial liabilities that it acquires, even if it intends to relocate them in the future.

The difference between the carrying amount of the financial liability or part thereof that has been derecognized and the consideration paid, including any costs or commissions incurred, which also includes any asset transferred other than cash or liability assumed, is recognized in the income statement for the year in which it occurs.

In case of an exchange of debt instruments that do not have substantially different terms, the original financial liability is not derecognized. Any transaction costs or commissions incurred adjust the carrying amount of the financial liability. From that date, the amortized 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.

Bonds delivered and received

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

In 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 (due, for example, to the fact that the deposit is long-term and is not remunerated) is considered as an advance payment or collection for the lease or provision of the service, which is charged to the income statement over the period of the lease, in accordance with the standard on leases and other transactions of a similar nature, or over the period in which the service is rendered, in accordance with the standard on revenue from sales and services provisioned.

When estimating the fair value of the bonds, the remaining period is taken as the minimum contractual term committed during which the amount cannot be returned, without taking into account the statistical behaviour of return.

When the bond is short-term, it is not necessary to discount cash flows if its effect is not significant.

e) 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 Profit and Loss Account for the financial year in which they arise.

f) Profit Tax

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

The current tax amount is the sum to be paid by the Company 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 taxes are recognized either in the Profit and Loss Account or directly in the 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.

g) Income and Expenses

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

Revenue recognition for sales and services delivered

The Company recognizes 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 values the revenue at the amount that reflects the consideration to which it expects to be entitled in exchange for those 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 criterion for revenue recognition, the Company follows a complete process consisting of the following successive stages:

a) Identify the contract (or contracts) with the client, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.

b) Identify the obligation or obligations to be fulfilled in the contract, representative of the commitments to transfer goods or provide services to a customer.

c) Determine the transaction price, or contract consideration to which the company expects to be entitled in exchange for the transfer of goods or provision of services committed to the customer.

d) Allocate the price of the transaction to the obligations to be fulfilled, which should be based on the individual sales prices of each different good or service committed to in the contract, or, if applicable, following an estimate of the sales price when the same is not independently observable.

e) Recognize revenue from ordinary activities when (as) the company fulfils a committed obligation through the transfer of a good or the rendering of a service; fulfilment that takes place when the customer obtains control of that good or service, so that the amount of revenue recognized will be 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 16, 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, revenues are also recognised on a monthly basis according to the consumption made by each customer during corresponding month.

Fulfilment of the obligation at a given time

In cases where the transfer of control over the asset does not occur over time, the Company recognizes revenue following the criteria established for obligations that are fulfilled at a specific point in time. In order to identify the specific 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 benefits inherent to the ownership of the asset. In assessing this point, the Company excludes any risk that gives rise to a separate obligation, other than the 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, at the fair value of the consideration received or expected to be received, which, unless there is evidence to the contrary, is the price agreed for the assets to be transferred to the customer, less: the amount of any discounts, price rebates or other similar items that the Company may grant, as well as interest included in the face value of the receivables.

However, the interest incorporated in trade receivables with a maturity not exceeding one year that do not have a contractual interest rate is included, when the effect of not discounting the cash flows is not significant. If applicable

Taxes levied on the delivery of goods and provision of services that the company must pass on to third parties, such as value added tax and excise taxes, as well as amounts received on behalf of third parties, do not form part of income.

In cases where variable consideration exists, the Company takes into account in the valuation of the 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 recognized when the uncertainty associated with the aforementioned consideration is subsequently resolved.

h) 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 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.

i) 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 equity and recognized in the 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.

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

j) 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.

k) 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 5. INTANGIBLE FIXED ASSETS

Details of and changes in tangible fixed assets throughout the financial year 2024 are as follows:

	31/12/2023	Additions	Transfers	31/12/2024
Cost:				
Research	13.741.930,41	739.437,19	-	14.481.367,60
Industrial Property	1.320.993,83		147.397,25	1.468.391,08
Computer applications	588.222,46	65.561,19	-	653.783,65
Advances for intangible fixed assets	585.365,90	76.948,74	(147.397,25)	514.917,39
	16.236.512,60	**881.947,12**	**-**	**17.118.459,72**
Accumulated amortization:	(11.683.599,81)	(762.653,83)	-	(12.446.253,64)
Research	(563.082,20)	(96.245,79)	-	(659.327,99)
Industrial Property	(455.836,40)	(48.443,80)	-	(504.280,20)
Computer applications				
	(12.702.518,41)	**(907.343,42)**	**-**	**(13.609.861,83)**
Intangible Fixed Assets, Net	**3.533.994,19**	**(25.396,30)**	**-**	**3.508.597,89**

The additions in the year mainly relate to the R&D developments the Company has made in its SaaS product lines as well as the investments made in patents to register the methodology of these new products. The amount of work carried out by the company for its intangible assets amounted to 739 thousand in the current fiscal year (555 thousand in the previous year).

During the current fiscal year, the Company has conducted a valuation of some of its patents, which has not resulted in impairment at the close of the year.

Details of and changes in tangible fixed assets throughout the financial year 2023 are as follows:

	31/12/2022	Additions	Transfers	31/12/2023
Cost:				
Research	13.187.257,56	554.672,85	-	13.741.930,41
Industrial Property	1.159.207,97		161.785,86	1.320.993,83
Computer applications	544.009,63	44.212,83	-	588.222,46
Advances for intangible fixed assets	554.801,82	192.349,94	(161.785,86)	585.365,90
	15.445.276,98	**791.235,62**	**-**	**16.236.512,60**
Accumulated amortization:				
Research	(10.870.120,40)	(813.479,41)	-	(11.683.599,81)
Industrial Property	(475.182,52)	(87.899,68)	-	(563.082,20)
Computer applications	(342.268,54)	(113.567,86)	-	(455.836,40)
	(11.687.571,46)	**(1.014.946,95)**	**-**	**(12.702.518,41)**
Intangible Fixed Assets, Net	**3.757.705,52**	**(223.711,33)**	**-**	**3.533.994,19**

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 at December 31, 20223 is the following, stating their cost values in Euros:

	31/12/2024	31/12/2023
Research	10.986.961,37	10.087.649,66
Patents	267.706,28	196.149,07
Computer applications	406.447,89	400.477,89
	11.661.116,54	**10.684.276,62**

NOTE 6. TANGIBLE FIXED ASSETS

The breakdown of tangible fixed assets as of December 31, 2024 is as follows, in Euros:

	31/12/2023	Additions	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	106.118,89	-	106.118,89
Data processing equipment	1.164.257,35	12.947,25	1.177.204,60
Transportation Assets	66.119,47	-	66.119,47
Other tangible fixed assets	4.935,79	-	4.935,79
Advances for tangible fixed assets	57.380,60	-	57.380,60
	1.854.877,09	**12.947,25**	**1.867.824,34**
Accumulated amortization:			
Land and buildings	(59.655,13)	(5.137,30)	(64.792,43)
Technical installations and machinery	(252.939,04)	(30,41)	(252.969,45)
Transportation Assets	(4.618,17)	(6.611,95)	(11.230,12)
Other installations, tools and furniture	(87.939,29)	(2.610,30)	(90.549,59)
Data processing equipment	(971.063,89)	(111.879,86)	(1.082.943,75)
Other tangible fixed assets	(4.910,85)	(24,94)	(4.935,79)
	(1.381.126,37)	**(126.294,76)**	**(1.507.421,13)**
Tangible Fixed Assets, Net	**473.750,72**	**(113.347,51)**	**360.403,21**

The breakdown of tangible fixed assets as of December 31, 2023 is as follows, in Euros:

	31/12/2022	Additions	Transfers	31/12/2023
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	106.118,89	-	-	106.118,89
Data processing equipment	1.127.573,97	37.260,24	(576,86)	1.164.257,35
Transportation Assets	-	66.119,47	-	66.119,47
Other tangible fixed assets	4.935,79	-	-	4.935,79
Advances for tangible fixed assets	57.380,60	-	-	57.380,60
	1.752.074,24	**103.379,71**	**(576,86)**	**1.854.877,09**
Accumulated amortization:				
Land and buildings	(54.517,83)	(5.137,30)	-	(59.655,13)
Technical installations and machinery	(251.031,83)	(1.907,21)	-	(252.939,04)
Transportation Assets	-	(4.618,17)	-	(4.618,17)
Other installations, tools and furniture	(85.012,17)	(2.927,12)	-	(87.939,29)
Data processing equipment	(854.873,71)	(116.190,18)	-	(971.063,89)
Other tangible fixed assets	(4.602,80)	(308,05)	-	(4.910,85)
	(1.250.038,34)	**(131.088,03)**	**-**	**(1.381.126,37)**
Tangible Fixed Assets, Net	**502.035,90**	**(27.708,32)**	**(576,86)**	**473.750,72**

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 at December 31, 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
Furniture	72.181,10	69.471,28
Data processing equipment	701.820,16	683.688,15
Other fixed assets	4.935,79	3.087,87
	1.031.906,50	**1.005.516,75**

NOTE 7. LEASES AND OTHER OPERATIONS OF SIMILAR NATURE

7.1) Financial Leases (the Company as Lessee)

The Company has no assets financed through finance leases as of December 31, 2024.

7.2) Operating Leases (the Company as Lessee)

The amount of the contingent payments recognized as an expense in year 2024 is 145.362,51 euros (158.396,34 euros in the previous year). Corresponds basically to office and car 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	79.577,51	86.557,59
Between 1 and 5 years	49.297,80	44.368,02
More of 5 years	495.267,16	505.126,72
	624.142,47	**636.052,33**

NOTE 8. FINANCIAL ASSETS

The detail of non-current financial assets, except for investments in the equity of group companies, multigroup and associate companies, shown in Note 9, is as follows:

	Equity instruments		Credits and Others Financial Assets	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Loans and receivable items (Note 8.2)	-	-	1.057.186,99	1.240.942,26
Financial assets available for sale (Note 8.3)	10.197,40	10.197,40	-	-
Total	10.197,40	10.197,40	1.057.186,99	1.240.942,26

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

	Credits and Others Financial Assets	
	31/12/2024	31/12/2023
Assets at fair value through the profit and loss:	403.938,78	328.000,19
Cash or other liquid assets (Note 8.1)	403.938,78	328.000,19
Loans and receivable items (Note 8.2)	4.807.659,05	4.058.484,32
Total	5.211.597,83	4.386.484,51

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 investments with high liquidity	209.958,55	170.556,13
Current Accounts	188.427,73	151.891,56
Cash	5.552,50	5.552,50
Total	**403.938,78**	**328.000,19**

8.2) Loans and Receivable Items

The composition of this epigraph as of December 31, 2024 and 2023 is the following:

	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				
Costumers	-	3.131.143,24	-	2.424.901,12
Related party customers (Note 19.1)	-	302.325,76	-	702.232,04
Debtors	-	82.754,62	-	83.176,98
Total loans and receivables items for commercial transactions	-	**3.516.223,62**	-	**3.210.310,14**
Loans and receivables for non-commercial transactions			-	
Group Companies (Note 19.1)	1.018.074,35	1.248.598,60	1.206.148,62	485.801,18
Staff	-	836,19	-	-
Short-term deposits (*)	-	42.000,64	-	362.373,00
Securities and deposits	39.112,64	-	34.793,64	-
Total loans and receivables for non-commercial transactions	**1.057.186,99**	**1.291.435,43**	**1.240.942,26**	**848.174,18**
Total	**1.057.186,99**	**4.807.659,05**	**1.240.942,26**	**4.058.484,32**

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

The Company signed a credit policy in 2023 with its subsidiary Lleidanet PKI, S.L.U for a total amount of 250 thousand euros, and increased the withdrawal limits of the Policy in 2024 to a total amount of 700 thousand euros of which, as of December 31, 2024, there is a drawn balance of 700 thousand euros. Additionally, the Company signed two loans with the same subsidiary in 2022 for amounts of 1 million and 450 thousand euros in January and December, respectively. Both loans have a duration of 10 years and bear a market interest rate.

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

	Balance at 31/12/2023	Current year impairment	Reversal	Balance at 31/12/2024
Receivables for commercial transactions:				
Clients	646.105,01	55.451,30	(6.478,94)	695.077,37
Clients group companies	801.280,05	94.052,42	(60.000,00)	835.332,47
Short-term credits	161.402,76	16.586,15	-	177.988,91
Total	**1.608.787,82**	**166.089,87**	**(66.478,94)**	**1.708.398,75**

The movements of credits for commercial operations to group companies for the fiscal year include impairments amounting to 15.593,11 euros from Lleida.net Brazil, an impairment of 78.459,31 euros from Lleida.net USA, and a reversal of 60.000 euros from Lleidanetworks Serveis Telemàtics LTD.

Additionally, the balances of credits for non-commercial operations to group companies for the fiscal year include an impairment of 49.486,85 euros from Lleida Information Technology Network Services, an impairment of 101.762,39 euros from Lleida.net Peru, an impairment of 19.472,02 euros from Lleidanetworks Serveis Telemàtics LTD, and a reversal of 15.593,11 euros from Lleida.net Brazil.

The details of impairments, both for trade and non-trade receivables from group companies, are specified in Note 19.

The balances of trade debtors and other accounts receivable at the end of the previous financial year included impairments caused by insolvency risks, as detailed in the attached document.

	Balance at 31/12/2022	Current year impairment	Reversal	Transfers	Balance at 31/12/2023
Receivables for commercial transactions:					
Clients	620.409,05	25.695,96	-	-	646.105,01
Clients group companies	945.858,15	-	(132.840,74)	(11.737,36)	801.280,05
Short-term credits	168.928,95	8.992,36	-	(16.518,55)	161.402,76
Total	**1.735.196,15**	**34.688,32**	**(132.840,74)**	**(28.255,91)**	**1.608.787,82**

The balances of credits for non-commercial transactions with group companies included an impairment of 116.801,60 euros from the company Lleida Information Technology Network Services, an impairment of 26.289,43 euros from the company Lleidanet Chile SPA, an impairment of 1.397,44 euros from the company Lleida.net Costa Rica, and a reversal of impairment of clients amounting to 132.809,42 euros from the company Grupo Lleidanetworks Serveis Telemàtics, LTD as of December 31, 2023.

The detail of credits for commercial operations and their impairment at the end of fiscal year 2024, is shown below:

	Not overdue	Overdue, less than 90 days	Overdue, between 90 and 180 days	Overdue, more than 180 days	TOTAL
Credits for commercial transactions	2.678.702,92	168.335,08	347.965,79	1.836.036,55	5.031.040,34
Impaired balance	-	-	(33.433,28)	(1.481.383,44)	(1.514.816,72)
TOTAL	**2.678.702,92**	**168.335,08**	**314.532,51**	**354.653,11**	**3.516.223,62**

The detail of credits for commercial operations and their impairment at the end of fiscal year 2023, is shown below:

	Not overdue	Overdue, less than 90 days	Overdue, between 90 and 180 days	Overdue, more than 180 days	TOTAL
Credits for commercial transactions	2.559.320,30	66.416,31	157.397,40	1.848.048,56	4.631.182,57
Impaired balance	-	-	-	(1.420.872,43)	(1.420.872,43)
TOTAL	**2.559.320,30**	**66.416,31**	**157.397,40**	**427.176,13**	**3.210.310,14**

8.3) Financial Assets at Fair Value through Shareholders' Equity

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

There are no assets as collateral for loans.

NOTE 9. EQUITY INSTRUMENTS IN GROUP, MULTI-GROUP AND AFFILIATED COMPANIES

The breakdown of the holdings held of the Group companies at December 31, 2024, is as follows:

Entity	% Direct Part.	Cost	Impairments	Net Value 31/12/2024	Theoretical book value 31/12/2024
Group Companies:					
Lleidanetworks Serveis Telemàtics, LTD	100%	4,00	(4,00)	-	(394.289,00)
Lleidanet USA Inc	100%	397.591,09	(397.591,09)	-	(542.483,05)
Lleidanet Honduras, SA	70%	659,05	-	659,05	-
Lleidanet Dominicana, SRL	99,98%	29.713,97	(19.586,00)	10.127,97	17.,22,30
Lleida SAS	100%	195.789,60	-	195.789,60	317.972,73
Lleida Chile SPA	100%	3.256,83	-	3.256,83	(21.857,50)
Lleidanet do Brasil Ltda.	99,70%	10.800,00	-	10.800,00	(30.704,69)
Lleidanet Guatemala	80%	3.234,00	-	3.234,00	3.008,55
Portabilidades Españolas, S.L.U.	100%	13.000,00	-	13.000,00	19.694,14
Lleidanet Costa Rica	100%	16,06	(16,06)	-	(328,41)
Lleidanet Perú	99,90%	182.498,43	(182.498,43)	-	(158.466,32)
Lleida Information Technology Network Services	49%	34.141,19	-	34.141,19	(163.951,73)
Lleida.net PKI S.L.U	100%	7.100.000,00	(2.311.208,96)	4.788.791,04	1.313.618,96
Pending disbursements Lleidanet USA		(2.349,36)	-	(2.349,36)	-
Pending disbursements Lleidanet Honduras, SA		(659,05)	-	(659,05)	-
Pending disbursements Lleidanet Dominica, SRL		(10.127,97)	-	(10.127,97)	-
Pending disbursements Lleida Chile SPA		(3.256,83)	-	(3.256,83)	-
Pending disbursements Lleida Information Technology Network Services		(34.141,19)	-	(34.141,19)	-
Affiliated companies:					
Lleida Networks India Private Limited	25%	6.575,00	(6.575,00)	-	-
Total		**7.926.744,82**	**(2.917.479,54)**	**5.009.265,28**	**359.936,08**

(*)Figures at March 31, 2018
(**)No activity in the exercise 2024

The difference between the investment held in the company Lleida.net PKI S.L.U. (formerly Indenova, S.L.U.) and its theoretical book value is due to the Company's expectation of generating future profits and cash flows in the subsidiary that will allow for the recoverability of the investment. In this regard, the Company's Board has conducted an analysis of the recoverability of the investment in Lleida.net PKI, S.L.U.

These estimates have been made based on the best available information as of the end of the 2024 financial year. However, they are subject to uncertainty, as future events may require adjustments (either upward or downward) in the coming years, which would be reflected prospectively. This analysis has been carried out using cash flows based on sales projections for the 2025-2028 period.

According to Management, these projections are based on the 2025 budget, the degree of compliance as of the date of these financial statements, and Management's best expectations for the business until 2028 for the corresponding impairment analysis as of December 31, 2024. Estimated sales growth rates are 8,8%, 16,7%, 14,2%, and 14% for each of the next four years, respectively.

Additionally, cash flows have been discounted using the after-tax weighted average cost of capital. The discount rate used was 10,64%, and a perpetual growth rate of 2% was estimated.

As a result, the Company's Board of Directors has decided not to impair the investment in Lleida.net PKI, S.L.U. in the current financial year (whereas in 2023, the investment was impaired by an amount of 1,4 million euros) based on the expected cash flow generation of the subsidiary in the coming years.

Valuation Corrections

In previous years, the Company fully impaired the interests held in Lleidanet USA, Inc, in Lleida Networks India Private Limited, Lleidanet Perú and partially in Lleidanet Dominicana and Lleida.net PKI, S.L.U. In the current year the Company has impaired its shareholdings in Lleida.net Costa Rica for an amount of 16,06 euros and partially Lleida.net PKI S.L.U for an amount of 1,4 million euros.

The registered offices and the activities carried out by the investees are shown 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 fully subscribed 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 June 15, 2018 a capital increase was carried out in Lleida, SAS for an amount of 95.802 euros which Lleidanetworks Serveis Telemàtics, S.A. subscribed in full. 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, subscribing, Lleidanetworks Serveis Telemàtics S.A., representing 100% of the share capital of 3.000 shares for a total value of euros 3.000. Its corporate purpose is the commercialization of services based on numerical portability data to telecommunications operators for the routing of telephone traffic and short text messages. In the current fiscal year a capital increase has been carried out for a total amount of 10.000 euros, fully subscribed by Lleidanet Serveis Telemàtics, S.A.

Lleidanet Costa Rica Empresa Individual de Responsabilidad Limitada

On March 31, 2016, the Parent acquires D. Francisco José Sapena Soler 100% of this Company for 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

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 December 2021, a capital increase has been carried out by offsetting credits maintained with the Parent Company in the amount of 44.309,84 euros.

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.

Lleidanet South Africa

On September 21, 2020, the Company incorporated Lleidanet South Afica by subscribing 100% of the shares of this company. The company was closed on October, 19th of 2023 with and impact in the Profit and Losses account of 2.337,86 euros.

Lleida.net PKI S.L.U.

On November 31, 2021, the Company acquired 100% of the shares of Lleida.net PKI, S.L.U with registered offices at Calle Traginers 14 – 2ºB, Valencia, for a cost of 7.100.000,00 euros, which 5.403.483,95 euros have been paid as of today, the remaining amount being deferred (see note 10.1.2).

The summary of the equity of the investees at 31 December 2024 is as follows, in euros:

Entity	Share Capital	Reserves	Retained earnings	Profit of the year	Currency translation adjustments	Total Equity
Group Companies:						
Lleidanetworks Serveis Telemàtics, LTD	4,00		(397.371)	3.078,00	-	(394.289,00)
Lleidanet USA Inc	397.591,09	(973.519,54)	-	9.036,68	24.408,72	(542.483,05)
Lleidanet Honduras, S.A. (**)	-	-	-	-	-	-
Lleidanet Dominicana, S.R.L.	29.714,98	(27.417,67)		13.008,46	2.420,07	17.725,84
Lleida SAS	112.969,26	212.778,75	-	39.545,07	(47.320,35)	317.972,73
Lleida Chile SPA (**)	-	-	(18.356,71)	(5.107,73)	1.606,95	(21.857,50)
Lleidanet do Brasil Ltda.	10.801,08	-	(52.910,81)	3.184,24	8.128,41	(30.797,09)
Lleidanet Guatemala, S.A. (**)	4.042,50	-	-	-	(281,69)	3.760,81
Portabilidades Españolas, S.L.U.	13.000,00	6.694,14	-	-	-	19.694,14
Lleidanet Costa Rica (**)	16,06	-	(235,34)	(25,88)	(83,24)	(328,41)
Lleidanet Perú	182.498,43	-	(262.089,94)	(77.685,64)	(1.347,79)	(158.624,94)
Lleida Information Technology Network Services	-	-	(261.207,56)	(62.832,24)	(10.561,68)	(334.601,48)
Lleida.net PKI, S.L.U	200.000,00	2.295.102,18	(1.323.567,82)	126.843,57	15.241,03	1.313.618,96
Affiliated companies:						
Lleida Networks India Private Limited (*)	26.300,00	40.533,63	-	-	-	66.833,63

(*) Figures at March 31, 2018
(**) Without activity in the year 2024

The summary of the equity of the investees at 31 December 2023 is as follows, in euros:

Entity	% Direct Part.	Cost	Impairments	Net Value 31/12/2023	Theoretical book value 31/12/2023
Group Companies:					
Lleidanetworks Serveis Telemàtics, LTD	100%	4,00	(4,00)	-	(397.367,00)
Lleidanet USA Inc	100%	397.591,09	(397.591,09)	-	(533.926,91)
Lleidanet Honduras, SA	70%	659,05	-	659,05	-
Lleidanet Dominicana, SRL	99,98%	29.713,97	(19.586,00)	10.127,97	4.736,81
Lleida SAS	100%	195.789,60	-	195.789,60	298.329,14
Lleida Chile SPA	100%	3.256,83	-	3.256,83	(17.750,69)
Lleidanet do Brasil Ltda.	99,70%(**)	10.800,00	-	10.800,00	(41.448,49)
Lleidanet Guatemala	80%	3.234,00	-	3.234,00	3.778,66
Portabilidades Españolas, S.L.U.	100%	13.000,00	-	13.000,00	19.694,14
Lleidanet Costa Rica	100%	16,06	(16,06)	-	(254,15)
Lleidanet Perú	99,90%(**)	182.498,43	(182.498,43)	-	(73.819,95)
Lleida Information Technology Network Services	49%	34.141,19	-	34.141,19	(121.072,90)
Lleida.net PKI, S.L.U	100%	7.100.000,00	(2.311.208,96)	4.788.791,04	1.205.969,36
Pending disbursements Lleidanet USA		(2.349,36)	-	(2.349,36)	-
Pending disbursements Lleidanet Honduras, SA		(659,05)	-	(659,05)	-
Pending disbursements Lleidanet Dominica, SRL		(10.127,97)	-	(10.127,97)	-
Pending disbursements Lleida Chile SPA		(3.256,83)	-	(3.256,83)	-
Pending disbursements Lleida Information Technology Network Services		(34.141,19)	-	(34.141,19)	-
Affiliated companies:					
Lleida Networks India Private Limited*	25%	6.575,00	(6.575,00)	-	-
Total		**7.926.744,82**	**(2.917.479,54)**	**5.009.265,28**	**346.868,02**

(*)Figures at March 31, 2018
(**) Restated

No dividends have been received from investees and none of them are publicly traded.

The summary of the equity of the investees as at 31 December 2023 is as follows, in euros:

Entity	Share Capital	Reserves	Retained earnings	Profit of the year	Currency translation adjustments	Total Equity
Group Companies:						
Lleidanetworks Serveis Telemàtics, LTD	4,00		(412.209,00)	14.838,00	-	(397.367,00)
Lleidanet USA Inc	397.591,09	(983.284,16)	-	9.764,62	42.001,54	(533.926,91)
Lleidanet Honduras, S.A. (**)	-	-	-	-	-	-
Lleidanet Dominicana, S.R.L.	29.714,98	(37.418,65)		10.000,98	2.440,44	4.737,75
Lleida SAS	112.969,26	219.627,71	-	(6.848,96)	(27.418,87)	298.329,14
Lleida Chile SPA (**)	-	-	(13.805,07)	(4.551,64)	606,02	(17.750,69)
Lleidanet do Brasil Ltda.	10.801,08	-	(51.964,90)	945,91	(1.234,73)	(41.452,64)
Lleidanet Guatemala, S.A. (**)	4.042,50	-	-	-	(263,84)	3.778,66
Portabilidades Españolas, S.L.U.	13.000,00	6.739,14	(1.307,16)	1.262,16	-	19.696,14
Lleidanet Costa Rica (**)	16,06	-	(206,86)	(28,48)	(34,87)	(254,15)
Lleidanet Perú	182.498,43	-	(137.552,63)	(124.537,31)	5.771,56	(73.819,95)
Lleida Information Technology Network Services	-	-	(176.699,76)	(83.549,55)	13.161,75	(247.087,56)
Lleida.net PKI, S.L.U	200.000,00	2.295.102,19	(671.151,85)	(652.415,98)	34.435,01	1.205.969,36
Affiliated companies:						
Lleida Networks India Private Limited (*)	26.300,00	55.125,29	-	-	-	81.425,29

(*) Figures at March 31, 2018
(**) Without activity in the year 2023

NOTE 10. FINANCIAL LIABILITIES

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

	Debts with credit institutions		Others liabilities		Total	
	31/12/2024	**31/12/2023**	**31/12/2024**	**31/12/2023**	**31/12/2024**	**31/12/2023**
Debits and payable items (Note 10.1)	**2.963.596,26**	**4.070.917,70**	**485.884,33**	**989.522,83**	**3.449.480,59**	**5.060.440,53**

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

	Debts with credit institutions		Others liabilities		Total	
	31/12/2024	**31/12/2023**	**31/12/2024**	**31/12/2023**	**31/12/2024**	**31/12/2023**
Debits and payable items (Note 10.1)	**3.349.888,05**	**3.556.264,12**	**4.572.427,03**	**3.289.235,45**	**7.922.315,08**	**6.845.499,97**

10.1) Debits and Payable Items

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

	Balance as of 31/12/2024		Balance as of 31/12/2023	
	Long-Term	Short-Term	Long-Term	Short-Term
For commercial transactions:				
Suppliers	-	2.746.066,99	-	1.831.102,19
Suppliers (Related parties) (Note 19.1)	-	349.239,74	-	238.463,03
Creditors	-	484.573,07	-	230.609,10
Advances from costumers	-	211.136,40	-	273.788,13
Total balances for commercial transactions	**-**	**3.791.016,20**	**-**	**2.574.171,65**
For non-commercial operations:				
Debts with credit institutions	2.963.596,26	3.349.888,05	4.070.917,70	3.556.264,52
Personnel (outstanding salaries)	-	40.000,00	-	1.229,00
Other debts (Note 10.1.12)	485.884,33	741.410,83	989.522,83	713.834,80
Debits and payable items	**3.449.480,59**	**4.131.298,88**	**5.060.440,53**	**4.271.328,32**
Total balances for non-commercial operations	**3.449.480,59**	**4.131.298,88**	**5.060.440,53**	**4.271.328,32**
Total debts and payable items	**3.449.480,59**	**7.922.315.08**	**5.060.440,53**	**6.845.499,97**

10.1.1) 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	1.658.446,27	2.963.596,26	4.622.042,53
Credit lines	1.295.487,82	-	1.295.487,82
Advance invoices	395.953,96	-	395.953,99
	3.349.888,05	**2.963.596,26**	**6.313.484,34**

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

	A Short-Term	A Long-Term	Total
Loans	1.722.247,30	4.070.917,70	5.793.165,00
Credit lines	1.684.719,91	-	1.684.719,91
Advance invoices	149.297,31	-	149.297,31
	3.556.264,52	**4.070.917,70**	**7.627.182,22**

Loans

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

Loans	Last Maturity	Initial Amount	Pending at closing
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 56	20/12/2028	225.000,00	225.000,00
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
		9.609.316,18	**4.622.042,53**

(*) 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	Initial Amount	Pending at closing
Loan 24 (*)	10/15/2025	78.375,60	23.771,60
Loan 41	03/29/2024	250.000,00	13.086,82
Loan 42	04/12/2024	400.000,00	27.768,64
Loan 43	05/03/2024	300.000,00	26.100,64
Loan 44	06/04/2024	250.000,00	26.138,41
Loan 45	04/30/2025	400.000,00	136.006,99
Loan 46	04/22/2025	400.000,00	136.185,67
Loan 47	04/08/2025	400.000,00	136.275,27
Loan 48	03/31/2026	500.000,00	227.320,71
Loan 49	07/09/2028	1.200.000,00	790.924,37
Loan 50	07/31/2028	3.200.000,00	2.114.167,81
Loan 51	10/09/2027	1.250.000,00	809.810,19
Loan 52	02/01/2028	400.000,00	280.439,20
Loan 53	09/18/2029	700.000,00	587.580,81
Loan 54	05/02/2028	330.000,00	295.413,56
Loan 55	02/14/2024	260.000,00	162.174,31
		10.318.375,60	**5.793.165,00**

(*) 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 1.515.000 euros (1.815.000 euros at the end of the previous year), which amount drawn at the aforementioned date is euros 1.295.487,82 euros (1.684.719,91 euros at the end of the previous year).

Lines of Effects and Import Advances

As of December 31, 2024, the Company has discount policies granted with a total limit amounting to 750.000 euros (700.000 euros at the end of the previous year), which amount drawn at the aforementioned date is 395.953,96 euros (149.297.31 euros at the end of the previous year).

10.1.2) Other Financial Liabilities

Deferred payment for the acquisition of Lleida.net PKI, S.L.U (before Indenova S.L.U)

As of November 30, 2021, the Company acquired 100% of the shares of Lleidanet PKI, S.L. 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 due dates of November 30 for the years 2022, 2023, 2024, and 2025 in cash, as well as another payment schedule with due dates of November 30 for the years 2023, 2024, and 2025, consisting of a fixed amount to be settled through the delivery of shares of Lleidanetworks Serveis Telemàtics, S.A. (own shares). As of the end of the 2024 fiscal year, there are outstanding payments amounting to 1.226.000, of which 486.000 euros have been included with a due date in 2028. The Company included an option for payment holdbacks in the sales contract with the sellers, for incidents that may be identified after the purchase has been formalized.

Due to incidents identified in the previous financial statements, the Company has notified and made holdbacks to the buyers for an amount of 486.000 euros. The Company believes it has substantial grounds for not paying these amounts. However, as a matter of prudence, it has decided to keep them on the balance sheet and will reverse these amounts when it has sufficient indications that there will be no possibility of subsequent adjustments. On January 5, 2024, the Company proceeded to pay 209.000 euros of the amount due on November 30, 2023, through the delivery of shares of the company.

10.2) Other Information related to Financial Liabilities

a) Classification by Maturity Date

The breakdown of the maturity dates of the liability financial instruments as of December 31, 2024 is the following, in Euros:

	2025	2026	2027	2028	2029	Total
Financial debts:	**3.349.888,05**	**1.169.485,62**	**1.124.044,61**	**585.267,90**	**84.798,13**	**6.313.484,31**
Debts with credit institutions	3.349.888,05	1.169.485,62	1.124.044,61	585.267,90	84.798,13	6.313.484,31
Other financial liabilities:	**741.410,83**	-	-	**485.884,33**	-	**1.227.295,16**
Other debts	-	-	-	-	-	-
Deferred payment acquisition Indenova, S.L.	741.410,83	-	-	485.884,33	-	1.227.295,16
Commercial creditors and other payable items:	**3.831.017.10**	-	-	-	-	**3.831.017.10**
Suppliers	2.746.066,99	-	-	-	-	2.746.066,99
Suppliers (related parties)	349.239,74					349.239,74
Sundry creditors	484.573,97	-	-	-	-	484.573,97
Advances from costumers	211.136,40	-	-	-	-	211.136,40
Personnel (remunerations pending payment)	40.000,00	-	-	-	-	40.000,00
Total	**7.922.315,98**	**1.169.485,62**	**1.124.044,61**	**1.071.152,23**	**84.798,13**	**11.371.796,57**

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

	Maturity dates						
	2024	2025	2026	2027	2028	Over 5 years	Total
Financial debts:	**3.556.264,52**	**1.287.252,00**	**1.108.580,03**	**1.062.414,77**	**524.022,80**	**88.648,10**	**7.627.182,22**
Debts with credit institutions	3.556.264,52	1.287.252,00	1.108.580,03	1.062.414,77	524.022,80	88.648,10	7.627.182,22
Other financial liabilities:	**713.834,80**	**503.638,50**	-	-	**485.884,33**	-	**1.703.357.63**
Other debts	7.831,58	-	-	-	-	-	7.831,58
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:	**2.575.400,65**	-	-	-	-	-	**2.575.400,65**
Suppliers	1.831.102,39	-	-	-	-	-	1.831.102,39
Suppliers (related parties)	238.463,03						238.463,03
Sundry creditors	230.818,10	-	-	-	-	-	230.818,10
Advances from costumers	273.788,13	-	-	-	-	-	273.788,13
Personnel (remunerations pending payment)	1.229,00	-	-	-	-	-	1.229,00
Total	**6.845.499,97**	**1.790.890,50**	**1.108.580,03**	**1.062.414,77**	**1.009.907,13**	**88.648,10**	**11.905.940,50**

b) Breach of Contractual Obligations

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

10.3) Guarantors

The Company has contracted guarantees with several financial institutions for a total amount of 497.000 euros, (488.000 euros in 2023) a customary instrument when signing an interconnection agreement.

The Company does not have any guarantees for loans.

NOTE 11. INFORMATION ON THE DEFERMENT OF PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION. "DUTY TO INFORM" OF LAW 15/2010, OF JULY 5

In accordance with what is indicated in the third additional provision "Duty to provide information" of Law 15/2010, of 5 July, amending Law 3/2004, of December 29, establishing measures to combat late payment in commercial transactions, modified in turn by the Resolution of January 29, 2016, of the Institute of Accounting and Auditing of Accounts, on the information to be included in the notes to the annual accounts in relation to the average payment period to suppliers in commercial transactions, the following is reported:

	Payments Made and Outstanding at the Balance Sheet Date	
	Financial Year 2024 Days	**Financial Year 2023 Days**
Average payment period	56,54	35,95
Paid operations ratio	52,97	37,46
Outstanding payments operations ratio	66,16	29,72
	Financial Year 2024 Euros	**Financial Year 2023 Euros**
Total payments paid	9.634.110,77	9.514.230,81
Total outstanding payments	3.579.880,70	2.300.174,52
	Financial Year 2024 Euros	**Financial Year 2023 Euros**
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 12. INFORMATION ON THE NATURE AND LEVEL OF THE RISK FROM FINANCIAL INSTRUMENT

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

12.1) Credit Risk

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

The Company'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 management of the Company based on the experience of previous years and its assessment of the current economic environment.

12.2) Liquidity Risk

As specified in note 2.d of these notes to the consolidated financial statements, the Company has a negative working capital at year-end. The treasury department has a daily overview of the actual cash position which is compared with weekly forecasts. In this respect, as stated in note 2.d, the Company does not expect to have short-term financing problems thanks to the fulfilment of its business plan and the obtaining of new financing. In the face of global uncertainty, the Company has secured the cooperation of financial institutions to sign new short and long-term financing agreements.

12.3) Market Risk

Possible market risks are described in note 1.e.

12.4) Exchange Rate Risk

The Company is not exposed to a significant exchange rate risk and therefore does not trade in hedging instruments. In the case of loans to Group companies, the reference currency is the euro, so that the exchange rate risk is borne by these Group companies.

12.5) 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 13. EQUITY

13.1) Share Capital

As of December 31, 2024, and December 31, 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 are no companies with a direct or indirect stake equal to or greater than 10% of the share capital.

Capital Increase

By virtue of the admission to trading on the Alternative Stock Market (MAB), 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.

13.2) Reserves

The breakdown for Reserves is as follows, in euros:

	31/12/2024	31/12/2023
Legal Reserve	64.199,77	64.199,77
Voluntary Reserves	1.613.378,76	2.564.603,88
	1.677.578,53	**2.628.803,65**

a) Legal Reserve

The Legal Reserve is restricted with regard to its use, which is determined by a variety of legal provisions. In accordance with the Law Capital Companies, trading companies which obtain profits under this legal form are obliged to provide the reserve with 10% of these, until the constituted reserve fund reaches one fifth of the subscribed share capital. The purposes of the legal reserve are the compensation of losses or the increase of capital by the exceeding part of the 10% of the capital already increased, as well as its distribution to the shareholders in case of liquidation. At December 31, 2024 the Legal Reserve was fully endowed.

13.3) 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.

13.4) 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 2021, the company changed its liquidity provider, appointing Solventis A.V., S.A. in which 30 thousand shares were transferred from the former liquidity provider Gaesco, and an additional 150 thousand euros were allocated for the management of the company's treasury stock.

On June 13, 2024, a share buyback program worth 100 thousand euros was announced, in which a total of 80.644 shares were acquired that were transferred at the end of the year as part of the payment for the purchase of Lleida.net PKI.

As of December 31, 2024, the Company holds treasury shares valued at 205.051,35 euros (1.448.058,19 euros at the end of the previous fiscal year) at an average cost price of 1,01 euros per share (2,75 euros per share in the previous fiscal year). As a result of the share sales carried out during the current fiscal year, there has been a negative impact on the Company's reserves amounting to 951 thousand euros, which is explained by the decline in the share price during 2024.

At the end of the fiscal year, the Company held 203.360 treasury shares with a nominal value of 0,02 euros per share. During the fiscal year 2024, the Company acquired 984.462 shares for a value of 1.021.224,11 euros and sold 1.042.388 shares for a value of 956.592,57 euros in the markets where it is listed. The objective of the treasury shares is to provide liquidity through contracts with liquidity providers, as well as to address deferred payments for the purchase of Lleida.net PKI, S.L.U. in shares.

NOTE 14. FOREIGN CURRENCY

The most significant foreign currency balances as of December 31, 2024, totalized in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	CLP	GBP
CURRENT ASSETS				
Trade debtors and other accounts	31.286,71	33.893,24	-	-
CURRENT LIABILITIES				
Trade creditors and other payable accounts	42.343,07	32.122,69	394.828,00	10.308,00

The most significant foreign currency balances as of December 31, 2023, totalized in euros and broken down into their foreign currency equivalent, were as follows:

	EUROS	USD	CLP	GBP
CURRENT ASSETS				
Trade debtors and other accounts	38.571,00	38.596,43	-	1.375,57
CURRENT LIABILITIES				
Trade creditors and other payable accounts	2.860,71	302,28	1.096.136,00	557,94

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

	EUR	USD	GBP	CLP	MXN	ZAR	PEN	JPY	DOP	AED	AUD	COP
Purchases and services received	666.772,23	630.582,36	54.321,36	904.596,00	352.303,27	6,63	-	163.100,00	-	-	1.000,00	-
Sales and services given	4.285.490,04	732.704,12	844,59	-	949,15	-	3.228.141,74	-	4.748.843,38	40.153,56	-	12.208.033.102,89

The most significant transactions carried out during the financial year 2023 totalized in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	MXN	ZAR	PLN	JPY	AED	CAD	AUD
Purchases and services received	1.047.270,33	924.129,60	65.359,46	8.030,47	17.873,42	14,34	17.780,60	11.037,79	1.004,15	781.21	1.259,03
Sales and services given	134.791,24	143.050,76	1.375,57	-	4.004,96	-	-	-	-	-	-

NOTE 15. TAX SITUATION

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

	31/12/2024		31/12/2023	
	Active	**Payable**	**Active**	**Payable**
Non Current:				
Deferred tax assets	605.174,29	-	520.309,48	-
Total Non Current	**605.174,29**	**-**	**520.309,48**	**-**
Current:				
Value Added Tax	-	88.920,24	-	173.344,52
Grants to be paid (*)	1.089,00	-	1.089,00	-
Income Tax retentions	-	50.936,13	-	86.585,48
Social Security bodies	484,21	73.960,84	3.470,00	101.895,36
Income tax	134.549,24	-	40.007,92	-
Total Current	**136.122,45**	**213.817,21**	**44.566,92**	**361.825,36**

Tax Matters

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.

At December 31, 2024, the Company has all the taxes to which it is subject from 2020 to 2024 open for inspection by the tax authorities. Consequently, on the occasion of possible inspections, additional liabilities may arise to those recorded by the Company. However, the directors of the Company and its tax advisers consider that any such liabilities would not be material to the annual accounts taken as a whole.

Corporate Income Tax

The conciliation of the net amount of income and expenses for the year 2024 with the tax base of the profit tax is:

	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 impossible bases	-	-	**(1.000.000,00)**
Taxable income (tax result)			**254.097,55**

Permanent differences mainly correspond to impairments of investments and loans held with group companies.

The conciliation of the net amount of income and expenses for the year 2023 with the tax base of the profit tax is:

		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)	**1.738.964,65**	**(237.239,86)**	**(1.246.543,57)**

Permanent differences mainly correspond to impairments of investments and loans held with group companies.

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	22.489,30	-
Deferred tax	(84.864,81)	(104.399,12)
Total	**(62.375,51)**	**(104.399,12)**

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

	Balance at 31/12/2023	Generated	Balance at 31/12/2024
Deferred tax assets:			
Tax credits	520.309,48	84.864,81	605 174,29

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	403.221,32	117.088,16	520.309,48

Tax Loss Carry forwards

At the end of the 2024 fiscal year, the company has the following negative taxable bases pending to be offset 113.702,83 euros generated in fiscal year 2024.

Deductions pending to apply

As of December 31, 2024, the Company has the following pending deductions to apply: The Board of Directors has decided to recognize in the Company's assets the pending deductions from the 2020 financial year. The period for utilizing the deductions is 15 consecutive years from their generation, except for those corresponding to I+D and Technological Innovation, whose term is 18 years. The deductions corresponding to the years 2008 and 2009 are the last ones.

Year of Origin	Amount
2008	62.780,44
2009	172.071,08
2010	181.164,26
2011	214.961,29
2012	251.779,01
2013	90.887,05
2014	127.371,20
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	123.747,53
2022	146.582,99
2023	94.074,12
2024	107.878,85
	2.781.901,87

NOTE 16. INCOME AND EXPENSES

a) Revenues

1. Disclosure of revenues from ordinary activities.

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

	2024		2023	
Business Areas (figures in thousands of euros)	**Euros**	**%**	**Euros**	**%**
Notification	1.998	12,31%	1.208	21,21%
Contracts	2.984	18,39%	2.898	8,84%
Other SaaS	558	3,44%	824	6,03%
SMS Solutions	3.762	23,18%	3.312	24,23%
ICX Wholesale Solutions	6.925	42,68%	5.423	39,68%
Total	**16.227**	**100,00%**	**13.665**	**100,00%**

The distribution of the net sales from the Company's ordinary activities, by geographic market, is shown below:

	2024		2023	
Geographic market description	**Euros**	**%**	**Euros**	**%**
National	7.369.359,83	45,41%	8.332.353,45	60,97%
European Union	2.324.439,33	14,32%	3.532.282,28	25,85%
Rest of the world	6.533.542,49	40,27%	1.800.900,63	13,18%
Total	**16.227.341,65**	**100,00%**	**13.665.536,36**	**100,00%**

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

	2024 Financial Year	2023 Financial Year
Type of contrct		
Fixed price contracts (*)	14.258.896,59	12.029.744,49
Variable contracts (**)	1.968.445,06	1.635.791,87
Total	**16.227.341,65**	**13.665.536,36**

(*) Fixed prices are 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. 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 the net sales corresponding to the Company's ordinary activities, by contract term, is shown below:

	2024 Financial Year	2023 Financial Year
Contract duration		
Long-term contracts	16.227.341,65	13.665.536,36
Total (*)	**16.227.341,65**	**13.665.536,36**

(*) 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 client who has asked us to terminate the contract in the first year.

The distribution of the net sales from the Company's ordinary activities, by sales channel, is shown below:

	2024 Financial Year	2023 Financial Year
Sales channels		
Distributors or wholesalers	769.682,02	621.156,82
Retailers (*)	290.880,20	261.605,39
Sales channels	15.166.779,43	12.782.774,15
Total	**16.227.341,65**	**13.665.536,36**

(*) Retailers are the 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		
National	3.372.527,45	3.210.338,39
Intracommunity acquisitions	2.592.024,97	2.915.685,33
Imports	3.183.622,67	1.056.734,20
	9.148.175,09	**7.182.757,92**

c) Staff expenses

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

	2024	2023
Social Security paid by the Company	772.844,07	964.914,95
Other social expenses	114.671,48	120.855,69
Employee welfare expenses	**887.515,55**	**1.085.770,64**

In the 2023 fiscal year, a workforce reduction plan was implemented, affecting seventeen employees. The impact of this measure was recorded as severance payments under the "Salaries, Wages, and Related Expenses" category. The expenses related to this concept had been fully paid by the end of the 2023 fiscal year. The breakdown of the "Salaries, Wages, and Related Expenses" category is as follows:

	2024	2023
Wages and salaries	2.719.182,92	3.500.163,10
Several Pay	2.985,84	240.333,71
	2.722.168,76	**3.740.496,81**

d) Financial Results

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

	2024	2023
Financial incomes		
Financial incomes from group companies	61.245,39	43.194,36
Other financial incomes	12.458,73	3.149,68
	73.704,12	**46.344,04**
Financial expenses		
Due to debts with group companies and associates	-	(1.909,03)
For debts with credit institutions	(168.123,08)	(138.640,90)
	(168.123,08)	**(140.549,93)**
Exchange differences	(9.507,77)	7.259,31
Gains (losses) on disposals and other	(155.082,35)	(1.509.464,65)
Financial Result Positive / (Negative)	**(259.009,08)**	**(1.596.411,23)**

NOTE 17. LONG-TERM PROVISIONS

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

NOTE 18. INFORMATION ON THE ENVIRONMENT

The Company 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 19 TRANSACTIONS WITH RELATED PARTIES

19.1) Balances between Related Parties

Below is the breakdown of the balances held with related parties as of December 31, 2024 in Euros:

Outstanding balances with related parties in 2024	LLEIDA NET UK	LLEIDA NET USA	LLEIDA SAS	LLEIDA REP. DOMINIC.	PORTABI-LIDADES ESPAÑOLAS	LLEIDANET BRASIL	LLEIDANET PERÚ	LLEIDANET COSTA RICA	LLEIDANET CHILE	LLEIDANET PKI, S.L.U	LLEIDANET EMIRATOS LLC	Total
NON CURRENT ASSETS	-	-	**67,86**	-	-	-	-	-	**3.006,49**	**1.015.000,00**	-	**1.018.074,35**
Long-term loans to group companies	-	-	**67,86**	-	-	-	-	-	**3.006,49**	**1.015.000,00**	-	**1.018.074,35**
Long-term loans to group companies	19.488,57	-	67,86	-	-	-	162.943,88	1.381,38	24.874,71	1.015.000,00	289.872,67	1.513.629,07
Impairment	(19.488,57)	-	-	-	-	-	(162.943,88)	(1.381,38)	(21.868,22)	-	(289.872,67)	(495.554,72)
CURRENT ASSETS	-	**29.134,87**	**144.166,45**	**61.119,93**	-	**57.562,74**	**28.898,94**	-	**846,87**	**1.229.030,05**	-	**1.549.759,64**
Trade receivables	-	**29.134,86**	**144.166,45**	**61.119,93**	-	**57.562,74**	**10.340,28**	-	-	-	-	**302.324,27**
Clients	308.961,97	510.727,99	144.166,45	90.223,48	-	73.155,85	10.340,28	-	-	-	-	1.137.576,02
Impairment	(308.961,97)	(481.593,12)	-	(29.103,55)	-	(15.593,11)	-	-	-	-	-	(835.251,75)
Short-term loans to group companies				-	-	-	**18.558,66**	-	**846,87**	**1.229.030,05**	-	**1.248.435,37**
Short-term loans to group companies	65.597,91	74.827,79	-	4.842,19	-	6.985,29	18.558,66	-	2.011,04	1.229.030,05	24.630,65	1.426.483,58
Impairment	(65.597,91)	(74.827,79)	-	(4.842,19)	-	(6.985,29)	-	-	(1.164,38)	-	(24.630,65)	(178.048,21)
CURRENT LIABILITIES	-	**29.134,87**	-	**8.471,06**	**2.892,73**	-	-	-	-	**308.741,08**	-	**349.239,74**
Trade payables	-	**29.134,87**	-	**8.471,06**	**2.892,73**	-	-	-	-	**308.741,08**	-	**349.239,74**
Suppliers	-	29.134,87	-	8.471,06	2.892,73	-	-	-	-	308.741,08	-	349.239,74

Below is the breakdown of the balances held with related parties as of December 31, 2023 in Euros:

Outstanding balances with related parties in 2023	LLEIDA NET UK	LLEIDA NET USA	LLEIDA SAS	LLEIDA REP. DOMINIC.	PORTABI-LIDADES ESPAÑOLAS	LLEIDANET BRASIL	LLEIDANET PERÚ	LLEIDANET COSTA RICA	LLEIDANET CHILE	INDENOVA	LLEIDANET EMIRATOS LLC	Total
NON CURRENT ASSETS	**-**	**-**	**3.230,75**	**-**	**-**	**11.946,45**	**30.971,42**	**-**	**-**	**1.160.000,00**	**-**	**1.206.148,62**
Long-term loans to group companies	**-**	**-**	**3.230,75**	**-**	**-**	**11.946,45**	**30.971,42**	**-**	**-**	**1.160.000,00**	**-**	**1.206.148,62**
Long-term loans to group companies	61,55	-	3.230,75	-	-	34.524,85	92.152,91	1.381,38	21.868,22	1.160.000,00	249.987,48	1.563.207,14
Impairment	(61,55)	-	-	-	-	(22.578,40)	(61.181,49)	(1.381,38)	(21.868,22)	-	(249.987,48)	(357.058,62)
CURRENT ASSETS	**-**	**170.048,26**	**331.152,35**	**16.806,71**	**42.440,28**	**138.483,16**	**23.757,16**	**-**	**-**	**465.235,58**	**-**	**1.187.923,50**
Trade receivables	**-**	**170.048,26**	**331.152,35**	**16.807,71**	**42.440,28**	**131.524,87**	**10.340,28**	**-**		**-**	**-**	**702.312,75**
Clients	368.961,97	573.182,07	331.152,35	45.910,26	42.440,28	131.524,87	10.340,28	-		-	-	1.503.512,08
Impairment	(368.961,97)	(403.133,81)		(29.103,55)	-	-	-					(801.199,33)
Short-term loans to group companies	**-**	**-**	**-**		**-**	**6.958,29**	**13.416,88**	**-**	**-**	**465.235,58**	**-**	**485.610,75**
Short-term loans to group companies	65.597,91	74.827,79	-	4.842,19	-	6.958,29	13.416,88	-	1.164,38	465.235,58	15.029,79	647.072,81
Impairment	(65.597,91)	(74.827,79)	-	(4.842,19)		-	-		(1.164,38)		(15.029,79)	(161.462,05)
CURRENT LIABILITIES	**-**	**104.840,81**	**117.322,62**	**7.628,37**	**-**	**-**	**-**	**-**	**-**	**8.671,23**	**-**	**238.463,03**
Trade payables	**-**	**104.840,81**	**117.322,62**	**7.628,37**	**-**	**-**	**-**	**-**	**-**	**8.671,23**	**-**	**238.463,03**
Suppliers	-	104.840,81	117.322,62	7.628,37	-	-	-	-	-	8.671,23	-	238.463,03

19.2) Transactions with Related Parties

The most significant transactions carried out with associated parties at financial year 2024 are as follows, in Euros:

Operation with related parties in the year	LLEIDA NET USA	LLEIDA NET COLOMBIA	LLEIDANET PERÚ	LLEIDANET BRASIL	LEIDANET REP. DOMINICANA	ORTABILIDADE ESPAÑOLAS	LLEIDANET PKI	LLEIDANET CHILE	UAE LLC
Sales	68.248,67	-	-	-	8.471,06	5.138,70	406.393,91	-	-
Purchases	53.386,93	379.796,50	-	11.007,46	105.225,90	83.001,82	-	-	-
Interest incomes	-	-	5.141,78	-	-	-	45.656,08	846,66	9.600,86
Services	-	-	-	-	-	-	-	-	-

The most significant transactions carried out with associated parties at financial year 2023 are as follows, in Euros:

Operation with related parties in the year	LLEIDA NET USA	LLEIDA NET COLOMBIA	LLEIDANET PERÚ	LLEIDANET BRASIL	LEIDANET REP. DOMINICANA	ORTABILIDADE ESPAÑOLAS	LLEIDANET PKI	LLEIDANET CHILE	UAE LLC
Sales	29.042,16	27.537,93	-	48.040,80	80.427,01	130.409,58	-	-	-
Purchases	26.576,56	-	-	-	13.270,01	5.077,24	56.406,57	-	-
Interest incomes	-	-	1.615,35	1.228,66	-	-	31.673,96	685,19	7.827,98

19.3) 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 amounted to 63.000 euros (99.000 euros in the previous year).

For its part, the tasks of senior management are performed by three members of the same Board of Directors (three members in the previous period), with the remuneration in the form of salaries amounting to 346.413,35 euros (307.314,06 euros in the previous period). The breakdown of this amount is as follows, in euros:

	2024	2023
Wages and salaries	282.204,14	278.572,62
Payment in kind	24.209,21	28.741,44
Variable compensation provision	40.000,00	-
	346.413,35	**307.314,06**

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 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 Company, which may be considered to be not in accordance with normal trading and not carried out under normal market conditions.

NOTE 20. OTHER INFORMATION

The average number of people employed during fiscal years 2024 and 2023, distributed by category, is as follows:

	2024	2023
Senior Executives	3	3
Administration	6,18	7,08
Commercial	9,43	15,52
Production	36,75	44,54
Maintenance	0,50	0,50
Reception	7,17	8,17
Business development	6,93	8,47
Compliance	4,32	5,94
Human Resources	2	3,50
Intellectual Property	1	1
TOTAL	**77,28**	**97,73**

The number of employees at the end of the fiscal years 2024 and 2023, broken down by category and sex, is as follows:

	2024				2023			
	Men	Women	Total	Disability greater than or equal to 33%	Men	Women	Total	Disability greater than or equal to 33%
Senior Executives	1	2	3	-	1	2	3	-
Administration	2	5	7	1	2	4	6	1
Commercial	4	5	9	1	4	8	12	1
Production	29	6	35	-	33	7	40	-
Maintenance	-	1	1	-	-	1	1	-
Reception	2	5	7	-	1	6	7	-
Business development	2	4	6	-	2	4	6	-
Compliance	1	3	4	-	-	4	4	-
Human Resources	-	2	2	-	-	2	2	-
Intellectual Property	1	-	1	-	1	-	1	-
TOTAL	**42**	**33**	**75**	**2**	**44**	**38**	**82**	**2**

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

	2024	2023
Fees of the audit accountant for providing audit services (individual and consolidated)	33.800	32.475
Fees of the auditor for the provision of audit services (other companies of the group)	12.400	11.965
Fees of the accountant for other related 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 consolidated interim financial statements as of June 30, 2024 and June 30, 2023.

It is reported that during the year the Company 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 duties. The premium amounted to 31.363,50 euros as the last year.

NOTE 21. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events 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.

LLEIDANETWORS SERVEIS TELEMÀTICS, S.A.

DIRECTOR'S REPORT FOR FINANCIAL YEAR 2024

LLEIDANETWORS SERVEIS TELEMÀTICS, S.A.

DIRECTOR'S REPORT FOR FINANCIAL YEAR 2024

In compliance with the provisions of the Spanish Companies Act, the Board of Directors hereby submits the directors' 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 BUSINESS

In the 2024 financial year, sales have increased by 19%.

Sales by business line thousand euros	2023	2024	Var. Euros	Var.%
Notification	1.208	1.998	790	65%
Contracts	2.899	2.984	86	3%
Other SaaS	824	558	-266	-32%
SMS Solutions	3.312	3.762	450	14%
ICX WHOLESALE Solutions	5.423	6.925	1502	28%
Total	**13.665**	**16.227**	**2.562**	**19%**

Wholesale sales have increased by 1.5 million euros, a 28% rise compared to 2023, reaching 6.9 million euros. Lleida.net continues to be a recognized company in the SMS market, where we have managed to increase our units sold to a larger number of customers.

Similarly, SMS Solutions sales, which encompass sales made to end customers of SMS, have risen by 14% to 3.7 million euros, thanks to the commercial efforts made primarily in the domestic market.

Sales of electronic notifications have grown by 65% following the decline in 2023 due to the cutoff of our main client in Colombia, Correos Postales Nacionales, 472, for non-payment of their invoices, which directly impacted the group's intra-company sales. In 2024, we have managed to recover intra-group billing thanks to the acquisition of new clients in Colombia. Growth has also come from signing new contracts in Spain and Europe, as well as from increased consumption by domestic clients.

Sales in Contracting have grown by 3%, thanks to the implementation of new functionalities in our standard products. The only line that has seen a decline is the sales of other SaaS that include data validation for portability in Spain.

The sales margin stands at 43.6% compared to 47.4% in the 2023 financial year, due to the greater weight of SMS sales in total sales.

Recurring personnel expenses during the 2024 financial year have decreased by 21% compared to the 2023 financial year. We must remember that, at the end of the previous financial year, the company implemented a redundancy plan (ERE) in the Lleida and Madrid offices. Consequently, we have experienced an average workforce reduction of 26% between both financial years.

In the 2023 financial year, a thorough analysis of external service costs and renegotiation with suppliers was initiated, which has allowed for a 21% decrease in expenses. Both office rental costs abroad were eliminated, advisor costs were reduced, a large part of in-person fairs was cut, and business travel was limited. Cost-cutting measures continue to be implemented throughout the 2025 financial year, always seeking the profitability of any activity.

The increase in sales, along with cost adjustments, has allowed EBITDA to increase by 2.198 million euros, which is 968% higher than in 2023. We have provisioned customer balances for uncertainty in their collection amounting to 98 thousand euros, following the principle of prudence. The operating result is positive at 1.287 million euros, reflecting the corrective measures implemented as well as the efforts of the entire Lleida.net team, which have allowed us to return to profitability.

The result before taxes stands at a profit of one million euros, compared to losses of 2,85 million euros in the previous financial year. The financial result has remained stable compared to the previous year.

Within the results of disposals and impairments, a 49 thousand euro impairment from the Lleida Information Technology Network Services Group, a 101 thousand euro impairment from the Lleida.net Peru Group, a 78 thousand euro impairment from the Lleida.net USA Group, a 15 thousand euro impairment from the Lleida.net Brazil Group, and a 19 thousand euro impairment from the Lleidanetworks Telematic Services Group are included as of December 31, 2024.

The 2024 financial year has been the year of returning to positive results for the company. Our main lines of business have grown, and we have focused our efforts on growing alongside high-value clients. The operational restructuring has shown us that we can grow and earn more with more optimized teams.

Data in thousand euros	2023	2024	Var. Euros	Var.%
Sales	13.665	16.227	2.562	19%
Cost of sales	(7.183)	(9.148)	1.965	27%
Gross Profit	**6.482**	**7.079**	**597**	**9%**
Staff Expenses	(4.586)	(3.607)	(979)	-21%
Other expenses	(2.297)	(1.808)	(489)	-21%
Other incomes	73	22	(51)	-70%
Capitalization	555	739	184	33%
EBITDA	**227**	**2.425**	**2.198**	**968%**
Depreciation	(1.146)	(1.033)	(113)	-10%
Impairment losses	103	(98)	201	195%
Other results	(200)	(4)	(196)	-98%
Indemnities	(240)	(3)	(237)	-99%
Opertaing Result	**(1.256)**	**1.287**	**2.543**	**-202%**
Financial income	(95)	(94)	(1)	-1%
Impairment and results on disposals	(1.509)	(155)	(1.354)	-90%
Exchange rate differences	7	(10)	17	113%
Profit before tax	**(2.853)**	**1.028**	**3.881**	**136%**

2. SUBSEQUENT EVENTS

After December 31, 2024, and until the preparation date of this Management Report, no additional subsequent events have occurred beyond those already mentioned in the Explanatory Notes to the financial statements, which would reveal circumstances that already existed as of December 31, 2024, and which, due to their significant economic impact, should result in adjustments to the Financial Statements or changes in the information contained in the explanatory notes.

There are also no other subsequent events, other than those already mentioned in the Explanatory Notes, that demonstrate conditions that did not exist as of December 31, 2024, and that are of such importance that they require additional information in the Explanatory Notes to the financial statements.

3. SUSCEPTIBLE EVOLUTION OF SOCIETY

After the expense adjustments made in the company, both following the staff reductions due to the ERE carried out in December 2023 and the review of all expense items, the company has returned to positive results. For the fiscal year 2025, the increase in sales will come from an increase in consumption by recurring clients, the acquisition of new accounts, as well as the commercialization of new hybrid products developed together with the technology of Lleida.net PKI, S.L.U.

4. R&D ACTIVITIES

In the 2024 exercise, the Society has invested 739 thousand euros in research activities primarily focused on the company's certification line.

5. OPERATIONS WITH OWN SHARES

In accordance with the regulations of BME Growth and Euronext Growth, the company signed a liquidity agreement with the placing bank in connection with its market listing. This agreement involves both the delivery of a certain amount of the company's own shares and the deposit of a cash amount. The purpose of this contract is to allow investors to trade the company's shares, ensuring that any interested party could have the opportunity to buy or sell shares.

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

6. FINANCIAL INSTRUMENTS

During 2024, the Company has not used instruments related to financial derivatives.

The treasury department has a daily check-up of the actual cash position and compares it with the weekly forecasts that are carried out. The Company is renewing the short-term credit lines held with banking entities, and thanks to the projected cash generation, it will reduce its debt.

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

The Company is not significantly exposed to currency risk, so it does not engage in operations with financial hedging instruments. In the case of loans to group companies, the reference currency is the euro, so the exchange rate risk falls on these group companies.

7. DEFERRALS OF PAYMENT TO SUPPLIERS

Information on deferrals of payment to suppliers is shown in the annual accounts in Note 11. During the 2024 fiscal year, the Company has increased the payment term to its suppliers compared to the 2023 fiscal year, negotiating in most cases for extended terms. To shorten the payment terms, the Company has negotiated payment lines with banking entities, as well as longer payment terms with certain suppliers. The anticipated cash generation for 2024 will allow for a reduction in payment terms in the new fiscal year.

* * * * * * * * * * * *

PREPARATION OF ANNUAL ACCOUNTS AND DIRECTOR'S REPORT

In compliance with company law, the Board of Directors of **LLEIDANETWORS SERVEIS TELEMÀTICS, S.A.** draws up the Annual Accounts and the Director's Report for the financial year ended December 31, 2024, which comprises the attached pages number 1 to 62.

Lleida, March 28th, 2024
Board of Directors

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

Mr. Francisco Sapena Soler
Chairman and Chief Executive Officer

MARCOS GALLARDO MESEGUER

Firmado digitalmente por MARCOS GALLARDO MESEGUER
Fecha: 2025.03.28 18:16:18 +01'00'

Mr. Marcos Gallardo Meseguer
Secretary

PEREZ SUBIAS MIGUEL - 17147802Z

Firmado digitalmente por PEREZ SUBIAS MIGUEL - 17147802Z
Fecha: 2025.03.28 15:24:39 +01'00'

Mr. Miguel Pérez Subias
Independent Director

Firmado digitalmente por LOPEZ DEL CASTILLO, ANTONIO (AUTENTICACIÓN)
Fecha: 2025.03.28 17:48:18 +01'00'

Mr. Antonio López del Castillo
Independent Director

Firmado por CARBONELL SEBARROJA JORDI - ***9668** el día 28/03/2025
con un certificado emitido por AC

Mr. Jordi Carbonell i Sebarroja
Independent Director

USANDIZAGA RUIZ ARRATE MARIA - 44558454W

Firmado digitalmente por USANDIZAGA RUIZ ARRATE MARIA - 44558454W
Fecha: 2025.03.28 15:00:04 +01'00'

Mrs. Arrate María Usandizaga Ruíz
Executive Director

Firmado por SAINZ DE VICUÑA BARROSO JORGE - ***1181** el día 28/03/2025 con un certificado emitido por AC FNMT Usuarios

Mr. Jorge Sainz de Vicuña
Independent Director

BEATRIZ CARMEN GARCIA TORRE - DNI 43749850D

Firmado digitalmente por BEATRIZ CARMEN GARCIA TORRE - DNI 43749850D
Fecha: 2025.03.28 15:15:32 +01'00'

Mrs. Beatriz García Torre
Executive Director

REPORT ON THE ORGANIZATIONAL STRUCTURE AND INTERNAL CONTROL SYSTEM FOR THE FINANCIAL INFORMATION OF LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A

Under the provisions of Article 17 of Regulation (EU) No 596/2014 on market abuse, Article 227 of Spanish Act 6/2023 of 17 March on Securities Markets and Investment Services, and related applicable regulations — including Circular 3/2020 of the BME Growth segment of BME MTF Equity (“BME Growth”) — the report on the Organisational Structure and Internal Control Systems for Financial Reporting of Lleidanetworks Serveis Telemàtics, S.A. and its subsidiaries (hereinafter “Lleida.net”, the “Lleida.net Group”, the “Group”, the “Company” or the “Entity”) is hereby made available to the market.

The audit committee approved the report, which the Board of Directors ratified at its meeting on 28 March 2025.

Lleida, April 28 2025

FRANCISCO SAPENA SOLER

Chairman and Chief Executive Officer of Lleidanetworks Serveis Telemátics, S.A

1. **BRIEF DESCRIPTION OF THE COMPANY**

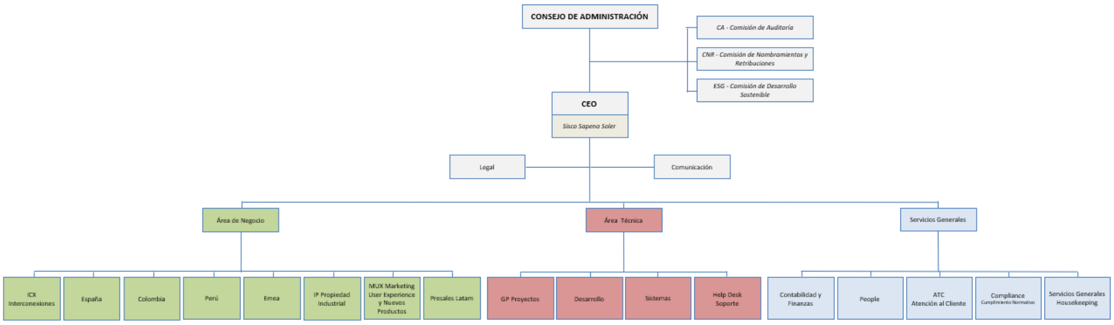
Lleidanetworks Serveis Telemàtics, S.A. is a limited liability company with an indefinite duration and with a registered office located in Madrid (Spain) Calle General Lacy 42, ground floor according to the agreement of the Board of Directors dated 7 October 2017, with VAT number A25345331. On 26 October 2021, the Board of Directors, Relocate the registered office of the company to calle Téllez, 56 local C in Madrid.

Previously, it was established as a Limited Liability Company indefinitely, under the name of Lleidanetworks Serveis Telemàtics, SL, through a document authorised by the Public Notary of Lleida, Mr. Antonio Rico Morales, Notary of the Barcelona Bar Association, on January 30, 1995, under number 547 of its protocol.
The Company was registered in the Mercantile Registry of Lleida on March 13, 1995, volume 355, Folio 137, section 1 sheet L6657.
Adapted its By-laws to the current Law of Limited Liability Companies through a document dated June 12, 2000, amended by another on November 3, 2000, all authorised by the Notary of Lleida, Mr. Antonio Rico Morales. Furthermore, the company increased its capital through a document authorised by the Notary of Lleida, Mr. Pablo Gómez Clavería, on October 21, 2004. Subsequently, another increase in capital was carried out through a document authorised by the aforementioned Notary of Lleida, Mr Gómez, on August 16, 2006. These changes were registered in the Mercantile Registry of Lleida, Volume 355, Page 141, Page number L-6.657.
At the Extraordinary General Meeting held on 30 June 2011, the resolution to convert the company into a public limited company (Sociedad Anónima) was approved. This transformation was formalised on 12 December 2012 by means of a public deed executed before the Notary of Catalonia, Mr Pablo Gómez Clavería, under entry number 3357 of his notarial protocol, and duly registered with the Commercial Registry of Lleida, Volume 355, Folio 145, Sheet L6.657, Entry No. 8, on 17 February 2012.
On 1 June 2015, the Company approved the request for incorporation into the former Alternative Stock Market (MAB) at the shareholders' meeting, which is currently BME growth of all the Company's shares.
On October 7, 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 the expansion of the Alternative Stock Market, effective as of October 9, 2015.
On 14 December 2018, the Euronext Admission Committee accepts incorporating the shares of Lleida.net in Euronext Growth as of 19 December 2018.
On October 30, 2020, FINRA gave its favourable decision for the listing of the Company on the New York OTCQX market, where the shares entered into trading as of November 2, 2020-

The corporate purpose of Lleida.net is expressed in article 2 of its By-laws, the text of which is literally transcribed below:
__Article 2º: Corporate purpose__
a) Electronic and information technology consulting on different matters through professionals and electronic and computing mechanisms for companies and services. b) Dissemination of electronic systems through activities and publications. c) The provisions of telecommunication services ."

2. ORGANISATIONAL STRUCTURE

The following departments constitute the structure of the Company. All Chief Officers convene on a monthly basis to review the Company's action plans and submit them for approval by the Board of Directors.



Financial information is prepared by the Finance Department and reviewed by the Executive Director. The Board of Directors retains ultimate responsibility for its accuracy and integrity.

The key bodies and functions responsible for the effective design, implementation and maintenance of the Internal Control System for Financial Information are outlined below:

a) Board of Directors:

The Board of Directors has authority over the management and representation of the Company, both judicial and extrajudicial, as well as all activities encompassed within the corporate purpose.
Beyond these duties, the Board members must demonstrate full commitment to ensuring the Company's proper direction and governance. This includes monitoring and understanding the financial information disclosed to shareholders and markets and overseeing the Company's internal control framework.
The Board of Directors comprises the following individuals.

Francisco Sapena Soler Executive Director

He holds a degree in Technical Agricultural Engineering, with a specialisation in qualification in Telematics from the UPC. He is a long-standing advocate of new technologies and the internet. With a tenure of 9 years, he served as President of IRC Hispano. Currently, he serves as the Chief Executive and principal Shareholder of Lleida.net. He is widely acknowledged as the driving force behind the Company's success.

Beatriz García Executive Director

She brings over 12 years of experience in the telecommunications sector. She holds a BSc in Telecommunication Engineering and Computer Science from the Polytechnic University of Catalonia and TU Delft (The Netherlands). She has also completed the Management Development Programme at IESE Munich–Barcelona.
Before joining Lleida.net, she worked at Orange España and Deloitte as an IT auditor. She joined Lleida.net in 2008, initially in the Routing Department. In 2014, she was appointed Chief Interconnection Officer. Currently, she serves as the Chief Executive Officer of Lleida.net's business division.

Marcos Gallardo- External director

Founder and managing partner of Lexing Spain Barcelona. Admitted to the Barcelona Bar Association in 1998. President of the Commission on Privacy and Rights of the Digital Person (International Association of Lawyers – UIA). Vice-President of the Lexing® global law firm network specialising in advanced technology law, with 22 offices across 25 countries in Europe, the Americas, Africa and Asia. Vice-President of the Intellectual Property Commission at the Barcelona Bar Association (ICAB).
Serves on the boards of several multinational companies in the telecommunications and internet sectors.
Recognised by Who’s Who Legal (2012–2014) as one of the world’s leading lawyers in Internet, e-commerce and data protection.

Arrate Usandizaga- Executive Director

Chief Financial Officer of the Group. She holds a degree in Business Administration and Management and a Master’s in Finance and Accounting from the University of Deusto. Previously worked at PwC as a Supervisor in the Assurance division, specialising in financial audits. Joined Lleida.net to oversee audit and risk. She now leads the General Services division across the Group.

Miguel Pérez Subias - Independent director

Senior Telecommunications Engineer, ETSIT at the Polytechnic University of Madrid and Master in Business Management, INESE. He currently serves as President of the Internet Users Association (AUI), combining this with an active professional career as a consultant specialising in Internet and emerging technologies.

In 1993, he edited and launched Click Magazine—the first Spanish publication dedicated to the Internet—and in 1995, he founded the Association of Internet Users (AUI), a non-profit organisation that he continues to lead.

He has spearheaded numerous key initiatives, including the Internet World Conference (Madrid, 1996–2005); ExpoInternet (Barcelona, 1997–2001); the launch of World Information Society Day – Internet Day (Tunisia, 2005); the creation of the Spanish neutral internet node EspaNIX (Madrid, 1997); and the Spanish Internet Governance Forum (Madrid, 2008).

Antonio López del Castillo - Independent Director

Telecommunications consultant with extensive experience as Director of Procurement at Telefónica España and Vivo (Telefónica Brazil).
Significant contributions include telecom planning for the 1992 Barcelona Olympics, the development of the first high-speed metropolitan area network connecting universities and hospitals in Barcelona, and the implementation of an advanced procurement system at CRT in São Paulo following its privatisation. He oversaw the awarding of contracts totalling more than BRL 30 billion between 1998 and 2002.

Technical Director of the Spanish versions of the magazines Tele.Com, Data Communication, LAN Times and founder of Global Telecommunications.

He has also served as Director of the New Technologies course at Instituto Catalán, of the Sitges Summer University courses at UNTEC, and of the Postgraduate Course in Multimedia and Telecommunications at the Universitat Autònoma de Barcelona.

Jordi Carbonell i Sebarroja Independent Director

Counsel and Advisor of the Parque Científico y Tecnológico Agroalimentario de Lleida (PCiTAL). Representative in the Spanish Association of Technological Parks (APTE) and in the World Association (IASP). Business advisor of the Park and Clusters of Lleida.

He served as Secretary of Industry and Energy at the Department of Labour and Industry of the Government of Catalonia (2005–2006) and was elected a Member of the Catalan Parliament for the province of Lleida in the 2003 elections.

From 1996 to 2003, Director General of ACTEL, S.C.L, Cooperative of second degree of which 130 Cooperatives of Lleida are part, receiving in 2003 the Award for Business Innovation of the Generalitat of Catalonia.

Between 1993 and 1996, he was the Civil Governor of Lleida and a member of the negotiating team for Spain's entry into the European Economic Community (1984-1986). He was also General Technical Secretary of the Ministry of Agriculture, Fisheries and Food (1982-1988).

Jorge Sainz de Vicuña Barroso – Director (appointed by co-option)

Manager of investee companies. Brings significant experience as General Manager and CEO in group entities, with a focus on business recovery and performance improvement strategies. His expertise spans the whole negotiation and sales process—from drafting initial offers and managing NDAs to coordinating due diligence and closing contracts—in close collaboration with legal, tax and employment advisers.

b) <u>The Audit Committee</u>

In accordance with the Company's Articles of Association and the Regulations of the Board of Directors, the Audit Committee is responsible for evaluating the Company's accounting oversight framework, ensuring the independence of the external auditor, and reviewing the internal control systems relating to financial information.

In addition to any responsibilities delegated by the Board of Directors from time to time, the Audit Committee shall carry out the following core duties:

Report to the General Meeting of Shareholders on matters raised by shareholders within its jurisdiction.
Propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the statutory auditors in accordance with Article 264 of the Spanish Capital Companies Act, including their terms of engagement, scope of services, and, where applicable, their dismissal or non-renewal Notify the governing company through Relevant event of any changes in auditors to ensure the independence of the external auditor.
Oversee the effectiveness and independence of the internal audit function.
Review the Company's financial statements to ensure they comply with legal requirements and applicable accounting standards in coordination with both internal and external auditors.
Supervise the preparation and integrity of financial information relating to the Company and its group, ensuring adherence to applicable laws and accounting standards, and participate in decisions regarding the appointment or replacement of senior financial officers.
- Periodically review internal risk control and management systems to identify, manage, and disclose significant risks.
- Manage the relationship with the external auditors to obtain information on any matters that may compromise their independence, as well as other issues arising during the audit process, and ensure compliance with audit regulations and technical standards.
- Ensure compliance with the audit engagement terms and confirm that the audit reports and opinions on the annual accounts are clearly and accurately expressed. Evaluate the outcomes of each audit
- Review interim financial information to be disclosed to markets and regulators, ensuring consistency with the accounting criteria used for the annual financial statements.
Advise the Board of Directors, prior to adopting decisions, on matters established by law, the Articles of Association and the Board's Regulations, including but not limited to: (i) The financial information the Company is required to disclose periodically; (ii) The establishment or acquisition of interests in special-purpose entities or those based in jurisdictions that may

reduce transparency due to their complexity, and (iii) related-party transactions.

The Audit Committee is currently composed of two independent directors. It meets at least twice a year or whenever convened by its Chair. In 2020, the Committee held two meetings.

c) Board of Directors

The Board consists of the Chief Executive Officer and the directors of the three business lines.
Meetings are held at least monthly to coordinate the Company's core activities. Short- and medium-term action plans are defined to meet strategic objectives and address any contingencies that may arise.
Operational and strategic reports from all business areas are reviewed at each meeting. If a matter requiring market disclosure is identified, the Executive Director informs the Board without delay to ensure timely publication.

d) Finance Department

The Finance Department is responsible for maintaining a robust daily control system over financial information. It oversees the accounting processes of the parent company and supervises the reporting of subsidiary companies. Its duties include preparing reports that support Board-level decision-making and publishing financial information in compliance with market disclosure requirements.

e) External audit

Lleida.net's annual accounts, both individual and consolidated, are reviewed by BDO auditors, a renowned, prestigious auditing firm. Since 2016, BDO has also conducted a limited review of the interim financial statements covering the period from 1 January to 30 June.

3. COMPANY CONTROL SYSTEMS

The Internal Control and Risk Management mechanisms pertaining to financial information fall under the purview of the Audit Committee. In accordance with the Board's internal governance rules, these systems are also subject to periodic review and oversight by the Board of Directors. The primary control mechanisms include:

3.1 Annual budgets implementation:

The executive team prepares and implements the Group's annual budget, subject to approval by the Board of Directors.
Thereafter, the Board monitors monthly deviations and ensures the implementation of appropriate corrective or strategic measures as needed.

3.2 Internal control measures:

Lleida.net has defined the following financial processes as critical control points to ensure the effectiveness and compliance of its internal financial control system
- Sales, customer billing and collection management
- Consolidation and reporting of group companies
- Research and Development (R&D) investments
- Investments in Property, Plant and Equipment
- Treasury management
- Purchases and accounts payable
- Taxes
- Human Resources
- Annual closings

The primary control measures by risk area are outlined as follows:

a) Sales, customer billing and recovery management.

A monthly detail of the invoices to be issued is generated and reviewed by the Billing Manager, and the automatic process is launched, which allows:
- Generate sales entries in the accounts
- Send invoices to customers
- Create files for sales managers, Chief Officers, and the Chief Financial Officer to monitor monthly figures

Supervision of customer collections by the Head of Treasury, with relevant invoices insured by a credit insurance company to mitigate non-payment risks
Weekly discussions on collection status with sales managers.
Weekly reconciliation of collections by the Financial Department.
Utilisation of a management system with defined user profiles, ensuring access to appropriate information for each use

b) Consolidation and reporting:

The company engages accounting and tax advisors in each country where subsidiaries are registered. These advisors are responsible for submitting monthly financial data to the parent company's Finance Department for consolidation and review. They are not granted access to the subsidiaries' bank accounts and have limited authority to carry out administrative formalities with local authorities.

c) R+D Investment

The Company allocates an annual budget for research and development projects, jointly overseen by the Chief Technical Officer and the Finance Department. All R&D initiatives must align with the yearly action plan; any exceptional or ad hoc collaborations require prior approval from the Chief Technical Officer.

d) Investment in tangible fixed assets:

Most investments in this area are allocated to servers and other IT infrastructure. An annual budget is collaboratively established by the technical and financial departments, assessing annual requirements. Budget execution is tracked monthly to ensure compliance with authorised expenditure limits.

e) Treasury:

The Treasury manager is responsible for monitoring the balances of the company's financial instruments daily. The Executive Director is authorised to initiate wire transfers. The Treasury Department prepares payment files and reviews them with the Chief Financial Officer prior to authorisation by the Executive Director.

Parent company staff oversee the bank accounts of subsidiary companies.

Each week, the Treasury Department submits a summary of balances, major disbursements and income movements per account to the Chief Financial Officer and Executive Director for review.

Bank reconciliations are performed by the Finance Department independently from the Treasury personnel who prepare payment files.

f) Purchases and payable accounts:

Supplier transactions are recorded directly within the Company’s ERP system. Supplier rates are automatically updated when changes are detected. The Financial department performs monthly reconciliations to ensure that invoiced amounts match recorded consumption in the ERP. Validated consumptions trigger automatic accounting entries for purchases. In the event of discrepancies, the supplier is notified, and the issue is analysed and reported to the Interconnection Department, which oversees procurement.

Payments to key suppliers (typically telecom operators) are executed via netting arrangements. Purchase and sale invoices are reconciled. The system autonomously generates this netting, which is subsequently dispatched to the supplier for approval. Once accepted, the netting is included in the next scheduled payment batch.

Other payments, such as commercial expenses, are covered via corporate credit cards assigned to employees. Employees must submit a monthly expense report with supporting documentation, which is approved by the relevant Chief Officer and the Finance Department prior to processing. prior to processing.

The company also maintains direct debits for lease and supply payments, which are paid via direct debit and reconciled weekly. These charges are matched weekly against corresponding bank account transactions.

f) Taxes:

The Company prepares its monthly tax filings internally, using data extracted automatically from the ERP system. The Financial Department compiles the relevant documentation, which is digitally signed and submitted by the authorised Executive Finance Officer.

The Company also consults with international tax advisers to remain up to date on regulatory changes that may affect its obligations.

g) Human Resources:

The workforce stands as a pivotal element in Lleida.net's success. The Human Resources Department manages both existing personnel and recruitment processes, with the Chief HR Officer leading employee development and career progression strategies.
In coordination with department heads, job profiles and candidate requirements are defined. Vacancies are advertised via corporate social media channels and external job portals. Initial screening focuses on qualifications and relevant experience. Shortlisted candidates are interviewed first by the Chief HR Officer and then evaluated through performance-based assessments. The three highest-scoring candidates are invited to final interviews.

The Chief HR Officer is also responsible for payroll management, assessing salary levels jointly with the relevant department head. All remuneration decisions are approved by senior management and must align with the approved annual budget.

I) Financial closing:

- Regulation: Lleida.net adheres to the regulations outlined in the general accounting plan for recording its activities. In case of regulatory updates or uncertainty, the Company consults its financial and legal advisers to ensure full compliance.

- Monthly financial closings are carried out to monitor performance against the budget approved by the Board of Directors

- System lockdown: Once all entries have been recorded and validated, the accounting period is closed to prevent post-period adjustments

- Financial closing review: The profit and loss account is reviewed alongside the balance sheet monthly to identify significant variations, inconsistencies, or errors compared to previous periods. The Financial department prepares the relevant information, which the Chief Financial Officer then reviews. Summary reports are submitted to the Executive Director for verification prior to being presented to the Board of Directors.

Reporting financial information: As outlined in point 5.1, key financial figures are published quarterly on BME Growth as a relevant event to ensure transparency.

Each year, the General Shareholders' Meeting approves the audited annual accounts prepared by the Board of Directors, together with the management report and other required disclosures, in accordance with BME Growth's format and timing. Interim financial statements as of June 30 are also subject to audit and filed in accordance with BME Growth requirements.

Periodic financial and management information is primarily presented through face-to-face meetings or conference calls. The Chief Executive Officer and the Financial Director are responsible for these communications.

3.3 Internal Code of conduct in Stock markets

On 26 July 2016, the Board of Directors of LLEIDA.NET approved its Internal Code of Conduct for the Stock Market in accordance with Article 225.2 of the revised Securities Market Law, as enacted by Royal Legislative Decree 4/2015 of 23 October. The Code incorporates explicitly the provisions of Chapter II, Title VII of the consolidated Securities Market Law, as applicable to the Company under Article 322.3, as well as its implementing regulations, including Royal Decree 1333/2005 of 11 November on market abuse and CNMV Circular 4/2009 of 4 November on the communication of relevant information. The purpose of the Code is to establish a framework of conduct for LLEIDA.NET and its stakeholders to safeguard transparency and protect investors. The Audit Committee monitors compliance with the Code.

4 RISK ASSESSMENTS:

The Group is exposed to several financial risks, primarily credit, liquidity and market risks, including foreign exchange, interest rate and price risk.

4.1) Credit Risk

The Group's main financial assets include cash balances, trade and other receivables, and investments, representing its maximum exposure to credit risk. Credit risk mainly stems from commercial debts. The amounts are reflected in the net balance of provisions for bad debts, estimated by the Parent Company's management based on previous years' experience and its assessment of the current economic environment.

4.2) Liquidity Risk

Conditions in the financial markets, particularly the banking sector, have been unfavourable to credit applicants in recent years. The Group continuously monitors factors affecting its liquidity position, with particular attention to the availability and characteristics of funding sources.

4.3) Market Risk

Over recent years, market conditions have remained volatile due to ongoing global economic uncertainty.

4.4) Exchange Rate Risk

The Group is not exposed to a significant exchange rate risk and, therefore, does not trade in hedging instruments.

4.5) Interest Rate Risk Changes in interest rates modify the fair value of assets and liabilities that accrue a fixed interest rate and 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 allows minimising the cost of debt over the multi-year horizon with reduced volatility in the Profit and Loss Account.

5. COMUNICATION OF INFORMATION

The Company categorises market disclosures into three primary types: Financial information.
Strategic information
Technical Information

The procedures according to the type of information are detailed below.

5.1 Financial information

The Company conducts monthly and quarterly closings and prepares interim financial statements in accordance with the General Accounting Plan, following a "going concern" approach. The Finance Department compiles financial data, which is reviewed first by the Chief Financial Officer and subsequently by the Executive Director. The information is prepared for the Board of Directors by the Financial Department, and it is sent to the chief officers so they can formulate the annual accounts and the interim financial statements. These financial statements are reviewed by the Audit Committee, formally approved by the Board of Directors, and made available to shareholders.
Key achievements are presented at the Annual General Meeting, where shareholders vote on approval of the annual accounts.
Data published on BME Growth is derived from consolidated financial statements sourced directly from the company's ERP system. However, data may be obtained from overseas subsidiaries' respective local advisors. The financial information

undergoes a standardisation process for both regulations and currency. The chief financial officer reviews the final draft.
Once the data is validated, the Chief Financial Officer collaborates with the Registered Advisor to prepare the relevant event.
The draft is reviewed by both the Executive Director and the Registered Advisor before being submitted to the Board for final comments, if any.
Lleida.net uploads the event to the BME Growth website, where it must receive approval from the registered advisor. After publication on the BME Growth website, the information is also shared on Lleida.net's website under the Investors section.

5.2 Strategic information:

Strategic information, such as negotiations for acquisitions or new business ventures, is directly overseen by the company's executive director.
These topics are included in the agenda for Board of Directors meetings, where decisions are made.
The relevant event is reviewed by both the Executive Director and the Registered Advisor and is reported to the members of the Board of Directors, should they want to provide comments.
The Company then uploads the event to the BME Growth platform, subject to Registered Advisor approval. After publication, it is also made available in the Investors section of Lleida.net’s website.

5.3 Technical information

Given the strategic importance of product innovation, Lleida.net systematically secures patents and trademarks for all developments. The Intellectual Property department internally monitors the patent submission process, and external firms oversee deadlines under the supervision of the Chief IP Officer.
To ensure communication accuracy, the Financial Department quarterly queries the IP Department on patent statuses.
Once a patent is granted, the Chief IP Officer, together with the Executive Director and Registered Advisor, prepares the relevant event notice. It is then shared with the Board for any input. Lleida.net uploads the event to the BME Growth website, where it must receive approval from the registered advisor. After publication, it is also made available in the Investors section of Lleida.net’s website.

6.-MONITORING AND SUPERVISION CONTROL ACTIVITIES:

The audit committee has conducted the following activities throughout 2024 to oversee the proper functioning of the internal control system for financial information:

- Reviewed the consolidated interim financial statements of the parent company for the period from 1 January to 30 June 2023.
- Examination of the financial statements, individual, and consolidated annual accounts of the Group for the fiscal year 2024.

- Reviewed the audit plan and assessed the independence of the external auditors (BDO).
-Work closely with the external audit team to track the progress of audit procedures and identify risk areas within the audit work.