



# Lleida.net

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**Lleida, le 29 avril 2021**

## **Informations privilégiées**

### **Présentation audit et comptes consolidés 2020, présentation audit et comptes individuels société mère, comparaison avec 2019 y présentation structure organisationnelle**

En vertu des dispositions de l'article 17 du Règlement (UE) N 596/2014 concernant l'abus du marché et de l'article 228 du texte refondu de la Loi du Marché des actions, approuvé par le Décret royal législatif 4/2015 du 23 octobre, et des dispositions concordantes, ainsi qu'en vertu des dispositions de la circulaire 6/2018 du Marché Alternatif Boursier (MAB), les informations suivantes concernant Lleidanetworks Serveis Telemàtics, S.A (désormais « Lleida.net » « l'entreprise », « la Société » ou « le Groupe ») sont mises à la disposition du Marché :

Le 25 janvier 2021, l'entreprise a publié, sous forme d'Informations Privilégiées, un aperçu des principaux montants du compte de résultat et de la dette consolidés de la Société. Cette avance a été réalisée à partir des données comptables disponibles

À ce jour, ces informations sont complétées par les documents suivants :

- Rapport d'audit et comptes annuels consolidés 2020.
- Rapport d'audit et comptes annuels individuels 2020.
- Rapport sur la structure organisationnelle et le système de contrôle interne.

Nous restons à votre disposition pour répondre à vos questions.

Cordialement

Francisco Sapena Soler

PDG de Lleida.net



# Lleida.net

## LLEIDA.NET CONSOLIDE SA VIABILITÉ À LONG TERME

PRÉSENTATION DES RÉSULTATS AUDITÉS DE L'EXERCICE 2020



# RÉSUMÉ

# ANALYTIQUE

EN QUELQUES MOTS :

Lleida.net dispose d'un fonds de roulement de 5,2 millions d'euros, ce qui garantit sa solvabilité sur le long terme.

Ce montant dépasse largement ce dont elle disposait au début de 2020, qui s'élevait à 1,6 million d'euros. En à peine une année, le fonds de roulement a augmenté de 3,6 millions, nous avons augmenté nos ventes jusqu'à 16,42 millions et notre valeur nette et nos actifs du groupe ont augmenté. Plus précisément, la croissance du patrimoine net a été de 66%, jusqu'à 7,2 millions d'euros.

Les actifs du groupe ont augmenté de 24% au cours de l'année par rapport à l'année précédente, jusqu'à 13,2 millions.

Parallèlement, la dette financière a été réduite de 539 000 euros, soit 15% par rapport à l'année précédente.

Ces chiffres montrent la solidité de la situation financière de l'entreprise qui, associée à l'augmentation de l'utilisation de ses services SaaS et à l'augmentation significative de la facturation, garantissent la viabilité de l'entreprise.

Lleida.net est régie par deux critères très clairs : nous croyons en une croissance soutenue à long terme (nous sommes une startup depuis 26 ans, et ce n'est pas fini) et nous croyons que ce que nos actionnaires applaudissent et dont ils sont fiers, c'est la solidité de l'entreprise.

Ça fait six ans que nous avons sonné la cloche de l'ancien MAB. Plus tard, nous sommes entrés à Euronext à Paris et OTCQX à New York, consolidant notre position dans le marché ces dernières années.

Les résultats que nous présentons ci-dessous sont la preuve de notre solidité.

# HIGHLIGHTS DE LA PÉRIODE

## Financier

Notre position financière est la plus solide de notre histoire.

## Innovation

Nous avons augmenté notre équipe de R + D pour offrir au marché les produits dont le monde numérisé post-COVID19 a besoin.

## Internationalisation

De nouvelles filiales à Dubaï, de nouveaux contrats en Europe, Afrique, Moyen Orient et Amérique Latine.

## Propriété intellectuelle

203 brevets délivrés par plus de 60 pays des cinq continents. L'un des portefeuilles le plus solides de l'industrie globale.



# ÉVOLUTION DU COMPTE DES RÉSULTATS AUDITÉS :

Données en Milliers d'euros Consolidés	2019	2020	Var. €	Var. %
Ventes	13 661	16 421	2 760	20%
Coût des ventes	(6 607)	(8 390)	(1 783)	27%
<b>Marge brute</b>	<b>7 054</b>	<b>8 031</b>	<b>977</b>	<b>14%</b>
<b>%Marge sur ventes</b>	<b>52%</b>	<b>49%</b>		
Frais de personnel	(3 067)	(3 403)	(336)	11%
Services Externes	(2 728)	(2 743)	(15)	1%
Autres revenus	54	160	106	196%
Activations	935	662	(273)	-29%
<b>EBITDA</b>	<b>2 248</b>	<b>2 707</b>	<b>459</b>	<b>20%</b>
Amortissement	(1 135)	(1 187)	(52)	5%
Dépréciations et Cessions immobilisations	(21)	(80)	(59)	-
Autres résultats	10	0	(10)	-
<b>Résultat d'exploitation</b>	<b>1 102</b>	<b>1 440</b>	<b>338</b>	<b>31%</b>
Résultat financier net	21	(72)	(93)	443%
Dépréciation et résultat pour aliénation	0	(144)		
Différences taux de change	(24)	(195)	(171)	-713%
<b>Résultat avant impôts</b>	<b>1 099</b>	<b>1 029</b>	<b>(70)</b>	<b>-6%</b>

**Une augmentation de la marge brute de 977 000 euros** par rapport à l'année 2019, découlant de l'augmentation des gammes de produits SaaS ainsi que de l'augmentation des ventes de solutions SMS de Wholesale.

**Le résultat d'exploitation a atteint 1,4 millions d'euros**, 31% supérieur au résultat de 2019. Dans sa stratégie de croissance, Lleida.net continue d'investir dans les personnes, augmentant ses effectifs, lors de l'exercice, de 15 personnes, notamment dans les services commercial, international et de R+D+i. Nous sommes 100, plus les équipes externes.

**Le résultat avant impôts dépasse 1,02 millions d'euros.** Le conseil d'administration a proposé à vote du conseil d'actionnaires la distribution du deuxième dividende de l'histoire de la société, avec une augmentation de 25% par rapport au dividende précédent.

# ÉVOLUTION DES CHIFFRES DU BILAN :

Bilan consolidé Milliers d'euros	2019	2020	Var. €	Var. %
ACTIF NON COURANT	4 416	4 121	(295)	-7%
Immobilisé immatériel	3 847	3 583	(264)	-7%
Immobilisé matériel	381	336	(45)	-12%
Investissements financiers à long terme	187	42	(145)	-78%
Actifs d'impôts différés	1	160	159	15 900%
ACTIF COURANT	6 267	9 149	2 882	46%
Débiteurs commerciaux et d'autres comptes à encasser	3 564	3 498	(66)	-2%
Investissements financiers à court terme	1 262	1 275	13	1%
Régularisations à court terme	258	320	62	24%
Trésorerie et autres actifs liquides équivalents	1 183	4 056	2 873	243%
<b>TOTAL ACTIF</b>	<b>10 683</b>	<b>13 270</b>	<b>2 587</b>	<b>24%</b>
PATRIMOINE NET	4 389	7 266	2 877	66%
Fonds propres	4 335	7 156	2 821	65%
Différences de conversion	53	98	45	85%
Associés externes	1	12	11	1 100%
PASSIF NON COURANT	1 678	2 100	422	25%
Dettes à long terme	1 678	2 100	422	25%
PASSIF COURANT	4 616	3 904	(712)	-15%
Provisions à court terme	96	42	(54)	-56%
Dettes à court terme	1 871	910	(961)	-51%
Créances commerciales et d'autres comptes créditeur	2 649	2 952	303	11%
<b>TOTAL PATRIMOINE NET ET PASSIF</b>	<b>10 683</b>	<b>13 270</b>	<b>2,587</b>	<b>24%</b>

- Nous disposons d'un **fonds de roulement** de 5,2 millions d'euros qui reflète la solvabilité du groupe.
- Le **patrimoine net** a augmenté de 66%, jusqu'aux 7,2 millions d'euros, ce qui reflète la solidité du groupe.
- L'actif a augmenté de 24% par rapport à l'exercice précédent, jusqu'aux 13,2 millions d'euros.

# ÉVOLUTION DE L'ACTIF DU BILAN :

<i>Bilan consolidé Milliers d'euros</i>	2019	2020	Var. €	Var. %
ACTIF NON COURANT	4 416	4 121	(295)	-7%
Immobilisé immatériel	3 847	3 583	(264)	-7%
Immobilisé matériel	381	336	(45)	-12%
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TOTAL ACTIF	10 683	13 270	2 587	24%

- Investissement continu en R+D d'un montant de 662 000 euros.
- Investissement en brevets qui on donné lieu à 43 nouveaux brevets lors de cet exercice.
- Amélioration du besoin en fonds de roulement du Groupe : Augmentation du disponible (investissements financiers à court terme + liquide) de 2 886 000 d'euros (+118%).



# ÉVOLUTION DU PASSIF DU BILAN :

PATRIMOINE NET	4 389	7 266	2 877	66%
Fonds propres	4 335	7 156	2 821	65%
Différences de conversion	53	98	45	85%
Associés externes	1	12	11	1 100%
PASSIF NON COURANT	1 678	2 100	422	25%
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TOTAL PATRIMOINE NET ET PASSIF	10 683	13 270	2 587	24%

- **Augmentation du patrimoine net consolidé** de 66% grâce au résultat de l'exercice 2020, ainsi qu'aux bénéfices générés par la vente d'actions propres de 1 970 000 euros
- **Réduction de la dette financière**, de 539 000 euros, 15% par rapport à 2019
- Augmentation du nombre de fournisseurs de 11%, lors que le chiffre des achats augmente de 27% : le groupe **n'a pas étendu les délais** de paiement aux fournisseurs.

# INFORMATIONS SUPPLÉMENTAIRES

En vertu des dispositions de l'article 17 du Règlement (UE) N 596/2014 concernant l'abus du marché et de l'article 228 du texte refondu de la Loi du Marché des actions, approuvé par le Décret royal législatif 4/2015 du 23 octobre, et des dispositions concordantes, ainsi qu'en vertu des dispositions de la circulaire 3/2020 du marché BME Growth, les informations suivantes concernant Lleidanetworks Serveis Telemàtics, S.A (désormais « Lleida.net » « l'entreprise », « la Société » ou « le Groupe ») sont mises à la disposition du Marché :

Le lundi 25 janvier 2021, l'entreprise a publié, via un Fait Pertinent, un aperçu des principaux montants du compte de résultat et de la dette consolidés de la Société. Cette avance a été réalisée à partir des données comptables disponibles

À ce jour, ces informations sont complétées par les documents suivants :

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## **RAPPORT SUR LA STRUCTURE ORGANISATIONNELLE ET LE SYSTÈME DE CONTRÔLE INTERNE DE L'INFORMATION FINANCIÈRE DE LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A**

En vertu des dispositions de l'article 17 du Règlement (UE) n 596/2014 concernant l'abus du marché et de l'article 228 du texte refondu de la Loi du Marché des actions, approuvé par le Décret royal législatif 4/2015 du 23 octobre, et des dispositions concordantes, ainsi qu'en vertu des dispositions de la circulaire 15/2016 du marché BME Growth concernant les données à fournir par les entreprises en croissance, par la présente se publie le rapport sur la structure organisationnelle et les systèmes de contrôle interne de la Informations financières de Lleidanetworks Serveis Telemàtics, S.A et de ses filiales (désormais « Lleida.net », « Groupe Lleida.net » « l'entreprise », « la Société » ou « le Groupe »), approuvées par le comité d'audit et ratifié par le conseil d'administration en sa séance du 25 mars 2021.

Lleida, le 22 avril 2021

FRANCISCO SAPENA SOLER

PDG de Lleidanetworks Serveis Telemàtics, S.A

## **1. BRÈVE PRÉSENTATION DE LA COMPAGNIE :**

Lleidanetworks Serveis Telemàtics, S.A est une société commerciale anonyme de durée indéfinie et avec siège social à Madrid, General Lacy 42, Planta Baja Local, avec CIF numéro A25345331.

Premièrement, elle a été constituée en durée indéterminée, sous le nom Lleidanetworks Serveis Telemàtics, S.L par écrit autorisé par le notaire de Lleida, M. Antonio Rico Morales, notaire du Illustre Collège de Barcelone, le 30 janvier 1995, sous le numéro 547 de son protocole.

La société a été inscrite au registre du commerce de Lleida le 13 mars 1995, volume 355, page 137, section 1, feuille L6657.

Ses statuts adaptés à l'actuel droit des sociétés à responsabilité limitée par écrit du 12 juin 2000, corrigé par un autre du 3 novembre 2000, tous autorisés par le notaire de Lleida, M. Antonio Rico Morales, leur capital augmenté par le notaire de Lleida, son capital augmenté par écrit autorisé par le notaire de Lleida, M. Pablo Gómez Clavería, le 21 octobre 2004 et de nouveau augmenté son capital par écrit autorisé par le notaire de Lleida, M. Gómez le 16 août 2006 et inscrit au registre du commerce de Lleida, volume 355, page 141, numéro de feuille L-6.657.

Lors de l'Assemblée générale extraordinaire du 30 juin 2011, le processus de transformation en société anonyme a été accordé. Il a été rendu public le 12 décembre 2012 au moyen d'un document établi par le notaire de Catalogne, M. Pablo Gómez Clavería, portant le numéro 3357 d'ordre de son protocole et inscrit au registre du commerce de Lleida, volume 355 page 145 feuille L6.657, enregistrement 8ème le 17 février 2012.

Le 1er juin 2015, la Société a approuvé à l'Assemblée des actionnaires la demande d'adhésion au marché alternatif (MAB), actuellement BME Growth de toutes les actions de la Société.

Le 7 octobre 2015, le conseil d'administration de Bourses et marchés espagnols, Sistemas de Negociación S.A, a approuvé l'intégration au segment des sociétés en expansion du Marché alternatif boursier avec effet au 9 octobre 2015, à 16 049 943 actions d'une valeur nominale de 0,02 euro chacune.

Le 14 décembre 2018, le comité des admissions d'Euronext a admis la constitution des actions de Lleida.net dans Euronext Growth à compter du 19 décembre 2018.

Le 20 octobre 2020, FINRA a donné sa décision favorable pour la cotation de la Société dans le marché OTCQX de New York, où les actions ont commencé à être négociées à partir du 2 novembre 2020.

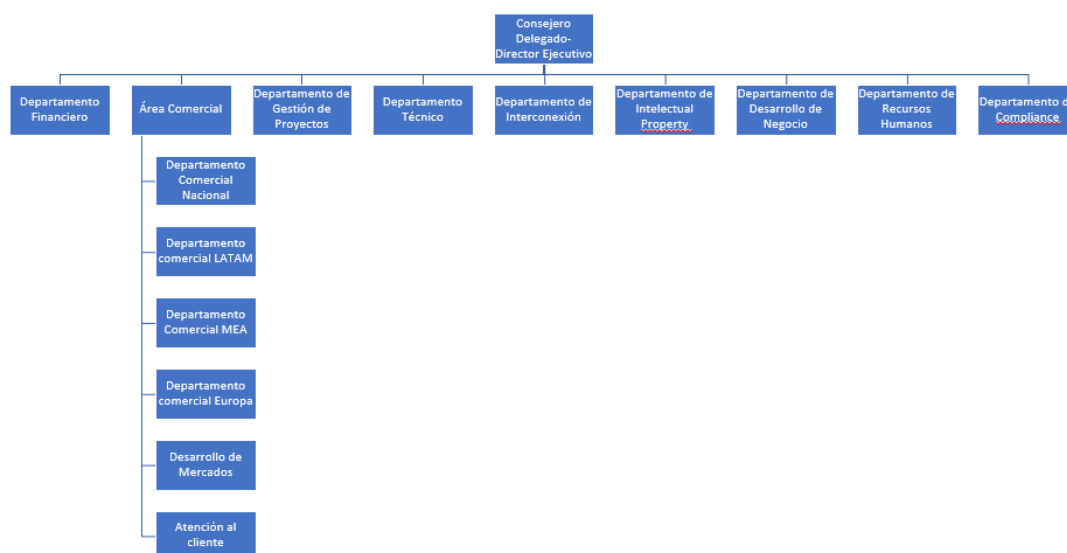
L'objet social de Lleida.net est défini à l'article 2 de ses statuts, dont le texte est transcrit littéralement ci-dessous :

### **Article 2 : Objet social**

*« Il constitue l'objet social des conseils télématiques et informatiques dans différents domaines, par le biais de professionnels, d'assemblages télématiques et informatiques pour entreprises et services. Diffusion de systèmes télématiques à travers des activités et des publications. La prestation de services de télécommunications. »*

## 2. STRUCTURE ORGANISATIONNELLE

Ci-dessous, le détail des différents départements qui composent l'entreprise. Les directeurs de tous les départements se rencontrent chaque mois pour discuter des axes d'action de la société et proposer son approbation par le conseil d'administration.



Les informations financières sont préparées par le Département financier et examinées par le Directeur exécutif, mais la responsabilité finale de leur préparation incombe au conseil d'administration.

Ci-dessous, le détail des différents organes et fonctions auxquels incombent la responsabilité de l'implantation et de la maintenance d'un système de contrôle interne de l'information correct et efficace

### **a) Le conseil d'administration :**

La gestion, l'administration et la représentation de la société devant les tribunaux, et dans tous les actes compris dans l'objet de la société, correspondent au conseil d'administration conformément à la législation en vigueur et aux dispositions des statuts et du code de conduite interne.

Outre les attributions mentionnées au paragraphe précédent, les membres du conseil d'administration ont pour responsabilité un engagement permettant de prendre les mesures nécessaires pour assurer la bonne direction et le contrôle de la Société, ce qui inclut les objectifs spécifiques du présent document, la supervision et la compréhension de l'information financière transmise aux marchés, aux actionnaires, ainsi que le contrôle interne de la Société.

Le conseil d'administration est composé des personnes suivantes :



**Francisco José Sapena Soler- Directeur exécutif**

Il a étudié ingénierie agronomique, spécialité horticulture et arboriculture fruitière, à l'Université de Lleida, et master en télématique à l'UPC. De plus, il est un passionné des nouvelles technologies et d'Internet. Il a été président chez IRC Hispano pendant 9 ans. Aujourd'hui, il est le directeur général et le principal actionnaire de Lleida.net. Il est, sans doute, l'alma mater de la firme.

**Beatriz García - Directrice exécutive :**

Avec plus de 12 ans d'expérience dans les télécommunications, Beatriz est diplômée ingénieure des télécommunications de l'UPC et de la TU Delft (Pays-Bas). Elle a également un diplôme en Program Management Development à l'IESE Munich-Barcelone.

Elle a travaillé chez Orange Espagne et plus tard en tant qu'auditeur IT chez Deloitte. En 2008, elle a rejoint Lleida.net dans le département de Routing et en 2014, elle a été nommée directrice d'Interconnexion, où elle a développé et exécuté des stratégies d'interconnexion. Actuellement, elle continue en tant que responsable de la ligne d'affaires SMS chez Lleida.net, définissant les objectifs et les stratégies et adaptant ses produits aux besoins du marché.

**Marcos Gallardo- Conseiller externe**

Fondateur et associé directeur de la société LEXING Spain à Barcelone. Membre du barreau de Barcelone depuis 1998. Président de la Commission de la confidentialité et des droits de la personne numérique de l'Union internationale des avocats (UIA). Vice-président du réseau international LEXING®, premier réseau mondial de cabinets d'avocats spécialisés dans le droit des technologies de pointe, qui compte actuellement 22 bureaux situés dans 25 pays d'Europe, d'Amérique, d'Afrique et d'Asie. Vice-président de la Commission de la propriété intellectuelle du barreau *Ilustre Colegio de Abogados* de Barcelone (ICAB).

Membre du conseil d'administration de plusieurs multinationales du secteur des télécommunications et d'Internet.

Présent dans le Who's Who Legal 2012, 2013 et 2014. Identifié comme un avocat influent dans les domaines de Internet & Ecommerce & Data Protection

**Arrate Usandizaga - Directrice exécutive**

Directrice financière licence en administration et direction d'entreprises, master en finances et comptabilité de l'Université de Deusto. Après avoir travaillé chez PricewaterhouseCoopers en tant que superviseur au sein de la division Assurance (audit des états financiers), elle a rejoint Lleida.net pour coordonner le département audit et risques et est actuellement directrice financière du groupe.

### **Miguel Pérez Subias - Administrateur indépendant**

Senior Telecommunications Engineer, de l'ETSIT à l'Université polytechnique de Madrid et du Master en administration des affaires de l'INESE. Il est actuellement président de l'association des utilisateurs d'Internet - AUI.es, position qui le rend compatible avec une activité professionnelle intense en tant que consultant et conseiller spécialisé en Internet, télécommunications et nouvelles technologies.

Il a édité et promu, en 1993, le premier magazine consacré à Internet publié en Espagne (Click Magazine) et deux ans plus tard, il a fondé l'Association des utilisateurs de l'Internet, organisation à but non lucratif, dont il est président.

Parmi les initiatives les plus pertinentes, la présidence des congrès Mundo Internet (Madrid 1996- 2005) et ExpoInternet (Barcelone 1997- 2001), le lancement de la Journée mondiale de la société de l'information : la Journée Internet (Tunis 2005), le nœud neutre Espagnol EspaNIX (Madrid 1997) et la création du Forum espagnol sur la gouvernance de l'Internet (Madrid 2008).

### **Antonio López del Castillo - Administrateur indépendant**

Consultant en télécommunications et en sourcing avec une large expérience en tant que directeur des achats chez Telefónica Espagne et Vivo, marque de téléphonie du groupe Telefónica au Brésil.

Au cours de sa carrière chez Telefónica, il a participé à des projets pertinents tels que la planification des télécommunications olympiques de Barcelone 92, la mise en place du premier réseau métropolitain à grande vitesse pour l'interconnexion des institutions universitaires et des hôpitaux à Barcelone ou l'implantation dans la Compañía Riograndense de Telecomunicaciones (CRT) de Sao Paulo du système d'achat avancé après la privatisation, ce projet étant responsable de l'attribution de plus de 30 000 millions de Reales au cours de la période 1998-2002.

Directeur technique des versions espagnoles des magazines : Tele.Com, Data Communication, LAN Times et fondateur du magazine Global Telecommunications.

Directeur du cours sur les nouvelles technologies à l'Institut Català, cours à l'UNTEC (Université d'été de Sitges), ainsi que directeur du cours d'études supérieures en multimédia et télécommunications de l'Université autonome de Barcelone.

### **Jordi Carbonell i Sebarroja - Administrateur indépendant**

Conseiller du Parc agroalimentaire scientifique et technologique de Lleida (PCiTAL). Représentant auprès de l'Association espagnole des parcs technologiques (APTE) et de l'Association mondiale (IASP). Conseiller auprès des entreprises du parc et des clusters de la province de Lleida.

De 2005 à 2006, il a été secrétaire à l'industrie et à l'énergie du département du Travail et de l'industrie de la Generalitat de Catalogne et il a été élu député de la province de Lleida aux élections du Parlement de Catalogne en 2003.

De 1996 à 2003, Directeur général d'ACTEL, S.C.L., Coopérative de 2ème degré, dont 130 coopératives de Lleida font partie, et il a reçu en 2003 le Prix de l'innovation entrepreneuriale de la Generalitat de Catalogne.

Entre 1993 et 1996, il a été gouverneur civil de Lleida et membre de l'équipe de négociation chargée de l'entrée de l'Espagne dans la Communauté économique européenne (1984- 1986). Il a également été secrétaire général technique du ministère de l'Agriculture, des Pêcheries et de l'Alimentation (1982- 1988).

#### **Jorge Sainz de Vicuña Barroso - Conseiller indépendant par cooptation**

Conseiller de sociétés détenues. Expérience dans l'assainissement et l'amélioration, même dans les fonctions de directeur général / PDG dans les sociétés contrôlées, et expérience dans les négociations et les processus de vente, de la préparation des cahiers de vente à la clôture, en passant par la NDA, la gestion des offres, Due Diligence's et contrats, en coordination avec des conseillers juridiques, fiscaux et du travail.

#### **b) La commission d'audit**

Selon les statuts et le règlement du conseil d'administration de la société, la commission d'audit a pour tâche d'évaluer le système de vérification comptable de la société, de garantir l'indépendance de l'audit externe et de réviser les systèmes de contrôle interne de la société des informations financières.

Sans préjudice de toute autre tâche pouvant être assignée à tout moment par le conseil d'administration, la commission d'audit exercera les fonctions fondamentales suivantes:

- Informer à l'Assemblée générale des actionnaires sur les questions soulevées par les actionnaires concernant ses compétences.
- Proposer au conseil d'administration, pour soumission à l'assemblée générale des actionnaires, la nomination des auditeurs aux comptes externes visés à l'article 264 de la loi sur les sociétés de capitaux, ainsi que leurs conditions contractuelles, le de son mandat professionnel et, le cas échéant, sa révocation ou son non-renouvellement. Afin de garantir l'indépendance de l'auditeur externe, la Société communiquera le changement d'auditeur sous forme de Fait Pertinent à la société gouvernante du Marché alternatif boursier.
- Superviser les systèmes internes d'audit ; assurer son indépendance et son efficacité.
- Examiner les comptes de la société, contrôler le respect des exigences légales et l'application correcte des principes comptables, en comptant avec la collaboration directe des auditeurs externes et internes.
- Connaître et superviser le processus de préparation et l'intégrité des informations financières relatives à la société et, le cas échéant, à son groupe, en vérifiant le respect des exigences réglementaires et l'application correcte des critères comptables ; connaître et superviser les systèmes de contrôle interne de la société, vérifier leur adéquation et leur intégrité ; et examiner la nomination ou le remplacement des personnes responsables.



- Revoir périodiquement les systèmes de contrôle interne et de gestion des risques, afin que les principaux risques soient identifiés, gérés et communiqués correctement.
- Assurer la communication avec les auditeurs externes pour recevoir des informations sur toutes les questions qui pourraient compromettre leur indépendance et toutes les autres liées au processus de développement de l'audit des comptes, ainsi que d'autres communications prévues par la législation d'audit des comptes et par les normes techniques d'audit.
- Superviser le respect du contrat d'audit en veillant à ce que l'avis sur les comptes annuels et le contenu principal du rapport d'audit soit rédigé de manière claire et précise, ainsi qu'évaluer les résultats de chaque audit.
- Examiner les informations financières périodiques que le Comité doit fournir aux marchés et à ses organes de surveillance, en s'assurant que les comptes intermédiaires sont établis selon les mêmes critères comptables que les comptes annuels.
- Informer le conseil d'administration, préalablement à l'adoption des décisions correspondantes, de toutes les matières prévues par la loi, les statuts et le règlement du conseil, et en particulier des points suivants : (i) les informations financières que la Société doit publier périodiquement ; (ii) la création ou l'acquisition de participations dans des entités à vocation spéciale ou domiciliées dans des paradis fiscaux, ainsi que dans toute autre transaction ou opération de nature similaire dont la complexité pourrait nuire à la transparence du groupe ; et (iii) opérations connexes.

Actuellement, le comité d'audit est composé de deux administrateurs, tous deux indépendants, qui se réunissent au moins tous les six mois et chaque fois que leur président le leur demande. En 2020, le comité s'est réuni deux fois.

#### **c) Comité de direction**

Il est composé du directeur exécutif et des responsables des différents départements de l'entreprise.

La réunion est convoquée au moins une fois par mois afin de coordonner les différentes activités clés de Lleida.net. Les lignes d'action sont marquées à la fois à court et à moyen terme afin d'atteindre les objectifs fixés par le conseil d'administration et de résoudre les revers ou les problèmes survenus.

Il étudie l'information de tous les secteurs de l'entreprise. Chaque responsable du département établit un rapport sur les différents sujets à traiter. Dans le cas où des informations détectées devraient être partagées avec le marché, elles sont communiquées par le directeur exécutif au conseil d'administration afin que celles-ci soient communiquées en temps voulu.

#### **d) Département financier**

Le département financier est responsable de la mise en place quotidienne d'un système de contrôle correct des informations financières. C'est le département qui s'occupe quotidiennement de la comptabilité de la société mère et du contrôle des rapports des filiales. L'une de ses fonctions est la préparation des rapports nécessaires à la prise de

décision par le conseil d'administration, ainsi que pour la publication des informations requises par les marchés.

**e) Audit externe**

Les comptes annuels, tant individuels que consolidés, de Lleida.net sont contrôlés par un cabinet d'audit de prestige reconnu, tel que les auditeurs de BDO. Depuis 2016, un examen limité est également effectué pour la période du 1er janvier au 30 juin, qui est examiné par le même cabinet d'audit.

**3. SYSTÈMES DE CONTRÔLE DE LA SOCIÉTÉ**

Les mécanismes de contrôle interne et de gestion des risques liés à l'information financière relèvent de la responsabilité de la commission d'audit. Par la suite, conformément au règlement du conseil d'administration, ils sont examinés et supervisés par le conseil d'administration. Les principaux mécanismes de contrôle sont les suivants :

**3.1 Réalisation des budgets annuels :**

L'équipe de direction de la société établit les budgets annuels du groupe qui doivent être examinés et approuvés par le conseil d'administration.

Par la suite, un contrôle mensuel des écarts et de l'exécution est effectué, qui est examiné par le conseil d'administration et chargé de prendre les mesures et les axes d'action nécessaires.

**3.2 Mesures de contrôle interne :**

Lleida.net a défini les processus financiers suivants comme des zones de contrôle de haut niveau pour se conformer aux systèmes de contrôle interne de l'information financière :

- Gestion des ventes, de la facturation client et du recouvrement
- Consolidation et reporting des sociétés du groupe
- Investissements en R + D + i
- Investissements en immobilisations corporelles
- Trésorerie
- Achats et comptes à payer
- Taxes
- Ressources Humaines
- Clôtures comptables

Les principales mesures de contrôle par zone à risque sont les suivantes :

**a) Gestion des ventes, de la facturation client et du recouvrement**

Tous les mois, le détail des factures à émettre est généré, examiné par le responsable de facturation, puis le processus automatique est lancé, ce qui permet :

- Générer des écritures comptables de comptabilisation des ventes
- Envoyer des factures aux clients
- Création des fichiers qui sont envoyés aux responsables commerciaux, de la direction et du directeur de l'administration pour la supervision des chiffres mensuels

Le responsable de la trésorerie est la personne qui supervise les recouvrements des clients. Les factures correspondantes sont assurées auprès d'une compagnie d'assurance-crédit afin d'éviter les éventuels défauts de paiement.

Chaque semaine, un suivi de la situation des recouvrements est effectué avec les agents commerciaux.

Les encaissements sont rapprochés chaque semaine par le département financier. Le système de gestion utilisé par l'entreprise pour contrôler ses systèmes comptables a défini des profils qui définissent les informations auxquelles chaque utilisateur peut accéder.

b) Consolidation et reporting :

La société a des conseillers en comptabilité et des conseillers fiscaux dans chacun des pays où le groupe a une société constituée. Ces conseillers sont responsables de l'envoi mensuel des chiffres de la filiale afin qu'ils puissent être examinés à la société mère par le département. Les conseillers n'ont pas accès aux comptes bancaires des filiales et n'ont que des pouvoirs limités pour pouvoir effectuer des procédures administratives devant les administrations publiques de chaque pays.

c) Investissements en R + D + i

Les projets de R + D réalisés par l'entreprise ont un budget annuel, qui est contrôlé à la fois par le directeur du département technique et, plus tard, par le département Administration. Toutes les activités menées dans le domaine de la R + D doivent être définies dans le plan d'action annuel et, s'il s'agit d'une collaboration extraordinaire, elles doivent être approuvées par le directeur technique.

d) Investissements en immobilisations corporelles :

Dans ce domaine, le montant le plus significatif correspond aux investissements réalisés dans les machines et les serveurs. Un budget annuel est établi conjointement par le service technique et le service financier, analysant les besoins de l'exercice, et le processus d'exécution est contrôlé mensuellement.

e) Trésorerie :

Le responsable de trésorerie doit contrôler quotidiennement les soldes des différents instruments financiers dont dispose la société. Le directeur exécutif

est la personne habilitée à effectuer les virements correspondants. Pour cela, Trésorerie prépare le dossier des paiements à effectuer, qui sont examinés par le directeur financier en vue de son exécution ultérieure par le directeur général.

Les comptes bancaires des différentes filiales sont contrôlés par l'équipe de la société mère.

Toutes les semaines, le département Trésorerie en effectue un résumé avec les soldes de chaque instrument, ainsi que les principaux paiements et revenus qui ont été effectués à partir de chaque compte et envoyés au directeur financier et au directeur exécutif pour leur contrôle.

Les comptes bancaires sont rapprochés par le service financier, un personnel différent du personnel de trésorerie qui prépare les fichiers de paiement.

#### f) Achats et comptes à payer :

Les consommations des fournisseurs vont directement dans l'ERP de gestion. Les tarifs des fournisseurs sont mis à jour automatiquement par le même système, chaque fois qu'un changement de prix est signalé sur les itinéraires. Le département financier vérifie, chaque fois qu'une facture est reçue, généralement tous les mois, que les factures correspondent aux consommations entrées dans l'ERP. Si tel est le cas, la consommation est validée et les écritures comptables de l'achat sont automatiquement effectuées. En cas de divergence, l'entreprise dispose d'un protocole d'action dans lequel la divergence est communiquée au fournisseur, les causes analysées et communiquée au service d'interconnexion responsable des achats.

Les paiements avec les principaux fournisseurs, qui sont généralement des opérateurs, sont effectués par netting. Les factures d'achat et de vente sont compensées. Le même système génère automatiquement ce netting, qui est envoyé au fournisseur pour son acceptation. Une fois accepté par le fournisseur, il est inclus dans le transfert suivant.

Le reste des paiements concerne principalement des dépenses commerciales payées par les employés avec leurs cartes personnelles. Chaque mois, une feuille de dépenses est établie. Elle contient toutes les pièces justificatives et doit d'abord être approuvée par son directeur direct, puis par le département financier. Ils reçoivent les montants par virement, qui est inclus dans le fichier de paiement.

La société a également des paiements directs correspondant aux paiements de location et de fourniture. Ces frais sont rapprochés chaque semaine avec les frais du compte courant.

#### f) Taxes :

La société gère en interne la présentation des taxes mensuelles, qui sont automatiquement téléchargées à partir de l'ERP. Les documents sont préparés par le département administration qui les envoie au directeur exécutif (la personne qui a le pouvoir de les présenter) pour sa signature numérique.

En outre, la société a des conseillers aux niveaux national et international, qui les informent de toutes les modifications possibles de la réglementation qui pourraient les affecter.

g) Ressources Humaines :

Le capital humain est un élément clé du succès de Lleida.net. La gestion du personnel actuel et des nouvelles recrues se fait depuis le département des ressources humaines, où la directrice gère à la fois le développement de chaque individu et sa carrière.

Dans les nouveaux ajouts, un profil souhaité est indiqué en collaboration avec le directeur du département ou service où il/elle travaillera. Une annonce est publiée dans les principaux réseaux sociaux et portails de recrutement, et une première sélection est faite en fonction de leur formation et de leur expérience. Ensuite, un premier entretien avec les ressources humaines est effectué, ainsi qu'un test de performance. Enfin, nous interviewons les 3 meilleurs candidats pour faire la dernière sélection.

La directrice des ressources humaines gère également les paiements de salaire et évalue avec le directeur de chaque département les perceptions que chaque employé doit recevoir, toujours avec l'acceptation finale du PDG et dans le cadre du budget annuel.

l) Clôtures comptables :

- Réglementation : Lleida.net respecte les règles établies par le plan comptable général pour l'enregistrement de ses activités. Elle dispose du soutien de conseillers en cas de doute ou de mise à jour de réglementations susceptibles d'affecter les procédures de la société.

- Clôture comptable mensuelle : la société procède à des clôtures comptables mensuelles permettant de vérifier le respect du budget fixé par le conseil d'administration.

- Verrouillage du système : une fois que toutes les entrées de la période ont été entrées et révisées, la période de comptabilisation est bloquée pour empêcher l'enregistrement de nouvelles entrées.

- Examen de clôture : le compte de résultat est examiné avec le bilan une fois par mois pour vérifier s'il existe des écarts, des incohérences ou des erreurs significatifs par rapport aux périodes précédentes. Les informations sont générées par le département d'administration, examiné à son tour par la



directrice d'administration, qui effectue les rapports de synthèse envoyés au directeur exécutif pour leur vérification et ensuite transmis au conseil d'administration pour leur analyse.

- Communication d'informations financières : dans le but d'offrir une plus grande transparence sur l'activité de la société, les informations sur les principales données financières sont publiées tous les trimestres sous forme de Fait Pertinent du BME growth. Comme indiqué dans la section 5.1

- Publication des comptes annuels et des états financiers intermédiaires au 30 juin : l'assemblée générale des actionnaires approuve annuellement les comptes annuels audités préparés par le conseil d'administration et le rapport de gestion, ainsi que les informations requises par le BME growth conformément aux lignes directrices et aux formats établis pour le même. En outre, les états financiers intermédiaires au 30 juin, audités conformément au règlement du BME growth, sont présentés.

- Rapport aux investisseurs et aux analystes : les informations financières et de gestion sont présentées régulièrement, en personne ou par conférence téléphonique. Les personnes responsables de ces communications sont le directeur exécutif et la directrice des finances.

### **3.3 Code de conduite interne sur les marchés des valeurs mobilières**

Le code de conduite interne relatif au marché des valeurs mobilières a été approuvé par le conseil d'administration de LLEIDA.NET, célébré le 26 juillet 2016, conformément aux dispositions de l'article 225.2 du texte consolidé de la loi du Bourse, approuvé par le décret législatif royal 4/2015 du 23 octobre. Plus précisément, le règlement incorpore les dispositions du chapitre II du titre VII du texte réécrit de la loi sur le marché des valeurs mobilières, applicable à la Société conformément aux dispositions de l'article 322.3 du texte consolidé, ainsi que comme dans son règlement sur le développement, qui comprend le décret royal 1333/2005 du 11 novembre qui développe la loi sur le marché des valeurs mobilières dans le domaine des abus de marché et la circulaire 4/2009 du 4 novembre, de la CNMV sur la communication des informations pertinentes. Le règlement vise à établir un ensemble de règles de conduite régissant le comportement de LLEIDA.NET et des personnes concernées par les différents domaines régis par le présent règlement, afin de garantir la transparence complète et adéquate de la société et de protéger les investisseurs. L'organe de contrôle de ce règlement est le comité d'audit.

### **4 EVALUATION DES RISQUES :**

Les activités du Groupe sont exposées à différents types de risques financiers, notamment les risques de crédit, de liquidité et de marché (taux de change, de taux d'intérêt et autres risques de prix).

#### **4.1) Risque de crédit**

Les principaux actifs financiers du groupe sont la trésorerie et les soldes de trésorerie, les débiteurs commerciaux et autres comptes à recevoir et les investissements, qui représentent l'exposition maximale du groupe au risque de crédit lié aux actifs financiers. Le risque de crédit du Groupe est principalement dû à ses dettes commerciales. Les montants sont reflétés dans le solde net des provisions pour risques d'insolvabilité, estimé par la direction de la société mère sur la base de l'expérience des années précédentes et de l'évaluation du contexte économique actuel.

#### **4.2) Risque de liquidité**

La situation générale des marchés financiers, en particulier du marché bancaire, a été particulièrement défavorable aux créanciers privés. Le Groupe porte une attention constante à l'évolution des différents facteurs susceptibles de contribuer à la résolution des crises de liquidité et, en particulier, aux sources de financement et à leurs caractéristiques.

#### **4.3) Risque de marché**

La situation générale du marché au cours des dernières années a été défavorable en raison de la situation économique difficile du contexte.

#### **4.4) Risque de taux de change**

Le Groupe n'est pas exposé à un risque de change significatif et n'effectue donc aucune transaction avec des instruments financiers de couverture.

**4.5) Risque de taux d'intérêt** Les variations des taux d'intérêt modifient la juste valeur des actifs et des passifs qui génèrent un taux d'intérêt fixe, ainsi que des flux futurs des actifs et des passifs référencés à un taux d'intérêt variable. L'objectif de la gestion du risque de taux d'intérêt est de parvenir à un équilibre dans la structure de la dette qui minimise le coût de la dette sur plusieurs années tout en réduisant la volatilité du compte de résultat.

### **5. COMMUNICATION DES INFORMATIONS**

La société distingue les informations à communiquer au marché en trois types de base : - Informations financières

- Information stratégique
- Information technique

Ci-dessous, les différentes procédures sont détaillées en fonction du type d'information.

#### **5.1 Communication de l'information financière**

La société procède à des clôtures mensuelles et trimestrielles et prépare les états financiers intermédiaires dans le cadre du plan comptable général, en respectant les critères de la société exploitante. Les informations sont générées dans le département financier, où elles sont d'abord examinées par son directeur, puis par le directeur exécutif. Les informations sont préparées à l'intention du conseil d'administration par la direction financière et sont envoyées aux administrateurs afin qu'ils puissent établir les comptes annuels et les états financiers intermédiaires. Les états financiers sont examinés par le comité d'audit et formulés par le conseil d'administration, puis mis à la disposition des actionnaires pour examen.

Les principales étapes franchies par la société sont présentées à l'Assemblée générale des actionnaires et le vote correspondant à l'acceptation des comptes annuels est effectué.

Les informations publiées dans le BME growth sont préparées sur la base des états financiers consolidés, qui sont obtenus directement à partir du ERP de l'entreprise. Pour certaines sociétés du groupe à l'étranger, les informations des conseillers de chaque pays sont nécessaires. Il y a une homogénéisation des règlements et des devises concernant l'information financière obtenue. Les informations sont examinées par la directrice d'administration.

Une fois que les données financières jugées pertinentes sont obtenues, le fait pertinent est rédigé par la directrice d'administration, en collaboration avec le conseiller inscrit.

Les faits pertinents sont examinés à la fois par le directeur exécutif et le conseiller inscrit et communiqués aux membres du conseil d'administration, s'ils souhaitent apporter une contribution.

Il est mis en ligne par Lleida.net sur le site Web du BME growth et doit être approuvé par le conseiller inscrit avant ou après le début de la session. Une fois mis en ligne et publié sur le site Web du BME, il est publié sur le site Web de Lleida.net dans la section investisseurs.

## **5.2 Informations à caractère stratégique :**

Les négociations de nature stratégique telles que les acquisitions de sociétés ou les nouveaux secteurs d'activité sont directement pilotés par le directeur exécutif de la société.

Ils sont inclus comme un point à discuter dans l'appel du conseil d'administration, l'organe qui a le pouvoir de prendre des décisions.

Le fait pertinent est rédigé directement par le directeur exécutif avec la collaboration du conseiller inscrit et est communiqué aux membres du conseil d'administration, au cas où ils souhaiteraient apporter une contribution.

Il est mis en ligne par Lleida.net sur le site Web du BME growth et doit être approuvé par le conseiller inscrit avant ou après le début de la session. Une fois mis en ligne et publié sur le site Web du BME, il est publié sur le site Web de Lleida.net dans la section investisseurs.

## **5.3 Informations techniques**

En raison de la pertinence des développements techniques de nos produits, Lleida.net brevète tous les développements et leurs marques. La procédure de

présentation des brevets est contrôlée en interne par le département de la propriété intellectuelle. Il bénéficie du soutien de nombreuses sociétés externes chargées de superviser toutes les échéances sous la supervision du directeur de département.

Pour éviter les erreurs éventuelles dans les canaux de communication, le service financier demande au service de la propriété intellectuelle de fournir des informations trimestrielles sur l'état des brevets.

Dans le cas de l'obtention d'un des brevets, le fait pertinent est rédigé par le directeur de la propriété intellectuelle sous la supervision du directeur exécutif avec la collaboration du conseiller inscrit et est communiqué aux membres du conseil d'administration, au cas où ils souhaiteraient faire quelque contribution. Il est mis en ligne par Lleida.net sur le site Web du BME growth et doit être approuvé par le conseiller inscrit avant ou après le début de la session. Une fois mis en ligne et publié sur le site Web du BME, il est publié sur le site Web de Lleida.net dans la section investisseurs.

#### **6 ACTIVITÉS DE SURVEILLANCE ET DE CONTRÔLE DE SURVEILLANCE :**

Le comité d'audit a mené les activités suivantes en 2020 afin de contrôler le bon fonctionnement du système de contrôle interne de l'information financière :

- Examen des états financiers intermédiaires individuels pour la période du 1er janvier 2020 au mardi 30 juin 2020 de la société mère - Examen des états financiers individuels et consolidés du Groupe et des comptes annuels pour l'année 2020.
- A examiné le plan d'audit et l'indépendance des auditeurs externes des auditeurs de BDO.
- A examiné avec l'auditeur externe l'évolution des travaux d'audit et des domaines d'activité présentant des risques

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

**CONSOLIDATED ANNUAL ACCOUNTS AND  
CONSOLIDATED DIRECTOR'S REPORT FOR THE  
FINANCIAL YEAR 2020 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 2020 together with the Audit Report on the  
Consolidated Annual Accounts issued by an Independent Auditor

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

**CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020**

Consolidated Balance Sheets as of December 31, 2020 and December 31, 2019  
Consolidated Income and Expenses Statement for the year ended on December 31, 2020 and  
December 31, 2019.  
Consolidated Statements of Changes in Equity for the year ended on December 31, 2020 and  
December 31, 2019.  
Consolidated Statements of Cash Flows for the year ended on December 31, 2020 and  
December 31, 2019.  
Notes to the Consolidated Annual Accounts 2020

**CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR ENDED ON DECEMBER 31, 2020**





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

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

**Audit report on the consolidated annual  
accounts issued by an independent auditor**

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

**Opinion**

We have audited the consolidated annual accounts of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** (the Parent Company) **AND SUBSIDIARIES** (the Group), which comprise the consolidated balance sheet as of December 31, 2020, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated annual accounts for the year then ended.

In our opinion, the accompanying consolidated annual accounts give, in all material respects, a true and fair view of the Group's equity and financial position as of December 31, 2020, as well as its consolidated 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 notes to the consolidated 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 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 consolidated 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 consolidated annual accounts of the current period. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated 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.

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**Key audit matters****Audit response**

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**Valuation of capitalized research expenditures**

As described in notes 3.b and 5 to the accompanying notes, the Group presents in the consolidated balance sheet intangible assets for expenses on capitalised research projects of a significant amount. 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 Group's balance sheet. In addition, the assessment by the 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 to be 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 Group for the capitalization of research 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 validity of the capitalised amounts.
- We have obtained a breakdown of the carrying amount of the research expenses individualized by projects, and analysed the sales projections for the different projects, profitability and real sales for the year, goodness of the data, the reasonableness of the hypotheses, revision of the arithmetic calculation and deviations in past estimates in order to evaluate the reasonableness of the recoverable value of the research expenses.
- 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 consolidated annual accounts 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.



**Other information: Directors' report**

The other information comprises exclusively the directors' report for the financial year 2020, the draw up of which is the responsibility of the Board of Directors of the Parent Company and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated directors' report. Our responsibility over the consolidated directors' report, in accordance with what is required by the regulations governing the audit activity, consists of evaluating and reporting on the consistency of the consolidated directors' report with the consolidated annual accounts, based on the knowledge of the Entity obtained in performing the audit of the aforementioned consolidated accounts and without including information other than that obtained as evidence during the same. Likewise, our responsibility is to evaluate and report that 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 obliged to report this.

Based on the work performed, as described in the preceding paragraph, the information contained in the consolidated directors' report agrees with that in the consolidated annual accounts for financial year 2020 and its content and presentation are in accordance with the applicable regulations.

**The responsibility of the Board of Directors of the Parent Company and the Parent Company's Audit Committee of the consolidated annual accounts**

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

In the preparation of the consolidated annual accounts, the Board of Directors of the Parent Company 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 of the Parent Company 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 annual accounts.

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

Our objectives are to obtain reasonable assurance that the consolidated 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 consolidated 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, 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 Board of Directors of the Parent Company.
- We conclude whether the use, by the Board of Directors of the Parent Company, 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 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 Group to cease to be a going concern
- We evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Among the matters that have been communicated to the Group's audit committee, we determine those that have been of the greatest significance in the audit of the 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 Parent Company's' Audit Committee*

The opinion expressed in this report is consistent with that expressed in our additional report to the Parent Company's Audit Committee dated April 29, 2021.

##### **Contract period**

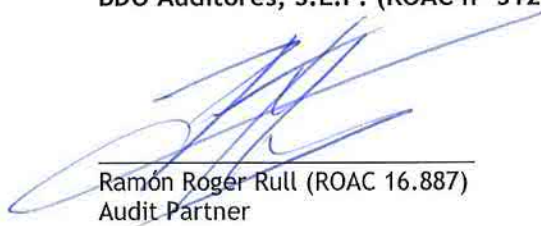
The Extraordinary General Shareholders' Meeting held on June 10, 2019 appointed us as the Group's auditors for a period of three years, starting from the year ended December 31, 2019.

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

##### **Services provided**

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

**BDO Auditores, S.L.P. (ROAC nº S1273)**



Ramón Roger Rull (ROAC 16.887)  
Audit Partner

April 29, 2021

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

**CONSOLIDATED ANNUAL ACCOUNTS FOR**  
**THE PERIOD ENDED ON DECEMBER 31, 2020**

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

**CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019**

(Expressed in Euros)

ASSETS	Notes to the Consolidated Annual Accounts	31/12/2020	31/12/2019
<b>NON-CURRENT ASSETS</b>		<b>4.120.951,34</b>	<b>4.416.020,65</b>
Intangible assets	Note 5	3.583.013,57	3.847.115,83
Tangible fixed assets	Note 6	335.922,80	381.435,22
Land and buildings		152.942,51	158.079,81
Technical installations and other tangible fixed assets		182.980,29	118.057,61
Fixed assets under construction and advances		-	105.297,80
Long-term investments in group and affiliated companies		-	-
Shares in equity method		-	-
Long-term financial investments	Note 8	42.055,29	186.402,22
Deferred Tax Assets	Note 14	159.959,68	1.067,38
<b>CURRENT ASSETS</b>		<b>9.148.908,42</b>	<b>6.266.482,33</b>
Trade and other receivables		3.497.824,39	3.563.354,02
Client receivables for sales and services	Note 8.2	3.344.316,94	3.177.797,00
Sundry debtors	Note 8.2	72.134,27	61.060,09
Staff	Note 8.2	3.572,04	11.741,21
Current tax assets	Note 14	16.934,97	235.940,94
Other receivables from Public Authorities	Note 14	60.866,17	76.814,78
Short-term financial assets	Note 8.2	1.274.836,29	1.262.022,00
Short-term accruals		320.098,13	257.977,34
Cash and cash equivalents	Note 8.1.a	4.056.149,61	1.183.128,97
Cash		4.056.149,61	1.183.128,97
<b>TOTAL ASSETS</b>		<b>13.269.859,76</b>	<b>10.682.502,98</b>



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

**CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019**

(Expressed in Euros)

<b>EQUITY AND LIABILITIES</b>	<b>Notes to the Consolidated Annual Accounts</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>EQUITY</b>		<b>7.265.625,76</b>	<b>4.388.296,82</b>
<b>Equity</b>		<b>7.156.268,10</b>	<b>4.334.873,97</b>
<b>Capital</b>	<b>Note 12.1</b>	<b>320.998,86</b>	<b>320.998,86</b>
Share Capital		320.998,86	320.998,86
<b>Issue Premium</b>	<b>Note 12.3</b>	<b>5.244.344,28</b>	<b>5.244.344,28</b>
<b>Reserves</b>	<b>Note 12.2</b>	<b>1.309.912,81</b>	<b>(1.563.397,62)</b>
Legal and statutory		64.199,77	47.503,72
Other Reserves		1.245.713,04	(1.610.901,34)
<b>(Shares and own holdings in equity)</b>	<b>Note 12.4</b>	<b>(759.458,01)</b>	<b>(753.301,13)</b>
<b>Financial year result attributed to the parent company</b>	<b>Note 18</b>	<b>1.040.470,16</b>	<b>1.086.229,58</b>
Consolidated Losses and Profits		1.038.133,03	1.086.228,18
(Minority interest losses and profits)		2.337,13	1,40
<b>Adjustments for changes in value</b>		<b>97.712,02</b>	<b>52.716,52</b>
<b>Minority interests</b>	<b>Note 4</b>	<b>11.645,64</b>	<b>706,33</b>
<b>NON-CURRENT LIABILITIES</b>		<b>2.100.288,04</b>	<b>1.678.022,88</b>
<b>Long-term debts</b>		<b>2.100.288,04</b>	<b>1.678.022,88</b>
Debts with credit institutions	<b>Note 9.1</b>	1.993.897,88	1.495.939,82
Financial lease debts	<b>Note 9.1</b>	-	8.499,14
Other financial liabilities	<b>Note 9.1</b>	106.390,16	173.583,92
<b>CURRENT LIABILITIES</b>		<b>3.903.945,96</b>	<b>4.616.183,28</b>
<b>Short-term provisions</b>		<b>42.364,76</b>	<b>95.950,00</b>
Other provisions		42.364,76	95.950,00
<b>Short-terms debts</b>	<b>Note 9.1</b>	<b>909.852,09</b>	<b>1.871.147,42</b>
Debts with credit institutions		827.002,98	1.760.736,41
Financial lease debts		8.499,14	20.147,00
Other financial liabilities		74.349,97	90.264,01
<b>Trade and other payables</b>		<b>2.951.729,11</b>	<b>2.649.085,86</b>
Suppliers	<b>Note 9.1</b>	1.985.091,05	1.876.101,10
Sundry creditors	<b>Note 9.1</b>	595.440,93	324.411,01
Staff (remuneration payable)	<b>Note 9.1</b>	6.963,45	1.291,85
Other debts with Public Authorities	<b>Note 14</b>	262.475,08	225.781,71
Advances from clients	<b>Note 9.1</b>	101.758,60	221.500,19
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13.269.859,76</b>	<b>10.682.502,98</b>

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

**CONSOLIDATED INCOME AND EXPENSES STATEMENT**  
**FOR THE YEAR ENDED ON DECEMBER 31, 2020 AND 2019**

(Expressed in Euros)

<b>PROFIT AND LOSS ACCOUNTS</b>	<b>Notes to the Consolidated Annual Accounts</b>	<b>2020</b>	<b>2019</b>
Net turnover	Note 21	16.420.644,64	13.660.963,08
Work performed by the Company for its assets	Note 5	662.384,37	934.512,30
Supplies	Note 15.a	(8.389.768,48)	(6.607.151,81)
Goods consumed		(8.389.768,48)	(6.607.151,81)
Other operating income		160.418,18	53.986,47
Staff expenses		(3.403.382,45)	(3.067.109,01)
Wage, salaries and the like		(2.596.960,38)	(2.310.168,50)
Fringe benefits	Note 15.b	(806.422,07)	(756.940,51)
Other operating expenses		(2.743.280,81)	(2.728.428,37)
External charges for services		(2.554.729,61)	(2.649.994,96)
Taxes		(169.457,76)	(62.973,87)
Losses, Impairment and change in trade provisions		(19.093,44)	(15.458,64)
Other current operating expenses		-	(0,90)
Amortization of fixed assets	Notes 5 and 6	(1.187.267,28)	(1.134.680,64)
Impairment and results of disposals of fixed assets		(79.772,78)	(21.085,26)
Other earnings		-	10.546,71
<b>OPERATING EARNINGS</b>		<b>1.439.975,39</b>	<b>1.101.553,47</b>
Financial income	Note 15.c	1.395,69	100.400,34
Financial expenses	Note 15.c	(73.884,23)	(79.530,92)
Change in fair value of financial instruments	Note 15.c	23,89	133,19
Exchange differences	Note 15.c	(194.778,19)	(23.891,79)
Impairments of financial instruments	Note 15.c	(143.880,00)	-
<b>FINANCIAL EARNINGS</b>		<b>(411.122,84)</b>	<b>(2.889,18)</b>
<b>PRE-TAX EARNINGS</b>		<b>1.028.852,55</b>	<b>1.098.664,29</b>
Profit tax	Note 14	9.280,48	(12.436,11)
<b>FINANCIAL YEAR'S EARNINGS</b>	Note 18	<b>1.038.133,03</b>	<b>1.086.228,18</b>
Result attributed to the Parent Company		1.040.470,16	1.086.229,58
Result attributed to minority interests		(2.337,13)	(1,40)

**LLEIDATRANS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED ON DECEMBER 31, 2019 AND 2020**

(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
<b>BALANCE, BEGINNING OF 2018</b>	320.998,86	5.244.344,28	(1.888.464,98)	(954.287,73)	271.864,03	73.782,33	680,72	3.068.917,51
<b>Total recognized income and expenses</b>	-	-	-	-	1.086.229,58	(21.065,81)	25,61	1.065.189,38
<b>Transactions with shareholders:</b>	-	-	50.927,71	200.986,60	-	-	-	251.914,31
Transactions with own equity instruments (net)	-	-	50.927,71	200.986,60	-	-	-	251.914,31
<b>Other changes in equity:</b>	-	-	274.139,65	-	(271.864,03)	-	-	2.275,62
Distribution of earnings from the previous year	-	-	271.864,03	-	(271.864,03)	-	-	-
Other movements	-	-	2.275,62	-	-	-	-	2.275,62
<b>BALANCE, END OF 2019</b>	320.998,86	5.244.344,28	(1.563.397,62)	(753.301,13)	1.086.229,58	52.716,52	706,33	4.388.296,82
<b>Total recognized income and expenses</b>	-	-	-	-	1.040.470,16	44.995,50	10.939,31	1.096.404,97
<b>Transactions with shareholders:</b>	-	-	1.976.555,51	(6.156,88)	(194.717,45)	-	-	1.775.681,18
Transactions with own equity instruments (net)	-	-	1.976.555,51	(6.156,88)	-	-	-	1.970.398,63
Dividends	-	-	-	-	(194.717,45)	-	-	(194.717,45)
<b>Other changes in equity:</b>	-	-	896.754,92	-	(891.512,13)	-	-	5.242,79
Distribution of earnings from the previous year	-	-	891.512,13	-	(891.512,13)	-	-	-
Other movements	-	-	5.242,79	-	-	-	-	5.242,79
<b>BALANCE END OF 2020</b>	320.998,86	5.244.344,28	1.309.912,81	(759.458,01)	1.040.470,16	91.712,02	11.645,64	7.265.625,76



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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR 2020 AND 2019**  
(Expressed in Euros)

	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2.603.546,08</b>	<b>1.729.946,77</b>
Financial year's pre-tax earnings	1.028.852,55	1.098.664,29
Adjustments to earnings	1.448.892,91	1.160.721,93
Fixed asset amortisation	1.187.267,28	1.134.680,64
Valuation changes for impairment	19.093,44	15.458,64
Change in provisions	(53.585,24)	10.500,00
Gains and losses on derecognition and disposal of fixed assets	79.772,78	21.085,26
Gains (losses) on disposal of financial instruments	143.880,00	-
Financial income	(1.395,69)	(100.400,34)
Financial expenses	73.884,23	79.530,92
Change in fair value of financial instruments	(23,89)	(133,19)
Changes in current capital	128.895,01	(416.738,53)
Debtors and other accounts receivable	(111.627,45)	(1.014.792,51)
Other current assets	(62.120,79)	(20.369,60)
Trade payables and other accounts payable	302.643,25	618.423,58
Other cash flow from operating activities	(3.094,39)	(112.700,92)
Interest payments	(73.884,23)	(79.530,92)
Receipts of interests	1.395,69	100.400,34
Receipts (payments) for profit tax	69.394,15	(133.570,34)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(967.176,45)</b>	<b>(1.756.087,34)</b>
Payments for investments	(967.176,45)	(1.756.087,34)
Intangible assets	(852.157,73)	(1.050.879,55)
Tangible assets	(102.695,25)	(148.850,81)
Other financial assets	(12.323,47)	(556.356,98)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1.236.651,01</b>	<b>81.986,69</b>
Receipts and payments for equity instruments	1.970.398,63	251.914,31
Disposals (Acquisitions) of own equity instruments	1.970.398,63	251.914,31
Receipts and payments for financial-liability instruments	(539.030,17)	(169.927,62)
Issuance	1.200.000,00	1.200.000,00
Amounts owed to credit institutions	1.200.000,00	1.200.000,00
Others	-	-
Repayment and amortisation of:	(1.739.030,17)	(1.369.927,62)
Amounts owed to credit institutions	(1.655.922,37)	(1.343.132,55)
Others	(83.107,80)	(26.795,07)
Payments for dividends and remuneration of other equity instruments	(194.717,45)	-
Dividends	(194.717,45)	-
<b>NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>	<b>2.873.020,64</b>	<b>55.846,12</b>
Cash and cash equivalents at start of the financial year	1.183.128,97	1.127.282,85
Cash and cash equivalents at end of the financial year	4.056.149,61	1.183.128,97

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

**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**  
**FOR THE FINANCIAL YEAR 2020**

**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 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 in acting as a teleoperator for short message management services (SMS) over the Internet, 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 1<sup>st</sup>, 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. The Parent Company appointed PricewaterhouseCoopers Asesores de Negocios, S.L. as a Registered Advisor and as Liquidity Provider to BEKA Finance, S.V., S.A. 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.

#### **f) COVID's effect on the Group**

Since December 2019, COVID-19, a new strain of Coronavirus has spread to many countries, including Spain as of January 2020. This event significantly affects economic activity worldwide and, as a result, the Group's operations and financial results. The effects of this crisis have had two main axes within the Lleida.net Group:

- Boosting of the sales of the SaaS line derived from the confinements, which have forced to adapt the policies of the companies, and all the digitalization of both notification and contracting processes has been accelerated where Lleida.net has been a key agent of change.
- Change in the type of traffic of the wholesale SMS line, where hospitality traffic has been reduced but where volume has been maintained, thanks to SMS linked to digital processes and a need for this communication channel derived from teleworking and social distancing.

The growth in demand for the SaaS line is not expected to be a one-off growth, but rather an accelerator of new contracts, which will have recurring consumption.

In order to minimize the risks of contagion within the Parent Company's staff, where the workforce has continued to grow and has not been subject to any ERTE, teleworking was introduced as the predominant precautionary measure. As of today, most of the staff is still teleworking, and the personnel attending the facilities must comply with the safety protocol implemented.

#### **1.1) Group Companies**

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

### **Group Companies included in the Consolidation Perimeter**

The breakdown of the Group Companies included in the consolidation perimeter as of December 31, 2020 is the following:

	Percentage of Holding	Applied Method of Consolidation
<b>Group Lleidatnetworks Serveis Telemàtics, S.A.</b>		
which maintains the following investments:		
Lleidatnetworks Serveis Telemàtics, LTD	100%	Global integration
Lleidanet USA Inc	100%	Global integration
Lleidanet Honduras, SA	70%	Global integration
Lleidanet Dominicana, SRL	99,98%	Global integration
Lleida SAS	100%	Global integration
Lleida Chile SPA	100%	Global integration
Lleidanet do Brasil Ltda	99,99%	Global integration
Lleidanet Guatemala	80%	Global integration
Portabilidades Españolas, S.L.U.	100%	Global integration
Lleidanet Costa Rica	100%	Global integration
Lleidanet Perú	100%	Global integration
Lleida Information Technology Network Services	49%	Global integration
Lleidanet South Africa	100%	Global integration
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, 2020.

Detail of activities and registered office of the Subsidiaries included in the perimeter of consolidation as of December 31, 2020, is indicated below:

#### **Lleidatnetworks 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 Lleidatnetworks Serveis Telemàtics, S.A. subscribed in entirely.

#### **Lleidanet Honduras, S.A.**

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



### Lleidatnet Dominicana, S.R.L.

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

### Lleida SAS

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

### Lleida Chile SPA

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

### Lleida Networks India Private Limited

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

### Lleidatnet do Brasil Ltda

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

### Lleidatnet Guatemala, Sociedad Anónima

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



#### Portabilidades Españolas, S.L.U.

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

#### Lleidatnet 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.

#### Lleidatnet 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.

#### 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 Lleidatnetworks Serveis Telemàtics, S.A. and which correspond to 49% of the share capital of the incorporated company.

#### Lleidatnet South Africa

On September 21, 2020, the Company incorporated Lleidatnet South Africa by subscribing 100% of the shares of this company.

## **NOTE 2. PRESENTATION BASIS OF CONSOLIDATED ANNUAL ACCOUNTS**

### **a) True and Fair View**

The accompanying Consolidated Annual Accounts for the year 2018 were prepared with the accounting records of the different constituent companies of the Group, whose respective annual statements were prepared in accordance with the applicable commercial law currently in force and according to the General Accounting Plan approved by Spanish Royal Decree 1514/2007, 16 of November, in the case of Spanish companies, and in accordance with the applicable legislation in the other countries in which the companies that are part of the Consolidated Group are located, and are submitted as provided by the Royal Decree 1159/2010 of 17 September, so as to provide a true and fair view of the net worth, financial situation, results and accuracy of the cash flows included in the Consolidated Cash Flow Statement.

### **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**

Since December 2019, COVID-19, a new strain of Coronavirus has spread to many countries, including Spain as of January 2020. Most governments have taken restrictive measures to contain the spread, which have included: isolation, confinement, quarantine and restriction on free movement of people, closure of public and private premises, except for basic necessities and healthcare, border closures and drastic reduction of air, sea, rail and land transportation.

Basically due to the confinement measures and the promotion of teleworking, in FY2020, sales of SaaS products increased by 60%, thanks to the new uses of our products during the COVID-19 confinement periods. In addition, the acceleration of the start-up of major projects, which have become essential in this fiscal year, has led to an overall increase of 20% in sales, to 16,4 million euros. The increase of 2,1 million euros in sales of SaaS products comes from both the national and international market, customers have required new ways of communicating, and have found in Lleidatnet effective products for these new processes.

Therefore, 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 comparison purposes, with each of the items in 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 2020 those corresponding to the previous year. The items for both years are comparable and homogeneous (see section c).



### **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.

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.

### **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 Lleidatnetworks 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 **Lleidatnetworks Serveis Telemàtics, S.A.** with those of the aforementioned subsidiaries was performed according to the following basic principles:

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

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

#### **b) Intangible Fixed Assets**

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

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

#### **Research and Development Costs**

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

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

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



### **Computer Applications**

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

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

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

### **Industrial Property**

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

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

### **c) Tangible Fixed Assets**

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

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

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

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

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

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

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

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

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

#### **d) Leases and Other Transactions of a Similar Nature**

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

#### **e) Financial Instruments**

The Group determines the classification of its financial assets on their initial recognition and, where permitted and appropriate, this classification is re-assessed on each closing of the consolidated balance sheet.

Financial instruments, for the purposes of their valuation, are classified in any of the following categories:

#### **Loans and Receivable Items and Debts and Payable Items**

##### **Loans and Receivable Items**

The following are classified under this category:

- a) Trade credits: financial assets arising from the sale of assets and the provision of services for commercial transactions, and
- b) Non trade credits: financial assets which, being neither equity instruments nor derivatives, have no commercial origins, whose payments are for a fixed or determinable amount, and which are not traded in an active market. They do not include those financial assets for which the Group cannot recover substantially all the initial investments, owing to circumstances unrelated to credit impairment. The latter are classified as available for sale.



### Debts and Payable Items

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) Non trade debts: financial liabilities which, not being derivative instruments, have no commercial origins.

Initially, financial assets and liabilities included in this category are valued by their fair value, which is the price of the transaction and which is equivalent to the fair value of the consideration paid plus the transaction costs which are directly attributable to it.

Notwithstanding what is stated in the above paragraph, loans and debts through commercial transactions with a maturity not greater than one year and which do not have a contractual rate of interest, as well as, where appropriate, advances and loans made to staff, receivable dividends and called payments on equity instruments, the amounts for which are expected to be received in the short term, and payments called by third parties on holdings, the amounts for which are expected to be paid in the short term, are valued by their nominal value where the effect of not updating the cash flows is of no significance.

In subsequent valuations, both assets and liabilities are valued by their amortized cost. Accrued interest is recognized in the Consolidated Profit and Loss Account by applying the effective interest rate method. Notwithstanding the above, loans and debts with a maturity no greater than one year which are initially valued by their nominal value, remain valued by this amount unless, in the case of loans, they have been impaired.

At the year end, the necessary allowances are made where there is objective evidence of value of a credit having been impaired, i.e. where there is evidence of a reduction or delay in estimated future cash flows corresponding to that asset.

An impairment loss in the value of loans and receivable sums corresponds to the difference between their book value and the current value of the estimated future cash flows to be generated, deducted at the effective interest calculated on their initial recognition.

Allowance for impairment of debts as of December 31, 2020, has been estimated on the basis of the analysis made on each of the individualized outstanding receivables on that date.

### De-recognition of Financial Assets

A financial asset, or part of it, is de-recognized where the contractual rights over the cash flows of the financial asset have expired or been assigned, and the risks and benefits attaching to its ownership have been substantially transferred.

### De-recognition of Financial Liabilities

A financial liability is de-recognized where the corresponding obligation ceases.

### **Interest Received from Financial Assets**

Interest from financial assets accrued subsequent to their purchase are recognized as income in the Consolidated Profit and Loss Account.

Interests are recognized by using the effective interest rate method. For these purposes in the initial valuation of the financial assets, both the value of the explicit interest, accrued and non-matured at that time, and the value of the dividends agreed to by the competent body on acquisition, are recognized independently, bearing in mind their maturity.

### **Guarantees Given**

Guarantees given and received through operating leases and provision of service are valued by the amount paid out and received respectively.

### **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 analyzed 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**

Income and expenses are allocated according to the accrual basis, i.e. where the real flow of goods and services occurs which these represent, irrespective of when the monetary or financial flow deriving from them occurs.

Income resulting from the sale of goods and provision of services is valued by the fair value of the consideration, received or to be received, that derives from these, which, unless there is evidence to the contrary, is the agreed price for these goods or services, less the amount of any discount, reduction or other similar items, as well as the interest incorporated into the face value of the credits.

Income from services is recognized when the result of the transaction can be estimated reliably, considering the percentage of completion of the service at the year-end date. Consequently, only income from the provision of services is accounted for when all and each of the following conditions:

- a) The amount of the income can be reliably valued.
- b) It is probable that the Group receives financial benefits or profits arising from the transaction.
- c) The extent of the transaction carried out, on the date of closure of the financial year, can be reliably valued, and
- d) The costs already incurred in the service's provision, as well as those that are yet to be incurred up to its completion, can be reliably valued.

#### **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 2020, is as follows, in Euros:

Group Company	Percentage of minority interests shareholders (holdings)	Equity	Others	Period results	Total Minority interests
Lleidatnet Guatemala	20%	4.042,50	(971,56)	-	614,19
Lleidatnet Honduras	30%	-	-	-	-
Lleidatnet Brasil	0,01%	(25.832,31)	6.030,67	658,90	(1,91)
Lleidatnet República Dominicana	0,02%	3.551,30	4.579,90	(12.565,85)	(0,89)
Lleida Information Technology Network Services (*)	51%	15.532,69	(311,44)	(4.575,12)	11.034,25
					<b>11.645,64</b>

(\*) 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 2019, 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	(478,60)	-	712,78
Lleidanet Honduras	30%	-	-	-	-
Lleidanet Brasil	0,01%	(22.561,10)	(94,04)	(3.271,21)	(2,59)
Lleidanet República Dominicana	0,02%	(10.669,07)	1.871,52	(5.365,63)	(3,86)
					706,33

## NOTE 5. INTANGIBLE FIXED ASSETS

The details and changes in intangible fixed assets throughout the financial year 2020 were as follows, in euros:

	31/12/2019	Additions	De-Recognition	Transfers	31/12/2020
<b>Cost:</b>					
Research	11.036.034,28	662.384,37	(49.072,91)	-	11.649.345,74
Industrial Property	783.542,63	-	-	144.675,91	928.218,54
Computer applications	259.397,28	11.263,81	-	-	270.661,09
Advances for intangible fixed assets	571.636,24	178.509,55	(41.070,40)	(144.675,91)	564.399,48
	12.650.610,43	852.157,73	(90.143,31)	-	13.412.624,85
<b>Accumulated amortization:</b>					
Research	(8.350.705,12)	(939.758,36)	10.370,53	-	(9.280.092,95)
Industrial Property	(237.369,81)	(70.347,71)	-	-	(307.717,52)
Computer applications	(215.419,67)	(26.381,14)	-	-	(241.800,81)
	(8.803.494,60)	(1.036.487,21)	10.370,53	-	(9.829.611,28)
<b>Intangible Fixed Assets, Net</b>	<b>3.847.115,83</b>	<b>(184.329,48)</b>	<b>(79.772,78)</b>	<b>-</b>	<b>3.583.013,57</b>

The details and changes in intangible fixed assets throughout the financial year 2019 were as follows, in euros:

	31/12/2018	Additions	De-Recognition	Transfers	31/12/2019
<b>Cost:</b>					
Research	10.127.878,55	934.512,30	(26.356,57)	-	11.036.034,28
Industrial Property	698.046,72	-	-	85.495,91	783.542,63
Computer applications	226.637,13	570,00	-	32.190,15	259.397,28
Advances for intangible fixed assets	573.525,05	115.797,25	-	(117.686,06)	571.636,24
	11.626.087,45	1.050.879,55	(26.356,57)	-	12.650.610,43
<b>Accumulated amortization:</b>					
Research	(7.424.990,57)	(930.985,86)	5.271,31	-	(8.350.705,12)
Industrial Property	(164.285,00)	(73.084,81)	-	-	(237.369,81)
Computer applications	(195.099,49)	(20.320,18)	-	-	(215.419,67)
	(7.784.375,06)	(1.024.390,85)	5.271,31	-	(8.803.494,60)
<b>Intangible Fixed Assets, Net</b>	<b>3.841.712,39</b>	<b>26.488,70</b>	<b>(21.085,26)</b>	<b>-</b>	<b>3.847.115,83</b>

### 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, 2020 and 2019, is the following, stating their cost values in Euros:

	31/12/2020	31/12/2019
Research	7.573.601,89	6.326.149,98
Patents	87.223,51	71.105,76
Computer applications	186.000,15	172.062,84
	<b>7.846.825,55</b>	<b>6.569.318,58</b>

### NOTE 6. TANGIBLE ASSETS

The details and changes in tangible fixed assets throughout the financial year 2020 were as follows, in euros:

	31/12/2019	Additions	De-recognitions	Transfers	31/12/2020
<b>Cost:</b>					
Land and buildings	197.185,74	-	-	-	197.185,74
Technical installations and machinery	257.820,72	-	(428,66)	-	257.392,06
Other installations, tools and furniture	106.118,89	-	-	-	106.118,89
Data processing equipment	455.667,82	102.695,25	-	105.297,80	663.660,87
Other tangible fixed assets	4.935,79	-	-	-	4.935,79
Advances for tangible fixed assets	105.297,80	-	-	(105.297,80)	-
	<b>1.127.026,76</b>	<b>102.695,25</b>	<b>(428,66)</b>	<b>-</b>	<b>1.229.293,35</b>
<b>Accumulated amortization:</b>					
Land and buildings	(39.105,93)	(5.137,30)	-	-	(44.243,23)
Technical installations and machinery	(226.066,61)	(20.553,40)	428,66	-	(246.191,35)
Other installations, tools and furniture	(64.787,54)	(9.821,71)	-	-	(74.609,25)
Data processing equipment	(411.952,81)	(112.387,21)	-	-	(524.340,02)
Other tangible fixed assets	(3.678,65)	(308,05)	-	-	(3.986,70)
	<b>(745.591,54)</b>	<b>(148.207,67)</b>	<b>428,66</b>	<b>-</b>	<b>(893.370,55)</b>
<b>Tangible Fixed Assets, Net</b>	<b>381.435,22</b>	<b>(45.512,42)</b>	<b>-</b>	<b>-</b>	<b>335.922,80</b>

The details and changes in tangible fixed assets throughout the financial year 2019 were as follows, in euros:

	31/12/2018	Additions	De-Recognition	31/12/2019
<b>Cost:</b>				
Land and buildings	197.185,74	-	-	197.185,74
Technical installations and machinery	258.126,00	-	(305,28)	257.820,72
Other installations, tools and furniture	99.263,23	6.855,66	-	106.118,89
Data processing equipment	418.970,47	36.697,35	-	455.667,82
Other tangible fixed assets	4.935,79	-	-	4.935,79
Advanced fixed assets	-	105.297,80	-	105.297,80
	<b>978.481,23</b>	<b>148.850,81</b>	<b>(305,28)</b>	<b>1.127.026,76</b>
<b>Accumulated amortization:</b>				
Land and buildings	(33.968,63)	(5.137,30)	-	(39.105,93)
Technical installations and machinery	(205.019,89)	(21.046,72)	-	(226.066,61)
Other installations, tools and furniture	(54.907,55)	(9.879,99)	-	(64.787,54)
Data processing equipment	(337.699,72)	(74.253,09)	-	(411.952,81)
Other tangible fixed assets	(3.370,60)	(308,05)	-	(3.678,65)
	<b>(634.966,39)</b>	<b>(110.625,15)</b>	<b>-</b>	<b>(745.591,54)</b>
<b>Tangible Fixed Assets, Net</b>	<b>343.514,84</b>	<b>38.225,66</b>	<b>(305,28)</b>	<b>381.435,22</b>



### **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, 2020 and 2019, is shown below stating their cost values in Euros:

	31/12/2020	31/12/2019
Technical installations and machinery	47.891,31	43.468,70
Furniture	1.220,60	-
Data processing equipment	376.580,17	285.947,06
Other fixed assets	3.087,87	-
	428.779,95	329.415,76

## **NOTE 7. LEASES AND OTHER OPERATIONS OF SIMILAR NATURE**

### **7.1) Financial Leases (the Company as Lessee)**

The Company has the following assets financed through financial lease agreements as of December 31, 2020, in euros:

	Fair Value	Value of the purchase option	Due Date	Signature date	Outstanding dues
Computer equipment	80.798,12	1.707,27	04/04/2021	04/05/2018	8.499,14

The following is the total amount of future payments in financial leases at the end of the financial year is the following:

	Financial year 2020
Total amount of minimum future payments at the close of the year	6.829,08
(-) Non-accrued financial expenses	(37,21)
Value of the purchase option	1.707,27
<b>Current value at the close of the year</b>	<b>8.499,14</b>

### **7.2) Operating Leases (the Company as Lessee)**

The amount of the contingent payments recognized as an expense in the year 2020 is 217.269,19 euros (234.873,59 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:

	2020	2019
Up to 1 year	169.323,21	220.590,06
Between 1 and 5 years	52.405,65	64.150,97
More of 5 years	544.564,96	554.424,52
	766.293,82	839.165,55

## **NOTE 8. FINANCIAL ASSETS**

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

	Equity instruments 31/12/2020	Equity instruments 31/12/2019	Credits and Other Financial Assets 31/12/2020	Credits and Other Financial Assets 31/12/2019
Loans and receivable items (Note 8.2)	-	-	31.857,89	32.324,82
Financial assets available for sale (Note 8.3)	10.197,40	154.077,40	-	-
	10.197,40	154.077,40	31.857,89	32.324,82

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

	Credits and Other Financial Assets 31/12/2020	Credits and Other Financial Assets 31/12/2019
Assets at fair value through the profit and loss:		
Cash or other liquid assets (Note 8.1)	4.056.149,61	1.183.128,97
Loans and receivable items (Note 8.2)	4.694.859,54	4.512.620,30
Total	8.751.009,15	5.695.749,27

### **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, 2020 and 2019 is as follows, in euros:

	Balance at 31/12/2020	Balance at 31/12/2019
Current Accounts	4.047.972,29	1.179.080,87
Cash	8.177,32	4.048,10
Total	4.056.149,61	1.183.128,97

## 8.2) Loans and Receivable Items

The composition of loans and receivable items as of December 31, 2020 and 2019 is as follows:

	Balance at 31/12/2020		Balance at 31/12/2019	
	Long-Term	Short-Term	Long-Term	Short-Term
<b>Loans and receivables items for commercial transactions</b>				
Costumers	-	3.344.316,94	-	3.177.797,00
Debtors	-	72.134,27	-	61.060,09
<b>Total loans and receivables items for commercial transactions</b>	<b>-</b>	<b>3.416.451,21</b>	<b>-</b>	<b>3.238.857,09</b>
<b>Loans and receivables for non-commercial transactions</b>				
Staff	-	3.572,04	-	11.741,21
Short-term deposits (*)	-	1.262.022,00	-	1.262.022,00
Securities and deposits	31.857,89	12.814,29	32.324,82	-
<b>Total loans and receivables for non-commercial transactions</b>	<b>31.857,89</b>	<b>1.278.408,33</b>	<b>32.324,82</b>	<b>1.273.763,21</b>
<b>Total</b>	<b>31.857,89</b>	<b>4.694.859,54</b>	<b>32.324,82</b>	<b>4.512.620,30</b>

(\*) 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
<b>Accumulated impairment January 1, 2019</b>	<b>554.966,77</b>
Impairment losses on trade receivables	20.149,75
<b>Accumulated impairment end of financial year 2019</b>	<b>575.116,52</b>
Impairment losses on trade receivables	15.624,20
<b>Accumulated impairment end of financial year 2020</b>	<b>590.740,72</b>

## 8.3) Financial Assets available for Sale

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

At the end of the previous year, this heading also included an investment in E.Kuantia, a financial institution specializing in the issuance of means of payment and electronic money. The investment amounted to 143.880 euros and corresponded to 2% of the share capital. In addition, the Group had recorded the same amount under "Advances from customers" for guaranteed future sales, which amount has also been cancelled. The derecognition of this investment has resulted in a loss of 143.880 euros (note 15.c) and income of the same amount recorded under Other Operating Income, which has been recorded in the Consolidated Income Statement.



## NOTE 9. FINANCIAL LIABILITIES

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

	Debts with credit institutions		Other liabilities		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Debits and payable items (Note 9.1)	1.993.897,88	1.504.438,96	106.390,16	173.583,92	2.100.288,04	1.678.022,88

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

	Debts with credit institutions		Other liabilities		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Debits and payable items (Note 9.1)	835.502,12	1.780.883,41	2.763.604,00	2.513.568,16	3.599.106,12	4.294.451,57

### 9.1) Debits and Payable Items

The breakdown as of December 31, 2020 and 2019 is as follows, in euros:

	Balance as of 31/12/2020		Balance as of 31/12/2019	
	Long-Term	Short-Term	Long-Term	Short-Term
<b>For commercial transactions:</b>				
Suppliers	-	1.985.091,05	-	1.876.101,10
Creditors	-	595.440,93	-	324.411,01
Advances from costumers	-	101.758,60	-	221.500,19
<b>Total balances for commercial transactions</b>	-	<b>2.682.290,58</b>	-	<b>2.422.012,30</b>
<b>For non-commercial operations:</b>				
Debts with credit institutions	1.993.897,88	827.002,98	1.495.939,82	1.760.736,41
Other financial liabilities	-	8.499,14	8.499,14	20.147,00
Other debts	106.390,16	74.349,97	173.583,92	90.264,01
<b>Debits and payable items</b>	<b>2.100.288,04</b>	<b>909.852,09</b>	<b>1.678.022,88</b>	<b>1.871.147,42</b>
Staff (remuneration payable)	-	6.963,45	-	1.291,85
<b>Total balances for non-commercial operations</b>	<b>2.100.288,04</b>	<b>916.815,54</b>	<b>1.678.022,88</b>	<b>1.872.439,27</b>
<b>Total debts and payable items</b>	<b>2.100.288,04</b>	<b>3.599.106,12</b>	<b>1.678.022,88</b>	<b>4.294.451,57</b>

### 9.1.1) Debts with credit institutions

The breakdown of debts with credit institutions as of December 31, 2020 is as follows, in euros:

	A Short-Term	A Long-Term	Total
Credit policies	134.026,31	-	134.026,31
Loans	692.976,67	1.993.897,88	2.686.874,55
Leasings	8.499,14	-	8.499,14
	<b>835.502,12</b>	<b>1.993.897,88</b>	<b>2.829.400,00</b>

The breakdown of debts with credit institutions at December 31, 2019 is as follows, in euros:

	A Short-Term	A Long-Term	Total
Credit policies	1.080.990,60	-	1.080.990,60
Loans	679.745,81	1.495.939,82	2.175.685,63
Leasings	20.147,00	8.499,14	28.646,14
Discounted effects			
	<b>1.780.883,41</b>	<b>1.504.438,96</b>	<b>3.285.322,37</b>

### Loans

The detail of the bank loans as of December 31, 2020, expressed in Euros, is the following:

Company	Last maturity	Initial amount	Pending closing
Loan 24 (*)	15/10/2025	78.375,60	48.591,60
Loan 36	02/11/2022	300.000,00	120.251,52
Loan 37	01/03/2022	150.000,00	46.875,00
Loan 38	18/06/2023	195.000,00	100.007,72
Loan 39	02/07/2023	200.000,00	106.759,02
Loan 40	28/12/2023	400.000,00	242.944,01
Loan 41	29/03/2024	250.000,00	165.256,39
Loan 42	12/04/2024	400.000,00	270.533,37
Loan 43	03/05/2024	300.000,00	208.051,20
Loan 44	04/06/2024	250.000,00	177.604,72
Loan 45	30/04/2025	400.000,00	400.000,00
Loan 46	22/04/2025	400.000,00	400.000,00
Loan 47	08/04/2025	400.000,00	400.000,00
		<b>3.723.375,60</b>	<b>2.686.874,55</b>

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

During the month of April 2020, the Group has signed three loan agreements with several financial institutions for a total amount of 1,200 thousand euros, all of them with a term of five years and a grace period of twelve months. These three loans are included in Royal Decree Law 8/2020, of extraordinary urgent measures to face the economic and social impact of COVID-19, by means of which the Group has a State Guarantee.

The detail of the bank loans as of December 31, 2019, expressed in Euros, is the following:

Company	Last maturity	Initial amount	Pending closing
Loan 24 (*)	15/10/2025	78.375,60	63.483,60
Loan 29	25/02/2020	250.000,00	8.811,27
Loan 30	30/06/2020	150.000,00	19.575,20
Loan 31	14/12/2020	465.000,00	97.119,33
Loan 32	31/12/2020	287.619,11	60.089,86
Loan 36	02/11/2022	300.000,00	180.346,78
Loan 37	01/03/2022	150.000,00	84.375,00
Loan 38	18/06/2023	195.000,00	138.592,16
Loan 39	02/07/2023	200.000,00	146.093,55
Loan 40	28/12/2023	400.000,00	321.954,70
Loan 41	29/03/2024	250.000,00	214.034,84
Loan 42	12/04/2024	400.000,00	348.665,70
Loan 43	03/05/2024	300.000,00	266.434,68
Loan 44	04/06/2024	250.000,00	226.108,96
		<b>3.675.994,71</b>	<b>2.175.685,63</b>

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

### Credit Lines

As of December 31, 2020, the Group has credit policies granted with a total limit amounting to 1.815.000 euros (1.715.000 euros at the end of the previous year), which amount drawn at the aforementioned date is 134.026,31 euros (1.080.990,60 euros at the end of the previous year).

### Lines of Effects and Import Advances

As of December 31, 2020, the Company has discount policies granted with a total limit amounting to 650.000 euros (650.000 euros at the end of the previous year), of which no provision has been made either at the end of this fiscal year or at the end of the previous fiscal year.

#### 9.1.2) Other debts

Other debts mainly comprise two loans held by the Company with the Institut Català de Finances (ICF). The detail of these loans at the close of fiscal years 2020 is as follows, in euros:

Company	Last maturity	Initial amount	Pending closing
Loan 2	25/07/2013	300.000,00	173.583,92
		<b>300.000,00</b>	<b>173.583,92</b>

The detail at the close of fiscal year 2019 was as follows, in euros:

Company	Last maturity	Initial amount	Pending closing
Loan 1	29/04/2020	336.737,98	17.821,88
Loan 2	25/07/2013	300.000,00	240.777,68
		<b>636.737,98</b>	<b>258.599,56</b>



## 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 2020 is the following:

	Maturity years					
	2021	2022	2023	2024	2025	More than 5 years
<b>Financial debts:</b>						
Debts with credit institutions	835,502.12	779,183.91	685,205.17	408,566.01	120,942.80	-
Financial lease	827,002.98	779,183.91	685,205.17	408,566.01	120,942.80	-
	8,499.14	-	-	-	-	-
<b>Other debts</b>	74,349.97	66,666.59	39,723.57	-	-	-
<b>Commercial creditors and other payable items:</b>						
Suppliers	2,689,254.03	-	-	-	-	-
Sundry creditors	1,985,091.05	-	-	-	-	-
Staff	595,440.93	-	-	-	-	-
Advances from costumers	101,758.60	-	-	-	-	-
	6,963.45	-	-	-	-	-
<b>Total</b>	3,599,106.12	845,850.50	724,928.74	408,566.01	120,942.80	-
						5,699,394.17

The breakdown of the maturity dates of the liability financial instruments at the close of 2019 is the following, in Euros:

	Maturity years					
	2020	2021	2022	2023	2024	More than 5 years
<b>Financial debts:</b>						
Debts with credit institutions	1,780,883.41	515,862.28	483,160.01	384,460.08	103,024.37	17,932.22
Financial lease	1,760,736.41	507,363.14	483,160.01	384,460.08	103,024.37	17,932.22
	20,147.00	8,499.14	-	-	-	-
<b>Other debts</b>	90,264.01	66,666.59	66,666.59	40,250.74	-	-
<b>Commercial creditors and other payable items:</b>						
Suppliers	2,423,304.15	-	-	-	-	-
Sundry creditors	1,876,101.10	-	-	-	-	-
Staff	324,411.01	-	-	-	-	-
Advances from costumers	221,500.19	-	-	-	-	-
	1,291.85	-	-	-	-	-
<b>Total</b>	4,294,451.57	582,528.87	549,826.60	424,710.82	103,024.37	17,932.22
						5,972,474.45

## **b) Breach of Contractual Obligations**

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

## **9.3) Guarantees**

The Group has contracted guarantees with several financial institutions for a total amount of 406.505,06 euros, a standard instrument when signing an interconnection agreement.

## **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 Closing Date Balance	
	Financial year 2020 Days	Financial year 2019 Days
Average payment period to suppliers	33,37	36,02
Ratio paid operations	31,93	35,44
Ratio of outstanding payment transactions	39,98	38,37
	Financial year 2020	Financial year 2019
	Amount	Amount
Total payments	10.093.356,05	8.624.804,92
Total outstanding payments	2.200.257,44	2.108.191,76

## **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 general situation of financial markets, especially the banking market, has been particularly unfavourable for credit claimants. The Group pays constant attention to the evolution of the different factors that can help to solve liquidity crises, and especially to the sources of financing and their characteristics.

### **11.3) Market Risk**

Possible market risks are described in note 1.e above.

### **11.4) Exchange Rate Risk**

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

### **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, 2020 and 2019, 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, 2020, as well as of December 31, 2019, 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:

	31/12/2020	31/12/2019
Legal Reserve	64.199,77	47.503,72
Voluntary Reserves	3.142.759,70	1.445.433,78
Negative results from previous years	(1.897.046,66)	(3.056.335,12)
	<b>1.309.912,81</b>	<b>(1.563.397,62)</b>

### **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**

The Board of Shareholders of the Parent Company agreed on June 1, 2015 to authorize the Parent Company's Board of Directors for the derivative acquisition of treasury shares under the terms established by current legislation. These acquisitions of own shares have been made through the liquidity provider GVC GAESCO, making available a total value of 1.200.000 euros to be able to carry out transactions of own shares, in accordance with the provisions of the Alternative Market and are valued at acquisition cost.

Given the evolution of the Parent Company's share price during the financial year 2020, there have been numerous operations with treasury stock, recognizing the results of such operations within the Net Equity as established in the current regulations. These results have led to an increase in Voluntary Reserves in the amount of 1.976.555,51 euros during the financial year 2020.

As of December 31, 2020, the Parent Company holds own shares for an amount of 759.458,01 euros (753.301,13 euros in the previous year) at an average cost price of 7.10 euros per share (1.03 euros per share in the previous year).

**NOTE 13. FOREIGN CURRENCY**

The most significant foreign currency balances at the end of the year 2020, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	ZAR	ARS	PNL	COP	BRA	DOP	PEN	CLP
<b>CURRENT ASSETS</b>	1.032.165,13	490.631,38	168,48	-	-	-	2.355.403.917,59	160.910,73	1.076.746,56	44.997,78	3.620.351,00
Trade debtors and other accounts receivable	475.583,26	262.178,85	168,48	-	-	-	979.462.169,00	11.160,51	410.768,00	-	-
Cash	556.581,87	228.452,53	-	-	-	-	1.375.941.748,59	149.750,22	665.978,56	44.997,78	3.620.351,00
<b>CURRENT LIABILITIES</b>	365.577,24	426.692,91	136,50	49.859,65	324.019,54	1.916,44	19.519.007,75	-	188.208,75	-	-
Trade creditors and other payable accounts	365.577,24	426.692,91	136,50	49.859,65	324.019,54	1.916,44	19.519.007,75	-	188.208,75	-	-

The most significant foreign currency balances as the end of the year 2019, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	BRA	DOP	PEN
<b>CURRENT ASSETS</b>	726.392,11	255.215,28	-	1.735.771.309,42	41.388,33	758.426,85	89.412,07
Trade debtors and other accounts receivable	272.009,16	196.127,21	-	341.736.409,23	12.039,75	7.759,42	4.804,96
Cash	454.382,95	59.088,07	-	1.394.034.900,19	29.348,58	750.667,43	84.607,11
<b>CURRENT LIABILITIES</b>	122.853,37	133.679,07	1.864,30	5.096.562,86	-	102.658,06	1.154,31
Trade creditors and other payable accounts	122.853,37	133.679,07	1.864,30	5.096.562,86	-	102.658,06	1.154,31



The most significant transactions carried out during the financial year 2020, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	ZAR	BRL	DOP	PER	PNL	MXN	AED
Purchases and services received	953.108,69	1.485.894,45	20.476,76	8.054.969,00	405.855.977,27	223.708,95	49.875,95	445.054,90	257.672,15	74.450,87	-	83.703,75
Sales and services given	1.944.025,92	1.073.718,56	67,65	-	829.455.147,05	-	186.539,67	344.869,80	233.433,93	-	10,81	-

The most significant transactions carried out during the financial year 2019, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	ZAR	BRL	DOP	PER	PNL	MXN	AED
Purchases and services received	336.596,54	109.221,29	50.470,31	7.740.516,00	249.791.642,04	164.345,82	49.031,28	383.720,84	139.410,91	18.400,42	623.837,89	13.662,29
Sales and services given	768.760,06	295.241,39	165,63	-	1.668.411.640,32	-	43.341,74	169.344,16	145.828,03	-	-	-



## **NOTE 14. TAX SITUATION**

The following is the breakdown of the balances with the Tax Authorities as of December 31, 2020 and December 31, 2019, in euros:

	31/12/2020		31/12/2019	
	Receivable	Payable	Receivable	Payable
<b>Non-current:</b>				
Deferred Tax Assets	159.959,68	-	1.067,38	-
	<b>159.959,68</b>	<b>-</b>	<b>1.067,38</b>	<b>-</b>
<b>Current:</b>				
Value Added Tax	51.649,92	83.766,14	43.882,00	67.089,34
Subsidies receivable (*)	7.200,60	-	32.932,78	-
Income Tax retentions	-	104.259,75	-	90.406,79
Company Tax	16.934,97	-	235.940,94	-
Social Security bodies	2.015,65	74.449,19	-	68.285,58
	<b>77.801,14</b>	<b>262.475,08</b>	<b>312.755,72</b>	<b>225.781,71</b>

### **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, 2020, the Group has open to tax inspection all the taxes to which it is subject from the financial year 2017 to the 2020 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 2020 of the Parent Company with the taxable income tax base is as follows:

Profit and Loss Account			
<b>Financial year's earnings (After taxes)</b>			<b>926.397,73</b>
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
<b>Profit tax</b>	-	(83.974,61)	(83.974,61)
<b>Permanent differences</b>	-	(67.820,43)	(67.820,43)
<b>Compensation of tax loss carryforwards</b>			<b>(441.492,32)</b>
<b>Taxable income (tax result)</b>			<b>468.751,23</b>

The conciliation of the net amount of income and expenses for the year 2019 of the Parent Company with the taxable income tax base is as follows:

Profit and Loss Account			
Financial year's earnings (After taxes)			577.352,91
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Profit tax	2.980,95	-	2.980,95
Permanent differences	308.717,18	-	308.717,18
Compensation of tax loss carryforwards			(889.051,04)
Taxable income (tax result)			-

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

	2020	2019
Charge at 25 % of Taxable Income	117.187,81	-
Deductions	(85.256,77)	-
Net tax payable	31.931,04	-
Less: withholdings and payments	(42.364,02)	(97.797,82)
Tax payable	(10.432,98)	(97.797,82)

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

	2020	2019
Current tax	125.660,68	36.869,19
Deferred tax	(134.941,16)	(24.433,08)
Total	(9.280,48)	12.436,11

The movement of deferred taxes generated and cancelled during the year 2020 is detailed below in euros:

	Balance at 31/12/2019	Generated	Cancelled	Balance at 31/12/2020
Deferred tax assets:				
Tax credits	1.067,38	22.473,50	-	23.540,88
Credits for deductions	-	136.418,80	-	136.418,80
Total	1.067,38	158.892,30	-	159.959,68

The movement of deferred taxes generated and cancelled during financial year 2019 is detailed below in euros:

	Balance at 31/12/2018	Generated	Cancelled	Balance at 31/12/2019
<b>Deferred tax assets:</b>				
Tax credits	2.980,95	1.067,38	(2.980,95)	1.067,38

### Credits for Tax Losses Carry Forward

Part of the tax loss carryforwards have been recorded, since they comply with the requirements established by current regulations for their recording, and since there are no doubts about the Group's ability to generate future taxable income that would allow their recovery. The Group has not capitalized any amount for this concept. At year-end 2020, the Group has no tax loss carryforwards pending offset.

### Deductions Pending Application

As of December 31, 2020, the Group has the following deductions to apply:

Year of Origin	Amount
2006	36.337,18
2007	75.820,66
2008	201.266,41
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	182.112,92
2018	171.929,09
2019	165.515,26
2020	136.418,80
	<b>2.566.449,70</b>



## **NOTE 15. INCOME AND EXPENSES**

### **a) Supplies**

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

	2020	2019
<b>Consumption of merchandise</b>		
Domestics	2.902.003,35	2.942.027,06
Intra-Community Acquisitions	2.933.240,66	1.831.024,02
Imports	2.554.524,47	1.834.100,73
	<b>8.389.768,48</b>	<b>6.607.151,81</b>

### **b) Staff expenses**

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

	2020	2019
Company Social Security contributions	686.754,90	615.181,49
Other welfare costs	119.667,17	141.759,02
	<b>806.422,07</b>	<b>756.940,51</b>

### **c) Financial Results**

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

	2020	2019
<b>Financial incomes</b>	<b>1.395,69</b>	<b>100.400,34</b>
Other financial incomes	1.395,69	100.400,34
<b>Financial expenses</b>	<b>(73.884,23)</b>	<b>(79.530,92)</b>
For debts with credit institutions	(73.884,23)	(79.530,92)
Change in fair value of financial instruments	(194.778,19)	(23.891,79)
Exchange differences	23,89	133,19
Impairments of financial assets	(143.880,00)	-
<b>Financial Result Positive / (Negative)</b>	<b>(411.122,84)</b>	<b>(2.889,18)</b>

## **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

After December 31, 2020, the Parent Company has incorporated a second subsidiary in Dubai called "Lleidatnet Saas Services" which will be responsible for the distribution of Lleida.net's certified services in the African and Middle East geographic area. The investment amounts to 12,000 euros. In addition to this fact, there have been no relevant events affecting the Consolidated Financial Statements at that date.

## NOTE 18. CONSOLIDATED EARNINGS

The following is the breakdown for the financial year 2020 of the Consolidated Earnings in Euros:

Subsidiary	Individual Earnings of the Companies	Shareholding	Earnings Attributed to Parent Company	Earnings Attributed to Minority Interests
Lleidatnetworks Serveis Telemàtics, S.A.	926.397,73	-	926.397,73	-
Lleidatnetworks Serveis Telemàtics, LTD	74.183,89	100%	74.183,89	-
Lleidatnet USA Inc	(31.912,49)	100%	(31.912,49)	-
Lleidatnet Honduras, SA	-	70%	-	-
Lleidatnet Dominicana, SRL	(12.565,84)	99,98%	(12.563,33)	(2,51)
Lleida SAS	142.569,64	100%	142.569,64	-
Lleida Chile SPA	(390,60)	100%	(390,60)	-
Lleidatnet do Brasil Ltda	(13.077,53)	99,99%	(13.076,22)	(1,31)
Lleidatnet Guatemala	-	80%	-	-
Portabilidades Españolas, S.L.U.	11.217,05	100%	11.217,05	-
Lleidatnet Costa Rica	(39,23)	100%	(39,23)	-
Lleidatnet Perú	(46.743,74)	100%	(46.743,74)	-
Lleida Information Technology Network Services	(4.575,12)	49%	(2.241,81)	(2.333,31)
Lleidatnet South Africa	-	100%	-	-
			1.047.400,89	(2.337,13)

The following is the breakdown for the financial year 2019 of the Consolidated Earnings in Euros:

Subsidiary	Individual Earnings of the Companies	Shareholding	Earnings Attributed to Parent Company	Earnings Attributed to Minority Interests
Lleidatnetworks Serveis Telemàtics, S.A.	577.352,91	-	577.352,91	-
Lleidatnetworks Serveis Telemàtics, LTD	90.372,48	100%	90.372,48	-
Lleidatnet USA Inc	69.258,46	100%	69.258,46	-
Lleidatnet Honduras, SA	-	70%	-	-
Lleidatnet Dominicana, SRL	(5.365,63)	99,98%	(5.364,56)	(1,07)
Lleida SAS	73.711,97	100%	73.711,97	-
Lleida Chile SPA	(262,43)	100%	(262,43)	-
Lleidatnet do Brasil Ltda	(3.271,21)	99,99%	(3.270,88)	(0,33)
Lleidatnet Guatemala	-	80%	-	-
Portabilidades Españolas, S.L.U.	(1.641,05)	100%	(1.641,05)	-
Lleidatnet Costa Rica	(13,42)	100%	(13,42)	-
Lleidatnet Perú	13.206,26	100%	13.206,26	-
			813.349,74	(1,40)

The adjustments made to the Earnings associated to Parent Company in 2020 is as follows:

Individual earnings attributed to Parent Company	1.047.400,89
Consolidation adjustments:	
Reversal of credit impairment	-
Reversion of interests	(6.930,73)
<b>Total</b>	<b>1.040.470,16</b>

The adjustments made to the Earnings associated to Parent Company in 2019 is as follows:

Individual earnings attributed to Parent Company	813.349,74
Consolidation adjustments:	
Reversal of credit impairment	300.000,00
Reversal of investment impairment	(27.120,16)
<b>Total</b>	<b>1.086.229,58</b>

## **NOTE 19. TRANSACTIONS WITH RELATED PARTIES**

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

The remuneration accrued during the financial year 2020 by the Board of Directors of the Parent Company amounted to 99.000 euros (78.000 euros in the previous year).

The Senior Management tasks are performed by three members of the same Board of Directors, with compensation for salaries and wages amounting to 310.336,38 euros (222.506,43 euros in the previous year). The detail of this amount is as follows, in euros:

	2020	2019
Wages and salaries	293.259,73	211.323,38
Payment in kind	17.076,65	11.183,05
	<b>310.336,38</b>	<b>222.506,43</b>

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

As of December 31, 2020, and 2019, there are no credits or advances with the Board of Directors of the Parent Company, as well as commitments for pension supplements, guarantees or guarantees granted in its favour.



### Other Information Regarding the Board of Directors

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

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

### NOTE 20. OTHER INFORMATION

The average number of employees during fiscal 2020 and 2019, distributed by category and gender, is as follows:

	2020	2019
Senior Executives	3,00	2,00
Administration	4,00	3,39
Commercial	22,14	16,98
Production	42,83	30,45
Maintenance	1,00	1,00
Reception	8,00	6,90
Business development	6,41	5,98
Compliance	3,10	3,80
Human Resources	1,12	1,12
Intellectual Property	1,12	1,00
<b>TOTAL</b>	<b>92,72</b>	<b>72,62</b>

The distribution of the Group's employees at the end of fiscal year 2020, by category and gender, is as follows:

	2020			
	Men	Women	Total	Disability greater than or equal to 33%
Senior Executives	1	2	3	-
Administration	1	3	4	1
Commercial	9	14	23	1
Production	38	6	44	1
Maintenance	-	1	1	-
Reception	-	8	8	-
Business development	3	5	8	-
Compliance	-	4	4	-
Human Resources	1	1	2	-
Intellectual Property	2	-	2	-
<b>TOTAL</b>	<b>55</b>	<b>44</b>	<b>99</b>	<b>3</b>

The distribution of the Group's employees at the end of fiscal 2019, by category and gender, was as follows:

2019				
	Men	Women	Total	Disability greater than or equal to 33%
Senior Executives	1	1	2	-
Administration	1	3	4	1
Commercial	7	11	18	-
Production	28	7	35	1
Maintenance	-	1	1	-
Reception	-	7	7	-
Business development	2	5	7	-
Compliance	-	3	3	-
Human Resources	-	2	2	-
Intellectual Property	1	-	1	-
<b>TOTAL</b>	<b>40</b>	<b>40</b>	<b>80</b>	<b>2</b>

The fees accrued for the individual and consolidated audit services in the financial statements for the year ended 31 December 2020 amounted to 22.350 euros (21.800 euros in the previous year). The fee for other verification services for the limited review of the interim financial statements amounted to 17.450 euros (17.065 euros in the previous year). In addition, the fees accrued for other services, corresponding to transfer pricing reports, amounted to 11.500 euros (4.725 euros in the previous year).

The Group is hereby informed that during the year it has paid the premium corresponding to the civil liability policy that would eventually cover any damage caused to third parties by acts or omissions related to the performance of its duties. The premium amounted to 19.107 euros (19.107 euros in the previous year).

## **NOTE 21. SEGMENTED INFORMATION**

The distribution of the net amount of turnover corresponding to the ordinary activities of the Group, by category and / or business segment, is shown below, in euros:

Business Areas (in thousands of euros)	2020		2019	
	Euros	%	Euros	%
SMS Comercial	5.734	35%	2.569	19%
SMS Wholesale	2.581	16%	7.507	55%
SAAS	8.106	49%	3.585	26%
<b>Total</b>	<b>16.421</b>	<b>100%</b>	<b>13.661</b>	<b>100%</b>

The distribution of the net amount of turnover corresponding to the ordinary activities of the Group, by geographic markets, is shown below, in euros:

	2020		2019	
Description of geographic markets	Euros	%	Euros	%
Domestic	7.367.872,10	44,87%	6.719.627,68	49,19%
European Union	4.552.361,27	27,72%	4.310.402,30	31,55%
Rest of the World	4.500.411,27	27,41%	2.630.933,10	19,26%
<b>Total</b>	<b>16.420.644,64</b>	<b>100,00%</b>	<b>13.660.963,08</b>	<b>100,00%</b>



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

**CONSOLIDATED DIRECTORS' REPORT FOR**  
**THE FINANCIAL YEAR 2020**

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

**CONSOLIDATED DIRECTORS' REPORT FOR**  
**THE FINANCIAL YEAR 2020**

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 2020.

**1. EVOLUTION OF RESULT AND NET TURNOVER**

In fiscal 2020, sales increased by 20% to 16,4 million euros. The 60% increase in sales of SaaS products, has been strengthened by the new uses of our products during the periods of confinement by COVID-19, as well as by the acceleration of the start-up of important projects, which have become essential in this fiscal year. The increase of 2.1 million euros comes from both the domestic and international markets, customers have required new ways of communicating, and have found in Lleidanet effective products for these new processes.

The Wholesale SMS line, which aggregates all SMS sales to operators and aggregators, has increased its sales by 8% compared to 2019. In this fiscal year we can highlight two very different periods, a first half where sales increased by 44% compared to the first half of 2019, thanks to the new interconnection agreements signed, and a second half where competition from large operators has increased on the one hand and there has been a disappearance of hospitality traffic derived from the confinement.

Sales of commercial SMS, i.e. sales to end customers, remained unchanged with respect to the previous year and amounted to 2,6 million euros.

The margin on sales reached 49%, compared to the 52% it represented in the 2019 financial year in percentage terms, but in absolute terms we have an increase of 14%. The decrease in percentage terms is explained by the decline in SMS wholesales sales margins resulting from increased competition. We have managed to maintain margins at 49% thanks to the greater weight of SaaS sales compared to total sales, currently 35% (compared to 26% in 2019) and the increase in SMS wholesale sales.

In terms of SaaS sales, the company is making a major effort to recruit both technical and commercial personnel. The objective is to deliver more complete standard products, which will enable exponential growth in sales. The new functionalities that we are implementing in the standard products meet the expectations of a greater number of potential customers and are put into production immediately, instead of going through customized processes. Personnel expenditure has increased by 11%, in the group we are currently 99 people, which represents an increase of 24% of the workforce compared to the end of the 2019 financial year. The most reinforced department is the technical department with 26% more staff.

EBITDA has increased by 16% derived from:

- Increase in sales and the corresponding gross margin.
- External services costs remain in line with the previous year, although travel and trade fair expenses have been reduced, we have increased investment in the creation of new subsidiaries abroad in order to comply with the group's strategic plan.

The operating result amounted to €1,4 million, and represents an increase of 31% compared to 2019, €1,1 million. The pre-tax result stands at 1.029 thousand euros, 6% lower than the previous year due to the increase in exchange differences, due to the fluctuations this year of both Latin American currencies and the US dollar.

<i>Sales by business line Thousands of euros</i>	2019	2020	Var. €	Var. %
SaaS Services	3.585	5.734	2.149	60%
SMS Solutions	2.569	2.581	12	0%
ICX WHOLESALE Solutions	7.507	8.106	599	8%
<b>Total</b>	<b>13.661</b>	<b>16.421</b>	<b>2.760</b>	<b>20%</b>

<i>Amounts in Thousand of Euros</i>	2019	2020	Var. €	Var. %
Sales	13.661	16.421	2.760	20%
Coste of Sales	(6.607)	(8.390)	1.783	27%
<b>Gross Margin</b>	<b>7.054</b>	<b>8.031</b>	<b>977</b>	<b>14%</b>
Staff Expenses	(3.067)	(3.403)	336	11%
External Services	(2.728)	(2.743)	15	1%
Activations	934	662	(272)	-29%
<b>EBITDA</b>	<b>2.193</b>	<b>2.547</b>	<b>354</b>	<b>16%</b>
Other income	54	160	106	196%
Amortization	(1.135)	(1.187)	52	5%
Results on disposals	(21)	(80)	-	-
Othe results	11	0	-	-
<b>Operating income</b>	<b>1.102</b>	<b>1.440</b>	<b>338</b>	<b>31%</b>
Financial Net Result	21	(73)	94	448%
Impairment and gain or loss on disposals		(144)	144	-
Exchange Rate Differences	(24)	(194)	170	708%
<b>Income before taxes</b>	<b>1.099</b>	<b>1.029</b>	<b>(70)</b>	<b>-6%</b>



## **2. SUBSEQUENT EVENTS**

After December 31, 2020 and up to the date of preparation of this Management Report, the Board of Directors of the Company has approved the creation of a new subsidiary in Dubai, called Lleidanet SaaS Services, which will be in charge of the distribution of Lleida.net certified services in the African and Middle East geographical area. There have been no subsequent events, in addition to those already mentioned in the Explanatory Notes to the Financial Statements, that bring to light circumstances that already existed at December 31, 2020 and which, due to the importance of their economic impact, should lead to adjustments in the Financial Statements or modifications in the information contained in the Explanatory Notes.

There are also no other subsequent events, other than those already mentioned in the Explanatory Notes, that demonstrate conditions that did not exist at December 31, 2020 and that are of such importance that they require additional information in the Explanatory Notes to the Financial Statements.

## **3. PROBABLE EVOLUTION OF THE GROUP**

The forecast for the 2021 financial year is to increase sales of SaaS products by consolidating international markets and to achieve an increase in the group's results.

## **4. RESEARCH ACTIVITIES**

In the 2020 financial year, the Group invested 662 thousand euros in research activities mainly oriented towards the company's certification line.

## **5. OPERATIONS WITH OWN SHARES**

In accordance with BME Growth and Euronext Growth regulations, the company signed a liquidity agreement with the placement bank on the occasion of its IPO. This agreement establishes both the delivery of a certain amount of treasury stock and the deposit of a certain amount of cash. The purpose of this agreement is to allow investors to trade the Company's shares, ensuring that any interested person has the possibility to buy or sell shares.

As of December 31, 2020, the Company held 107.029 securities with a valuation at that date of 665.762 euros, which represented 0,67% of the shares of Lleidanetworks Serveis Telemàtics, S.A.

## **6. FINANCIAL INSTRUMENTS**

During 2020, the Company has not used instruments related to financial derivatives.

## **7. DEFERMENT OF PAYMENT TO SUPPLIERS**

The information relating to deferrals of payment to suppliers is shown in the consolidated annual accounts in Note 10.

## **8. EFECTOS DERIVADOS DEL COVID-19**

Information regarding the effects derived from the current situation caused by COVID-19 are shown in the Financial Statements in Note 1.f.

\* \* \* \* \*

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

In compliance with company law, the Board of Directors of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES** draw up the Consolidated Annual Accounts and the Consolidated Director's Report for the financial year 2020, which comprises the attached pages number 1 to 48.

Lleida, March 25, 2021  
The Board of Directors



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Mr. Francisco Sapena Soler  
Chairman and Chief Executive Officer

**PEREZ SUBIAS  
MIGUEL -  
17147802Z**

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Mr. Miguel Pérez Subias  
Independent Director

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Mr. Jordi Carbonell i Sebarroja  
Independent Director

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D. Jorge Sainz de Vicuña  
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Mr. Marcos Gallardo Meseguer  
Secretary

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DEL CASTILLO, ANTONIO (FIRMA)**  
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Mr. Antonio López del Castillo  
Independent Director

**ARRATE MARIA  
USANDIZAGA  
RUIZ - DNI  
44558454W**

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USANDIZAGA RUIZ - DNI  
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Mrs. Arrate María Usandizaga Ruíz  
Executive Director

**BEATRIZ CARMEN  
GARCIA TORRE -  
DNI 43749850D**

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TORRE - DNI 43749850D  
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Mrs. Beatriz García Torre  
Executive Director



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## **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.**

ANNUAL ACCOUNTS AND DIRECTOR'S REPORT FOR  
FINANCIAL YEAR 2020 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 2020 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 2020:**

Balance Sheets as of December 31, 2020 and 2019  
Profit and Loss Accounts for the financial years 2020 and 2019  
Statement of Changes in Partner's Equity for the financial years 2020 and 2019  
Cash-Flow Statement for the financial years 2020 and 2019  
Notes to the accounts for the financial year 2020

**DIRECTOR'S REPORT FOR FINANCIAL YEAR 2020**





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

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

**Audit report on the annual accounts  
issued by an independent auditor**

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

**Opinion**

We have audited the annual accounts of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** (the Company), which comprise the balance sheet as of December 31, 2020, 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, 2020, 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	We have carried out the following audit procedures, among others:
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 projects of a significant amount. 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.	<ul style="list-style-type: none"> <li>- Understanding of the policies and procedures applied by the Company for the capitalization of research expenses.</li> <li>- 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.</li> <li>- We have obtained the certificates issued by an independent third party on the projects regarding the validity of the capitalised amounts.</li> <li>- We have obtained a breakdown of the carrying amount of research expenditure by project and analysed the sales projections for different projects, actual sales and profitability for the year, the robustness of the data, the reasonableness of the assumptions, review of the arithmetic calculation and deviations from past estimates in order to assess the reasonableness of the recoverable amount of the research expenditure.</li> <li>- We have verified the correct amortization of the different projects capitalised on the basis of their useful life.</li> <li>- 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.</li> </ul>



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, 11,29% 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, as well as signs of impairment.
- 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.
- We have analysed the business plans of the different subsidiaries, comparing the actual results for 2020 with the figures included in the previous year's forecasts in order to assess the degree of compliance and, on this basis, we have questioned the reasonableness of the future 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 2020, 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 over the directors' report, in accordance with what is required by the regulations governing the audit activity, consists of evaluating and reporting on the consistency of the directors' report with the annual accounts, based on the knowledge of the Entity obtained in performing the audit of the aforementioned accounts and without including information other than that obtained as evidence during the same. Likewise, our responsibility is to evaluate and report that 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 obliged to report this.

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 2020 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 identify and assess risks of material misstatement of the annual accounts due to fraud or error, design and implement audit procedures to respond to such risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud can involve collusion, forgery, deliberate omissions, intentional misrepresentations, or the 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 required the audit committee of the Company with a statement that we have complied with the relevant ethical requirements, including those of independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Among the matters that have been communicated to the 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 29, 2021.

##### *Contract period*

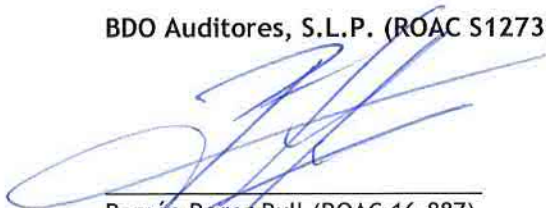
The Extraordinary General Shareholders' Meeting held on June 10, 2019 appointed us as the Company's auditors for a period of three years, starting from the year ended December 31, 2019.

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 Rull (ROAC 16.887)  
Audit Partner

April 29, de 2021

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

**ANNUAL ACCOUNTS FOR FINANCIAL YEAR 2020**

**LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.****BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019**

(Stated in Euros)

ASSETS	Notes to the Annual Accounts	31/12/2020	31/12/2019
<b>NON-CURRENT ASSETS</b>		<b>4.488.020,85</b>	<b>4.792.900,99</b>
<b>Intangible assets</b>	<b>Note 5</b>	<b>3.583.013,57</b>	<b>3.847.115,83</b>
Research		2.369.252,79	2.685.329,16
Patents, licenses, trade marks and similar		637.219,74	546.172,82
Computer applications		28.860,28	43.977,61
Other intangible assets		547.680,76	571.636,24
<b>Tangible fixed assets</b>	<b>Note 6</b>	<b>332.984,48</b>	<b>380.120,98</b>
Land and buildings		152.942,51	158.079,81
Technical installations and other tangible fixed assets		180.041,97	116.743,37
Tangible assets in progress		-	105.297,80
<b>Long-term investments in group and affiliated companies</b>		<b>399.732,49</b>	<b>382.365,43</b>
Equity instruments	Note 9	358.682,89	172.762,39
Loans to companies	Notes 8.2 y 19.1	41.049,60	209.603,04
<b>Long-term financial investments</b>		<b>35.871,51</b>	<b>183.298,75</b>
Equity instruments	Note 8.3	10.197,40	154.077,40
Other financial assets	Note 8.2	25.674,11	29.221,35
<b>Deferred Tax Assets</b>	<b>Note 15</b>	<b>136.418,80</b>	<b>-</b>
<b>CURRENT ASSETS</b>		<b>8.267.179,42</b>	<b>5.973.969,81</b>
<b>Trade and other receivables</b>		<b>3.293.821,07</b>	<b>3.665.723,97</b>
Client receivables for sales and services	Note 8.2	2.316.873,86	2.862.643,96
Clients of the Group and affiliated companies	Notes 8.2 y 19.1	903.264,85	598.225,42
Sundry debtors	Notes 8.2	47.203,27	59.214,97
Staff	Notes 8.2	3.572,04	11.741,21
Current tax assets	Note 15	10.432,98	97.707,82
Other receivables from Public Authorities	Note 15	12.474,07	36.190,59
<b>Short-term investments in group and affiliated companies</b>	<b>Note 8.2 y 19.1</b>	<b>137.285,26</b>	<b>167.204,06</b>
Loans to companies		137.285,26	167.204,06
<b>Short-term financial investments</b>	<b>Note 8.2</b>	<b>1.262.022,00</b>	<b>1.262.022,00</b>
Other financial assets		1.262.022,00	1.262.022,00
<b>Short-term accruals</b>		<b>314.761,51</b>	<b>241.977,19</b>
<b>Cash and cash equivalents</b>	<b>Note 8.1</b>	<b>3.259.289,58</b>	<b>637.042,59</b>
Cash		3.259.289,58	637.042,59
<b>TOTAL ASSETS</b>		<b>12.755.200,27</b>	<b>10.766.870,80</b>



**LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.****BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019**

(Stated in Euros)

<b>EQUITY AND LIABILITIES</b>	<b>Notes to the Annual Accounts</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>EQUITY</b>		<b>7.189.214,27</b>	<b>4.619.346,35</b>
<b>Equity</b>		<b>7.189.214,27</b>	<b>4.619.346,35</b>
<b>Capital</b>	<b>Note 13.1</b>	<b>320.998,86</b>	<b>320.998,86</b>
Share Capital		320.998,86	320.998,86
<b>Issue premium</b>	<b>Note 13.3</b>	<b>5.244.344,28</b>	<b>5.244.344,28</b>
<b>Reserves</b>	<b>Note 13.2</b>	<b>3.486.189,06</b>	<b>1.492.937,50</b>
Legal and statutory		64.199,77	47.503,72
Other Reserves		3.421.989,29	1.445.433,78
<b>(Shares and own holdings in equity)</b>	<b>Note 13.4</b>	<b>(759.458,01)</b>	<b>(753.301,13)</b>
<b>Retained earnings</b>		<b>(1.897.046,66)</b>	<b>(2.262.986,07)</b>
<b>Financial year's earnings</b>		<b>794.186,74</b>	<b>577.352,91</b>
<b>NON-CURRENT LIABILITIES</b>		<b>2.100.288,04</b>	<b>1.678.022,88</b>
<b>Long-term debts</b>	<b>Note 10.1</b>	<b>2.100.288,04</b>	<b>1.678.022,88</b>
Debts with credit institutions		1.993.897,88	1.495.939,82
Financial-lease debt		-	8.499,14
Other financial liabilities		106.390,16	173.583,92
<b>CURRENT LIABILITIES</b>		<b>3.465.697,96</b>	<b>4.469.501,57</b>
<b>Short-term provisions</b>		<b>42.364,76</b>	<b>95.950,00</b>
<b>Short-term debts</b>	<b>Note 10.1</b>	<b>909.852,09</b>	<b>1.871.147,42</b>
Debts with credit institutions		827.002,98	1.760.736,41
Financial-lease debt		8.499,14	20.147,00
Other financial liabilities		74.349,97	90.264,01
<b>Trade and other payables</b>		<b>2.513.481,11</b>	<b>2.502.404,15</b>
Suppliers	<b>Note 10.1</b>	<b>1.722.871,13</b>	<b>1.734.418,98</b>
Suppliers, group and affiliated companies	<b>Note 10.1 y 19.1</b>	<b>226.865,25</b>	<b>68.505,92</b>
Sundry creditors	<b>Note 10.1</b>	<b>248.812,48</b>	<b>305.233,59</b>
Other debts with Public Authorities	<b>Note 15</b>	<b>213.173,65</b>	<b>172.745,47</b>
Advances from clients	<b>Note 10.1</b>	<b>101.758,60</b>	<b>221.500,19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12.755.200,27</b>	<b>10.766.870,80</b>

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

**PROFIT AND LOSS ACCOUNTS**  
**FOR THE FINANCIAL YEARS 2020 AND 2019**  
(Stated in Euros)

PROFIT AND LOSS ACCOUNTS	Notes to the Annual Accounts	2020	2019
Net turnover	Note 21	15.164.306,30	12.933.093,21
Net sales		15.164.306,30	12.933.093,21
Work performed by the company for its assets	Note 5	662.384,37	934.512,30
Supplies	Note 16.a	(7.887.415,93)	(6.396.064,44)
Goods consumed		(7.887.415,93)	(6.396.064,44)
Other operating income		143.880,00	53.986,36
Ancillary and other current operating income		143.880,00	350,00
Operating grants income		-	53.636,36
Staff expenses		(3.325.872,35)	(3.000.784,53)
Wages, salaries and the like		(2.523.402,99)	(2.254.494,39)
Fringe benefits	Note 16.b	(802.469,36)	(746.290,14)
Other operating expenses		(2.536.410,85)	(2.824.889,05)
External charges for services		(2.298.039,07)	(2.460.586,50)
Taxes		(156.590,61)	(48.843,91)
Losses, Impairment and change in trade provisions		(81.781,17)	(315.458,64)
Amortization of fixed assets	Notes 5 y 6	(1.181.018,98)	(1.130.392,70)
Impairment and results of disposals of fixed assets	Note 5	(79.772,78)	(21.085,26)
Other earnings		-	12.876,22
<b>OPERATING EARNINGS</b>		<b>960.079,78</b>	<b>561.252,11</b>
Financial income	Note 16.c	25.570,98	130.483,50
Income from investments in equity instruments, group companies and associates		-	99.820,00
Income from negotiable securities and other financial instruments, group and affiliated companies		24.188,70	30.083,16
Other income from negotiable securities and other third-party financial instruments		1.382,28	580,34
Financial expenses	Note 16.c	(67.795,41)	(77.472,01)
For debts with third parties		(67.795,41)	(77.472,01)
Exchange differences	Note 16.c	(2.267,85)	(33.929,74)
Impairments and earnings for disposals of financial instruments		(205.375,37)	-
Impairments and losses	Note 16.c	(61.495,37)	-
Gains (losses) on disposals and others	Note 8.3	(143.880,00)	-
<b>FINANCIAL EARNINGS</b>		<b>(249.867,65)</b>	<b>19.081,75</b>
<b>PRE-TAX EARNINGS</b>		<b>710.212,13</b>	<b>580.333,86</b>
Profit tax	Note 15	83.974,61	(2.980,95)
<b>FINANCIAL YEAR'S EARNINGS FROM CONTINUED OPERATIONS</b>		<b>794.186,74</b>	<b>577.352,91</b>
<b>FINANCIAL YEAR'S EARNINGS</b>		<b>794.186,74</b>	<b>577.352,91</b>

**LEIDANETWORKS SERVEIS TELEMÀTICS, S.A.**

**STATEMENT OF CHANGES IN PARTNER'S EQUITY**  
**TOTAL STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEARS 2020 AND 2019**  
 (Stated in Euros)

	Share Capital	Own Shares	Issue Premium	Reserves	Retained Earnings	Financial Year's Earnings	Total
<b>BALANCE END OF YEAR 2018</b>	320.998,86	(954.287,73)	5.244.344,28	1.442.009,79	(2.054.232,27)	(208.753,80)	3.790.079,13
<b>Total recognized income and expenses</b>	-	-	-	-	-	577.352,91	577.352,91
<b>Transactions with shareholders or owners</b>	-	200.986,60	-	50.927,71	-	-	251.914,31
Operation with own shares	-	200.986,60	-	50.927,71	-	-	251.914,31
<b>Other changes in equity</b>	-	-	-	-	(208.753,80)	208.753,80	-
Distribution of earnings from the previous financial year	-	-	-	-	(208.753,80)	208.753,80	-
<b>BALANCE END OF YEAR 2019</b>	320.998,86	(753.301,13)	5.244.344,28	1.492.937,50	(2.262.986,07)	577.352,91	4.619.346,35
<b>Total recognized income and expenses</b>	-	-	-	-	-	794.186,74	794.186,74
<b>Transactions with shareholders or owners</b>	-	(6.156,88)	-	1.976.555,51	-	(194.717,45)	1.775.681,18
Operation with own shares	-	(6.156,88)	-	1.976.555,51	-	-	1.970.398,63
Dividends	-	-	-	-	-	(194.717,45)	(194.717,45)
<b>Other changes in equity</b>	-	-	-	16.696,05	365.939,41	(382.635,46)	-
Distribution of earnings from the previous financial year	-	-	-	16.696,05	365.939,41	(382.635,46)	-
<b>BALANCE END OF YEAR 2020</b>	320.998,86	(759.458,01)	5.244.344,28	3.486.189,06	(1.897.046,66)	794.186,74	7.189.214,27



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

**CASH FLOW STATEMENT**  
**FOR FINANCIAL YEARS 2020 AND 2019**  
(Stated in Euros)

	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2.229.223,40</b>	<b>1.170.939,53</b>
Financial year's pre-tax earnings	710.212,13	580.333,86
Adjustments to earnings	1.536.587,49	1.424.425,11
Amortization of fixed assets	1.181.018,98	1.130.392,70
Valuation changes for impairment	143.276,54	315.458,64
Variation of provisions	(53.585,24)	10.500,00
Disposals of fixed assets	79.772,78	21.085,26
Gains (losses) on disposal of financial instruments	143.880,00	-
Financial incomes	(25.570,98)	(130.483,50)
Financial expenses	67.795,41	77.472,01
Changes in current capital	(10.182,44)	(600.714,93)
Trade and other receivables	49.491,09	(899.751,47)
Other current assets	(72.784,32)	(8.915,28)
Trade and other payables	13.110,79	307.951,82
Other cash flow from operating activities	(7.393,78)	(233.104,51)
Interest payments	(67.795,41)	(77.472,01)
Interest incomes	25.570,98	(64.325,30)
Tax income	34.830,65	(91.307,20)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(843.627,42)</b>	<b>(1.359.789,78)</b>
Payments for investments	(949.553,00)	(1.755.508,34)
Intangible fixed assets	(846.863,92)	(1.050.879,55)
Tangible fixed assets	(102.689,08)	(148.153,24)
Other financial assets	-	(556.475,55)
Proceeds from disposals	105.925,58	395.718,56
Group and affiliated companies	102.378,34	395.718,56
Other financial assets	3.547,24	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1.236.651,01</b>	<b>81.986,69</b>
Receipts and payments for equity instruments	1.970.398,63	251.914,31
Disposals (Acquisitions) of own equity instruments	1.970.398,63	251.914,31
Collections and payments for financial liability instruments	(539.030,17)	(169.927,62)
Issuing:	1.200.000,00	1.200.000,00
Amounts owed to credit institutions	1.200.000,00	1.200.000,00
Repayment and amortization of:	(1.739.030,17)	(1.369.927,62)
Amounts owed to credit institutions	(1.655.922,37)	(1.343.132,55)
Others	(83.107,80)	(26.795,07)
Payments for dividends and remuneration of other equity instruments	(194.717,45)	-
Dividends	(194.717,45)	-
<b>NET INCREASE/REDUCTION OF CASH AND CASH EQUIVALENTS</b>	<b>2.622.246,99</b>	<b>(106.863,56)</b>
Cash or cash equivalents at start of financial year	637.042,59	743.906,15
Cash or cash equivalents at end of financial year	3.259.289,58	637.042,59

## **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.**

### **NOTES TO THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2020**

#### **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 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 in acting as a teleoperator for short message management services (SMS) over the Internet, as well as any other activity related to the aforementioned corporate purpose.

The Company financial year starts on 1 January and ends on 31 December of each year. In the rest of the Notes to this Annual Report, each time reference is made to the financial year ending on December 31, 2020, this will simply stated as "financial year 2020".

##### **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 1<sup>st</sup>, 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. The Parent Company appointed PricewaterhouseCoopers Asesores de Negocios, S.L. and as Liquidity Provider to BEKA Finance, S.V., S.A. company subsequently integrated into the GVC GAESCO VALORES SV, S.A. group. 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.

#### **e) Effect of COVID on the Company**

Since December 2019, COVID-19, a new strain of Coronavirus has spread to many countries, including Spain as of January 2020. This event significantly affects economic activity worldwide and, as a result, the Group's operations and financial results. The effects of this crisis have had two main focuses within Lleida.net:

- Sales booster of the SaaS line derived from the confinements, which have forced to adapt the policies of the companies, and has accelerated the entire digitization of both notification and contracting processes where Lleida.net has been a key agent of change.
- Change in the type of traffic of the wholesale SMS line, where hospitality traffic has been reduced but where volume has been maintained, thanks to SMS linked to digital processes and to a need for this communication channel derived from teleworking and social distancing.

The growth in demand for the SaaS line is not expected to be a one-off growth, but rather an accelerator of new contracts, which will have recurring consumption.



In order to minimize the risk of contagion within Lleida.net staff, where the number of employees has continued to grow and has not been subject to any ERTE, teleworking was introduced as the predominant precautionary measure. As of today, most of the staff is still teleworking, and the personnel attending the facilities must comply with the implemented security protocol.

## **NOTE 2. BASIS OF PRESENTATION OF ANNUAL ACCOUNTS**

### **a) True and Fair View**

The Annual Accounts for the financial year 2020 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, 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, the Board of Directors used estimates to value certain assets, liabilities, income and expenses recorded therein. The estimates and criteria refer to:

- Possible impairment of assets: investments, loans and balances with group companies (Note 4-d):
  - o At 31 December 2020, the Company has significant balances receivable from Group companies (see Note 19.1), the recovery of which will be linked to the generation of cash by the subsidiaries. On the basis of the budgets established by management, the Company's Board of Directors estimates that all the Group company receivables on the Company's balance sheet will be recovered.

In addition to what has been mentioned in the preceding paragraph, there are no uncertainties or aspects of 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, except for those inherent to the nature of the business:

- Slower growth than expected in the Business Plan: slower maturation in some countries.
- Reasonability of the activation and recoverability of research projects.
- Currency risk, although the Company has a natural hedge with revenues and costs in foreign subsidiaries denominated in the same currency.
- Highly atomised and locally competitive market.

Although these estimates have been made on the basis of the best information available at the close of financial year 2020, it is possible that events that may take place in the future will make it necessary to modify them (upwards or downwards) in coming years, which would be done prospectively, recognising the effects of the change in the estimate in the corresponding profit and loss account.

#### **e) Comparison of the Information**

In accordance with commercial law, for comparison purposes, the Board of Directors presents, in addition to the figures for the financial year 2020, 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) Changes in Accounting Standards**

There have been no changes in the accounting standards

#### **g) Correction of Errors**

The 2020 Annual Accounts do not include related adjustments as a result of errors detected in the annual accounts of previous years.

#### **h) Responsibility for the Information Given and the Estimates Made**

Board of Directors is responsible for the information provided in these annual accounts. These annual accounts have used estimates valuing some of the assets, liabilities, income, expenses and undertakings recorded there. These estimates basically refer to the valuation of losses due to the impairment of specific assets and the useful life of tangible and intangible assets (see section d).

Notwithstanding that these estimates were made according to the best information available at the time of the preparation of these 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.



**i) Statement of Recognized Income and Expenses**

The Company has recognized no income nor expense directly to the Equity nor in the current financial year neither in the last one, having registered the totality of them in the corresponding Profit and Loss Account. This is why the current Annual Accounts does not include the Statement of Recognized Income and Expenses.

**NOTE 3. DISTRIBUTION OF EARNINGS**

The proposed distribution of 2020 and 2019, drawn up by the Board of Directors are shown below, in Euros:

	2020	2019
<b>Distribution base:</b>		
Profits obtained/ (Generated losses) in the financial year	794.186,74	577.352,91
<b>Distribution to:</b>		
Legal reserve	-	16.696,05
Compensation of previous years losses	548.681,39	371.139,64
Distribution of dividends	245.505,35	189.517,22

The amount recorded under the heading of dividend distribution corresponds to an estimate of the dividend to be paid in 2021, which is calculated on the basis of 0,0125 euros net per share. Any deviation between the estimated amount and the amount finally paid will affect the portion distributed as a reduction of the negative results of previous years.

The unamortised balances of research and development expenses totalled 2.369.252,79 euros in 2020 (2.685.329,16 euros in 2019). No dividends should be distributed that reduce the amount of available reserves below the total research and development balances shown on the assets of the balance sheet.

**NOTE 4. RECOGNITION AND VALUATION STANDARDS**

The principal standards used by the Company in the drafting of its Annual Accounts for the 2020 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.



### **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 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	12,50 - 10
Machinery	20 - 25	5 - 4
Other installations	10	10
Furniture	10 - 15	10 - 6,67
Computer equipment	25 - 50	4 - 2
Other tangible fixed assets	15	6,67

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

The loss or profit resulting from writing-off a tangible fixed-asset item is determined as the difference between the net values, where appropriate, of the sales costs resulting from its alienation or disposal by other means, where available, and the item's book value, and is allocated to the 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 determines the classification of its financial assets on their initial recognition and, where it is permitted and appropriated, this classification is re-assessed on each closing balance sheet.



Financial instruments, for the purposes of their valuation, are classified in any of the following categories:

**Loans and Receivable Items and Debts and Payable Items.**

Loans and receivable items

The following are classified under this category:

- a) Trade credits: financial assets arising from the sale of assets and the provision of services for commercial transactions, and
- b) Non trade credits: financial assets which, being neither equity instruments nor derivatives, have no commercial origins, whose payments are for a fixed or determinable amount, and which are not traded in an active market. They do not include those financial assets for which the Company cannot recover substantially all the initial investments, owing to circumstances unrelated to credit impairment. The latter are classified as available for sale.

Debts and payable items

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) Non trade debts: Financial liabilities which, not being derivative instruments, have no commercial origins

Initially, financial assets and liabilities included in this category are valued by their fair value, which is the price of the transaction and which is equivalent to the fair value of the consideration paid plus the transaction costs which are directly attributable to it.

Notwithstanding what is stated in the above paragraph, loans and debts through commercial transactions with a maturity not greater than one year and which do not have a contractual rate of interest, as well as, where appropriate, advances and loans made to staff, receivable dividends and called payments on equity instruments, the amounts for which are expected to be received in the short term, and payments called by third parties on holdings, the amounts for which are expected to be paid in the short term, are valued by their nominal value where the effect of not updating the cash flows is of no significance.

In subsequent valuations, both assets and liabilities are valued by their amortized cost. Accrued interest is recognized in the Profit and Loss Account by applying the effective interest rate method. Notwithstanding the above, loans and debts with a maturity no greater than one year which are initially valued by their nominal value, remain valued by this amount unless, in the case of loans, they have been impaired.

At the year end, the necessary allowances are made where there is objective evidence of value of a credit having been impaired i.e. where there is evidence of a reduction or delay in estimated future cash flows corresponding to that asset.



An impairment loss in the value of loans and receivable sums corresponds to the difference between their book value and the current value of the estimated future cash flows to be generated, deducted at the effective interest calculated on their initial recognition.

Allowance for impairment of debts as of December 31, 2020, has been estimated on the basis of the analysis made on each of the individualized outstanding receivables on that date.

### **Investments in Group, Multi-group and Affiliated Companies Equity Instrument's**

They are initially valued at cost, which corresponds to the fair value of the consideration paid plus the transaction costs which are directly attributable to them.

They are subsequently valued by their cost, less, where appropriate, the accumulated value of the allowances for impairment.

At the close of the financial year, and where there is objective evidence that the book value of an investment will not be recoverable, the necessary allowances are made.

Impairment is calculated by comparing the carrying amount of the investment with its recoverable amount, understood as the higher of value in use or fair value less costs to sell.

In this regard, value in use is calculated based on the Company's share of the present value of the estimated cash flows from ordinary activities and the final disposal or the estimated cash flows expected to be received from the distribution of dividends and the final disposal of the investment.

The value of the allowance is determined as the difference between the book value and the recoverable value, unless there is better evidence of the recoverable value of the investments, account is taken, in estimating the impairment in this class of assets, of the proportion of equity of the entity in which there are holdings, corrected for the implicit capital gains present at the date of valuation, which correspond to items identifiable on the balance sheet of the entity in which there are holdings.

Allowances for impairment and, where appropriate, its reversal, are recognized as an expense or income respectively in the Profit and Loss Account. The reversal of the impairment shall be limited to the book value of the investment that would have been recognized on the reversal date had the impairment not been recognized.

### **De-recognition of Financial Assets**

A financial asset, or part of it, is de-recognized where the contractual rights over the cash flows of the financial asset have expired or been assigned, and the risks and benefits attaching to its ownership have been substantially transferred.

### **De-recognition of Financial Liabilities**

A financial liability is de-recognized where the corresponding obligation ceases

**Interest received from financial assets**

Interest and dividends from financial assets accrued subsequent to their purchase are recognized as income in the Profit and Loss Account.

Interests are recognized by using the effective interest rate method, and dividends where it is declared that shareholders are entitled to receive it. For these purposes, in the initial valuation of the financial assets, both the value of the explicit interest, accrued and non-matured at that time, and the value of the dividends agreed to body, on acquisition are recognized separately, bearing in mind their maturity, in the initial valuation of the financial assets.

**Guarantees Given**

Guarantees given through operating leases and provision of services are valued by the amount paid out and received respectively.

**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 analyzed 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**

Income and expenses are allocated according to the accrual basis, i.e. where the real flow of goods and services occurs which these represent, irrespective of when the monetary or financial flow deriving from them occurs.

Income resulting from the sale of goods and provision of services is valued by the fair value of the consideration, received or to be received, that derives from these, which, unless there is evidence to the contrary, is the agreed price for these goods or services, less: the amount of any discount, reduction or other similar items that the Company may concede, as well as the interest incorporated into the face value of the credits.

Income from services is recognized when the result of the transaction can be estimated reliably, considering the percentage of completion of the service at the year-end date. Consequently, only income from the provision of services is accounted for when all and each of the following conditions:

- a) The amount of the income can be reliably valued.
- b) It is probable that the Company receives financial benefits or profits arising from the transaction.
- c) The extent of the transaction carried out, on the date of closure of the financial year, can be reliably valued, and
- d) The costs already incurred in the service's provision, as well as those that are yet to be incurred up to its completion, can be reliably valued.

#### **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 intangible fixed assets throughout the financial year 2020 are as follows:

	31/12/2019	Additions	De-Recognition	Transfers	31/12/2020
<b>Cost:</b>					
Research	11.036.034,28	662.384,37	(49.072,91)	-	11.649.345,74
Industrial Property	783.542,63	-	-	144.675,91	928.218,54
Computer applications	259.397,28	5.970,00	-	-	265.367,28
Advances for intangible fixed assets	571.636,24	178.509,55	(41.070,40)	(144.675,91)	564.399,48
	<b>12.650.610,43</b>	<b>846.863,92</b>	<b>(90.143,31)</b>	<b>-</b>	<b>13.407.331,04</b>
<b>Accumulated amortization:</b>					
Research	(8.350.705,12)	(939.758,36)	10.370,53	-	(9.280.092,95)
Industrial Property	(237.369,81)	(70.347,71)	-	-	(307.717,52)
Computer applications	(215.419,67)	(21.087,33)	-	-	(236.507,00)
	<b>(8.803.494,60)</b>	<b>(1.031.193,40)</b>	<b>10.370,53</b>	<b>-</b>	<b>(9.824.317,47)</b>
<b>Intangible Fixed Assets, Net</b>	<b>3.847.115,83</b>	<b>(184.329,48)</b>	<b>(79.772,78)</b>	<b>-</b>	<b>3.583.013,57</b>

The retirements in the year resulted in a loss for the year of 79.772,78 euros.

Details of and changes in intangible fixed assets throughout the financial year 2019 are as follows:

	31/12/2018	Additions	De-Recognition	Transfers	31/12/2019
<b>Cost:</b>					
Research	10.127.878,55	934.512,30	(26.356,57)	-	11.036.034,28
Industrial Property	698.046,72	-	-	85.495,91	783.542,63
Computer applications	226.637,13	570,00	-	32.190,15	259.397,28
Advances for intangible fixed assets	573.525,05	115.797,25	-	(117.686,06)	571.636,24
	<b>11.626.087,45</b>	<b>1.050.879,55</b>	<b>(26.356,57)</b>	<b>-</b>	<b>12.650.610,43</b>
<b>Accumulated amortization:</b>					
Research	(7.424.990,57)	(930.985,86)	5.271,31	-	(8.350.705,12)
Industrial Property	(164.285,00)	(73.084,81)	-	-	(237.369,81)
Computer applications	(195.099,49)	(20.320,18)	-	-	(215.419,67)
	<b>(7.784.375,06)</b>	<b>(1.024.390,85)</b>	<b>5.271,31</b>	<b>-</b>	<b>(8.803.494,60)</b>
<b>Intangible Fixed Assets, Net</b>	<b>3.841.712,39</b>	<b>26.488,70</b>	<b>(21.085,26)</b>	<b>-</b>	<b>3.847.115,83</b>

The retirements in the past year resulted in a loss for the past year of 21.085,26 euros.

**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, 2020 and at December 31, 2019, is the following, stating their cost values in Euros:

	31/12/2020	31/12/2019
Research	7.573.601,89	6.326.149,98
Patents	87.223,51	71.105,76
Computer applications	180.706,34	172.062,84
	<b>7.841.531,74</b>	<b>6.569.318,58</b>

**NOTE 6. TANGIBLE FIXED ASSETS**

The breakdown of tangible fixed assets as of December 31, 2020 is as follows, in Euros:

	31/12/2019	Additions	Transfers	31/12/2020
<b>Cost:</b>				
Land and buildings	197.185,74	-	-	197.185,74
Technical installations and machinery	252.969,45	-	-	252.969,45
Other installations, tools and furniture	106.118,89	-	-	106.118,89
Data processing equipment	434.519,43	102.689,08	105.297,80	642.506,31
Other tangible fixed assets	4.935,79	-	-	4.935,79
Advances for tangible fixed assets	105.297,80	-	(105.297,80)	-
	<b>1.101.027,10</b>	<b>102.689,08</b>	<b>-</b>	<b>1.203.716,18</b>
<b>Accumulated amortization:</b>				
Land and buildings	(39.105,93)	(5.137,30)	-	(44.243,23)
Technical installations and machinery	(221.215,34)	(20.553,40)	-	(241.768,74)
Other installations, tools and furniture	(64.787,54)	(9.821,71)	-	(74.609,25)
Data processing equipment	(392.118,66)	(114.005,12)	-	(506.123,78)
Other tangible fixed assets	(3.678,65)	(308,05)	-	(3.986,70)
	<b>(720.906,12)</b>	<b>(149.825,58)</b>	<b>-</b>	<b>(870.731,70)</b>
<b>Tangible Fixed Assets, Net</b>	<b>380.120,98</b>	<b>(47.136,50)</b>	<b>-</b>	<b>332.984,48</b>

The breakdown of tangible fixed assets as of December 31, 2019 is as follows, in Euros:

	31/12/2018	Additions	Transfers	31/12/2019
<b>Cost:</b>				
Land and buildings	197.185,74	-	-	197.185,74
Technical installations and machinery	252.969,45	-	-	252.969,45
Other installations, tools and furniture	99.263,23	6.855,66	-	106.118,89
Data processing equipment	398.519,65	35.999,78	-	434.519,43
Other tangible fixed assets	4.935,79	-	-	4.935,79
Advances for tangible fixed assets	-	105.297,80	-	105.297,80
	<b>952.873,86</b>	<b>148.153,24</b>	<b>-</b>	<b>1.101.027,10</b>
<b>Accumulated amortization:</b>				
Land and buildings	(33.968,63)	(5.137,30)	-	(39.105,93)
Technical installations and machinery	(200.661,94)	(20.553,40)	-	(221.215,34)
Other installations, tools and furniture	(54.907,55)	(9.879,99)	-	(64.787,54)
Data processing equipment	(321.995,55)	(70.123,11)	-	(392.118,66)
Other tangible fixed assets	(3.370,60)	(308,05)	-	(3.678,65)
	<b>(614.904,27)</b>	<b>(106.001,85)</b>	<b>-</b>	<b>(720.906,12)</b>
<b>Tangible Fixed Assets, Net</b>	<b>337.969,59</b>	<b>42.151,39</b>	<b>-</b>	<b>380.120,98</b>



**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, 2020 and at December 31, 2019, is shown below stating their cost values in Euros:

	31/12/2020	31/12/2019
Technical installations and machinery	43.468,70	43.468,70
Furniture	1.220,60	-
Data processing equipment	376.580,17	285.947,06
Other fixed assets	3.087,87	-
	<b>424.357,34</b>	<b>329.415,76</b>

**NOTE 7. LEASES AND OTHER OPERATIONS OF SIMILAR NATURE****7.1) Financial Leases (the Company as Lessee)**

The Company has the following assets financed through financial lease agreements as of December 31, 2020, in euros:

	Fair Value	Value of the purchase option	Due Date	Signature date	Outstanding dues
Computer equipment	80.798,12	1.707,27	04/04/2021	04/05/2018	8.499,14

The following is the total amount of future payments in financial leases as of December 31, 2020, in euros:

	Financial year 2020
Total amount of minimum future payments at the close of the year	6.829,08
(-) Non-accrued financial expenses	(37,21)
Value of the purchase option	1.707,27
<b>Current value at the close of the year</b>	<b>8.499,14</b>

**7.2) Operating Leases (the Company as Lessee)**

The amount of the contingent payments recognized as an expense in year 2020 is 147.037,63 euros (183.507,02 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:

	2020	2019
Up to 1 year	113.279,55	139.574,94
Between 1 and 5 years	52.405,65	64.150,97
More of 5 years	544.564,96	554.424,52
<b>Total</b>	<b>710.250,15</b>	<b>758.150,43</b>

**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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Loans and receivable items (Note 8.2)	-	-	66.723,71	238.824,39
Financial assets available for sale (Note 8.3)	10.197,40	154.077,40	-	-
<b>Total</b>	<b>10.197,40</b>	<b>154.077,40</b>	<b>66.723,71</b>	<b>238.824,39</b>

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

	Credits and Others Financial Assets	
	31/12/2020	31/12/2019
Assets at fair value through the profit and loss:	3.259.289,58	637.042,59
Cash or other liquid assets (Note 8.1)	3.259.289,58	637.042,59
Loans and receivable items (Note 8.2)	4.670.221,28	5.261.051,62
<b>Total</b>	<b>7.929.510,86</b>	<b>5.898.094,21</b>

**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, 2020 and 2019 is as follows, in euros:

	Balance at 31/12/2020	Balance at 31/12/2019
Current Accounts	3.251.112,26	628.021,80
Cash	8.177,32	9.020,79
<b>Total</b>	<b>3.259.289,58</b>	<b>637.042,59</b>

## 8.2) Loans and Receivable Items

The composition of this epigraph as of December 31, 2020 and 2019 is the following:

	Balance at 31/12/2020		Balance at 31/12/2019	
	Long-Term	Short-Term	Long-Term	Short-Term
<b>Loans and receivables items for commercial transactions</b>				
Costumers	-	2.316.873,86	-	2.862.643,96
Related party customers (Note 19.1)	-	903.264,85	-	598.225,42
Debtors	-	47.203,27	-	59.214,97
<b>Total loans and receivables items for commercial transactions</b>	-	<b>3.267.341,98</b>	-	<b>3.520.084,35</b>
<b>Loans and receivables for non-commercial transactions</b>				
Group Companies (Note 19.1)	41.049,60	137.285,26	209.603,04	167.204,06
Staff	-	3.572,04	-	11.741,21
Short-term deposits (*)	-	1.262.022,00	-	1.262.022,00
Securities and deposits	25.674,11	-	29.221,35	-
<b>Total loans and receivables for non-commercial transactions</b>	<b>66.723,71</b>	<b>1.402.879,30</b>	<b>238.824,39</b>	<b>1.440.967,27</b>
<b>Total</b>	<b>66.723,71</b>	<b>4.670.221,28</b>	<b>238.824,39</b>	<b>4.961.051,62</b>

(\*) 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:

	Balance at 31/12/2019	Current year impairment	Transfers	Balance at 31/12/2020
<b>Receivables for commercial transactions:</b>				
Clients	575.116,52	10.957,29	-	586.073,81
Clients group companies	441.548,88	70.715,62	151.321,97	663.586,47
Short-term credits	27.604,74	12.808,77	31.435,20	71.848,71
<b>Total</b>	<b>1.044.270,14</b>	<b>94.481,68</b>	<b>182.757,17</b>	<b>1.321.508,99</b>

The balances of receivables from non-trade operations from group companies include an impairment of 349.310,73 from the Group company Lleidatrans Serveis Telemàtics, LTD, an impairment of 51.740,08 euros from the Group company Lleidatrans USA Inc, an impairment of 26.229,14 euros from the Group company Lleidatrans Dominicana, SRL and an impairment of 2.871,46 euros from the company Lleidatrans Perú.

## 8.3) Financial Assets available for Sale

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.



At the end of the previous year, this heading also included an investment in E.Kuantia, a financial institution specializing in the issuance of means of payment and electronic money. The investment amounted to 143.880 euros and corresponded to 2% of the share capital. In addition, the Company had recorded the same amount under "Advances from clients" for guaranteed future sales, which amount has also been cancelled. The derecognition of this investment has resulted in a loss of 143.880 euros (note 16.c) and income of the same amount recorded under Other Operating Income, which has been recorded in the Company's Profit and Loss Statement.

## **NOTA 9. EQUITY INSTRUMENTS IN GROUP, MULTI-GROUP AND AFFILIATED COMPANIES**

The breakdown of the holdings held of the Group companies at December 31, 2020, is as follows:

Company	% Direct Equity	Cost	Impairments	Net value at 31/12/2020	Theoretical book value 31/12/2020
<b>Group companies:</b>					
Lleidatnetworks Serveis Telemàtics, LTD	100%	4,00	-	4,00	(480.952,29)
Lleidatnet USA Inc	100%	397.591,09	(397.591,09)	-	(610.471,74)
Lleidatnet Honduras, SA	70%	659,05	-	659,05	659,05
Lleidatnet Dominicana, SRL	99,98%	29.713,97	(19.586,00)	10.127,97	(9.012,75)
Lleida SAS	100%	195.789,60	-	195.789,60	315.520,44
Lleida Chile SPA	100%	3.256,83	-	3.256,83	2.603,80
Lleidatnet do Brasil Ltda	99,99%	10.800,00	-	10.800,00	(38.905,96)
Lleidatnet Guatemala	80%	3.234,00	-	3.234,00	3.234,00
Portabilidades Españolas, S.L.U.	100%	13.000,00	-	13.000,00	19.784,14
Lleidatnet Costa Rica	100%	16,06	-	16,06	(140,82)
Lleidatnet Perú	100%	138.188,59	-	138.188,59	7,84
Lleida Information					
Technology Network Services	49%	34.141,19	-	34.141,19	31.885,35
Lleidatnet South Africa	100%	-	-	-	-
Pending disbursementsLleidatnet USA		(2.349,36)	-	(2.349,36)	
Pending disbursementsLleidatnet Honduras, SA		(659,05)	-	(659,05)	-
Pending disbursementsLleidatnet Dominica, SRL		(10.127,97)	-	(10.127,97)	-
Pending disbursementsLleida Chile SPA		(3.256,83)	-	(3.256,83)	-
Pending disbursements Lleida Information					
Technology Network Services		(34.141,19)	-	(34.141,19)	-
<b>Affiliated companies:</b>					
Lleida Networks India Private Limited	25%	6.575,00	(6.575,00)	-	81.425,29
<b>Total</b>		<b>782.434,98</b>	<b>(423.752,09)</b>	<b>358.682,89</b>	<b>(765.788,94)</b>

### **Valuation Corrections**

In previous years, the Company fully impaired the interests held in Lleidatnet USA, Inc and Lleida Networks India Private Limited. In the current fiscal year the Company has impaired the participation held in Lleidatnet Dominicana, S.R.L.

The registered offices and the activities carried out by the investees are shown below:

#### **Lleidatnetworks 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.

Lleidatnet 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 Lleidatnet USA Inc. for 397.515,00 euros which Lleidatnetworks Serveis Telemàtics, S.A. subscribed in entirety.

Lleidatnet Honduras, S.A.

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

Lleidatnet Dominicana, S.R.L.

Headquartered in Santo Domingo (Dominican Republic), was incorporated on June 26, 2012 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 4.999 shares of a total of 5.000 that were issued. Its main activity is based on the dissemination of telematics systems. On December 28, 2020, was approved an increase in capital of 14.000 new shares fully subscribed by Lleidatnetworks Serveis Telemàtics, S.A..

Lleida SAS

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

Lleida Chile SPA

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

Lleida Networks India Private Limited

With its registered office in New Delhi (India), it was incorporated on January 7, 2013 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 12.500 shares out of a total of 50.000 that were issued. Its main activity is the creation of a telecommunications operator in India, as well as offering VAS services, including SMS, MMS, and UMS and other types of messaging



### Lleidatnet do Brasil Ltda

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

### Lleidatnet Guatemala, Sociedad Anónima

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

### Portabilidades Españolas, S.L.U.

Incorporated on December 4, 2015, subscribing, Lleidatnetworks Serveis Telemàtics S.A., representing 100% of the share capital of 3,000 shares for a total value of euros 3,000. Its corporate purpose is the commercialization of services based on numerical portability data to telecommunications operators for the routing of telephone traffic and short text messages. In the current fiscal year a capital increase has been carried out for a total amount of 10.000 euros, fully subscribed by Lleidatnet Serveis Telemàtics, S.A.

### Lleidatnet Costa Rica Empresa Individual de Responsabilidad Limitada

On March 31, 2016, the Parent acquires 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.

### Lleidatnet 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.



### 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 Lleidatnetworks Serveis Telemàtics, S.A. and which correspond to 49% of the share capital of the incorporated company.

### Lleidatnet South Africa

On September 21, 2020, the Company incorporated Lleidatnet South Africa by subscribing 100% of the shares of this company.

The summary of the equity of the investees at 31 December 2020 is as follows, in euros:

Company	Share Capital	Reserves	Retained earnings	Profit of the year	Other Movements	Total Equity
<b>Group Companies</b>						
Lleidatnetworks serveis Telemàtics, LTD	4,00	-	(555.140,18)	74.183,89	-	(480.952,29)
Lleidanet USA Inc	397.591,09	-	(976.150,34)	(31.912,49)	-	(610.471,74)
Lleidanet Honduras, SA (**)	941,50	-	-	-	-	941,50
Lleidanet Dominicana, SRL	29.714,98	-	(26.163,68)	(12.565,85)	-	(9.014,55)
Lleida SAS	112.969,26	-	59.981,54	142.569,64	-	315.520,44
Lleida Chile SPA (**)	3.256,83	-	(262,43)	(390,60)	-	2.603,80
Lleidanet do Brasil Ltda.	10.801,08	-	(36.633,39)	(13.077,54)	-	(38.909,85)
Lleidanet Guatemala, S.A. (**)	4.042,50	-	-	-	-	4.042,50
Portabilidades Españolas, S.L.U. (**)	13.000,00	-	(4.432,91)	11.217,05	-	19.784,14
Lleidanet Costa Rica (**)	16,06	-	(117,65)	(39,23)	-	(140,82)
Lleidanet Perú	138.188,59	-	(91.437,01)	(46.743,74)	-	7,84
Lleida Information Technology Network Services (**)	69.647,26	-	-	(4.575,12)	-	65.072,14
Lleidanet South Africa (**)	-	-	-	-	-	-
<b>Affiliated companies:</b>						
Lleida Networks India Private Limited (*)	26.300,00	83.415,22	-	(28.289,93)	-	81.425,29

(\*) Figures at March 31, 2018

(\*\*) Without activity in the year 2020

Company	% Direct Equity	Cost	Impairments	Net value at 31/12/2019	Theoretical book value 31/12/2019
<b>Group Companies:</b>					
Lleidatnetworks Serveis Telemàtics, LTD	100%	4,00	-	4,00	(535.960,63)
Lleidanet USA Inc	100%	397.591,09	(397.591,09)	-	(578.559,25)
Lleidanet Honduras, SA	70%	659,05	-	659,05	941,50
Lleidanet Dominicana, SRL	99,98%	10.127,97	-	10.127,97	(16.034,70)
Lleida SAS	100%	147.789,60	-	147.789,60	128.062,92
Lleida Chile SPA	100%	3.256,83	-	3.256,83	2.994,40
Lleidanet do Brasil Ltda	99,99%	10.800,00	-	10.800,00	(25.832,31)
Lleidanet Guatemala	80%	3.234,00	-	3.234,00	4.042,50
Portabilidades Españolas, S.L.U.	100%	13.000,00	-	13.000,00	8.156,83
Lleidanet Costa Rica	100%	16,06	-	16,06	(101,59)
Lleidanet Perú	100%	268,09	-	268,09	(91.168,92)
Desembolsos pendientes Lleidanet USA	-	(2.349,36)	-	(2.349,36)	-
Desembolsos pendientes Lleidanet Honduras, SA	-	(659,05)	-	(659,05)	-
Desembolsos pendientes Lleidanet Dominica, SRL	-	(10.127,97)	-	(10.127,97)	-
Desembolsos pendientes Lleida Chile SPA	-	(3.256,83)	-	(3.256,83)	-
<b>Affiliated companies:</b>					
Lleida Networks India Private Limited	25%	6.575,00	(6.575,00)	-	81.425,29
<b>Total</b>		<b>576.928,48</b>	<b>(404.166,09)</b>	<b>172.762,39</b>	<b>(1.022.033,96)</b>

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

## **NOTE 10. FINANCIAL LIABILITIES**

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

	Debts with credit institutions		Others liabilities		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Debts and payable items (Note 10.1)	1.993.897,88	1.504.438,96	106.390,16	173.583,92	2.100.288,04	1.678.022,88

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

	Debts with credit institutions		Others liabilities		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Debts and payable items (Note 10.1)	835.502,12	1.780.883,41	2.374.657,43	2.419.922,69	3.210.159,55	4.200.806,10

### **10.1) Debts and Payable Items**

The breakdown as of December 31, 2020 and at December 31, 2019 is as follows, in euros:

	Balance as of 31/12/2020		Balance as of 31/12/2019	
	Long-Term	Short-Term	Long-Term	Short-Term
<b>For commercial transactions:</b>				
Suppliers	-	1.722.871,13	-	1.734.418,98
Suppliers (Related parties) (Note 19.1)	-	226.865,25	-	68.505,92
Creditors	-	248.812,48	-	305.233,59
Advances from costumers	-	101.758,60	-	221.500,19
<b>Total balances for commercial transactions</b>	<b>-</b>	<b>2.300.307,46</b>	<b>-</b>	<b>2.329.658,68</b>
<b>For non-commercial operations:</b>				
Debts with credit institutions	1.993.897,88	827.002,98	1.495.939,82	1.760.736,41
Other financial liabilities	-	8.499,14	8.499,14	20.147,00
Other debts	106.390,16	74.349,97	173.583,92	90.264,01
<b>Debts and payable items</b>	<b>2.100.288,04</b>	<b>909.852,09</b>	<b>1.678.022,88</b>	<b>1.871.147,42</b>
<b>Total balances for non-commercial operations</b>	<b>2.100.288,04</b>	<b>909.852,09</b>	<b>1.678.022,88</b>	<b>1.871.147,42</b>
<b>Total debts and payable items</b>	<b>2.100.288,04</b>	<b>3.210.159,55</b>	<b>1.678.022,88</b>	<b>4.200.806,10</b>



**10.1.1) Debts with credit institutions**

The breakdown of debts with credit institutions as of December 31, 2020 is as follows, in euros:

	A Short-Term	A Long-Term	Total
Credit policies	134.026,31	-	134.026,31
Loans	692.976,67	1.993.897,88	2.686.874,55
Leasings	8.499,14	-	8.499,14
	<b>835.502,12</b>	<b>1.993.897,88</b>	<b>2.829.400,00</b>

The breakdown of debts with credit institutions at December 31, 2019 is as follows, in euros:

	A Short-Term	A Long-Term	Total
Credit policies	1.080.990,60	-	1.080.990,60
Loans	679.745,81	1.495.939,82	2.175.685,63
Leasings	20.147,00	8.499,14	28.646,14
	<b>1.780.883,41</b>	<b>1.504.438,96</b>	<b>3.285.322,37</b>

**Loans**

The detail of the bank loans as of December 31, 2020, expressed in Euros, is the following:

Company	Last maturity	Initial amount	Pending closing
Préstamo 24 (*)	15/10/2025	78.375,60	48.591,60
Préstamo 36	02/11/2022	300.000,00	120.251,52
Préstamo 37	01/03/2022	150.000,00	46.875,00
Préstamo 38	18/06/2023	195.000,00	100.007,72
Préstamo 39	02/07/2023	200.000,00	106.759,02
Préstamo 40	28/12/2023	400.000,00	242.944,01
Préstamo 41	29/03/2024	250.000,00	165.256,39
Préstamo 42	12/04/2024	400.000,00	270.533,37
Préstamo 43	03/05/2024	300.000,00	208.051,20
Préstamo 44	04/06/2024	250.000,00	177.604,72
Préstamo 45	30/04/2025	400.000,00	400.000,00
Préstamo 46	22/04/2025	400.000,00	400.000,00
Préstamo 47	08/04/2025	400.000,00	400.000,00
		<b>3.723.375,60</b>	<b>2.686.874,55</b>

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

During April 2020, the Company has entered into three loan agreements with several financial institutions for a total amount of 1,200 thousand euros, all with a term of five years and a grace period of twelve months. These three loans are included in Royal Decree Law 8/2020, of extraordinary urgent measures to face the economic and social impact of COVID-19, by means of which they have a State Guarantee.

The detail of the bank loans as of December 31, 2019, expressed in Euros, is the following:

Company	Last maturity	Initial amount	Pending closing
Préstamo 24 (*)	15/10/2025	78.375,60	63.483,60
Préstamo 29	25/02/2020	250.000,00	8.811,27
Préstamo 30	30/06/2020	150.000,00	19.575,20
Préstamo 31	14/12/2020	465.000,00	97.119,33
Préstamo 32	31/12/2020	287.619,11	60.089,86
Préstamo 36	02/11/2022	300.000,00	180.346,78
Préstamo 37	01/03/2022	150.000,00	84.375,00
Préstamo 38	18/06/2023	195.000,00	138.592,16
Préstamo 39	02/07/2023	200.000,00	146.093,55
Préstamo 40	28/12/2023	400.000,00	321.954,70
Préstamo 41	29/03/2024	250.000,00	214.034,84
Préstamo 42	12/04/2024	400.000,00	348.665,70
Préstamo 43	03/05/2024	300.000,00	266.434,68
Préstamo 44	04/06/2024	250.000,00	226.108,96
		<b>3.675.994,71</b>	<b>2.175.685,63</b>

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

### **Credit Lines**

As of December 31, 2020, the Group has credit policies granted with a total limit amounting to 1.815.000 euros (1.715.000 euros at the end of the previous year), which amount drawn at the aforementioned date is 134.026,31 euros (1.080.990,60 euros at the end of the previous year).

### **Lines of Effects and Import Advances**

As of December 31, 2019, the Company has discount policies granted with a total limit amounting to 650.000 euros (650.000 euros at the end of the previous year), of which the Company has not made any disposals either at the end of this year or at the end of the previous year.

#### **10.1.2) Other debts**

Other debts mainly comprise two loans held by the Company with the Institut Català de Finances (ICF). The detail of these loans at the close of fiscal years 2020 is as follows, in euros:

Company	Last maturity	Initial amount	Pending closing
Loan 2	25/07/2013	300.000,00	173.583,92
		<b>300.000,00</b>	<b>173.583,92</b>

The detail at the close of fiscal year 2019 was as follows, in euros:

Company	Last maturity	Initial amount	Pending closing
Loan 1	29/04/2020	336.737,98	17.821,88
Loan 2	25/07/2013	300.000,00	240.777,68
		<b>636.737,98</b>	<b>258.599,56</b>

## 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, 2020 is the following, in Euros:

	Maturity years					
	2021	2022	2023	2024	2025	More than 5 years
<b>Financial debts:</b>						
Debts with credit institutions	835,502.12	779,183.91	685,205.17	408,566.01	120,942.80	-
Financial lease	827,002.98	779,183.91	685,205.17	408,566.01	120,942.80	-
	8,499.14	-	-	-	-	8,499.14
<b>Other debts</b>	74,349.97	66,666.59	39,723.57	-	-	-
						180,740.13
<b>Commercial creditors and other payable items:</b>						
Suppliers	2,300,307.46	-	-	-	-	-
Suppliers (related parties)	1,722,871.13	-	-	-	-	-
Sundry creditors	226,865.25	-	-	-	-	-
Advances from costumers	248,812.48	-	-	-	-	-
	101,758.60	-	-	-	-	-
						101,758.60
<b>Total</b>	3,210,159.55	845,850.50	724,928.74	408,566.01	120,942.80	-
						5,310,447.60

The breakdown of the maturity dates of the liability financial instruments at the close of 2019 is the following, in Euros:

	Maturity years					
	2020	2021	2022	2023	2024	More than 5 years
<b>Financial debts:</b>						
Debts with credit institutions	1,780,883.41	515,862.28	483,160.01	384,460.08	103,024.37	17,932.22
Financial lease	1,760,736.41	507,363.14	483,160.01	384,460.08	103,024.37	17,932.22
	20,147.00	8,499.14	-	-	-	-
<b>Other debts</b>	90,264.01	66,666.59	66,666.59	40,250.74	-	-
						263,847.93
<b>Commercial creditors and other payable items:</b>						
Suppliers	2,329,658.68	-	-	-	-	-
Suppliers (related parties)	1,734,418.98	-	-	-	-	-
Sundry creditors	68,505.92	-	-	-	-	-
Advances from costumers	305,233.59	-	-	-	-	-
	221,500.19	-	-	-	-	-
						221,500.19
<b>Total</b>	4,200,806.10	582,528.87	549,826.60	424,710.82	103,024.37	17,932.22
						5,878,828.98



**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 406.505,06 euros, a customary instrument when signing an interconnection agreement.

**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 2020 Days	Financial Year 2019 Days
Average payment period	33,37	36,02
Paid operations ratio	31,93	35,44
Outstanding payments operations ratio	39,98	38,37
	Financial Year 2020 Euros	Financial Year 2019 Euros
Total payments paid	10.093.356,05	8.624.804,92
Total outstanding payments	2.200.257,44	2.108.191,76

**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**

The general situation of financial markets, especially the banking market, has been particularly unfavourable for credit claimants. The Company pays constant attention to the evolution of the different factors that can help to solve liquidity crises, and especially to the sources of financing and their characteristics.

### **12.3) Market Risk**

Possible market risks are described in note 12.6 below.

### **12.4) Exchange Rate Risk**

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

### **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, 2020 and December 31, 2019, 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, 2020, as well as of December 31, 2019, 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, 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:

	31/12/2020	31/12/2019
Legal Reserve	64.199,77	47.503,72
Voluntary Reserves	3.421.989,29	1.445.433,78
	<b>3.486.189,06</b>	<b>1.492.937,50</b>

#### **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, 2020, 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

The Board of Shareholders of the Parent Company agreed on June 1, 2015 to authorize the Parent Company's Board of Directors for the derivative acquisition of treasury shares under the terms established by current legislation. These acquisitions of treasury stock were made through the liquidity provider GVC Gaesco Valores SV, S.A., making available a total value of 1.200.000 euros in order to carry out trading transactions in treasury stock, in accordance with the provisions of the Alternative Stock Market regulations, and are valued at their acquisition cost.

Given the evolution of the Company's share price during the year 2020, there have been numerous transactions with treasury stock, and the results of these transactions have been recognized in Shareholders' equity as required by current regulations. These results have led to an increase in Voluntary Reserves in the amount of 1.976.555,51 euros during the financial year 2020.

As of December 31, 2019, the Parent Company holds own shares for an amount of 759.458,01 euros (753.301,13 euros at the end of the previous year) at an average cost price of 7,10 euros per share (1,03 euros per share in the previous year).

## NOTE 14. FOREIGN CURRENCY

The most significant foreign currency balances as of December 31, 2020, totalized in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	ZAR	ARS	PNL	MXIN
<b>CURRENT ASSETS</b>							
Trade debtors and other accounts	10.331,42	12.038,27	168,48	-	-	-	-
<b>CURRENT LIABILITIES</b>							
Trade creditors and other payable accounts	107.604,96	118.657,75	136,50	49.859,65	324.019,54	1.916,44	-

The most significant foreign currency balances as of December 31, 2019, totalized in euros and broken down into their foreign currency equivalent, were as follows:

	EUROS	USD	GBP	ZAR	ARS	AED	MXIN
<b>CURRENT ASSETS</b>							
Trade debtors and other accounts	366.575,54	414.674,94	-	-	-	-	-
<b>CURRENT LIABILITIES</b>							
Trade creditors and other payable accounts	101.229,14	99.260,70	1.864,30	26.524,25	223.662,00	1.624,37	78.931,96

The most significant transactions carried out during the financial year 2020 totalized in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	MXN	ZAR	PNL	PEN	AED
Purchases and services received	597,468,88	1,274,972,89	20,476,76	7,645,734,00	7,298,627,00	-	223,708,95	74,450,87	5,272,82	83,703,75
Sales and services given	666,284,86	747,119,93	67,65	-	-	10,81	-	-	-	-

The most significant transactions carried out during the financial year 2019 totalized in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	MXN	ZAR	PNL	PEN	AED
Purchases and services received	1,206,913,30	1,264,514,90	50,470,31	7,740,516,00	31,980,863,50	623,837,89	164,345,82	18,400,42	3,764,49	13,662,29
Sales and services given	318,336,91	371,600,31	165,63	-	-	-	-	-	-	-



**NOTE 15. TAX SITUATION**

The following is the breakdown of the balances with the Tax Authorities as of December 31, 2020 and 2019 in Euros:

	31/12/2020		31/12/2019	
	Active	Payable	Active	Payable
<b>Non Current:</b>				
Deferred tax assets	136.418,80	-	-	-
<b>Current:</b>				
Value Added Tax	3.257,82	80.710,49	3.257,82	55.256,44
Grants to be paid (*)	7.200,60	-	32.932,77	-
Income Tax retentions	-	58.013,97	-	50.577,55
Social Security bodies	10.432,98	-	97.707,82	-
Income tax	2.015,65	74.449,19	-	66.911,48
	<b>22.907,05</b>	<b>213.173,65</b>	<b>133.898,41</b>	<b>172.745,47</b>

**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, 2020, the Company has all the taxes to which it is subject from 2017 to 2020 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 2020 with the tax base of the profit tax is:

Profit and Loss Account			
<b>Financial year's earnings (After taxes)</b>			<b>794.186,74</b>
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
<b>Profit Tax</b>	-	(83.974,61)	(83.974,61)
<b>Permanent differences</b>	200.031,42	-	200.031,42
<b>Offset of negative tax bases</b>			(441.492,32)
<b>Taxable income (tax result)</b>			<b>468.751,23</b>

The conciliation of the net amount of income and expenses for the year 2019 with the tax base of the profit tax is:

Profit and Loss Account			
Financial year's earnings (After taxes)			577.352,91
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Profit Tax	2.980,95	-	2.980,95
Permanent differences	308.717,18	-	308.717,18
Offset of negative tax bases			(889.051,04)
Taxable income (tax result)			-

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

	2020	2019
Charge at 25 % of Taxable Income	117.187,81	-
Deductions	(85.256,77)	-
Net tax payable	31.931,04	-
Less: withholdings and payments	(42.364,02)	(97.707,82)
Tax payable	(10.432,98)	(97.707,82)

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

	2020	2019
Current tax	52.444,19	-
Deferred tax	(136.418,80)	2.980,95
Total	(83.974,61)	2.980,95

The movement of deferred taxes generated and cancelled during financial year 2019 is detailed below in euros:

	Balance at 31/12/2019	Generated	Balance at 31/12/2020
Deferred tax assets:			
Tax credits	-	136.418,80	136.418,80

The movement of deferred taxes generated and cancelled during financial year 2018 is detailed below in euros:

	Balance at 31/12/2018	Cancelled	Balance at 31/12/2019
<b>Deferred tax assets:</b>			
Tax credits	2.980,95	(2.980,95)	-

### **Tax Loss Carry forwards**

Part of the tax loss carryforwards have been recorded, since they comply with the requirements established by current regulations for their recording, and since there are no doubts about the Company's ability to generate future taxable income that would allow their recovery. The Company has not capitalized any amount for this concept. At year-end 2020, the Company has no tax loss carryforwards pending offset.

### **Deductions pending to apply**

As of December 31, 2020, the Group has the following deductions to apply:

Year of Origin	Amount
2006	36.337,18
2007	75.820,66
2008	201.266,41
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	182.112,92
2018	171.929,09
2019	165.515,26
2020	136.418,80
	<b>2.566.449,70</b>



**NOTE 16. INCOME AND EXPENSES****a) Supplies**

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

	2020	2019
<b>Consumption of merchandise</b>		
National	2.990.019,66	2.942.027,06
Intracommunity acquisitions	2.490.257,62	1.551.064,91
Imports	2.407.138,65	1.902.972,47
	<b>7.887.415,93</b>	<b>6.396.064,44</b>

**b) Social Security**

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

	2020	2019
Social Security paid by the Company	682.802,19	612.095,85
Other social expenses	119.667,17	134.194,29
<b>Employee welfare expenses</b>	<b>802.469,36</b>	<b>746.290,14</b>

**c) Financial Results**

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

	2020	2019
<b>Financial incomes</b>		
Income from equity investments	-	99.820,00
Financial incomes from group companies	24.188,70	30.083,16
Other financial incomes	1.382,28	580,34
	<b>25.570,98</b>	<b>130.483,50</b>
<b>Financial expenses</b>		
For debts with credit institutions	(67.795,41)	(77.472,01)
	<b>(67.795,41)</b>	<b>(77.472,01)</b>
Change in fair value of financial instruments	(2.267,85)	(33.929,74)
Exchange differences	(61.495,37)	-
Gains (losses) on disposals and other	(143.880,00)	
<b>Financial Result Positive / (Negative)</b>	<b>(249.867,65)</b>	<b>19.081,75</b>

#### **NOTE 17. 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 18. EVENTS AFTER THE BALANCE SHEET DATE**

After December 31, 2020, the Company has incorporated a second subsidiary in Dubai called "Lleidanet Saas Services", which will be in charge of the distribution of Lleida.net certified services in the African and Middle East geographical area. The investment amounts to 12.000 euros. In addition to this fact, there have been no relevant events affecting the Company's Annual Accounts at that date.

**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, 2020 in Euros:

Outstanding balances with related parties in 2020	LLEIDA NET UK	LLEIDA NET USA	LLEIDA SAS	LLEIDA REP. DOMINIC.	PORTABILI- DADES ESPAÑOLAS	LLEIDANET BRASIL	LLEIDANET PERÚ	LLEIDANET COSTA RICA	LLEIDANET CHILE	Total
<b>NON CURRENT ASSETS</b>	-	-	-	-	-	34.524,85	-	1.381,38	5.143,37	41.049,60
Long-term loans to group companies	-	-	-	-	-	34.524,85	-	1.381,38	5.143,37	41.049,60
Long-term loans to group companies Impairment	349.310,73 (349.310,73)	51.740,08 (51.740,08)	-	26.229,14 (26.229,14)	-	34.524,85	2.871,46 (2.871,46)	1.381,38	5.143,37	471.201,01 (430.151,41)
<b>CURRENT ASSETS</b>	289.953,18	391.856,76	208.126,79	-	147.314,05	3.299,33	-	-	-	1.040.550,11
Trade receivables	237.456,23	310.390,52	208.104,05	-	147.314,05	-	-	-	-	903.264,85
Clients Impairment	404.105,56 (166.649,33)	736.612,04 (426.221,52)	208.104,05	5.046,97 (5.046,97)	147.314,05	17.920,68 (17.920,68)	47.747,97 (47.747,97)	-	-	1.566.851,32 (663.586,47)
Short-term loans to group companies	52.496,95	81.466,24	22,74	-	-	3.299,33	-	-	-	137.285,26
Short-term loans to group companies Impairment	111.536,89 (59.039,94)	81.466,24	22,74	2.669,62 (2.669,62)	-	3.299,33	10.139,15 (10.139,15)	-	-	209.133,96 (71.848,71)
<b>CURRENT LIABILITIES</b>	2.029,12	224.594,89	-	-	241,24	-	-	-	-	226.865,25
Trade payables	2.029,12	224.594,89	-	-	241,24	-	-	-	-	226.865,25
Suppliers	2.029,12	224.594,89	-	-	241,24	-	-	-	-	226.865,25



Below is the breakdown of the balances held with related parties as of December 31, 2019 in Euros:

Outstanding balances with related parties in 2019	LLEIDA NET UK	LLEIDA NET USA	LLEIDA SAS	LLEIDA REP. DOMINIC.	PORTABI- LIDADES ESPAÑOLAS	LLEIDANET BRASIL	LLEIDANET PERÚ	LLEIDANET COSTA RICA	LLEIDANET CHILE	Total
<b>NON CURRENT ASSETS</b>	-	-	44,48	37,594,10	3,000,00	34,524,85	132,373,30	1,381,38	684,93	209,603,04
Long-term loans to group companies	-	-	44,48	37,594,10	3,000,00	34,524,85	132,373,30	1,381,38	684,93	209,603,04
Long-term loans to group companies	474,271,07	109,536,91	44,48	37,594,10	3,000,00	34,524,85	132,373,30	1,381,38	684,93	793,411,02
Impairment	(474,271,07)	(109,536,91)	-	-	-	-	-	-	-	(583,807,98)
<b>CURRENT ASSETS</b>	68,488,79	208,989,18	450,339,79	6,008,38	-	2,067,30	29,536,04	-	-	765,429,48
Trade receivables	-	131,820,55	440,489,64	4,830,19	-	-	21,085,04	-	-	598,225,42
Clients	73,124,19	500,245,24	440,489,64	4,830,19	-	-	21,085,04	-	-	1,039,774,30
Impairment	(73,124,19)	(368,424,69)	-	-	-	-	-	-	-	(441,548,88)
Short-term loans to group companies	68,488,79	77,168,63	9,850,15	1,178,19	-	2,067,30	8,451,00	-	-	167,204,06
Short-term loans to group companies	96,093,53	77,168,63	9,850,15	1,178,19	-	2,067,30	8,451,00	-	-	194,808,80
Impairment	(27,604,74)	-	-	-	-	-	-	-	-	(27,604,74)
<b>CURRENT LIABILITIES</b>	2,029,12	62,437,23	2,005,74	2,033,83	-	-	-	-	-	68,505,92
Trade payables	2,029,12	62,437,23	2,005,74	2,033,83	-	-	-	-	-	68,505,92
Suppliers	2,029,12	62,437,23	2,005,74	2,033,83	-	-	-	-	-	68,505,92

### 19.2) Transactions with Related Parties

The most significant transactions carried out with associated parties at financial year 2020 are as follows, in Euros:

Operation with related parties in the year	LLEIDA NET USA	LLEIDA NET UK	LLEIDA NET COLOMBIA	LLEIDANET PERÚ	LLEIDANET BRASIL	LLEIDANET REP DOMINICANA
Sales	236.366,80	330.981,37	399.050,15	26.662,92	17.920,68	2.250,60
Purchases	162.157,66	-	-	-	-	-
Interest incomes	4.297,61	15.443,36	22,72	1.688,16	1.232,02	1.491,43

The most significant transactions carried out with associated parties at financial year 2019 are as follows, in Euros:

Operation with related parties in the year	LLEIDA NET USA	LLEIDA NET UK	LLEIDA NET COLOMBIA	LLEIDANET PERÚ	LLEIDANET BRASIL	LLEIDANET REP DOMINICANA
Sales	176.105,74	36.148,44	184.938,12	17.497,55	-	1.309,63
Purchases	68.871,74	-	-	-	-	-
Interest incomes	4.060,49	19.175,55	1.651,03	4.474,40	1.194,53	1.178,19

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

The remuneration accrued during the financial year 2020 by the Board of Directors amounted to 99.000 euros (78.000 euros in the previous year).

The Senior Management tasks are performed by two members of the same Board of Directors, with compensation for salaries and wages amounting to 310.336,38 euros (222.506,43 euros in the previous year). The detail of this amount is as follows, in euros:

	2020	2019
Wages and salaries	293.259,73	211.323,38
Payment in kind	17.076,65	11.183,05
	<b>310.336,38</b>	<b>222.506,43</b>

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

As of December 31, 2020 and 2019, 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 2020 and 2019, distributed by category, is as follows:

	2020	2019
Senior Executives	3	2
Administration	4	3,387
Commercial	17,5	15,72
Production	41,049	29,35
Maintenance	1	1
Reception	8	6,9
Business development	6,41	5,98
Compliance	3,1	3,8
Human Resources	1,12	1,12
Intellectual Property	1,12	1
<b>TOTAL</b>	<b>86,299</b>	<b>70,257</b>

The number of employees at the end of the fiscal years 2020 and 2019, , broken down by category and sex, is as follows:

	2020				2019			
	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	1	2	-
Administration	1	3	4	1	1	3	4	1
Commercial	8	10	18	1	6	10	16	-
Production	37	6	43	1	28	7	35	1
Maintenance	-	1	1	-	-	1	1	-
Reception	-	8	8	-	-	7	7	-
Business development	3	5	8	-	2	5	7	-
Compliance	-	4	4	-	-	3	3	-
Human Resources	1	1	2	-	-	2	2	-
Intellectual Property	2	-	2	-	1	-	1	-
<b>TOTAL</b>	<b>53</b>	<b>40</b>	<b>93</b>	<b>3</b>	<b>39</b>	<b>39</b>	<b>78</b>	<b>2</b>

The amount of the fees accrued for the audit services of the Annual Accounts for the year ended December 31, 2020 amounted to 13.850 euros. (13.500 euros in the previous year). The fees for other verification services corresponding to the limited review of the interim financial statements amounted to 9.950 euros. (9.775 euros in the previous year). Likewise, the fees accrued for other services corresponding to the transfer pricing dossier amounted to 11.500 euros (4.750 euros in the previous year).



It is reported that during the year the Company paid the premium corresponding to the civil liability policy that would eventually cover the damages caused to third parties by acts or omissions related to the performance of their functions. The premium amounted to 19.107 euros (19.107 euros in the previous year).

## **NOTE 21. SEGMENTED INFORMATION**

The distribution of the net turnover corresponding to the Company's ordinary activities, by category and/or business segment, is shown below:

	2020		2019	
Business Areas (figures in thousands of euros)	Euros	%	Euros	%
SaaS Services	4.490	29,61%	2.568	19,86%
SMS Wholesale	2.580	17,01%	2.946	22,78%
SMS Comercial	8.094	53,38%	7.419	57,36%
<b>Total</b>	<b>15.164</b>	<b>100,00%</b>	<b>12.933</b>	<b>100%</b>

The breakdown, by geographical market, of the net turnover relating to the Company's ordinary activities is as follows:

	2020		2019	
Description of the geographic market	Euros	%	Euros	%
National	7.434.479,27	49,03%	6.719.627,68	51,95%
European Union	3.987.063,33	26,29%	3.935.099,04	30,43%
Rest of the World	3.742.763,70	24,68%	2.278.366,49	17,62%
<b>Total</b>	<b>15.164.306,30</b>	<b>100,00%</b>	<b>12.933.093,21</b>	<b>100%</b>

**LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.**  
**DIRECTOR'S REPORT FOR FINANCIAL YEAR 2020**

## **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.**

### **DIRECTOR'S REPORT FOR FINANCIAL YEAR 2020**

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 2020.

#### **1. EVOLUTION OF BUSINESS**

In fiscal 2020, sales increased by 17% to €15.2 million. The 52% increase in sales of SaaS products, has been strengthened by the new uses of our products during the periods of confinement by COVID-19, as well as by the acceleration of the implementation of important projects, which have become essential in this fiscal year. The increase of 1,5 million euros comes from both the domestic and international markets, customers have required new ways of communicating, and have found in Lleidanet effective products for these new processes.

The Wholesale SMS line, which aggregates all SMS sales to operators and aggregators, has increased its sales by 9% compared to the 2019 financial year. In this fiscal year we can highlight two very different periods, a first half where sales increased by 44% compared to the first half of 2019, thanks to the new interconnection agreements signed, and a second half where competition from large operators has increased on the one hand and there has been a disappearance of hospitality traffic resulting from the confinement.

Sales of commercial SMS, i.e. sales to end customers, remained unchanged with respect to the previous year and amounted to 2.6 million euros.

The margin on sales reached 48%, compared to the 51% it represented in the 2019 financial year in percentage terms, but in absolute terms we have an increase of 11%. The decrease in percentage terms is explained by the decline in SMS wholesales sales margins resulting from increased competition. We have managed to maintain margins at 48% thanks to the greater weight of SaaS sales compared to total sales, currently 30% (compared to the 23% they represented in 2019) and the increase in SMS wholesale sales.

In terms of SaaS sales, the company is making a major effort to incorporate both technical and commercial personnel. The objective is to offer more complete standard products, which will allow an exponential growth in sales. The new functionalities that we are implementing in the standard products meet the expectations of a greater number of potential customers and are put into production immediately, instead of going through customized processes. Personnel expenditure has increased by 11%, in the parent company we are currently 93 people, which represents a 19% increase in staff compared to the end of the 2019 financial year. The most reinforced department is the technical department with 14% more staff.



EBITDA has increased by 31% derived from:

- Increase in sales and the corresponding gross margin.
- Decrease in external services costs by 10%, derived from lower international travel costs, as well as the cancellation of trade fairs and commercial events due to this year's confinement.

The operating result is close to €1 million, and represents an increase of 71% compared to 2019, €400 thousand. The pre-tax result stands at 710 thousand euros, 22% higher than the previous year.

<i>Sales by business line Thousands of euros</i>	2019	2020	Var. €	Var. %
SaaS Services	2.945	4.490	1.545	52%
SMS Solutions	2.569	2.581	12	0%
ICX WHOLESALE Solutions	7.419	8.094	675	9%
<b>Total</b>	<b>12.933</b>	<b>15.165</b>	<b>2.232</b>	<b>17%</b>

<i>Amounts in Thousand of Euros</i>	2019	2020	Var. €	Var. %
Sales	12.933	15.165	2.232	17%
Coste of Sales	(6.396)	(7.887)	1.491	23%
<b>Gross Margin</b>	<b>6.537</b>	<b>7.278</b>	<b>741</b>	<b>11%</b>
Staff Expenses	(3.001)	(3.326)	325	11%
External Services	(2.825)	(2.536)	(289)	-10%
Other Income	54	144	90	167%
Activations	934	662	(272)	-29%
<b>EBITDA</b>	<b>1.699</b>	<b>2.222</b>	<b>523</b>	<b>31%</b>
Amortization	(1.130)	(1.181)	51	5%
Results on disposals	(21)	(80)	59	281%
Othe results	13	0	13	100%
<b>Operating income</b>	<b>561</b>	<b>961</b>	<b>400</b>	<b>71%</b>
Financial Net Result	53	(42)	95	179%
Impairment and gain or loss on disposals		(144)	144	-
Impairment and losses		(62)	62	
Exchange Rate Differences	(34)	(3)	(31)	-91%
<b>Income before taxes</b>	<b>580</b>	<b>710</b>	<b>130</b>	<b>22%</b>

## 2. SUBSEQUENT EVENTS

After December 31, 2020 and up to the date of preparation of this Management Report, the Board of Directors of the company has approved the creation of a new subsidiary in Dubai, called Lleidatnet SaaS Services, which will be responsible for the distribution of Lleida.net's certified services in the African and Middle East geographical area. There have been no subsequent events, in addition to those already mentioned in the Explanatory Notes to the financial statements, which reveal circumstances that already existed at December 31, 2020 and which, due to the importance of their economic impact, should lead to adjustments in the financial statements or modifications in the information contained in the Explanatory Notes.

There are also no other subsequent events, other than those already mentioned in the Explanatory Notes, that demonstrate conditions that did not exist at December 31, 2020 and that are of such importance that they require additional information in the Explanatory Notes to the financial statements.

### **3. SUSCEPTIBLE EVOLUTION OF SOCIETY**

The forecast for fiscal 2021 is to increase sales of SaaS products through the consolidation of international markets and to achieve an increase in the company's results.

### **4. R&D ACTIVITIES**

In 2020, the Company invested EUR 662 thousand in research activities mainly focused on the Company's certification line.

### **5. OPERATIONS WITH OWN SHARES**

In accordance with the BME Growth Market and Euronext Growth regulations, the Company signed a liquidity agreement with the placement bank on the occasion of its market listing. This agreement establishes both the delivery of a certain amount of treasury stock and the deposit of an amount of cash. The purpose of this agreement is to allow investors to trade the Company's shares, ensuring that any interested person has the possibility to buy or sell shares.

As of December 31, 2020, the Company held 107.029 securities with a valuation at that date of 665.762 euros, which represented 0,67% of the shares of Lleidanetworks Serveis Telemàtics, S.A.

### **6. FINANCIAL INSTRUMENTS**

During 2020 the Company has not used instruments related to financial derivatives (see Note 12).

### **7. DEFERRALS OF PAYMENT TO SUPPLIERS**

Information on deferrals of payment to suppliers is shown in the annual accounts in Note 11.

### **8. EFFECTS DERIVED FROM COVID-19**

Information regarding the effects derived from the current situation caused by COVID-19 are shown in Note 1.e in the Financial Statements.

\* \* \* \* \*



## PREPARATION OF ANNUAL ACCOUNTS AND DIRECTOR'S REPORT

In compliance with company law, the Board of Directors of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** draws up the Annual Accounts and the Director's Report for the financial year ended December 31, 2020, which comprises the attached pages number 1 to 51.

Lleida, March 25, 2021  
Board of Directors



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Mr. Francisco Sapena Soler  
Chairman and Chief Executive Officer

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Mr. Miguel Pérez Subias  
Independent Director

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Mr. Jordi Carbonell i Sebarroja  
Independent Director

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Independent Director

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Mr. Marcos Gallardo Meseguer  
Secretary

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Mr. Antonio López del Castillo  
Independent Director

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Mrs. Arrate María Usandizaga Ruíz  
Executive Director

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Mrs. Beatriz García Torre  
Executive Director



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