



Lleida.net

La Primera Operadora Certificadora

EN https://investors.lleida.net/docs/en/20230209_HRelev.pdf

ES https://investors.lleida.net/docs/es/20230209_HRelev.pdf

ZH https://investors.lleida.net/docs/zh/20230209_HRelev.pdf

Madrid, le 9 février 2023

Autres Informations Marquantes LLEIDANETWORKS SERVEIS TELEMÀTICS S.A.

Lleida.net, première entreprise du BME Growth à obtenir un Rating ESG

Conformément aux dispositions de l'article 17 du Règlement (UE) n 596/2014 concernant l'abus du marché et de l'article 227 du texte refondu de la Loi du Marché des actions, approuvé par le Décret Royal Loi espagnol 4/2015 du 23 octobre, et des dispositions concordantes, ainsi qu'en vertu des dispositions de la circulaire 3/2020 du BME MFT Equity concernant les données à fournir par les entreprises en croissance, par la présente, LLEIDANETWORKS SERVEIS TELEMÀTICS S.A : (désormais « Lleida.net » ou « la Société » ou « l'entreprise »), met à votre disposition les informations suivantes, élaborées sous la responsabilité de l'expéditeur et ses administrateurs :

La société espagnole cotée en bourse Lleida.net (BME:LLN; EPA:ALLLN; OTCQX:LLEIF) a été la première entreprise du BME Growth à obtenir le **Rating de ESG** de la part de LightHouse, un projet d'IEAF Servicio de análisis SLU et de l'Instituto Español de Analistas. **Le rating obtenu dans cette première analyse est « B »**, vous le trouverez en annexe à la fin de cette Information marquante.

L'abréviation **ESG** regroupe des facteurs fondamentaux pour évaluer la durabilité d'un investissement, au-delà des résultats financiers ; le E pour Environnemental, qui fait référence aux pratiques qu'une entreprise adopte en matière de préservation de l'environnement et durabilité ; le S pour Social, qui évalue l'impact éthique que l'organisation a sur son environnement immédiat ; et enfin le G pour Gouvernance, qui se réfère à la gouvernance de l'entreprise.

La volonté de disposer d'une qualification ESG et de l'améliorer au fil du temps fait la différence entre l'éligibilité ou non à l'investissement dans l'entreprise par des fonds ou des investisseurs spécialisés. C'est pourquoi l'entreprise a entamé les démarches pour obtenir la notation et la met à disposition du marché.

Nous restons à votre disposition pour répondre à vos questions.

Cordialement,

À Madrid, le 9 février 2023.

SPAIN
 Sector: Software

Report date: 08-feb-2023

Lleida.net (Lleidanetworks Serveis Telemàtics), is the leader of the European electronic trust services sector with proprietary technology (more than 200 patents). It has the largest number of solutions of any European company: registered email, e-signature, certifying mailboxes and identity authentication. In 2021 it bought Indenova, adding the issuance of qualified digital certificates, the automation of processes via no-code tools and complementary e-signature solutions to its portfolio. Some 54% of turnover (2021) is international.

Lleida.net

Summary and Conclusions

Market Data

| | | |
|---------------------------|-----------------|------|
| Market Cap (Mn EUR y USD) | 37.3 | 40.0 |
| EV (Mn EUR y USD) | 44.5 | 47.8 |
| Factset / Bloomberg | LLN-ES / LLN SM | |

Shareholders Structure (%)

| | |
|------------------------------------|-------|
| Francisco Sapena Soler | 35.7% |
| Empresa Nacional de Innovación SME | 7.1% |

Eligibility of revenue with the EU taxonomy (EUR Mn)

| | 2021 |
|--|-------|
| Total revenue | 17.97 |
| EU taxonomy revenue | 17.97 |
| % Eligible with the EU taxonomy ⁽¹⁾ | 100% |

(1) Percentage of total revenue eligible with the objectives established by the EU taxonomy.

The EU taxonomy

Based on the information for the last closed year (2020), **Lleida.net** is not a company that is required to report information regarding the alignment of its activity with the EU taxonomy from January 1, 2023. For further details, see annex II on [page 9](#).

See explanation of the purpose, basic principles, essential elements and contents of this report on [pages 2 and 3](#) and of the methodology used on [pages 12, 13 and 14](#).

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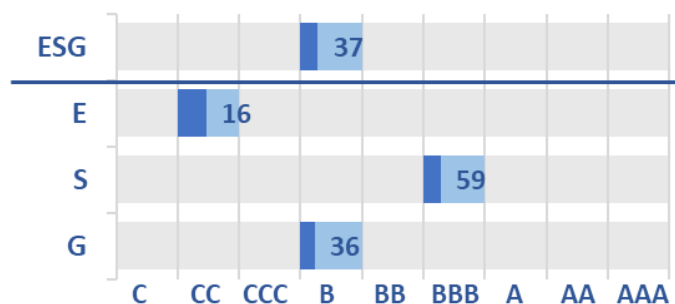
ENVIRONMENTAL (CC). The ESG pillar (16/100) where the room for improvement is clearly greatest due to the lack of an environmental policy and commitments to benchmark climate change initiatives, and a lack of measurement of Co2 emissions and waste. This is explained by the company's belonging to a sector that objectively contaminates very little. 100% of revenue is associated with eligible activities according to the EU Taxonomy (a figure that is reported despite there being no obligation to do so; a very positive transparency indicator).

SOCIAL (BBB). The rating's strongest pillar (59/100) and only penalised by the supply chain (obvious area for improvement) with a very good position in the other areas assessed (diversity, safety at work, and, very specially, contribution to society: AAA, close to optimal). In other words, the social pillar is a clear strength of Lleida.net. The company has human resources and health and safety at work policies that are public and approved by the Board of Directors. Donations amount to c.3% of EBITDA (2020-2021).

CORPORATE GOVERNANCE (B) Stand outs are Good governance (BB) and Fiscal transparency and accountability (BB), with very high standards in Commitments (code of ethics, fiscal transparency policy). Some 53 of the 64 recommendations of the Code of Good Governance of Listed Companies are applicable to Lleida.net, of which it fully complies with 35 (66%). The board has a large weighting of independent members (50%). The biggest potential for improvement lies in the development of an ESG risk management model with the implication of the board. The final rating points to good corporate governance in the essential but with room for improvement.

GLOBAL ESG ASSESSMENT (B). Lleida.net has obtained a global rating of 37/100, shaped to a large extent by the Environmental pillar. The company is strong in Corporate Governance (B) and, especially, in the Social pillar (BBB). In summary, and in aggregate terms: good in Transparency (provision of data; obtaining c.55% of the points), and with room for improvement in Commitments (c.40%) and, especially, Indicators (only obtaining c.20% of the points). We would underline that 90% of revenue is associated with mega-trends (positive impact on SDGs). The snapshot is that of a rating with significant potential for improvement with "easy" measures, especially in the Environmental pillar (environmental policy, KPIs for emissions) and in specific issues in the Social (supply chain) and Corporate Governance (ESG risk management) pillars.

ESG rating 2022⁽¹⁾ (by pillar)



(1) The dark blue area represents the classification achieved by the company in its ESG rating and the light blue area shows the distance until the next level of ESG rating is achieved.

ESG Rating 2022

B 37/100

The Instituto Español de Analistas is a member of [EFFAS](#)



Explanation of the purpose, basic principles, essential elements and contents of this report

A) Purpose

This report is, exclusively, a rating or assessment of a company on the basis of ESG criteria. In other words, a rating prepared on the basis of the degree of compliance of the company with ESG criteria. The work of analysis has been carried out by Lighthouse (*IEAF Servicios de Análisis S.L.U.*) and the rating is issued by the *Instituto Español de Analistas*. This report has been commissioned by the company that is the subject of the rating.

Conversely, this report is NOT: 1) fundamental research, 2) a credit rating, 3) an investment idea or investment proposal.

B) Basic principles

The fundamental principles on which the rating of this report is based are:

- 1) INDEPENDENCE.** The rating exclusively expresses the opinion of the *Instituto Español de Analistas*, a non-profit entity and without conflicts of interest arising from the sale of other financial products to the company that is the subject of the rating. As detailed in the legal information of this report ([pages 15 and 16](#)), the necessary controls have been established to preserve the independence of the rating issued.
- 2) VARIABILITY AND ADAPTABILITY.** The rating is based on the market's ESG standards and the prevailing legislation on the date of publication. This means that the assessment criteria are variable and will incorporate changes as these occur, both in market standards and, especially, in the regulation. The ESG Rating is based on a principle of constant adaptation to legislative changes in respect of ESG material that impact Spanish companies.

C) Essential elements

- 1) TERMINOLOGY.** In this report we refer to the ESG pillars based on their initials: E (Environmental), S (Social) and G (Corporate Governance).
- 2) NAME OF THE RATING.** We refer to the classification or assessment of the company as the "ESG Rating" when talking about the overall ESG rating of the company and as "Rating by pillars" when talking about the individual ratings for each of the ESG pillars analysed (Environmental, Social, Corporate Governance): "Environmental Rating", "Social Rating" and "Corporate Governance Rating".
- 3) DATE OF THE RATING.** The rating corresponds to a specific date that figures on the front page of this report. In other words, the rating reflects the classification of the company on the basis of ESG criteria at that date. In addition, the rating is assigned to a year, established according to the last closed accounting year at the date of publication of the rating. If a company issues its financial statements for 2021 on April 30 2022, and its rating is published prior to this date it will be known as the "2021 ESG Rating" but if the rating is published after this date it will be known as the "2022 ESG Rating".
- 4) DATA ON WHICH THE RATING IS BASED.** The rating is prepared using the best information available at the date of its publication. ESG data from the latest Non-Financial Information Report (issued together with the annual accounts) will be a very important but not exclusive source of information. All information that is supplementary and/or subsequent to this will be taken into account to ensure that the rating expresses the best possible opinion at the date of its publication.
- 5) SUPPLEMENTARY INFORMATION.** The annexes include supplementary information that (the Taxonomy aside) has not been taken into account when preparing the rating but that is considered useful in a context of information regarding a company's ESG situation.
- 6) METHODOLOGY.** Assessment of the company based on ESG directives of both the European Commission and the Global Reporting Initiative. Sources additional to these two main ones include












international bodies, fund managers specialising in ESG, important financial entities, etc. A description of the methodology used can be seen on [pages 12, 13 and 14](#) of this report.

- 7) TYPE OF RATING.** The ESG Rating is based on an alphabetical scale (AAA, maximum level; C, minimum level). This is supplemented by a numerical score (points out of 100). The type of rating is explained in detail in the section on methodology.

D) Contents

- 1) CONCLUSIONS.** The company's rating and the reasoning behind this can be found on pages 1 and 4 of this report.
- 2) OPINION BY PILLARS.** The report includes a detailed opinion regarding the company's position for each of the pillars analysed: E-S-G.
- 3) ANNEXES.** In addition, relevant information from the point of view of the company's ESG position but that (the Taxonomy apart) has not been taken into account when preparing the rating is included as an annexe. This information is as follows:
 - **Key financial indicators.** This includes useful and basic data about the company's financial situation at the date of publication of this report.
 - **The Taxonomy.** Details regarding the company's alignment with the EU Taxonomy on sustainable activities.
 - **Position on megatrends and controversial activities.** In the case of megatrends we talk about areas of activity with good prospects for long-term growth and with a positive impact on the UN's Sustainable Development Goals (SDGs). Controversial activities are those that are theoretically adverse for a good ESG performance (for example: tobacco, gambling, coal mining, etc.).
 - **ESG commitments and corporate reports.** Public commitments and transparency initiatives adopted by the company in respect of ESG.
 - **Controversies and main risks.** Controversies and main risks. Events affecting the company reported in the media and that could affect its ESG position and ESG risks indicated by the company.
 - **Geographical area of operations.** List of countries with a significant weighting of the company's revenue mix.
- 4) METHODOLOGY.** A detailed explanation of the assessment method used to establish the company's rating and the meaning of the different levels of rating.

The ESG Rating 2022 Analysis ⁽¹⁾

| Environmental (E) (27,4%) | | CC 16/100 | Social (S) (26,2%) | | BBB 59/100 | Corporate Governance (G) (46,4%) | | B 36/100 |
|--|-------------------------------------|---------------|---|---------------------------|---------------|---|--|--------------|
|  | Environmental management | CC 12/100 |  | Diversity and talent | A 69/100 |  | Good governance | BB 50/100 |
|  | Climate change and carbon emissions | CC 12/100 |  | Health and safety at work | A 69/100 |  | Risk management | C 0/100 |
|  | Efficient resource management | CCC 29/100 |  | Contribution to society | AAA 93/100 |  | Ethics and integrity | B 35/100 |
| | | |  | Responsible supply chain | C 0/100 |  | Fiscal transparency and accountability | BB 53/100 |

(1) For more details see table [Weighting of each ESG pillar by sector on page 13](#).

The ESG Rating is obtained via an assessment of the three ESG pillars (Environmental, Social and Corporate Governance), to which a weighting has been applied in line with the weighted average of the most widely used international ESG criteria as indicated in the table above. For further details about the weighting of each ESG pillar depending on the sector analysed, see the methodology section on [pages 12, 13 and 14](#).

The three ESG pillars are assessed using widely applied standard questions and indicators, in accordance with European Commission directives and Global Reporting Initiative standards. In addition to the two sources mentioned above, numerous sources including international bodies (the UN, OECD, WEF...), leading financial entities, investment fund managers (national and international) and specific ESG studies and questionnaires have also been taken into account.

Information supplementary to the ESG rating

Information and data not used to prepare the ESG Rating (apart from the Taxonomy) but that could be useful when interpreting its level and prospects. For more details see the annexes to this report.

NFIR ⁽¹⁾ in accordance with international standards No

Benchmark ESG commitments

| | |
|--------------------------|-----|
| 2030 Agenda | No |
| UN global compact | Yes |
| EU Transparency Register | No |

| | Taxonomy | OECD countries | Controversial activities |
|---|----------|----------------|--------------------------|
| Analysis of revenues from an ESG perspective | 100% | 93,4% | 0% |

(1) Non-Financial Information Report (NFIR).

ESG Rating 2022 by pillar

2022

| ESG rating | |
|--------------------------|--------------|
| Environmental (E) | CC (16/100) |
| Social (S) | BBB (59/100) |
| Corporate Governance (G) | B (36/100) |

ESG Rating 2022

B

Puntuación
37/100

Environmental (E)

CC
16/100

Some 100% of revenue (Annexe II) is aligned with the EU Taxonomy. Although not required to do so by the EU taxonomy, the company reports its eligible revenue in an objectively positive exercise of transparency. However, for Lleida.net, and despite belonging to a sector that contaminates very little, the Environmental pillar is the weakest (CC, 16/100), largely due to a lack of environmental policies, carbon emission data and data for waste generation. We would highlight the following points:

Environmental Management (CC). Lleida.net lacks an environmental policy that is formal, public and approved by the Board of Directors. Also, as yet no quantitative objective has been set for the coming years in this respect. However, the Board of Directors has formally pledged to develop an environmental policy and to measure its environmental impact.

The fact that management of electronic waste (hard drives) is outsourced to a third party with an environmental certificate (AENOR ISO 14001) is very positive.




Climate change and carbon emissions (CC). One of the weakest points, a result of the company not having signed up to benchmark climate change initiatives (Task Force on Climate-related Financial Disclosures TCFD, Science-Based Targets initiative SBTi, etc.). In addition, the company has no data regarding carbon emissions that implies a penalisation. However, the Board of Directors has formally pledged to measure its environmental impact (emissions and waste).

Efficient resource management (CCC). The company has electricity consumption data available for the last three years, with a positive performance in 2022 compared to 2019 and 2020. Electricity consumption relative to EBITDA performed positively vs 2019 (-5.9%) and negatively vs 2020 (+10.9%). No figures are provided for water consumption or waste generation that penalises the rating.

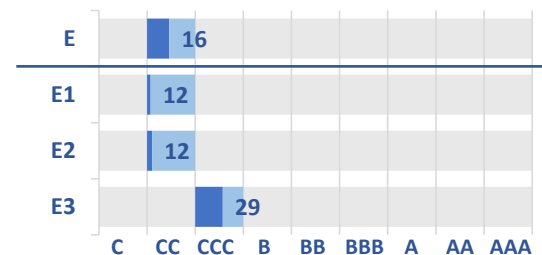
Conclusion of the Environmental Rating (CC): Lleida.net has an Environmental Rating (16/100) that is well below that for the company as a whole. This low score is the result of the company's lack of environmental policies and not measuring its environmental impact (emissions and waste), that means the company obtained < 20% of the points of the rating in this area. A fact "logically" explained by its belonging to a sector that contaminates very little and that signals an area for clearly and easily improving its rating in the mid and long terms. Both the reporting of eligible revenues (taxonomy), despite not being legally obliged to do so, and the explicit commitment of the Board in this area, make an improvement in the environmental rating credible. This being the ESG pillar with the greatest potential for improvement.

Key Performance Indicators

| KPI | 2019 | 2020 | 2021 | % Var. 20/21 | % Var. 19/21 |
|--------------------------------|-------|-------|-------|--------------|--------------|
| Scope 1, 2 y 3emissions | | | | | |
| tCo2e | - | - | - | n.a. | n.a. |
| tCo2e / EBITDA Mn Euros | - | - | - | n.a. | n.a. |
| Energy consumption | | | | | |
| MWh | 342.7 | 337.8 | 335.0 | -0.8% | -2.2% |
| MWh / EBITDA Mn Euros | 156.3 | 132.6 | 147.1 | 10.9% | -5.9% |
| Water consumption | | | | | |
| Miles de m3 | - | - | - | n.a. | n.a. |
| m3 / EBITDA Mn Euros | - | - | - | n.a. | n.a. |
| Waste generated | | | | | |
| t | - | - | - | n.a. | n.a. |
| t / EBITDA Mn Euros | - | - | - | n.a. | n.a. |

| | | 2022 |
|--|--|---------------|
| E | Environmental | CC |
| | | 16/100 |
|  | E1 Environmental management | CC 12/100 |
|  | E2 Climate change and carbon emissions | CC 12/100 |
|  | E3 Efficient resource management | CCC 29/100 |

Breakdown by concepts



Social (S)

BBB
59/100

Lleida.net has obtained a BBB rating for its 2022 Social pillar (59/100; its best score by pillar). We would highlight the following points:


Diversity and talent (A) The company has a human resources policy (training and equality) that is public and approved by the Board of Directors. It also has a human resources and diversity and equality of opportunities strategy (although without quantitative objectives for improvement). Diversity KPIs have performed unevenly: the % of women in the workforce and in management positions has worsened in the last three years (for example, the % of women in the workforce has fallen from 50% in 2019 to 34.6% in 2021), while the turnover rate and the pay gap have performed very positively in the last three years (for example, the pay gap has narrowed from 14.7 p.p. in 2019 to 13.5 p.p. in 2021). The aggregate snapshot is positive (A, 69/100), and indicates a strength.

Health and safety at work (A). The company has a health and safety policy that is public and approved by the Board, although management of health and safety is not certified by an independent third party. Optimal accident data are a stand-out (no accident requiring time off work and no fatal accident in the last three years). The company has the explicit objective of maintaining these numbers in 2023.

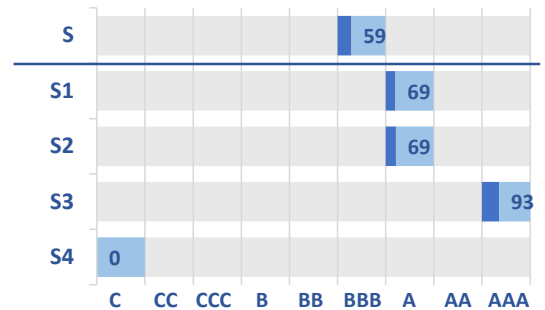
Contribution to society (AAA) The greatest strength of the social pillar. The company has a social contribution policy that is public and approved by the Board of Directors. The performance of donations in 2021 (c.60% on the promotion of sport) was very positive (+3.2% vs 2020 and +91.2% vs 2019). Very good level of donations in relation to the P/L (c.0.4% of revenue and c. 3% of EBITDA in 2020 and 2021).

Responsible supply chain (C). The only clear weakness of the company in the social field, as it does not evaluate suppliers according to environmental, social and corporate governance criteria.

Conclusion of the Social Rating (BBB): The pillar with the best score of the company and only penalised by the supply chain (obvious area for improvement). With a very good position in the other areas assessed (diversity, safety at work, and, very specially, contribution to society: (AAA, close to optimal). In other words, the social pillar is a clear strength of Lleida.net especially in commitments and transparency and availability of data (where the company has obtained 95% of the points possible). Diversity indicators offer room for improvement. With just the evaluation of suppliers based on ESG criteria the social rating would comfortably exceed level A (high performance).

| | | 2022 |
|--|-------------------------------------|----------------------|
| | | BBB |
| S | Social | 59/100 |
|  | S1 Diversity and talent | A 69/100 |
|  | S2 Health and safety at work | A 69/100 |
|  | S3 Contribution to society | AAA 93/100 |
|  | S4 Responsible supply chain | C 0/100 |

Breakdown by concepts



Key Performance Indicators

| KPI | 2019 | 2020 | 2021 | % Var. 20/21 | % Var. 19/21 |
|---|-------|-------|-------|--------------|--------------|
| % of women out of total workforce | 50,0% | 44,4% | 34,6% | -22,1% | -30,7% |
| % of women in management positions over total employees in the category | 50,0% | 66,7% | 50,0% | -25,0% | 0,0% |
| Total staff turnover rate | 23,7% | 14,8% | 10,6% | -28,1% | -55,2% |
| % of employees with disabilities in Spain out of total employees in Spain | 2,5% | 3,0% | 1,7% | -44,7% | -33,0% |
| Training hours per employee | - | - | 2,3 | n.a. | n.a. |
| Wage gap (p.p.) ⁽¹⁾ | 14,7 | 16,1 | 13,5 | -15,7% | -7,8% |
| Voluntary donations (thousands of EUR) | 36,4 | 67,5 | 69,7 | 3,2% | 91,2% |

(1) 1) Pay gap expressed in percentage points (p.p.) and formulated as:
 (Men's pay - Women's pay) / Men's pay

In other words, a pay gap of +20 p.p. means the average pay of a female employee is 20% lower than that of a male employee.

Corporate Governance (G)

B
36/100

Lleida.net has obtained a **B** rating for its 2022 Corporate Governance pillar (36/100). We would highlight the following points:

Good governance (BB) The Board of Directors has set up a specific committee to deal with overseeing environmental, social and corporate governance matters. The person ultimately responsible for ESG matters at the operating level is a board member.

As regards its structure, the Board of Directors has remained stable from 2020 until the date of this report. It is comprised of 8 members (50% independent, 25% executive and 25% women). The percentage of independent board members is especially noteworthy/positive. Lleida.net has a policy for selecting board members that includes diversity considerations. The variable remuneration of the executive board members does not include ESG indicators.

Some 53 of the 64 recommendations of the Code of Good Governance of Listed Companies are applicable to Lleida.net, of which it fully complies with 35 (66%) and partially with 3.

Risk management (C). Lleida.net does not have a risk management model or system that envisages ESG risks.

Ethics and integrity (B) The company has a public code of ethics, approved by the board of directors and applicable at the internal level (employees and management). As regards its content, the code of ethics does not explicitly deal with areas such as human rights or sponsorship/donations nor is it applicable to third parties (suppliers, contractors). The company does not have a publicly accessible whistle-blower channel (the main weakness in this area).

Fiscal transparency and accountability (BB). The company has a fiscal transparency policy that is public and approved by the Board of Directors (although it is not a signatory of the Code of Good Tax Practices). In the metrics section no breakdown is provided of taxes by the countries in which the company operates.

Conclusion of the Corporate Governance Rating (B). Strong in both fiscal policies and, especially, in good governance, with 50% of board members being independent: a very good indicator of the company's governance. There is room for improvement in certain aspects of ethics and integrity (whistle-blower channel, contents of the code of ethics). However, the key point as regards improving its rating in the short term is the development of an ESG risk management model with the implication of the board. The final rating points to good corporate governance in the essential but still with room for improvement.

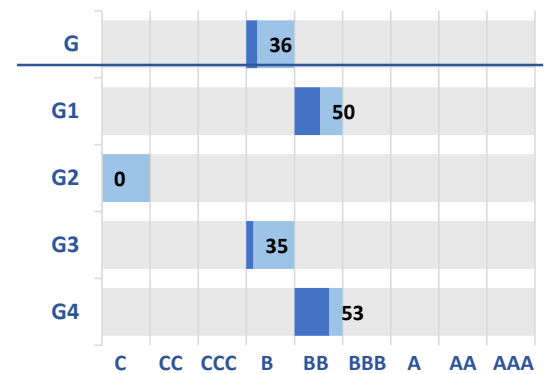
Key Performance Indicators

| KPI | 2019 | 2020 | 2021 |
|--------------------------------------|-------|-------|-------|
| % of independent board members | 37.5% | 50.0% | 50.0% |
| % of proprietary board members | 25.0% | 12.5% | 12.5% |
| % of executive board members | 25.0% | 25.0% | 25.0% |
| % of women on the board of directors | 25.0% | 25.0% | 25.0% |
| Board remuneration/staff costs (%) | 7.3% | 9.1% | 6.8% |
| Number of confirmed corruption cases | n.a. | n.a. | n.a. |

2022

| G | Corporate Governance | B |
|--|--|---------------------|
| | | 36/100 |
|  | G1 Good governance | BB 50/100 |
|  | G2 Risk management | C 0/100 |
|  | G3 Ethics and integrity | B 35/100 |
|  | G4 Fiscal transparency and accountability | BB 53/100 |

Breakdown by concepts



Annexes

The following annexes include relevant information from the point of view of the company's ESG position but that (the Taxonomy apart) has not been taken into account when preparing the rating.

Annexe I. Key financial indicators

This annexe includes the company's key financial indicators. The aim is twofold:

- **Descriptive.** To the extent that this information contributes to a greater knowledge of the company that is the subject of the rating.
- **Investment capability.** To the extent that improvement in the ESG sphere often requires an investment effort from the company. So it is of interest to know the company's position in terms of growth, profitability, debt and value creation.

The accompanying information is based on the annual accounts of the last three years. The theoretical value creation of the business can be deduced from the ROCE vs WACC relationship, both figures being calculated on the basis of the book value of equity.

Key financial indicators (2019-2021)

| | 2019 | 2020 | 2021 | CAGR 19-21 |
|---------------------------------------|--------|--------|---------|---------------|
| Balance Sheet (EUR Mn) | | | | |
| Fixed assets & Intangible | 4.2 | 3.9 | 7.0 | |
| Working capital | 1.2 | 0.9 | 2.1 | |
| Total assets (ex-cash) | 9.5 | 9.2 | 18.4 | |
| Equity | 4.4 | 7.3 | 6.8 | |
| Net debt / (Cash) | 2.3 | -1.1 | 8.1 | |
| Capital Employed | 5.4 | 4.9 | 14.0 | |
| P&L and Cash Flow (EUR Mn) | | | | |
| Total Revenues | 13.7 | 16.6 | 18.0 | 14.6% |
| Total Revenues growth | 10.7% | 20.9% | 8.7% | |
| Gross Margin (o/Revenues) | 51.8% | 49.4% | 52.2% | |
| EBITDA | 1.3 | 2.0 | 1.6 | 11.1% |
| EBITDA growth | 45.5% | 50.9% | -18.2% | |
| EBITDA/Revenues | 9.5% | 11.9% | 8.9% | |
| EBIT | 1.1 | 1.4 | 1.1 | 1.1% |
| EBIT growth | 108.3% | 30.7% | -21.8% | |
| EBIT/Revenues | 8.0% | 8.7% | 6.2% | |
| Net Profit | 1.09 | 1.04 | 0.91 | -8.4% |
| Net Profit growth | 299.5% | -4.2% | -12.4% | |
| CAPEX | -1.2 | -1.0 | -9.0 | |
| Free Cash Flow to Equity (FCFE) | -0.9 | 1.3 | -8.9 | n.a. |
| FCFE growth | n.a. | 240.2% | -774.9% | |
| Dividends | 0.0 | 0.0 | 0.0 | |
| Other key metrics | | | | |
| Payout | 0.0% | 0.0% | 0.0% | |
| Net debt/EBITDA | 1.80x | -0.54x | 5.05x | |
| Net debt/Equity | 0.53x | -0.15x | 1.20x | |
| Total assets (ex-cash)/Equity | 2.17x | 1.27x | 2.72x | |
| CAPEX/Revenues | 8.7% | 5.8% | 50.1% | |
| ROE | 29.1% | 17.9% | 13.0% | |
| ROCE | 21.2% | 27.8% | 10.1% | |
| WACC | 8.5% | 12.4% | 8.3% | |
| Avg. number of employees | 73 | 93 | 117 | |
| Number of employees at year end | 80 | 99 | 179 | |

Annexe II. Alignment with the EU Taxonomy for sustainable activities

On the basis of Regulation 2020/852 regarding the creation of a framework to facilitate sustainable investments, the so-called “EU Taxonomy for sustainable activities” applies to participants in financial markets that offer financial products and to companies that are subject to the requirement to publish non-financial statements or consolidated non-financial statements in accordance with article 19 bis or 29 bis of Directive 2013/34/EU of the European Parliament and of the Council, respectively. Articles 19 bis and 29 bis indicate that they apply to large undertakings that are public-interest entities exceeding on their balance sheet dates the criterion of an average number of 500 employees during the financial year.

According to the taxonomy delegated act of July 2021, from January 1 2022, these companies must report the percentage of their revenues, CAPEX/OPEX associated with activities eligible for the taxonomy, taking into account the two principle environmental objectives of the European Union (climate change mitigation and adaptation to climate change). Also, from January 1 2023, these companies must report the percentage of their revenues, CAPEX/OPEX associated with activities aligned with the taxonomy, taking into account the six environmental objectives of the European Union.

Requirements of the report on eligibility and alignment with the EU taxonomy for Lleida.net

| | Requirements | 2020 | 2021 |
|---|--------------|-----------|-----------|
| Average number of employees | > 500 | 93 | 117 |
| Entity of public interest? | | Yes | Yes |
| Taxonomy required for the company? | | No | No |

Based on information for the last closed year (2021), Lleida.net is not a company that is required to report information regarding the eligibility of its activity with the EU taxonomy.

The company’s level of eligibility with the EU taxonomy is used in preparing the ESG Rating (in the Environmental pillar).

Eligibility with the taxonomy (2020-2021)

**Linking the company's activities
with the Taxonomy of Sustainable
Activities of the European Union**

Climate change mitigation

| | |
|---------------------|--------|
| Eligible income (%) | 100,0% |
|---------------------|--------|

Annexe III. Position on megatrends and controversial activities

By megatrends we mean areas of activity with good prospects for long-term growth and with a positive impact on the Sustainable Development Goals (SDGs).

Controversial activities are those that are theoretically unfavourable to a good ESG performance (for example: tobacco, gambling, coal mining, etc.).

Exposure to megatrends and controversial activities is not used when preparing the ESG rating but is provided as supplementary information.

At the date of this report, Lleida.net is present in the following mega-trends: Digitisation, Automation and Robotics, Cybersecurity and Financial Technology. Revenue associated with these mega-trends accounts for over 91% of total revenue.

At the date of this report, Lleida.net is not present in any controversial activity

Position in megatrends

| Type of activity | % of revenue | Direct impact of activity on SDG | Indirect impact of activity on SDG |
|--------------------------------------|--------------|--|--|
| Renewable and non-polluting energy | 0,0% | SDG 7. Affordable and Clean Energy | SDG 13. Climate Action |
| Alternative energies | 0,0% | SDG 7. Affordable and Clean Energy | SDG 13. Climate Action |
| Energy storage | 0,0% | SDG 7. Affordable and Clean Energy | SDG 13. Climate Action |
| Agro-industry | 0,0% | SDG 15. Life on Land | SDG 2. Zero Hunger |
| Water resources | 0,0% | SDG 6. Clean Water and Sanitation | SDG 14. Life Below Water |
| Sustainable mobility | 0,0% | SDG 11. Sustainable Cities and Communities | SDG 7. Affordable and Clean Energy |
| Infrastructure of intelligent cities | 0,0% | SDG 11. Sustainable Cities and Communities | SDG 13. Climate Action |
| The circular economy | 0,0% | SDG 12. Responsible Consumption and Production | SDG 15. Life on Land |
| Ecological fashion | 0,0% | SDG 12. Responsible Consumption and Production | SDG 13. Climate Action |
| Ageing population | 0,0% | SDG 3. Good Health and Well-being | SDG 11. Sustainable Cities and Communities |
| Healthcare innovation | 0,0% | SDG 3. Good Health and Well-being | SDG 9. Industry, Innovation and Infrastructure |
| Nutrition | 0,0% | SDG 3. Good Health and Well-being | SDG 2. Zero Hunger |
| Automation and robotics | 23,6% | SDG 9. Industry, Innovation and Infrastructure | SDG 8. Decent Work and Economic Growth |
| Digitisation | 41,0% | SDG 9. Industry, Innovation and Infrastructure | SDG 8. Decent Work and Economic Growth |
| Cybersecurity | 14,8% | SDG 16. Peace and Justice Strong Institutions | SDG 9. Industry, Innovation and Infrastructure |
| 5G wireless technology | 0,0% | SDG 9. Industry, Innovation and Infrastructure | SDG 8. Decent Work and Economic Growth |
| Financial technology (Fintech) | 11,8% | SDG 9. Industry, Innovation and Infrastructure | SDG 8. Decent Work and Economic Growth |

Controversial activities

| Type of activity | % of revenue |
|---|--------------|
| Gambling | 0,0% |
| Alcoholic drinks | 0,0% |
| Tobacco and tobacco products | 0,0% |
| Adult entertainment | 0,0% |
| Defence | 0,0% |
| Weapons | 0,0% |
| Fossil fuels | 0,0% |
| Coal | 0,0% |
| Nuclear energy | 0,0% |
| Pesticides | 0,0% |
| Palm oil | 0,0% |
| Abortion, contraception and foetal tissue | 0,0% |
| Genetically modified organisms | 0,0% |
| Animal experiments and testing | 0,0% |
| Specialised fur and leather | 0,0% |
| Especially intensive livestock farming | 0,0% |

Annexe IV. ESG commitments and corporate reports

Details of the public commitments and transparency initiatives adopted by the company in respect of ESG. In addition to the corporate reports published by the company. This information has not been taken into account in the company's rating. But it may be of interest in respect of ESG.

ESG commitments and corporate reports

| Public commitments and transparency initiatives | |
|---|-----|
| The 2030 Agenda for sustainable development | No |
| The UN's Global Compact | Yes |
| The European Union's Transparency Register | No |
| Sustainability policy or CSR | |
| Does the company have a specific sustainability policy? | Yes |
| Is it public? | No |
| Has it been approved by the Board of Directors? | No |
| Public corporate reporting | |
| Does Law 11/2018 on Non-Financial Information apply to the company? | No |
| Does it publish a NFIR ⁽¹⁾ in accordance with international standards (GRI, SASB or IIRC)? | No |

(1) NFIR refers to a Non-Financial Information Report.

Annexe V. Controversies and main risks

We understand a controversy to be any incident (legal, corporate, social) in which the company has been involved that has had a significant impact in the mass media in the last 3 years, and that due to its nature and/or importance may affect the market's perception of the degree of compliance of the company with ESG standards.

This is not something that is used when preparing the ESG rating, but controversies that have appeared in the mass media during the period of time analysed are provided as supplementary information.

| Controversial news / Litigation identified by the company | Sources and links | Related matter | Date (mm/yyyy) |
|--|---|---------------------------|-----------------------|
| Conflict among shareholders (Banesto, Enisa and SEPI) | https://www.expansion.com/catalunya/2022/04/25/6266b8efe5fdea78548b4583.html | G.3. Ethics and integrity | 03/2022 |

In addition, details are given of those risks referred to by the company that are not reflected in the media but with a potential ESG impact.

No risks referred to by the company

Annexe VI. Geographical area of operations

This annexe includes details of the countries that contribute the most to the company's revenues. In addition to an analysis of the company's exposure (countries, percentage of revenues) to various factors with a potential impact on ESG (fiscal transparency, corruption, etc.). This information has not been taken into account in the company's ESG rating.

Main countries in which Lleida.net operates

| Country | Offices (Yes/No) | % of revenue |
|------------------------|-------------------------|---------------------|
| Spain | Yes | 45.6% |
| Rest of EU | | 28.1% |
| Rest of the world | | 26.3% |
| Nº of countries | | |
| % of revenue | | |
| OECD countries | 19 | 93,37% |

The ESG Rating methodology of the Instituto Español de Analistas

Lighthouse's ESG assessment methodology is based on a questionnaire. The basic principles of the questionnaire and of the application of the methodology are as follows

- 1) **Sources of information.** The questionnaire is completed, mainly, with public information, and supplemented by non-public information provided by the company that is the subject of the rating. Our methodology prioritises public information, giving it a higher score.
- 2) **Company feedback.** When obtaining data, Lighthouse's methodology hinges on the company's feedback as regards qualifying and understanding its position on each of the questions. To this effect, Lighthouse maintains a continuous relationship with the company assessed, so that the questionnaire reflects its true position on ESG. This prevents the method being reduced to an algorithm applied to public information.
- 3) **Methodological sources.** The methodology used and the necessary information is aligned with international standards for the reporting of non-financial information (GRI, SASB, CDP). This has two significant effects: i) it guarantees that the result of the ESG Rating is equivalent to and comparable with the rest of the market ratings; and ii) it makes it easier for the company to provide the data required for the assessment as these will be conventional.
- 4) **Simplification.** Our questionnaire seeks to reduce the number of questions, eliminating general questions that lack material significance for the companies and focusing on those questions that are critical in terms of ESG and that allow differences among companies to be established without forsaking a high level of requirement in the assessment of corporate sustainability.
- 5) **Supporting documentation.** The assessment of certain questions requires supporting documentation to be provided in order to verify the answers given. This is in response to the growing demand from investors for greater transparency and access to information. Similarly, to assess some of the questions it is a necessary condition that the corresponding information be public. The goal is to ensure the strength of the rating based on the credibility of the data used.
- 6) **Questions to assess.** The rating gives value to three concepts. These concepts are used in all the questions assessed (E-S-G):
 - **ESG commitments and plans:** the implication of the company in respect of ESG (as evidenced by its signing of international agreements, the adoption of internal organisational initiatives in favour of ESG, etc.).
 - **Data transparency:** in other words, the availability of the data required to complete the questionnaire.
 - **ESG indicators (level, growth).** The company's absolute figures that reflect its degree of compliance in matters such as (and only by way of example): level of emissions, diversity, make-up of the Board of Directors, etc. or the improvement/worsening of the company's data in the last two years.

Structure of the ESG Rating questionnaire by type of question

| | Environmental questionnaire | Social questionnaire | Corporate governance questionnaire | Total ESG questionnaire |
|---|-----------------------------|----------------------|------------------------------------|-------------------------|
| Weight of each pillar in the rating (*) | 27.4% | 26.2% | 46.4% | |
| Type of question | | | | |
| ESG commitments | 35.6 | 44.1 | 51.1 | 45.0 |
| Data transparency | 18.8 | 24.0 | 15.7 | 18.7 |
| ESG indicators (level, growth) | 45.5 | 31.8 | 33.2 | 36.2 |

(*) The weight of each pillar in the rating reflects the weighting of each pillar (Environmental, Social, Corporate Governance) in the preparation of the total rating. Accordingly, and by way of example, the total weight in the questionnaire of questions about Data Transparency will be the one they have in each pillar weighted for the weight of this pillar in the rating.

- 7) **Principal and supplementary information.** Whenever possible the rating will be prepared with quantitative information. Supplementary information will also be provided that is considered useful for interpreting and qualifying the rating. This supplementary information has not been used (apart from the taxonomy) to prepare the rating but is included separately (Annexes) in the report.
- 8) **Independence.** The methodology aims to guarantee an independent opinion. The role of the company being limited to providing the necessary information for the preparation of the rating.

The questionnaire has been prepared and used according to the eight principles described above. The questionnaire is divided into two blocks of questions: a general one, for collecting information that will not

be used directly to assess the company but that is deemed useful and/or necessary and a second block of ESG data for the preparation of the ESG Rating.

Structure of the assessment questionnaire

General block

This is a general section describing the company. It does not have any score assigned to it and so does not form part of the ESG classification.

It is comprised of:

- **Company profile**
 - Basic data about the company
 - Shareholder structure
 - Key financial indicators.
 - Geographical area of operations
- **Sector in which the company operates**
 - Presence in activities associated with megatrends or with opportunities for long-term growth
 - Presence in controversial activities
 - Breakdown of revenue, EBITDA, CAPEX and OPEX by activity
 - Alignment with the EU Taxonomy for sustainable activities
- **ESG controversies and risks**
- **ESG commitments and corporate reports**
 - Public commitments and transparency initiatives
 - Sustainability policy or CSR
 - Public corporate reporting

ESG block – data for preparing the rating

This block is divided into three pillars: E (Environmental), S (Social) and G (Corporate Governance), from which the IESG Rating is obtained.

It is comprised of:

- **Pillar E (Environmental)**
 - E.1. Environmental management
 - E.2. Climate change and carbon emissions
 - E.3. Efficient resource management
- **Pillar S (Social)**
 - S.1. Diversity and talent
 - S.2. Health and safety at work
 - S.3. Contribution to society
 - S.4. Responsible supply chain
- **Pillar G (Corporate Governance)**
 - G.1. Good governance
 - G.2. Risk management
 - G.3. Ethics and integrity
 - G.4. Fiscal transparency and accountability

The questionnaire allows a partial rating of the company to be obtained for each of the pillars (E – S – G). This rating is obtained by assigning weights within each segment to each of the themes assessed on the basis of international standards (e.g.: within the Social pillar, “Diversity and talent” will have one weighting, “Contribution to society”, another, etc.).

Once assessments have been obtained for each pillar (E – S – G) they will be assigned weightings in order to obtain the overall rating. This weighting will be different for each sector and has also been established on the basis of international standards. The weightings by sector are as follows:

Weighting of each ESG pillar by sector

| Sector | Environmental | Social | Corporate governance |
|-----------------------|---------------|--------|----------------------|
| Consumer cyclical | 26.0% | 32.8% | 41.3% |
| Consumer non-cyclical | 27.7% | 28.5% | 43.8% |
| Financial | 13.7% | 32.7% | 53.7% |
| Industrial | 26.6% | 34.0% | 39.4% |
| Property | 38.0% | 34.0% | 28.0% |
| Materials | 30.9% | 33.6% | 35.5% |
| Oil & Gas | 27.8% | 36.4% | 35.8% |
| Healthcare | 9.8% | 39.4% | 50.8% |
| Technology | 27.4% | 26.2% | 46.4% |
| Telecoms | 19.3% | 33.0% | 47.7% |
| Utilities | 36.5% | 30.8% | 32.7% |

Source: Own elaboration based on the document “Weights overview, S&P Global Corporate Sustainability Assessment (CSA) 2022”.

The application of the questionnaire is structured in 5 stages aimed at ensuring the maximum accuracy of the information used and the independence of the rating:

- 1) Lighthouse collects public information.
- 2) The questionnaire is sent to the company that verifies the public information and provides non-public data.
- 3) Two-way feedback (the company – Lighthouse) aimed at resolving any doubts that may have arisen when completing the questionnaire.
- 4) Lighthouse prepares the rating and writes the assessment report.
- 5) The final report is delivered to the company.

The result of this process can be both an overall rating for the company (ESG Rating), and partial ratings for each of the pillars analysed (E – S – G).

The rating is expressed on the basis of an alphabetical scale whose maximum level is AAA and minimum C. The rating is also offered converted to a numerical scale (out of 100 points).

The ESG Rating scale

| Rating | Equivalent score | Level of ESG performance |
|--------|------------------|--------------------------|
| AAA | 88.8 – 100 | The highest |
| AA | 77.7 – 88.8 | Very high |
| A | 66.6 – 77.7 | High |
| BBB | 55.5 – 66.6 | High intermediate |
| BB | 44.4 – 55.5 | Intermediate |
| B | 33.3 – 44.4 | Low intermediate |
| CCC | 22.2 – 33.3 | Low |
| CC | 11.1 – 22.2 | Very low |
| C | 0 – 11.1 | The lowest |

The rating is also shown using charts that make it easier to interpret the company's position on the assessment scale (the dark blue area represents the classification achieved by the company in its ESG rating and the light blue area shows the distance until the next level of ESG rating is achieved). For example:



Finally, the current context is characterised by the need to continually adapt regulations governing the requirements applicable to companies and the information these have to provide in respect of ESG. Accordingly, in order to unify criteria to objectivise the corresponding assessments, both our questionnaire and the weightings attributed to each section will be reviewed annually, bringing these into line with prevailing regulations and the main benchmark standards of the market.

These annual reviews will involve potential changes to the questionnaire and/or the weightings attributed to the sectors and to the various sections analysed. These changes may have significant effects on a company's rating so they will be clearly explained. The updating of the questionnaire and of the weightings ensures the inclusion in the assessment process both of regulatory changes and of all those factors that are significant for the market from the point of view of the ESG assessment of a company.

In conclusion: From a methodological viewpoint the ESG Rating is defined on the basis of 4 principles/objectives:

- **Independence.** A methodology that ensures an independent opinion of the company's ESG position.
- **Updating.** A methodology that is fully adapted to ESG regulations prevailing at the time of application.
- **Rigour.** A methodology able to reflect with the maximum objectivity possible the ESG position of the company in relation to regulatory and market standards.
- **Viability.** A methodology that is accessible to all kinds of company (listed or not; small, medium or large in size) to the extent that it is based on a reasonable demand for data and information and focused on priority aspects of ESG.

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