



莱里达，2021 年 4 月 29 日

### 内部信息

#### 介绍 2020 年的审计和合并账目，介绍审计和个别的 与 2019 年母公司账目的比较以及组织结构的介绍

根据关于市场滥用的（欧盟）第 596/2014 号条例第 17 条的规定以及 10 月 23 日 RDL 4/2015 批准的“证券市场法”综合文本第 228 条，协调条款以及另类证券市场（MAB）6/2018 号关于发展中企业承担的信息，特此通知 LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.（以下简称“Lleida.net”或“本公司”）

2021 年 1 月 25 日，公司通过内部信息发布了公司综合收益表和债务的主要数字预览。这笔预付款是根据可用的会计信息准备的

截至今天，上述信息将补充以下文件：

- 2020 年度审计报告和合并业绩报告
- 2020 年度审计报告和单独业绩报告
- 组织结构和内部控制系统报告

我们将为您提供所有您所需的信息。

此致，

弗朗西斯科·萨佩纳·索勒（Francisco Sapena Soler）

Lleida.net 首席执行官



# Lleida.net

## LLEIDA.NET巩固了其长期的可行性

介绍2020年审计结果

# 摘要

## 行政部门

简而言之：

Lleida.net拥有520万欧元的营运资金,这保证了其长期的偿付能力。

这一数额大大超过了它在2020年初的数额,即160万欧元。在短短一年内,营运资金增长了360万,我们的销售额增加到1642万,我们的净资产和集团资产都有增长。具体而言,净资产增长了66%,达到720万欧元。

在这一年里,集团资产与上一年相比增长了24%,达到1320万。

同时,金融债务减少了53.9万欧元,与前一年相比减少了15%。

这些数字显示了该公司坚实的财务状况,加上其SaaS服务使用的增加和发票的大幅增加,保证了该公司的生存能力。

Lleida.net受两个非常明确的标准支配：我们相信长期的持续增长(我们已经有26年的初创期,我们希望有更多的增长),我们相信我们的股东所称赞和自豪的是公司是一个坚实的企业。

自从我们第一次在老的另类股票市场(MAB)敲响钟声以来,已经有六年了。然后是巴黎的泛欧交易所和纽约的OTCQX,在这些年里,我们巩固了我们在市场上的地位。

我们在下面介绍的结果是这种稳固性的坚定证明。

西斯科·萨佩纳(Cisco Sapena),首席执行官兼创始人

# 本期重点

## 金融

我们的财务状况是我们历史上最强大的。

## 创新

我们已经壮大了我们的研发团队,以将你在数字化的后COVID19世界中所需要的产品推向市场。

## 国际化

在迪拜的新子公司,在欧洲、非洲、中东和拉丁美洲的新合同。

## 知识产权

五大洲60多个国家授予203项专利。  
世界范围内行业内最强大的投资组合之一。

# 经审计的利润表演变：

| 千欧元合并数据           | 2019    | 2020    | 区别€     | 区别 %   |
|-------------------|---------|---------|---------|--------|
| 销售                | 13,661  | 16,421  | 2,760   | 20%    |
| 销售成本              | (6,607) | (8,390) | (1,783) | 27%    |
| 毛利                | 7,054   | 8,031   | 977     | 14%    |
| 销售利润率             | 52%     | 49 %    |         |        |
| 人事费用              | (3,067) | (3,403) | (336)   | 11%    |
| 外部服务              | (2,728) | (2,743) | (15)    | 1 %    |
| 其他收入              | 54      | 160     | 106     | 196%   |
| 激活                | 935     | 662     | (273)   | -29%   |
| 息税折旧摊销前利润(EBITDA) | 2,248   | 2707    | 459     | 20%    |
| 摊销                | (1,135) | (1,187) | (52)    | 5 %    |
| 固定资产减值及处置         | (21)    | (80)    | (59)    | -      |
| 其他结果              | 10      | 0       | (10)    | -      |
| 经营业绩              | 1,102   | 1,440   | 338     | 31%    |
| 净财务结果             | 21      | (72)    | (93)    | 443%   |
| 处置的减值和结果          | 0       | (144)   |         |        |
| 汇率差异              | (24)    | (195)   | (171)   | -713 % |
| 税前结果              | 1,099   | 1,029   | (70)    | -6 %   |

与2019财年相比,毛利率增加了97.7万欧元,源于SaaS产品线的增加,以及批发业短信解决方案的销售增加。

营业利润达到140万欧元,比2019年的结果高出31%。在增长战略中,Lleida.net继续对人员进行投资,并在今年纳入了15人,主要在国际商业部门和R+D+i。我们已经有100人了,再加上外部团队。

税前结果超过102万欧元。

董事会已向股东大会提议分配公司历史上的第二次股息,比上次股息增加25%。

# 资产负债表数字的演变:

| 合并余额千欧元      | 2019   | 2020   | 区别€   | 区别 %    |
|--------------|--------|--------|-------|---------|
| 非流动资产        | 4,416  | 4,121  | (295) | -7 %    |
| 无形固定资产       | 3,847  | 3,583  | (264) | -7 %    |
| 固定资产         | 381    | 336    | (45)  | -12 %   |
| 长期金融投资       | 187    | 42     | (145) | -78 %   |
| 延期税资产        | 1      | 160    | 159   | 15,900% |
| 流动资产         | 6,267  | 9,149  | 2,882 | 46 %    |
| 债权           | 3,564  | 3,498  | (66)  | -2 %    |
| 短期金融投资       | 1,262  | 1,275  | 13    | 1%      |
| 短期应计         | 258    | 320    | 62    | 24%     |
| 现金和其他等价物资产   | 1,183  | 4,056  | 2,873 | 243%    |
| 全部资产         | 10,683 | 13,270 | 2,587 | 24%     |
| 股权           | 4,389  | 7,266  | 2,877 | 66%     |
| 自有资金         | 4,335  | 7,156  | 2,821 | 65%     |
| 转换差异         | 53     | 98     | 45    | 85%     |
| 外部股东         | 1      | 12     | 11    | 1,100%  |
| 非流动债务        | 1,678  | 2,100  | 422   | 25%     |
| 长期债务         | 1,678  | 2,100  | 422   | 25%     |
| 流动债务         | 4,616  | 3,904  | (712) | -15 %   |
| 短期应计         | 96     | 42     | (54)  | -56 %   |
| 短期债务         | 1,871  | 910    | (961) | -51 %   |
| 商业债权人和其他应付账款 | 2,649  | 2,952  | 303   | 11%     |
| 全部资产与债务      | 10,683 | 13,270 | 2,587 | 24%     |

- 我们有520万欧元的**营运资金**,这反映了集团的偿付能力。
- **净资产**增加了66%,达到720万欧元,反映了集团的稳健性。
- 与前一年相比,资产增加了24%,达到1320万欧元。

# 资产负债表中资产方面的演变：

| 合并余额千欧元    | 2019   | 2020   | 区别€   | 区别 %    |
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| 全部资产       | 10,683 | 13,270 | 2,587 | 24%     |

- 持续投资于研发,金额达662,000欧元。
- 对专利的投资,在这一年中为我们带来了43项新专利。
- 集团营运资金的改善：可用增长(短期金融投资+现金)增加288.6万欧元(+118%)。

# 资产负债表中负债方面的演变：

|              |        |        |       |        |
|--------------|--------|--------|-------|--------|
| 股权           | 4,389  | 7,266  | 2,877 | 66%    |
| 自有资金         | 4,335  | 7,156  | 2,821 | 65%    |
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| 全部资产与债务      | 10,683 | 13,270 | 2,587 | 24%    |

- 由于纳入了2020财政年度的结果,以及出售库藏股产生的197万欧元的利润,合并净权益增加了66%。
- 财务债务减少53.9万欧元,与2019年相比减少15%。
- 在采购数量增加27%的情况下,供应商的数量增加了11%： 集团没有延长对供应商的付款期限。

# 其他信息

根据欧盟(EU)第596/2014号条例第17条关于市场滥用的规定,以及10月23日经《皇家市场法令》4/2015 批准的《证券市场法》修订文本第228条以及并发规定,以及西班牙证券交易所和市场(BME Growth)的第06/2020号通函,协调条款以及另类证券市场(BME)3/2018号关于发展中企业承担的信息,特此通知LLEIDANETWORKS SERVEIS TELEMÀTICS,S.A.(以下简称“公司”或“Lleida.net”或“单位”或“集团” )。

2021年1月25日,公司通过相关事实公布了公司合并利润表和债务的主要数据。这笔预付款是根据可用的会计信息准备的  
截至今天,上述信息将补充以下文件:

- 2020年度审计报告和合并业绩报告
- 2020年度审计报告和单独业绩报告
- 组织结构和内部控制系统报告。

我们将为您提供所有您所需的信息。



# Lleida.net

Parc Científic i Tecnològic

Agroalimentari de Lleida

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开普敦·蒙得维的亚·约翰内斯堡·圣何塞·利马·贝鲁特·迪拜·墨西哥城·哈博罗内

## 关于 LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A 的组织结构和财务信息内部控制系统的报告。

根据欧盟（EU）第 596/2014 号条例第 17 条关于市场滥用的规定，以及 10 月 23 日经《皇家市场法令》4/2015 批准的《证券市场法》修订文本第 228 条以及并发规定，以及西班牙证券交易所和市场（BME Growth）的第 15/2016 号通函（关于扩展公司提供的信息），有关 Lleidanetworks Serveis Telemàtics, S.A 及其子公司财务信息的组织结构和内部控制系统的报告（以下，“Lleida.net”，“Lleida.net 集团”，“集团”，或“公司”），已在 2021 年 3 月 25 日的审核委员会上批准并由董事会批准。

莱里达，2021 年 4 月 22 日

弗朗西斯科·萨佩纳·索勒（Francisco Sapena Soler）

Lleidanetworks Serveis Telemàtics, S.A 首席执行官

## 1. 公司简介:

Lleidanetworks Serveis Telemàtics, S.A 是一家无限期的上市的有限公司，其注册办事处在马德里（Madrid）市区，General Lacy 街，42 号，底层（CIF 编号：A25345331）。

以前，它是无限期注册的，其名称是 Lleidanetworks Serveis Telemàtics, S.L，它是由莱里达（Lleida）公证，巴塞罗那杰出学院（Ilustre Colegio de Barcelona）公证人安东尼奥·里科·莫拉莱斯（Antonio Rico Morales）先生于 1995 年 1 月 30 日授权的契据，根据其协议编号 547。

该公司于 1995 年 3 月 13 日在莱里达省商业登记处注册，355 卷，137 开本，第 L6657 页第 1 节。

根据 2000 年 6 月 12 日的现行“有限责任公司法”，经 2000 年 11 月 3 日另一方更正后，所有由莱里达（Lleida）公证人安东尼奥·里科·莫拉莱斯（Antonio Rico Morales）先生授权的公司增加了资本 由莱里达公证人增加了由莱里达公证人 Pablo Gómez Clavería 先生授权的书面资本，并于 2004 年 10 月 21 日增加了由上述莱里达（Lleida）公证人戈麦斯(Gómez)先生授权的书面资本。2006 年 8 月 16 日在 Lleida 商业注册处注册，第 355 页，第 141 页，第 L-6,657 页。

在 2011 年 6 月 30 日的临时股东大会上，商定了改制为公众有限公司的程序，并于 2012 年 12 月 12 日通过加泰罗尼亚公证人巴勃罗·戈麦斯·克拉维里亚先生（Don Pablo Gómez Clavería）下达的第 3357 号公契向公众提出。协议并已在 2012 年 2 月 17 日在莱里达（Lleida）的商业登记处，第 355 卷，145 开本，L6.657 页中进行了注册。

2015 年 6 月 1 日，公司在股东大会上批准了将公司所有股份纳入另类股票市场（MAB），即现在的西班牙证券交易所和市场（BME Growth）的要求。

2015 年 10 月 7 日，西班牙证券交易所和市场（Bolsas y Mercados Españoles), Sistemas de Negociación S.A.的董事会批准自 2015 年 10 月 9 日起，将 16,049,943 股每股面值 0.02 欧元的股份纳入另类股票市场的扩展公司部分。

2018 年 12 月 14 日，泛欧交易所接纳委员会承认，截至 2018 年 12 月 19 日，Lleida.net 股票已纳入泛欧交易所发展。

2020 年 10 月 30 日，美国金融监管局对公司在纽约 OTCQX 市场的上市做出了有利的决定，从 2020 年 11 月 2 日起，公司的股票被纳入谈判范围。

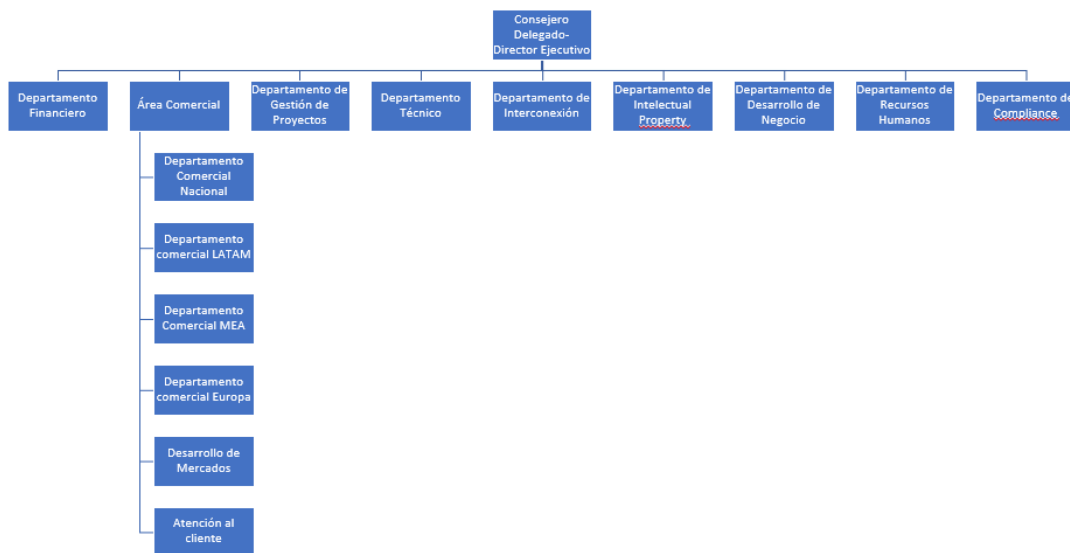
Lleida.net 的公司宗旨在其章程的第 2 条中得到了体现，其文字字面意思如下：

### 第 2 条社会目标

“过专业人士，公司和服务业的远程信息处理和计算机组件，它构成了不同主题的远程信息处理和计算机咨询的公司宗旨。通过活动和出版物传播远程信息处理系统。提供电信服务。”

## 2. 组织架构

组成公司的不同部门在下面详细说明。所有部门的董事每月开会，讨论公司的主要行动方针，并提请董事会批准。



财务信息由财务部门准备，并由执行董事进行审核，尽管其准备工作的最终责任在于董事会。

下面详细介绍负责实施和维护正确有效的内部信息控制系统的不同机构和职能。

### a) 董事会：

根据现行法律以及《章程》和《内部行为规范》的规定，公司在法院内或公司外的管理，行政管理和代表权以及在公司宗旨内包括的所有行为均与董事会相对应。除上一段所述的权力外，董事会成员的责任是停止采取适当的奉献精神，以便为公司的良好领导和控制采取必要的措施，包括针对本文件的特定目的，监督和了解向市场，向股东报告的财务信息以及公司的内部控制。

董事会由以下人员组成：

#### **弗朗西斯科·萨佩纳·索勒（Francisco Sapena Soler）-执行董事**

他在莱里达大学（University of Lleida）学习农业工程学，专门研究园艺和水果种植，并从加泰罗尼亚理工大学(UPC)获得了远程信息处理硕士学位。此外，他还热衷于新技术和互联网。他担任 IRC Hispano 总裁已有 9 年。今天，他是 Lleida.net 的首席执行官和最大股东。毫无疑问，这是公司的“驱动马达”。

### **比阿特丽斯·加西亚 (Beatriz García)-执行顾问:**

阿特丽斯拥有超过 12 年的电信经验，拥有加泰罗尼亚理工大学(UPC)和 TU Delft（荷兰）的电信工程学位。她毕业于慕尼黑 IESE 巴塞罗那项目管理开发部。她曾在西班牙的 Orange 工作，后来在 Deloitte 担任 IT 审计员。她于 2008 年加入路由部门的 Lleida.net，并于 2014 年被任命为互连总监，在那里她制定并执行了互连策略。目前，他继续负责 Lleida.net 上的 SMS 业务线，确定目标和策略并根据市场需求调整产品。

### **马科斯·加拉多 (Marcos Gallardo)-外部总监**

巴塞罗那 LEXING 西班牙公司的创始人和管理合伙人。自 1998 年以来为巴塞罗那律师协会成员。国际律师联盟（UIA）数字人委员会隐私和权利主席国际网络 LEXING®的副总裁是世界上第一个专门研究先进技术法律的律师事务所网络，目前由 22 个律师事务所组成，分别位于欧洲，美洲，非洲和亚洲的 25 个国家/地区。巴塞罗那律师协会（ICAB）知识产权委员会副主席。电信和互联网领域的多家跨国公司的董事会成员。出现在 2012 年，2013 年和 2014 年的法律名人录中。被鉴定为互联网，电子商务和数据保护领域的有影响力的律师

### **Arrate Usandizaga-执行董事**

财务总监工商管理与管理专业毕业，杜伊斯托大学金融与会计专业硕士。在普华永道会计师事务所担任审计（财务报表审计）部门的主管后，她加入了 Lleida.net 协调审计和风险部门，目前是该集团的首席财务官。

### **米格尔·佩雷斯·苏比亚斯 (Miguel Pérez Subías)-独立董事**

马德里理工大学 ETSIT 的高级电信工程师，INESE 的业务管理硕士学位。他目前担任互联网用户协会（AUI.es）的主席，兼任互联网，电信和新技术方面的咨询顾问和专业顾问，从事与激烈的专业活动兼容。

在 1993 年编辑和推广的第一本在西班牙出版的致力于互联网的杂志（两年后），两年后又成立了互联网用户协会（非营利组织），由他担任主席。最相关的举措包括主持互联网世界（马德里，1996-2005 年）和 ExpoInternet（巴塞罗那，1997-2001 年）大会，启动世界信息社会日：互联网日（突尼斯，2005 年），中立节点 西班牙 EspaNIX（马德里 1997）和西班牙互联网治理论坛（马德里 2008）的创建。

### **安东尼奥·洛佩斯·德尔卡斯蒂略 (Antonio López del Castillo)-独立董事**

西班牙电信和西班牙电信集团的电话品牌西班牙电信（Telefónica de España）和 Vivo 的采购总监，具有丰富的电信和采购顾问经验。

在 Telefónica 的职业生涯中，他参与了相关项目，例如巴塞罗那 92 奥林匹克电信规划，巴塞罗那首个大学机构与医院互连的大城市高速区域网络的植入，或西班牙里约格兰德公司的植入私有化后，高级采购系统的圣保罗电信（CRT）负责该项目，在 1998 年至 2002 年期间，该项目的拨款超过 300 亿雷亚尔（巴西货币）。

西班牙文杂志的技术总监：Tele.Com，数据通信，《LAN Times》和《全球电信》杂志的创始人。

加泰罗尼亚语学院新技术课程主任，锡切斯（Sitges）夏季大学 UNTEC 课程和巴塞罗那自治大学开设的多媒体和电信研究生课程主任。

#### **乔迪·卡博内尔·塞巴罗亚（Jordi Carbonell i Sebarroja）-独立董事**

莱里达（Lleida）农业食品科技园（PCiTAL）的顾问和顾问。西班牙技术园区协会（APTE）和世界协会（IASP）的代表。公园和莱里达（Lleida）省集群公司的顾问。

从 2005 年到 2006 年，他担任加泰罗尼亚国务卿劳工和工业部工业和能源部长，在 2003 年的加泰罗尼亚议会选举中，他当选为莱里达（Lleida）省议员。

从 1996 年到 2003 年，S.C.L 二级合作社 ACTEL 总经理，其中 130 个莱里达合作社是该合作社的一员，并于 2003 年获得了加泰罗尼亚综合政府颁发的企业创新奖。

在 1993 年至 1996 年期间，他曾担任莱里达（Lleida）省的民事州长，并且是西班牙加入欧洲经济共同体的谈判小组成员（1984 年至 1986 年）。他也是农业，渔业和食品部（1982-1988）的技术秘书长。

#### **Jorge Sainz de Vicuña Barroso（豪尔赫·塞恩斯·德·维库纳·巴罗佐）-任命独立董事**

被投资公司经理。在诸如环卫和改善环境方面，甚至在受控公司的总经理/首席执行官的职能方面，以及在谈判和销售流程（从销售笔记本的准备到通过 NDA 进行报价管理）方面的有很多经验，并且与法律，财政和劳工顾问协调，提供管理，尽职调查和合同。

#### **b) 审核委员会**

根据公司章程和公司董事会的规定，审核委员会的任务是评估公司的会计核算体系，确保外部审计师的独立性以及审查公司的内部控制制度。财务信息。

在不影响董事会随时可能分配的其他任务的情况下，审核委员会将行使以下基本职能：

- 在股东大会上就股东在其职权范围内提出的问题进行报告。
- 向董事会提出建议，将《资本公司法》第 264 条提到的外部账目审计员的任命，合同条件，其专业职责范围以及在适当情况下提交董事会，以提交

股东大会适当的，撤销或不续签。为了确保外部审计师的独立性，公司将把审计师的变更作为相关事实通知另类股票市场（MAB）的管理公司。

- 监督内部审计制度；确保其独立性和有效性。

- 在外部和内部审计师的直接协作下，审查公司的账目，监督对法律要求的遵守情况以及会计准则的正确应用。

- 了解并监督与本公司及本集团（如适用）有关的财务信息的准备过程和完整性，审查是否符合监管要求和会计准则的正确应用；了解和监督公司的内部控制制度，检查公司的内部控制制度的充分性和完整性；并审查任命或替换责任人。

- 定期审查内部风险控制和管理系统，以便充分识别，管理和披露主要风险。

- 与外部审计师保持联系，以获取有关可能危害其独立性以及与账目审计过程有关的任何其他问题以及账目审计法规中规定的其他来文的信息。以及技术审核标准。

- 监督审计合同的执行情况，确保审计报告的年度审计意见和主要内容得到明确，准确的编制，并对审计结果进行评估。

- 审核董事会必须提供给市场及其监管机构的定期财务信息，确保以与年度会计准则相同的会计准则制定中间帐户。

- 在法律，章程和董事会条例规定的所有事项上，特别是在以下事项上，在董事会通过相应决定之前，将其告知董事会：(i) 公司必须定期公开的财务信息；(ii) 在避税天堂的特殊目的实体或实体的利益的创造或获得，以及任何其复杂性可能会损害集团透明度的类似性质的交易或操作；和(iii)其他相关操作。

目前，审核委员会由两名董事组成，这两名董事均为独立董事，至少每半年开会一次，并在董事长召集时召开。在 2020 年，委员会举行了两次会议。

#### **c) 指导委员会**

它由执行董事和负责公司不同部门的人员组成。

该会议每月至少召开一次，以协调 Lleida.net 的不同关键活动。为了实现董事会设定的目标并解决出现的挫折或问题，短期和中期都应标明工作方针。

处理公司所有领域的信息，每个部门的负责人都会报告要处理的不同主题。如果检测到应与市场共享的信息，则执行董事会将其传达给董事会，以便及时进行交流。

#### **d) 财务部门**

财务部门负责每天实施正确的财务信息控制系统。它是日常处理母公司会计并控制子公司报告的部门。它的功能之一是准备董事会决策所需的报告，以及发布市场所需的信息。

#### **e) 外部审计**

Lleida.net 的个人和合并年度帐目均由著名的审计公司（例如 BDO 审计员）进行审查。自 2016 年以来，还对 1 月 1 日至 6 月 30 日的时间进行了有限度审核，由同一家审计公司进行审核。

### **3. 公司控制系统**

与财务信息相关的内部控制和风险管理机制由审核委员会负责。随后，按照董事会的规定，由董事会对其进行审查和监督。主要的控制机制如下：

#### **3.1 制定年度预算：**

公司的管理团队编制集团的年度预算，由董事会审议通过。

随后每月对偏差和合规情况进行控制，由董事会审议，负责采取正确的措施和工作重点。

#### **3.2 内部控制措施：**

Lleida.net 已将以下财务流程定义为高级控制区域，以遵守财务信息的内部控制系统：

- 销售，客户帐单和收款管理
- 集团公司的合并和报告
- R+D+i 的投资
- 固定资产的投资
- 库存
- 采购和应付帐款
- 税收
- 人力资源
- 会计结算

风险领域的主要控制措施如下：

##### **a) 销售，客户帐单和收款管理。**

每月都会生成要开具发票的详细信息，并由开票经理进行审查，并启动自动流程，该流程允许：

- 生成销售确认会计分录
- 向客户发送发票
- 创建文件，发送给商业经理，董事和行政总监，以监督月度数据

财务负责人是负责监督客户收款的人，相关发票在信用保险公司之前已投保以避免可能的未付款项。

每周都会对收集物的情况和商业收集物进行监控。

财务部门每周对收款进行对帐

公司用来控制其会计系统的管理系统已定义了配置文件，这些配置文件定义了每个用户可以访问的信息。

**b) 合并和报告:**

该公司在集团成立公司的每个国家都有会计和税务顾问。所述顾问负责每月发送子公司的数字，以便部门可以从总部对其进行审查。顾问无法访问子公司的银行帐户，只有在每个国家的公共管理部门执行行政程序的权力有限。

**c) 研发投资 I+D**

公司执行的研发项目有年度预算，该预算由技术部门的负责人和行政部门共同控制。在研发领域中进行的所有活动都必须在年度行动计划之内进行，如果是非常规合作，则必须获得技术总监的批准。

**d) 固定资产投资**

在此范围内，最重要的金额对应于在机器和服务上进行的投资。技术部门和财务部门共同执行年度预算，分析年度需求，并每月控制执行过程。

**e) 库存**

财政部负责人必须控制公司日常拥有的各种金融工具的余额。执行董事是进行相应转让的人。为此，财政部准备要进行的付款文件，由财务主任进行审查，以便总干事随后执行付款。

不同子公司拥有的银行帐户由矩阵团队控制。

财政部每周都会进行汇总，汇总每个工具的余额以及每个帐户的主要付款和收入，然后将汇总发送给财务总监和执行总监以进行监督。

银行帐户由财务部门核对，与准备付款文件的库存人员不同

**f) 采购和应付帐款:**

供应商的消费直接进入管理 ERP。每次在路线上报告价格变化时，提供商的费率都将由同一系统自动更新。每次收到发票（通常是每月一次）时，都会从财务部门进行验证，该发票对应于已进入 ERP 的消费。在这种情况下，将验证消耗量，然后自动进行购买的会计分录。在出现差异的情况下，该公司已制定了行动协议，将差异传达给供应商，并分析原因并将其传达给负责采购的互连部门。

与主要提供商（通常是运营商）的付款是通过净额进行的。采购发票被抵消。同一系统会自动生成该净额，并将其发送给提供者以供接受。一旦被提供商接受，它将包括在下一次付款中。

其余款项主要是雇员支付的个人卡商业费用。每月制作一个费用表，其中包括所有证明文件，并且必须首先由其直接主管批准，然后由财务部门批准。款项通过转账支付，该文件包含在付款文件中。

该公司还拥有直接借方付款，与租赁和供应品的付款相对应。所述费用每周与经常账户费用核对。

**f) 税金：**

公司内部管理每月税收的显示，这些税收是从 ERP 自动上载的。这些文件由行政部门准备，然后由执行主任（有权提交这些文件）进行数字签名。

此外，该公司在国内和国际上都有顾问，他们会告知他们可能影响他们的法规的所有可能修改。

**g) 人力资源：**

人力资本是 Lleida.net 成功的关键。现有员工和新员工的管理均由人力资源部门负责，该部门的主管既负责每个人的发展又管理他们的职业生涯。在新增加的内容中，将与他将工作的区域的主管合作设置所需的个人资料。在主要社交网络和招聘门户网站上发布广告，并根据他们的学位和经验制作第一次挑选。随后，首先进行人力资源采访，并进行绩效考核。最后，最好的 3 名候选人进行面试，做最后的选择。

人力资源总监还管理工资报酬，并与该地区总监一起评估每位员工应获得的酬劳，并始终接受管理层的最终认可并纳入年度预算。

**i) 会计结算：**

-规范性：Lleida.net 遵循一般会计计划建立的活动注册规定。如果有疑问或更新可能影响公司程序的法规，它会得到顾问的支持。

-每月会计结帐：公司每月进行会计结帐，从而可以验证是否符合董事会设定的预算。

-系统冻结：在完成该期间的所有输入后，会计期间将被阻塞，以防止注册新的输入。

-结帐审查：每月都要对损益表和资产负债表进行审查，以检查与以前期间相比是否存在重大变化，不一致或错误。信息由行政部门生成，行政部门对其进行审查，并生成摘要报告，这些报告发送给执行董事进行验证，然后提交给董事会进行分析。

-财务信息报告：为了使公司的活动更加透明，有关主要财务数据的信息每季度在西班牙证券交易所和市场（BME Growth）上发布一次。如第 5.1 点所示

-公布截至 6 月 30 日的年度账目和中期财务报表：年度股东大会每年批准董事会制定的经审计的年度账目和管理报告，并与 BME 遵循公司制定的准则和格式所要求的信息相同。此外，6 月 30 日的中期财务报表是按照西班牙证券交易所和市场（BME Growth）条例的要求提交审计的。

- 向投资者和分析师报告：财务和管理信息会定期显示，主要是亲自或电话会议。负责这些沟通的人员是执行董事和财务总监。

### 3.3 证券市场内部行为守则

《股票市场领域内部行为守则》已由 2016 年 7 月 26 日举行的 LLEIDA.NET 董事会批准，并符合《证券市场法》修订本第 225.2 条的规定 由 10 月 23 日的第 4/2015 号皇家法令批准的股票市场。具体而言，该法规纳入了《证券市场法》合并文本第七章第二章中包含的条款，该条款也适用于公司，根据该合并文本第 15 页第 13 页第 322.3 条的规定 根据其开发法规（包括 11 月 11 日的第 1333/2005 号皇家法令）制定了关于市场滥用的证券市场法以及 11 月 4 日的第 4/2009 号通函。关于相关信息交流的通知。规定的目的是制定一套规范 LLEIDA.NET 行为的规则和受本条例规定的不同领域影响的人员，以保证公司充分和充分的透明度并保护投资者。本法规的控制机构是审计委员会。

### 4 风险评估：

本集团的活动面临不同类型的金融风险，主要是强调信贷，流动性和市场风险（汇率，利率和其他价格风险）。

#### 4.1) 信用风险

本集团的主要金融资产为现金和现金余额，应收账款和其他应收账款以及投资，是本集团与金融资产相关的最大信用风险敞口。本集团的信用风险主要归因于其贸易债务。母公司管理层根据前几年的经验及其对当前经济环境的评估，在资产负债表中扣除了坏账准备后的净额。

#### 4.2) 流动资金风险

金融市场特别是银行市场的总体状况对信贷申请人特别不利。该集团始终关注有助于解决流动性危机的各种因素的演变，尤其是筹资来源及其特征。

#### 4.3) 市场风险

由于环境中的困难经济状况，近年来的总体市场状况一直不利。

#### 4.4) 汇率风险

本集团不会承受重大汇率风险，因此不会使用对冲金融工具开展业务。

**4.5) 利率风险** 利率变动会修改按固定利率计息的那些资产和负债的公允价值，以及以可变利率为基准的资产和负债的未来流量。利率风险管理的目标是在债务结构中取得平衡，从而使在跨年度范围内的债务成本最小化，同时减少损益表的波动性。

## **5.信息的交流**

公司将要传达给市场的信息分为三种基本类型：-财务信息

-战略信息

-技术信息

下面根据信息类型详细介绍了不同的步骤

### **5.1 财务信息交流**

公司按照运营公司的标准执行每月和每季度的结帐，并根据《总会计计划》编制中期财务报表。信息在财务部门生成，首先由其主管审核，然后由执行董事审核。该信息由财务管理部门为董事会准备，并发送给董事，以便他们可以编制年度账目和中期财务报表。财务报表经审计委员会审议，由董事会制定并提交股东审议。

在股东大会上，介绍了公司取得的主要里程碑，并进行了与年度决算验收相对应的表决。

在西班牙证券交易所和市场（BME Growth）中公布的信息是根据合并财务报表编制的，这些财务报表直接从公司的 ERP（企业资源计划）中获得，对于某些集团公司在国外需要每个国家的顾问的信息。对获得的财务信息的规定和货币进行标准化。该信息由行政总监审查。

一旦获得了被认为相关的财务数据，相关事实便由行政总监在注册顾问的协助下拟定。

有关事实将由执行董事和注册顾问进行审查，并在希望做出一些贡献的情况下传达给董事会成员。

它由 Lleida.net 上传至西班牙证券交易所和市场（BME Growth）网站，并且必须在会议开始之前或之后得到注册顾问的批准。一旦加载并发布在西班牙证券交易所和市场（BME Growth）网站上，它就会在 Lleida.net 网站上的“投资者”部分中发布。

### **5.2 战略信息：**

诸如收购公司，新业务等战略谈判均由公司执行董事直接进行。

董事会有权将这些内容包括在内，董事会有权做出决定。

有关事实由执行董事在注册顾问的协助下直接起草，并通知董事会成员以备不时之需。

它由 Lleida.net 上传至西班牙证券交易所和市场（BME Growth）网站，并且必须在会议开始之前或之后得到注册顾问的批准。一旦加载并发布在西班牙证券交易所和市场（BME Growth）网站上，它就会在 Lleida.net 网站上的“投资者”部分中发布。

### 5.3 技术信息

由于我们产品技术开发的重要性，Lleida.net 为所有开发及其品牌申请了专利。专利申请程序由知识产权部门进行内部监控。它受到众多外部公司的支持，这些公司负责在部门主管的监督下监视所有截止日期。

为了避免沟通渠道中可能出现的错误，财务部门要求知识产权部门每季度详细说明专利的状态。

在获得一项专利的情况下，相关事实由知识产权总监在执行总监的监督下与注册顾问合作起草，并在必要时传达给董事会成员 进行任何输入。它由 Lleida.net 上传至西班牙证券交易所和市场（BME Growth）网站，并且必须在会议开始之前或之后得到注册顾问的批准。一旦加载并发布在西班牙证券交易所和市场（BME Growth）网站上，它就会在 Lleida.net 网站上的“投资者”部分中发布。

### **6 监控和监督控制活动：**

审计委员会在整个 2020 年开展了以下活动，以控制财务信息内部控制系统的正确运行：

- 审阅母公司 2019 年 1 月 1 日至 2020 年 6 月 30 日期间的中期个人财务报表-审阅本集团 2020 财政年度的个人财务报表和合并财务报表以及年度账目。
- 它已经审查了审核计划和外部审核员 BDO 审核员的独立性。
- 与外部审计师一起审查了审计工作的发展和工作风险领域

**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**

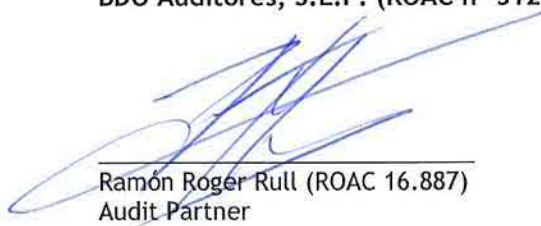
The Extraordinary General Shareholders' Meeting held on June 10, 2019 appointed us as the Group's auditors for a period of three years, starting from the year ended December 31, 2019.

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)              |

**LLEIDATRANSPORTS 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<br>Capital | Share<br>Premium | Reserves and<br>previous financial<br>year's income | Own holdings in<br>equity | Result attributed<br>to the Parent<br>Company | Adjustments for<br>changes in value | Minority<br>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<br>of Holding | Applied Method of<br>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 Telematics, 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 Lleidatrans 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<br>Percentage | Estimated Years of<br>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 |
|---------------------------------|----------------------------------------------------------|-------------|----------|----------------|--------------------------|
| Lleidatnet Guatemala            | 20%                                                      | 4.042,50    | (478,60) | -              | 712,78                   |
| Lleidatnet Honduras             | 30%                                                      | -           | -        | -              | -                        |
| Lleidatnet Brasil               | 0,01%                                                    | (22.561,10) | (94,04)  | (3.271,21)     | (2,59)                   |
| Lleidatnet 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<br>instruments<br>31/12/2020 | Equity<br>instruments<br>31/12/2019 | Credits and<br>Other Financial<br>Assets<br>31/12/2020 | Credits and<br>Other Financial<br>Assets<br>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<br>Financial Assets<br>31/12/2020 | Credits and Other<br>Financial Assets<br>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<br>31/12/2020 | Balance at<br>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<br>(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<br>(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<br>on the Closing Date Balance |                             |
|-------------------------------------------|------------------------------------------------------------------|-----------------------------|
|                                           | Financial year 2020<br>Days                                      | Financial year 2019<br>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<br>year 2020                                           | Financial<br>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                 |                  |                  |                   |
|-----------------------------------------|------------------|------------------|-------------------|
| Financial year's earnings (After taxes) |                  |                  | 926.397,73        |
|                                         | <i>Increases</i> | <i>Decreases</i> | <i>Net effect</i> |
| Profit tax                              | -                | (83.974,61)      | (83.974,61)       |
| Permanent differences                   | -                | (67.820,43)      | (67.820,43)       |
| Compensation of tax loss carryforwards  |                  |                  | (441.492,32)      |
| Taxable income (tax result)             |                  |                  | 468.751,23        |

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<br>31/12/2019 | Generated  | Cancelled | Balance at<br>31/12/2020 |
|-----------------------------|--------------------------|------------|-----------|--------------------------|
| <b>Deferred tax assets:</b> |                          |            |           |                          |
| 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<br>31/12/2018 | Generated | Cancelled  | Balance at<br>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<br>(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> | <b>2019</b>   | <b>2020</b>   | <b>Var. €</b> | <b>Var.%</b> |
|--------------------------------------------------|---------------|---------------|---------------|--------------|
| 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>      | <b>2019</b>  | <b>2020</b>  | <b>Var. €</b> | <b>Var.%</b> |
|------------------------------------------|--------------|--------------|---------------|--------------|
| 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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MIGUEL - 17147802Z  
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- 17147802Z, SN = PEREZ  
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Mr. Miguel Pérez Subias  
Independent Director

**CARBONELL  
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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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Mr. Antonio López del Castillo  
Independent Director

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Mrs. Arrate María Usandizaga Ruíz  
Executive Director

**BEATRIZ CARMEN  
GARCIA 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<br>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<br>Capital | Own<br>Shares | Issue<br>Premium | Reserves     | Retained<br>Earnings | Financial Year's<br>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)<br>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 Birchinn Court 20, Birchinn 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 Lleidatrans Serveis Telemàtics, S.A. and which correspond to 49% of the share capital of the incorporated company.

### Lleidanet South Africa

On September 21, 2020, the Company incorporated Lleidanet South 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>                              |               |           |                   |                    |                 |              |
| Lleidatrans serveis Telemàtics, LTD                 | 4,00          | -         | (555.140,18)      | 74.183,89          | -               | (480.952,29) |
| Lleidatrans USA Inc                                 | 397.591,09    | -         | (976.150,34)      | (31.912,49)        | -               | (610.471,74) |
| Lleidatrans Honduras, SA (**)                       | 941,50        | -         | -                 | -                  | -               | 941,50       |
| Lleidatrans 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     |
| Lleidatrans do Brasil Ltda.                         | 10.801,08     | -         | (36.633,39)       | (13.077,54)        | -               | (38.909,85)  |
| Lleidatrans 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    |
| Lleidatrans Costa Rica (**)                         | 16,06         | -         | (117,65)          | (39,23)            | -               | (140,82)     |
| Lleidatrans 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    |
| Lleidatrans 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>                            |                 |                   |                     |                         |                                   |
| Lleidatrans Serveis Telemàtics, LTD                | 100%            | 4,00              | -                   | 4,00                    | (535.960,63)                      |
| Lleidatrans USA Inc                                | 100%            | 397.591,09        | (397.591,09)        | -                       | (578.559,25)                      |
| Lleidatrans Honduras, SA                           | 70%             | 659,05            | -                   | 659,05                  | 941,50                            |
| Lleidatrans 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                          |
| Lleidatrans do Brasil Ltda                         | 99,99%          | 10.800,00         | -                   | 10.800,00               | (25.832,31)                       |
| Lleidatrans 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                          |
| Lleidatrans Costa Rica                             | 100%            | 16,06             | -                   | 16,06                   | (101,59)                          |
| Lleidatrans Perú                                   | 100%            | 268,09            | -                   | 268,09                  | (91.168,92)                       |
| Desembolsos pendientes Lleidatrans USA             | -               | (2.349,36)        | -                   | (2.349,36)              | -                                 |
| Desembolsos pendientes Lleidatrans Honduras, SA    | -               | (659,05)          | -                   | (659,05)                | -                                 |
| Desembolsos pendientes Lleidatrans Dominicana, 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<br>credit institutions |              | Others<br>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<br>credit institutions |              | Others<br>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     | -          | -          | -          | -          | -                 |
| <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     | -          | -          | -          | -          | -                 |
| <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<br>at the Balance Sheet Date |                              |
|---------------------------------------|------------------------------------------------------------|------------------------------|
|                                       | Financial Year 2020<br>Days                                | Financial Year 2019<br>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<br>Euros                               | Financial Year 2019<br>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<br>31/12/2019 | Generated  | Balance at<br>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<br>31/12/2018 | Cancelled  | Balance at<br>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-<br>DADES<br>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<br>(349.310,73) | 51.740,08<br>(51.740,08)   | -          | 26.229,14<br>(26.229,14) | -                                | 34.524,85                | 2.871,46<br>(2.871,46)   | 1.381,38             | 5.143,37        | 471.201,01<br>(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<br>(166.649,33) | 736.612,04<br>(426.221,52) | 208.104,05 | 5.046,97<br>(5.046,97)   | 147.314,05                       | 17.920,68<br>(17.920,68) | 47.747,97<br>(47.747,97) | -                    | -               | 1.566.851,32<br>(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<br>(59.039,94)  | 81.466,24                  | 22,74      | 2.669,62<br>(2.669,62)   | -                                | 3.299,33                 | 10.139,15<br>(10.139,15) | -                    | -               | 209.133,96<br>(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<br>related parties in 2019 | LLEIDA<br>NET UK | LLEIDA<br>NET USA | LLEIDA<br>SAS | LLEIDA REP.<br>DOMINIC. | PORTABI-<br>LIDADES<br>ESPAÑOLAS | LLEIDANET<br>BRASIL | LLEIDANET<br>PERÚ | LLEIDANET<br>COSTA RICA | LLEIDANET<br>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<br>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<br>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<br>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<br>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<br>(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 Lleidatnet 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%       |
| Other 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 Lleidatrans SaaS Services, which will be responsible for the distribution of Lleidatrans'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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(R:A25345331)  
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Mr. Francisco Sapena Soler  
Chairman and Chief Executive Officer

PEREZ SUBIAS  
MIGUEL -  
17147802Z

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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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Mr. Jorge Sainz de Vicuña  
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

BEATRIZ CARMEN  
GARCIA TORRE -  
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Mrs. Beatriz García Torre  
Executive Director

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

BDO es la marca comercial utilizada por toda la red BDO y para todas sus firmas miembro.

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