

SPAIN
Sector: Software

Report date: 08-feb-2023

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

Lleida.net

Summary and Conclusions

Market Data

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

Shareholders Structure (%)

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

Eligibility of revenue with the EU taxonomy (EUR Mn)

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

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

The EU taxonomy

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

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

Jesús López Gómez, CESGA – +34 915 904 226

jesus.lopez@lighthouse-ieaf.com

Luis Esteban Arribas, CESGA – +34 915 904 226

luis.esteban@lighthouse-ieaf.com

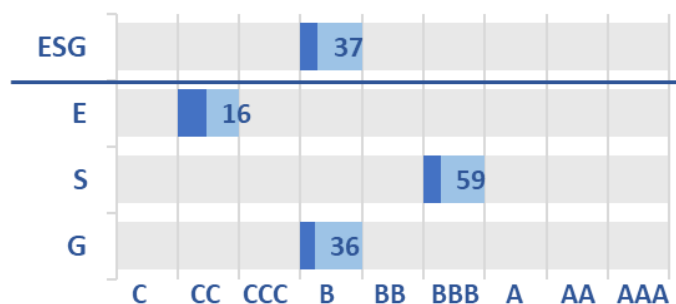
ENVIRONMENTAL (CC). The ESG pillar (16/100) where the room for improvement is clearly greatest due to the lack of an environmental policy and commitments to benchmark climate change initiatives, and a lack of measurement of Co2 emissions and waste. This is explained by the company's belonging to a sector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

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

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

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

ESG rating 2022⁽¹⁾ (by pillar)



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

ESG Rating 2022

B 37/100

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



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

A) Purpose

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

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

B) Basic principles

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

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

C) Essential elements

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












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

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

D) Contents

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

The ESG Rating 2022 Analysis ⁽¹⁾

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

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

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

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

Information supplementary to the ESG rating

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

NFIR ⁽¹⁾ in accordance with international standards No

Benchmark ESG commitments

2030 Agenda	No
UN global compact	Yes
EU Transparency Register	No

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

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

ESG Rating 2022 by pillar

	2022	
ESG rating	B	(37/100)
Environmental (E)	CC	(16/100)
Social (S)	BBB	(59/100)
Corporate Governance (G)	B	(36/100)

ESG Rating 2022

B

Puntuación
37/100

Environmental (E)

CC
16/100

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

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

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




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

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

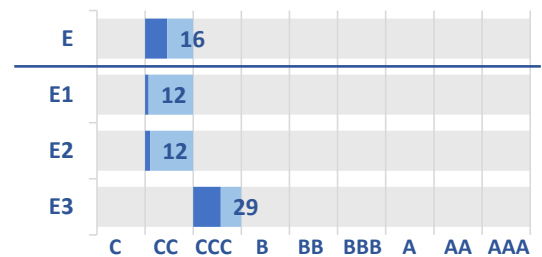
Conclusion of the Environmental Rating (CC): Lleida.net has an Environmental Rating (16/100) that is well below that for the company as a whole. This low score is the result of the company's lack of environmental policies and not measuring its environmental impact (emissions and waste), that means the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

Key Performance Indicators

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

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

Breakdown by concepts



Social (S)

BBB
59/100

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


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

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

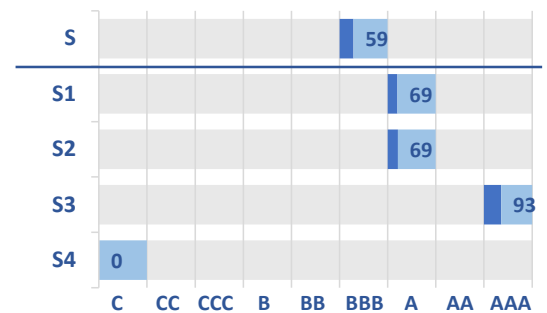
Contribution to society (AAA) The greatest strength of the social pillar. The company has a social contribution policy that is public and approved by the Board of Directors. The performance of donations in 2021 (c.60% on the promotion of sport) was very positive (+3.2% vs 2020 and +91.2% vs 2019). Very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

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

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

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

Breakdown by concepts



Key Performance Indicators

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

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

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

Corporate Governance (G)

B
36/100

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

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

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

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

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

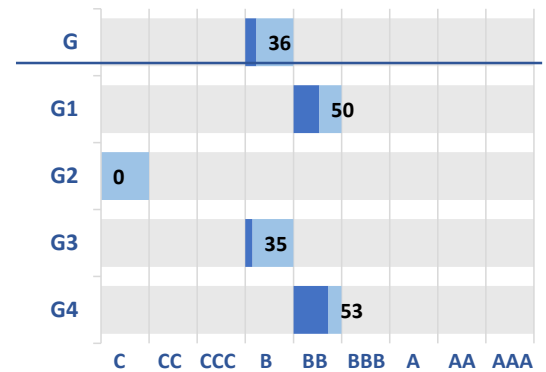
Ethics and integrity (B) The company has a public code of ethics, approved by the board of directors and applicable at the internal level (employees and management). As regards its content, the code of ethics does not explicitly deal with areas such as human rights or sponsorship/donations nor is it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

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

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

		2022
G	Corporate Governance	B 36/100
	G1 Good governance	BB 50/100
	G2 Risk management	C 0/100
	G3 Ethics and integrity	B 35/100
	G4 Fiscal transparency and accountability	BB 53/100

Breakdown by concepts



Key Performance Indicators

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

Annexes

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

Annexe I. Key financial indicators

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

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

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

Key financial indicators (2019-2021)

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

Annexe II. Alignment with the EU Taxonomy for sustainable activities

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

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

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

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

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

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

Eligibility with the taxonomy (2020-2021)

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

Climate change mitigation

Eligible income (%) 100,0%

Annexe III. Position on megatrends and controversial activities

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

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

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

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

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

Position in megatrends

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

Controversial activities

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

Annexe IV. ESG commitments and corporate reports

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

ESG commitments and corporate reports

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

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

Annexe V. Controversies and main risks

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

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

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

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

No risks referred to by the company

Annexe VI. Geographical area of operations

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

Main countries in which Lleida.net operates

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

The ESG Rating methodology of the Instituto Español de Analistas

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

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

Structure of the ESG Rating questionnaire by type of question

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

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

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

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

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

Structure of the assessment questionnaire

General block

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

It is comprised of:

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

ESG block – data for preparing the rating

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

It is comprised of:

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

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

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

Weighting of each ESG pillar by sector

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

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

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

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

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

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

The ESG Rating scale

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

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



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

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

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

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

IMPORTANT LEGAL INFORMATION ABOUT THIS REPORT

This is an ESG analysis report prepared by Lighthouse (IEAF Servicios de Análisis S.L.U.). The ESG classification or rating contained in this report is certified by the Instituto Español de Analistas Financieros.

LIGHTHOUSE

Lighthouse is a project of IEAF Servicios de Análisis S.L.U. Lighthouse has two areas of activity:

- to improve the research coverage of the "orphan stocks" of the Spanish market: those which lack real and continuous research coverage. Lighthouse reports will not include valuation or target price. Lighthouse does not seek to provide investment advice to any natural or legal person. For this reason, Lighthouse will not provide a personalised investment recommendation for any of the securities analysed.
- to analyse companies to assess their degree of compliance with ESG regulations and criteria (following the nomenclature accepted by the market for the Environmental, Social and Corporate Governance sphere of any company).

IEAF Servicios de Análisis S.L.U. is a Spanish company whose corporate purpose is:

- 1) To provide information and financial analysis regarding securities issued by any class of legal person that may be traded or not on official secondary markets, and especially those securities which are not the object of the recurrent provision of information and analysis by financial analysts who participate in the markets.
- 2) To publicise and update the aforementioned financial reports and analysis, in addition to the monitoring and following of the securities on which the information and analysis is provided.
- 3) To prepare studies and projects aimed at proposing and implementing measures to improve the information and financial analysis of the securities traded on official secondary markets.

IEAF Servicios de Análisis S.L.U. is a company whose sole shareholder is the Instituto Español de Analistas Financieros.

INSTITUTO ESPAÑOL DE ANALISTAS FINANCIEROS

The Instituto Español de Analistas Financieros founded in 1965 is a non-profit-making professional association of financial analysts and other professionals with financial activity linked to analysis: asset management, investment advice, provision of private equity, project finance, financial management, financial research and teaching staff specialising in finance, a large group of people to whom we refer for the sake of simplicity as "financial analysts". The Instituto Español de Analistas Financieros has several missions:

- (i) To provide, facilitate and bring together support services for financial analysts;
- (ii) To take part in public debate offering important suggestions and indications for the improvement of economic and financial activity;
- (iii) To promote the role of the financial analyst in society and to defend their contribution to the general interest;
- (iv) To certify the professional qualifications of those who have taken part in and passed training programmes of interest to financial analysts.

As part of its activity, the Instituto Español de Analistas Financieros has created IEAF Servicios de Análisis (Lighthouse). A company through which Instituto Español de Analistas Financieros contributes to improving the Spanish market's research coverage in two ways: 1) Providing fundamental analysis of "orphan stocks", and 2) Analysing with ESG criteria listed and unlisted Spanish market securities.

The Instituto Español de Analistas Financieros forms part of EFFAS (the European Federation of Financial Analysts Societies).

DISCLAIMER

IEAF Servicios de Análisis S.L.U. hereby certifies that every analyst whose name figures as the author of this report, expresses views that reflect their personal and independent opinion of the company analysed.

The company's ESG report and rating are based on the level of compliance of the company with ESG factors, defined according to prevailing legislation and market practices, to the extent that this level of compliance may directly or indirectly affect the company's shareholders, the evolution of its business or its financing capacity. The ESG factors analysed refer to the impact of the company's activity on the environment and on society and the quality of its corporate governance.

Consequently, this report is not a fundamental research report. This report and the ESG rating contained therein do not imply, either directly or indirectly, a personalised recommendation of the company analysed for purposes of offering investment advice. There is no recommendation, either direct or indirect, to buy or sell shares of the company.

Moreover, this report does not represent a credit rating. This report is neither a credit rating nor a classification, nor is it indicative of a possible present or future credit rating of the company.

Rules governing confidentiality and conflicts of interest

IEAF Servicios de Análisis, S.L.U. receives compensation for the preparation of this report. This compensation is satisfied by the company that is the subject of this report.

None of the following rules governing confidentiality and conflicts of interest (10) is applicable to this report:

1. In the last 12 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., has had Investment Banking mandates or has managed or co-managed a public offering of the securities of the issuer, or has received compensation from said issuer for Investment Banking services, that exclude brokerage services for prepaid fees.
2. In the next 6 months, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., expects to receive or intends to obtain compensation for Investment Banking services provided to this company, that exclude brokerage services for prepaid fees.
3. The Investment Analyst or a member of the Research Department or a member of their household has a long position in the shares or derivatives of the corresponding issuer.
4. The Investment Analyst or a member of the Research Department or a member of their household has a short position in the shares or derivatives of the corresponding issuer.
5. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a long position of over 0.5% of the issuer's capital.
6. At the date of publication, the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U. held a short position of over 0.5% of the issuer's capital.
7. At the end of the month immediately prior to the publication of this report, or of the previous month if the report is published in the ten days following the end of the month, the company analysed (the issuer) or any of its subsidiaries held 5% or more of any class of equity security of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U.

8. A senior director or officer of the Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., or a member of their departments is a director, officer, advisor or member of the Board of Directors of the issuer and/or one of its subsidiaries.
9. The Instituto Español de Analistas Financieros or its subsidiary, IEAF Servicios de Análisis S.L.U., acts as broker for the Issuer for the corresponding prepaid fees.
10. The issuer has made changes to the contents of this report prior to its distribution.

The Investment Analysts who have prepared this Investment Analysis are employees of IEAF Servicios de Análisis S.L.U. These analysts have received (or will receive) compensation according to the general earnings of IEAF Servicios de Análisis S.L.U. To obtain a copy of the Code of Conduct of IEAF Servicios de Análisis S.L.U. (in respect of the Management of Conflicts of Interest in the research department), please use the e-mail address secretaria@institutodeanalistas.com or consult the contents of this Code at institutodeanalistas.com.

IEAF Servicios de Análisis may send a draft of this report to the company with the sole purpose of the correction of objective errors.

A report prepared by IEAF Servicios de Análisis S.L.U.

This document has been prepared and distributed, according to the provisions of MiFID II by IEAF Servicios de Análisis S.L.U. Its corporate activity is regulated by the CNMV (the Spanish Securities Exchange Commission). The information and opinions expressed in this document do not represent nor are they intended to represent an offer or a solicitation to buy or sell the securities (in other words, the securities mentioned in this report and related warrants, options, rights or interests). The ESG rating contained in this report does not represent a credit classification or rating of the company analysed. The information and opinions contained in this document are based upon information available to the public and have been obtained from sources believed to be reliable by IEAF Servicios de Análisis S.L.U., but no guarantee is given regarding their accuracy or completeness. All comments and data provided solely reflect the opinion of IEAF Servicios de Análisis S.L.U. and do not offer any implicit or explicit guarantee. All the opinions expressed are subject to change without prior warning. This document does not take into account the specific investment objectives, financial position, risk profile or other specific aspects of the person who receives this document, and accordingly they should exercise their own judgement in this respect. Neither the Instituto Español de Analistas Financieros nor its subsidiary, IEAF Servicios de Análisis S.L.U., assumes any responsibility for direct or indirect losses arising from the use of the published research, except in the event of serious wilful misconduct or negligent conduct by IEAF Servicios de Análisis S.L.U. The information contained in this report is approved for direct distribution to professional clients, eligible counterparties and professional advisers, but not for distribution to private individuals or retail clients. The company analysed is obliged in all cases to make responsible use of the report in accordance with applicable legal regulations and market practices and customs.

The Instituto Español de Analistas Financieros and/or its subsidiary IEAF Servicios de Análisis S.L.U., their employees and directors, may hold a position (long or short) in an investment knowing that this issuer will be the object of analysis and that this analysis will be distributed to institutional investors.

Any further information regarding the contents of this report will be provided upon request.

United States IEAF Servicios de Análisis S.L.U. is not registered in the United States and, consequently, is not subject to the regulations of that country governing the preparation of research and the independence of analysts. This report is distributed solely to major US institutional investors, in reliance on the exemption from registration provided by Rule 15a-6 of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), and interpretations of this made by the US Securities Exchange Commission.

Major US institutional investors. This report will be distributed to "major US institutional investors", as defined by Rule 15a-6 of the US Securities Exchange Commission and of the US Securities Exchange Act of 1934.

An ESG rating issued by the Instituto Español de Analistas Financieros.

This ESG analysis report may contain an ESG classification or rating of the company analysed. This ESG rating is the responsibility of the Instituto Español de Analistas Financieros, that is who issues and certifies it, and under the terms and conditions outlined in this disclaimer classifies the company on the basis of an analysis of the ESG factors of the same carried out by IEAF Servicios de Análisis S.L.U. The ESG rating that may