

Madrid, 10 October 2018

RELEVANT EVENT

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.

Comparison with advanced data of H1 2018, limited audit reporting and consolidated accounts H1 2018, English version

Under the provisions of Article 17 of the Regulation (EU) No 596/2014 regarding market abuse and article 228 of the modified text of the Spanish Stock Market Act, approved by Spanish Royal Legislative Decree 4/2015, of 23 October and related provisions, as well as Circular 6/2018 of the Spanish Alternative Investment Market (MAB), we are hereby informing you of the following information relating to LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A (the “ Company” or Lleida.net):

- Comparison between the provisional results presented by the Company in the Relevant Event of July 16, 2018
- Limited revision by independent auditors and consolidated annual accounts of Lleida.net for H1 2018 in English Telemàtics, S.A for H1 2018.

We are available for any clarifications needed. Sincerely

Francisco Sapena Soler

Madrid, 10 October 2018



Lleida.net result report between January 1, 2018 and June 30, 2018

On 16 July Lleida.net Group published a preview of the profit and loss statement with the available provisional data.

After the limited reviewing by the company's auditors, the variation between the account data preview and those included in the consolidated annual accounts prepared by the Board of Directors is appended.

<i>Figures in thousands of euros</i>	HALF YEARLY ESTIMATED RESULTS		/ar. €	Var. %
Sales	6,281	6,279	(2)	0%
Sale costs	(3,273)	(3,281)	8	0%
Gross Margin	3,008	2,998	(10)	0%
Personnel expenses	(1,292)	(1,210)	(82)	-6%
External services	(1,132)	(1,201)	69	6%
Other incomes	4	9	5	125%
Activations	328	328	0	0%
EBITDA	916	924	8	1%
Depreciation	(573)	(573)	0	0%
Other results			0 -	
Ordinary activities results	343	351	8	2%
Net Financial Debt	(53)	(54)	1	2%
Exchange Rate Differences	(14)	(8)	(6) -	
Earnings before Tax	276	289	13	5%

Variations are therefore insignificant, the main one is related to a variation in personnel expenses, since the cost of independent third parties was initially included as personnel expenses and with a view to the formulation of financial statements it has been included in external services.

All the other provisions do not have significant variations and consequently we have:

<i>Figures in thousands of euros</i>	H1 2017	H1 2018	Var. €	Var. %
Sales	4,692	6,279	1,587	34%
Sale costs	(2,115)	(3,281)	(1,166)	55%
Gross Margin	2,577	2,998	421	16%
Personnel expenses	(1,273)	(1,210)	(63)	-5%
External services	(1,199)	(1,201)	2	0%
Other incomes	7	9	2	29%
Activations	387	328	(59)	-15%
EBITDA	499	924	425	85%
Depreciation	(522)	(573)	51	10%
Other results	(12)		(12) -	
Ordinary activities results	(35)	351	386	1103%
Net Financial Debt	(50)	(54)	4	8%
Exchange Rate Differences	(76)	(8)	(68)	-89%
Earnings before Tax	(161)	289	450	280%



- Turnover increase continues with its double-digit growth with significant growth this last quarter of sales, there are no variations with respect to the data presented in July advanced results. The new Data Protection regulation has allowed an increase in the turnover but above all to the launch of new processes in relevant customers that will create recurring sales

<u>Sales per business line</u> <u>Thousands of euros</u>	HALF YEARLY ESTIMATED RESULTS		Var. €	Var. %
SaaS services	1,622	1,622	0	0%
SMS solutions	1,426	1,426	0	0%
Interconnection WHOLESale solutions	3,233	3,231	-2	0%
Total	6,281	6,279	-2	0%

- Wholesale sales continue to grow with quarterly sales exceeding 3.2 million and representing an increase of 69% in the cumulative figures for the same period of 2017.

<u>Sales per business line</u> <u>Thousands of euros</u>	H1 2017	H1 2018	Var. €	Var. %
SaaS services	1,302	1,622	320	25%
SMS solutions	1,480	1,426	-54	-4%
Interconnection WHOLESale solutions	1,910	3,231	1,321	69%
Total	4,692	6,279	1,587	34%

- EBITDA reaches 3 million euros which represents an increase of 16% compared to H1 previous year.

- EBITDA has experienced a great boom thanks to the policy of optimization and cost reduction that exists within the group.

- The consolidated EBITDA of the first half year is almost one million euros and it represents 15% of the sales compared to 11% in 2017.

- Pursuing a criterion of prudence, the group has chosen to activate a lower amount of R & D activities to avoid possible fiscal contingencies, although the current pace of R & D spending is maintained. Currently, 15% less is activated in the semester compared to 2017.

In terms of Balance, the main intangible variations are explained by the R + D + i developments that have been undertaken this year, for an amount of 328 thousand euros which are aimed at strengthening the SaaS line services.

As per current assets, the variation in the customer figure accounts for the 34% increase in sales, there is no expected loss ratio that entail significant provisions for uncollected sales.



	Annual accounts 2017	Half yearly accounts 2018	Difference
(Assets) Thousands of euros			
Intangible fixed assets	3,847	3,742	(105)
Tangible fix assets	388	385	(3)
LT Investments in group and associated companies	17	17	0
LT Financial investments	189	188	(1)
Deferred tax assets	138	138	0
Total non-current assets	4,579	4,470	(109)
Advances to suppliers			
Trade receivables and other receivable accounts	2,290	2,701	411
ST financial investments	1,013	703	(310)
ST Accruals	225	204	(21)
Cash and other equivalent liquid assets	530	804	274
Total current assets	4,058	4,412	354
Total assets	8,637	8,882	245

	Annual accounts 2017	Half yearly accounts 2018	Difference
(Assets) Thousands of euros			
Capital	321	321	0
Share Premium	5,244	5,244	0
Reserves	(1,924)	(1,884)	40
(Own shares)	(935)	(924)	11
Profit attributable to the parent company	59	271	212
Conversion differences	105	86	(19)
External partners	1	1	0
Total Equity	2,871	3,115	244
Long Term Debts	1,143	1,004	(139)
Total non - current liabilities	1,143	1,004	(139)
ST amortizations	31	33	2
Short term debts	2,810	2,491	(319)
Trade payables and other payable accounts	1,782	2,239	457
Total current liabilities	4,623	4,763	140
TOTAL EQUITY AND LIABILITIES	8,637	8,882	245

In terms of liabilities, it should be noted that there are no significant variations with respect to the data published in the Relevant event on net indebtedness, which stands at 1,988 million euros as previously mentioned. The increase in commercial creditors and other receivables comes from the increase in purchases to fulfil the growth in sales.

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED ON JUNE, 30TH 2018 TOGETHER WITH
THE INDEPENDENT LIMITED REVIEW REPORT ON THE
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*(TRANSLATION FROM THE INTERIM FINANCIAL STATEMENTS 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**

**Interim Consolidated Financial Statements and Consolidated
Director's Report for the period ended on June,
30th 2018 together with the Independent Auditor's
Report on the Interim Consolidated Financial Statements**

LIMITED REVIEW AUDIT REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE SIX MONTH PERIOD
ENDED ON JUNE 30, 2018:**

Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017
Consolidated Income and Expenses Statement for the six-month period ended on June 30,
2018 and the six-month period ended on June 30, 2017.
Consolidated Statements of Changes in Equity for the six-month period ended on June 30, 2018
and the year 2017.
Consolidated Statements of Cash Flows for the six-month period ended on June 30, 2018 and
the six-month period ended on June 30, 2017.
Notes to the Consolidated Interim Financial Statements as of June 30, 2018.

**CONSOLIDATED DIRECTORS' REPORT FOR THE SIX MONTH PERIOD ENDED ON JUNE 30th
2018**



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

LIMITED REVIEW AUDIT REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

*(Translation of the report originally issued in Spanish.
In the event of discrepancy, the Spanish Language version prevails)*

Limited Review Report on the Interim Consolidated Financial Statements

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

Limited review report on the interim consolidated financial statement

We have reviewed the interim consolidated financial statements of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. (Parent Company) AND SUBSIDIARIES (The Group)**, which comprise the consolidated balance sheet as of June 30, 2018, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash-flow statement and the notes to the interim consolidated financial statements for the six months' period then ended. The directors of the Parent Company are responsible for the preparation and fair presentation of the interim financial statements in accordance with the regulatory framework of financial information applicable to the Company in Spain, as identified in Note 2.a of the accompanying notes to the interim consolidated financial statements, and of the internal control deemed necessary to enable the preparation of the financial statements free of material misstatements, whether due to fraud or error. Our responsibility is to express a conclusion on this interim financial statements based on our limited review.

Scope of review

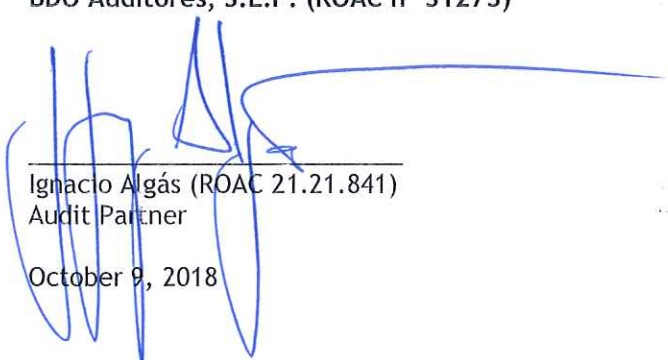
We have performed our limited review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Company". A limited review on interim consolidated financial statements consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the regulations governing the auditing of accounts and, therefore, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our limited review, which cannot be understood as an audit of accounts, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements does not present fairly, in all material respects the true and fair view of the consolidated equity and consolidated financial position of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES**, as of June 30, 2018, as well as their results and cash flows for the six-month period then ended, in accordance with the applicable financial information regulatory framework and, in particular, with the accounting principles and criteria contained therein.

Other matters

This report has been prepared at the request of the Board of Directors of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** in connection with the publication of the six-monthly financial report required by the Circular 15/2016, of the Spanish Alternative Stock Market about 'Information to be supplied by companies in expansion and SOCIMI incorporated to negotiation in the Alternative Stock Market'.

BDO Auditores, S.L.P. (ROAC nº S1273)

Ignacio Algás (ROAC 21.21.841)
Audit Partner

October 9, 2018

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED ON JUNE 30, 2018

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2018 AND DECEMBER 31, 2017

(Expressed in Euros)

ASSETS	Notes to the Interim Consolidated Financial Statements	30/06/2018	31/12/2017
NON-CURRENT ASSETS		4.469.366,47	4.579.953,77
Intangible assets	Note 5	3.741.888,24	3.847.507,50
Tangible fixed assets	Note 6	384.526,15	387.817,47
Land and buildings		165.806,88	143.327,21
Technical installations and other tangible fixed assets		218.719,27	244.490,26
Long-term investments in group and affiliated companies		16.708,42	16.708,11
Shares in equity method		16.708,42	16.708,11
Long-term financial investments	Note 8	188.143,03	189.820,04
Deferred Tax Assets	Note 14	138.100,65	138.100,65
CURRENT ASSETS		4.412.150,78	4.056.611,85
Trade and other receivables		2.700.877,49	2.289.412,62
Client receivables for sales and services	Note 8.2	2.534.175,65	2.172.207,60
Sundry debtors	Note 8.2	51.995,31	38.993,92
Staff	Note 8.2	3.911,03	4.625,00
Current tax assets	Note 14	73.125,01	29.693,49
Other receivables from Public Authorities	Note 14	37.670,49	43.892,61
Short-term financial assets	Note 8.2	703.005,50	1.012.416,64
Short-term accruals		204.138,05	224.784,46
Cash and cash equivalents	Note 8.1.a	804.129,74	529.998,13
Cash		804.129,74	529.998,13
TOTAL ASSETS		8.881.517,25	8.636.565,62

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2018 AND DECEMBER 31, 2017

(Expressed in Euros)

EQUITY AND LIABILITIES		Notes to the Interim Consolidated Financial Statements	30/06/2018	31/12/2017
EQUITY			3.114.852,88	2.871.332,11
Equity			3.028.560,73	2.765.485,06
Capital	Note 12.1		320.998,86	320.998,86
Share Capital			320.998,86	320.998,86
Issue Premium	Note 12.3		5.244.344,28	5.244.344,28
Reserves	Note 12.2		(1.884.077,42)	(1.923.760,42)
Legal and statutory			47.503,72	47.503,72
Other Reserves			(1.931.581,14)	(1.971.264,14)
(Shares and own holdings in equity)	Note 12.4		(923.861,00)	(935.557,23)
Financial year result attributed to the parent company			271.156,01	59.460,37
Consolidated Losses and Profits			271.154,79	59.457,38
(Minority interest losses and profits)			1,22	2,99
Adjustments for changes in value			85.600,34	105.158,54
Minority interests	Note 4		691,81	687,71
NON-CURRENT LIABILITIES			1.003.736,28	1.143.026,35
Long-term debts			1.003.736,28	1.143.026,35
Debts with credit institutions	Note 9.1		920.594,72	1.023.296,73
Financial lease debts	Note 9.1		38.588,30	48.443,90
Other financial liabilities	Note 9.1		44.553,26	71.285,72
CURRENT LIABILITIES			4.762.928,09	4.622.207,16
Short-term provisions			32.820,00	31.320,00
Other provisions			32.820,00	31.320,00
Short-terms debts		Note 9.1	2.491.265,62	2.809.564,64
Debts with credit institutions			2.409.737,22	2.732.604,86
Financial lease debts			19.630,11	19.454,57
Other financial liabilities			61.898,29	57.505,21
Trade and other payables			2.238.842,47	1.781.322,52
Suppliers	Note 9.1		1.561.929,35	1.125.581,58
Sundry creditors	Note 9.1		313.861,31	373.877,19
Staff (remuneration payable)	Note 9.1		80.828,32	2.053,13
Other debts with Public Authorities	Note 14		128.343,49	100.966,77
Advances from clients	Note 9.1		153.880,00	178.843,85
TOTAL EQUITY AND LIABILITIES			8.881.517,25	8.636.565,62

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

**CONSOLIDATED INCOME AND EXPENSES STATEMENT FOR THE SIX MONTH PERIOD
ENDED ON JUNE 30, 2018 AND THE SIX MONTH PERIOD ENDED ON JUNE 30, 2017**

(Expressed in Euros)

PROFIT AND LOSS ACCOUNTS	Notes to the Interim Consolidated Financial Statements	2018 (6 months)	2017 (6 months)
Net turnover	Note 21	6.278.855,83	4.691.931,96
Work performed by the Company for its assets	Note 5	328.140,30	387.011,26
Supplies	Note 15.a	(3.281.225,48)	(2.115.442,94)
Goods consumed		(3.281.225,48)	(2.115.442,94)
Other operating income		9.389,93	7.039,66
Staff expenses		(1.210.642,09)	(1.181.924,95)
Wage, salaries and the like		(909.213,97)	(903.578,51)
Fringe benefits	Note 15.b	(301.428,12)	(278.346,44)
Other operating expenses		(1.201.343,03)	(1.290.497,94)
External charges for services		(1.191.095,94)	(1.261.272,80)
Taxes		(10.192,09)	(2.269,37)
Losses, Impairment and change in trade provisions		(5,13)	(26.955,77)
Other current operating expenses		(49,87)	-
Amortization of fixed assets	Notes 5 and 6	(573.224,32)	(521.793,75)
Other earnings		1.065,62	(11.729,08)
OPERATING EARNINGS		351.016,76	(35.405,78)
Financial income	Note 15.c	222,19	3.555,61
Financial expenses	Note 15.c	(54.140,79)	(54.848,32)
Change in fair value of financial instruments	Note 15.c	88,90	990,97
Exchange differences	Note 15.c	(8.011,00)	(75.640,29)
FINANCIAL EARNINGS		(61.840,70)	(125.942,03)
PRE-TAX EARNINGS		289.176,06	(161.347,81)
Profit tax	Note 14	(18.021,27)	-
FINANCIAL YEAR'S EARNINGS	Note 18	271.154,79	(161.347,81)
Result attributed to the Parent Company		271.156,01	(161.346,20)
Result attributed to minority interests		(1,22)	(1,61)

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED ON JUNE 30, 2018 AND THE YEAR 2017
(Expressed in euros)

	Share Capital	Share Premium	Reserves and previous financial year's income	Own holdings in equity	Result attributed to the Parent Company	Adjustments for changes in value	Minority interests	Total
BALANCE, END OF 2016	320.998,86	5.244.344,28	(452.733,62)	(898.227,80)	(1.428.897,94)	30.396,69	1.066,63	2.816.947,10
Total recognized income and expenses	-	-	-	-	59.460,37	74.761,85	(378,92)	133.843,30
Transactions with shareholders:	-	-	(42.369,86)	(37.329,43)	-	-	-	(79.699,29)
Transactions with own equity instruments (net)	-	-	(42.369,86)	(37.329,43)	-	-	-	(79.699,29)
Other changes in equity:	-	-	(1.428.656,94)	-	1.428.897,94	-	-	241,00
Distribution of earnings from the previous year	-	-	(1.428.897,94)	-	1.428.897,94	-	-	-
Others movements	-	-	241,00	-	-	-	-	241,00
BALANCE, END OF 2017	320.998,86	5.244.344,28	(1.923.760,42)	(935.557,23)	59.460,37	105.158,54	687,71	2.871.332,11
Total recognized income and expenses	-	-	-	-	271.156,01	(19.656,28)	102,18	251.601,91
Transactions with shareholders:	-	-	(19.768,07)	11.696,23	-	-	-	(8.071,84)
Transactions with own equity instruments (net)	-	-	(19.768,07)	11.696,23	-	-	-	(8.071,84)
Other changes in equity:	-	-	59.451,07	-	(59.460,37)	-	-	(9,30)
Distribution of earnings from the previous year	-	-	59.460,37	-	(59.460,37)	-	-	-
Others movements	-	-	(9,30)	-	-	-	-	(9,30)
BALANCE AS OF JUNE 30, 2018	320.998,86	5.244.344,28	(1.884.077,42)	(923.861,00)	271.156,01	85.502,26	789,89	3.114.852,88

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED ON
JUNE 30, 2018 AND THE SIX MONTH PERIOD ENDED ON JUNE 30, 2017**

(Expressed in Euros)

	2018 (6 months)	2017 (6 months)
CASH FLOW FROM OPERATING ACTIVITIES	884.696,62	872.860,66
Financial year's pre-tax earnings	289.176,06	(161.347,81)
Adjustments to earnings	628.559,15	467.688,76
Fixed asset amortisation	573.224,32	521.793,75
Valuation changes for impairment	5,13	26.955,77
Change in provisions	1.500,00	(131.362,50)
Financial income	(222,19)	(3.555,61)
Financial expenses	54.140,79	54.848,32
Change in fair value of financial instruments	(88,90)	(990,97)
Changes in current capital	82.332,79	620.525,85
Inventories	-	(7.192,23)
Debtors and other accounts receivable	(368.038,48)	109.646,41
Other current assets	20.646,41	16.869,79
Trade payables and other accounts payable	429.724,86	501.201,88
Other cash flow from operating activities	(115.371,38)	(54.006,14)
Interest payments	(54.140,79)	(54.848,32)
Receipts of interests	222,19	3.555,61
Receipts (payments) for profit tax	(61.452,78)	(2.713,43)
CASH FLOW FROM INVESTMENT ACTIVITIES	(152.975,92)	(540.188,40)
Payments for investments	(464.152,97)	(540.188,40)
Intangible assets	(405.566,44)	(526.378,15)
Tangible assets	(58.586,53)	(13.785,94)
Other financial assets	-	(24,31)
Proceeds from disposals	311.177,05	-
Other financial assets	311.177,05	-
CASH FLOW FROM FINANCING ACTIVITIES	(457.589,09)	(1.101.878,59)
Receipts and payments for equity instruments	-	(29.088,32)
Acquisition of own equity instruments	-	(29.088,32)
Receipts and payments for financial-liability instruments	(457.589,09)	(1.072.790,27)
Issuance	345.000,00	-
Amounts owed to credit institutions	345.000,00	-
Repayment and amortisation of:	(802.589,09)	(1.072.790,27)
Amounts owed to credit institutions	(780.249,71)	(1.043.393,73)
Others	(22.339,38)	(29.396,54)
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS	274.131,61	(769.206,33)
Cash and cash equivalents at start of the financial year	529.998,13	1.494.049,36
Cash and cash equivalents at end of the financial year	804.129,74	724.843,03

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2018

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 "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. In the previous year its registered office was at the Parc Científic i Tecnològic Agroalimentari de Lleida, Edifici H1, Planta 2, de 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) 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 the Alternative Stock Market

On June 1st, 2015, the Parent Company approved at the Shareholders' Meeting the request for incorporation into the Alternative Stock Market 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.

1.2) Group Companies

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

Group Companies included in the Consolidation Perimeter

The breakdown of the Group Companies included in the consolidation perimeter as of June 30, 2018 is the following:

	Percentage of Holding	Applied Method of Consolidation
Group Lleidatnetworks Serveis Telemàtics, S.A.		
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.A.	100%	Global Integration
Lleidanet Costa Rica	100%	Global Integration
Lleidanet Perú	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, 2017.

Detail of activities and registered office of the Subsidiaries included in the perimeter of consolidation as of June 30, 2018, 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.

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

Lleidatrans Honduras, S.A.

Its registered office in Tegucigalpa (Honduras), it was incorporated on January 11, 2012 subscribing, Lleidatrans 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.

Lleidatrans Dominicana, S.R.L.

Headquartered in Santo Domingo (Dominican Republic), was incorporated on June 26, 2012 subscribing, Lleidatrans 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.

Lleida SAS

With its registered office in Bogotá (Colombia), it was incorporated on November 16, 2012 subscribing, Lleidatrans 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 Lleidatrans Serveis Telemàtics, S.A. subscribed in full.

Lleida Chile SPA

With its registered office in Santiago (Chile), it was incorporated on March 12, 2013, subscribing, Lleidatrans 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, Lleidatrans 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

Lleidatrans do Brasil Ltda

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

Lleidanet Guatemala, Sociedad Anónima

With its registered office in Guatemala (Guatemala), it was incorporated on November 7, 2013 subscribing, 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.A.

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.

Lleidanet Costa Rica Empresa Individual de Responsabilidad Limitada

On March 31, 2016, the Parent acquires D. Francisco José Sapena Soler 100% of this Company for the amount of 16.06 euros. Its main activity is the provision, organization and commercialization of telecommunication services and activities such as mobile messaging services (SMS and MMS), carriers, etc., the creation, generation and exploitation of information and communication technologies and the provision of consulting and advisory services on these matters.

Lleidanet Perú

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.

NOTE 2. PRESENTATION BASIS OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

a) True and Fair View

The accompanying Interim Consolidated Financial statements of the period ended as of June 30, 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 Interim Consolidated Financial Statements are expressed in euros.

c) Critical Aspects of Uncertainties Valuation and Estimation

As of June 30, 2017, the Group has a negative working capital amounting to 350.777,31 euros. Nevertheless, the Parent's Board of Directors considers that the degree of compliance of the business plan established by the Group, together with the cash flows from positive operations accompanied by an increase in sales and gross margin, as well as the formalisation in July 2018 of two new loans amounting to a total of 500.000 euros, do not make it foreseeable that there will be a problem in meeting liabilities maturing in the short term or difficulties in renewing existing credit facilities. For all these reasons, these consolidated interim financial statements have been drawn up in accordance with the principle of a going concern.

Except as mentioned in the preceding paragraph, there are no significant uncertainties or aspects about the future that may involve a significant risk that may entail significant changes in the value of the assets and liabilities in the following year, except for those of the nature of the deal:

- Growth slower than anticipated in the Business Plan: slower maturation of some countries
- Reasonableness and the activation and recoverability of research projects
- Foreign currency risk, although the Company has a natural hedge with income and costs in foreign subsidiaries denominated in the same currency.
- Market very atomized and competitive at local level

There have been no changes in accounting estimates that have affected the current year or that could significantly affect future years.

d) Comparison of the Information

In accordance with commercial legislation, the Board of Directors of the Parent Company presents, for comparison purposes, each of the Consolidated Balance Sheets and Consolidated Statement of Changes in Equity, in addition to the figures for the six-month period ended on June 30, 2018, those corresponding to the 12-month period ended December 31, 2017, which were part of the Interim Consolidated Financial Statements for the year 2017 approved by the General Shareholders' Meeting on June 25, 2018. Referring to the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement, the Board of Directors of the Parent Company presents, in addition to the figures for the six-month period ended June 30, 2018, those corresponding to the States Interim Consolidated Financial Statements as of June 30, 2017, which is why the effects on the Consolidated Profit and Loss Account recognized in certain Notes to the Interim Consolidated Financial Statements are not directly traceable to the Consolidated Profit and Loss Account because they reflect the effect of the entire year, while the Consolidated Statement of Income only reflects the effect of the 6-month period. This fact must be considered in the interpretation of these interim financial statements.

e) Changes in Accounting Standards

There have been no changes in the accounting standards.

f) Responsibility for the Information given and the Estimates made

For the preparation of the Interim Consolidated Financial Statements 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 Interim Consolidated Financial Statements, 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.

g) Statement of Recognized Income and Expenses

In this year, as in the previous year, the Group has not recognized income or expenses directly in equity, having recorded all of them in the income statement for the corresponding year. Therefore, these Interim Financial Statements do not include the Statement of Recognized Income and Expenses.

NOTE 3. RECOGNITION AND VALUATION STANDARDS

The principal valuation standards used by the Group in the drafting of its Interim Consolidated Financial Statements on June 30, 2018, in accordance with those established by the General Accounting Plan, were as follows:

a) Consolidation Principles

The consolidation of the Financial Statements of Lleidatrans Serveis Telemàtics, S.A. with the Financial Statements of its investee companies mentioned in Notes 1.2 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 **Lleidatrans 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.

Research and Development Costs

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

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

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

Computer Applications

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

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

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

Industrial Property

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

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

c) Tangible Fixed Assets

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

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

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

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

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

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

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

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

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

d) Leases and Other Transactions of a Similar Nature

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

e) Financial Instruments

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

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

Loans and Receivable Items and Debts and Payable Items

Loans and Receivable Items

The following are classified under this category:

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

Debts and Payable Items

The following are classified under this category:

- a) Trade debts: financial debts arising from the purchase of assets and services through commercial transactions, and
- b) Non trade debts: financial liabilities which, not being derivative instruments, have no commercial origins.

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

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

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

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

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

Allowance for impairment of debts as of June 30, 2018, has been estimated on the basis of the analysis made on each of the individualized outstanding receivables on that date.

Financial Assets Available for Sale

This category includes debt securities and equity instruments from other companies not classified in any of the preceding categories.

Subsequently, they are valued by their fair value, without deducting the transaction costs that might be incurred in their alienation. Changes in fair value are directly recognized in the equity, until the financial asset leads to de-recognition or is impaired, where the value so recognized is allocated to the Consolidated Profit and Loss Account.

Notwithstanding the above, allowances for impairment and losses and gains which arise from exchange differences in monetary financial assets in foreign currency are recognized in the Consolidated Profit and Loss Account rate.

The value of both the interest, calculated under the effective interest method, and the accrued dividends are also recognized in the Consolidated Profit and Loss Account.

Investments in equity instruments whose fair value cannot be reliably determined are valued by their cost, less, where appropriate, the accumulated value of the allowances for impairment.

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 of June 30, 2018 is as follows, in Euros:

Group Company	Percentage of minority interests shareholders (holdings)	Equity	Others	Period results	Total Minority interests
Lleidatrans Guatemala	20%	4.042,50	(567,46)	-	695,01
Lleidatrans Honduras	30%	-	-	-	-
Lleidatrans Brasil	0,01%	(8.927,94)	194,34	(3.783,51)	(2,26)
Lleidatrans República Dominicana	0,02%	(2.066,78)	1.587,69	(4.209,07)	(0,94)
					691,81

NOTE 5. INTANGIBLE FIXED ASSETS

The detail and movement of Intangible Fixed Assets for the six-month period ended as of June 30, 2018 is as follows, in euros:

	31/12/2017	Additions	Transfers	30/06/2018
Cost:				
Research	9.341.242,16	328.140,30	-	9.669.382,46
Industrial Property	388.550,99	-	-	388.550,99
Computer applications	221.657,90	2.983,23	1.996,00	226.637,13
Advances for intangible fixed assets	656.368,89	74.442,91	(1.996,00)	728.815,80
	10.607.819,94	405.566,44	-	11.013.386,38
Accumulated amortization:				
Research	(6.514.100,47)	(451.888,63)	-	(6.965.989,10)
Industrial Property	(65.531,01)	(52.323,09)	-	(117.854,10)
Computer applications	(180.680,96)	(6.973,98)	-	(187.654,94)
	(6.760.312,44)	(511.185,70)	-	(7.271.498,14)
Intangible Fixed Assets, Net	3.847.507,50	(105.619,26)	-	3.741.888,24

The details and changes in intangible fixed assets throughout the financial year 2017 were as follows, in euros:

	31/12/2016	Additions	De- Recognition	Transfers	30/06/2017
Cost:					
Research	8.492.284,57	848.957,59	-	-	9.341.242,16
Industrial Property	188.966,60	-	-	199.584,39	388.550,99
Computer applications	180.706,33	40.951,57	-	-	221.657,90
Advances for intangible fixed assets	571.672,17	284.281,11	-	(199.584,39)	656.368,89
	9.433.629,67	1.174.190,27	-	-	10.607.819,94
Accumulated amortization:					
Research	(5.594.085,96)	(920.014,51)	-	-	(6.514.100,47)
Industrial Property	(27.344,34)	(38.186,67)	-	-	(65.531,01)
Computer applications	(170.663,60)	(10.017,36)	-	-	(180.680,96)
	(5.792.093,90)	(968.218,54)	-	-	(6.760.312,44)
Intangible Fixed Assets, Net	3.641.535,77	205.971,73	-	-	3.847.507,50

Fully-amortized and in-use items

The breakdown, by epigraphs, of the most significant assets which were fully-amortised and in use as of June 30, 2018 and at December 31, 2017, is the following, stating their cost values in Euros:

	30/06/2018	31/12/2017
Research	5.472.949,24	4.786.791,68
Patents	26.783,16	1.376,84
Computer applications	167.566,20	167.566,20
	5.667.298,60	4.955.734,72

NOTE 6. TANGIBLE ASSETS

The detail and changes of tangible fixed assets for year 2018, until June 30, is the following, in euros:

	31/12/2017	Additions	Others movements	30/06/2018
Cost:				
Land and buildings	172.228,55	24.957,19	-	197.185,74
Technical installations and machinery	258.126,00	-	(489,25)	257.636,75
Other installations, tools and furniture	79.150,73	15.900,28	-	95.051,01
Data processing equipment	382.133,66	15.881,14	1.459,76	399.474,56
Other tangible fixed assets	3.087,87	1.847,92	-	4.935,79
	894.726,81	58.586,53	970,51	954.283,85
Accumulated amortization:				
Land and buildings	(28.901,34)	(2.477,52)	-	(31.378,86)
Technical installations and machinery	(184.466,49)	(10.192,24)	(288,96)	(194.947,69)
Other installations, tools and furniture	(45.553,76)	(4.520,74)	-	(50.074,50)
Data processing equipment	(244.899,88)	(44.720,68)	(520,78)	(290.141,34)
Other tangible fixed assets	(3.087,87)	(127,44)	-	(3.215,31)
	(506.909,34)	(62.038,62)	(809,74)	(569.757,70)
Tangible Fixed Assets, Net	387.817,47	(3.452,09)	160,77	384.526,15

The details and changes in tangible fixed assets throughout the financial year 2017 were as follows, in euros:

	31/12/2016	Additions	Transfers	31/12/2017
Cost:				
Land and buildings	172.228,55	-	-	172.228,55
Technical installations and machinery	258.126,00	-	-	258.126,00
Other installations, tools and furniture	79.150,73	-	-	79.150,73
Data processing equipment	271.069,30	33.013,36	78.051,00	382.133,66
Other tangible fixed assets	3.087,87	-	-	3.087,87
Fixed assets under construction	78.051,00	-	(78.051,00)	-
	861.713,45	33.013,36	-	894.726,81
Accumulated amortization:				
Land and buildings	(24.595,63)	(4.305,71)	-	(28.901,34)
Technical installations and machinery	(164.510,72)	(19.955,77)	-	(184.466,49)
Other installations, tools and furniture	(38.197,68)	(7.356,08)	-	(45.553,76)
Data processing equipment	(168.731,64)	(76.168,24)	-	(244.899,88)
Other tangible fixed assets	(2.645,84)	(442,03)	-	(3.087,87)
	(398.681,51)	(108.227,83)	-	(506.909,34)
Tangible Fixed Assets, Net	463.031,94	(75.214,47)	-	387.817,47

Fully-Amortized and in-Use Items

The breakdown, by epigraphs, of the most significant assets which were fully-amortised and in use as of June 30, 2018 and at December 31, 2017, is shown below stating their cost values in Euros:

	30/06/2018	31/12/2017
Technical installations and machinery	43.468,70	43.468,70
Data processing equipment	148.061,46	129.448,92
	191.530,16	172.917,62

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 June 30, 2018, 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	04/05/2017	58.218,41

The following is the total amount of future payments in financial leases as of June 30, 2018, in euros:

	Financial year 2018
Total amount of minimum future payments at the close of the year	58.051,88
(-) Non-accrued financial expenses	(1.540,74)
Value of the purchase option	1.707,27
Current value at the close of the year	58.218,41

7.2) Operating Leases (the Company as Lessee)

The amount of the contingent payments recognized as an expense in the period ended as of June 30, 2018, is 152.277,02 euros (164.824,69 euros in the period of six months ended as of June 30, 2017).

The following is the breakdown of the total amount of the minimum future payments corresponding to the non-cancellable operating leases:

	2018	2017
Up to 1 year	192.824,27	211.130,03
Between 1 and 5 years	247.519,69	206.833,55
More of 5 years	166.082,40	170.695,80
	606.426,36	588.659,38

NOTE 8. FINANCIAL ASSETS

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

	Equity instruments 30/06/2018	Equity instruments 31/12/2017	Credits and Others Financial Assets 30/06/2018	Credits and Others Financial Assets 31/12/2017
Loans and receivable items (Note 8.2)		-	34.065,63	35.742,64
Financial assets available for sale (Note 8.3)	154.077,40	154.077,40	-	-
	154.077,40	154.077,40	34.065,63	35.742,64

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

	Credits and Others Financial Assets 30/06/2018	Credits and Others Financial Assets 31/12/2017
Assets at fair value through the profit and loss:	804.129,74	529.998,13
Cash or other liquid assets (Note 8.1)	804.129,74	529.998,13
Loans and receivable items (Note 8.2)	3.293.087,49	3.228.243,16
Total	4.097.217,23	3.758.241,29

8.1) Assets at Fair Value through the Profit and Loss

Cash and other Equivalent Liquid Assets

The detail of this assets as of June 30, 2018 and at December 31, 2017 is as follows, in euros:

	Balance at 30/06/2018	Balance at 31/12/2017
Current Accounts	793.088,76	520.079,17
Cash	11.040,98	9.918,96
Total	804.129,74	529.998,13

8.2) Loans and Receivable Items

The composition of loans and receivable items as of June 30, 2018 and at December 31, 2017 is at follows, in euros:

	Balance at 30/06/2018		Balance at 31/12/2017	
	Long-Term	Short-Term	Long-Term	Short-Term
Loans and receivables items for commercial transactions				
Costumers	-	2.534.175,65	-	2.172.207,60
Debtors	-	51.995,31	-	38.993,92
Total loans and receivables items for commercial transactions	-	2.586.170,96	-	2.211.201,52
Loans and receivables for non-commercial transactions				
Staff	-	3.911,03	-	4.625,00
Short-term deposits (*)	-	703.005,50	-	1.012.416,64
Securities and deposits	34.065,63	-	189.820,04	-
Total loans and receivables for non-commercial transactions	34.065,63	706.916,53	189.820,04	1.017.041,64
Total	34.065,63	3.293.087,49	189.820,04	3.228.243,16

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

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

	Amount
Accumulated impairment end of financial year 2016	488.616,83
Impairment losses on trade receivables	66.349,94
Accumulated impairment end of financial year 2017	554.966,77
Impairment losses on trade receivables	5,13
Accumulated impairment as of June 30, 2018	554.971,90

8.3) Financial Assets available for Sale

Correspond to two investments made for the Group in:

- a) E.Kuantia: financial institution specialized in the issuance of means of payment and electronic money. The investment amounts to 143.880 euros and corresponds to 2% of the share capital.
- b) IBAN Wallet: global platform, linking investors and loan applicants, with high rates for both. The investment amounts to 10.197,40 euros and corresponds to 0,38% of the share capital.

NOTE 9. FINANCIAL LIABILITIES

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

	Debts with credit institutions		Others liabilities		Total	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Debits and payable items (Note 9.1)	959.183,02	1.071.740,63	44.553,26	71.285,72	1.003.736,28	1.143.026,35

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

	Debts with credit institutions		Others liabilities		Total	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Debits and payable items (Note 9.1)	2.429.367,33	2.752.059,43	2.172.397,27	1.737.860,96	4.601.764,60	4.489.920,39

9.1) Debits and Payable Items

The breakdown as of June 30, 2018 and at December 31, 2017 is as follows, in euros:

	Balance as of 30/06/2018		Balance as of 31/12/2017	
	Long-Term	Short-Term	Long-Term	Short-Term
For commercial transactions:				
Suppliers	-	1.561.929,35	-	1.125.581,58
Creditors	-	313.861,31	-	373.877,19
Advances from costumers	-	153.880,00	-	178.843,85
Total balances for commercial transactions	-	2.029.670,66	-	1.678.302,62
For non-commercial operations:				
Debts with credit institutions	920.594,72	2.409.737,22	1.023.296,73	2.732.604,86
Other financial liabilities	38.588,30	19.630,11	48.443,90	19.454,57
Other debts	44.553,26	61.898,29	71.285,72	57.505,21
Debits and payable items	1.003.736,28	2.491.265,62	1.143.026,35	2.809.564,64
Staff (remuneration payable)	-	80.828,32	-	2.053,13
Total balances for non-commercial operations	1.003.736,28	2.572.093,94	1.143.026,35	2.811.617,77
Total debts and payable items	1.003.736,28	4.601.764,60	1.143.026,35	4.489.920,39

9.1.1) Debts with credit institutions

The breakdown of debts with credit institutions as of June 30, 2018 is as follows, in euros:

	A Short-Term	A Long-Term	Total
Credit policies	1.151.900,91	920.594,72	2.072.495,63
Loans	911.248,87	-	911.248,87
Discounted effects	346.587,44	-	346.587,44
Leasings	19.630,11	38.588,30	58.218,41
	2.429.367,33	959.183,02	3.388.550,35

The breakdown of debts with credit institutions at December 31, 2017 is as follows, in euros:

	A Short-Term	A Long-Term	Total
Credit policies	1.342.318,02	-	1.342.318,02
Loans	1.064.033,12	1.023.296,73	2.087.329,85
Leasings	19.454,57	48.443,90	67.898,47
Discounted effects	326.253,72	-	326.253,72
	2.752.059,43	1.071.740,63	3.823.800,06

Loans

The detail of the bank loans as of June 30, 2018, expressed in Euros, is the following:

Company	Last maturity	Initial amount	Pending closing
Loan 17	18/07/2018	300.000,00	5.567,55
Loan 18	10/10/2018	150.000,00	12.500,00
Loan 21	12/03/2019	300.000,00	47.982,61
Loan 22	08/10/2019	250.000,00	86.206,32
Loan 24 (*)	15/10/2025	78.375,60	73.411,60
Loan 25	05/12/2018	400.000,00	68.552,58
Loan 28	14/12/2019	300.000,00	115.378,81
Loan 29	25/02/2020	250.000,00	86.648,47
Loan 30	25/06/2020	150.000,00	76.865,00
Loan 31	14/12/2020	465.000,00	238.971,90
Loan 32	31/12/2020	287.619,11	148.088,47
Loan 34	31/03/2019	350.000,00	97.222,25
Loan 35	29/09/2019	500.000,00	171.588,96
Loan 36	02/11/2022	300.000,00	267.234,07
Loan 37	01/03/2022	150.000,00	140.625,00
Loan 38	18/06/2023	195.000,00	195.000,00
		4.425.994,71	1.831.843,59

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

The detail of the bank loans as of December 31, 2017, expressed in Euros, is the following:

Company	Last maturity	Initial amount	Pending closing
Loan 14	16/02/2018	300.000,00	117.800,86
Loan 16	30/04/2018	250.000,00	19.138,07
Loan 17	18/07/2018	300.000,00	38.442,23
Loan 18	10/10/2018	150.000,00	31.250,00
Loan 19	01/03/2018	300.000,00	25.938,71
Loan 21	12/03/2019	300.000,00	79.421,24
Loan 22	08/10/2019	250.000,00	17.384,56
Loan 24 (*)	15/10/2025	78.375,60	78.375,60
Loan 25	05/12/2018	400.000,00	136.408,37
Loan 27	30/04/2018	125.000,00	14.224,26
Loan 28	14/12/2019	300.000,00	153.090,09
Loan 29	25/02/2020	250.000,00	112.017,23
Loan 30	25/06/2020	150.000,00	95.489,26
Loan 31	14/12/2020	465.000,00	285.245,54
Loan 32	31/12/2020	287.619,11	176.715,34
Loan 34	31/03/2019	350.000,00	155.555,60
Loan 35	29/09/2019	500.000,00	255.479,33
Loan 36	02/11/2022	300.000,00	295.353,56
		5.055.994,71	2.087.329,85

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

Credit Lines

As of June 30, 2018, the Group has credit policies granted with a total limit amounting to 1.715.000 euros (1.715.000 euros at the end of the previous year), which amount drawn at the aforementioned date is 1.151.900,91 euros (1.354.318,02 euros at the end of the previous year).

Lines of Effects and Import Advances

As of June 30, 2018, the Company has discount policies granted with a total limit amounting to 500.000 euros (875.000 euros at the end of the previous year), the amount of which is as follows to date 346.587,44 euros (326.253,72 euros at the end of the previous year).

9.1.2) Other debts

The balance of other debts includes a debt held by the Group with the Institut Català de Finances (ICF). The amount initially granted by this entity was 336.737,98 euros of which as of June 30, 2018 are pending 98.018,36 euros. The maturity of this debt is April 29, 2020.

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 of June 30, 2018 is the following, in Euros:

	Maturity years						Total
	2019	2020	2021	2022	2023	More than 5 years	
Financial debts:	2.429.367,33	461.787,71	250.730,67	140.658,34	77.272,09	28.734,21	3.388.550,35
Debts with credit institutions	2.409.737,22	441.816,09	232.113,99	140.658,34	77.272,09	28.734,21	3.330.331,94
Financial lease	19.630,11	19.971,62	18.616,68	-	-	-	58.218,41
Other debts	61.898,29	44.553,26	-	-	-	-	106.451,55
Commercial creditors and other payable items:	2.110.498,98	-	-	-	-	-	2.110.498,98
Suppliers	1.561.929,35	-	-	-	-	-	1.561.929,35
Sundry creditors	313.861,31	-	-	-	-	-	313.861,31
Staff	80.828,32	-	-	-	-	-	80.828,32
Advances from costumers	153.880,00	-	-	-	-	-	153.880,00
Total	4.601.764,60	506.340,97	250.730,67	140.658,34	77.272,09	28.734,21	5.605.500,88

The breakdown of the maturity dates of the liability financial instruments at the close of 2017 is the following, in Euros:

Maturity years							
	2018	2019	2020	2021	2022	More than 5 years	Total
Financial debts:	2.752.059,43	609.407,97	279.410,16	83.391,37	71.359,29	28.171,84	3.823.800,06
Debts with credit institutions	2.732.604,86	589.610,21	259.263,16	74.892,23	71.359,29	28.171,84	3.755.901,59
Financial lease	19.454,57	19.797,76	20.147,00	8.499,14	-	-	67.898,47
Other debts	57.505,21	9.928,31	9.928,31	9.928,31	9.928,31	31.572,48	128.790,93
Commercial creditors and other payable items:	1.680.355,75	-	-	-	-	-	1.680.355,75
Suppliers	1.125.581,58	-	-	-	-	-	1.125.581,58
Sundry creditors	373.877,19	-	-	-	-	-	373.877,19
Staff	178.843,85	-	-	-	-	-	178.843,85
Advances from costumers	2.053,13	-	-	-	-	-	2.053,13
Total	4.489.920,39	619.336,28	289.338,47	93.319,68	81.287,60	59.744,32	5.632.946,74

b) Breach of Contractual Obligations

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

NOTE 10. INFORMATION ON THE DEFERMENT OF PAYMENTS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION. "DUTY TO INFORM" OF LAW 15/2010, OF JULY 5

As indicated in the third additional provision. Duty to inform of Law 15/2010, of July 5 (modified by Law 31/2014), to amend Law 3/2004 of December 29, by which are established measures to combat late payment in commercial transactions and with regard to the resolution January 29, 2016, of the Institute of Accounting and Audit Statements, about the information to include in the Notes to the Annual Accounts with regard to the average payment period to suppliers in commercial transactions, is as follows:

Payments made and pending payment on the Closing Date Balance		
	Financial year 2018 Days	Financial year 2017 Days
Average payment period to suppliers	33,56	37,98
Ratio paid operations	34,62	38,94
Ratio of outstanding payment transactions	31,20	33,97
	Financial year 2018 (six months)	Financial year 2017
	Amount	Amount
Total payments	4.196.122,66	6.607.903,37
Total outstanding payments	1.877.389,76	1.587.706,21

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

The general market situation during the last years has been unfavourable due to the difficult economic situation of the environment.

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, 2017 and June 30, 2018, 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 June 30, 2018, there are no companies with a direct or indirect stake equal to or greater than 10% of the share capital.

As of December 31, 2017, the companies with a direct or indirect stake equal to or greater than 10% of the share capital were as follows:

	Nº Shares	% Shares
SESD, FCR	3.413.680	21,27%

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:

	30/06/2018	31/12/2017
Legal Reserve	47.503,72	47.503,72
Voluntary Reserves	122.651,13	1.652.257,38
Negative results from previous years	(2.054.232,27)	(3.623.521,52)
	(1.884.077,42)	(1.923.760,42)

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 Valores SV, S.A, 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.

As of June 30, 2018, the Parent Company holds own shares for an amount of 923.861,00 euros.

NOTE 13. FOREIGN CURRENCY

The most significant foreign currency balances as of June 30, 2018, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	DOP	BRL	CR
CURRENT ASSETS	763.115,74	502.521,77	134.266,23	568.169.704,59	20.314,35	537.139,84	1.404,00
Trade debtors and other accounts receivable	370.987,64	258.662,97	99.800,41	121.621.830,31	225,75	30.962,49	-
Cash	392.128,10	243.858,80	34.465,82	446.547.874,28	20.088,60	506.177,35	1.404,00
CURRENT LIABILITIES	659.824,27	758.340,31	4.053,30	8.826.879,19	-	65.905,09	-
Trade creditors and other payable accounts	659.824,27	758.340,31	4.053,30	8.826.879,19	-	65.905,09	-

The most significant foreign currency balances as of December 31, 2017, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	BRA	DOP
CURRENT ASSETS	606.804,34	388.516,30	144.554,78	491.648.430,60	35.643,15	464.819,13
Trade debtors and other accounts receivable	384.861,02	309.202,95	136.701,00	18.654.657,00	-	10.323,14
Cash	221.943,31	79.313,35	7.853,78	472.993.773,60	35.643,15	454.495,99
CURRENT LIABILITIES	471.164,92	507.054,78	37.281,80	16.771.817,59	-	73.400,08
Trade creditors and other payable accounts	471.164,92	507.054,78	37.281,80	16.771.817,59	-	73.400,08

The most significant transactions carried out during the six-month period ended June 30, 2018, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	COP	PER	DOP	BRL
Purchases and services received	131.426,19	20.633,18	30.328,73	203.750.280,57	49.093,34	255.899,66	16.482,92
Sales and services given	383.379,94	254.057,44	47.076,62	408.911.985,70	224,93	60.543,36	1.355,04

The most significant transactions carried out during the financial year 2017 ended December 31, 2017, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	ZAR	BRL	DOP
Purchases and services received	602.243,38	120.817,03	40.113,49	8.920.780,00	420.005.164	116.557,23	39.960,76	508.630,15
Sales and services given	374.789,93	275.277,79	60.340,63	-	888.591.437	-	1.808,55	86.292,93

NOTE 14. TAX SITUATION

The following is the breakdown of the balances with the Tax Authorities as of June 30, 2018 and December 31, 2017, in euros:

	30/06/2018		31/12/2017	
	Receivable	Payable	Receivable	Payable
Non-current:				
Deferred Tax Assets	138.100,65	-	138.100,65	-
	138.100,65	-	138.100,65	-
Current:				
Value Added Tax	9.175,94	33.813,53	16.159,83	15.081,92
Subsidies receivable (*)	27.732,78	-	27.732,78	-
Income Tax retentions	-	46.081,72	-	41.389,85
Company Tax	73.125,01	-	29.693,49	-
Social Security bodies	761,77	48.448,24	-	44.495,00
	110.795,50	128.343,49	73.586,10	100.966,77

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 June 30, 2018, the Group has open to tax inspection all the taxes to which it is subject from the financial year 2013 to the 2017 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 six-month period ended June 30, 2018 of the Parent Company with the taxable income tax base is as follows:

Profit and Loss Account			
Financial year's earnings (After taxes) (six-months)			(230.124,06)
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Profit tax	-	-	-
Permanent differences	581.848,20	-	581.848,20
Offset of negative tax bases			(351.724,14)
Taxable income (tax result)			-

The conciliation of the net amount of income and expenses for the six-month period ended June 30, 2017 of the Parent Company with the taxable income tax base is as follows:

Profit and Loss Account			
Financial year's earnings (After taxes) (six-months)			(252.893,09)
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Profit tax	-	-	-
Permanent differences	604.143,32	-	604.143,32
Offset of negative tax bases			(351.250,23)
Taxable income (tax result)			-

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

	2018 (6 months)	2017 (6 months)
Charge at 25 % of Taxable Income	-	-
Deductions	-	-
Net tax payable	-	-
Less: withholdings and payments	-	(545,36)
Tax payable	-	(545,36)

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

	2018	2017
Current tax	-	-
Deferred tax	(18.021,27)	-
Total	(18.021,27)	-

The movement of deferred taxes generated and cancelled during June 30, 2018 is detailed below in euros:

	Balance at 31/12/2017	Generated	Balance at 30/06/2018
Deferred tax assets:			
Tax credits	138.100,65	-	138.100,65

The movement of deferred taxes generated and cancelled during financial year 2017 is detailed below in euros:

	Balance at 31/12/2016	Generated	Balance at 31/12/2017
Deferred tax assets:			
Tax credits	138.100,65	-	138.100,65

Tax Loss Carry forwards

Part of the tax base credits have been recognised, since they meet the requirements established by current legislation for their recognition and since there are no doubts as to the Group's ability to generate future taxable profits that will enable it to be recovered. The total amount capitalized in this connection is 138.100,65 euros. The detail of the tax loss carry forwards to be offset in future years is as follows:

Credits for Tax Losses Carry Forward

As of June 30, 2018, the Group has the following deductions to apply:

Year of Origin	Amount
2005	13.460,45
2006	71.214,06
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	243.153,60
2014	296.428,70
2015	370.874,02
2017	182.112,92
2018	63.311,90
	2.337.618,36

NOTE 15. INCOME AND EXPENSES

a) Supplies

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

	2018 (6 months)	2017 (6 months)
Consumption of merchandise		
Domestics	1.537.977,13	836.159,49
Intra-Community Acquisitions	880.439,18	372.225,37
Imports	862.809,17	907.058,08
	3.281.225,48	2.115.442,94

b) Staff expenses

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

	2018 (6 months)	2017 (6 months)
Company Social Security contributions	240.183,78	207.372,06
Other welfare costs	61.244,34	70.974,38
	301.428,12	278.346,44

c) Financial Results

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

	2018 (6 months)	2017 (6 months)
Financial incomes	222,19	3.555,61
Other financial incomes	222,19	3.555,61
Financial expenses	(54.140,79)	(54.848,32)
For debts with credit institutions	(54.140,79)	(54.848,32)
Change in fair value of financial instruments	88,90	990,97
Exchange differences	(8.011,00)	(75.640,29)
Financial Result Positive / (Negative)	(61.840,70)	(125.942,03)

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. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 June 2018, no significant events affecting the Group's Consolidated Interim Financial Statements at that date have occurred.

NOTE 18. CONSOLIDATED EARNINGS

The following is the breakdown as of June 30, 2018 of the Consolidated Earnings in Euros:

Subsidiary	Individual Earnings of the Companies	Shareholding	Earnings Attributed to Parent Company	Earnings Attributed to Minority Interests
Lleidanetworks Serveis Telemàtics, S.A.	(252.961,94)	-	(252.961,94)	-
Lleidanetworks Serveis Telemàtics, LTD	6.875,00	100%	6.875,00	-
Lleidanet USA Inc	(20.479,98)	100%	(20.479,98)	-
Lleidanet Honduras, SA	-	70%	-	-
Lleidanet Dominicana, SRL	(4.209,07)	99,98%	(4.208,23)	(0,84)
Lleida SAS	(17.252,40)	100%	(17.252,40)	-
Lleida Chile SPA	-	100%	-	-
Lleidanet do Brasil Ltda	(3.783,51)	99,99%	(3.783,13)	(0,38)
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	(77,06)	100%	(77,06)	-
Lleidanet Costa Rica	(10,63)	100%	(10,63)	-
Lleidanet Perú	(12.498,31)	100%	(12.498,31)	-
			(304.396,68)	(1,22)

The following is the breakdown for financial year 2017 of the Consolidated Earnings in Euros:

Subsidiary	Individual Earnings of the Companies	Shareholding	Earnings Attributed to Parent Company	Earnings Attributed to Minority Interests
Lleidanetworks Serveis Telemàtics, S.A.	(548.171,36)	-	(548.171,36)	-
Lleidanetworks Serveis Telemàtics, LTD	22.244,69	100%	22.244,69	-
Lleidanet USA Inc	67.427,80	100%	67.427,80	-
Lleidanet Honduras, SA	-	70%	-	-
Lleidanet Dominicana, SRL	(8.316,42)	99,98%	(8.314,61)	(1,81)
Lleida SAS	39.426,20	100%	39.426,20	-
Lleida Chile SPA	-	100%	-	-
Lleidanet do Brasil Ltda	(11.812,17)	99,99%	(11.810,99)	(1,18)
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	(849,82)	100%	(849,82)	-
Lleidanet Costa Rica	-	100%	-	-
Lleidanet Perú	(75.491,54)	100%	(75.491,54)	-
			(515.539,63)	(2,99)

The adjustments made to the Earnings associated to Parent Company at June 30, 2018 is as follows:

Individual earnings attributed to Parent Company	(304.396,68)
Consolidation adjustments:	
Deterioration elimination	575.552,69
Total	271.156,01

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 six-month period ended June 30, 2018 by the Board of Directors of the Parent Company amounted to 42.000 euros. In the six-month period ended June 30, 2017, remunerations were accrued by the Parent Company's Board of Directors amounting to 43.500 euros.

The Senior Management tasks are performed by two members of the same Board of Directors, with compensation for salaries and wages amounting to 109.360,42 euros (88.448,04 euros for the six-month period ended June 30, 2017).

As of June 30, 2018, as well as December 31, 2017, 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.

The premium paid for civil liability insurance of administrators for damages caused by acts or omissions in the exercise of the position amounts to 20.071,21 euros.

NOTE 20. OTHER INFORMATION

The average number of employees during the financial year 2018 and 2017, which does not differ significantly from the number of employees at the end of the year, broken down by category and sex, is as follows:

	2018				2017			
	Men	Women	Total	Disability greater than or equal to 33%	Hombres	Women	Total	Disability greater than or equal to 33%
Senior Executives	1	1	2	-	1	1	2	-
Administration	-	5	5	1	1	3	4	1
Commercial	8	9	17	-	7	10	17	-
Human Resources	-	1	1	-	-	1	1	-
Production	18	3	21	-	15	3	18	-
Maintenance	-	1	1	-	-	2	2	-
Reception	-	6	6	-	-	6	6	-
Business development	3	5	8	-	1	4	5	-
TOTAL	30	31	61	1	25	30	55	1

The amount of fees accrued for the individual and consolidated review services of the Interim Consolidated Financial Statements for the year ended June 30, 2018 amounted to 16.650 euros (16.150 euros in the previous period of 6 months ended June 30, 2017).

It is reported that during the year the Parent Company paid the premium corresponding to the civil liability policy that would eventually cover the damage caused to third parties by acts or omissions related to the performance of their functions. The premium amounted to 20.071,21 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:

	2018 (6 months)		2017 (6 months)	
Business Areas (in thousands of euros)	Euros	%	Euros	%
Certified electronic communications	1.067	17%	844	18%
SMS Solutions	4.657	74%	3.389	72%
Data Validation	555	9%	415	9%
Other Operations	-	-	43	1%
Total	6.279	100%	4.691	100%

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

	2018 (6 months)		2017 (6 months)	
Description of geographic markets	Euros	%	Euros	%
Domestic	3.224.597,04	51%	2.736.058,47	58%
European Union	1.922.404,39	31%	1.261.516,31	27%
Rest of the World	1.131.854,40	18%	694.357,18	15%
Total	6.278.855,83	100%	4.691.931,96	100%

GROUP LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR
THE SIX-MONTH PERIOD ENDED AS OF JUNE 30, 2018

GROUP LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR
THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2018

In compliance with the provisions of the Capital Companies Law, the directors then present the director's report for the year, in order to complement, expand and comment on the balance sheet, profit and loss account and the corresponding report for the first half of the year 2018

1. EVOLUTION OF RESULT AND NET TURNOVER

The Company increased sales by 1.5 million euros (+34% versus the same period in 2017).

The main milestones achieved by business lines are:

- Sales of SaaS services increased 25% in the first half of 2018 compared to the same period in 2017.
- Wholesale SMS sales totalled 3.2 million euros in the first half of 2017, a 69% increase on the same period last year.

<i>Sales per business line Thousand euros</i>	H1 2017	H1 2018	Var. €	Var.%
SaaS services	1.302	1.622	320	25%
SMS Solutions	1.480	1.426	-54	-4%
ICX WHOLESALE solutions	1.910	3.231	1.321	69%
Total	4.692	6.279	1.587	34%

EBITDA Evolution:

<i>Figures in thousands of Euros</i>	H1 2017	H1 2018	Var. €	Var.%
Sales	4.692	6.279	1.587	34%
Sales costs	(2.115)	(3.281)	(1.166)	55%
Gross Margin	2.577	2.998	421	16%
Personnel expenses	(1.273)	(1.210)	63	-5%
External services	(1.199)	(1.201)	(2)	0%
Other Incomes	7	9	2	29%
Activations	387	328	(59)	-15%
EBITDA	499	924	425	85%
Depreciation	(522)	(573)	(51)	10%
Other results	(12)		12	-
Ordinary activities results	(35)	351	386	1103%
Net Financial Debt	(50)	(54)	(4)	8%
Other Results	(76)	(8)	68	-
Earnings before Tax	(161)	289	450	280%

- EBITDA more than doubles the figure obtained in the first half of 2017 to almost one million euros, reaching a margin of 15.6% of sales. This increase reflects the operating leverage of the group, which is reaping the fruits of its investment in technological innovation and the internationalisation of its operations.
- In the first semester of 2018, Lleida.net has obtained patents in China, Japan, New Zealand, Taiwan and the United States and maintains its telecommunications operator licenses in Spain, USA, Great Britain, France and Colombia. Lleida.net has more than 360 interconnection contracts that allow it to reach any operator worldwide, which positions it as one of the most competitive operators. The group has continued to introduce improvements and new applications in its products eKYC (platform for identification by videoconference in onboarding processes) and Click&Sign, which continues to incorporate technological improvements and new applications.

2. EVENTS AFTER THE BALANCE SHEET DATE

Nor are there any subsequent events, other than those already mentioned in the Explanatory Notes, that demonstrate conditions that did not exist at 30 June 2018 and that are of such importance that they require additional information in the Explanatory Notes to the annual accounts.

3. PROBABLE EVOLUTION OF THE GROUP

The forecasts for the second financial year 2018 are to increase the company's gross margin by amounts, reinforcing sales of certified products through the consolidation of products at an international level.

4. RESEARCH ACTIVITIES

In the first half of fiscal year 2018, the Company invested 328 thousand euros in research activities aimed mainly at the company's certification line.

5. OPERATIONS WITH OWN SHARES

In accordance with the regulations of the Alternative Stock Market, the company signed a liquidity agreement with the placing bank on the occasion of its market launch. This agreement establishes both the delivery of a certain amount of own shares and the deposit of an amount of cash. The objective of this contract is to allow investors to trade the company's shares, ensuring that any interested person has the possibility of buying or selling shares.

On August 12, 2016, the Board of Directors approved the acquisition of own shares with a maximum amount of 200 thousand euros. The programme was extended until 12 August 2018 following the agreement of the Board of Directors on 7 August 2017.

At 30 June 2018, the company held 961.001 shares with a valuation on that date of 1.047.491,09 euros, which represented 5.99% of the shares of Lleidanetworks Serveis Telemàtics, S.A.

6. FINANCIAL INSTRUMENTS

During 2018, the Group did not use financial derivative instruments.

7. DEFERRALS OF PAYMENT TO SUPPLIERS

La información referente a los aplazamientos de pago a proveedores se muestra en los Estados Financieros Consolidados, en la Nota 10.

* * * * *

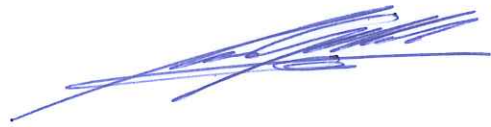
**PREPARATION OF THE INTERIM CONSOLIDATED
FINANCIAL STATEMENTS AND DIRECTOR'S REPORT**

In compliance with company law, the Sole Director of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** draws up the Interim Consolidated Financial Statements and the Consolidated Director's Report for the financial year 2018, which comprises the attached pages number 1 to 45.

Lleida, October 5, 2018
The Board of Directors



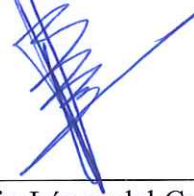
Mr. Francisco Sapena Soler
Chairman and Chief Executive Officer



Mr. Marcos Gallardo Meseguer
Secretary



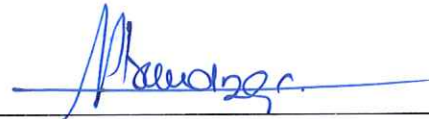
Mr. Miguel Pérez Subías
Independent Director



Mr. Antonio López del Castillo
Independent Director



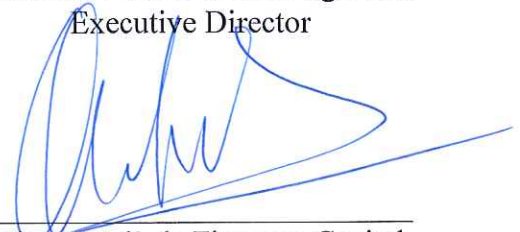
Mr. Jordi Carbonell i Sebarroja
Independent Director



Mrs. Arrate María Usandizaga Ruíz
Executive Director



Investor Group composed of
Sepi Desarrollo Empresarial, S.A.,
Empresa Nacional de Innovación, S.M.E., S.A.
& Cántabro Catalana de Inversiones, S.A.
represented by
D. Jorge Sainz de Vicuña
External Director



Institut Català de Finances Capital,
S.G.E.I.C., S.A.U.
Represented by
Mr. Emilio Gómez Jané
External 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.

bdo.es
bdo.global



Auditoría & Assurance | Advisory | Abogados | Outsourcing