

**Lleida 20 October 2022**

**Relevant event:**

**Comparison with 2022 half-yearly data preview, limited audit reporting and interim consolidated financial statement**

Under the provisions of Article 17 of the Regulation (EU) No 596/2014 regarding market abuse and article 227 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 3/2020 of BME MTF Equity, we are hereby informing you of the following information relating to LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A. ("Lleida.net", the "Company", or the "Group")

On 10 August 2022, the Company published a Relevant Event, a preview of the leading figures of the Company's P&L and consolidated debt. This preview was drawn up based on the available accounting information.

To date, this information is complemented with the following documents:

- Limited review audit report on the interim consolidated financial statements as of 30 June 2022.
- Balance sheets and profit and loss account of the parent company as of 30 June 2022.

We remain at your disposal for any further clarification you may require.

Regards

Francisco Sapena Soler  
CEO of Lleida.net

## Lleida.net Group report on results for H1 2022

On 10 August, the Lleida.net group published a profit and loss statement preview with the available interim data.

After review by the Company's auditors, the variation between the account data preview and those included in the consolidated annual accounts formulated by the Board of Directors is attached.

<i>Figures in thousands of euros Consolidated</i>	RE 10 August 2022	Audited Half Yearly Accounts	HoH. €	HoH.%
Sales	10,536	10,533	(3)	0%
Sale costs	(5,231)	(5,228)	3	0%
<b>Gross Margin</b>	<b>5,305</b>	<b>5,305</b>	<b>0</b>	<b>0%</b>
<b>% Margin out of sales</b>	<b>50%</b>	<b>50%</b>		
Personnel expenses	(3,176)	(3,164)	12	0%
External Services	(1,843)	(1,861)	(18)	1%
Other incomes	19	23	4	-
<b>EBITDA WITHOUT ACTIVATIONS</b>	<b>305</b>	<b>303</b>	<b>(2)</b>	<b>-1%</b>
<b>% of Gross margin</b>	<b>6%</b>	<b>6%</b>		
Capitalizations	605	605	0	0%
<b>EBITDA</b>	<b>910</b>	<b>908</b>	<b>(2)</b>	<b>0%</b>
<b>% of Gross margin</b>	<b>17%</b>	<b>17%</b>		
Depreciation	(1,026)	(1,026)	0	0%
Other results		(2)	(2)	-
<b>Ordinary activities result</b>	<b>(116)</b>	<b>(120)</b>	<b>(4)</b>	<b>3%</b>
Net Financial Debt	(83)	(79)	4	5%
Exchange Rate Differences	78	76	(2)	3%
<b>Earnings before Tax</b>	<b>(121)</b>	<b>(123)</b>	<b>(2)</b>	<b>2%</b>

The variations are minimal compared to the data reported in advance results.

They are due to reclassifications between personnel and external services expenses and to the incorporation of corporate income tax in the half-yearly accounts, not reported in the Relevant Event.

The main differences compared to the data for the 2021 financial year are as follows:

<i>Figures in thousands of euros Consolidated</i>	2021 (6 months)	2022 (6 months)	HoH. €	HoH.%
Sales	8,295	10,533	2,238	27%
Sale costs	(4,078)	(5,228)	(1,150)	28%
<b>Gross Margin</b>	<b>4,217</b>	<b>5,305</b>	<b>1,088</b>	<b>26%</b>
<b>% Margin out of sales</b>	<b>51%</b>	<b>50%</b>		
Personnel expenses	(1,922)	(3,164)	(1,242)	65%
External Services	(1,532)	(1,861)	(329)	21%
Other incomes	31	23	(8)	-26%
Capitalizations	400	605	205	51%
<b>EBITDA</b>	<b>1,194</b>	<b>908</b>	<b>(286)</b>	<b>-24%</b>
Depreciation	(536)	(1,026)	(490)	91%
Depreciation and disposal of fixed assets			0	-
Other results	(9)	(2)	7	-
<b>Ordinary activities result</b>	<b>649</b>	<b>(120)</b>	<b>(769)</b>	<b>-118%</b>
Net Financial Debt	(37)	(79)	(42)	-114%
Exchange Rate Differences	47	76	29	-62%
<b>Earnings before Tax</b>	<b>659</b>	<b>(123)</b>	<b>(782)</b>	<b>-119%</b>

An increase in sales of 2.2 million euros compared with the previous year is mirrored in all business lines. Sales development can be broken down as follows:



*Figures in thousands of euros Consolidated*

	2021 (6 months)	2022 (6 months)	HoH. €	HoH.%
SaaS services	3,127	4,178	1,051	34%
SMS solutions	1,354	1,962	608	45%
ICX Wholesale Solutions	3,814	4,393	579	15%
<b>Total</b>	<b>8,295</b>	<b>10,533</b>	<b>2,238</b>	<b>27%</b>

Net sales are up by 2.2 million euros, a 27% increase compared to last year, showing an increase in all the Group's business lines. The increase in sales results in a gross margin of 1,088 k euros, a 26% increase compared to the previous year. Gross margin on sales stood at 50%; the decrease in the SMS line margins led to a decrease in the ratio of 51% compared to last year.

As of November 2021, Indenova S.L. personnel became part of the Group's workforce, increasing personnel costs.

The Group employs 181 people, compared to 102 in the first half of 2021. New talent on board resulted in an increase of 605,000 euros in activations during the period. Indenova, S.L. is pioneering in its sector, providing the Group with new technologies integrated into the Group's SaaS products

An increase in external services of 21% is due to the incorporation of Indenova S.L.'s expenses and the return to organised physical events and commercial trips in the aftermath of the pandemic.

EBITDA ended the half year at EUR 908 thousand, and total operating costs were EUR 120 thousand negative due to the increase in the cost of capitalisation, both due to the impact of the goodwill from the acquisition of Indenova and the capitalisation of the fixed assets of the acquired Company.

Exchange rate fluctuations, particularly the dollar against the euro, have resulted in an income of 76,000 euros.

Profit before tax was EUR 123 thousand negative by the end of H1.

<b>Consolidated balance Thousands of euros</b>	<b>31/12/2021</b>	<b>30/06/2022</b>	<b>HoH. €</b>	<b>HoH.%</b>
<b>NON-CURRENT ASSETS</b>	<b>12,016</b>	<b>11,779</b>	<b>(237)</b>	<b>-2%</b>
Intangible fixed assets	11,032	10,761	(271)	-2%
Tangible fix assets	626	625	(1)	0%
Long-term financial investments	66	68	2	3%
Deferred tax assets	292	325	33	11%
<b>TOTAL CURRENT ASSETS</b>	<b>11,460</b>	<b>10,742</b>	<b>(718)</b>	<b>-6%</b>
Trade receivables and other accounts receivabl	5,184	5,654	470	9%
Short term financial investments	812	812	0	0%
Short terms accruals	407	314	(93)	-23%
Cash and other equivalent liquid assets	5,057	3,962	(1,095)	-22%
<b>TOTAL ASSETS</b>	<b>23,476</b>	<b>22,521</b>	<b>(955)</b>	<b>-4%</b>

	<b>31/12/2021</b>	<b>30/06/2022</b>	<b>HoH. €</b>	<b>HoH.%</b>
<b>TOTAL EQUITY</b>	<b>6,732</b>	<b>6,175</b>	<b>(557)</b>	<b>-8%</b>
Equity	6,728	6,155	(573)	-9%
Conversion differences	37	86	49	132%
Minority Interests	-33	-66	(33)	100%
<b>NON-CURRENT LIABILITIES</b>	<b>8,610</b>	<b>7,707</b>	<b>(903)</b>	<b>-10%</b>
Long term debts	8,610	7,707	(903)	-10%
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,134</b>	<b>8,639</b>	<b>505</b>	<b>6%</b>
Short term provisions	38	4	(34)	-89%
Short term debts	4,565	5,023	458	10%
Trade payables and other accounts payable	3,531	3,553	22	1%
Accruals		59	59	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,476</b>	<b>22,521</b>	<b>(955)</b>	<b>-4%</b>

The balance decreased because of the depreciation of the goodwill on consolidation and fewer activations compared to the period.

The Group keeps investing in R&D, 602,000 euros, throughout the reporting period to remain a pioneer player in the sector.

Variation in tangible fixed assets is marginal, as we invested in servers to increase the Group's capacity and new computers for the new staff.

The increase in deferred tax assets is due to the pre-calculation of H1.

Due to the increase in sales, there is a 9% year-on-year increase in accounts payable in current assets, an additional 470 thousand euros compared to the end of December 2021. Cash decrease can be explained by the payments made due to the purchase of treasury shares and the repayment of the Group's loan repayments.

In total equity, the 8% decrease is due to the profit sharing in 2021, with EUR 243k distributed as dividends and the acquisition of treasury shares by the liquidity provider. Similarly, the shares have been valued at the current price, which leads to a decrease in stocks of 70,000 euros.

Supplier costs align with last year's figures at 3.5 million, regardless of the Group's cost increases.

Financial debt decreases to EUR 12.7 million, as the Group has met its loan repayments without negotiating new loans.

The debt with the former shareholders of Indenova S.L. for outstanding loans is included here, along with outstanding disbursements, whether paid in shares or cash.

<i><b>Figures in thousands of euros</b></i>	<b>31/12/2020</b>	<b>30/06/2021</b>
Long term debts	8,610	7,707
Short term debts	4,565	5,023
<b>Total debt</b>	<b>13,175</b>	<b>12,730</b>
Short term financial investments	812	812
Cash and other equivalent liquid assets	5,057	3,962
<b>Total available</b>	<b>5,869</b>	<b>4,774</b>
Net financial debt (NFT)	7,306	7,956
<b><i>NFT/EBITDA annualised</i></b>	<b>3.06</b>	<b>4.38</b>

In the earnings preview of 20 August, we reported a net financial debt of 6,843 thousand euros- The difference stems from the payment to be made to Indenova in shares amounting to 1,139 euros, a figure we did not include in the preview as the Group believes there are enough shares to pay with the current treasury shares.



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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE PERIOD ENDED ON JUNE, 30<sup>TH</sup> 2022 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 Directors' Report for the period ended on  
June, 30th 2022 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, 2022:**

Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021

Consolidated Income and Expenses Statement for the six-month period ended on June 30,  
2022 and the six-month period ended on June 30, 2021.

Consolidated Statements of Changes in Equity for the six-month period ended on June 30, 2022  
and for the six-month period ended on June 30, 2021.

Consolidated Statements of Cash Flows for the six-month period ended on June 30, 2022 and  
the six-month period ended on June 30, 2021.

Notes to the Consolidated Interim Financial Statements as of June 30, 2022.

**CONSOLIDATED DIRECTORS' REPORT FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30th 2022**



**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

#### Introduction

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, 2022, 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-month period then ended. The directors of the Parent Company are responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with the regulatory framework of financial information applicable to the Group 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 interim consolidated financial statements free of material misstatements, whether due to fraud or error. Our responsibility is to express a conclusion on this interim consolidated 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 has a substantially lower 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, 2022, as well as its consolidated results and its consolidated 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-month period financial report required by the Circular 2/2022, BME Growth on "Information to be provided by companies listed for trading in the BME Growth segment of BME MFT Equity".

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



Ramón Roger (ROAC 16.887)  
Audit Partner

October 19, 2022

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

**INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD ENDED ON JUNE 30, 2022**

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

**CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2022 AND DECEMBER 31, 2021**

(Expressed in Euros)

ASSETS	Notes to the Consolidated Annual Accounts	30/06/2022	31/12/2021
<b>NON-CURRENT ASSETS</b>		<b>11.778.752,18</b>	<b>12.016.175,29</b>
<b>Intangible assets</b>	<b>Note 5</b>	<b>10.760.817,16</b>	<b>11.031.525,90</b>
Goodwill on consolidation		4.375.867,61	4.610.289,09
Research		2.470.185,07	2.277.036,10
Industrial property		678.516,79	665.124,55
Other intangible asset		3.236.247,69	3.479.076,16
<b>Tangible fixed assets</b>	<b>Note 6</b>	<b>625.167,04</b>	<b>626.565,81</b>
Land and buildings		151.167,48	147.805,21
Technical installations and other tangible fixed assets		416.618,96	421.380,00
Fixed assets under construction and advances		57.380,60	57.380,60
<b>Long-term financial investments</b>	<b>Note 8</b>	<b>67.368,95</b>	<b>66.157,21</b>
<b>Deferred Tax Assets</b>	<b>Note 14</b>	<b>325.399,03</b>	<b>291.926,37</b>
<b>CURRENT ASSETS</b>		<b>10.472.303,96</b>	<b>11.459.992,86</b>
<b>Stocks</b>		<b>157,70</b>	<b>489,28</b>
<b>Trade and other receivables</b>		<b>5.653.934,97</b>	<b>5.184.067,96</b>
Client receivables for sales and services	Note 8.2	4.684.680,78	4.368.443,08
Sundry debtors	Note 8.2	116.281,77	75.030,31
Staff	Note 8.2	3.338,13	1.084,05
Current tax assets	Note 14	768.863,24	603.755,60
Other receivables from Public Authorities	Note 14	80.771,05	135.754,92
<b>Short-term financial assets</b>	<b>Note 8.2</b>	<b>812.022,00</b>	<b>812.022,00</b>
<b>Short-term accruals</b>		<b>314.328,51</b>	<b>406.670,80</b>
<b>Cash and cash equivalents</b>	<b>Note 8.1.</b>	<b>3.961.860,78</b>	<b>5.056.742,82</b>
Cash		3.961.860,78	5.056.742,82
<b>TOTAL ASSETS</b>		<b>22.521.056,14</b>	<b>23.476.168,15</b>

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

**CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2022 AND DECEMBER 31, 2021**

(Expressed in Euros)

EQUITY AND LIABILITIES	Notes to the Consolidated Annual Accounts	30/06/2022	31/12/2021
<b>EQUITY</b>		6.175.526,74	6.731.536,93
Equity		6.154.865,77	6.727.957,69
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	2.601.356,67	1.935.015,50
Legal and statutory		64.199,77	64.199,77
Other Reserves		2.357.156,90	1.870.815,63
(Shares and own holdings in equity)	Note 12.4	(1.848.389,89)	(1.683.884,76)
Financial year result attributed to the parent company	Note 18	(163.441,15)	911.483,81
Consolidated Losses and Profits		(185.153,76)	875.667,33
(Minority interest losses and profits)		21.709,61	35.816,48
Adjustments for changes in value		86.343,84	37.398,75
Minority interests	Note 4	(65.682,87)	(33.819,51)
<b>NON-CURRENT LIABILITIES</b>		7.707.438,64	8.610.096,44
Long-term debts		7.707.438,64	8.610.096,44
Debts with credit institutions	Note 9.1	6.075.562,52	6.894.048,41
Other financial liabilities	Note 9.1	1.631.876,12	1.716.048,03
<b>CURRENT LIABILITIES</b>		8.638.090,76	8.134.534,78
Short-term provisions		3.657,13	38.021,23
Other provisions		3.657,13	38.021,23
Short-terms debts	Note 9.1	5.023.234,83	4.565.359,51
Debts with credit institutions		2.390.614,40	1.940.259,31
Other financial liabilities		2.632.620,43	2.625.100,20
Trade and other payables		3.552.481,80	3.531.154,04
Suppliers	Note 9.1	1.180.886,98	1.222.378,07
Sundry creditors	Note 9.1	1.523.642,90	1.478.005,69
Staff (remuneration payable)	Note 9.1	121.077,72	114.206,30
Current tax liability	Note 14	105.875,92	-
Other debts with Public Authorities	Note 14	489.673,83	598.931,70
Advances from clients	Note 9.1	131.324,45	117.632,28
Accruals		58.717,00	-
<b>TOTAL EQUITY AND LIABILITIES</b>		22.521.056,14	23.476.168,15

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

**CONSOLIDATED INCOME AND EXPENSES STATEMENT FOR THE SIX-MONTH PERIOD  
ENDED ON JUNE 30, 2022 AND THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2021**

(Expressed in Euros)

PROFIT AND LOSS ACCOUNTS	Notes to the Consolidated Annual Accounts	2022 (6 months)	2021 (6 months)
Net turnover	Note 15.a	10.532.762,24	8.294.964,08
Work performed by the Company for its assets	Note 5	605.542,95	400.046,29
Supplies Goods consumed	Note 15.b	(5.227.712,29) (5.227.712,29)	(4.077.613,52) (4.077.613,52)
Other operating income		23.392,72	30.728,15
Staff expenses Wage, salaries and the like Fringe benefits	Note 15.c	(3.163.700,31) (2.431.921,23) (731.779,08)	(1.921.972,40) (1.459.625,55) (462.346,85)
Other operating expenses External charges for services Taxes Losses, Impairment and change in trade provisions Other current operating expenses		(1.860.673,99) (1.822.590,07) (38.112,42) 28,50 -	(1.532.033,55) (1.461.829,23) (34.358,32) (35.358,32) (0,23)
Amortization of fixed assets	Notes 5 and 6	(1.026.527,38)	(536.332,76)
Impairment and results of disposals of fixed assets		(2.190,77)	(9.146,92)
Other earnings		(37,56)	592,13
<b>OPERATING EARNINGS</b>		<b>(119.144,39)</b>	<b>649.231,50</b>
Financial income	Note 15.d	269,70	598,37
Financial expenses	Note 15.d	(80.046,82)	(38.113,30)
Change in fair value of financial instruments	Note 15.d	444,07	14,85
Exchange differences	Note 15.d	75.808,23	47.735,71
<b>FINANCIAL EARNINGS</b>		<b>(3.524,82)</b>	<b>10.235,63</b>
<b>PRE-TAX EARNINGS</b>		<b>(122.669,21)</b>	<b>659.467,13</b>
Profit tax	Note 14	(62.484,55)	(8.662,30)
<b>FINANCIAL YEAR'S EARNINGS</b>		<b>(185.153,76)</b>	<b>650.804,83</b>
Result attributed to the Parent Company	Note 18	(163.444,16)	667.521,69
Result attributed to minority interests		(21.709,61)	(16.716,86)

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**A) CONSOLIDATED STATEMENTS OF RECOGNISED**  
**INCOME AND EXPENSE FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2022 AND**  
**THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2021**

(Expressed in Euros)

	2022 (6 months)	2021 (6 months)
<b>CONSOLIDATED RESULT FOR THE YEAR</b>	(185.153,76)	650.804,83
Income and expenses recognised directly to equity		
Conversion differences	38.391,34	(78.541,32)
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY CONSOLIDATED EQUITY</b>	<b>38.391,34</b>	<b>(78.541,32)</b>
Transfers to the profit and loss account	-	-
<b>TOTAL TRANSFERS TO CONSOLIDATED PROFIT AND LOSS ACCOUNT</b>	<b>-</b>	<b>-</b>
<b>TOTAL RECOGNISED CONSOLIDATED CONSOLIDATED RECOGNISED INCOME AND EXPENSES</b>	<b>(146.362,42)</b>	<b>815.354,06</b>
Total income and expenses attributable to the Parent Company	(114.499,07)	911.483,81
Total income and expenses attributed to minority interests	(31.863,36)	(45.465,15)

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2022 AND THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2021**

(Expressed in euros)

	Share Capital	Share Premium	Reserves and previous financial year's income	Own holdings in equity	Result attributed to the Parent Company	Adjustments for changes in value	Minority interests	Total
<b>BALANCE, END OF 2020</b>	320,998,86	5,244,344,28	1,309,912,81	(759,458,01)	1,040,470,16	91,712,02	11,645,64	7,265,625,76
<b>Total recognized income and expenses</b>	-	-	-	-	667,521,69	(65,349,36)	(29,908,82)	572,263,51
<b>Transactions with shareholders:</b>	-	-	(77,966,82)	250,573,08	(247,031,80)	-	-	(74,425,54)
Transactions with own equity instruments (net)	-	-	(77,966,82)	250,573,08	(247,031,80)	-	-	172,606,26
Dividends	-	-	-	-	-	-	-	(247,031,80)
<b>Other changes in equity:</b>	-	-	800,355,49	-	(793,438,36)	-	-	6,917,13
Distribution of earnings from the previous year	-	-	793,438,36	-	(793,438,36)	-	-	-
Other movements	-	-	6,917,13	-	-	-	-	6,917,13
<b>BALANCE AS OF JUNE 30, 2021</b>	320,998,86	5,244,344,28	2,032,301,48	(508,884,93)	667,521,69	32,362,66	(18,263,18)	7,770,380,86
<b>BALANCE, END OF 2021</b>	320,998,86	5,244,344,28	1,935,015,50	(1,683,884,76)	911,483,81	37,398,75	(33,819,51)	6,731,536,93
<b>Total recognized income and expenses</b>	-	-	-	-	(163,444,16)	48,945,09	(31,863,36)	(146,362,43)
<b>Transactions with shareholders:</b>	-	-	(313,445,03)	(164,505,13)	-	-	-	(477,950,16)
Distribution of dividends	-	-	(243,006,99)	-	-	-	-	(243,006,99)
Transactions with own equity instruments (net)	-	-	(70,438,04)	(164,505,13)	-	-	-	(334,943,17)
<b>Other changes in equity:</b>	-	-	979,786,20	-	(911,483,81)	-	-	68,302,39
Distribution of earnings from the previous year	-	-	911,483,81	-	(911,483,81)	-	-	-
Other movements	-	-	68,302,39	-	-	-	-	68,302,39
<b>BALANCE AS OF JUNE 30, 2022</b>	320,998,86	5,244,344,28	2,601,356,67	(1,848,389,89)	(163,444,16)	86,343,84	(65,682,87)	6,175,526,74

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIOD  
ENDED ON JUNE 30, 2022 AND THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2021**

(Expressed in Euros)

	2022 (6 months)	2021 (6 months)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>585.352,37</b>	<b>1.405.575,62</b>
Financial year's pre-tax earnings	(122.669,21)	659.467,13
Adjustments to earnings	1.108.466,75	618.840,38
Fixed asset amortisation	1.026.527,38	536.332,76
Valuation changes for impairment	(28,50)	35.845,77
Gains and losses on derecognition and disposal of fixed assets	2.190,77	9.146,92
Financial income	(269,70)	(598,37)
Financial expenses	80.046,80	38.113,30
Changes in current capital	(165.479,13)	169.138,21
Stocks	331,58	-
Debtors and other accounts receivable	(304.885,61)	38.025,09
Other current assets	92.342,29	(14.369,50)
Trade payables and other accounts payable	(84.548,16)	186.720,47
Other current liabilities	96.916,69	-
Other non-current assets and liabilities	34.364,09	(41.237,85)
Other cash flow from operating activities	(234.966,04)	(40.870,10)
Interest payments	(80.046,82)	(38.113,30)
Receipts of interests	269,70	598,37
Receipts (payments) for profit tax	(155.188,92)	(3.555,17)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(757.501,77)</b>	<b>(248.981,98)</b>
Payments for investments	(793.582,19)	(713.950,30)
Intangible assets	(699.127,09)	(451.776,25)
Tangible assets	(93.243,36)	(262.174,05)
Other financial assets	(1.211,74)	-
Divestment proceeds	36.080,42	464.968,32
Group companies and associates	-	6.930,73
Intangible assets	32.323,70	9.146,92
Tangible assets	3.756,72	-
Other financial assets	-	448.890,67
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(922.732,64)</b>	<b>(112.224,99)</b>
Receipts and payments for equity instruments	(234.943,17)	123.526,74
Disposals (Acquisitions) of own equity instruments	(234.943,17)	123.526,74
Receipts and payments for financial-liability instruments	(444.782,48)	38.865,36
<i>Issuance</i>	-	500.000,00
Amounts owed to credit institutions	-	500.000,00
<i>Repayment and amortisation of:</i>	(444.782,48)	(461.134,64)
Amounts owed to credit institutions	(368.130,80)	(427.448,04)
Others	(76.651,68)	(33.686,60)
Payments for dividends and remuneration of other equity instruments	(243.006,99)	(274.617,09)
Dividends	(243.006,99)	(274.617,09)
<b>NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>	<b>(1.094.882,04)</b>	<b>1.045.368,65</b>
Cash and cash equivalents at start of the financial year	5.056.742,82	4.056.149,61
Cash and cash equivalents at end of the financial year	3.961.860,78	5.101.518,26

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD ENDED AS OF JUNE 30, 2022**

**NOTE 1. INCORPORATION, ACTIVITIES AND LEGAL SYSTEM OF THE PARENT  
COMPANY**

**a) Incorporation and registered Office of the Parent Company**

LLEIDANETWORKS SERVEIS TELEMÀTICS, S. A. (hereinafter "the Company"), was incorporated in Lleida on 30 January 1995. On October 7, 2017, the Company approved the change of its registered office located in General Lacy, number 42, Planta Baja - Local I, Madrid. In the previous year its registered office was located in the Parc Científic i Tecnològic Agroalimentari de Lleida, Edificio H1, Planta 2, in Lleida. On 26 October 2021, the board of directors resolved to transfer the company's registered office to Calle Téllez, 56 Local C in Madrid.

On June 30, 2011, the General Shareholders' Meeting resolved the transformation from a Limited Company to a Public Limited Company. On December 12, 2011, the agreement reached at the aforementioned meeting was submitted to the Mercantile Registry on February 17, 2012.

**b) Activity of the Parent Company**

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

**c) Activities of the Group Companies**

Main activity of the subsidiaries consists in the provision of telecommunications services, the development of programs, the sending of text messages and electronic mail, and the provision of study services and analysis of computer processes in general.

**d) Legal System of the Parent Company**

Parent Company is governed by its Articles of Association and by the current Corporate Enterprises Act.

### e) Quotation in Stocks Markets

On 1 June 2015, the Parent Company approved at the General Shareholders' Meeting the application to list all the shares of the Parent Company on the Alternative Equity Market (MAB), currently called BME Growth.

On 7 October 2015, the Board of Directors of Bolsas y Mercados Españoles, Sistemas de Negociación, S.A., approved the inclusion of 16,049,943 shares with a par value of 0.02 euros each in the expanding companies' segment of the Mercado Alternativo Bursátil with effect from 9 October 2015. The Parent Company appointed PricewaterhouseCoopers Asesores de Negocios, S.L. as Registered Advisor and BEKA Finance, S.V., S.A. as Liquidity Provider, On 7 November 2015, the Parent Company changed its Registered Advisor, appointing GVC GAESCO VALORES SV, S.A. On 19 December 2018, the Parent Company was listed as a dual listing on Euronext Growth Paris, with Invest Securities as Listing Sponsor and Liquidity Provider. On 2 November 2020, the Company was listed on the OTCQX market in New York. On 29 September 2021, the Parent Company changed its liquidity provider, appointing Solventis A.V., S.A. as its Liquidity Provider. On June 14, 2022, the Parent changed its Registered Advisor, appointing Solventis A.V., S.A. as Registered Advisor.

### 1.1) Group Companies

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

#### Group Companies included in the Consolidation Perimeter

The breakdown of the Group Companies included in the consolidation perimeter as of June 30, 2022 is the following:

	Percentage of Holding	Applied Method of Consolidation
<b>Group Lleidanetworks Serveis Telemàtics, S.A.</b>		
which maintains the following investments:		
Lleidanetworks Serveis Telemàtics, LTD	100%	Global integration
Lleidanet USA Inc	100%	Global integration
Lleidanet Honduras, SA	70%	Global integration
Lleidanet Dominicana, SRL	99,98%	Global integration
Lleida SAS	100%	Global integration
Lleida Chile SPA	100%	Global integration
Lleidanet do Brasil Ltda	99,99%	Global integration
Lleidanet Guatemala	80%	Global integration
Portabilidades Españolas, S.L.U.	100%	Global integration
Lleidanet Costa Rica	100%	Global integration
Lleidanet Perú	100%	Global integration
Lleida Information Technology Network Services	49%	Global integration
Lleidanet South Africa	100%	Global integration
Lleidanet SAAS Middle East and Africa DMCC	100%	Global integration
Indenova, S.L.U.	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, 2021.

Detail of activities and registered office of the Subsidiaries included in the perimeter of consolidation as of June 30, 2022, is indicated below:

Lleidatnetworks Serveis Telemàtics, LTD

Incorporated on December 28, 2005 in Dublin, with its registered office in Birchin Court 20, Birchin Lane London (United Kingdom). Its main activity is as operator.

Lleidanet USA Inc.

Incorporated on May 12, 2009 and its registered office is at 2719 Hollywood Boulevard Street 21 FL33020, Hollywood. Its main activity is as operator. On June 30, 2013 a capital increase was made in Lleidanet USA Inc. for 397.515,00 euros which Lleidatnetworks Serveis Telemàtics, S.A. subscribed in entirety.

Lleidanet Honduras, S.A.

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

Lleidanet Dominicana, S.R.L.

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

Lleida SAS

With its registered office in Bogotá (Colombia), it was incorporated on November 16, 2012 subscribing, Lleidatnetworks Serveis Telemàtics, S.A., 100 shares out of a total of 100 that were issued. Its main activity is based on the dissemination of telematics systems. On June 15, 2019 a capital increase was carried out in Lleida, SAS for an amount of 95.802 euros which Lleidatnetworks Serveis Telemàtics, S.A. subscribed in full. On 30 December 2020, a capital increase was carried out in Lleida SAS in the amount of 48.000 euros, subscribed in full by Lleidatnetworks Serveis Telemàtics, S.A.

Lleida Chile SPA

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

#### Lleida Networks India Private Limited

With its registered office in New Delhi (India), it was incorporated on January 7, 2013 subscribing, Lleidanetworks 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.

#### Lleidanet do Brasil Ltda

With its registered office in Sao Paulo (Brazil), it was incorporated on October 2, 2013 subscribing, Lleidanetworks 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, Lleidanetworks 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, Lleidanetworks 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. During 2019 year, a capital increase was carried out for a total value of 10.000 euros, fully subscribed by Lleidanet Serveis Telemàtics, S.A.

#### Lleidanet Costa Rica Empresa Individual de Responsabilidad Limitada

On March 31, 2016, the Parent Company 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. On 21 February 2020 and 28 December 2020, capital increases were carried out by offsetting receivables from the Parent Company for amounts of EUR 104.283 and EUR 33.637, respectively. On 20 December 2021, a capital increase of Euros 44.309,84 was carried out by offsetting receivables from the Parent company.

### Lleida Information Technology Network Services

On October 1, 2020, the Company establishes the company in the United Arab Emirates together with the partner Adil Ismail Ali Al Fahem, with a share capital of 300 shares of which 147 are subscribed by Lleidanet Serveis Telemàtics, S.A. and that correspond to 49% of the capital stock of the incorporated company.

### Lleidanet South Africa

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

### Lleidanet SAAS Middle East and Africa DMCC

On April 8, 2021, the Group incorporated, in Dubai, Lleidanet SAAS Middle East and Africa DMCC, subscribing 100% of the shares of this company.

### Indenova, S.L.U.

On 30 November 2021, the Company acquires 100% of the shares of Indenova, S.L.U. for a cost of 7.100.000,00 euros.

## **NOTE 2. PRESENTATION BASIS OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying Interim Consolidated Financial Statements as of June 30, 2022 have been prepared on the basis of the accounting records of the various companies comprising the Group, whose respective Annual Accounts are prepared in accordance with prevailing mercantile legislation and the rules established in the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, applying the amendments made thereto by Royal Decree 1159/2010, of 17 September, and Royal Decree 602/2016, of 2 December and Royal Decree 1/2021, of 12 January, in the case of Spanish companies, and in accordance with the regulations applicable in the other countries where the companies comprising the Consolidated Group are located, and are presented in accordance with the provisions of Royal Decree 1159/2010 of 17 September, in order to give a true and fair view of the consolidated net worth, financial position and results, as well as the veracity of the 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**

In preparing the accompanying consolidated interim financial statements, estimates were made by the Parent Company's Board of Directors in order to measure certain of the assets, liabilities, income and expenses reported herein. The estimates and judgements relate to:

- Reasonableness of capitalisation and recoverability of research projects.
- Reasonableness of the recognition and recoverability of goodwill arising from the acquisition of Indenova, S.L.U.

Although these estimates have been made on the basis of the best information available at the end of the six months ended 30 June 2022, it is possible that events that may occur in the future may make it necessary to modify (upwards or downwards) in future years, which would be done prospectively, recognising the effects of the change in estimate in the corresponding profit and loss account.

The Parent Company's Board of Directors considers that there are no significant uncertainties or aspects about the future that could entail a significant risk that could lead to significant changes in the value of assets and liabilities in the following year.

#### **d) Comparison of the Information**

In accordance with commercial legislation, the Board of Directors presents, for comparative purposes with each of the balance sheet items, in addition to the figures for the six months ended 30 June 2022, the figures for the previous year. It also presents, for comparative purposes with each of the items in the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement, in addition to the figures for the six months ended 30 June 2022, the figures for the six months ended 30 June 2021. The items for both years are comparable and homogeneous.

#### **e) Responsibility for the Information given and the Estimates made**

For the preparation of the Consolidated Annual Accounts estimates have been used in order to value some of the assets, liabilities, incomes, expenses and compromises that are registered, and that, basically, these estimations are referred to the evaluation of losses by impairment of certain assets, the useful life of non-current assets and the probability of occurrence of provisions (see section c).

In November 2021, following the acquisition of the company Indenova, S.L., goodwill of 4,7 million euros has been generated. Indenova's main assets are its assets, as reflected in its balance sheet. Indenova has a brand image that is recognised both nationally and internationally, and a recurring customer base that values its services. Its R&D developments will enable new uses of its services, not only for its customer base, but will also be a differentiating element in the Group's R&D strategy. They have key personnel, who will remain within the Lleida.net Group and will be members of the management committee and will help to meet the objectives set by the Board of Directors of the Group's Parent Company. With the acquisition of Indenova, synergies in sales are achieved, given that Indenova and the other companies of the Group have very few shared customers. Indenova will be able to increase its sales by selling its products to Lleida.net customers.

The Parent Company's Board of Directors has not considered it necessary to recognise any impairment of this goodwill on the basis of the expectations of positive cash flow generation forecast for the coming years by this investee company.

In order to analyse the recoverability of the aforementioned assets, cash flows based on sales projections for the period 2022-2026 have been used. According to management, these projections are based on the 2020 result, the 2021 budget and management's best expectations for the business until 2026 for the corresponding impairment analysis as of 31 December 2022.

Sales growth of 1.5% until 2026 has been estimated. Cash flows have also been discounted using the average cost of funds after tax. The discount rate used was 10,5%.

Notwithstanding that these estimates were made according to the best information available at the time of the preparation of these Consolidated Annual Accounts, it is possible that future events may occur that require their amendment for the next financial years, which would be carried out prospectively, taking account of the effects of the estimate change on the corresponding profit and loss accounts.

#### **f) Changes in accounting criteria**

No changes in accounting policies have been made.

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

The Interim Consolidated Financial Statements for the period ended as of June 30, 2022 do not include related adjustments as a result of errors detected in previous years' annual accounts or financial statements.

### **h) Fair value**

It is the price that would be received to sell an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date. The fair value shall be determined without any deduction for transaction costs that might be incurred due to disposal or disposition by other means. In no case shall the fair value result from a forced or urgent transaction or as a consequence of an involuntary liquidation situation.

Fair value is estimated for a particular date and, because market conditions may change over time, that value may be inappropriate for another date. In addition, in estimating fair value, an enterprise should take into account the conditions of the asset or liability that market participants would take into account in pricing the asset or liability at the measurement date.

In estimating fair value, it is assumed that the transaction to sell the asset or transfer the liability is carried out:

- a) Between interested and duly informed parties, in an arm's length transaction,
- b) In the main market of the asset or liability, understood as the market with the highest volume and level of activity, or
- c) In the absence of a principal market, in the most advantageous market to which the company has access for the asset or liability, understood as the one that maximizes the amount that would be received for the sale of the asset or minimizes the amount that would be paid for the transfer of the liability, after taking into account transaction costs and transportation expenses.

In general, fair value is calculated by reference to a reliable market value.

For those items for which there is no active market, the fair value will be obtained, where appropriate, through the application of valuation models and techniques.

The fair value of a financial instrument must consider, among other things, the credit risk and, in the specific case of a financial liability, the company's default risk, which includes, among other components, its own credit risk. However, no adjustments for volume or market capacity should be made to estimate the fair value.

### **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, 2022, in accordance with those established by the General Accounting Plan, were as follows:

#### **a) Consolidation Principles**

The consolidation of the Financial Statements of **Lleidanetworks 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 **Lleidanetworks Serveis Telemàtics, S.A.** with those of the aforementioned subsidiaries was performed according to the following basic principles:

- The criteria used in formulation of the Balance Sheets, the Profit and Loss Account and the Statement of Changes in Equity and Cash-Flow Statements for each one of the consolidated companies are, generally, and in their basic aspects, homogenous.
- The Consolidated Balance Sheet, the Consolidated Profit and Loss Account, the Consolidated Statement of Changes in Equity and Consolidated Statements of Cash Flow include all adjustments and eliminations of the consolidation process, as well as relevant valuation homogenizations to reconcile balances and transactions between the consolidating companies.
- Balances and transactions between consolidated companies were eliminated in the consolidation process. The credits and debts with group, affiliated and associated companies which have been excluded from the consolidation are presented in the corresponding headings of the assets and liabilities headings of the Consolidated Balance Sheet.
- The deletion of Subsidiary equity investment was conducted by compensating the shareholding of the Parent Company with the proportional part of the net equity of the subsidiaries which is represented by the shareholding on the date of the first consolidation. The first consolidation differences were treated as follows:
  - a) Positive differences which cannot be allocated to the equity elements of the Subsidiaries were included in the "Consolidation Goodwill" heading of the Consolidated Balance Sheet. The impairment losses must be recognized in the Consolidated Profit and Loss Account and are irreversible
  - b) Negative differences, obtained as first consolidation, are recognized as reserves for the year considering that the group already existed previously in the different subgroups contributed to the Parent Company.

- The consolidated income for the financial year shows the part that may be attributed to the Parent Company, comprised of the income obtained by the latter plus the corresponding part, by virtue of the financial shareholding, of the income obtained by the invested companies
- The shareholding value of the minority interests in the equity and the attribution of income in the consolidated subsidiaries is presented in the "Minority Interest" heading of the Equity of the Consolidated Balance Sheet. The value breakdown of these shareholdings is presented in Note 4.

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

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

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

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

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

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

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

#### **Computer Applications**

Licenses for computer applications purchased from third parties are capitalized on the basis of the costs incurred for purchasing. Computer applications are amortized on a straight-line basis throughout their useful lives, at an annual rate of 33%.

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

#### **Industrial Property**

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

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

### e) 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**

A financial asset is any asset that is: cash, an equity instrument of another company, or involves a contractual right to receive cash or another financial asset (a debt instrument), or to exchange financial assets or liabilities with third parties on potentially favourable terms.

The financial assets used by the Group are classified for valuation purposes in one of the following categories:

1. Financial assets at fair value through profit or loss.
2. Financial assets at amortised cost.
3. Financial assets at fair value with changes in equity.
4. Financial assets at cost.

Financial instruments issued, incurred or assumed are classified as financial liabilities, in whole or in part, if, based on their economic substance, they create a direct or indirect contractual obligation for the Company to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with third parties on potentially unfavourable terms.

The financial liabilities used by the Group are classified for valuation purposes in one of the following categories:

1. Financial liabilities at amortised cost.
2. Financial liabilities at fair value through profit or loss.

The Group has no financial liabilities at fair value.

#### **Financial assets at amortised cost**

A financial asset is included in this category, even when it is admitted to trading on an organised market, if the company holds the investment for the purpose of receiving cash flows from the performance of the contract and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent in an arrangement that is in the nature of a regular or ordinary loan, notwithstanding that the transaction is arranged at a zero or below-market interest rate.

The following are classified in this category:

- a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in the ordinary course of business for which payment is deferred, and
- b) Non-trade receivables: financial assets which, not being equity instruments or derivatives, do not arise from trade transactions and whose collections are of a fixed or determinable amount.

#### **Financial Assets at Fair Value Through Shareholders' Equity**

A financial asset is included in this category when the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding, and it is neither held for trading nor classified as a financial asset at amortised cost. Investments in equity instruments for which an irrevocable option is exercised at the initial time to present subsequent changes in fair value directly in equity are also included in this category.

#### **Financial liabilities at amortised cost**

The following are classified in this category:

- a) Trade payables: financial liabilities arising from the purchase of goods and services in connection with trading transactions; and
- b) Non-trade payables: financial liabilities which, not being derivative instruments, do not arise from trade transactions, but arise from loans or credits received by the Company.

The financial assets and liabilities included in this category are initially measured at fair value, which is the transaction price and is equal to the fair value of the consideration given plus directly attributable transaction costs.

Notwithstanding the above, trade receivables and payables maturing in less than one year that do not bear contractual interest rates, as well as, where applicable, advances and loans to employees, dividends receivable and payments required on equity instruments, the amount of which is expected to be received in the short term, and payments required by third parties on equity investments, the amount of which is expected to be paid in the short term, are measured at nominal value when the effect of not discounting cash flows is not material.

In subsequent valuations, both assets and liabilities are measured at amortised cost. Accrued interest is recognised in the profit and loss account using the effective interest method. Notwithstanding the above, receivables and payables maturing within one year that were initially measured at nominal value continue to be measured at nominal value, unless, in the case of receivables, they are impaired.

At least at year-end, the necessary impairment losses are recognised whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after its initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the insolvency of the debtor.

As indicated in note 11.1) the main credit risk arises from trade balances, with potential impairments being estimated on a customer-by-customer basis.

The amount of the valuation adjustment is the difference between the carrying amount of the asset and the present value of the estimated future cash flows.

The estimated future cash flows of a debt instrument are all the amounts, principal and interest, that the company estimates it will earn over the life of the instrument. The estimate considers all relevant information available at the date of the interim financial statements that provides information about the collectability of future contractual cash flows.

When instruments are secured by collateral and personal guarantees, the cash flows that would be realised, less the amount of costs required to obtain and subsequently sell the collateral, are included, regardless of the likelihood of realisation.

In calculating the present value of the estimated future cash flows, the original effective interest rate of the financial asset is used as the discount rate.

The recognition of interest on credit-impaired financial assets shall follow the general rules, without prejudice to the simultaneous assessment by the company of whether the amount will be recoverable and, if so, the recognition of the corresponding impairment loss.

The impairment loss so calculated shall be recognised in the profit and loss account.

If, in subsequent periods, the amount of the impairment loss decreases, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds the amortised cost that would have been recognised at the date of reversal had no impairment loss been recognised. The amount of the reversal shall be recognised in profit or loss.

### **Own Equity Instruments**

An equity instrument is any legal arrangement that evidences, or reflects, a residual interest in the assets of the issuing enterprise after deducting all of its liabilities.

In the event that the company enters into any transaction with its own equity instruments, the amount of these instruments shall be recorded in equity as a change in equity, and in no case may they be recognised as financial assets of the company and no profit or loss shall be recorded in the profit and loss account.

Expenses arising from these transactions, including the costs of issuing these instruments, such as lawyers', notaries' and registrars' fees; printing of reports, bulletins and securities; taxes; advertising; commissions and other placement expenses, shall be recorded directly in equity as a reduction in reserves.

### **Derecognition of Financial Assets**

A financial asset, or part of a financial asset, is derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred, and the risks and rewards of ownership have been substantially transferred.

### **Derecognition of Financial Liabilities**

A financial liability is derecognised when the related obligation is extinguished.

### **Interest and Dividends Received on Financial Assets**

Interest and dividends on financial assets accrued after the time of acquisition shall be recognised as income in the profit and loss account.

Interest on financial assets measured at amortised cost shall be recognised using the effective interest method and dividends when the member's right to receive them is declared.

For this purpose, on initial measurement of financial assets, the amount of explicit interest accrued but not yet due at that time and the amount of dividends declared by the competent body at the time of acquisition shall be recognised separately on a maturity basis.

Explicit interest" shall be understood to be that which is obtained by applying the contractual interest rate of the financial instrument. In addition, if the dividends distributed unequivocally arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they are not recognised as income and reduce the carrying amount of the investment.

### **Bonds Given and Received**

For deposits given or received under operating leases or for the provision of services, the difference between the fair value of the deposit and the amount paid (for example, because the deposit is long-term and is not interest-bearing) is treated as an advance payment or collection for the lease or provision of the service, and shall be taken to profit or loss over the period of the lease in accordance with paragraph 2 of the standard on leases and similar transactions or over the period in which the service is rendered in accordance with the standard on revenue from sales and services.

### **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 Group 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**

An entity shall recognise revenue in the ordinary course of business when control of the goods or services committed to customers is transferred. At that time, the enterprise shall measure revenue at the amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

In order to apply this fundamental approach to revenue recognition, the Company follows a comprehensive process consisting of the following successive steps:

- a) Identify the contract(s) with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations for the parties.
- b) Identify the obligation(s) to be fulfilled in the contract, representing commitments to transfer goods or provide services to a customer.
- c) Determine the transaction price, or contract consideration, to which the firm expects to be entitled in exchange for the transfer of goods or provision of services committed to the customer.

- d) Allocate the transaction price to the obligations to be performed on the basis of the individual selling prices of each separate good or service committed to in the contract or, where appropriate, on the basis of an estimate of the selling price when the selling price is not independently observable.
- e) Recognise revenue when (as) the company satisfies a committed obligation through the transfer of a good or the rendering of a service; such satisfaction occurs when the customer obtains control of that good or service, so that the amount of revenue recognised is the amount allocated to the contractual obligation satisfied.

For each obligation to be fulfilled (delivery of goods or provision of services) identified, the Company determines at the beginning of the contract whether the commitment undertaken is fulfilled over time or at a specific point in time. As specified in note 15, the invoicing issued by the Company is based on customer consumption of each product.

#### **Fulfilment of the obligation at a specific point in time**

In cases where the transfer of control over the asset does not occur over time, the Company recognises revenue using the criteria established for obligations that are discharged at a point in time. To identify the specific point in time at which the customer obtains control of the asset (generally an asset), the Company considers, among others, the following indicators:

- a) The customer assumes the significant risks and rewards of ownership of the asset. In assessing this, the Company excludes any risk that gives rise to a separate obligation other than a commitment to transfer the asset.
- b) The Company has transferred physical possession of the asset.
- c) The customer has received (accepted) the asset in accordance with the contractual specifications.
- d) The company has a collection right for transferring the asset.
- e) The customer has ownership of the asset.

#### **Valuation**

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where appropriate, the fair value of the consideration received or expected to be received, which, in the absence of evidence to the contrary, is the agreed price of the assets to be transferred to the customer, less: the amount of any discounts, rebates or other similar items that the company may grant; and interest included in the nominal amount of the receivables.

However, embedded interest on trade receivables maturing in less than one year that do not have a contractual interest rate is included when the effect of not discounting cash flows is not material. If applicable

Taxes levied on the delivery of goods and services that the company must pass on to third parties, such as value added tax and excise duties, as well as amounts received on behalf of third parties, are not part of revenue.

Where variable consideration exists, the Company takes into account in the measurement of revenue the best estimate of the variable consideration if it is highly probable that there will not be a significant reversal of the amount of revenue recognised when the uncertainty associated with the consideration is subsequently resolved.

#### **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, 2022 is as follows, in Euros:

Group Company	Percentage of minority interests shareholders (holdings)	Equity	Others	Period results	Total Minority interests
Lleidanet Guatemala	20%	4.042,50	(263,84)	-	755,73
Lleidanet Honduras	30%	-	-	-	-
Lleidanet Brasil	0,01%	(41.163,82)	1.654,49	(42,14)	(3,96)
Lleidanet República Dominicana	0,02%	(8.772,98)	10.377,30	393,04	0,40
Lleida Information Technology Network Services	51%	(74.803,17)	(12.893,62)	(42.568,00)	(66.435,04)
					(65.682,87)

The breakdown of the value of minority interests in the equity of the consolidated subsidiaries at the year end 2021 was as follows, in Euros:

Group Company	Percentage of minority interests shareholders (holdings)	Equity	Others	Period results	Total Minority interests
Lleidanet Guatemala	20%	4.042,50	(524,94)	-	703,51
Lleidanet Honduras	30%	-	-	-	-
Lleidanet Brasil	0,01%	(38.909,84)	7.203,12	(2.253,98)	(3,40)
Lleidanet República Dominicana	0,02%	(9.014,54)	734,21	241,56	(1,61)
Lleida Information Technology Network Services (*)	51%	(4.575,12)	7.120,79	(70.228,05)	(34.518,01)
					(33.819,51)

## NOTE 5. INTANGIBLE FIXED ASSETS

The detail and movement of Intangible Fixed Assets for the six-month period ended as of June 30, 2022 is as follows, in euros:

	31/12/2021	Additions	De-Recognition	Transfers	30/06/2022
<b>Cost:</b>					
Goodwill on consolidation	4.688.429,58	-	-	-	4.688.429,58
Research	12.372.277,80	602.743,12	-	-	12.975.020,92
Industrial Property	1.054.272,10	-	-	55.367,61	1.109.639,71
Computer applications	5.321.268,91	52.692,59	-	25.054,90	5.399.016,40
Advances for intangible fixed assets	587.442,81	43.691,38	(32.323,70)	(80.422,51)	518.387,98
	<b>24.023.691,20</b>	<b>699.127,09</b>	<b>(32.323,70)</b>	<b>-</b>	<b>24.690.494,59</b>
<b>Accumulated amortization:</b>					
Goodwill on consolidation	(78.140,49)	(234.421,48)	-	-	(312.561,97)
Research	(10.095.241,70)	(409.594,15)	-	-	(10.504.835,85)
Industrial Property	(389.147,55)	(41.975,37)	-	-	(431.122,92)
Computer applications	(2.429.635,56)	(251.521,13)	-	-	(2.681.156,69)
	<b>(12.992.165,30)</b>	<b>(937.512,13)</b>	<b>-</b>	<b>-</b>	<b>(13.929.677,43)</b>
<b>Intangible Fixed Assets, Net</b>	<b>11.031.525,90</b>	<b>(238.385,04)</b>	<b>(32.323,70)</b>	<b>-</b>	<b>10.760.817,16</b>

The details and changes in intangible fixed assets throughout the financial year 2021 were as follows, in euros:

	31/12/2020	Perimeter additions	Additions	De-Recognition	Transfers	31/12/2021
<b>Cost:</b>						
Goodwill on consolidation	-	4.688.429,58	-	-	-	4.688.429,58
Research	11.649.345,74	-	722.932,06	-	-	12.372.277,80
Industrial Property	928.218,54	-	14.935,60	(14.935,60)	126.053,56	1.054.272,10
Computer applications	270.661,09	4.627.951,01	455.547,44	(32.890,63)	-	5.321.268,91
Advances for intangible fixed assets	564.399,48	-	158.243,81	(9.146,92)	126.053,56	587.442,81
	<b>13.412.624,85</b>	<b>9.316.380,59</b>	<b>1.351.658,91</b>	<b>(56.973,15)</b>	<b>-</b>	<b>24.023.691,20</b>
<b>Accumulated amortization:</b>						
Goodwill on consolidation	-	-	(78.140,49)	-	-	(78.140,49)
Research	(9.280.092,95)	-	(815.148,75)	-	-	(10.095.241,70)
Industrial Property	(307.717,52)	-	(81.430,03)	-	-	(389.147,55)
Computer applications	(241.800,81)	(1.426.403,76)	(794.321,62)	32.890,63	-	(2.429.635,56)
	<b>(9.829.611,28)</b>	<b>(1.438.661,46)</b>	<b>(1.769.040,89)</b>	<b>32.890,63</b>	<b>-</b>	<b>(12.992.165,30)</b>
<b>Intangible Fixed Assets, Net</b>	<b>3.583.013,57</b>	<b>3.189.289,55</b>	<b>(417.381,98)</b>	<b>(24.082,52)</b>	<b>-</b>	<b>11.031.525,90</b>

### **Fully-amortized and in-use items**

The breakdown, by epigraphs, of the most significant assets which were fully-amortised and in use as of June 30, 2022 and at December 31, 2021, is the following, stating their cost values in Euros:

	30/06/2022	31/12/2021
Research	8.492.284,57	8.492.284,57
Patents	108.806,51	108.806,51
Computer applications	1.387.114,48	1.387.114,48
	<b>9.988.205,56</b>	<b>9.988.205,56</b>

### **NOTE 6. TANGIBLE ASSETS**

The detail and changes of tangible fixed assets for year six-month period ended on June 30, 2022, is the following, in euros:

	31/12/2021	Additions	De-Recognition	30/06/2022
<b>Cost:</b>				
Land and buildings	197.185,74	5.909,80	-	203.095,54
Technical installations and machinery	257.392,06	756,85	-	258.148,91
Other installations, tools and furniture	310.921,81	356,01	-	311.277,82
Data processing equipment	1.303.918,37	86.220,70	(3.522,89)	1.386.616,18
Other tangible fixed assets	12.746,77	-	(233,83)	12.512,94
Advances for tangible fixed assets	57.380,60	-	-	57.380,60
	<b>2.139.545,35</b>	<b>93.243,36</b>	<b>(3.756,72)</b>	<b>2.229.031,99</b>
<b>Accumulated amortization:</b>				
Land and buildings	(49.380,53)	(2.547,53)	-	(51.928,06)
Technical installations and machinery	(253.872,68)	(1.352,22)	-	(255.224,90)
Other installations, tools and furniture	(280.039,77)	(3.356,94)	-	(283.396,71)
Data processing equipment	(918.298,64)	(83.118,26)	-	(1.001.416,90)
Other tangible fixed assets	(11.387,92)	(510,46)	-	(11.898,38)
	<b>(1.512.979,54)</b>	<b>(90.885,41)</b>	<b>-</b>	<b>(1.603.864,95)</b>
<b>Tangible Fixed Assets, Net</b>	<b>626.565,81</b>	<b>2.357,95</b>	<b>(3.756,72)</b>	<b>625.167,04</b>

The details and changes in tangible fixed assets throughout the financial year 2021 were as follows, in euros:

	31/12/2020	Perimeter additions	Additions	De-recognitions	Transfers	31/12/2021
<b>Cost:</b>						
Land and buildings	197.185,74	-	-	-	-	197.185,74
Technical installations and machinery	257.392,06	-	-	-	-	257.392,06
Other installations, tools and furniture	106.118,89	232.962,47	391.047,47	(30.298,55)	-	699.830,28
Data processing equipment	663.660,87	280.973,00	20.643,57	(50.267,54)	-	915.009,90
Other tangible fixed assets	4.935,79	7.810,98	-	-	-	12.746,77
Advances for tangible fixed assets	-	-	57.380,60	-	-	57.380,60
	<b>1.229.293,35</b>	<b>521.746,45</b>	<b>469.071,64</b>	<b>(80.566,09)</b>	<b>-</b>	<b>2.139.545,35</b>
<b>Accumulated amortization:</b>						
Land and buildings	(44.243,23)	-	(5.137,30)	-	-	(49.380,53)
Technical installations and machinery	(246.191,35)	-	(7.681,33)	-	-	(253.872,68)
Other installations, tools and furniture	(74.609,25)	(219.885,39)	(12.101,84)	26.556,71	-	(280.039,77)
Data processing equipment	(524.340,02)	(289.135,32)	(162.638,71)	50.722,24	7.093,17	(918.298,64)
Other tangible fixed assets	(3.986,70)	-	(308,05)	-	(7.093,17)	(11.387,92)
	<b>(893.370,55)</b>	<b>(509.020,71)</b>	<b>(187.867,23)</b>	<b>77.278,95</b>	<b>-</b>	<b>(1.512.979,54)</b>
<b>Tangible Fixed Assets, Net</b>	<b>335.922,80</b>	<b>12.725,74</b>	<b>281.204,41</b>	<b>(3.287,14)</b>	<b>-</b>	<b>626.565,81</b>

Due to the increase in SaaS sales, investments have been made in servers for more storage capacity. Investments have also been made in laptops.

### **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, 2022 and as of December 31, 2021, is shown below stating their cost values in Euros:

	30/06/2022	31/12/2021
Technical installations and machinery	188.916,95	188.916,95
Other facilities	174.620,84	174.620,84
Furniture	121.693,25	85.500,79
Data processing equipment	683.570,38	683.570,38
Other fixed assets	3.087,87	3.087,87
	<b>1.171.889,29</b>	<b>1.135.696,83</b>

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

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

The Company has no assets financed by finance leases as of June 30, 2022.

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

The charge to income for the six months ended on June 30, 2022 and the six months ended on June 30, 2021 for operating leases amounted to 151.473,19 euros (98.612,13 euros for the six months ended on June 30, 2021). This mainly corresponds to office rentals and vehicle rentals.

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

	2022	2021
Up to 1 year	254.092,30	229.464,78
Between 1 and 5 years	203.458,99	101.044,71
More of 5 years	539.377,54	524.845,84
<b>Total</b>	<b>996.928,83</b>	<b>855.355,33</b>

## **NOTE 8. FINANCIAL ASSETS**

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

	Equity instruments 30/06/2022	Equity instruments 31/12/2021	Credits and Others Financial Assets 30/06/2022	Credits and Others Financial Assets 31/12/2021
Financial assets at amortised cost (Note 8.2)	-	-	56.871,04	55.659,30
Financial assets at fair value with changes in equity (Note 8.3)	10.197,40	10.197,40	-	-
<b>Total</b>	<b>10.197,40</b>	<b>10.197,40</b>	<b>56.871,04</b>	<b>55.659,30</b>

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

	Credits and Others Financial Assets 30/06/2022	Credits and Others Financial Assets 31/12/2021
Assets at fair value through the profit and loss:	3.961.860,78	5.056.742,82
Cash or other liquid assets (Note 8.1)	3.961.860,78	5.056.742,82
Loans and receivable items (Note 8.2)	5.616.322,68	5.256.579,44
<b>Total</b>	<b>9.578.183,46</b>	<b>10.313.322,26</b>

### **8.1) Assets at Fair Value through the Profit and Loss**

#### **Cash and other Equivalent Liquid Assets**

The detail of these assets as of June 30, 2022 and as of December 31, 2021 is as follows, in euros:

	Balance as of 30/06/2022	Balance as of 31/12/2021
Current Accounts	3.953.683,69	5.008.191,36
Cash	8.177,09	48.551,46
<b>Total</b>	<b>3.961.860,78</b>	<b>5.056.742,82</b>

## 8.2) Financial assets at amortised cost

The composition of loans and receivable items as of June 30, 2022 and as of December 31, 2021 is as follows, in euros:

	Balance as of 30/06/2022		Balance as of 31/12/2021	
	Long-Term	Short-Term	Long-Term	Short-Term
<b>Loans and receivables items for commercial transactions</b>				
Third party customers	-	4.684.680,78	-	4.368.443,08
Third party debtors	-	116.281,77	-	75.030,31
<b>Total loans and receivables items for commercial transactions</b>	<b>-</b>	<b>4.800.962,55</b>	<b>-</b>	<b>4.443.473,39</b>
<b>Loans and receivables for non-commercial transactions</b>				
Staff	-	3.338,13	-	1.084,05
Short-term deposits (*)	-	812.022,00	-	812.022,00
Securities and deposits	56.871,04	-	55.659,30	-
<b>Total loans and receivables for non-commercial transactions</b>	<b>56.871,04</b>	<b>815.360,13</b>	<b>55.659,30</b>	<b>813.106,05</b>
<b>Total</b>	<b>56.871,04</b>	<b>5.616.322,69</b>	<b>55.659,30</b>	<b>5.256.579,44</b>

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

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

	Amount
<b>Accumulated impairment end of financial year 2020</b>	<b>590.740,72</b>
Impairment losses on trade receivables	28.093,31
<b>Accumulated impairment end of financial year 2021</b>	<b>618.834,03</b>
Impairment losses on trade receivables	126,23
<b>Accumulated impairment as of June 30, 2022</b>	<b>618.960,26</b>

## 8.3) Financial assets at fair value with changes in equity

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

There are no assets as collateral for loans.

## **NOTE 9. FINANCIAL LIABILITIES**

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

	Debts with credit institutions		Others liabilities		Total	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
<b>Financial liabilities at amortised cost (Note 9.1)</b>	<b>6.075.562,52</b>	<b>6.894.048,41</b>	<b>1.631.876,12</b>	<b>1.716.048,03</b>	<b>7.707.438,64</b>	<b>8.610.096,44</b>

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

	Debts with credit institutions		Others liabilities		Total	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
<b>Financial liabilities at amortised cost (Note 9.1)</b>	<b>2.390.614,40</b>	<b>1.940.259,31</b>	<b>5.589.552,48</b>	<b>5.557.322,54</b>	<b>7.980.166,88</b>	<b>7.497.581,85</b>

### **9.1) Financial liabilities at amortised cost**

The breakdown as of June 30, 2022 and as of December 31, 2021 is as follows, in euros:

	Balance as of 30/06/2022		Balance as of 31/12/2021	
	Long-Term	Short-Term	Long-Term	Short-Term
<b>For commercial transactions:</b>				
Suppliers	-	1.180.886,98	-	1.222.378,07
Creditors	-	1.523.642,90	-	1.478.005,69
Advances from costumers	-	131.324,45	-	117.632,28
<b>Total balances for commercial transactions</b>	<b>-</b>	<b>2.835.854,33</b>	<b>-</b>	<b>2.818.016,04</b>
<b>For non-commercial operations:</b>				
Debts with credit institutions	6.075.562,52	2.390.614,40	6.894.048,41	1.940.259,31
Other debts	1.631.876,12	2.632.620,43	1.716.048,03	2.625.100,20
<b>Debits and payable items</b>	<b>7.707.438,64</b>	<b>5.023.234,83</b>	<b>8.610.096,44</b>	<b>4.565.359,51</b>
Staff (remuneration payable)	-	121.077,72	-	114.206,30
<b>Total balances for non-commercial operations</b>	<b>7.707.438,64</b>	<b>5.144.312,55</b>	<b>8.610.096,44</b>	<b>4.679.565,81</b>
<b>Total</b>	<b>7.707.438,64</b>	<b>7.980.166,88</b>	<b>8.610.096,44</b>	<b>7.497.581,85</b>

### 9.1.1) Debts with credit institutions

The breakdown of debts with credit institutions as of June 30, 2022 is as follows, in euros:

	A Short-Term	A Long-Term	Total
Loans	1.972.321,62	6.075.562,52	8.047.884,14
Credit policies	418.292,78	-	418.292,78
	<b>2.390.614,40</b>	<b>6.075.562,52</b>	<b>8.466.176,92</b>

The breakdown of debts with credit institutions as of December 31, 2021 is as follows, in euros:

	Short-Term	Long-Term	Total
Loans	1.741.259,31	6.894.048,41	8.635.307,72
Credit policies	199.000,00	-	199.000,00
	<b>1.940.259,31</b>	<b>6.894.048,41</b>	<b>8.834.307,72</b>

### Loans

The detail of the bank loans as of June 30, 2022, expressed in Euros, is the following:

Loan	Last maturity	Initial amount	Pending closing
Loan 24 (*)	15/10/2025	78.375,60	33.699,60
Loan 36	02/11/2022	300.000,00	26.722,56
Loan 38	18/06/2023	195.000,00	40.621,42
Loan 39	02/07/2023	200.000,00	45.693,81
Loan 40	28/12/2023	400.000,00	122.591,74
Loan 41	29/03/2024	250.000,00	90.283,37
Loan 42	12/04/2024	400.000,00	150.742,89
Loan 43	03/05/2024	300.000,00	118.371,21
Loan 44	04/06/2024	250.000,00	103.006,54
Loan 45	30/04/2025	400.000,00	285.800,47
Loan 46	22/04/2025	400.000,00	285.964,06
Loan 47	08/04/2025	400.000,00	286.045,92
Loan 48	31/03/2026	500.000,00	376.751,63
Loan 49	09/07/2028	1.200.000,00	1.045.472,96
Loan 50	31/07/2028	3.200.000,00	2.790.446,94
Loan 51	09/10/2027	1.250.000,00	1.115.874,44
Loan 53	01/02/2028	400.000,00	378.427,71
Loan 54	03/07/2023	415.829,24	93.475,54
Loan 56	18/04/2023	200.000,00	51.069,42
Loan 57	04/07/2026	150.000,00	150.000,00
Loan 58	04/07/2026	250.000,00	250.000,00
Loan 59	24/04/2026	220.000,00	206.821,91
		<b>11.359.204,84</b>	<b>8.047.884,14</b>

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

The detail of the bank loans as of December 31, 2021, expressed in Euros, is the following:

Loan	Last Maturity	Amount granted	Pending at closure
Loan 24 (*)	15/10/2025	78.375,60	43.627,60
Loan 36	02/11/2022	300.000,00	58.359,29
Loan 37	01/03/2022	150.000,00	9.375,00
Loan 38	18/06/2023	195.000,00	60.620,92
Loan 39	02/07/2023	200.000,00	66.329,07
Loan 40	28/12/2023	400.000,00	162.956,00
Loan 41	29/03/2024	250.000,00	115.518,23
Loan 42	12/04/2024	400.000,00	191.022,69
Loan 43	03/05/2024	300.000,00	148.548,74
Loan 44	04/06/2024	250.000,00	128.121,46
Loan 45	30/04/2025	400.000,00	334.987,79
Loan 46	22/04/2025	400.000,00	335.097,20
Loan 47	08/04/2025	400.000,00	335.151,93
Loan 48	31/03/2026	500.000,00	426.189,63
Loan 49	09/07/2028	1.200.000,00	1.129.856,99
Loan 50	31/07/2028	3.200.000,00	3.014.188,42
Loan 51	09/10/2027	1.250.000,00	1.216.577,45
Loan 52	21/03/2022	350.000,00	18.200,00
Loan 54	03/07/2023	415.829,24	136.000,00
Loan 56	18/04/2023	200.000,00	84.579,31
Loan 57	04/07/2026	150.000,00	150.000,00
Loan 58	04/07/2026	250.000,00	250.000,00
Loan 59	24/04/2026	220.000,00	220.000,00
		<b>11.459.204,84</b>	<b>8.635.307,72</b>

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

### Credit Lines

As of June 30, 2022, the Group has credit policies granted with a total limit amounting to 2.509.000 euros (1.913.500 euros at the end of the previous year), which amount drawn at the aforementioned date is 418.292,78 euros (273.500 euros at the end of the previous year).

### Lines of Effects and Import Advances

As of June 30, 2022, the Group has discount policies granted with a total limit amounting to 575.000 euros (780.000 euros at the end of the previous year), as of that date, no amount has been drawn (no amount had been drawn at the end of the previous year).

#### 9.1.2) Other Financial Liabilities

##### Deferred payment for the acquisition of Indenova, S.L.U.

On 30 November 2021 the Group acquired 100% of the shares of Indenova, S.L.U. for a price of 7.100.000 euros, making a first payment of 4.010.387,67 euros, with the remaining amount, i.e. 3.089.612,33 euros, deferred. A schedule of payments has been established, with dates 30 November 2022, 2023, 2024 and 2025 in cash, and another schedule of payments with dates 30 November 2023, 2024 and 2025 consisting of a fixed amount to be paid by means of the delivery of shares in Lleidanetworks Serveis Telemàtics, S.A. (own shares).

## Other debts

Other debts mainly comprise one loan held by the Group with the Institut Català de Finances (ICF), CDTI and former partners of the company Indenova, S.L.U. The detail as of June 30, 2022 is as follows, in euros:

Entity	Last maturity	Amount granted	Pending at closure
Loan 2	25/07/2023	300.000,00	72.793,28
Loan 3	26/03/2024	199.151,00	60.878,45
Loan 4	23/07/2024	111.750,00	155.632,68
Loan 5	31/12/2022	217.000,00	217.000,00
Loan 6	31/12/2022	290.000,00	290.000,00
Loan 7	31/12/2022	162.000,00	162.000,00
Loan 8	31/12/2022	32.000,00	32.000,00
		<b>1.311.901,00</b>	<b>990.304,41</b>

The detail at the close of fiscal year 2021 was as follows, in euros:

Entity	Last Maturity	Amount granted	Pending at closure
Loan 2	25/07/2023	300.000,00	106.390,16
Loan 3	26/03/2024	199.151,00	84.470,17
Loan 4	23/07/2024	111.750,00	196.098,13
Loan 5	31/12/2022	217.000,00	217.000,00
Loan 6	31/12/2022	290.000,00	290.000,00
Loan 7	31/12/2022	162.000,00	162.000,00
Loan 8	31/12/2022	32.000,00	32.000,00
		<b>1.311.901,00</b>	<b>1.087.958,46</b>

## 9.2) Other Information related to Financial Liabilities

### a) Classification by Maturity Date

The breakdown of the maturity dates of the liability financial instruments as of June 30, 2022 is the following, in Euros:

	Maturity years						Total
	2022	2023	2024	2025	2026	More than 5 years	
<b>Financial debts:</b>	<b>1.423.378,21</b>	<b>1.901.757,57</b>	<b>1.563.639,53</b>	<b>1.279.917,21</b>	<b>1.024.166,72</b>	<b>1.273.317,68</b>	<b>8.466.176,92</b>
Debts with credit institutions	1.423.378,21	1.901.757,57	1.563.639,53	1.279.917,21	1.024.166,72	1.273.317,68	8.466.176,92
<b>Other financial liabilities:</b>	<b>2.548.184,93</b>	<b>670.131,94</b>	<b>542.541,18</b>	<b>503.638,50</b>	-	-	<b>4.264.496,55</b>
Other debts	969.488,10	166.493,44	38.902,68	-	-	-	1.174.884,22
Deferred payment acquisition Indenova, S.L.U.	1.578.696,83	503.638,50	503.638,50	503.638,50	-	-	3.089.612,33
<b>Commercial creditors and other payable items:</b>	<b>2.956.932,05</b>	-	-	-	-	-	<b>2.956.932,05</b>
Suppliers	1.180.886,98	-	-	-	-	-	1.180.886,98
Sundry creditors	1.523.642,90	-	-	-	-	-	1.523.642,90
Staff	131.324,45	-	-	-	-	-	131.324,45
Advances from costumers	121.077,72	-	-	-	-	-	121.077,72
<b>Total</b>	<b>6.928.495,19</b>	<b>2.571.889,51</b>	<b>2.106.180,71</b>	<b>1.783.555,71</b>	<b>1.024.166,72</b>	<b>1.273.317,68</b>	<b>15.687.605,52</b>

The breakdown of the maturity dates of the liability financial instruments at the close of 2021 is the following, in Euros:

	Maturity years						Total
	2022	2023	2024	2025	2026	More than 5 years	
<b>Financial debts:</b>	<b>1.940.259,31</b>	<b>2.019.724,52</b>	<b>1.497.448,33</b>	<b>1.497.448,33</b>	<b>952.521,71</b>	<b>1.211.326,20</b>	<b>9.118.728,40</b>
Debts with credit institutions	1.940.259,31	2.019.724,52	1.497.448,33	1.497.448,33	952.521,71	1.211.326,20	9.118.728,40
<b>Other financial liabilities:</b>	<b>2.625.100,20</b>	<b>606.068,72</b>	<b>606.340,81</b>	<b>503.638,50</b>	-	-	<b>4.341.148,23</b>
Other debts	1.046.403,37	102.430,22	102.702,31	-	-	-	1.251.535,90
Deferred payment acquisition Indenova, S.L.U.	1.578.696,83	503.638,50	503.638,50	503.638,50	-	-	3.089.612,33
<b>Commercial creditors and other payable items:</b>	<b>2.932.222,34</b>	-	-	-	-	-	<b>2.932.222,34</b>
Suppliers	1.222.378,07	-	-	-	-	-	1.222.378,07
Sundry creditors	1.478.005,69	-	-	-	-	-	1.478.005,69
Staff	117.632,28	-	-	-	-	-	117.632,28
Advances from costumers	114.206,30	-	-	-	-	-	114.206,30
<b>Total</b>	<b>7.497.581,85</b>	<b>2.625.793,24</b>	<b>2.103.789,14</b>	<b>2.001.086,83</b>	<b>952.521,71</b>	<b>1.211.326,20</b>	<b>16.392.098,97</b>

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

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

#### **9.3) Guarantees**

The Group has contracted guarantees with several financial institutions for a total amount of 504.000 euros, a standard instrument when signing an interconnection agreement.

The Group has no guarantees for loans, with the exception of Indenova, S.L.U., where the former shareholders of the company are guarantors for certain loans.

**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	
	Sixth month period ending on June 30, 2022 Days	Sixth month period ending on June 30, 2021 Days
Average payment period to suppliers	30,68	35,23
Ratio paid operations	29,67	36,68
Ratio of outstanding payment transactions	33,43	31,98

  

	Sixth month period ending on June 30, 2022	Sixth month period ending on June 30, 2021
	Amount	Amount
Total payments	6.554.670,63	5.234.714,71
Total outstanding payments	2.411.963,87	2.327.275,36

**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 treasury department has a daily overview of the actual cash position and compares it with the weekly forecasts. The Group has ample short-term financial capacity, as reflected in the positive balances on credit accounts.

In the face of global uncertainties, such as the spread of COVID-19, the Group has been able to secure the cooperation of financial institutions to sign new short and long-term financing agreements.

### **11.3) Market Risk**

The general market situation in recent years has been unfavourable due to the difficult economic environment.

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

The Group's main exchange rate risks are with the US dollar and the Colombian peso. The Group does not currently operate exchange rate insurance, although it is a variable that is being analysed for the future. The risk is low in the Group, as it has both expenses and revenues in these currencies, and therefore uses current accounts in these currencies to be able to match foreign currency payments with foreign currency receipts. In the event of a currency mismatch, the Group uses the spot market, always analysing the evolution of the currency one month in advance in order to be able to take advantage of the best moment for the exchange.

### **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 Consolidated Profit and Loss Account.

## **NOTE 12. EQUITY**

### **12.1) Share Capital of Parent Company**

#### **12.1) Share Capital**

As of December 31, 2021 and June 30, 2022, 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, 2022, as well as of December 31, 2021, there are no companies with a direct or indirect stake equal to or greater than 10% of the share capital.

### **Capital Increase**

By virtue of the admission to trading on BME Growth, 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:

	30/06/2022	31/12/2021
Legal Reserve	64.199,77	64.199,77
Voluntary Reserves	3.357.687,65	3.220.716,13
Negative results from previous years	(820.530,75)	(1.349.900,40)
	<b>2.601.356,67</b>	<b>1.935.015,50</b>

### **12.3) Issue Premium**

This reserve amounted to 5.244.344,28 euros, of which 329.090,20 euros arose as a result of the capital increase carried out in 2007 and 4.915.254,08 euros arose as a result of the capital increase carried out in the 2015 exercise for the departure of the Parent Company to the BME Growth. 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**

On 1 June 2015, the Company's shareholders' meeting resolved to authorise the Board of Directors to derivatively acquire treasury shares under the terms provided for in current legislation. These acquisitions of treasury shares were made through the liquidity provider GVC Gaesco Valores SV, S.A. At the shareholders' meeting on 7 June 2021, the allocation of funds for the treasury stock programme is approved. ANDBANK SAU was appointed as manager for the acquisition of the first 500.000 euros, to allocate it to Lleidanet contractual obligations with respect to the acquisition of Indenova, whereby it was agreed to pay part of the deferred purchase price in shares of the parent company. Subsequently, on 23 July 2021, a new allocation of a further 500 thousand euros was made, and all in all, 175.534 shares were purchased at an average price of 5,53 euros per share.

On 29 September 2021, the company changed its liquidity provider, appointing Solventis A.V., S.A. in which 30 thousand shares were transferred from the former liquidity provider Gaesco, and an additional 150 thousand euros were provided for the management of the company's treasury shares.

Given the evolution of the Parent Company's share price during the year 2021, there have been numerous transactions with own shares in the market. Specifically, the Group's own share transactions were carried out to pay for the acquisition of Indenova, and the results of these transactions were recognised in equity, as required by prevailing legislation. In 2021, these results have led to a decrease in Voluntary Reserves in the amount of 175.257,73 euros. During the financial year 2020, they led to an increase in Voluntary Reserves in the amount of 1.976.555,51 euros.

As of June 30, 2022, the Parent Company holds own shares for an amount of 1.848.389,89 euros (1.683.884,76 euros in the previous year) at an average cost price of 4,52 euros per share (5,14 euros per share in the previous year).

**NOTE 13. FOREIGN CURRENCY**

The most significant foreign currency balances as of June 30, 2022, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	DOP	BRL	CRC	CLP	AED	GTQ	PEN
<b>CURRENT ASSETS</b>	<b>3.670.435,63</b>	<b>358.665,71</b>	<b>355.688,79</b>	<b>2.546.828.124,36</b>	<b>4.366.917,79</b>	<b>66.573,45</b>	<b>1.405,00</b>	<b>4.411.166,00</b>	<b>93.870,00</b>	<b>30.000,00</b>	<b>328.384,00</b>
Trade debtors and other accounts receivable	1.929.636,04	333.759,50	271.829,75	1.705.689.326,68	1.134.720,58	164,22	-	365.858,00	-	-	190.238,00
Cash	1.740.809,59	24.906,21	83.859,04	841.138.597,68	3.232.197,21	66.409,23	1.405,00	4.045.308,00	93.870,00	30.000,00	138.146,00
<b>CURRENT LIABILITIES</b>	<b>602.288,54</b>	<b>98.124,39</b>	<b>56.567,70</b>	<b>43.929.621,88</b>	<b>176.699,77</b>	<b>57.451,20</b>	<b>70,00</b>	<b>-</b>	<b>20.406,00</b>	<b>-</b>	<b>7.480,00</b>
Trade creditors and other payable accounts	602.288,54	98.124,39	56.567,70	43.929.621,88	176.699,77	57.451,20	70,00	-	20.406,00	-	7.480,00

The most significant foreign currency balances as of December 31, 2021, totalled in euros and broken down into their foreign currency equivalent, are as follows:

	EUROS	USD	GBP	COP	BRA	DOP	PEN	CLP	CRC	GTQ	AED	ARS	PNL
<b>CURRENT ASSETS</b>	<b>3.819.629,40</b>	<b>294.759,60</b>	<b>448.301,70</b>	<b>1.181.680.576,00</b>	<b>287.032,57</b>	<b>2.586.258,00</b>	<b>373.231,50</b>	<b>4.212.075,00</b>	<b>860.316,00</b>	<b>30.000,00</b>	<b>122.284,20</b>	<b>-</b>	<b>-</b>
Trade debtors and other accounts receivable	2.618.469,57	249.129,79	359.704,00	1.032.451.015,00	543,34	661.689,00	48.349,50	328.903,00	-	-	32.628,60	-	-
Cash	1.201.159,83	-	88.597,70	1.149.229.561,00	286.489,23	1.924.569,00	324.882,00	3.883.172,00	860.316,00	30.000,00	89.655,60	-	-
<b>CURRENT LIABILITIES</b>	<b>1.329.778,92</b>	<b>892.989,00</b>	<b>524.373,05</b>	<b>1.127.810.198,00</b>	<b>257.270,67</b>	<b>1.303.422,00</b>	<b>267.663,00</b>	<b>1.275.191,00</b>	<b>35.311,20</b>	<b>-</b>	<b>17.320,90</b>	<b>100.000,00</b>	<b>842,47</b>
Trade creditors and other payable accounts	2.329.778,92	892.989,00	524.373,05	1.127.810.198,00	257.270,67	1.303.422,00	267.663,00	1.275.191,00	35.311,20	-	17.320,90	100.000,00	842,47

The most significant transactions carried out during the six-month period ended June 30, 2022, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	BRL	DOP	PEN	PLN	JPY	MXN
Purchases and services received	1.735.313,66	1.019.625,76	58.678,07	4.413.509,00	2.535.287.485,94	122.837,56	-	32.880,03	14.207,24	207.400,00	160.253,23
Sales and services given	2.339.811,73	399.901,06	139.935,31	-	-	131.447,10	2.160.682,54	234.882,00	*	*	*

The most significant transactions carried out during the six-month period ended June 30, 2021, totalled in euros and broken down into the equivalent in foreign currency, are as follows:

	EUR	USD	GBP	CLP	COP	ZAR	BRL	DOP	PEN	PLN	JPY	MXN	AED
Purchases and services received	1.256.843,93	841.702,02	163.982,12	4.079.947,00	-	237.556,93	103.840,00	411.672,00	112.408,27	17.547,60	103.700,00	118.910,15	62.504,45
Sales and services given	954.867,08	343.146,17	206.927,15	-	1.418.008.165,94	-	62.467,41	831.901,97	127.731,97	*	*	8,92	6.317,45

## **NOTE 14. TAX SITUATION**

The following is the breakdown of the balances with the Tax Authorities as of June 30, 2022 and December 31, 2021, in euros:

	30/06/2022		31/12/2021	
	Receivable	Payable	Receivable	Payable
<b>Non-current:</b>				
Deferred Tax Assets	325.399,03	-	291.926,37	-
	<b>325.399,03</b>	<b>-</b>	<b>291.926,37</b>	<b>-</b>
<b>Current:</b>				
Value Added Tax	44.111,09	265.641,45	97.358,50	339.092,93
Subsidies receivable (*)	36.659,96	-	36.659,96	-
Income Tax retentions	-	82.496,36	-	126.185,04
Company Tax	768.863,24	105.875,92	603.755,60	-
Social Security bodies	-	141.536,01	1.739,39	133.653,73
	<b>849.634,29</b>	<b>595.549,74</b>	<b>739.510,52</b>	<b>598.931,70</b>

### **Tax Situation**

In accordance with current legislation, tax payments cannot be considered final until they have been inspected by the tax authorities, or until the statute barring period of four years has passed.

As of June 30, 2022, the Group has open to tax inspection all the taxes to which it is subject from the financial year 2017 to the 2020 financial year. Consequently, as a result of possible inspections, additional liabilities could arise to those registered by the Group. However, the Directors of the Parent Company and its tax advisors consider that such liabilities, if they occur, would not be significant on the financial statements taken as a whole.

### **Profit Tax**

The conciliation of the net amount of income and expenses for the six-month period ended June 30, 2022 of the Parent Company with the taxable income tax base is as follows:

<b>Profit and Loss Account</b>			
<b>Financial year's earnings (After taxes) (six-months)</b>			<b>244.893,40</b>
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
<b>Profit tax</b>	28.687,98	-	28.687,98
<b>Permanent differences</b>	200.019,63	-	200.019,63
<b>Taxable income (tax result)</b>			<b>473.601,01</b>

The conciliation of the net amount of income and expenses for the six-month period ended June 30, 2021 of the Parent Company with the taxable income tax base is as follows:

Profit and Loss Account			
Financial year's earnings (After taxes)			772.367,96
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Profit tax	-	(14.902,83)	(14.902,83)
Permanent differences	216.395,78	-	216.395,78
<b>Taxable income (tax result)</b>			<b>973.860,91</b>

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

	2022 (6 months)	2021
Charge at 25 % of Taxable Income	118.400,25	119.974,88
Deductions	(58.785,13)	(72.588,35)
<b>Net tax payable</b>	<b>59.615,12</b>	<b>47.386,53</b>
Less: withholdings and payments	-	(11,61)
<b>Tax payable</b>	<b>59.615,12</b>	<b>47.374,92</b>

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

	2022 (6 months)	2021 (6 months)
Current tax	81.327,26	50.759,77
Deferred tax	(33.427,14)	(42.097,47)
Positive profit tax adjustments	14.584,43	-
<b>Total</b>	<b>62.484,55</b>	<b>8.662,30</b>

The movement of deferred taxes generated and cancelled during June 30, 2022 is detailed below in euros:

	Balance as of 31/12/2021	Generated	Balance as of 30/06/2022
<b>Deferred tax assets:</b>			
Tax credits	11.499,38	-	11.499,38
Deduction credits	280.426,99	33.472,66	313.899,65
<b>Total</b>	<b>291.926,37</b>	<b>33.472,66</b>	<b>325.399,03</b>

The movement of deferred taxes generated and cancelled during financial year 2021 is detailed below in euros:

	Balance as of 31/12/2020	Generated	Cancelled	Balance as of 31/12/2021
<b>Deferred tax assets:</b>				
Tax credits	23.540,88	-	(12.041,50)	11.499,38
Credits for deductions	136.418,80	144.008,19	-	280.426,99
<b>Total</b>	<b>159.959,68</b>	<b>144.008,19</b>	<b>(12.041,50)</b>	<b>291.926,37</b>

### Credits for Tax Losses Carry Forward

As of June 30, 2022, the Group has the following deductions to apply:

Year of Origin	Amount
2008	151.478,18
2009	172.071,08
2010	181.164,26
2011	214.961,29
2012	251.779,01
2013	90.887,05
2014	127.371,20
2015	369.824,03
2016	188.991,46
2017	180.537,92
2018	170.354,09
2019	163.214,66
2020	136.418,80
2021	131.964,53
2022	39.709,10
	<b>2.570.726,66</b>

## NOTE 15. INCOME AND EXPENSES

### a) Income, disaggregation of revenue from ordinary activities

The distribution of the net turnover corresponding to the Company's ordinary activities is shown below:

Business areas (figures in thousands of euros)	2022 (6 months)		2021 (6 months)	
	Euros	%	Euros	%
SaaS Services	4.177.715,77	39,66%	3.126.825,62	37,70%
SMS Wholesale	4.392.649,70	41,70%	3.814.463,05	45,98%
SMS Commercial	1.962.396,77	18,63%	1.353.675,41	16,32%
<b>Total</b>	<b>10.532.762,24</b>	<b>100,00%</b>	<b>8.294.964,08</b>	<b>100,00%</b>

The distribution of revenue from the Company's ordinary activities by geographical market is shown below:

Geographic market description	2022 (6 months)		2021 (6 months)	
	Euros	%	Euros	%
National	4.696.802,90	44,59%	3.700.777,62	44,61%
European Union	2.831.852,71	26,89%	2.545.419,99	27,07%
Rest of the World	3.004.106,64	28,52%	2.348.766,47	28,32%
<b>Total</b>	<b>10.532.762,24</b>	<b>100,00%</b>	<b>8.294.964,08</b>	<b>100,00%</b>

The distribution of revenue from the Company's ordinary activities, by type of contract, is shown below:

	2022 (6 months)	2021 (6 months)
<b>Type of contract</b>		
Fixed price contracts (*)	9.331.173,81	8.177.675,84
Variable contracts (**)	1.201.588,43	117.288,24
<b>Total</b>	<b>10.532.762,24</b>	<b>8.294.964,08</b>

(\*) The prices offered to customers for each SaaS product, as well as the Wholesale prices offered in a specific period of time for a destination in the SMS, are considered fixed prices. Please note that all invoices issued are based on customer consumption.

(\*\*) There are agreements with customers where the selling price is variable depending on the number of transactions made.

The distribution of revenue from the Company's ordinary activities, by contract term, is shown below:

	2022 (6 months)	2021 (6 months)
<b>Duration of contract</b>		
Short-term contracts	-	-
Long-term contracts	10.532.762,24	8.294.964,08
<b>Total (*)</b>	<b>10.532.762,24</b>	<b>8.294.964,08</b>

(\*) The contracts signed by Lleida.net with its clients are normally for a period of one year with tacit renewal. We are not aware of any clients who have asked us to terminate the contract in the first year.

The distribution of the net turnover corresponding to the Company's ordinary activities, by sales channels, is shown below:

	2022 (6 months)	2021 (6 months)
<b>Sales channels</b>		
Distributors or wholesalers	769.032,41	685.391,00
Retailers (*)	206.597,41	113.596,42
Direct sales	9.557.132,42	7.495.976,66
<b>Total</b>	<b>10.532.762,24</b>	<b>8.294.964,08</b>

(\*) Retailers are customers who buy our products online.

There are invoices to be issued, mainly for interconnection customer consumption in June 2022, which are invoices issued in July 2022.

There are no significant payment terms. The usual method of collection is by transfer, either on demand or 30 days after the invoice date.

There are no returns as there is no tangible asset. As for guarantees, they are those inherent to the service established by standard contract.

#### **b) Supplies**

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

	2022 (6 months)	2021 (6 months)
<b>Consumption of merchandise</b>		
Domestics	2.277.676,07	1.658.972,52
Intra-Community Acquisitions	2.098.168,02	1.494.311,48
Imports	851.868,20	924.329,52
	<b>5.227.712,29</b>	<b>4.077.613,52</b>

#### **c) Staff expenses**

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

	2022 (6 months)	2021 (6 months)
Social Security contributions	651.423,99	404.365,07
Other welfare costs	80.355,09	57.981,78
	<b>731.779,08</b>	<b>462.346,85</b>

#### **d) Financial Results**

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

	2022 (6 months)	2021 (6 months)
<b>Financial incomes</b>	<b>269,70</b>	<b>598,37</b>
Other financial incomes	269,70	598,37
<b>Financial expenses</b>	<b>(80.046,82)</b>	<b>(38.113,30)</b>
For debts with credit institutions	(80.046,82)	(38.113,30)
Change in fair value of financial instruments	-	14,85
Exchange differences	75.808,23	47.735,71
Gains (losses) on disposals and other	444,07	-
Impairments of financial assets	-	-
<b>Financial Result Positive / (Negative)</b>	<b>(3.254,82)</b>	<b>10.235,63</b>

## **NOTE 16. INFORMATION ON THE ENVIRONMENT**

The Group has no assets, nor has it incurred expenses, aimed at minimizing the environmental impact and protecting and improving the environment. There are likewise no provisions for risks and expenses and no contingencies relating to protection and improvement of the environment.

## **NOTE 17. SUBSEQUENT EVENTS**

At the date of preparation of these consolidated interim financial statements, the Group has assessed the possible impact of the war in Ukraine on its operations and results. To date, there has been no significant impact for the Group, only the increase in the price of electricity, although it is not a cost item that impacts the Group's margin significantly.

Except as mentioned in the preceding paragraphs, there have been no significant events between the balance sheet date and the date of preparation of these consolidated interim financial statements that would not have been included in the consolidated financial statements or of which knowledge would be useful to a user of the consolidated financial statements.

## **NOTE 18. CONSOLIDATED EARNINGS**

The following is the breakdown as of June 30, 2022 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.	263.893,40	-	263.893,40	-
Lleidanetworks Serveis Telemàtics, LTD	13.280,86	100%	13.280,86	-
Lleidanet USA Inc	9.004,65	100%	9.004,65	-
Lleidanet Honduras, SA	-	70%	-	-
Lleidanet Dominicana, SRL	393,04	99,98%	392,96	0,08
Lleida SAS	8.310,91	100%	8.310,91	-
Lleida Chile SPA	(1.125,93)	100%	(1.125,93)	-
Lleidanet do Brasil Ltda	(42,14)	99,99%	(42,136)	(0,004)
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	-	100%	-	-
Lleidanet Costa Rica	-	100%	-	-
Lleidanet Perú	1.690,02	100%	1.690,02	-
Lleida Information Technology Network Services	(42.568,00)	49,00%	(20.858,32)	(21.709,68)
Lleidanet South Africa	(394,48)	100%	(394,48)	-
Indenovà, S.L.U.	(379.839,23)	100%	(379.839,23)	-
Lleidanet SAAS Middle East and Africa DMCC	(2.784,82)	100%	(2.784,82)	-
	<b>(130.181,72)</b>		<b>(108.472,11)</b>	<b>(21.709,61)</b>

The following is the breakdown for financial year 2021 of the Consolidated Earnings in Euros:

Subsidiary	Individual Earnings of the Companies	Shareholding	Earnings Attributed to Parent Company	Resultado Atribuido a Socios Externos
Lleidanetworks Serveis Telemàtics, S.A.	273.117,70	-	273.117,70	-
Lleidanetworks Serveis Telemàtics, LTD	24.413,18	100%	24.413,18	-
Lleidanet USA Inc	5.888,38	100%	5.888,38	-
Lleidanet Honduras, SA	-	70%	-	-
Lleidanet Dominicana, SRL	(868,93)	99,98%	(868,76)	(0,17)
Lleida SAS	206.724,13	100%	206.724,13	-
Lleida Chile SPA	(6.651,77)	100%	(6.651,77)	-
Lleidanet do Brasil Ltda	8.840,52	99,99%	8.840,58	(0,06)
Lleidanet Guatemala	-	80%	-	-
Portabilidades Españolas, S.A.	9.162,82	100%	9.162,82	-
Lleidanet Costa Rica	(12,49)	100%	(12,49)	-
Lleidanet Perú	(10.881,81)	100%	(10.881,81)	-
Lleida Information Technology Network Services	(32.777,70)	49%	(16.061,07)	(16.716,63)
Lleidanet SAAS Middle East and Africa DMCC	(1.286,10)	100%	(1.286,10)	-
			<b>492.384,79</b>	<b>(16.716,86)</b>

The adjustments made to the Earnings associated to Parent Company as of June 30, 2022 is as follows:

Individual earnings attributed to Parent Company	(108.472,11)
Consolidation adjustments:	
Goodwill amortisation	(234.421,48)
Impairment reversal	179.449,44
<b>Total</b>	<b>(163.444,15)</b>

The adjustments made to the Earnings associated to Parent Company as of June 30, 2021 was as follows:

Individual earnings attributed to Parent Company	492.384,79
Consolidation adjustments:	
Interest reversal	(7.805,86)
Impairment reversal	182.942,76
<b>Total</b>	<b>667.521,69</b>

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

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

The remuneration accrued during the six months ended on June 30, 2022 by the Board of Directors of the Parent Company amounted to 63.000,00 euros. In the six-month period ended on June 30, 2021, remuneration accrued by the Board of Directors of the Parent Company amounted to 49.500,00 euros.

Senior Management duties are performed by three members of the same Board of Directors (three members in the six months ended on June 30, 2021), with remuneration amounting to 129.536,26 euros in wages and salaries (123.996,15 euros in the six months ended on June 30, 2021) and 9.452,11 euros in other remuneration (same amount in the six months ended on June 30, 2021).

As of June 30, 2022 and December 31, 2021, there are no loans or advances to the Parent Company's Board of Directors, as well as commitments for pension supplements, guarantees or sureties granted in its favour.

#### **Other Information Regarding the Board of Directors**

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

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

## **NOTE 20. OTHER INFORMATION**

The average number of persons employed during the six months ended 30 June 2022 and 2021, by category, is as follows:

	2022	2021
Senior Executives	4	4
Administration	9,21	5
Commercial	22,25	23
Human Resources	4,21	2
Production	98	46
Maintenance	-	1
Customer service	16,33	9
Business development	8,08	9
Compliance	3,37	4
Intellectual Property	1,21	2
<b>TOTAL</b>	<b>166,66</b>	<b>104</b>

The distribution of staff at the end of each six-month period ending 30 June 2022, by category and gender, is as follows:

2022			
	Men	Women	Total
Senior Executives	2	2	4
Administration	3	7	10
Commercial	10	14	24
Production	84	19	103
Customer service	11	7	18
Business development	4	6	10
Compliance	-	5	5
Human Resources	2	3	5
Industrial Property	2	-	2
<b>TOTAL</b>	<b>118</b>	<b>63</b>	<b>181</b>

The distribution of staff at the end of each six-month period ending 30 June 2021, by category and gender, is as follows:

2021				
	Men	Women	Total	Disability greater than or equal to 33%
Senior Executives	1	2	3	-
Administration	2	3	5	1
Commercial	9	14	23	1
Production	39	7	46	1
Maintenance	-	1	1	-
Customer service	-	9	9	-
Business development	4	5	9	-
Compliance	-	4	4	-
Human Resources	1	1	2	-
Intellectual Property	2	-	2	-
<b>TOTAL</b>	<b>58</b>	<b>46</b>	<b>104</b>	<b>3</b>

The amount of the fees accrued for the individual and consolidated audit services of the Interim Consolidated Financial Statements for the year ended on June 30, 2022 amounted to 24.500 euros (17.000,00 euros in the 6-month period ended on June 30, 2021).

It is reported that the Parent Company has paid during the year the premium corresponding to the civil liability policy that would eventually cover damages caused to third parties due to acts or omissions related to the performance of its duties. The amount of the premium amounted to 19.107,00 euros (19.107,00 euros in the previous year).

## **NOTE 21. GOODWILL ON CONSOLIDATION**

Details of goodwill in consolidation at year-end 2022 are as follows, in euros:

	Cost 31/12/2022	Amortisation 31/12/2022	Net Value 31/12/2022
<b>Cost:</b>			
Indenova, S.L.U.	4.688.429,58	(312.561,97)	4.375.867,61
<b>Goodwill on consolidation</b>	<b>4.688.429,58</b>	<b>(312.561,97)</b>	<b>4.375.867,61</b>

According to the estimates and projections available to the Parent's Board of Directors, the projected cash flows attributable to these cash-generating units or groups of cash-generating units to which the various goodwill units are allocated allow the net value of each of the goodwill units recognised as of June 30, 2022 to be recovered.

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

**CONSOLIDATED DIRECTORS' REPORT FOR  
THE SIX-MONTH PERIOD ENDED AS OF JUNE 30, 2022**

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

**CONSOLIDATED DIRECTORS' REPORT FOR  
THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2022**

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 2022.

**1. BUSINESS EVOLUTION**

In the first half of FY2022, revenues increased by 27% to 10,6 million euros. SaaS sales increased by 34%, with increases in all its products, namely 11% in the notification line, 8% in contract sales and 131% in the other SaaS products. The increase in the notification line was due to the rise in claims on our customers' debit balances, mainly from financial institutions. Order intake grew less than notifications because it is an advanced indicator of the current economic cycle, with consumer credit tightening. The incorporation of Indenova also led to a significant increase in other SaaS products.

On the commercial SMS side, aimed at our national customers, it increased by 45%, we continue to have a niche strategy and where our customers trust us, because of the high quality of the product. SMS Wholesale has increased its sales by 15%, reaching pre-pandemic volumes, thanks to the new traffic achieved by our team thanks to the attendance to the commercial events that are organised again.

The margin on sales reached 50%, compared to the 51% it represented in the first half of 2021 in percentage terms, in absolute terms we have an increase of 26%. The margin in percentage terms is maintained due to the higher increase in SMS sales compared to the increase in SaaS. SMS sales have lower unit margins than SaaS sales. The Group's commercial efforts are focused on signing new international SaaS sales contracts, although the brand image we have in the SMS area has enabled us to significantly increase this line of business.

The incorporation of Indenova into the consolidated perimeter is reflected by the 65% increase in personnel costs, an additional 1,2 million compared to the same half of 2021. The acquisition provides us with cutting-edge technology in the sector, and also strengthens our staff of developers and technicians with qualified personnel. The basis of innovation in the group is the incorporation and retention of talent in order to continue to be pioneers in the sector. There are currently 181 people in the group, an increase of 74% compared to the same half of 2021.

EBITDA stood at 909 thousand euros, 17% of the gross margin. The decrease compared to 2021 is explained by the increase in structural costs such as personnel and external services due to the increase in trade fairs and travel, as well as Indenova's own expenses.

The operating result is negative 119 thousand euros due to the increase in the amortisation expense for Indenova's goodwill.

<i>Sales by business lines - Thousands of euros</i>	2021 (6 months)	2022 (6 months)	Var. €	Var.%
SaaS Services	3.127	4.178	1.051	34%
SMS Solutions	1.354	1.962	608	45%
ICX WHOLESALE Solutions	3.814	4.393	579	15%
<b>Total</b>	<b>8.295</b>	<b>10.533</b>	<b>2.238</b>	<b>27%</b>

<i>Consolidated Data in thousands of Euros</i>	2021 (6 months)	2022 (6 months)	Var. €	Var.%
Sales	8.295	10.533	2.238	27%
Cost of Sales	-4.078	-5.228	1.150	28%
<b>Gross Margin</b>	<b>4.217</b>	<b>5.305</b>	<b>1.088</b>	<b>26%</b>
Payroll	-1.922	-3.164	1.242	65%
External Services	-1.532	-1.861	329	21%
Other Incomes	30	23	-7	-23%
Activations	400	606	206	52%
<b>EBITDA</b>	<b>1.193</b>	<b>909</b>	<b>-284</b>	<b>-24%</b>
Amortizations	-536	-1.027	491	92%
Results from Disposals	-9	-2	-	-
Other Incomes	1	1	-	-
<b>Operating result</b>	<b>649</b>	<b>-119</b>	<b>768</b>	<b>118%</b>
Financial Net Result	-38	-80	42	111%
Exchange Rate Differences	48	76	28	58%
<b>Profit Before Tax</b>	<b>659</b>	<b>-123</b>	<b>-782</b>	<b>-119%</b>

## **2. IMPORTANT DEVELOPMENTS AFTER THE CLOSURE**

There have been no subsequent events, other than those already mentioned in the Explanatory Notes to the financial statements, that demonstrate circumstances that already existed on June 30, 2022 and which, due to the significance of their economic impact, would require adjustments to the financial statements or amendments to the information contained in the Explanatory Notes.

Nor are there any subsequent events, other than those already mentioned in the explanatory notes, that demonstrate conditions that did not exist on June 30, 2022 that are of such significance as to require additional disclosures in the explanatory notes to the consolidated financial statements.

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

The forecast for the second half of 2022 is to increase sales of SaaS products through the consolidation of international markets as well as the sale of new hybrid products resulting from the integration of Indenova S.L. and thus achieve an increase in the Group's results.

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

In the first half of fiscal year 2022, the Group invested 606 thousand euros in research activities aimed mainly at the Group's line of certification.

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

In accordance with the provisions of BME Growth and Euronext Growth regulations, the Group signed a liquidity agreement with the placement bank on the occasion of its launch on the market. This agreement establishes both the delivery of a certain amount of treasury shares, as well as the deposit of an amount of cash. The objective of this contract is to allow investors to negotiate the shares of the Group, ensuring that any interested person has the possibility of buying or selling shares.

As of June 30, 2022, the Group had 401.718 securities with a valuation on that date of 1.135.540,89 euros, which represented 2,5% of the shares of Lleidanetworks Serveis Telemàtics, S.A.

### **6. FINANCIAL INSTRUMENTS**

During the first half of the financial year 2022, the Company has not used any instruments related to financial derivatives.

The Group's treasury department has a daily overview of the actual cash position and compares this with weekly forecasts. The Group has ample short-term financial capacity, as reflected in the positive balances on credit accounts.

In the face of global uncertainties, such as the spread of COVID-19, the Group has been able to engage financial institutions to sign new short and long-term financing agreements.

The group's main exchange rate risks are with the US dollar and the Colombian peso. The group does not currently operate with exchange rate insurance, although this is a variable that is being analysed for the future. The group's risk is low because we have both expenses and revenues in those currencies, so we use current accounts in those currencies to be able to match foreign currency payments with foreign currency receipts. When we have a currency shortfall, we go to the spot market, always analysing the evolution of the currency one month in advance in order to take advantage of the best exchange rate moment.

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

Information regarding deferrals of payment to suppliers is shown in the Financial Statements in Note 10.

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**PREPARATION OF THE INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS AND DIRECTORS' REPORT**

In compliance with company law, the Board of Directors of **LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.** draws up the Interim Consolidated Financial Statements and the Consolidated Directors' Report for the period that ends on June 30, 2022. Both of them are comprised in the attached pages number 1 to 56.

Lleida, October 14th, 2022  
The Board of Directors



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FRANCISCO JOSE  
SAPENA (R:A25345331)  
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Mr. Francisco Sapena Soler  
Chairman and Chief Executive Officer

**PEREZ SUBIAS  
MIGUEL -  
17147802Z**

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MIGUEL - 17147802Z  
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Mr. Miguel Pérez Subias  
Independent Director

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certificado emitido por  
AC FNMT Usuarios

Mr. Jordi Carbonell i Sebarroja  
Independent Director

**SAINZ DE  
VICUÑA  
BARROSO JORGE  
- 00811819B**

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D. Jorge Sainz de Vicuña  
Independent Director

**NOMBRE  
GALLARDO  
MESEGUER  
MARCOS - NIF  
52423593S**

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por NOMBRE GALLARDO  
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Mr. Marcos Gallardo Meseguer  
Secretary

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CASTILLO, ANTONIO (AUTENTICACIÓN)  
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Mr. Antonio López del Castillo  
Independent Director

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

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por ARRATE MARIA  
USANDIZAGA RUIZ -  
DNI 44558454W  
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Mrs. Arrate María Usandizaga Ruíz  
Executive Director

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

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

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**PARENT COMPANY FINANCIAL STATEMENTS AS OF 30 JUNE 2022**

In compliance with BME Growth regulations, the parent company LLEIDANETWORKS SERVEIS TELEMÁTICS S.A.'s individual financial statements are attached.

**LLEIDANETWORKS SERVEIS TELEMÁTICS, S.A**

**BALANCE SHEETS AS OF 30 JUNE 2022 AND 31 DECEMBER 2021**

In euros

<b>Assets</b>	<b>30/06/2022</b>	<b>31/12/2021</b>
<b>NON-CURRENT ASSETS</b>	<b>12,793,414.88</b>	<b>11,989,081.76</b>
<b>Intangible assets</b>	<b>3,651,084.26</b>	<b>3,619,164.38</b>
Research	2,327,659.51	2,277,036.10
Patents, licences, trademarks and the like	678,516.79	665,124.55
Computer applications	126,519.98	89,560.92
Other intangible assets	518,387.98	587,442.81
<b>Tangible fix assets</b>	<b>563,617.45</b>	<b>597,599.79</b>
Land and buildings	151,167.48	147,805.21
Technical installations and other tangible fixed assets	355,069.37	392,413.98
Tangible assets under construction	57,380.60	57,380.60
<b>Long-term investments in Group and associated companies</b>	<b>8,244,458.18</b>	<b>7,471,489.74</b>
Equity instruments	7,286,358.13	7,320,499.32
Loans to enterprises	958,100.05	150,990.42
<b>Long-term financial investments</b>	<b>44,189.52</b>	<b>44,189.52</b>
Equity instruments	10,197.40	10,197.40
Other financial assets	33,992.12	33,992.12
<b>DEFERRED TAX ASSETS</b>	<b>290,065.47</b>	<b>256,638.33</b>
<b>TOTAL CURRENT ASSETS</b>	<b>7,184,899.33</b>	<b>8,395,305.62</b>
<b>Trade receivables and other accounts receivable</b>	<b>3,674,237.04</b>	<b>3,208,211.95</b>
Customers for sales and services	2,755,476.71	2,523,653.09
Customers group and associated companies	833,570.90	615,207.71
Sundry debtors	83,167.60	63,269.89
Staff	1,264.01	1,084.05
Other receivables from Public authorities	757.82	4,997.21
<b>ST INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES</b>	<b>189,750.55</b>	<b>151,563.19</b>
Loans to enterprises	189,750.55	151,563.19
<b>ST financial investments</b>	<b>812,022.00</b>	<b>812,022.00</b>
Other financial assets	812,022.00	812,022.00
<b>ST accruals</b>	<b>287,838.55</b>	<b>367,925.49</b>
<b>Cash and other equivalent liquid assets</b>	<b>2,221,051.19</b>	<b>3,855,582.99</b>
Cash.	2,221,051.19	3,855,582.99
<b>TOTAL ASSETS</b>	<b>19,978,314.21</b>	<b>20,384,387.38</b>

**LLEIDANETWORKS SERVEIS TELEMATICS, S.A.**

**BALANCE SHEETS AS OF 30 JUNE 2022 AND 31 DECEMBER 2021**

In euros

<b>EQUITY AND LIABILITIES</b>	<b>30/06/2022</b>	<b>31/12/2021</b>
<b>EQUITY</b>	<b>6,381,809.19</b>	<b>6,614,857.27</b>
<b>Equity</b>	<b>6,381,809.19</b>	<b>6,614,857.27</b>
<b>Capital</b>	<b>320,998.86</b>	<b>320,998.86</b>
Share capital	320,998.86	320,998.86
<b>Share premium</b>	<b>5,244,344.28</b>	<b>5,244,344.28</b>
<b>Reserves</b>	<b>3,240,493.29</b>	<b>3,310,931.33</b>
legal and statutory	64,199.77	64,199.77
Other reserves	3,176,293.52	3,246,731.56
<b>(Shares and own holdings in equity)</b>	<b>(1,848,389.89)</b>	<b>(1,683,884.76)</b>
<b>Negative results from previous years</b>	<b>(820,530.75)</b>	<b>(1,349,900.40)</b>
<b>Profit</b>	<b>244,893.40</b>	<b>772,367.96</b>
<b>NON-CURRENT LIABILITIES</b>	<b>7,107,038.66</b>	<b>7,646,787.39</b>
<b>Long term debts</b>	<b>7,107,038.66</b>	<b>7,646,787.39</b>
Debts to credit institutions	5,590,523.67	6,096,675.49
other financial liabilities	1,516,514.99	1,550,111.90
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,489,466.36</b>	<b>6,122,742.72</b>
<b>Short term provisions</b>	<b>3,657.14</b>	<b>38,021.23</b>
<b>Short term debts</b>	<b>3,360,228.97</b>	<b>3,335,343.84</b>
Debts to credit institutions	1,705,993.60	1,679,852.92
other financial liabilities	1,654,235.37	1,655,490.92
<b>Trade payables and other accounts payable</b>	<b>3,125,580.25</b>	<b>2,749,377.65</b>
Providers	1,945,509.11	1,737,866.70
Providers group companies	150,944.34	116,115.44
Sundry creditors	315,510.33	470,907.60
Staff (remuneration payable)	101,786.42	3,001.79
Current tax liabilities	87,896.62	-
Other debts with Public Authorities	395,181.34	305,336.45
	128,752.09	116,149.67
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19,978,314.21</b>	<b>20,384,387.38</b>

**LLEIDANETWORKS SERVEIS TELEMATICS, S.A****PROFIT AND LOSS ACCOUNTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2022**  
**AND FOR THE SIX MONTHS TO 30 JUNE 2021**

In euros

<b>PROFIT AND LOSS ACCOUNTS</b>	<b>2022 (6 months)</b>	<b>2021 (6 months)</b>
<b>Net turnover</b>	<b>9,260,074.58</b>	<b>7,826,081.03</b>
Net sales	9,260,074.58	7,826,081.03
<b>Work performed by the Company for its assets</b>	<b>437,395.87</b>	<b>400,046.29</b>
<b>Supplies</b>	<b>(5,132,138.98)</b>	<b>(4,038,404.51)</b>
Goods consumed	(5,132,138.98)	(4,038,404.51)
<b>Other operating incomes</b>	<b>115,253.08</b>	<b>44,947.06</b>
Ancillary and other current operating revenue	115,253.08	40,618.06
Operating subsidies included in profit or loss	-	4,329.00
<b>Staff expenses</b>	<b>(2,097,240.37)</b>	<b>(1,898,799.57)</b>
Wage, salaries and the like	(1,576,558.88)	(1,443,086.89)
Fringe benefits	(520,681.49)	(455,712.68)
<b>Other operating expenses</b>	<b>(1,536,263.80)</b>	<b>(1,348,636.55)</b>
External charges for external services	(1,509,605.78)	(1,263,890.51)
Taxes	(26,686.53)	(25,625.67)
Losses, Impairment and change in trade provisions	28.51	(59,120.37)
<b>Capitalisation of fixed assets</b>	<b>(550,686.72)</b>	<b>(536,027.84)</b>
<b>Impairment and results of disposals of fixed assets</b>	<b>(2,190.77)</b>	<b>(9,146.92)</b>
<b>OPERATING EARNINGS</b>	<b>494,202.89</b>	<b>440,058.99</b>
<b>Financial Income</b>	<b>12,799.59</b>	<b>8,404.23</b>
Income from securities and other instruments		
Customers group and associated companies	12,605.97	7,805.86
Other Income from securities and other financial instruments from third parties	193.62	598.37
<b>Financial expenses</b>	<b>(42,169.10)</b>	<b>(25,890.47)</b>
Due to debts owed to third parties	(42,169.10)	(25,890.47)
<b>Exchange differences</b>	<b>(11,802.57)</b>	<b>16,752.17</b>
<b>Impairment and earnings on disposals of financial instruments</b>	<b>(179,449.43)</b>	<b>(159,668.16)</b>
Impairments and losses	(179,449.43)	(159,668.16)
<b>Financial earnings</b>	<b>(220,621.51)</b>	<b>(160,402.23)</b>
<b>EARNINGS BEFORE TAXES</b>	<b>273,581.38</b>	<b>279,656.76</b>
<b>Profit tax</b>	<b>(28,687.98)</b>	<b>(6,539.06)</b>
<b>PROFIT FOR THE YEAR RESULTING FROM FROM CONTINUING OPERATIONS</b>	<b>244,893.40</b>	<b>273,117.70</b>
<b>PROFIT</b>	<b>244,893.40</b>	<b>273,117.70</b>