

Lleida, 11 April 2018

RELEVANT EVENT:

1Q 2018 estimated consolidated results

Under the provisions of Article 17 of the Regulation (EU) No 596/2014 regarding market abuse and article 228 of the modified text of the Spanish Stock Market Act, approved by Spanish Royal Legislative Decree 4/2015, of 23 October and related provisions, as well as Circular 15/2016 of the Spanish Alternative Investment Market (MAB), we are hereby informing you of the following information relating to LLEDIANETWORKS SERVEIS TELEMÀTICS, S.A. (hereinafter, “Lleida.net” or the “Company”):

The information outlined in this report is an estimate of the LLEIDA.NET Income Statement for first quarter 2018 which was prepared based on the unaudited accounting information made available to the Board of Directors. Therefore, this information does not in any way substitute or may be considered the equivalent of the annual financial information provided for by Circular 15/2016 MAB

Relevant milestones:

- Cumulative sales amounted to 3.1 million euros, representing a growth in the 1Q2017 of 40%
- The gross margin is 239,000 euros higher than 1Q17, representing an increase of 18%.
- The gross operating result (EBITDA) reached 390 million euros compared to 263 million euros for first quarter 2017
- The EBITDA margin stands at 12.4% compared to 11.7% in the previous year.
- The financial result reflects the debt reduction
- Earnings before taxes is positive and reaches almost 100 thousand euros, which is almost double the provisional result of the year 2017 reported in the relevant event of January 22, 2018.

Consolidated Income Statement 1Q17 and 1Q2018

Figures in thousands of euros	Q1 2017	Q1 2018	Var.€	Var.%
Sales	2,243	3,141	898	40%
Sales costs	-938	-1,597	-659	70%
Gross Margin	1,305	1,544	239	18%
Personnel expenses	-667	-647	20	-3%
External services	-564	-673	-109	19%
Other incomes	5	0	-5	-100%
Activations	184	166	-18	-10%
EBITDA	263	390	127	48%
Depreciation	-251	-290	-39	16%
Ordinary activities results	12	100	88	733%
Net Financial debt	-36	-22	14	-39%
Exchange rate differences		17	17	-
Earnings before Tax	-24	95	119	496%

- The turnover amounted to 3.1 million euros, with an increase of 40%. The increase in sales is due to new large accounts in all Lleida.net business lines.
- Noteworthy is the increase in Wholesale sales that grow 100% but increase the cost of sales since it is a product with less margin compared to the same period of 2017. Lleida.net is positioned as a great player in the wholesale SMS market, thanks to the quality of its services and the diligence it offers its customers. The SMS market is growing globally, based on the B2C segment where the need to have a direct channel of contact with the customer, as well as a high opening rate is a key factor.
- Increase of SaaS solutions (Software as a Service), the certificates and validations) showing double-digit growth recording at increase of 18 %
- Lleida.net consolidates itself as the first registered operator in Spain and as a strategic provider for large accounts, ensuring reliability to the electronic communications they generate.

Consolidated Sales (´000€)	Q1 2017	Q1 2018	Var.%
SaaS services	694	819	18%
SMS solutions	711	647	-9%
ICX-WHOLESALE solutions	838	1,675	100%
Total	2,243	3,141	40%



- International sales already account for 52% of the group's total sales, thanks to the efforts of internationalisation carried out by the company.



- The EBITDA reaches almost 0.4 million euros in one quarter and represents an increase of 48% compared to the first quarter of 2017.
- As most relevant milestones, Lleida.net achieves positive benefit of 95,000 euros, representing an increase of 119 million euros and a positive cash generation of 202,000 euros, which will allow to intensify organic growth, the steps towards internationalization and the analysis of possible inorganic growth pathways.
- During the first quarter of 2018, Lleida.net has developed a platform to obtain the explicit consent of users easily and quickly to comply with the new General Data Protection Regulation that will come into effect this year. The group showcased at the MWC18 its latest improvements in its eKYC products (Identity validation by videoconferencing for onboarding processes) and in Click & Sign (online contracting platform to sign documents).
- The group has promoted globally the latest developments, participating relevant fairs and exhibitions such as Finovate Europe 2018 and eShow Mexico.
- Lleida.net has obtained its third patent for its registered services in the US. This method generates a valid certificate as proof when a message is received at an email address and is being widely used, especially by banking s and Fintech sectors (financial services with new technologies), Insurtech (insurance services using new technologies) and Regtech (Insurance services aimed at regulatory compliance through new technologies)
- Group financial debt amounted to 3.9 million euros compared to 4.4 million at 1Q2017. With a liquidity position of 1.7 million euros, the net indebtedness of Lleida.net reaches 2.4 million euros.
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'000€	Q1 2016	Q1 2017	Q1 2018
LONG TERM DEBTS	2,964	1,926	1,025
Debts to credit institutions	2,788	1,801	915
Creditors by finance lease			39
Other financial liabilities	176	125	71
SHORT TERM DEBTS	2,615	2,569	2,896
Debts to credit institutions	2,580	2,529	2,830
Creditors by finance lease			26
Other financial liabilities	35	40	40
Total debt	5,579	4,495	3,921
SHORT TERM FINANCIAL INVESTMENTS		3,160	1,656
NFD	2,419	2,827	2,265

Best Regards

Fco Sapena, CEO and Chairman of Board of Directors