



Lleida.net

La Primera Operadora Certificadora

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Madrid, 10 August 2022

**OTHER RELEVANT INFORMATION
LLEIDANETWORKS SERVEIS TELEMÀTICS S.A.**

Q2 and H1 2022 results preview

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 3/2020 of BME MFT Equity on information to be provided by Growing Companies, we are hereby informing you of the following information relating to LLEIDANETWORKS SERVEIS TELEMÀTICS, SA: (hereinafter "Lleida.net", or the "Company" or the "Enterprise") brings to your attention the following information that has been prepared under the exclusive responsibility of the issuer and its administrators:

The following information constitutes a preview of Lleida.net's Consolidated Income Statement for 2Q and 1H 2022. It has been compiled from unaudited accounting information for the Board of Directors. Therefore, this information in no way replaces or is equivalent to the publication of financial information provided in MAB Circular 6/2018. Below is the press release to be distributed to the media today.

On Thursday, 11 August, Sisco Sapena, CEO of the company and Arrate Usandizaga, CFO, will hold a webinar at noon to discuss the progress of 2Q 2022 and answer questions from the attendees <https://www.lleida.net/es/streaming/2T2022>.

Pre-registration is mandatory to attend the webinar.

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

Sincerely,

Madrid, 10 August 2022.

Madrid, august 10th, 2022

PRESS RELEASE

LLEIDANETWORKS SERVEIS TELEMÀTICS S.A.

Lleida.net records a new peak in sales in the first half of 2022

Madrid, August 10 - In the first six months of 2022, Spanish quotes corporation Lleida.net (BME:LLN) (EPA:ALLN) (OTCQX:LLEIF) posted a 27 percent increase in sales to more than EUR 10.5 million, an all-time high.

Sales of all of the company's business lines grew in the first six months of the year.

International turnover and the group's global expansion accounted for 55 percent of total sales, boosted by an increase in commercial activity in Western Europe and Latin America.

Lleida.net's activity is directly linked to economic ups and downs. As was the case during the pandemic, the current energy crisis and the increase in non-payments has boosted the use of registered electronic notification services, like the rest of SaaS.

Both the number of the company's customers and the average ticket has grown significantly in the period.

In the first six months of the year, gross margin grew by a comparative 26% to EUR 5.3 million. The new investments have implied a drop in the company's EBITDA of 24 percent in the first half of the year, which still reached 910,000 euros in the half year.

Lleida.net management has been working since the beginning of the year to prepare the company for a significant commercial and strategic expansion in the period 2022-2027.

These preparations have entailed an increase in personnel expenses (the company already has 181 employees), new presence in Peru, Colombia and new investments in the innovation team.

The company, founded in 1995 and listed on BME Growth, Euronext Growth and OTCQX, has demonstrated in recent years its ability to grow counter-cyclically and the effectiveness of its services to support economic sectors in complex times.

"The investments we are making to accelerate growth and return over the next five years have affected the result in the short term, but as in the past, they are going to be the key to leapfrogging internationally in the next five years," explained CEO Sisco Sapena.



Lleida.net

INTERIM RESULTS

Q2 - H1 2022

(OTCQX:LLEIF · EPA:ALLN · BME:LLN)

Disclaimer

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Main milestones

- Sales increased by 2.2 million euros, 27% compared compared to the same half of 2021
- Strong SMS sales growth, 36% QoQ in commercial SMS and 14% in Wholesale
- Variations within the SaaS part are mixed, with an 11% half-yearly increase within notification and an 8% within contracting.
- Gross margin on sales remained at 50%, 26% higher than last year
- Cost-intensive half-year, resulting in a positive EBIDTA amounting to 910 thousand euros.
- The second half of the year's objectives are aimed at optimising resources and boosting SaaS sales.

FORECAST OF THE INCOME STATEMENT

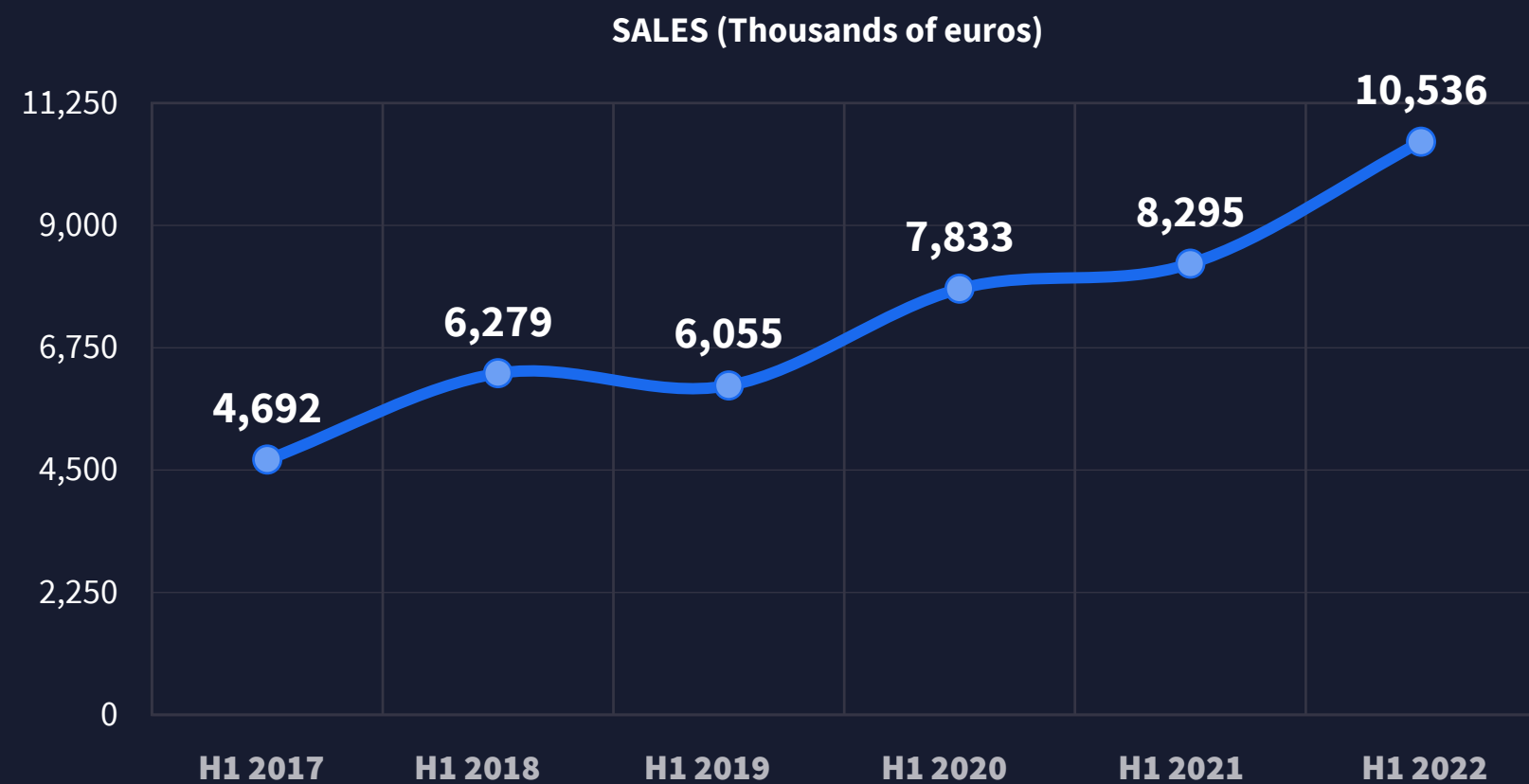
<i>Figures estimated in thousands of euros Consolidated</i>	Q2 2021	Q2 2022	QoQ. €	QoQ.%	H1 2021	H1 2022	HoH €	HoH%
Sales	4,308	5,319	1,011	23%	8,295	10,536	2,241	27%
Sale costs	(2,094)	(2,629)	535	26%	(4,078)	(5,231)	1,153	28%
Gross Margin	2,214	2,690	476	21%	4,217	5,305	1,088	26%
% Gross margin	51,39%	50,57%			50,84%	50,35%		
Personnel expenses	(909)	(1,643)	734	81%	(1,922)	(3,176)	1,254	65%
External services	(966)	(868)	(98)	-10%	(1,532)	(1,843)	311	20%
Other earnings	28	11	(17)	61%	31	19	(12)	-
EBITDA WITHOUT CAPITALIZATIONS	367	190	(177)	-48%	794	305	(489)	-62%
% of Gross margin	17%	7%			19%	6%		
Capitalizations	207	336	129	62%	400	605	205	51%
EBITDA	574	526	(48)	-8%	1,194	910	(284)	-24%
% of Gross margin	26%	20%			28%	17%		
Depreciation	(271)	(508)	237	87%	(536)	(1,026)	490	91%
Impairment and earnings for disposal		0			(9)			
Ordinary result	294	18	(276)	-94%	649	(116)	(765)	-118%
Net Financial Debt	(25)	(37)	(12)	-48%	(38)	(83)	(45)	-118%
Impairment and earnings for disposal	(1)	13	14	1400%	48	78	30	-63%
Earnings before Tax	268	(6)	(274)	-102%	659	(121)	(780)	-118%

The data for 2022 within the scope of consolidation include Indenova's income statement of 1H and 2Q 2022

SALES FORECAST BY BUSINESS LINE

Estimated consolidated sales per business line Thousand euros

	Q2 2021	Q2 2022	HoH. €	HoH.%	H1 2020	H1 2022	HoH. €	HoH.%
Contracting services	853	842	-11	-1%	1.491	1.604	113	8%
Notification services	404	498	94	23%	1.017	1.125	108	11%
Other SaaS services	290	696	406	140%	619	1.450	831	134%
SMS solutions	665	902	237	36%	1.353	1.963	610	45%
ICX-WHOLESALE solutions	2.096	2,381	285	14%	3.815	4.394	579	15%
Total	4.308	5.319	1.011	23%	8.295	10.536	2.241	27%

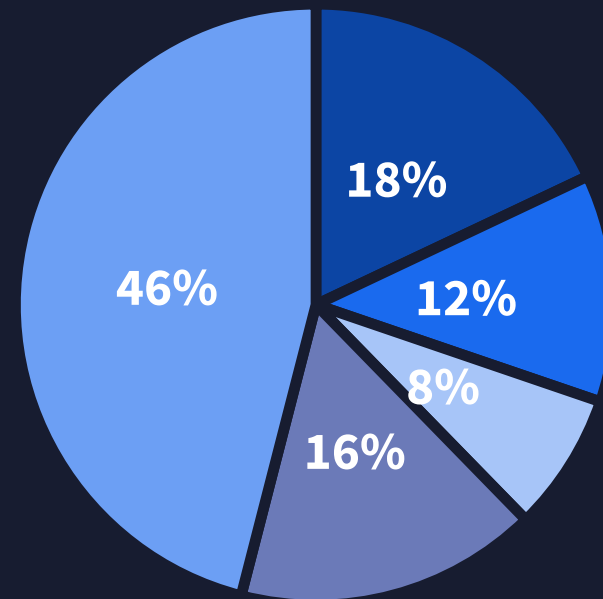


Lleida.net Group has recorded an all-time high in sales figures, reaching 10.5 million euros, increasing all its business lines.

To enhance transparency and homogenise criteria with production data, we have kept the same breakdown as in Q1 2022, namely the SaaS part has been broken down into three business lines, eContracting, eNotification services and other SaaS. Commercial SMS and Wholesale SMS remains unchanged.

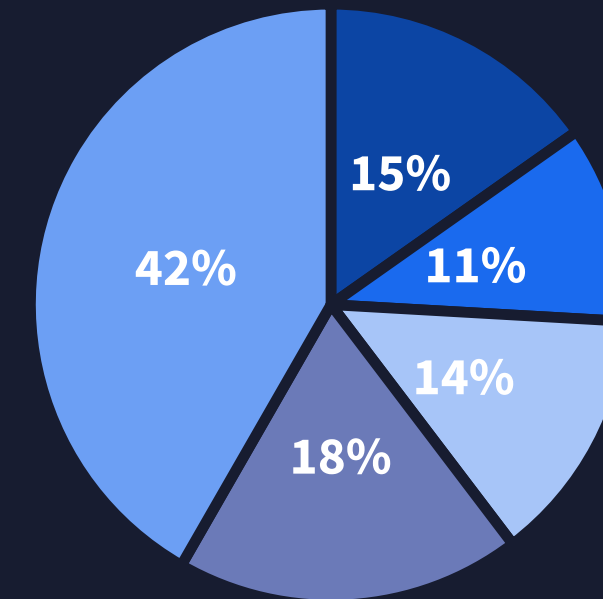
DESCRIPTION OF SALES BY BUSINESS LINE

H1 2021



- Contracting
- OTHER SaaS
- ICX-WHOLESALE solutions
- Notification
- SMS solutions

H1 2022



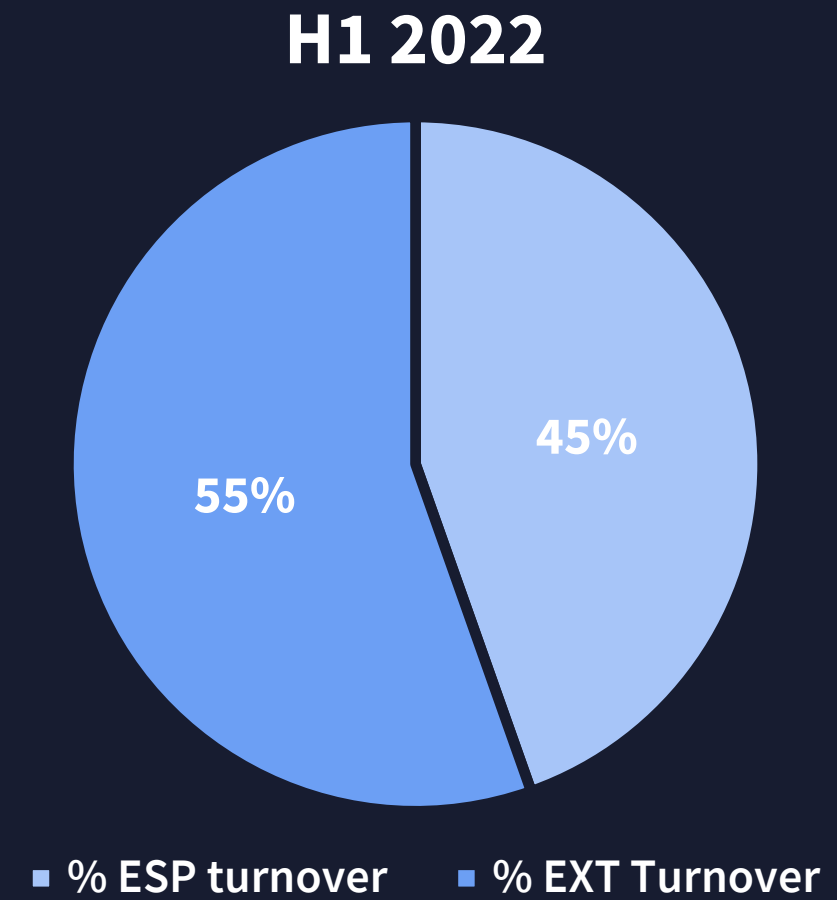
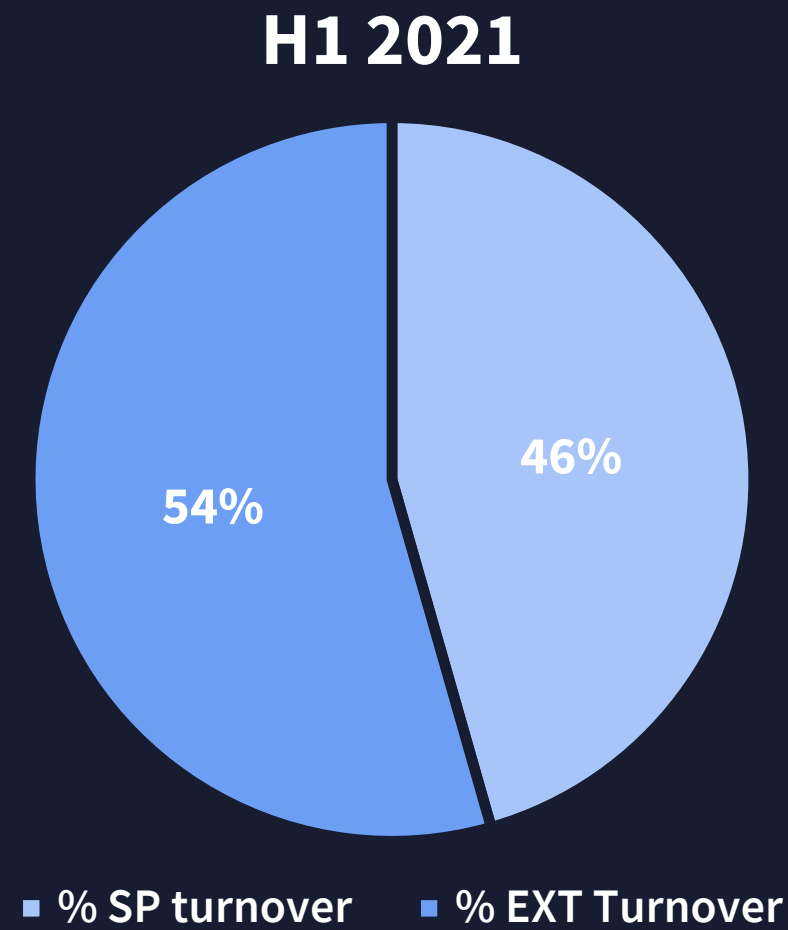
- Contracting
- OTHER SaaS
- ICX-WHOLESALE solutions
- Notification
- SMS solutions

This quarter's significant increase in commercial SMS sales resulted in its relative weight rising from 16% to 18%.

SaaS grew by 34%, 1,052 thousand euros, when adding the 3 service lines, fuelled by the contracting business line and the other SaaS products, and its weight in total sales increased from 37% to 40%.

On a quarterly basis, SaaS sales account for 38% of total sales and the share of other SaaS services and notification has increased.

DESCRIPTION OF SALES BY BUSINESS LINE



Our international sales remain strong, accounting for 55% of the group's overall sales, particularly in Europe and Latin America.

TYPOLGY OF CUSTOMERS OVER THE QUARTER

No. of clients



Average amount per invoice



Lleida.net has achieved an increase in terms of customers billed in the first quarter, representing a 9% growth in the customer portfolio compared to the same quarter in 2021. Likewise, average turnover is still increasing by 11% as compared to the Q2 2022 average consumption. (InDenova invoicing data excluded from the slide).

The company has built up a loyal customer base, as the number of customers using our services each month increases every month.

EVOLUTION OF SALES OF CONTRACTING SERVICES

CONTRACTING SALES
(thousands of euros)



Lleida.net has invested heavily in R+D+i and in patents over the last few years so as to become a pioneering company in the electronic notification and contracting sector.

The contracting business line is a leading indicator of economic cycles. We witness how this quarter's sales are stable as compared to Q2 2021. The increase in Click&Sign API and Click&Sign Pro work flows has balanced the drop in SMS contracts used by electricity and gas companies.

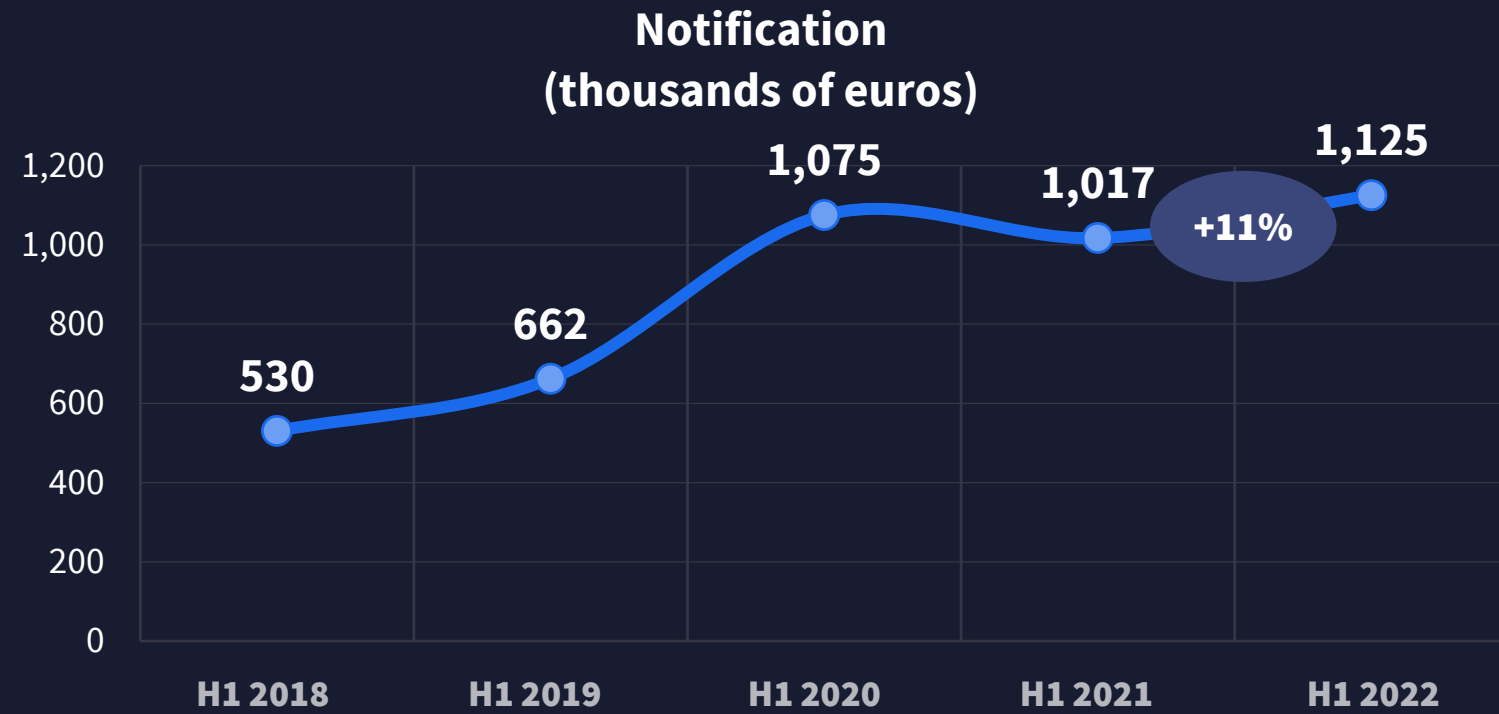
CONTRACTING SALES
(thousands of euros)



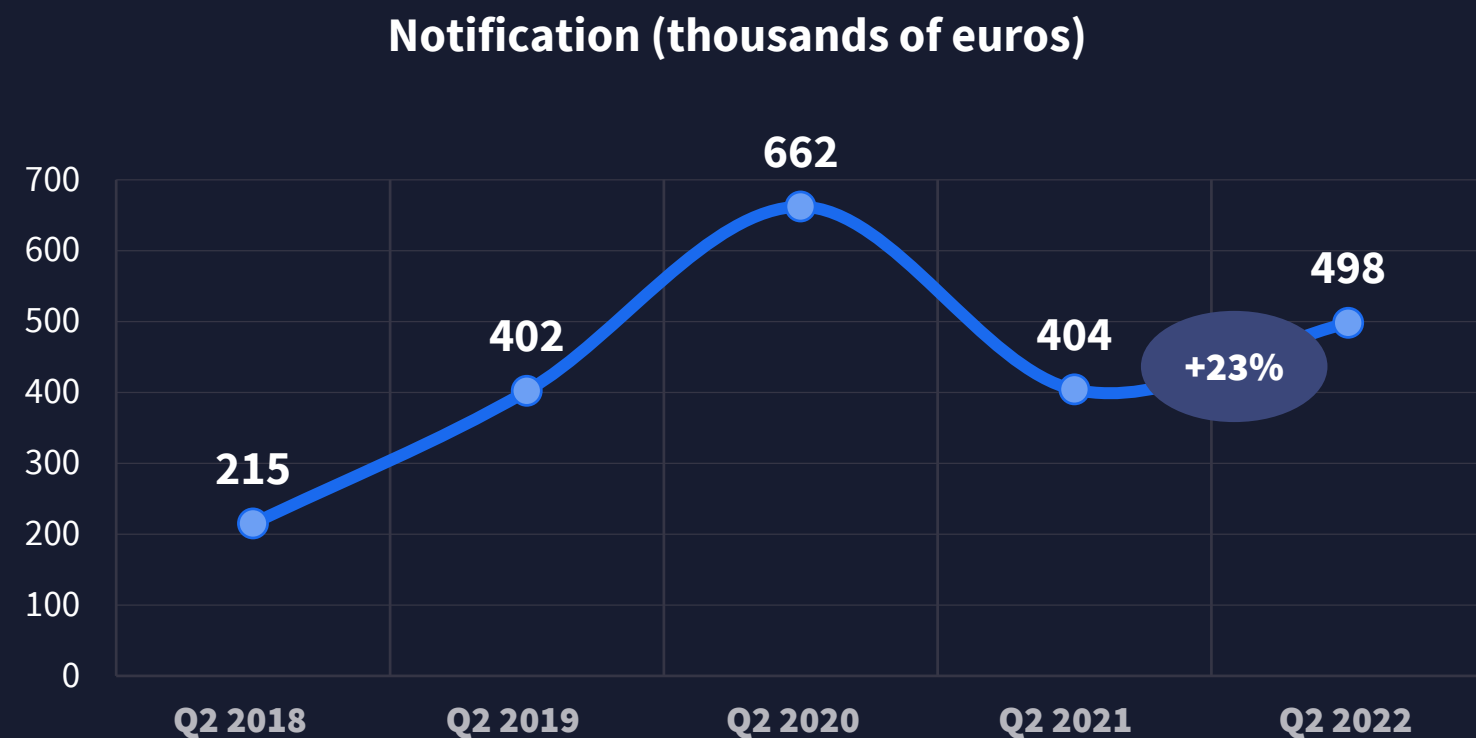
This business line is expected to remain stable or to grow at a moderate rate, to be compensated by the increase in electronic notifications by the end of the year.

To boost this business line, no matter the financial moment, Lleida.net is currently integrating new functionalities to the standard product, and implementing all InDenova new technology.

EVOLUTION OF SALES OF NOTIFICATION SERVICES



The sales of notifications have grown by 23% this quarter. The increase is driven by registered SMS messages being used by European banks to notify bank debit balances and financial defaults.



Registered email traffic remains steady compared to the previous quarter, fuelled by Latin American insurance companies, utilities and government services.

EVOLUTION OF SALES OF OTHER SaaS SERVICES

Other SaaS (Thousands of euros)



This is the business line with the highest increase due to the incorporation of InDenova sales in the 2022 data. Half-year sales of Indenova amounted to 940 thousand Euro. Regarding Lleida.net's classic lines of other SaaS, we have seen a decline, primarily as a result of fewer mobile number portability queries.

As part of our strategy towards the integration of InDenova products into our portfolio we are creating hybrid products, using InDenova signature certifications, currently being expanded, and using InDenova BPM to make our contracting processes smoother and simpler.

Other SaaS (Thousands of euros)

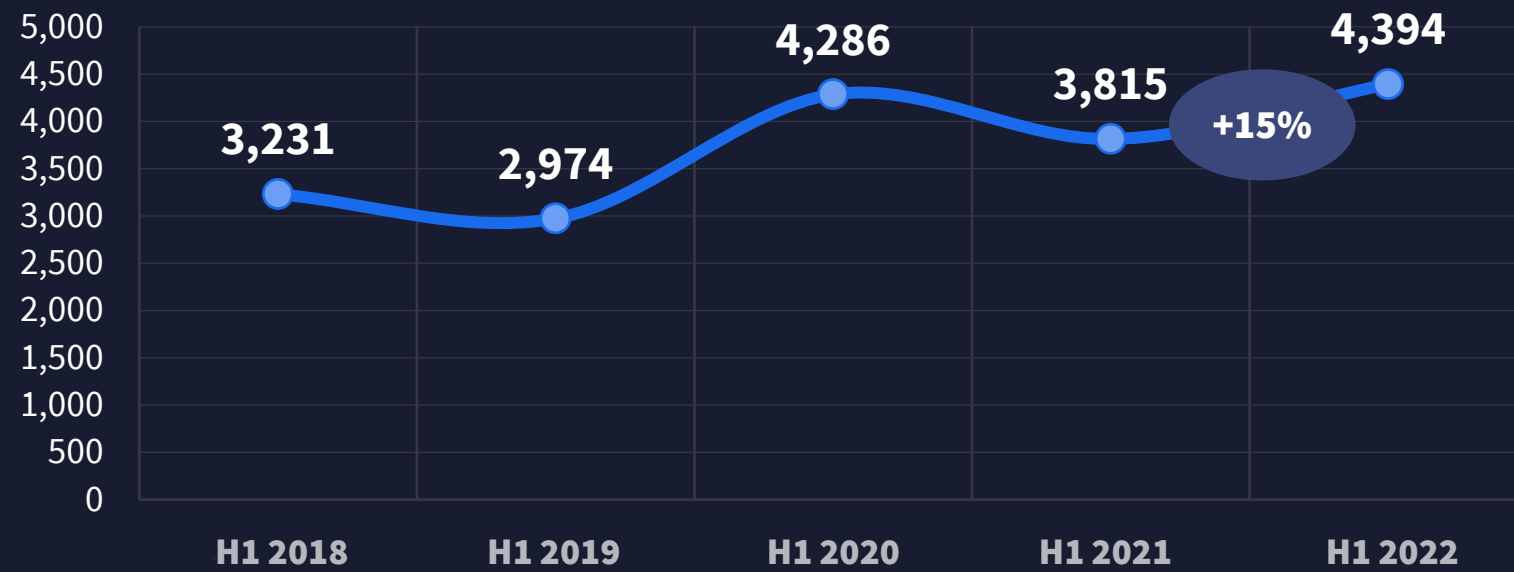


During this quarter, we have spent most of our development and research hours on the creation of the hybrid projects, most of which we have already started to market, mainly in Latin America.

Besides, we are working on changing the billing system for InDenova customer portfolio to a usage-based billing system instead of a licensing-based one.

EVOLUTION OF SMS WHOLESALE SALES

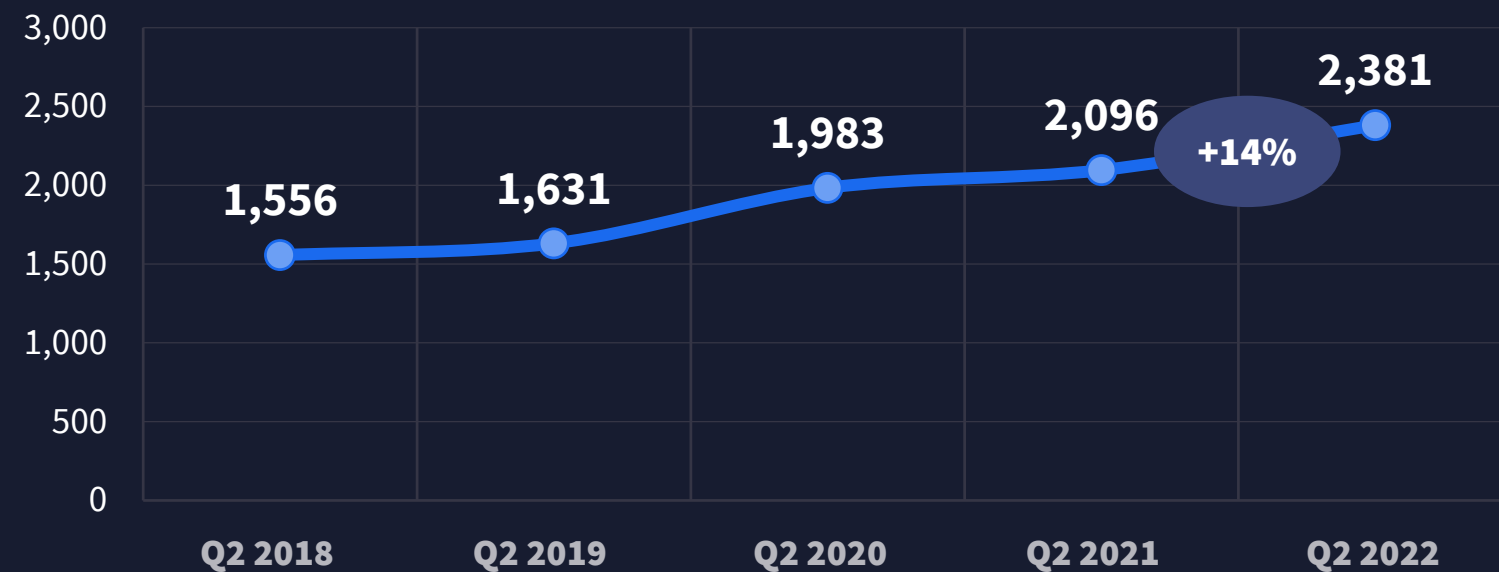
SMS Wholesale services sales
(Thousands of euros)



As mentioned in the first quarter, pre-pandemic business alliances have been reactivated thanks to the reactivation of trade events. During this quarter, we have also attended ITW 2022 in Washington and AWC in Miami.

On-site participation at events led to an increase in Wholesale sales of 14% to 2.4 million euros QoQ.

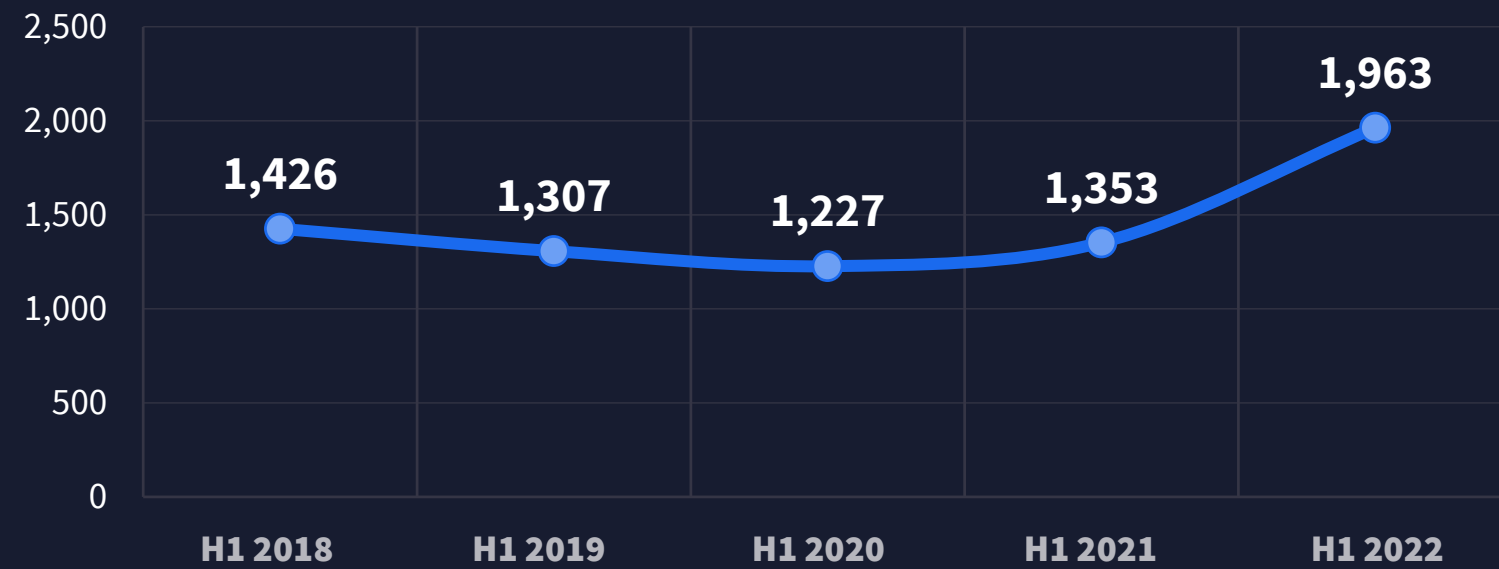
SMS Wholesale services sales
(Thousands of euros)



Margin ratios are below those of 2021, yet the development team keeps on working on tools to maximise the gross margin per unit.

EVOLUTION OF SALES OF COMMERCIAL SMS

sales of commercial SMS services
(Thousands of euros)



SMS sales remained on trend in Q1 with double-digit growth rates of 36% QoQ and 45% YoY.

Currently Lleida.net holds a strong niche strategy within the sector, where the majority of sales are domestic, and where we stand out from the competition with a guaranteed delivery service. We are not seeking to engage ourselves in ongoing price battles in the sector, and customers seek us out because of the reliability of the service we provide. However, we have witnessed that the margins on these services are also decreasing, since they are treated as a commodity for customers.

sales of commercial SMS services
(thousands of euros)



GROSS MARGIN EVOLUTION

GROSS MARGIN EVOLUTION
(thousands of euros)



GROSS MARGIN EVOLUTION
(thousands of euros)

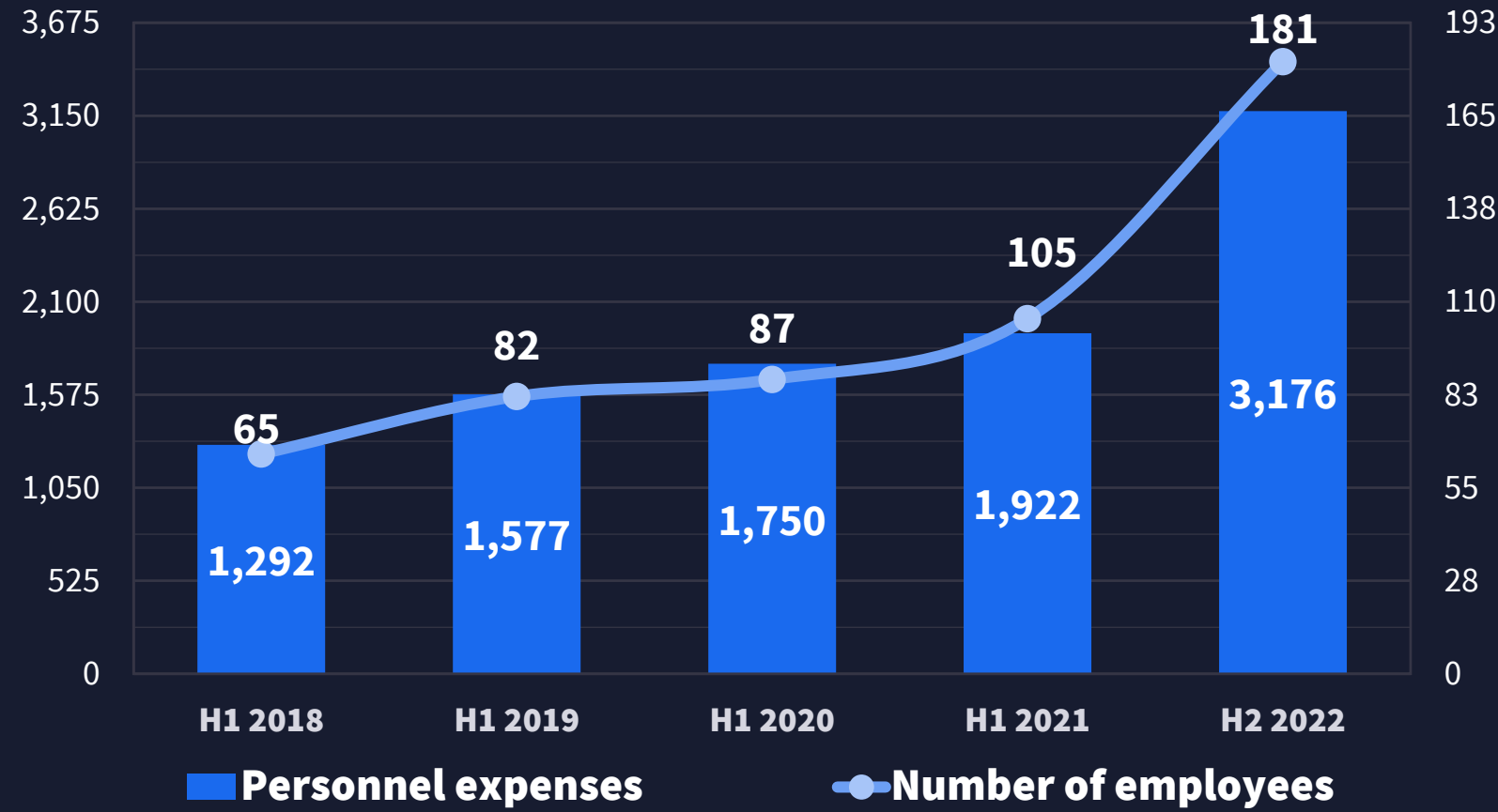


Gross margin increased by 26% QoQ, reaching EUR 5.3 million. Half-yearly sales margin remains at 50% and falls by one percentage point compared to Q2 2021 and Q2 2022.

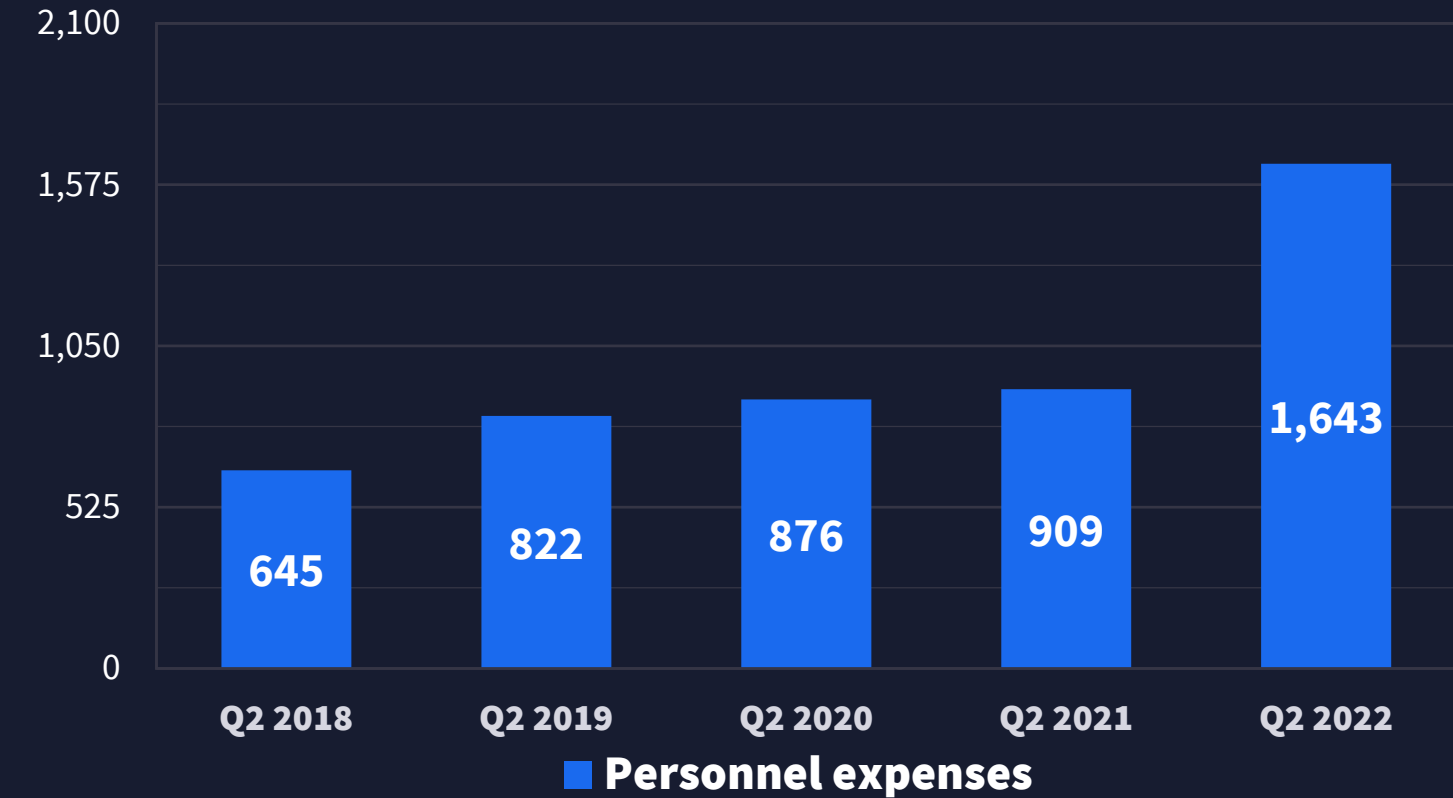
The decrease is due to the increase of Wholesale sales over SaaS sales.

PERSONNEL EXPENSES

Evolution of personnel expenses
(thousands of euros)



Evolution of personnel expenses
(thousands of euros)

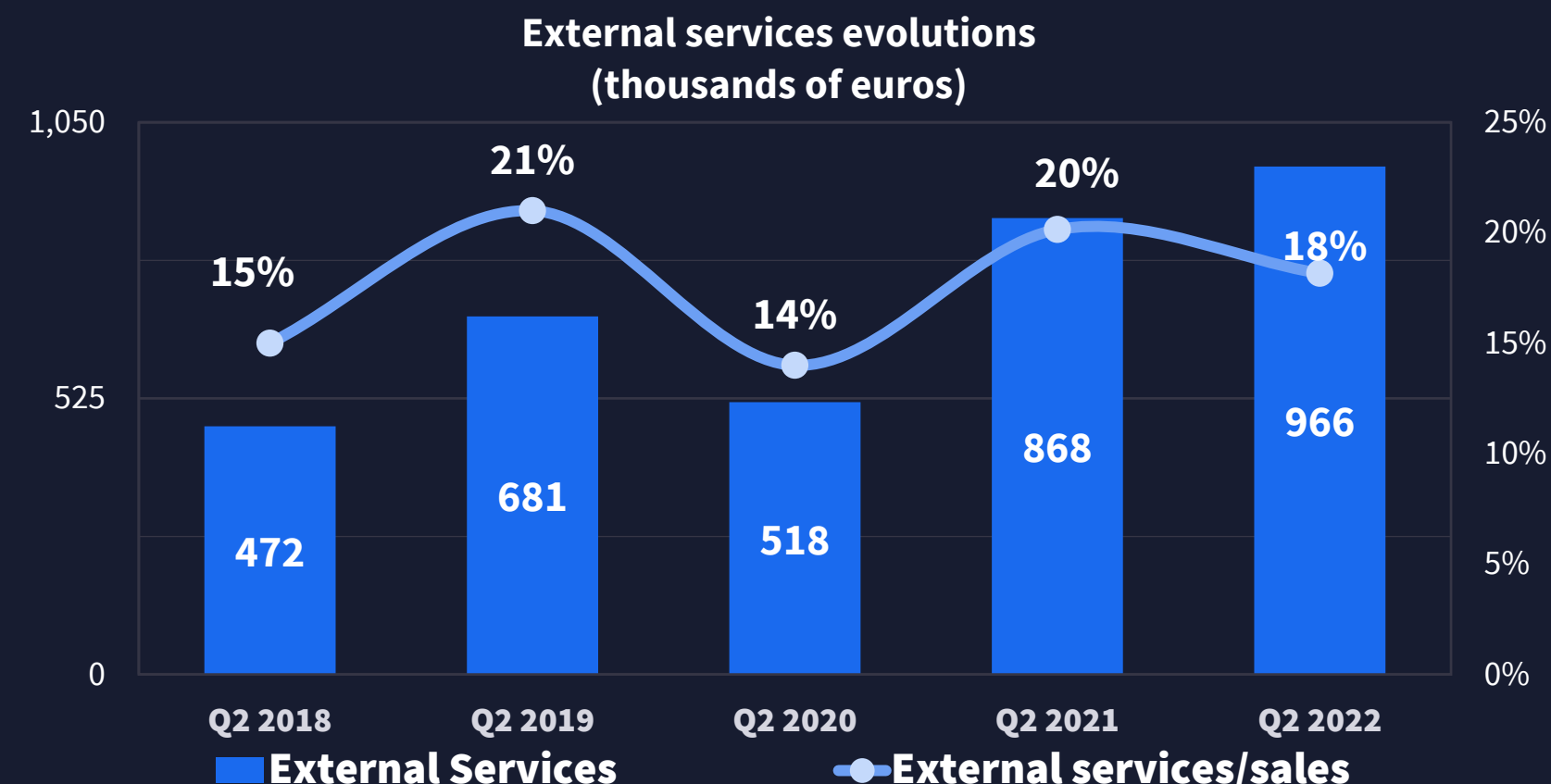
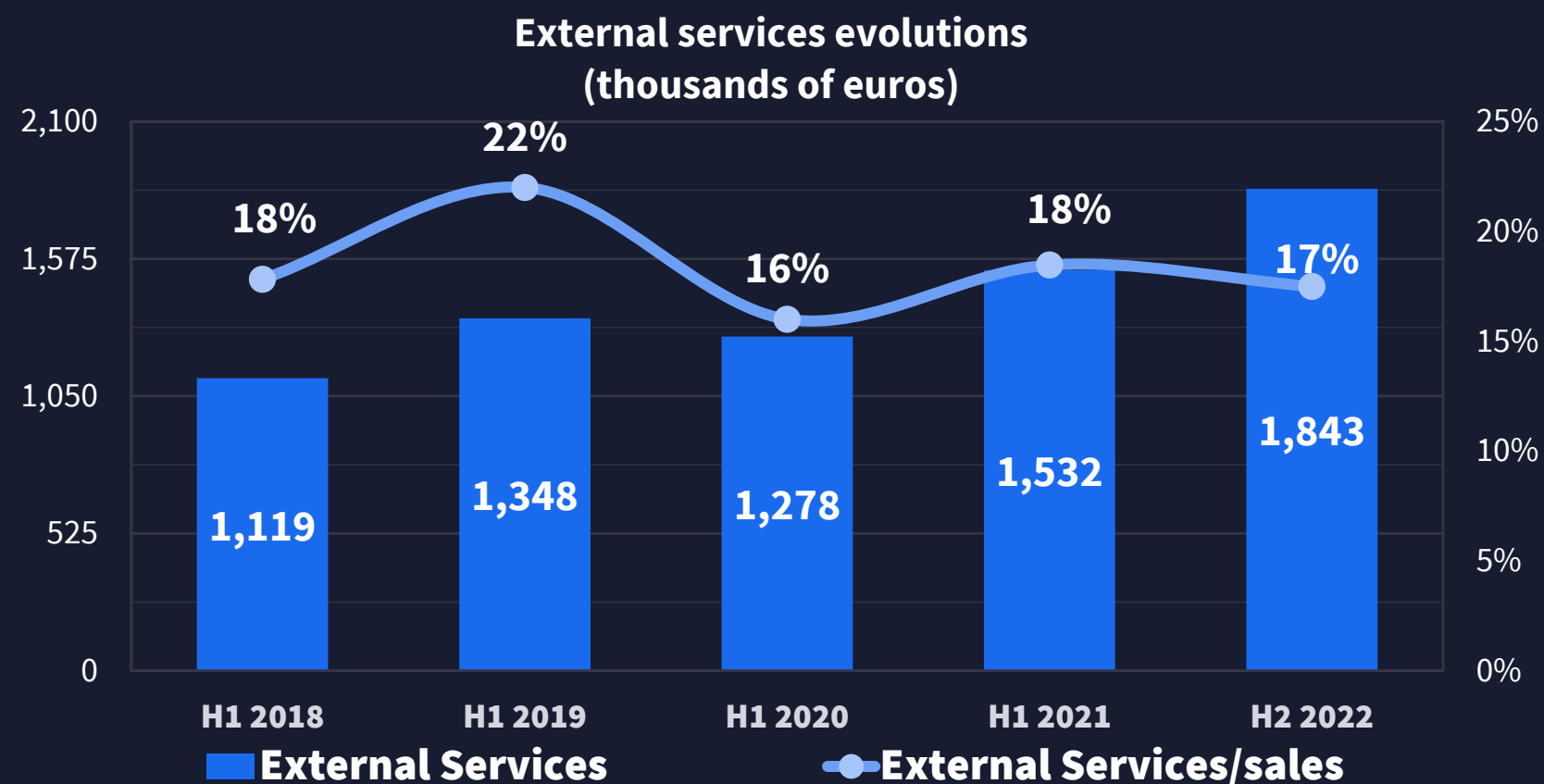


Wages and salaries expenses have increased due to the incorporation of Indenova's personnel, which represents an additional cost of 953 thousand euros during the quarter. The remaining growth is due to the strengthening of the workforce in Latin America, mainly in Peru, with a sales team of 3 people, and in Colombia with the incorporation of technical and project management staff to meet the country's working hours.

The strategy for attracting talent is focused on the countries where the group is most commercially active. The objective is to increase new customers along with the consumption of its recurring customers while providing a better technical service tailored to the needs of each country.

At present, we are 181 employees in the Group, and we keep the decrease in average salary per person from 36.6 thousand euros per year in H1 2021 to 35 thousand euros per year in H1 2022, minus 4%.

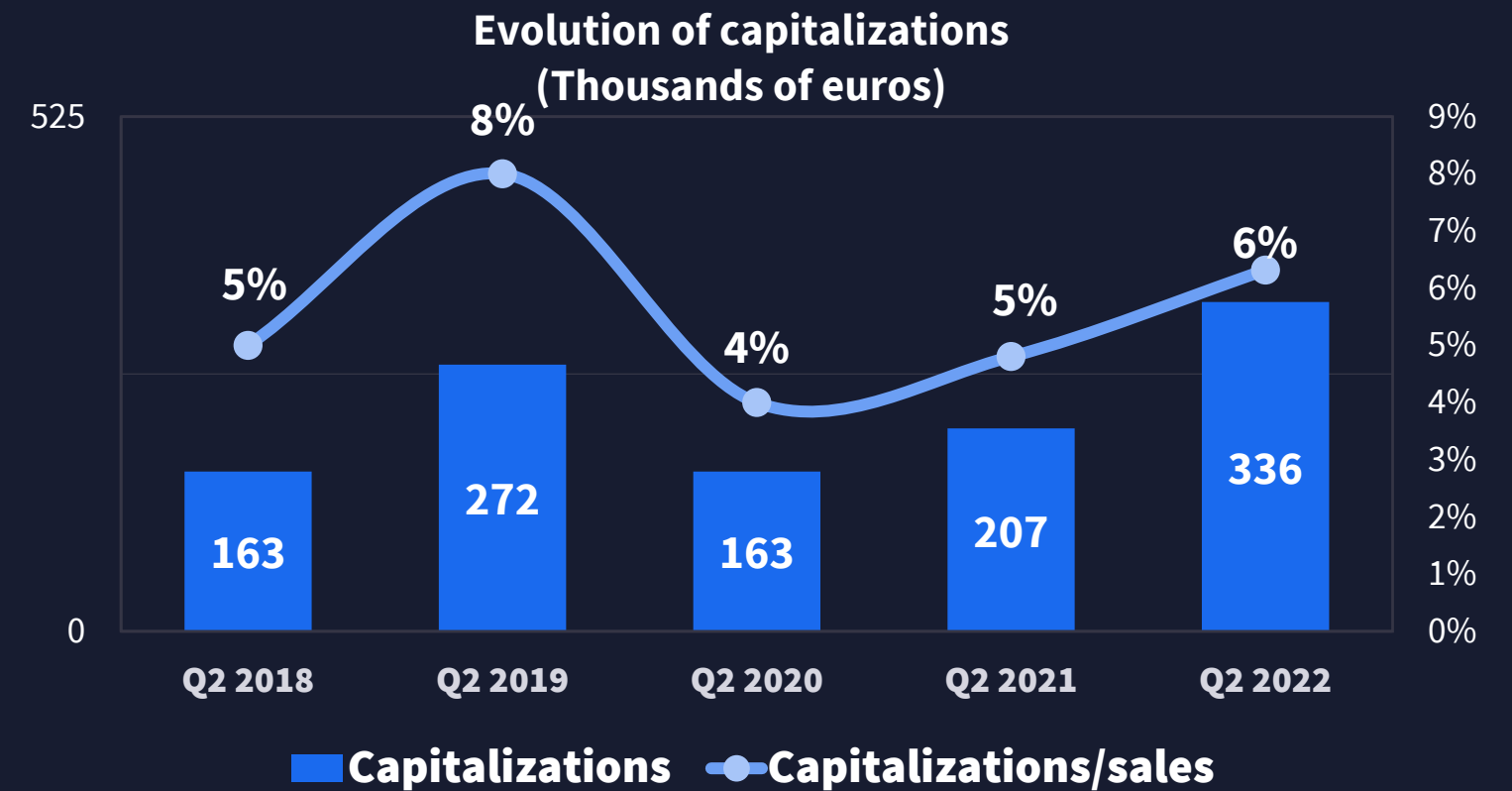
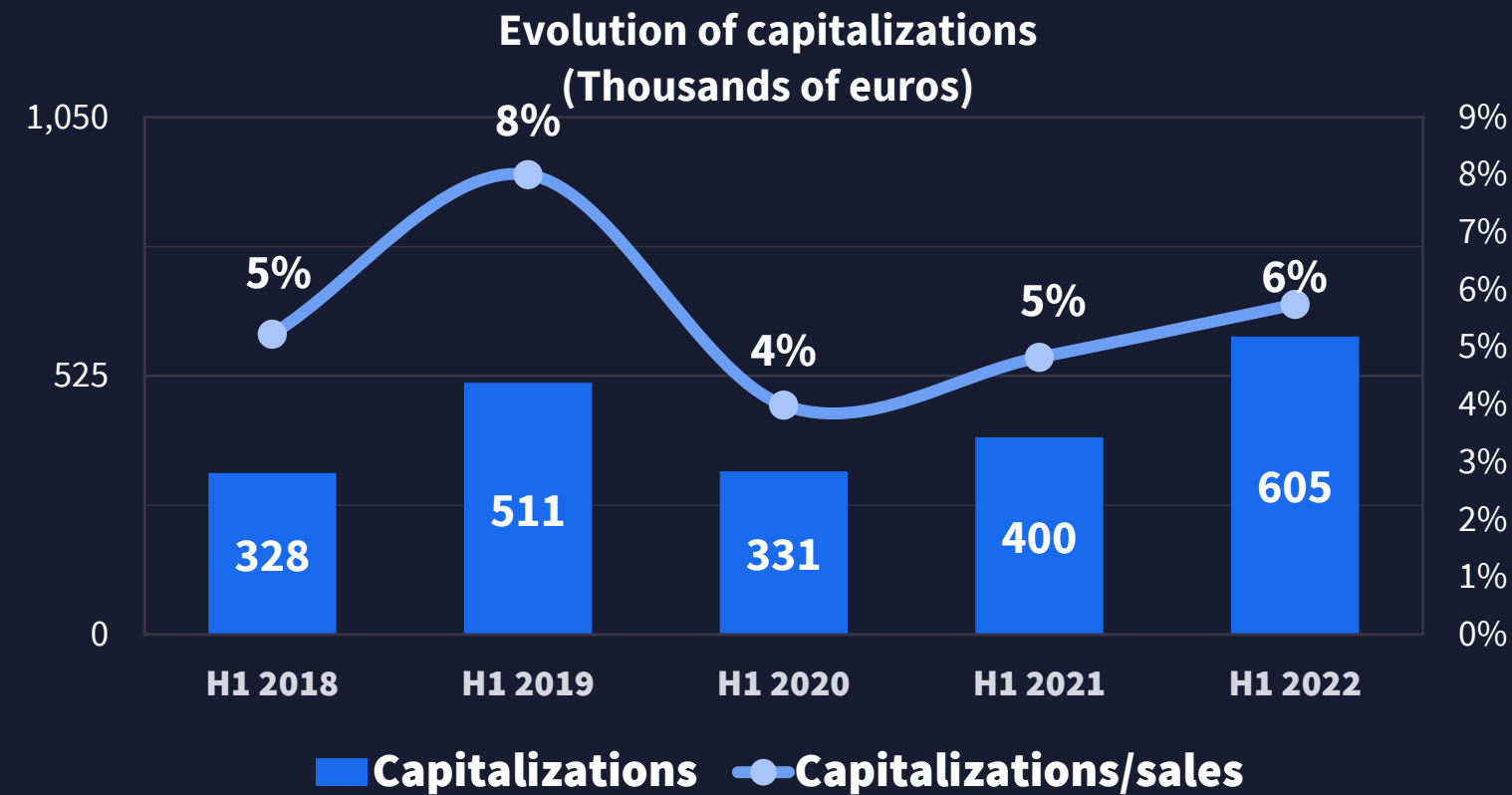
EXTERNAL SERVICES COSTS



There is an increase over the same H1 2021 of €311 thousand due to Indenova's external services expenses of €173 thousand and to the increase in commercial expenses and expenses for attending events. The cost-to-sales decrease stands at 17%, compared to 18% in the first half of 2021.

This cost item also includes the cost of the official accreditation obtained for the certification of Indenova's products in those countries where the company has a commercial focus.

EVOLUTION OF CAPITALIZATIONS



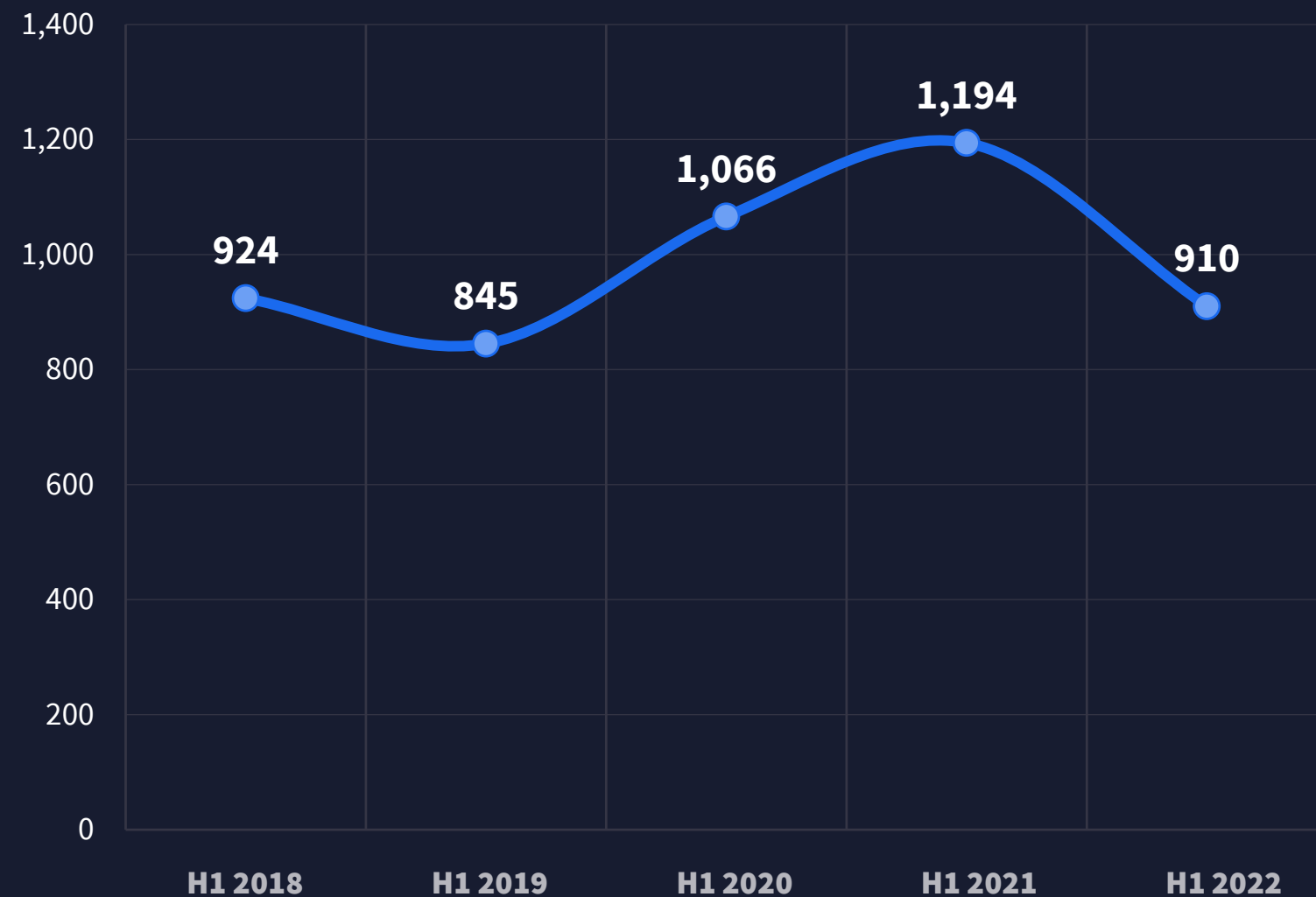
Applying a criterion of maximum prudence the income recorded in the profit and loss account for the financial year 2021 remains at 6% . EBITDA for the first half amounted to 910 thousand euros, 24% lower than in H1 2021.

As previously stated, a large amount of this quarter's work has been focused on the implementation of hybrid products, incorporating both Lleida.net technology and Indenova's new range of products. Products are already being marketed and the strategy for the end of the year is to improve them steadily and incorporate new functionalities, always within the SaaS part of the group.

Likewise, work is underway on projects to improve the profitability of the SMS part, so that it can be a more profitable line in the years to come.

EBITDA EVOLUTION

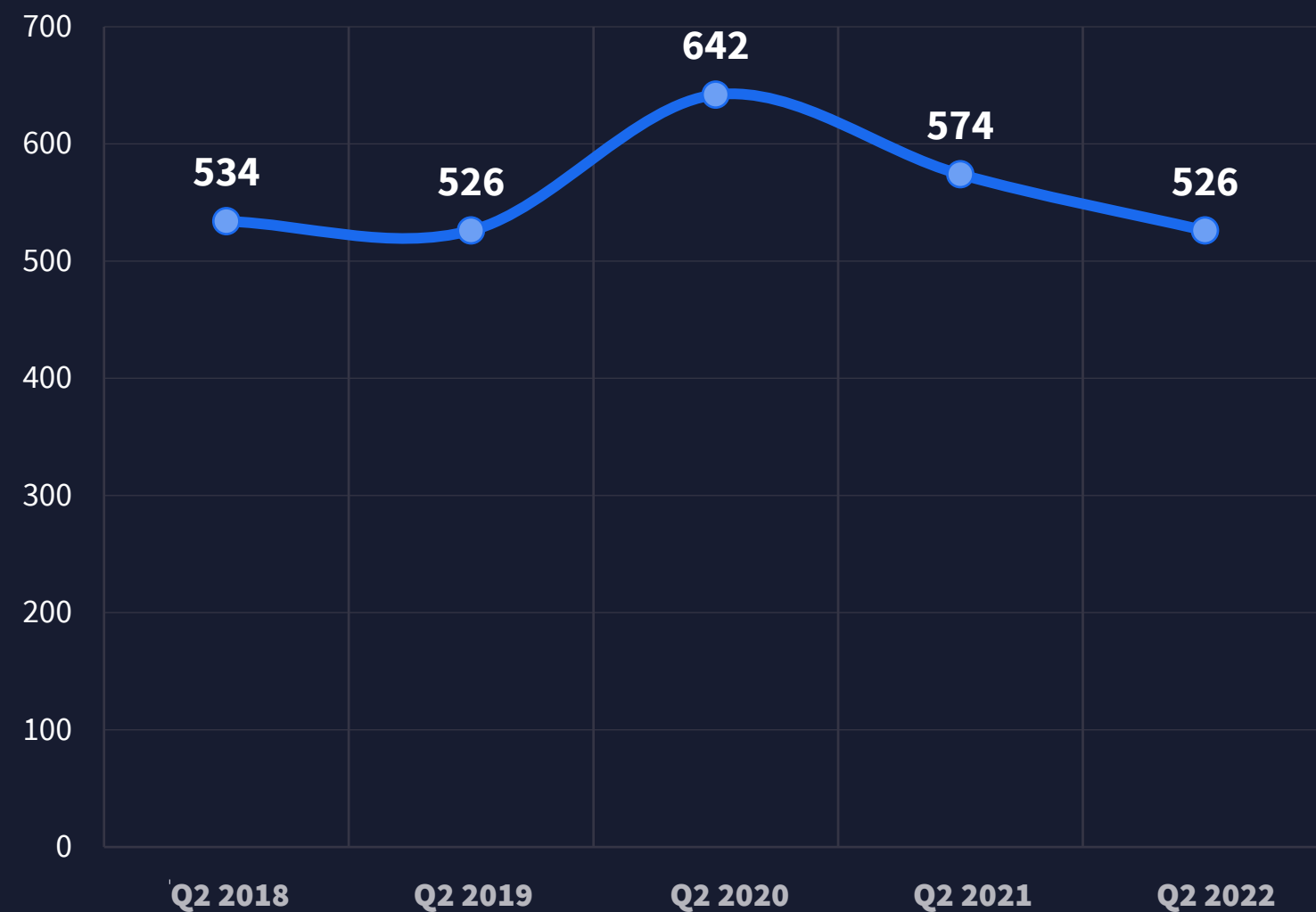
EBITDA (Thousands of euros)



EBITDA for the first half amounted to 910 thousand euros, which is 24% lower than in the first half of 2021. Our sales figures are currently on an upward trend throughout all business lines, although margins on the SMS business line are lower. Due to increased investment in personnel, trade fairs and approvals, and the launch of InDenova renewed commercial activity, the EBITDA has decreased in absolute figures.

EBITDA EVOLUTION

EBITDA (Thousands of euros)



We are currently experiencing a period of investment in new products, coupled with a period of economic recession, which will lead to an increase in the number of electronic notifications. The need to authenticate the identity of signatories in signature processes ensures that our investment in Indenova sets us apart in order to continue to increase contract sales and maintain our position as one of the pioneers and innovative leaders in the sector.

Furthermore, Indenova achieves most of its sales in the last quarter of the year, although its costs are quite lineal during the year, so we expect its contribution to consolidated EBIDTA in the second half to be significant and balance out its negative contribution in the first half of the year.

EBITDA EVOLUTION WITHOUT CAPITALIZATIONS

EBITDA W/OUT CAPITALIZATIONS
(thousands of euros)



EBITDA W/OUT CAPITALIZATIONS
(thousands of euros)



EBITDA Cash generated by the group amounted to 305 thousand euros in the semester. The focus on talent acquisition resulted in a decrease of 48% in the quarter to 190 thousand euros. The group has generated cash that allowed it to continue investing in CAPEX to expand infrastructure capabilities and was able to maintain its liquidity position thanks to accumulated cash balances.

EVOLUTION OF EARNINGS BEFORE TAXES



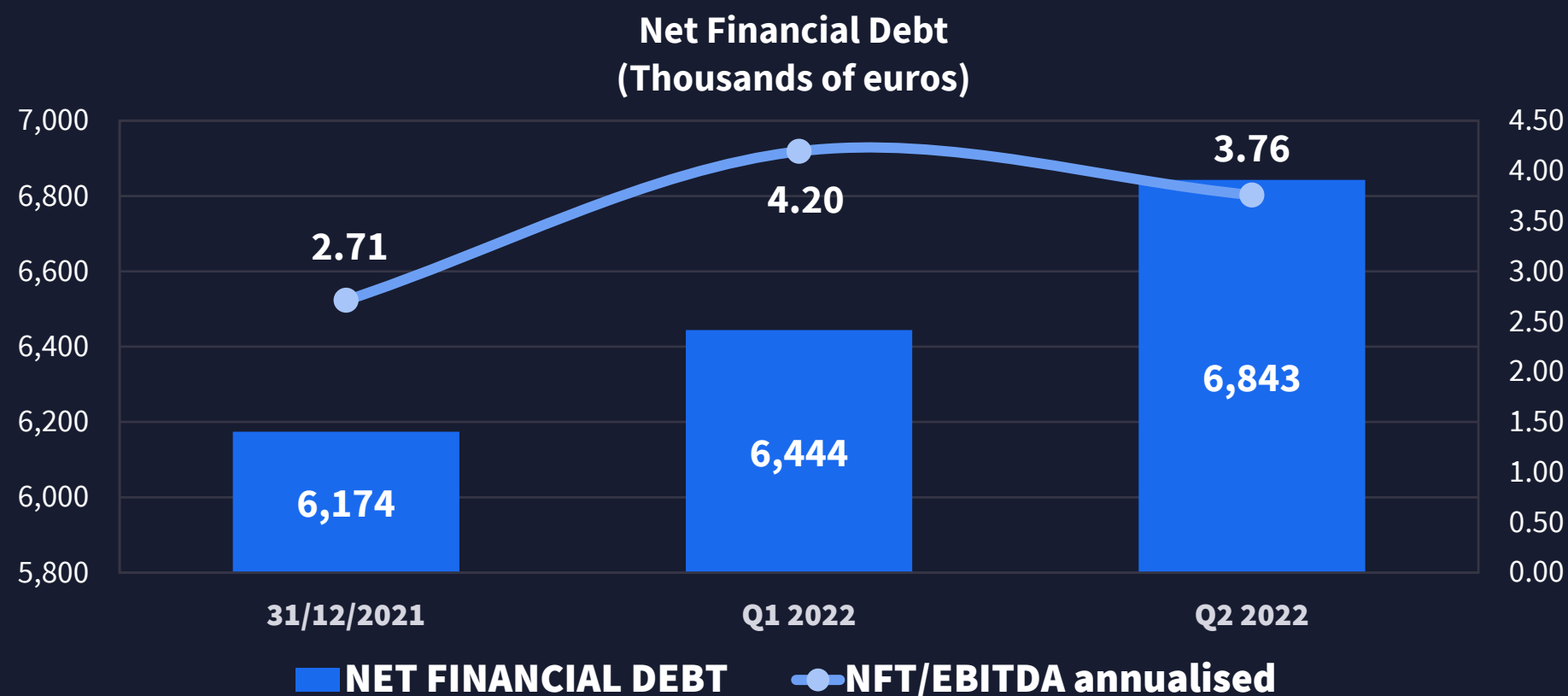
During this quarter, the group generated a negative result before taxes of 6 thousand euros, closing the semester with a negative result of 121 thousand euros.

The result shows an increase in the capitalization expense from 536 thousand euros to 1,026 thousand euros due to the inclusion of the capitalization expense of Indenova 240 thousand euros and 234 thousand euros of Commercial goodwill.

There is an increase in financial expenses amounting to 53 thousand euros, as a result of the new loans signed for the acquisition of Indenova, and the costs of Indenova's own financing amounting to 42 thousand euros.

EVOLUTION OF NET FINANCIAL DEBT

Thousands of euros	2021	Q1 2022	Q2 2021	Difference Q2 2022 Q1 2021	
				Thousands of euros	Percentage
Short term debt	4.565	4.474	4.148	(326)	(8%)
Long term debt	7.478	7.261	6.628	(633)	(10%)
Total Financial debt	12.043	11.735	10.776	(959)	(9%)
Cash + IFT	3.912	3.334	1.976	(1.358)	(69%)
Cash retained	1.957	1.957	1.957	0	0%
Available cash	5.869	5.291	3.933	(1.358)	(35%)
NFD	6.174	6.444	6.843	399	6%

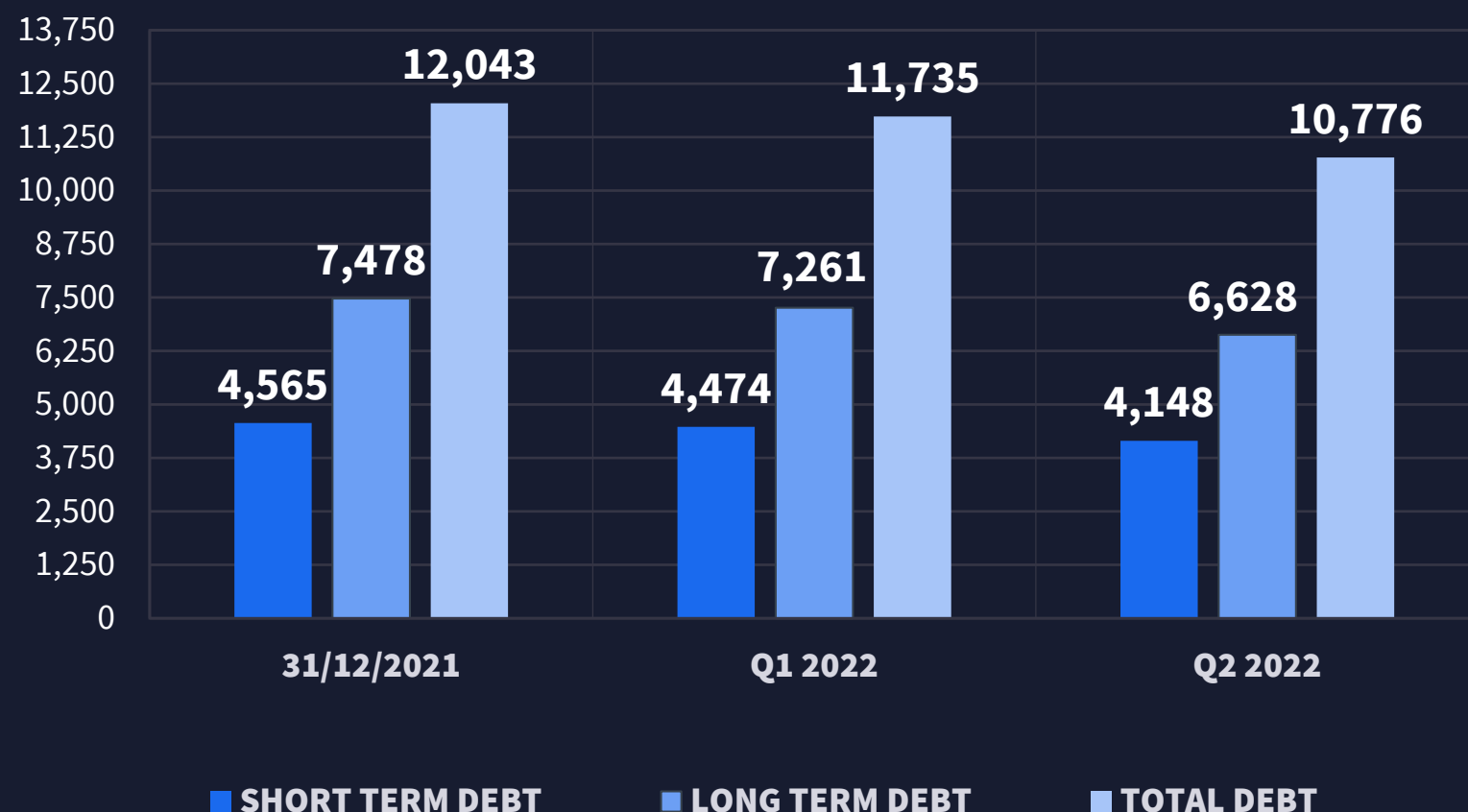


Net financial debt, following the inorganic acquisition payments and the inclusion of Indenova's debt, currently stands at EUR 6.8 million . We have included within debt the outstanding cash payments for Indenova's deferred instalments amounting to EUR 1.9 million, also reported as cash retained in the group's available cash. H1 prepayments have been modified to mirror this outstanding debt and to maintain the same comparables.

Moreover, payments in shares amounting to 1,139 euros are not reflected, as the group considers that it holds enough shares in its portfolio to meet the payment obligations.

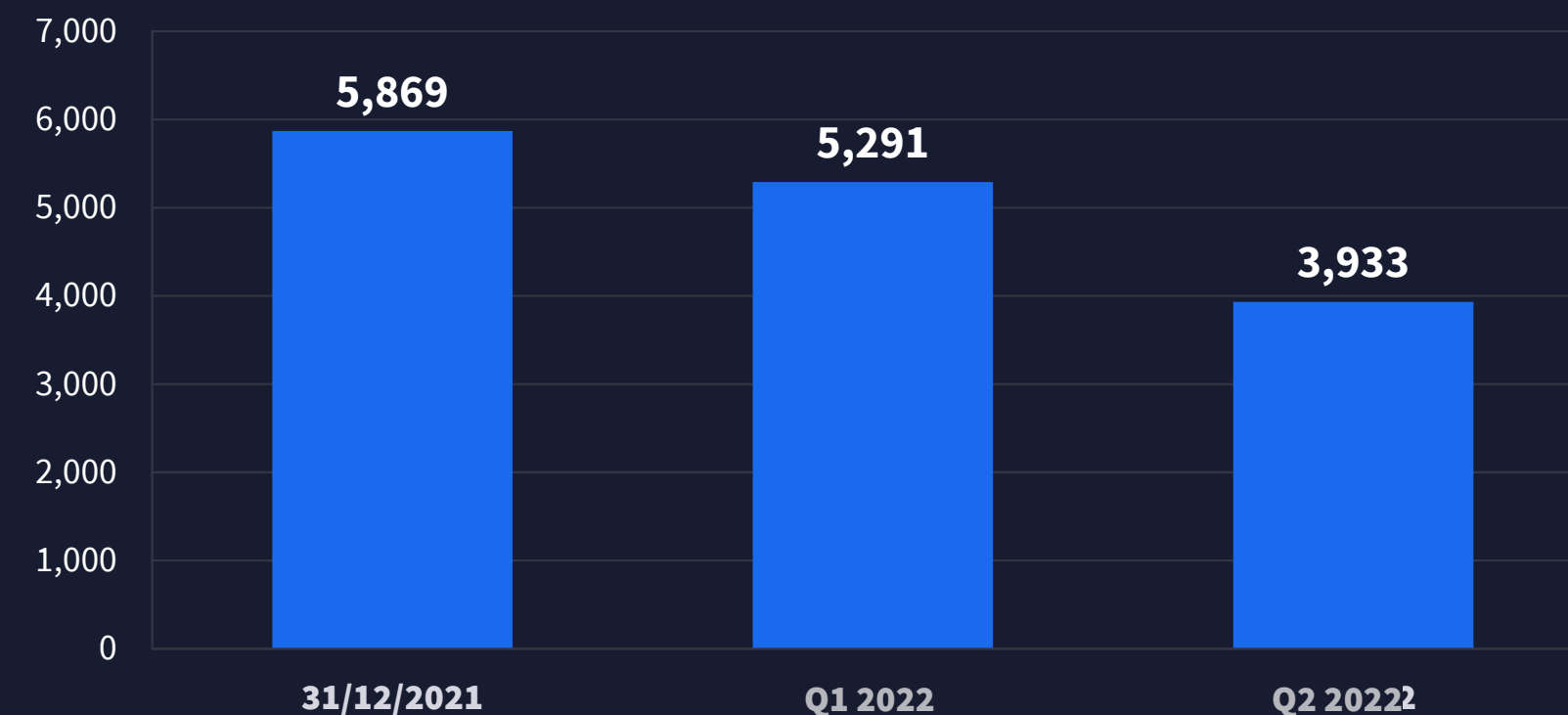
EVOLUTION OF NET FINANCIAL DEBT

Debt evolution
(Thousands of euros)



Short-term financial debt has decreased due to lower policy usage. This quarter, no new loans were signed by the group.

Available cash
(thousands of euros)



The decrease in cash is due to lower policy utilisation to minimise credit balance costs.



Lleida.net

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