



**Lleida.net**

La Primera Operadora Certificadora

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Madrid, 9 May del 2023

**Regulatory announcement**  
**LLEIDANETWORKS SERVEIS TELEMÀTICS S.A.**

**Q1 2023 results preview**

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 on information to be provided by Growing Companies, LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.: (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 information consists of a preview of Lleida.net's Consolidated Income Statement for the first quarter of 2023 and is based on unaudited accounting information available to the Board of Directors. Therefore, this information does not substitute or may be considered the equivalent of the annual financial information provided in Circular 6/2018 BME Growth.

On Wednesday, 10 May, Sisco Sapena, CEO of the company, and Arrate Usandizaga, CFO of the company, will host a webinar at 10.30 a.m. to discuss the Q1 2023 preview and to answer any questions raised by the attendees at <https://www.lleida.net/es/streaming/1T2023>

Pre-registration is required to attend the webinar.

We remain at your disposal for any further clarifications you may require

Sincerely,

Madrid, 9 May 2023  
Sisco Sapena, CEO and Chairman of the Board



Lleida.net

# **PRESENTATION OF INTERIM RESULTS**

## **FIRST QUARTER**

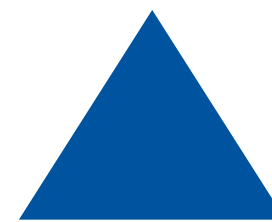
### **YEAR 2023**



# DISCLAIMER

LLEIDANETWORKS SERVEIS TELEMÀTICS S.A. ("Lleida.net", "the Company", or "the Society") is providing the following information in accordance with various regulations and circulars, including Article 17 of Regulation (EU) No. 596/2014 on market abuse, Article 227 of Law 6/2023, of March 17, on Securities Markets and Investment Services, and Circular 3/2020 of the BME Growth

segment of BME MTF Equity. The report is a preview of Lleida.net's Consolidated Income Statement for the first quarter of 2023 and has been prepared using unaudited accounting information that is currently available to the Board of Directors. The Company and its directors take sole responsibility for the information presented in this report.



# MAIN MILESTONES

- Gross margin increased by 6%, offsetting a 10% decline in sales due to lower SMS sales.
- The Company's gross margin increased to 53% in the first quarter compared to 50% in the same quarter of 2022.
- Increase in other SaaS business line by 31%, €235k.
- EBITDA remained unchanged at EUR 389 thousand compared to 2022, and EBITDA cash increased by 30%.
- The operating profit is negative to 161 thousand euros due to the seasonal nature of costs, with important items such as the Mobile World Congress held in the first quarter.
- The net financial debt saw a decline of 183 thousand euros in comparison to the figure reported on December 31, 2022.

# FORECAST OF THE INCOME STATEMENT

*Figures in thousands of euros Consolidated*

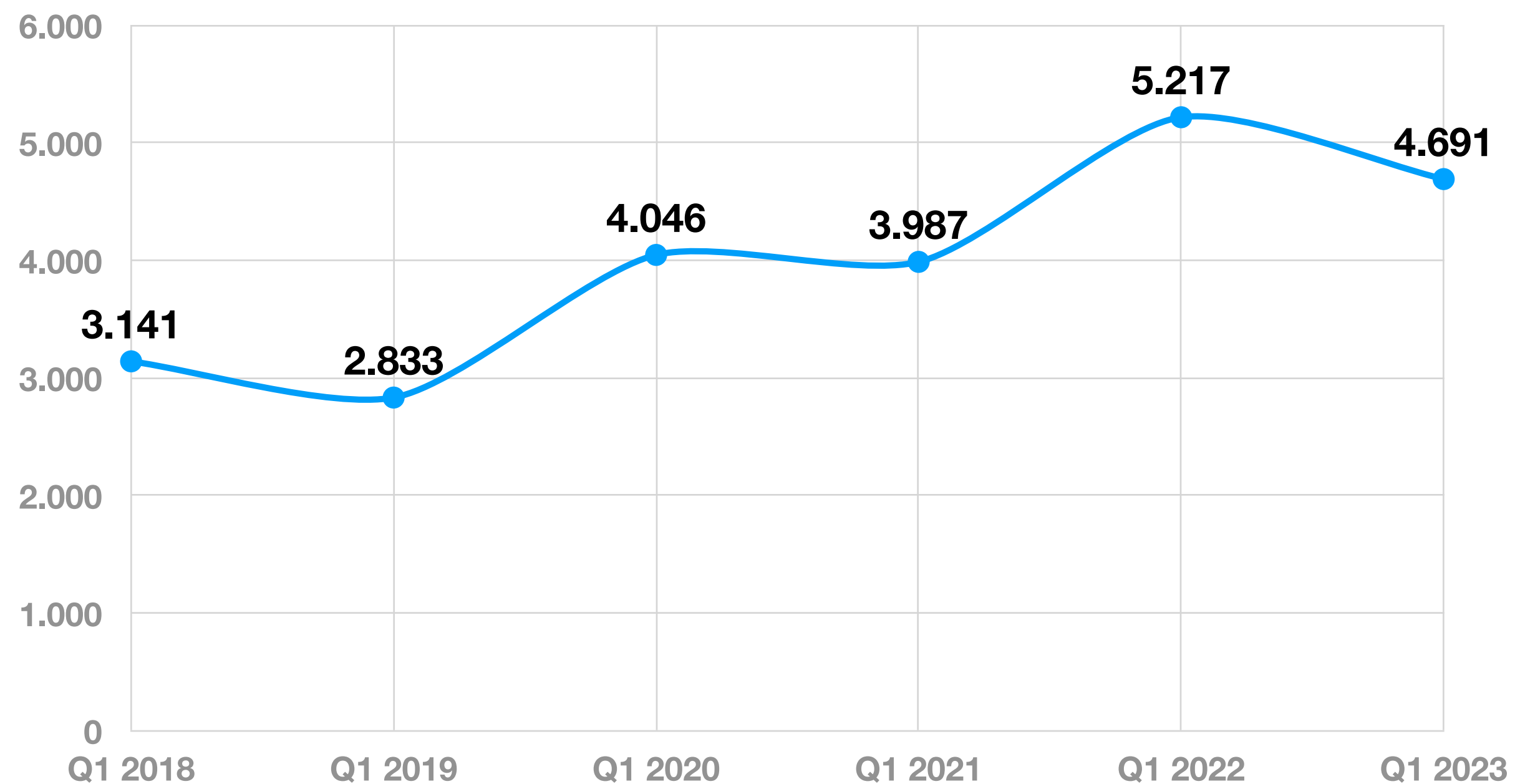
	Q1 2022	Q1 2023	YoY €	YoY %
Sales	5.217	4.691	(526)	-10%
Sales costs	(2.602)	(1.907)	(695)	-27%
<b>Gross Margin</b>	<b>2.615</b>	<b>2.784</b>	<b>169</b>	<b>6%</b>
<i>% Gross Margin out of sales</i>	<i>50%</i>	<i>59%</i>		
Personnel expenses	(1.533)	(1.667)	134	9%
External Services	(975)	(983)	8	1%
Other incomes	8	16	8	100%
<b>EBIDTA w/out capitalisations</b>	<b>115</b>	<b>150</b>	<b>35</b>	<b>30%</b>
Capitalisations	269	239	(30)	-11%
<b>EBITDA</b>	<b>384</b>	<b>389</b>	<b>5</b>	<b>1%</b>
Provisions customer balances		(24)	(24)	-
Depreciation	(518)	(526)	8	2%
<b>Total operating costs</b>	<b>(134)</b>	<b>(161)</b>	<b>(27)</b>	<b>-20%</b>
Net Financial Debt	(46)	(25)	(21)	-46%
Exchange Rate Differences	65	(90)	155	-238%
<b>Earnings before Tax</b>	<b>(115)</b>	<b>(276)</b>	<b>(161)</b>	<b>-140%</b>

# SALES FORECAST BY BUSINESS LINE

Provisional figures in thousands of euros

	Q1 2022	Q1 2023	YoY €	YoY %
Contracts	762	766	4	1%
Notification	627	506	-121	-19%
Other SaaS	754	989	235	31%
SMS COMMERCIAL	1.061	797	-264	-25%
Interconnection SMS	2.013	1.633	-380	-19%
<b>Total</b>	<b>5.217</b>	<b>4.691</b>	<b>-526</b>	<b>-10%</b>

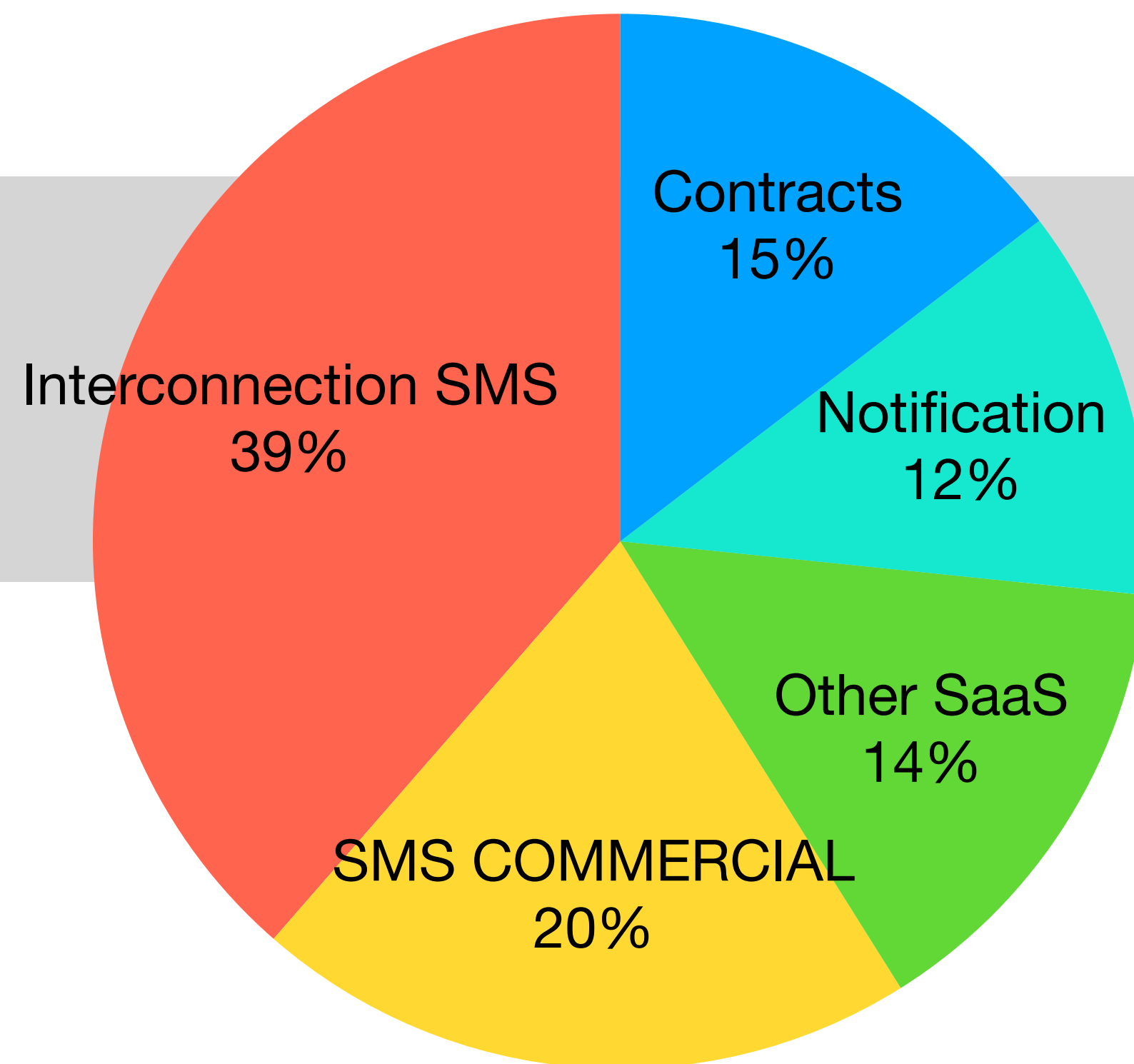
SALES (Thousands of euros)



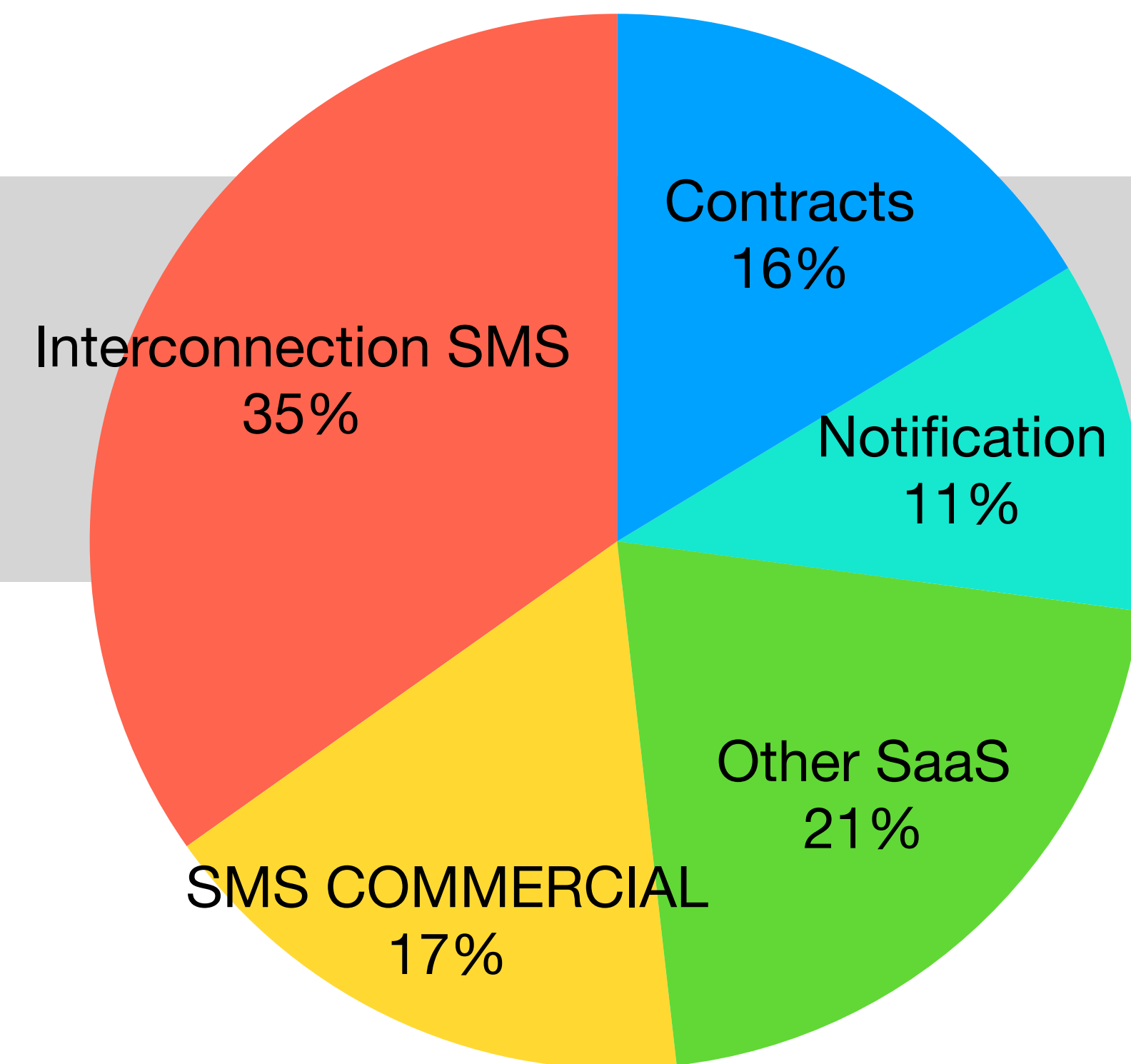
The Company experienced a 10% decline in total sales compared to 2022, resulting in a decrease of 526 thousand euros. The decline was primarily due to a decrease in the two SMS lines, with commercial SMS sales decreasing by 25% and Wholesale sales decreasing by 19%.

# SALES DESCRIPTION BY BUSINESS LINE

Q1 2022



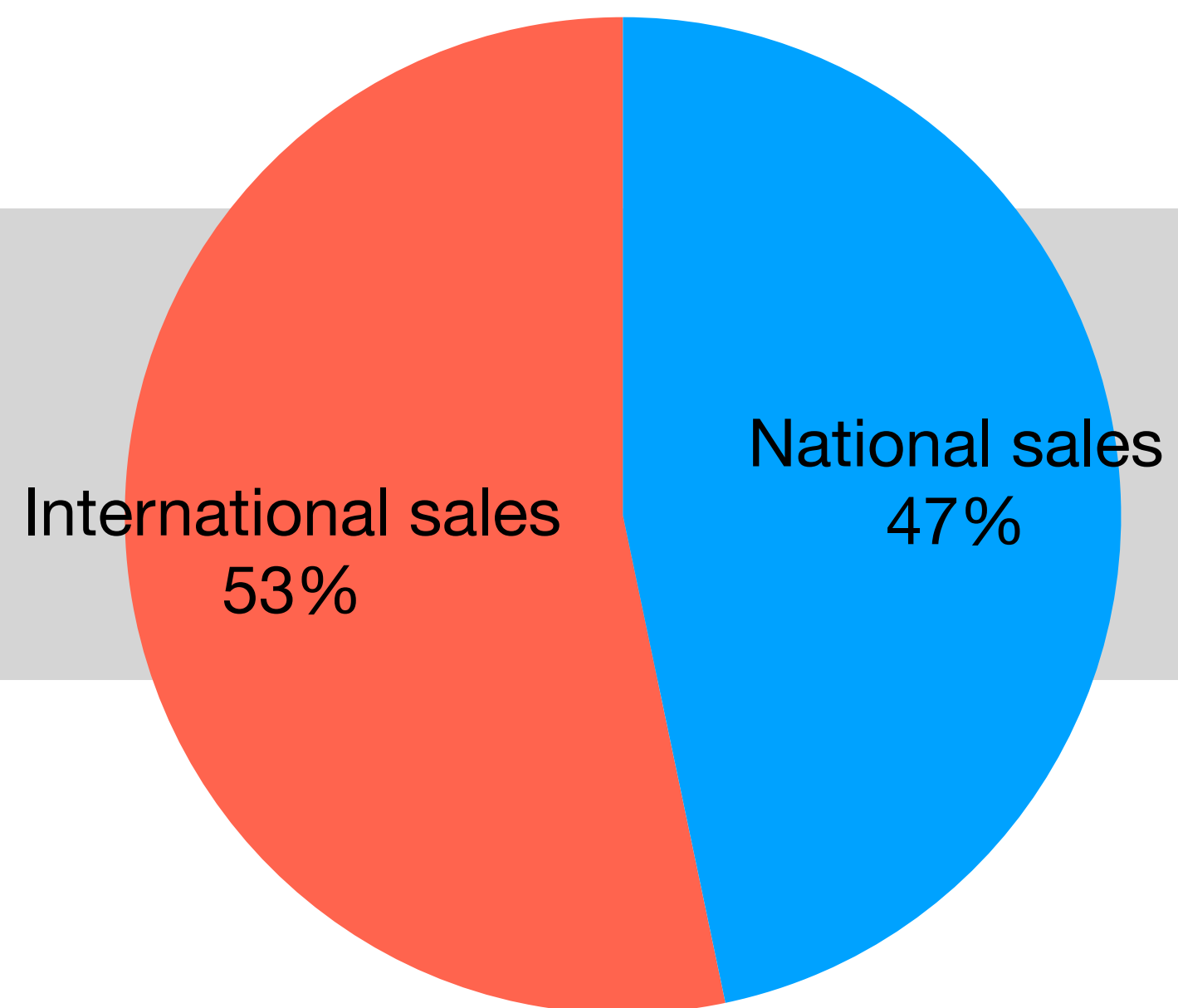
Q1 2023



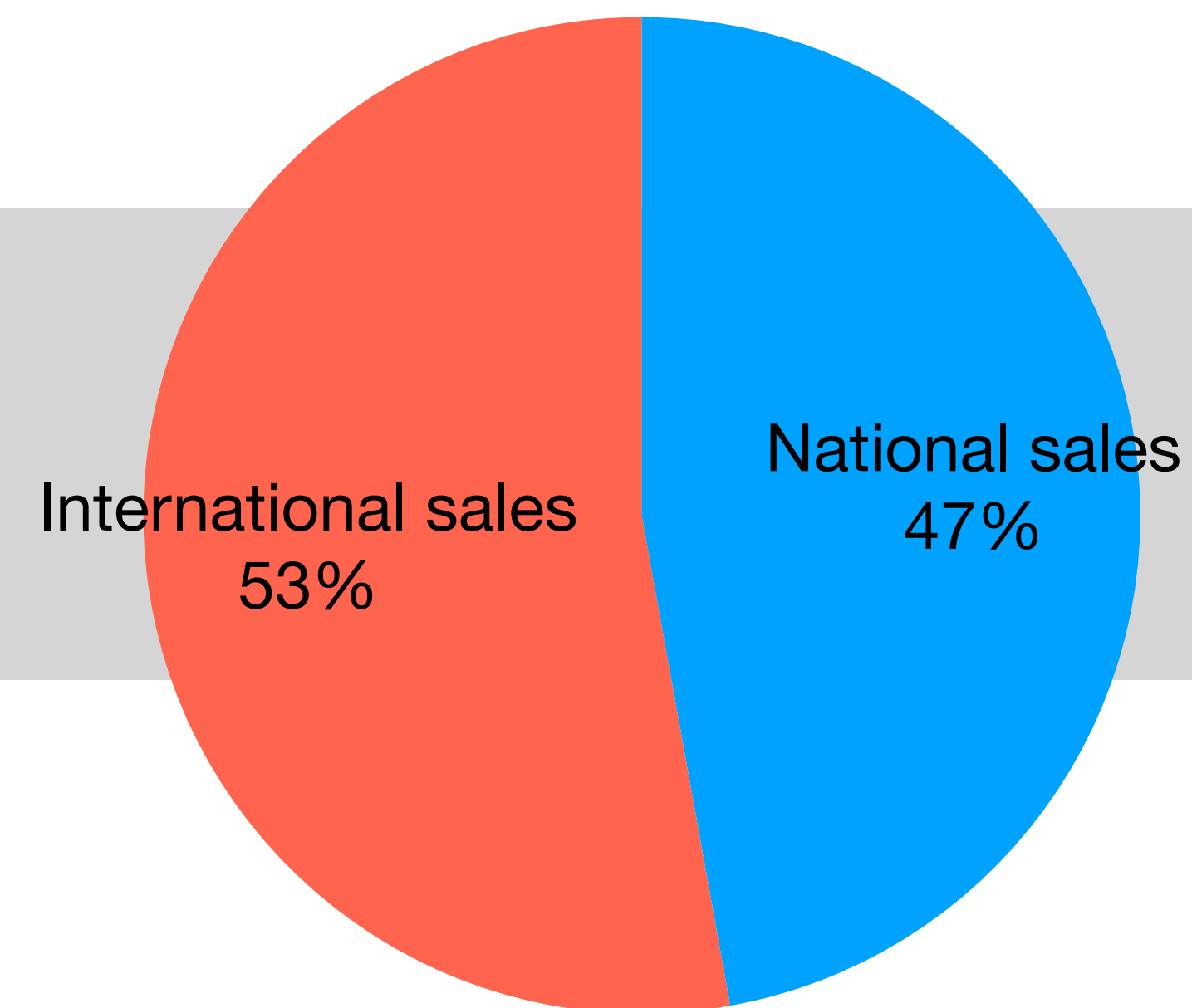
Other SaaS products have increased their share of total sales to 21% from 14% in Q1 2022. SaaS sales account for 48% of total sales compared to 41% in Q1 2022.

# DESCRIPCIÓN DE LAS VENTAS POR TERRITORIO GEOGRÁFICO

Q1 2022



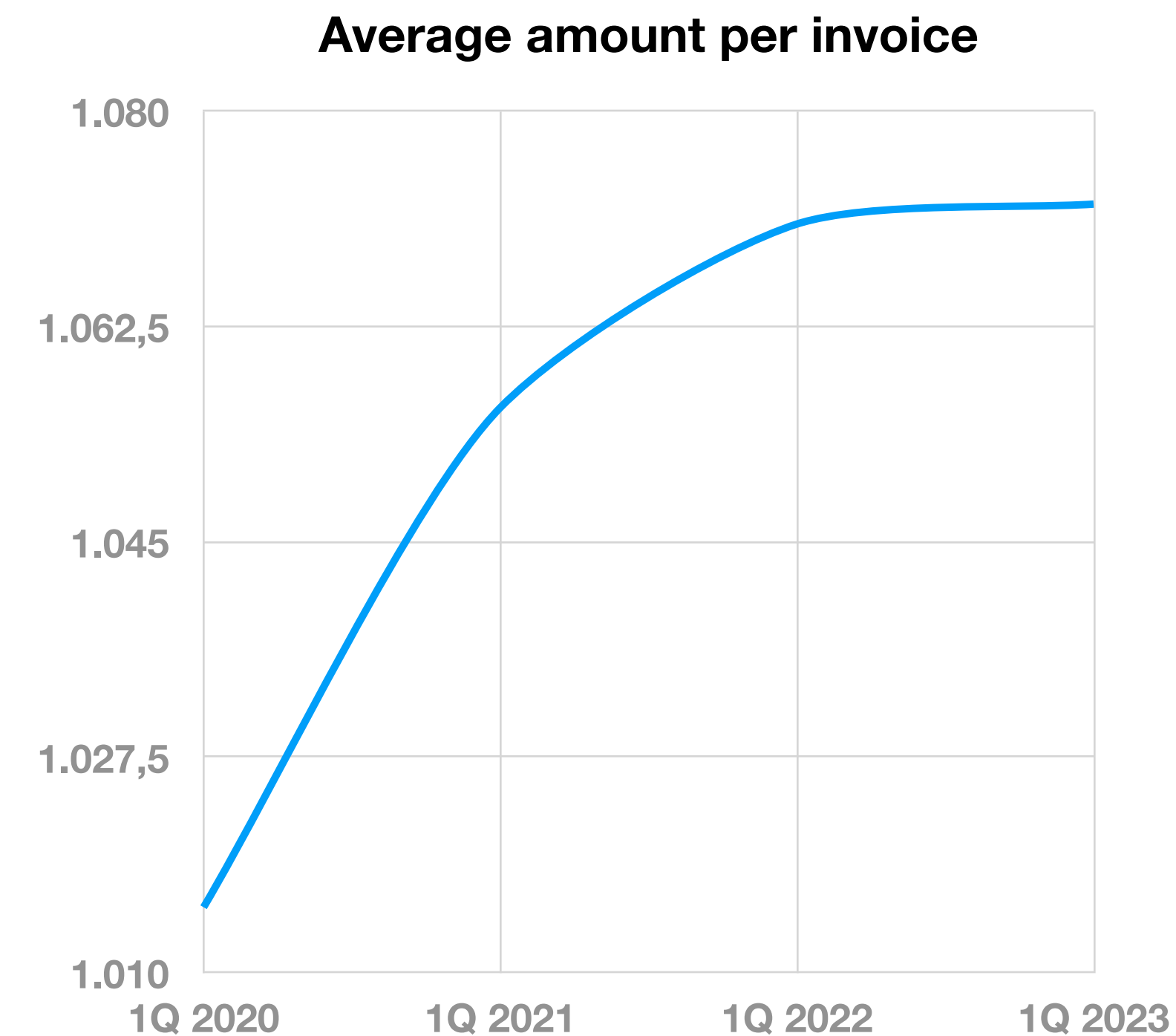
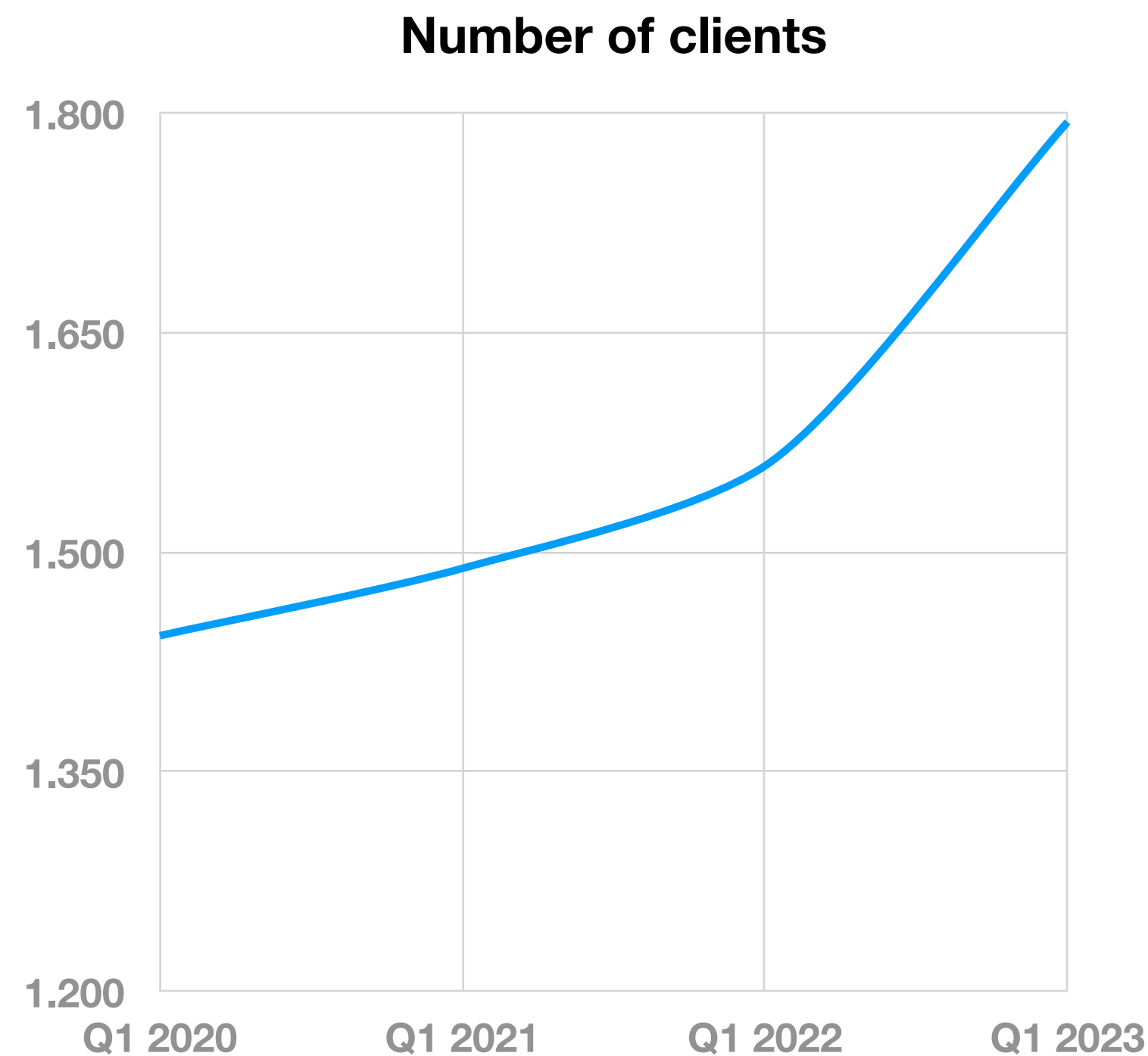
Q1 2023



International sales remained the same as in Q1 2022, despite the service cut to the Colombian postal service, with 53% of international sales remaining the same as in Q1 2022.



# TYOLOGY OF CUSTOMERS OVER THE QUARTER

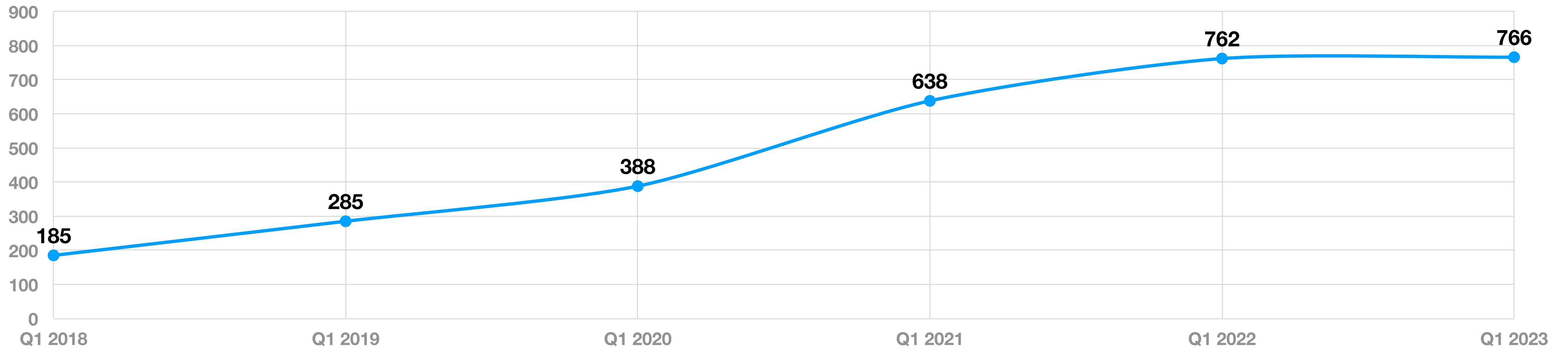


Lleida.net has reported a 15% increase in its customer base during the first quarter of this year compared to 2022. This increase is based on the total number of customers who were invoiced during the quarter. Similarly, average invoice turnover continues to increase.

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

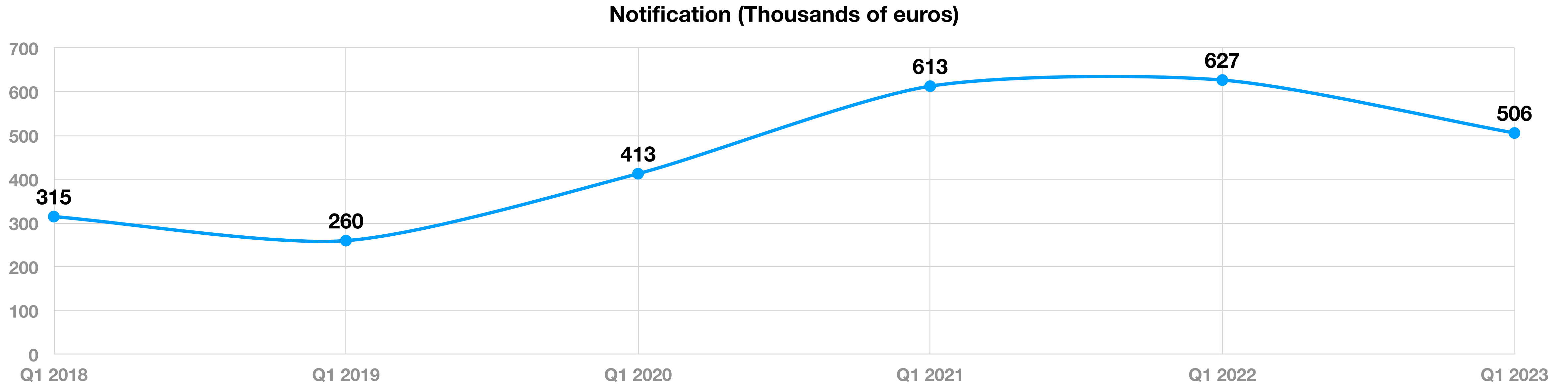
# EVOLUTION OF SALES CONTRACTING SERVICES

Contrating (Thousands of euros)



Contracting services are increasingly becoming commonplace within the Group, driven by the growing weight of customers with standard and non-specific circuits. This allows us to optimise efficiency per circuit and increase profitability. The growth is lower than the units sold, resulting from increased sales in Latin America in local currency and a lower impact on the consolidated figures due to the exchange rate evolution.

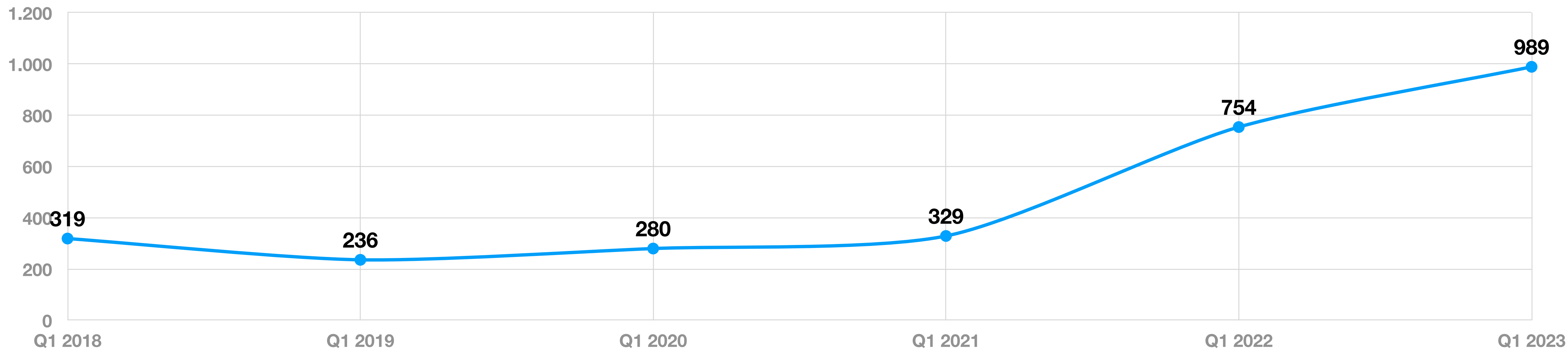
# EVOLUTION OF SALES OF NOTIFICATION



In the production preview, we found that registered email sales decreased due to the cut-off of services to the Colombian post office, 472 due to non-payment. There was a decrease of 121 thousand euros, partially offset by the increase in sales of Registered SMS. The marketing drive in Colombia is focused on recovering the sales volume before the cutover, attracting new accounts with higher profitability on a per-unit basis.

# EVOLUTION OF SAAS BUSINESS LINE SALES

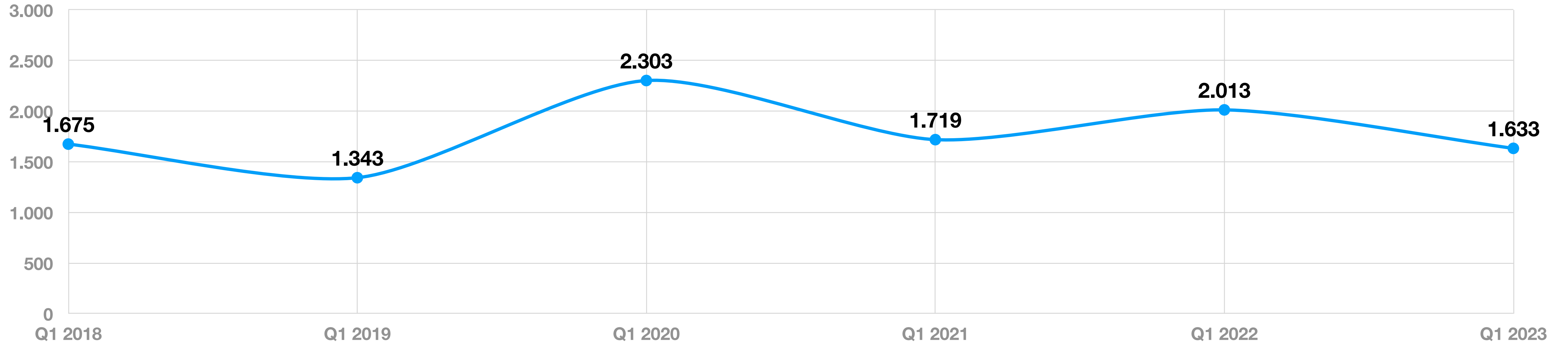
Other SaaS products (Thousands of euros)



Other SaaS includes service licences, email, time stamps, phone numbers, and identity verification transactions. This quarter saw an increase of 35%, 231 thousand euros, thanks to the renewals of recurrent customers and the acquisition of new licence accounts under the SaaS method.

# EVOLUTION OF WHOLESALE SMS BUSINESS LINE SALES

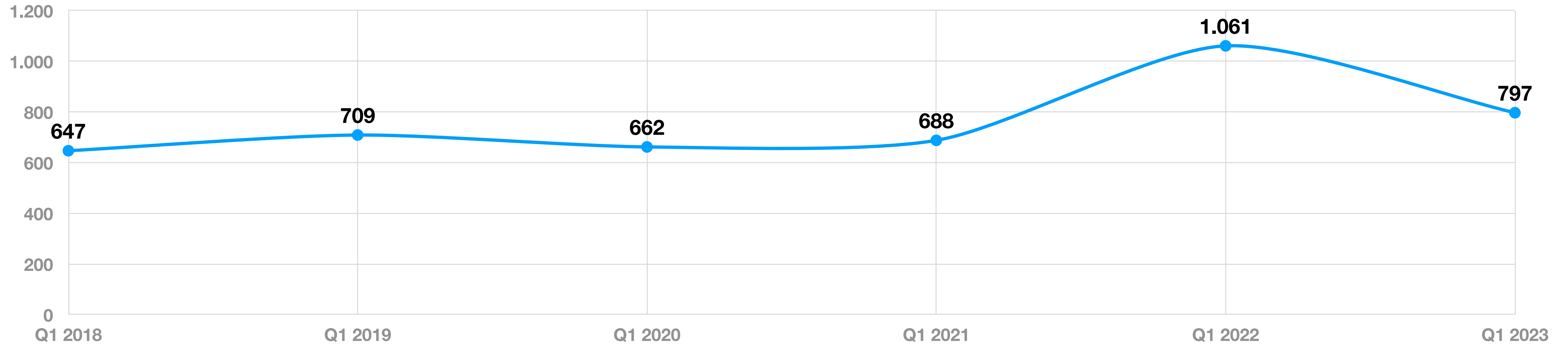
SMS WHOLESALE (Thousands of euros)



The Wholesale market experienced a downturn in Q1 2023, as group sales declined by 19%, driven by lower prices in the destinations where SMS are sent and by a drop in volume. However, the strategy is focused on improving gross unit margins for each SMS processed.

# EVOLUTION OF SALES OF COMMERCIAL SMS

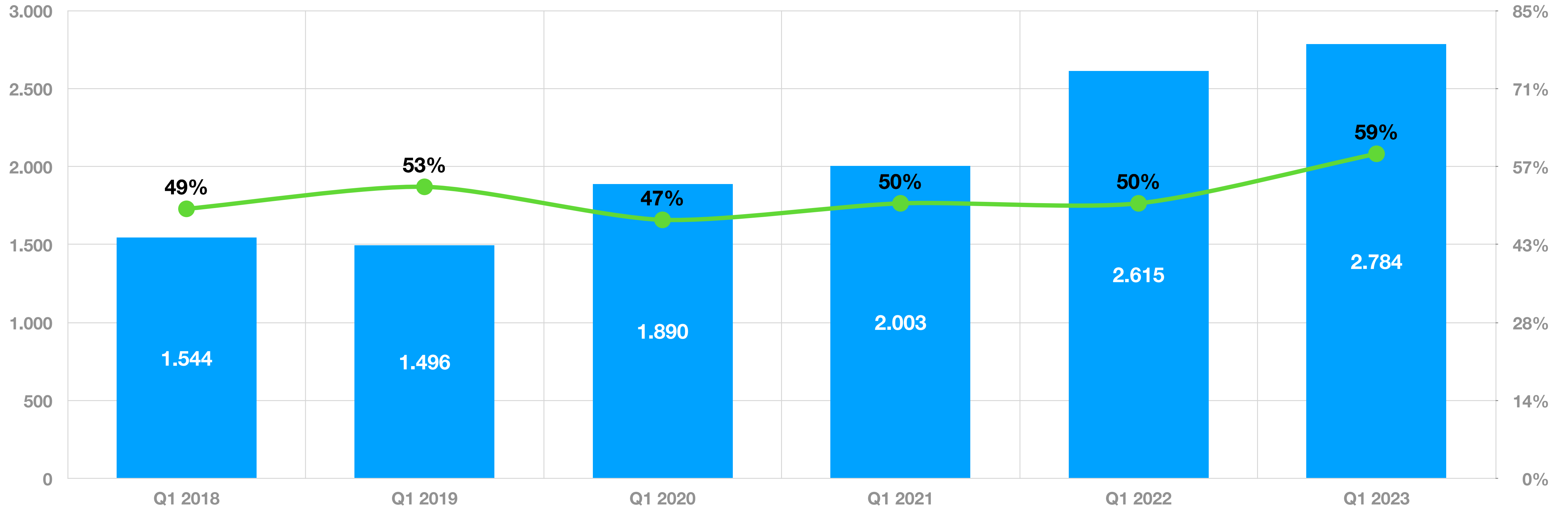
SMS COMMERCIAL (Thousands of euros)



Commercial SMS sales were not a strategic growth driver for the Group. In 2022, sales hit all-time highs, which were not maintained in 2023. Sales are currently down 25%, 264 thousand euros, mostly due to the decreased number of units sold.

# GROSS MARGIN EVOLUTION

Gross Margin Evolution (Thousands Of Euros)

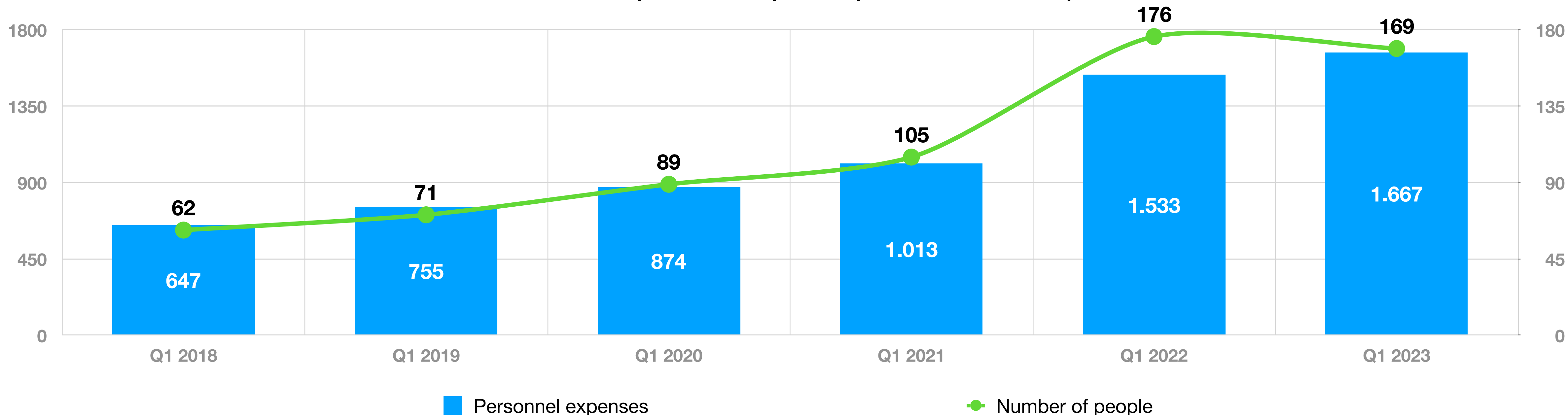


Q1 FY2023 marked the highest gross margin in the last 6 years, reaching 2.8 million euros, an increase of 6% compared to FY2022.

With a growing weighting of the Group's SaaS lines, sales mix composition enabled the Group to achieve a 59% return on sales.

# PERSONNEL EXPENSES

Evolution of personnel expenses (Thousands of euros)

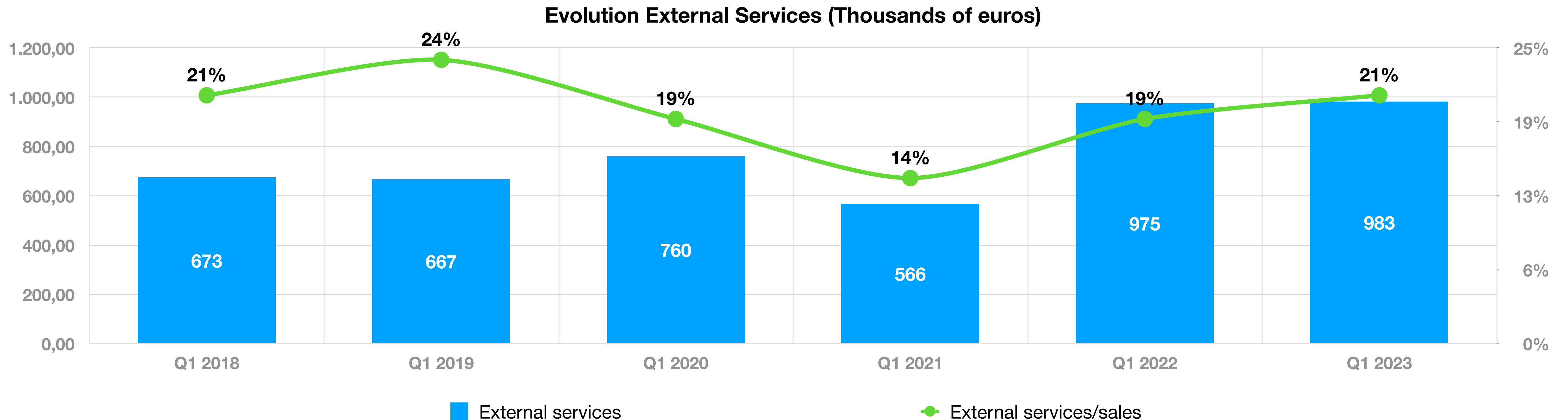


Lleida.net Group strives to optimise its talent. Consequently, there has been a 4% decrease in the Group's workforce, with 169 people in offices worldwide.

Salary increases were necessary to retain key people in the global strategy and to focus the international commercial efforts, mainly in Latin America.



# EXTERNAL SERVICES EXPENDITURES



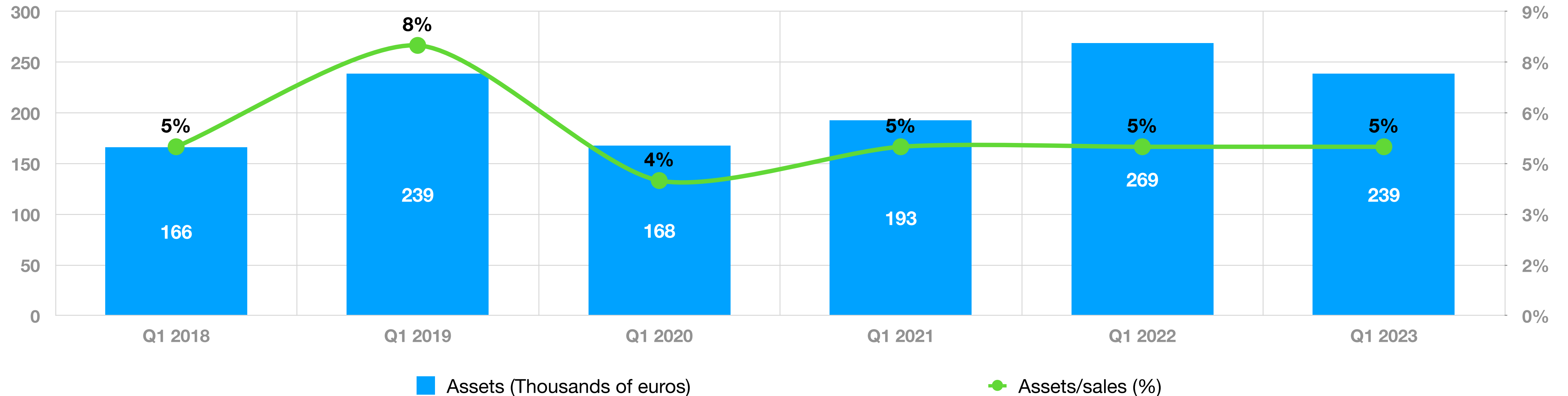
External services expenses remained steady during the quarter despite the overall price increase observed among all the Group's service providers. To control this price increase, the Group has opted for cost synergies, unifying the Peru offices, eliminating non-strategic costs and optimising travel costs.

External services costs are always high in the first quarter due to the Group's attendance at the Mobile World Congress, the event where the Group focuses most of its resources.

Likewise, the increase in the homologation of services in our countries leads to higher costs for consultants and auditors than in 2022.

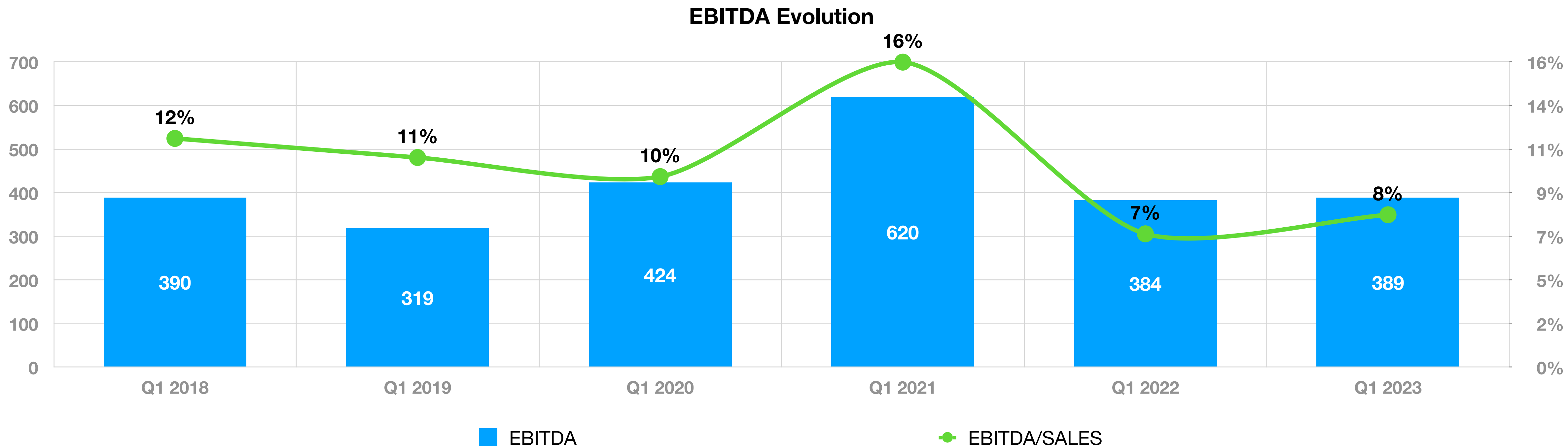
# EVOLUTION OF CAPITALISATIONS

Evolution Of Capitalisations



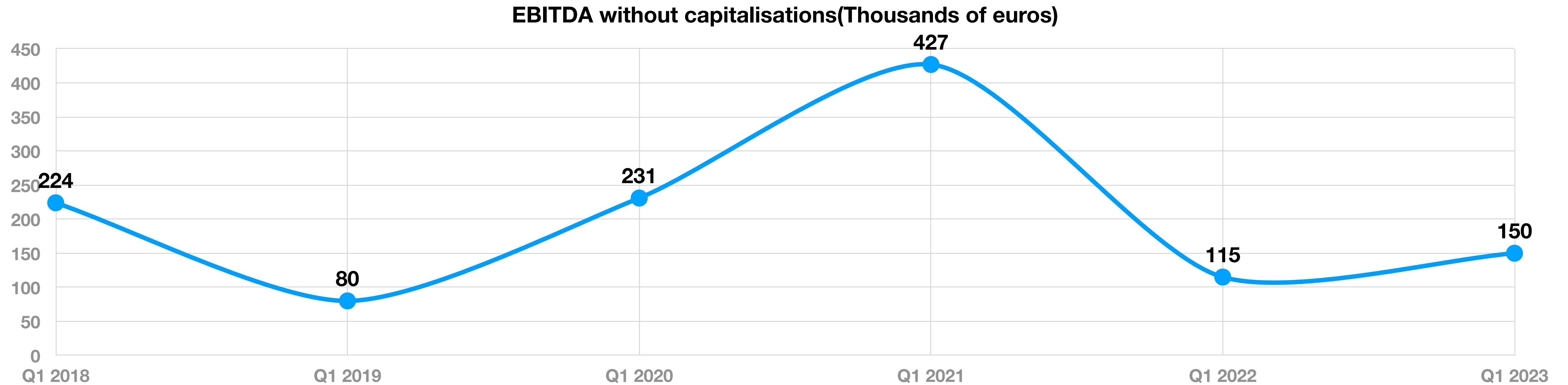
Applying a criterion of maximum prudence, the income recorded in the profit and loss account for 2023 remains at 5% of sales in line with 2022.

Lleida.net is committed to innovation in terms of products and processes for a long-term strategy. Developing new products and functions ensures leading the way in the industry and having competitive advantages over competitors. In the MWC, the first hybrid USVC product was marketed, allowing to increase in SaaS sales in future periods.



EBITDA amounted to EUR 389 thousand during the quarter, in line with the first quarter of 2022. The seasonal nature of the Group's sales is strong, with the first quarter of the year witnessing lower sales of the SaaS business, and most of the fair trade costs are focused on the first quarter.

# EBITDA EVOLUTION WITHOUT CAPITALISATIONS

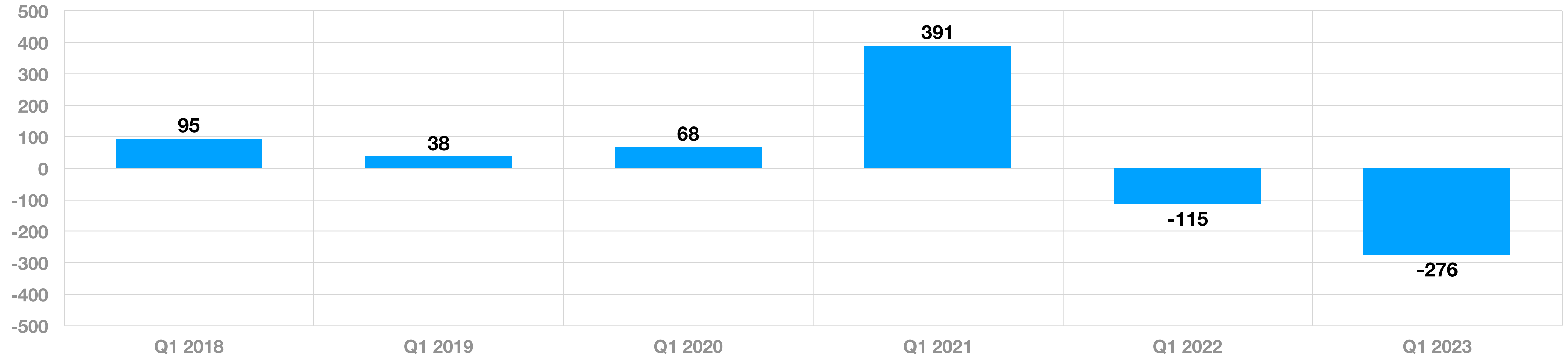


EBITDA without capitalisations, or EBITDA cash, amounted to EUR 150 thousand. This quarter the Group generated an additional 30% in the first quarter of 2022.

The Group aims to finance organic growth from existing loans and reduce net financial debt.

# EVOLUTION OF EARNINGS BEFORE TAXES

EARNINGS before taxes (Thousands of euros)



The profit before tax is negative 276 thousand euros, 161 thousand euros lower compared to the result of the first quarter of 2022 due to the effect of the restatement of the loans of subsidiaries, which explains a significant part of the exchange losses of 90 thousand euros and varies by 155 thousand euros compared to the profit of the first quarter of 2022.

There is a decrease in financial expenses of 21 thousand euros, explained by the repayment of loans from previous partners of Indenova, SLU, with interest rates higher than the bank financing costs of the Group.

# EVOLUTION OF NET FINANCIAL DEBT

Difference 2022 - 31/03/2023

Thousands of euros	2.022	31/03/2023	Thousands of euros	Percentage
Short term debt	4.286	4.381	95	2%
Long term debt	6.814	6.337	(477)	(8%)
<b>Total Financial debt</b>	<b>11.100</b>	<b>10.718</b>	<b>(382)</b>	<b>(4%)</b>
Short term financial investments	812	812		
Cash box Available+IFT	1.660	1.461	(199)	(14%)
<b>Total available</b>	<b>2.472</b>	<b>2.273</b>	<b>(199)</b>	<b>(9%)</b>
<b>NFD</b>	<b>8.628</b>	<b>8.445</b>	<b>(183)</b>	<b>(2%)</b>

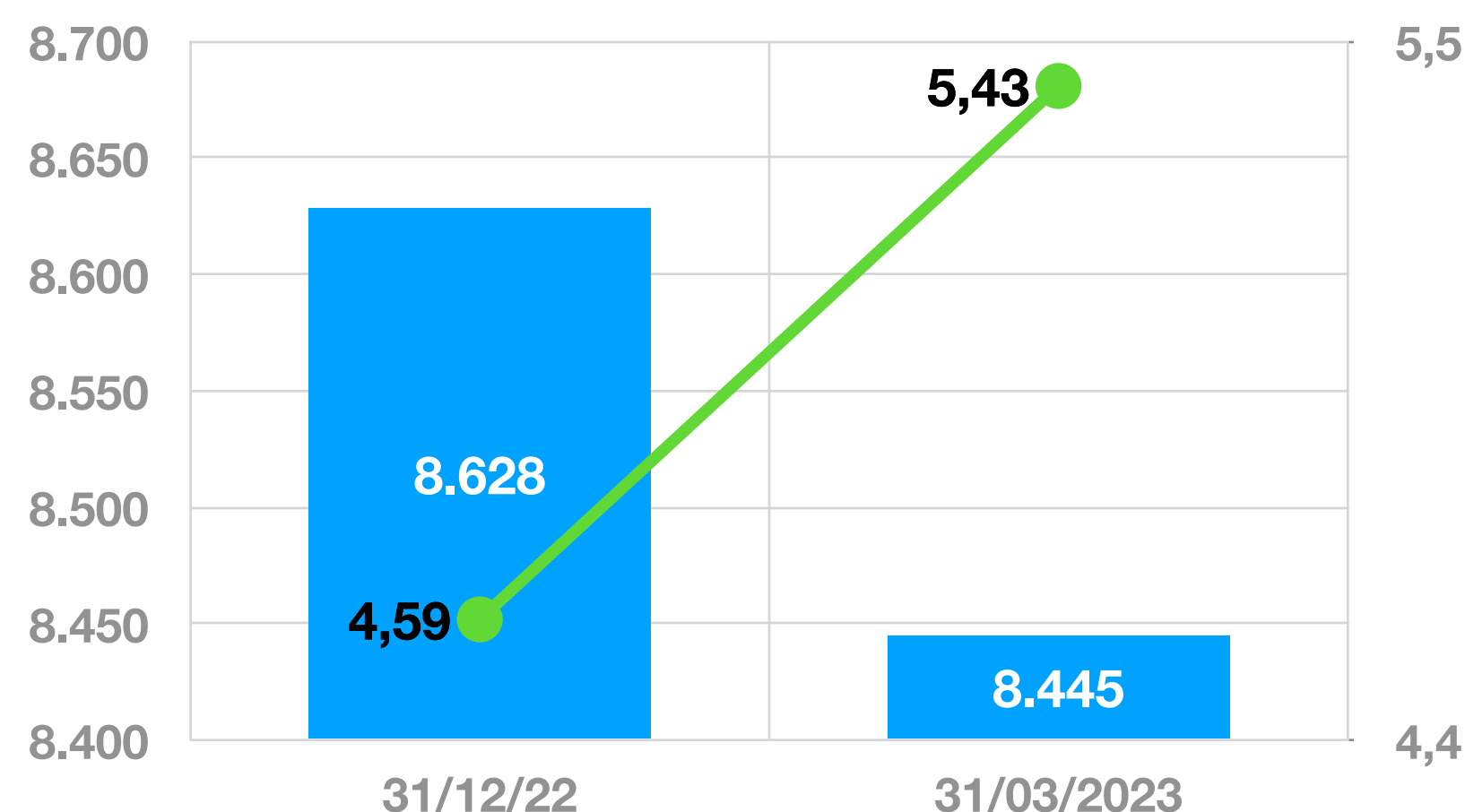
The Group's financial debt decreased this quarter by 183 thousand euros due to the repayment of loans thanks to the cash from the Group's organic activity.

Short-term debt includes the payments pending for the purchase of Indenova, to be made in shares amounting to 1.1 million euros.

The net financial debt represents 5.4 times the annualised first-quarter EBITDA. Although at the end of 2022, it stood at 4.59. This difference is due to the Group's seasonality in the EBITDA Q1, accounting for 25% of the annualised EBITDA.

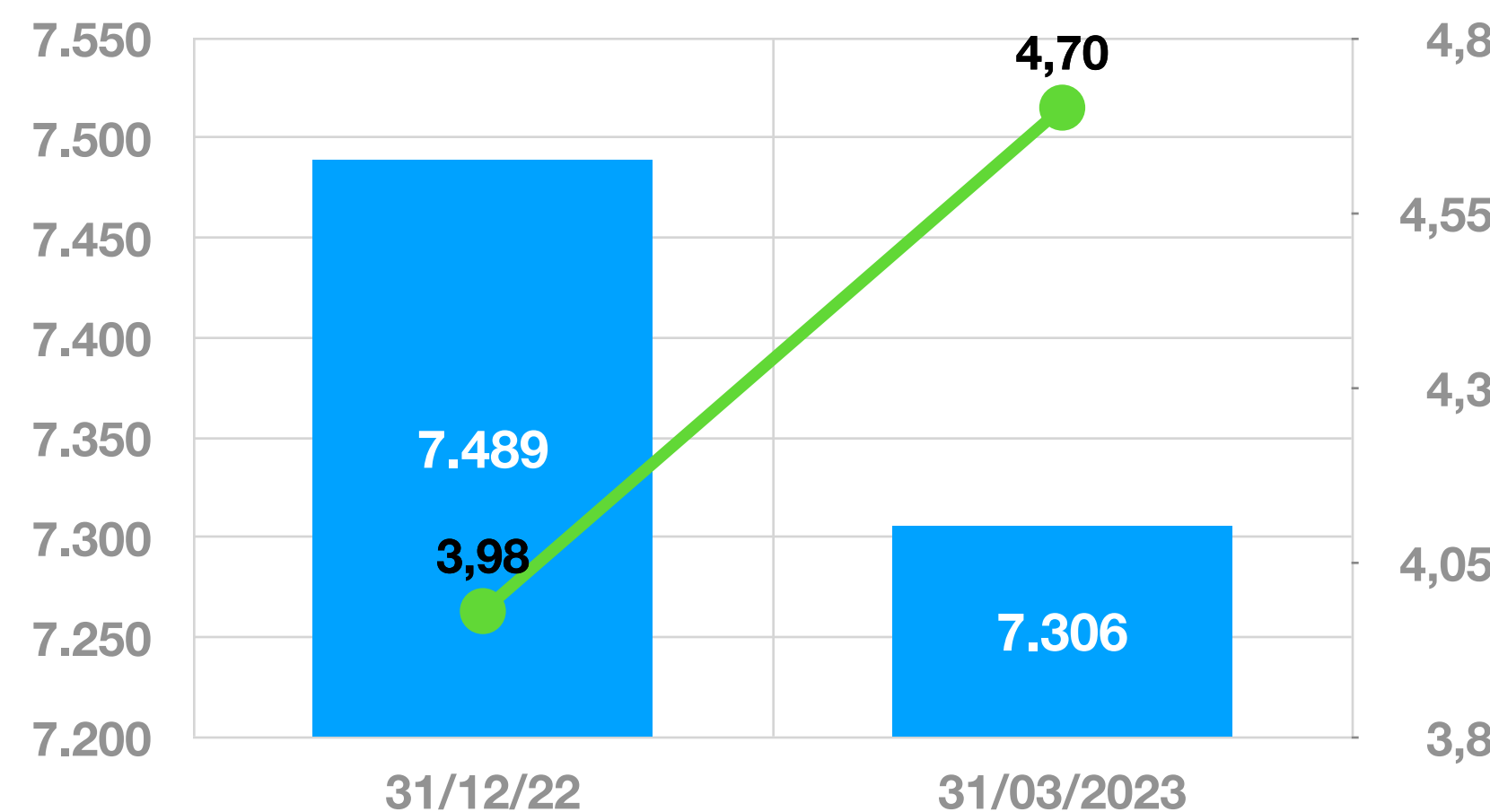
Not considering the share-based payment, which the Group considers it has sufficient treasury shares to meet, the net financial debt would stand at 7.3 million euros, 4.7 times the annualised EBITDA.

Net Financial Debt



■ Net Financial debt    ● NFT/ EBITDA annualised

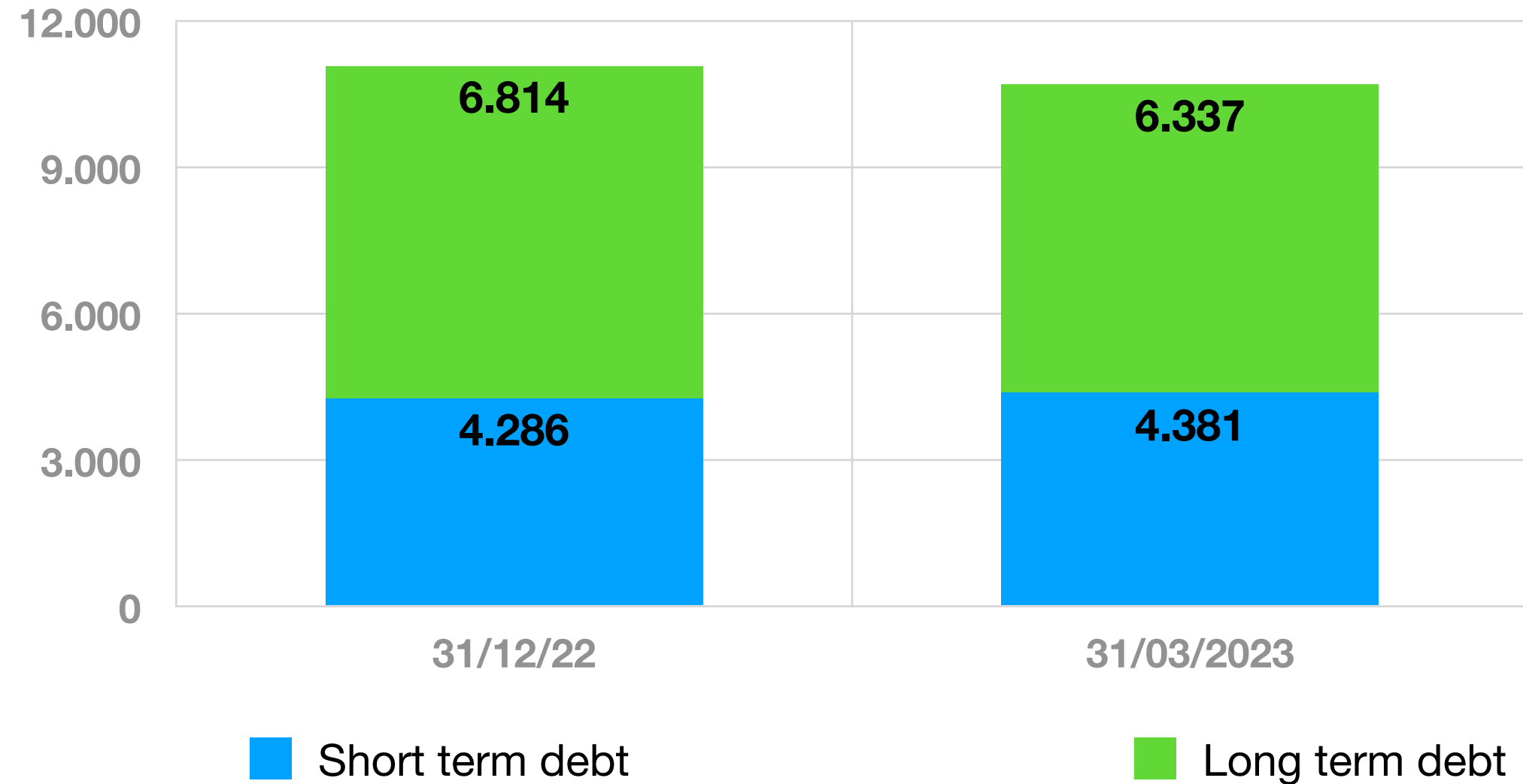
Net financial debt w/o share-based payment



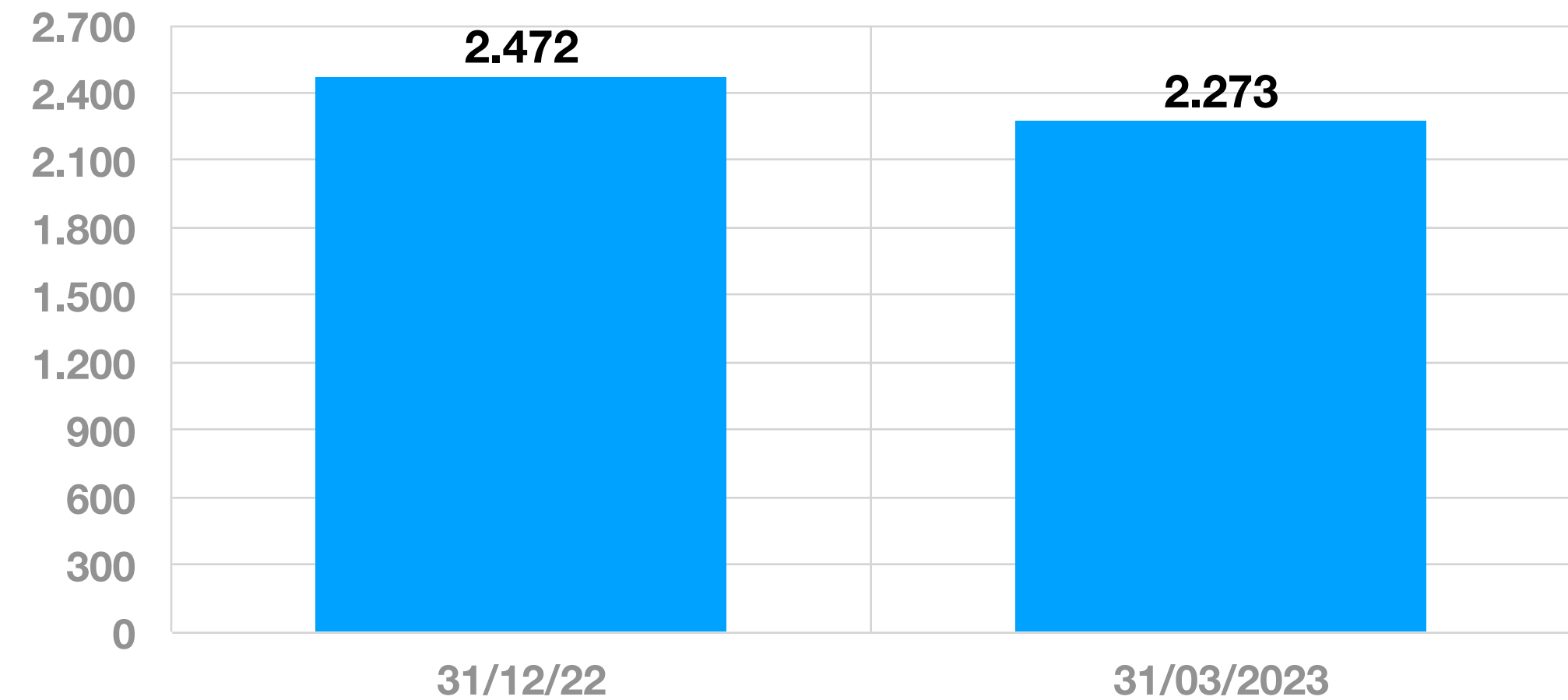
■ Net financial debt w/o share-based payment    ● NFT/ EBITDA annualised

# EVOLUCIÓN DE LA DEUDA FINANCIERA

Debt Evolution



Liquidity Evolution



The decrease in debt is due to the decrease in long-term debt. No new loan agreements were signed in the first quarter, and the Group's short-term policies were renewed.

Cash flow has been reduced due to the amortisation of bank debt and the lower impact of the Latin American subsidiaries' cash flow driven by exchange rate fluctuations. The Group is constantly analysing the evolution of currencies to more stable ones when conditions are favourable.



# Lleida.net

The First Registering Operator

OTCQX: **LLEIF** · EPA: **ALLLN** · BME: **LLN**

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