

Madrid, 11 December 2023

OTHER RELEVANT INFORMATION
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 228 of the modified text of the Spanish Stock Market Act, approved by Spanish Royal Legislative Decree 6/2023, of 17 October and related provisions, as well as Circular 3/2020 of BME MTF Equity on information to be provided by Growing Companies, we are hereby informing you of the following information relating to 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 outlined in this report is an estimate of Lleida.net's Income Statement for 3Q 2023 prepared from the unaudited accounting information available to the Board of Directors.

On Tuesday, 12 December, Sisco Sapena, CEO of the company, along with Arrate Usandizaga, the company's CFO, will host a webinar at 10:30 AM, discussing the data provided in the preliminary results and addressing attendees' questions at <https://www.lleida.net/es/streaming/3T2023>. Pre-registration is required to attend the webinar.

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

Best regards,
Madrid, 11 December 2023.
Francisco Sapena Soler
CEO and Chairman of the Board

PRESENTATION OF INTERIM RESULTS FOR THE THIRD QUARTER AND YEAR-TO- DATE 2023

DISCLAIMER

Pursuant to the provisions of Article 17 of Regulation (EU) No. 596/2014 on market abuse and Article 227 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, and concordant provisions, as well as Circular 3/2020 of the BME Growth segment of BME MTF Equity on information to be provided by Companies in Expansion, hereby LLEIDANETWORKS SERVEIS TELEMÀTICS S. A.: (hereinafter "Lleida.net, or the "Company" or the "Company") hereby informs you of the following information which has been prepared under the sole responsibility of the issuer and its directors. The information detailed in this report constitutes a preview of the Consolidated Income Statement of Lleida.net for the third quarter and the accumulated data for 2023 and has been prepared on the basis of the unaudited accounting information available to the Board of Directors.




CURRENT STATUS OF LLEIDA.NET

 Lleida.net

LISTING ON EURONEXT GROWTH

Paris | 19 December 2018

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The first nine months of 2023 have not been good for Lleida.net and we are aware of it.

After more than 36 quarters of positive EBITDA, we have reported three quarters of losses and falling sales.

The company has suffered the consequences of a changing technological model, in which SMS has declined globally.

The share price has fallen 59% since the beginning of the year.



This is not the first time we have experienced a negative context (we have been working for 30 years).

We did this when we moved from the original Internet services and became one of the world's leading SMS operators.

In 2015, we reinvented ourselves into a SaaS company, pushed by a strong R&D policy (more than 300 patents today).

The purchase of Indenova (now LLN PKI), allowed us to acquire enough technology for a new iteration: Certvalidator, USVC.



**TODAY, IN ADDITION TO
PRESENTING QUARTERLY
RESULTS, WE PRESENT **OUR**
RECOVERY PLAN AND WHAT WE
EXPECT FOR 2024.**

FIRST, NUMBERS

INCOME STATEMENT FOR THE 3Q23 (FORECAST)

Estimated data in Thousands of Euros Consolidated	Q3 2022	Q3 2023	Var. €	Var. %	Acc. T3 2022	Acc. T3 2023	Var. €	Var. %
Sales	5,178	3,769	(1,409)	-27 %	15,711	12,503	(3,208)	-20 %
Cost of Sales	(2,632)	(1,779)	(853)	-32 %	(7,860)	(5,519)	(2,341)	-30 %
Gross Margin	2,546	1,990	(556)	-22 %	7,851	6,984	(867)	-11 %
% Gross Margin	49.17 %	52.80 %			49.97 %	55.86 %		
Personnel Expenses	(1,564)	(1,678)	114	7 %	(4,728)	(5,064)	336	7 %
External Services	(681)	(649)	(32)	-5 %	(2,542)	(2,393)	(149)	-6 %
EBITDA WITHOUT ACTIVATIONS	301	(337)	(638)	-212 %	581	(473)	-1,054	-181 %
% over Gross Margin	12 %	-17 %			7 %	-7 %		
Activations	292	186	(106)	-36 %	897	629	(268)	-30 %
EBITDA	593	(151)	(744)	-125 %	1,478	156	-1,322	-89 %
% over Gross Margin	23 %	-8 %			19 %	2 %		
Depreciation and Amortization	(516)	(538)	22	4 %	(1,542)	(1,577)	35	2 %
Other Income	16	12	(4)	-25 %	39	38	(1)	-3 %
Other Results	0	7	7		(2)	(69)	(67)	-3350 %
Provisions for customer balances	(1)	(79)	(78)	7,800 %	(1)	(146)		
Operating Income	92	(749)	(841)	(914%)	(28)	(1,598)	(1,570)	- 5,607 %
Net Financial Income	(59)	(37)	22	37 %	(138)	(103)	35	25 %
Exchange Rate Differences	76	(11)	(87)	114 %	152	(22)	(174)	-114 %
Income Before Taxes	109	(797)	(906)	-831 %	(14)	-1,723	(1,709)	- 12,207 %

Income Statement

(Analysis)

EBIDTA: Losses of approximately 151,000 euros

INCOME BEFORE TAXES: Losses of approximately 797,000 euros

GROSS MARGIN: Fall of 22%.

SALES: 27% drop in the quarter

FINANCIAL DEBT

	31/12/22	30/06/23	30/09/23	Var.€ 30/06/2023 - 30/09/2023	Var. % del 30/06/2023 - 30/09/2023
Short Term Debt	4,287	4,759	5,157	398	8%
Long Term Debt	6,814	6,317	5,865	(452)	(8%)
Total Financial Debt	11,101	11,076	11,022	(54)	(0%)
Short-Term Financial Investments	812	812	812	0	0%
Cash and other liquid assets	1,661	1,311	948	(363)	(38%)
Cash and Cash Equivalents	2,473	2,123	1,760	(363)	(21%)
NFD	8,628	8,953	9,262	309	3%

Financial Debt

(Analysis)

1 **DEBT STABILITY:** Financial debt remains stable, and we have not signed new loans this quarter. We have consumed cash, which translates into an increase in net financial debt of 309 thousand euros.

2 **DEBT SITUATION:** Within the debt and short term we have the pending payments for the purchase of Indenova which will be made in shares for an amount of 1.1 million euros. The net financial debt without the payment in shares amounts to 8.1 million euros.



3Q SALES

SALES BY BUSINESS LINE

Estimated consolidated sales by business line (thousands of euros)	Q3 2022	Q3 2023	Var. €	Var. %	Ac. T3 2022	Ac. T3 2023	Var. €	Var. %
Contracting	784	733	-51	-7%	2,388	2,355	-33	-1%
Notification	642	324	-318	-50%	1,767	1,204	-563	-32%
New SaaS Services	577	522	-55	-10%	2,026	2,227	201	10%
SMS Solutions	834	841	7	1%	2,796	2,505	-291	-10%
ICX WHOLESALE	2,341	1,349	-992	-42%	6,734	4,212	-2,522	-37%
Total	5,178	3,769	-1,409	-27%	15,711	12,503	-3,208	-20%

Sales by Business Line

(Analysis)

1 We see an interesting evolution in New SaaS Services, mainly customer authentication and process automation. We want to focus on services such as USVC, certvalidator or mass signatures.

2 The most affected have been the Notification (50% vs 3Q22) and the Wholesale (42% vs 3Q22).


3 In the accumulated of the year we have fallen by 20% so far. However, we are already seeing a real commercialization of the business lines derived from the purchase of Indenova (today Lleidanet PKI).



Trend marked by the decline in wholesale SMS sales, which amounted to 2.5 million euros.

We have been affected by the cut of service to the Colombian Postal Service, 4-72. We have not reached yet the same volume with the new accounts captured.

The entry into force of electronic invoicing opens up a new business opportunity in Europe, which we are working to take advantage of.

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- **Wholesale sales are mainly international**
 - **Hiring sales are stable with respect to last year's data.**
 - **The SMS market was flat this quarter compared to the same period in 2022. The 2.5 million, despite pricing pressure in the domestic market. the domestic market.**



- **EVOLUTION IN OUR CUSTOMERS**
- **New SaaS Services (PKI) is already 18% of the turnover. SaaS in general is 45% of the turnover.**
- The number of different customers to whom a bill has been issued this year has increased with an average consumption per bill lower than the 2022 data.
- More than 2,700 customers, with an average invoice amount of approximately 1,000 euros.

Geographic location of our customers

74%




EUROPEAN UNION

26%



REST OF THE WORLD



**IN OUR OPINION, THESE NUMBERS
REFLECT **A CHANGE IN THE
TECHNOLOGICAL MODEL** (IN
ADDITION TO A COMPLICATED
ECONOMIC AND GEOPOLITICAL
CONTEXT).**

**ONCE AGAIN, WE HAVE NO CHOICE BUT TO RENEW AND
INNOVATE.**



Guidelines for our Recovery Plan

2023-2025

New framework for the 2023-2025 period



Streamlining our operations

Following the appointment of new division managers, the focus is on optimizing teams and internal processes, automating procedures, and promoting technology to increase sales and margins;



Focus on Profitability

Concentrate our efforts on the business areas that generate the most profitability, and on the markets where we have the greatest penetration;



Recovering our value

To recover the company's value in the capital markets and regularly communicate our progress to investors;



Rational for the Restructuring

We have restructured to improve cash generation, smooth financing, optimize operating performance and improve cash position.

The cornerstone of Lleida.net's growth will continue to be technological R&D, focusing on the development of applications that identify contractors and issuers, the main challenge of our customers, and the digital economy.

In 2024, we will focus on strategic customers that guarantee profitability and volume and stop renewing with unprofitable customers.

TECHNOLOGICAL AND COMMERCIAL RETHINKING

Increasing Profitability Through Process Optimization and Focused Sales

The objective for future quarters is to increase profitability per sale by optimizing internal processes, automating procedures and focusing sales on standard products.

Focus on Standard Products to Reduce Technical Development Time

We have opted for the development of standard products that require fewer technician development hours for single customers, and allow us to maximize the profitability of our developer teams, and the scope of our R&D.

Focus on standard solutions beyond tailor-made projects

We will move from offering customized solutions to developing standard products, seeking to streamline sales and maximize profitability.

Redesign of Commercial Verticals

We will strategically transform the Commercial Verticals, focusing on SaaS and New SaaS; commercially, we will focus on the European markets and the American countries where we have grown most significantly.

CUTS AND OPTIMIZATION

Labor force layoffs at the Lleida and Madrid centers

It is currently being negotiated with the works council and will be concluded before the end of the year. The aim of the dossier is to lighten the group's wage bill to bring it in line with current sales, and to be able to achieve the path of positive results.

Personnel cuts in international subsidiaries

During the last quarters, there have been dismissals and termination of contracts in the subsidiaries of both Lleida.net and Lleida.net PKi in Peru and Colombia.

Reduced participation in fairs and events.

The number of trade fairs has been reduced for the 2024 fiscal year. At the Mobile World Congress, we will have a single booth.

External Services

Dues have been reduced with the vast majority of outside consultants. We are all rowing.

New internationalization strategy

SUBSIDIARIES

Closure of unprofitable subsidiaries. In a first phase, United Kingdom, Costa Rica and South Africa.

Unificación de oficinas en Colombia de Lleida SaS e Indenova PKI

OPERATORS

Closure of operators in countries with low traffic: United Kingdom and France.

FOCUS

The offices in the United States and the United Arab Emirates (Dubai) will become virtual offices.

Focus SaaS sales in countries with a solid customer base: Peru, Colombia, Dominican Republic.

EUROPE

Europe is an important focus for 2024 derived from the European aid that exists for the digitization of countries and the EIDAS regulation, where Lleida.net is already accredited.



We are aware that it has been a negative year, and therefore we have begun to introduce changes.

We have cut costs, optimized processes and redefined how we produce and market our technology.

We see opportunities in New SaaS Services, and our latest acquisition has put us in a very good position going forward.

Thank you.
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