



Lleida, 22 January 2018

Relevant event: 2017 ESTIMATED 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 fiscal year 2017 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, which will be communicated within the term established in said Circular.

Relevant milestones :

- Cumulative sales amounted to 9.9 million euros, representing a growth in the 4Q17 of 17.2% and 22.7% in the fiscal year.
- The gross margin is almost one million euros higher than the previous year, standing at 52%, representing an increase of 24% over the previous year.
- The gross operating result (EBITDA) reached 1.3 million euros compared to 0.6 million euros in 2016. The EBITDA margin stands at 13.6% compared to 6.9% in the previous year.
- This increase in profitability has been possible even with the strengthening of the human, commercial and technical team, which has increased staff costs by 25%.
- The financial result reflects the debt reduction and exchange losses due to the USD depreciation
- For the first time since listed on the Alternative Stock Market of the Madrid Stock Exchange (MAB), the benefit before taxes is positive. The BAI amounted to 52,000 euros compared to losses of 1.4 million euros in the previous year.
- This positive performance during the year 2017 has resulted in a net cash flow of 387,000 euros compared to 542,000 euros in 2016



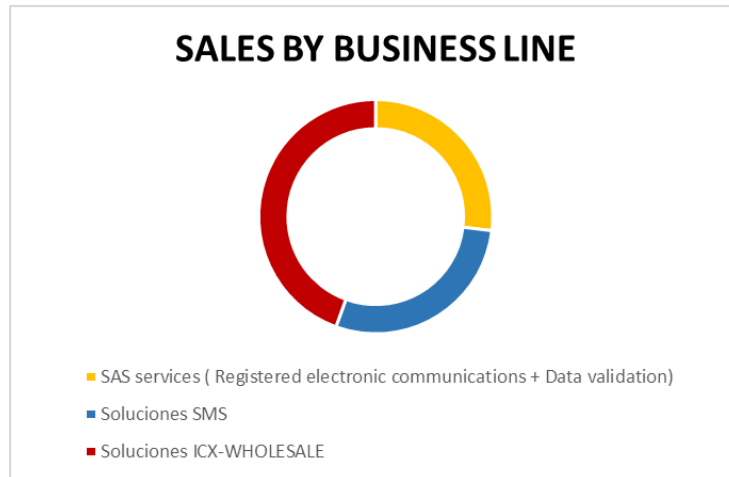
Consolidated Income Statement 4Q17 and 2017

'000 €	4Q 2016	4Q 2017	Var. %	2016	2017	Var. %
Sales	2,305	2,701	17,2%	8,054	9,880	22,7%
Sales costs	(923)	(1,328)	43,9%	(3,910)	(4,742)	21,3%
Gross Margin	1,382	1,373	-0,7%	4,144	5,138	24,0%
Gross Margin %	60,0%	50,8%		51,5%	52,0%	
Personnel expenses	(543)	(647)	19,2%	(1,986)	(2,482)	25,0%
External services	(555)	(561)	1,1%	(1,951)	(2,093)	7,3%
Other results	(5)	11	-320,0%	(5)	29	680,0%
EBITDA	467	416	-10,9%	554	1,344	142,6%
EBITDA Margin %	20,3%	15,4%		6,9%	13,6%	
Depreciation	(267)	(283)	6,0%	(1,142)	(1,078)	5,6%
Impairment and earnings for disposal	(174)	0	-100,0%	(655)	0	-100,0%
Ordinary activities results	26	133	408,2%	(1,243)	266	121,4%
Net Financial debt	(38)	(18)	-52,6%	(177)	(108)	39,0%
Exchange rate differences	(6)	(33)	450,0%	(6)	(106)	1666,7%
Earnings before Tax	(18)	82	n.s.	(1,426)	52	103,7%

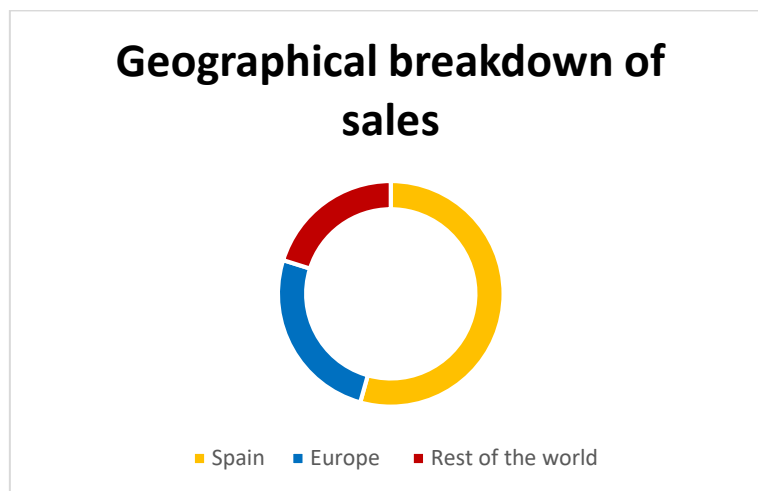
- The turnover amounted to 9.9 million euros, with an increase of 23%. The increase in sales is due to new large accounts in all Lleida.net business lines.
- All business areas of the group have significant increases. Noteworthy is the increase in the relative weight of SaaS activities (Software as a Service), Registered Electronic Communications and Data Validation which already represent 27% of total sales, after a growth of 28% in the year.
- Lleida.net is consolidated as leading digital witness operator in Spain and as a relevant player in the digitalization process of the economy, providing legal legitimacy to these processes.
- The wholesale division maintains its growth rate with an increase in turnover of 42.5%. The commercial use of the SMS on a global basis remains high in the B2C segment, as the opening rate by customers in the financial and consumer area is much higher than in other OTC communications.

'000 €	4Q 2016	4Q 2017	Var. %	2016	2017	Var. %
SAS services (Registered electronic communications + Data v	680	649	-4,6%	2,079	2,659	27,9%
Soluciones SMS	795	699	-12,1%	2,891	2,827	-2,2%
Soluciones ICX-WHOLESALE	830	1,353	63,0%	3,084	4,394	42,5%
Total	2,305	2,701	17,2%	8,054	9,880	22,7%

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- Consistently, the monthly turnover in 2017 was higher than that obtained in the previous year.



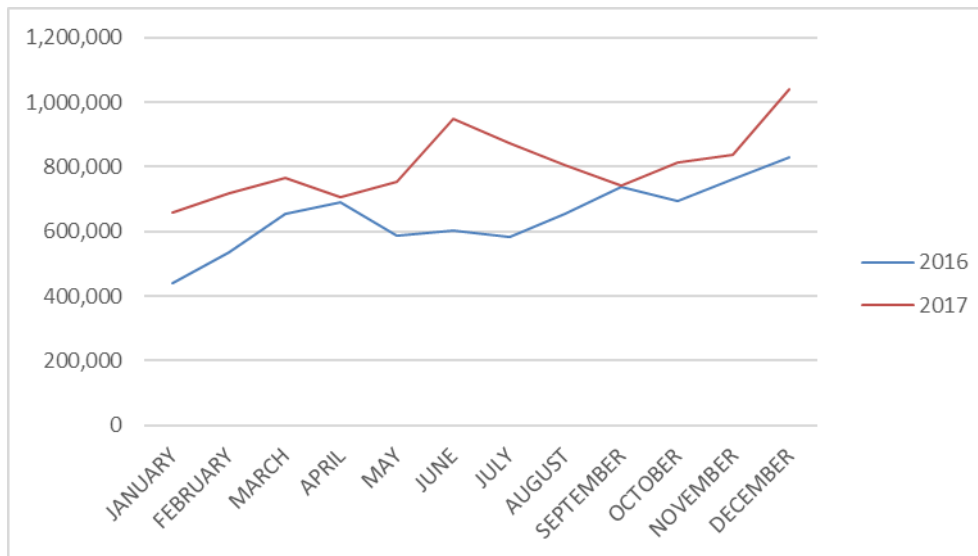
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ES https://www.lleida.net/docs/inversores/es/20180122_HRelev.pdf

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- EBITDA has more than doubled the figure obtained in 2016 to 1.3 million euros, reaching a margin of 13.6% of sales. This increase reflects the operating leverage of the group that is reaping the benefits of its investment in technological innovation and internationalization of its operations.
- In 2017 Lleida.net has obtained patents in Europe, the United States, Colombia, CGC, Colombia, China, Australia, Japan, New Zealand, Taiwan, Israel and South Africa and maintains its telecommunications operator licenses in Spain, USA, Great Britain, France and Colombia. Lleida.net has more than 360 interconnections thus reaching any operator worldwide, and positioning as one of the most competitive operators. The group has continued introducing improvements and new applications in its RIU products (Identity validation by videoconferencing for onboarding processes) and ConnectaClick, which continues to incorporate technological improvements and new applications and whose new version will be showcased next February at the Mobile World Congress in Barcelona.
- As most relevant milestones, Lleida.net achieves positive benefit of 52,000 euros, representing an increase of 1.5 million euros and a positive cash generation of 387,000 euros, which will allow to intensify organic growth, the increasing internationalization and the analysis of possible inorganic growth pathways.
- Group financial debt amounted to 3.9 million euros compared to 5.1 million at the end of 2016. With a liquidity position of 1.5 million euros, the net debt of Lleida.net reaches 2.4 million euros.



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'000 €	2016	2017
LONG TERM DEBTS	1,924	1,158
debts to credit institutions	1,801	1028
creditors by finance lease	0	58
other financial liabilities	123	72
SHORT TERM DEBTS	3,185	2,796
debts to credit institutions	3,132	2728
creditors by finance lease	0	10
other financial liabilities	53	58
Total debt	5,109	3,954
SHORT TERM FINANCIAL INVESTMENTS	2,747	1,540

Sincerely, Lleida, 22 January 2018

LLEIDANETWORKS SERVEIS TELEMÀTICS, S.A.
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