

Privileged information

PREVIEW OF FISCAL YEAR 2023 RESULTS AND 2024 BUDGET

LLORENTE & CUENCA S.A.

January 25th, 2024

Llorete & Cuenca, S.A. (hereinafter, "LLYC", or the "Company"), pursuant to the provisions of Article 17 of Regulation (EU) No. 596/2014, on market abuse, and Article 228 of the Recast Text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of October 23, 2015 and related provisions, as well as Circular 3/2020 of the BME Growth segment of BME MTF Equity, on information to be provided by companies admitted to trading on the BME Growth segment of BME MTF Equity (hereinafter the "BME Growth Circular 3/2020"), hereby informs the market of the following financial information.

In order to offer greater transparency and to provide recurring information to the stock market, the Company, although it is not obliged to publish it according to current regulations, attaches the corporate presentation of the 2023 results preview (pending the audit work) and 2024 budget approved by the Board of Directors on January 24th, 2024.

Sincerely yours,

Juan Pablo Ocaña

Secretary of the Board of Directors

LLYC



**RESULTS PREVIEW
2023**

JANUARY, 2024



ADVANCE RESULTS 2023

Estimated closing 2023*

Growth in operating income and recurring EBITDA **in line with budget and above market average**. Expressed in millions of euros

101.4 M€



TOTAL INCOME
+13% vs. 2022

+8% Organic

83.1 M€



OPERATING INCOME
+14% vs. 2022

+8% Organic Organic

18.4 M€



RECURRING EBITDA
+15% vs. 2022

+6% Organic Organic

NET FINANCIAL DEBT OF 0.2 M€

Operating income: total income minus re-billings of customer services, in the DIIM corresponds to Gross Margin.
Recurring EBITDA: also known as gross operating income, is the concept of earnings before interest, taxes, depreciation and amortization.
The Company calculates recurring EBITDA after excluding other extraordinary income/expenses.

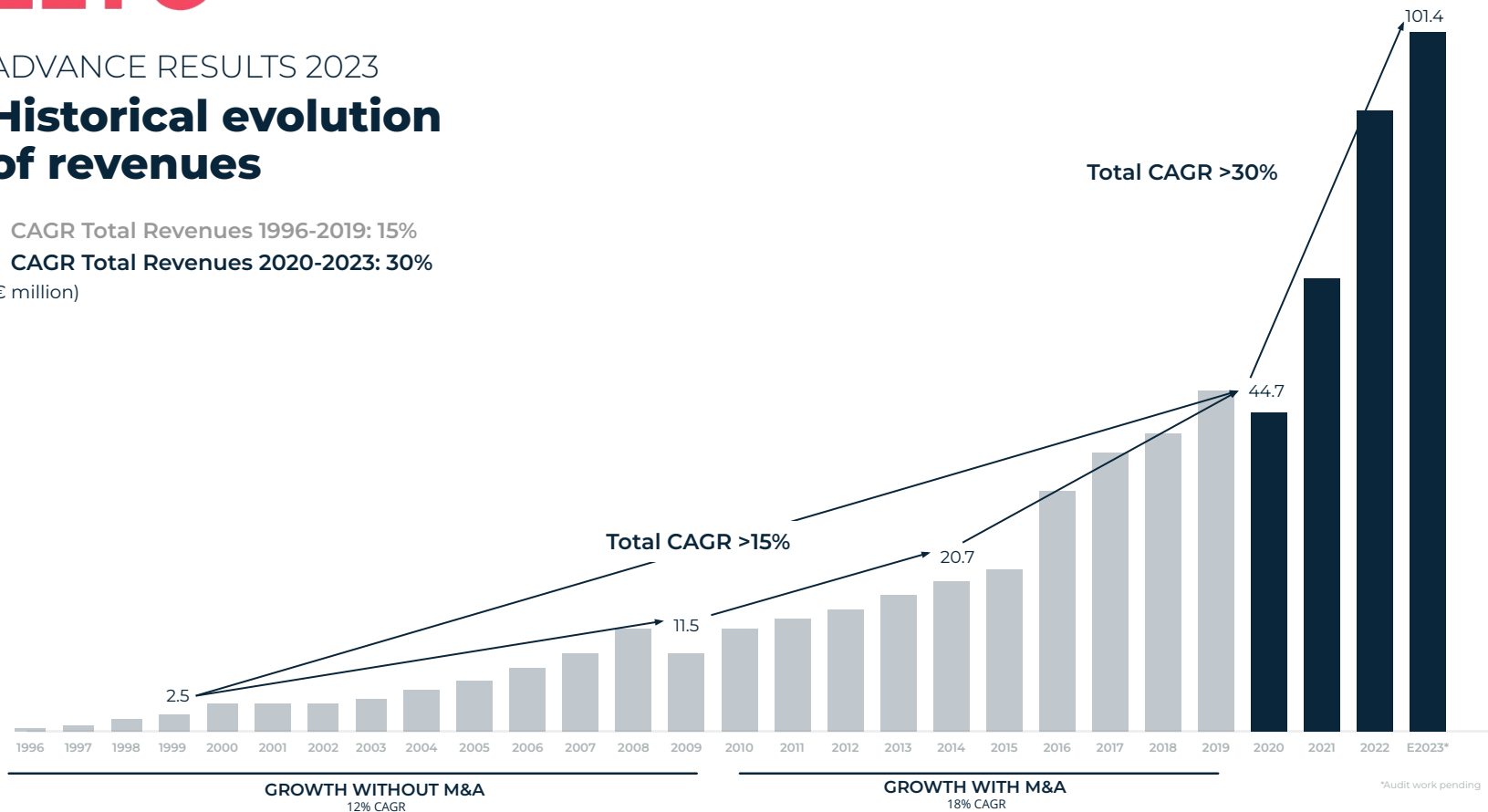
*Audit work pending



ADVANCE RESULTS 2023

Historical evolution of revenues

CAGR Total Revenues 1996-2019: 15%
CAGR Total Revenues 2020-2023: 30%
(€ million)



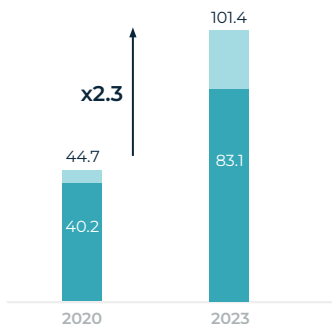
*Audit work pending

EVOLUTION OF THE BUSINESS

2020 - 2023*

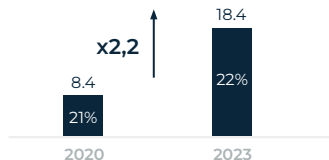
TOTAL REVENUE (€ million)

CAGR Revenue 2020-2023: 31.3%.

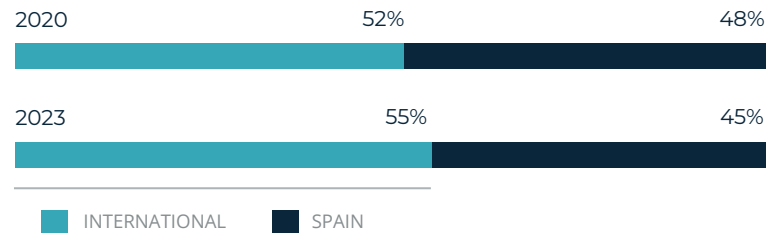


RECURRING EBITDA (€ million)

CAGR Recurring EBITDA 2020-2023: 29.8%.



INTERNATIONAL BUSINESS:



2023 → Degree of compliance >100% vs. FY23E

2023 → Degree of compliance >100% vs. FY23E

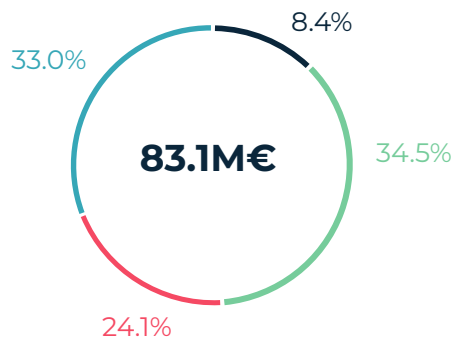
■ OPERATING INCOME
 ■ TOTAL INCOME

*Audit work pending

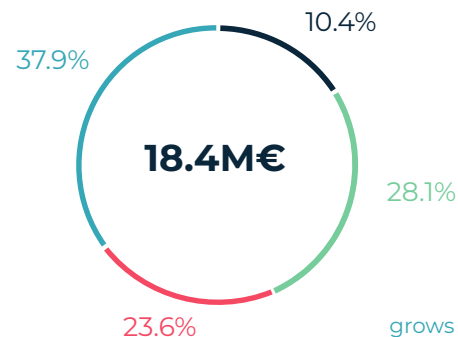
ADVANCE RESULTS 2023

Distribution of operating income and recurring EBITDA by business unit estimated 2023

OPERATING INCOME



RECURRING EBITDA



DEEP DIGITAL CONTINUES TO STRENGTHEN;
grows +21% in operating Revenues and EBITDA vs. 2022



■ LATAM

■ EUROPE

■ USA

■ DEEP DIGITAL

Innovation

Continued focus on transforming our offering through innovation

34.5%

Revenues are derived from Deep Digital

vs. 32% in 2022

>850M

Messages analyzed in news and Social Media

1.3M€

Investment in 2023 in R&D&I

+62% vs 2022

Algent

Launch of our generative AI solution specialized in holding conversations about a specific field of knowledge

IA'S OWN REPUTATION MEASUREMENT MODEL

Audited by the Universidad Complutense of Madrid. It exceeds the main market benchmarks by 20 points on accuracy

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JANUARY, 2024

NEW BUSINESS MODEL

NEW BUSINESS MODEL

A new way of organising ourselves to grow faster and more profitably

MATRICIAL AND GLOBAL MODEL

Our new organizational model is **matricial and global**, with two major practice areas (**Marketing and Corporate Affairs**) and three major geographies (**Europe, Latin America and USA**).

MORE AGILE AND EFFICIENT

This more flexible model will allow us to grow profitably while protecting our margins.

We evolved to a more agile **organization, focused on projects and with talent communities** that facilitate a **more efficient use of the installed capacities**.

In this way, we will be able to assign **the best professionals for each project**, regardless of their geographic location.

OFFER TRANSFORMATION

Integration of our capabilities in a **Corporate Affairs practice** (reputation, leadership and sustainability; corporate operations and investor relations; public affairs and corporate diplomacy; and talent, culture and people) and a **Marketing practice** (creativity, paid media & performance, growth and deep learning), making **digital transversal and fully integrated in all our services and solutions**.

MARKETING POTENTIAL

Integration of the creative, paid media and marketing services companies acquired in 2022 (CHINA, Apache and BESO) into the new marketing practice, for an end-to-end offering aimed at marketing managers.

CONTINUED FOCUS ON TRANSFORMING
OUR OFFER THROUGH INNOVATION

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JANUARY, 2024

BUDGET 2024



BUDGET 2024

Organic budget 2024*

ORGANIC GROWTH THAT DOES NOT INCLUDE POTENTIAL ACQUISITIONS BY 2024

90.0 M€

OPERATING INCOME
+8% vs. 2023

20.0 M€

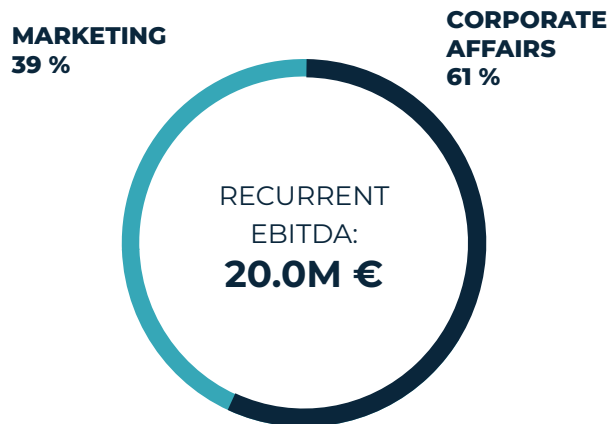
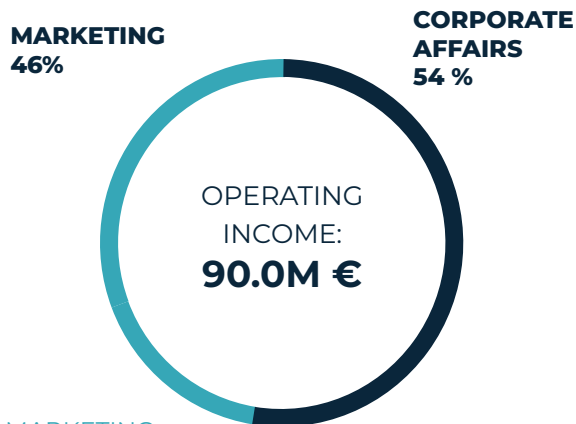
RECURRING EBITDA
+8% vs. 2023

MAINTENANCE OF **22% MARGINS**

*The 2024 budget was approved by the Board of Directors of the Company held on January 24, 2024.

BUDGET 2024

Breakdown by main business units 2024



IN 2023* MARKETING ACCOUNTED FOR 45% OF THE OPERATING INCOME.

IN 2023* MARKETING ACCOUNTED FOR 35% OF EBITDA

*Audit work pending

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JANUARY, 2024

STRATEGIC KEYS

Strategic keys

COMBINATION OF ORGANIC AND INORGANIC GROWTH

- Business development in all our operations and continuity of our acquisition plan in key geographies and disciplines.
- Integrated offer, end-to-end service in Marketing and Corporate Affairs.

GEOGRAPHIC BALANCE

- Investment in the US, development of Europe (launch of Brussels) and promotion of key LatAm markets (Mexico, Brazil, Colombia).

MARGIN PROTECTION

- Strategic projects of high value for our clients.
- New organizational model: talent communities to be more agile and efficient.

TECHNOLOGY AND CREATIVITY

- Estimated investment of 1.5 M€ in r&d&i in 2024.
- Deep learning in all disciplines and task automation with AI.
- Global creative direction and new Content & Design Labs.



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