

LLYC



2023
ANNUAL
RE-
PORT



I.

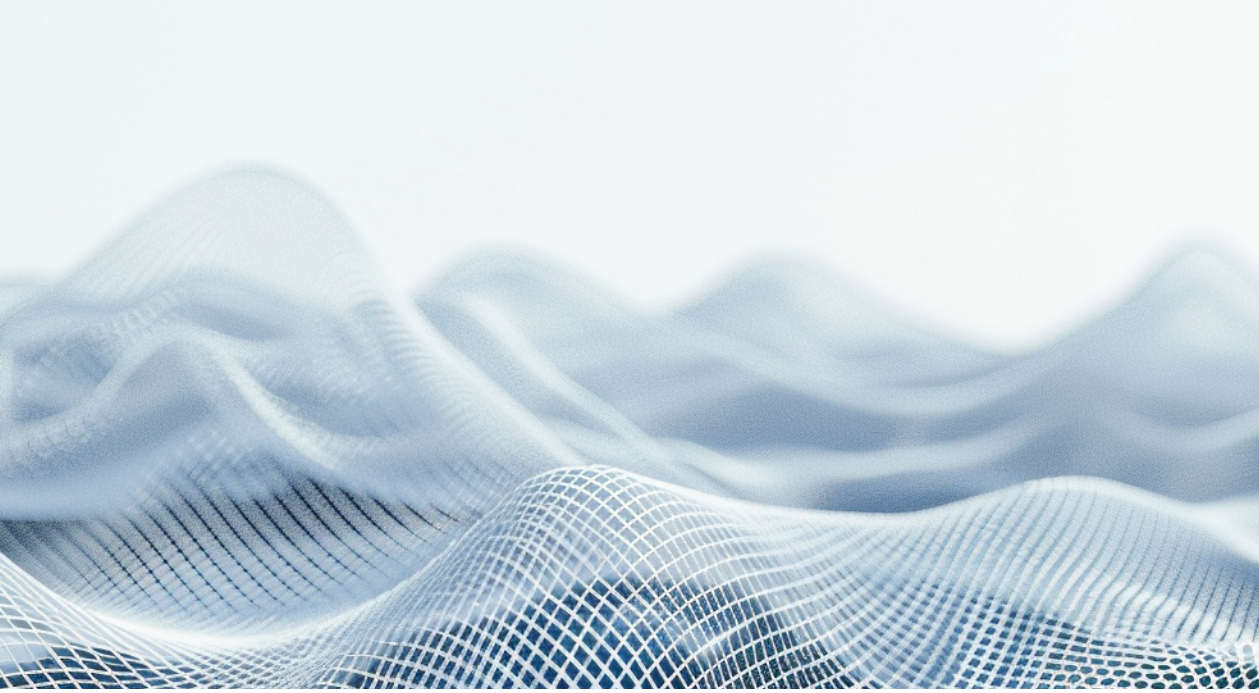
Fore- word from the President

I want to begin by paying tribute to our founder, Jose Antonio Llorente, who left us on December 31, 2023. His vision and leadership were instrumental in shaping the firm we have become today. For the first time, we surpassed 100 million in total revenue this year, a milestone that seemed unreachable just a few years ago.

Jose Antonio was not only an exceptional leader but also an endless source of inspiration for the LLYC Team. His passion and unwavering commitment to excellence continue to light our path to success. Moreover, his profound impact as a person continues to be widely recognized, and his legacy will undoubtedly live on in every corner of our firm and each one of us.

Over the past year, we faced major global challenges and learned valuable lessons while achieving significant milestones. In





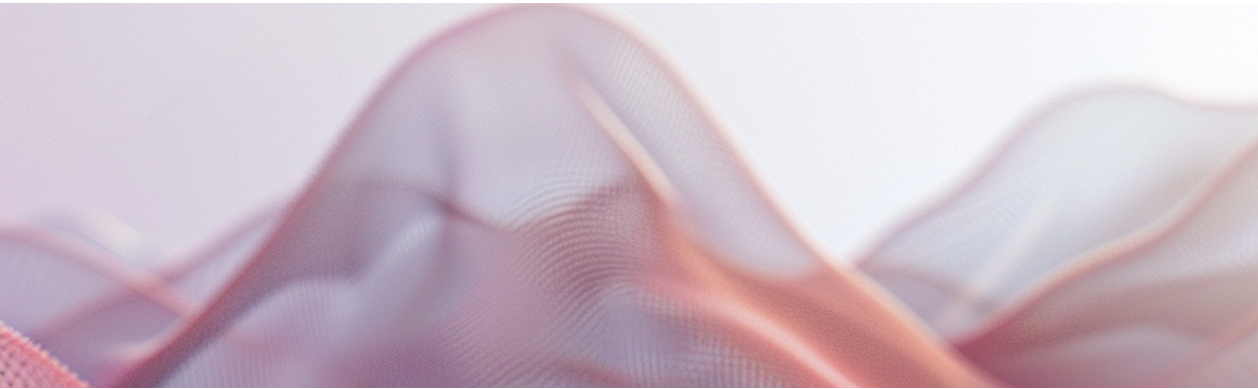
a dynamic and changing business environment, we have once again demonstrated our ability to adapt and successfully manage our business alongside our clients. Our steadfast commitment to excellence, innovation, and sustainability has been crucial in maintaining our leadership and sustained growth. This report reflects our dedication to transparency and creating long-term value for our stakeholders.

I sincerely thank each and every one of our professionals for their tireless efforts and dedication. Their collective commitment has been essential in achieving our success.

Finally, we extend our deep and personal gratitude for the ongoing support and trust of our shareholders, clients, and business partners.

Together, we are forging a solid and promising future for our company and the communities we positively impact.

Francisco Sánchez-Rivas,
Chair
of the Board



II.

Letter from our CEO

I am pleased to share a summary of our 2023 achievements. In a world where boldness and forward-thinking are crucial, we continue to show our ability to turn each day into an opportunity to add value to the companies we work with.

Over the past year, we reached €83.1 million in operating revenues, a 14.3% increase from the previous year. This accomplishment reflects not only our financial stability but also our commitment to excellence and innovation in every project we embark on.

Amidst the unpredictable landscape of 2023, our ability to maintain financial stability and operational efficiency has been a testament to our resilience. Despite the various economic and geopolitical challenges, we not only safeguarded our margins but also boosted our recurring EBITDA by an impressive 15.6% compared to the previous year. This achievement underscores our agility in adapting to market conditions and our role as a reliable partner in creativity, influence, and innovation for our clients, all while ensuring our company's financial health.

Our focus on creativity, data, and technology has been fundamental to our success in Corporate Affairs and Marketing. Our Deep Digital business unit has been instrumental in developing innovative solutions to help our clients make strategic, data-driven decisions and communicate more effectively with their audiences, shifting from using preventive models to predictive ones.

Our commitment to diversity and talent is a cornerstone of our company culture. We are proud to have a team of 1,181 professionals, each bringing a unique perspective to enrich every project. We are dedicated to fostering an environment where everyone can grow and develop professionally, contributing to our collective success.

Looking ahead, we are optimistic and confident in our ability to continue leading and transforming our industry. With an exceptional team and a clear vision, we are ready to face new challenges and effectively protect our clients' business value.

LET'S FLY

Alejandro Romero,
Partner and Global
CEO



2023, profitable growth amid challenging environment

The 2023 financial results demonstrate our company's growth despite global challenges, such as conflicts in Ukraine and the Middle East and inflation in various markets. LLYC's total revenue reached €101.4 million, a 13.3% increase from the previous year, with operating revenue at €83.1 million, up 14.3% compared to 2022. Recurring EBITDA also grew by 15.6%, reaching €18.5 million. Net profit rose 24.3% to €9.2 million.

The results distribution by business units in 2023 was as follows: Europe accounted for 33% of operational revenue and 37.7% of EBITDA; Deep Digital contributed 34.5% and 28%; Latin America 24.1% and 23.5%; and the U.S. 8.4% and 10.8%.

101,4
MM€ in total revenue

83,1
MM€ in operating revenue

18,5
MM€ Recurring EBITDA

This distribution highlights LLYC's strategic emphasis on marketing services.

In 2023, nearly half of the revenue came from this area, reinforcing our confidence in this direction.

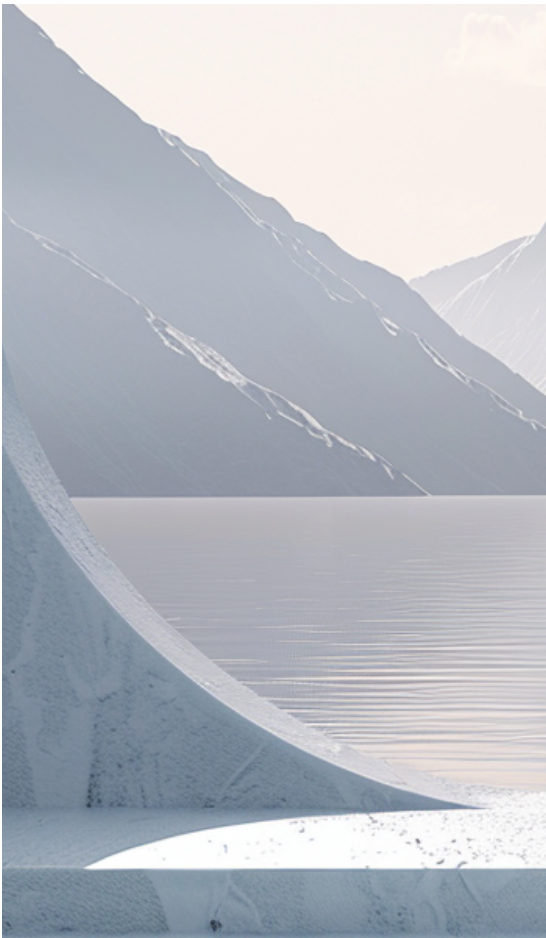


These successes are a direct outcome of our strong dedication to innovation and technology, as exemplified by the Deep Digital business unit, as well as our robust client base and commercial initiatives.

In 2023, LLYC made significant investments in R&D&i projects, notably the launch of Algent, a generative AI solution, and a proprietary AI model for reputation measurement. These investments demonstrate the company's commitment to innovation and excellence in serving our clients.

In summary, despite a challenging environment, the 2023 financial results underscore LLYC's commitment to excellence, innovation, and talent.

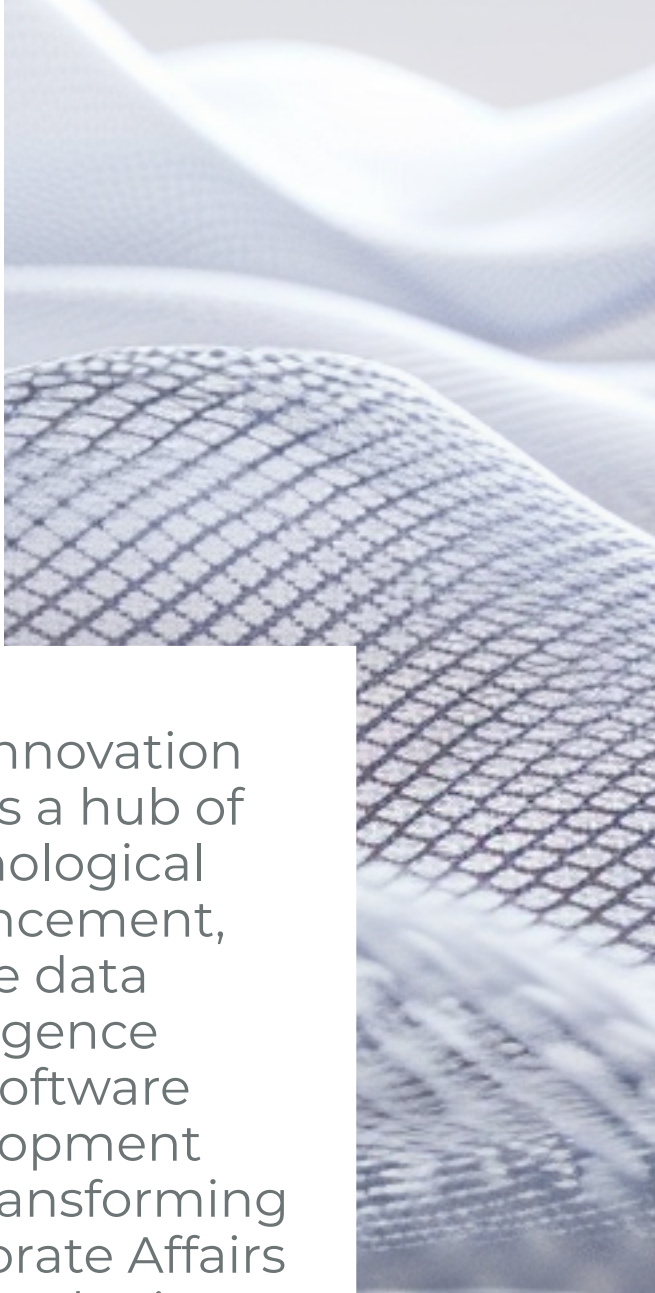
The 2023 financial results underscore LLYC's commitment to excellence, innovation, and talent.



Innovation: the key to unlocking the future

At LLYC, innovation defines us. We invest in technology and leverage it for advanced analytics and data to benefit our clients. Our objective is to build competitive advantages in Corporate Affairs and Marketing strategies by developing solutions and services that can transform our business model.

Our Innovation area is a hub of technological advancement, where data intelligence and software development are transforming Corporate Affairs and Marketing. We strive to integrate data intelligence into analytical models, elevating decision-making to the highest levels of precision and efficiency. Additionally, implementing generative AI in social media is now revolutionizing content creation, user interaction, and consumer behavior analysis.



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By integrating innovative solutions and services from our Innovation area into LLYC's offerings, the company plans to invest €3 million in research, development, and innovation from 2023 to 2025. These resources will primarily focus on developing data-based solutions for anticipation, strategy design, and results measurement.

LLYC's investment in innovation has led to the creation of a proprietary AI reputation measurement model. According to the Complutense University of Madrid, this model outperforms market leaders by 20 points in accuracy and has analyzed over 850 million messages.

We also launched Algent, a generative AI solution designed to engage in domain-specific conversations.

Lastly, through LLYC Venturing, we invest in disruptive projects and startups. We plan to allocate €5 million for new investments from 2023 to 2025, targeting 15 projects with a total of €5 million by 2026. In 2023, we successfully invested in the Spanish startups Epinium and Vottun, completing our portfolio of companies supported by our corporate venture initiative by the end of the year.



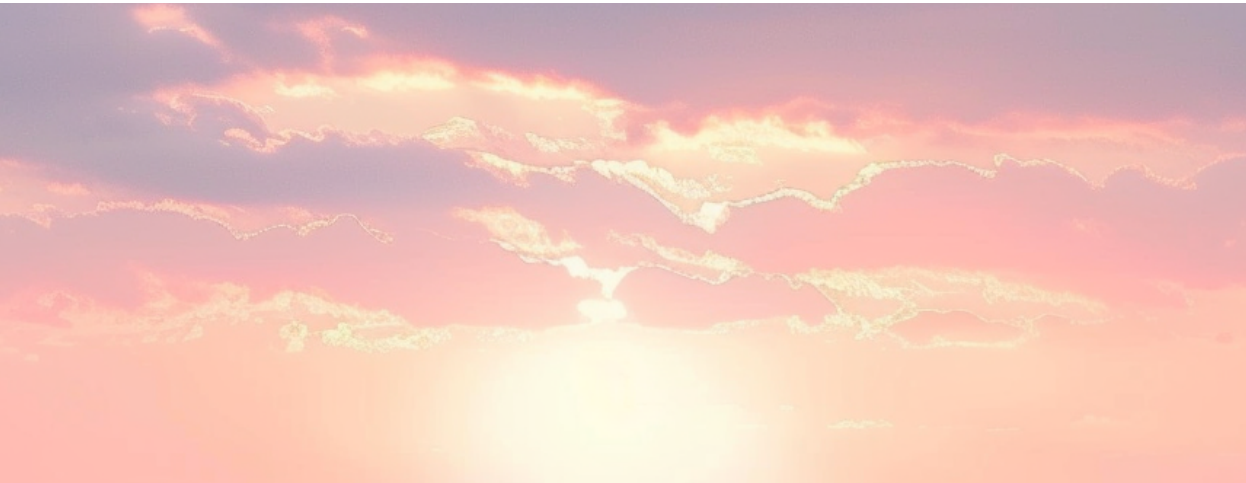
Empowering an increasingly diverse talent pool

The year 2023 was characterized by LLYC's ongoing growth and commitment to excellence and diversity among our professionals. With a 4.6% increase from the previous year, the company has 1,181 highly skilled and committed professionals. This reflects LLYC's ongoing efforts to strengthen and expand its capabilities and market presence.

A key aspect of our commitment to diversity is gender equality. In 2023, women comprised 63.8% of our team and occupied 52% of leadership roles. There were a record 169 promotions this year, with over 66% granted to women, highlighting our commitment to professional development and equal opportunities within the firm. Additionally, we welcomed two new partners, Luis Guerricagoitia and Diego Olavarria, to further enrich our business leadership.



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Our commitment to fostering a work environment that supports both personal and professional life is evident through the success of our 'La Fórmula' initiative. This impactful program has been instrumental in promoting work-life balance and enhancing employee well-being.

Furthermore, through concrete measures, we aim not only to prevent harassment and discrimination but also to promote an inclusive and respectful atmosphere across all our offices, ensuring that all team members feel valued and supported in their daily work.

Initiatives like the Creativity Project and the Challengers 2.0 Program further boost professional development and employee well-being. The Creativity Project, which focuses on innovation and creativity, has proven to be a competitive

advantage for the company. Similarly, the Challengers 2.0 Program has been instrumental in accelerating the careers of our young talents and junior consultants, significantly reducing turnover within the company.

We've introduced a new performance review and goal-setting process to better connect our employees' personal goals with the company's strategy and objectives. This will enable ongoing growth and development for both individuals and the organization.

At LLYC, we believe in nurturing talent, promoting diversity, and building a sustainable future. We are committed to promoting a work environment that drives business growth and supports all our team members' well-being and holistic development, contributing to a more fair, inclusive, and sustainable workplace for everyone.

Flagship projects

We leverage our expertise in Thought Leadership and Marketing to develop innovative projects, contributing knowledge and creativity to support equality, diversity, inclusion, and reducing polarization.

The Female Surname

More than 60 women from 12 countries raised their voices on social media to discuss how the semantic bias that once helped them advance in various fields now acts as a barrier. Our report, "Nameless Women: Progress and Challenges in Women's Presence in the Media," uses Deep Digital's expertise and Data Analytics to identify the role women play in society and how much they are mentioned in the media concerning entrepreneurship, leadership, and sports, among other topics.

Rainbot

We launched the first AI-powered bot that transforms LGBTQ+ hate posts into poems celebrating diversity. Rainbot was created with our Deep Learning capabilities based on our report, "Hate Speech and LGBTQ+ Pride in the Digital Conversation," which analyzes 169 million posts about the LGBTQ+ community over the past four years in 10 countries in the Americas and two in Europe. This project is gaining widespread recognition in international awards.



The Price to Pay, BBK

In collaboration with BBK, we continued promoting the concept of Sustainable Competitiveness to improve the welfare of Vizcaya and foster sustainable models in society, focusing on the strategic reflection behind price setting. The project aimed to encourage reflection and drive change in the business system to ensure equal conditions and rights. The initiative “The Price to Pay” had two phases. The first phase involved simulating the collapse of a bridge, and the second phase revealed that it was an awareness campaign for BBK. This campaign received extensive media coverage and materialized in a 360-degree content plan highlighting the bridge’s decay, a reflective video on the cost of construction, and an immersive experience to engage the public.

Voices, Credicorp

We launched a multinational platform to address issues concerning Latin American youth, mobilizing ideas and projects from young people to tackle urgent problems in their countries. We financed, advised, and facilitated strategic alliances to support three central emerging ideas, which were identified through digital listening and focused on inclusion, a priority detected through data intelligence. We also got the CEO involved in social media and worked with institutions, opinion leaders, and influencers to reach more people organically. Finally, we organized a meeting in Lima for the ten finalists from five countries. Once there, they received guidance from judges and mentors to develop their ideas.



Mocotó FCS #EATINGWITHOUTFEAR, PTC Therapeutic

We developed an omnichannel campaign, both online and offline, to raise awareness about familial chylomicronemia syndrome (FCS) and highlight the importance of early diagnosis and proper care. In partnership with the regional restaurant Mocotó, known for its fatty dishes, the establishment was adapted as "Mocotó FCS," offering a special low-fat menu. The campaign achieved a significant impact with over 215,000 social media interactions, 63 uses of the campaign hashtag, and more than 127,000 views, making the associated video the most viewed on Mocotó's profile.





H I J K L M N Ñ O P Q R S

Sign Soup, La Moderna

The “Sign Soup” initiative aims to raise awareness about the communication challenges faced by over 2.4 million people with hearing disabilities in Mexico. Launched on National Mexican Sign Language Day, this educational campaign, created by the BESO by LLYC team in collaboration with La Moderna, transforms a typical Mexican dish, alphabet soup, into an experience promoting sign language learning and reflecting on its importance. It highlights the importance of familiarizing oneself with at least some basic words to promote inclusion and facilitate mutual communication and understanding in society.

Banco Atlántida

The reputation crisis management for Banco Atlántida began with a minor incident that escalated into errors in bank transfers and duplicate charges, causing widespread fear and leading people to withdraw their money from the bank. Our team addressed this situation using a multidisciplinary approach, restoring customer trust and the institution’s credibility. We managed to reduce negative conversations by 50% over time and, most importantly, regain trust in the financial entity.

Striving for excellence

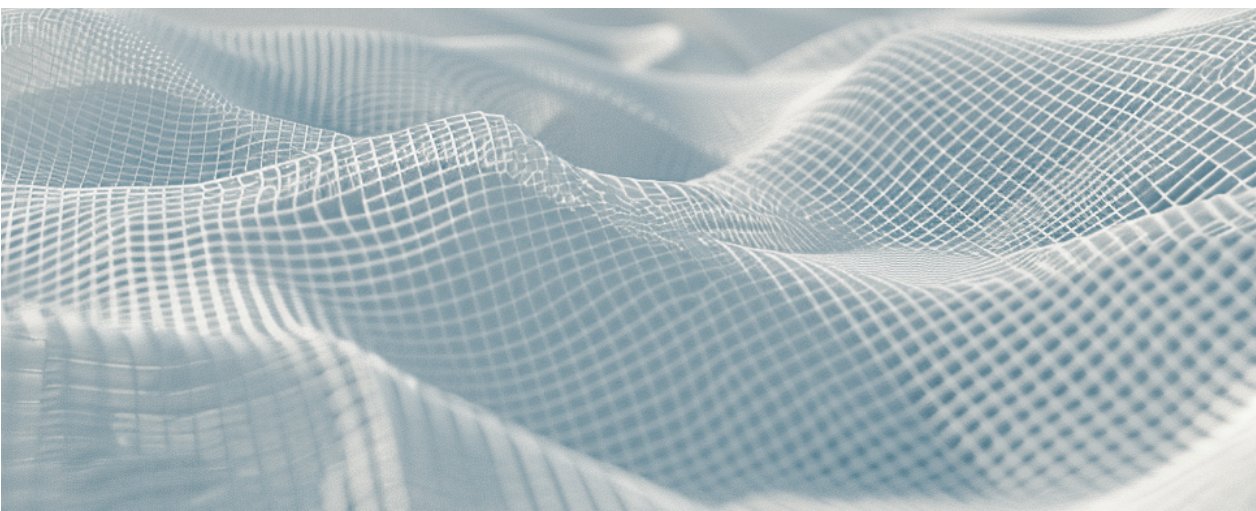
Throughout our history, LLYC has been recognized with over 890 awards at major national and international industry events. From the prestigious Cannes Lions to the acclaimed CLIO Awards, these distinctions continue to show our commitment to excellence in the work we do with our clients.

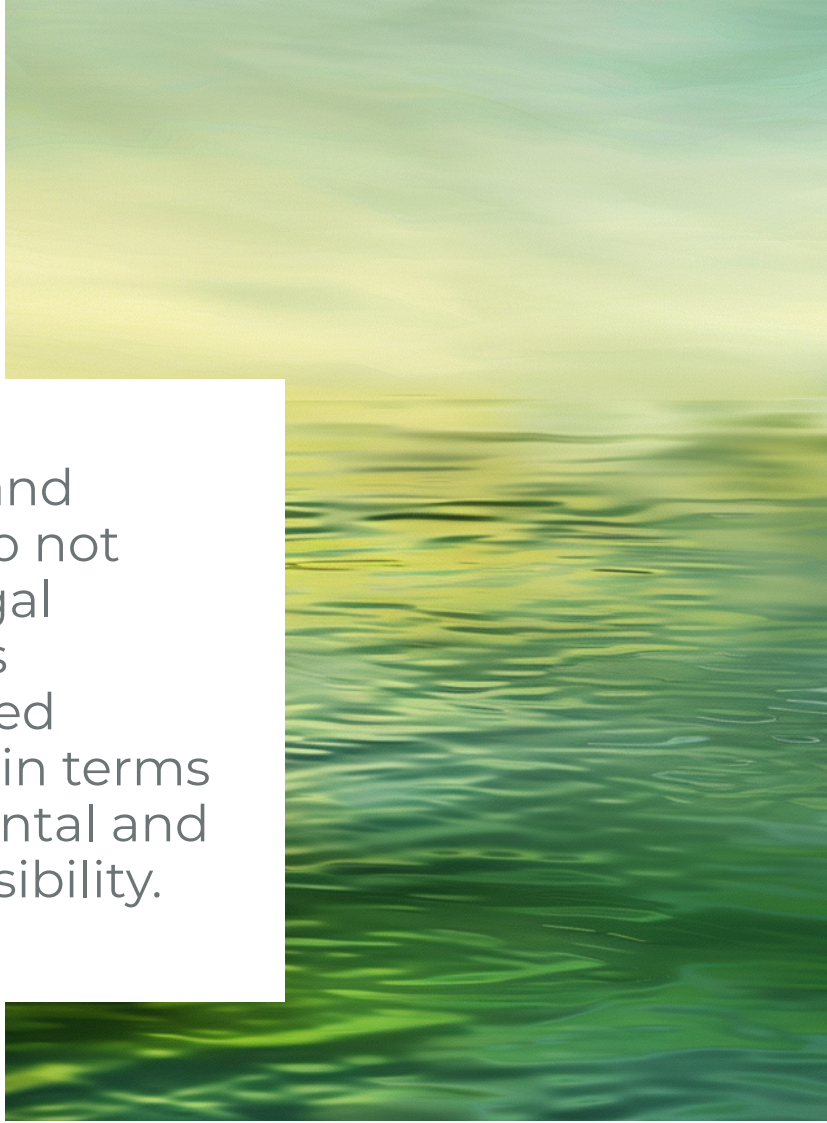
In 2023, we received 78 awards. This notable milestone reflects our ability to blend creativity and effectiveness in every project we undertake. Our continuous success has led to our recognition as Agency of the Year in multiple competitions and rankings, consolidating our position as industry leaders in Corporate Affairs and Marketing.

Our commitment to excellence extends beyond our work with clients. We are proud to be recognized as an excellent place to work. In Spain, for instance, we were honored with the title

of 'Best PR Agency to Work for' by the BEST AGENCY TO WORK FOR 2023 ranking by SCOPEN. This is further reinforced by our 5th place ranking in the Consulting sector in the Merco (Corporate Reputation Business Monitor) ranking. We are humbled to be included in the lists of the best companies to work for in Spain by Actualidad Económica and Forbes. This recognition as an excellent employer is not limited to our main company but also extends to our subsidiary, BESO by LLYC, which has received certifications as a Socially Responsible Company and Bronze-level Workplace Wellness, demonstrating our unwavering commitment to our employees' well-being and growth.

As further demonstration of our commitment to diversity and inclusion, our offices in Mexico and BESO by LLYC have been certified as 'Best Places to Work LGBTQ+' by the Human Rights Campaign (HRC) Foundation - Equidad Mx. This recognition underscores our dedication to creating inclusive and respectful work environments in all our offices.





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Progressing towards sustainability

We are committed to sustainability and recognize the importance of reducing our environmental impact across all operations. Our policies and actions aim to not only meet legal requirements but also exceed expectations in terms of environmental and social responsibility.

Our Environmental Policy outlines our commitment to protecting the environment, focusing on three key areas: responsible purchasing, circular economy, and sustainable office practices. These initiatives help mitigate the environmental impact of our activities while promoting competitiveness and efficiency in our processes.

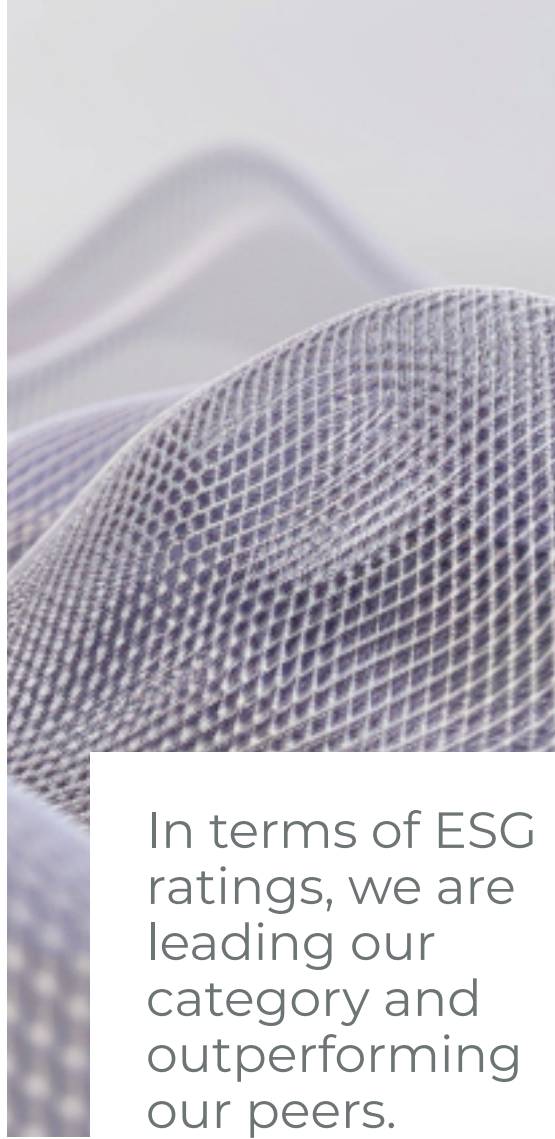
Although energy consumption is not a material issue for our company, we strive to control and reduce it. We have implemented measures such as using efficient electronic equipment and adopting more sustainable technologies in all our offices.

We have calculated our global carbon footprint and are taking steps to reduce it. Additionally, we focus on proper waste management, promoting waste minimization and recycling in all our operations.

We are committed to reducing paper consumption and eliminating unnecessary plastics in our offices. Practices such as using cloud servers and implementing electronic signatures help reduce our carbon footprint.

Through these ongoing and continuous actions, we are not just aiming to improve our environmental performance but also to contribute positively to the environment and society. We recognize there is always room for improvement and remain committed to exploring new ways to innovate and enhance sustainability efforts.

Our commitment to corporate responsibility and sustainability has not just been acknowledged, but celebrated by leading ESG rating providers such as Refinitiv and Clarity AI. This recognition is a testament to our environmental, social, and corporate governance performance. In 2023, we further solidified our commitment to the Global Compact.



In terms of ESG ratings, we are leading our category and outperforming our peers.

Clarity AI currently scores LLYC 76 out of 100, positioning us as a clear leader within our sector and among comparable companies. The analysis emphasizes the quality of information LLYC provides to markets and our sustainable performance, particularly in corporate governance, where we score 93 out of 100.

Refinitiv awarded us a total ESG Score of "B," exceeding 60 out of 100. Additionally, LLYC received the highest rating (A+) regarding the reputational risk associated with ESG controversies.

THE LLYC Foundation and its commitment to social change

Since our operations began in 1995, LLYC has maintained a solid commitment to society, implementing initiatives to create a positive impact. In 2016, we took a significant step forward by launching the LLYC Foundation, a project that combines solidarity with the enthusiasm of our professionals.

The LLYC Foundation is a project driven by the company and its



employees. Its goal is to create social value through impactful communication and creativity, utilizing the skills and knowledge of our team. Our corporate volunteering project allows professionals in the 12 countries where we operate to apply their expertise to projects with positive social impact, transforming realities with their most creative ideas. Under a “1+1” model, employees donate an hour for every hour the company provides during the workday.

For us, corporate responsibility extends beyond generating economic value; it also involves contributing to long-term, sustainable social value, making a difference, and taking the initiative.

In 2023, the LLYC Foundation supported 38 social entities through four projects that benefited over 1,370 people across the 12 countries where we are present. Additionally, 443 LLYC professionals dedicated 1,525 hours of their personal and work time to these activities.

Our focus is on amplifying the impact of organizations addressing social, environmental, and democratic support causes, transforming reality by telling stories creatively and extending their reach through technology.

One of our projects is "Future Voices," which helps at-risk youth develop communication and public speaking skills, providing them with valuable tools for their future. In 2023, this project was implemented in all 12 countries where we operate, with over 120 volunteers participating and benefiting 594 young people.

We also collaborate with other organizations on various donation campaigns for toys, school supplies, and food in different countries. In line with Sustainable Development Goal No. 17, we are committed to partnering with leading entities in the sector, such as our 2023 membership in the Mexican Center for Philanthropy (CEMEFI).

Over the past seven years, thanks to the volunteer efforts of our professionals, we have completed 78 projects directly helping 4,136 people. Three of these projects have received awards. In 2023, we contributed 1,415.05 hours of professional consulting in Spain, equivalent to €182,389.95.

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Our commitment to knowledge: LLYC IDEAS

2023 has been marked by significant achievements, solidifying our position as leaders in generating ideas and specialized analysis. Throughout this period, we have dedicated ourselves to providing high-quality content that resonates with our stakeholders and the wider community.

We released 19 IDEAS and 21 reports, some with a global reach and available in four languages, all developed by our experts across different countries. These publications provide regional insights and address important and current topics in our industry. Notable features include thorough analyses of Corporate Communication Trends, the Influence of AI, and Marketing and Consumer Trends.

Our dedication is reflected not only in the quantity but also in the quality of our content. We focus on producing highly relevant and valuable material, prioritizing in-depth analysis and originality of ideas. This approach has significantly impacted the media, generating over 5,000 mentions and attracting more than 120,000 visitors to our website.

We are committed to providing valuable content and are always seeking the most suitable formats for consumption. An example of this is our podcast, "Esto es lo que AI." Throughout its eight episodes published in 2023, it has guided listeners through the challenges and emerging revolutions in artificial intelligence. By combining quality, innovation, and accessibility, our professionals have conveyed their solid expertise to a constantly evolving society.



LLORENTE Y CUENCA