



## **OTHER SIGNIFICANT INFORMATION**

### **ACQUISITION OF CHINA ADVERTISING AGENCY BY LLORENTE & CUENCA, S.A.**

29 JULY 2021

Llorente & 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 Consolidated Text of the Securities Market Law, approved by Royal Legislative Decree 4/2015, of 23 October 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 listed for trading on the BME Growth segment of BME MTF Equity (hereinafter "BME Growth Circular 3/2020"), hereby informs the market of the following:

### **LLYC S.A. ACQUIRES 70% OF ADVERTISING AGENCY CHINA PARTNERS S.L.**

On July 28th LLYC has finalized an agreement whereby it acquires 70% of the advertising agency China Partners S.L. (hereinafter "CHINA"), the most recognized independent advertising agency in the Effectiveness 2020 ranking and fourth best rated agency by clients in Spain, according to the latest Agency Scope of Scopen. Current clients include Adolfo Domínguez, Cervezas Alhambra, Deoleo (Hojiblanca y Carapelli), Flex, Mahou San Miguel, MINI, Orange Bank, Puig, Seagram's Gin and SELAE-La Quiniela.

CHINA, founded in 2010 by Marta Aguirrezabal, Rafa Antón and Pedro Calderón, will continue to operate independently, in parallel to working with LLYC, to develop flagship projects that respond to the most significant client challenges.

While LLYC and CHINA come from different fields, they have a shared vision: to respond to brands' need for relevance through creative solutions executed with impeccable quality,

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connecting with society, generating conversation, value and differentiation for brands and businesses.

This acquisition is part of LLYC's ambitious growth project, through which the company aims to double its size in five years. To this end, the Company is developing an inorganic growth plan based on selective acquisitions of companies operating in strategic areas or markets (creativity, innovation, technology), which will enable it to incorporate the skills and talent necessary to consolidate its positioning. For this reason, the contribution of CHINA to LLYC's strategy is highly significant, as creativity, together with technology, are fundamental levers in the next stage of LLYC's growth, just as they are key transformational support for clients.

The incorporation of CHINA, with the experience and success of its team (20 professionals), will help LLYC to drive these creative disciplines more quickly in all the markets where it operates, while CHINA will be able, thanks to the LLYC network, to participate in multinational projects or with the major brands in the countries where it has a presence.

In 2020 CHINA had revenues of €5.0 million and EBITDA of €0.75 million.

The initial valuation of CHINA is €5.2 million, and the preliminary price may be adjusted on the basis of the performance in 2021 and 2022. Up to 10% of this final valuation may be paid in LLYC shares.

It should be noted that both parties have granted each other call and put options on the remaining 30% of CHINA'S share capital, which may be exercised between July 1st 2024 and December 31st 2025.

In accordance with the provisions of the aforementioned Circular 3/2020, it is hereby stated that the information provided herein has been prepared under the sole responsibility of the Company and its directors.

We remain at your disposal for any clarification you may require.

Mr. Juan Pablo Ocaña

Secretary to the Board of Llorente & Cuenca S.A. (non-director)

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