



HECHO RELEVANTE
GIGAS HOSTING, S.A.

27 de junio de 2018

En cumplimiento de lo dispuesto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, y según la Circular 15/2016 del MAB, sobre información a suministrar por Empresas en Expansión.

Con motivo de la participación de GIGAS en el *European Spring Midcap Event 2018* en París, se adjunta la presentación corporativa que será empleada en dicho foro los días 27 de junio 2018 y 28 de junio 2018.

Alcobendas, 27 de junio de 2018

Diego Cabezudo Fernández de la Vega
Consejero Delegado
GIGAS HOSTING, S.A.

gigas

the cloud hosting company TM

Investors Presentation

European Spring Midcap Event, Paris, June 2018

gigas.com

About Gigas

- Gigas is a cloud computing company founded in 2011, operating in the "**Infrastructure as a Service**" (IaaS) sector
- A sector with **significant growth rates** (over 25% per year in Spain and Latam, in the 2014-2018 period, according to Gartner), and consolidation opportunities
- Gigas has developed a **leading edge technology platform** (recognized by Gartner, MSPmentor, EuroCloud, The Cloud Awards and others) with an extremely intuitive and **easy to use user interface** (Control Panel)
- Besides Spain, the company has **local offices throughout Latinamerica** with commercial and pre-sales staff in each country in which it operates, and a very qualified **technical support** in Spanish (24/7), which has been key to its success

Gigas at a Glance



Employees

+90



Sector

“Infrastructure as a Service” (IaaS)



Customers

+4,000



6 Datacenters

Spain, USA, Chile, Colombia
(Tier III & IV)



Offices

Spain, USA, Colombia,
Peru, Chile, Panama and
Mexico



Listed on the Madrid Stock Exchange



Experienced Team



Moisés Israel

CHAIRMAN

José Antonio Arribas

COO

Diego Cabezudo

CEO

Lola Molins

MARKETING DIRECTOR

Alberto Fernández

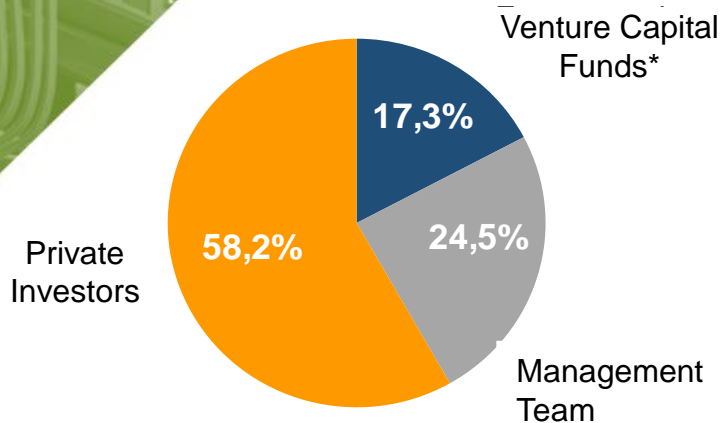
SALES DIRECTOR

Cristian García

FINANCE CONTROLLER

Shareholders and Board of Directors

Shareholders



100% of Gigas shares are listed on the Alternative Stock Market (MAB) in the Madrid Stock Exchange.

*Venture Capital Funds:

- **Bonsai Venture Capital** (Investor in *idealista.com*, *Softonic*, *Tuenti*, *Infojobs*, *Offerum*, *Top Rural*, *Wuaki tv*,...)
- **Caixa Capital Risc**, La Caixa Group (investor in *Privalia*, *Groupalia*, *La Nevera Roja*,...)

Board of Directors



Board of Directors Secretary: **Patricia Manca, PWC**

Auditor: **Ernst&Young**

Well-known Reputation

1st

Cloud Service Provider in Spain
**MSPmentor Global Edition,
2015 & 2016**

1^o

Best Global Cloud Hoster
The Cloud Awards 2016, 2017

TOP
25

Significant Global Provider
**Gartner Cloud Infrastructure
as a Service 2013, 14, 15 & 17**

1^o

Best Cloud Hosting Service
eAwards 2013 & 2016

1st

Best IaaS Service
Eurocloud 2013 & 2014

TOP
5

Official Cloud Provider
for the European Commission

TOP
FT

1000 Europe's Fastest Growing Companies
(126th position)
Financial Times 2017

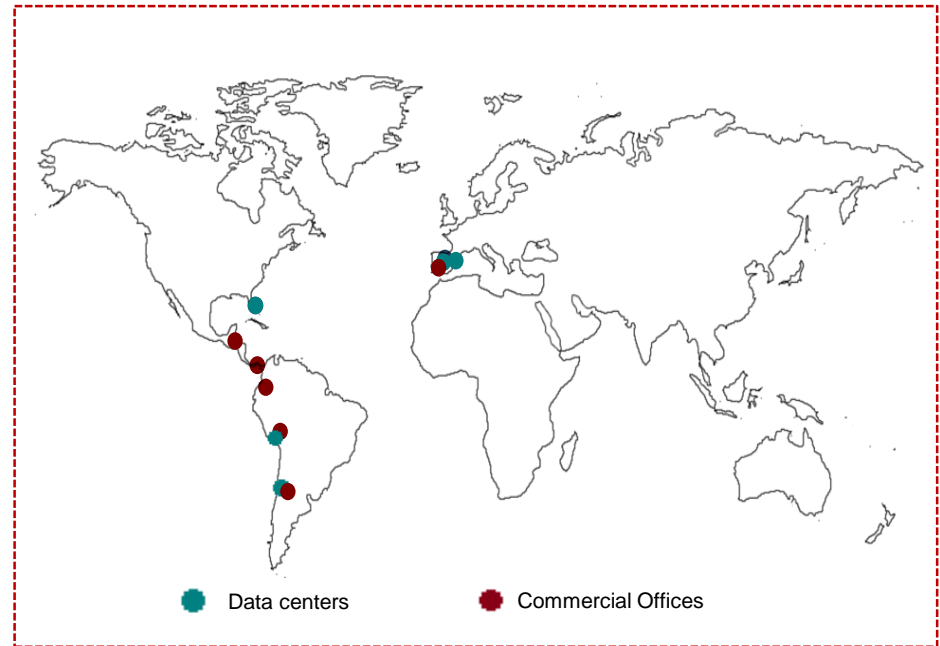


1000
Europe's Fastest
Growing Companies



Infrastructure & Technological Partners

- Own infrastructure in six external data centers, with the highest Security and Availability certifications (Tier III and Tier IV):
 - Madrid (two datacenters)
 - Barcelona
 - Miami
 - Santiago de Chile
 - Bogota
- Infrastructure provided by market leaders: HP, NetApp, Cisco, Solidfire, Fortinet.
- CAPEX Investment: €6.2M in the period 2011-2017
- Ratio CAPEX / Sales down from 1.0x in 2012 to 0.17x in 2017 (0.12x expected in '18)



Main Partners



Some Companies Hosted by Gigas



~4,000
business
customers

Services and Customer Segments

gigas cloud hosting made easy customer login --

Cloud Datacenter Cloud VPS about gigas frequently asked questions help & support control panel 10 reasons blog twitter



Cloud VPS

How to upgrade your old VPS to the new cloud platform? Cloud VPS is our answer to that question. Private servers, guaranteed resources and a next generation platform with all the advantages of cloud hosting: powerful, flexible, affordable, secure, immediate and easy.

- Better than a VPS: all the advantages of cloud hosting ✓
- Choose where to host your VPS: **Madrid or Miami** ✓
- Next generation platform: guaranteed resources ✓
- We help you migrate your services ✓
- If you are not satisfied, you get your money back ✓

Cloud VPS is great if:

 you have a website or a blog

 you have a conventional VPS

 you have multiple websites

 you have a shared hosting

 you use opensource solutions

 you are a developer or a designer

**Now all our Cloud VPS with more RAM, Basic Administration and Unlimited Transfer.**
For more information contact our support department.

nova 2 FREE MONTHS \$16.5* per month <small>our most affordable plan to make the way to the cloud</small> 2 gigas of RAM guaranteed 25 gigas of disk 400GB + unlimited transfer* continue	pro 2 FREE MONTHS \$38* per month <small>Power and resources for most websites and applications</small> 4 gigas of RAM guaranteed 50 gigas of disk 600GB + unlimited transfer* continue	élite 2 FREE MONTHS \$64* per month <small>for demanding projects and performance websites</small> 5 gigas of ram guaranteed 75 gigas of disk 1200GB + unlimited transfer* continue	summmum 2 FREE MONTHS \$90* per month <small>Cloud VPS server to be full potential</small> 6 gigas of ram guaranteed 100 gigas of disk 1600GB + unlimited transfer* continue
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Cloud Datacenter Cloud VPS about gigas frequently asked questions help & support control panel 10 reasons blog twitter



Cloud Datacenter

Finally a cloud service easy to buy and use. Build your own cloud data center in one minute with all the power you need

- Real cloud, flexible, powerful and affordable ✓
- Grow up to 96GB of RAM and more than 100GHz of CPU! ✓
- Choose operating system and create your servers ✓
- Choose where to host your servers: **Madrid or Miami** ✓
- We help you migrate your services ✓

Configure your Cloud Datacenter



32 gigas

 **RAM**
32GB

 **CPU**
75GHZ

 **Disk**
600GB

 **Transfer**
4500GB

continue

Need a custom solution?

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Call me

Track Record

- In just six and a half years (2012-2018), Gigas has attracted almost 4,000 business customers, making it one of the leading IaaS providers in Spain and the only official Spanish cloud provider for the European Commission and its government bodies
- The company's business model is based on recurring revenues and low churn, and stands out for its flexibility, cost control and innovative features as well as its ability to expand to new markets or countries in a cost efficient manner.
- With high gross margin (75%+) and stable fixed costs, EBITDA has consistently been growing strong for the past few quarters
- The company has started to combine its good organic growth with acquisitions to achieve volume faster and increase its profitability
- To fund the inorganic growth, Gigas secured €2.5M in convertible bonds from investor Inveready in April

GIGAS wants to be the leading IaaS provider in the Spanish-speaking countries and has a management team with execution power

Market Consolidation

- The cloud and hosting market is dominated by a few large players which represent c. 50% of the market, whereas the other half is extremely fragmented
- Gigas is exploiting the opportunity to consolidate the market acquiring companies with good business customer bases which bring volume and significant synergies
- Gigas has acquired two companies already this year (January and May) and continues to evaluate new acquisition targets



SVT

Country: Spain
Est. 2018 Revenue: €0.83M
EBITDA 2017: €0.15M (18%)
EV: 0.8x sales
Customers: 250 businesses
Employees: 5

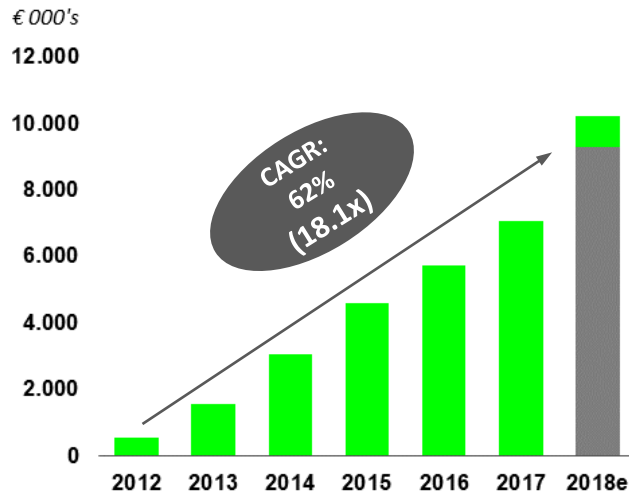


ABILITY

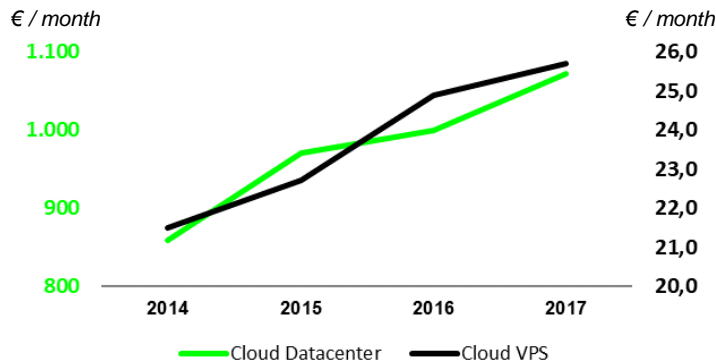
Country: Colombia
Est. 2018 Revenue: €1.63M
EBITDA 2017: €0.4M (25%)
EV: 1.2x sales
Customers: 75 businesses
Employees: 13

Sales and Customer KPIs 2012-2017

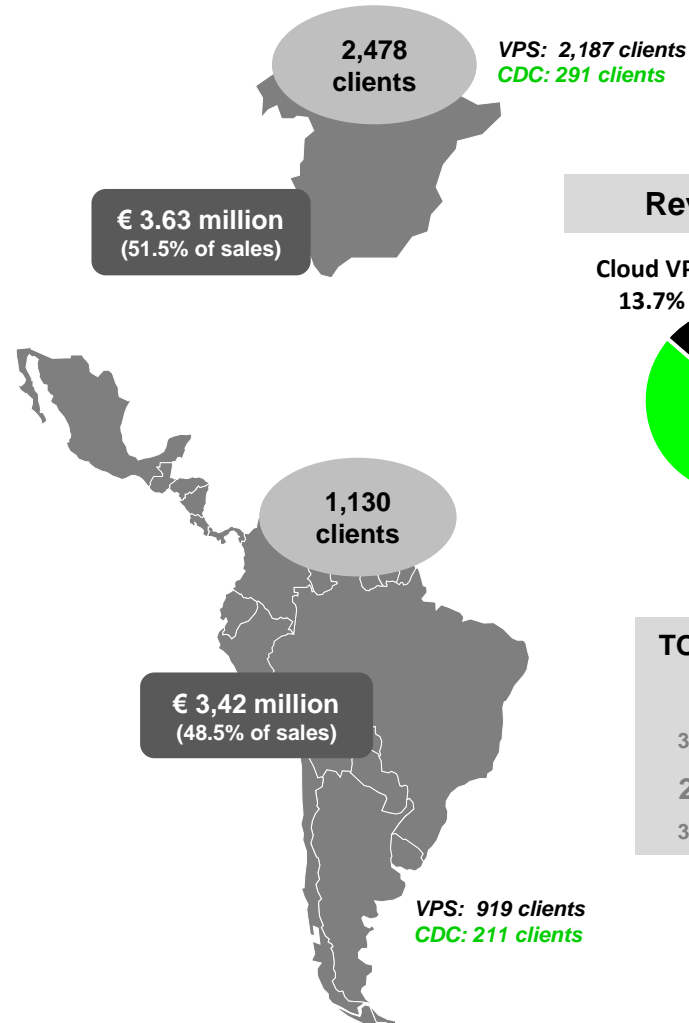
Gross Sales



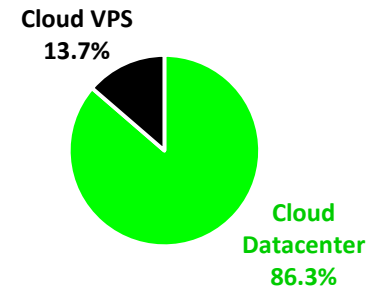
ARPU



2017 Geographic Split of Customers and Sales



Revenue Split

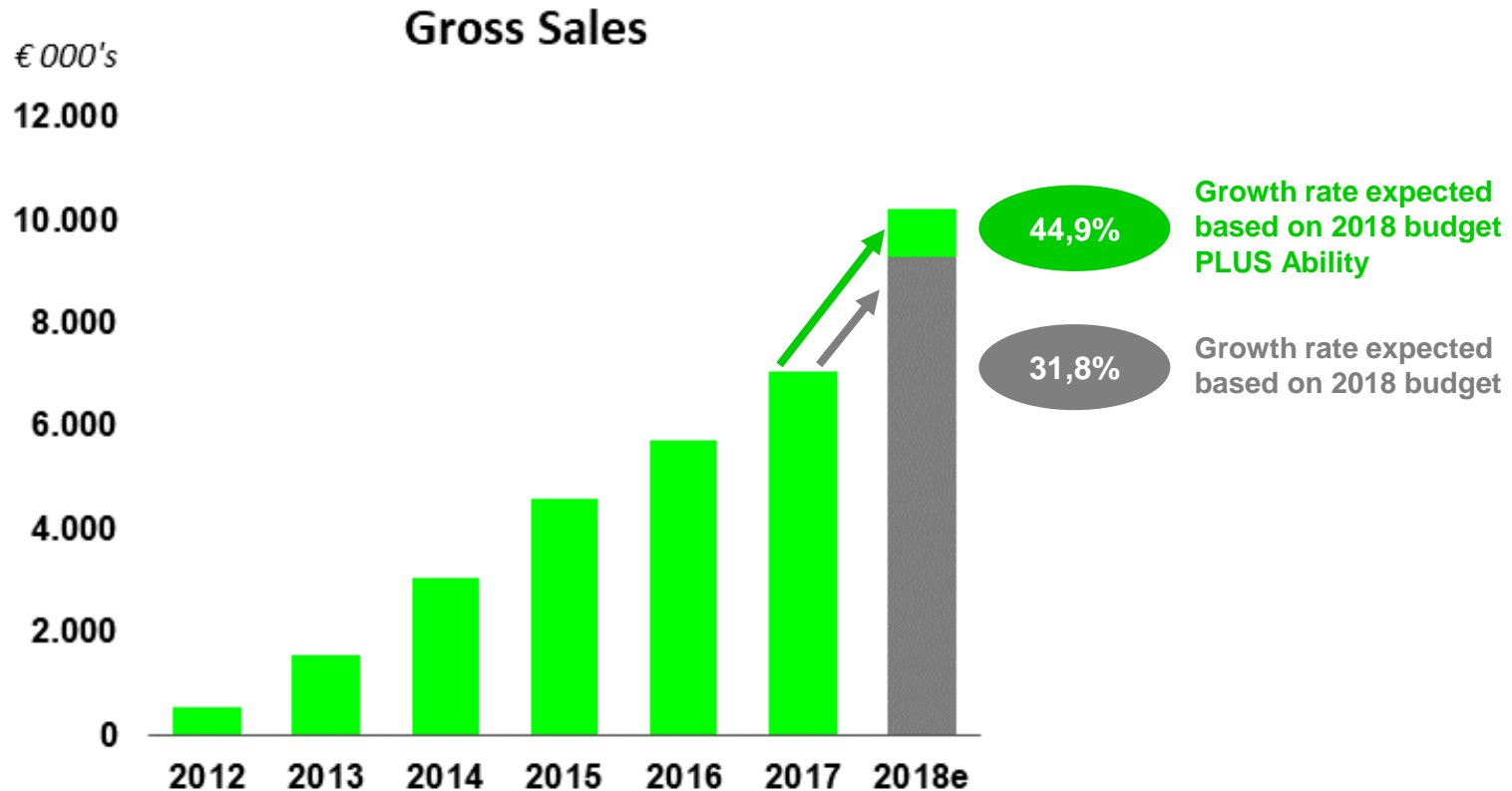


TOT CUSTOMERS

2017: 3,608
 3,106 VPS | 502 DCs

2018 Q1: 3,906
 3,310 VPS | 596 DCs

Historical Sales and EBITDA Growth



- EBITDA growing strong from negative **€0.19M** in 2016 to €0.57M in 2017 and est. €1.34M in 2018 (approx. €800K per year)

2018 Budget

CONSOLIDATED GROUP BUDGET

Figures in EUR

	Q1	Q2	Q3	Q4	2018est	% Chg.	2017
Customer revenue	2.138.015	2.222.952	2.391.316	2.541.191	9.293.474	31,8%	7.053.165
Accrued sales	(18.965)	39.143	8.865	(59.557)	(30.514)	17,1%	(26.058)
Sales discounts and promotions	(288.006)	(287.715)	(305.554)	(310.116)	(1.191.392)	10,3%	(1.080.281)
Net revenue	1.831.044	1.974.380	2.094.627	2.171.517	8.071.568	35,7%	5.946.826
Own R&D costs capitalised	54.708	55.083	53.788	54.368	217.947	31,4%	165.833
Non-recurring income, grants and other	18.338	18.663	17.483	18.098	72.582	106,5%	35.151
Cost of sales	(410.973)	(442.529)	(480.896)	(499.897)	(1.834.295)	70,3%	(1.077.128)
Online and third-party customer acquisition costs	(18.505)	(19.190)	(18.416)	(20.564)	(76.675)	4,5%	(73.384)
Datacenters and connectivity	(180.546)	(192.182)	(208.471)	(217.467)	(798.666)	38,8%	(575.416)
Other supplies	(211.922)	(231.157)	(254.009)	(261.865)	(958.953)	123,9%	(428.328)
Personnel expenses	(747.115)	(802.556)	(841.967)	(840.493)	(3.232.132)	11,8%	(2.891.301)
Salaries and wages	(611.532)	(651.743)	(685.045)	(681.510)	(2.629.830)	10,7%	(2.375.557)
Social security costs	(135.583)	(150.814)	(156.922)	(158.983)	(602.302)	16,8%	(515.744)
Other operating expenses	(457.919)	(499.181)	(490.788)	(508.956)	(1.956.844)	22,1%	(1.603.090)
External services	(420.995)	(460.966)	(441.929)	(459.405)	(1.783.295)	18,8%	(1.500.460)
Professional services and other	(294.541)	(307.183)	(319.649)	(309.306)	(1.230.679)	15,3%	(1.066.996)
Marketing and publicity	(46.427)	(59.272)	(35.166)	(58.527)	(199.391)	37,6%	(144.936)
International expenses, except marketing	(80.027)	(94.511)	(87.114)	(91.572)	(353.224)	22,4%	(288.528)
Losses, impairment and changes in trade provisions	(36.924)	(38.214)	(48.859)	(49.551)	(173.549)	69,1%	(102.630)
Other income and expenses	-	-	-	-	-	-	(4.265)
EBITDA	288.083	303.859	352.247	394.637	1.338.827	134%	572.026
<i>EBITDA margin, %</i>	<i>15,7%</i>	<i>15,4%</i>	<i>16,8%</i>	<i>18,2%</i>	<i>16,6%</i>	<i>72,4%</i>	<i>9,6%</i>
Gross margin *	1.383.146	1.493.636	1.564.872	1.622.070	6.063.724	30,4%	4.649.643
<i>Gross margin, %</i>	<i>75,5%</i>	<i>75,7%</i>	<i>74,7%</i>	<i>74,7%</i>	<i>75,1%</i>	<i>(3,9%)</i>	<i>78,2%</i>

NB *: Gross margin is calculated as 'Net revenue' less 'Cost of sales' and 'Losses, impairment and changes in trade provisions' included under 'Other operating expenses'.

2018 Q1 Results Compared to 2017 and Budget

CONSOLIDATED INCOME STATEMENT

Figures in EUR

	2018 JAN-MAR	% Chg.	2017 JAN-MAR	% Chg.	2018est JAN-MAR
Customer revenue	2.134.305	30,2%	1.638.726	(0,2%)	2.138.015
Accrued sales	27.111	(195,0%)	(28.524)	(243,0%)	(18.965)
Sales discounts and promotions	(318.162)	32,5%	(240.144)	10,5%	(288.006)
Net revenue	1.843.254	34,5%	1.370.058	0,7%	1.831.044
Own R&D costs capitalised	55.152	148,3%	22.213	0,8%	54.708
Non-recurring income, grants and other	8.376	128,7%	3.663	(54,3%)	18.338
Cost of sales	(381.246)	42,3%	(267.918)	(7,2%)	(410.973)
Online and third-party customer acquisition costs	(15.755)	5,4%	(14.954)	(14,9%)	(18.505)
Datacenters and connectivity	(161.486)	14,4%	(141.169)	(10,6%)	(180.546)
Other supplies	(204.006)	82,5%	(111.795)	(3,7%)	(211.922)
Personnel expenses	(735.276)	4,0%	(706.662)	(1,6%)	(747.115)
Salaries and wages	(610.604)	4,4%	(584.653)	(0,2%)	(611.532)
Social security costs	(124.672)	2,2%	(122.010)	(8,0%)	(135.583)
Other operating expenses	(482.384)	15,6%	(417.415)	5,3%	(457.919)
External services	(423.980)	3,8%	(408.340)	0,7%	(420.995)
Professional services and other	(347.241)	30,7%	(265.748)	17,9%	(294.541)
Marketing and publicity	(31.409)	(30,8%)	(45.355)	(32,3%)	(46.427)
International expenses, except marketing	(45.330)	(53,4%)	(97.237)	(43,4%)	(80.027)
Losses, impairment and changes in trade provisions	(58.404)	543,5%	(9.075)	58,2%	(36.924)
Other income and expenses	(600)	(55,6%)	(1.352)		-
EBITDA	307.276	11.778%	2.587	6,7%	288.083
EBITDA margin, %	16,7%		0,2%		15,7%
Gross margin *	1.403.604	28,4%	1.093.064	1,5%	1.383.146
Gross margin, %	76,1%		79,8%		75,5%

NB *: Gross margin is calculated as 'Net revenue' less 'Cost of sales' and 'Losses, impairment and changes in trade provisions' included under 'Other operating expenses'.

2017 Balance Sheet

ASSETS

	2017	2016
NON-CURRENT ASSETS	5.966.724	5.733.171
Intangible assets	1.340.788	1.456.863
Development	165.833	-
Licenses, patents	38.990	43.864
Software	1.135.965	1.412.999
Property, plant and equipment	2.315.512	1.940.353
Non-current investments	181.033	447.117
Deferred tax assets	2.129.391	1.888.838
CURRENT ASSETS	2.756.632	3.000.009
Trade and other receivables	894.031	814.692
Trade receivables	805.516	751.513
Other receivables and receivables from employees	20.115	35.463
Current tax assets	50.673	27.716
Other receivables	17.727	-
Investments	2.088	403.047
Prepayments for current assets	211.127	117.101
Cash and cash equivalents	1.649.386	1.665.169
TOTAL ASSETS	8.723.356	8.733.180

EQUITY AND LIABILITIES

	2017	2016
EQUITY	4.099.096	4.523.141
Shareholders' equity	4.070.901	4.453.034
Capital	85.500	85.500
Share premium	8.427.562	8.427.562
Reserves	(243.602)	(243.602)
Treasury shares	(225.062)	(241.345)
Prior period's losses	(3.712.869)	(2.940.286)
Profit/(loss) for the period	(492.510)	(772.583)
Other equity instruments	231.882	137.787
Exchange differences	(23.459)	36.560
Grants, donations and bequests	51.654	33.548
NON-CURRENT LIABILITIES	1.992.921	1.874.466
Non-current payables	1.912.721	1.814.990
Deferred tax liabilities	80.200	59.476
CURRENT LIABILITIES	2.631.339	2.335.573
Current provisions	120.534	138.303
Current payables	1.586.512	1.268.229
Trade and other payables	428.965	459.771
Current accruals	495.328	469.270
TOTAL LIABILITIES	8.723.356	8.733.180

Gigas Proforma Financials after 2018 acquisitions

- The acquisitions of SVT (January 2018) and Ability (May 2018) have brought in a total of €2.5M in annual revenues to Gigas and €550K in EBITDA pre-synergies.
- After integrating both acquisitions during 2018, their combined EBITDA could reach ~€850K
- **The proforma estimated gross revenues for 2018, including SVT and Ability, would be ~€10.9M. Net revenues would be ~€9.7M**
- **The proforma estimated EBITDA for 2018 would be ~€1.9M.**
- With the estimated 2018 growth and assuming no further acquisitions, **Gigas would start 2019 with a runrate (Q4 of Budget x 4, plus Ability) of €11.7M in gross revenues and over €2.2M EBITDA**
- Gigas continues evaluating new opportunities to grow inorganically

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Thank you!

gigas