



HECHO RELEVANTE
GIGAS HOSTING, S.A.

29 de mayo de 2019

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 6/2018 del Mercado Alternativo Bursátil, sobre información a suministrar por Empresas en Expansión.

Con motivo de la participación de GIGAS en el Foro MedCap 2019 organizado por Bolsas y Mercados Españoles, se adjunta la presentación corporativa que será empleada en dicho foro el día 29 de mayo de 2019.

Alcobendas, 29 de mayo de 2019

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

gigas



Diego Cabezudo
CEO

Investors Presentation —

MAY

2019



About Gigas

Gigas is a cloud computing company that started to provide services in 2012, operating in the "Infrastructure as a Service" (IaaS) segment

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 Latin America** with commercial and pre-sales staff in each country in which it operates, and a very qualified **technical support** in Spanish (24/7), that has been key to its success.

Gigas at a glance



Employees

90



Customers

4,000



Offices

Spain, Colombia, Chile,
Peru, Panama and
Mexico



Sector

“Infrastructure as a Service” (IaaS)



6 Datacenters

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

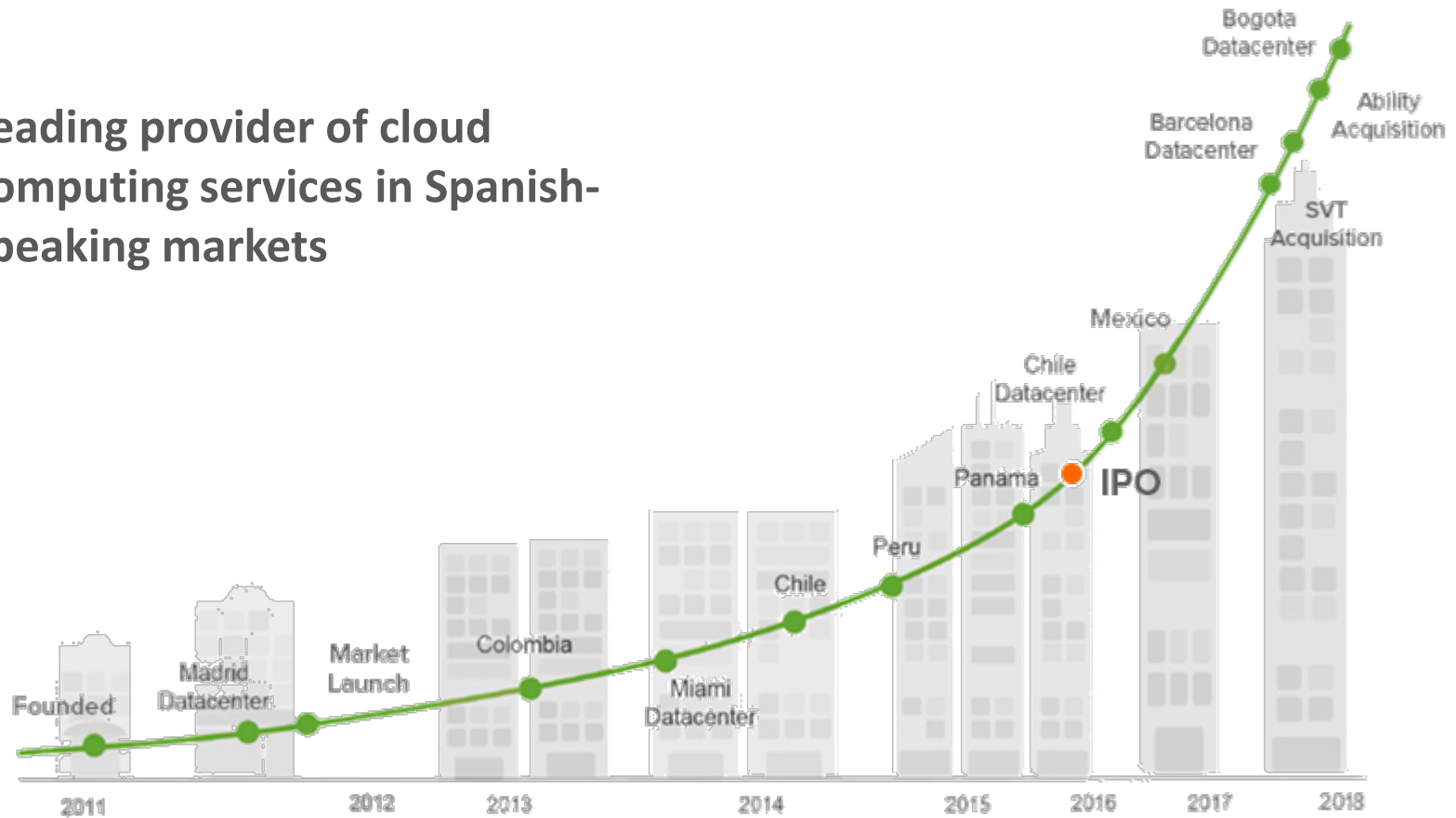


Listed on the Madrid Stock Exchange



Gigas' Timeline

Leading provider of cloud computing services in Spanish-speaking markets



Experienced Team



Moisés Israel
CHAIRMAN



Diego Cabezudo
CEO



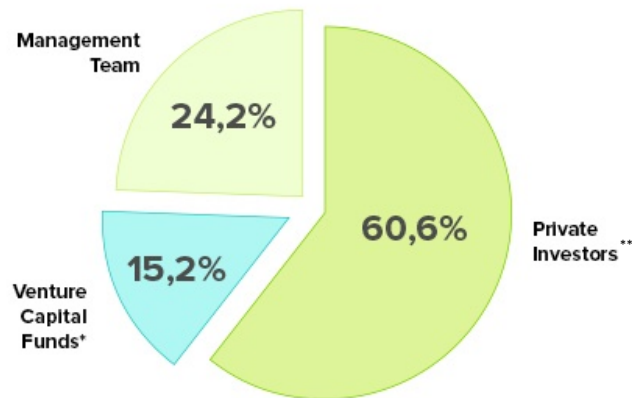
José Antonio Arribas
COO

Lola Molins
MARKETING DIRECTOR

Alberto Fernández
SALES DIRECTOR

Cristian García
FINANCIAL CONTROLLER

Shareholders and Board of Directors



100% of Gigas 4.3 million shares are listed on the Alternative Stock Market (MAB) in the Madrid Stock Exchange

* Bonsai Venture Capital and Caixa Capital Risc

** 5 of those private investors have a seat in the Board (jointly controlling 9.4% of the shares)



Board of Directors Secretary: **Patricia Manca, PWC**
Auditor: **Ernst&Young**

Award Winning Technology



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



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



Best IaaS Service
Eurocloud 2013 & 2014



Best Global Cloud Hosters
The Cloud Awards 2016, 2017



Best Cloud Hosting Service
eAwards 2013 & 2016



Official Cloud Provider
for the European Commission



1000 Europe's Fastest Growing Companies
(126th position)
Financial Times 2017, 18



Some Companies Hosted at Gigas

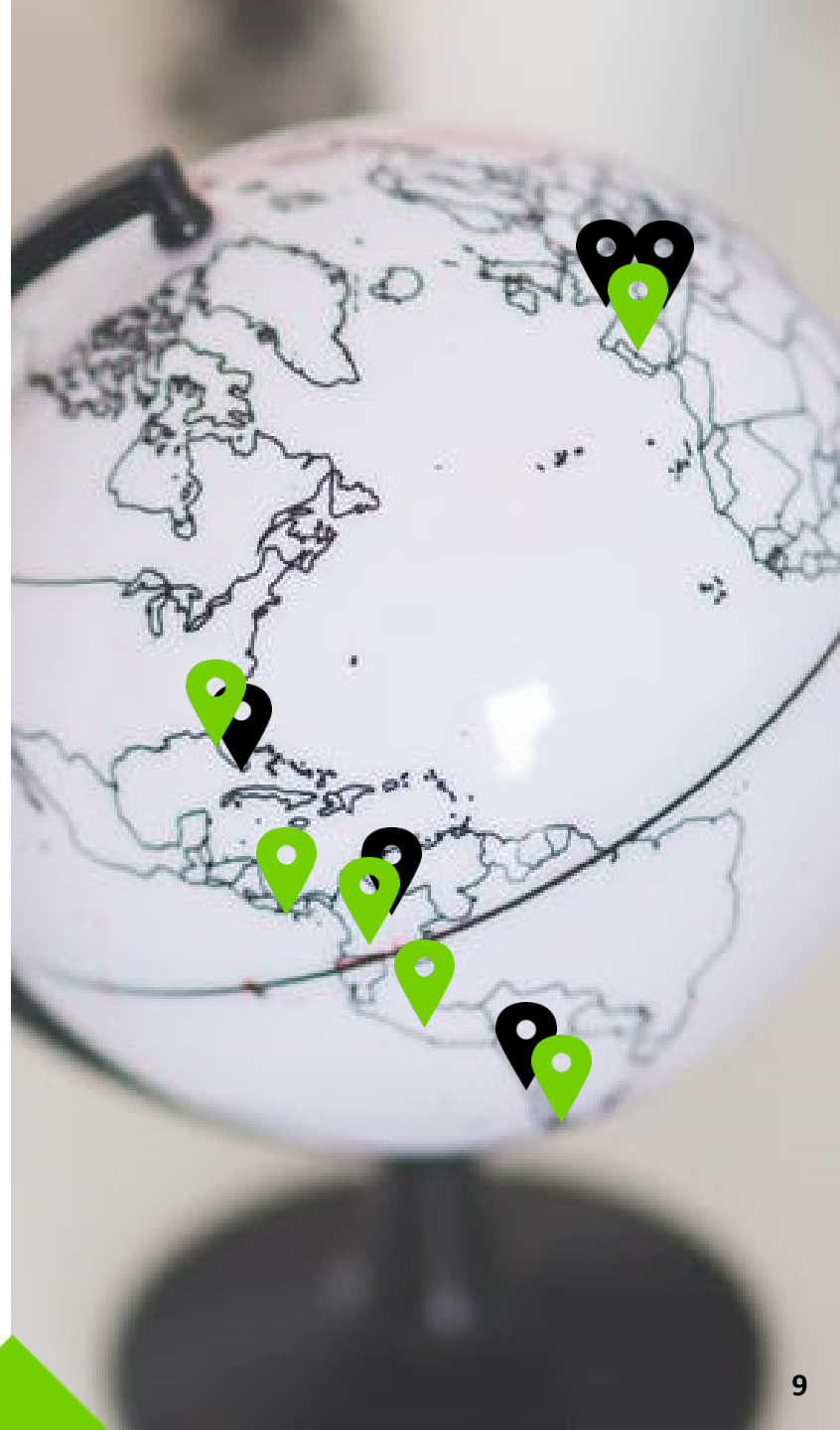


Infrastructure & Technology Partners

Getting the cloud infrastructure as close to the customer as possible is key for user experience, technical and regulatory reasons:

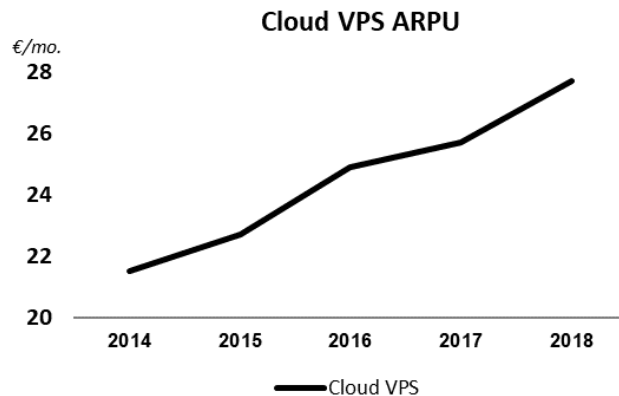
- Own infrastructure in six external data centers, with the highest Security and Availability certifications (Tier III and Tier IV): Madrid (two datacenters), Barcelona, Miami, Santiago de Chile, Bogota
- IT CAPEX Investment: €6.5M in the period 2011-2018
- Ratio CAPEX / Sales down from 1.0x in 2012 to 0.11x in 2018 and less than 0.10x expected in 2019
- Plan is to continue opening new datacenters, with Mexico City probably being the next location

Main Technological Partners:

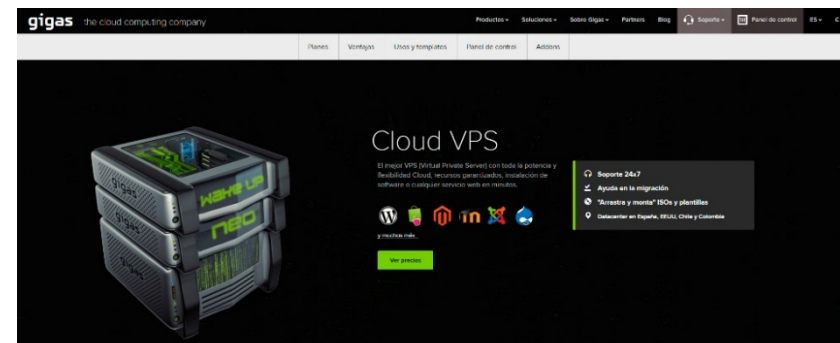


Cloud VPS

- **Cloud VPS customers reached 3,083 by end of March 2019**, lower than the 3,310 customers a year earlier, but in line with Gigas' strategy to focus on high value add customers at the expense of customer numbers
- The Cloud VPS segment is very price sensitive, but Gigas focuses on quality seeking customers, trading customer numbers for higher ARPU and margins



- **Cloud VPS ARPU averaged €27.7/mo. during 2018**, 7.8% higher than the €25.7/mo. of 2017



Planes Cloud VPS

Para aplicaciones web ligeras	Para aplicaciones web con bases de datos ligeras	Para sistemas de gestión empresarial (ERP)	Para aplicaciones con bases de datos robustas
VPS nova	VPS pro	VPS elite	VPS summum
15,8€* Al mes	29€ Al mes	49€ Al mes	69€ Al mes
2 gigas de ram garantizada	4 gigas de ram garantizada	5 gigas de ram garantizada	6 gigas de ram garantizada
2 cores 2 threads	4 cores 2 threads	6 cores 2 threads	8 cores 2 threads
50 gigas de disco	100 gigas de disco	150 gigas de disco	200 gigas de disco
400GB * transferencia limitada	600GB * transferencia limitada	1200GB * transferencia limitada	1600GB * transferencia limitada
Firewall incluido	Firewall incluido	Firewall incluido	Firewall incluido
Continuar	Continuar	Continuar	Continuar

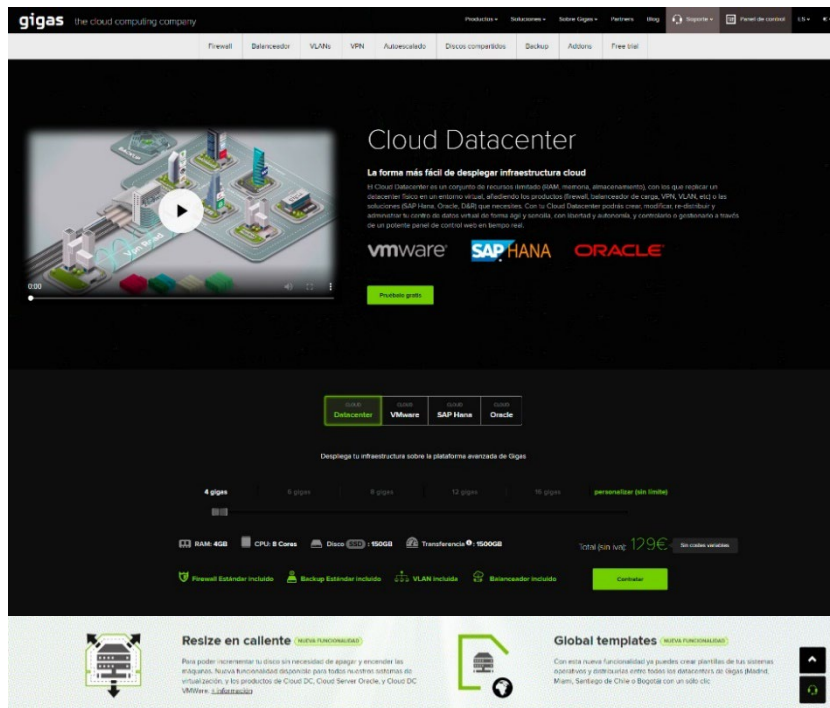
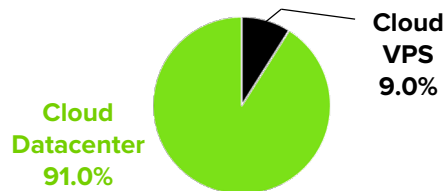
*Oferta para contribuciones únicas. Precio mensual calculado sobre el precio anual entre 12

	nova	pro	elite	summum
Mensual	15€	29€	49€	69€
Semestral	93€	145€	245€	345€
Anual	190€	261€	441€	621€
	12 meses	12 meses	12 meses	12 meses
	Completar	Completar	Completar	Completar

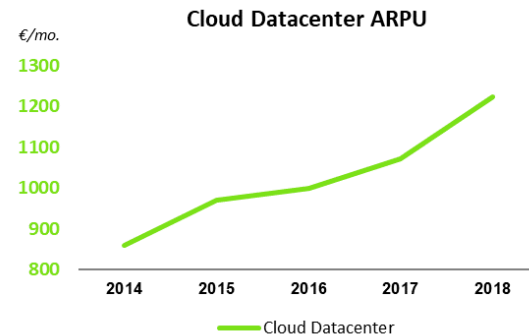
	nova	pro	elite	summum
RAM	2 GB	4 GB	5 GB	6 GB
Cores	2	4	6	8
Disco duro	50 GB	100 GB	150 GB	200 GB
Transferencia	400 GB	600 GB	1200 GB	1600 GB
Soporte técnico	✓	✓	✓	✓
Firewall Estándar	✓	✓	✓	✓
Backup Estándar	✗	✗	✓	✓
	Completar	Completar	Completar	Completar

Cloud Datacenter

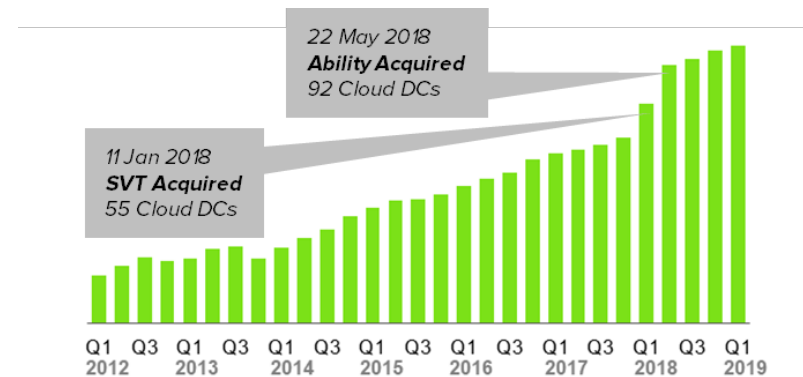
- The **Cloud Datacenter**, aimed at medium and large corporates, is Gigas' main product, with 91% of gross revenues, and continues to grow



- The **Cloud Datacenter ARPU** reached **€1,224/mo.** during **2018**, **14.2% higher** than in **2017**, due to customer upgrades and winning larger projects



- Cloud Datacenter customers reached 753 at the end of Q1 2019 (vs 596 a year ago)**, helped by customers from Ability acquisition last May



Inorganic Growth

- The cloud and hosting market is dominated by 3-4 large players (AWS, Azure and Google with c.50% market share) whereas the other half is extremely fragmented.
- Gigas is exploiting the opportunity to acquire companies with good business customer bases which bring volume and significant synergies.
- **Two companies acquired during 2018, with integration completed well.**



SVT

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



ABILITY

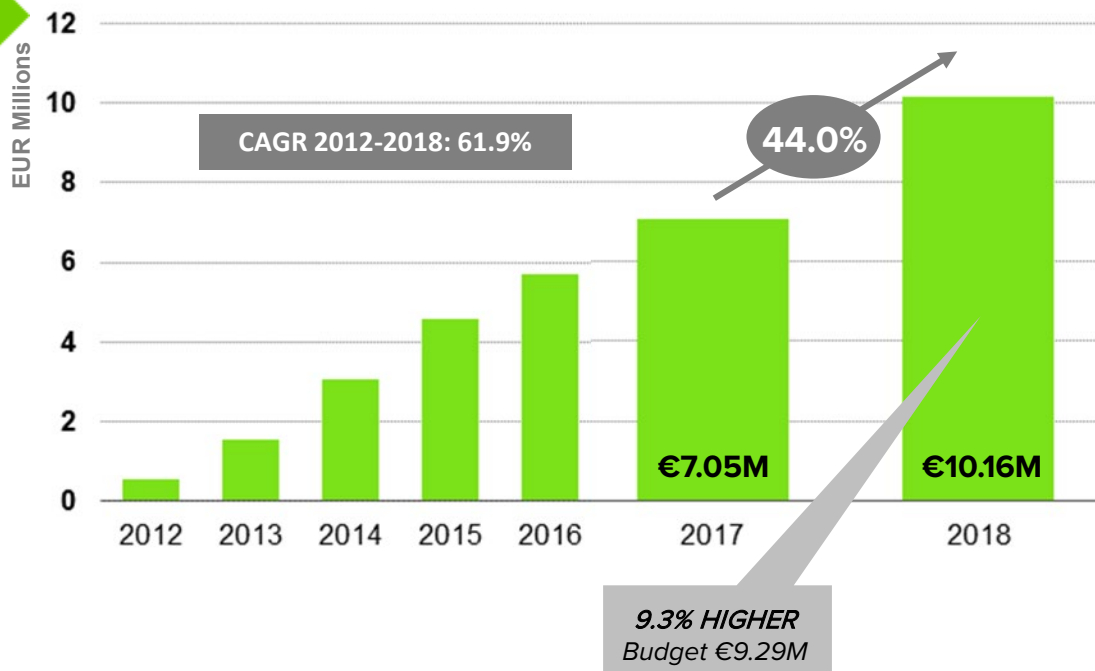
Country: Colombia
Est. 2018 Revenue: €1.63M
EBITDA 2017: €0.4M (25%)
EV: 1.2x sales

- Revenues for full 2018 slightly better than estimated:
 - SVT: €0.86M
 - Ability: €1.67M
- EBITDA also better than expected due to higher synergies
- Gigas continues to evaluate new acquisition opportunities, both in Spain and in Latin America

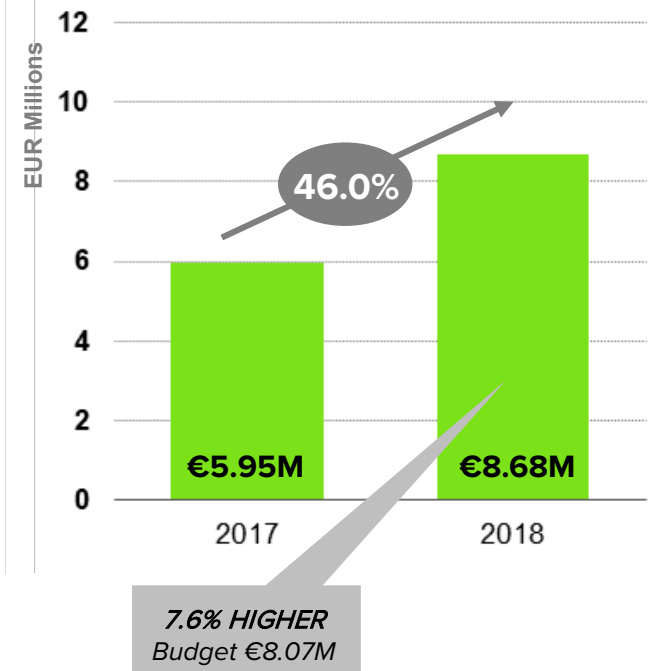
Revenues FY 2018

- **Gross revenues reached €10.16 million in 2018, 44.0% higher than in 2017**, due to organic growth and acquisitions. Net revenues grew 46.0% to €8.68M
- Revenues higher than budgeted, due to Ability contribution not included in the original budget. Acquisitions contributing with a bit more than half the growth

Gross Revenues



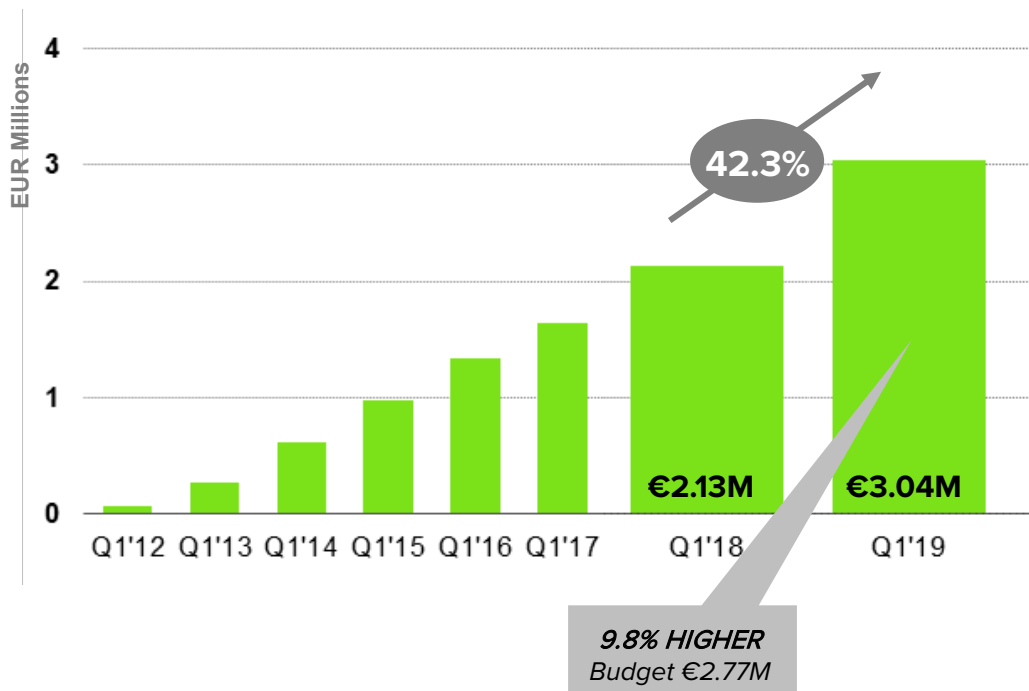
Net Revenues



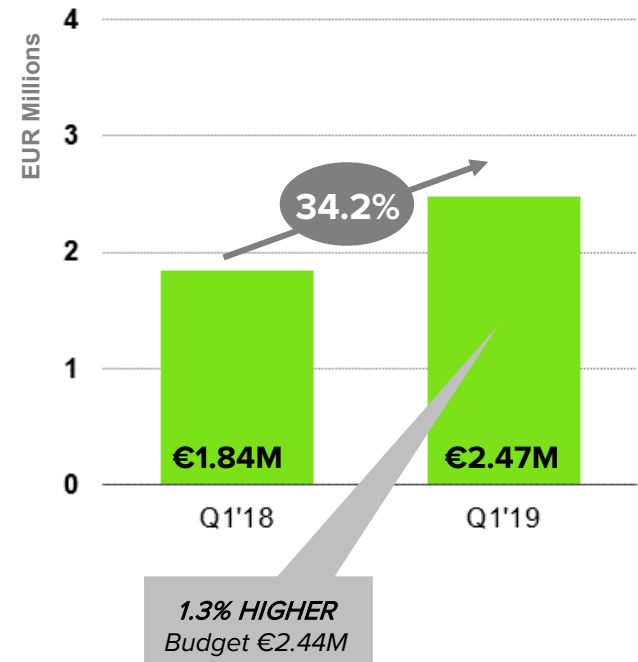
Revenues Q1 2019

- **Gross revenues reached €3.04 million in Q1 2019, 42.3% higher than in Q1 2018.** Net revenues reached €2.47M in Q1 2019, 34.2% higher than the €1.84M from Q1 2018
- **Revenues higher than budgeted**, especially gross revenues, due to annual contracts signed in first quarter.

Gross Revenues

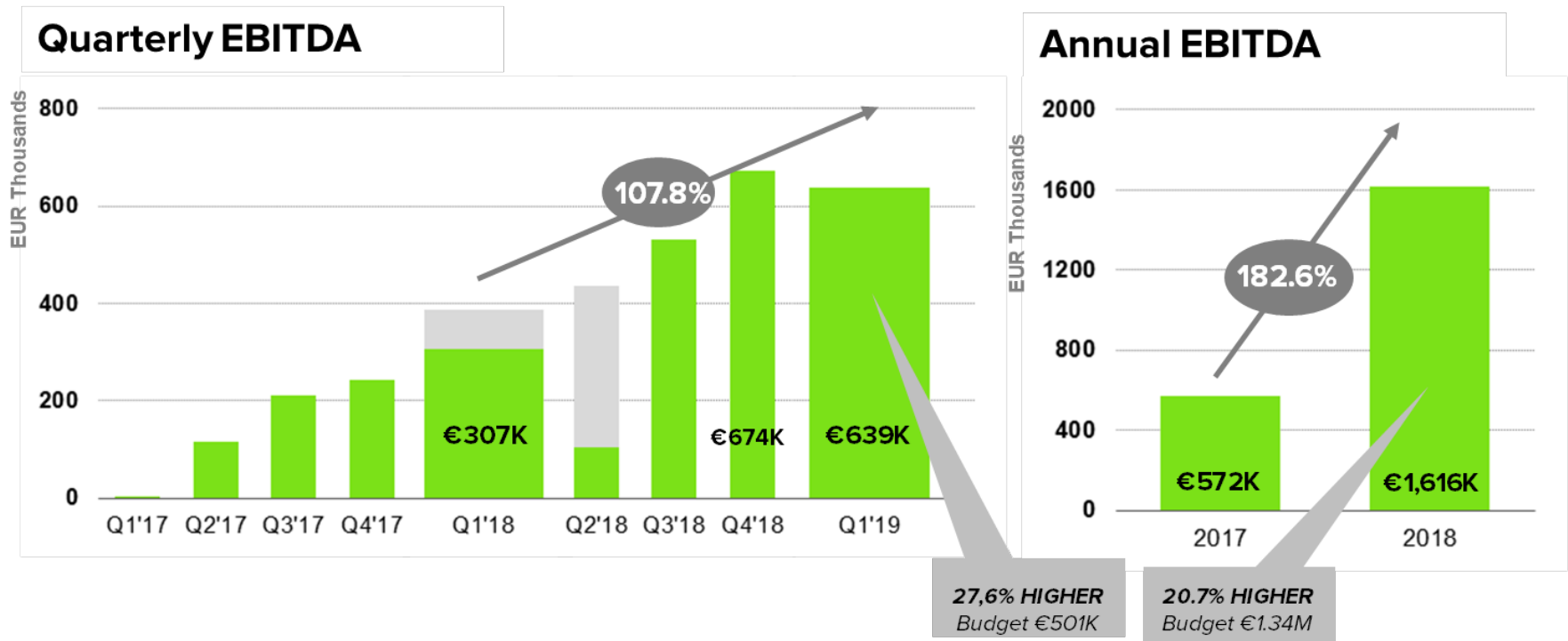


Net Revenues



EBITDA

- Q1 2019 EBITDA grew 107.8% year-on-year, reaching €0.64M in the quarter
- EBITDA in the quarter was significantly higher than budgeted (27.6% higher) due to higher than expected revenue growth and cost efficiencies
- EBITDA slightly lower than the previous quarter mostly due to annual cost increases from software licenses, personnel and datacenters



Q1 2019 Results vs. Q1 2018 and vs. Budget

CONSOLIDATED INCOME STATEMENT

Figures in EUR

	2019 JAN-MAR	% Chg.	2018 JAN-MAR	% Chg.	2019 budget JAN-MAR
Gross sales	3.036.615	42,3%	2.134.305	9,8%	2.766.364
Accrued sales	(148.969)	-	27.111	1.106,1%	(12.351)
Sales discounts and promotions	(413.529)	30,0%	(318.162)	32,3%	(312.628)
Revenue	2.474.118	34,2%	1.843.254	1,3%	2.441.385
Own R&D costs capitalised	62.714	13,7%	55.152	2,4%	61.236
Non-recurring income, grants and other	9.987	19,2%	8.376	37,5%	7.263
					-
Cost of sales	(563.174)	47,7%	(381.246)	(2,6%)	(578.251)
Online and third-party customer acquisition costs	(16.301)	3,5%	(15.755)	(50,4%)	(32.835)
Datacenters and connectivity	(257.580)	59,5%	(161.486)	0,8%	(255.514)
Other supplies	(289.292)	41,8%	(204.006)	(0,2%)	(289.902)
Personnel expenses	(874.737)	19,0%	(735.276)	(7,5%)	(945.281)
Salaries and wages	(733.340)	20,1%	(610.604)	(6,8%)	(786.628)
Social security costs	(141.397)	13,4%	(124.672)	(10,9%)	(158.653)
Other operating expenses	(467.774)	(3,0%)	(482.384)	(3,7%)	(485.702)
External services	(426.111)	0,5%	(423.980)	(5,0%)	(448.750)
Professional services and other	(286.779)	(17,4%)	(347.241)	5,0%	(273.249)
Marketing and publicity	(37.564)	19,6%	(31.409)	(41,3%)	(64.001)
International expenses, except marketing	(101.768)	124,5%	(45.330)	(8,7%)	(111.501)
Losses, impairment and changes in trade provisions	(41.663)	(28,7%)	(58.404)	12,7%	(36.952)
Other income and expenses	(2.502)	317,0%	(600)	-	-
EBITDA	638.633	107,8%	307.276	27,6%	500.649
<i>EBITDA margin, %</i>	<i>25,8%</i>		<i>16,7%</i>		<i>20,5%</i>
Gross income *	1.910.944	30,7%	1.462.008	2,6%	1.863.134
<i>Gross margin, %</i>	<i>77,2%</i>		<i>79,3%</i>		<i>76,3%</i>

NB *: Gross income calculated as "Revenue" less "Cost of sales".

2019 Budget

- Management positive about 2019 due to good sales activity at the end of 2018 and strong start of 2019 together with accruals from end of year

2019 CONSOLIDATED BUDGET

EUR	Q1	Q2	Q3	Q4	2019b	Chg. (%)	2018
Gross sales	2.766.364	2.885.117	2.975.718	3.205.072	11.832.270	16,5%	10.155.158
Accrued sales	(12.351)	(9.292)	64.910	(28.217)	15.050	-117,3%	(87.111)
Sales discounts and promotions	(312.628)	(317.968)	(310.054)	(336.704)	(1.277.354)	-7,7%	(1.384.168)
Net revenues	2.441.385	2.557.856	2.730.574	2.840.152	10.569.966	21,7%	8.683.880
Own R&D costs capitalised	61.236	59.236	56.736	60.736	237.944	-5,2%	250.881
Non-recurring income, grants and other	7.263	7.263	7.263	7.263	29.052	-50,1%	58.255
Cost of sales	(578.251)	(583.332)	(613.439)	(632.254)	(2.407.276)	27,9%	(1.882.547)
Online and third-party customer acquisition costs	(32.835)	(34.295)	(37.873)	(39.033)	(144.035)	124,3%	(64.221)
Datacenters and connectivity	(255.514)	(261.414)	(275.214)	(282.814)	(1.074.957)	32,1%	(813.510)
Other supplies	(289.902)	(287.623)	(300.352)	(310.407)	(1.188.284)	18,3%	(1.004.816)
Personnel expenses	(945.281)	(981.297)	(971.209)	(976.743)	(3.874.531)	20,3%	(3.220.911)
Salaries and wages	(786.628)	(815.189)	(806.836)	(810.649)	(3.219.302)	20,8%	(2.665.992)
Social security costs	(158.653)	(166.108)	(164.374)	(166.094)	(655.229)	18,1%	(554.920)
Other operating expenses	(485.702)	(508.661)	(480.818)	(527.430)	(2.002.611)	-12,0%	(2.274.573)
External services	(448.750)	(470.654)	(440.928)	(486.194)	(1.846.527)	1,5%	(1.819.352)
Professional services and other	(273.249)	(273.567)	(275.620)	(276.211)	(1.098.646)	-16,3%	(1.312.615)
Marketing and publicity	(64.001)	(88.058)	(53.827)	(97.415)	(303.301)	67,1%	(181.546)
International expenses, except marketing	(111.501)	(109.029)	(111.481)	(112.568)	(444.579)	36,7%	(325.191)
Losses, impairment and changes in trade provisions	(36.952)	(38.006)	(39.890)	(41.236)	(156.084)	-65,7%	(455.222)
Other income and expenses	-	-	-	-	-		1.369
EBITDA	500.649	551.065	729.106	771.723	2.552.544	57,9%	1.616.352
<i>EBITDA margin, %</i>	<i>20,5%</i>	<i>21,5%</i>	<i>26,7%</i>	<i>27,2%</i>	<i>24,1%</i>	<i>29,7%</i>	<i>18,6%</i>
Gross margin (= Net revenues - Cost of sales)	1.863.134	1.974.524	2.117.134	2.207.897	8.162.690	20,0%	6.801.332
<i>Gross margin, %</i>	<i>76,3%</i>	<i>77,2%</i>	<i>77,5%</i>	<i>77,7%</i>	<i>77,2%</i>	<i>-1,4%</i>	<i>78,3%</i>

Balance Sheet as of Dec. 31st 2018

- **Convertible Bonds totaling €2.5M were issued in April 2018;** €0.7M are classified as Other Equity Instruments and €1.8M as long-term debt under Non-Current Liabilities. If converted, shares to be issued would be approximately 700k (c. 13.9%)
- Gross debt, excluding convertible bonds, reached €3.48M as of 31st of March (€3.90M at end 2018), resulting in a **Net Financial Debt of €1.47M (0.58x EBITDA budget 2019)**
- Two acquisitions executed during 2018 brought in €2.73M in Customer Relations (value of their customer portfolio) and also generated over €0.7M in deferred tax liabilities

ASSETS			LIABILITIES		
<i>Figures in EUR</i>	2018	2017	<i>Figures in EUR</i>	2018	2017
NON-CURRENT ASSETS	9.458.721	5.966.724	EQUITY	5.054.414	4.099.096
Intangible assets	4.025.740	1.340.788	Shareholders' equity	5.066.665	4.070.901
Software, R&D and others	1.295.213	1.340.789	Capital and Share premium	8.813.059	8.513.062
Customer relations	2.730.526	-	Reserves and Treasury Shares	(525.400)	(468.664)
Property, plant and equipment NET	2.986.213	2.315.512	Prior year's losses and current year	(4.353.258)	(4.205.379)
+ Gross Tangible Assets	6.528.019	4.862.559	Other equity instruments	1.132.264	231.882
- Accumulated Depreciation	(3.541.806)	(2.547.047)	Conversion differences	(48.706)	(23.459)
Non-current investments	171.762	181.033	Grants and Subsidies	36.455	51.654
Deferred tax assets	2.275.007	2.129.391	NON-CURRENT LIABILITIES	4.502.451	1.992.921
CURRENT ASSETS	4.011.734	2.756.632	Non-current payables	3.760.116	1.912.721
Client Receivables and Other	1.550.469	894.031	Convertible bonds	1.794.192	-
Investments	15.933	2.088	Bank borrowings and Finance leases	1.965.924	1.912.721
Prepayments for current assets	269.221	211.127	Deferred tax liabilities	742.335	80.200
Cash and cash equivalents	2.176.111	1.649.386	CURRENT LIABILITIES	3.913.591	2.631.339
TOTAL ASSETS	13.470.455	8.723.356	Current provisions	910.786	549.499
			Current payables	2.356.805	1.586.512
			Current accruals	646.000	495.328
			TOTAL LIABILITIES	13.470.456	8.723.356

Share Price Evolution

- Share price developing well: **Up 107.4% since IPO, 86.8% in 2018 and 3.7% YTD**
- As of 28th of May, **Market Cap is €29.1M** (4.3M shares @ €6.74 per share)
- Shares currently **trading at 3.3x EV/Sales 2019e and 13.5x EV/EBITDA 2019e** (assuming convertible bonds are converted and c.700K new shares issued)
- **Second and fourth most liquid stock in MAB-EE** in relative and absolute terms respectively during first ten months of 2018

GIGA Share Price



Liquidity Scores

	Negotiated Vol. (€'000s)	
	JAN-OCT	Avg. Daily
#1 Atrys Health	9,824	46
#2 Ebioss Energy	9,019	42
#3 Euronat Telecom	8,908	42
#4 Gigas Hosting	8,281	39
#5 AB Biotics	6,705	31


	% of Total Shares Negotiated (10M18)
#1 Ebioss Energy	98%
#2 Gigas Hosting	36%
#3 VozTelecom	33%
#4 Facephi	29%
#5 Catenon	27%

A person wearing a white dress shirt and a dark suit jacket is holding a white business card with their right hand. The card is held up towards the camera. The background is dark and out of focus.

gigas

Diego Cabezudo. CEO
diego.cabezudo@gigas.com

**Thank
you**



The New Generation of Cloud Computing