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Q3 2023 Results Presentation for Investors



DEC	2023
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Q3 2023 Key Highlights



Net Revenues reached €49.5M in first 9 months 2023, from €45.8M the previous year, 8.2% growth, although below budget (-6.4%)



Gross Margin of €30.1M in first 9 months 2023, 6.6% better than €28.2M of same period 2022, which represents 60.9% of revenues, better than the 58.8% budgeted



Adj. EBITDA for the 3 quarters of the year reached €12.2M, up 2.3% YoY (€11.9M) and 1.2% slightly lower than €12.3M budgeted



New Acquisition in Portugal (Alterlinks), which adds infrastructure and a high capacity DWDM network and **strategic alliance with Lyntia**



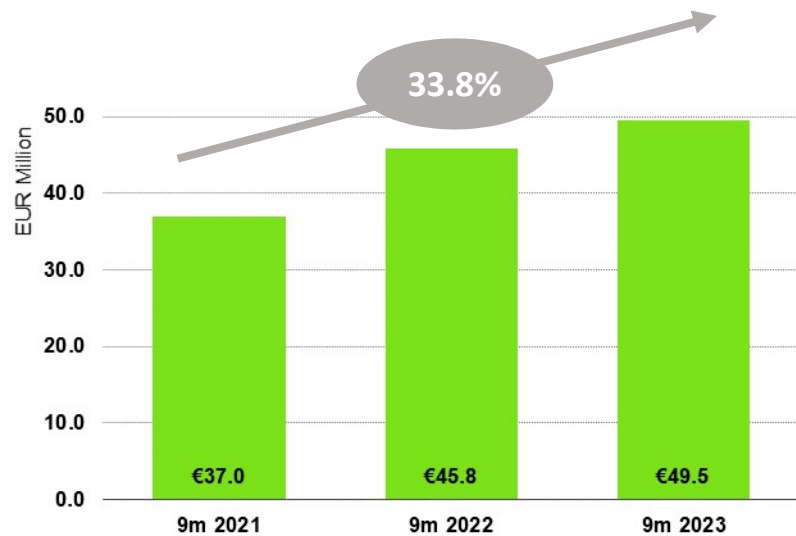
CAPEX (excl. M&A and R&D) in first 9 months 2023 reached €6.06M (12.2% of sales), lower than the same period in 2022 (€6.72M)



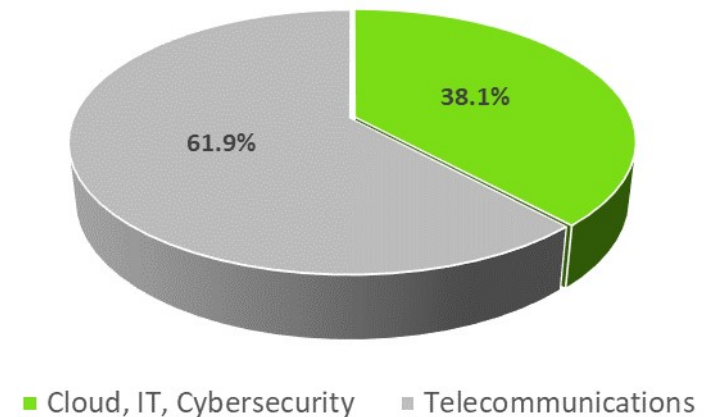
Revenues 9 months 2023

- Net revenues grew to **€49.5M** in the first nine months of the year, **8.2% higher than the €45.8M from same period last year** but 6.4% lower than budgeted, due mainly to the full consolidation of TPartner acquired in September 2022, and organic growth, driven by cloud and cybersecurity services
- Customer losses from MM portfolio impacting this years' revenues significantly
- Telecommunications services represented 61.9% of total revenues while **cloud and cybersecurity represented 38.1%** (33.3% during 2022)

9 Months Net Revenues



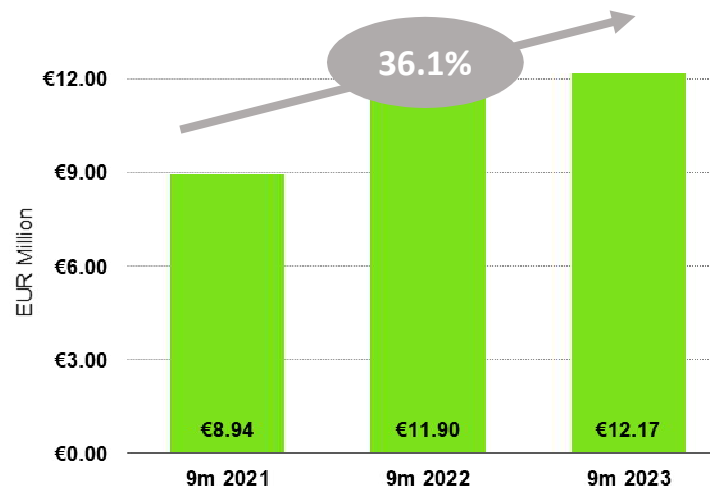
Revenue Distribution by Service



Gross Margin and EBITDA 9m 2023

- **Gross Margin of €30.1M in 9m 2023**, 6.6% better than the €28.2M of 9m 2022
- **Gross Margin reached 60.9% of revenues**, slightly lower than the 61.7% of same period of last year, due to extraordinary savings of telecom wholesale contracts in 2022, but much better than the 58.8% budgeted, due to higher growth in cloud services which enjoy higher margins than telco services
- **Adjusted EBITDA reached €12.2M** (before M&A costs, long term remuneration plans and other extraordinary), **2.3% higher than same period last year (€11.9M)**
- **EBITDA margin was 24.6% over Revenues**, lower than same period last year (26.0%) but significantly better than budgeted (23.3%).

9m Adj. EBITDA Evolution



*Adjusted EBITDA represents recurring EBITDA excluding M&A related costs, multiyear remuneration plans and other non-recurring extraordinary expenses

9m 2023 RESULTS

GIGAS

Consolidated Results

Figures in euros

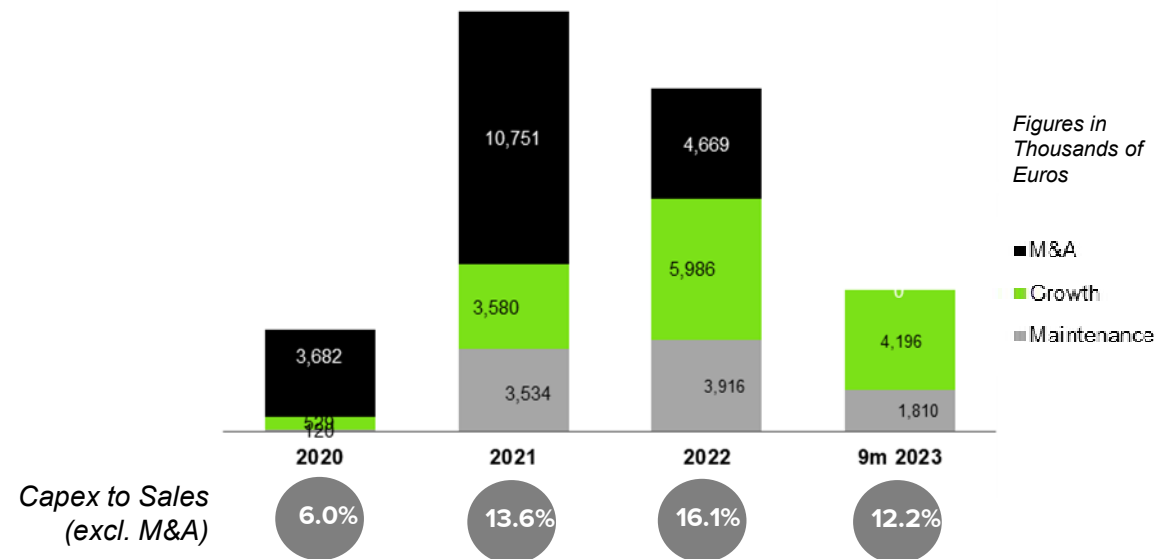
	REAL	REAL	REAL	REAL	REAL	REAL	Budget 2023	
	Q1 23	Q2 23	Q3 23	9m 2023	% Var	9m 2022	% Var	9m 2023B
Net Revenues	16,575,987	16,756,741	16,170,647	49,503,375	8.2%	45,770,569	-6.4%	52,888,248
Cloud, IT & Cybersecurity Services	6,425,401	5,978,382	6,220,033	18,623,816	27.1%	14,650,473	-10.6%	20,830,239
Telecommunications Services	9,915,597	10,560,617	9,717,389	30,193,602	-2.8%	31,076,347	-3.8%	31,383,009
Extraordinary Income, Subsidies & O.	234,990	217,742	233,225	685,957	1468.0%	43,749	1.6%	675,000
Cost of Sales	(6,699,844)	(6,459,943)	(6,218,991)	(19,378,778)	10.7%	(17,512,568)	-11.1%	(21,806,691)
Direct Product Costs	(5,920,454)	(5,668,503)	(5,373,260)	(16,962,217)	5.5%	(16,084,573)	-16.2%	(20,252,899)
Operations and Technical costs	(779,390)	(791,440)	(845,731)	(2,416,561)	69.2%	(1,427,994)	55.5%	(1,553,792)
Gross Margin	9,876,142	10,296,799	9,951,656	30,124,597	6.6%	28,258,001	-3.1%	31,081,557
<i>Gross Margin %</i>	<i>59.6%</i>	<i>61.4%</i>	<i>61.5%</i>	<i>60.9%</i>		<i>61.7%</i>		<i>58.8%</i>
Personnel Costs	(3,153,978)	(2,960,017)	(3,168,176)	(9,282,171)	10.5%	(8,397,170)	-8.3%	(10,122,658)
Salaries and Social Security	(3,965,039)	(3,939,358)	(3,979,909)	(11,884,306)	16.3%	(10,222,522)	-0.3%	(11,915,999)
Capitalised R&D	811,060	979,341	811,733	2,602,135	42.6%	1,825,352	45.1%	1,793,341
Corporate Costs	(2,877,623)	(3,090,070)	(2,704,560)	(8,672,252)	9.0%	(7,959,712)	0.4%	(8,639,664)
Customer Operations and Marketing	(816,916)	(847,680)	(824,248)	(2,488,844)	-9.2%	(2,740,344)	-23.4%	(3,247,564)
Network, Operations and IT	(1,069,007)	(1,049,342)	(1,125,242)	(3,243,591)	34.7%	(2,407,993)	26.2%	(2,570,248)
Other Corporate Costs	(991,700)	(1,193,047)	(755,069)	(2,939,817)	4.6%	(2,811,376)	4.2%	(2,821,851)
	-	-	-	-		-		-
Adjusted EBITDA **	3,844,542	4,246,712	4,078,920	12,170,174	2.3%	11,901,118	-1.2%	12,319,235
<i>Adjusted EBITDA %</i>	<i>23.2%</i>	<i>25.3%</i>	<i>25.2%</i>	<i>24.6%</i>		<i>26.0%</i>		<i>23.3%</i>
Maintenance CAPEX (**)	451,085	703,204	656,151	1,810,440		2,725,517		2,483,771
<i>% over Revenues</i>	<i>2.7%</i>	<i>4.2%</i>	<i>4.1%</i>	<i>3.7%</i>		<i>6.0%</i>		<i>4.7%</i>
EBITDA - Maintenance CAPEX	3,393,456	3,543,508	3,422,770	10,359,734		8,292,803		9,835,465
<i>% over Revenues</i>	<i>20.5%</i>	<i>21.1%</i>	<i>21.2%</i>	<i>20.9%</i>		<i>18.1%</i>		<i>18.6%</i>

*Adjusted EBITDA represents recurring EBITDA excluding M&A related costs and multiyear remuneration plans (stock options, etc.)

**Maintenance CAPEX represents recurring investments to maintain existing infrastructures and current cloud capacity

CAPEX 9m 2023

- **CAPEX (excl. M&A and R&D) grew to €6.0M this first nine months of the year**, due to additional storage capacity, a new cloud node in Portugal and customer projects implemented
- **Budget for the first nine months of the year was €6.5M** (€6.7M in 9m 2022), and therefore **investment was €0.5M lower than budgeted** and represented a CAPEX to sales ratio of 12.2%
- **No new investments in M&A CapEx during first 9 months of the year.** Recent Alterlinks acquisition, together with strategic agreement with Lyntia, have not required cash

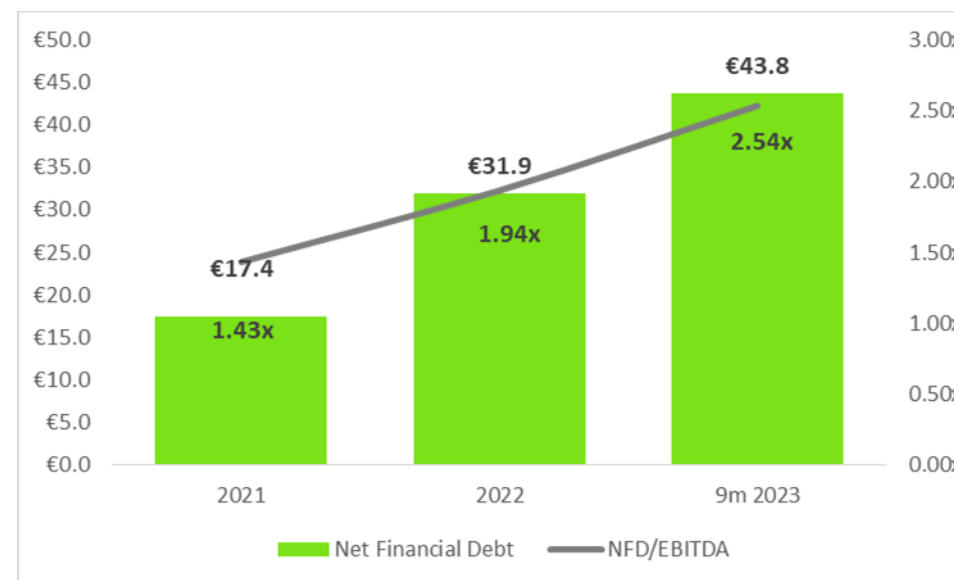


Debt and Cash Evolution – 30th of September

- **Gross Debt at 30/SEP reached €53.93M**, reflecting the new debt agreements signed in the period and includes vendor loan for TPartner acquisition (€6.5M)
- Cash at hand amounted €10.1M as of 30/SEP
- **Net Financial Debt at 30/SEP reached €43.79M** which represents **2.54x times budgeted EBITDA**. This leverage increase from December 2022 is due, among others, to payment of fees and costs of new debt signed in April
- Gross debt does not include convertible bonds (€2.6M) or IFRS16 and IRU agreements (mainly linked to the Lisbon datacenter and telecoms infrastructure). IRUs totalled €22.0M at the end of September

	2021	2022	9m 2023
R&D and Banks Debt LT	16,525,064	27,229,872	47,408,001
M&A Related Debt LT	2,177,500	6,450,000	6,450,000
R&D and Banks Debt ST	5,682,250	9,285,638	69,967
M&A Related Debt ST	5,305,000	2,677,500	
GROSS FINANCIAL DEBT	29,689,814	45,643,010	53,927,969
Cash at hand	12,292,022	13,695,585	10,142,503
Net Financial Debt	17,397,792	31,947,426	43,785,466
Adj. EBITDA	12,140,830	16,489,424	17,266,225
NFD/EBITDA	1.43	1.94	2.54

(*) Adj. EBITDA is the budgeted EBITDA for the year





End of Year Guidance



- Gigas confirms guidance provided when presenting H1 results and estimates net revenues to reach €66M to €67M this year, approx. 10% higher than the €61.5M last year but lower than budgeted (€72.6M)
- In terms of EBITDA the Company expects to end between €16.3M and €16.8M (~24% - 25% margin), slightly below budget (€17.3M) but with higher margin than budgeted (23.8%)



Share Evolution

- **Share price started at €10.20 in 2023** and it has been influenced by high market volatility and volume reduction in most markets, especially in the microcap / small cap segments
- **Share Price closed at €6.94** yesterday, below the price at start of the year, and at current prices, **Enterprise Value is €125M**, representing an **EBITDA multiple significantly below the multiples of our peers**

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Thank you

