

OTRA INFORMACIÓN RELEVANTE



INFORMACIÓN FINANCIERA EJERCICIO 2023 GIGAS HOSTING, S.A.

17 de abril de 2024

En cumplimiento con lo dispuesto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 227 de la Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión, y disposiciones concordantes, así como en la Circular 3/2020 del Segmento BME Growth de BME MTF Equity (en adelante “BME Growth”) sobre información a suministrar por empresas incorporadas a negociación en el segmento BME Growth de BME MTF Equity, por la presente se comunica al mercado la siguiente información relevante de Gigas Hosting, S.A. y sus sociedades dependientes (en adelante “GIGAS”, “Grupo GIGAS”, el “Grupo”, la “Compañía” o la “Sociedad”), relativa a los resultados financieros consolidados del ejercicio 2023 que serán utilizados en el *webinar*.

Dicho *webinar* se ha programado a través de una conferencia telemática que tendrá lugar en el día de hoy, miércoles 17 de abril de 2024, donde su Consejero Delegado y su Director Financiero explicarán los detalles de las cifras aquí presentadas, así como la evolución de las integraciones y los nuevos servicios convergentes, y que estará abierta a todos aquellos inversores, analistas y personas interesadas, que podrán seguir dicha presentación *online* y realizar las preguntas que consideren oportunas:

WEBINAR PRESENTACIÓN RESULTADOS 2023

FECHA Y HORA: Miércoles 17 de abril de 2024, 10:30am

ENLACE PARA INSCRIPCIÓN: <http://gigas.com/ResultadosGigas/FY2023>

En cumplimiento de lo dispuesto en la Circular 3/2020 de BME Growth se deja expresa constancia de que la información comunicada por la presente ha sido elaborada bajo la exclusiva responsabilidad de la Sociedad y sus administradores.

En Alcobendas, Madrid, a 17 de abril de 2024,

Diego Cabezudo Fernández de la Vega
CEO, GRUPO GIGAS



Diego Cabezudo
CEO



Javier Cañete
CFO

Full Year 2023 Results Presentation for Investors



APRIL 2024



Disclaimer



This document and the conference-call webcast (including the Q&A session) may contain forward-looking statements and information (hereinafter, the "Information") relating to GIGAS HOSTING S.A. or GIGAS GROUP (hereinafter "Gigas", the "Company" or the "Gigas Group"). This Information may include financial forecasts and estimates based on assumptions or statements regarding plans, objectives and expectations that make reference to different matters, such as the customer base and its evolution, organic growth, potential acquisitions, Company's results and other aspects related to the activity and financial situation of the Company. The Information can be identified, in some cases, through the use of words such as "forecast", "expectation", "anticipation", "projection", "estimates", "plan" or similar expressions or variations of such expressions.

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Except as required by applicable law, Gigas does not assume any obligation to publicly update the Information to adapt it to events or circumstances taking place after the date of this presentation, including changes in the Company's strategy or any other circumstance.

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FY 2023 Key Highlights



FY23 net revenues grew **9.9% YoY** up to **€67.7M** helped by corporate transactions and organic growth



Adj. EBITDA **€16.7M**, **1.2% higher** than the **€16.5M** of 2022 albeit **3.3% lower** than the **€17.3M** budgeted for the year



Focus on **organic growth** and **innovative services**. **Alterlinks** acquired in Portugal, strengthening our infrastructure position and strategic agreement with Lyntia signed



Ops Cashflow **€9.45M** in 2023. **Strong cash position** of **€19.3M** by end of year, despite almost **€2.7M** cash payments in M&A.

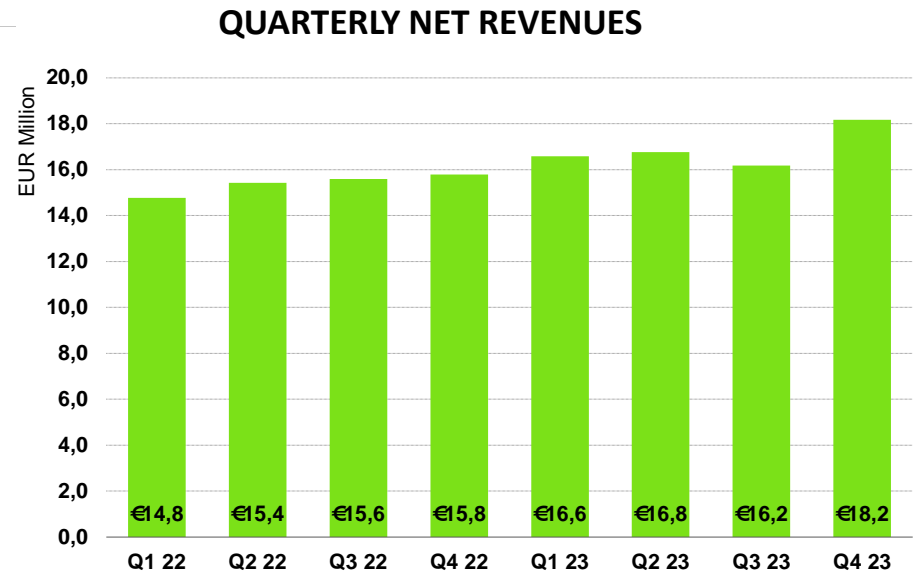
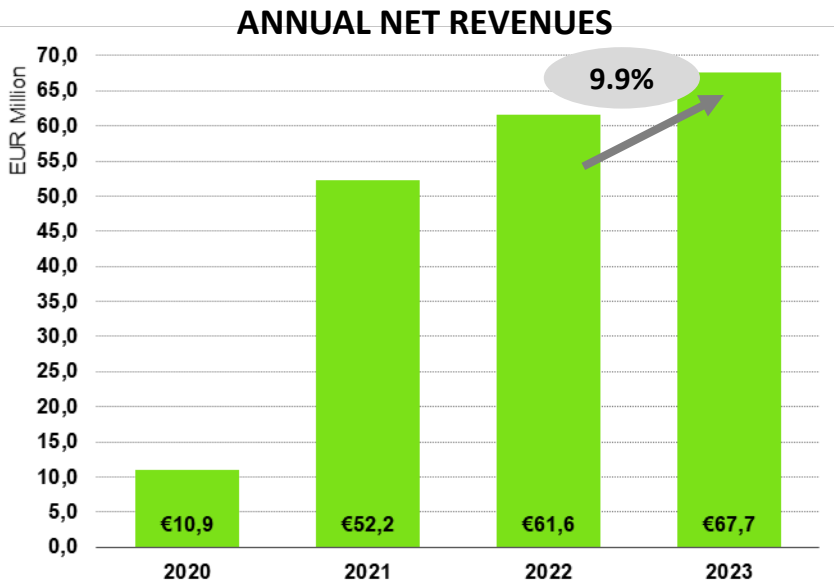


New Financing deal with **7 banks**, up to **€90M**; **€60M** initially with potential for an additional **€30M** in case a large acquisition was to be made



Revenues 2023

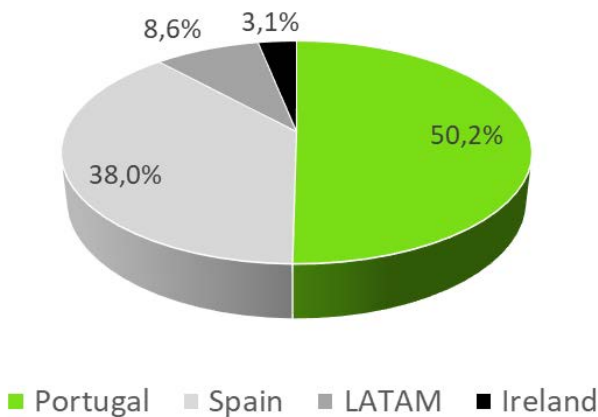
- Net revenues reached €67.7 million in 2023, 9.9% higher than in 2022 (€61.6M). Growth driven mainly by TPartner acquisition (Sept 2022) consolidating the full year and by organic growth, specially in the cloud segment (24.7% growth YoY) and Latam
- Very good organic growth albeit impacted by portfolio acquired from MasMovil
 - As a consequence of adjusting the perimeter of the MasMovil customer portfolio and a number of customers lost in the migration process ended in April 2023, impacting 2023 growth with -€1.5M revenues. Additional impact of €1M for 2024
 - Rest of business performed well in 2023, with relevant growth YoY. Significant growth in LATAM (20.3% growth YoY) and ONI, 7.3% growth YoY, reversing the decreasing trend ONI had over the past few years



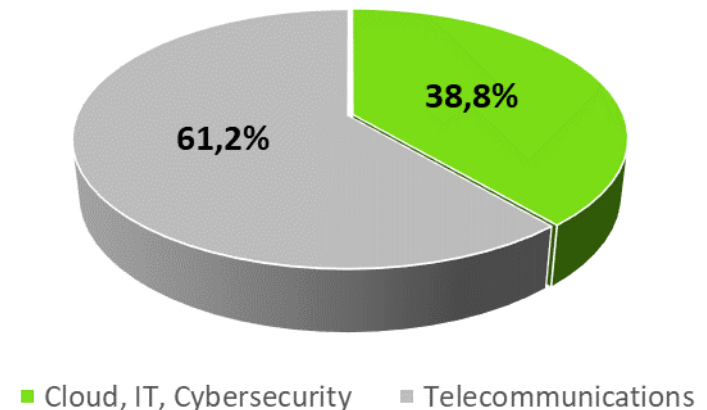
Revenue Split, Customers and ARPU 2023

- Telecom represented 61.2% of net revenues, followed by Cloud, IT and Cybersecurity with 38.8%. Cloud, IT & Cyber has increased 5.5pp vs previous year
- In terms of geographies, the Iberian Peninsula contributes with 88.2% of total net revenues (Portugal 50.2%), followed by LATAM (8.6%) and Ireland (3.1%)
- GIGAS had a total of **4,954 business customers** by the end of 2023, including over 200 partner customers from ONMOVIL, who manage over 91,000 mobile lines
- **Blended average monthly ARPU of €772.6 in 2023**, considering all revenues (telecom, cloud and cybersecurity) and all customer segments (SMEs, Corporate, etc.)

Revenue Distribution by Geography



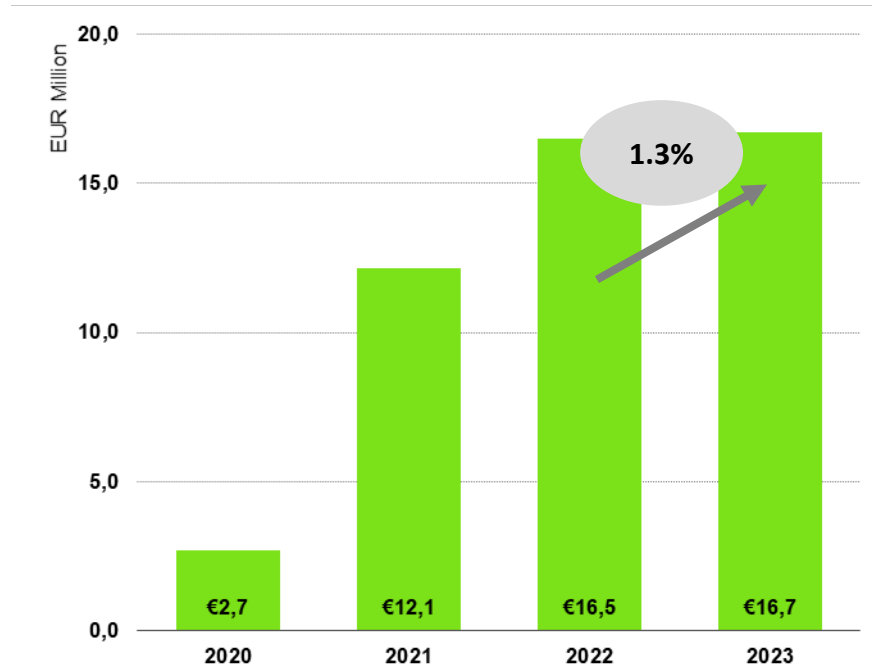
Revenue Contribution by Service



NOTE: For simplicity, revenues are accounted by location of subsidiary since 2022, whereas previously they had been reported by location of the customer

Gross Margin and EBITDA 2023

- **Gross Margin of 60.3% during 2023**, a bit below the 61.9% achieved in 2022, due to extraordinary savings obtained that year related to wholesale contracts negotiations, but better than budgeted (58.6%)
- **Adjusted EBITDA reached €16.70M** (before long term remuneration plans and M&A and other extraordinary costs), **1.3% higher than previous year (€16.49M)**
- **EBITDA Margin was 24.7% over Revenues**, lower than 2022 (26.8%, impacted by the extraordinary savings mentioned), **but better than budgeted (23.8%)** due to operating leverage and synergies obtained in 2023



2023 P&L Compared to 2022 and Budget

GIGAS

CONSOLIDATED RESULTS

Figures in euros

	REAL		REAL		BUDGET 2023
	FY 23	% Var	FY 22	% Var	FY 23B
Net Revenues	67,676,885	9.9%	61,555,737	-6.8%	72,640,178
Cloud, IT & Cybersecurity Services	25,528,283	24.7%	20,474,348	-11.3%	28,795,161
Telecommunications Services	41,192,746	0.6%	40,960,030	-4.1%	42,945,017
Extraordinary Income, Subsidies & O.	955,855	687.6%	121,359	6.2%	900,000
Cost of Sales	(26,842,039)	14.5%	(23,442,549)	-10.7%	(30,065,886)
Cloud, IT & Cybersecurity Services	(7,719,449)	55.4%	(4,968,298)	-9.3%	(8,506,330)
Telecommunications Services	(19,122,591)	3.5%	(18,474,251)	-11.3%	(21,559,556)
Gross Margin	40,834,845	7.1%	38,113,187	-10.5%	42,574,292
<i>Gross Margin %</i>	60.3%		61.9%		58.6%
Personnel Costs	(12,864,706)	13.8%	(11,304,027)	-4.8%	(13,511,779)
Salaries and Social Security	(16,276,169)	17.3%	(13,874,925)	2.3%	(15,902,900)
Capitalised R&D	3,411,463	32.7%	2,570,898	42.7%	2,391,121
Corporate Costs	(11,267,056)	9.2%	(10,319,737)	-4.5%	(11,796,289)
Customer Operations and Marketing	(3,490,370)	-6.2%	(3,721,985)	-22.0%	(4,474,780)
Network, Operations and IT	(4,257,498)	38.7%	(3,070,615)	24.2%	(3,426,997)
Other Corporate Costs	(3,519,188)	-0.2%	(3,527,138)	-9.6%	(3,894,511)
Adjusted EBITDA *	16,703,083	1.3%	16,489,423	-3.3%	17,266,225
<i>Adjusted EBITDA %</i>	24.7%		26.8%		23.8%
Maintenance CAPEX (**)	1,985,796	-49.3%	3,915,585	-37.6%	3,181,375
<i>% over Revenues</i>	2.9%		6.4%		4.4%
EBITDA - Maintenance CAPEX	14,717,287	17.0%	12,573,838	4.5%	14,084,850
<i>% over Revenues</i>	21.7%		20.4%		19.4%

Other Financials

- **Amortizations** grew to **€16.05M** in 2023 (€13.56M in 2022) mostly related to Customer Relations. Goodwill is not amortized under IFRS criteria
- **Financial expenses** grew to €5.36M in 2023 (€2.80M in 2022), due to IRUs (*Indefeasible Rights of Use*, telecom infrastructure long term rental agreements) in ONI (€1.54M), financial expenses related to bank debt (€3.3M) and interest from convertible bonds (€0.35M)
- **Net Loss of €4.88M in 2023, from €3.78M in 2022** mainly due to growth in the amortization of intangible assets and interest expenses due to new debt and higher interest rates
- **Cashflow from Operations** reached €9.45M and cash at the end of the year amounted to €19.30M (€13.7M in 2022)
- **Net Financial Debt of €37.8M**, representing a ratio of 2.27x EBITDA



2023 Balance Sheet

- CAPEX in intangible assets and property, plant and equipment, excluding the capitalisation of leases under IFRS 16 and in-house labour, of €6.5M (2022: €9.9M), equivalent to 9.7% of revenue (2022: 16.1%). Growth CAPEX linked to investments in new customers, R&D Projects and cloud and datacenter capacity
- As part of Alterlinks acquisition, IRU related to Network Access Agreement between ONI and Alterlinks (€15.8M) eliminated in the consolidated balance sheet as interco transaction
- M&A investments are reflected in Intangible assets, mainly in Customer Relations and Goodwill. Alterlinks acquisition by the end of October 2023, generated a Goodwill of €12.3M
- Trade and receivables increased slightly due to integration of Alterlinks in the last two months of the year. DSO remains stable. Trade and other payables grew slightly as well. DPO grew slightly to 50 days in 2023
- Gross Debt of €57.15M, excluding IRUs and IFRS16 leases and convertible bonds, with a cash position of €19.30M (NFD of €37.8M at year end) and a leverage ratio of 2.27x EBITDA

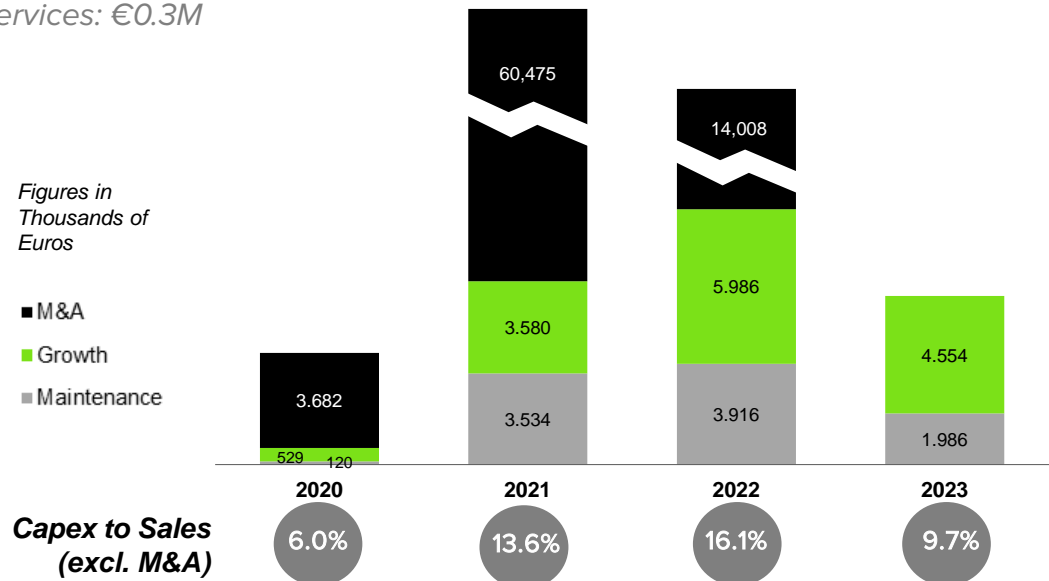
2023 Balance Sheet

ASSETS	31/12/2023	31/12/2022
NON-CURRENT ASSETS	133,137,045	131,119,649
Intangible assets	90,875,474	95,398,511
Research and development	504,731	442,945
Patents, licences, trademarks and similar rights	3,518,198	3,559,859
Computer software	1,663,789	1,503,709
Other intangible assets	6,208,251	20,137,887
Customer relations	22,651,719	25,845,249
Goodwill	56,328,786	43,908,863
Property, plant and equipment	29,515,075	25,216,218
Land and buildings	3,813,139	3,912,628
Technical installations and other property, plant and equipment	22,740,297	18,345,638
Assets in development and advances	2,961,640	2,957,952
Non-current investments	62,817	70,779
Deferred tax assets	6,601,563	5,492,491
Right-of-use assets	6,082,115	4,941,649
CURRENT ASSETS	38,927,402	29,869,917
Inventories	1,077,119	697,340
Trade and other receivables	13,948,983	12,466,050
Trade receivables	13,052,831	12,063,159
Other receivables and receivables from employees	896,151	402,891
Current tax assets and other tax receivables	2,469,057	1,621,027
Current financial assets	21,738	24,884
Derivative hedging	334,197	
Current accruals	1,774,440	1,365,033
Cash and cash equivalents	19,301,869	13,695,584
TOTAL ASSETS	172,064,447	160,989,567

EQUITY AND LIABILITIES	31/12/2023	31/12/2022
EQUITY	38,703,571	43,344,918
CAPITAL AND RESERVES		
Capital	232,887	232,887
Share premium	54,325,581	54,325,581
Treasury shares	(1,054,377)	(1,277,191)
Prior years' losses	(10,168,580)	(6,716,244)
Profit/(loss) for the year attributable to the parent	(4,877,420)	(3,787,229)
Profit/(loss) attributable to non-controlling interests	(1,474)	4,293
Other equity instruments	799,777	1,047,674
EXCHANGE DIFFERENCES	(564,963)	(492,701)
NON-CONTROLLING INTERESTS	12,140	7,848
NON-CURRENT LIABILITIES	92,823,195	71,876,506
Deferred income	540,365	1,464,238
Non-current provisions	7,579,411	1,570,471
Convertible bonds and debentures	2,721,369	2,490,475
Bank borrowings	44,150,193	27,231,957
Vendor loans (inorganic growth)	3,187,686	6,450,000
Lease liabilities - premises	4,853,926	3,668,156
Lease liabilities, other infrastructure - IRUs	19,848,002	19,017,320
Fixed asset suppliers and other	-	44,819
Deferred tax liabilities	5,175,639	5,485,829
Non-current accruals	4,082,700	4,453,242
Derivative hedging	683,905	-
CURRENT LIABILITIES	40,537,682	45,768,143
Current provisions	2,939,424	3,057,602
Bank borrowings	4,916,807	9,283,553
Vendor loans (inorganic growth)	3,200,000	2,602,871
Lease liabilities - premises	1,771,880	1,269,876
Lease liabilities, other infrastructure - IRUs	4,163,787	2,698,950
Fixed asset suppliers and other	2,611,173	3,400,732
Trade and other payables	17,498,362	20,123,065
Other tax payables	1,271,966	1,283,581
Current accruals	2,164,283	2,047,913
TOTAL EQUITY AND LIABILITIES	172,064,447	160,989,567

CAPEX 2023

- CAPEX reached **€6.54M** in 2023, (€9.9M in 2022) significantly below last year due to CAPEX optimization and end of strong investments in telco and OSS during 2021-22
- Budget for the year was **€8.45M** (€10.9M in 2022) and therefore **investment was €1.91M lower than budgeted** and represented a CAPEX to sales ratio of 9.7%
- **M&A CAPEX represented €0M** in 2023 (€14M in 2022, linked to TPartner acquisition. €7.05M paid that year in cash -including €1.2M of NFD adj- and €6.95M deferred)
- **Main growth projects in 2023:**
 - SAC and Customer Installations: €2.2M
 - R&D Project (Infinite Back Up): €1.1M
 - Cloud Capacity (Storage and Computing): €0.7M
 - New Systems, Platforms and Services: €0.3M
 - IT Licenses : €0.2M



2023 Cash Flow

Figures in Euros

FY 23

EARNING BEFORE TAXES	(6,188,300)
Result Adjustments	26,394,281
Changes in accruals and bad debt	5,890,980
D&A	16,052,180
Other non-cash items (R&D capital, ESOP, Subsidies...)	(910,525)
Net financial result	5,361,646
Changes in working capital	(10,571,372)
Taxes outflows	(185,668)
CASH FLOW FROM OPERATIONS	9,448,941
Investment Outflows	(12,628,797)
Intangible asset payments	(5,614,356)
PP&E payments	(4,336,941)
Payment Related to acquisitions	(2,677,500)
Investment inflows	(323,089)
CASH FLOW FROM INVESTMENT ACTIVITIES	(12,951,886)
Financing Outflows	(45,768,619)
Debt amortisation	(40,753,934)
Interest payments	(5,014,685)
Financing Inflows	54,877,849
Equity issues	24,725
New debt raised	54,853,123
CASH FLOW FROM FINANCING ACTIVITIES	9,109,230
NET INCREASE (DECREASE) ACTIVITIES	5,606,285
Cash at beginning of period	13,695,584
Cash at end of period	19,301,869

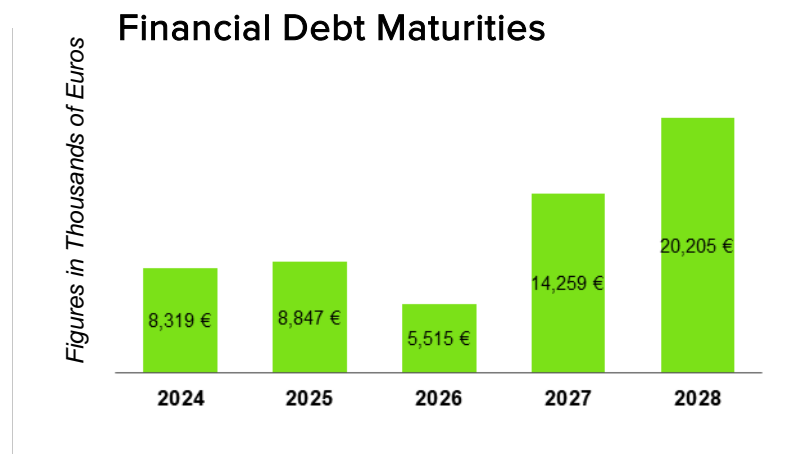
- Cashflow from Operations reached **€9.45M** in spite of working capital consumption of €10.5M, due to payments from previous year
- **New Financing Agreement closed in April 2023**. Financial expenses reached €5.3M in 2023 (€2.8M in 2022), mostly from IRU and IFRS16 expenses (€1.5M). €3.3M financial expenses come from bank debt and €0.35M come from convertible bonds
- **CAPEX paid in the year reached €12.95M**, €2.7M linked to M&A transactions
- **€40.7M of debt amortized in 2023 and €54.8M of new debt raised**, through new syndicated structure, signed with 7 banks, to fund transactions and new projects
- **Cash at year end reached €19.30M**, significantly higher than €13.7M in 2022

Debt Evolution as of 31st DEC 2023

- Gross Debt at 31st DEC 2023 reached €57.1M
- Cash at hand amounted €19.30M at year end, resulting in a Net Financial Debt position of €37.84M, or 2.27x EBITDA 2023
- Gross debt does not include convertible bonds (€2.5M) or long term rental agreements liabilities (IFRS 16 related) linked to the Lisbon datacenter and telecoms infrastructure indefeasible rights of use contracts (IRUs, €30.8M)

<i>Figures in Euros</i>	DEC 2023	DEC 2022	<i>Diff %</i>
R&D and Banks Debt LT	45,575,817	27,229,872	67.4%
M&A Related Debt LT	3,250,000	6,450,000	-49.6%
R&D and Banks Debt ST	5,119,380	9,285,638	-44.9%
M&A Related Debt ST	3,200,000	2,677,500	19.5%
GROSS FINANCIAL DEBT	57,145,197	45,643,010	25.2%
Cash at hand	19,301,869	13,695,585	40.9%
Net Financial Debt	37,843,329	31,947,426	18.5%
Adj. EBITDA	16,703,083	16,489,424	1.3%
NFD/EBITDA	2.27	1.94	16.9%

- *NFD/EBITDA calculated over adjusted EBITDA*
- *Convertible bonds not included as financial debt*



2024 Guidance



Guidance for 2024

- In line with current trends in corporate governance and a focus on the medium and long term, **the Company has decided to cease publishing detailed quarterly results and to publish results twice a year**, to coincide with the half-yearly results (with a limited review by the auditors) and the annual results (together with the auditors' report)
- Similarly, **the company will provide guidance on the key annual metrics of its business**, rather than a detailed quarterly budget. In this regard, the Board of Directors of GIGAS approved the Company's budget forecasting **net revenues of EUR 70.4 million in 2024**, which would represent a growth of 4% compared to the revenues achieved in 2023. In terms of EBITDA, the company has set **a target of €17.6 million of adjusted EBITDA**, which would represent a growth of 5.4% compared to 2023
- **The Group is very focused on generating organic growth and is very confident of achieving the targets set for this year.** Indeed, following a very good fourth quarter, the company has started the year strongly, with results above budget, and is optimistic about its annual targets



Share Evolution

- Share ended at **€6.92** in **2023** and it was influenced by high market volatility in the first months of 2024
- Share Price closed at **€7.70** on 15th of April, representing a **YTD growth of 11.3%**, and **23.2% growth** since last capital increase in Q4'20 (**€6.25**)
- At current prices, market cap is **€89.7M**
- Adding current Net Financial Debt, **Enterprise Value would reach €127.5M**, which implies a multiple of **7.6x EBITDA 2023**, lower than most comparable companies
- Analysts very positive about the Company, with analyst consensus in the range of **€10** a share, representing a potential increase of c. **30%** over current price

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gigas

**Thank
you**

