



Spain's first "pure play" cloud hosting company

Gigas closes funding round and launches innovative cloud hosting services

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Gigas (gigas.com), a *cloud hosting* provider aimed at SME and SoHo segments, raised €2 million in a combination of Series A funding from venture capital firms Cabiedes & Partners and Bonsai Venture Capital, a long-term loan by government entity ENISA and equipment renting facilities by De Lage Landen. Gigas intends to invest more than €25 million in the next 4 years while its workforce would increase to 100.

The founding team at Gigas is made up of experienced executives from IT, Internet, Telecommunications and Hosting companies. Its members have run start-ups as well as held management positions in companies such as Telefónica, O2, Deutsche Telekom, Orange, Fon, Ya.com or TeleCable.

The *hosting* business in Spain currently has total revenues of approximately 600 million Euros with double digit growth over the last few years. The leading national players in this segment are Arsys y Acens (recently acquired by Telefónica) and two multinationals, 1&1 and Strato. With the introduction of *cloud hosting*, explosive growth is predicted given the fact that 80% of SME and SoHos that still have their servers in-house will find them obsolete and expensive to update and maintain.

Cloud hosting, which today is mostly used by large companies and public administrations, only represents 10% of the total market share for hosting. This percentage is expected to increase to 50% in the next five years with annual growth rates of 60 to 70%.

"Incumbent suppliers of hosting services are slowly starting to offer *cloud hosting* but they run the risk of cannibalizing their current revenues, especially those coming from clients paying for dedicated servers. Cloud hosting offers a better, more reliable and flexible service and at more competitive prices than dedicated servers" explained Diego Cabezudo, Chief Executive Officer of Gigas.

Pricing offered by Gigas for the basic Cloud Box (equivalent to a VPS or Virtual Private Server, but in a cloud environment) starts at 29 Euros per month. The premium Cloud Data Center starts at 59 Euros per month. Products range from 1 GB of memory and two CPUs up to powerful Cloud Data Centers with 96GB of RAM and 48 CPUs (more than 100GHz of processing speed).

Gigas offers clients monthly payments without the need for annual contracts or other retention clauses common in the hosting market. From the Gigas website, clients can increase or reduce their hosting needs, adjusting their monthly bill according to real demand.

Gigas will provide *best-in-class* technical support and customer service via its 24 hour call center with bilingual staff available 7 days a week. Additionally, Gigas offers a free migration service to facilitate the transfer of servers and applications of new clients to the Gigas cloud infrastructure.



About Cabiedes & Partners S.A. SCR

Cabiedes & Partners SCR is one of Spain's most active Venture Capital funds in the Internet sector. Over the last decade, the group has invested in well-known and successful companies such as Myalert, Privalia, Trovit and Offerum.

About Bonsai Venture Capital S.A. SCR

Bonsai Venture Capital SCR is a Venture Capital fund with more than 12 years of experience investing in Internet companies. Bonsai currently has investments in well-established companies like Idealista, Softonic, Emagister, Toprural, Niumba, 11870.com and in start-ups such as Offerum, Payco, El Armario de la Tele, Wuaki and FamiliaFacil. The group has had successful exits in companies such as Infojobs, Tuenti and Neurona.

For more information

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