



NOTIFICATION OF 1Q 2018 EARNINGS AND
BUSINESS INDICATORS
GIGAS HOSTING, S.A.

30 May 2018

With a view to increasing transparency and providing regular information on the key financial and business indicators of Gigas Hosting, S.A. (hereinafter, "GIGAS", the Company", or the "GIGAS Group"), although not required to do so according to the current regulations of the Mercado Alternativo Bursátil (the Spanish Alternative Equity Market, or "MAB"), GIGAS hereby presents this notice to the market on the first quarter of 2018, in accordance with the commitment undertaken in section 3.1.6 Financial Information in the Informational Document on Admission to the MAB (DIIM for its initials in Spanish) published in September 2015.

Pursuant to article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and article 228 of the Consolidated Text of the Securities Market Act (Ley del Mercado de Valores) approved by Royal Legislative Decree 4/2015, of 23 October, and related provisions, and Circular 15/2016 of the MAB, the Company hereby also notifies the performance of its metrics against the 2018 budget included in the price sensitive information disclosed on 29 January 2018.

SUMMARY OF SIGNIFICANT INFORMATION

- Customer revenue (gross sales) through 31 March 2017 amounted to EUR 2.13 million, up 30.2% year-on-year and in line with the budget.
- GIGAS posted positive EBITDA of EUR 307 thousand, marking a sharp increase from EUR 3 thousand in the first quarter of last year.
- In early January, GIGAS announced the acquisition of cloud service provider SVT Proveedor de Servicios Internet, S.L. ("SVT"). Integration of this company is now complete. The Company estimates that SVT will contribute around EUR 830 thousand of revenue per year -this figure is already in the 2018 budget- and 262 customers, of which 55 are Cloud Datacenter and 207 Cloud VPS¹ at 31 March 2018.
- The Company had a total of 3,906 customers at 31 March 2018, including SVT. The number of Cloud Datacenter customers stood at 596 at end-March, 94 more than the 502 at the end of 2017 (39 from GIGAS) and up 134 year-on-year (462 at 31 March 2017). The increase in the Cloud VPS customer base was due exclusively to the addition of SVT (flat for GIGAS), in line with the Company's strategy of focusing more on customers with higher monthly

¹ Products offered by SVT and GIGAS are not the same, but SVT's have been classified using GIGAS' nomenclature, by customer type.

average revenue (ARPU) and added value. GIGAS ended the quarter with 3,310 of these customers (up from 3,106 at the end of 2017 and 3,129 at 31 March 2017).

- In the first quarter this year, GIGAS launched its new SAP HANA and Cloud Datacenter Global products, which allow for the deployment of virtual services worldwide.
- The Company remains committed to organic growth in countries where it is present, combined with selective acquisitions, such as the recently announced purchase of Colombian company Ability Data Services, S.A. (see price sensitive information disclosed on 22 May 2018).

CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2018.

PÉRDIDAS Y GANANCIAS CONSOLIDADA	2018
<i>Cifras en euros</i>	ENE-MAR
Facturación a clientes	2.134.305
Periodificaciones de ventas	27.111
Descuentos y promociones sobre ventas	(318.162)
Importe neto de la cifra de negocios	1.843.254
Trabajos realizados para su activo	55.152
Ingresos Extraordinarios, Subvenciones y Otros	8.376
Aprovisionamientos	(381.246)
Costes de captación clientes online y terceras partes	(15.755)
Datacenters y conectividad	(161.486)
Otros aprovisionamientos	(204.006)
Gastos de personal	(735.276)
Sueldos, salarios y asimilados	(610.604)
Cargas sociales	(124.672)
Otros gastos de explotación	(482.384)
Servicios exteriores	(423.980)
Servicios profesionales y otros	(347.241)
Marketing y publicidad	(31.409)
Costes internacionales excepto marketing	(45.330)
Pérdidas, deterioro y variación provisiones ops. comerciales	(58.404)
Otros resultados	(600)
Resultado bruto de explotación (EBITDA)	307.276
<i>Resultado bruto de explotación (EBITDA) %</i>	16,7%

FINANCIAL INFORMATION

- Gross sales rose by 30.2% year-on-year in the first quarter of 2018, to EUR 2.13 million from EUR 1.64 million in 1Q17, in line with the budget for the quarter. Net revenue (i.e. after discounting accrued services billed but not provided, and sales discounts and promotions) was up 34.5% year-on-year at EUR 1.84 million (versus EUR 1.37 million last year), slightly ahead of the EUR 1.83 million budgeted (see table).

PÉRDIDAS Y GANANCIAS CONSOLIDADA <i>Cifras en euros</i>	2018		2017		2018est	
	ENE-MAR	% Variac.	ENE-MAR	% Variac.	ENE-MAR	
Facturación a clientes	2.134.305	30,2%	1.638.726		2.138.015	
Periodificaciones de ventas	27.111	(195,0%)	(28.524)		(18.965)	(243,0%)
Descuentos y promociones sobre ventas	(318.162)	32,5%	(240.144)		(288.006)	10,5%
Importe neto de la cifra de negocios	1.843.254	34,5%	1.370.058		1.831.044	0,7%
Trabajos realizados para su activo	55.152	148,3%	22.213		54.708	0,8%
Ingresos Extraordinarios, Subvenciones y Otros	8.376	128,7%	3.663		18.338	(54,3%)
Aprovisionamientos	(381.246)	42,3%	(267.918)		(410.973)	(7,2%)
Costes de captación clientes online y terceras partes	(15.755)	5,4%	(14.954)		(18.505)	(14,9%)
Datacenters y conectividad	(161.486)	14,4%	(141.169)		(180.546)	(10,6%)
Otros aprovisionamientos	(204.006)	82,5%	(111.795)		(211.922)	(3,7%)
Gastos de personal	(735.276)	4,0%	(706.662)		(747.115)	(1,6%)
Sueldos, salarios y asimilados	(610.604)	4,4%	(584.653)		(611.532)	(0,2%)
Cargas sociales	(124.672)	2,2%	(122.010)		(135.583)	(8,0%)
Otros gastos de explotación	(482.384)	15,6%	(417.415)		(457.919)	5,3%
Servicios exteriores	(423.980)	3,8%	(408.340)		(420.995)	0,7%
Servicios profesionales y otros	(347.241)	30,7%	(265.748)		(294.541)	17,9%
Marketing y publicidad	(31.409)	(30,8%)	(45.355)		(46.427)	(32,3%)
Costes internacionales excepto marketing	(45.330)	(53,4%)	(97.237)		(80.027)	(43,4%)
Pérdidas, deterioro y variac. provisiones ops. comerciales	(58.404)	543,5%	(9.075)		(36.924)	58,2%
Otros resultados	(600)	(55,6%)	(1.352)		-	
Resultado bruto de explotación (EBITDA)	307.276	11,778%	2.587		288.083	6,7%
<i>Resultado bruto de explotación (EBITDA) %</i>	<i>16,7%</i>		<i>0,2%</i>		<i>15,7%</i>	
Margen bruto *	1.403.604	28,4%	1.093.064		1.383.146	1,5%
<i>Margen bruto %</i>	<i>76,1%</i>		<i>79,8%</i>		<i>75,5%</i>	

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

- Gross income amounted to EUR 1.4 million in the first three months of the year, an increase of 28.4% year-on-year and 1.5% above the budget for the period.
- The gross margin (gross income/revenue) was 76.1%, down from 79.8% in 1Q17 (but above the 75.5% budgeted). The reduction was caused by a 42.3% year-on-year increase in cost of sales and a 543.5% increase in losses, impairment and changes in trade provisions. Other supplies rose on the back of the increase in costs of licenses and third-party services sold to customers, as well as the lower gross income contributed by SVT. Losses, impairment and changes in trade provisions was up sharply in the period owing to the change in criteria for classifying doubtful receivables.
- Personnel expenses totalled EUR 0.74 million through 31 March 2018, up just 4% year-on-year (including staff added with the SVT acquisition) and 1.6% below the quarterly budget.
- Other operating expenses were up 15.6% year-on-year and 5.3% ahead of budget, at EUR 0.48 million, driven by growth in professional services and other due mostly to one-off

costs related to M&A activity (approximately EUR 80 thousand), which was offset partially by optimisation of international costs and marketing expenses.

- The Company posted positive EBITDA of EUR 307 thousand in the first quarter of 2018, marking a sharp increase from EUR 3 thousand in the same period last year and outperforming the budget by 6.7%. The EBITDA margin was 16.7%, compared to the 15.7% estimated.
- Capex and acquisitions of intangible assets in the first three months of 2017 amounted to EUR 0.16 million. The capex budget for FY 2018 is EUR 1.05 million.

In summary, sales were slightly ahead of budget, with the pace of growth accelerating sharply for the Company (to 34.5% year-on-year from 22.8% last year) thanks to the combination of organic growth and acquisitions. EBITDA outperformed the budget, underscoring the path toward profitability began by GIGAS a little over a year ago. Moreover, EBITDA was undermined by the one-off costs related to the SVT acquisition (of EUR 80 thousand); recurring EBITDA from operations totalled EUR 387 thousand. Recurring EBITDA, coupled with the increase in customer numbers in the first quarter, mark a good start to the year and bode well for the Company's earnings in 2018. In addition, further acquisitions will enable GIGAS to continue creating value for its shareholders.

Madrid, 30 May 2018.

Diego Cabezudo Fernández de la Vega
Chief Executive Officer
GIGAS HOSTING, S.A