



## PRESS RELEASE

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# **Gigas acquires AHP, a Portuguese cloud services provider, strengthening its status as a benchmark in the Iberian Peninsula**

The Portuguese company obtains annual revenue of around EUR 1.1 million and EBITDA margins of nearly 20%

Gigas (GIGA.MAB), multinacional española especializada en servicios de cloud computing, ha cerrado la adquisición del 100% del capital social del proveedor de servicios cloud portugués AHP, que pasa a formar parte del Grupo Gigas. AHP presta servicios de cloud hosting, principalmente a medianas empresas portuguesas, para alojamiento de todo tipo de aplicaciones corporativas.

Yesterday, Gigas announced the completion of its acquisition of 100% of the share capital of AHP, a Portuguese cloud services provider, which now forms part of the Gigas Group. AHP provides cloud hosting services, mostly to medium-sized enterprises, hosting all kinds of corporate applications.

Incorporated in 1999 and based in Lisbon, AHP was the first company to offer managed services, hosting services and, later on, cloud services to companies in Portugal. It will add slightly under 80 new corporate customers to the Group, six employees, and presence in two new datacenters in Lisbon and Porto.

In 2018, AHP obtained revenue of EUR 1.18 million (approximately 7% more than in 2017) and EBITDA of EUR 233 thousand (EBITDA margin of 19.7%). In 2019, it is expected to contribute just under EUR 200 thousand to Gigas' consolidated revenue.

The transaction includes payment of a fixed amount (mix of cash and assumption of financial debt) and a variable amount based on the AHP's sales in Portugal in 2020, 2021 and 2022. The fixed amount is EUR 1.7 million, of which 60% will be paid up front (including cancellation of a participating loan) and the remainder, 18% and 22%, will be deferred over 12 and 24 months, respectively.

For the variable amount, which depends on AHP's 2020, 2021 and 2022 sales in Portugal, Gigas could pay up to another EUR 1 million over three years, as of 2021. If the targets are met, as expected, the Gigas Group's Portuguese subsidiary would obtain EUR 2.25 million of revenue in 2022, implying a CAGR of more than 20% over the next three years.

The acquisition will be funded fully with available cash on the Group's balance sheet and bank debt, so the acquisition will not cause any dilution for Gigas





shareholders.

The acquisition strengthens Gigas' foothold in the Iberian Peninsula by offering combined services to customers with operations in both countries. Moreover, Gigas will start operating in a country where the market is enjoying strong growth and faces limited competition, providing it with a solid foundation to target new Portuguese-speaking markets for the on-line acquisition of new customers. AHP's current manager, José Ferreira Cruz, will lead the Gigas Group's efforts in Portugal.

The Company continues to assess acquisition opportunities that can add volume and value to the Group and is currently gearing its efforts towards larger deals that can help the Company grow faster.

#### **About Gigas.com**

Gigas is a Spanish cloud computing company listed on the Mercado Alternativo Bursátil (Spanish Alternative Equity Market or MAB) since 2015 (GIGA.MAB). Founded in 2011, it has become one of the world's leader providers in the sector, according to Gartner's "Magic Quadrant for Cloud Infrastructure as a Service" report. Gigas, which offers cloud computing solutions to large corporations and SMEs alike, is widely known for its cutting-edge technology and unrivalled technical support. The company has data centres in Madrid, Miami, Lisbon, Port and Santiago de Chile and offices in Spain, Portugal, Colombia, Chile, Peru, Miami, Panama and Mexico.

