



SIGNING OF BINDING AGREEMENT TO ACQUIRE
TELECOMMUNICATIONS CUSTOMER PORTFOLIO IN SPAIN
GIGAS HOSTING, S.A.

31 December 2020

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 (texto refundido de la Ley del Mercado de Valores) approved by Royal Legislative Decree 4/2015, of 23 October, and related provisions, and Circular 3/2020 of the BME Growth Segment of BMT MTF Equity ("BME Growth") on disclosures required of BME Growth companies, Gigas Hosting, S.A. ("GIGAS" or the "Company") hereby discloses to the market the signing of a binding agreement to acquire MásMóvil Group's telecommunications customer portfolio in Spain (the "Portfolio" or the "Business").

GIGAS signed today an agreement to acquire a portfolio of slightly over 3,000 business customers, mainly medium-sized and large enterprises, which fit perfectly with GIGAS' target customer portfolio.

The services provided to the new customers will include mainly connectivity, voice, and hosting and cloud services. The agreement was entered into with operator MásMóvil and will have economic effect as of 1 January 2021. However, completion of the deal is contingent on approval by the General Meeting of Shareholders of GIGAS in accordance with article 160f of the Spanish Companies Act (*Ley de Sociedades de Capital*) as the sale entails an essential asset.

Forecasts for 2020 indicate that the Portfolio could produce revenue of EUR 9.2 million and a contribution margin of approximately EUR 1.6 million, giving a contribution margin sales ratio of 17.4%. Once the Portfolio is integrated into GIGAS, its contribution to EBITDA should be close to that contribution margin.

In addition to the customers, GIGAS is also bringing on a highly qualified team that will continue to serve customers, not to mention a number of contracts with suppliers and assets directly linked to the Portfolio. This team will play a key role in GIGAS telecommunications services offering in Spain and in the development of new converging telecommunications and cloud services, in line with the Company's new strategy (see Inside Information of 16 October 2020).

The transaction price is EUR 9 million, of which 80% will be paid in close at the close of the transaction (immediately after authorisation is given by the General Meeting of Shareholders of GIGAS) and the remaining 20%, also in cash, 12 months later. The Company has the funds thanks to the two capital increases carried out recently. It also boasts considerable leverage capacity, enabling it to undertake the acquisition without any additional dilution for shareholders. **The Company estimates that its net financial debt post-acquisition of the Portfolio and the acquisition of telecommunications operator ONI in Portugal (see Inside Information of 8**

INSIDE INFORMATION

November 2020) will stand at approximately EUR 14 million; i.e. 1.2x pro-forma consolidated EBITDA.

In the Inside Information disclosed on 16 October 2020, the Company said it was in talks to acquire two business telecommunications companies. With today's acquisition, both are now complete. With this Portfolio and ONI, **GIGAS expects pro-forma revenue for 2020 of EUR 59.0 million and pro-forma adjusted consolidated EBITDA (excluding M&A costs) of EUR 11.8 million, implying a nearly six-fold increase in revenue and a nearly five-fold increase in EBITDA from 2019.**

GIGAS continues to press on with its strategy of becoming a relevant and pioneering operator in the converging enterprise telecommunications, cloud and security market in the Iberian Peninsula, strengthening its product offering to become a one stop shop for businesses and bringing in more human resources and telecommunications capabilities Spain, in addition to those acquired in Portugal, to enable the launch of OTT (i.e. over the top or use of third-party networks) telecommunications services in other countries.

GIGAS engaged Ernst&Young and PriceWaterhouseCoopers as advisors for the transaction.

Alcobendas, Madrid, 31 December 2020,

Diego Cabezudo
Chief Executive Officer
GIGAS HOSTING, S.A.