

gigas

the cloud hosting company TM

Investors Presentation

gigas.com

About Gigas

- Gigas is a cloud computing company founded in 2011, operating in the "**Infrastructure as a Service**" (IaaS) sector
- A sector with **significant growth rates** (over 25% per year in Spain and Latam, in the 2014-2018 period, according to Gartner), and consolidation opportunities
- Gigas has developed a **leading edge technology platform** (recognized by Gartner, MSPmentor, EuroCloud, The Cloud Awards and others) with an extremely intuitive and **easy to use user interface** (Control Panel)
- Besides Spain, the company has **local offices throughout Latin America** with commercial and pre-sales staff in each country in which it operates, and a very qualified **technical support** in Spanish (24/7), that has been key to its success

Gigas at a Glance



Employees

90



Customers

4,000



Offices

Spain, USA, Colombia, Peru, Chile, Panama and Mexico



Sector

“Infrastructure as a Service”
(IaaS)



6 Datacenters

Spain, USA, Chile,
Colombia (Tier III & IV)

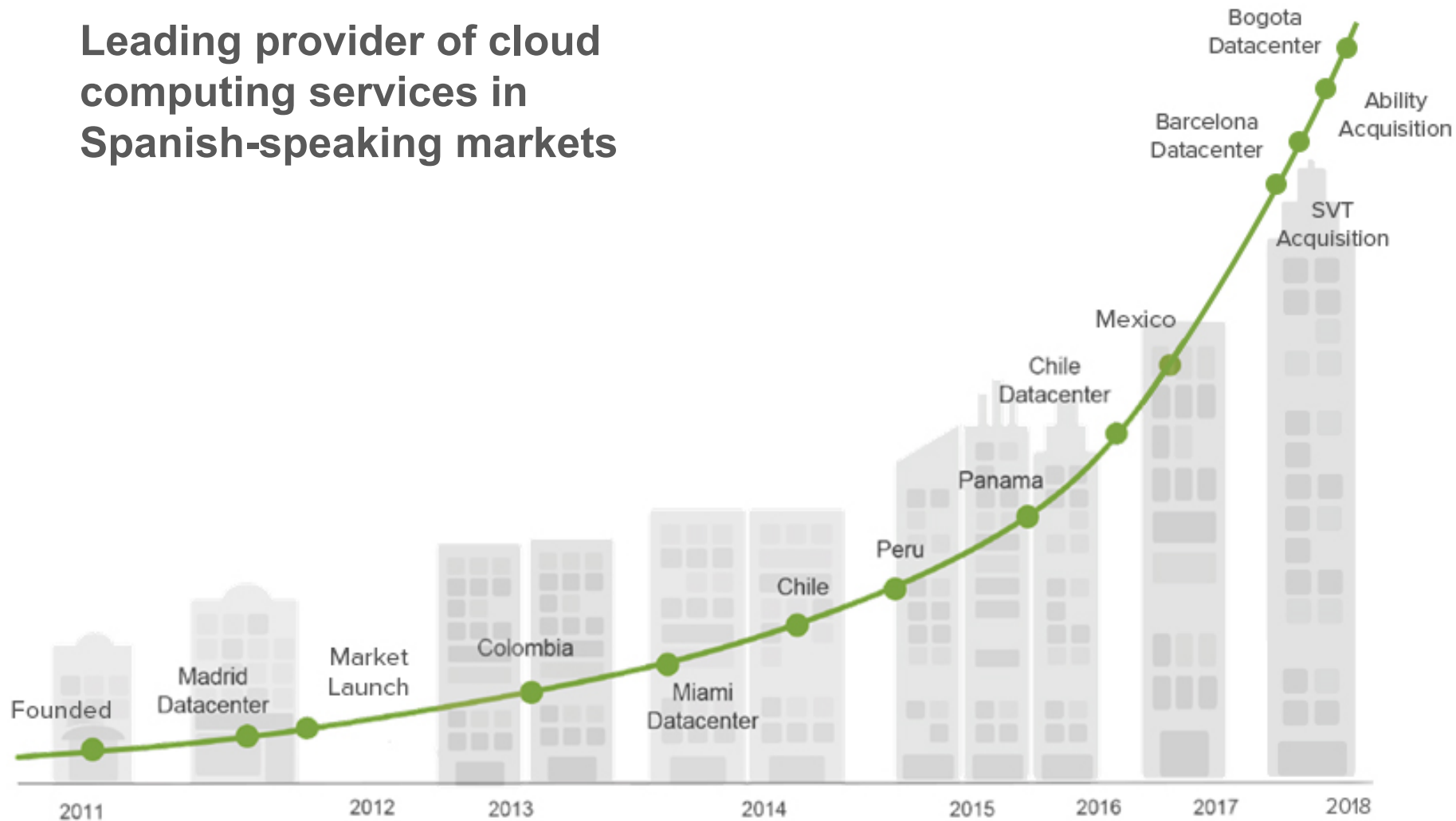


Listed on the Madrid Stock Exchange



Gigas Growth Overview

Leading provider of cloud computing services in Spanish-speaking markets



Experienced Team



Moisés Israel

CHAIRMAN

José Antonio Arribas

COO

Diego Cabezudo

CEO

Lola Molins

MARKETING DIRECTOR

Alberto Fernández

SALES DIRECTOR

Joaquín Miranda

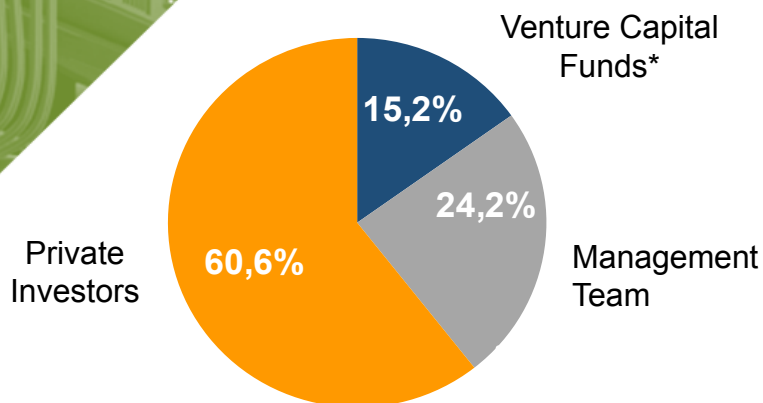
LATAM DIRECTOR

Cristian García

FINANCE CONTROLLER

Shareholders and Board of Directors

Shareholders



100% of Gigas shares are listed on the Alternative Stock Market (MAB) in the Madrid Stock Exchange.

*Venture Capital Funds:

- **Bonsai Venture Capital** (Investor in *idealista.com*, *Softonic*, *Tuenti*, *Infojobs*, *Offerum*, *Top Rural*, *Wuaki tv*,...)
- **Caixa Capital Risc**, La Caixa Group (investor in *Privalia*, *Groupalia*, *La Nevera Roja*,...)

Board of Directors



Board of Directors Secretary: **Patricia Manca, PWC**

Auditor: **Ernst&Young**

Well-known Reputation

1st

Cloud Service Provider in Spain
**MSPmentor Global Edition,
2015 & 2016**

1^o

Best Global Cloud Hosters
The Cloud Awards 2016, 2017

TOP
25

Significant Global Provider
**Gartner Cloud Infrastructure
as a Service 2013, 14, 15 & 17**

1^o

Best Cloud Hosting Service
eAwards 2013 & 2016

1st

Best IaaS Service
Eurocloud 2013 & 2014

TOP
5

Official Cloud Provider
for the European Commission

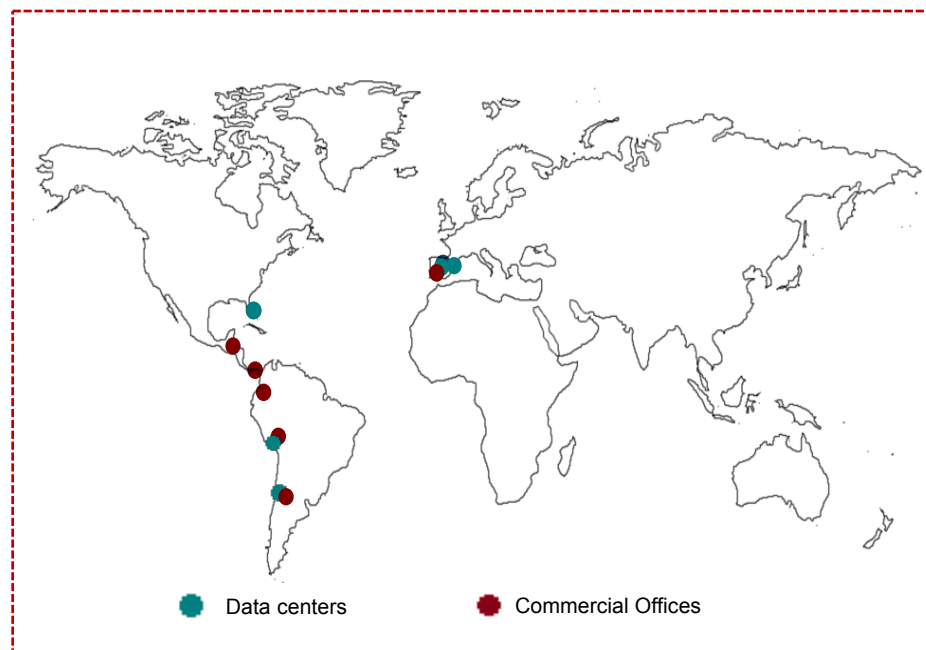
TOP
FT

1000 Europe's Fastest Growing Companies
(126th position)
Financial Times 2017, 18



Infrastructure & Technological Partners

- Own infrastructure in five external data centers, with the highest Security and Availability certifications (Tier III and Tier IV):
 - Madrid (two datacenters)
 - Barcelona
 - Miami
 - Santiago de Chile
 - Bogota
- Infrastructure provided by market leaders: HP, NetApp, Cisco, Solidfire, Fortinet.
- CAPEX Investment: €6.2M in the period 2011-2017
- Ratio CAPEX / Sales down from 1.0x in 2012 to 0.17x in 2017 (0.12x expected in '18)



Main Partners



Some Companies Hosted by Gigas



Services and Customer Segments

gigas cloud hosting made easy customer login

Cloud Datacenter Cloud VPS about gigas frequently asked questions help & support control panel 10 reasons blog twitter



Cloud VPS

How to upgrade your old VPS to the new cloud platform? Cloud VPS is our answer to that question. Private servers, guaranteed resources and a next generation platform with all the advantages of cloud hosting: powerful, flexible, affordable, secure, immediate and easy.

- Better than a VPS: all the advantages of cloud hosting ✓
- Choose where to host your VPS: **Madrid or Miami** ✓
- Next generation platform: guaranteed resources ✓
- We help you migrate your services ✓
- If you are not satisfied, you get your money back ✓

Cloud VPS is great if:



you have a website or a blog



you have a conventional VPS



you have multiple websites



you have a shared hosting



you use opensource solutions



you are a developer or a designer



Now all our Cloud VPS with more RAM, Basic Administration and Unlimited Transfer.

For more information contact our support department.

nova 2 FREE MONTHS \$16.5* per month our most affordable plan to move the way to the cloud 2 gigas of RAM guaranteed 25 gigas of disk 400GB + unlimited transfer* continue	pro 2 FREE MONTHS \$38* per month Power and resources for most websites and applications 4 gigas of RAM guaranteed 50 gigas of disk 600GB + unlimited transfer* continue	élite 2 FREE MONTHS \$64* per month for demanding projects and performance websites 5 gigas of ram guaranteed 75 gigas of disk 1200GB + unlimited transfer* continue	summmum 2 FREE MONTHS \$90* per month Cloud VPS server to its full potential 6 gigas of ram guaranteed 100 gigas of disk 1600GB + unlimited transfer* continue
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Cloud Datacenter Cloud VPS about gigas frequently asked questions help & support control panel 10 reasons blog twitter



Cloud Datacenter

Finally a cloud service easy to buy and use. Build your own cloud data center in one minute with all the power you need.

- Real cloud, flexible, powerful and affordable ✓
- Grow up to 96GB of RAM and more than 100GHz of CPU! ✓
- Choose operating system and create your servers ✓
- Choose where to host your servers: **Madrid or Miami** ✓
- We help you migrate your services ✓

Configure your Cloud Datacenter



32 gigas

**RAM**
32GB

**CPU**
75GHZ

**Disk**
600GB

**Transfer**
4500GB

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[Call me](#)

Track Record

- In just six and a half years (2012-2018), Gigas has attracted almost 4,000 business customers, making it one of the leading IaaS providers in Spain and the only official Spanish cloud provider for the European Commission and its government bodies
- The company's business model is based on recurring revenues and low churn, and stands out for its flexibility, cost control and innovative features as well as its ability to expand to new markets or countries in a cost efficient manner.
- With high gross margin (75%+) and stable fixed costs, EBITDA has consistently been growing strong for the past few quarters
- The company has started to combine its good organic growth with acquisitions to achieve volume faster and increase its profitability
- To fund the inorganic growth, Gigas secured €2.5M in convertible bonds from investor Inveready in April

GIGAS wants to be the leading IaaS provider in the Spanish-speaking countries and has a management team with execution power

Market Consolidation

- The cloud and hosting market is dominated by a few large players which represent c. 50% of the market, whereas the other half is extremely fragmented
- Gigas is exploiting the opportunity to consolidate the market acquiring companies with good business customer bases which bring volume and significant synergies
- Gigas has acquired two companies already this year (January and May) and continues to evaluate new acquisition targets



SVT

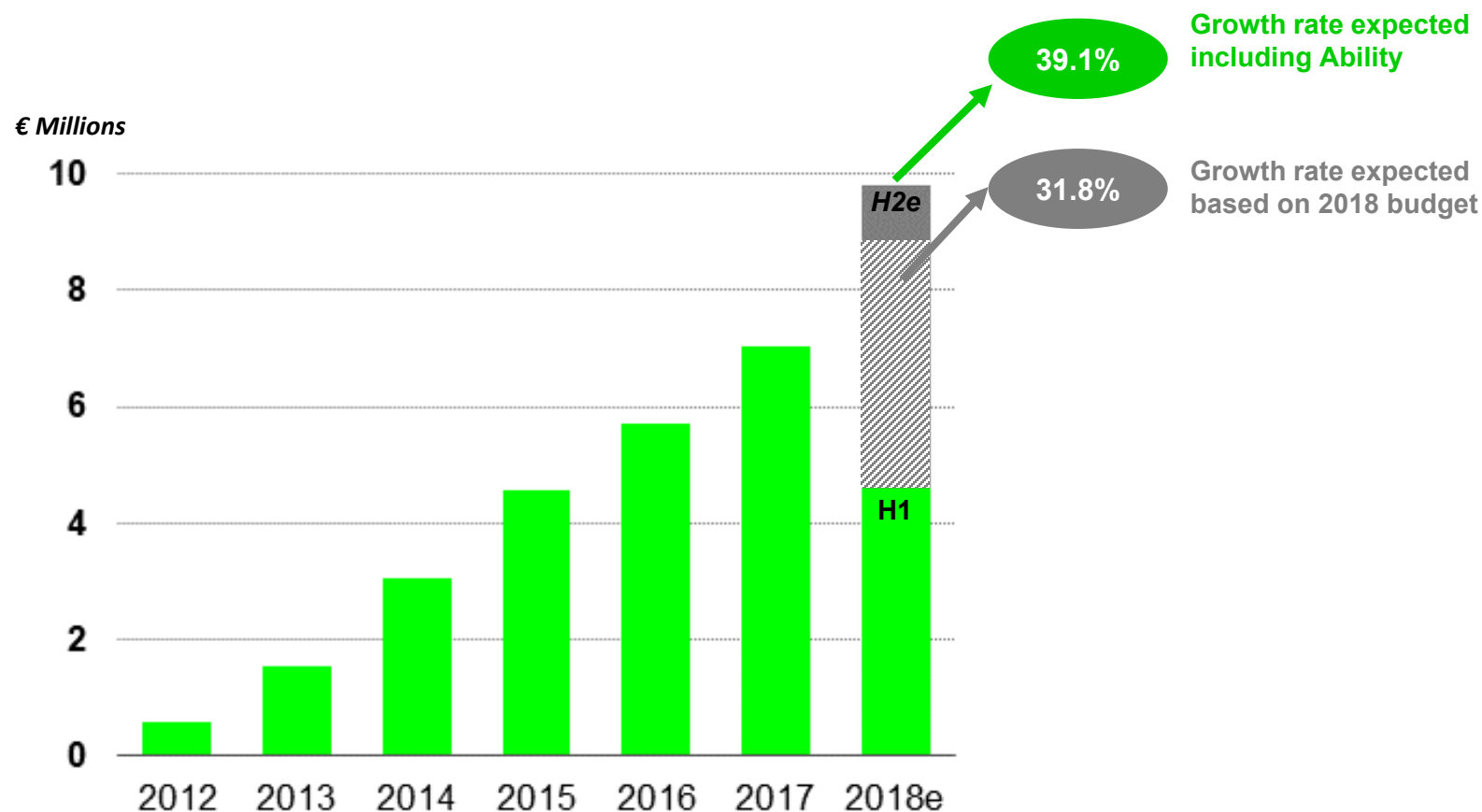
Country: Spain
Est. 2018 Revenue: €0.83M
EBITDA 2017: €0.15M (18%)
EV: 0.8x sales
Customers: 250 businesses
Employees: 5



ABILITY

Country: Colombia
Est. 2018 Revenue: €1.63M
EBITDA 2017: €0.4M (25%)
EV: 1.2x sales
Customers: 75 businesses
Employees: 13

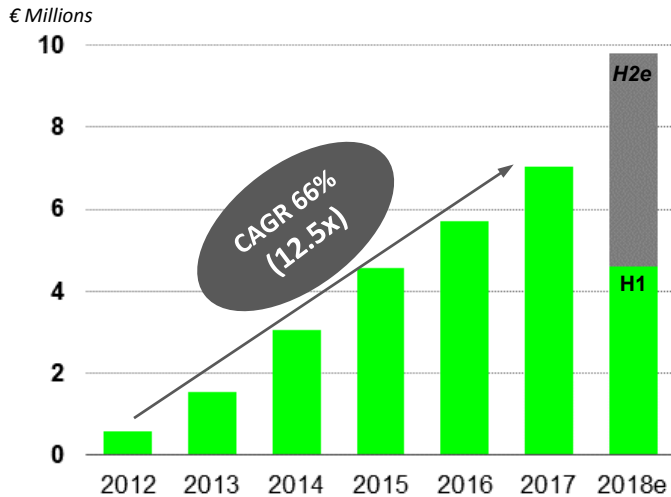
Historical Sales and EBITDA Growth



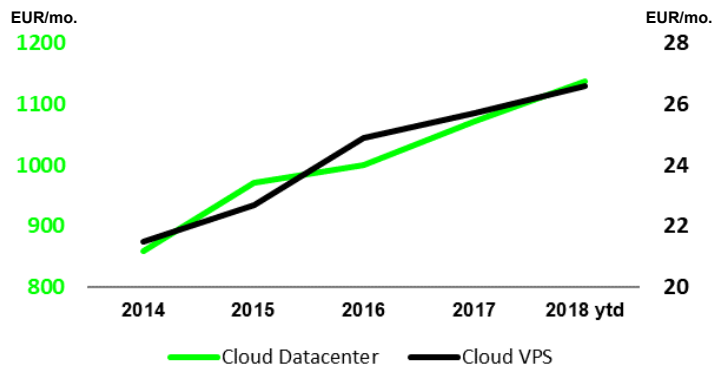
- EBITDA growing strong from negative €0.19M in 2016 to €0.57M in 2017 and est. €1.5M in 2018

Sales and Customer KPIs 2012-2018

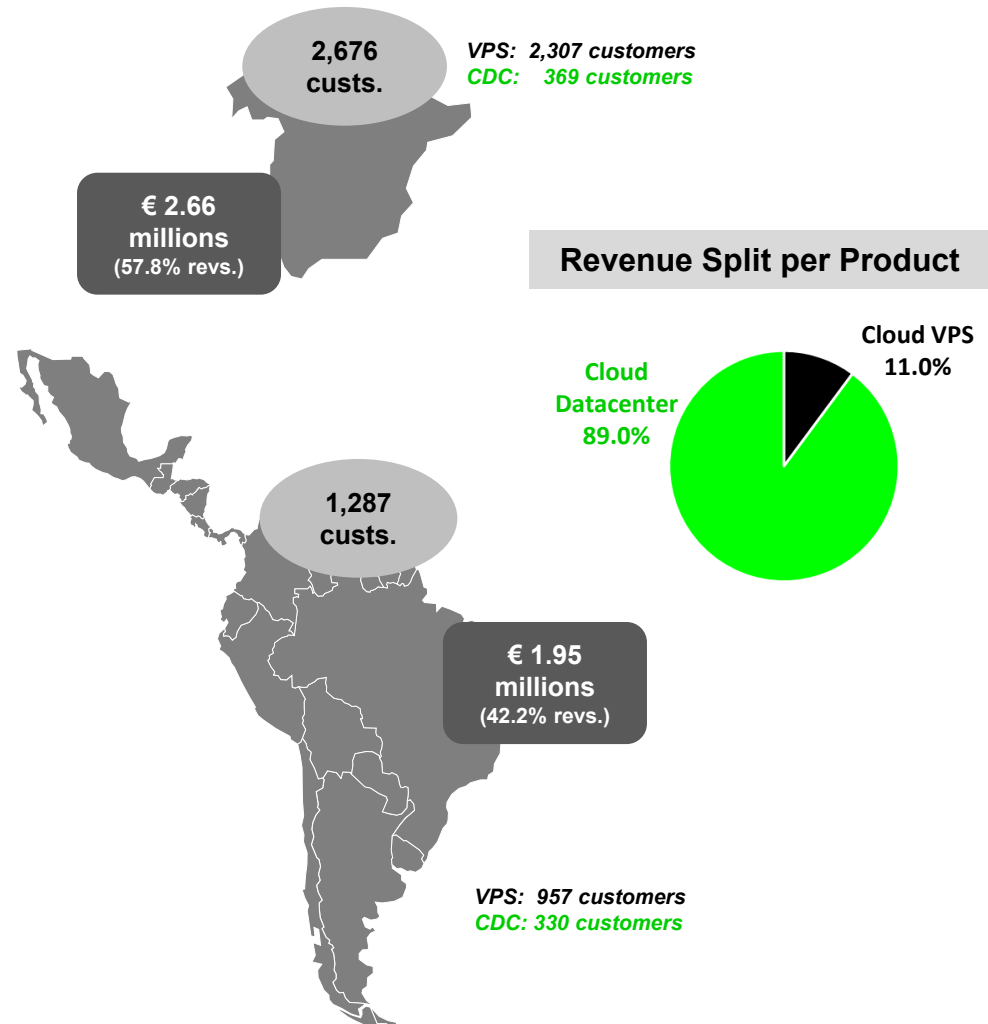
Gross Revenues Growth



ARPU Growth



Gross Revenues and Customers Distribution H1 2018



2018 Budget

CONSOLIDATED GROUP BUDGET

Figures in EUR

	Q1	Q2	Q3	Q4	2018est	% Chg.	2017
Customer revenue	2.138.015	2.222.952	2.391.316	2.541.191	9.293.474	31,8%	7.053.165
Accrued sales	(18.965)	39.143	8.865	(59.557)	(30.514)	17,1%	(26.058)
Sales discounts and promotions	(288.006)	(287.715)	(305.554)	(310.116)	(1.191.392)	10,3%	(1.080.281)
Net revenue	1.831.044	1.974.380	2.094.627	2.171.517	8.071.568	35,7%	5.946.826
Own R&D costs capitalised	54.708	55.083	53.788	54.368	217.947	31,4%	165.833
Non-recurring income, grants and other	18.338	18.663	17.483	18.098	72.582	106,5%	35.151
Cost of sales	(410.973)	(442.529)	(480.896)	(499.897)	(1.834.295)	70,3%	(1.077.128)
Online and third-party customer acquisition costs	(18.505)	(19.190)	(18.416)	(20.564)	(76.675)	4,5%	(73.384)
Datacenters and connectivity	(180.546)	(192.182)	(208.471)	(217.467)	(798.666)	38,8%	(575.416)
Other supplies	(211.922)	(231.157)	(254.009)	(261.865)	(958.953)	123,9%	(428.328)
Personnel expenses	(747.115)	(802.556)	(841.967)	(840.493)	(3.232.132)	11,8%	(2.891.301)
Salaries and wages	(611.532)	(651.743)	(685.045)	(681.510)	(2.629.830)	10,7%	(2.375.557)
Social security costs	(135.583)	(150.814)	(156.922)	(158.983)	(602.302)	16,8%	(515.744)
Other operating expenses	(457.919)	(499.181)	(490.788)	(508.956)	(1.956.844)	22,1%	(1.603.090)
External services	(420.995)	(460.966)	(441.929)	(459.405)	(1.783.295)	18,8%	(1.500.460)
Professional services and other	(294.541)	(307.183)	(319.649)	(309.306)	(1.230.679)	15,3%	(1.066.996)
Marketing and publicity	(46.427)	(59.272)	(35.166)	(58.527)	(199.391)	37,6%	(144.936)
International expenses, except marketing	(80.027)	(94.511)	(87.114)	(91.572)	(353.224)	22,4%	(288.528)
Losses, impairment and changes in trade provisions	(36.924)	(38.214)	(48.859)	(49.551)	(173.549)	69,1%	(102.630)
Other income and expenses	-	-	-	-	-	-	(4.265)
EBITDA	288.083	303.859	352.247	394.637	1.338.827	134%	572.026
<i>EBITDA margin, %</i>	<i>15,7%</i>	<i>15,4%</i>	<i>16,8%</i>	<i>18,2%</i>	<i>16,6%</i>	<i>72,4%</i>	<i>9,6%</i>
Gross margin *	1.383.146	1.493.636	1.564.872	1.622.070	6.063.724	30,4%	4.649.643
<i>Gross margin, %</i>	<i>75,5%</i>	<i>75,7%</i>	<i>74,7%</i>	<i>74,7%</i>	<i>75,1%</i>	<i>(3,9%)</i>	<i>78,2%</i>

NB *: Gross margin is calculated as 'Net revenue' less 'Cost of sales'

2018 H1 Results Compared to 2017 and Budget

CONSOLIDATED INCOME STATEMENT

Figures in EUR

	2018 JAN-MAR	2018 APR-JUNE	2018 JAN-JUNE		2017 JAN-JUNE		2018 budget JAN-JUNE
Gross sales	2.134.305	2.475.065	4.609.370	37,3%	3.357.596	5,7%	4.360.967
Accrued sales	27.111	(61.228)	(34.117)		27.610		20.178
Sales discounts and promotions	(318.162)	(319.648)	(637.810)	26,5%	(504.326)	10,8%	(575.721)
Revenue	1.843.254	2.094.189	3.937.443	36,7%	2.880.880	3,5%	3.805.423
Own R&D costs capitalised	55.152	69.082	124.234	121,8%	56.019	13,2%	109.791
Non-recurring income, grants and other	8.376	31.486	39.861	441,2%	7.366	7,7%	37.001
Cost of sales	(381.246)	(459.284)	(840.530)	58,6%	(529.880)	(1,5%)	(853.502)
Online and third-party customer acquisition costs	(15.755)	(13.680)	(29.434)	(2,2%)	(30.083)	(21,9%)	(37.695)
Datacenters and connectivity	(161.486)	(207.433)	(368.919)	30,5%	(282.784)	(1,0%)	(372.728)
Other cost of sales	(204.006)	(238.171)	(442.177)	103,8%	(217.013)	(0,2%)	(443.079)
Personnel expenses	(735.276)	(802.673)	(1.537.949)	7,8%	(1.426.596)	(0,8%)	(1.549.671)
Salaries and wages	(610.604)	(657.593)	(1.268.197)	8,0%	(1.174.174)	0,4%	(1.263.275)
Social security costs	(124.672)	(145.080)	(269.752)	6,9%	(252.422)	(5,8%)	(286.396)
Other operating expenses	(482.385)	(827.530)	(1.309.915)	50,9%	(868.276)	36,9%	(957.100)
External services	(423.980)	(512.212)	(936.192)	13,1%	(827.690)	6,1%	(881.961)
Professional services and other	(347.241)	(387.301)	(734.542)	20,7%	(608.737)	22,1%	(601.724)
Marketing and advertising	(31.409)	(57.657)	(89.066)	16,2%	(76.632)	(15,7%)	(105.699)
International expenses, except marketing	(45.330)	(67.254)	(112.584)	(20,9%)	(142.321)	(35,5%)	(174.538)
Losses, impairment and changes in trade provisions	(58.405)	(315.318)	(373.723)	820,8%	(40.586)	397,4%	(75.139)
Other income and expenses	(600)	-	(600)	(69,3%)	(1.952)		-
EBITDA	307.274	105.270	412.544	250,9%	117.561	(30,3%)	591.942
<i>EBITDA margin, %</i>	<i>16,7%</i>	<i>5,0%</i>	<i>10,5%</i>	<i>156,8%</i>	<i>4,1%</i>	<i>(32,6%)</i>	<i>15,6%</i>
Recurring EBITDA (before M&A and extraord.) *			824.009	600,9%	117.561	39,2%	591.942
<i>Recurring EBITDA (before M&A and extraord.) %</i>			<i>20,9%</i>	<i>412,8%</i>	<i>4,1%</i>	<i>34,5%</i>	<i>15,6%</i>
Gross income **	1.462.008	1.634.905	3.096.912	31,7%	2.351.000	4,9%	2.951.921
<i>Gross margin, %</i>	<i>79,3%</i>	<i>78,1%</i>	<i>78,7%</i>	<i>(3,6%)</i>	<i>81,6%</i>	<i>1,4%</i>	<i>77,6%</i>

NOTE*: EBITDA before taking into account costs related to M&A transactions and certain extraordinary bad debt costs.

NOTE:** Gross margin is calculated as 'Net revenue' less 'Cost of sales'

2018 H1 Results and Revised Forecast for 2018

- H1 closed with €4.61M gross revenues (€3.94M net revs), 37.3% higher than H1 2017
- EBITDA before M&A and extraordinary provisions reached €0.82M (€0.41M accounting EBITDA), much higher than €0.1M in the same period last year
- Expected to close 2018 with **€9.8M in gross revenues and €8.5M in net revenues**, higher than the €9.3M and €8.1M included in Budget
- **EBITDA for H2 estimated to surpass €1M, closing 2018 with a total of €1.5M in accounting EBITDA** (higher than €1.3M budgeted)
- EBITDA runrate (Q4 multiplied by four) would go beyond €2M
- Gigas continues evaluating new opportunities to grow inorganically

H1 2018 Balance Sheet

- Intangible assets, accounts payable, accounts receivable, equity and long term debt have grown substantially because acquisitions
- Expected Net Financial Debt for end of 2018 is €2.0M (€4.2M gross), representing about 1.4x EBITDA, including M&A vendor debt (without Ability's earn-out) but excluding convertible bonds

	1H 2018 Limited rev.	2017 Audited		1H 2018 Limited rev.	2017 Audited
NON-CURRENT ASSETS	9.472.178	5.966.724	EQUITY	4.978.530	4.099.096
Intangible assets	3.882.398	1.340.788	Shareholders' equity	4.950.032	4.070.902
Development	110.581	165.833	Capital	86.446	85.500
Licenses, patents	36.574	38.990	Share premium	8.726.612	8.427.563
Software	1.157.262	1.135.965	Reserves	(243.601)	(243.601)
Goodwill	2.142.285	-	Treasury shares	(219.192)	(225.062)
Customer relations	435.696	-	Prior year's losses	(4.205.379)	(3.712.869)
Property, plant and equipment	2.960.216	2.315.512	Loss for the period	(266.454)	(492.510)
Non-current investments	281.195	181.033	Other equity instruments	1.071.599	231.881
Deferred tax assets	2.348.369	2.129.391	Translation differences	(15.791)	(23.460)
CURRENT ASSETS	3.840.653	2.756.632	Grants, donations and bequests	44.289	51.654
Trade and other receivables	1.676.677	894.031	NON-CURRENT LIABILITIES	4.401.710	1.992.922
Trade receivables	1.501.098	805.516	Non-current payables	4.175.168	1.912.722
Other receivables and empl. receivables	72.093	20.115	Deferred tax liabilities	226.542	80.200
Current tax assets	80.904	50.673	CURRENT LIABILITIES	3.932.591	2.631.339
Other receivables	22.582	17.727	Current provisions	98.245	120.534
Investments	16.823	2.088	Current payables	1.873.118	1.586.512
Current accruals	207.050	211.127	Trade and other payables	1.382.017	428.965
Cash and cash equivalents	1.940.103	1.649.386	Current accruals	579.211	495.328
TOTAL ASSETS	13.312.831	8.723.356	TOTAL LIABILITIES	13.312.831	8.723.356

Share Price Evolution

- At 6.40 euros, 83.91% share price increase in 2018 so far, 161% increase in the last twelve months and 96.9% increase since IPO
- One of the most liquid shares in the Alternative Market with over 1,3M shares (€7.3M) exchanged this year (~45% rotation)



Contact Information

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