

# gigas

the cloud hosting company™

## Investors Presentation

*European Spring Midcap Event, Paris, June 2018*

[gigas.com](http://gigas.com)

# About Gigas

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- 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 Latinamerica** with commercial and pre-sales staff in each country in which it operates, and a very qualified **technical support** in Spanish (24/7), which has been key to its success

# Gigas at a Glance



## Employees

+90



## Sector

“Infrastructure as a Service” (IaaS)



## Customers

+4,000



## 6 Datacenters

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



## Offices

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



## Listed on the Madrid Stock Exchange



# Experienced Team



**Moisés Israel**

**CHAIRMAN**

**José Antonio Arribas**

**COO**

**Diego Cabezudo**

**CEO**

**Lola Molins**

**MARKETING DIRECTOR**

**Alberto Fernández**

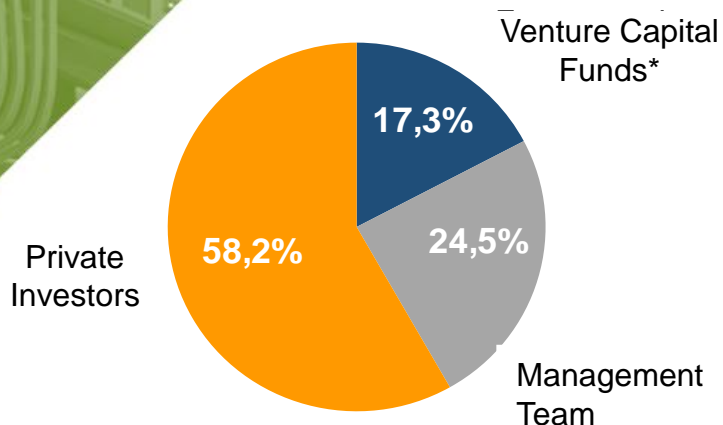
**SALES DIRECTOR**

**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

1<sup>st</sup>

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

1<sup>o</sup>

Best Global Cloud Hoster  
**The Cloud Awards 2016, 2017**

TOP  
25

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

1<sup>o</sup>

Best Cloud Hosting Service  
**eAwards 2013 & 2016**

1<sup>st</sup>

Best IaaS Service  
**Eurocloud 2013 & 2014**

TOP  
5

Official Cloud Provider  
**for the European Commission**

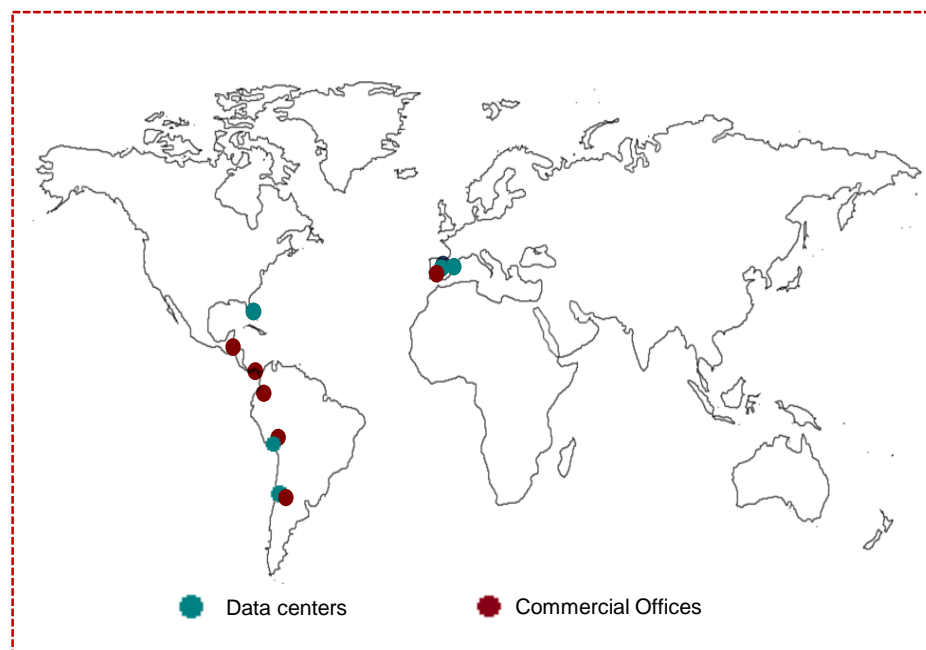
TOP  
FT

1000 Europe's Fastest Growing Companies  
(126<sup>th</sup> position)  
**Financial Times 2017**



# Infrastructure & Technological Partners

- Own infrastructure in six 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



~4,000  
business  
customers





# 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 platforms? 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.

<p><b>nova</b> <b>2 FREE MONTHS</b></p> <p><b>\$16.5*</b> per month our most affordable plan to move the way to the cloud</p> <p>2 gigas of RAM guaranteed</p> <p>25 gigas of disk 400GB + unlimited transfer*</p> <p>continue</p>	<p><b>pro</b> <b>2 FREE MONTHS</b></p> <p><b>\$38</b> per month Power and resources for most websites and applications</p> <p>4 gigas of RAM guaranteed</p> <p>50 gigas of disk 600GB + unlimited transfer*</p> <p>continue</p>	<p><b>élite</b> <b>2 FREE MONTHS</b></p> <p><b>\$64</b> per month for demanding projects and performance sensitive</p> <p>5 gigas of ram guaranteed</p> <p>75 gigas of disk 1200GB + unlimited transfer*</p> <p>continue</p>	<p><b>sumnum</b> <b>2 FREE MONTHS</b></p> <p><b>\$90</b> per month Cloud VPS level to its full potential</p> <p>6 gigas of ram guaranteed</p> <p>100 gigas of disk 1600GB + unlimited transfer*</p> <p>continue</p>
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**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 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

continue

Need a custom solution?

Give us a call without obligation at +34 91 141 96 00 or if you prefer, we can call you, leave us your phone number here:

Country code:  Area:  No.

Call me

24

# Track Record

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- 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

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- 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

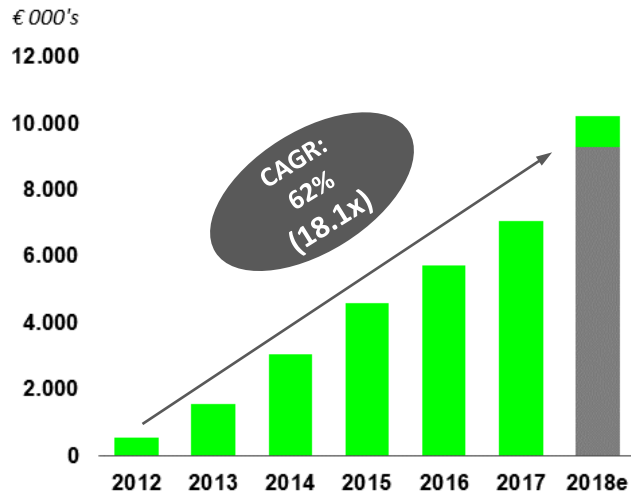


## ABILITY

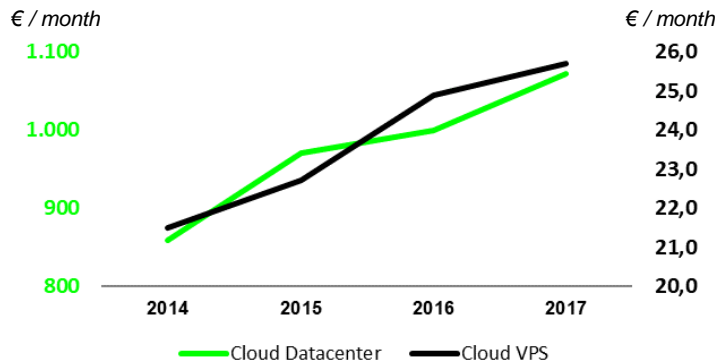
Country: Colombia  
Est. 2018 Revenue: €1.63M  
EBITDA 2017: €0.4M (25%)  
EV: 1.2x sales  
Customers: 75 businesses  
Employees: 13

# Sales and Customer KPIs 2012-2017

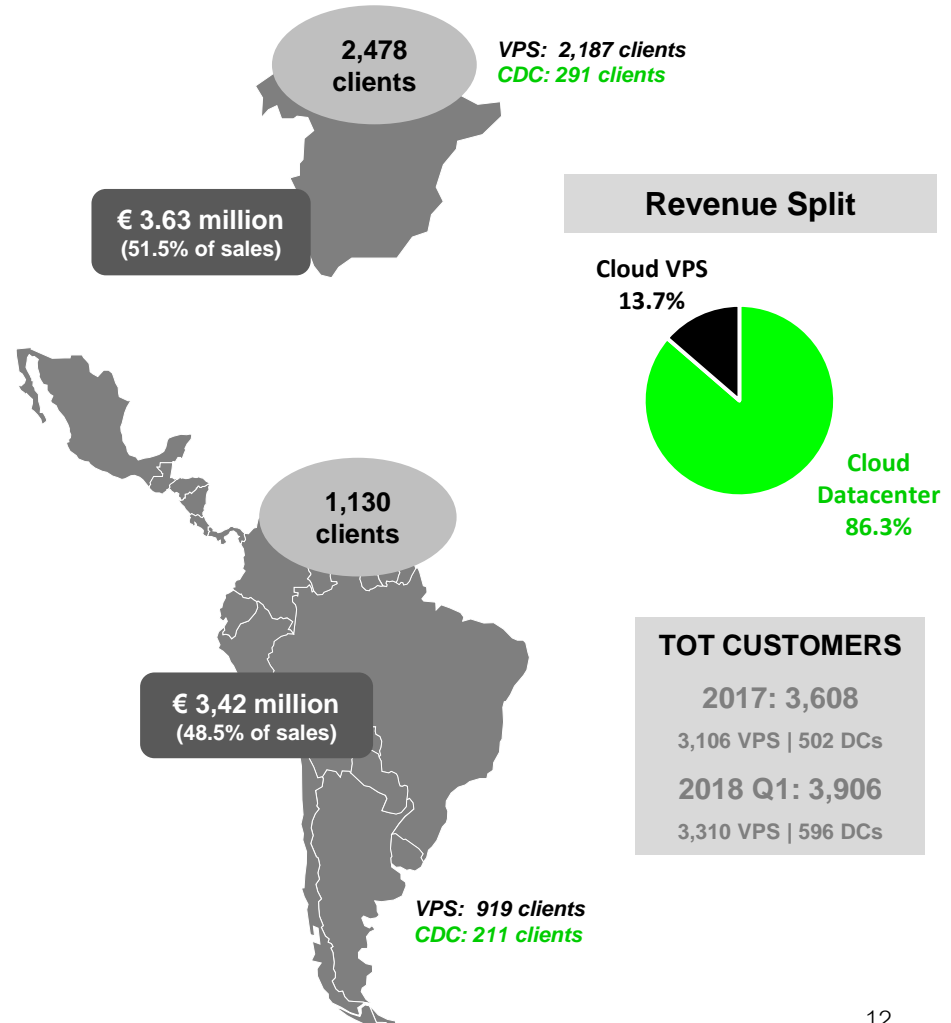
## Gross Sales



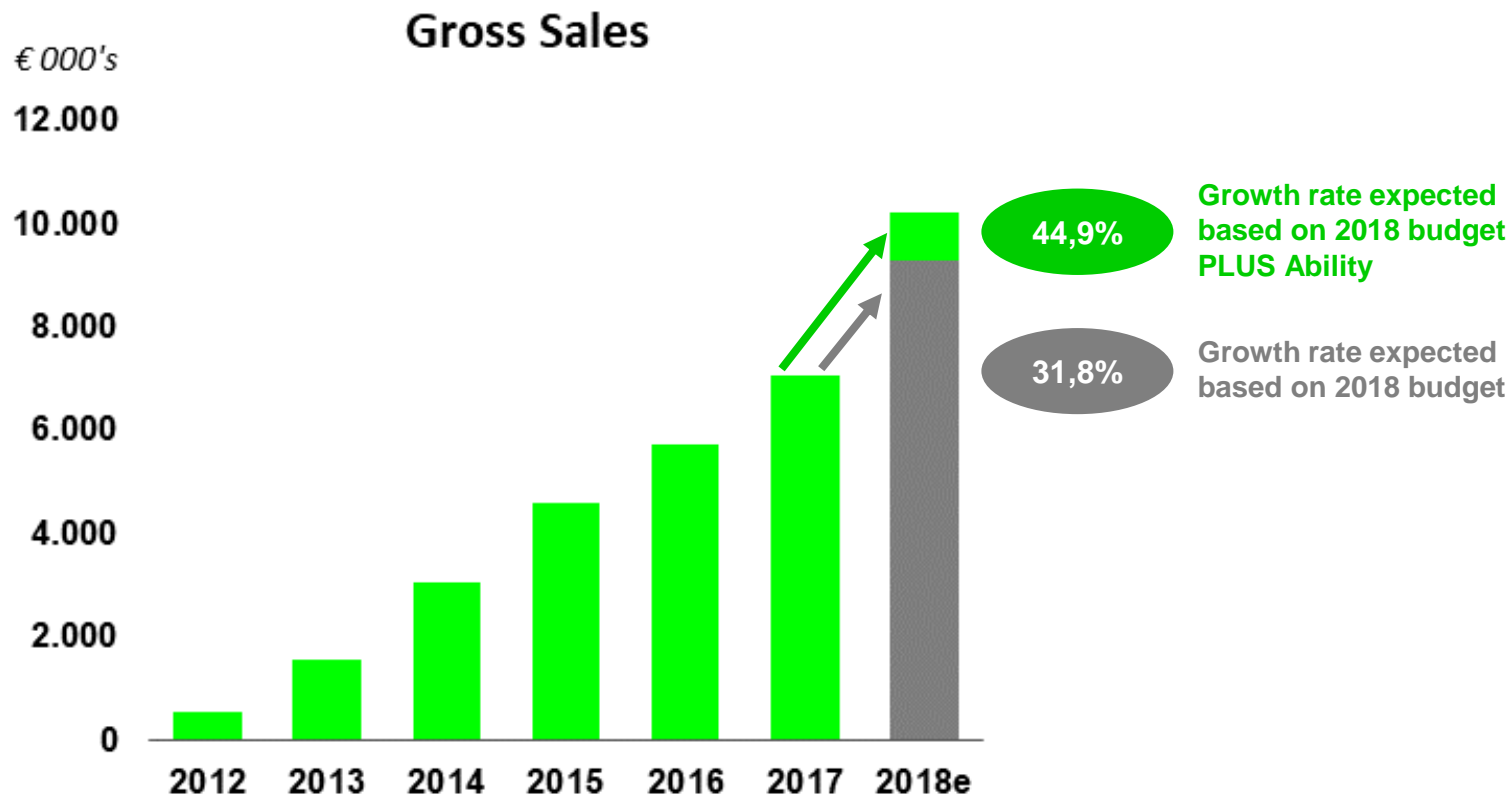
## ARPU



## 2017 Geographic Split of Customers and Sales



# Historical Sales and EBITDA Growth



- EBITDA growing strong from negative **€0.19M** in 2016 to €0.57M in 2017 and est. €1.34M in 2018 (approx. €800K per year)

# 2018 Budget

## CONSOLIDATED GROUP BUDGET

Figures in EUR

	Q1	Q2	Q3	Q4	2018est	% Chg.	2017
<b>Customer revenue</b>	<b>2.138.015</b>	<b>2.222.952</b>	<b>2.391.316</b>	<b>2.541.191</b>	<b>9.293.474</b>	<b>31,8%</b>	<b>7.053.165</b>
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)
<b>Net revenue</b>	<b>1.831.044</b>	<b>1.974.380</b>	<b>2.094.627</b>	<b>2.171.517</b>	<b>8.071.568</b>	<b>35,7%</b>	<b>5.946.826</b>
<b>Own R&amp;D costs capitalised</b>	<b>54.708</b>	<b>55.083</b>	<b>53.788</b>	<b>54.368</b>	<b>217.947</b>	<b>31,4%</b>	<b>165.833</b>
<b>Non-recurring income, grants and other</b>	<b>18.338</b>	<b>18.663</b>	<b>17.483</b>	<b>18.098</b>	<b>72.582</b>	<b>106,5%</b>	<b>35.151</b>
<b>Cost of sales</b>	<b>(410.973)</b>	<b>(442.529)</b>	<b>(480.896)</b>	<b>(499.897)</b>	<b>(1.834.295)</b>	<b>70,3%</b>	<b>(1.077.128)</b>
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)
<b>Personnel expenses</b>	<b>(747.115)</b>	<b>(802.556)</b>	<b>(841.967)</b>	<b>(840.493)</b>	<b>(3.232.132)</b>	<b>11,8%</b>	<b>(2.891.301)</b>
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)
<b>Other operating expenses</b>	<b>(457.919)</b>	<b>(499.181)</b>	<b>(490.788)</b>	<b>(508.956)</b>	<b>(1.956.844)</b>	<b>22,1%</b>	<b>(1.603.090)</b>
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)
<b>Other income and expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.265)</b>
<b>EBITDA</b>	<b>288.083</b>	<b>303.859</b>	<b>352.247</b>	<b>394.637</b>	<b>1.338.827</b>	<b>134%</b>	<b>572.026</b>
<b>EBITDA margin, %</b>	<b>15,7%</b>	<b>15,4%</b>	<b>16,8%</b>	<b>18,2%</b>	<b>16,6%</b>	<b>72,4%</b>	<b>9,6%</b>
<b>Gross margin *</b>	<b>1.383.146</b>	<b>1.493.636</b>	<b>1.564.872</b>	<b>1.622.070</b>	<b>6.063.724</b>	<b>30,4%</b>	<b>4.649.643</b>
<b>Gross margin, %</b>	<b>75,5%</b>	<b>75,7%</b>	<b>74,7%</b>	<b>74,7%</b>	<b>75,1%</b>	<b>(3,9%)</b>	<b>78,2%</b>

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

# 2018 Q1 Results Compared to 2017 and Budget

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>2018</b>		<b>2017</b>		<b>2018est</b>	
<i>Figures in EUR</i>	<b>JAN-MAR</b>	<b>% Chg.</b>	<b>JAN-MAR</b>	<b>% Chg.</b>	<b>JAN-MAR</b>	
<b>Customer revenue</b>	<b>2.134.305</b>	<b>30,2%</b>	<b>1.638.726</b>	<b>(0,2%)</b>	<b>2.138.015</b>	
Accrued sales	27.111	(195,0%)	(28.524)	(243,0%)	(18.965)	
Sales discounts and promotions	(318.162)	32,5%	(240.144)	10,5%	(288.006)	
<b>Net revenue</b>	<b>1.843.254</b>	<b>34,5%</b>	<b>1.370.058</b>	<b>0,7%</b>	<b>1.831.044</b>	
<b>Own R&amp;D costs capitalised</b>	<b>55.152</b>	<b>148,3%</b>	<b>22.213</b>	<b>0,8%</b>	<b>54.708</b>	
<b>Non-recurring income, grants and other</b>	<b>8.376</b>	<b>128,7%</b>	<b>3.663</b>	<b>(54,3%)</b>	<b>18.338</b>	
<b>Cost of sales</b>	<b>(381.246)</b>	<b>42,3%</b>	<b>(267.918)</b>	<b>(7,2%)</b>	<b>(410.973)</b>	
Online and third-party customer acquisition costs	(15.755)	5,4%	(14.954)	(14,9%)	(18.505)	
Datacenters and connectivity	(161.486)	14,4%	(141.169)	(10,6%)	(180.546)	
Other supplies	(204.006)	82,5%	(111.795)	(3,7%)	(211.922)	
<b>Personnel expenses</b>	<b>(735.276)</b>	<b>4,0%</b>	<b>(706.662)</b>	<b>(1,6%)</b>	<b>(747.115)</b>	
Salaries and wages	(610.604)	4,4%	(584.653)	(0,2%)	(611.532)	
Social security costs	(124.672)	2,2%	(122.010)	(8,0%)	(135.583)	
<b>Other operating expenses</b>	<b>(482.384)</b>	<b>15,6%</b>	<b>(417.415)</b>	<b>5,3%</b>	<b>(457.919)</b>	
External services	(423.980)	3,8%	(408.340)	0,7%	(420.995)	
Professional services and other	(347.241)	30,7%	(265.748)	17,9%	(294.541)	
Marketing and publicity	(31.409)	(30,8%)	(45.355)	(32,3%)	(46.427)	
International expenses, except marketing	(45.330)	(53,4%)	(97.237)	(43,4%)	(80.027)	
Losses, impairment and changes in trade provisions	(58.404)	543,5%	(9.075)	58,2%	(36.924)	
<b>Other income and expenses</b>	<b>(600)</b>	<b>(55,6%)</b>	<b>(1.352)</b>		<b>-</b>	
<b>EBITDA</b>	<b>307.276</b>	<b>11.778%</b>	<b>2.587</b>	<b>6,7%</b>	<b>288.083</b>	
	<b>EBITDA margin, %</b>	<b>16,7%</b>	<b>0,2%</b>		<b>15,7%</b>	
<b>Gross margin *</b>	<b>1.403.604</b>	<b>28,4%</b>	<b>1.093.064</b>	<b>1,5%</b>	<b>1.383.146</b>	
	<b>Gross margin, %</b>	<b>76,1%</b>	<b>79,8%</b>		<b>75,5%</b>	

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

# 2017 Balance Sheet

## ASSETS

	2017	2016
<b>NON-CURRENT ASSETS</b>	<b>5,966,724</b>	<b>5,733,171</b>
Intangible assets	1,340,788	1,456,863
Development	165,833	-
Licenses, patents	38,990	43,864
Software	1,135,965	1,412,999
Property, plant and equipment	2,315,512	1,940,353
Non-current investments	181,033	447,117
Deferred tax assets	2,129,391	1,888,838
<b>CURRENT ASSETS</b>	<b>2,756,632</b>	<b>3,000,009</b>
Trade and other receivables	894,031	814,692
Trade receivables	805,516	751,513
Other receivables and receivables from employees	20,115	35,463
Current tax assets	50,673	27,716
Other receivables	17,727	-
Investments	2,088	403,047
Prepayments for current assets	211,127	117,101
Cash and cash equivalents	1,649,386	1,665,169
<b>TOTAL ASSETS</b>	<b>8,723,356</b>	<b>8,733,180</b>

## EQUITY AND LIABILITIES

	2017	2016
<b>EQUITY</b>	<b>4,099,096</b>	<b>4,523,141</b>
Shareholders' equity	4,070,901	4,453,034
Capital	85,500	85,500
Share premium	8,427,562	8,427,562
Reserves	(243,602)	(243,602)
Treasury shares	(225,062)	(241,345)
Prior period's losses	(3,712,869)	(2,940,286)
Profit/(loss) for the period	(492,510)	(772,583)
Other equity instruments	231,882	137,787
Exchange differences	(23,459)	36,560
Grants, donations and bequests	51,654	33,548
<b>NON-CURRENT LIABILITIES</b>	<b>1,992,921</b>	<b>1,874,466</b>
Non-current payables	1,912,721	1,814,990
Deferred tax liabilities	80,200	59,476
<b>CURRENT LIABILITIES</b>	<b>2,631,339</b>	<b>2,335,573</b>
Current provisions	120,534	138,303
Current payables	1,586,512	1,268,229
Trade and other payables	428,965	459,771
Current accruals	495,328	469,270
<b>TOTAL LIABILITIES</b>	<b>8,723,356</b>	<b>8,733,180</b>



# Gigas Proforma Financials after 2018 acquisitions

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- The acquisitions of SVT (January 2018) and Ability (May 2018) have brought in a total of €2.5M in annual revenues to Gigas and €550K in EBITDA pre-synergies.
- After integrating both acquisitions during 2018, their combined EBITDA could reach ~€850K
- **The proforma estimated gross revenues for 2018, including SVT and Ability, would be ~€10.9M. Net revenues would be ~€9.7M**
- **The proforma estimated EBITDA for 2018 would be ~€1.9M.**
- With the estimated 2018 growth and assuming no further acquisitions, **Gigas would start 2019 with a runrate (Q4 of Budget x 4, plus Ability) of €11.7M in gross revenues and over €2.2M EBITDA**
- Gigas continues evaluating new opportunities to grow inorganically

# Contact Information

More info: [gigas.com/en/inversores.html](http://gigas.com/en/inversores.html)

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Thank you!

**gigas**