

gigas



Moises Israel
Chairman



Diego Cabezudo
CEO

Investors' Presentation

SPRING EUROPEAN MIDCAP EVENT 2021

JUNE

2021



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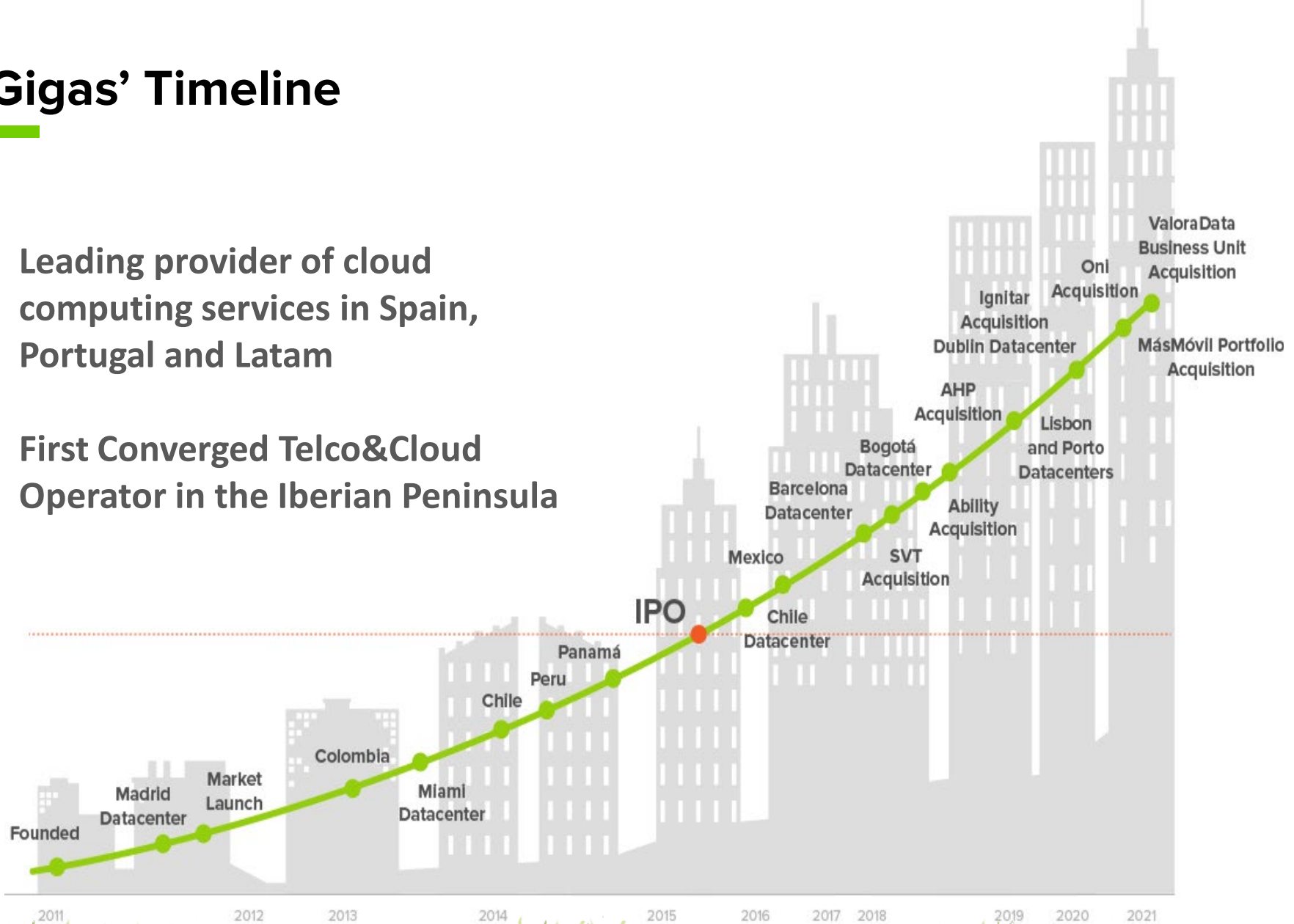
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Gigas' Timeline

Leading provider of cloud computing services in Spain, Portugal and Latam

First Converged Telco&Cloud Operator in the Iberian Peninsula



The new B2B convergent paradigm

1 Digital transformation of all businesses

- Increasing **volume, quality and reliability demands** as well as **security**
- **Growing decentralization** (working from home, internationalization, remote teams, etc.)
- Need for **wider services portfolio**, covering **cloud services** as well **enterprise comms.**
- **Mid market underserved**, with a lack of comprehensive offer

2 Cloud continues to grow, extending beyond storage and computing

- **Cloud becoming the best performing and most efficient solution** for IT infrastructure
- **Rising cloud platforms' consumption**
- **Increasing need for cloud interconnection** (Hybrid Cloud and multi cloud environments)

B2B market opportunity

- **Network functions becoming virtualized**
- Possibility to deliver **VPN, firewall** and **other network services with an IT approach**, better competing with traditional telco services
- Traditional Telcos **not providing convergent offering** (cloud/IT, security and communications)

3 Convergence of cloud/IT, security and communications

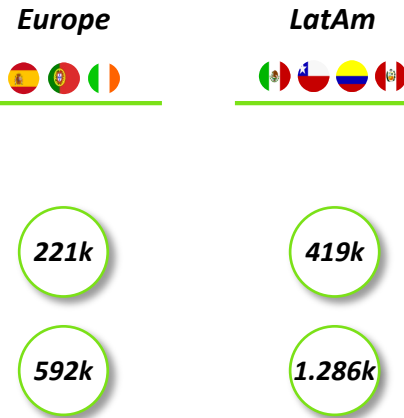
The addressable opportunity

SOURCE: Arthur D. Little, Gartner, Gigas

1
Digital transformation of all businesses

B2B size in Gigas' footprint
(companies with > 10 employees)

of companies
of branches/locations



The GIGAS opportunity

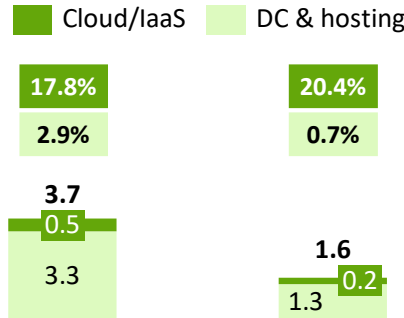
“+640 k target clients in Gigas' geographies”

2
Cloud extends beyond storage and computing

B2B cloud market
(size and growth⁽¹⁾)

Growth
(CAGR 19-24,%)

Cloud market revenues
(2019, €bn)



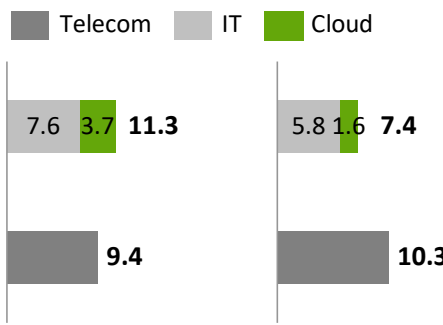
“A double digit growth opportunity in key segments”

3
Convergence of cloud/IT, security and communications

B2B IT & Telco markets
(size ⁽¹⁾/₍₂₎)

IT/Cloud market revenues
(2019, €Bn)

Telco market revenues
(2019, €Bn)

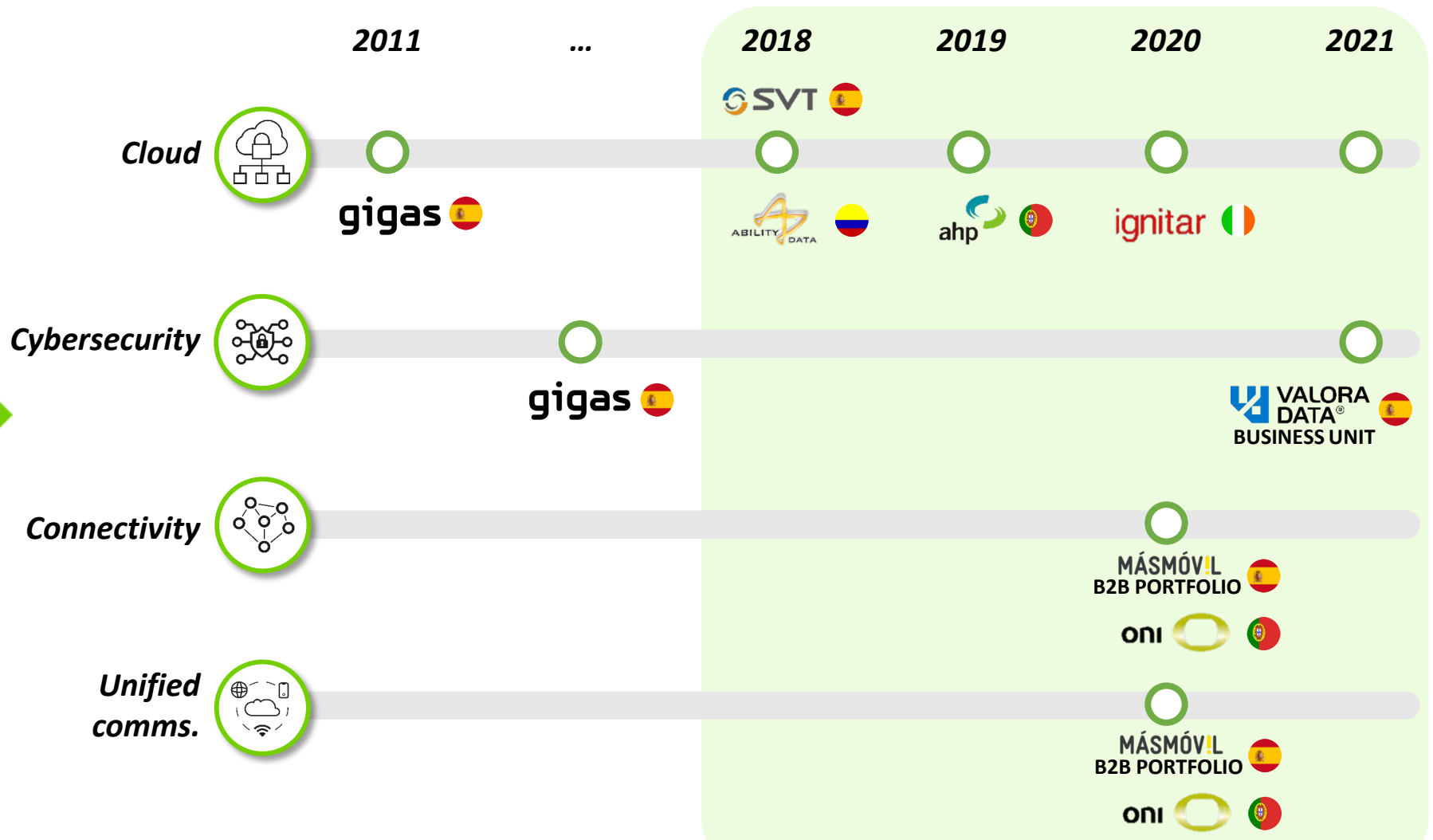


“A 38 Bn€ addressable market”

NOTES: (1): Considering only companies with more than 10 employees in each market (Gigas target segment)

(2): estimations of Gigas IT's addressable market based on Gartner (excluding consulting and implementation and end user device services markets)

Convergence through best-in-class acquisitions



**Approx. €60M revenues and
€12M EBITDA PROFORMA**

**Seven major deals in the last 4 years towards
building a compelling convergent proposition**

A B2B portfolio built for the digital era

Building a forward-looking portfolio...



Cloud

Current

IaaS
PaaS
SAP™ Cloud

New services

Hybrid and multi Cloud



Cyber-security

Disaster recovery
Cloud Backup
Firewall as a service
Disaster Recovery

SD-WAN
Managed services
Clean traffic
Secure access service edge



Connectivity

Internet connectivity
Site interconnection

Global load balancing
Secure remote access & VPN



Unified comms.

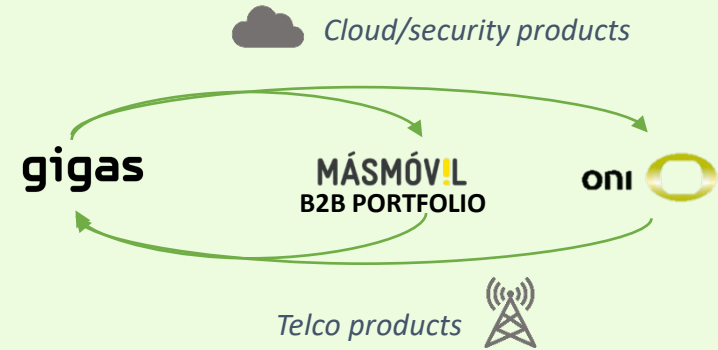
SIP Trunk
VoIP
Collaborative services
Fixed Voice

Mobile communications
Cloud PBX
Fixed Mobile Convergence

...unlocking significant value for Gigas and its clients



























Cross-selling opportunities



B2B opportunity



Strategic positioning and size of Gigas vs. peers

	Revenues (€M 2019/18, % 5yr-CAGR)	Geographies	 Cloud	 Unif. Comms.	 Connectivity		 Cybersecurity
					Fixed	Mobile	
	328 -3%²		~	✓	✓	✗	✓
	169 16%		✓	✓	✓	✗	✓
 <small>AGILE • AVAILABLE • ASSURED</small>	99 -5%		✓	✓	✓	✗	✓
 ⁽¹⁾	60 28%³		✓	✓	✓	✓	✓
 <small>by Vodafone Italia</small>	58 11%		✓	✓	✓	✓	~
	54 20%		✓	✓	✓	✗	✓
	49 5%²		✓	✓	✓	✗	✓
	21 9%		✓	✓	✓	✓	✓
	11 4%²		✗	✓	✓	✓	✗
 ⁽⁴⁾	11 28%³		✓	✗	✗	✗	✓

Source: Arthur D. Little analysis

Notes: (1) 2020 figures; does not include ONI, ValoraData or MásMóvil revenues

(2) CAGR 2014-2018

(3) CAGR 2014-2020, does not take into account ONI & MásMóvil's business

(4) Includes ONI, ValoraData and MásMóvil revenues

Trusted by more than 10,000 business customers



An experienced team with a successful track-record



MOISÉS ISRAEL, PRESIDENTE NO EJECUTIVO. Ha ocupado desde 1985 varios puestos directivos en bancos como Citibank, Santander Investment y Merrill Lynch, además de haber sido **Consejero Delegado de Ya.com, proveedor de acceso a Internet (ISP) adquirido por T-Online (Deutsche Telekom), en el periodo 2000-2003.** Igualmente, fue socio de la boutique de Banca de Inversión Atlas Capital entre 2004 y 2011. En la actualidad es inversor en diversas empresas tecnológicas y consejero independiente de Banca March. Es Ingeniero Industrial y de Gestión y MBA por Tel Aviv University.



DIEGO CABEZUDO, CEO. Anteriormente CEO de AGS, compañía de servicios IT gestionados donde expandió el negocio internacionalmente. Previamente fue **COO de FON Wireless, la mayor red global de WiFi y Responsable de Estrategia para el operador móvil O2,** liderando, entre otros, el despliegue y lanzamiento de la red 3G en Irlanda. Comenzó su trayectoria profesional en 1995 en el **operador de cable TeleCable** y trabajó también como **Consultor de Estrategia para Telcos en DMR, Fujitsu Consulting y Coleago Consulting.** Es Ingeniero de Telecomunicaciones y MBA por la London Business School.

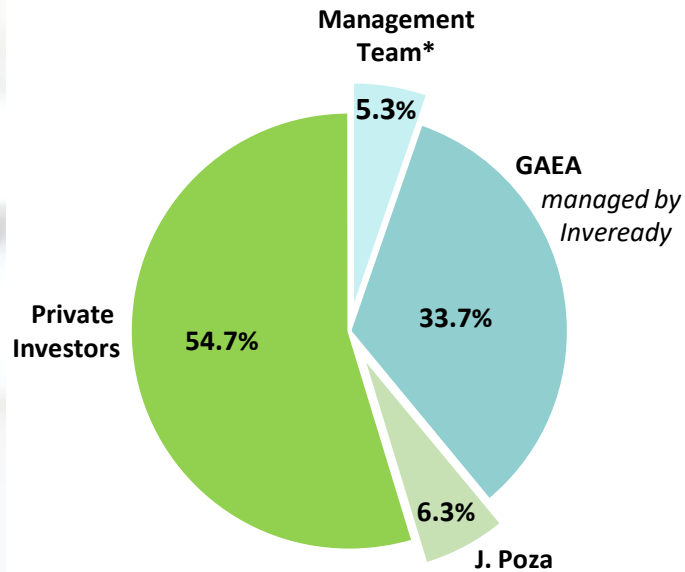


JOSÉ ANTONIO ARRIBAS, COO. Anteriormente trabajó fue CTO de la compañía de consultoría IT y servicios gestionados AGS, siendo también responsable de estrategia de producto y proyectos, para España y Latinoamérica. Previamente desempeñó su labor como **CTO en FON Wireless,** donde creó y desarrolló los servicios técnicos de la compañía, ofrecidos en 14 países. Fue también **Director Técnico de Ya.com (Deutsche Telekom Group)** desarrollando servicios y soportando operaciones para cientos de miles de usuarios finales y empresas **y responsable de sistemas de los servicios ISP de Retevisión.**



JAVIER CAÑETE, CFO y DIRECTOR GENERAL. Hasta 2020 fue el **Director Financiero** en **Grupo Zener.** Previamente, y como **Director de Control de Gestión del Grupo Euskaltel,** desarrolló los planes de negocio del Grupo para su expansión a nivel nacional. Desde 1995 desempeñó funciones de **Director de Finanzas, Administración y Recursos Humanos en TeleCable,** operador de telecomunicaciones en Asturias. Javier Inició su actividad profesional en 1990, trabajando como profesional de auditoría en la firma Blanco, González y Mier, SRC. Javier es Licenciado en Ciencias Económicas y Empresariales por la Universidad de Oviedo.

Shareholders and Board of Directors



100% of Gigas 11.6 million shares are listed on the Alternative Stock Market (BME Growth) in the Madrid Stock Exchange

*There is also a stock option plan for the executive founders which represents approx.. 3.5% of the issued shares.



Board of Directors Secretary: **Patricia Manca and Javier Mateos, PwC**
Auditor: **Ernst & Young**

Q1 2021 Key Highlights



Q1'21 net revenues reached **€9.3M, 251% up YoY and 73% higher than budgeted**, due mainly to acquisitions and earlier consolidation of ONI



Gross margin of €5.6M (60.1% of revenues) in the quarter, 197% higher than the €1.9M of same quarter last year, and 176% higher than budgeted



Adj. **EBITDA for the quarter reached €2.1M**, almost as much as the entire 2020, **up 215% YoY** and 74% higher than the €1.2M in the budget for Q1'21



Low leverage (NFD of 1.1x EBITDA budget for 2021) and good cash position (€7.7M+) leaving ample margin for further acquisitions

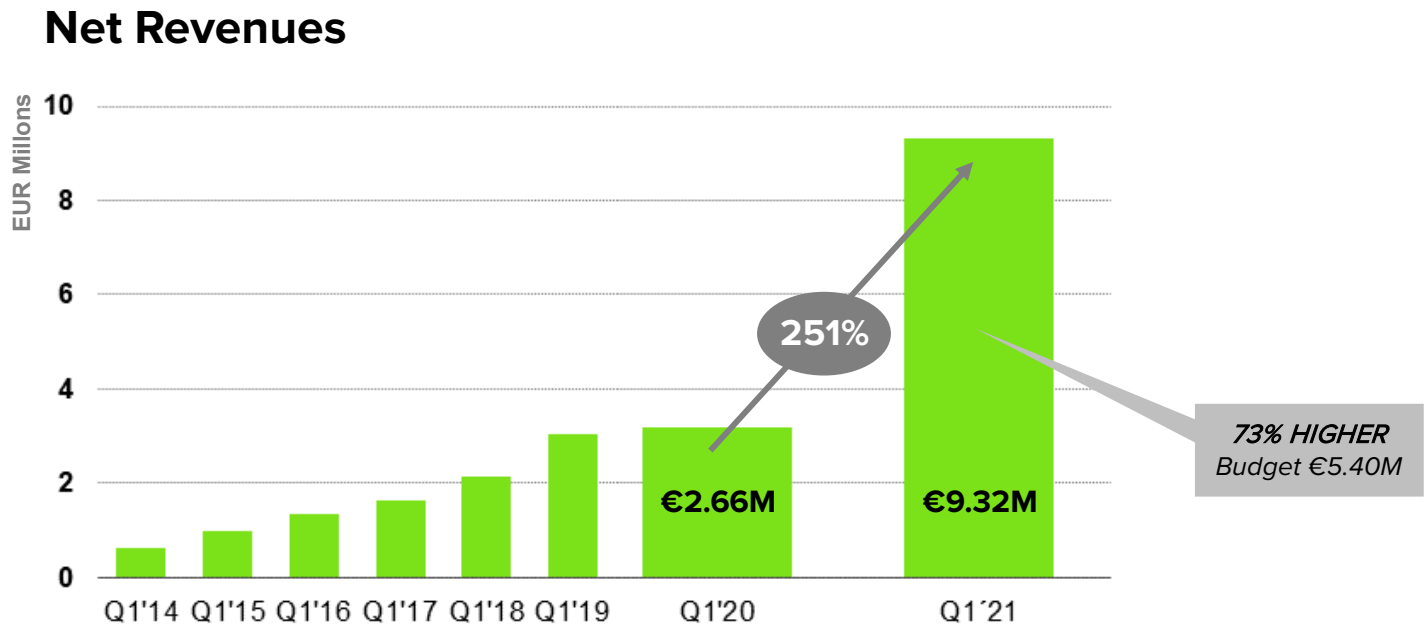


Four acquisitions in the last six months (Cloud and backup provider in Ireland and Spain, and Telcos in Spain and Portugal, **shaping a group with circa €60M annual revenues and €12M EBITDA**)



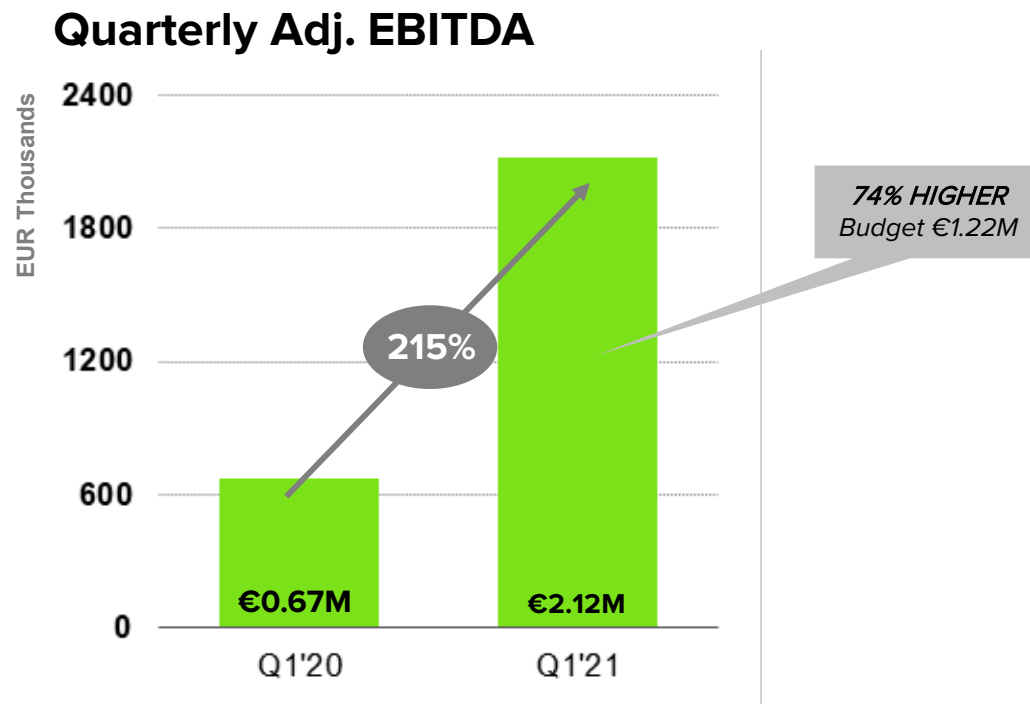
Revenues Q1 2021

- Net revenues grew to €9.32M in the quarter, 3.5x higher than the €2.66M of same period last year, thanks to the consolidation of the customer portfolio from MasMovil and Ignitar, and also to ONI, which was partially consolidated
- Revenue figure was 73% higher than budgeted due mainly to early consolidation of ONI
- Telecommunications services represented 62.0% of total revenues, while cloud and cybersecurity represented 38.0%. ValoraData business unit acquired on the 31st of March and therefore not consolidated in these figures
- Full consolidation of ONI and ValoraData in Q2 will push revenues higher



EBITDA Q1

- **Adjusted (recurring) EBITDA reached €2.12M** in the first quarter, **215% higher** than the **€0.67M** in the same period a year ago and **74% higher** than the **€1.22M budgeted** due to recent acquisitions and earlier consolidation of ONI
- After M&A costs and multiyear remuneration plans (stock options, etc.), **accounting EBITDA reached €1.84M**, much higher than Q1'20 (€0.6M) and the budget



*Adjusted EBITDA represents recurring EBITDA excluding M&A related costs and multiyear remuneration plans (stock options, etc.)

Q1 2021 Results Compared to Q1 2020 and Budget

Consolidated Income Statement Q1 2021

Figures in EUR

	Q1 2021	% Chg.	Q1 2020	% Chg.	BUDGET Q1 2021
Net Revenues	9,323,108	251%	2,658,707	73%	5,398,224
Cloud, IT and Cybersecurity Services	3,523,012	34%	2,631,089	15%	3,057,823
Telecommunication Services	5,789,479	-	-	148%	2,329,871
Non-recurring income, grants and other	10,618	-62%	27,618	1%	10,530
Cost of Sales	(3,721,243)	380%	(775,053)	68%	(2,210,657)
Product direct costs	(3,301,024)	715%	(405,199)	88%	(1,759,503)
Technical and operation costs	(420,219)	14%	(369,854)	-7%	(451,154)
Gross Margin	5,601,865	197%	1,883,654	176%	3,187,566
<i>Gross Margin %</i>	<i>60.1%</i>	<i>-15%</i>	<i>70.8%</i>	<i>1.8%</i>	<i>59.0%</i>
Personnel Expenses	(1,961,782)	114%	(917,529)	55%	(1,261,995)
Salaries and Social Security	(2,248,699)	119%	(1,028,639)	58%	(1,420,225)
Own R&D costs capitalised	286,917	158%	111,111	81%	158,230
Other Corporate Costs	(1,522,281)	418%	(293,804)	115%	(707,566)
Customer operations, Marketing et al.	(284,425)	-	-	-26%	(383,528)
Network, Operations and IT	(631,897)	-	-	-	-
Other G&A Costs	(605,959)	106%	(293,804)	87%	(324,038)
Other Results	-	-	-	-	-
Adjusted EBITDA*	2,117,802	215%	672,321	74%	1,218,006
<i>Adjusted EBITDA %</i>	<i>22.7%</i>	<i>-10%</i>	<i>25.3%</i>	<i>0.7%</i>	<i>22.6%</i>

*Adjusted EBITDA represents recurring EBITDA excluding M&A related costs and multiyear remuneration plans (stock options, etc.)

2021 Budget

- New strategy to offer converged telco/cloud/cybersecurity services fueled by acquisitions which have changed the scale of the Company
- Net revenues estimated to reach €48.9M, 4.5x 2020 revenues and EBITDA estimated to reach to €10.7M, 5x 2020 accounting EBITDA. Gross Margins expected at c. 60%
- **Proforma figures with ONI and ValoraData since 1st of January would reach almost €60M in net revenues and over €12M in EBITDA**

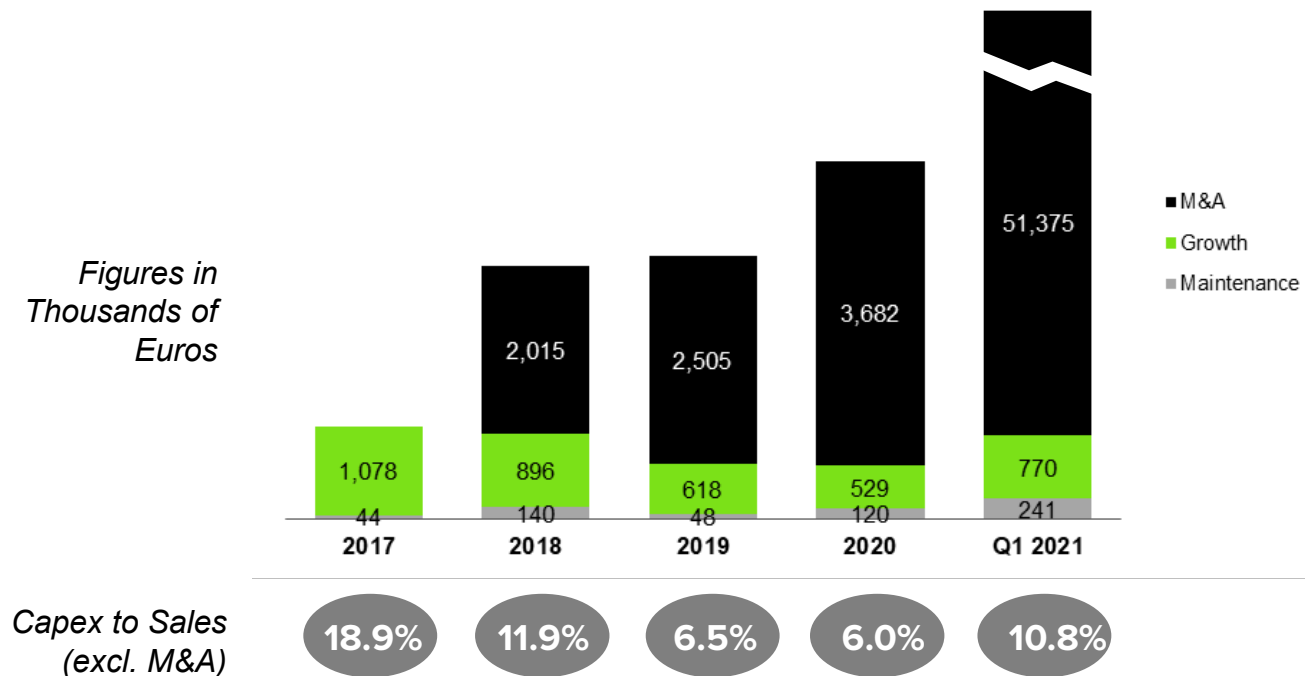
2021 CONSOLIDATED BUDGET

EUR	Q1b	Q2b	Q3b	Q4b	2021b	% Chg.	2020real
Gross Sales	6,008,274	14,511,659	14,955,975	15,709,415	51,185,322	298.0%	12,862,085
Accrued sales	(122,834)	113,818	54,134	(121,395)	(76,277)	264.5%	(20,928)
Sales, discounts and promotions	(497,746)	(575,954)	(581,357)	(593,459)	(2,248,515)	12.4%	(2,001,077)
Non-recurring income, grants and other	10,530	10,530	10,530	10,530	42,121	-35.8%	65,646
Net revenue	5,398,224	14,060,054	14,439,283	15,005,091	48,902,652	348.4%	10,905,727
Cost of sales	(2,210,656)	(5,918,162)	(6,056,941)	(6,260,849)	(20,446,608)	493.7%	(3,444,085)
Direct product costs	(1,759,503)	(5,469,145)	(5,597,722)	(5,790,811)	(18,617,181)	919.2%	(1,826,656)
Technical and operating expenses	(451,154)	(449,016)	(459,219)	(470,038)	(1,829,427)	13.1%	(1,617,429)
Gross Margin	3,187,568	8,141,892	8,382,342	8,744,242	28,456,044	284.7%	7,395,995
Gross Margin, %	59.0%	57.9%	58.1%	58.3%	58.2%	-14.7%	68.2%
Personnel Costs	(1,261,995)	(2,479,296)	(2,488,605)	(2,502,098)	(8,731,994)	137.0%	(3,684,198)
Salaries, wages and social security	(1,420,225)	(3,023,014)	(3,031,336)	(3,045,816)	(10,520,391)	151.6%	(4,182,010)
Own work capitalised	158,230	543,718	542,731	543,718	1,788,397	259.3%	497,811
Other overhead costs	(707,566)	(2,780,707)	(2,699,297)	(2,816,328)	(9,003,898)	735.5%	(1,077,710)
Adjusted EBITDA*	1,218,007	2,881,889	3,194,440	3,425,816	10,720,152	297.1%	2,699,733
Adjusted EBITDA %	22.6%	20.5%	22.1%	22.8%	21.9%	-12.0%	24.9%

* Excludes M&A costs and multiyear remuneration plan (stock options and others)

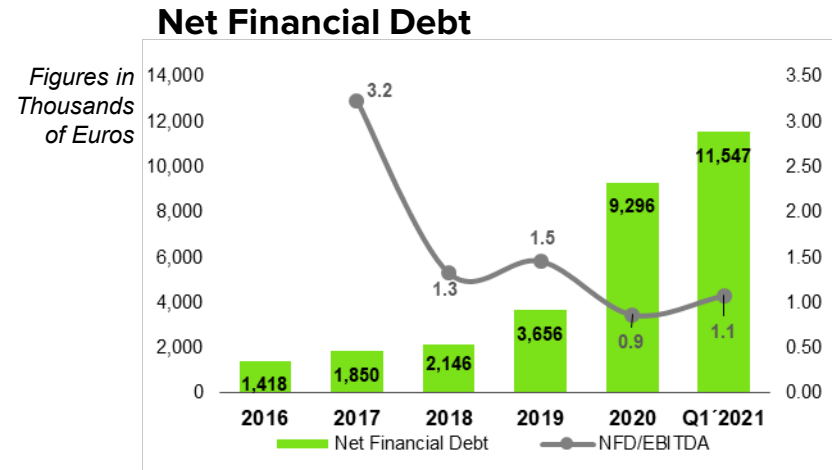
CAPEX Evolution 2017-2021

- CAPEX to Sales ratio (excl. M&A and R&D) will increase significantly this year, from the 6.0% in 2020, due to the telco profile of the company and one-off integration and new product investments. **Budget for the year is €10.30M** (€0.65M in 2020) and €1.01 invested in Q1, representing 10.8% of revenues
- Large M&A Capex (€51.38M) invested in Q1 linked to MásMóvil portfolio, ONI and ValoraData acquisitions. €23.9M paid in cash during the period, 24.5M paid in Gigas' shares and €2.5M deferred 12 months)
- R&D personnel works capitalized not included as CAPEX



Debt Evolution as of 31st MAR 2021

- €51.4M invested in three acquisitions in Q1'21
 - ONI: €39.5M (€15.0M cash paid)
 - MM Customer Portfolio: €9M (€7.2M paid, rest in 12m)
 - ValoraData Bus. Unit: €2.38M (€1.7M paid, rest in 12m)
- New debt raised for ValoraData acquisition and CAPEX investments
- NFD/EBITDA over budgeted adj. EBITDA, although proforma EBITDA is higher



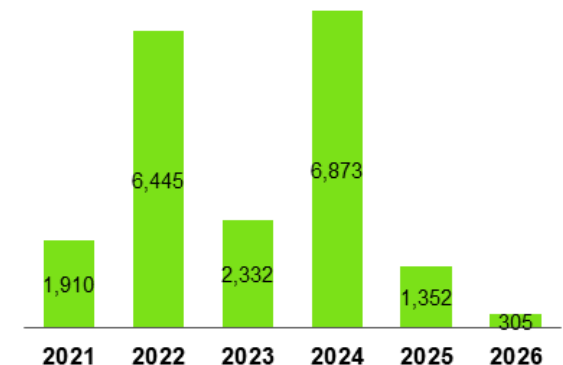
Figures in Euros

	MAR 2021	DEC 2020	Diff %
R&D and Banks Debt LT	13,464,930	4,681,514	187.6%
M&A Related Debt LT	3,842,500	3,267,500	17.6%
R&D and Banks Debt ST	1,402,931	1,591,604	-11.9%
M&A Related Debt ST	507,171	22,712,727	-97.8%
GROSS FINANCIAL DEBT	19,217,532	32,253,345	-40.4%
Cash at hand	7,669,940	22,957,175	-66.6%
Net Financial Debt	11,547,592	9,296,169	24.2%
Adj. EBITDA*	10,720,152	10,720,152	0.0%
NFD/EBITDA	1.08	0.87	24.2%

- * NFD/EBITDA calculated over budgeted adjusted EBITDA for 2021
- Convertible bonds not included as financial debt
- Current Investments not included in Cash at hand (€144K)

Financial Debt Maturities

Figures in Thousands of Euros





Share Evolution

- Share price rallied at the end of last year, as the market welcomed corporate transactions and new strategy, **ending at €11.50, a 68.6% increase during the year**
- Large amount of new shares issued, with a total of 11.64 million shares, including recently issued shares (3.9M) to pay for ONI
- At current price, **market cap will be €114M** and **EV €124M**, representing just over **10x EBITDA proforma**
- Analysts **very positive** about the Company. **GVC Gaesco targeting a €11.6 price**

Comparables



Country	UK	Italy	UK	UK
Annual Revenues 2020	£393.8M	€52.5M	£112.6M	£87.5M
EBITDA 2020 (margin %)	£79.0M (20%)	€18.3M (35%)	£43.5M (39%)	£20.6M (24%)
Enterprise Value (EV)	£1,763M	€503M	£347M	£256M
EV/ Revenues	4.5	9.6	3.1	2.9
EV/ EBITDA	22.3	27.5	8.0	12.4
Net debt 2020 (NFD/EBITDA)	-£48M (-0.6x)	€95M (5.2x)	£58M (1.3x)	£35M (1.7x)

SOURCE: Renta4, Gigas, ADL

* Figures for iomart and Redcentric are for fiscal year ending March 2020
 Rest of financial figures are for calendar year 2020. EV as of 19/MAY/2021

Q&A



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gigas

**Thank
you**

