

gigas



Moisés Israel
Chairman



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CFO

Investors' Presentation and H1 2021 Results

SEPT

2021



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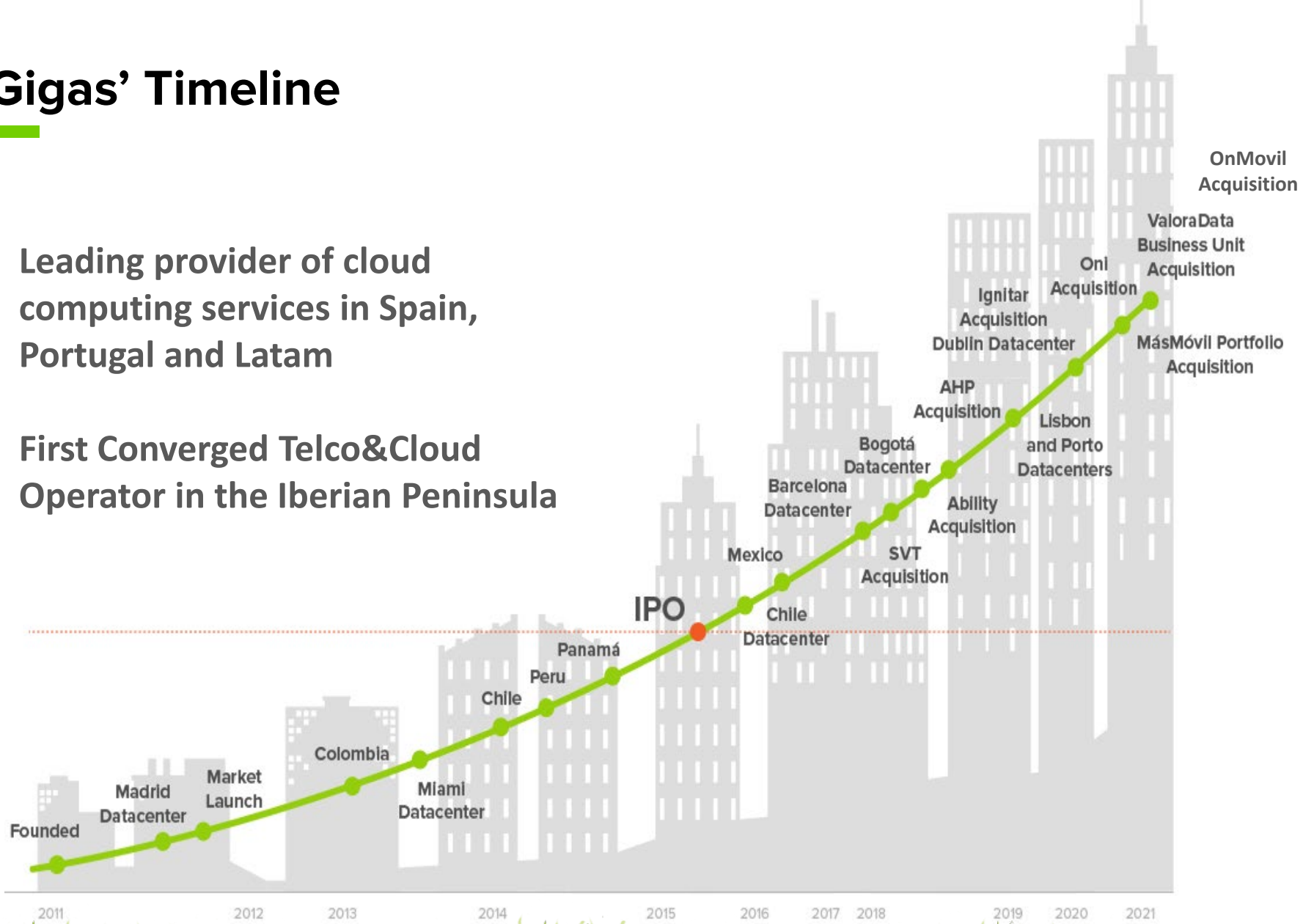
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Gigas' Timeline

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 (SDN Software Defined Networks)**
- 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 fixed + mobile 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

Europe



LatAm



221k

419k

592k

1.286k

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)

Cloud/laaS DC & hosting

17.8%
2.9%

20.4%
0.7%

3.7
0.5

1.6
0.2
1.3

"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)

Telecom IT Cloud

7.6 3.7 11.3

5.8 1.6 7.4

9.4

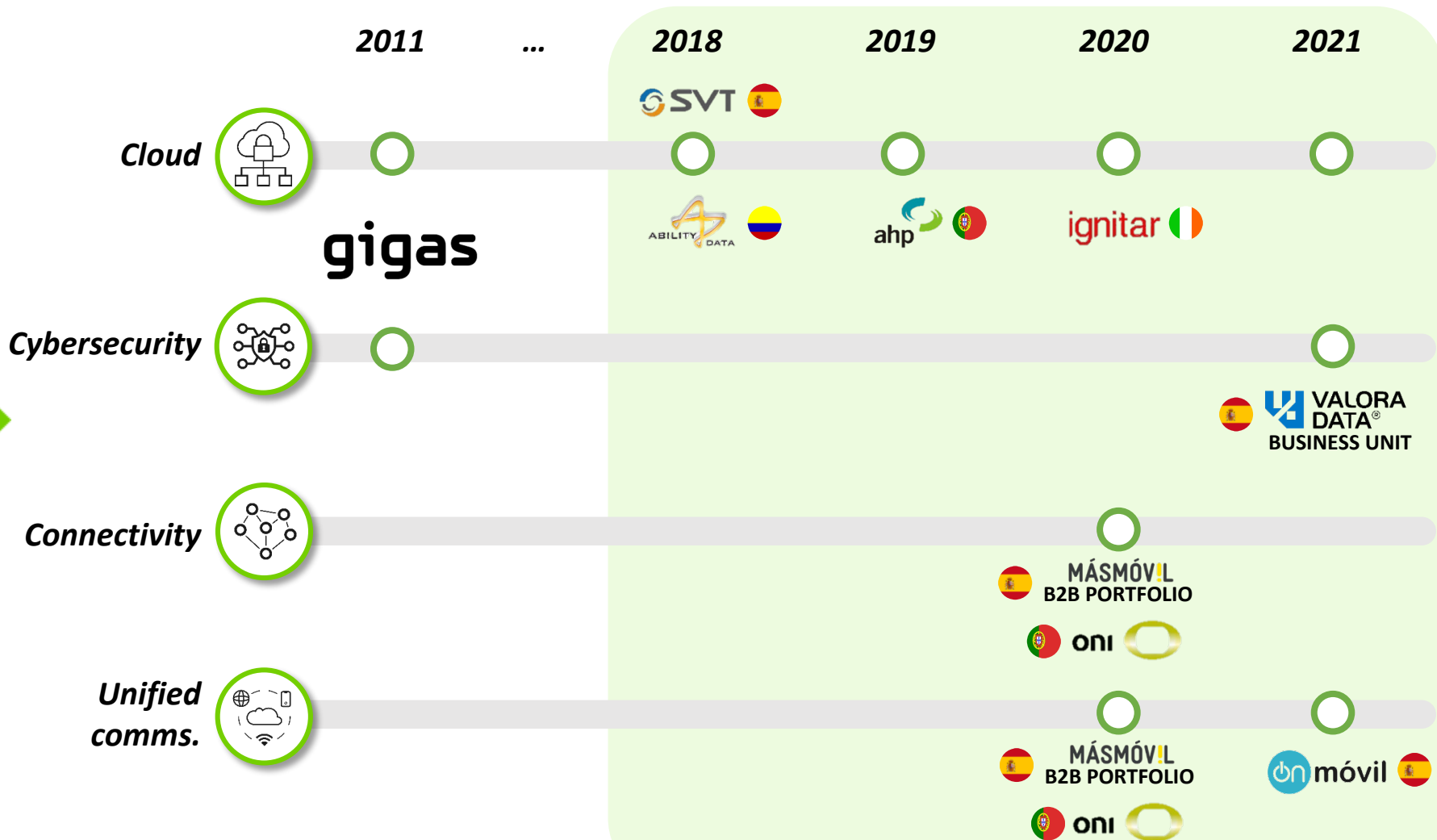
10.3

"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. €64M revenues and
€14M EBITDA PROFORMA**

**Eight 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...

	<i>Current</i>	<i>New services</i>
 Cloud	IaaS PaaS SAP™ Cloud	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


























...with a very simple but powerful user interface

The image displays two overlapping screenshots of the 'gigas' control panel. The background screenshot shows the 'Datacenter Name' configuration page with a search bar and resource allocation options for RAM, Cores, and Disk. The foreground screenshot shows the 'Aplicación Web' server configuration page, which includes options for root password, console access, and OS reinstallation. It also features a 'Server details' section with sliders for RAM (2520 MB) and CORES (6), and buttons for 'AMD', 'INTEL', and 'Editar recursos en pago por uso'. A green arrow points from the left towards the 'Aplicación Web' configuration page.

“Telcos have long realized the strategic importance of customer experience, yet translating this strategy into action and tangible experience for customers is long overdue. Telcos face increasing competition from in-market players, as well as OTT players with digital-first approaches enabled by software capabilities, new-age skills and customer-obsessed mind-sets.

Arthur D. Little. “Embracing the Future. How can operators embrace telecom disruption”. ENE 2020

Strategic positioning and size of Gigas vs. peers

	Revenues (€M 2019/18, % 5yr-CAGR)		Geographies	 Cloud	 Connectivity	Unified Comms.		 Cybersecurity
						Fixed	Mobile	
	328	-3% ²		~	✓	✓	✗	✓
	169	16%		✓	✓	✓	✗	✓
 <small>AGILE • AVAILABLE • ASSURED</small>	99	-5%		✓	✓	✓	✗	✓
 2021 ⁽¹⁾	64	28% ³		✓	✓	✓	✓	✓
 <small>by Vodafone Italia</small>	58	11%		✓	✓	✓	✓	~
	54	20%		✓	✓	✓	✗	✓
	49	5% ²		✓	✓	✓	✗	✓
	21	9%		✓	✓	✓	✓	✓
	11	4% ²		✗	✓	✓	✓	✗
 2020 ⁽⁴⁾	11	28% ³		✓	✗	✗	✗	✓

Source: Arthur D. Little analysis

Notes: (1) Includes ONI, ValoraData, MásMóvil portfolio and OnMovil revenues

(2) CAGR 2014-2018

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

(4) 2020 figures; does not include ONI, ValoraData, MásMóvil portfolio or OnMovil revenues

Trusted by more than 10,000 business customers



An experienced team with a successful track-record



MOISÉS ISRAEL, NON-EXECUTIVE CHAIRMAN. Since 1985, Moisés has held several executive positions at banks, including Citibank, Santander Investment and Merrill Lynch, and **from 2000 to 2003 served as CEO of Ya.com, an internet service provider (ISP) that was acquired by T-Online (Deutsche Telekom).** From 2004 to 2011, he was also partner of Altas Capital, a boutique investment banking firm. Moisés is currently an investor in several tech companies and an independent director of Banca March. He has a degree in industrial engineering and management and an MBA from Tel Aviv University.



DIEGO CABEZUDO, CEO. Diego was previously CEO of AGS, a IT managed services company, where he led the company's international expansion. Before that, he was **COO of FON Wireless, the largest WiFi network in the world,** and **Head of Strategy at mobile operator O2,** where among other projects he led the deployment and launch of the 3G network in Ireland. Diego began his professional career in 1995 at **cable operator TeleCable** and also worked as **Telco Strategy Consultant at DMR, Fujitsu Consulting and Coleago Consulting.** He has an MSc in telecommunications engineering and an MBA from London Business School.

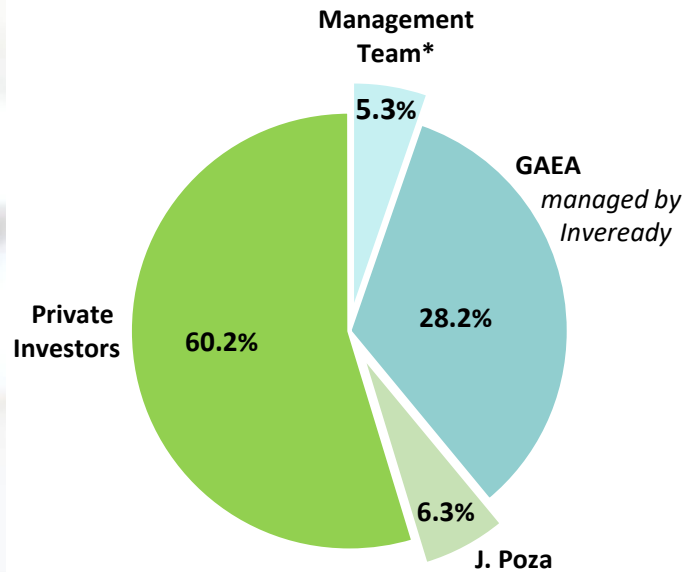


JOSÉ ANTONIO ARRIBAS, COO. José Antonio was CTO at the IT consultancy and managed services company, AGS, where he was also in charge of product and project strategy for Spain and Latin America. Prior to that, he served as **CTO at FON Wireless,** where he created and developed the technical services offered by the company in 14 countries. He was also **Technical Director at Ya.com (Deutsche Telekom Group),** where he developed services and business support to hundreds of thousands of end users and companies, and was **ISP systems manager at Retevisión.**



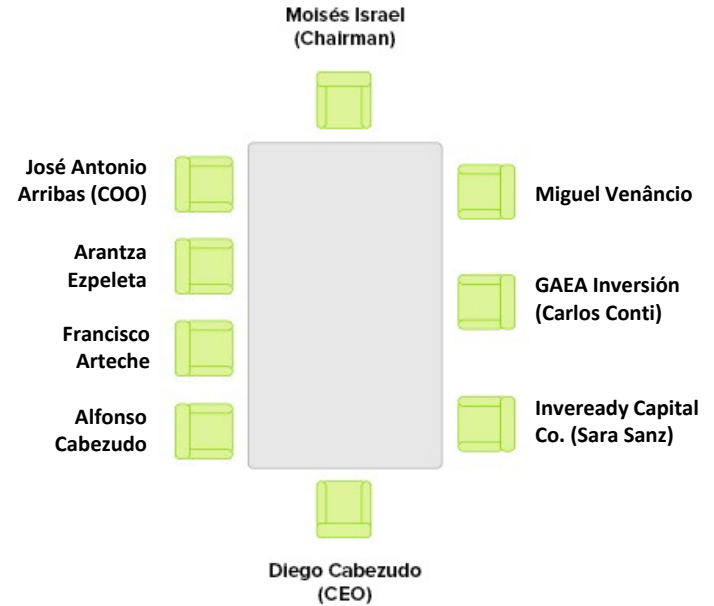
JAVIER CAÑETE, CFO. Until 2020, Javier was **CFO at Zener Group.** Prior to that, he was **Director of Management Control of Euskaltel Group,** where he developed the group's business plans for its nationwide expansion. From 1995, he was **Director of Finance, Administration and Human Resources at TeleCable,** a telecommunications operator in Asturias. Javier began his career in 1990 as an audit professional at the firm Blanco, González y Mier, SRC. Javier has a degree in economics and business sciences from the University of 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 two executive founders which represents approx.. 3.5% of the issued shares.



Board of Directors Secretary: **Javier Mateos, PwC**

Auditor: **Ernst & Young**

H1 2021 Key Highlights



H1'21 net revenues reached **€22.7M**, **4.4x growth YoY** and **17% higher than budgeted**, due mainly to acquisitions and earlier consolidation of ONI



Adj. **EBITDA for the semester reached €5.5M**, twice as much as the entire 2020, **up 338% YoY** and 35% higher than €4.1M in the budget for H1'21



Adj. **EBITDA for Q2 amounted €3.4M**, reaching the figure budgeted for **Q4** and representing **25.4% of sales** versus 20.5% budgeted



Low leverage, H1 NFD at 1.0x EBITDA budget for 2021 and **strong cash position (€10M+)**. After OnMovil acquisition in SEP (fully debt funded), **NFD reaches 1.5x EBITDA runrate (Q2x4)**



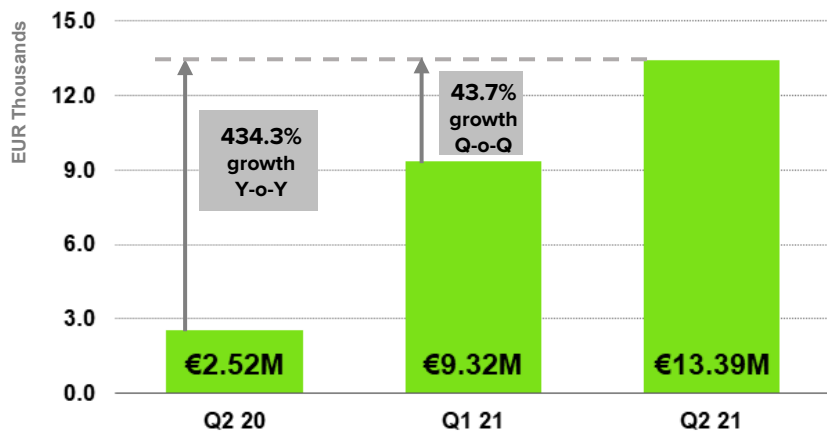
Five acquisitions in last 12 months **shaping a group with circa €64M annual revenues and over €14M EBITDA**. **OnMovil**, recently acquired, contributes with €10M revs and **85K mobile lines**, positioning **Gigas as one of the largest MVNOs in Spain**



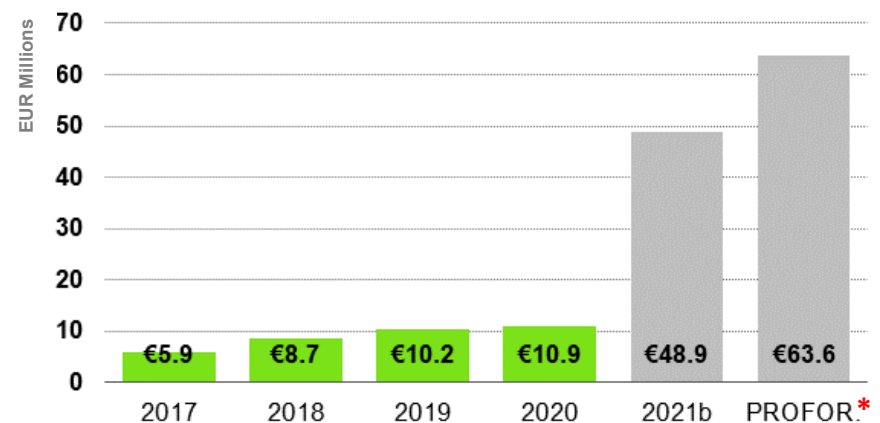
Revenues H1 and Q2 2021

- **Net revenues grew to €22.7M in the first half of 2021, 4.4x higher than the €5.2M of same period last year**, thanks mainly to the consolidation of ONI, customers acquired from MasMovil, and cybersecurity business unit acquired from ValoraData
- **Revenues in H1 were 16.8% higher than budgeted**, partly due to earlier consolidation of ONI's business in Portugal. Revenues in Q2 lower than budgeted due to the spin-off of certain assets in ONI prior to its acquisition, but with little effect on profitability
- Telecommunications services represented 66.2% of total revenues, while cloud and cybersecurity represented 33.8%. **OnMovil acquired on the 1st of September** and therefore not consolidated in these figures, but **will add €10M in annual revenues**
- **Proforma* annual revenues amount €63.6M**, when multiplying Q2 revenues by four (almost 100% of revenues are recurring) and adding OnMovil contribution (€10M)

QUARTERLY NET REVENUES

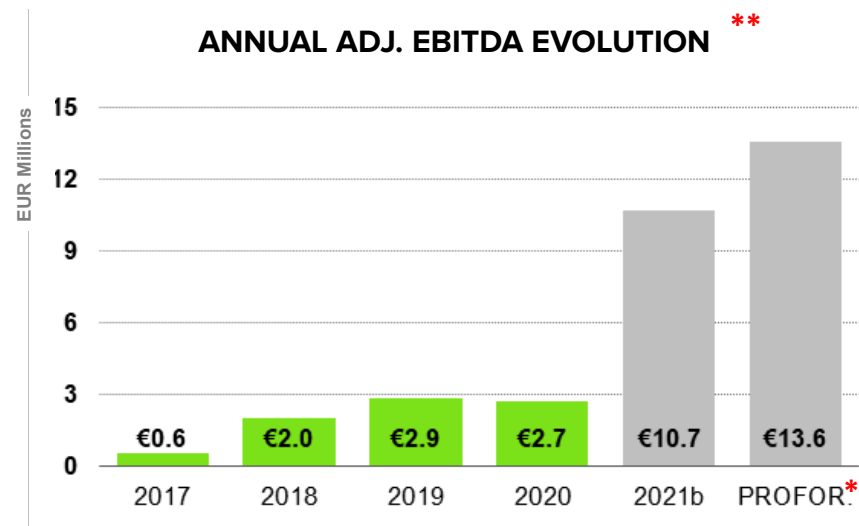
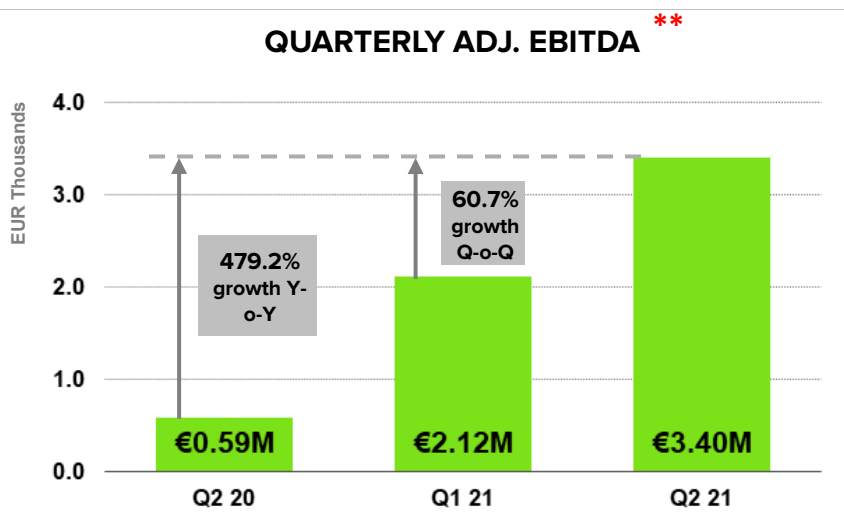


ANNUAL NET REVENUES EVOLUTION



EBITDA H1 and Q2 2021

- Adjusted (recurring) EBITDA reached **€5.52M** in the first half of the year, **338% higher** than the **€1.26M** in the same period a year ago and **34.7% higher** than the **€4.10M budgeted** due to recent acquisitions and earlier consolidation of ONI
 - M&A and ESOP costs amounted to €367K and €396K respectively in the semester
- Moreover, profitability grew significantly in Q2 with **EBITDA amounting €3.40M in Q2, 18.1% higher than budgeted (€2.88M), and reaching the figure budgeted for Q4**
 - Acquisition from ValoraData, not included in budget, adds €120K in EBITDA
- EBITDA margin reached 25.4% in Q2**, much better than 20.5% budgeted or 22.7% of Q1
- Proforma ^{*} annual adj. EBITDA reaches €13.6M**, before including OnMovil contribution



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

H1 2021 Results Compared to H1 2020 and Budget

GIGAS GROUP

CONSOLIDATED INCOME STATEMENT H1 2021

Figures in EUR

	Q1 2021	Q2 2021	H1 2021	% Chg.	H1 2020	% Chg.	BUDGET 2021 H1 2021B
Net revenue	9,323,108	13,394,517	22,717,625	338.4%	5,181,445	16.8%	19,458,277
Cloud, IT and cybersecurity services	3,523,012	4,166,538	7,689,550	49.7%	5,137,821	19.8%	6,420,998
Telecommunication services	5,789,479	9,216,911	15,006,390	-	-	15.3%	13,016,219
Non-recurring income, grants and other	10,618	11,067	21,684	-50.3%	43,625	3.0%	21,061
Cost of sales	(3,721,243)	(5,351,090)	(9,072,333)	548.7%	(1,398,522)	11.6%	(8,128,819)
Product direct costs	(3,301,024)	(4,892,918)	(8,193,942)	1204.9%	(627,930)	13.4%	(7,228,648)
Technical and operating costs	(420,219)	(458,172)	(878,391)	14.0%	(770,593)	-2.4%	(900,172)
Gross margin	5,601,865	8,043,427	13,645,292	260.7%	3,782,923	20.4%	11,329,458
<i>Gross margin, %</i>	60.1%	60.1%	60.1%	-17.7%	73.0%	3.2%	58.2%
Personnel expenses	(1,961,782)	(2,484,962)	(4,446,744)	169.4%	(1,650,536)	18.9%	(3,741,291)
Salaries and Social Security	(2,248,699)	(2,995,242)	(5,243,941)	178.1%	(1,885,880)	18.0%	(4,443,239)
Own R&D expenses capitalised	286,917	510,280	797,197	238.7%	235,344	13.6%	701,948
Other corporate costs	(1,522,281)	(2,154,626)	(3,676,907)	321.5%	(872,419)	5.4%	(3,488,272)
Customer operations, marketing et al.	(284,425)	(147,083)	(431,509)	540.2%	(67,401)	-54.5%	(947,371)
Network, operations and IT	(631,897)	(1,166,444)	(1,798,341)	-	-	35.5%	(1,326,996)
Other G&A costs	(605,959)	(841,099)	(1,447,058)	79.8%	(805,018)	19.2%	(1,213,906)
Other income/(expenses)	-	-	-	-	-	-	-
Adjusted EBITDA *	2,117,802	3,403,839	5,521,641	338.2%	1,259,969	34.7%	4,099,895
<i>Adjusted EBITDA %</i>	22.7%	25.4%	24.3%	0%	24.3%	15.4%	21.1%

*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, have changed the scale of the Company
- With OnMovil acquisition, net revenues for 2021 are now estimated to be over €52M, almost 5x 2020 revenues and EBITDA expected to reach €12M, 13% higher than budgeted and approx. 23% of sales
- **Proforma figures, including all companies acquired, would reach approx. €64M in net revenues and over €14M in EBITDA**

2021 CONSOLIDATED BUDGET

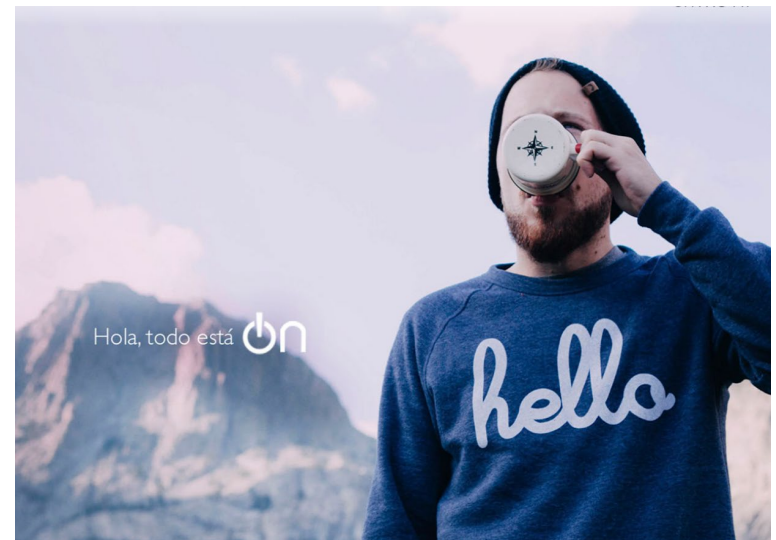
EUR	Q1b	Q2b	Q3b	Q4b	2021b	% Chg.	2020real
Gross Sales	6,008,274	14,511,659	14,955,975	15,709,415	51,185,322	298.0%	12,862,085
Accrued sales	(122,834)	113,818	54,134	(121,395)	(76,277)	264.5%	(20,928)
Sales, discounts and promotions	(497,746)	(575,954)	(581,357)	(593,459)	(2,248,515)	12.4%	(2,001,077)
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)

OnMovil Acquisition

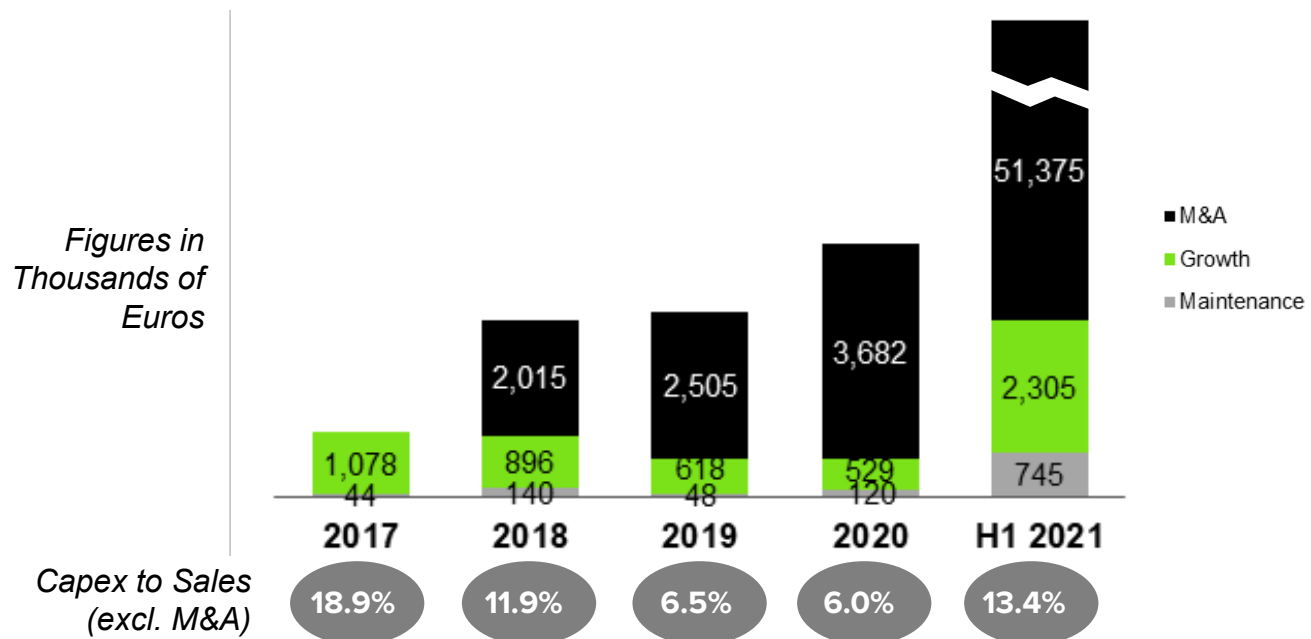


- Acquisition of Mobile Virtual Operator (MVNO)
OnMovil closed on the 1st of September
- OnMovil distributes mobile services through almost 200 small regional telco operators
- Through those partners, OnMovil has achieved 85,000 mobile lines and positions Gigas as one of the largest Spanish MVNOs
- OnMovil had €9.58M revenues in 2020 and is expected to reach revenues of €10M this year
- The transaction has been agreed at an EqV of €9.1M (60% paid at closing, 20% to be paid within 15 months and 20% remaining to be paid 24 months after closing)
- The acquisition fills a gap in Gigas' portfolio for mobile services and fits perfectly with Gigas' one-stop-shop strategy for a convergent (telco/cloud/cybersecurity) offering
- OnMovil also provides enough volume to drive economies of scale (mobile platform is expensive) which will benefit Gigas' mobile services to businesses from a price and feature perspective
- This acquisition also opens up a new sales channel of circa 200 regional telcos, which could be used to cross-sell other Gigas' services



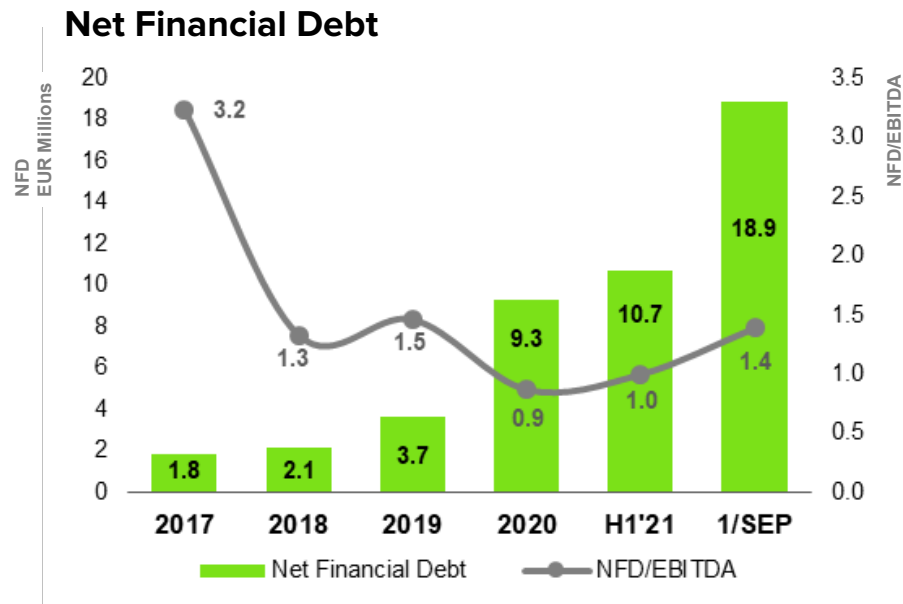
CAPEX Evolution 2016-2021

- CAPEX (excl. M&A and R&D) growing significantly this year, due to the new telco profile of Gigas and one-off integration and new product investments
- **Budget for the year is €10.30M** (€0.65M in 2020), but **€3.05M invested in H1** (€2.04M in Q2), 29.3% lower than budgeted and representing a Capex to sales ratio of 13.4%
 - Lower Capex due to delays of certain projects, but mostly due to greater efficiency in investments and achievement of **significant synergies between Spain and Portugal lowering Capex needs** and therefore Capex for the year will be lower than expected
 - R&D personnel works capitalized not included as CAPEX
- Large M&A Capex (€60.5M) invested this year so far (ONI, MásMóvil portfolio, ValoraData and OnMovil). €29.4M paid in cash, €24.5M paid in Gigas' shares and €6.1M deferred



Debt Evolution as of 30/JUN and 1/SEP 2021

- **€60.5M** invested in four acquisitions this year so far (€51.4M in H1'21):
 - 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)
 - OnMovil: €9,1M (€5.46M paid, rest in 15 and 24m)
- New debt raised for OnMovil acquisition, increasing gross debt at 1/SEP to €30.8M. Post OnMovil acq., cash at hand reached €12.0M at 1/SEP (€9.8M at 30/JUN), resulting in a **net financial debt position of €18.9M, or 1.4x recurring EBITDA** (Q2'21 EBITDA x 4)
- Gross debt does not include convertible bonds (€2.5M, expected to be converted since they are *deep in the money*) or rental agreements liabilities (IFRS 16 related)





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 prices (€11.0 per share), **market cap is €128M and EV €148M, representing just over 10x EBITDA proforma**
- **Analysts very positive about the Company**

Comparables



Country	UK	Italy	UK	UK
Annual Revenues 2020	£393.8M	€52.5M	£111.9M	£91.4M
EBITDA 2020 (margin %)	£79.0M (20%)	€18.3M (35%)	£33.5M (30%)	£18.1M (20%)
Enterprise Value (EV)	£1,960M	€726M	£316M	£228M
EV/ Revenues	5.1	11.3	2.8	2.5
EV/ EBITDA	25.1	34.8	9.4	12.5
Net debt 2020 (NFD/EBITDA)	-£13M	€72M (3.5x)	£55M (1.6x)	£16M (0.9x)

SOURCE: Renta4, Gigas, ADL

* Figures for iomart and Redcentric are for fiscal year ending March 2021
 Rest of financial figures are for calendar year 2020. EV as of 10/SEP/2021

Q&A

H1 2021 Results and Investors Presentation



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Moisés Israel, Chairman

Diego Cabezudo, CEO

Javier Cañete, CFO

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**Thank
you**

