



**Diego Cabezudo**  
CEO



**Javier Cañete**  
CFO

# Q3 2021 Results Investors' Presentation

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NOVEMBER 2021



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# 2021 has been transformational

**First Converged  
Telco & Cloud  
Operator**

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

2021

**February 2021 - Gigas acquires a portfolio of +3k business customers from**

MÁSMÓVIL

- Adds fixed telephony, cloud PBX and connectivity services
- Kickstarts Gigas transformation towards converged telecoms, cloud and security provider

**March 2021 - Gigas buys ONI, Portugal's leading B2B telecom operator**

oni 

- Gigas acquires ONI, for €39.5M in a mix of cash and Gigas' shares
- Adds scale, presence in Portugal and strong technical capabilities in voice and networking

**April 2021 - Gigas acquires Valoradata's cybersecurity unit**

VALORA  
DATA® 

- Adds backup and business continuity services, strengthening portfolio of cybersecurity services
- Contributes with €1.6M revenues and €0.4M EBITDA

**June 2021 - Gigas reported more than 4-fold increase in H1 revenue y-o-y**



- Gigas reaches €22.72M of revenues and €5.52M of EBITDA in the first half of 2021, outperforming the budget by 16.8% and 34.7%, respectively
- >4-fold increase in y-o-y figures with an EBITDA in Q2 in line with the expected for Q4

**Sept. 2021 - Gigas acquires the virtual mobile operator OnMovil**





on móvil 

- MVNO offering mobile services to 85K customers through almost 200 regional operators
- Adds €10M in revenues and positions Gigas as one of the largest independent MVNOs in Spain
- Strengthens the company's strategy of being a one-stop-shop provider for business customers

**From €11M revs. and €2.5M EBITDA in 2020  
to €64M revs. and €14M EBITDA proforma today**

# A B2B portfolio built for the digital era

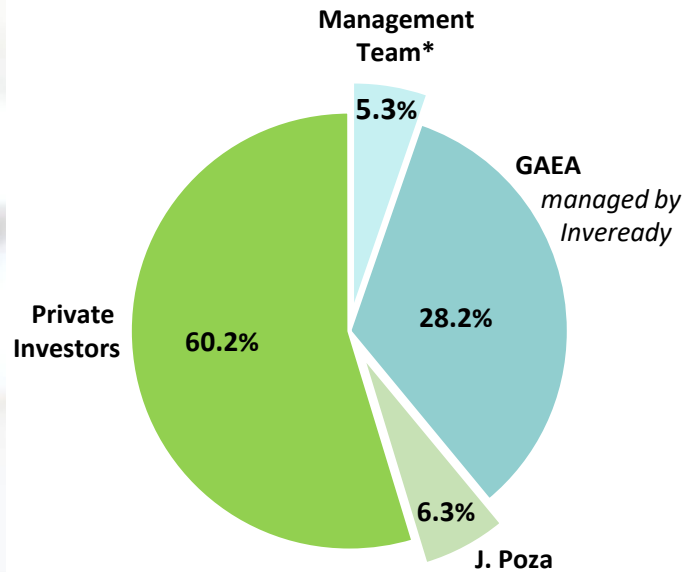
## Building a forward-looking portfolio...

	<i>Current</i>	<i>New services</i>
 <b>Cloud</b>	IaaS PaaS SAP™ Cloud	Hybrid and multi Cloud
 <b>Cyber-security</b>	Disaster recovery Cloud Backup Firewall as a service Disaster Recovery	SD-WAN Managed services Clean traffic Secure access service edge
 <b>Connectivity</b>	Internet connectivity Site interconnection	Global load balancing Secure remote access & VPN
 <b>Unified comms.</b>	SIP Trunk VoIP Collaborative services Fixed Voice	Mobile communications Cloud PBX Fixed Mobile Convergence

## ...unlocking significant value for Gigas and its clients

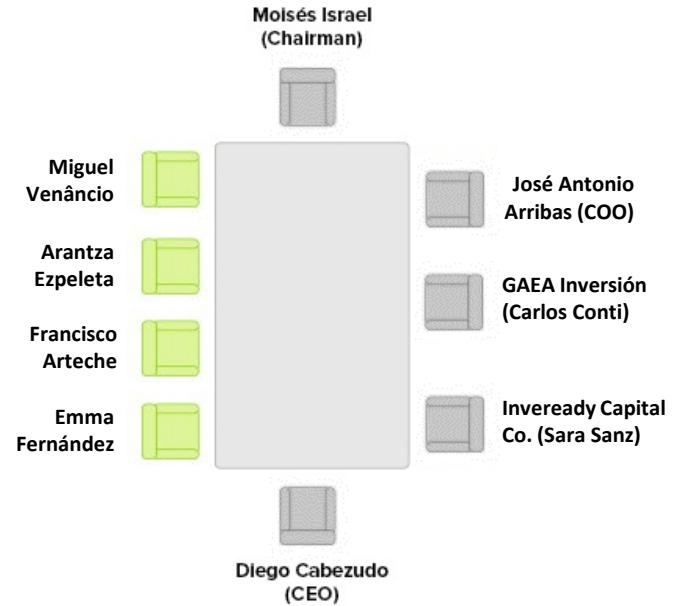


# Shareholders and Board of Directors



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 vested 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**



Independent Board Members

# Q3 2021 Key Highlights



YTD Q3'21 net revenues reached **€37.0M**, **4.7x growth YoY** and **9.2% higher than budgeted**, due mainly to acquisitions and consolidation of OnMovil, new MVNO acquired in September.



Adj. **EBITDA for the 9 months of the year 2021** reached **€8.9M**, up **356% YoY** and 22.5% higher than €7.3M in the budget.



Adj. **EBITDA for Q3** amounted **€3.4M**, reaching the figure budgeted for **Q4** and representing **23.9% of sales** versus 22.1% budgeted



**Low leverage, NFD at 1.8x EBITDA** budget for 2021 and **strong cash position (€10M+)**. After OnMovil acquisition in SEP (fully debt funded), **NFD reaches 1.4x EBITDA runrate (Q3x4)**



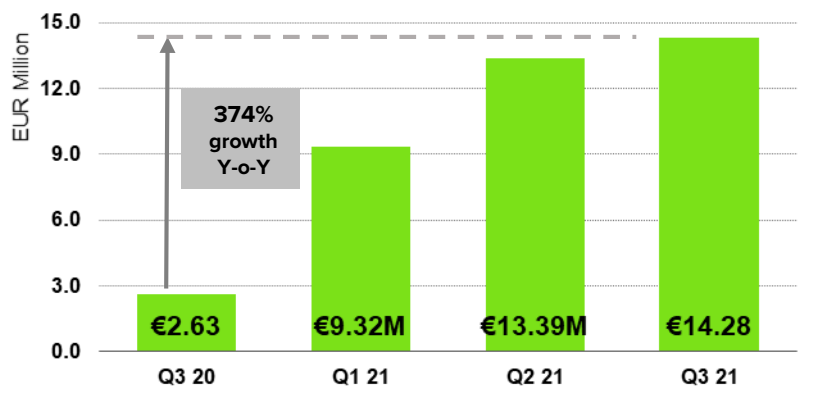
Five acquisitions in last 12 months **shaping a group with circa €64M annual revenues and €14M EBITDA**. **OnMovil**, recently acquired, contributes with €10M revs and **85K mobile lines**, positioning **Gigas as one of the largest MVNOs in Spain**



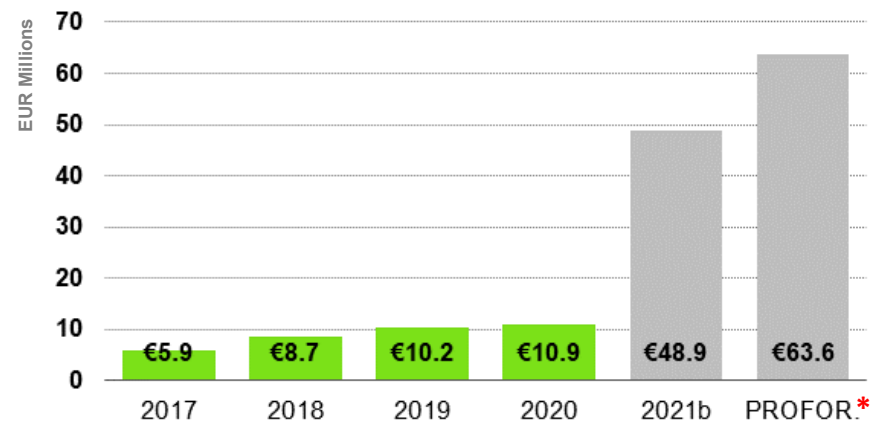
# Revenues 9M and Q3 2021

- Net revenues grew to **€37.0M** in the first 9 months of 2021, 4.7x higher than the **€7.8M** of same period last year, thanks mainly to acquisitions carried out in the first quarter of 2021: ONI, customers acquired from MasMovil, cybersecurity business unit acquired from ValoraData, and OnMovil, the MVNO acquired in September.
- Revenues in the first 9 months of 2021 were **9.2% higher than budgeted**, partly due to earlier consolidation of ONI's business in Portugal. **OnMovil consolidation in September contributed with €0.8M in revenues**, but revenues slightly below budget mostly because assets divested before ONI acquisition.
- Telecommunications services represented 67.4% of total revenues, while cloud and cybersecurity represented 32.6%.
- **Proforma\* annual revenues amount €63.6M**, taking into account full consolidation of all acquisitions. (Almost 100% of revenues are recurring).

## QUARTERLY NET REVENUES

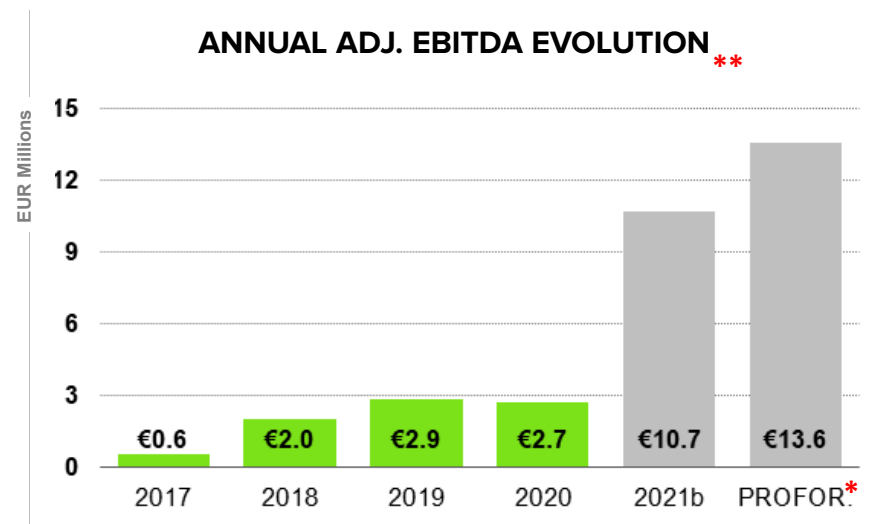
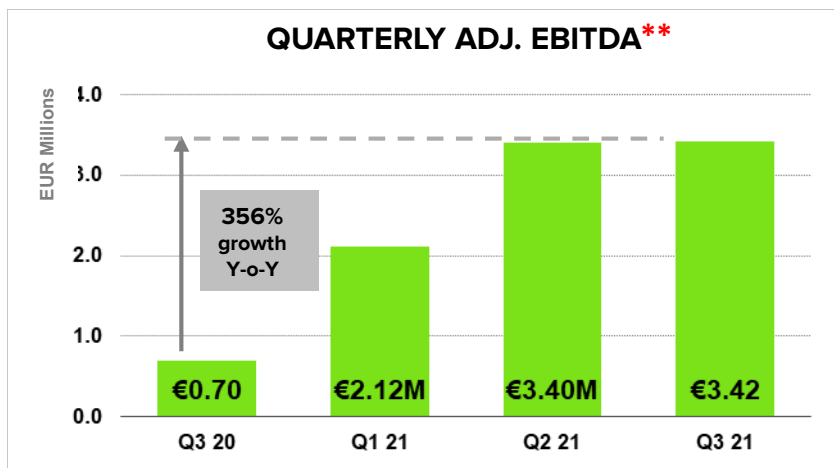


## ANNUAL NET REVENUES EVOLUTION



# EBITDA 9M and Q3 2021

- **Adjusted (recurring) EBITDA reached €8.9M in the first 9 months of the year, 356% higher than the €2.0M in the same period a year ago and 22.5% higher than the €7.3M budgeted due to earlier consolidation of ONI, acquisition of ValoraData business unit and synergies**
- **Moreover, profitability grew sustainably thanks to synergies and optimisations, with EBITDA amounting €3.4M in Q3, 7.0% higher than budgeted (€3.2M), and reaching the EBITDA figure expected for Q4**
- **EBITDA margin reached 24.2% in the first 9 months of the year, much better than the 21.5% budgeted.**
- **Proforma\* annual adj. EBITDA reaches €13.6M, calculated by multiplying the Q3 adjusted EBITDA times four.**



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



# 9M 2021 Results Compared to 9M 2020 and Budget

## GIGAS GROUP

### CONSOLIDATED INCOME STATEMENT

Figures in Euros

	2021	2021	2021	2021		2020	BUDGET 2021
	Q1	Q2	Q3	JAN - SEP	% Chang	JAN - SEP	% Chang JAN - SEP
<b>Net Revenue</b>	<b>9,323,108</b>	<b>13,394,517</b>	<b>14,282,470</b>	<b>37,000,095</b>	<b>374%</b>	<b>7,810,632</b>	<b>9.2% 33,897,560</b>
Cloud, IT and cibersecurity services	3,523,012	4,166,538	4,351,124	12,040,674	55%	7,755,909	18.5% 10,158,613
Telecommunications services	5,789,479	9,216,911	9,920,570	24,926,960	-	-	5.1% 23,707,356
Non recurring income, grants and others	10,618	11,067	10,776	32,461	-41%	54,723	2.8% 31,591
<b>Cost of Sales</b>	<b>(3,721,243)</b>	<b>(5,351,090)</b>	<b>(6,064,744)</b>	<b>(15,137,076)</b>	<b>596%</b>	<b>(2,176,160)</b>	<b>6.7% (14,185,759)</b>
Product direct costs	(3,301,024)	(4,892,918)	(5,597,327)	(13,791,268)	1330%	(964,669)	7.5% (12,826,369)
Technical and operations costs	(420,219)	(458,172)	(467,417)	(1,345,808)	11%	(1,211,490)	-1.0% (1,359,390)
<b>Gross Margin</b>	<b>5,601,865</b>	<b>8,043,427</b>	<b>8,217,726</b>	<b>21,863,019</b>	<b>288%</b>	<b>5,634,473</b>	<b>10.9% 19,711,801</b>
<i>Gross Margin %</i>	<i>60.1%</i>	<i>60.1%</i>	<i>57.5%</i>	<i>59.1%</i>		<i>72.1%</i>	<i>1.6% 58.2%</i>
<b>Personnel expenses</b>	<b>(1,961,782)</b>	<b>(2,484,962)</b>	<b>(2,554,063)</b>	<b>(7,000,807)</b>	<b>190%</b>	<b>(2,414,205)</b>	<b>12.4% (6,229,896)</b>
Salaries and social security	(2,248,699)	(2,995,242)	(3,065,061)	(8,309,002)	199%	(2,783,177)	11.2% (7,474,575)
Own R&D expenses capitalised	286,917	510,280	510,997	1,308,195	255%	368,972	5.1% 1,244,679
<b>Other corporate costs</b>	<b>(1,522,282)</b>	<b>(2,154,627)</b>	<b>(2,246,891)</b>	<b>(5,923,800)</b>	<b>370%</b>	<b>(1,261,698)</b>	<b>-4.3% (6,187,569)</b>
Customer operations and marketing	(284,425)	(147,083)	(427,860)	(859,368)	846%	(90,809)	-40.4% (1,442,885)
Network, operations and IT expenses	(631,897)	(1,166,444)	(974,296)	(2,772,637)	-	-	5.0% (2,640,396)
Other G&A costs	(605,960)	(841,099)	(844,735)	(2,291,794)	96%	(1,170,889)	8.9% (2,104,289)
Other results	-	-	-	-	-	-	-
<b>Adjusted EBITDA *</b>	<b>2,117,802</b>	<b>3,403,838</b>	<b>3,416,772</b>	<b>8,938,412</b>	<b>356%</b>	<b>1,958,570</b>	<b>22.5% 7,294,335</b>
<i>Adjusted EBITDA %</i>	<i>22.7%</i>	<i>25.4%</i>	<i>23.9%</i>	<i>24.2%</i>	<i>-4%</i>	<i>25.1%</i>	<i>12.3% 21.5%</i>
<b>CAPEX</b>	<b>1,023,813</b>	<b>2,024,219</b>	<b>1,539,540</b>	<b>4,587,572</b>	<b>856%</b>	<b>480,085</b>	<b>-37.9% 7,388,947</b>
<i>% of revenues</i>	<i>11.0%</i>	<i>15.1%</i>	<i>10.8%</i>	<i>12.4%</i>	<i>102%</i>	<i>6.1%</i>	<i>-43.1% 21.8%</i>
<b>EBITDA - CAPEX</b>	<b>1,093,989</b>	<b>1,379,619</b>	<b>1,877,232</b>	<b>4,350,840</b>	<b>194%</b>	<b>1,478,486</b>	<b>4498.6% (94,612)</b>
<i>% of revenues</i>	<i>11.7%</i>	<i>10.3%</i>	<i>13.1%</i>	<i>11.8%</i>	<i>-38%</i>	<i>18.9%</i>	<i>-0.3%</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, have changed the scale of the Company
- EBITDA growing better than expected
- **Proforma figures, including all companies acquired, would reach approx. €64M in net revenues and €14M in EBITDA**

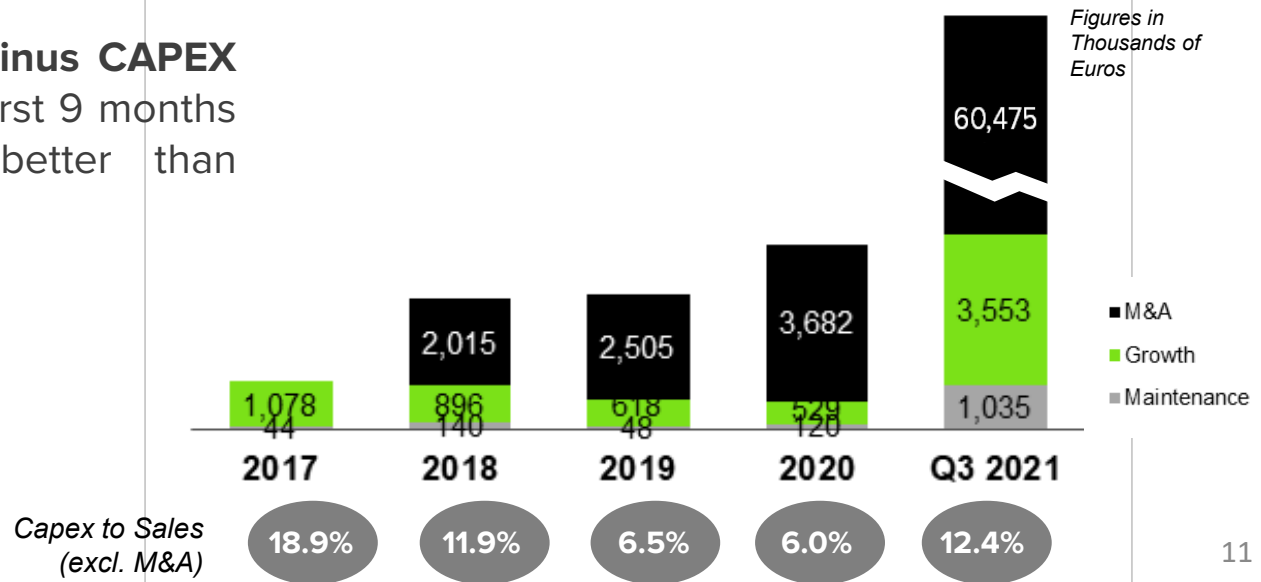
## 2021 CONSOLIDATED BUDGET

EUR	Q1b	Q2b	Q3b	Q4b	2021b	% Chg.	2020real
<b>Gross Sales</b>	<b>6,008,274</b>	<b>14,511,659</b>	<b>14,955,975</b>	<b>15,709,415</b>	<b>51,185,322</b>	<b>298.0%</b>	<b>12,862,085</b>
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
<b>Net revenue</b>	<b>5,398,224</b>	<b>14,060,054</b>	<b>14,439,283</b>	<b>15,005,091</b>	<b>48,902,652</b>	<b>348.4%</b>	<b>10,905,727</b>
<b>Cost of sales</b>	<b>(2,210,656)</b>	<b>(5,918,162)</b>	<b>(6,056,941)</b>	<b>(6,260,849)</b>	<b>(20,446,608)</b>	<b>493.7%</b>	<b>(3,444,085)</b>
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)
<b>Gross Margin</b>	<b>3,187,568</b>	<b>8,141,892</b>	<b>8,382,342</b>	<b>8,744,242</b>	<b>28,456,044</b>	<b>284.7%</b>	<b>7,395,995</b>
<b>Gross Margin, %</b>	<b>59.0%</b>	<b>57.9%</b>	<b>58.1%</b>	<b>58.3%</b>	<b>58.2%</b>	<b>-14.7%</b>	<b>68.2%</b>
<b>Personnel Costs</b>	<b>(1,261,995)</b>	<b>(2,479,296)</b>	<b>(2,488,605)</b>	<b>(2,502,098)</b>	<b>(8,731,994)</b>	<b>137.0%</b>	<b>(3,684,198)</b>
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
<b>Other overhead costs</b>	<b>(707,566)</b>	<b>(2,780,707)</b>	<b>(2,699,297)</b>	<b>(2,816,328)</b>	<b>(9,003,898)</b>	<b>735.5%</b>	<b>(1,077,710)</b>
<b>Adjusted EBITDA*</b>	<b>1,218,007</b>	<b>2,881,889</b>	<b>3,194,440</b>	<b>3,425,816</b>	<b>10,720,152</b>	<b>297.1%</b>	<b>2,699,733</b>
<b>Adjusted EBITDA %</b>	<b>22.6%</b>	<b>20.5%</b>	<b>22.1%</b>	<b>22.8%</b>	<b>21.9%</b>	<b>-12.0%</b>	<b>24.9%</b>

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

# CAPEX Evolution 2017-2021

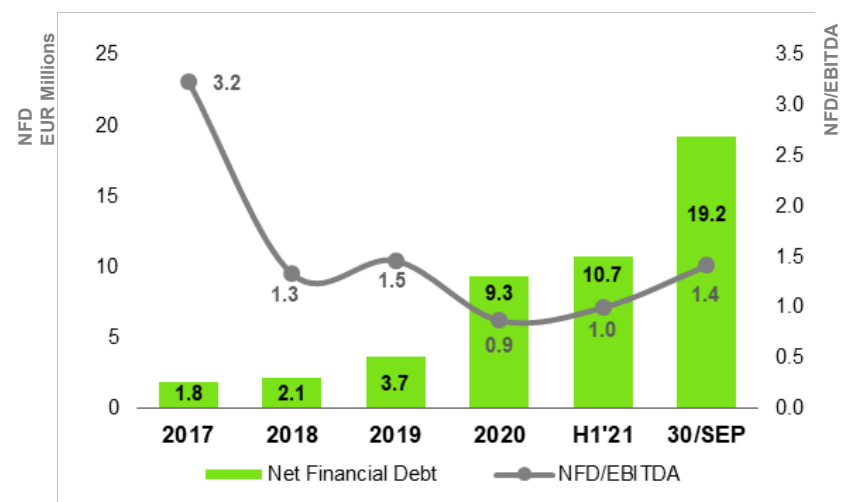
- CAPEX (excl. M&A and R&D) growing significantly this year, due to the new telco profile of Gigas and one-off integration and new product investments
- **Budget for the year is €10.3M** (€0.7M in 2020), but **€4.6M invested in 9M** (€1.5M in Q3), 37.9% lower than budgeted and representing a Capex to sales ratio of 12.4%
  - Lower Capex due to delays of certain projects and to greater efficiency in investments and achievement of **significant synergies between Spain and Portugal lowering Capex needs**. 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 Business Unit and OnMovil). €29.4M paid in cash, €24.5M paid in Gigas' shares and €6.1M deferred
- **Operating Cashflow minus CAPEX totalled €4.4M** in the first 9 months of the year, 194% better than budgeted.



# Debt Evolution as of 30/SEP

- **€60.5M invested in four acquisitions this year so far** (€51.4M in H1'21):
  - ONI: €39.5M (€15.0M paid in cash, rest in Gigas' shares)
  - MasMovil Customer Portfolio: €9M (€7.2M paid, rest in 12m)
  - ValoraData Business Unit: €2.38M (€1.7M paid, rest in 12m)
  - OnMovil: €9.1M (€5.46M paid, rest payable after 15m and 24m)
- New debt raised for OnMovil acquisition, increasing gross debt at 30/SEP to €29.3M. Cash at hand reached €10.1M at 30/SEP (€9.8M at 30/JUN), resulting in a **net financial debt position of €19.2M, or 1.4x recurring EBITDA** (Q3'21 EBITDA x 4)
- Gross debt does not include convertible bonds (€2.5M, expected to be converted since they are *deep in the money*) or long-term rental agreements liabilities (IFRS 16 related)
- Long term financial leases related to the Lisbon Datacenter and several long term network rights of use contracts (IRUs) are accounted as fixed asset suppliers and finance leases, and represent a total of €24.6M

Net Financial Debt





## In Summary

- The Company has gone through a significant transformation this year, both from a scale (€11M to €64M in revenues) and scope (cloud to cloud/telco/cybersec.) perspective and the management team has been focused on the corporate transactions, the integration of the targets acquired and the launch of the new cloud based communication services
- Total issued shares have increased to 11.64 million shares, due to the capital increased of 2020 and 2021. At current prices (~€11.2 per share), **market cap has a value of €130M and EV €150M, representing less than 11x EBITDA proforma**
- **End of Year Guidance:** Net revenues for 2021 are estimated to be over €52M (€48.9M budgeted), almost 5x 2020 revenues, and EBITDA is expected to reach €12M (13% higher than the €10.7M budgeted).

# Q&A



## 9M and Q3 2021 Results Investors Presentation



**gigas**

Diego Cabezudo, CEO

Javier Cañete, CFO

Investor relations contact:  
[investor@gigas.com](mailto:investor@gigas.com)  
[accionista@gigas.com](mailto:accionista@gigas.com)



**gigas**

**Thank  
you**

