



LAUNCH OF 10 Gbps CONNECTIVITY
FOR BUSINESSES BASED IN PORTUGAL
GIGAS HOSTING, S.A.
10 February 2022

Pursuant to article 17 of EU Market Abuse Regulation (596/2014) and article 228 of the Spanish Securities Market Act (*texto refundido de la Ley del Mercado de Valores*) approved by Royal Decree 4/2015, of 23 October, and related provisions, and in accordance also with Circular 3/2020 of the BME Growth Segment of BME MTF Equity (the “BME Growth” segment) on information to be provided by companies admitted to trading on BME Growth, Gigas Hosting, S.A. (“Gigas”, the “Group”, or the “Company”) hereby announces the deployment of a new business fibre optic network in Portugal.

A little over a year ago, GIGAS announced that it had acquired ONI, the leading enterprise telecommunications and cloud operator in Portugal (see inside information of 8 November 2020). Founded in the late 90s, ONI launched its business services on 1 January 2000, the day on which the telecommunications market in Portugal was deregulated. Since then, ONI has deployed an extensive fibre optic network throughout Portugal and its major cities, leveraging assets provided by key shareholders, mainly EDP, Portugal’s leading electricity utility, and Brisa, the country’s largest toll road operator. The deployment involved an investment of more than €550 million over the past 20 years. Today, the company operates infrastructure comprising more than 9,200 kilometres of fibre optic cable and more than 75,800 fibre optic pairs, including its own networks, rented networks and leased networks under IRUs (Indefeasible Rights of Use). ONI also operates an Iberian high-speed ring that connects Lisbon, Porto, Vigo, Madrid, Badajoz and Lisbon.

The Portuguese market has significant fibre optic coverage but, as in the Spanish market, the FTTH networks deployed by the major operators, though also offered to business customers, are designed primarily for residential use. This means the quality offered to companies is low, since they share their fibre optic connections with residential users who use bandwidth intensively (for video streaming, gaming, social media, etc.).

So far, ONI had focused on large companies, offering dedicated point-to-point fibre optic circuits with very high quality and capacity, but at prices beyond the reach of small and medium-size companies. However, leveraging the capillarity of its metropolitan networks, ONI has now deployed a new FTTP (“fibre to the premises”) network dedicated exclusively to business customers, using the latest technology, XGS-PON (10 (X) Gigabit Symmetrical Passive Optical Network), which provides access at 10 Gbps.

ONI thus becomes the first operator in the Portuguese market to offer fibre optic connectivity at 10 Gbps. Moreover, it does so over a dedicated business network, thus providing service quality well beyond the rest of the market. This solution at highly competitive prices will enable Portuguese SMEs to benefit from services that were previously available only to large companies. Moreover,

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whereas competitors require their subscribers to lock in for an average of three years, ONI is confident about the quality of the service it offers, and therefore sees no need to use lock-in clauses.

The company aims to focus on companies employing 4 to 250 employees, and expects to cover approximately 36% of this target segment in Portugal: i.e., 52,000 companies in that specific segment, and a total of 120,000 companies if companies of other sizes are also considered. The Group began deployment in 2021. It intends to spend slightly less than 20% of the €10.95 million of CapEx budgeted for 2022 (see inside information dated 9 February 2022) on the first phase of the project, which covers around 10,000 companies in the target segment and a total of 25,000 firms if companies of other sizes are also considered.

In the first phase, launched today, the service is available to 50% of the target business segment in the cities of Lisbon and Porto and in selected business and commercial areas in some of the country's largest cities, such as Aveiro, Braga, Coimbra, Évora, Faro, Funchal, Leiria, Setúbal and Viseu. ONI was able to deploy this coverage in record time and at a moderate cost by using the springboard of the Group's existing network assets in Portugal and the extensive expertise of its engineering teams in fibre optic deployment projects.

In addition to connectivity, ONI provides fixed and mobile voice services, PBX in the cloud, virtual private servers in the cloud and cybersecurity and clean traffic services to customers who subscribe to Internet access over the new FTTP network, in line with the company's goal of becoming its customers' end-to-end communications, cloud and cybersecurity provider. In Spain, GIGAS already offers fibre optic connectivity (up to 1 Gbps), but using third-party networks.

Alcobendas, Madrid, 10 February 2022

Diego Cabezudo Fernández de la Vega
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