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# Q1 2023 Results Presentation for Investors



**MAY** | **2023**



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# Q1'23 Key Highlights



**Q1 2023 net revenues reached €16.6M, 12.3% up YoY (€14.8M),** due organic growth and consolidation of TPartner acquired in Sept. 2022



**Gross margin of €9.9M in Q1'23, 17.6% higher than €8.4M from same period last year.** Margin % significantly above last year (59.6% vs 56.9%)



**Adj. EBITDA for the 3 first months of the year reached €3.8M, up 15.5% YoY (€3.3M)** and 2.7% higher than €3.7M budgeted for the period



**Low leverage (NFD of 1,92x EBITDA Budget) and good cash position (€9.9M),** after TPartner acquisition in September 2022



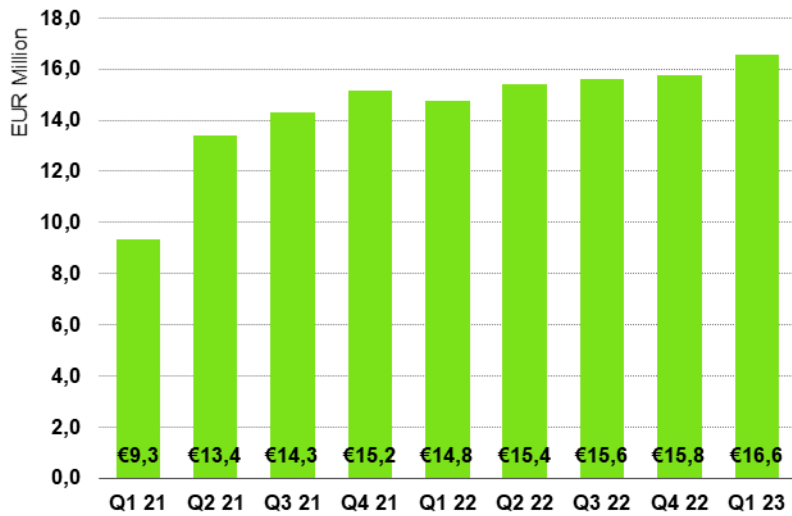
**Strong commercial growth in Cloud and Cyber services** (double digit growth compared to the previous quarter) to become a convergent operator



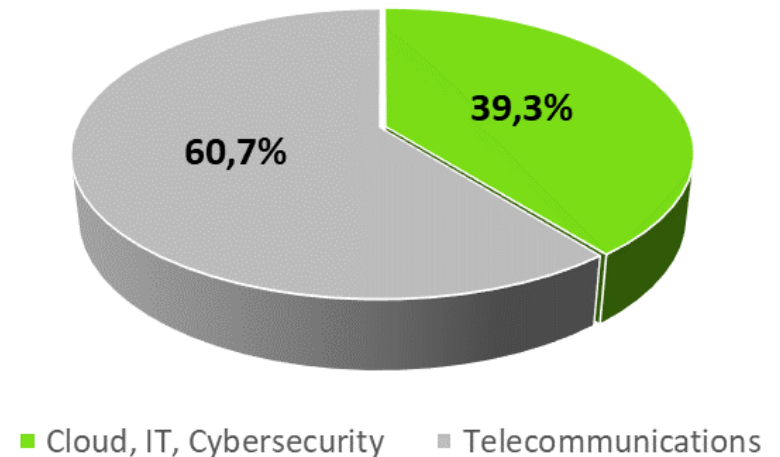
# Q1 2023 Revenues

- **Net revenues grew to €16.6M** in the first three months of the year, **12.3% higher than the €14.8M** from same period last year and **5.0% growth over previous quarter**, due mainly to cloud organic growth (and the consolidation of TPartner acquired in September 2022 in the annual growth), although slightly below budget (1.0% lower)
- **Telecommunications services represented 60.7%** of total revenues while **cloud and cybersecurity represented 39.3%**.

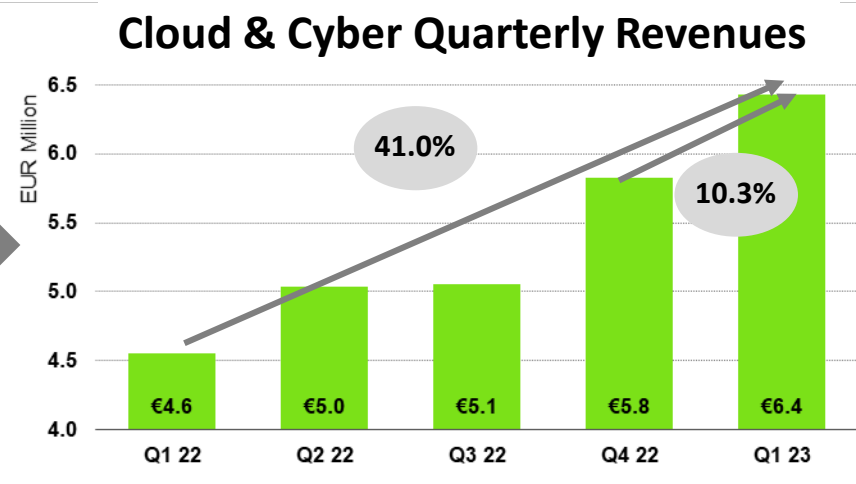
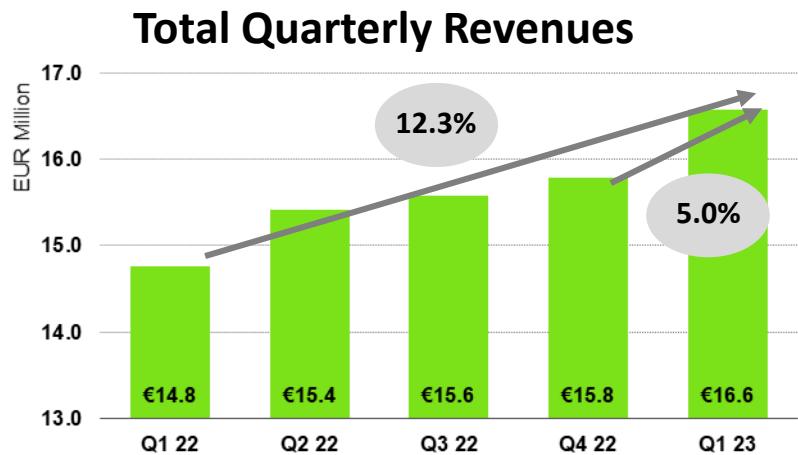
## Quarterly Net Revenues



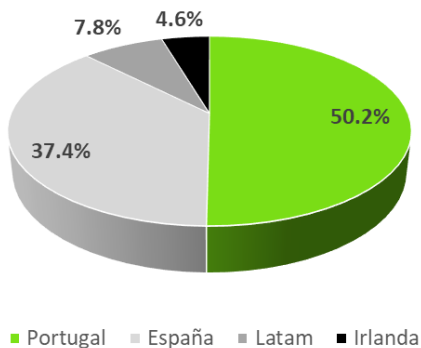
## Revenue Contribution by Service



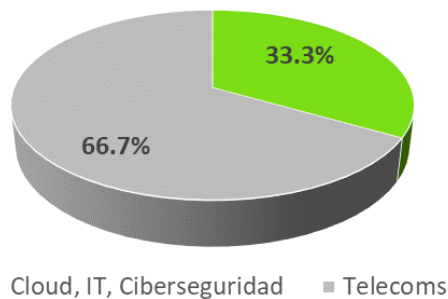
# Revenue Evolution



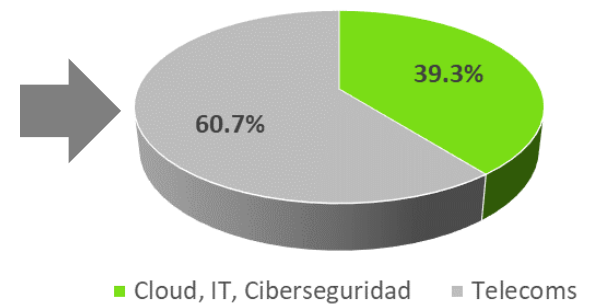
### 2022 Rev by Geography



### 2022 Rev by Service



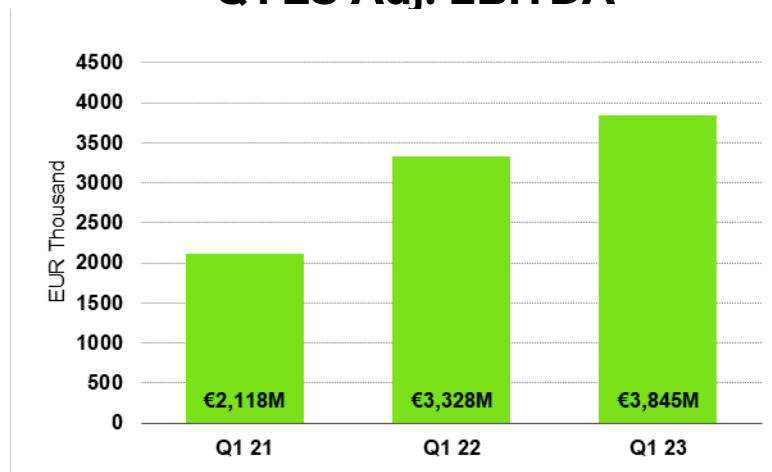
### Q1'23 Rev by Service



# Q1 2023 Gross Margin and EBITDA

- **Gross Margin of €9.9M in Q1'23**, 17.6% better than the €8.4M of Q1'22
- **Gross Margin reached 59.6% of net revenues** substantially better than the 56.1% of same period of last year, and slightly better than the 59.1% budgeted, thanks to renegotiation of wholesale telecommunications contracts and other efficiencies
- **Adjusted EBITDA reached €3.8M** (before M&A costs and long term remuneration plans and other extraordinary), **15.5% higher than the same quarter last year (€3.3M)**
- **EBITDA margin totaled 23.2% over Revenues, above the budget (22.3%), and significantly better than same period of last year (21.3%)**, due to higher gross margin, operating leverage and synergies obtained from acquisitions

## Q1'23 Adj. EBITDA\*



\* Adjusted EBITDA represents recurring EBITDA excluding M&A related costs, multiyear remuneration plans and other extraordinary

# Q1 2023 RESULTS

## GIGAS

### CONSOLIDATED RESULTS

*Figures in euros*

	REAL	REAL	REAL	BUDGET 2023
	Q1 23	% Var	Q1 22	% Var
<b>Net Revenues</b>	<b>16,575,987</b>	<b>12.3%</b>	<b>14,760,883</b>	<b>-1.0%</b>
Cloud, IT & Cybersecurity Services	6,425,401	41.0%	4,557,357	-2.6%
Telecommunications Services	9,915,597	-2.7%	10,193,473	-0.1%
Extraordinary Income, Subsidies & O.	234,990	2237.8%	10,052	4.4%
<b>Cost of Sales</b>	<b>(6,699,844)</b>	<b>5.3%</b>	<b>(6,361,911)</b>	<b>-2.3%</b>
Direct Product Costs	(5,920,454)	0.7%	(5,876,940)	-6.8%
Operations and Technical costs	(779,390)	60.7%	(484,971)	54.6%
<b>Gross Margin</b>	<b>9,876,142</b>	<b>17.6%</b>	<b>8,398,971</b>	<b>-0.2%</b>
<i>Gross Margin %</i>	<i>59.6%</i>		<i>56.9%</i>	<i>59.1%</i>
<b>Personnel Costs</b>	<b>(3,153,978)</b>	<b>14.0%</b>	<b>(2,766,854)</b>	<b>-6.8%</b>
Salaries and Social Security	(3,965,039)	19.3%	(3,322,545)	-0.4%
Capitalised R&D	811,060	46.0%	555,692	35.7%
<b>Corporate Costs</b>	<b>(2,877,623)</b>	<b>24.9%</b>	<b>(2,304,594)</b>	<b>3.9%</b>
Customer Operations and Marketing	(816,916)	3.6%	(788,601)	-20.3%
Network, Operations and IT	(1,069,007)	41.7%	(754,212)	24.8%
Other Corporate Costs	(991,700)	30.2%	(761,782)	11.5%
<b>Adjusted EBITDA *</b>	<b>3,844,542</b>	<b>15.5%</b>	<b>3,327,524</b>	<b>2.7%</b>
<i>Adjusted EBITDA %</i>	<i>23.2%</i>		<i>20.6%</i>	<i>22.3%</i>
<b>Maintenance CAPEX (**)</b>	<b>451,085</b>	<b>-64.5%</b>	<b>1,271,845</b>	<b>-45.0%</b>
<i>% over Revenues</i>	<i>2.7%</i>		<i>8.6%</i>	<i>4.9%</i>
<b>EBITDA - Maintenance CAPEX</b>	<b>3,393,456</b>	<b>91.3%</b>	<b>1,773,560</b>	<b>16.1%</b>
<i>% over Revenues</i>	<i>20.5%</i>		<i>12.0%</i>	<i>17.4%</i>

\*Adjusted EBITDA represents recurring EBITDA excluding M&A related costs, multiyear remuneration plans and other extraordinary

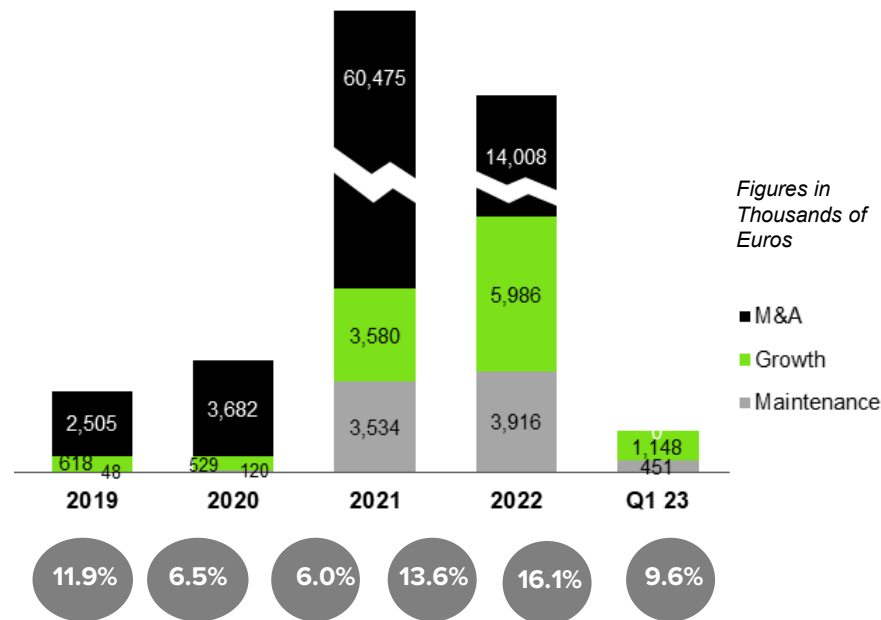
\*\*Maintenance CAPEX represents recurring investments to maintain existing infrastructures and current cloud capacity

# CAPEX 2019-2023

- **Total CAPEX incurred in the first Quarter, including growth CAPEX and maintenance CAPEX, amounted to EUR 1.60 million**, representing 19.5% of the total budgeted CAPEX for the year (EUR 8.2 million). **Capex to Sales is 9.6%, lower than in previous years.**
- **Maintenance CAPEX amounted to EUR 0.45 million in the first three months of 2023**, representing 2.7% of revenues, vs. 4.9% of the budget, due partly to savings and partly to temporary movements.
- **Growth CAPEX made was mostly focused on acquisitions of equipment for customer installation, and investments in cloud and data storage platforms.**



Capex to Sales  
(excl. M&A)

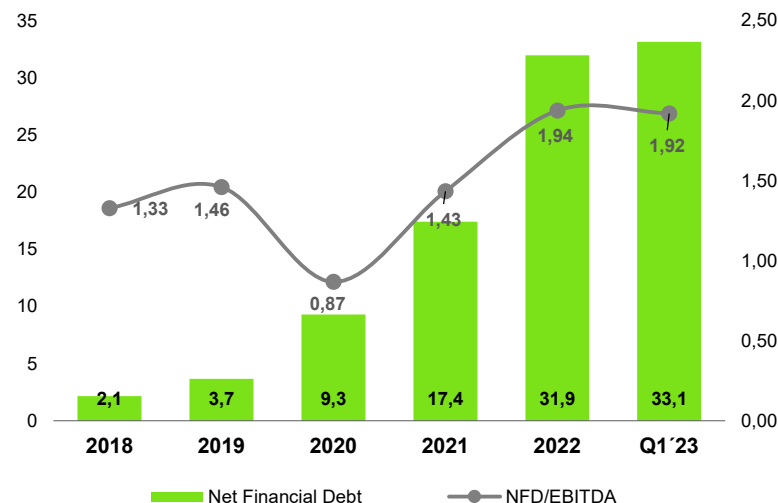




# Debt and Cash Evolution

- **Gross Debt at 30/MAR reached €43.0M**, after TPartner acquisition but previous to New Debt Structured, signed mid April 2023.
- **Cash at hand amounted €9.9M as of 30/MAR**, resulting in a **net financial debt position of €33.1M**, or **1.92x EBITDA budgeted for 2023**.
- Gross debt does not include convertible bonds (€2.5M) or long term rental agreements liabilities (IFRS 16 related) linked to the Lisbon datacenter and telecoms infrastructure indefeasible rights of use contracts (IRUs, €23.1M)

## DFN and Leverage Ratio



# 2023 Budget

- The budget for the year foresees an 18% growth in the top line, representing 11% organic growth (excluding the full year consolidation effect from Tpartner)
- In terms of **Adjusted EBITDA**, the Group expects €17.3M, representing a growth of 4.7%, lower than top line growth due to extraordinary savings in 2022 from renegotiation of wholesale telecommunication contracts





CONSOLIDATED P&L <i>Figures in euros</i>	BUDGET				BUDGET	2023b vs 2022	
	Q1 23	Q2 23	Q3 23	Q4 23	2023b	% Var	2022
<b>Net Revenues</b>	<b>16,751,303</b>	<b>17,405,301</b>	<b>18,731,644</b>	<b>19,751,930</b>	<b>72,640,178</b>	<b>18.0%</b>	<b>61,555,737</b>
Cloud, IT & Cybersecurity Services	6,596,652	6,949,232	7,284,355	7,964,922	28,795,161	40.6%	20,474,348
Telecommunications Services	9,929,652	10,231,068	11,222,289	11,562,008	42,945,017	4.8%	40,960,030
Extraordinary Income, Subsidies & O.	225,000	225,000	225,000	225,000	900,000	641.6%	121,359
<b>Cost of Sales</b>	<b>(6,855,476)</b>	<b>(7,215,824)</b>	<b>(7,735,390)</b>	<b>(8,259,195)</b>	<b>(30,065,886)</b>	<b>28.3%</b>	<b>(23,442,549)</b>
Direct Product Costs	(6,351,359)	(6,696,770)	(7,204,770)	(7,734,680)	(27,987,579)	30.0%	(21,536,781)
Operations and Technical costs	(504,117)	(519,054)	(530,621)	(524,515)	(2,078,307)	9.1%	(1,905,768)
<b>Gross Margin</b>	<b>9,895,827</b>	<b>10,189,476</b>	<b>10,996,254</b>	<b>11,492,735</b>	<b>42,574,292</b>	<b>11.7%</b>	<b>38,113,187</b>
<i>Gross Margin %</i>	59.1%	58.5%	58.7%	58.2%	58.6%	-5.3%	61.9%
<b>Personnel Costs</b>	<b>(3,382,468)</b>	<b>(3,374,869)</b>	<b>(3,365,321)</b>	<b>(3,389,121)</b>	<b>(13,511,779)</b>	<b>19.5%</b>	<b>(11,304,027)</b>
Salaries and Social Security	(3,980,249)	(3,972,649)	(3,963,101)	(3,986,901)	(15,902,900)	14.6%	(13,874,925)
Capitalised R&D	597,780	597,780	597,780	597,780	2,391,121	-7.0%	2,570,898
<b>Corporate Costs</b>	<b>(2,770,639)</b>	<b>(2,824,075)</b>	<b>(3,044,950)</b>	<b>(3,156,625)</b>	<b>(11,796,289)</b>	<b>14.3%</b>	<b>(10,319,737)</b>
Customer Operations and Marketing	(1,024,583)	(1,105,265)	(1,117,717)	(1,227,216)	(4,474,780)	20.2%	(3,721,985)
Network, Operations and IT	(856,749)	(856,749)	(856,749)	(856,749)	(3,426,997)	11.6%	(3,070,615)
Other Corporate Costs	(889,307)	(862,061)	(1,070,484)	(1,072,660)	(3,894,511)	10.4%	(3,527,137)
	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>3,742,720</b>	<b>3,990,532</b>	<b>4,585,983</b>	<b>4,946,989</b>	<b>17,266,225</b>	<b>4.7%</b>	<b>16,489,424</b>
<i>Adjusted EBITDA %</i>	22.3%	22.9%	24.5%	25.0%	23.8%		26.8%



## Share Evolution

- **Share ended at €10.30 in 2022** and it was influenced by high market volatility in the first months of 2023
- **Share Price closed at €7.64** on the 29<sup>th</sup> of May, significantly below the price at the start of the year
- At current prices, **market cap is €89M**
- Adding current Net Financial Debt, **Enterprise Value would reach €122M, which implies a multiple of 7.4x EBITDA 2022**, lower than most comparable companies
- **Analysts very positive about the Company. GVC Gaesco, for example, targets a €12.5 price** in its latest report

# Comparables

	 <b>Gamma</b>	 <b>wiit</b> The Private Cloud	<b>IONOS</b>	 <b>redcentric</b>	 <b>DHHI</b>	<b>gigas</b>
Country	UK	IT	DE	UK	IT	ES
Annual Revenues 2022	£484.6M	€118.8M	€1,293M	£110.5M	€29.6M	€61.6M
EBITDA 2022 (*) (margin %)	£92.6M (19%)	€37.0M (31%)	€346M (26%)	£19.1M (17%)	€7.1M (24%)	€16.5M(**) (27%)
Enterprise Value (EV)	£947M	€684M	€3,223M	£270M	€78M	€122M
EV/ Revenues	2.2x	5.5	2.5x	2.5	2.6x	2.0x
EV/ EBITDA	11.5x	16.9x	9.3x	10.3x	11.0x	7.4x
Net debt 2022 (NFD/EBITDA)	-£82M	€177M (5.4x)	€1,277M (3.7x)	£66M (3.4x)	€6M (0.9x)	€33M (1.9x)

(\*) EBITDA 2022 of other companies, obtained from Yahoo Finance.

(\*\*) EBITDA GIGAS 2022 is Adjusted EBITDA.

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**Thank  
you**

