



PRESS RELEASE

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The company presents guidance for 2019

Gigas estimates gross sales of EUR 11.83 million and EBITDA of EUR 2.5 million in 2019

- *This implies increases of 24% in sales and 70% in EBITDA*
- *The Company expects to deliver its first ever net profit and become net cash positive*

Gigas (GIGA.MAB), a Spanish multinational cloud computer services company, has released its 2019 quarterly budget, estimating EUR 11.83 million of gross sales and EUR 10.57 million of net revenue for the full year, driven by the Company's organic growth and the acquisitions made in 2018 (SVT and Ability).

These figures imply growth in 2019 of slightly over 24% in revenue from the figure estimated for 2018 (EUR 8.5 million), although net revenue will most likely exceed this amount, as noted in the price sensitive information disclosed on 22 November 2018.

The acquisitions made in 2018 raised Gigas' headcount (+20 employees) and strengthened its in-house sales teams in Latam to better leverage the region's market growth. Higher personnel expenses will affect EBITDA in 2019, but it still looks set to grow a touch above 70% from the EUR 1.5 million estimated for 2018 (see price sensitive information disclosed on 25 September 2018), to EUR 2.55 million, leaving an EBITDA margin of 24.1%.

Meanwhile, the three datacenters of the companies acquired in 2018 (Madrid, Barcelona and Bogota) will require a certain amount of investment (capex) in 2019. This will undermine gross income slightly, but the expenditure is necessary to enhance the Company's competitive positioning in a market where the provision of services by local datacenters is becoming an increasing advantage. Nonetheless, gross margin for the year is estimated to be around 77%, above the industry average, thanks mainly to the Company's proprietary cloud platform, which requires no payments to third parties.

The Company also expects to deliver its first ever net profit and become net cash positive this year. The Company has earmarked some EUR 1.05 million in capex to acquire IT equipment in 2019, in line with the level of investment made in 2018.



Alongside budgeted growth, the Company continues to look at corporate deals that could generate value for shareholders if they materialise and lead to an upward revision of the forecasts presented herein.

About Gigas.com

Gigas is a Spanish cloud computing company listed on the Mercado Alternativo Bursátil (Spanish Alternative Equity Market, or MAB) (ticker: GIGA.MAB). Founded in 2011, it has become one of the world's leading providers in the sector, according to Gartner's "Magic Quadrant for Cloud Infrastructure as a Service" report. Gigas, which offers cloud computing solutions to large corporations and SMEs alike, is widely known for its cutting-edge technology and unrivalled technical support. The company has data centres in Madrid, Miami and Santiago de Chile and offices in Spain, Colombia, Chile, Peru, Miami, Panama and Mexico.

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