



Full Company Report

Reason: Initiation of coverage

22 January 2019

Accumulate

from

Share price: EUR 7.40

closing price as of 21/01/2019

Target price: EUR 8.30

Upside/Downside Potential 12.2%

Reuters/Bloomberg GIGA.MC/GIGA SM

Market capitalisation (EURm) 32

Current N° of shares (m) 4

Free float 50%

Daily avg. no. trad. sh. 12 mth 6

Daily avg. trad. vol. 12 mth (m) 20.76

Price high/low 12 months 3.50 / 7.40

Abs Perfs 1/3/12 mths (%) 21.31/25.42/95.77

Key financials (EUR)

	12/17	12/18e	12/19e
Sales (m)	6	9	10
EBITDA (m)	1	1	2
EBITDA margin	9.6%	13.7%	24.5%
EBIT (m)	(0)	(0)	1
EBIT margin	nm	nm	8.5%
Net Profit (adj.)(m)	(0)	(0)	1
ROCE	-8.0%	1.3%	9.3%
Net debt/(cash) (m)	2	4	3
Net Debt Equity	0.5	0.8	0.6
Net Debt/EBITDA	3.2	3.5	1.3
Int. cover(EBITDA/Fin.int)	6.6	3.3	8.4
EV/Sales	2.8	3.7	3.5
EV/EBITDA	29.5	27.3	14.4
EV/EBITDA (adj.)	29.5	20.2	14.4
EV/EBIT	nm	nm	41.5
P/E (adj.)	nm	nm	nm
P/BV	3.7	5.5	5.7
OpFCF yield	-5.0%	-4.0%	3.0%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.11)	(0.03)	0.12
BVPS	0.95	1.18	1.30
DPS	0.00	0.00	0.00

Building the new Hispanic Amazon Web Service

Gigas Hosting trades in the MAB (+2,3x since its EUR3.25/share listing price in November 2015). Giga's core activity is providing and marketing cloud computing services in Infrastructure as a Service (IaaS, hosting servers in the cloud). The Company began its commercial activity in 2011 and has around 90 employees. The core business is capital-intensive and in salesforce, in which the payback on investments is below 6 months.

➤ **High structural potential of the cloud.** According to Gartner (leading research and advisory company), investments in the cloud computing market for IaaS segment will grow at CAGR 2014-18 +30% in Europe and +34% in LatAm, the two regions where Gigas is positioned. The market is dominated by Amazon Web Services (52% share), Microsoft (13.3%), Alibaba (4.6%), IBM (2%), Alphabet (3.3%) and Others (25%, highly fragmented).

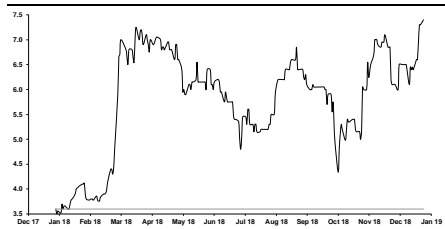
➤ **Differential value proposition.** Gigas has 6 Tier III/IV data centres in Madrid, Barcelona, Miami, Santiago de Chile and Bogota (albeit not the owner of these), with **24h/7d customer service in English/Spanish, qualified technical support** and help to migrate vs. other IaaS provider's naked infrastructure. The two main products offered are:

I. Cloud DataCenter (17.8% clients, 90.3 % gross revenues 2018e). Solutions for businesses (high-end, varying needs in infrastructure) seeking flexibility and bringing about efficiencies via cost reduction and variability. The product is subscribed either directly (own salesforce) or indirectly (commercial network/third parties) involving negotiations and discounts. Gigas offers a number of resources (RAM, memory and storage) to replicate a physical data centre in a virtual media. There is also the possibility of adding other complementary and differentiating features such as firewall, load balancer, BPN, VLAN etc. In addition are solutions developed with products from third parties such as SAP Hana, Oracle and D&R (disaster&recovery) according to customers' needs.

II. Cloud VPS (Virtual Private Server, 82.2% clients, 9.7% revenues 2018e). A cloud solution made up by a single virtual machine for professional designers and developers, e-commerce and bloggers, mobile app developers, SMEs, resellers, and freelancers. The wide range of potential users is mainly low/mid-market customers that can subscribe the product directly through Gigas' web.

➤ **Brilliant delivery and the best is yet to come.** During the period 2012/9M18, Gigas was capable of capturing over 4k, is the only Spanish cloud company that is listed and is a reference mainly in Spain and LatAm. We estimate a strong rhythm in client capturing (CAGR 2017-22e +3.6%) focusing on higher added value products (Cloud Datacenter). Gigas reached break-even in EBITDA in 2017 (estimated long term margin c.29%) and we estimate break-even in net profit and FCF in 2019.

➤ **Valuation.** Our fair value EUR8.3EUR/sh. (incl. EUR2.5m bond conversion) arises from the DCF method for the period 2017-22e (WACC 8.8%, g 3%, terminal EV/EBITDA 11x and weight 86.6%), PUV (Potential User Valuation) and comparables.



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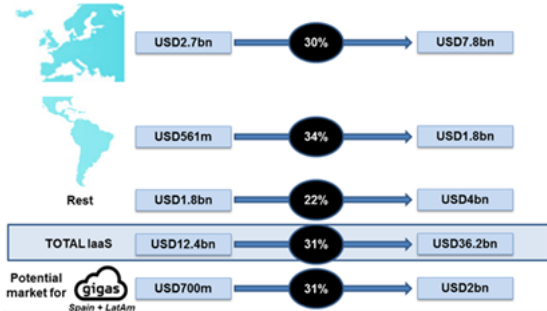
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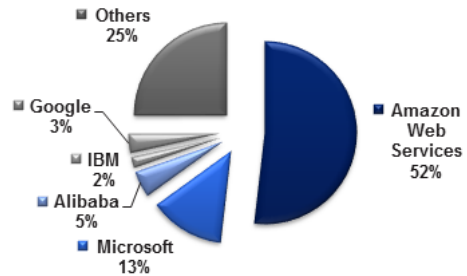
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Investment Case in 8 charts

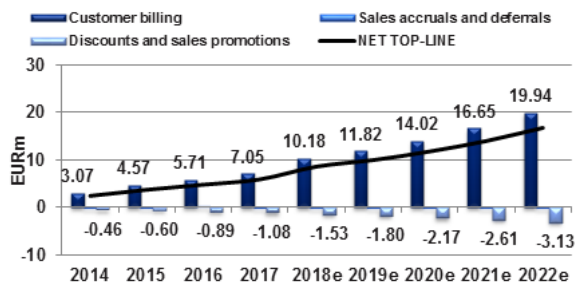
CLOUD. RELEVANT STRUCTURAL POWER



CLOUD IaaS. HIGH FRAGMENTATION OF THE 25% OF THE GLOBAL MARKET



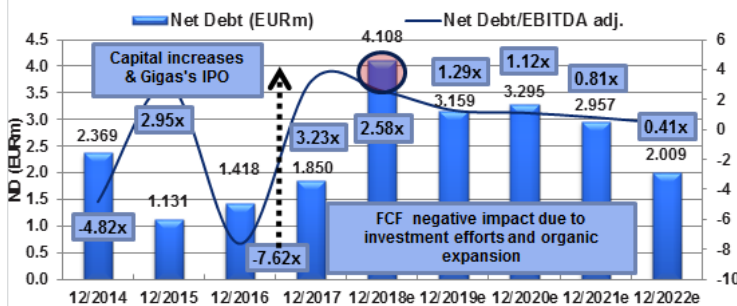
GIGAS HOSTING. TOP-LINE EVOLUTION (EURm)



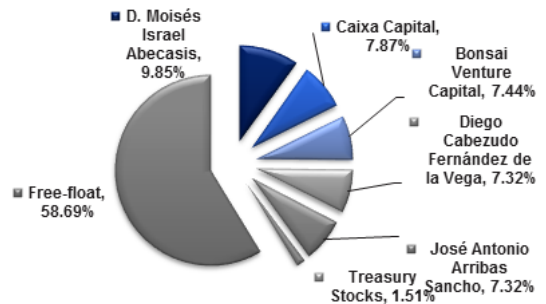
GIGAS HOSTING. HIGH DIVERSIFICATION OF ITS CLIENT BASE



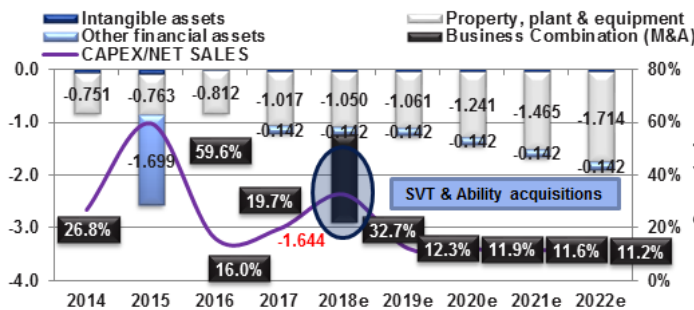
GIGAS HOSTING. ND/EBITDA EVOLUTION



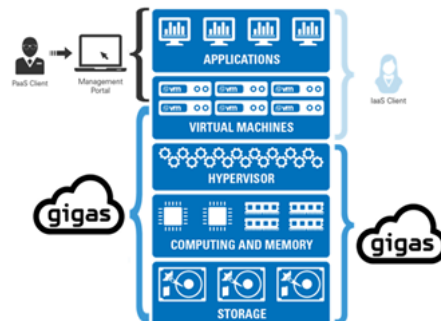
GIGAS HOSTING. CAPITAL STRUCTURE (2018, latest reported)



GIGAS HOSTING. CAPEX EVOLUTION & BREAKDOWN



GIGAS HOSTING. VALUE PROPOSITION



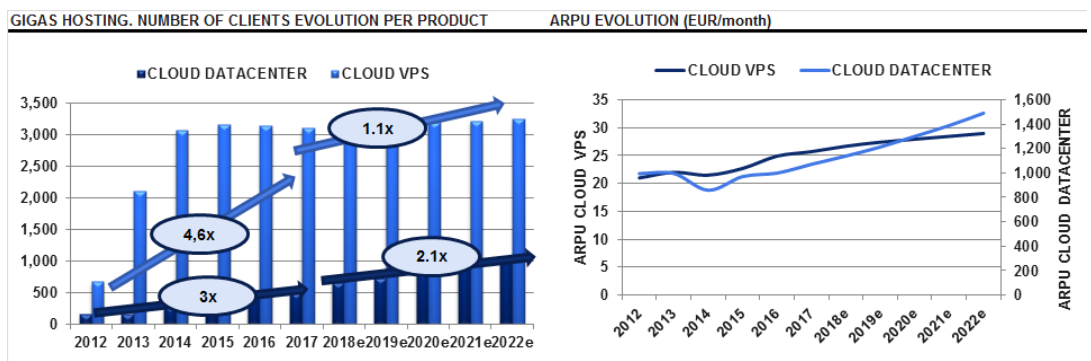
* Net debt 2018e including convertible bonds

Source: Gigas Hosting & GVC Gaesco Beka

Investment Case: Brilliant delivery with the best to come

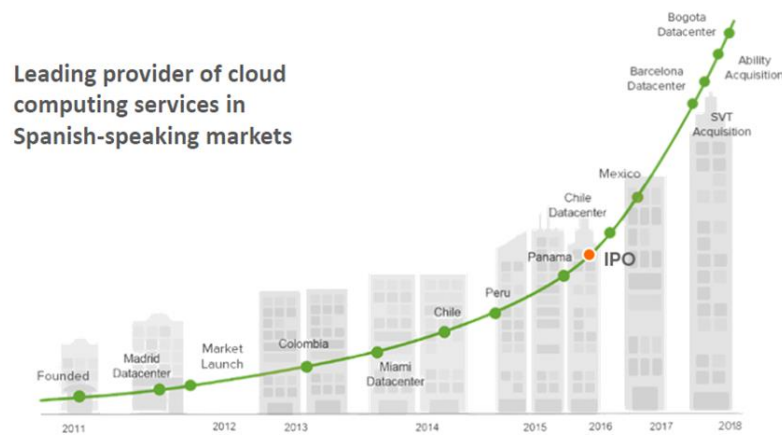
Below are the main pillars behind our investment case in order of relevance. Without a doubt, the main driver is the future growth of the cloud sector, which is a **macrotrend** and whose origin is in new technologies such as IoT, autonomous driving, telemedicine, blockchain, augmented /virtual reality, etc.

- **Structural strength of the non-regulated cloud computing sector (IaaS).** There are a number of drivers – to date seen globally - that will accelerate the dynamics in outsourcing infrastructures via the use of cloud: i) **cost savings** (mainly companies with low sales and fewer needs to amortise relevant investments); ii) **modulating infrastructures** according to services; iii) **easier use**; and iv) **consolidation of complex infrastructures** (especially in high billing companies). According to various studies included in this report, the sector will reach **CAGR >+25%**.



Source: Gigas Hosting & GVC Gaesco Beka

Without a doubt Gigas will benefit from the mentioned, being present in countries in which the potential is high based on the low cloud penetration and where large player's positions are still budding. We estimate Giga's net top line (CARG17/22e +23.1%) to continue outpacing the mentioned sector growth rates boosted by the expanding client base, higher added value product mix and rising ARPU.



Source: Gigas Hosting & GVC Gaesco Beka

- **High FCF growth thanks to the scalability of its core business.** Positive FCF as from 2019e considering normalised capex/sales of 10/12%. For 2018e we consider capex according to the acquisitions of SVT and Ability, as well as the partial consolidation of these and regarding 2019e, the respective change in perimeter.

Our forecasts do not include future dividends (yield 0%, pay-out 0). **Consequently our estimated FCF increases from EUR-0.3m en 2017 a EUR3.1m in 2022e precisely due to the scalability of Gigas' core business.**

- **Optimum debt level:** Following the convertible bond issuance subscribed by Inveready (EUR2.5m), Gigas has the resources to carry out more M&A moves. At 1H'18 the company registered cash amounting to EUR2.2m.

In our view Gigas could leverage at a maximum 4x DN/EBITDA thus would hold **firepower for corporate moves** of approximately EUR2.2m (incl. convertibles) without the need to increase capital. Either way, **we do foresee various capital increases** in future years to finance organic expansion and future M&As.

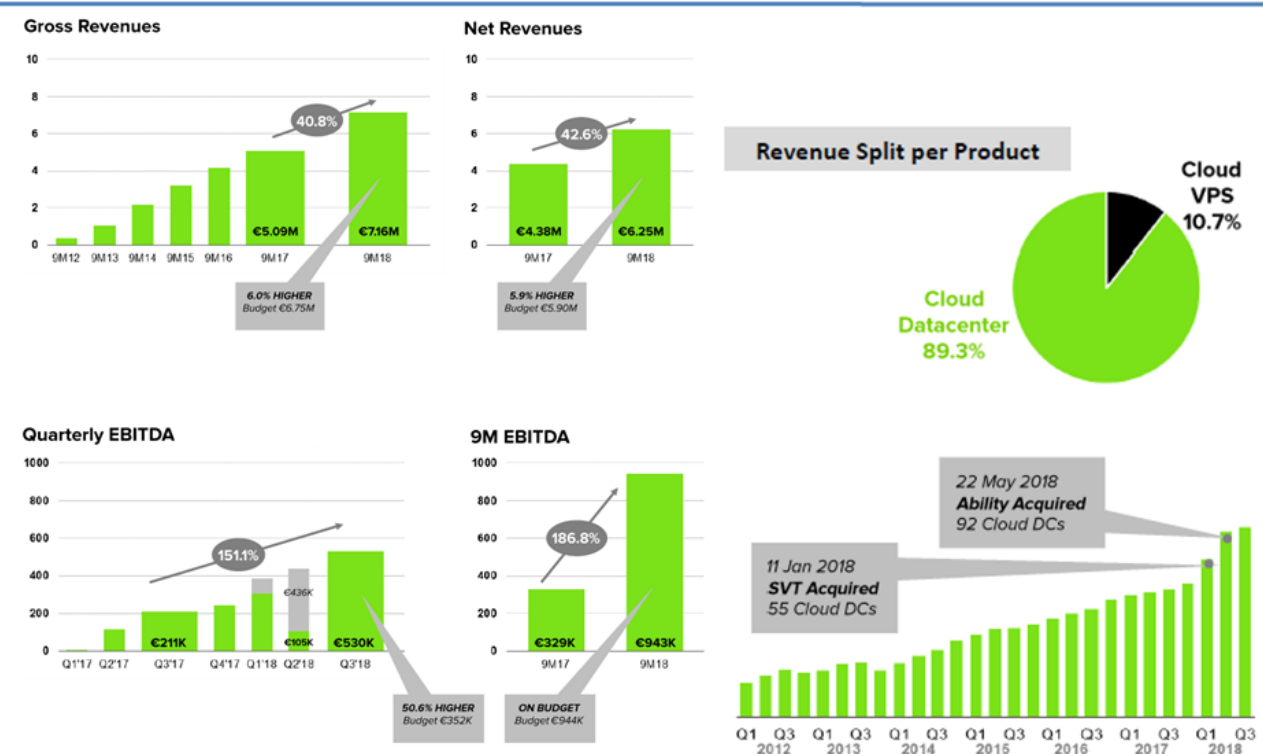
- **Brilliant 9m18 results presentation demonstrating its track-record.** Shares appreciated +17.5% on the day results were released.

9m'18 sales came in +6% above the Company's target: EUR7.16m vs. EUR6.5m, partially owing to the change in the consolidation perimeter arising from the acquisition of Ability in Colombia and SVT in Spain. Together these contributed EUR1.3m to 9m'18. **Excluding these, organic sales would have grown +15.1% Y/Y.** In net terms, revenues were much higher than the Company's target (EUR6.25m vs. EUR5.9m, 5.9% spread).

In our opinion, these results are especially positive at the top-line following the loss of an important client which affected 1H'18 results (EUR190k+VAT/year). On the negative side, +22.7% increasing discounts and annual offers at 9m'18.

Gigas ended 9m'18 with an EBITDA almost 3x 9m'17. EBITDA margins expansion (practically the same as in 2017 in a single quarter) was high for both 9m'18 (+76pp) and in 3Q18 standalone (+8.9pp), which reflects the acceleration in higher profitability. This is noteworthy, because according to our estimates, SVT and Ability's margins (18.1% and 24.5%, respectively) are dilutive at Group level.

GIGAS HOSTING. 9M'18 RESULTS vs. BUDGET



Source: Gigas Hosting & GVC Gaesco Beka

Finally, and in light of the results greatly outpacing the Company's budget (revised positively in 1H18), top management confirmed the 2018 annual guidance: gross revenues EUR9.8m (vs. 10.2mEUR est) and net EUR8.5m (8.6mEUR est). Gigas' estimates reaching EBITDA EUR1.5m (vs. 1.6mEUR adjusted est). The Company seemed optimistic regarding data obtained and expects to surpass its annual sales forecasts. For 4Q18, Gigas estimates EBITDA above the previous quarter, thus ending 2018 12% above forecasts and +160% Y/Y in reported terms.

The Company achieves its targets having mentioned an EBITDA mg of at least 20% in the official Information Document for Admission (DIIM) to the MAB (released Sept 2015). Gigas will hold a BoD meeting at the end of the year to set 2019 guidance.

- **Potential M&A target.** The 10.4x EV/EBITDA calculated using the arithmetic mean of historic M&As in the cloud computing sector contrasts with our estimated 14.2x (2019) for Gigas. Although initially it indicates that the Company's shares already include a speculative premium, in our view it is incorrect because the EV/EBITDA does not consider potential future growth or the value of the current client base (mainly proceeding from Cloud Datacenter).
- **In our opinion, a potential corporate move on Gigas could imply at least 20% premium over our current target price.**

Questions & Answers

Below we have outlined the most relevant questions that arose while elaborating this report and following multiple meetings with the Company, industry experts, consultants, clients and competitors

- I. **What sets Gigas apart from peers in a market that could quickly become a commodity?** In general, large multinational companies offer clients what is known as **naked infrastructure**, in other words an infrastructure without support or management services. This is the main differentiating aspect with Gigas because it usually suffices for early adopters or technological pioneers (just 17% according to Rogers' diffusion of innovation curve) as they have the technical knowledge required as well as the motivation to test new technologies. However, for other types of client laggards or the late majority it is unsatisfactory.

Gigas' offer is highly configurable including standard firewall and back-up, VLAN and balancer. The advantages are various: custom cloud/plug and play, 24h free customer service, personal advice, real time provisions, independent management, location of data centres (Spain, US, Chile and Colombia) and possibility of assembling ISOs and personalised templates.

- II. **Is Giga greatly dependent on a single client?** The range of current and potential clients is very wide. From private professionals to SMEs, medium and large-sized corporates via the Cloud Datacenter product. This product includes various virtual servers with diverse corporate applications and advanced features. Gigas' focus point is the latter, high-end market segment.

At 9M18, and basically since Gigas was founded, the majority of the clients proceed from Cloud BPS vs. Cloud Datacenter. In addition, it is important to bear in mind that none of the clients represent more than 4% of the total sales; therefore the client base is substantially diversified/fragmented.

- III. **Does obsolete technology affect Gigas in terms of client needs and prices?** In light of the standard technology and the wide range of available providers for Gigas' core business, the Company is offsetting the deflationary effect in technology/price via renegotiations. Therefore, Gigas is currently able to transfer increasingly standard discounts from final clients to suppliers.

- IV. **Is the fact that the founders hold relevant positions a guarantee of success?** The first page of this report mentions the price per shares (EUR3.25) set by Gigas during its listing to the Alternative Market (MAB) in Nov-2015. Any investor entering the stock at that time would have practically doubled the initial investment. (c.2.2x)

On the other hand, and as included in this report, **it is a tempting option for founders to sell their stakes in light of the strong revaluation of shares**. However, beyond said aspect, in this report (Capital Structure) we will see how the main shareholders attended the capital increases carried out so as not to dilute their stakes.

Observing the evolution of shareholders' stakes and despite the various capital increases, our attention focuses on the fact that management hardly diluted their stakes when attending the capital increases. This points **the management's confidence and their implication in the Company** that in our opinion is a positive aspect.

- V. **A micro-cap with debt risk?** We expect Gigas to end 2018e with a net debt of EUR4.1m (including convertible), which implies a ND/EBITDA ratio of 2.6x, level we considered optimum. Especially positive is that the Company has chosen external finance via the issuance of a EUR2.5m convertible bond, of which one of the tranches (EUR1.25m, conversion price EUR3/sh) is already deep-in-the-money; and therefore could be considered equity with the corresponding debt reduction.

Including subsidies for R+D, around 60-70% of the gross debt is at a set rate and at a competitive financial cost of 2.3% to 3%.

On the other hand, we estimate relevant growth in OpCF, CAGR 17-22e of +64.4%. The Company's FCF would move from the negative EUR-0.3m in 2017 to around EUR+3.1m in 2022e. To achieve the latter, not only will the deleveraging process contribute positively but it will also sustain the Company's organic expansion plans, both commercially (focus on LatAm) and potential new datacentre contracts.

- VI. **Will there be a relevant dilution following Inveready's bond conversion?** In this report we have made a calculation of said dilution and describe the characteristics of the convertible bond – EUR2.5m issued in April 2018 and wholly subscribed by Inveready thus considered in our estimates.

Our estimates do not consider bonds being transformed to shares until maturity; although in terms of valuation, we consider diluted shares. In addition, we have considered payments in shares of 2% (31.4k shares) and another 2% per year in cash.

The **bond conversion and interest paid in shares will dilute current shareholders by approximately 14%**. This aspect is included in our estimates and valuation. On the positive side, the convertible bond leaves Gigas in an extremely healthy position from a financial stance to sustain future organic and inorganic growth.

- VII. **Could fluctuating exchange rates affect Gigas' results?** The Company's financial statements are denominated in euros. Therefore the repatriation of earnings from affiliates and their respective P&L accounts could suffer losses at Group levels due to fluctuating exchange rates between the euro and local currencies. We specifically refer to USD (75% of the revenues in LatAm are dollarized – following the consolidation of Ability with 85% of the top-line linked to the Colombian peso – which substantially reduces said risk) and the majority of the LatAm currencies (COP – Colombian peso; CLP – Chilean peso and MXN – Mexican peso).

GIGAS HOSTING. CURRENCY BREAKDOWN (latest information available, 2017)					
	% EUR	% USD	% COP	% CLP	% Others
Top-line	51.5%	48.5%	0.0%	0.0%	0.0%
Opex	78.9%	9.9%	4.7%	4.3%	2.3%
Capex	100.0%	0.0%	0.0%	0.0%	0.0%
Gross Debt	100.0%	0.0%	0.0%	0.0%	0.0%

Source: Gigas Hosting & GVC Gaesco Beka

* Excluding Ability's effect

Our estimates include constant FX for future years due to the impossibility of predicting the moves in currencies. On the other hand, the Company has no derivatives to offset exposure.

- VIII. **Is our valuation conservative?** We have carried out a sensitivity analysis of our fair value and the possible effects that the parameters we consider critical for Gigas' activity could have. These refer to ARPU and the number of future clients per type of product. In the section regarding our valuation we can observe how applying the best and worst case in ARPU and number of clients as inputs (+/-15%) we obtain a fair value that ranges between EUR16.3 and 3.9/share
- IX. **More M&As and capital increases?** Capital increases are highly feasible with the intention of financing organic growth and via M&As. However, the latter is not included in this report as it has not been officially announced.

On the contrary, Gigas Hosting would fit very well within a number of companies. Not so much with large global players such as Amazon Web Services or the rest of the mainly US multi-nationals; but rather local European technologies (Capgemini, Indra – Minsait - , Sopra Steria, etc) or even large telco operators (Telefonica, T-Mobile, BT, etc) seeking to diversify activities outside of the commoditised voice segment towards digital.

Either way, in our opinion, the mentioned companies would not have our DCF calculation on Gigas in mind, but rather the potential value of the current client portfolio (PUV, fair value EUR8.8/sh) thus could be transferred to their own infrastructures.

In our view, it is not the time to put the company up for sale but rather wait for a more advanced stage of maturity, possibly 2019-20e. The premium demanded by shareholders could rise to at least 20% over our fair value.

- X. **Dividends. When?** Our personal opinion is clear and concise: never or in 10/15 years at the earliest. Gigas belongs to growth companies that have just reached break-even (in EBITDA and net profit), within a sector with high capex requirements and highly scalable business models. Therefore, Gigas should prioritise expansion, both organically and via M&As in coming years.

In our opinion, dividends indicate the maturity of an activity and the lack of growth opportunities. Therefore, we prefer value creation increasing share prices in the medium/long term.

- XI. **Does Gigas' account reflect its situation? What better way to reflect seriousness, transparency and reliability to the investment community than a highly exhaustive and detailed reporting (see picture below. Source Gigas Hosting) with proven delivery during various years.**

GIGAS HOSTING. Rigorous and detailed reporting and high budget for a small MAB's company

2018 3Q Results compared to 2017 & budget

CONSOLIDATED INCOME STATEMENT <i>Figures in Euros</i>	2018			2018		2017		2018budget	
	JAN-MAR	APR-JUN	JUL-SEP	JAN-SEP	% Delta	JAN-SEP	% Delta	JAN-SEP	
Customer revenue	2,134,305	2,475,065	2,550,951	7,160,321	40.8%	5,087,107	6.0%	6,752,283	
Accrued sales	27,111	(61,228)	64,910	30,793	(50.5%)	62,269	6.0%	29,043	
Sales discounts and promotions	(318,162)	(319,648)	(303,285)	(941,095)	22.7%	(766,941)	6.8%	(881,275)	
Net revenue	1,843,254	2,094,189	2,312,576	6,250,019	42.6%	4,382,435	5.9%	5,900,051	
Own R&D costs capitalised	55,152	69,082	64,602	188,836	75.0%	107,936	15.4%	163,579	
Non-recurring income, grants and other	8,376	31,486	9,673	49,534	143.8%	20,314	(9.1%)	54,484	
Cost of sales	(381,246)	(459,284)	(517,033)	(1,357,563)	71.3%	(792,523)	1.7%	(1,334,398)	
Online and third-party customer acquisition costs	(15,755)	(13,680)	(18,443)	(47,877)	2.1%	(46,882)	(14.7%)	(56,112)	
Datacenters and connectivity	(161,486)	(207,433)	(219,144)	(588,063)	37.5%	(427,778)	1.2%	(581,199)	
Other supplies	(204,006)	(238,171)	(279,446)	(721,623)	127.0%	(317,863)	3.5%	(697,088)	
Personnel expenses	(735,276)	(802,673)	(830,402)	(2,368,351)	10.4%	(2,145,715)	(1.0%)	(2,391,638)	
Salaries and wages	(610,604)	(657,593)	(685,739)	(1,953,936)	10.5%	(1,768,668)	0.3%	(1,948,320)	
Social security costs	(124,672)	(145,080)	(144,663)	(414,415)	9.9%	(377,047)	(6.5%)	(443,319)	
Other operating expenses	(482,385)	(827,530)	(508,932)	(1,818,846)	46.7%	(1,240,235)	25.6%	(1,447,888)	
External services	(423,980)	(512,212)	(453,258)	(1,389,449)	18.3%	(1,174,560)	5.0%	(1,323,890)	
Professional services and other	(347,241)	(387,301)	(279,403)	(1,013,945)	19.4%	(849,471)	10.0%	(921,373)	
Marketing and publicity	(314,098)	(57,657)	(65,600)	(154,665)	44.0%	(107,408)	9.8%	(140,865)	
International expenses, except marketing	(45,330)	(67,254)	(108,255)	(220,839)	1.5%	(217,681)	(15.6%)	(261,652)	
Losses, impairment and changes in trade provisions	(58,405)	(315,318)	(55,674)	(429,397)	553.8%	(65,675)	246.3%	(123,998)	
Other income and expenses	(600)	-	(261)	(861)	(75.1%)	(3,461)	-	-	
EBITDA	307,274	105,270	530,223	942,768	186.8%	328,751	(0.2%)	944,189	
<i>EBITDA margin, %</i>	<i>16.7%</i>	<i>5.0%</i>	<i>22.9%</i>	<i>15.1%</i>		<i>7.5%</i>		<i>16.0%</i>	
Gross margin	1,462,008	1,634,905	1,795,543	4,892,456	36.3%	3,589,913	7.2%	4,565,652	
<i>Gross margin, %</i>	<i>79.3%</i>	<i>78.1%</i>	<i>77.6%</i>	<i>78.3%</i>		<i>81.9%</i>		<i>77.4%</i>	

Source: Gigas Hosting & GVC Gaesco Beka

In this report we will demonstrate how, even with the Information Document for Admission (DIIM) dated November 2015, Gigas gave a guidance regarding revenues in 2018 that not only have been achieved but will be surpassed.

An interesting fact is that EY is both auditor and client. This should ensure not only the credibility of the accounts, but also Gigas capacity of convincing the auditor of its quality cloud computing services.

- XII. **Are there latent risks?** The best answer is, precisely, our recommendation: Buy. However, as with all microcaps the risks are real. In the Annex regarding risks, the most relevant are: i) increasing competition with the entrance of companies with larger critical mass to markets where Gigas is present; ii) very capital intense and technological obsolescence; iii) potential capital increases including dilution from Inveready converting the EUR2.5m bond; iv) budding internationalization; v) bullish trend in discounts offered to clients.

SWOT Analysis

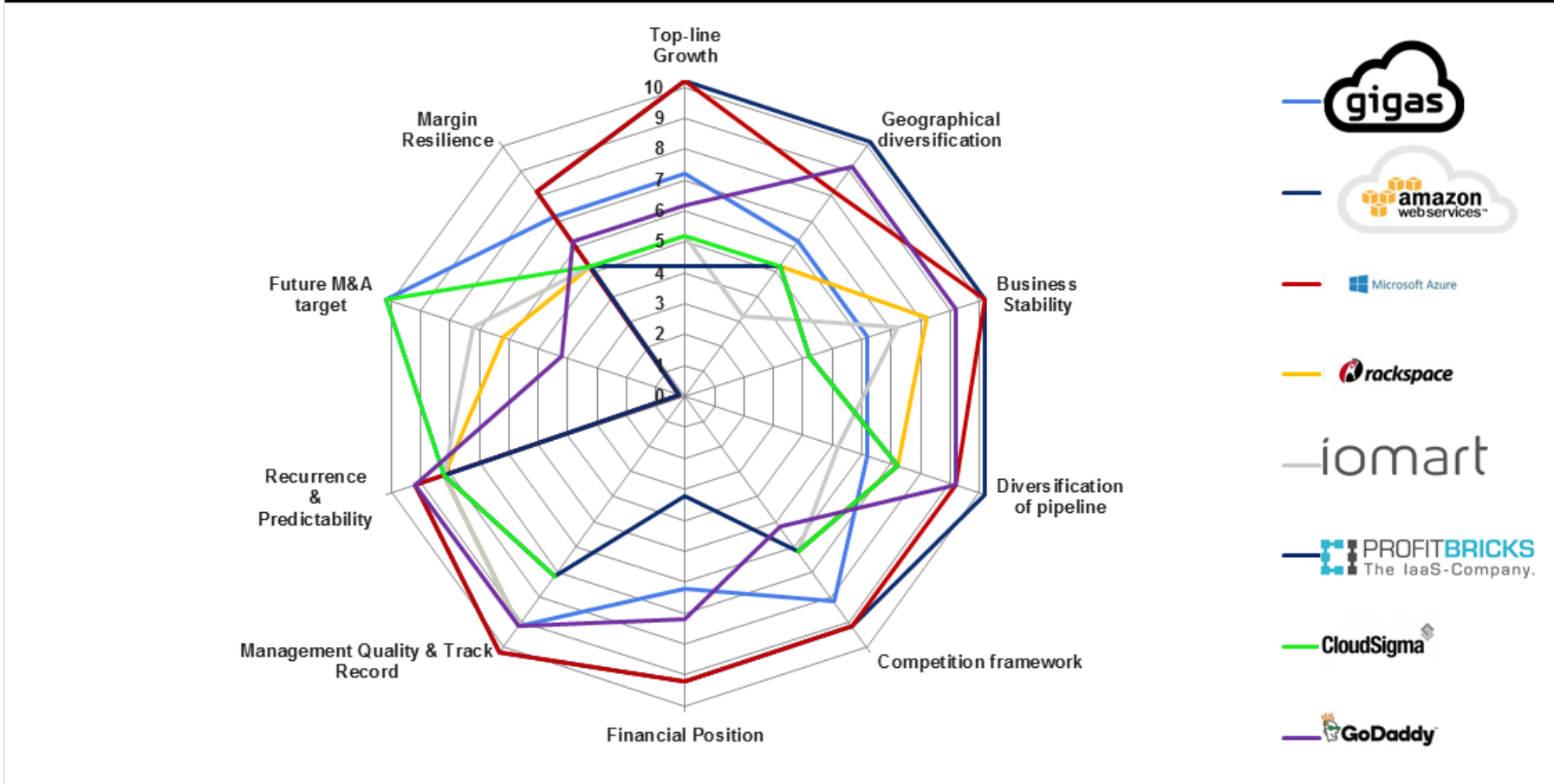
GIGAS HOSTING. SWOT ANALYSIS

Strengths	Weakness
<ul style="list-style-type: none"> ▪ Structural power of cloud sector (IaaS) ▪ Fragmented client base ▪ Supplier diversity. Strong negotiating capacity ▪ Debt under control partially owing to convertible bonds ▪ Brilliant management ▪ Prestigious shareholders (Inveready, Bonsai, Caixa...) ▪ Founders implicated in the company and large stakes ▪ 24h/7d customer service in Spanish and English. Close and individual treatment ▪ High quality datacentres (Tier III; Tier IV) in Spain, US, Chile and Colombia ▪ Own cloud technology ▪ Prestigious auditors (EY) ▪ Thorough reporting and delivery reflected in results and proposals ▪ No transactions with relevant related parties ▪ No legal disputes worth mentioning ▪ Rigorous reporting (including budget)/guidance ▪ Sector currently not regulated 	<ul style="list-style-type: none"> ▪ Limited critical mass vs. global peers (AWS, IBM, Google and Microsoft) ▪ Lacks financial muscle to avoid strong dilution. Limited access (albeit improving) to credit market ▪ Accumulated net losses (past years) ▪ Currently low cash generation ▪ No dividends ▪ Incipient expansion abroad ▪ Low liquidity and volume traded vs. Continuous/IBEX' companies. Low free-float ▪ Highly dependent on Cloud Datacenter clients ▪ Increasing goodwill (temporary after the Ability's acquisition)/WC arising from the latest M&A move ▪ Capex intensive activity ▪ High portion of recurrent monthly revenues below one year
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Cross-selling products. Development alliances with third parties ▪ Highly fragmented market (c.25%) with M&A opportunities ▪ Low cloud penetration in Spain and LatAm vs. core European countries and US. ▪ Takeover target including high premium ▪ Development of new features and alliances with 3rd parties. Cross-selling ▪ Expansion to LatAm and Mediterranean European countries due to personalised client service requirements ▪ Re-negotiations with suppliers. Highly technological obsolescence. ▪ Organic expansion to other cloud computing activities such as SaaS and PaaS 	<ul style="list-style-type: none"> ▪ Technological obsolescence ▪ FX fluctuation risk, namely USD and LatAm currencies due to international expansion ▪ Interest rate risk ▪ New competitors and possible price wars. Low entrance barriers for large multinationals ▪ Increasing discounts to gain client loyalty ▪ High multiples in the case of future M&As ▪ Possible capital increases in case it doesn't generate enough value ▪ Failed integration of SVT/Ability? Synergies deliverance ▪ Dilution following Inveready's bond conversion ▪ High maintenance and security levels needed in platforms ▪ Capacity to maintain organic growth and client capturing levels ▪ Dependence on management and know-how of key personnel ▪ National and international regulatory risks ▪ Margins dilution due to increasing weight of solutions with Partners and indirect sales channel

Source: Gigas Hosting & GVC Gaesco Beka

Network Diagram: Asserting differentiation vs. sector giants

CLOUD COMPUTING ENVIRONMENT. PERSPECTIVES MAP. (10, the best)



Source: GVC Gaesco Beka

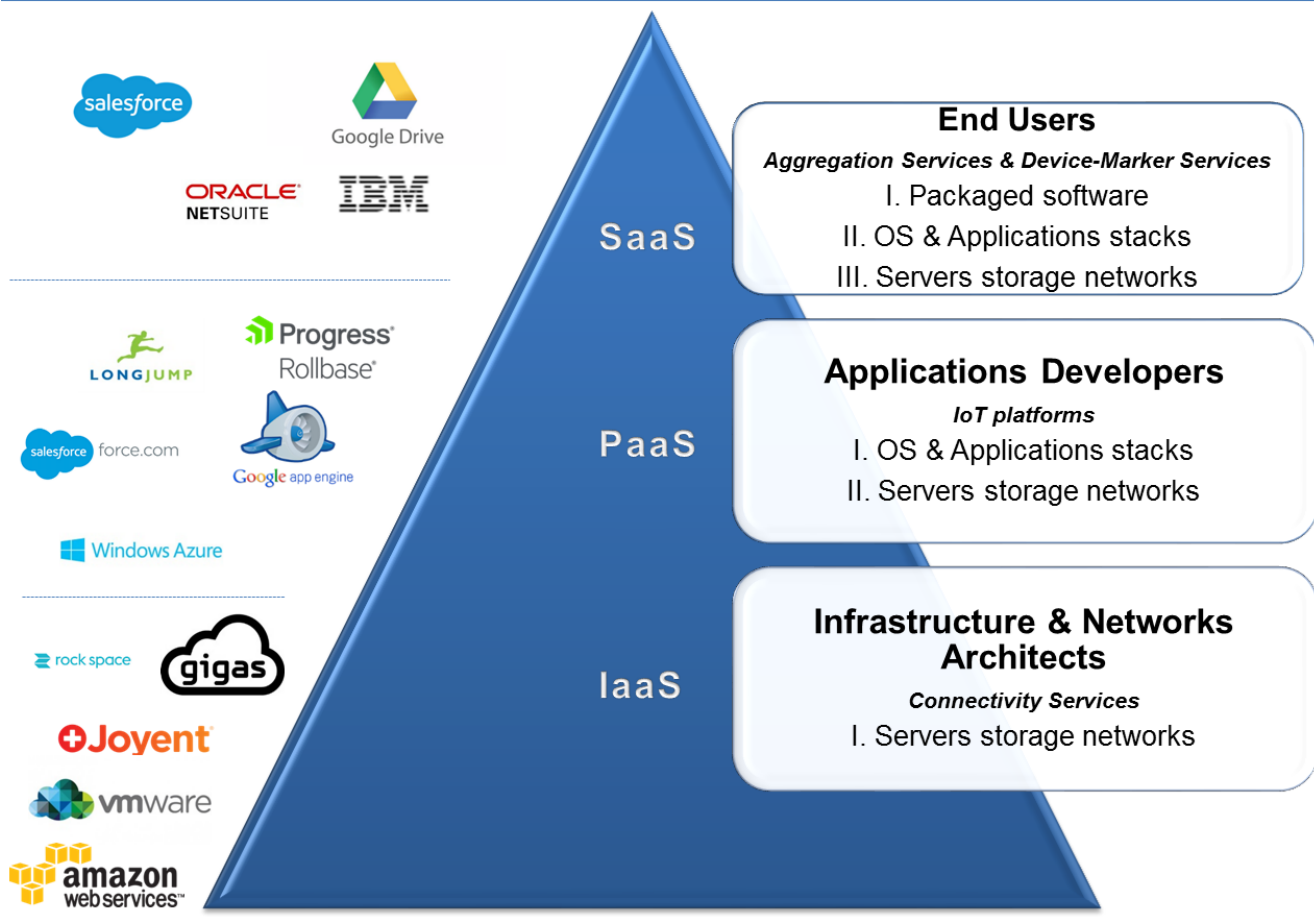
High structural potential of the cloud

The cloud sector began in the Infrastructure as a Service segment (IaaS) in 2006 as a result of the technological maturation of virtualisation processes together with the outsourcing of IT infrastructures and services that different companies began to implement.

With Amazon's (multinational e-commerce) launching of its affiliate **Amazon Web Services** (see Annex II) the company intended to leverage its infrastructures to offer cloud services to third parties and thus profit on the high investments required in servers to sustain its core business. Amazon Web Services (AWS) is the global leader in cloud technology (both IaaS and SaaS – Software as a Service) in terms of revenues, with over 50% world-wide market share according to the latest report released by Gartner. This affiliate has become the Group's most profitable and could be listed via a spin-off to put the affiliate into value.

There are three business models of differentiated segments in cloud computing:

CLOUD COMPUTING. MAIN SEGMENTS



Source: GVC Gaesco Beka

- I. **Infraestructura as a Service (IaaS).** In this case, provides computing resources or hardware located in a virtualised environment (cloud) through a public connection – usually internet. This is the area where Gigas Hosting works in. This segment of cloud computing includes servers and virtual networks, firewalls or security elements, storage units, IP directions and load balancer. On the physical front, hardware resources proceed from a certain number of servers and connected networks, normally distributed throughout various data centres maintained by cloud services providers.

The client thus obtains access to virtualised components to build its own IT platform as it would do with physical components but economising space and not have to worry about maintenance or management. It can be used by clients, namely corporate, to create economic and flexible solutions in terms of attributes that are capable of adapting to varying traffic volumes or growth in activity. The client pays only for the use of certain amounts of resource rather than acquiring, installing or integrating its own hardware.

The main characteristics in implementing IaaS:

- **Agility:** Immediately available resources according to client demand. No waiting time to execute projects or increase capacity.
 - **Flexibility:** Idle resources are avoided with the possibility of expanding or decreasing capacity in real time.
 - **Absence of initial investments.** The provider takes charge of the hardware, including purchasing, maintenance and configuration. The client therefore has no need to run high capex and avoiding the time lost with installations and commissioning.
 - **Cost savings and pay per use.** Service accessible under demand and tariffs according to final consumption of resources actually used. In this manner, scaling economies arising in the actual IaaS provider is transferred to the final client.
 - **Mobility and Independence of physical location.** Only internet connection is required and the security protocol as requested by the client, hence the service is available anywhere in the world.
 - **Maximum security:** Stems from the dependence on data centres with high physical security via public or private cloud infrastructures. In addition, worth mentioning, some providers afford clients with basic tools and advanced logical security such as firewalls, VPNs etc to guarantee the inviolability of data.
 - **Total redundancy in case of contingencies.** This is a quality intrinsic to all cloud services designed without single points of failure. In the event of failure of a physical server or other element, a company will not be affected due to the use of redundant hardware resources.
- II. **Software as a Service (SaaS).** To offer various operating systems, office applications, data base managers, content management systems (CMS), etc.
- III. **Platform as a Service (PaaS).** Is the result of applying the SaaS model to develop software. The PaaS model includes the complete cycle to develop and implement applications from internet.

Covering all aspects in Gigas

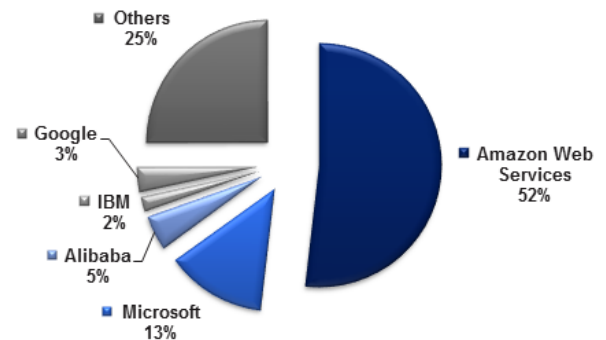
As mentioned, the IaaS market is dominated by Amazon Web Services with over 50% market share in revenues in 2017 according to the Gartner report (released in August 2018). Together with AWS, are Microsoft Azure, Rackspace, Google and IBM that mainly focus on Anglo-Saxon markets and others with higher degrees of maturities. Therefore, the markets where Gigas operates are not sufficiently covered by the aforementioned companies.

IaaS GLOBAL MARKET SHARES (2017)

IaaS GLOBAL MARKET SHARES

Player	2017		2016	
	Revenues	%	Revenues	%
Amazon Web Services	12,221	51.8%	9,775	53.7%
Microsoft	3,130	13.3%	1,579	8.7%
Alibaba	1,091	4.6%	670	3.7%
IBM	457	2.0%	297	1.6%
Google	780	3.3%	500	2.7%
Others	5,902	25.0%	5,392	29.6%
TOTAL	23,581	100.0%	18,213	100.0%

Source: Gartner (August 2018)



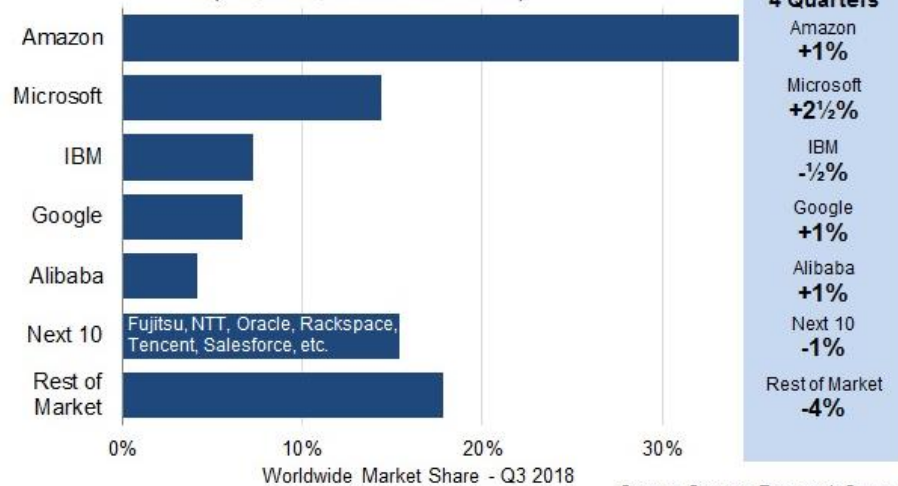
Source: Gartner (August 2018)

As we can observe in the table and chart, beyond the large sector players, we could say that the **market is highly fragmented** considering the market share in "Others" is 25% and there are no other players with substantial shares apart from those included.

However, we highlight the variability in global market shares according to the source consulted. In a study by Synergy Research Group (25th Oct 2018), AWS' share is 34% vs. the 51.8% released by Gartner.

Cloud Infrastructure Services - Market Share

(IaaS, PaaS, Hosted Private Cloud)



Market Share Gain - Last 4 Quarters

Amazon

+1%

Microsoft

+2½%

IBM

-½%

Google

+1%

Alibaba

+1%

Next 10

-1%

Rest of Market

-4%

Source: Synergy Research Group

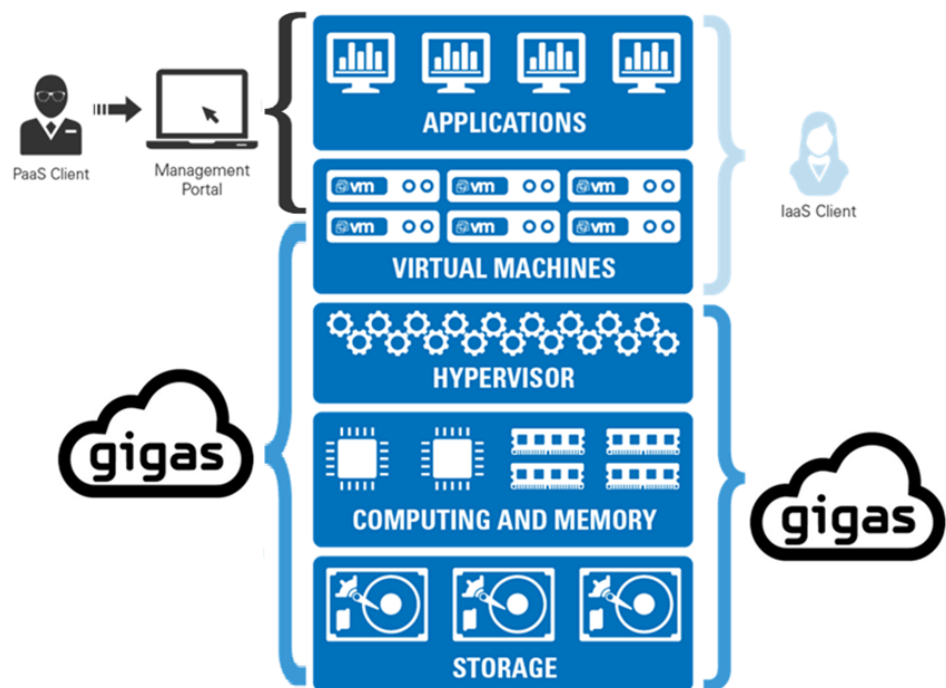
The main cloud service providers come from a wide range of companies:

- **Telco and IT service operators:** Large-sized multinationals taking advantage of their services to expand towards the cloud segment and offer tailor-made solutions to their existing client base. In general these focus on large companies. Examples of these operators: Telefonica, T-Mobile, IBM, Claro, HOP, Entel, Kio Networks etc.
- **Large international players:** market leaders with a broad portfolio of products and services, strong brand and competitive prices. Eg Amazon Web Services, Microsoft.

- **Local cloud hosting providers:** Gigas fits into this category. In recent years, a number of local providers arose, such as Numergy and Cloudwatt in France; Iomart and Pulsant in UK; ProfitBricks in Germany; Cloudsigma in Switzerland; UpCloud in Finland etc. In Spain Giga's direct local peers are Arsys and Acens. There are other web hosting companies such as Dinahosting and CdMon that could extend their scope of action to cloud hosting similar to GoDaddy and DigitalOcean's strategy (US).

In general, large multinational companies offer clients what is known as **naked infrastructure**, in other words an infrastructure without support or management services. This is the main differentiating aspect with Gigas because it usually suffices for early adopters or technological pioneers (just 17% according to Rogers' diffusion of innovation curve) as they have the technical knowledge required as well as the motivation to test new technologies. However, for other types of client laggards or the late majority it is unsatisfactory.

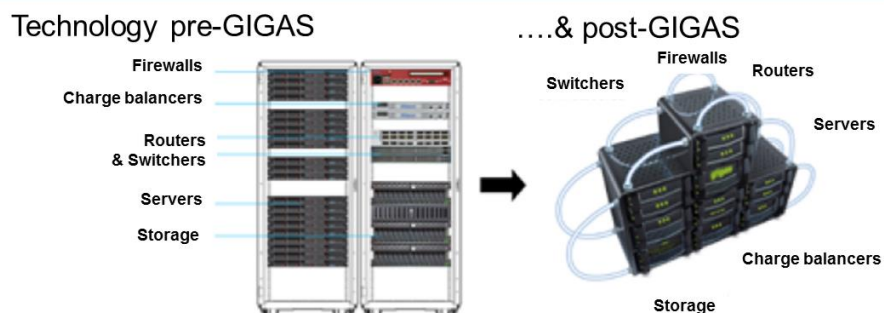
GIGAS. VALUE POSITIONING



Source: GVC Gaesco Beka & Over the Wire

Regarding the physical aspect of servers, the change is palpable with Gigas. The state-of-the-arts design works as a highly configurable puzzle according to the final clients' requirements. In this report we will cover in depth the differentiating elements of each hardware component offered by Gigas in depth.

GIGAS. VALUE PROPOSITION



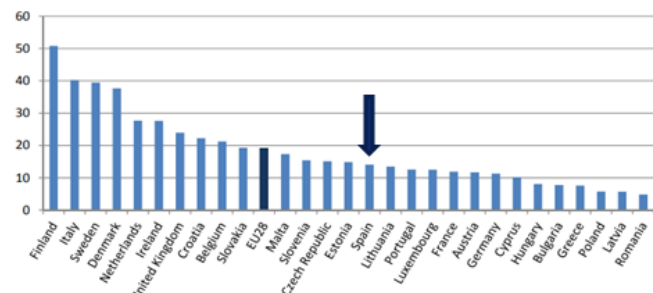
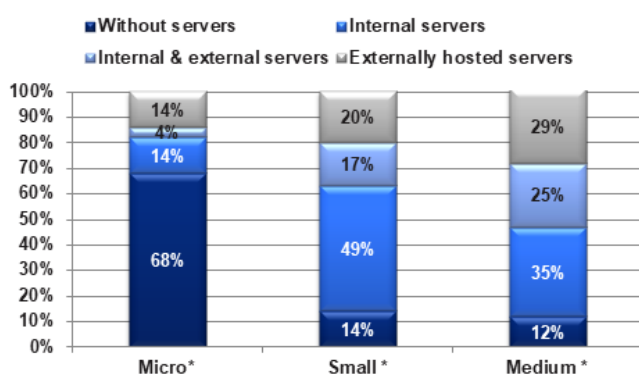
Source: Gigas Hosting & GVC Gaesco Beka

In the case of this company, its positioning at the moment is limited and is focused on two regions with divergent characteristics in terms of technological penetration and development: Spain and LatAm.

On the **Spanish** front, as reflected in the graph, around 68% small companies still do not have servers and 71% medium-sized companies have not formed external infrastructure agreements with third parties, hence servers can be hosted externally. Consequently, as the penetration of this technology is relatively low in Gigas' domestic market, there is the possibility of rapid adoption with high growth rates. In addition, although there are a number of companies that have chosen to outsource traditional servers, these are open to taking a step forward with cloud hosting.

SPAIN. BUSINESSES SPECTRUM & CLOUD PENETRATION

EUROPE. CLOUD PENETRATION RATE PER COUNTRY (2014, latest data available)

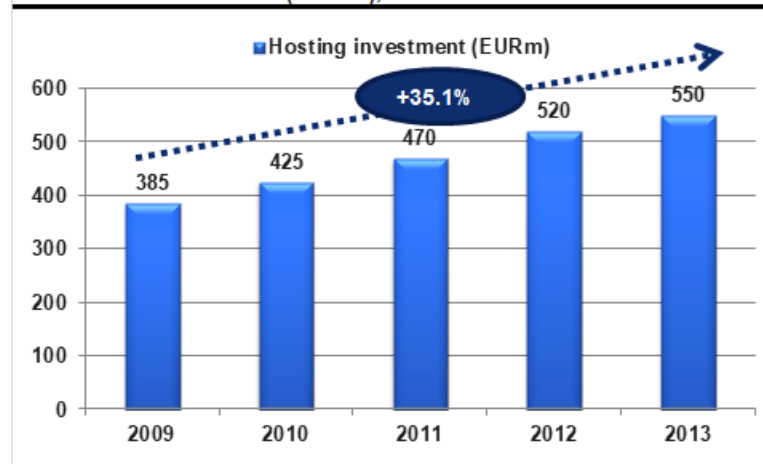


Source: Parallels SMB Insights for Spain Report, 2013 & GVC Gaesco Beka
* Micro: 1/9 employees, Small: 10/49 employees, Medium: 50/249 employees

Source: EuroStat & GVC Gaesco Beka
*% of enterprises

On the other hand, and according to the graph on the right, the penetration rate in some neighbouring core European countries is higher thus it should tend to homogenise in Spain.

SPAIN. HOSTING MARKET (in crisis), INVESTMENT EVOLUTION



Source: DBK Hosting and Housing report & GVC Gaesco Beka

In fact, the hosting market demonstrated its strength even during the worst years of the economic crisis (2009-13) with multiple negative impacts: i) decelerating trend in main Spanish macroeconomic indicators including consumption; ii) budget cuts in technology; and iii) pressure in price components. Even so, and according to DBK's (consultant company) report on Hosting and Housing the **sector grew +35.1% in terms of revenues during the period 2009-13.**

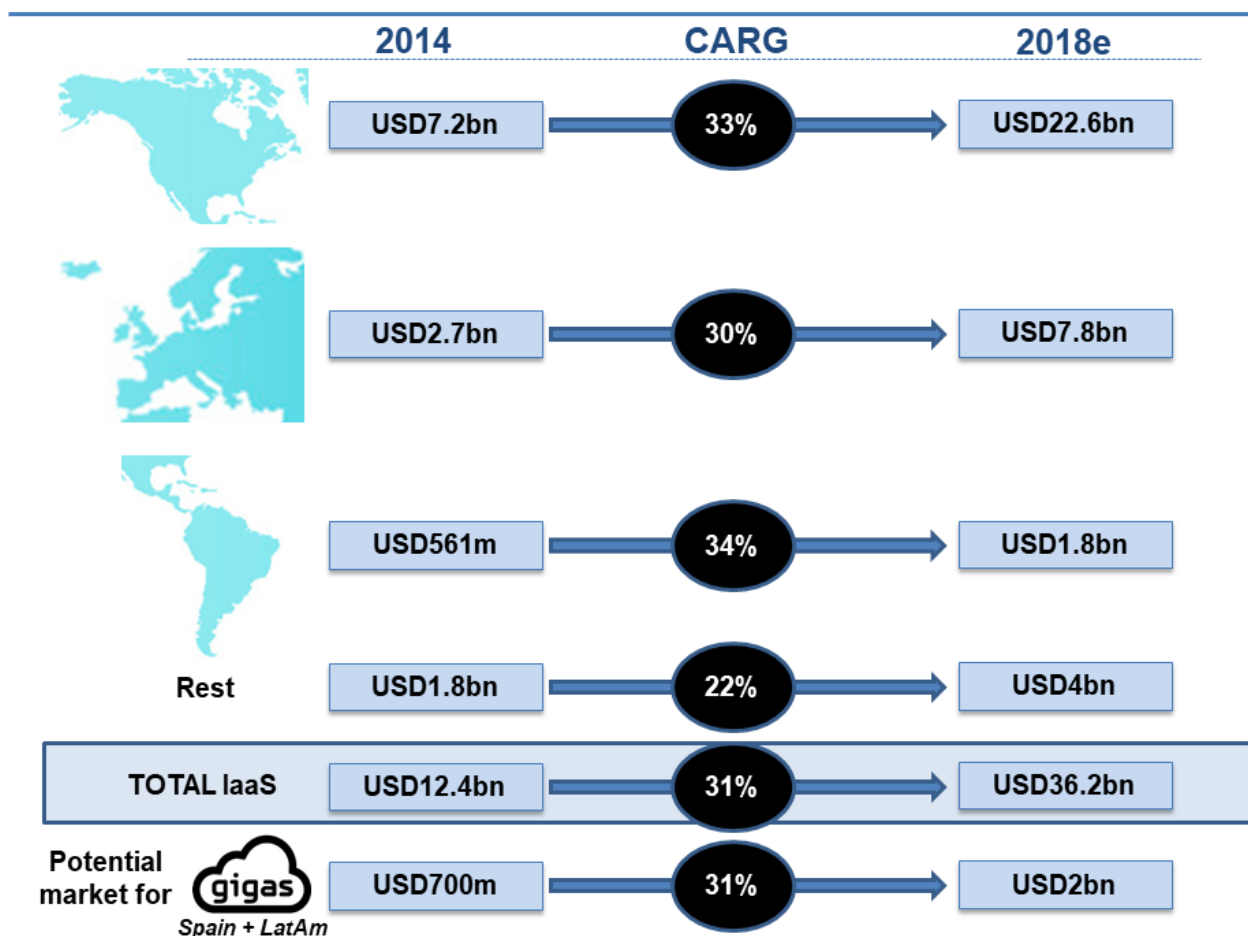
Various consultants estimate **CAGR above +25% in the cloud hosting activity** (players such as Gigas, IBM, T-Systems, Telefonica, Arsys and NTT) **segment in which over 45% of the total hosting market is concentrated.**

See Annex II. Cloud Computing in Spain.

Regarding the **Latin American market**, a report released by the consultant company, Pyramid Research (“Carrier Enterprise Services in Latin America: Creating the Cloud Telco”) pointed to the cloud computing market growing 10x quicker than telecommunication services and extending 3x in the following 5 years, from USD6.5bn in 2014 to EUR21.5bn in 2019e. The latter levels mentioned would represent approximately 14% of the total telco market in Latin America.

The following diagram reflects the CAGR in the IaaS market per geographical areas according to the latest report released by Gartner (June 2014, latest available data). The future annual growth rates are high as it refers to a budding market (cloud’s low technological penetration), non-demanding comparison base and high potential based on the mentioned advantages.

GIGAS. CLOUD COMPUTING, MARKET EXPANSION PER GEOGRAPHICAL AREA



Source: Gartner Jun-2014 & GVC Gaesco Beka

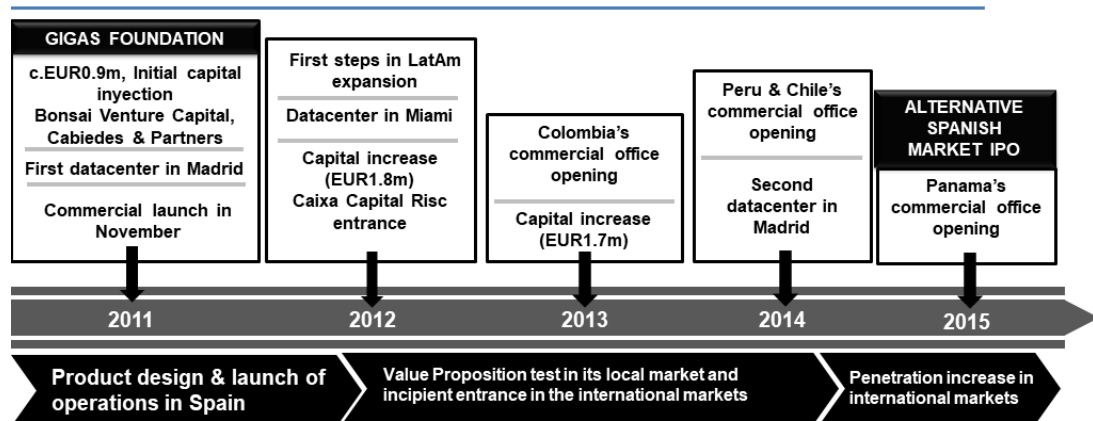
Most relevant corporate milestones

Gigas' founders, with extensive experience in the telecommunications and internet sectors, identified a market opportunity given the **lack of cloud service provider (IaaS) companies in the Hispanic markets**. As mentioned, the majority corresponded to global multinationals such as Amazon Web Services, Google, Microsoft and IBM. These offered a more impersonal treatment to users vs. Gigas (support services by engineers with demonstrated track-records and available 24/7 in Spanish/English).

These entrepreneurs, in 2011, found the following **gaps/divergences in the market**:

- Reluctance of traditional hosting operators in Spain and LatAm to develop cloud services due to fears of potential cannibalism of the rest of their service portfolios.
- Technical support, especially from peers in US, using high technical language focusing on specialists.
- Need for the personal touch on behalf of customer services and sales teams; especially important in Latin cultures such as the Mediterranean and Latin America.
- Clients requesting to be *accompanied* in the migration process to the cloud and accessibility to technical support.

GIGAS HOSTING. GROWTH OVERVIEW



Source: Gigas Hosting & GVC Gaesco Beka

▪ Product design and operations beginning in the Spanish market

Following the creation of the company in January 2011, during its first few months the founders employed their material and immaterial resources to define and design a competitive product within the IaaS cloud segment. Once this phase was completed, the Company carried out capital increases (initially 2) to acquire the necessary technological infrastructure to mainly commercialise the product to providers such as HP (servers), NetApp (storage cabins) and Cisco (communications). In parallel, the company rented the necessary space required from a third party (Interxion, datacentre in Madrid) under the housing regime to deploy infrastructures in a prestigious data centre (Tier III or higher) as well as to hire the professional team required (engineers and technicians to provide customer support).

At the end of 2011, 3 months since the commercial activity, Gigas already had 126 clients.

▪ Organic growth in Spain

During its second year (2012), Gigas focused its efforts on improving commercial and operating procedures with special emphasis on its state-of-the-art product (**Cloud Datacenter**) focusing on the high-end; while simultaneously improving technical services in terms of rapid migration of clients to the cloud environment.

At the end of 2012 (847 clients, mainly Spanish), Gigas expanded its infrastructure setting up a new data centre in Miami known as “**datacenter NAP de las Americas**” which serves as a hub for some 90% of the global traffic towards LatAm. The latter is owned by the company Terremark, previous affiliate of the American telco operator Verizon which later sold its data centres to Equinix. With this move, Gigas has already decided its future strategy partially based on organic expansion and via corporate moves in LatAm and Hispanic speaking countries.

To finance the mentioned expansion, the Company increased capital in the summer of 2012 by EUR1.8m.

- **Expansion to Latin America**

2014 (3,353 clients, around 24% outside of Spain) was the year in which Gigas decided to test its first international market having consolidated its activity in Spain (Colombia, operating in two cities: Bogota and Medellin). The company then began its commercial activity in Chile and later in Peru, all leveraging on the data centre set up in Miami as well as on the second data centre in Madrid (also pertaining to Interxion).

The incursion to Colombia, replicating the Spanish model, was a success. In 2014, gross revenues in Colombia reached EUR514k and the number of clients reached 231 (net capturing 114 clients Y/Y).

Consequently, the Company’s short/medium term target includes positioning itself as a leading cloud services provider in Spanish-speaking countries.

GIGAS HOSTING. THE PATH TO THE SUCCESS...

Dec-2012



847 clients
EUR0.5m
92% sales

Dec-2014



2.556 clients
EUR2.1m
66% sales

797 clients
EUR1.0m
34% sales

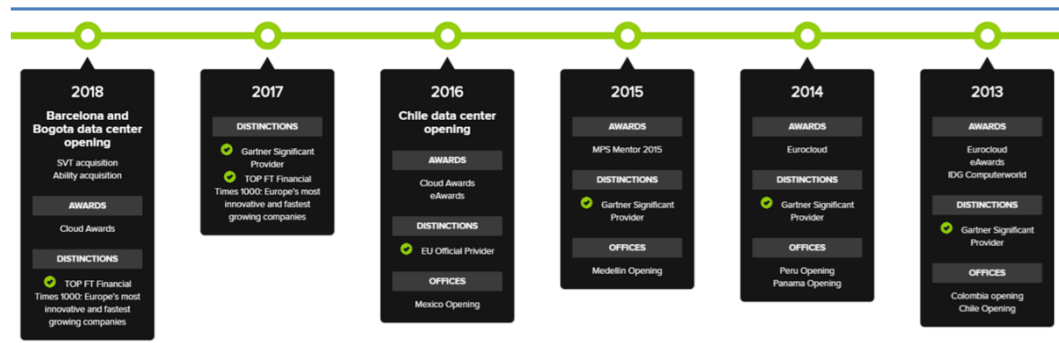
Source: Gigas Hosting & GVC Gaesco Beka

- **Brilliant delivery to date**

Putting a foot in Colombia, Gigas continued to strengthen its presence in other Spanish-speaking countries in the region.

Revenues in 2013/14 multiplied by 5.4x in tune with the exponential growth in the number of clients (4x) confiding in Gigas’ solutions. During 2015-18, Gigas set up affiliates in Peru, Panama and Mexico, as well as a new data centre in Chile.

GIGAS HOSTING. GROWTH OVERVIEW



Source: Gigas Hosting & GVC Gaesco Beka

The Company does not rule out giving entrance to retail shareholders in the areas where present and contributing know-how as well as financial resources for expansion.

Reasons for joining the MAB

Gigas joined the Spanish Mercado Alternativo Bursátil (MAB; Alternate market) based on the following reasons:

- ✓ Increase equity, thus reach a more advantageous position to increase activities in more countries, products, alliances etc. Consequently boosting growth organically and via M&As, while simultaneously strengthening commercial structures where present.
- ✓ Opening of an additional finance channel for future capital needs and development of alternate activities.
- ✓ Obtain funds to strengthen the structure of the marketing team generating sales in the main product (Cloud DataCenter) as well as increasing the budget allocated to marketing activities.
- ✓ Loyalty of key personnel and management team through Incentive Plans linked to listed shares
- ✓ Extending shareholder base, tools to provide liquidity and sustain the target value of shares to increase investors knowledge and serve as a consideration for potential corporate moves. Place the focus on brand awareness and image, transparency, solvency for investors and future relevant clients.

Proposal of differentiating value

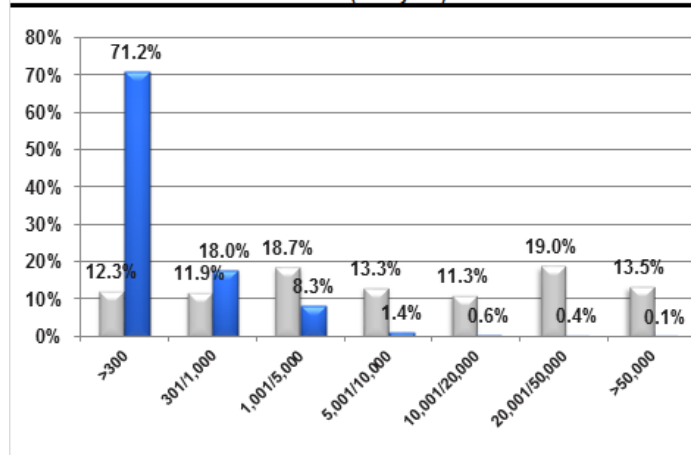
Gigas' offer is made up by two differentiating products focused on two market segments: **Cloud Datacenter** (mid/high-end, companies) and **Cloud VPS** (low-end, private and SMEs). The differentiating factor of its offer, apart from client proximity and highly qualified technical support, refers to its more sophisticated product (Cloud Datacentre) and high capex for **in-house developments and technology to manage public clouds**.

GIGAS HOSTING. PRODUCT FOCALIZED IN DIFFERENTIATED MARKET SEGMENTS



Source: Gigas Hosting & GVC Gaesco Beka

GIGAS HOSTING. ARPU SPECTRUM (EUR/year)



Source: Gigas Hosting & GVC Gaesco Beka

* Information reported only in the MAB's Incorporation Document

Some of the unique factors distinguishing the Cloud Datacenter vs. similar market players:

- **Simplicity that characterises the handling of the interface.** Although Gigas initially thought of it for SMEs, the control panel developed with in-house technology is based on easy use and simplicity thus not compromising any functions and manages the state of virtual hardware in real time without human intervention. Gigas also has mobile Apps to manage servers.
- **Dynamic management of resources (resource pool model) and provide servers according to the variable capacity required.** Peers in Spain (IaaS) offer a pre-set size of servers to which clients must adapt to, but in this case, Gigas adapts to the client's needs, modulating inputs (RAM, CPU, disk, etc). Hence, clients are capable of deploying servers with the desired size and redistribute resources among the various servers without incurring in additional costs.

For example, if a client requires a server with 10Gb RAM, it would not be possible with Microsoft Azure. Therefore the client would have to manage with the 7Gb offered or move to 14Gb. With Gigas the client can configure the machine to the desired size (e.g. 10.35Gb) which gives clients total granularity which translates into cost savings.

- **Cutting-edge technology and unique features.** Gigas' technology is similar to large multinationals such as AWS, IBM, Google and Microsoft. In fact, regarding features, Gigas offers unique solutions and advanced in markets such as the possibility of changing the CPU of a server (from Intel to AMD or viceversa), moving servers among the various datacentres (eg. Create machines in Madrid in the morning and move these to Miami in the afternoon) without having to reboot servers or change the IP address (even if it is public) or create servers with high critical mass up to 512Gb RAM and 64 vCPUs (the largest in the market world-wide and specific for the big data segment).
- **Local datacentres (advantage only applicable to Giga's markets in Spain, Chile and Colombia – the three most important).** By leasing space in datacentres close to clients, latency is reduced. This is especially outstanding in certain applications to arrive with the upcoming 5G technology such as the autonomous car, tele-medicine, IoT, etc.

This competitive advantage is important but **not sustainable in time** as large international players are expected to accelerate deployment of 5G in coming years.

On the other hand, withholding taxes from international invoices, fiscal implications and difficulties in realizing international transfers in LatAm countries are relevant and generally represent a surplus cost for clients. Gigas has resolved this problem by billing clients locally via its affiliates (whose revenues are services provided to the parent company with the consequent fiscal efficiency involved).

GIGAS HOSTING. MAIN SUBSIDIARIES



Source: Gigas Hosting & GVC Gaesco Beka

The above accompanied with tutorials and guides available to clients from Gigas' web page (Gigas Docs): https://gigas.com/support/docs/index.php/P%C3%A1gina_principal

Technical characteristics: The average server is of 512Gb RAM and over 150GHZ computational power with scalable and redundant systems based on HP blade solutions on high availability C7000 chassis pairs and Virtual Connect technology. NetApp storage is offered with redundant equipment in independent disk trays and controllers with capacity to grow above 4,000Tb. Connections between servers and storage are Fiber Channel (8Gbps). Connection at level 2 via fibre between data centres. Redundant transit with global Tier 1 operators. Network 10G (10 Gbps) using Cisco technology. Autonomous systems with own address in Europe (RIPE); in US (ARIN) and Latin America (LATNIC).

Cloud Datacenter (90.3% revenues and 17.8% clients 2018e)

Solution for medium/large companies (high-end market with varying infrastructure needs and/or contingency plans vs. current) seeking efficiencies through reducing costs and physical space. The product is generally subscribed via the direct channel (sales force) and indirectly (partners and distributors) resulting in negotiations and possible discounts

according to the terms. Gigas offers a number of specific resources (RAM, memory and storage) to replicate a physical datacentre in a virtual environment. There is the possibility of adding new complementary features such as firewall, load balancer, BPM, VLAN among others. In addition are solutions developed via third party products such as SAP Hana, Oracle and D&R according to client needs.

The cloud datacentre grants clients the capacity to create, modify, redistribute and administer their virtual data centre easily, simply, freely and autonomously; all controlled and managed as from the control web panel in real time.

CLOUD DATACENTERS. Main configurable features

Number of Gbs	4Gb	6Gb	8Gb	12Gb	16Gb	Customize without limits...
RAM	4Gb	6Gb	8Gb	12Gb	16Gb	xx Gb
CPU	8 Cores	10 Cores	12 Cores	24 Cores	30 Cores	xx Intel/AMD Cores
Disk SSD	150Gb	200Gb	250Gb	350Gb	500Gb	xx SSD/SATA/SAS
Capacity *	1500Gb	2000Gb	2500Gb	3000Gb	3500Gb	xx Gb
PRICE excl. VAT (EUR/moth)	129	190	280	420	550	EURxx/month

Source: Gigas Hosting & GVC Gaesco Beka

* Gigas guarantees speeds of 100Mbps per cloud server except those in Chile, limited to 10Mbps outgoing traffic (100Mbps national traffic). Once the monthly transfer is consumed, the server is restricted to 10Mbps except those in Chile that are restricted to 1Mbps. These limits are only applied to outgoing data. Incoming data is unlimited.

As included in the table, Gigas' offer is highly configurable including standard firewall, back-up, VLAN and load balancer. The advantages of this solution are various: customize cloud/plug and play, free 24h support, personalised advice, help in real time, independent management, location of data centres (Spain, US, Chile and Colombia) and the possibility of mounting ISOs and personalized templates.

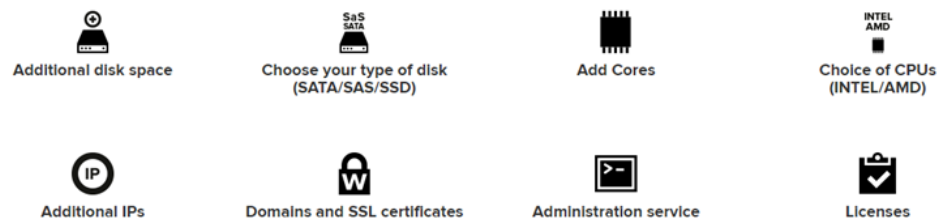
- **Firewall.** A Standard Firewall for the Cloud Datacenter KVM and the Cloud Server for Oracle. Regarding the Cloud Datacenter VMware and the SAP Hana solution, Gigas recommends assuring the infrastructure with the Fortigate's advanced firewall. Possibility of free trails.
- **Load Balancer.** Assures service availability distributing traffic to various servers thus avoiding peaks and providing high availability and quick response for users.
- **VLANs.** Separates the various types of data among various private networks thus achieving: i) greater security in servers without access to internet; and ii) optimizing connections between servers; thus avoiding losses in transfers, optimizing access to third parties' private data as well as managing and assigning private mode from Giga's in-house control panel.
- **VPN.** Provides encrypted connection between client offices and servers with Cloud Datacenter. The client has unlimited access and can transfer information, with total security and not requiring clients' servers to be connected to internet. Transfer speeds of 80Mb with up to 3 tunnels in Madrid/Miami and 80Mb in Chile for national traffic and 10Mb international.

Gigas also offers **advanced VPN IPSEC**, optimal for complex network structures where the location of the VPN router is important, thus the best situation for the router must be determined. It is advisable to place the router as close as possible to the network element that connects with internet (e.g. DMZ). The objective behind this configuration (known as "on a stick") is to send traffic to a client's cloud without interfering with any other communications travelling through the network. It is therefore necessary for a device to start the IPsec tunnel. This scenario can be of use if the equipment that links the client to the internet does not have an IPsec feature. By adding a UTM/router to the DMZ, a tunnel can be raised that adds a static route from the client's PCs to send VPN traffic via the new gateway.

- **Auto-scaling.** With this system it is possible to automate growth processes, providing more power when required and return to the initial state when traffic decelerates.

- **Shared disks:** Permits the configuration of cloud servers for simultaneous access of users to the same disk to write and read, offering an error-free service and guaranteeing data integrity among all data servers.
- **Backup.** Feature acquired automatically and for free when subscribing to Gigas' datacentre. This feature ensures recovering information in the case of any mishap. There is the possibility of subscribing to an advanced data centre which allows clients to configure back up and retention policies.

GIGAS HOSTING. CLOUD DATACENTER's ADD-ONS



Source: Gigas Hosting & GVC Gaesco Beka

In general, Cloud Datacenter clients extend their services. For example, Gigas recently introduced two new features:

- **Hot resize (not surpassing 1.6TB).** Allows disk scaling without having to reboot machines. This feature is available in all of Gigas' virtualization systems and the following products: Cloud DC, Clud Server Oracle and Cloud DC VMWare. File systems supported by the following operating systems: Windows (FAT16/FAT32/NTFS) and Linux (jfs/reiser4/reiserfs/btrfs/ext2/ext3/ext4/xfs).
- **Global templates.** Create templates in various operating systems and later distribute these among Gigas' datacentres.

Cloud VPS –Virtual Private Server- (9.7% revenues and 82.2% clients 2018e)

A cloud solution with limited critical mass server for professional designers and developers; e-commerce and bloggers, mobile app developers, SMEs, resellers and freelancers. The range of potential clients refer to low/mid-market that subscribe products through the direct channel (Gigas' web page). Gigas offers a 24/7 customer service and provides help for migrations as well as dragging and mounting ISOs and templates.

We have included the plans offered by the company on the following page, with the monthly ARPUs as from the simplest solution (VPS Nova) of 2Gb RAM and 2 cores for EUR15.8/month to the most complete (VPS Summum) with 6Gb RAM and 8 cores for EUR69/month. The plan (bundles) chosen by a client does not include a permanency commitment and does include a money-back guarantee. Transferring data with a dedicated IP is unlimited and provides absolute root control as well as free templates. 1 week free trail available

The user will also have access to a control panel developed by Gigas where the client can view statistics and obtain performance information of their web sites. In addition is the possibility of instant upgrades if more resources, templates or other features are required.

GIGAS HOSTING. CLOUD VPS's ADD-ONS



Source: Gigas Hosting & GVC Gaesco Beka



GIGAS HOSTING. CLOUD VPS

Commercial Bundles

For light web applications	For web applications with light database needs	For business management systems (ERP)	For web applications with robust database needs
VPS nova	VPS pro	VPS élite	VPS summum
15,8€* Per month	29€ Per month	49€ Per month	69€ Per month
2 gigas of RAM guaranteed	4 gigas of RAM guaranteed	5 gigas of ram guaranteed	6 gigas of ram guaranteed
2 cores 2.5GHz/core	4 cores 2.5GHz/core	6 cores 2.5GHz/core	8 cores 2.5GHz/core
50 gigas of disk	100 gigas of disk	150 gigas of disk	200 gigas of disk
400GB + unlimited transfer	600GB + unlimited transfer	1200GB + unlimited transfer	1600GB + unlimited transfer
🛡️ Firewall included	🛡️ Firewall included	🛡️ Firewall included 🗄️ Backup included	🛡️ Firewall included 🗄️ Backup included

	nova	pro	élite	summum
Monthly	19€	29€	49€	69€
Biannual	99€ <small>You save 1 Mo.</small>	145€ <small>You save 1 Mo.</small>	245€ <small>You save 1 Mo.</small>	345€ <small>You save 1 Mo.</small>
Annual	190€ <small>(15,8€ / Mo)</small> <small>You save 2 Months</small>	261€ <small>(21,8€ / Mo)</small> <small>You save 3 Months</small>	441€ <small>(36,8€ / Mo)</small> <small>You save 3 Months</small>	621€ <small>(51,8€ / Mo)</small> <small>You save 3 Months</small>
	Buy now	Buy now	Buy now	Buy now

	nova	pro	élite	summum
RAM	2 GB	4 GB	5 GB	6 GB
Cores	2	4	6	8
Hard disk	50 GB	100 GB	150 GB	200 GB
Transfer	400 GB	600 GB	1200 GB	1600 GB
Technical support	✓	✓	✓	✓
Firewall Standard	✓	✓	✓	✓
Backup Standard	✗	✗	✓	✓

Templates

OS: CMS & CRM Developer tools Others

Linux:

Windows server:

OS: CMS & CRM Developer tools Others

OS: CMS & CRM Developer tools Others

OS: CMS & CRM Developer tools Others




Source: Gigas Hosting & GVC Gaesco Beka


*Monthly price calculated over 12 months using annual billing cycle + VAT (if applied)




Awards, recognitions and certifications


Gigas has received the following recognitions in recent years:

GIGAS HOSTING. Well-known reputation

 <p>Cloud Service Provider in Spain MSPmentor Global Edition, 2015 & 2016</p>	 <p>Best Global Cloud Hoster The Cloud Awards 2016, 2017</p>
 <p>Significant Global Provider Gartner Cloud Infrastructure as a Service 2013, 14, 15 & 17</p>	 <p>Best Cloud Hosting Service eAwards 2013 & 2016</p>
 <p>Best IaaS Service Eurocloud 2013 & 2014</p>	 <p>Official Cloud Provider for the European Commission</p>
 <p>1000 Europe's Fastest Growing Companies (126th position) Financial Times 2017, 18</p>	 





Source: Gigas Hosting & GVC Gaesco Beka

Gartner, the renowned consultant, named Gigas Significant Provider in the Infrastructures as a Service (IaaS) sector in the cloud during four years (2013, 14, 15 and 17) in its report "Magic Quadrant for Cloud Infrastructure as a Service"

Gigas was named the Spanish member of the Cloud Team Alliance, a European consortium of cloud service providers, made up mainly by telco operators. The members are: KPN (Netherlands), Belgacom Proximus (Belgium), MEO (Portugal), Numergy (France, JV between the operator SFR and manufacturer Bull) and Enter (Italy).

Datacentres located at strategic points

Data centres are as the word indicates energy-intensive **data storage and processing centres (DPCs) that require a high degree of security** (physical - electromagnetic locks, cameras, turnstiles, motion detectors, identification cards, etc) **due to the information housed**. Datacentres are usually large buildings used directly by large companies to host their own data or infrastructure managers in order to rent-out existing space.

GIGAS. TERREMARK'S DATACENTER (MIAMI)



Source: Gigas Hosting, Interxion & GVC Gaesco Beka

Generally, all large servers are usually concentrated in server rooms also known as the cold room. This room requires a **specific refrigeration system to maintain a low temperature (between 21 and 23°C)**, which is necessary to avoid computer breakdowns due to overheating. Major players in the technology sector (Apple, Facebook, etc) have their most critical datacentres in the coldest countries in Europe in order to keep their servers at low temperatures and reduce energy costs.

The server room usually has strict security measures for physical access, as well as fire extinguishing measures appropriate to electrical material, such as water mist or Inergen gas, carbon dioxide and nitrogen. However, currently soaring is the use of gaseous agents as an extinguishing system.

Tier classifications, according to the ANSI/TIA 942 standard, indicate the reliability grade of datacentres associated to four categories or available Tiers, in which Tier I is the lowest and **Tier IV the highest with 99.995% availability**.

With the intention of **reducing latency** (response capacity to data transfers) when implementing technological strands such as IoT, telemedicine, driverless car, etc, the trend regarding datacentres includes locating these close to data reception/transmission poles to reduce the data path. Therefore, the trend is towards building multiple and smaller sized datacentres (with some exceptions).

An example of the latter would be **Amadeus** (within our coverage). Leader in travel solutions via indirect and direct channels, Amadeus offers some services in the cloud through its own datacenter (Erding, Germany) and via external partners' datacentres in various continents, such as AWS/Google Cloud Storage/SalesForce.com. The reason is to reduce the response time in the flight/hotel/train booking systems and improve availability grades according to the most demanding standards. We were able to see the latter in situ during the technology conference held by Amadeus in London.

Gigas currently leases space in 6 datacentres (Tier III and IV, top quality): 2 located in Madrid and 1 in Barcelona, Miami, Santiago de Chile and Bogota (Colombia).

GIGAS HOSTING. GLOBAL PRESENCE



Source: Gigas Hosting & GVC Gaesco Beka

- **Spain.** The two datacentres in Madrid (15,200m² technical space with capacity for thousands of servers and tolerant to failures and maintenance without stoppages) and the one in Barcelona are rated **Tier III**. These grant access to a high number of telco providers (70 telcos and ISPs), including level 1 networks, internet providers, and content distribution networks, as well as to the main European neutral points thus reduces interconnection costs and guarantees network availability.

Interxion, Company listed in the Netherlands (EUR3.8bn mkt cap), is the owner of the datacentres and one of the largest European datacentre operators with 50 located in over 11 countries. Its share price has increased over 200% in the last 5 years.

The Company's track-record spans almost 20 years, guaranteeing a consistent design and operational excellence in all locations, making it easier for clients to expand services in Europe. In 13 European cities, Interxion's clients will find a range of options to cover the various needs in space, security, energetic power and cold aisle closures.

- **US. Tier IV**, the highest rating for datacentres, offers the best connection with Latin America as the NAP (Network Access Point) is located in Miami, the **hub in which 90% internet traffic travels to and from the continent**. The datacenter has 70,000m² technical space and is considered one of the largest.

Terremark, an affiliate of the telco operator Verizon, owns this datacenter. It is one of the largest in US and Latin America (the second largest in the world) with 130 telco operators.

- **Chile.** The datacentre in Santiago de Chile has 1,200m² of technical space and is one of the reference centres. Classified **Tier III** (in design and construction), it registers **99.982% availability grade**, offering the best connectivity in Chile.
- **Colombia:** Datacentre rated **ICREA 5 (availability equal to Tier IV)**, with the highest grade of security and **availability (99.99%)**. Located on the outskirts of Bogota and especially designed and built under the strictest specifications in the case of seismic failures, fire extinction, physical security and to carry out maintenance without affecting services.

GIGAS. MAIN FEATURES OF ITS DATACENTERS

Dual redundant power connection	They are equipped with dual independent redundant power connection to ensure electrical supply
Uninterrupted power supply and batteries	They have systems of uninterrupted power supply (UPS), supported with backup batteries to ensure the power supply
Redundant diesel generators	They have additional diesel generators that redundantly ensure power supply in case of power failure by electricity companies
Cooling systems	These are redundant systems for cooling high density environments and use "cubes" to keep the temperature and humidity of the rooms at optimum levels
Fire protection measures	Advanced and accurate fire control and warning measures are in place that use cutting edge detectors and gas extinguishing systems to safeguard data
Controlled access	Through the use of biometric systems, the datacenter maintains strict access control to the various departments of the building as well as controlling the location of each person within it
24x7 security	Security personnel work 24h a day and 7 days per week

Source: Gigas Hosting & GVC Gaesco Beka

Finally, to mention and considering the environment, servers used by Gigas consume much less energy than the average. In general, a conventional server consumes 50KWh/month whereas a cloud server with analogue features in Gigas' platform including network equipment consumption and storage (not included in the physical server) is of just 8.9KWh/month, some -82.2%. In addition, 100% of the energy consumed in Interxion comes from renewable energy certified by the CNE and the cloud computing technology used by Gigas reduces CO₂ emissions by over 96% compared to conventional systems.

Spain stabilising as the new data hub for southern Europe

Many companies are betting on the construction of important datacentres in Spain due to its strategic geographical position, its wide potential for technological development and the still incipient penetration of cloud computing compared to other core countries of the European Union. The objective would be to connect southern Europe and Latin America. The European flaps (equivalent to a hub in the sector) are currently Frankfurt, London, Amsterdam and Paris.

One of the main problems in these companies is that electricity companies are not equipped to supply the high energy requirements in the short/medium term.

Interxion (owner of the two datacentres Gigas uses in Madrid), announced the construction of its third datacentre in Madrid (designed specifically for public cloud providers such as AWS, Microsoft, IBM and Oracle), investing EUR44m, and opening in 2Q19. This would form part of the Company's bet on opening neutral datacentres throughout Europe via a joint investment of EUR390m. These plans include new centres and extension of existing centres in 8 European cities, including Amsterdam, Paris, Vienna, Frankfurt and Madrid.

According to the General Director at Interxion, Robert Assink, the Company expects to grow in the next 5 years in Spain as it has during the 18 years in the country. Madrid should reach the levels of the mentioned flaps, currently representing a tenth of these. Around 50% internet traffic in Spain travels through Madrid with over 100 telco operators connected.

Spain's secondary role to date is due to the lower demand for cloud computing services compared to neighbouring countries. In fact, cloud computing was mainly implemented in central Europe and is now in full expansion in the south.

IBM also recently opened a new datacentre in Madrid called Cloud Garage, from which IBM intends to boost cloud computing for Spanish companies. This is IBM's 5th datacentre in Europe and 13th world-wide. The Company presented various open platforms to address companies' complex digitalization processes and their integration to multi-cloud environments, cybersecurity and artificial intelligence.

According to a study made by IBM and Oxford Economics, 82% of the companies say they have begun Artificial Intelligence (AI) projects but 63% do not have the necessary talent and 60% are concerned regarding issues such as trust and the regulatory environment.

On the other hand, in recent studies McKinsey believes that companies have only covered an average of 20% of the cloud computing transition.

Marketing strategy: Gradually increase weight in the indirect channel

Sales via online channel (web)

This sales channel is directed almost exclusively towards Giga's simplest product, Cloud VPS. The latter is generally subscribed by professionals or small companies seeking an attractive quality/price relationship and compared with various providers before making a decision (3 week sales cycle, beginning with the first visit to Giga's web until the purchase). Prices are included in the web page and the contract is also via the web (credit card payment and server instantly supplied when the purchase is completed). Therefore Giga's intervention is limited (self-service for clients) with some technical exceptions solved by support team.

The ARPU in this type of client is low, ranging between EUR19 and 69/month. However, the contract is usually for longer periods (half year/annual) thus the prepaid mode is clients' favourite option (>60%) due to the discounts offered.

Bundles are offered by online campaigns through text messages, search engines based on key words, graphic announcements in technology web sites and present in social networks.

Sales team (direct channel)

The company has its own salesforce deployed in all the countries where present in order to serve medium and large companies by offering exclusive tailor-made solutions for the most sophisticated product (Cloud Datacenter). The monthly ARPU in this case ranges between EUR129/month and various thousands. The sales team counted 24 at 2017 (including 6 presale engineers; 2 directors, Spain and LatAm) vs. 5 at 2013.

It generally refers to a consultative and technical sale where the commercial staff requires a high level of expertise and is supported by specialised pre-sales engineers whose contact person is a Director or Technology Manager with his/her own team in charge of systems and developments. Proposals offered to clients include system architectures and timelines on solutions to be implemented. Giga believes that personal relationships with customers in this segment are paramount especially in Hispanic markets as opposed to Anglo-Saxon markets where consultative selling is uncommon.

Partners as a means to increase the capillarity of the sales network

Giga is in the process of weaving an increasingly dense network of business partners to market its products by giving them a discount in its Cloud Datacenter product. These then offer the discount to clients as well as other complementary services (implementations, migrations, develop software solutions, monitoring, administration, etc). **At the moment, the indirect sales channel is still at initial phases, although will likely dilute margins at Group level (although it could be accretive as Giga's contributes its leading sales, marketing and client support structures) as it gains weight with the increasing discounts. The Company estimates contribution surpassing direct sales in two or three years at the latest.**

The Company does not differentiate between the products commercialised via the direct or indirect channels. In both cases 24/7 technical support is offered, as well as free trials of the mentioned features. The picture below includes some of Giga's current partners (some of which have the largest critical masses in Spain and LatAm).

GIGAS. SOME COMMERCIAL PARTNERS (indirect channel)



Source: Gigas Hosting & GVC Gaesco Beka

These are known for being: i) system integrators or developers; ii) partners in implementing SAP and Oracle solutions for which Gigas is certified and that lean on its infrastructure to give client services; iii) software manufacturers that would like to offer solutions with SaaS in their products without having to adapt to an existing application or undergo new developments.

Main providers and alliances

Heavy weight of the top-10 providers

Regarding the main **providers**, the top-10 represented around 53.7% of Gigas' opex excluding personnel. As it refers to a relatively standard technological service (servers, storage, security, etc) and is highly competitive, it avoids the dependence on each of the providers below.

Gigas subscribed strategic agreements with leading hardware and software providers and with prestigious reputations with the intention to offer the best service to clients. The most important **hardware** manufacturers are:

- **Hewlett Packard (HP), leader in high performance.** HP provides Gigas with **high-density and state-of-the-arts blade servers**. Gigas is simultaneously HP's service distributor as it is Partner Cloud Agile and member of its Partner One program.

The features offered by Gigas in its cloud platform with these servers are similar to HPE Synergy's, albeit not incurring its costs.

- **NetApp, reference in storage systems.** Provides the network, storage cabins and SATA disks for standard performance such as high-performance SAS with flash memory cache.
- **Cisco, Nº 1 in connectivity.** Absolute leader in the networking segment, facilitating the latter to Gigas as well as switching and routing via 10G network at 10Gbps.
- **SolidFire, one of the leaders in solid state storage.** Provides Gigas with a very-high performance storage platform with solid state disks (SSD) that allow Gigas to offer clients multiple IOPs (input/output operations, disk access drives). The company is member of the Fueled by SolidFire program.

Having reached this point, we must mention that NetApp recently acquired SolidFire thus is in the process of integrating both platforms – which would be positive for Gigas.

On the **software** front, Gigas has agreements with other reference manufacturers such as:

- **SAP, global leader in business support solutions (ERPs, Enterprise Resource Planning).** Gigas was the first cloud provider in Europe to count on the Infrastructure Operations certificate to accommodate SAP solutions in the cloud and, still today, is the only partner with said certificate in Spain and other markets where the company operates. Consequently, Gigas captured a high number of clients that lodge their accounting and SAP management systems in the cloud.
- **Microsoft, world-wide leader in software solutions.** Gigas is Microsoft's SPLA partner (Software Provider License Agreement), thus can lease Windows licenses and other programs under the pay per use mode. Gigas is also Microsoft's Mobility Partner in the use of said licenses on behalf of cloud clients.
- **Oracle, world reference in software and data base solutions.** Gigas is Oracle's Silver Partner and has access to the Oracle Virtual Machine solution thus can offer Oracle's data bases to clients in the corporate segment under the pay per use mode and thus has no need for initial investments but with relevant savings (not quantified).
- **SAS Institute, yet another leader but in analysing data, Big Data and Business Intelligence.** Gigas is a partner of the company with the means to complement its solutions with SAS for corporate clients (SaaS) using Gigas' cloud.
- **Fortinet, reference in security.** Gigas implemented Fortigate's advanced firewall to basic solutions clients as well as other security systems such as virtual

appliances. There is no need to deploy physical elements, maintaining the control of the infrastructure including relevant cost savings (not quantified by the Company).

GIGAS. MAIN PROVIDERS

Hardware



Software



Source: Gigas Hosting, Companies & GVC Gaesco Beka

Highly fragmented client base

The current and potential range of clients is very wide, from private professionals to SMEs, and medium and large companies via its Cloud Datacenter products that can include multiple virtual servers with various corporate applications and advanced features. Gigas' focus point is currently the high-end market.

At 9M18, and in general since its founding, the majority of Gigas' clients come from Cloud VPS (81.9%) vs. the Cloud Datacenter. In addition, it is important to consider that none of the clients represent more than 4% of the Company's total sales.

Worth mentioning, in recent results, the Top-5 client entered financial difficulties with accounts pending for services provided by Gigas during a year. This disrupted results which then made provisions for the pending amounts and legal disputes.

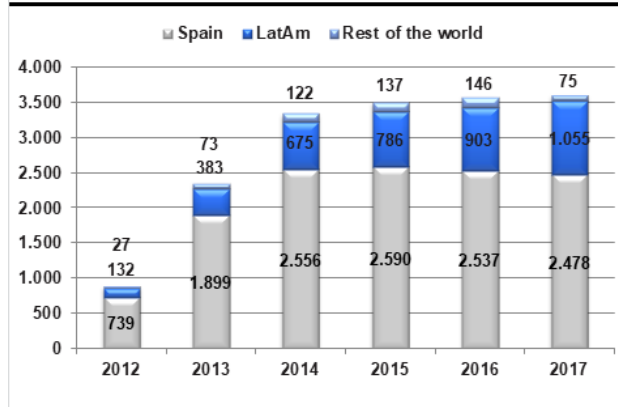
GIGAS. FRAGMENTED BASE OF CLIENTS. SOME COMPANIES HOSTED BY GIGAS



Source: Gigas Hosting & GVC Gaesco Beka

Gigas is the only official Spanish cloud supplier in the European Commission and other government bodies. Worth mentioning, Ernst & Young (EY), apart from being Gigas' auditor, is also a client.

GIGAS HOSTING. NUMBER OF CLIENTS PER REGION



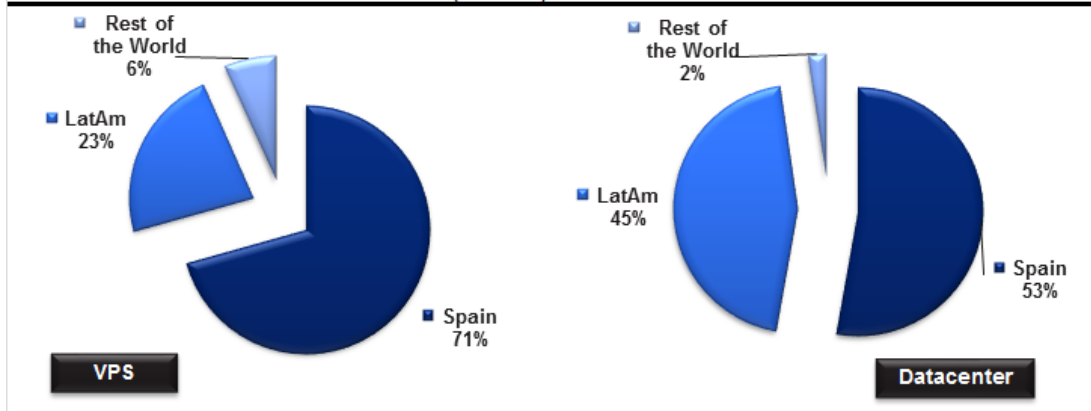
Source: Gigas Hosting & GVC Gaesco Beka

As reflected, at 2012 the Company was only present in Spain, registering 108 international clients mainly in LatAm, representing just 12.8% of the total. However, with the opening of new markets these began to grow even outpacing the domestic market as we can observe in the following graph.

GIGAS HOSTING. CLIENTS GEO-BREAKDOWN (Jun-2018)		
	VPS	Datacenter
Spain	2,307	369
LatAm	741	314
Rest of the World	216	16
TOTAL	3,264	699

Source: Gigas Hosting & GVC Gaesco Beka

GIGAS HOSTING. CLIENTS GEO-BREAKDOWN (Jun-2018)



Source: Gigas Hosting & GVC Gaesco Beka

Only 2 M&As realised... for the moment

At 1H18, some lines in the balance increased substantially due to two M&A moves. We refer to intangible assets (goodwill), accounts payable, accounts receivable, equity and long term debt.

GIGAS HOSTING. M&A DELIVERY

	SVT Cloud Services	ABILITY DATA
Transaction closure date	Jan-18	May-18
Country	Spain	Colombia
Estimated revenues ^{18e} (EURm)	EUR0.83m	EUR1.63m
EBITDA 2017 (EURm)	EUR0.15m	EUR0.4m
EV	0.8x sales	1.2x sales
Customers	250 businesses	75 businesses
Employees	5	13

Source: Gigas Hosting & GVC Gaesco Beka

Both operations produced a temporary rise in **goodwill** of EUR2,1m (linked to Ability and not to SVT) included in 1H18 results that will be progressively amortised in coming years. Once realised, the PPA will be distributed in the balance (the majority related with clients – intangible assets) and therefore, goodwill will drop/disappear. In addition was the **negative impact in working capital** following the integration (explained in depth in our estimates).

SVT, putting the client portfolio into value

On 11 January 2018, Gigas Hosting acquired 100% of the cloud provider SVT (headquarters in Lerida). The operation took place in a single move, with no stakes held in SVT or previous relationships between the two.

SVT was founded in 2007 and provides cloud hosting services to over 250 corporate clients (mainly medium sized), especially for ERP hosting (Enterprise Resource Planning) and namely SAGE, Microsoft Navision and SAP. Until then, SVT was an affiliate of group SEMIC, a global IT service solutions provider.

According to Gigas, this acquisition is in line with the group's strategy to accelerate growth via selective M&As. With SVT, Gigas added new corporate clients that fit strategically with its preference commercial target and reinforcing its positioning in the market for mission-critical application hosting in the new company which adds a new datacentre in Spain (Barcelona).

In addition to the cloud hosting services provided by SVT, the company owned a security services unit. The latter was excluded from the operation beforehand.

With no debt or cash, the deal was closed at EUR341.9k according to the following details:

GIGAS HOSTING. SVT's ACQUISITION, WAY OF PAYMENT (Jan-2018)			
	Status	Estimated date	Amount (EURm)
Initial payment	Paid	ene-18	0,04
Participative loan	Paid	ene-18	0,25
Assumption and payment			
WC adjustments & others	Deferred	sep-18	-0,11
Fixed deferred payment	Deferred	abr-19	0,15
Income adjustments 2018 (est)	Deferred	abr-19	0,02
TOTAL AMOUNT (estimated)			0,34

Source: Gigas Hosting & GVC Gaesco Beka

The table reflects the amount pending payment of just 16.6% (EUR169k in April 2019, once SVT's 2018 accounts have been prepared) of the estimated amount. At 1H18 WC was pending adjustment (-112k) now realised.

In addition to the acquisition of SVT, Gigas Hosting subrogated 4 contracts for the lease of computer equipment amounting to EUR219.1k, whose debt was included to the balance sheet as well as assets subject to the contract. Gigas also assumed SVT's debt for services provided to a provider pertaining to the previous corporate group of EUR300k, which resulted in a negative adjustment to working capital of EUR112.7k. Excluding the mentioned debt, the adjustment would have been of EUR187.4k due to the payment of a historic debt with a client cleared between June/July 2018.

Within the first payment the Company assumed a participated loan for EUR250k, which was paid by SVT post a capital increase for the same amount realised by Gigas on 11th of January 2018.

To conclude, if to the mentioned purchasing price we add the debt contracted, the total transaction would be of EUR861, (vs. EUR665k announced at the time due to the mentioned historic debt not affecting Gigas cash position). Gigas incurred costs of EUR86k with this operation.

GIGAS HOSTING. SVT's ACQUISITION DETAILS		
mEUR	Book value before acquisition	Fair Value
Cash and equivalents	0,00	0,00
Trade receivables	0,29	0,29
Tangible assets	0,10	0,32
Intangible asset (clients)	0,01	0,47
Commercial creditors and current tax liabilities	-0,39	-0,39
Financial debt	-	-0,22
Other net assets	-0,01	-0,01
Deferred tax assets	0,00	-0,11
Identified Net Assets		
Goodwill after the acquisition		-
TOTAL Acquisition Costs		0,34

Source: Gigas Hosting & GVC Gaesco Beka

SVT's client portfolio was valued according to estimated future revenues and average term and included in the intangible assets account.

Strengthening its position in Colombia thanks to Ability

Gigas closed the deal on Ability in Colombia (headquarters Bogota) on 22nd May 2018. The operation took place in a single move, with no stakes held in Ability or previous relationships between the two.

Ability was founded in 2006 and initially focused on providing administrative cloud hosting services that currently represent all the revenues. Ability provides services **to over 70 corporate clients (high value-added profile with Datacenter product already contracted)**, mainly medium sized and referring to ERP hosting and especially SAP.

This purchase contributes new corporate clients that, as in SVT's case, also fit into Gigas' target thus reinforcing its presence in LatAm, and specifically in Colombia (second market behind Spain). On the other hand, with Ability Gigas has another datacentre in the region. We also emphasise that Ability's key manager joined Gigas with the intention of leading the marketing efforts throughout LatAm as the Director in Latin America.

With no debt or cash, the deal was closed at EUR1,986m (see table):

GIGAS HOSTING. ABILITY'S ACQUISITION, WAY OF PAYMENT (May-2018)

	Status	Estimated date	Amount (EURm)
Initial payment	Paid	may-18	1,06
Payment in shares	Paid	jun-18	0,30
Fixed deferred payment	Deferred	may-19	0,31
Earn-out related to income 2018/19 est	Deferred	Apr-19/20/21	0,31
TOTAL AMOUNT (estimated)			1,99

Source: Gigas Hosting & GVC Gaesco Beka

Gigas is yet to pay 31.6% (EUR0.627m) of the estimated amount. The payment in shares was covered with 47,318 Gigas shares at EUR6.34/sh, according to a capital increase for credit compensation carried out (new shares issued on 20th Sept'18). The earn-out set is linked to Gigas' revenues in LatAm for years 2018 through to 2020 and could imply a maximum USD750k (EUR626.7k). The maximum payment would imply a 90% growth of 2017 revenues (Gigas LatAm + Ability) in three years reaching USD10.3m in 2020. Gigas estimated achieving targets which would result in a payment of EUR313.3k in 3 periodic amounts in the month of April in 2019, 2020 and 2021.

Gigas assumed financial debt (lease of computer equipment etc) and other debt relative to non-current taxes of EUR458.8k. Gigas also incurred costs of up to EUR125k.

Ability's assets amounted to a negative EUR174.2k, prior to the acquisition. Gigas could not close a PPA (acquisition price) because the transaction took place at the end of May 2018, thus will do so during the 12 months since the mentioned date. **The difference between net assets and the price paid reached a total of EUR2.2m, which was accounted entirely as goodwill (temporarily).** Once the PPA calculation is made, goodwill will be adjusted.

GIGAS HOSTING. ABILITY'S ACQUISITION DETAILS

mEUR	Book value before acquisition
Cash and equivalents	0,04
Trade receivables	0,19
Tangible assets	0,37
Commercial creditors and current tax liabilities	-0,31
Financial debt	-0,30
Non-current taxes	-0,16
Identified Net Assets	-0,17
Goodwill after the acquisition	2,16
TOTAL Acquisition Costs	1,99

Source: Gigas Hosting & GVC Gaesco Beka

Following these two corporate moves, Gigas has continued to study potential operations combining organic growth and inorganic via M&As.

9m'18 results: Simply excellent

Gigas presented 9m results on 22nd November to which the market reacted positively with the share price rising **+17.5%** on the day.

In our opinion, the **Company is making a notable effort to increase its transparency, recurrency and visibility in the market.** We reach this assumption because companies trading in the MAB are not obliged to report quarterly results, but rather 6 months. Gigas not only reports quarterly results but the information released is renowned for being exhaustive vs. other MAB trading companies.

GIGAS HOSTING. POST-9M/3Q'18 RESULTS.						
EURm	3Q'17	3Q'18	Δ% y/y	9M'17	9M'18	Δ% y/y
Total clients	3601	3.957	9,9%			
Cloud Datacenter	482	714	48,1%			
Cloud VPS	3119	3243	4,0%			
Customer billing	1,73	2,55	47,5%	5,09	7,16	40,8%
Sales accruals	0,03	0,06	87,3%	0,06	0,03	-50,5%
Discounts & Promotions	-0,26	-0,30	15,5%	-0,77	-0,94	22,7%
Net income	1,50	2,31	54,0%	4,38	6,25	42,6%
Work carried out on its assets	0,05	0,06	24,4%	0,11	0,19	75,0%
Extraordinary income, subsidies, others	0,01	0,01	-25,3%	0,02	0,05	143,8%
Supplies	-0,26	-0,52	96,9%	-0,79	-1,36	71,3%
Online and third parties SAC	-0,02	-0,02	9,8%	-0,05	-0,05	2,1%
Datacenters & Connectivity	-0,14	-0,22	51,1%	-0,43	-0,59	37,5%
Other supplies	-0,10	-0,28	177,1%	-0,32	-0,72	127,0%
Personnel Expenses	-0,72	-0,83	15,5%	-2,15	-2,37	10,4%
Other Expenses	-0,37	-0,51	36,8%	-1,24	-1,82	46,7%
Other results	0,00	0,00	-82,7%	0,00	0,00	-75,1%
EBITDA	0,21	0,53	151,1%	0,33	0,94	186,8%
EBITDA M.	14,1%	22,9%	8,9pp	7,5%	15,1%	7,6pp

Source: Gigas Hosting & GVC Gaesco Beka

Operating KPIs were sturdy, with total clients increasing 9.9% Y/Y. Excluding the change in perimeter which adds 153 clients with Cloud Datacenter (added value product, the **underlying expansion would have been +5.6% Y/Y. The fact growth comes from the high-end market (Cloud Datacenter) is positive. Ability didn't impact in terms of Cloud VPS' clients.**

9m'18 sales came in +6% above the Company's target: EUR7.16m vs. EUR6.5m, partially owing to the change in the consolidation perimeter arising from the acquisition of Ability in Colombia and SVT in Spain. Together these contributed EUR1.3m to 9m'18. **Excluding these, organic sales would have grown +15.1% Y/Y.** In net terms, revenues were much higher than the Company's target (EUR6.25m vs. EUR5.9m, 5.9% spread). In our opinion, these results are especially positive at the top-line following the loss of an important client which affected 1H'18 results (EUR190k+VAT/year). On the negative side, +22.7% increasing discounts and annual offers at 9m'18.

Gigas ended 9m'18 with an EBITDA almost 3x 9m'17. This was in line with the budget (EUR0.944m), but below excluding the contribution of Ability and SVT (EUR0.602m + EUR0.577m estimated). This effect was explained by the extraordinary costs linked to M&A and the non-payment of a relevant customer. Both effects totaled EUR0.411m in 1H'18.

EBITDA margins expansion (practically the same as in 2017 in a single quarter) was high for both 9m'18 (+7.6pp) and in 3Q18 standalone (+8.9pp Y/Y), which reflects the acceleration in higher profitability. This is noteworthy, because according to our estimates, SVT and Ability's margins (18.1% and 24.5%, respectively) are dilutive at Group level. This is compounded by the growing inclusion of third-party software licenses ("Other Provisions") complementary to the products offered by Gigas itself.

The Connectivity and Datacentres account increased due to increased capacity carried out as well as the incorporation of new datacentres in Barcelona, Madrid and Bogota proceeding from the companies acquired.

Finally, and in light of the results greatly outpacing the Company's budget (revised positively in 1H18), top management confirmed the 2018 annual guidance: gross revenues EUR9.8m (vs. 10.2mEUR est) and net EUR8.5m (8.6mEUR est). Gigas' estimates reaching EBITDA EUR1.5m (vs. 1.6mEUR adjusted est). The Company seemed optimistic regarding data obtained and expects to surpass its annual sales forecasts. For 4Q18, Gigas estimates EBITDA above the previous quarter, thus ending 2018 12% above forecasts and +160% Y/Y in reported terms.

The Company achieves its targets having mentioned an EBITDA mg of at least 20% in the official Information Document for Admission (DIIM) to the MAB (released Sept 2015). Gigas will hold a BoD meeting at the end of the year to set 2019 guidance.

Conclusions from the results C.C. (the only MAB company that offers it).

The CEO, Diego Cabezudo, mentioned the following, important points for the first time during the CC

- **Importance of transparency and details in reporting to investors.** The margin of error in Gigas' budget is, in general, below a single digit with quarterly results presentation and comparisons with the budget.
- **Apparently high multiple (14x) although larger cloud providers trade at 30x due to the expectations on the sector. On the other hand, other companies with lower critical mass trade at multiples similar to Gigas.**
- **Positive net result in 3Q18.** Convinced of obtaining a positive net result in 2H18, although in our opinion negative for the year 2018.
- **Deceleration in client capturing Q/Q.** Dropping due to Cloud VPS but the Company is not concerned with this aspect. In our opinion, the expansion of the Cloud Datacentre is more robust and of higher added value.
- **LatAm outperforming the Spanish market and progressively increasing sales weight in organic terms and boosted by Ability in Colombia.** The Company expects LatAm to contribute more than Spain in 2019 even despite the acquisition of SVT.
- **Rationality of M&A.** Product mix (heavier weight of Cloud Datacenter), complementary in terms of geography and equipment/operational bases.

2017-22 estimates: CAGR above +15%

Robust growth of client base

Together with the increasing technological adoption of cloud hosting and thus penetration in markets where Gigas operates (currently Spain and LatAm), the company registered a client base growth up to 3x in Cloud Datacenter and 4.6x in Cloud VPS products (see 2012-17 graph below). We have reduced the client capturing trend in a conservative manner for the period 2018-22 vs. 2012-17.

As the number of clients increases, Gigas will leverage more on data centres and developments creating important scaling economies.

The organic growth in sales proceeds from: i) ample client base for the two aforementioned products; ii) cross-selling and increasing features and requirements mainly for Cloud Datacenter clients; and iii) opening of new markets, in order of importance: Colombia, Chile, US, Peru, Mexico and Panama.

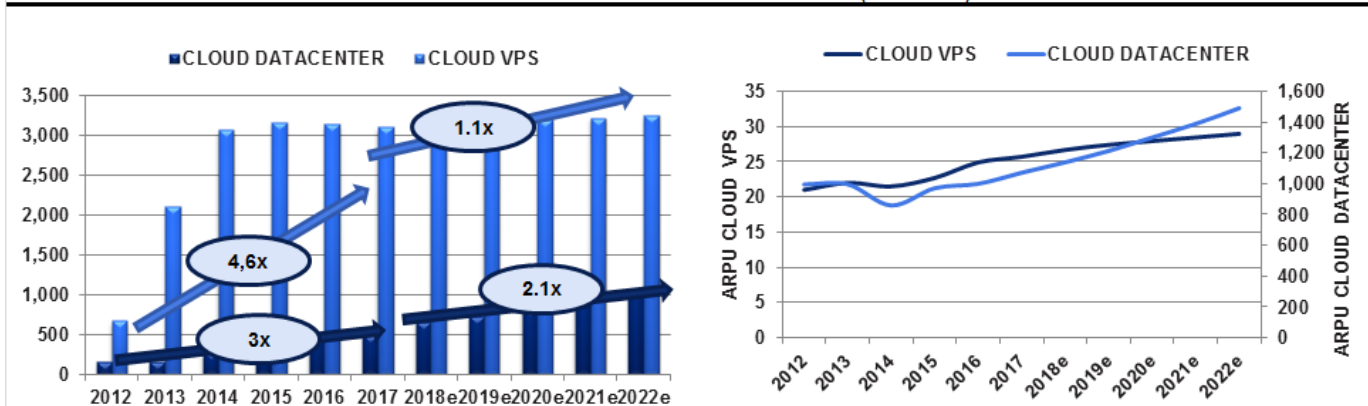
GIGAS HOSTING. OPERATIONAL KPIs, Number of clients & ARPUs (EUR/month)												
	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e	2021e	2022e	CAGR17/22e
Cloud Datacenter (clients)	168	176	289	350	445	502	674	743	832	936	1,055	16.0%
% change y/y		4.8%	64.2%	21.1%	27.1%	12.8%	34.3%	10.2%	12.0%	12.5%	12.7%	
% vs. total clients	19.8%	7.7%	8.6%	10.0%	12.4%	13.9%	17.8%	19.0%	20.7%	22.5%	24.5%	
ARPU (EUR/month)	995.2	996.2	859.0	971.0	999.2	1071.6	1139.1	1213.2	1300.5	1388.9	1490.3	6.8%
% change y/y		0.1%	-13.8%	13.0%	2.9%	7.2%	6.3%	6.5%	7.2%	6.8%	7.3%	
Cloud VPS (clients)	679	2,115	3,064	3,163	3,141	3,106	3,123	3,160	3,192	3,218	3,243	0.9%
% change y/y		211.5%	44.9%	3.2%	-0.7%	-1.1%	0.5%	1.2%	1.0%	0.8%	0.8%	
% vs. total clients	80.2%	92.3%	91.4%	90.0%	87.6%	86.1%	82.2%	81.0%	79.3%	77.5%	75.5%	
ARPU (EUR/month)	21.0	22.0	21.5	22.7	24.9	25.7	26.7	27.4	27.9	28.4	29.0	2.4%
% change y/y		4.8%	-2.3%	5.6%	9.7%	3.2%	3.8%	2.7%	2.0%	1.8%	1.8%	
Total number of clients	847	2,291	3,353	3,513	3,586	3,608	3,797	3,903	4,024	4,153	4,298	3.6%
% change y/y		170.5%	46.4%	4.8%	2.1%	0.6%	5.2%	2.8%	3.1%	3.2%	3.5%	

Source: Gigas Hosting & GVC Gaesco Beka

Note: End of the period data except 2018e onwards, average

GIGAS HOSTING. NUMBER OF CLIENTS EVOLUTION PER PRODUCT

ARPU EVOLUTION (EUR/month)



Source: Gigas Hosting & GVC Gaesco Beka

The company was capable of compensating the churn from the non-renewal of its services in line with the growth of its client base. We estimate higher monthly churn in Cloud VPS, 3% -due to the greater ease which permit users to change of supplier in a product with high sensitivity to the price factor- compared to the Cloud Datacenter (1.1%).

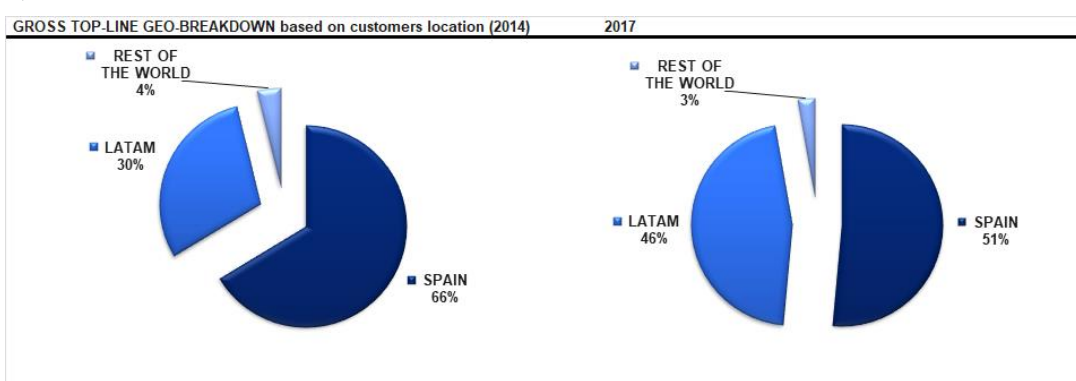
Sales increasing in line with the cloud hosting market.

Consultant reports presented in the market show that the growth rate of the cloud hosting market is above +25% per year. Establishing similarities with Gigas' gross top-line excluding discounts, we estimate CAGR 17-22e of +23.1% (slightly above the cloud computing sector and including Ability/SVT) and remains unchanged including discounts and offers. In our opinion this component will increase throughout time (CAGR'17-22e +23.1%), as the client base increases, technology becomes a commodity, and competition increases especially with surging local hosting companies such as Gigas.

In parallel, the contribution from the Spanish domestic market will be increasing smaller, from 86.5% reported in 2013 to more than 45% estimated for 2022e considering the change in the consolidation perimeter with the recent M&As and the opening of new markets and promoting existing ones.

GIGAS HOSTING. GROSS TOP-LINE GEO-BREAKDOWN based on customers location							
EURm	2012	2013	2014	2015	2016	2017	CARG17/22e
SPAIN	0.52	1.34	2.03	2.47	3.01	3.63	25.1%
% change y/y		159.3%	51.9%	21.6%	21.6%	20.6%	
% vs. total	91.7%	86.5%	66.4%	54.1%	52.7%	51.5%	
LATAM	0.03	0.19	0.91	1.89	2.57	3.23	25.1%
% change y/y		503.0%	374.9%	106.7%	36.0%	25.6%	
% vs. total	5.7%	12.4%	29.8%	41.4%	45.0%	45.8%	
REST OF THE WORLD	0.01	0.02	0.12	0.21	0.13	0.19	25.1%
% change y/y		14.0%	584.3%	77.5%	-36.2%	47.6%	
% vs. total	2.7%	1.1%	3.8%	4.5%	2.3%	2.8%	
TOTAL	0.56	1.55	3.07	4.57	5.71	7.05	25.1%
% change y/y		174.9%	97.9%	49.1%	24.9%	23.5%	

Source: Gigas Hosting & GVC Gaesco Beka

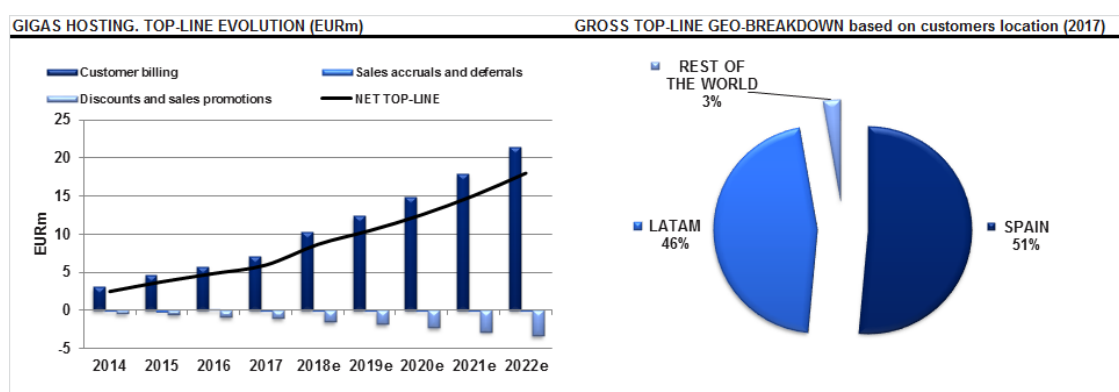


Source: Gigas Hosting & GVC Gaesco Beka

We recall that our estimates include the M&As executed in 2018 and single transactions made by the Company (mentioned acquisition of SVT and Ability) detailed previously in this report. As we can see in the following table, growth in net sales in 2017 reached +23% and for 2018 we estimate +41.7% Y/Y (+15.2% a/a organic, excluding Ability and SVT).

GIGAS HOSTING. TOP-LINE EVOLUTION											
EURm	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e	2021e	2022e
Customer billing	0.56	1.55	3.07	4.57	5.71	7.05	10.21	12.37	14.88	17.90	21.40
% change y/y		174.9%	97.9%	49.1%	24.9%	23.5%	44.7%	21.2%	20.4%	20.2%	19.6%
Sales accruals and deferrals	-0.07	-0.06	-0.14	-0.22	0.01	-0.03	-0.02	-0.02	-0.02	-0.02	-0.02
% change y/y		-22.7%	143.9%	63.9%	-105.9%	-298.9%	-42.4%	0.0%	0.0%	0.0%	0.0%
% vs. customer billing	-12.7%	-3.6%	-4.4%	-4.8%	0.2%	-0.4%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Discounts and sales promotions	-0.09	-0.20	-0.46	-0.60	-0.89	-1.08	-1.53	-1.88	-2.31	-2.81	-3.36
% change y/y		132.8%	126.5%	30.4%	47.8%	21.1%	41.7%	22.8%	22.7%	21.8%	19.6%
% vs. customer billing	15.6%	13.2%	15.1%	13.2%	15.6%	15.3%	15.0%	15.2%	15.5%	15.7%	15.7%
TOTAL	0.40	1.29	2.47	3.75	4.83	5.95	8.66	10.47	12.56	15.07	18.03
% change y/y		219.1%	91.4%	51.8%	29.0%	23.0%	45.6%	20.9%	20.0%	20.0%	19.6%

Source: Gigas Hosting & GVC Gaesco Beka



Source: Gigas Hosting & GVC Gaesco Beka

We consider Gigas' sales growth to be healthy, leaning on the increasing higher added value client portfolio (Cloud Datacenter) with average estimated ARPUs of EUR1,139.1 in 2018 and CAGR'17-22e of +6.8% (vs. CAGR 12-17 +1.5%) due to contributed solutions including in-house and third-party developments. On the subject of Cloud VPS we also estimate ARPU expanding CAGR 17-22 +2.4%, below Datacenter. Our forecasts (slightly below historic track-record) are based on the competitive trend of the market and peers' performances.

According to our estimates, the weight of Cloud Datacenter will rise from 86.3% gross revenues in 2017 to 94.4% in 2022e. However, the opposite occurs in VPS which will lose its stardom (5.6% weight in gross revenues 2022e, -7.2pp vs. 2017). We consider this effect positive because, according to our estimates, the estimated average annual churn for Cloud Datacentre is much lower than VPS.

GIGAS HOSTING. GROSS TOP-LINE breakdown per pipeline

EURm	2012	2013	2014	2015	2016	2017	2018e	2019e	2020e	2021e	2022e	CAGR17/22e
Cloud Datacenter	0.4	1.2	2.4	3.7	4.8	6.1	9.2	10.8	13.0	15.6	18.8	25.3%
% change y/y		170.6%	103.8%	55.3%	28.0%	27.8%	51.1%	17.4%	20.1%	20.2%	20.9%	
% vs. gross revenues	77.1%	75.9%	78.2%	81.4%	83.4%	86.3%	90.3%	91.3%	92.4%	93.5%	94.4%	
Cloud VPS	0.1	0.4	0.7	0.9	0.9	1.0	1.0	1.0	1.1	1.1	1.1	2.9%
% change y/y		189.4%	79.4%	27.0%	11.5%	1.9%	2.4%	3.9%	3.0%	2.6%	2.6%	
% vs. gross revenues	22.9%	24.1%	21.8%	18.6%	16.6%	13.7%	9.7%	8.7%	7.6%	6.5%	5.6%	
Other revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.
% change y/y	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
TOTAL (GROSS)	0.6	1.5	3.1	4.6	5.7	7.1	10.2	11.8	14.0	16.7	19.9	23.1%
% change y/y		174.9%	97.9%	49.1%	24.9%	23.5%	44.4%	16.1%	18.6%	18.8%	19.7%	

Source: Gigas Hosting & GVC Gaesco Beka

In the DIIM, Gigas estimating reaching CAGR 2016-18 +58% net sales (vs. +78.8% estimated vs. +41.7% excluding the partial contribution from Ability and SVT). Consequently, Gigas estimates multiplying sales by 4x in 2018e vs. 2015.

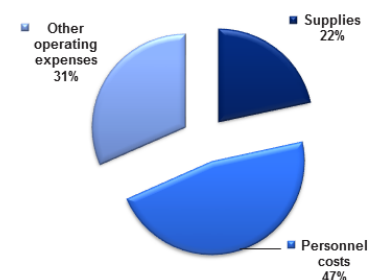
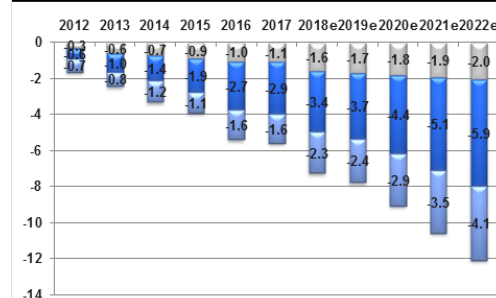
Giga's detailed forecasts pointed to net revenues of EUR8.1m at 1H18 (post discounts, slaing payments and others). The company updated its net sales guidance with the 1H18 results presentation on Sept 25th, including the mentioned in the consolidation perimeter (SVT and Ability). With the two acquisitions, the new forecasts for 2018 points to net revenues of EUR8.5m (+4.9% vs. previous guidance).

Opex also rising

Gigas' main operating costs correspond to personnel (51.9% total opex 2017), external services linked to agreements with third parties and licenses (19.1%), datacentres and connectivity (10.3%). **Fixed costs** (personnel costs + other operating costs) in 2017 reached EUR4.5m, of the total EUR5.6m opex, thus representing 80% of the total opex.

GIGAS HOSTING. OPERATING COSTS

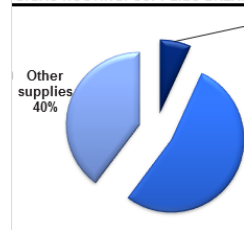
2018e



GIGAS HOSTING. SUPPLIES BREAKDOWN (2017)

PERSONNEL COSTS

OTHER OPERATING EXPENSES



Source: Gigas Hosting & GVC Gaesco Beka

Variable costs refer to specific licenses, client demands (namely Cloud Datacenter), consumption of each rack and connectivity costs. This type of opex is entirely transferred to final clients. In addition are other variable costs such as marketing, especially digital, and specialised support as well as the commercial cost of acquiring clients (SAC). These costs together with outsourcing represented 23.8% total opex at 2017.

GIGAS HOSTING. OPERATING COSTS						
EURm	2012	2013	2014	2015	2016	2017
Supplies	-0.3	-0.6	-0.7	-0.9	-1.0	-1.1
% change y/y		77.6%	25.7%	19.6%	17.3%	3.9%
% of total opex	20.4%	24.3%	22.4%	22.7%	19.3%	19.3%
Online and third party customer acquisition costs	-0.134	-0.197	-0.202	-0.120	-0.172	-0.073
% change y/y		46.9%	2.3%	-40.4%	43.5%	-57.4%
Datacenters & connectivity	-0.107	-0.213	-0.313	-0.418	-0.513	-0.575
% change y/y		98.6%	47.4%	33.3%	22.9%	12.1%
Other supplies	-0.090	-0.178	-0.224	-0.346	-0.351	-0.428
% change y/y		98.6%	25.6%	54.5%	1.5%	22.0%
Personnel costs	-0.6	-1.0	-1.4	-1.9	-2.7	-2.9
% change y/y		84.7%	35.6%	35.3%	42.3%	7.7%
% of total opex	34.3%	42.6%	42.4%	48.5%	50.1%	51.9%
Wages, salaries & others	-0.389	-0.754	-1.022	-1.525	-2.071	-2.258
% change y/y		93.5%	35.5%	49.3%	35.8%	9.0%
Commissions to attract customers (commercial team)	-0.043	-0.042	-0.071	-0.005	-0.165	-0.117
% change y/y		-1.1%	69.4%	-93.5%	3444.0%	-28.7%
Social charges	-0.125	-0.233	-0.302	-0.358	-0.450	-0.516
% change y/y		86.1%	29.7%	18.4%	25.7%	14.7%
Other operating expenses	-0.7	-0.8	-1.2	-1.1	-1.6	-1.6
% change y/y		7.5%	44.6%	-3.7%	47.1%	-1.9%
% of total opex	45.7%	33.1%	35.1%	28.5%	30.5%	28.8%
External services	-0.596	-0.563	-0.822	-0.741	-1.072	-1.067
% change y/y		-5.5%	46.0%	-9.9%	44.7%	-0.4%
Marketing & advertising	-0.132	-0.124	-0.188	-0.190	-0.254	-0.145
% change y/y		-6.0%	51.3%	1.2%	33.8%	-43.0%
International costs except marketing	-0.009	-0.099	-0.090	-0.129	-0.264	-0.289
% change y/y		1030.4%	-9.1%	42.3%	105.4%	9.1%
Losses, impairments & changes in provisions for commercial operations	-0.006	-0.012	-0.054	-0.051	-0.044	-0.103
% change y/y		97.7%	366.6%	-4.5%	-15.1%	135.4%
Other results	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPEX	-1.6	-2.4	-3.3	-3.9	-5.4	-5.6
% change y/y		48.8%	36.3%	18.2%	37.7%	4.0%

Source: Gigas Hosting & GVC Gaesco Beka

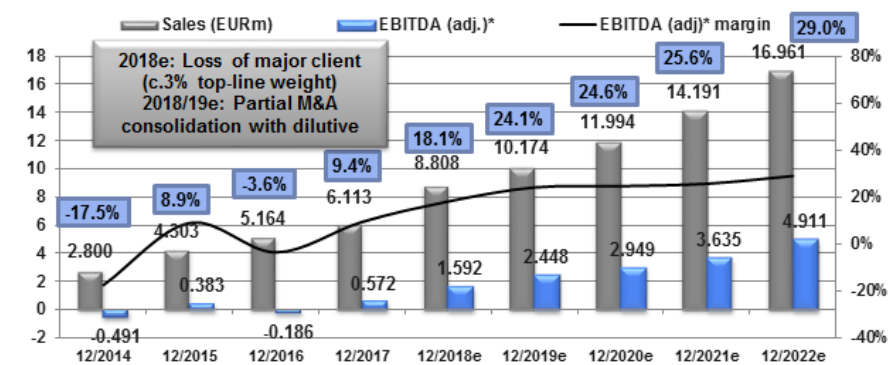
Long term margins c.30% (+19.6p.p. vs. 2017)

Gigas' 2016 forecasts pointed to negative EBITDA of EUR-398k vs. EUR-186k finally reported. This was due to the strong investments made to accelerate growth with special emphasis on the sales team and marketing in LatAm.

The Company began to generate a positive EBITDA in 2017 (EUR0.57m vs. EUR-0.19m in 2016). The negative EBITDA in 2016 is mainly due to the intense opex with the intention of accelerating the expansion in LatAm (hiring senior sales force in Chile, Peru as well as activity beginning in Mexico among others).

We expect the rising trend in EBITDA to continue due to the high scalability of core activity. In fact, Gigas' estimates point to EUR1.5m EBITDA in 2018 vs. our estimated c. EUR1.6m including acquisitions and based on the strong organic sales growths seen in 9m'18 (despite losing one of a major client).

GIGAS HOSTING. PROFITABILITY IN CRESCENDO DUE TO ITS HIGHLY SCALABLE BUSINESS MODEL



Source: Gigas Hosting & GVC Gaesco Beka
Note. 2016, considering change of perimeter with the Ability/SVT's inclusion

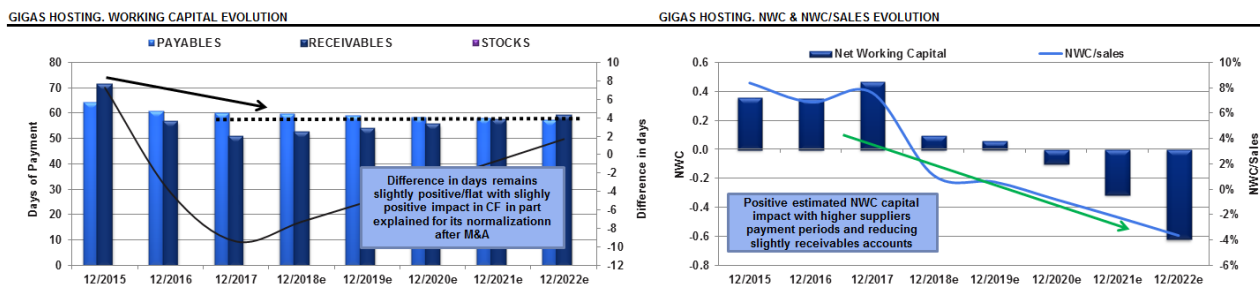
In the DIIM report (September 2015), Gigas estimated EBITDA mg of 20% over sales in 2018. This level was already **reached in 1H18** (20.9% including the loss of the important client (3% top-line) and superficial entrance of M&As in the consolidation perimeter), which indicates the excellent delivery to investors and converting management's words to facts. Our 2018 forecasts point to margins expanding +8.7p.p. to 18.1%, much higher than management's 20% set in the DIIM. This also demonstrates the predictability, reliability, transparency and recurrent characteristics of Gigas' accounts.

Regarding the **long term**, we estimate EBITDA mg 29/30% in 2022e (see graph).

Normalised working capital expected post-M&A

In general, the impact from working capital in Gigas cashflows **are usually slightly positive**. Cloud VPS clients pay directly via the web, and if the product is Cloud Datacentre, billing is advanced to the validity period of the service in exchange of a discount. The average payment period to suppliers was of 21.8 days at 2017 (vs. 22.5 in 2016). This contrasts with clients' average payment period which is usually less with an estimated spread of 6 to 10 days in favour of the company.

Consequently we estimate positive impacts from **WC of 0 to EUR0.4m per year**. However, worth mentioning is the exception arising from the acquisitions of Ability and SVT, with which Gigas suffered certain impact in terms of WC (2018 Y/Y).



Source: Gigas Hosting & GVC Gaesco Beka

Capital intensive corresponding to the definition of growth.

Gigas' recurrent capex is mainly made up by: i) physical elements – servers, storage cabins, disks etc that are later deployed in various datacentres; ii) internal development of apps, and to a lesser extent; iii) acquisition of external applications as well as industrial property assets. The company turns to a combination of investments in assets and inhouse technology as well as pay per services/software to third parties usually via licenses (e.g Microsoft with Windows, SQL or Microsoft Server and Oracle).

We estimate CAGR 2017-22 investments of EUR7.5m (vs total capex EUR6.2m for 2011-17) that Gigas will finance via Operating CF generated by its activity and debt. These mainly refer to increasing servers and storage capacity.

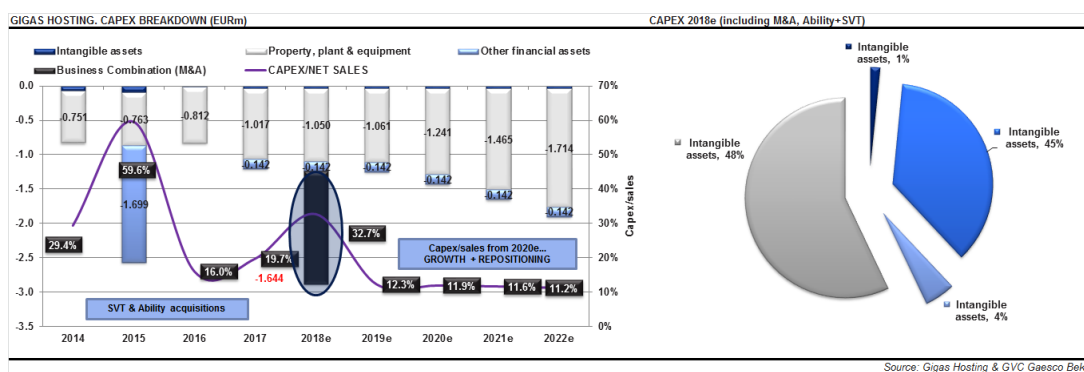
Capex/sales ratios went from 100% in 2012 to 19% reported in 2017. We and the company estimate capex over sales (and underlying trend) dropping thanks to scaling economies rising from Gigas' actual business model and greatly due to investments linked to new clients captured by the company.

At the moment, Gigas has no patent or requests presented. However, it is considering requesting these in the future with some advanced features still under investigation.

GIGAS HOSTING. CAPEX BREAKDOWN									
EURm	2014	2015	2016	2017	2018e	2019e	2020e	2021e	2022e
Intangible assets	-0.071	-0.103	-0.016	-0.045	-0.045	-0.045	-0.045	-0.045	-0.045
% change y/y		43.8%	-84.1%	174.6%	0.0%	0.0%	0.0%	0.0%	0.0%
% of total capex	8.7%	4.0%	2.0%	3.7%	1.6%	3.6%	3.1%	2.7%	2.3%
Property, plant & equipment	-0.751	-0.763	-0.812	-1.017	-1.050	-1.061	-1.241	-1.465	-1.714
% change y/y		1.6%	6.3%	25.3%	3.2%	1.1%	17.0%	18.0%	17.0%
% of total capex	91.3%	29.8%	98.0%	84.5%	36.5%	85.0%	86.9%	88.7%	90.2%
Other financial assets	0.000	-1.699	0.000	-0.142	-0.142	-0.142	-0.142	-0.142	-0.142
% change y/y		#;DIV/0!	-100.0%	#;DIV/0!	0.0%	0.0%	0.0%	0.0%	0.0%
% of total capex	0.0%	66.2%	0.0%	11.8%	4.9%	11.4%	9.9%	8.6%	7.5%
Business Combination (M&A)	0.000	0.000	0.000	0.000	-1.644	0.000	0.000	0.000	0.000
% change y/y									
% of total capex	0.0%	0.0%	0.0%	0.0%	57.1%	0.0%	0.0%	0.0%	0.0%
TOTAL CAPEX *	-0.8	-2.6	-0.8	-1.2	-2.9	-1.2	-1.4	-1.7	-1.9
% change y/y		211.9%	-67.7%	45.4%	139.3%	-56.7%	14.5%	15.6%	15.1%
CAPEX/NET SALES *	26.8%	59.6%	16.0%	19.7%	32.7%	12.3%	11.9%	11.6%	11.2%

Source: Gigas Hosting & GVC Gaesco Beka * Including non-cash items

Note. In the following graph we include capex from M&As of EUR1.6m for 2018e, excluding the latter recurrent capex would be EUR1.2m vs. EUR1.05m indicated by the company as property, plant and equipment capex.



Intangible assets

The Group includes information processing equipment (usually amortised in 5 years), including activation of goods acquired via financial rental contracts based on the intention of exercising the call option following maturities and acquiring equipment (to a lesser extent other installations and furnishing).

Intangible assets are mainly in data centres located in Madrid, Barcelona, Miami, Santiago de Chile and Bogota where the company rents space in highly secure installations with guarantees of continuous energy supplies and maximum availability.

Racks and equipment are mainly hardware made up by servers, routers and data storage equipment among others via purchases from technology suppliers. When taking the decision of investing in new racks, there is an excess of capacity regarding real demand (necessary to supply traffic fluctuations at peak levels). Opex involves the maintenance costs, the cost of rack space, capacity and minimum connectivity consumption.

The opening of a new datacentre generally implies minimum investments of EURO.4m. Of these, c.50% corresponds to capacity and other half overhead (security equipment, network, etc). Gigas' intention includes investing in extending its datacentre footprint to areas concrete areas such as those where sales are rising (Peru, Mexico etc) or agreements with potential clients or local partners are signed. **The Company has not explicitly spoken of opening more datacentres.**

Research and Development

Gigas registers Research and Development costs (EUR250k estimated in projects for the next two years) as costs during the year when realised but activated when certain conditions are fulfilled: i) a specific and individualised project exists thus setting a reliable valuation of the attributable disbursement; ii) allocation, accounted and temporal distribution of the costs of each project are clearly established; iii) founded reasons for the technical success of the project; iv) reasonably assured economic/commercial yield; v)

finance reasonably tied to realization; and vi) there is an intention to complete an intangible asset.

Personnel costs and those for services acquired from third parties participating in the development of applications are included as costs in the P&L account "Works realised by the company for its assets". When there is reasonable doubt that the project may fail it is directly accounted in losses.

R+D assets are not amortised until the investment is completed, which if successful are transferred to "Computer Applications". These projects are usually linked to new features of the Cloud Datacenter product.

Positive FCF in 2019e

The following table includes the estimated FCF per year. FCF will be positive as from 2019e considering more normalised capex/sales of 11.8%. For 2018e, we considered capex from M&A (SVT and Ability), the partial consolidation of these and change in perimeter in 2019.

Our estimates do not include future dividends (yield 0%; pay-out 0%).

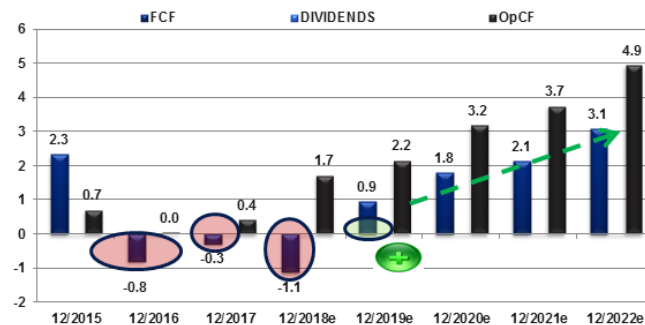
GIGAS HOSTING. CF BREAKDOWN (EURm)

	2014	2015	2016	2017	2018e	2019e	2020e	2021e	2022e
Cash Flow from Operations (before NWC)	-0.187	0.441	0.027	0.522	1.346	2.113	3.032	3.534	4.639
Change in NWC	0.000	0.260	0.006	-0.110	0.368	0.039	0.155	0.215	0.307
Cash Flow Operations	0.000	0.701	0.033	0.412	1.714	2.152	3.188	3.749	4.946
Capex	-0.751	-2.462	-0.812	-1.159	-2.836	-1.203	-1.383	-1.607	-1.856
/ Sales	27%	57%	16%	19%	32%	12%	12%	11%	11%
FCF	0.000	2.327	-0.801	-0.289	-1.122	0.949	1.804	2.142	3.090
/ Sales	0%	54%	-16%	-5%	-13%	9%	15%	15%	18%
Dividends	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pay-out	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Gigas Hosting & GVC Gaesco Beka Estimates

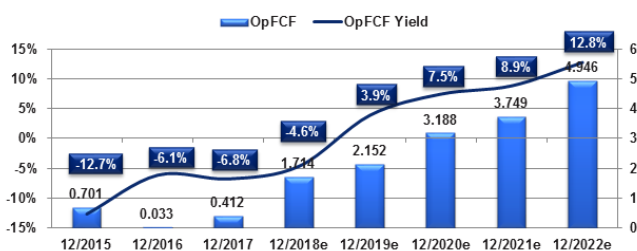
The following charts show exponential growth of OpCF from Gigas' ordinary activities and consequently organic expansion of the client base and sales. We estimate OpCF conversion (EBITDA-capex) of 50.8% in 2019e (+11.4pp vs. 2022e).

GIGAS HOSTING. CASH FLOW EVOLUTION, BREAK-EVEN IN 2019e (EURm)

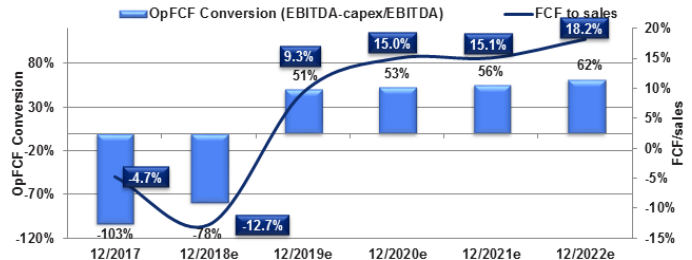


Source: Gigas Hosting & GVC Gaesco Beka Estimates

GIGAS HOSTING. STRONG OPCF GENERATION ESTIMATED. (EURm)



GIGAS HOSTING. INCREASING CASH CONVERSION AFTER REACHING BREAK-EVEN

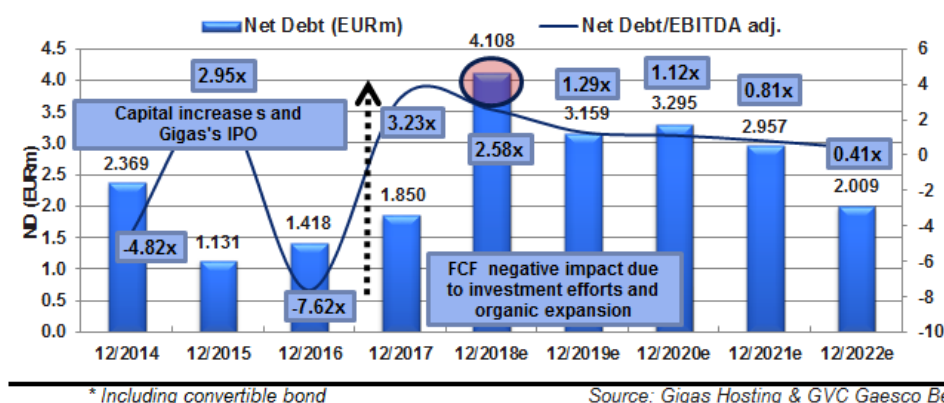


Source: Gigas Hosting & GVC Gaesco Beka

Optimum credit profile

Following the issuance of the convertible bond subscribed by Inveready, Gigas has resources to carry out more M&A moves. At 1H18 the company had EUR2.2m cash. In our view Gigas can leverage at a maximum 4x ND/EBITDA (excluding convertibles), thus the company will have firepower of EUR2.2m for corporate moves according to our estimates. Either way, we do expect the company to carry out more capital increases in the future.

GIGAS HOSTING. MAIN PRIORITIES: ORGANIC/M&A EXPANSION

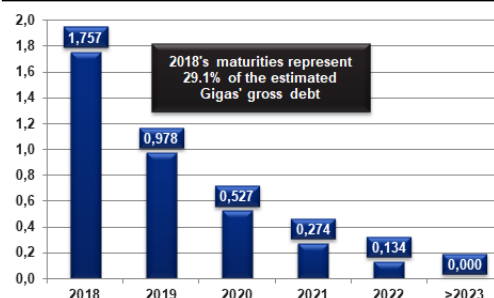


GIGAS HOSTING. FINANCIAL LIABILITIES MATURITIES (2017 reported)

EURm	2018	2019	2020	2021	2022	>2023	TOTAL
Long/short term financial liabilities	1,757	0,978	0,527	0,274	0,134	-	3,670
TOTAL	1,757	0,978	0,527	0,274	0,134	-	3,670
% change y/y		-44,3%	-46,2%	-48,0%	-51,0%		

Source: Gigas Hosting & GVC Gaesco Beka

GIGAS HOSTING. FINANCIAL LIABILITIES MATURITIES (2017 reported, EURm)



Source: Gigas Hosting & GVC Gaesco Beka

As we can observe in the financial liabilities maturities table above (source 2017 Annual Report) 29.1% of the maturities are concentrated in 2018 thus is being an intensive year of refinancing. Including R+D subsidies, between 60-70% gross debt is at a set rate and a competitive average cost of 2.3% and 3%.

2018 is being a very intense year in repaying debts, especially due to the Plan Avanza. At the end of the year, Gigas would have employed EUR1.71m to debt (principal + interest), including leasing payments inherited from SVT and Ability, but not including Inveready (+EUR67k interest). Of this amount, EUR620k, corresponds to the two "Plan Avanza". Meanwhile, Gigas obtained new bank loans amounting to EUR1.25m during the year with the intention of financing capex (EUR950k). Therefore, the Company registers a surplus of EUR300k to be used to partially refinance debt.

In **2019**, and with the current debt, Gigas will use EUR1.55m for debt payments, plus EUR100k interests to Inveready, and possibly obtain more bank finance than that required for capex. In addition, Gigas will have deferred payments to cover in SVT and Ability. The repayments will drop substantially as from 2020 due to the cancellations of the two "Plan Avanza".

In our opinion, the Company has a wider range of financial sources available at a lower financial cost due to the strength of its activity and low risk profile.

GIGAS HOSTING. FINANCIAL LIABILITIES CATEGORIES (2017 reported)						
EURm	Financial entities debts		Derivatives & others		TOTAL	
	2016	2017	2016	2017	2016	2017
Non-current financial liabilities	0,818	0,978	0,997	0,934	1,815	1,913
Long term debts	0,818	0,978	0,997	0,934	1,815	1,913
Financial current liabilities	0,435	0,563	1,022	1,194	1,458	1,757
Financial entities debts	0,435	0,563	0,000	0,000	0,435	0,563
Other financial liabilities	0,000	0,000	0,833	1,024	0,833	1,024
Debts with associates companies	0,000	0,000	0,000	0,017	0,000	0,017
Payable commercial accounts	0,000	0,000	0,189	0,153	0,189	0,153
TOTAL	1,254	1,541	2,019	2,129	3,273	3,670
% change y/y		22,9%		5,4%		12,1%

Source: Gigas Hosting & GVC Gaesco Beka

At 2017, Gigas' debt was mainly with private loan entities (EUR1.5m, +22.9% Y/Y) vs. previous years, in which the main finance sources were public entities, soft loans and subsidies (Plan Avanza). During the year, Gigas obtained loans amounting to EUR840k with loan entities, over double the amount in 2016 (EUR400k).

In February 2017, the Company obtained a EUR200k loan, maturing in 5 years with a 2.5% spread over Euribor. Later, in June 2017, Gigas further reduced the interest rate on another loan of EUR110k maturing in 3 years and Euribor +2.2%. In fact, at said levels, some of the loans obtained with public entities such as the Ministry of Industry have higher interest rates than those mentioned. (EUR520k loan obtained in 2012, 7 year amortization with 3 in kind and 3.95% interest rate)

Our estimates do not include additional M&As or capital increases to those announced. On the other hand, we consider it positive that Gigas does not have related-party transactions namely loans with reference shareholders.

- **Characteristics of the convertible bond subscribed by Inveready**

The EUR2.5m subscribed entirely by Inveready was issued in April 2018 thus is included in our estimates. The bond involves two tranches:

- I. **Tranche A. EUR1.2m at a conversion price of EUR3/sh; 400k new shares.** Deep-in-the-money considering Gigas' current trading price is way above the conversion price. Consequently the conversion is a certainty (we have booked it as equity and not debt) as from the third year in new shares (principal 400k + 59.9k PIK interests).
- II. **Tranche B. EUR1.3m** (exercised at highs, although a partial issuance could have taken place) at the set conversion price of EUR6.22/share thus is not deep-in-the-money (corresponding to the trailing 40 session weighted average). This tranche will become new shares if converted (208.9k principal +31.3k PIK interest if converted at the end of the period).

The issuance includes 4% annual cash payment – EUR700k per quarter; EUR100k annual and 2% per annum in capitalizable cash at face value at the date of the conversion, EUR375k PIK interest. **This issuance matures in 7 years and EUR100k par facevalue. The bonds can be converted as from the 3rd year.**

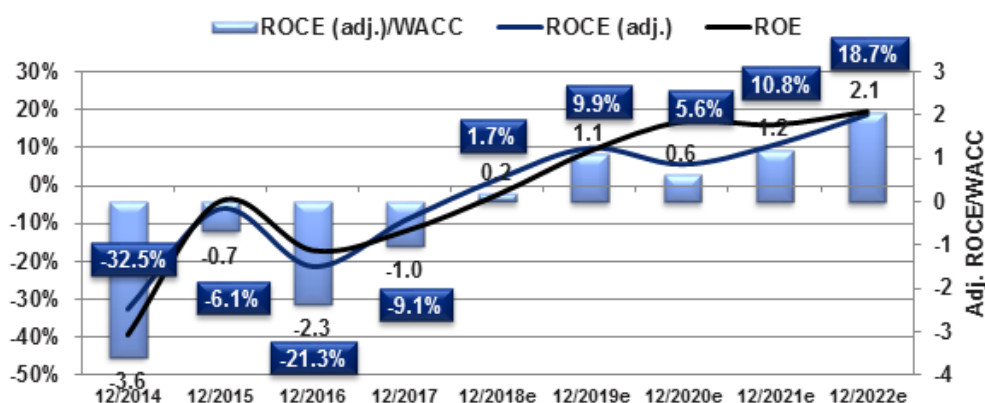
In our estimates, we consider bonds conversion at maturity but is included in our valuation we consider diluted shares. In addition, we have included 2% payment in shares (31.4k shares) and another 2% per year in cash.

The bond conversion and paying interests in shares will dilute current shareholders' stakes by approximately 14%. This aspect was considered in our estimates and valuation. On the positive side, the convertible leaves Gigas in a very healthy position to sustain future organic and inorganic growth.

ROE/ROCE ramp-up...

We estimate a positive net profit of EUR0.5m in 2019e for the first time in Gigas' history, thus the ROE, ROCE, ROA and ROIC would be rational, having surpassed the ramp-up period.

GIGAS HOSTING. ROCE & ROE EVOLUTION



Source: Gigas Hosting & GVC Gaesco Beka

2018e will be the year in which Gigas will reach positive ROCE/ROE according to our estimates. This situation will be consolidated in 2019e thanks to the Company's leveraging capacity and the majority of the investments made. In the medium/long term we estimate ROCE between 8-19% according to timing in the repositioning and expansion capex decided by the Company.

Abundant tax credits awaiting positive results

Gigas has around EUR6m tax credits available due to negative results in 2017. We have considered the potential deduction of these in our estimates and according to the Fiscal Law in Spain and the Company's estimated future net profit and results per affiliates (varied tax regimes per countries, unable to deduct tax credits as these are registered within a Spanish parent company). This is why our effective tax rate differs materially from the theoretical rate in our forecasts.

The following table includes the main moves in assets/liabilities due to deferred taxes in 2017. The conclusion is that the Company has not yet extracted the value of these because it has not reported a sufficiently representative EBT.

GIGAS HOSTING. DEFERRED TAXES, ASSET & LIABILITIES (2017)			
EURm	Initial amount	Change in P&L	Final amount
Assets	1,827	0,250	2,077
Remuneration plans with equity instruments	0,019	0,014	0,033
Deductions 2012	0,010		0,010
Deductions 2013	0,088		0,088
Deductions 2014	0,072		0,072
Deductions 2015	0,143		0,143
Deductions 2016	0,140		0,140
Deductions 2017	0,000	0,104	0,104
Cumulated negative results 2011	0,175		0,175
Cumulated negative results 2012	0,300		0,300
Cumulated negative results 2013	0,247		0,247
Cumulated negative results 2014	0,213		0,213
Cumulated negative results 2015	0,165		0,165
Cumulated negative results 2016	0,256		0,256
Cumulated negative results 2017	0,000	0,132	0,132
Liabilities	-0,002	0,001	-0,001
Tangible assets amortization	-0,002	0,001	-0,001
TOTAL	1,825	0,251	2,076

Source: Gigas Hosting & GVC Gaesco Beka

The majority of the tax credits registered by Gigas do not have a maturity date, thus will be especially positive for the P&L's bottom-lines as from this year in which EBT (EUR0.6m estimated) should be sufficient.

Year	Amount (EURm)
2011	0,699
2012	1,199
2013	0,987
2014	0,852
2015	0,659
2016	1,026
2017	0,527
TOTAL	5,948

Source: Gigas Hosting & GVC Gaesco Beka

Our estimates include EUR1.8m financial assets corresponding to deductions on deferred assets and accumulated losses. This amount is reached by calculating the current NAV according to the Tax Law.

Regarding tax shields, although the tax law does not include a limited time to compensate BINs, Ernst & Youngs' criteria is that there must be a high probability of these being compensated in 10 years to maintain these in the balance without erosions. Each year 10 year business plans are prepared with the auditors to corroborate this aspect. On the subject of our estimates, we also include a maximum 10 year period.

We neither want nor expect dividends

The Company's bylaws do not regulate dividends but the AGM could agree to distribute dividends.

Included in the DIIM: *"However, given that important growth opportunities were detected and, therefore, the creation of value for shareholders, Gigas' intention in the short and medium term is to reinvest the profits generated, although it is not ruled out that dividends could be distributed in the future"*.

Within the current ramp-up phase and with the recently achieved break-even in EBITDA in 2017 and positive net profit in 2018, it is not the best momentum to prioritise remuneration for shareholders, at least not during the period 2018-19. In fact, our terminal value and estimates up to 2022e do not include dividends, not even a small 10% pay-out due to the Company's pure growth profile.

	2014	2015	2016	2017	2018e	2019e	2020e	2021e	2022e
Net Profit	-0.649	-0.211	-0.773	-0.493	-0.123	0.512	1.140	1.290	1.952
Outstanding Shares (m)	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322	4,322
Average Share Price	n.a.	3.22	2.93	2.55	5.59	5.59	5.59	5.59	5.59
Pay-out	n.a.	0%	0%	0%	0%	0%	0%	0%	0%
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Gigas Hosting & GVC Gaesco Beka Estimates

In our opinion, the OpCF generated by Gigas should be used to leverage activity due to the highly scalable character, national and international expansion especially in its added value product, Cloud Datacenter, and the development of in-house solutions that further increase the differentiating character considering that the cloud is becoming a commodity.

Valuation

We use three methods to value Gigas Hosting's shares. However, two are merely illustrative (comparatives and PUV) and are not considered when setting our final fair value on Gigas.

The following table includes the average fair value obtained from the three methods: i) DCF 17-22e, in our opinion the most reasonable method as it includes the Company's performance and future growth; ii) Potential User Value (PUV), used more in M&A deals as it only includes the value of the current client portfolio; and iii) Comparatives. On the other hand, and in our opinion, we consider the Company a strong takeover target in the medium/long term. However, we **do not apply an M&A premium** in our final fair value – taking a conservative stance.

GIGAS HOSTING AVERAGE VALUATION	
DFC	8.3
PCV (Potential Clients Value) *	8.8
Comparables *	6.6
Average Target Price	7.9

Source: GVC Gaesco Beka Estimates
* Not considered for our TP calculation

The three methods include diluted number of shares (5m shares fully diluted vs. current 4.3m trading shares) of 16.2% following Inveready's bond conversion and PIK interests.

DCF17/22e. Structural strength of cloud computing materialising

In our opinion the DCF method is the most adequate to value Gigas Hosting. We consider a medium/long term period (2017 – 2022). This period is marked by the total change in the consolidation perimeter and synergies from the SVT and Ability acquisitions, the scaling economies created with the organic growth in the client base in both VPS and the Cloud Datacenter and the consequent expansion of EBITDA margins due to the increasing operating leveraging and cash generation.

The implied multiple of the adjusted terminal value is 11x EV/EBITDA (weight 86.6%), WACC 8.8% and perpetual growth rate of 3% based on the strong growth of the cloud computing sector, from which Gigas will undoubtedly benefit from.

GIGAS HOSTING. DCF VALUATION CONSIDERING ORGANIC GROWTH & SVT/ABILITY ACQUISITIONS										
	2014	2015	2016	2017	2018e	2019e	2020e	2021e	2022e	VR
CASH FLOW (EURm)										
Sales	2.800	4.303	5.164	6.113	8.808	10.174	11.994	14.191	16.961	17.473
EBITDA	-0.491	0.383	-0.186	0.572	1.180	2.448	2.949	3.635	4.911	5.120
EBITDA M	-17.5%	8.9%	-3.6%	9.4%	13.4%	24.1%	24.6%	25.6%	29.0%	29.3%
DDA	-0.462	-0.652	-0.800	-1.014	-1.469	-1.601	-1.893	-2.244	-2.687	-2.768
EBIT	-0.953	-0.269	-0.986	-0.442	-0.289	0.846	1.057	1.391	2.224	2.351
Effective tax rate	-37.2%	-42.7%	-28.4%	-22.9%	-6.3%	-2.5%	46.7%	14.8%	-0.4%	19.5%
NOPLAT	-1.308	-0.384	-1.266	-0.544	-0.307	0.868	0.563	1.185	2.234	1.893
Depreciation&other provisions	0.462	0.652	0.800	1.014	1.469	1.601	1.893	2.244	2.687	2.768
Gross Operating Cash Flow	-0.846	0.268	-0.466	0.471	1.162	2.469	2.456	3.429	4.921	4.661
Capex	-0.751	-2.462	-0.812	-1.159	-2.836	-1.203	-1.363	-1.607	-1.856	-1.747
Capex/sales	26.8%	57.2%	15.7%	19.0%	32.2%	11.8%	11.3%	11.3%	10.9%	10.0%
Change in Net Working Capital		0.260	0.006	-0.110	0.368	0.039	0.155	0.215	0.307	0.285
Cash Flow to be discounted		-1.934	-1.272	-0.799	-1.307	1.305	1.227	2.037	3.372	3.198
DCF VALUATION (EUR m)										
WACC					8.8%	8.8%	8.8%	8.8%	8.8%	8.8%
Discount Rate factor					1.00	0.92	0.84	0.78	0.71	0.66
Discounted Cash Flow					-1.307	1.199	1.037	1.581	2.405	
Cumulated DCF					-1.307	-0.108	0.929	2.510	4.915	
WACC & DCF ANALYSIS										
Free Risk Rate (10y Govn. Bonds)	3.5%			4.915				- Net Financial Debt (18e) **		1.6
Company Risk Factor or Beta	1.4			Perpetual Growth Rate (g)	3.0%			- Minorities (estimated value)		0.0
Mkt Risk Premium	5.0%			3.198				+ Associates		0.0
Cost of Equity (Ke or COE)	10.3%			Terminal Value at Nominal Year	56.883			- Pension underfunding		0.0
Cost of Debt (gross)	6.0%			Disc. Rate of Terminal Value	0.66			- Off-balance sheet commitm.		0.0
Debt Tax Rate	25.0%			Discounted Terminal Value	37.290					
Cost of Debt net (Kd or COD)	4.5%							Equity Market Value (EUR m)		41.4
Target Gearing (D/E) or % Kd	25%			Financial assets	0.844			Number of shares (m)*		5.0
% Ke	75%			Enterprise Value (EURm)	43.0			Fair Value per share (EUR)		8.3
Normative Tax Rate	25%							Price (EUR)		7.3
WACC	8.8%							Potential upside (downside)		13%

Source: GVC Gaesco Beka Estimates * Diluted and adjusted by treasury stock considering a convertible bond (EUR2.5m) ** Not including convertible bonds

DCF VALUATION SENSITIVITY. WACC vs. g

W.A.C.C.	Perpetuity growth rate					
	2.0%	2.5%	3.0%	3.5%	4.0%	
8.3%	7.72	8.39	9.18	10.14	11.33	
8.6%	7.37	7.98	8.71	9.57	10.63	
8.8%	7.05	7.61	8.3	9.06	10.00	
9.1%	6.75	7.27	7.87	8.59	9.44	
9.3%	6.48	6.95	7.51	8.16	8.93	

Source: GVC Gaesco Beka Estimates

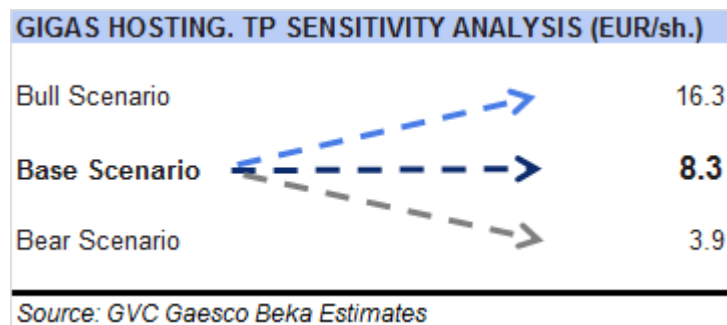
DCF VALUATION SENSITIVITY. WACC vs. Adj. EBITDA M.

WACC	Residual Adj. EBITDA M.				
	28.8%	29.1%	29.3%	29.8%	30.3%
8.3%	9.00	9.09	9.18	9.37	9.55
8.6%	8.53	8.62	8.71	8.88	9.05
8.8%	8.11	8.19	8.3	8.44	8.60
9.1%	7.72	7.80	7.87	8.03	8.18
9.3%	7.36	7.43	7.51	7.65	7.80

Source: GVC Gaesco Beka Estimates

Our exit base EV/EBITDA (11x) are in line with the listed peers' average (11.1x). Consequently our valuation is conservative even despite the heavy weight of the terminal value due to the company's growth profile.

We have also realised a **sensitivity analysis** according to the two most critical operating parameters for Gigas' core business. On one hand, the number of VPS and Cloud Datacentre clients, and on the other their respective ARPU. Applying a variation of +/-15% in both clients and ARPU in future years, we obtain a fair value that sets a best and worst case scenario (see chart).



Potential User Value (PUV). Upside near 60%...

This method is especially indicated if a large sector player decides to acquire Gigas Hosting. In fact, **it is the one generally used by Gigas when valuing companies acquired internationally** such as Ability. The VPU valuation method does not consider future growth in lien with the dynamics of the cloud computing sector therefore, from our stance this method complements the DCF but does not replace it.

Using the recent 9m'18 results as our reference, we estimate a client service cost of some 60.6% of 2019 sales assuming the client portfolio does not grow (specific for VPU method). With this hypothesis we obtain a potential user value of some EUR39.1m in addition to the equity value on Gigas Hosting.

GIGAS HOSTING. POTENTIAL VALUE OF USERS & CUSTOMERS (9M'18 reported figures)

Product	Number of Clients	Reported ARPU	Estimated monthly Churn	Estimated clients lifetime (years)	Amount (EURm)
Cloud VPS	3,243	26.5	5.1%	3.2	3.1
Cloud Datacenter	714	1,168.0	2.2%	4.3	42.1

Source: Gigas Hosting & GVC Gaesco Beka Estimates

GIGAS HOSTING. POTENTIAL VALUE OF USERS & CUSTOMERS EURm

TOTAL USERS VALUE	39.1
Cloud VPS	3.1
Cloud Datacenter	42.1
Estimated costs per users	6.2
EQUITY VALUE (1H'18)	5.0
TOTAL GIGAS' VALUATION	44.0
TOTAL GIGAS' VALUATION PER SHARE* (EUR/sh.)	8.8
UPSIDE vs. SHAREPRICE	57.0%

Source: Gigas Hosting & GVC Gaesco Beka Estimates

* Including Inveready's convertible bond

Consequently, we reach a fair value of EUR8.8/share on Gigas Hosting, including the dilution arising from Inveready's bond conversion (5m shares).

Peers. Big differences in the cloud computing sector

Description of peers Annex III.

We consider the peer group valuation merely illustrative, not considering the latter in our fair value on Gigas. The reason being:

- I. **Gigas' multiples since it was borne until at least 2019-20 are not representative as the activity is in ramp-up phase.** 2017 was Gigas' first year with a positive EBITDA and 2019 should reach net earnings.
- II. **Unreliable consensus on the majority of Gigas' direct peers and many are not listed.**
- III. **Financial KPIs and more accessible multiples refer to large US (Amazon, Alphabet, IBM, Microsoft) and Chinese technology companies (Alibaba, we use it's Nasdaq ADR).** As mentioned, cloud computing, in general represents a small part of the group's revenues. We use the group's EV/EBITDA 18e to establish our comparable valuation on Gigas (EUR6.6/sh) as an approximation.

The table below is our comparables valuation (we consider Gigas' total shares diluted post Inveready's bond conversion) rising from the average EV/EBITDA'18e (see chart on the following page). We were unable to realise a valuation using only Gigas' most direct peers because, as mentioned, the majority are listed and the fact that Factset has no reported data or consensus regarding multiples (N/A in the table on the following page).

GIGAS HOSTING. COMPARABLES VALUATION	
Adj. EV/EBITDA18e	17.2
EBITDA18e	2.0
EV	34.2
Net Debt *	1.6
Market Cap.	33
Number of Shares **	5.0
Target Price	6.6

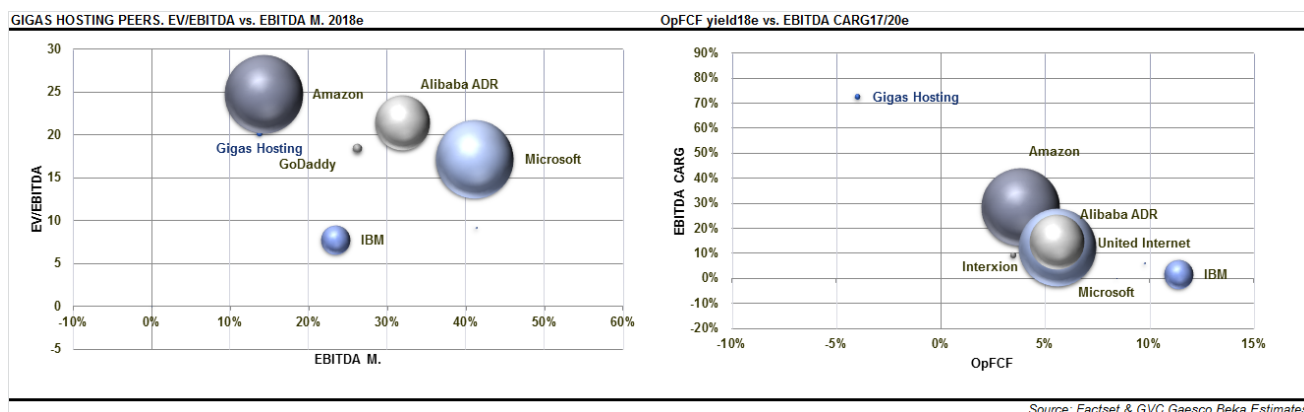
Source: GVC Gaesco Beka Estimates. * Net Debt 2018e excl. convertible bond

** Diluted number of shares excl. treasury stocks

Some peers surging post Amazon Web Services are **Rackspace** (US, not listed) and **lomart** (EUR473.3m mkt cap current fx) that trade on the UK's alternate market (AIM). Both **focus on Anglo-Saxon markets** and own their datacentres and develop technology in-house.

Unfortunately, many of the most direct peers do not trade. This is not only the case with Rackspace but also the French Numergy and Cloudwatt, Pulsant (UK); ProfitBricks (Germany); CloudSigma (Switzerland) and UpCloud (Finland).

There are other listed companies such as **Interxion** (owner of Gigas' datacentres in Spain), whose activity is linked to infrastructures supporting cloud computing (space rental in owned datacentres) but is not entirely homogenous to Gigas' core business.



See Annex III for peers' price per share, EV/EBITDA and P/E performance.

Company	Country	Market cap. (EURm)	Sales 2018e	EBITDA M. 2018e	EBITDA M. 2019e	EBITDA CARG17/20e	OpCF Yield 2018e	OpCF Yield 2019e	Adj. PER 2018e	Adj. PER 2019e	Adj. EV/EBITDA 2018e	Adj. EV/EBITDA 2019e	Adj. EPS 2018e	Adj. EPS 2019e	DPS 2018e	DPS 2019e	Dividend Yield 2018e	Dividend Yield 2019e	
WIIT	ITALY	106.6	24.8				8.4%	10.9%	26.4	18.8			1.5	2.1	1.0	1.3	2.5%	3.1%	
SysGroup	UNITED KINGDOM	11.0	13.5	10.4%	11.2%				14.5	11.1	7.2	5.4	0.0	0.0	0.0	0.0	0.0%	0.0%	
Intercede Group	UNITED KINGDOM	15.5	8.5	(21.2%)			(4.5%)						-0.1		0.0		0.0%		
Unima 2000 Systemy Teleinformatyczne	POLAND	1.3																	
ADVEN	UNITED KINGDOM	10.9																	
Gigas Hosting	SPAIN	31.6	8.6	13.7%	24.5%	72.8%	(4.0%)	3.0%	nm	nm	20.2	14.2	-0.1	0.1	0.0	0.0	0.0%	0.0%	
Roslyn Data Technologies	UNITED KINGDOM	15.4	7.7				0.7%						0.0		0.0		0.0%		
Online Blockchain	UNITED KINGDOM	2.0																	
Papilly	SWEDEN	1.1																	
Northern Bitcoin	GERMANY	122.0																	
MKB NedSense	NETHERLANDS	5.8																	
Native	SWITZERLAND	8.9																	
Iomart	UNITED KINGDOM	424.4	105.5	41.3%	40.9%	6.1%	9.7%	11.6%	18.0	16.6	9.2	8.4	0.2	0.2	0.1	0.1	2.3%	2.5%	
GoDaddy	UNITED STATES	9,608.3	2,658.3	26.1%	26.4%	11.9%	4.3%	5.7%			18.4	15.1	0.3	0.7	0.0	0.0	0.0%	0.0%	
Interxion	UNITED STATES	3,746.0	644.1	45.5%	46.1%	9.3%	3.5%	4.5%			18.8	17.1	0.5	0.7	0.0	0.0	0.0%	0.0%	
United Internet	GERMANY	7,474.3	5,165.9	23.4%	24.1%	6.1%	6.8%	10.2%	17.2	13.5	7.5	6.6	1.9	2.6	1.0	1.0	2.6%	2.9%	
MEDIAN PEERS		15.4	24.8	23.4%	25.4%	9.3%	3.9%	8.0%	17.6	15.0	13.8	11.3	0.2	0.7	0.0	0.0	0.0%	0.0%	
AVERAGE PEERS		1,349.1	959.7	19.9%	28.9%	21.2%	3.1%	7.7%	19.0	15.0	13.6	11.1	0.5	0.9	0.2	0.3	0.8%	1.2%	
Amazon	UNITED STATES	729,678.6	232,388.2	14.2%	15.0%	28.6%	3.8%	5.3%	59.5	45.6	24.8	19.2	17.6	23.9	0.0	0.0	0.0%	0.0%	
IBM	UNITED STATES	98,998.7	79,675.6	23.4%	24.6%	1.8%	11.4%	11.5%	9.0	8.9	7.8	7.3	12.1	12.1	5.4	5.6	5.0%	5.2%	
Microsoft	UNITED STATES	727,528.1	110,360.0	41.1%	42.8%	12.4%	5.6%	6.6%	26.2	24.8	17.2	14.3	3.3	3.9	1.4	1.5	1.5%	1.6%	
Alibaba ADR	CHINA	358,091.5	55,980.4	31.9%	28.7%	14.7%	5.6%	6.3%			21.4	16.7	4.7	6.0	0.0	0.0	0.0%	0.0%	
Alphabet	UNITED STATES	291,251.2	136,437.3	37.3%	36.8%	12.8%	7.1%	8.5%	20.3	18.7	13.4	10.9	36.8	41.8	0.0	0.0	0.0%	0.0%	
MEDIAN GLOBAL PEERS		358,091.5	110,360.0	31.9%	28.7%	12.8%	5.6%	6.6%	23.3	21.7	17.2	14.3	12.1	12.1	0.0	0.0	0.0%	0.0%	
AVERAGE GLOBAL PEERS		441,109.6	122,968.3	29.6%	29.6%	14.1%	6.7%	7.6%	28.8	24.5	16.9	13.7	14.9	17.5	1.4	1.4	1.3%	1.3%	
% premium(discount) GIGAS vs. AVERAGE			-139789.3%	-142282.4%	-1.2pp	-2.0pp	.8pp	2.7pp	-1.5pp	#jVALOR!	#iVALOR!	16.3%	3.5%	10686.1%	-13909.5%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Source: Factset & GVC Gaesco Beka Estimates.

CLOUD & TECHNOLOGICAL IT SECTOR.

Company	Country	Market cap. (EURm)	ROCE 2018e	ROCE 2019e	ROE 2018e	ROE 2019e	ND/EBITDA 2018e	ND/EBITDA 2019e	Capex/sales 2018e	Capex/sales 2019e	
WIIT	ITALY	106.6	16.5%	22.9%	15.4%	19.6%			24.2%	20.6%	
SysGroup	UNITED KINGDOM	11.0					0.3	(0.3)	2.6%	2.8%	
Intercede Group	UNITED KINGDOM	15.5					1.3		2.4%		
Unima 2000 Systemy Teleinformatyczne	POLAND	1.3									
ADVEN	UNITED KINGDOM	10.9									
Gigas Hosting	SPAIN	31.6	1.3%	9.3%	(2.7%)	9.5%	3.5	1.3	32.8%	12.0%	
Roslyn Data Technologies	UNITED KINGDOM	15.4							1.3%		
Online Blockchain	UNITED KINGDOM	2.0									
Papilly	SWEDEN	1.1									
Northern Bitcoin	GERMANY	122.0									
MKB NedSense	NETHERLANDS	5.8									
Native	SWITZERLAND	8.9									
Iomart	UNITED KINGDOM	424.4					0.6	0.3	15.6%	14.8%	
GoDaddy	UNITED STATES	9,608.3	21.7%	22.5%	19.5%	19.5%	2.1	1.1	2.8%	2.7%	
Interxion	UNITED STATES	3,746.0	3.8%	5.9%	8.0%	14.5%	4.3	4.6	75.1%	72.8%	
United Internet	GERMANY	7,474.3	5.4%	5.9%	1.3%	9.7%	1.4	1.0	5.0%	4.8%	
MEDIAN PEERS		15.4	5.4%	9.3%	8.0%	14.5%	1.4	1.0	5.0%	12.0%	
AVERAGE PEERS		1,349.1	9.7%	13.3%	8.3%	14.6%	1.9	1.3	18.0%	18.6%	
Amazon	UNITED STATES	729,678.6					(0.3)	(0.7)	5.4%	5.3%	
IBM	UNITED STATES	98,998.7					1.7	1.5	4.5%	4.4%	
Microsoft	UNITED STATES	727,528.1					(1.0)	(1.2)	10.8%	11.5%	
Alibaba ADR	CHINA	358,091.5					(1.2)	(1.4)	12.5%	11.1%	
Alphabet	UNITED STATES	291,251.2	12.7%	14.0%	9.2%	12.1%	(1.6)	(1.9)	16.9%	14.3%	
MEDIAN GLOBAL PEERS		358,091.5	13.3%	15.4%	22.9%	21.7%	(1.0)	(1.2)	10.8%	11.1%	
AVERAGE GLOBAL PEERS		441,109.6	16.5%	15.4%	54.1%	47.0%	(0.5)	(0.7)	10.0%	9.3%	
% premium(discount) GIGAS vs. AVERAGE			-139789.3%	-1200.9%	-65.7%	2135.5%	-393.8%	114.0%	157.8%	69.4%	22.4%

Source: Factset & GVC Gaesco Beka Estimates.

Brilliant performance of Gigas' share price since it was listed

One of the first phrases in this report is the price per share – EUR3.25/share - set by Gigas for its listing to the alternative market (Mercado, Alternativo Bursátil, MAB) in Spain in November 2015. Investors' entering the stock at the time would have obtained a yield of almost double the amount invested (2.2x). In parallel, reported quarterly revenues were multiplied by c.2.5x in the same period considering 3Q18. Only in 2018 YTD, the share rose +86.3%.

On the other hand, and mentioned in this report, it is a tempting sales option for founders precisely due to the strong revaluation of shares. However, beyond the latter, in the segment on Gigas' capital structure we can observe that shareholders attended the capital increases realised so as not to dilute their stakes.

As in the operating line, Gigas' cloud computing peers are characterized by the varied market performance with clear winners (generally multinationals such as Amazon, Alphabet, IBM, Alibaba and Microsoft) and losers (generally poor managed companies and lower critical mass). In this business the segment is important, based on the relevant, potential scaling economies. See table.

SOFTWARE & IT SECTOR (CLOUD COMPUTING PEERS). SHARE PRICE EVOLUTION vs. INDEXES									
Company	Market Cap. (EURm)	% Change YTD	% Change 1 Week	% Change 1 Month	% Change 3 Month	% Change 6 Months	% Change 1 Year	% Change 3 Years	% Change 5 Years
WIIT SpA	104	13.2%	0.0%	24.1%	0.8%	-19.6%	-28.5%		
SysGroup PLC	11	11.2%	0.0%	11.4%	4.8%	-8.5%	25.1%	-48.6%	-50.9%
Intercede Group PLC	15	0.1%	0.0%	-1.5%	-0.2%	-18.4%	-11.4%	-83.4%	-83.8%
Unima 2000 Systemy Teleinformaty	1	-3.6%	0.0%	-2.9%	-11.6%	-21.1%	-34.6%	-8.2%	-28.3%
ADVFN PLC	11	49.9%	0.0%	39.3%	36.1%	52.0%	-24.9%	-5.5%	-51.2%
Gigas Hosting	31	12.3%	0.0%	6.6%	28.1%	33.9%	92.1%		
Rosslyn Data Technologies PLC	15	1.2%	0.0%	2.2%	-4.6%	25.3%	28.3%	-50.1%	
Online Blockchain PLC	2	-2.8%	0.0%	-6.9%	-0.2%	-50.6%	-78.5%	-39.6%	27.9%
Papilly AB	1	-7.4%	0.0%	14.6%	-26.5%	-57.9%	-88.9%	-96.0%	
Northern Bitcoin AG	122	-8.9%	0.0%	12.3%	-4.7%	-43.1%	-24.4%	218.5%	
MKB NedSense N.V.	6	11.1%	0.0%	11.8%	-12.4%	9.0%	-11.0%	70.0%	-50.0%
Native	9	-14.3%	0.0%	-46.9%	-62.6%	-61.5%	-64.1%	-58.5%	-91.6%
Iomart	424	6.5%	0.0%	10.3%	-11.2%	-10.4%	-11.0%	22.4%	11.7%
GoDaddy	9,608	0.1%	0.0%	5.3%	-13.5%	-14.7%	37.3%	115.7%	
Interxion	3,746	10.4%	0.0%	4.7%	-1.3%	-5.2%	8.1%	105.1%	188.9%
United Internet	7,303	-4.6%	0.0%	-3.8%	-1.7%	-24.1%	-37.3%	-18.6%	10.9%
AVERAGE GIGAS PEERS	1,338	4.7%	0.0%	5.0%	-5.1%	-13.4%	-14.0%	8.8%	-11.6%
Amazon	729,679	13.6%	0.0%	9.3%	-3.2%	-5.7%	41.2%	186.6%	406.3%
IBM	98,999	9.6%	0.0%	6.1%	-4.1%	-12.2%	-21.2%	-8.2%	-22.3%
Microsoft	727,528	6.7%	0.0%	3.6%	0.4%	5.0%	28.7%	103.5%	253.1%
Alibaba ADR	355,294	15.2%	0.0%	11.5%	11.8%	-15.7%	-8.3%	117.4%	
Alphabet	677,508	6.6%	0.0%	6.1%	2.0%	-6.5%	5.0%	50.2%	129.4%
CLOUD MAIN GLOBAL PLAYERS	517,801	10.3%	0.0%	7.3%	1.4%	-7.0%	9.1%	89.9%	191.6%
Spain IBEX 35	471,700	6.2%	0.0%	4.2%	2.0%	-7.0%	-13.1%	6.2%	-13.3%
Euro STOXX 50	2,160,817	4.4%	0.0%	3.1%	-2.4%	-10.0%	-13.4%	6.2%	-0.6%
NASDAQ	11,993	2.5%	0.0%	-0.7%	5.1%	-10.9%	12.1%	41.8%	149.7%
S&P Software & Services	9,173	9.9%	0.0%	9.4%	0.5%	-4.5%	12.5%	85.8%	82.7%

Source: Factset & GVC Gaesco Beka

In terms of volume, Gigas' shares are the second most liquid of the MAB in relative terms and the fourth in absolutes as can be seen in the table on the following page.

GIGAS HOSTING. SHARE PRICE EVOLUTION 12M

LIQUIDITY SCORES



	Negotiated Vol. (€'000s)	
	JAN-OCT	Avg. Daily
#1 Atrys Health	9,824	46
#2 Ebioss Energy	9,019	42
#3 Euron Telecom	8,908	42
#4 Gigas Hosting	8,281	39
#5 AB Biotics	6,705	31

	% of Total Shares Negotiated (10M18)
#1 Ebioss Energy	98%
#2 Gigas Hosting	36%
#3 VozTelecom	33%
#4 Facephi	29%
#5 Catenon	27%

Source: Gigas Hosting & GVC Gaesco Beka

Takeover target

Gigas Hosting will fit in, strategically speaking, with many companies; not so much as with larger players such as Amazon Web Services or other US multinationals, but rather local, European technology companies (Capgemini, Indra Sistemas – Minsait – Sopra Steria,) or even large telecommunication operators (Telefonica, T-Mobile, BT) seeking to diversify activities outside of the already commodity voice segment towards digital.

Either way, we do not believe the mentioned companies would have our DCF valuation on Gigas in mind but rather the potential value of the current client portfolio (fair value EUR8.8/sh) so as to incorporate these to their own infrastructures. In our view it is not time to put the company up for sale but rather wait for a more advanced stage possibly in 2019-20e. The premium demanded by current shareholders could be of a minimum 20% over our fair value.

On the other hand, **the Inveready's stake post-conversion would be of c.14% and foreseeably obtain at least one position in the BoD.** We consider that after this move a corporate action over Gigas would be more likely.

Historic M&A moves in the cloud computing sector

In the table on the following page we can observe how EV/EBITDA calculated via the historic arithmetic mean of M&As carried out in the cloud computing sector reached 10.4x. This contrasts with Gigas Hosting's trading level of **14.2x** for 2019e that is higher.

At a glance it seems that Gigas' shares already include a speculative premium and is traded in. In our opinion, it is not so because with a simple EV/EBITDA multiple does not include future potential growth or the value of the current client portfolio (mainly proceeding from the Cloud Datacenter).

The table below includes the more relevant M&A moves in the sector and the implied EV/sales multiple for each one (**vs. 3.5x Gigas according to our 2019 estimates**).

CLOUD COMPUTING SECTOR. HISTORIC M&A		
TARGET	ACQUIRER	MULTIPLE
Nebula	Telia	c.4x sales
Softlayer	IBM	c.6x sales
Peer1	Cogeco	c.4/5x sales
Pulsant	Oak Hill Partners	c.4.5x sales
Data Electronics	Equinix	c.5x sales
HostEurope	Montagu	c.4x sales
HostEurope	GoDaddy	c.5.5x sales
Acens	Telefónica	c.3x sales
Arsys	United Internet	c.3.5x sales
Virtustream	EMC	c.10x sales
Joyent	Samsung	n.a. (probably near c.5x sales)
Tier3	Century Link	n.a.
Profitbricks	United Internet	c.3.4x sales
Strato	United Internet	c.4.25x sales
AVERAGE MULTIPLE (EV/sales)		4.8

Source: Gigas, Factset & GVC Gaesco Beka

TARGET	ACQUIRER	Announcement Date	Transaction Value (EURm)	Enterprise Value (EURm)	Revenue - Target (LTM)	EV/EBITDA	Target Country	Target Ultimate Parent (At Deal)	Acquirer Ultimate Parent (At Deal)
Boulder Acquisition	Xerox	28-sep-09	5,491.1	5,491.1	4,440	7.2	United States	-	-
SRA International	CSRA	31-ago-15	2,319.9	2,319.9	1,238	16.2	United States	Providence Equity Partners LLC	Computer Sciences Corp.
Dimension Data Holdings	Nippon Telegraph & Telephone	15-jul-10	2,285.7	2,285.7	3,290	11.9	South Africa	-	-
Cable & Wireless Worldwide	Vodafone	23-abr-12	1,479.3	1,479.3	2,622	1.4	United Kingdom	-	Vodafone Group Plc
SRA International	Providence	1-abr-11	1,195.5	1,195.5	1,198	10.4	United States	-	-
Q9 Networks	Ontario Teachers' Pension Plan & others	2-jun-12	854.7	854.7	-	-	Canada	ABRY Partners LLC	-
Micro Focus (US)	The Attachmate Group & others	22-nov-10	743.9	743.9	594	8.6	United States	-	-
Insieme Networks	Cisco Systems	6-nov-13	640.5	4,269.8	-	-	United States	-	-
SimpliVity	Hewlett-Packard	17-ene-17	612.9	612.9	-	-	United States	-	-
Q9 Networks	BCE	8-ago-16	462.7	716.2	-	-	Canada	-	-
Kensho Technologies	S&P Global	6-mar-18	446.2	446.2	-	-	United States	-	-
Bull	ATOS	26-may-14	424.8	424.8	1,229	6.4	France	-	-
Jakob Hatteland Computer	EQT Partners	2-dic-16	400.0	400.0	-	-	Norway	Hatteland Display AS	-
Nervana Systems	Intel	9-ago-16	361.2	361.2	-	-	United States	-	-
Carpathia Hosting	QTS Realty Trust	6-may-15	291.4	259.2	-	-	United States	-	-
Elastica	Blue Coat Systems & others	7-nov-15	260.7	260.7	-	-	United States	-	-
Computerlinks	Arrow Electronics	27-ago-13	230.0	230.0	-	-	Germany	Equistone Partners Europe Ltd.	-
Tierpoint Hosted Solutions	Windstream	4-nov-10	221.2	221.2	35	-	United States	Hosted Solutions Holdings LLC	-
Apptis	URS	27-abr-11	177.8	177.8	204	-	United States	New Mountain Capital LLC /CA/	-
Business Connexion Group	Telkom	22-may-14	174.4	174.4	457	5.2	South Africa	-	-
ACCEO Solutions	N. Harris Computer	16-ene-18	164.2	164.2	76	-	Canada	Acceo Holding, Inc.	Constellation Software, Inc.
ALOG Data Centers do Brasil	Equinix do Brasil Participações	24-jul-14	163.6	348.1	-	-	Brazil	-	Equinix, Inc.
Shanghai Yunke Network Technology	Zhongchang Big Data	23-ene-17	157.8	157.8	27	-	China (People's Republic)	u Yunke Investment Management C	-
Beijing Kexin Shengcai Cloud Computing	Beijing Sinnet Technology	31-ene-18	152.6	179.5	10	-	China (People's Republic)	-	-
Joyent	Samsung Electronics	15-jun-16	151.7	151.7	-	-	United States	-	Samsung Electronics Co., Ltd.
BLACKIRON Data	Rogers Communications	17-abr-13	148.8	148.8	25	15.5	Canada	imus Telecommunications Group, Ir	-
Arsys Internet	1&1 Internet	19-ago-13	140.0	140.0	-	-	Spain	-	United Internet AG
Tribridge	DXC Technology	5-jul-17	136.5	136.5	147	-	United States	-	-
Day Software Holding	Adobe Systems	28-jul-10	136.0	136.0	32	25.5	Switzerland	-	-
Enterasys Networks	Extreme Networks	12-sep-13	135.3	135.3	248	-	United States	The Gores Group LLC	-
iWeb Group	Intermap Network Services	30-oct-13	105.3	105.3	32	13.2	Canada	-	-
Gluster	Red Hat	4-oct-11	102.5	102.5	-	-	United States	-	-
TeleComputing	Sabaro Investments Ltd. & others	16-nov-09	82.2	82.2	92	6.7	Norway	-	-
3Tera	CA	24-feb-10	73.7	73.7	-	-	United States	-	-
FABRIX TV	Telefon AB LM Ericsson	12-sep-14	73.4	73.4	-	-	Israel	IDT Corp.	-
eNovance	Red Hat	18-jun-14	70.0	70.0	-	-	France	-	-
F-Secure	Synchronoss Technologies	4-feb-15	52.0	52.0	-	-	Finland	F-Secure Oyj	-
Model Metrics	salesforce.com	14-nov-11	48.6	48.6	9	-	United States	-	-
Selection Services Invest.	Castle Street Investments	4-ene-16	47.3	47.3	-	10.6	United Kingdom	-	-
ClusterK	Amazon.com	29-abr-15	45.5	45.5	-	-	United States	-	-
iWeb Group	The Caisse de dépôt et placement du Québec & others	3-may-11	43.7	43.7	21	12.3	Canada	-	-
GreenCloud	NetApp	4-ago-17	42.9	42.9	-	-	Iceland	-	-
Conjur	CyberArk Software	11-may-17	38.6	38.6	-	-	United States	-	-
Crayon	Immeta	16-dic-10	35.4	35.4	83	-	Norway	-	-
Shanghai Yungoal Info Tech	Digital China Group	27-oct-17	32.5	46.4	5	-	China (People's Republic)	-	-
Macrologic	Asseco Business Solutions	11-abr-17	25.4	25.4	13	7.4	Poland	-	-
Kloud Solutions	Telstra	21-ene-16	25.1	25.1	-	-	Australia	-	-
Shanghai Huopu Cloud Comp.	Shanghai Zhengwu Investments	29-ago-14	24.7	24.7	-	-	China (People's Republic)	The9 Ltd.	-
Blue Star Infotech	Blue Star	29-sep-15	24.3	34.1	39	8.1	India	-	-
Beijing IntelliCloud	Sichuan Troy Information Technology	14-jul-18	24.2	57.5	-	-	China (People's Republic)	-	-
Everest Technology Sol.	The KEYW	2-dic-10	23.0	23.0	-	-	United States	-	-
Dorado Network Systems	CoreLogic	15-mar-11	22.9	22.9	-	-	United States	-	-
UShareSoft	Fujitsu	17-nov-15	20.0	20.0	-	-	France	-	-
AVERAGE			408.4	486.1	646.8	10.4			

Source: Factset & GVC Gaesco Beka

Capital structure: prestigious investors present

Since its founding in January 2011, Gigas has captured EUR4.4m + EUR4.1m (pre and post listing, respectively) in equity including the latest capital increase in kind for loan conversion (EUR300k) to acquire Ability. In addition is Inveready's EUR2.5m convertible bond.

Capital increases timeline

GIGAS HOSTING. CAPITAL STRUCTURE EVOLUTION				
Date	Number of shares*	Capital (EUR)	Premium (EUR)	Price (EUR/sh.)
Constitution of the Company, Jan-2011	800.000	16.000	0	0,02
May-11	400.000	8.000	0	0,02
Jun-11	300.000	6.000	70.000	0,25
Jul-11	480.000	9.600	854.400	1,80
Jun-12 (1)	-240.000	-4.800	0	0,02
Jul-12	874.000	17.480	1.774.220	2,05
Feb-13 (2)	-240.000	-4.800	0	0,02
Oct-13	632.750	12.655	1.632.495	2,60
Sept-15 **	1.268.250	25.365	4.096.448	3,25
Oct-18	47.318	946	299.050	6,34
TOTAL		86.446	8.726.612	

Source: Gigas Hosting & GVC Gaesco Beka * Note. Number of shares splitted in the table due to comparison purposes

(1) In Jun-12, Gigas amortized 4,800 shares that were donated to the Company, implying a reduction in share capital of EUR4,800

(2) In Feb-12, Gigas amortized 4,800 shares that were donated to the Company, implying a reduction in share capital of EUR4,800

** In 2015 (before the IPO), Gigas executed a split of its shares with a nominal reduction (EUR0.02 vs. EUR1 previously) what means 1/50

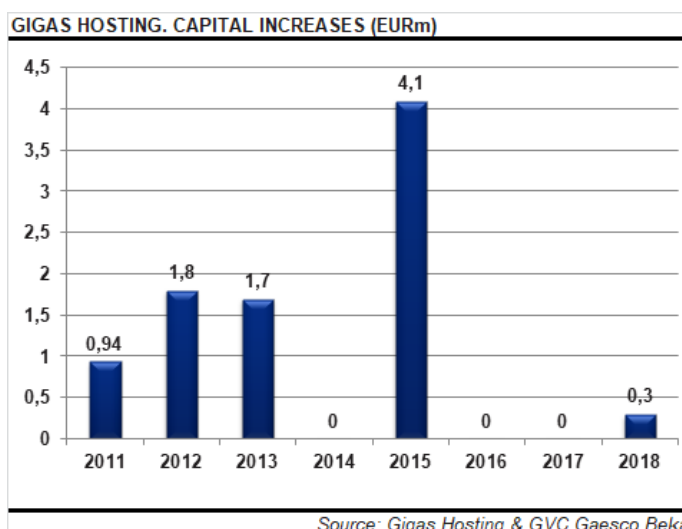
Chronological description of each of the capital increases cited in the table with the progressive entry of the various key executives and founders,

- **Company founded on 21st January 2011 with EUR16,000 capital and shares of EUR1 nominal value.** Shareholders were Vera SA (company controlled by Antonio Jesus Saez Pomares), Walter Janusz Kobylansky Gibson and Kampanu Capital Group (controlled by Gigas' current CEO Diego Cabezudo Fernández de la Vega).
- **Capital Increase 30th May 2011.** EUR8,000 with 8,000 new shares at EUR1 nominal value. 4 shareholders: Diego Cabezudo Fernández de la Vega, José Antonio Arribas Sancho, Antonio J. Sáez Pomares and Walter Janusz Kobylansky Gibson.
- **Capital increase 1st June 2011.** EUR6,000 issuing 6,000 new shares at EUR1 nominal value and an issuance premium of EUR70,000. Moises Israel Abecasis entered the company.
- **Capital increase 29th July 2011.** EUR9,600m, 9,600 new shares at EUR1 nominal value and EUR854,400 premium issuance. New financial investors proceeding from private equities: Cabiedes&Partners and Bonsai Venture Capital.
- **Capital amortization 28th June 2012.** Gigas amortised 4,800 shares donated by Walter Janusz Kobylansky Gibson.
- **Capital increase 11th July 2012.** EUR17,480m, 17,480 shares at EUR1 nominal value and premium issuance of EUR1,774,220. Subscribed by the shareholders and various new ones, including **Caixa Capital**.
- **Capital amortization 14th February 2013.** Gigas amortised 4,800 shares donated by Antonio Jesús Sáez Pomares.
- **Capital increase 30th October 2013.** EUR12,655, 12,655 new shares at EUR1 nominal value and premium issuance of EUR1,632,495. Attended by shareholders.
- **Transformation to a Public Limited Company (29th June 2015).** Each shareholder received one Gigas Hosting shares x one previous share held.

- **Nominal value reduced (20th July 2015) to EUR0.02**, increasing the number of shares trading to 3,006,750.

With the intention of generating treasury stock prior to the listing to the MAB (liquidity contract and Employee's Incentive Plan), Gigas acquired 60,000 shares from one of the shareholders.

- Capital increased approved at the AGM in June 2018 (registered in October 2018) for the acquisition of Ability. EUR300k; 47,318 shares issued at EUR6.34/share; nominal value EUR946.36 and premium EUR299,049.



Since forming part of the MAB (EUR324,802 costs incurred) in November 2015, the Company only realised a capital increase in kind to compensate loans of EUR299,996 (EUR946.4 nominal value) linked to the acquisition of Ability in Colombia.

Shareholder structure

The Company's shareholder structure includes the executive team which holds 24.2%, the private equity Bonsai Venture Capital with 7.36% and Caixa Capital (La Caixa's private equity affiliate) with 7.87% capital according to the relevant fact dated 19th October 2018. In the past there were up to 3 private equity companies, the mentioned Bonsai Venture Capital and Caixa Capital as well as Cabiedes & Partners with with 7.44%.

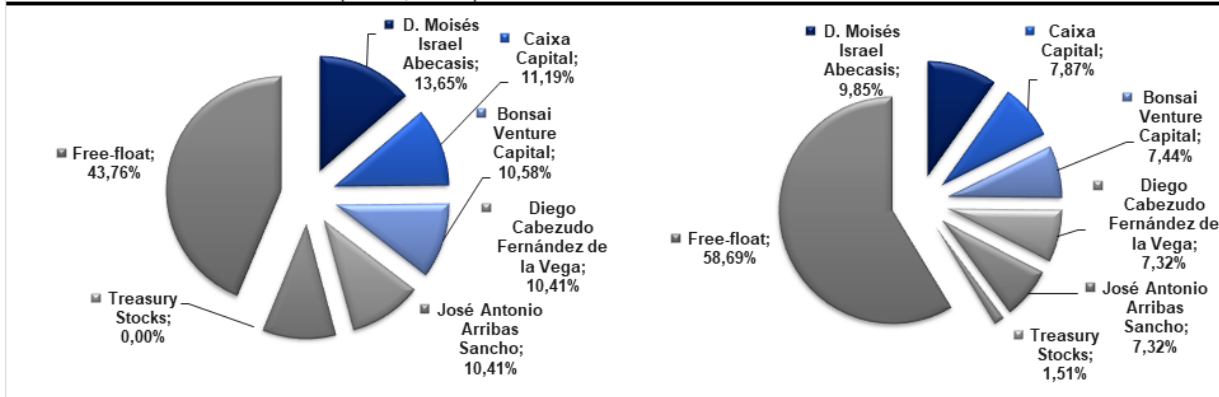
GIGAS HOSTING. MAIN SHAREHOLDERS AND ITS EVOLUTION (% stake)						
Year	BoD seats	2014	2015	2016	2017	03/01/2019*
D. Moisés Israel Abecasis	Dominical Director & Presic	13.65%	13.65%	9.85%	9.85%	9.74%
Caixa Capital		11.19%	11.19%	7.87%	7.87%	7.79%
Bonsai Venture Capital	Dominical Director	10.58%	10.58%	7.44%	7.44%	7.36%
Diego Cabezudo Fernández de la Vega	CEO	10.41%	10.41%	7.32%	7.32%	7.24%
José Antonio Arribas Sancho	COO	10.41%	10.41%	7.32%	7.32%	7.24%
José María Torroja Cifuentes	Independent Director					3.46%
León Bartolomé Velilla	Independent Director					2.73%
Arantza Ezpeleta Puras	Independent Director					2.56%
Joaquín Miranda **	LatAm Director					1.09%
Alfonso Cabezudo Fernández de la Vega	Other External Director					1.01%
Treasury Stocks		0.00%	2.18%	1.91%	1.51%	n.a.
Free-float		43.76%	41.58%	58.29%	58.69%	49.78%
TOTAL		100.00%	100.00%	100.00%	100.00%	100.00%

Source: Gigas Hosting & GVC Gaesco Beka

* Following the issuance of 47,318 shares for a credit compensation originated with the Ability's acquisition

** Former LatAm Director. Left the company in Dec-2018, 12 month lock-up

GIGAS HOSTING. MAIN SHAREHOLDERS (% stake, 2014/17)



Source: Gigas Hosting & GVC Gaesco Beka

Despite the numerous capital increases carried out, standing out is that the executive team has hardly diluted their stake by attending these. This indicates the team's confidence and their implication in the Company, and that in our opinion is yet another positive aspect.

Consequently, Gigas Hosting's shares are among the most liquid in the MAB with over 1.5m shares trading (c.35% of its shareholder base) and approximately 45% rotation.

Incentive plans and key posts

On the occasion of Gigas' incorporation to the MAB and with the objective of acknowledging the efforts made by founding partners and employees as well as the contribution to developing the business, the following remuneration plans were approved at the AGM held in July 2015:

- **Share delivery plan for employees.**
 - 125 shares delivered to each employee when Gigas' was included to the MAB.
 - Following the first year since the incorporation to the MAB, 250 shares was delivered to each employee remaining in the company.
- All shares delivered proceeded from the treasury stock, thus no capital increases were required.
- **Stock option plan for founding partners (José Antonio Arribas Sancho -COO- and Diego Cabezudo Fernández de la Vega -CEO-).** The three incentive plans are all grouped in a single plan for founders, in case the Company is sold.
 - **Option plan for key employees (finalized, vested options although not exercised in the majority of the cases).** At the AGM (July 2015) a change was approved to adapt the previous plan to the new situation post-incorporation to the MAB.

We have not considered potential capital increases in October 2018 (the target linked to the revaluation of the share price was not achieved) or October 2019 (currently unknown).

From our stance, the incentive plans established are fair and are in line with the rest of the Company's shareholders' interests as it implies high yields based on Gigas' trading price.

In our opinion, incentives such as that mentioned are essential for companies like Gigas where the human capital and know-how is a key and differentiating aspect in the activity.

Risks. Attractive pairing between potential and doubts

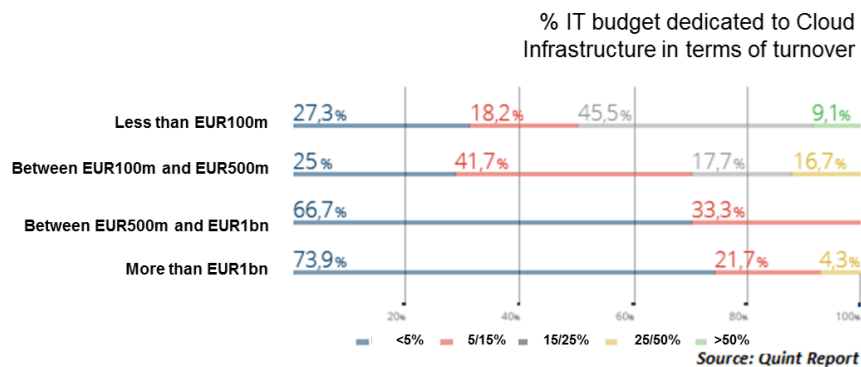
Below we have listed the potential risks, endogenous and exogenous, affecting Gigas Hosting:

- Limited critical mass vs. large global players
- Technological obsolescence and dependence on suppliers
- Capital intensive activity
- Future capacity to maintain the client capturing rhythm organically.
- Dependence on executive team and key personnel
- Maintenance of security and availability of Gigas' platform
- Substantially high monthly recurrent revenues from contracts of one year or less.
- Forex fluctuation risk
- Regulation and expansion in foreign countries
- Impact from rising interest rates
- Dilution from bond conversion, overhang risk and incentive plans
- Volatility of share price and lack of liquidity
- Non-existing dividends in the future

Annex I. Cloud computing in Spain

Source: Quint Report 2017, Wellington Redwood

Although technologically the cloud has been a reality for years, it is now that relevant increases in penetration are beginning to be observed in small and medium-sized Spanish companies. **In fact, they are planning to increase their IT budgets in Cloud by nearly +60% and, currently, in the smallest companies this budget is already 30%. 55% of companies with lower turnover spend more than 15% of their budget on IaaS.**

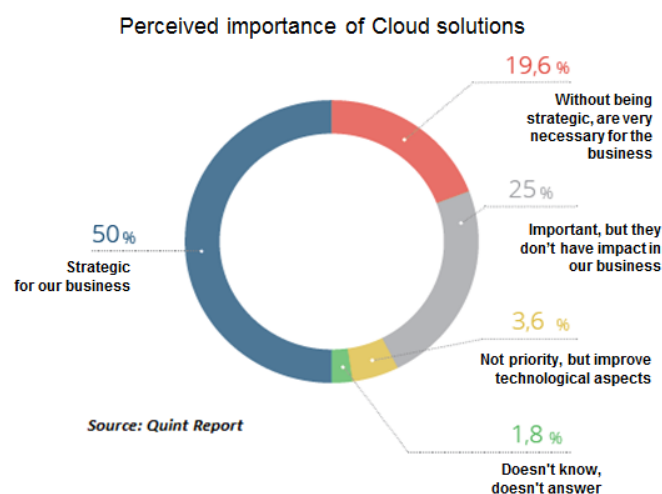


We provide the main results of a study carried out by Quint that takes a representative sample of large Spanish companies that have tackled, have done so or are undertaking projects to migrate their infrastructures (IaaS/PaaS) to the cloud environment.

One of the first conclusions to be drawn from the study is that small, large and medium-sized Spanish companies are interested in the cloud because of the following factors: (I) **cost savings** (especially companies with lower turnover and less need to amortize important investments), (II) **infrastructure modulation depending on the service to be offered**, (III) **easier management** and (IV) **consolidation of complex infrastructures** (especially in companies with higher turnover). On the whole, 36% of companies will increase their investment in IaaS and PaaS next year.

Regardless of the critical mass of enterprises, for none of them is the cloud the end in itself but the way to their digital transformation. As far as the debate between the private and public cloud is concerned, it continues to opt for the former, concentrating the weight of the most critical services. However, the hybrid cloud is being advanced as an intermediate step.

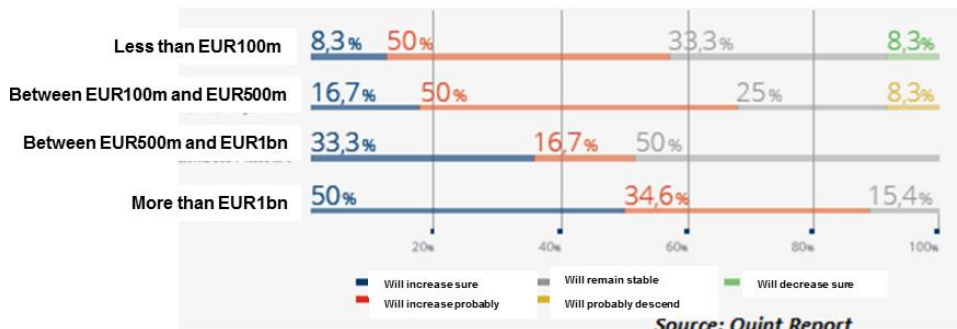
The following graph shows how **almost 75% of companies think that the cloud is necessary for their business** and nobody believes that it is irrelevant.



IaaS Cloud's investment 2017/18 in function of the turnover



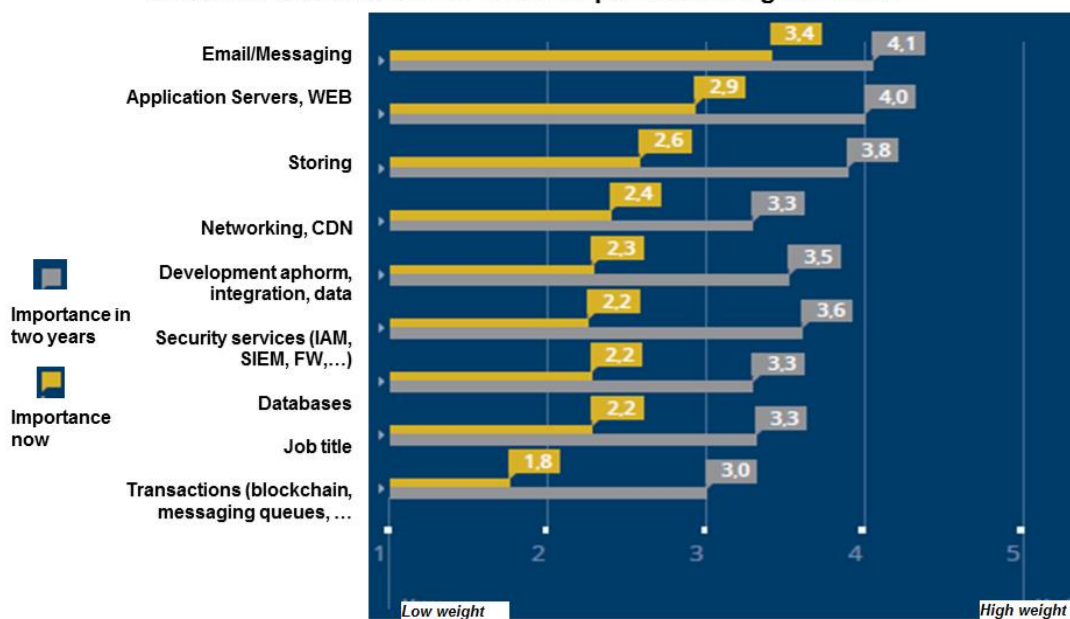
PaaS Cloud's investment 2017/18 in function of the turnover



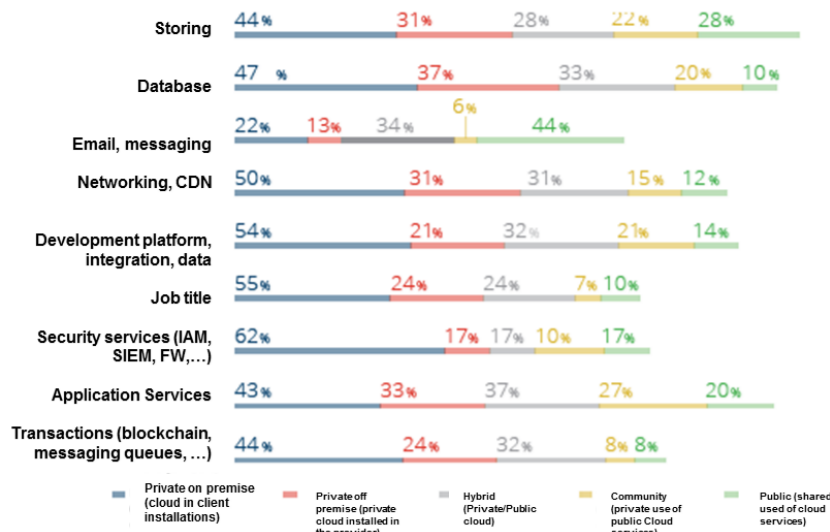
Source: Quint Report

All technological areas are moving towards Everything as a Service (XaaS). The importance of cloud services in the different technological fields will be considerably greater in 2019 than it is at present (graph attached). Although the areas in which the cloud is currently most consolidated in IaaS are messaging, infrastructure to support front-end layers of applications and storage, the greatest expected growth will be in security services (60%) and transactions (67%).

Cloud Infrastructures & Platforms per technological areas



Cloud IaaS delivery methods, PaaS (non-exclusive options)

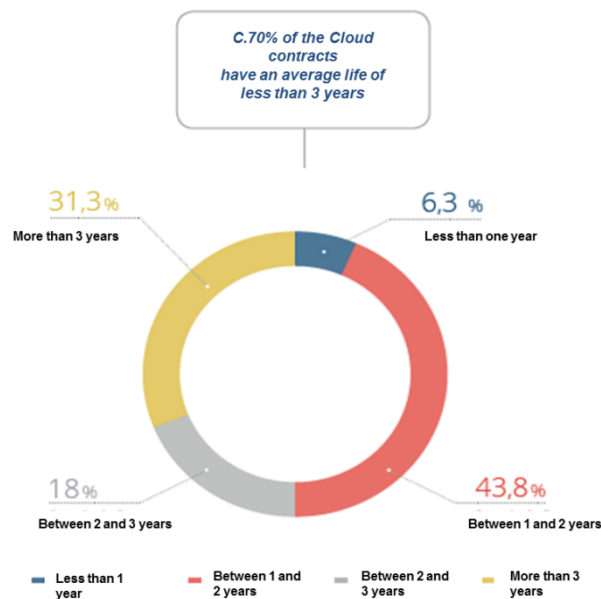


Source: Quint Report

The biggest disappointment in the adoption of the cloud according to the study had to do with a smaller reduction in operating costs than expected by organizations. In general, the pay-per-use model offered by companies such as Gigas requires technology consumption to be highly parameterised. Therefore, **if the migration to the cloud is not accompanied by a transformation of operational processes, the efficiency of the whole is minimised.** On the other hand, companies face fewer barriers to change than initially expected in terms of: problems with SLAs, integration difficulties or lack of provider capacity.

The roles in the most important companies for contracting cloud services are usually the CIOs/CTOs followed by CDOs (Digital Transformation Managers or similar). On the other hand, **cloud services contracts are becoming shorter and shorter.** Historically, IT service contracts were tendered for long periods of time (10/12 years). However, this trend shifted towards shorter term contracts (3/5 years).

Cloud IaaS and PaaS service contracts' average life

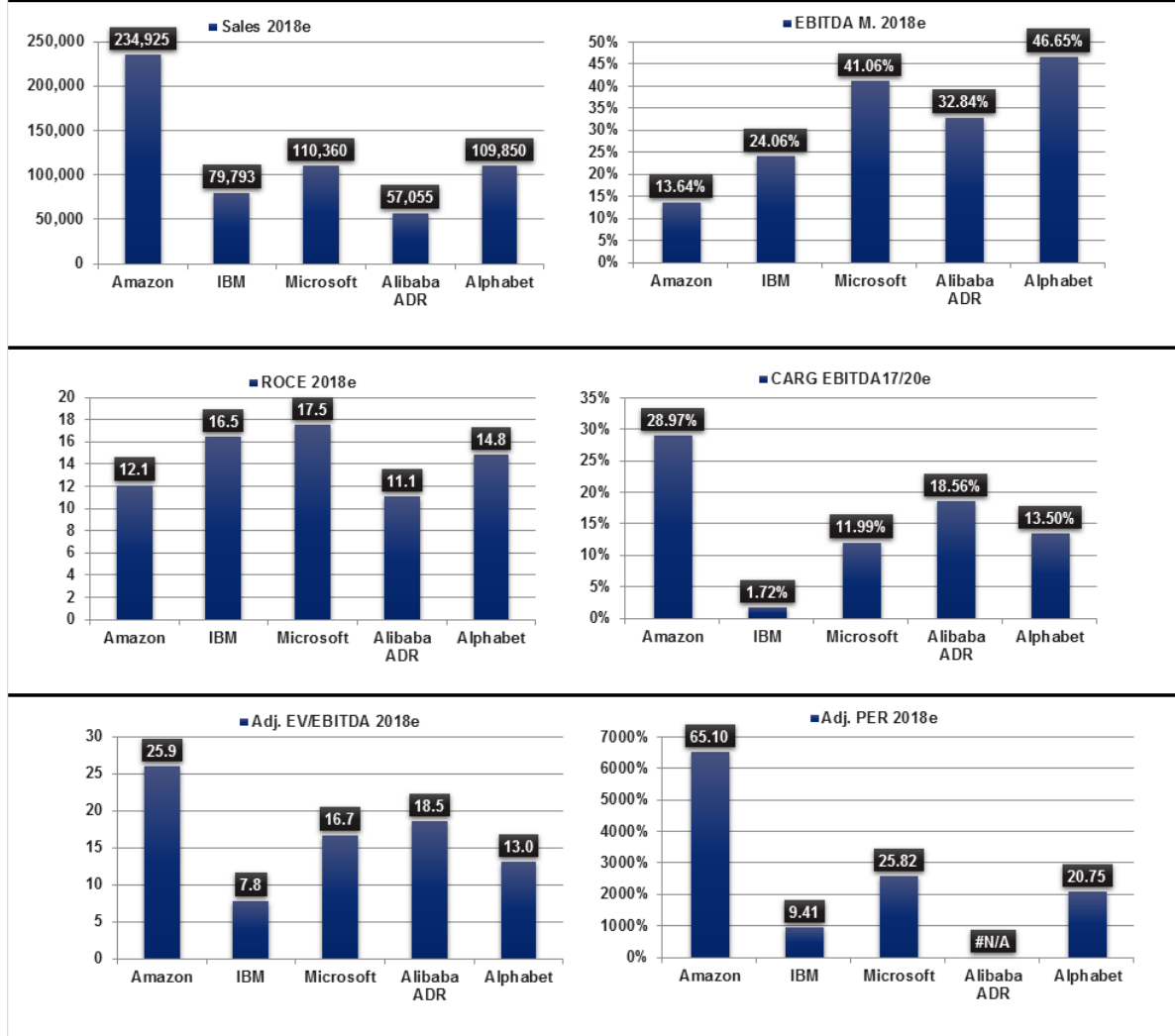


Source: Quint Report

Annex II. Amazon Web Services, the sector giant

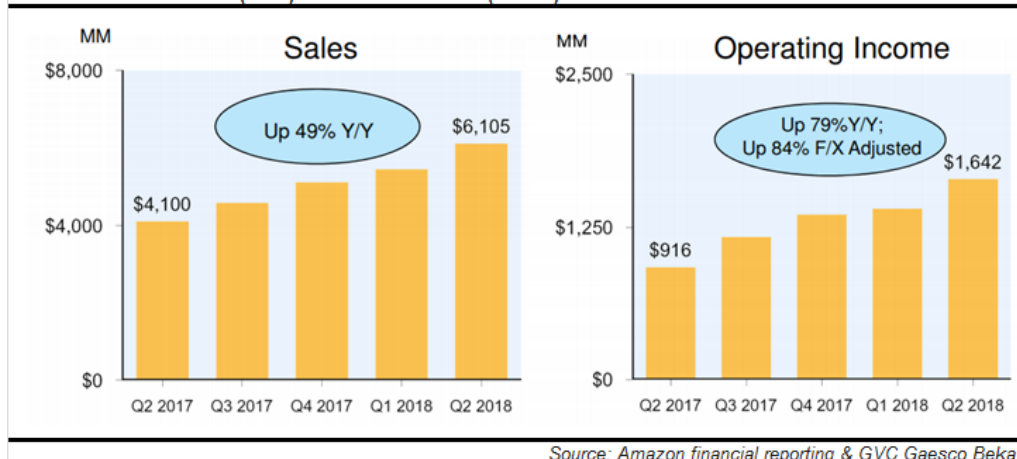
For the first time in April 2015 the multinational e-commerce company, Amazon, shed some light on sales per product lines. This implied acknowledging the sales in Amazon Web Services in 1Q15, reaching USD1,560m (+56% Y/Y, total 6.9% weight over total sales). This indicates the exponential growth in the budding cloud hosting market.

MAIN PLAYER GLOBAL OF THE TECHNOLOGICAL SECTOR



Source: Factset & GVC Gaesco Beka

According to market sources, Amazon Web Services could be listed as from 2019 (estimate mkt cap USD600bn, arising from sector multiples according to the financial position) via a spin-off from the parent company with the intention of putting it into value, avoid conflicts of interest with activities, facilitate acquisitions, reduce regulatory pressure and increase visibility. If this placement does take place, AWS would be the leading company in the sector per market cap.

AMAZON WEB SERVICES (AWS). FINANCIAL RESULTS (bnUSD)

AMAZON WEB SERVICES (AWS). FINANCIAL RESULTS (bnUSD)

USDm	3Q'17	3Q'18	1H'17	1H'18
Net sales	4,100	6,105	7,761	11,547
% change		48.9%		48.8%
Operating Expenses	3,184	4,463	5,955	8,504
% change		40.2%		42.8%
Operating Income	916	1,642	1,806	3,043
% change		79.3%		68.5%

Source: Amazon, latest results reported

In 3Q18, AWS' net sales represented 11.3% of Amazon's total sales vs. 10.8% a year ago. For example, AWS' growth rhythm in revenues was over +40% Y/Y. In addition, AWS' operating margins at 3Q18 reached 26.9% (+4.5pp Y/Y). We are unable to calculate the EBITDA per activity with the information reported by Amazon; however, market sources point to 55-60% vs. Gigas' long term estimate of 30% (vs. 41.6% WIIT; 41.3% IoMart; 21.6% GoDaddy vs. Interxion's 45.6%).

A similar case to Amazon is Google (cloud revenues breakdown not available). The company basically seeks growth in cloud with the intention of reducing dependence on its core advertising business (96% current revenues at group level and 87% advertisements in its search engine).

Annex III. Brief description of peers

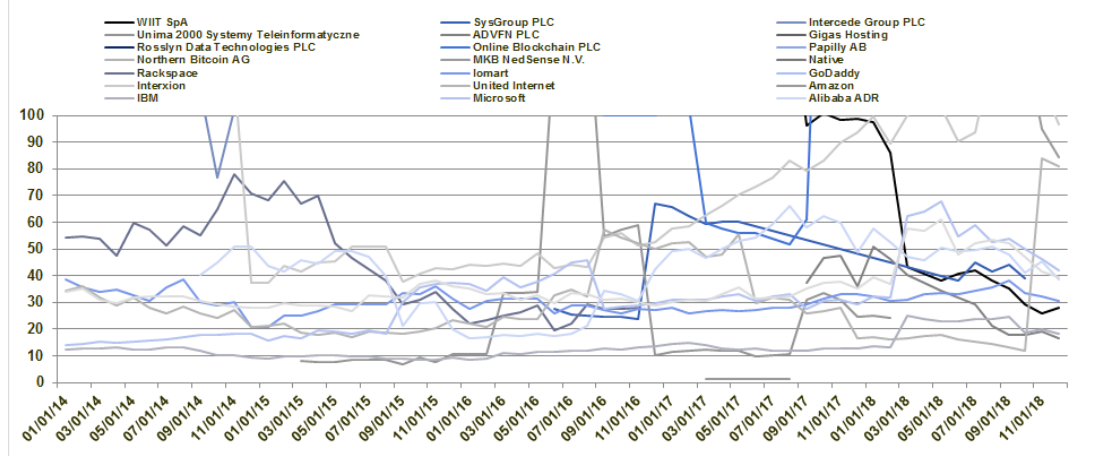
Source: Factset & GVC Gaesco Beka

Company	Country	Market Cap. (EURm)	Description
WIIT	Italy	102.5	WIIT SpA is a holding company, which engages in the provision of hosted private and hybrid cloud services. It offers cloud computing, critical applications, business continuity and disaster recovery, cyber security, technology migrations, service desk, and digital transformation solutions. The company was founded by Alessandro Cozzi in 2001 and is headquartered in Milan, Italy.
SysGroup	UK	10.5	SysGroup Plc engages in the provision of website hosting. It operates through the Managed Services and Value Added Resale (VAR). The Managed Services segment provides all forms of Managed Services to customers. The Value Added Resale (VAR) segment provides all forms of VAR sales where the business is acting as a reseller. The company was founded by Abby Haroon Adulayavichit and Marcus Lauder in 2006 and is headquartered in Liverpool, the United Kingdom.
Intercede Group	UK	14.9	Intercede Group Plc engages in the provision of identity, credential management and secure mobility solutions. Its products include smart cards, visual smart cards, and personal identity verification cards. It also offers support and maintenance, professional services, and software licenses. The company was founded by Richard Arthur Parris in 1992 and is headquartered in Luttermouth, the United Kingdom.
Unima 2000 Systemy Teleinformatyczne	Poland	1.5	Unima 2000 Systemy Teleinformatyczne SA operates in the field of advanced information technology solutions, data communications technologies, data analysis and processing systems, data protection, and building and integration of intelligent building systems. It operates through the following business segments: ICT Projects, Sales of Materials, Maintenance Services, and Other. The Other segment is comprised of services rendered within the scope of activity of particular companies, but not related to the basic sources of revenue. The company was founded on October 1, 2004 and is headquartered in Cracow, Poland.
ADVFN	UK	8.0	ADVFN Plc engages in the development and provision of financial information via Internet, research services, and the development and exploitation of ancillary internet sites. The firm and its subsidiaries provide online integrated financial information from various stock exchanges across the globe. It operates through the Provision of Financial Information and Other business segments. The company was founded by Michael J. Hodges and Clement Hadrian Chambers on April 24, 1989 and is headquartered in London, the United Kingdom.
Rosslyn Data Technologies	UK	16.2	Rosslyn Data Technologies Plc operates as holding company, which provides cloud-based enterprise data analytics platform. It offers technology infrastructure, data factory, integration, application centers and security services in the field of finance, marketing, procurement, sales, and other big data solutions. The company was founded by Charles Clark and Hugh James George Cox in 2005 and is headquartered in London, the United Kingdom.
Online Blockchain	UK	2.0	Online Blockchain Plc engages in the incubation and investments in internet and information businesses. It also provides stock market data and research services to the private investors through its investment in ADVFN Plc. The company was founded by Clement Hadrian Chambers and Michael John Hodges on April 24, 1989 and is headquartered in Ongar, United Kingdom.
Northern Bitcoin	Germany	123.5	Northern Bitcoin AG operates as a biopharmaceutical company which engages in the provision of life improving and life saving medications. It also offers biosimilar development and clinical research. The company was founded by Knut Adermann and is headquartered in Frankfurt, Germany.
MKB NedSense	The Netherlands	6.3	MKB NedSense NV engages in the development and production of software solutions for the fashion and textile industry. It operates through two segments: NedGraphics and Loft. The NedGraphics segment develops, markets, and supports computer aided design, and computer aided manufacturing software solutions to the fashion and textile industry. The Loft segment focuses on the development of software that allows three-dimensional reproduction in a personal environment. The company was founded in 1999 and is headquartered in Vianen, Netherlands.
Native	Switzerland	23.6	The Native SA operates as a holding company, which invests in energy sector. It operates through the following segments: Trading and Investment Management; and Hydro Power Generation. The Trading and Investment Management segment involves in the acquisition, holding, and sale of investments in national and foreign companies. The Hydro Power Generation segment offers generation of energy through hydro power plants. The company was founded on December 17, 1998 and is headquartered in Lausanne, Switzerland.
Rackspace	USA	-	Rackspace Hosting, Inc. provides managed hosting solutions. It offers managed and cloud hosting, colocation, application, and professional, services. The company was founded by Richard Yoo, Graham M. Weston, Dirk J. Elmendorf, Morris A. Miller, and Patrick R. Condon in 1998 and is headquartered in San Antonio, TX.
Iomart	UK	473.3	Iomart Group Plc is a holding company, which engages in the provision of cloud computing services. It operates through the Easyspace, and Cloud Services segments. The Easyspace segment offers a range of shared hosting and domain registration services to micro, and small and medium-sized enterprises. Cloud Services segment includes managed cloud computing facilities and services, through a network of owned datacentres, to the larger small and medium-sized enterprises, and corporate markets. The company was founded by Angus MacSween and William Dobbie in December 1998 and is headquartered in Glasgow, the United Kingdom.
GoDaddy	USA	10,769.2	GoDaddy, Inc. engages in the provision of domain name registration and web hosting services. It provides website building, hosting, and security tools. The company was founded by Robert R. Parsons on January 1997 and is headquartered in Scottsdale, AZ.
Papilly	Sweden	1.4	Papilly AB engages in the development, and production of research based digital programs that aids consumer to lower the risk of mental illness. It offers applications and games to consumers. The company was founded by Ulf Söderberg on December 27, 2011 and is headquartered in Stockholm, Sweden.

Company	Country	Market Cap. (EURm)	Description
Interxion	United States	3,794.7	InterXion Holding NV engages in the provision of carrier and cloud-neutral data centre services. It operates through the following business segments: Big4, Rest of Europe, and Corporate and Other. The Big4 segment is comprised of France, Germany, the Netherlands, and the United Kingdom. The Rest of Europe segment consists of Austria, Belgium, Denmark, Ireland, Spain, Sweden, and Switzerland. The Corporate and Other segment represents the expenses such as corporate management, general and administrative expenses, loans, borrowings and related expenses, income tax assets, and liabilities. The company was founded by Bart van den Dries on April 6, 1998 and is headquartered in Schiphol-Rijk, The Netherlands.
Numergy	France	Not listed	The company is a France based enterprise engaged in the provision of computer programming, data processing, and other computer related services. It operates its business primarily in the domestic market. The company was incorporated in the year 2012. Its registered business office is based in Aubervilliers, France. It is registered as a limited company. The company's business activities include the provision of computer programming and other related computer services on a contract or fee basis. It performs a variety of additional services, such as computer software design and analysis; modifications of custom software; and training in the use of custom software.
Cloudwatt	France	Not listed	The company is engaged in the provision of computer related services. It was incorporated in November of 2009. The registered head office of the company is located in Boulogne Billancourt, France. The company is primarily involved in providing computer related services such as custom programming, systems integration design, and facilities management services. It principally conducts its business operations within the county.
Pulsant	UK	Not listed	Pulsant Ltd. provides managed, hosted data center and information technology infrastructure services. It offers cloud hosting, managed applications and hosting; managed networks; and colocation services. The company was founded in October 2010 and is headquartered in Reading, the United Kingdom.
ProfitBricks	Germany	Not listed	ProfitBricks GmbH provides cloud web hosting services. Its products include Data Centre Designer, HDD and SDD storage, S3 Object storage, white paper, live vertical scaling and cloud data centres. The firm's serves the e-commerce, financial services, media provider, transport and logistics. The company was founded by Andreas Gaugers and Achim Weiss in 2010 and is headquartered in Berlin, Germany.
Cloudsigma	Switzerland	Not listed	CloudSigma AG is a private company headquartered in Glattbrugg, Switzerland. The firm provides cloud server and hosting services.
UpCloud	Finland	Not listed	UpCloud Oy operates a cloud-based platform that providing information technology and services. The company was founded by Joel Pihlajamaa and is headquartered in Helsinki, Finland.
United Internet	Germany	7,511.2	United Internet AG engages in the provision of Internet services. It operates through the following segments: Access and Applications. The Access segment comprises fixed line and mobile access products, including the corresponding applications such as home networks, online storage, telephony and entertainment. The Applications segment includes ad-financed and free based subscriptions such as domains, home pages, webhosting and e-shops, personal information management applications, group work, online storage and office software. The company was founded by Ralph Dommermuth on January 29, 1998 and is headquartered in Montabaur, Germany.

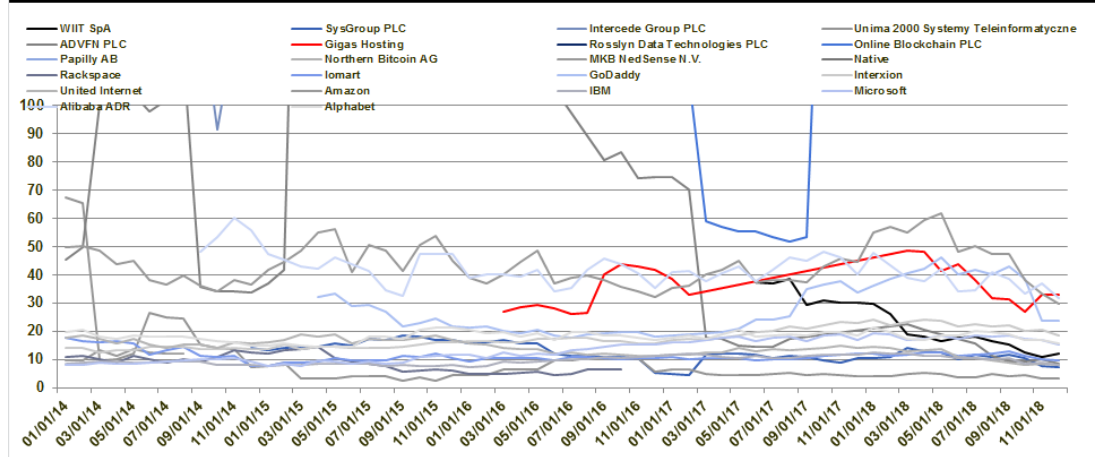
Annex VI. Peers' historic market performance

GIGAS HOSTING vs. PEERS. PER EVOLUTION (Rebased)



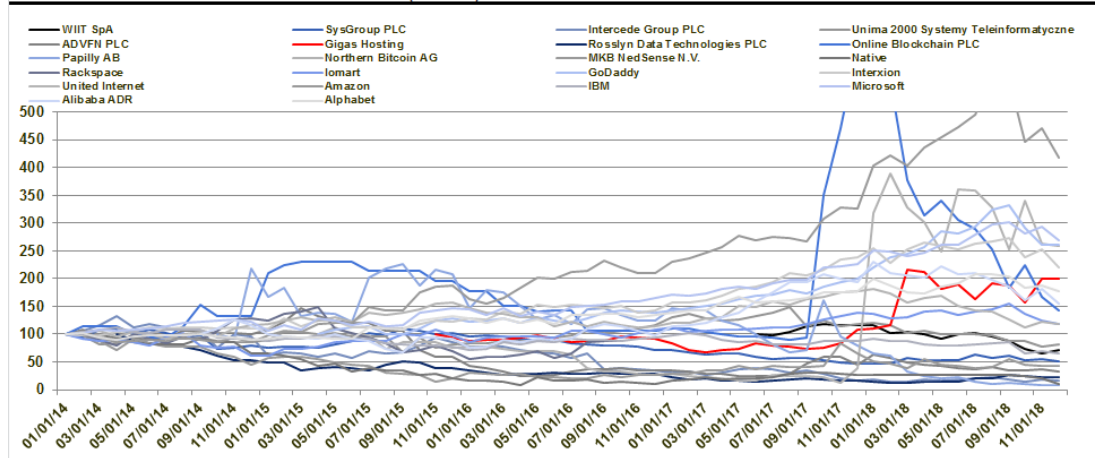
Source: Factset & GVC Gaesco Beka

GIGAS HOSTING vs. PEERS. EV/EBITDA EVOLUTION (Rebased)



Source: Factset & GVC Gaesco Beka

GIGAS HOSTING vs. PEERS. SHARE PRICE EVOLUTION (Rebased)



Source: Factset & GVC Gaesco Beka

Gigas Hosting : Summary tables

PROFIT & LOSS (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Sales	3.7	4.8	5.9	8.6	10.0	11.8
Cost of Sales & Operating Costs	-3.9	-5.4	-5.6	-7.6	-7.7	-9.0
Non Recurrent Expenses/Income	0.0	0.0	0.0	-0.4	0.0	0.0
EBITDA	0.4	-0.2	0.6	1.2	2.4	2.9
EBITDA (adj.)*	0.4	-0.2	0.6	1.6	2.4	2.9
Depreciation	-0.7	-0.8	-1.0	-1.5	-1.6	-1.9
EBITA	-0.3	-1.0	-0.4	-0.3	0.8	1.1
EBITA (adj)*	-0.3	-1.0	-0.4	0.1	0.8	1.1
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-0.3	-1.0	-0.4	-0.3	0.8	1.1
EBIT (adj.)*	-0.3	-1.0	-0.4	0.1	0.8	1.1
Net Financial Interest	-0.1	-0.1	-0.1	-0.4	-0.3	-0.3
Other Financials	0.0	0.0	-0.1	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	-0.4	-1.1	-0.6	-0.6	0.6	0.8
Tax	0.2	0.3	0.1	0.0	0.0	0.4
<i>Tax rate</i>	<i>42.7%</i>	<i>28.4%</i>	<i>22.9%</i>	<i>6.3%</i>	<i>2.5%</i>	<i>n.m.</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	-0.2	-0.8	-0.5	-0.6	0.5	1.1
Net Profit (adj.)	-0.2	-0.8	-0.5	-0.1	0.5	1.1
CASH FLOW (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Cash Flow from Operations before change in NWC	0.4	0.0	0.5	1.3	2.1	3.0
Change in Net Working Capital	0.3	0.0	-0.1	0.4	0.0	0.2
Cash Flow from Operations	0.7	0.0	0.4	1.7	2.2	3.2
Capex	-2.5	-0.8	-1.2	-2.8	-1.2	-1.4
Net Financial Investments	0.0	0.0	0.0	-1.6	0.0	0.0
Free Cash Flow	-1.8	-0.8	-0.7	-2.8	0.9	1.8
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	3.6	-1.1	-0.7	0.0	1.9	3.6
Change in Net Debt	1.8	-1.9	-1.5	-2.8	2.8	5.4
NOPLAT	-0.2	-0.7	-0.3	0.1	0.6	0.8
BALANCE SHEET & OTHER ITEMS (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Net Tangible Assets	1.7	1.9	2.3	3.3	2.6	3.5
Net Intangible Assets (incl. Goodwill)	1.3	1.5	1.3	3.9	4.2	4.8
Net Financial Assets & Other	1.9	2.3	2.3	2.6	2.6	2.6
Total Fixed Assets	4.8	5.7	6.0	9.8	9.4	10.8
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	0.8	0.8	0.9	1.3	0.8	0.7
Other current assets	1.7	0.5	0.2	0.2	0.2	0.2
Cash (-)	-1.9	-1.7	-1.6	-1.9	-1.9	-1.8
Total Current Assets	4.4	3.0	2.8	3.5	3.0	2.8
Total Assets	9.2	8.7	8.7	13.3	12.4	13.6
Shareholders Equity	5.1	4.5	4.1	5.1	5.6	6.8
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	5.1	4.5	4.1	5.1	5.6	6.8
Long term interest bearing debt	2.3	1.8	1.9	4.2	3.2	3.2
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.1	0.1	0.2	0.2	0.2
Total Long Term Liabilities	2.3	1.9	2.0	4.4	3.5	3.5
Short term interest bearing debt	0.7	1.3	1.6	1.9	1.9	1.9
Trade payables	0.4	0.5	0.4	1.2	0.7	0.8
Other current liabilities	0.6	0.6	0.6	0.7	0.7	0.7
Total Current Liabilities	1.7	2.3	2.6	3.8	3.3	3.4
Total Liabilities and Shareholders' Equity	9.2	8.7	8.7	13.3	12.4	13.6
Net Capital Employed	6.3	6.0	6.0	9.5	9.0	10.3
Net Working Capital	0.4	0.4	0.5	0.1	0.1	-0.1
GROWTH & MARGINS	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
<i>Sales growth</i>	<i>51.8%</i>	<i>29.0%</i>	<i>23.0%</i>	<i>45.3%</i>	<i>15.8%</i>	<i>18.2%</i>
EBITDA (adj.)* growth	n.m.	n.m.	n.m.	178.3%	53.7%	20.5%
<i>EBITA (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>588.5%</i>	<i>24.9%</i>
<i>EBIT (adj.)* growth</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>588.5%</i>	<i>24.9%</i>

Gigas Hosting : Summary tables

GROWTH & MARGINS	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	122.8%
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	122.8%
DPS adj. growth						
EBITDA (adj)* margin	10.2%	n.m.	9.6%	18.4%	24.5%	24.9%
EBITA (adj)* margin	-7.2%	-20.4%	-7.4%	1.4%	8.5%	8.9%
EBIT (adj)* margin	n.m.	n.m.	n.m.	1.4%	8.5%	8.9%
RATIOS	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Net Debt/Equity	0.2	0.3	0.5	0.8	0.6	0.5
Net Debt/EBITDA	3.0	-7.6	3.2	3.5	1.3	1.1
Interest cover (EBITDA/Fin.interest)	4.3	n.m.	6.6	3.3	8.4	10.6
Capex/D&A	377.7%	101.5%	114.3%	193.0%	75.1%	73.1%
Capex/Sales	65.7%	16.8%	19.5%	32.8%	12.0%	11.7%
NWC/Sales	9.6%	7.3%	7.8%	1.1%	0.6%	-0.8%
ROE (average)	-6.2%	-16.0%	-11.4%	-2.7%	9.5%	18.4%
ROCE (adj.)	-6.1%	-19.7%	-8.0%	1.3%	9.3%	9.8%
WACC	8.8%	8.8%	8.8%	8.8%	8.8%	8.8%
ROCE (adj.)/WACC	-0.7	-2.2	-0.9	0.1	1.1	1.1
PER SHARE DATA (EUR)***	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Average diluted number of shares	4.3	4.3	4.3	4.3	4.3	4.3
EPS (reported)	-0.05	-0.18	-0.11	-0.14	0.13	0.26
EPS (adj.)	-0.05	-0.18	-0.11	-0.03	0.12	0.26
BVPS	1.19	1.05	0.95	1.18	1.30	1.57
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
EV/Sales	3.8	2.9	2.8	3.7	3.5	3.0
EV/EBITDA	37.0	n.m.	29.5	27.3	14.4	12.0
EV/EBITDA (adj.)*	37.0	n.m.	29.5	20.2	14.4	12.0
EV/EBITA	-52.8	-14.4	-38.2	-111.4	41.5	33.4
EV/EBITA (adj.)*	-52.8	-14.4	-38.2	262.0	41.5	33.4
EV/EBIT	n.m.	n.m.	n.m.	n.m.	41.5	33.4
EV/EBIT (adj.)*	n.m.	n.m.	n.m.	n.m.	41.5	33.4
P/E (adj.)	n.m.	n.m.	n.m.	n.m.	n.m.	28.1
P/BV	2.5	2.8	3.7	5.5	5.7	4.7
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	4.3	3.8	4.1	4.4	5.1	4.3
OpFCF yield	-13.5%	-6.1%	-5.0%	-4.0%	3.0%	5.6%
OpFCF/EV	-12.4%	-5.5%	-4.4%	-3.5%	2.7%	5.1%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Price** (EUR)	3.02	2.95	3.48	6.50	7.40	7.40
Outstanding number of shares for main stock	4.3	4.3	4.3	4.3	4.3	4.3
Total Market Cap	13	13	15	28	32	32
Net Debt	1	1	2	4	3	3
<i>o/w Cash & Marketable Securities (-)</i>	-2	-2	-2	-2	-2	-2
<i>o/w Gross Debt (+)</i>	3	3	3	6	5	5
Other EV components	0	0	0	0	0	0
Enterprise Value (EV adj.)	14	14	17	32	35	35

Source: Company, GVC Gaesco Beka estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

** Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Software & Computer Services/Computer Services

Company Description: Gigas Hosting was founded in 2011 and provides technology services and hosting, internet domains, application hosting, and consulting and connectivity. Its products and solutions include cloud datacenter, cloud virtual private server, contingency solution, system applications products certified platform, and cloud server for oracle. It also engages in marketing of computer hardware, development and creation of applications, and technology consulting services€pv€ and providing services and advices in technology, marketing, advertising, and graphic design. The company has presence in Spain, UK, Colombia, Chile and Perú.

European Coverage of the Members of ESN

Aerospace & Defense	Mem(*)	Bbva	GVC	Holland Colours	NIBC	Advini	CIC
Airbus Se	CIC	Bcp	CBI	Imcd	NIBC	Altia	OPG
Dassault Aviation	CIC	Bnp Paribas	CIC	K+S Ag	EQB	Atria	OPG
Latecoere	CIC	Bper	BAK	Kemira	OPG	Baywa	EQB
Leonardo	BAK	Bpi	CBI	Kws Saat	EQB	Bonduelle	CIC
Lisi	CIC	Caixabank	GVC	Lanxess	EQB	Campari	BAK
Mtu Aero Engines	EQB	Commerzbank	EQB	Linde	EQB	Coca Cola Hbc Ag	IBG
Ohb Se	EQB	Creдем	BAK	Siegfried Holding Ag	EQB	Corbion	NIBC
Rheinmetall	EQB	Credit Agricole Sa	CIC	Symrise Ag	EQB	Danone	CIC
Safran	CIC	Creval	BAK	Tikkurila	OPG	Ebro Foods	GVC
Thales	CIC	Deutsche Bank	EQB	Electronic & Electrical Equipment	Mem(*)	Enervit	BAK
Alternative Energy	Mem(*)	Deutsche Pfandbriefbank	EQB	Euro micron Ag	EQB	Fleury Michon	CIC
Daldrup & Soehne	EQB	Eurobank	IBG	Neways Electronics	NIBC	Forfarmers	NIBC
Siemens Gamesa Re	GVC	Intesa Sanpaolo	BAK	Rexel	CIC	Heineken	NIBC
Sif Group	NIBC	Liberbank	GVC	Vaisala	OPG	Hkscan	OPG
Solaria	GVC	Mediobanca	BAK	Viscom	EQB	La Doria	BAK
Automobiles & Parts	Mem(*)	Merkur Bank	EQB	Financial Services	Mem(*)	Lanson-Bcc	CIC
Bittium Corporation	OPG	National Bank Of Greece	IBG	Amundi	CIC	Laurent Perrier	CIC
Bmw	EQB	Natixis	CIC	Anima	BAK	Ldc	CIC
Brembo	BAK	Nordea	OPG	Athex Group	IBG	Lucas Bols	NIBC
Continental	EQB	Piraeus Bank	IBG	Azimut	BAK	Massimo Zanetti	BAK
Daimler Ag	EQB	Poste Italiane	BAK	Banca Farmafactoring	BAK	Naturex	CIC
Delfingen Industry	CIC	Procredit Holding	EQB	Banca Generali	BAK	Olvi	OPG
ErlingKlinger	EQB	Rothschild & Co	CIC	Banca Ifis	BAK	Orsero	BAK
Ferrari	BAK	Societe Generale	CIC	Banca Sistema	BAK	Pernod Ricard	CIC
Fiat Chrysler Automobiles	BAK	Ubi Banca	BAK	Bb Biotech	EQB	Raisio	OPG
Gestamp	GVC	Unicredit	BAK	Bolsas Y Mercados Espanoles Sa	GVC	Refresco Group	NIBC
Hella Gmbh & Co. Kгаа	EQB	Basic Resources	Mem(*)	Capman	OPG	Remy Cointreau	CIC
Indelb	BAK	Acerinox	GVC	Cir	BAK	Suedzucker	EQB
Kamux	OPG	Altri	CBI	Comdirect	EQB	Takeaway.Com	NIBC
Landi Renzo	BAK	Arcelomittal	GVC	Corestate Capital Holding S.A.	EQB	Telepizza	GVC
Leoni	EQB	Corticeira Amorim	CBI	Corp. Financiera Alba	GVC	Tipiak	CIC
Nokian Tyres	OPG	Ence	GVC	Digital Magics	BAK	Vapiano	EQB
Norma Group	EQB	Europac	GVC	Dobank	BAK	Vidrala	GVC
Piaggio	BAK	Metka	IBG	Dws	EQB	Vilmorin	CIC
Pininfarina	BAK	Metsä Board	OPG	Eq	OPG	Viscofan	GVC
Pwo	EQB	Mytilineos	IBG	Eurazeo	CIC	Vranken Pommery Monopole	CIC
Schaeffler	EQB	Outokumpu	OPG	Eyemaxx Real Estate	EQB	Wessanen	NIBC
Sogefi	BAK	Semapa	CBI	Ferratum	EQB	Food & Drug Retailers	Mem(*)
Stabilus	EQB	Ssab	OPG	Ffp	CIC	Ahold Delhaize	NIBC
Stern Groep	NIBC	Stora Enso	OPG	FincoBank	BAK	Carrefour	CIC
Volkswagen	EQB	Surteco Group	EQB	Grenke	EQB	Casino Guichard-Perrachon	CIC
Banks	Mem(*)	The Navigator Company	CBI	Hypoport Ag	EQB	Dia	GVC
Aareal Bank	EQB	Tubacex	GVC	Mlp	EQB	Jeronimo Martins	CBI
Aktia	OPG	Upm-Kymmene	OPG	Ovb Holding Ag	EQB	Kesko	OPG
Alpha Bank	IBG	Chemicals	Mem(*)	Patrizia	EQB	Marr	BAK
Banca Carige	BAK	Air Liquide	CIC	Rallye	CIC	Metro Ag	EQB
Banca Mps	BAK	Arkema	CIC	Tip Tamburi Investment Partners	BAK	Sligro	NIBC
Banco Sabadell	GVC	Avantium	NIBC	Unipol Gruppo Finanziario	BAK	Sonae	CBI
Banco Santander	GVC	Brenntag	EQB	Wendel	CIC		
Bankia	GVC	Evonik	EQB	Food & Beverage	Mem(*)		
Bankinter	GVC	Fuchs Petrolub	EQB	Acomo	NIBC		

General Industrials	Mem(*)	Heidelberg Pharma	EQB	Prima Industrie	BAK	Obrascon Huarte Lain	GVC
2G Energy	EQB	Korian	CIC	Prysmian	BAK	Ramirent	OPG
Aalberts	NIBC	Kuros	NIBC	Schaltbau Holding Ag	EQB	Royal Bam Group	NIBC
Accell Group	NIBC	Merck	EQB	Smt Scharf Ag	EQB	Sacyr	GVC
Arcadis	NIBC	Oncodesign	CIC	Talgo	GVC	Saint Gobain	CIC
Aspo	OPG	Oriola-Kd	OPG	Technotrans	EQB	Salini Impregilo	BAK
Cembre	BAK	Orion	OPG	Valmet	OPG	Sias	BAK
Huhtamäki	OPG	Orpea	CIC	Wacker Neuson Se	EQB	Sonae Industria	CBI
Kendrion	NIBC	Pihlajalinna	OPG	Wärtsilä	OPG	Srv	OPG
Nedap	NIBC	Recordati	BAK	Zardoya Otis	GVC	Tarkett	CIC
Pöry	OPG	Siemens Healthineers Ag	EQB	Industrial Transportation	Mem(*)	Thermador Groupe	CIC
Saf-Holland	EQB	Silmaasema	OPG	Bollore	CIC	Titan Cement	IBG
Sergeferrari Group	CIC	Terveystalo	OPG	Ctt	CBI	Trevi	BAK
Tkh Group	NIBC	Household Goods	Mem(*)	Logwin	EQB	Uponor	OPG
General Retailers	Mem(*)	De Longhi	BAK	Insurance	Mem(*)	Vicat	CIC
Beter Bed Holding	NIBC	Elica	BAK	Allianz	EQB	Vinci	CIC
Ceconomy Ag	EQB	Fila	BAK	Axa	CIC	Volkerwessels	NIBC
Elumeo Se	EQB	Maisons Du Monde	CIC	Banca Mediolanum	BAK	Yit	OPG
Fielmann	EQB	Signify	NIBC	Cattolica Assicurazioni	BAK	Media	Mem(*)
Fnac Darty	CIC	Industrial Engineering	Mem(*)	Generali	BAK	Alma Media	OPG
Folli Follie Group	IBG	Accsys Technologies	NIBC	Hannover Re	EQB	Arnoldo Mondadori Editore	BAK
Fourlis Holdings	IBG	Aixtron	EQB	Mapfre Sa	GVC	Atresmedia	GVC
Grandvision	NIBC	Alstom	CIC	Munich Re	EQB	Axel Springer	EQB
Hornbach Holding	EQB	Ansaldo Sts	BAK	Sampo	OPG	Cairo Communication	BAK
Inditex	GVC	Biesse	BAK	Talanx Group	EQB	Cofina	CBI
Jumbo	IBG	Caf	GVC	Unipolsai	BAK	Cts Eventim	EQB
Ovs	BAK	Cargotec Corp	OPG	Materials, Construction & Infrastructure	Mem(*)	Digital Bros	BAK
Rapala	OPG	Carraro	BAK	Abeo	CIC	Digitouch	BAK
Stockmann	OPG	Cnh Industrial	BAK	Abertis	GVC	Gedi Gruppo Editoriale	BAK
Takkt Ag	EQB	Danieli	BAK	Acs	GVC	Gl Events	CIC
Tokmanni	OPG	Datalogic	BAK	Aena	GVC	Impresa	CBI
Unieuro	BAK	Duerr	EQB	Aeroports De Paris	CIC	lol	BAK
Windeln.De	EQB	Emak	BAK	Astaldi	BAK	Ipsos	CIC
Zalando	EQB	Envipco	NIBC	Atlantia	BAK	Jcdecaux	CIC
Healthcare	Mem(*)	Exel Composites	OPG	Boskalis Westminster	NIBC	Lagardere	CIC
4Sc	EQB	Fincantieri	BAK	Buzzi Unicem	BAK	M6-Metropole Television	CIC
Ab Biotics	GVC	Gea Group	EQB	Capelli	CIC	Mediaset	BAK
Abivax	NIBC	Gesco	EQB	Caverion	OPG	Mediaset Espana	GVC
Advicenne	NIBC	Groupe Gorge	CIC	Cramo	OPG	Nrj Group	CIC
Amplifon	BAK	Heidelberger Druck	EQB	Eiffage	CIC	Publicis	CIC
Atrys Health	GVC	Ima	BAK	Eitel	OPG	Rcs Mediagroup	BAK
Bayer	EQB	Indus Holding Ag	EQB	Ezentis	GVC	Relx	NIBC
Biocartis	NIBC	Interpump	BAK	Fcc	GVC	Rtl Group	EQB
Biotest	EQB	Koenig & Bauer	EQB	Ferrovial	GVC	Sanoma	OPG
Cellnovo	CIC	Kone	OPG	Groupe Pouloulat	CIC	Solocal Group	CIC
Cerenis	CIC	Konecranes	OPG	Groupe Sfpi S.A.	CIC	Szygy Ag	EQB
Crossject	CIC	Krones Ag	EQB	Heijmans	NIBC	Teleperformance	CIC
Diasorin	BAK	Manitou	CIC	Herige	CIC	Tf1	CIC
El.En.	BAK	Manz Ag	EQB	Imerys	CIC	Ubisoft	CIC
Epigenomics Ag	EQB	Max Automation Se	EQB	Lafargeholcim	CIC	Vivendi	CIC
Fermentalg	CIC	Metso Corporation	OPG	Lehto	OPG	Wolters Kluwer	NIBC
Genfit	CIC	Outotec	OPG	Maire Tecnimont	BAK	Xing Se	EQB
Gerresheimer Ag	EQB	Pfeiffer Vacuum	EQB	Maisons France Confort	CIC		
Guerbet	CIC	Ponsse	OPG	Mota Engil	CBI		

Oil & Gas Producers	Mem(*)						
Ecoslops	CIC	Citycon	OPG	Amadeus	GVC	Tiscali	BAK
Eni	BAK	Demire	EQB	Asiakastieto Group	OPG	United Internet	EQB
Galp Energia	CBI	Deutsche Euroshop	EQB	Batenburg	NIBC	Vodafone	BAK
Gas Plus	BAK	Grivalia	IBG	Bureau Veritas	CIC	Travel & Leisure	Mem(*)
Hellenic Petroleum	IBG	Hispania Activos Inmobiliarios	GVC	Cellnex Telecom	GVC	Accor	CIC
Maurel Et Prom	CIC	Igd	BAK	Dpa	NIBC	Aegean Airlines	IBG
Motor Oil	IBG	Kojamo	OPG	Ei Towers	BAK	Autogrill	BAK
Neste Corporation	OPG	Lar España	GVC	Enav	BAK	Beneteau	CIC
Qgep	CBI	Leg Immobilien Ag	EQB	Fiera Milano	BAK	Compagnie Des Alpes	CIC
Repsol	GVC	Merlin Properties	GVC	Inwit	BAK	Elior	CIC
Total	CIC	Realia	GVC	Lassila & Tikanoja	OPG	Europcar	CIC
Oil Services	Mem(*)	Technopolis	OPG	Openjobmetis	BAK	Finnair	OPG
Bourbon	CIC	Wcm Ag	EQB	Rai Way	BAK	Gamenet	BAK
Cgg	CIC	Software & Computer Services	Mem(*)	Technology Hardware & Equipment	Mem(*)	I Grandi Viaggi	BAK
Fugro	NIBC	Agile Content	GVC	Adeunis	CIC	Ibersol	CBI
Gaztransport Et Technigaz	CIC	Akka Technologies	CIC	Asm International	NIBC	Int. Airlines Group	GVC
Rubis	CIC	Alten	CIC	Asml	NIBC	Intralot	IBG
Saipem	BAK	Altran	CIC	Besi	NIBC	Kotipizza	OPG
Sbm Offshore	NIBC	Assystem	CIC	Ericsson	OPG	Melia Hotels International	GVC
Technipfmc Plc	CIC	Atos	CIC	Evolis	CIC	Nh Hotel Group	GVC
Tecnicas Reunidas	GVC	Axway Software	CIC	First Sensor Ag	EQB	Opap	IBG
Tenaris	BAK	Basware	OPG	Gigaset	EQB	Sodexo	CIC
Vallourec	CIC	Cast	CIC	Hf Company	CIC	Sonae Capital	CBI
Vopak	NIBC	Ctac	NIBC	Nokia	OPG	Trigano	CIC
Personal Goods	Mem(*)	Digia Plc	OPG	Osmozis	CIC	Utilities	Mem(*)
Adidas	EQB	Econocom	CIC	Roodmicrotec	NIBC	Acciona	GVC
Adler Modemaerkte	EQB	Esi Group	CIC	S&T Ag	EQB	Acea	BAK
Amer Sports	OPG	Exprivia	BAK	Sim Solutions	EQB	Albioma	CIC
Basicnet	BAK	F-Secure	OPG	Stmicroelectronics	BAK	Derichebourg	CIC
Cie Fin. Rlichemont	CIC	Gft Technologies	EQB	Suess Microtec	EQB	Direct Energie	CIC
Geox	BAK	Groupe Open	CIC	Teleste	OPG	Edp	CBI
Gerry Weber	EQB	Ict Group	NIBC	Va-Q-Tec	EQB	Edp Renováveis	CBI
Hermes Intl.	CIC	Indra Sistemas	GVC	Telecommunications	Mem(*)	Enagas	GVC
Hugo Boss	EQB	Intershop Communications Ag	EQB	1&1Drillisch Ag	EQB	Endesa	GVC
Interparfums	CIC	Nemetschek Se	EQB	Acotel	BAK	Enel	BAK
Kering	CIC	Neurones	CIC	Bouygues	CIC	Erg	BAK
Luxtistica	BAK	Nexus Ag	EQB	Deutsche Telekom	EQB	Eydap	IBG
Lvmh	CIC	Novabase	CBI	Dna	OPG	Falck Renewables	BAK
Marimekko	OPG	Ordina	NIBC	Elisa	OPG	Fortum	OPG
Moncler	BAK	Psi Software Ag	EQB	Euskaltel	GVC	Hera	BAK
Puma	EQB	Reply	BAK	Freenet	EQB	Iberdrola	GVC
Safilo	BAK	Rib Software	EQB	Iliad	CIC	Iren	BAK
Salvatore Ferragamo	BAK	Rovio Entertainment	OPG	Kpn Telecom	NIBC	Italgas	BAK
Sarantis	IBG	Scout24	EQB	Masmovil	GVC	Naturgy	GVC
Swatch Group	CIC	Seven Principles Ag	EQB	Nos	CBI	Public Power Corp	IBG
Technogym	BAK	Sii	CIC	Orange	CIC	Red Electrica De Espana	GVC
Tod'S	BAK	Software Ag	EQB	Ote	IBG	Ren	CBI
Real Estate	Mem(*)	Sopra Steria Group	CIC	Tele Columbus	EQB	Snam	BAK
Adler Real Estate	EQB	Tieto	OPG	Telecom Italia	BAK	Terna	BAK
Arcona Property Fund Nv	NIBC	Tomtom	NIBC	Telefonica	GVC		
Beni Stabili	BAK	Visiativ	CIC	Telefonica Deutschland	EQB		
		Support Services	Mem(*)	Telia	OPG		

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Recommendation history for GIGAS HOSTING

Date	Recommendation	Target price	Price at change date
21-Jan-19	Accumulate	8.30	7.40

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows GVC Gaesco Beka continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Eduardo Garcia Arguelles (since 22/01/2019)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



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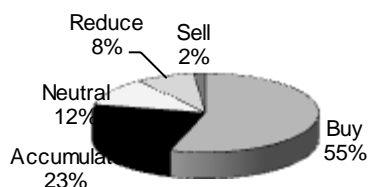
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GVC Gaesco Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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