



PRESS RELEASE

17 JANUARY 2018

Acquisition-led growth to accelerate in 2018

Gigas acquires SVT and embarks on its inorganic growth strategy

Gigas (GIGA.MAB), a Spanish multinational cloud computer services company, has completed the acquisition of the Catalanian cloud hosting services provider, SVT (a Semic Group subsidiary), now a member of the Gigas Group.

SVT was incorporated in Lerida, Spain, in 2007. It currently offers ERP (Enterprise Resource Planning) hosting solutions (SAP, SAGE and Microsoft Navision) to more than 250 corporate customers. Excluding the security services unit, SVT reported revenue of EUR 772,000 in 2016. It expects this figure to increase by 7.5% in 2017 to EUR 830,000. Until now, SVT was owned by the Semic Group, an IT systems integrator and consultancy with annual revenue of over EUR 40 million.

This is Gigas' first acquisition. It did not require any capital increase and will be funded mostly with available cash on Gigas' balance sheet. The transaction includes payment of a fixed amount (mix of cash and assumption of financial debt) and a variable amount based on 2018 sales. Assuming similar sales to 2017, SVT's hosting business would be worth EUR 665,000, representing an acquisition multiple of 0.8x sales.

The acquisition brings Gigas new corporate customers that match its target customer profile perfectly and a data center in Barcelona. It also strengthens Gigas' footprint in the market for hosting mission-critical applications in the cloud. In 2014, Gigas was the first cloud services operator in Spain to be SAP-certified in Infrastructure Operations Services, hosting its applications in the cloud.

According to Gigas CEO Diego Cabezudo, "*the transaction forms part of our strategy to complete organic growth with inorganic growth through acquisitions of companies*". In addition "*The focus in 2017 was on profitability, but in 2018, our goal is to scale up the company*", he said.

On this front, the EUR 2.5 million investment by Inveready (venture capital and private equity fund) announced in December will go to fund M&A. This investment will be made through a quasi-equity instrument convertible into shares, a common instrument in this market that has proven extremely useful in other leading transactions in the sector.

About Gigas.com

Gigas is a Spanish company, listed on the Mercado Alternativo Bursátil

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(Spanish Alternative Equity Market or MAB) since 2015 (GIGA.MAB), which specialises in cloud computing services. Incorporated in 2011, it has become one of the world's leader providers in the sector, according to Gartner's "Magic Quadrant for Cloud Infrastructure as a Service" report.

Gigas, which offers cloud computing solutions to both large companies and SMEs, stands out for its cutting-edge technology and exceptional technical support. With data centers in Madrid, Barcelona, Miami and Santiago de Chile, the company has offices in Spain, Colombia, Chile, Peru, Miami, Panama and Mexico.

Gigas is only the only public cloud services provider in Spain for European Commission institutions after winning the public tender held in 2015. Its platform offers a high level of security and is certified in accordance with international standards, such as ISO 27001 and PCI DSS Level 1.

January 2018

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