NOTIFICATION OF 3Q 2018 EARNINGS AND BUSINESS INDICATORS GIGAS HOSTING, S.A.

22 November 2018

With a view to increasing transparency and providing regular information on the key financial and business indicators of Gigas Hosting, S.A. (hereinafter, "GIGAS", the Company", or the "GIGAS Group"), although not required to do so according to the current regulations of the Mercado Alternativo Bursátil (the Spanish Alternative Equity Market, or "MAB"), GIGAS hereby presents this notice to the market on the third quarter of 2018, in accordance with the commitment undertaken in section 3.1.6 Financial Information in the Informational Document on Admission to the MAB (DIIM for its initials in Spanish) published in September 2015.

Pursuant to article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and article 228 of the Consolidated Text of the Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October, and related provisions, and Circular 6/2018 of the Mercado Alternativo Bursátil (the Spanish Alternative Equity Market, or "MAB"), the Company hereby also notifies the deviations in its metrics against the 2018 budget included in the price sensitive information disclosed on 29 January 2018.

SUMMARY OF SIGNIFICANT INFORMATION

- Gross sales in the nine-month period ended 30 September 2018 rose 40.8% year-on-year to EUR 7.16 million (from EUR 5.09 million in 9M 2017), 6.0% above budget (EUR 6.75 million), driven primarily by the acquisition of Ability Data Services S.A. ("ABILITY", see price sensitive information of 22 May 2018).
- Net revenue in 9M 2018 amounted to EUR 6.25 million, up 42.6% year-on-year (from EUR 4.38 million) and 5.9% above the budget (EUR 5.9 million).
- EBITDA through September totalled EUR 943 thousand, nearly triple the EUR 329 thousand obtained in 9M 2017. Despite the addition of ABILITY to the Gigas Group, EBITDA was still in line with the budget (EUR 944 thousand) owning to non-recurring M&A costs and default by a major customer, which combined amounted to EUR 411 thousand in the first six months of the year (see price sensitive information of 25 September).
- The Company's total customer base at 30 September 2018 stood at 3,957. There were 714 Cloud Datacenter customers, 232 more than the year before (482), of which 153 came from acquisitions made this year, and 3,243 Cloud VPS customers (versus 3,119 last year).

- The Company continues to deliver healthy organic growth, posting strong sales in the seasonally-slow third quarter. The bulk of sales were to partners, underscoring the Company's commitment to the indirect channel and boding well for earnings going forward.

CONSOLIDATED INCOME STATEMENT VS. BUDGET

Nine months ended 30 September 2018.

CONSOLIDATED INCOME STATEMENT *Figures in EUR*	2018 9M	% Chg.	2018 budget 9M
Gross sales	**7,160,321**	**6.0%**	**6,752,283**
Accrued sales	30,793	6.0%	29,043
Sales discounts and promotions	(941,095)	6.8%	(881,275)
Revenue	**6,250,019**	**5.9%**	**5,900,051**
Own R&D costs capitalised	**188,836**	**15.4%**	**163,579**
Non-recurring income, grants and other	**49,534**	**(9.1%)**	**54,484**
Cost of sales	**(1,357,563)**	**1.7%**	**(1,334,398)**
Online and third-party customer acquisition costs	(47,877)	(14.7%)	(56,112)
Datacenters and connectivity	(588,063)	1.2%	(581,199)
Other supplies	(721,623)	3.5%	(697,088)
Personnel expenses	**(2,368,351)**	**(1.0%)**	**(2,391,638)**
Salaries and wages	(1,953,936)	0.3%	(1,948,320)
Social security costs	(414,415)	(6.5%)	(443,319)
Other operating expenses	**(1,818,846)**	**25.6%**	**(1,447,888)**
External services	(1,389,449)	5.0%	(1,323,890)
Professional services and other	(1,013,945)	10.0%	(921,373)
Marketing and publicity	(154,665)	9.8%	(140,865)
International expenses, except marketing	(220,839)	(15.6%)	(261,652)
Losses, impairment and changes in trade provisions	(429,397)	246.3%	(123,998)
Other income and expenses	**(861)**		**-**
EBITDA	**942,768**	**(0.2%)**	**944,189**
EBITDA margin, %	*15.1%*		*16.0%*
*Gross income **	*4,892,456*	*7.2%*	*4,565,652*
Gross margin, %	*78.3%*		*77.4%*

NB *: Gross income is calculated as "Revenue" less "Cost of sales".

FINANCIAL INFORMATION

- Gross sales in 3Q 2018 amounted to EUR 2.55 million, representing 47.5% of the year-on-year increase, up from EUR 1.73 million in the same quarter last year, outstripping the 3Q 2018 budget (EUR 2.39 million) by 6.7%. Net revenue (i.e. after discounting accrued services billed but not provided, and sales discounts and promotions) reached EUR 2.31 million, up 54.0% year-on-year (from EUR 1.50 million) and 10.4% above budget (EUR 2.09 million), which did not include the acquisition of ABILITY at the end of May this year.

CONSOLIDATED INCOME STATEMENT *Figures in EUR*	**2018 3Q**	*2017 3Q*	**2018 9M**	**% Chg.**	**2017 9M**
Gross sales	**2,550,951**	*1,729,511*	**7,160,321**	**40.8%**	**5,087,107**
Accrued sales	64,910	*34,659*	30,793	(50.5%)	62,269
Sales discounts and promotions	(303,285)	*(262,615)*	(941,095)	22.7%	(766,941)
Revenue	**2,312,576**	*1,501,555*	**6,250,019**	**42.6%**	**4,382,435**
Own R&D costs capitalised	**64,602**	*51,917*	**188,836**	**75.0%**	**107,936**
Non-recurring income, grants and other	**9,673**	*12,948*	**49,534**	**143.8%**	**20,314**
Cost of sales	**(517,033)**	*(262,643)*	**(1,357,563)**	**71.3%**	**(792,523)**
Online and third-party customer acquisition costs	(18,443)	*(16,799)*	(47,877)	2.1%	(46,882)
Datacenters and connectivity	(219,144)	*(144,994)*	(588,063)	37.5%	(427,778)
Other supplies	(279,446)	*(100,850)*	(721,623)	127.0%	(317,863)
Personnel expenses	**(830,402)**	*(719,119)*	**(2,368,351)**	**10.4%**	**(2,145,715)**
Salaries and wages	(685,739)	*(594,494)*	(1,953,936)	10.5%	(1,768,668)
Social security costs	(144,663)	*(124,625)*	(414,415)	9.9%	(377,047)
Other operating expenses	**(508,932)**	*(371,959)*	**(1,818,846)**	**46.7%**	**(1,240,235)**
External services	(453,258)	*(346,870)*	(1,389,449)	18.3%	(1,174,560)
Professional services and other	(279,403)	*(240,734)*	(1,013,945)	19.4%	(849,471)
Marketing and publicity	(65,600)	*(30,776)*	(154,665)	44.0%	(107,408)
International expenses, except marketing	(108,255)	*(75,360)*	(220,839)	1.5%	(217,681)
Losses, impairment and changes in trade provisions	(55,674)	*(25,089)*	(429,397)	553.8%	(65,675)
Other income and expenses	**(261)**	*(1,509)*	**(861)**	**(75.1%)**	**(3,461)**
EBITDA	**530,223**	*211,190*	**942,768**	**186.8%**	**328,751**
EBITDA margin, %	*22.9%*	*14.1%*	*15.1%*		*7.5%*
Gross income *	*1,795,543*	*1,238,913*	*4,892,456*	*36.3%*	*3,589,913*
Gross margin, %	*77.6%*	*82.5%*	*78.3%*		*81.9%*

NB *: Gross income is calculated as “Revenue” less “Cost of sales”.

- Gross income in the first nine months of the year totalled EUR 4.89 million, leaving a gross margin of 78.3%. The gross margin narrowed from the year-ago figure of 81.9% because of the acquisitions of two companies this year (see price sensitive information of 11 January and 22 May 2018), both of which command thinner gross margins than GIGAS, and the increasing inclusion of third-party software licenses in the Company’s products.
- As the preceding table illustrates, the largest increase in cost of sales was in other supplies, which includes the cost of third-party licenses and services sold to customers. Datacenters and connectivity also increased, on the back of capacity additions, but more so following the addition of new datacenters in Barcelona, Madrid and Bogota, inherited from the companies acquired.
- Personnel expenses totalled EUR 0.83 million in the third quarter, up 15.5% year-on-year due above all to the addition of staff (nearly 20 employees) from the companies acquired. Even so, personnel expenses for the nine-month period were 1.0% lower than the budget, which in addition did not include personnel from ABILITY.
- Other operating expenses amounted to EUR 1.82 million in 9M 2018, soaring 46.7% year-on-year (from EUR 1.24 million) and topping the budget (EUR 1.45 million) by 25.6%, driven by increases in the professional services and other line item, caused by the one-off costs related to M&A, and in losses, impairment and changes in trade provisions, mostly because of the customer default noted previously. In 3Q 2018, however, other operating expenses totalled EUR 0.51 million, just 3.7% above the EUR 0.49 million budgeted for the year

despite the costs related to ABILITY. Therefore, the rise in the nine-month period was due to a specific, non-recurring issue in the year's second quarter.

- EBITDA continued to grow sharply in the third quarter, amounting to EUR 530 thousand in just three months. This nearly matched total EBITDA for 2017 and was well above the EUR 211 thousand of 3Q 2017, not to mention 50.5% of the EBITDA budgeted for the quarter (EUR 352 thousand). For the nine months ended 30 September, GIGAS recorded EBITDA of EUR 943 thousand. The figure was held back by the extraordinary costs explained previously, yet was still in line with the budget (EUR 944 thousand) and 186.8% higher than in the same period last year.
- The EBITDA ratio was 15.1% in 9M 2018 (vs. the 16.0% estimated) but 22.9% in 3Q 2018, handily beating the 16.8% budgeted for the quarter.

FULL YEAR GUIDANCE AND BUDGET VARIANCE

Following the acquisition of Ability, the Company raised its guidance for the full year along with the presentation of its first-half earnings (see price sensitive information of 25 September 2018). It now estimates gross sales of EUR 9.8 million, net revenue of EUR 8.5 million and EBITDA of around EUR 1.5 million.

With the results obtained in the year’s third quarter, the Company is upbeat and reiterates its sales guidance, which it will probably top slightly.

For EBITDA, the Company expects a slightly higher figure for 4Q 2018, enabling GIGAS to deliver the EUR 1.5 million announced in the revised forecasts published in September. This would be approximately 12% of the EBITDA budgeted at the beginning of the year over 160% above the 2017 figure.

In summary, sales were higher-than-budgeted in 3Q 2018 and marked a sharp acceleration in growth (to 42.6% year-on-year from 24.4% last year) thanks to the combination of organic growth and acquisitions. EBITDA matched the budget for the first nine months of the year even with the one-off costs explained and outstripped the budget considerably in the third quarter, leaving the Company on track to surpass the full-year EBITDA budget. The Company continues to achieve higher EBITDA growth, with the EBITDA margin reaching 22.9% in the third quarter, leaving it well placed to achieve the 20% target included in the DIIM (September 2015) for the start of trading of the Company's shares on the MAB three years ago now.

Today's figures underscore the success of GIGAS’ business model, which is predicated on recurring revenue, low customer churn, wide gross margins and high operational leverage, boding well for strong growth in profitability once the Company reaches critical mass. Moreover, the acquisitions made, coupled with their integration, is helping to boost the Company’s earnings.

In short, the combination of solid earnings, GIGAS’ organic growth, the extraction of additional synergies from the companies integrated and new acquisitions of companies bode well for GIGAS’ future and value creation for its shareholders. The Company has scheduled a webinar on its earnings, during which the CEO will provide more details on the numbers presented in this document. Eligible to attend are all investors, analysts and anyone else interested, who can follow the presentation on-line and ask questions:

3Q EARNINGS PRESENTATION WEBINAR (in Spanish)

DATE AND TIME: Wednesday, 28 November, 10:30am CET
LINK TO REGISTER: http://gigas.com/ResultadosGigas/2018Q3

Lastly, the Company will be holding its traditional Board of Directors meeting at the end of the year, at which it will approve the forecasts for 2019, disclosing the related price sensitive information thereafter.

Madrid, 22 November 2018.

Diego Cabezudo Fernández de la Vega
Chief Executive Officer
GIGAS HOSTING, S.A