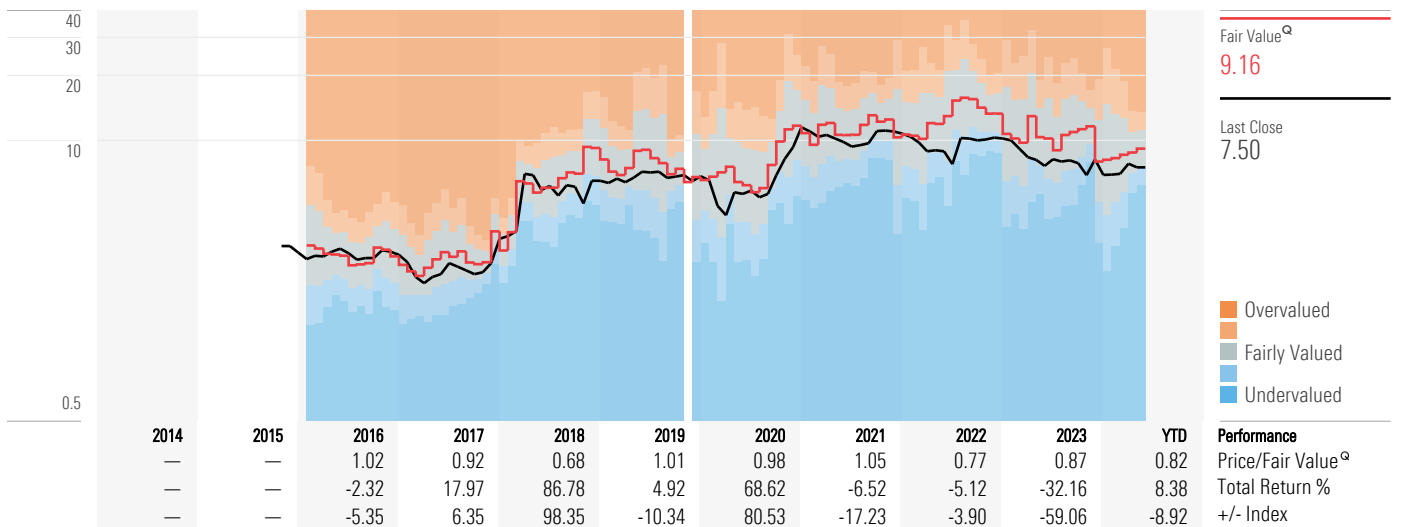


Gigas Hosting SA GIGA ★★★ Q 1 May 2024, 22:40 UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|---------------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.8 | — | — | 86.9513 Mil | Small Core | Technology | Software - Infrastructure |



As of 30 Apr 2024 | Index: Morningstar Spain GR EUR. Fair Value data as of 1 May 2024, 22:40 UTC.

¹The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. Lee Davidson, Chief Analytics Officer for Morningstar, Inc, oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Davidson is guided by the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

Key Metrics as of 30 Apr 2024

| Metrics | | Percentile in Sector |
|------------------------|------|----------------------|
| Earnings Yield (%) | -6.4 | 27.0 |
| Sales Yield (%) | 79.6 | 65.0 |
| Book Value Yield (%) | 44.5 | 58.0 |
| Return on Assets (%)* | -2.9 | 35.0 |
| Revenue(Mil)* | 71.3 | 36.0 |
| Market Value (Mil) | 93.0 | 37.0 |
| Enterprise Value (Mil) | 96.7 | 37.0 |
| EVMV Ratio | 1.0 | 63.0 |
| Volatility TTM (%) | 24.0 | 18.0 |
| Drawdown TTM (%) | 22.9 | 27.0 |
| Volume (K) | 3.5 | 10.0 |

*31 Dec 2023

Business Description

Gigas Hosting SA provides platforms for cloud hosting. The company offers various solutions including contingency (D&R) service that enables companies of any size to implement and integrate automatic protection; SAP required infrastructure and cloud server for Oracle. Its product offerings include cloud datacenter, firewall, load balancer and cloud VPS (Virtual Private Server).

Valuation ^Q as of 1 May 2024

Morningstar affirms a 3-star quantitative rating for Gigas Hosting. We calculate this outcome using the company's underlying model-driven valuation and uncertainty scores.

The stock's last closing price was 7.50, a discount of 14.67% to its Quantitative Fair Value estimate of 8.79. This discount has ranged between 40.78% and 7.38% over the past year. The stock's price to fair value ratio is at the 69th percentile in our global equity coverage universe for this methodology and at the 67th percentile relative to its peers in the technology sector.

Gigas Hosting furthermore holds a Very High quantitative uncertainty rating. The company's quantitative star rating remains unchanged over the past year. The firm's uncertainty rating changed from Extreme to Very High after 04/11/2024.

We examine the financials and market statistics for Gigas Hosting to determine these ratings. Its earnings yield is -6.40% and its trailing 12-month maximum drawdown is 22.87%. These fall at the 27th and 37th percentiles in the equity universe respectively and are both at the 27th percentile in the technology sector.

Economic Moat ^Q as of 1 May 2024

Morningstar maintains a Narrow quantitative moat

rating on the company. The firm's quantitative moat score of 0.71 sits at the 72nd percentile in the technology sector. This is a decrease from 0.79, the maximum of its moat scores over the past year. The quantitative financial health rating for Gigas Hosting is Moderate. Its financial health score, termed Distance to Default, sits at the 66th percentile in the universe and 65th percentile in the sector.

The significant drivers of these ratings are the company's book value yield and enterprise value-to-market value ratio. The book value yield for Gigas Hosting is 44.50%, and its enterprise value-to-market value ratio is 1.04. They sit at the 40th and 50th percentile in the global equity universe, respectively.

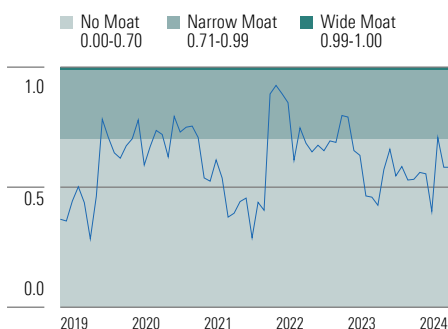
Fundamentals as of 1 May 2024

Gigas Hosting reports losses per share of -0.48. Its return on invested capital is -1.29%. These values are calculated over a trailing 12-month period.

Contact

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+34 900247000
—
<https://www.gigas.com>

Economic Moat ^Q History as of 1 May 2024



Gigas Hosting SA GIGA ★★★ Q 1 May 2024, 22:40 UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|---------------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| None | Very High | 0.8 | — | — | 86.9513 Mil | Small Core | Technology | Software - Infrastructure |

Earnings as of 30 Apr 2024

| | | |
|--------------------|------|------------------------|
| Earnings | % | ■ Percentile in Sector |
| Dividend Yield* | — | — |
| Payout Ratio* | — | — |
| Price to Earnings | — | — |
| Price to Cash Flow | — | — |
| ROIC** | -1.3 | 35.0 |

*—
**31 Dec 2023

Dividends as of 1 May 2024



Valuation ^Q as of 1 May 2024

Fair Value ^Q
9.16

Uncertainty ^Q :
Very High

Last Close
7.50

GIGA is Undervalued at a 18% discount.

Economic Moat ^Q
⊖ None

Financial Health ^Q
Moderate

1-Star Price ^Q
> 13.51

5-Star Price ^Q
< 6.21

Financials as of 1 May 2024 (Fiscal Year End 31 Dec 2019)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | Fiscal |
|--------|-------|--------|--------|-------|-------|-------|--------|--------|--------|--------|---------------------------|
| 2.47 | 3.75 | 4.83 | 5.95 | 8.68 | 10.23 | 10.84 | 52.13 | 61.43 | 66.72 | 66.72 | Revenue (Mil) |
| -859 | -158 | -881 | -262 | 631 | 879 | 95 | -326 | 1,240 | -1,242 | -1,242 | Operating Income (K) |
| -34.81 | -4.21 | -18.22 | -4.4 | 7.27 | 8.6 | 0.88 | -0.63 | 2.02 | -1.86 | -1.86 | Operating Margin (%) |
| -649 | -211 | -773 | -493 | -148 | 216 | -461 | -2,100 | -3,787 | -4,877 | -4,877 | Net Income (K) |
| -0.15 | — | -0.18 | -0.12 | -0.03 | 0.05 | -0.06 | -0.21 | -0.39 | -0.48 | -0.48 | Diluted Earnings/Share |
| -1.61 | 0.15 | -0.59 | -0.08 | 0.48 | 1.90 | 2.51 | 12.81 | 14.26 | 9.45 | 9.45 | Operating Cash Flow (Mil) |
| -0.82 | -0.87 | -0.83 | -1.06 | -0.94 | -0.85 | -0.81 | -7.74 | -12.54 | -9.95 | -9.95 | Capital Spending (Mil) |
| -2,435 | -712 | -1,422 | -1,140 | -463 | 1,046 | 1,702 | 5,075 | 1,724 | -502 | -502 | Free Cash Flow (K) |
| 4.19 | — | 4.19 | 4.19 | 4.28 | 4.28 | 7.70 | 11.22 | 11.20 | 11.18 | 11.18 | Avg Shares Outstand(Mil) |

Valuation as of 1 May 2024

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar |
|------|------|------|------|--------|-------|-------|-------|-------|------|---------|-------------------------------|
| — | — | 1.02 | 0.92 | 0.68 | 1.01 | 0.98 | 1.05 | 0.77 | 0.87 | 0.82 | Price/Fair Value ^Q |
| — | — | 2.83 | 2.57 | 3.53 | 2.94 | 4.70 | 3.12 | 1.94 | 1.23 | 1.26 | Price/Sales |
| — | — | — | — | — | — | — | — | — | — | — | Price/Earnings |
| — | — | — | — | 128.85 | 22.81 | 30.55 | 14.58 | 16.53 | 9.01 | 8.88 | Price/Cash Flow |
| — | — | 2.50 | 3.53 | 5.59 | 5.88 | 17.55 | 2.62 | 2.89 | 1.94 | 2.25 | Price/Book |

Operating Performance as of — (Fiscal Year End 31 Dec 2019)

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Q3 | Fiscal (%) |
|--------|-------|--------|--------|-------|------|-------|--------|-------|--------|-------|-------------------------|
| -13.44 | -3.01 | -8.62 | -5.64 | -1.33 | 1.47 | -1.63 | -5.52 | -2.53 | -2.93 | -3.13 | Return on Assets |
| -39.32 | -6.22 | -16.0 | -11.42 | -3.23 | 4.24 | -3.02 | -14.14 | -8.6 | -11.89 | -8.35 | Return on Equity |
| -24.08 | -3.57 | -11.41 | -7.02 | 0.69 | 4.67 | -0.78 | -4.92 | -1.08 | -1.29 | -4.76 | Rtn on Invested Capital |

Dividends as of —

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Current | Calendar (%) |
|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| — | — | — | — | — | — | — | — | — | — | — | Dividend Per Share |
| — | — | — | — | — | — | — | — | — | — | — | Trailing Dividend Yield |
| — | — | — | — | — | 1.11 | — | — | 0.45 | — | 0.02 | Buyback Yield |

Appendix

Economic Moat [®]History as of 1 May 2024 (No Moat: 0.00-0.70, Narrow Moat: 0.70-0.99, Wide Moat: 0.99-1.00)

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| 2024 | 0.56 | 0.56 | 0.40 | 0.71 | 0.58 | — | — | — | — | — | — | — |
| 2023 | 0.79 | 0.65 | 0.63 | 0.46 | 0.46 | 0.42 | 0.57 | 0.66 | 0.55 | 0.59 | 0.53 | 0.53 |
| 2022 | 0.92 | 0.89 | 0.85 | 0.61 | 0.75 | 0.68 | 0.65 | 0.67 | 0.65 | 0.69 | 0.69 | 0.80 |
| 2021 | 0.54 | 0.53 | 0.61 | 0.54 | 0.38 | 0.39 | 0.44 | 0.45 | 0.29 | 0.44 | 0.40 | 0.89 |
| 2020 | 0.70 | 0.78 | 0.59 | 0.67 | 0.74 | 0.72 | 0.63 | 0.79 | 0.73 | 0.75 | 0.75 | 0.71 |
| 2019 | 0.37 | 0.36 | 0.44 | 0.50 | 0.44 | 0.28 | 0.46 | 0.78 | 0.71 | 0.64 | 0.62 | 0.67 |

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Quantitative Equity Ratings

Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings").

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i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

Narrow – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.

Wide – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.

None – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

★ – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*

★★ – the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*

★★★ – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*

★★★★ – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative*

Uncertainty)

*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

★★★★★ – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2

Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

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i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

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Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree

of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

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