



**INVESTMENT ANALYSIS AND RATING
ASSIGNMENT OF THE MORE PROJECT**

SILVA & ASOCIADOS, ASESORES FINANCIEROS, S.A.
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DOCUMENT'S OBJECTIVE

Investment analysis and rating assignment of the company which belongs to the data flow chain in telecom sector. The objective is to provide liquidity for the operations increase.

NATURE AND SCOPE OF OUR SERVICES

Project investment analysis based on the information provided on the main business plan's parameters, the market situation and the risk rating assignment through a standardized system (scoring) aimed at taking an investment decision.

Our work has been based on unaudited information provided by HOUSERS who receives the information from the Project developer. We want to underline that we didn't make any verification on our own, neither Audit, nor review, nor evaluation of the accounting, fiscal, legal, labour and environmental situation of the development loan Project object of this analysis. We assumed that the information we received was exhaustive and precise. Therefore, the possible risks that could occur, have not been taking into consideration in the analysis we made.

To carry out our work we have used information obtained by public sources and we assumed that it is fair and true, although we cannot guarantee the non-existence of any errors.

The information contained in the business plan fully belongs to the Project developer, although, for the purpose of our work, we have globally contrasted its coherence. We also want to point out that the Business Plan shouldn't be used in order to make an opinion about the whole Project, therefore, we avoid any responsibilities of any possible errors that could have an impact on the results of our work.

AUTONOMY

Silva & Asociados notes that the information contained in this document is independent and should not be used as a recommendation for those that want to invest.

This investment analysis has been made exclusively to provide Housers and its users with an independent opinion on the project which is the only purpose of our work and, therefore, another use of this document is not permitted without our prior consent.

CONFIDENTIALITY

Silva & Asociados authorizes the publication of this investment analysis on Housers' website www.housers.com.

DESCRIPTION OF THE PROJECT

The investment project has the following main characteristics:

- Injection of liquidity to be able to satisfy the company's contracts with telephone operators and OLOs.
- Working Capital is one of the main restrictions when establishing operations in the sector.
- 24 months duration.
- The total need for project financing amounts to € 600,000.

COMPANY'S DESCRIPTION

MoRe was established in March 2019 as a B2B company within the telecommunications sector.

Business model premises are an increasingly connected world, and therefore a constant and stable data flow need.

Basically, within the data flow between large operators, there is a chain made up of companies that are responsible for transport between sender and receiver.

MoRe's main advantages are the following:

- Access to more than 450 bilateral contracts.
- Experienced management team.
- Access to the most advanced software (Comunica SA agreement).
- Strategic location on one of the most important TLC routes in Europe (Trentino Digitale Spa's datacenter).

Company has developed a non-intensive CAPEX business model. The current structure can support up to 100 M€ turnover.

SECTOR

The Telecommunications sector has the following main characteristics:

- Second most important market in terms of margins after energy.
- 8,000 M of mobile devices of which 4,000 M with internet access
- Market of \$ 45,000 M with 30% annual growth.
- Constant increase in data flow: new technologies (5G, IoT) ensure this increase in the future.

A basic example of the data flow chain in a call is as follows:



Market dynamics make each company both a **partner** and a **competitor**.

The data flow goes both ways turning the different links into **customers** and **suppliers** simultaneously

- Currently there are around 2,000 Telecom and 6,000 OLOs in the world.
- Regulation imposes a minimum of steps to complete a call.
- No saturation of demand is estimated in the next 20 years.
- In order to operate in this market, there is a scoring made up of 3 variables:
 - 1) Bilateral Contract
 - 2) Competitive Price List
 - 3) Working Capital level

COMPANY EVOLUTION

Within the data flow chain, two OLOs can work together on credit, since they are both customers and suppliers simultaneously, thus optimizing their flows and reducing their financial exposure.

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

MoRe carefully chooses its partners by conducting a due diligence and applying work structures that guarantee payment.

Within potential partners, there is the possibility of working with OLOs (higher risk, but higher margin and faster payout) or with PTTs (lower risk, later payout).

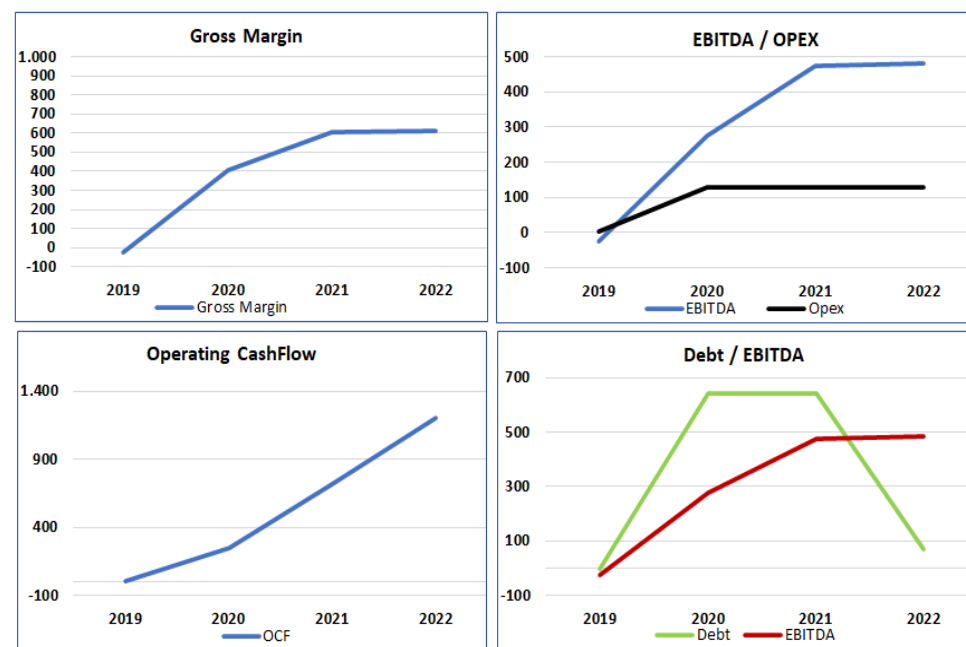
The company diversifies capital by creating a structure with both types of partners and is developing a higher standard of risk management that it will share with its partners.

- **Gross Margin:** It increases 48% between the periods 2020 and 2021 and from this period it stabilizes.
- **EBITDA / OPEX:** Operating expenses remain stable and there is a positive effect on EBITDA.
- **Operating CashFlow:** It experiences a positive evolution with exponential growth.
- **Debt / EBITDA:**
- The company eliminates most of its debt in 2022.

BUSINESS PLAN

	Historical	Projected		
	2019	2020	2021	2022
Balance Sheet - (€-k)				
Non-current Assets	22	50	50	50
Current Assets	1.585	2.233	2.903	2.525
Total	1.606	2.283	2.953	2.575
Equity	10	225	533	858
Non-current Liabilities	0	600	600	0
Current Liabilities	1.596	1.458	1.820	1.717
Total	1.606	2.283	2.953	2.575
Profit and Loss - (€-k)				
	Historical	Projected	2021	2022
2019	2020			
Income	1.949	20.606	30.800	31.155
Selling Cost	-1.971	-20.199	-30.197	-30.543
Gross Margin	-22	407	604	613
Staff	0	-50	-50	-50
Other operating Expenses	-2	-80	-80	-80
EBITDA	-24	277	474	483
Amortization	-2			
EBIT	-26	277	474	483
Financial Result	-4	-85	-53	-13
EBT	-30	193	421	470
Tax	0	-61	-113	-145
EAT	-30	132	308	325
EBITDA / Financial Result	5,99 X	3,27 X	8,95 X	37,48 X
Financial Debt / EBITDA	0,000	2,308	1,350	0,149

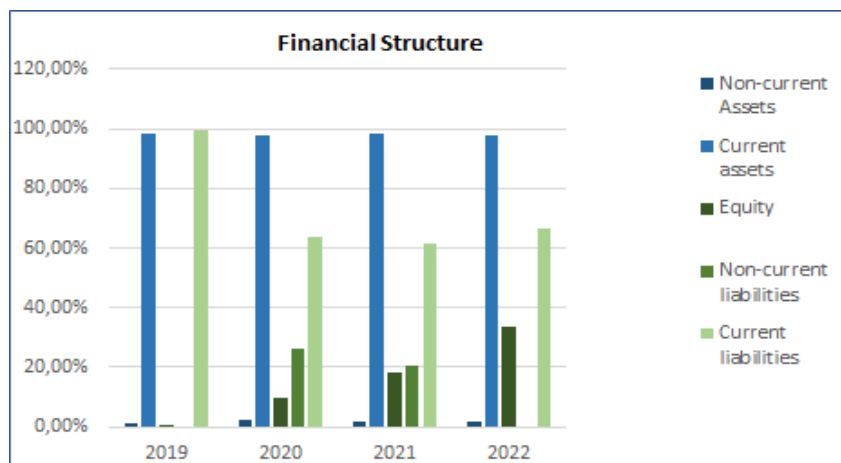
Source: Project Promoters



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A detail of the evolution of the Financial Structure during the analysis period is as follows:

INVESTMENT ANALYSIS AND RATING ASSIGNMENT



Source: Project Promoters

Score	Quality
AAA	Optimal
AA	High +
A	High
BBB	Good
BB	Satisfactory +
B	Satisfactory
CCC	Minimal
CC	Questionable
C	Questionable -

BENCHMARKING

There are barriers to entry in the market, but it is a business with very good expectations.

It has also been explained how companies become competitors and partners simultaneously.

The identified companies are:

Colt, Iredeos, Lyca Mobile, Zero Mobile, Blue Call Mobile, Uno Communication

PROJECT'S RATING (SCORING)

The purpose of scoring is to qualify the investment project and is carried out by performing a static and dynamic analysis of the company.

The assignment considers 3 levels of investment quality:

- Investment with optimal and high quality: AAA (optimal) - AA and A (High)
- Investment with Good quality (BBB) and satisfactory (BB and B)
- Investment with low quality (CCC) and questionable (CC and C)

STATIC ANALYSIS

According to the result of the analysis carried out on the history of the company **we have assigned a scoring BB** according to the following parameters evaluated:

STATIC	C	CC	CCC	B	BB	BBB	A	AA	AAA
Track Record						BBB			
Positioning							BBB		
Liquidity Ratios				B					
Debt Ratios							BBB		
Asset Management Key Figures								BBB	
Deadline Key Figures									BBB
Profitability Ratios		CC							

BB

Source: Own elaboration

The company began its activities in March 2019, therefore, it does not have a representative track record.

To mitigate this uncertainty, we lowered the static scoring from "BBB" to "BB".

INVESTMENT ANALYSIS AND RATING ASSIGNMENT

DYNAMIC ANALYSIS

According to the analysis carried out, we have assigned to the foreseeable evolution of the company a **scoring A** considering the result of the weight obtained on the following parameters evaluated:

DYNAMIC	C	CC	CCC	B	BB	BBB	A	AA	AAA
Business Plan Hypothesis					■				
Sector Forecast									■
Income						■			
EBITDA							■		
Structure									■
Debt							■		
Cash Generation / Financial Debt									■

A

Source: Own elaboration

GLOBAL EVALUATION

The overall rating of the investment project is determined by assigning a weight of **40%** to the static scoring and the remaining **60%** to the dynamic scoring, which have been indicated of BB and A, respectively and, therefore, we have assigned the **MORE** investment project a **global scoring BBB**, indicating a **GOOD** rating.

SCORING

BBB

Silva & Asociados, Asesores Financieros, S.A.

April 30, 2020



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