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## Terms for our Investment Analysis

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## Our Company

Freedom Finance Europe Ltd. provides financial services in the European Union under license CIF 275/15 for all activities the company needs to engage in, granted by the Cyprus Securities and Exchange Commission (CySEC) on 20.05.2015. Our registered office address is at Cyprus, 4041, Limassol, Germasogeia, Christaki Kranou 20, C Tower, 5th Floor.

## Our Methodology

When preparing our investment analysis, we apply the following Evaluation Methodology

Freedom Finance analysts perform a three-stage analysis.

1. They select a promising industry based on the latest news, statistics and industry-specific metrics. They assess the supply and demand situation and its future development dynamics. Industry’s investment attractiveness is mostly affected by the forecasted market growth rates; total addressable market, player concentration level and likeliness of a monopoly formation, as well as the level of regulation by various entities or associations.
2. The assessment is followed by the comparative analysis based on the selected sample. The sample comprises companies with a market capitalization of over USD 1 billion, but there is space for exceptions (when the suitable level of liquidity for company’s securities is available on the stock exchange). The selected companies (peers) are being compared against each other based on multipliers (EV/S, EV/EBITDA, PE, P/FCF, P/B), revenue growth rates, marginality and profitability (operating income margin, net income margin, ROE, ROA), and business performance.
3. Having completed the comparative analysis, the analysts carry out a more in-depth research of the news about the selected company. They review company’s development policy, information about its current and potential mergers and acquisitions (M&A activity), and assess the efficiency of company's inorganic



growth and other news about it over the past year. The main objective at this stage is to identify the growth drivers and evaluate their stability, as well as the extent of impact they have on the business.

Based on all the data collected, the analysts determine the weighted forecasted figures of company's growth rates and proposed business marginality, which are used to calculate the company's multiplier-based estimated value. The said value enables setting the stock price target and stock value growth potential.

The expected timing of the idea implementation is set depending on the current market situation, volatility level and available forecasting horizon for industry and company development. The forecasting period is normally set between 3 and 12 months.

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