



Due Diligence competencies

A brief overview and selected references

About GOS Consulting



- GOS Consulting was founded by Gita Sorensen in 2001.
- We are a specialist advisory and expert consultancy focusing on the electronic communications sector.
- We are a virtual business, so create bespoke teams for each assignment using our large group of highly skilled and experienced associate consultants.
- We have in-depth insight into the sector and offer experience from a wide range of client assignments across the world.
- We specialise in regulatory and strategy, but have associates with deep technical skills.
- We advise providers, suppliers, regulators, government and investors in the sector.

Due Diligence competencies



- We typically divide Due Diligence activities into four categories
 - Commercial DD
 - Regulatory DD
 - Technical and operational DD
 - Financial DD
- The GOS Consulting team offers expertise and experience relevant to all of these categories.
- In addition to our DD-specific experience and references included at the back of this pack, we set out briefly below our competencies in each category.

Our Commercial DD competencies



- GOS Consulting has been involved in a number of market assessment engagements, some transaction related, some not.
- Our deep exposure to the sector means that we start with the advantage of understanding the product lines, pricing structures and competitive pressures and developments as well as the history and rationale for the current market conditions.
- We have the confidence of market players and find it easy to build a rapport and collect the necessary data to support our analyses and conclusions.
- Our commercial services include
 - business planning
 - market research
 - competition analysis
 - market entry analysis

Our Regulatory DD competencies



- We are considered amongst the top regulatory advisors and analysts in the sector.
- We provide 'regulatory health-check' services to providers needing to assess their compliance risks.
- We provide regulatory impact assessment for providers needing to understand the potential impact of current regulation or possible regulatory changes.
- We undertake detailed regulatory, strategic, legal, economic and technical analysis of regulatory initiatives and regulated products such as duct and pole access.
- We monitor regulatory developments and provide an alert-service for providers without full in-house regulatory teams.
- We design and produce advocacy on complex regulatory and public policy issues.

Our Tech&Ops DD competencies



- Our expert technical and operational associates all have detailed hands-on experience in the design and operation of telecoms networks (fixed and mobile).
- We assist providers in understanding the implication of the newly introduced Telecoms Security Act, including compliance assessment and advice on what level of compliance is appropriate for smaller providers not covered by the government's Code of Practice.
- We work closely with providers to help them optimise the use of duct and pole access products and to improve those products through industry and regulator lobbying.
- We offer hands-on “CTO-style” support to providers.

Our Financial DD competencies



- Our team includes experts in telecoms costing and accounting, some of whom are also telecom engineers.
- We have built cost models for operators and regulators for new network build and for changes to network topologies or technologies.
- We build and assess business plans for a wide range of business cases in the sector and are familiar with planning assumptions and risks.
- We have led the development of bids for mobile spectrum.

Our specific DD references



- The GOS Consulting team is composed of a group of very experienced individuals.
- Their experience base often spans advisory and in-house activities, either in interim positions or from their time as full-time senior employees in the sector.
- Following is a selection of reference cases. There are many more, but the selection included should give a reasonable insight into our competencies and experience base.
- Some references are recent, others are older. Where they are recent, we have included the time and (where possible) the clients and the DD target organisation.
- As we are all deeply involved in the sector and up-to-date with commercial, regulatory and technical developments, we believe that the older references are of equal relevance to the recent ones.

Some of our specific DD references



References from GOS Consulting team members

- **Full Fibre – Nov 2020.** On behalf of Basalt, working with Flomatik. Providing technical due diligence, with particular regards to the network architecture, OSS/BSS, shortlisted vendors/partners, appropriateness for the target market, cost estimates, Business/Wholesale Offering (where applicable) and their overall technical solutions.
- **Fibrus – Oct/Nov 2020 .** On behalf of Infracapital, working with Flomatik. Technical due diligence on Fibrus's proposal for Project Stratum, particularly with regards to the systems architecture, appropriateness for Stratum, cost estimates, Wholesale Offering and overall technical solutions.
- **Network Rail Project Reach (bid stages 1 and 2) – July and November 2021.** Supporting Granahan McCourt through their bid stages for Project Reach – technical and commercial due diligence.
- **National Broadband Ireland – Nov 2021.** Working directly with NBI / Granahan McCourt providing advice and technical/commercial DD on their acceleration plans with the Irish Govt.
- **Grain Connect.** Working with PMP Conseil on behalf of Basalt. Technical DD on their proposed systems architecture, technical solution, delivery programme, costs and financial model, operational model and wholesale plans

Some of our specific DD references



References from GOS Consulting team members

- **Valuation of a full-service telecommunications operator (EU).** Led a project to value a full-service telecommunications operator (fixed, mobile, internet service provision), including full investigation into technical and operational, regulatory and financial aspects of the business.
- **Business plan evaluation (Europe).** On behalf of a European Government, led a project to review a business plan for a government-owned electricity operator to create a telecommunications business. This included reviewing all aspects of the business including terms of access to government-owned assets and likely competition issues arising from a government-owned entity entering the market.
- **M&A.** Led team to evaluate take-over opportunities in the UK market, developed short list and led overall DD process for selected candidate with personal responsibility for regulatory and commercial DD.
- **Business and market evaluation (EU).** Assisted venture capital company in evaluating the business proposition for a Pan-European Access Equipment Supplier, including evaluation of geographic and technological market opportunities in Western, Central and Eastern Europe.
- **IPO.** Responsible for internal regulatory DD analysis and documentation in UK IPO process.

Some of our specific DD references



References from GOS Consulting team members

- **Telefonica O2 & Vodafone Fibre JV – 2019.** Led the CTO / technical DD review of all network (core, aggregation and access) fibre & transmission assets to create a new network strategy and JV options (scenarios) - using asset, cost, growth, and commercial contract data. Delivered the technology strategy, architecture, cost models within competition law counsel constraints. Led the clean team on behalf of VF & O2 to avoid employees being exposed to sensitive confidential competitive data.
- **Cornerstone.** On behalf of Vodafone (2009 - 2012) and on behalf of Telefonica O2 (2019 & various). Beacon III TowerCo & FibreCo strategy DD spanning technology, contractual, operating model, OPEX, CAPEX and EBIT/EBITDA vs. benchmarks.
- **Business Valuation - Kenya.** For a South-African mobile operator, led an assignment to value fixed-line and mobile businesses in Kenya; this included a market assessment, demand forecast and the development of a DCF valuation model.
- **Due Diligence on Fixed Line Operator - Hungary.** For Vivendi Telecom, led a team conducting due diligence on the acquisition of telecoms assets in Hungary. This included a detailed review of the quality and capacity of the access network, which was based on traditional copper technology. The analysis and conclusions of this work led directly to a saving of 18m euro on the deal price.

Some of our specific DD references



References from GOS Consulting team members

- **Technical Due Diligence - Poland.** For Advent International, Jonathan conducted a pre-transaction review of several local telecoms operators in Poland, assessing the networks, technologies and operations. This work included a review of the technologies used in the access network, which included wireless and wireline, and an assessment of their suitability to support future products and services.
- **Licence Bid - Saudi Arabia.** Licence bid and strategy for a fixed-line datacoms consortium in a Middle-East country, including the development of cost and revenue models for valuation purposes.
- **Operational review - CEE.** Reviewed voice products and operations for IP-based Central European operator and made recommendations for strategic and operational improvements – leading to major strategy revision and significant commercial and operational improvements.
- **Partner and acquisition target assessments – UK.** Led corporate business development team in telecoms operator and evaluated opportunities for alliances or acquisitions (led DD activities across all disciplines) with recommendations to board.

Some of our specific DD references



References from GOS Consulting team members

- **Technical due diligence on telecommunications equipment manufacturer for US Private Equity** . Review of existing products offered and assessment of the fit and potential of its pipeline of product development. The due diligence also included the manufacturing capability and processes , and research and development capacity.
- **Due diligence and valuation of a full-service telecom operator.** Engaged by a telecoms operator to carry out a commercial, technical and operational due diligence of its fixed and mobile operations. This was part of a process by the operator to provide an accurate valuation to the market as well as providing to any potential purchasers an independent due diligence report on its network, products and services and operational capabilities.
- **Review of regulatory and competition frameworks.** For a number of potential market entrants engaged to undertake due diligence on the regulatory and competition frameworks of target countries.
- **Fibre infrastructure due diligence.** Engaged by a major investor to undertake due diligence on the fibre network of a European access network provider. The review focused on the valuation of the installed fibre network and the operational capabilities of the operator as well as a review of its future network investment plans as and an assessment of the investment required for operational and business support to align with the 5-year fibre network expansion plans.