MEF.DEV

ANNUAL REPORT

2023

Modernization and Evolution for Future DEVelopement

Contents

Modernization and **E**volution for **F**uture **DEV**elopment

MEF.DEV is a cutting-edge technology provider deeply committed to bringing innovative solutions to Telco and IT Service companies. Based in Funchal, Portugal, we combine a rich 20-year history with a forward-looking approach to modern technology. MEF.DEV operates with R&D center, located in Western Europe, to deliver vast experience to digital projects, offering flexible and cost-effective software development to improve business processes.

We aim to foster innovations and technological advancements to support our customers and partners succeed with digital transformation processes. Our product portfolio includes business support solutions that effectively address digital transformation, end-to-end process automation, orchestration and management, system integration, and legacy swap challenges. Using modern and secure BPM and Low-Code tools, we speed up product development, mitigate dependency risks on specific vendors (vendor lock-in break), and provide powerful functionality for application development, management, and hosting.

Choosing MEF.DEV as your digital transformation partner means embarking on a joint effort where your business goals align with our commitment to improving your technological experience. Together, we navigate through innovation, ensuring your business stays competitive and grows sustainably.

Sergiy Polovnikov
Founder & CEO

Our Mission and Vision

We are dedicated to fostering innovation and technological advancements to support our customers and partners in succeeding with their digital transformation initiatives.

Our mission is to provide cutting-edge solutions that enhance business agility, streamline processes, and facilitate seamless integration with modern technologies.

Product Portfolio

MEF.DEV's product portfolio comprises business support solutions tailored to address the challenges of digital transformation, including end-to-end process automation, orchestration, system integration, and legacy swap.

Leveraging modern BPM and Low-Code tools, we accelerate product development, mitigate vendor dependency risks, and deliver powerful functionality for application development, management, and hosting.

The MEF.DEV Platform

The MEF.DEV platform is our flagship solution designed to accelerate development, provide serverless hosting, and streamline application management for operators.

With a user-friendly graphical interface, the platform simplifies the integration and automation of BPM/BRM applications, enabling operators to enhance business agility in legacy environments.

Our Key Differentiators

Fostering Partnerships through Open Processes

Recognizing the importance of open processes as key differentiators, MEF.DEV empowers its services to prevent vendor lock-in and ensures that operators' BSS implementations are not bound by proprietary technologies or platforms.

MEF.DEV simplifies the process of integrating and automating BPM/BRM applications, offering a range of ready-to-use integrations with renowned third-party vendors such as Amdocs, Ericsson, Oracle, Nexign, SigScale, and Bercut. This strategic collaboration not only enhances operational efficiency but also creates a robust ecosystem that fuels continuous innovation.

Agile Development for Unprecedented Progress

MEF.DEV embraces an agile development process founded on continuous integration principles. This approach empowers operators to swiftly iterate through multiple prototypes, facilitating the seamless implementation of bug fixes and the discovery of new requirements.

The agile mindset embedded in MEF.DEV's DNA ensures adaptability and responsiveness, allowing telecom enterprises to navigate the complexities of their digital transformation journey with unparalleled speed and efficiency.

Merging Creativity and Innovations for Cutting-edge Solutions

Recognizing the importance of open processes as key differentiators, MEF.DEV empowers its services to prevent vendor lock-in and ensures that operators' BSS implementations are not bound by proprietary technologies or platforms.

MEF.DEV simplifies the process of integrating and automating BPM/BRM applications, offering a range of ready-to-use integrations with renowned third-party vendors such as Amdocs, Ericsson, Oracle, Nexign, SigScale, and Bercut. This strategic collaboration not only enhances operational efficiency but also creates a robust ecosystem that fuels continuous innovation.

Powering the Future of BSS
Where Technology Meets Transformation

MEF.DEV is the driving force behind digital transformation for Telcos. Focused on enabling agility and operational efficiency, we empower the Telecommunications and IT Service industries to navigate the challenges of the digital era seamlessly.

Our team boasts over a decade of experience in implementing and operating BSS platforms within large enterprise telecommunication businesses, with its products successfully utilized by industry leaders like VEON Group Ltd.

From Closed Systems to Open Possibilities

In the ever-evolving landscape of telecommunications, the quest for seamless and exceptional customer experiences has become a driving force for innovation. In essence, open APIs hold the potential to foster the development of innovative products and services catering to a broader user base. To fully realize this potential, it becomes crucial to consider not only personal data but also ancillary datasets and privacy policies.

While presenting an opportunity to revolutionize markets, the evolution of both APIs and the associated services should be accompanied by a thorough assessment of their implications on individuals' digital rights. This evaluation encompasses the incorporation of design patterns facilitating a genuine comprehension of data processes, the implementation of clear and understandable accountability and transparency mechanisms, a general commitment to the well-being of end-users, and fostering a more informed public discourse on data collection within the telecommunications sector.

The increasing demand for smooth and personalized interactions from consumers has elevated the significance of Customer Experience (CX) in shaping loyalty and acquisition. The telecommunications sector, known for its fierce competition and constant technological advancements, understands the importance of offering an outstanding CX as a key strategic element.

A favorable CX not only cultivates customer loyalty but also functions as a potent marketing tool, generating positive word-of-mouth and drawing in new subscribers. In the context of these evolving expectations, subscribers are no longer satisfied with mere transactional exchanges; they now expect seamless and tailored zero-touch experiences that align with their individual preferences.

The pivotal role of standardized open APIs in fostering a customer-centric approach can't be underestimated since they play a crucial role in the telecom world by facilitating interoperability, promoting innovation, and enhancing collaboration among different components and systems within the telecommunications ecosystem.

Standardized open APIs enable different telecom systems and devices to work together seamlessly. By adhering to common standards, telecom operators, equipment manufacturers, and service providers can ensure that their products and services can communicate effectively, regardless of the vendor or technology used.

Below are some key aspects of the role of standardized open APIs in the telecom industry:
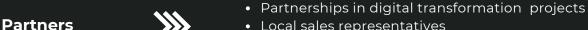
- Interoperability
- Facilitating Innovation
- Accelerating Time-to-Market
- Enabling Ecosystem Collaboration
- Enhancing Service Quality and CX
- Cost Reduction
- Compliance with Legal Regulations

Specializing in providing comprehensive billing systems and digital transformation solutions, the MEF.DEV company stands at the forefront of innovation, addressing the intricate needs of telecom vendors and communication service providers.

Business Model

MEF.DEV's business model revolves around highlighting key segments, such as Customers, Partners, and Channels.

Customers

- Fixed PSTN & Broadband providers
- IoT vendors
- Bulk SMS providers
- Cloud brokerage providers
- Cellular providers
- OTT/TV and streaming providers
- IT service companies

Partners

- Partnerships in digital transformation projects
- Local sales representatives
- IT Service companies in the Telco industry

Channels

- Direct sales
- Indirect sales
- SaaS model

Marketing Strategy

Our marketing strategy is aimed at stressing the unique value proposition of the MEF.DEV platform and positioning it as a key enabler for digital transformation in the telecommunications sector.

Marketing strategy components

- Targeted outreach to Telco and IT Service companies through industry-specific channels and events.

- Thought leadership content, including blog articles, whitepapers, case studies, and social posts, showcasing our platform's benefits in driving business agility and innovation.

- Strategic partnerships with Telecommunications industry leaders and solution providers to expand our reach and enhance product interoperability.

- Usage-based collaboration model offering flexibility and cost-effectiveness to our partners and customers.

- Emphasis on relevant case studies, success stories, and testimonials to demonstrate the real-world impact of our solutions.

Financial Report

The MEF.DEV company is domiciled in Portugal at Rua 5 de Outubro, n.º 87, Loja 7, Ilha da Madeira, Funchal, 9000-216.

MEF.DEV provides software integrations, data migrations, legacy swap management, DevOps, and IT Ops services on different levels and SLA conditions to communication service providers.

The financial statements for the year ended December 31, 2023, include section B which has been prepared in accordance with International Financial Reporting Standards (IFRS) for the whole group of companies, including the software house - NATEC R&D. All the amounts presented in the report are in EUR.

The following report covers sections of Section B - Business and Operations:
- B1 - Segment Information, Products & Services by Segment, and Market Area;
- B2 - Net Sales;
- B3 - Expenses by Nature.

Segments
When determining MEF.DEV's operating segments, consideration has been given to the financial reporting reviewed by the CEO. Markets and the type of customers the products and services aim to attract have been considered, as well as the distribution channels. Commonality regarding technology and R&D has also been taken into account. To best reflect the business focus, two operating segments are presented:
- Enterprise Software & Services
- Other segments

MEF.DEV provides software integrations, data migrations, legacy swap management, DevOps, and IT Ops services on different levels and SLA conditions. The Enterprise Software & Services segment comprises two major business focuses of MEF.DEV:
- BSS solution (WideCoup BSS)
- Enterprise digital transformation and integration platform (MEF.DEV Platform)

Market Area
The market area is defined by MEF.DEV's primary sales channels with the responsibility to sell and deliver its services to its customers. Currently, MEF.DEV operates in the EMEA geographical market area.

Major Customers
MEF.DEV derives most of its sales from large, multi-year contracts with Kyivstar (a subsidiary of VEON Group LTD) - Ukraine's largest national cellular provider with over 25 million subscribers. Those contracts accounted for more than 80% in 2023 of net sales.

Risks & Mitigation
The major risk is a high EU Telecom market entry threshold, which MEF.DEV plans to mitigate by building long-term mutually beneficial relationships with local IT service providers and expanding their portfolio of solutions, or providing human resources with experience in implementing telecom projects.

B1 - Segment Information

	Enterprise Software and Services	Other	Total Segments	Group
Segment sales	391,604	-	391,604	391,604
Net sales	391,604	-	391,604	391,604
Gross income	161,311	-	161,311	161,311
Gross margin (%)	41.19%	-	41.19%	-
Earnings (loss) before financial items and income tax (EBIT)	(65,490)	-	(65,490)	(65,490)
EBIT margin (%)	-16.72%	-	-16.72%	-
Financial income and expenses, net	27,140	-	27,140	27,140
Income tax	(473)	-	(473)	(473)
Net income (loss)	(65,369)	-	(65,369)	(65,369)

Other segment items	Enterprise Software and Services	Other	Total Segments	Group
Share in earnings	-	-	-	-
Amortizations	(92,630)	-	(92,630)	(92,630)
Depreciations	-	-	-	-
Impairment losses	-	-	-	-
Restructuring charges	(34,251)	-	(34,251)	(34,251)
Gains/losses on investments and sale of operations	-	-	-	-

B1 - Products & Services by Segment

	Enterprise Software and Services	Other	Total Segments
Products	377,074	-	377,074
Services	14,529	-	14,529
Total	391,604	-	391,604

B1 - Market Area

	Enterprise Software and Services	Other	Total Segments
EMEA	391,604	-	391,604
Total	391,604	-	391,604

B2 - Net Sales

	2023
Software	-
Services	391,604
Net sales	391,604
Of which IPR licensing revenues	-

B3 - Expenses by Nature

	2023
Goods and services	28,521
Employee remuneration	190,869
Amortizations and depreciations	92,630
Impairmants, obsolescence allowances and revaluation	-
Inventory increase, net	-
Additions to capitalized development	-
Expenses charged to cost of sales and operating expenses	312,021

The net income loss in 2023 (section B1) was caused by incorporating into the EMEA market, building new sales channels, and transferring intangible assets to a new sales headquarters in Portugal.