

Annual report 2022

CVR-nr. 26 16 19 83
**Syniverse Technologies
Messaging ApS**

Central Business Registration
No 26 16 19 83

The Annual General Meeting adopted the annual
report on 10 May 2023

Chairman of the General Meeting

DocuSigned by:

Thomas Peter Langmaid Ford

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Thomas Peter Langmaid Ford

Syniverse Technologies Messaging ApS

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Penneo dokumentnagle: 26UQK-KI5EA-QZKKE-8DSV7-4WDMT-06XFQ

Syniverse Technologies Messaging ApS

Company details

Company

Syniverse Technologies Messaging ApS
c/o TMF Denmark A/S
H.C. Andersens Boulevard 38, 3. th
DK-1553 København V
Denmark
Tel: +45 58 59 59 18

Executive Board

Thomas Peter Langmaid Ford
Sandra Cristina Lopes Gomes

Company auditors

Grant Thornton
State Authorized Public Accountants

Syniverse Technologies Messaging ApS

Statement by the executive board on the annual report

Today, the executive board has presented the annual report of Syniverse Technologies Messaging ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.


We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January - 31 December 2022.

We are of the opinion that the management's review presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

10 May 2023

Executive board:

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Thomas Peter Langmaid Ford

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Sandra Cristina Lopes Gomes

Syniverse Technologies Messaging ApS

Independent auditor's report

To the shareholders of Syniverse Technologies Messaging ApS

Opinion

We have audited the financial statements of Syniverse Technologies Messaging ApS for the financial year 1 January 2022 - 31 December 2022, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Syniverse Technologies Messaging ApS

Independent auditor's report (continued)

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management review and to consider whether the management review is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management review provides the information required under the Danish Financial Statements Act.

Syniverse Technologies Messaging ApS

Independent auditor's report (continued)

Based on the work we have performed, we believe that management review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act.

We did not discover any material misstatement in the management review.

Copenhagen, 10 May 2023

Grant Thornton
State Authorized Public Accountants
Company reg. no. 34 20 99 36

Kim Kjellberg
State Authorized Public Accountant
MNE-nr. 29452

Syniverse Technologies Messaging ApS

Management's review

Financial highlights

	2022	2021	2020	2019	2018
	€'000	€'000	€'000	€'000	€'000
Revenue	12,411	9,934	8,924	13,202	12,620
Gross profit	1,468	1,323	1,273	1,526	1,311
Profit from primary activities	(915)	(4,297)	(4,312)	(16,679)	(4,227)
Net financials	(60)	(28)	(38)	125,035	(2,860)
Net profit for the year	(990)	(4,331)	(4,369)	108,306	(7,121)
Equity	(1,780)	(790)	3,541	7,910	16,994
Balance sheet total	3,209	9,519	8,806	21,421	66,695
Investments in the year	-	-	-	-	1

Ratios

	2022	2021	2020	2019	2018
Gross margin (%)	11.8	13.3	14.3	11.6	10.4
EBITDA-margin (%)	3.8	3.6	3.9	4.6	3.5
Return on assets ratio (%)	(15.6)	(47.3)	(28.9)	245.8	(10.5)
Equity ratio (%)	(55.5)	(8.3)	40.2	36.9	25.5
Return on equity (%)	77.0	(314.9)	(76.3)	869.8	(34.6)

Syniverse Technologies Messaging ApS

Management's review (continued)

Business activities and mission

Syniverse Technologies Messaging ApS is a Data MVNO. The company has an operator code, number series, network access, roaming footprint and interface facilities for peer-to-peer networks interfacing capabilities. Syniverse Technologies Messaging focuses on mobile data services as its core business. The company's vision is to become a significant player in independent mobile Messaging for the application-based mobile data market. Syniverse Technologies offers its clients seamless and stable GSM connections, technical integration, session-controlled messaging and billing integration. Syniverse Technologies Messaging is focused on attracting business that generates incremental revenue, based on utilising the existing infrastructure, by working with partners or directly with clients.

Business review

The Company's income statement for the year ended 31 December 2022 shows a loss of €'000 990 (2021: €'000 4,331).

The balance sheet at 31 December 2022 shows an equity of negative €'000 1,780 (2021: €'000 790).

Recognition and measurement uncertainties

No significant uncertainties.

Special risks

Operational risks

Software is a cornerstone for the Company, therefore the primary business risks are related to lack of ability to keep pace with or be ahead of development compared to our competitors. An important prerequisite for this to be possible is that the necessary resources for employee development are provided on a continuing basis.

Financial exposure

Given its international scope, the Company is exposed to financial market risks; i.e., the risk of losses as a result of adverse movement in exchange rates and interest rates.

The Company is continuously evaluating this risk. The main currencies other than EUR are DKK and USD. As the risk is evaluated to be low, there is no systematic hedging of this exposure.

Intellectual capital resources

Qualified employees, including staff in our remote support centers, are the key to growth and success. Syniverse Technologies Messaging ApS is in a market where innovation time gets still shorter, and where the demand for adaptability and willingness to change are continuously growing.

Research and development activities

Currently Syniverse Technologies Messaging ApS has no research and development activities.

Environmental issues

As of 31 December 2022, there were no assets dedicated to protecting and improving the environment, nor had there been any costs of this nature during the year.

Syniverse Technologies Messaging considers the environmental risks that may arise from its activities minimal and properly addressed and believes that no additional liabilities may arise related to those risks.

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Management's review (continued)

Outlook

Syniverse Technologies Messaging anticipates for 2023 that revenue will remain stable compared to prior year as consequence of the expected messaging traffic and net loss will be improved to net profit compared to current year since the Goodwill has been amortized fully during the current year. Syniverse Technologies Messaging will continue to develop its cooperation with existing customers as regards current services and new products, based on a combination of Syniverse Technologies Group infrastructure, expertise and business model.

The negative equity and loss registered in the year is explained by the depreciation of the Goodwill and does not impair the ability of the Company to continue as a going concern. The Company expects to obtain revenues with long term customers at the same level as current year, as well as group companies, and generate the required cash flows to meet its responsibilities.

Events subsequent to the financial year

There have been no events after the balance sheet date that have had a significant impact on the presentation of the annual report.

Syniverse Technologies Messaging ApS

Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium-sized).

The accounting policies are consistent with those of last year.

With reference to the Danish financial statements Act, section 112, paragraph 1, Syniverse Technologies Messaging ApS has not prepared consolidated accounts.

With reference to the Danish financial statements Act, section 86, paragraph 4, the Company has not prepared a cash flow statement.

In addition, the Company with reference to the preliminary section 96 (1) has not compiled segment information relating to net sales.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Reporting currency

As in prior years, the financial statements are presented in euros, based on bookkeeping records expressed in euros, to ensure increased comparability in relation to the enterprise's European competitors.

Foreign currency translation

Transactions denominated in foreign currencies are translated into euro at the exchange rates at the date of the transaction.

Monetary items denominated in foreign currencies are translated into euro at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Accounting policies (continued)

Income statement

Revenue

Revenue is recognized in profit & loss when delivery has taken place and risk has been transferred to the buyer. Revenue is stated excluding VAT, other sales taxes and discounts related to the sale and is measured at market value of the agreed fee.

Cost of sales and other direct costs

Cost of sales and other direct costs comprise services provided by group enterprises, messaging costs, etc.

Staff costs

Staff costs comprise salaries and wages, social security costs, pension benefits etc. for the Company's staff.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Amortisation/depreciation and write-downs

The item includes amortisation/depreciation and write-downs of intangible assets. Amortisation/depreciation is provided using the straight-line method on the basis of the cost and the below assessments of the useful life of the assets.

Intangible assets are amortised on a straight-line basis over the expected useful life of the individual assets, measured by reference to the following assessment of the useful life:

	Useful life	Residual value
Goodwill	10 years	0%

Gains or losses on the sale of fixed assets are recognised in the income statement under 'Amortisation/-depreciation'.

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, dividends declared, realised and unrealised capital and exchange gains and losses concerning financial assets and liabilities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies (continued)

Tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement for the portion attributable to the profit/loss for the year and recognised directly in equity for the portion attributable to items recognised directly on equity.

Balance sheet

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortization. The amortization period is set at 10 years based on the experience gained by Management for each business area.

Goodwill is written down to the lower of recoverable amount and carrying amount.

An impairment test is made for acquired intangible assets if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. Furthermore, an impairment test is made each year for development projects in progress.

The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If cost exceeds the net realizable value, write-down is made to such lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

Available funds

Available funds comprise cash at bank.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent reporting years.

Deferred Income

Deferred income recognized as a liability comprises payments received concerning income in subsequent reporting years.

Liabilities

Liabilities are measured at amortised cost, which usually corresponds to the nominal value.

Income taxes

The current tax payable or receivable recognised in the balance sheet is stated as the estimated tax calculated on this year's estimated taxable income, adjusted for prepaid tax and any outstanding balances from prior years.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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Accounting policies (continued)

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2019" issued by the Danish Society of Financial Analysts.

Ratios		Calculation formula
Gross margin (%)	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
EBITA margin (%)	=	$\frac{\text{EBITDA} \times 100}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Net profit/loss} \times 100}{\text{Average equity}}$
Equity ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Equity and liabilities}}$
Return on assets (%)	=	$\frac{\text{Net profit/loss} \times 100}{\text{Average operating assets}}$

Ratios reflect

EBITDA margin

The enterprise's operating profitability.

Return on equity

The enterprise's return on capital invested in the enterprise by the owners.

Equity ratio

Equity share of total equity and liabilities.

Return on assets

The enterprise's return on average operating assets.

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is defined as operating profit plus the year's amortisation of goodwill. The year's impairment losses on goodwill are not added.

Syniverse Technologies Messaging ApS

Income statement for 2022

		2022	2021
		€'000	€'000
Revenue		12,411	9,934
Other Income		45	-
Cost of sales		(10,898)	(8,550)
Other external costs		(90)	(61)
Gross Profit		1,468	1,323
Staff costs	3	(997)	(962)
Amortisation and impairment losses	4	(1,386)	(4,658)
Result before Financials		(915)	(4,297)
Financial income		13	5
Financial expenses	5	(73)	(33)
Profit before tax		(975)	(4,325)
Tax on profit for the year	6	(15)	(6)
Result for the year		(990)	(4,331)

Syniverse Technologies Messaging ApS
Balance sheet 31.12.2022

		31-Dec 2022	31-Dec 2021
		€'000	€'000
Goodwill		-	1,386
Intangible assets	7	-	1,386
Investments in subsidiaries	8	72	72
Fixed asset investments		72	72
Fixed assets		72	1,458
Trade receivables		1,169	1,291
Receivables from group enterprises		1,898	6,537
Other receivables		3	4
Prepayments		1	15
Receivables		3,071	7,847
Cash		66	214
Current assets		3,137	8,061
Assets		3,209	9,519

Syniverse Technologies Messaging ApS
Balance sheet 31.12.2022

		31-Dec 2022	31-Dec 2021
		€'000	€'000
Share capital	9	134	134
Share Premium		-	-
Retained earnings		(1,914)	(924)
Equity	2	(1,780)	(790)
Trade payables		39	37
Payable to group enterprises		4,487	9,764
Deferred income		1	7
Other payables		462	501
Short-term liabilities other than provisions		4,989	10,309
Liabilities		4,989	10,309
Equity and liabilities		3,209	9,519

Subsequent events	1
Going concern	2
Other notes	11-13

Syniverse Technologies Messaging ApS
Statement of changes in equity 2022

	Share capital	Share Premium	Retained earnings	<i>Proposed</i> dividends for the financial year	Total
	€'000	€'000	€'000	€'000	€'000
Equity at 01.01.2022	134	-	(924)	-	(790)
Net profit for the year	-	-	(990)	-	(990)
Equity at 31.12.2022	134	-	(1,914)	-	(1,780)

Syniverse Technologies Messaging ApS

Notes

1. Subsequent events

There have been no events after the balance sheet date that have a significant impact on the presentation of the annual report.

2. Going concern

The negative equity and loss registered in the year is explained by the depreciation of the Goodwill and does not impair the ability of the Company to continue as a going concern. The Company expects to obtain revenues with long term customers at the same level as current year, as well as group companies, and generate the required cash flows to meet its responsibilities.

3. Staff costs

	2022	2021
	€'000	€'000
Salaries and wages	924	888
Pension costs	68	70
Other social security costs	5	4
	997	962
Executive Board	-	-
Average number of employees	5	6

None of the executive board members received any remuneration.

4. Amortisation/depreciation and write downs of intangible assets

	2022	2021
	€'000	€'000
Goodwill	1,386	4,658
	1,386	4,658

Syniverse Technologies Messaging ApS

Notes

5. Other financial expenses

	2022	2021
	<i>€'000</i>	<i>€'000</i>
Interest payable, exchange losses and similar expenses	73	33
	73	33

6. Tax on profit for the year

	2022	2021
	<i>€'000</i>	<i>€'000</i>
Estimated income tax charge, excl. interest surcharges	15	6
Change in provision for deferred tax	-	-
	15	6
Analysed as follows:		
Tax for the year	15	6
	15	6

Syniverse Technologies Messaging ApS

Notes

7. Intangible assets

	Goodwill
	<u>€'000</u>
Cost at 01.01.2022	46,580
Additions	-
Transferred to finished projects	-
Retirements	-
Adjustment prior year	-
Cost at 31.12.2022	46,580
Amortisation and impairment losses at 01.01.2022	(45,194)
Amortisation for the year	(1,386)
Retirements	-
Adjustment prior year	-
Amortisation and impairment losses at 31.12.2022	(46,580)
Carrying amount at 31.12.2022	(0)

8. Fixed asset investment

	Investments in subsidiaries
	<u>€'000</u>
Cost at 01.01.2022	72
Additions	-
Disposals	-
Impairments	-
Cost at 31.12.2022	72

	Result	Equity
	<u>€'000</u>	<u>€'000</u>
Investments in subsidiaries comprise:		
Syniverse Technologies Mobile Solutions (Singapore) Pte. Ltd., Singapore, 100 % *	20	1,629
Syniverse Middle East FZ-LLC, Dubai, 100 % *	279	3,649

* 2021 audited Financial Statements

Syniverse Technologies Messaging ApS

Notes

9. Share capital

The share capital of kDKK 1,000 ('000 EUR 134) is distributed on 100,000 shares of DKK 10. The share capital has not changed in the past 5 years.

10. Deferred income and Prepayments

Deferred income comprises payments relating to sales, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

Prepayments relate to expenses paid during the year but relating to subsequent years.

11. Security for loans and contingent liabilities

The Company has no contingent liabilities as at 31 December 2022.

12. Consolidation

Syniverse Technologies Messaging ApS is included in the consolidated financial statements of:

Syniverse Corporation
8125 Highwoods Palm Way
Tampa, Florida 33647
U.S.A.

13. Related parties

Parent company

Syniverse Technologies S.a.r.l.
15 Rue Edmond Reuter
L-5326 Contern
Luxembourg

Other related parties consist of other group enterprises in the Syniverse group.

Transactions with related parties in 2022 are composed of revenue and cost of sales.

The transactions have been performed according to the arms-length principle.

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Kim Kjellberg

Statsautoriseret revisor

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