



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 917 338 078  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: ADCOLONY HOLDING AS  
Forretningsadresse: Gjerdrums vei 19  
0484 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Roar Olbergsveen  
Dato for fastsettelse av årsregnskapet: 14.04.2021

### Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert  
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 02.02.2024



### Resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7		28 471 529
Annen driftskostnad	4	181 078	81 222
<b>Sum kostnader</b>		<b>181 078</b>	<b>28 552 751</b>
<b>Driftsresultat</b>		<b>-181 078</b>	<b>-28 552 751</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	5		297 311
Annen renteinntekt		84	571
Annen finansinntekt	7	361 213	
<b>Sum finansinntekter</b>		<b>361 297</b>	<b>297 882</b>
Rentekostnad til foretak i samme konsern	5	34 207	
Annen finanskostnad	7		24 864
<b>Sum finanskostnader</b>		<b>34 207</b>	<b>24 864</b>
<b>Netto finans</b>		<b>327 090</b>	<b>273 018</b>
<b>Ordinært resultat før skattekostnad</b>		<b>146 012</b>	<b>-28 279 733</b>
Skattekostnad på ordinært resultat	6	32 112	-5 994
<b>Ordinært resultat etter skattekostnad</b>		<b>113 900</b>	<b>-28 273 739</b>
<b>Årsresultat</b>		<b>113 900</b>	<b>-28 273 739</b>
Foreign currency translation differences		5 349 311	-1 118 573
Sum resultatkomponenter for IFRS-foretak		5 349 311	-1 118 573
<b>Totalresultat</b>		<b>5 463 211</b>	<b>-29 392 312</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		113 900	-28 273 739
<b>Sum overføringer og disponeringer</b>		<b>113 900</b>	<b>-28 273 739</b>



## Balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	6	1 287	6 150
<b>Sum immaterielle eiendeler</b>		<b>1 287</b>	<b>6 150</b>
<b>Finansielle anleggsmidler</b>			
Investering i annet foretak i samme konsern	3	194 364 814	186 857 727
Receivables from group companies	5		1 009
<b>Sum finansielle anleggsmidler</b>		<b>194 364 814</b>	<b>186 858 736</b>
<b>Sum anleggsmidler</b>		<b>194 366 101</b>	<b>186 864 886</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Receivables from group companies	5	54	
<b>Sum fordringer</b>		<b>54</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	7	246 325	396 053
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>246 325</b>	<b>396 053</b>
<b>Sum omløpsmidler</b>		<b>246 379</b>	<b>396 053</b>
<b>SUM EIENDELER</b>		<b>194 612 480</b>	<b>187 260 939</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital		577 787 597	561 733 825
<b>Sum innskutt egenkapital</b>		<b>577 787 597</b>	<b>561 733 825</b>



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Opptjent egenkapital</b>			
Fond		-633 751	-631 425
Annen egenkapital		-384 432 741	-373 844 505
<b>Sum opptjent egenkapital</b>		<b>-385 066 492</b>	<b>-374 475 930</b>
<b>Sum egenkapital</b>		<b>192 721 105</b>	<b>187 257 895</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	5	1 834 207	
<b>Sum annen langsiktig gjeld</b>		<b>1 834 207</b>	
<b>Sum langsiktig gjeld</b>		<b>1 834 207</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Betalbar skatt	6	28 924	
Kortsiktig konserngjeld	5	22 395	3 045
Annen kortsiktig gjeld		5 849	
<b>Sum kortsiktig gjeld</b>		<b>57 168</b>	<b>3 045</b>
<b>Sum gjeld</b>		<b>1 891 375</b>	<b>3 045</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>194 612 480</b>	<b>187 260 940</b>



To the General Meeting of Adcolony Holding AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

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#### *Opinion*

We have audited the financial statements of Adcolony Holding AS, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

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#### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### *Other information*

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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T: 02316, org. no.: 987 009 713 VAT, www.pwc.no  
State authorised public accountants, members of The Norwegian Institute of Public Accountants, and  
authorised accounting firm*



Independent Auditor's Report - Adcolony Holding AS



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*Responsibilities of the Board of Directors for the Financial Statements*

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as 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.

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*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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

*Report on Other Legal and Regulatory Requirements*

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*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and the proposed allocation of the profit is consistent with the financial statements and complies with the law and regulations.

(2)



Independent Auditor's Report - Adcolony Holding AS



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*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 14 April 2021  
**PricewaterhouseCoopers AS**

Eivind Nilsen  
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Nilsen, Eivind	BANKID_MOBILE	2021-04-15 20:25

**This document package contains:**

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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The seal is a guarantee for the authenticity  
of the document.



<b>PROTOKOLL FRA ORDINÆR GENERALFORSAMLING I ADCOLONY HOLDING AS</b>	<b>MINUTES FROM THE ORDINARY GENERAL MEETING OF ADCOLONY HOLDING AS</b>
<p>Den 14. april 2021 ble det avholdt ordinær generalforsamling i AdColony Holding AS ("Selskapet") i Selskapets forretningskontor i Oslo.</p> <p>Til stede var:</p> <p>Lars Rahbæk Boilesen, som representerte eneaksjonær Otello Corporation ASA, samt Roar Olbergsveen, styrets leder i AdColony Holding AS.</p> <p>Således var alle aksjene representert.</p> <p>På agendaen stod følgende saker:</p> <p><b>1. Valg av møteleder</b></p> <p>Lars Rahbæk Boilesen ble valgt til å lede møtet.</p> <p><b>2. Godkjenning av innkalling og dagsorden</b></p> <p>Innkallingen og dagsordenen ble godkjent.</p> <p><b>3. Valg av en person til å undertegne protokollen sammen med møtelederen</b></p> <p>Roar Olbergsveen ble valgt til å undertegne protokollen sammen med møteleder.</p> <p><b>4. Godkjenning av årsregnskap for 2020</b></p> <p>Årsregnskapet ble godkjent.</p> <p><b>5. Godkjenning av revisors honorar</b></p> <p>Det ble vedtatt å dekke revisors honorar etter regning.</p> <p><b>6. Godkjenning av godtgjørelse til styremedlemmene</b></p>	<p>On 14 April 2021 an ordinary general meeting in AdColony Holding AS ("Company") was held at the Company's registered office in Oslo.</p> <p>Present was:</p> <p>Lars Rahbæk Boilesen, who represented the sole shareholder Otello Corporation ASA, and Roar Olbergsveen, chairman of the board in AdColony Holding AS</p> <p>All of the shares were therefore represented.</p> <p>The following items were on the agenda:</p> <p><b>1. Election of person to chair the meeting</b></p> <p>Lars Rahbæk Boilesen was elected to chair the meeting.</p> <p><b>2. Approval of the calling notice and the agenda</b></p> <p>The calling notice and the agenda were approved.</p> <p><b>3. Election of a person to co-sign the minutes of the meeting together with the chairperson</b></p> <p>Roar Olbergsveen was elected to co-sign the minutes together with the chairperson.</p> <p><b>4. Approval of the annual accounts for 2020</b></p> <p>The annual accounts were approved.</p> <p><b>5. Approval of the auditor's fee</b></p> <p>The general meeting approved to cover the auditor's fee at expense.</p> <p><b>6. Approval of remuneration to board members</b></p>



<p>Styrets honorar for siste år ble fastsatt til NOK 0.</p> <p>Retningslinjer for styrets honorar neste år ble fastsatt slik: Styreleder NOK 0 per år. Styremedlemmer NOK 0 per år.</p> <p style="text-align: center;">* * *</p> <p>Ingen flere saker til behandling.</p> <p>Møtet ble avsluttet og protokollen undertegnet.</p> <p style="text-align: center;">* * *</p> <p>Denne protokoll er av praktiske årsaker utarbeidet både på norsk og engelsk. Ved eventuelle uoverensstemmelser mellom de to versjonene skal den norske versjonen ha forrang.</p>	<p>Remuneration to board members was approved at 0 NOK for the previous year.</p> <p>For next year, the following was approved: Chairman of the board, 0 NOK per year Board members, 0 NOK per year</p> <p style="text-align: center;">* * *</p> <p>No further business to be conducted.</p> <p>The meeting was closed and the minutes signed.</p> <p style="text-align: center;">* * *</p> <p>These minutes have for the sake of convenience been prepared in both Norwegian and English. In case of any discrepancy between the two versions the Norwegian version shall prevail.</p>
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*[signaturside følger/signature page follows]*



Oslo, 14. april 2021 / 14 April 2021

Lars Rahbæk Boilesen  
Møteleder / Chair of the meeting

Roar Olbergsveen  
Valgt til å undertegne protokollen / Co-signer



**AdColony Holding AS**

**Annual Report 2020**

Separate Financial Statements



## AdColony Holding AS Annual Report 2020

### Statement of comprehensive income

(USD)	Note	2020	2019
Revenue		-	-
<b>Total operating revenue</b>		-	-
Developer and user acquisition cost		-	-
Payroll and related expenses, excluding stock-based compensation expens		-	-
Stock-based compensation expenses		-	-
Depreciation and amortization expenses		-	-
Impairment of investments in subsidiaries	3	-	(28 471 529)
Profit (loss) on sale of shares	3	-	-
Other operating expenses	4	(181 078)	(81 222)
<b>Total operating expenses</b>		(181 078)	(28 552 751)
<b>Operating profit (loss)</b>		(181 078)	(28 552 751)
Interest income		84	571
Interest income from group companies	5	-	297 311
Interest expense		-	-
Interest expense to group companies	5	(34 207)	-
Net other financial income (expense)	7	361 213	(24 864)
<b>Net financial items</b>		327 090	273 018
<b>Profit (loss) before income taxes</b>		146 012	(28 279 733)
Provision for taxes	6	(32 112)	5 994
<b>Profit (loss)</b>		113 899	(28 273 739)
<b>Other comprehensive income:</b>			
<b>Items that may or will be transferred to profit (loss)</b>			
Foreign currency translation differences		5 349 311	(1 118 573)
<b>Total comprehensive income (loss)</b>		5 463 210	(29 392 312)
<b>Profit (loss) attributed to:</b>			
Owners of AdColony Holding AS		113 899	(28 273 739)
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of AdColony Holding AS		5 463 210	(29 392 312)



**AdColony Holding AS**  
**Annual Report 2020**

**Statement of financial position**

(USD)	Note	2020	2019
<b>Assets</b>			
Deferred tax asset	6	1 287	6 150
Other intangible assets		-	-
Property, plant and equipment		-	-
Investments in subsidiaries	3	194 364 814	186 857 727
Non-current receivables from group companies	5	-	1 009
<b>Total non-current assets</b>		<b>194 366 101</b>	<b>186 864 886</b>
Current receivables from group companies	5	54	-
Accounts receivable from group companies	5	-	-
Accounts receivable	7	-	-
Other receivables		-	-
Cash and cash equivalents	7	246 325	396 053
<b>Total current assets</b>		<b>246 378</b>	<b>396 053</b>
<b>Total assets</b>		<b>194 612 479</b>	<b>187 260 940</b>




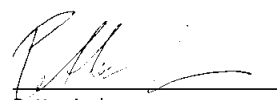
## AdColony Holding AS Annual Report 2020

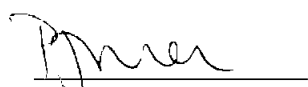
### Statement of financial position

(USD)	Note	2020	2019
<b>Shareholders' equity and liabilities</b>			
Equity attributable to owners of the company	8	192 721 105	187 257 895
Non-controlling interests		-	-
<b>Total equity</b>		<b>192 721 105</b>	<b>187 257 895</b>
<b>Liabilities</b>			
Deferred tax liability	6	-	-
Non-current liabilities to group companies	5	1 834 207	-
<b>Total non-current liabilities</b>		<b>1 834 207</b>	<b>-</b>
Current liabilities to group companies	5	-	-
Accounts payable to group companies	5	22 395	3 045
Accounts payable		-	-
Taxes payable	6	28 924	-
Public duties payable		-	-
Other current liabilities		5 849	-
<b>Total current liabilities</b>		<b>57 167</b>	<b>3 045</b>
<b>Total liabilities</b>		<b>1 891 374</b>	<b>3 045</b>
<b>Total equity and liabilities</b>		<b>194 612 479</b>	<b>187 260 940</b>

Oslo, 14 April, 2021

  
Roar Olbergsveen  
Chairman of the board

  
Petter Lade  
Board member

  
Philip Tyman  
Board member



## AdColony Holding AS Annual Report 2020

### Statement of cash flows

(USD)	Note	2020	2019
<b>Cash flow from operating activities</b>			
Profit (loss) before taxes		146 012	(28 279 733)
Income taxes paid	6	-	-
Depreciation and amortization expense		-	-
Impairment of investments in subsidiaries		-	28 471 529
Changes in inventories, trade receivables, trade and other payables		-	-
Changes in other liabilities and receivables, net <sup>1)</sup>		17 045	2 334
Share-based remuneration			
FX differences related to changes in balance sheet items		(337 778)	24 864
Proceeds on sale of shares in excess of reported profit			
<b>Net cash flow from operating activities</b>		<b>(174 721)</b>	<b>218 994</b>
<b>Cash flow from investment activities</b>			
Purchases of property, plant and equipment			
Purchases of intangible assets			
Capitalized R&D costs		-	-
Acquisition of subsidiaries	3		
Capital investment in subsidiaries	3	(1 801 371)	(500 000)
<b>Net cash flow from investment activities</b>		<b>(1 801 371)</b>	<b>(500 000)</b>
<b>Cash flow from financing activities</b>			
Proceeds from capital increase		-	-
Proceeds from loans from group companies	5	1 800 000	-
Repayments of loans to group companies	5	-	-
Issuance of loans to group companies	5	-	(750 000)
Receipts from loans to group companies	5	-	1 550 000
Incurred net interest (income) expense	5	34 207	(297 311)
<b>Net cash flow from financing activities</b>		<b>1 834 207</b>	<b>502 689</b>
<b>Net change in cash and cash equivalents</b>		<b>(141 885)</b>	<b>221 683</b>
Cash and cash equivalents (beginning of period)		396 053	187 847
Effects of exchange rate changes on cash and cash equivalents		(7 844)	(13 477)
<b>Cash and cash equivalents <sup>2)</sup></b>		<b>246 325</b>	<b>396 053</b>

1) This include changes in intercompany balances. See note 5 for further information.

2) Of which USD 0 (2019: 0) is restricted cash as of 12/31/2020

Please see note 5 for information about significant non-cash transactions.



## AdColony Holding AS Annual Report 2020

### Statement of changes in equity

(USD)

	Number of shares	Paid-in capital	Other reserves	Other equity	Translation reserve	Total equity
Balance as of 12/31/2019	30 000	561 733 825	-	(373 844 505)	(631 425)	187 257 895
<b>Comprehensive income for the period</b>						
Profit (loss) for the period			-	113 899	-	113 899
<b>Other comprehensive income</b>						
Foreign currency translation differences		16 053 772	-	(10 702 135)	(2 326)	5 349 311
<b>Total comprehensive income for the period</b>		16 053 772	-	(10 588 236)	(2 326)	5 463 210
<b>Contributions by and distributions to owners</b>						
Issues of ordinary shares related to equity increase	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>						
<b>Other equity changes</b>						
<b>Total other equity changes</b>						
Balance as of 12/31/2020	30 000	577 787 597	-	(384 432 741)	(633 751)	192 721 105

#### Face value of the shares

The face value of the shares is NOK 30

#### Other reserves

Other reserves consist of option and RSU costs recognized according to the equity settled method.

#### Translation reserve

The translation reserve consists of all foreign currency differences arising from the translation of the financial statements from the functional currency (NOK) to the presentation currency (USD).

#### Other equity

Other equity consists of all other transactions including, but not limited to, total recognized income and expense for the current period.



## AdColony Holding AS

### Annual Report 2020

#### Statement of changes in equity

(USD)

	Number of shares	Paid-in capital	Other reserves	Other equity	Translation reserve	Total equity
<b>Balance as of 12/31/2018</b>	30 000	553 382 750	-	(235 730 968)	374 880	318 026 661
<b>Comprehensive income for the period</b>						
Profit (loss) for the period			-	(28 273 739)	-	(28 273 739)
<b>Other comprehensive income</b>						
Foreign currency translation differences		(6 512 713)	-	6 400 446	(1 006 305)	(1 118 573)
<b>Total comprehensive income for the period</b>		(6 512 713)	-	(21 873 293)	(1 006 305)	(29 392 312)
<b>Contributions by and distributions to owners</b>						
Issues of ordinary shares related to equity increase	-	14 863 789	-	-	-	14 863 789
<b>Total contributions by and distributions to owners</b>		14 863 789	-	-	-	14 863 789
<b>Other equity changes</b>						
Other changes		-	-	(116 240 243)	-	(116 240 243)
<b>Total other equity changes</b>		-	-	(116 240 243)	-	(116 240 243)
<b>Balance as of 12/31/2019</b>	30 000	561 733 825	-	(373 844 505)	(631 425)	187 257 895

#### Face value of the shares

The face value of the shares is NOK 20

#### Other reserves

Other reserves consist of option and RSU costs recognized according to the equity settled method.

#### Translation reserve

The translation reserve consists of all foreign currency differences arising from the translation of the financial statements from the functional currency (NOK) to the presentation currency (USD).

#### Other equity

Other equity consists of all other transactions including, but not limited to, total recognized income and expense for the current period.



## AdColony Holding AS Annual Report 2020

### Note 1. Significant accounting principles

#### Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and accompanying interpretations. The financial statements also include certain disclosures in order to comply with certain regulations and paragraphs in the Norwegian Accounting Act.

#### Basis of preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in US dollars (USD). The functional currency is Norwegian kroner (NOK). See "Foreign currency" for further information.

Except for cash-settled, share-based payment arrangements and contingent considerations obtained in business combinations, no other assets or liabilities are recognized at their fair value. Assets and liabilities in the business combinations are valued at fair value at the acquisition date according to IFRS 13. No subsequent changes in fair value are recognized except for impairment losses. Receivables and debts are assumed to have a market value equal to the carrying amount.

The preparation of financial statements, in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS, which have a significant effect on the financial statements and estimates, with a significant risk of material adjustment in the next year.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### Changes in accounting policies

The Company has not changed its accounting policies or adopted new standards that significantly affect the consolidated financial statements for this or prior periods.

#### New and amended International Financial Reporting Standards (IFRS) adopted by the Group

None of the amendments listed below have had any impact on the amounts recognised in prior periods and are not expected to significantly affect the future periods.

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting
- Covid-19-Related Rent Concessions – amendments to IFRS 16

Of new standards and interpretations that are not mandatory for the current reporting period, none are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



## **AdColony Holding AS** **Annual Report 2020**

### **Investments in subsidiaries**

For investments in subsidiaries, associates and jointly controlled entities, the cost method is applied. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken as income. Dividends exceeding the portion of retained profit after the acquisition are reflected as a reduction in cost price. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

Investments in subsidiaries, associates and jointly controlled entities are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment. An impairment loss is reversed if the impairment situation is deemed to no longer exist.

### **Foreign currency**

#### *Foreign currency transactions*

Transactions in foreign currencies are translated at the foreign exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate prevailing on that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are recognized at fair value are translated to USD at foreign exchange rates prevailing on the date the fair value was determined.

### **Intangible assets**

#### *Other intangible assets*

Other intangible assets, excluding deferred tax assets (see accounting policy regarding income tax) that are acquired by the Company, are recognized at cost less accumulated amortization (see below) and impairment losses (see accounting policy regarding impairment).

#### *Subsequent expenditure*

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

#### *Amortization*

Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with indefinite useful lives are systematically tested for impairment at each balance sheet date.

### **Financial instruments**

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are initially measured at fair value plus transaction costs, except for those non-derivative financial instruments classified as at fair value through profit or loss, which are initially measured at fair value without transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

#### *Trade and other receivables*



## **AdColony Holding AS** **Annual Report 2020**

Trade and other receivables are recognized at amortized cost less impairment losses (see accounting policy regarding impairment).

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Deposits in money market funds are included in cash and cash equivalents, as the funds can be withdrawn from the money market fund at will.

### **Impairment**

#### *Financial assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

#### *Non-financial assets*

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

#### *Calculation of recoverable amount*

The recoverable amount of the Company's assets is the greater of their fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### *Reversals of impairment*

An impairment loss in respect of goodwill is not reversed. With respect to other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount do not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **Dividends**

Dividends on shares are recognized as a liability in the period in which they are declared.

### **Provisions**

A provision is recognized in the statement of financial position when the Company has a currently existing legal or constructive obligation as a result of a past event, and it is probable that a future outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.



## **AdColony Holding AS** **Annual Report 2020**

The fair value of a contingent consideration is calculated using the income approach based on the expected payment amounts and their associated probabilities (i.e., probability-weighted). Since a part of the contingent consideration is long-term in nature, it is discounted to present value.

### **Trade and other payables**

Trade and other payables are recognized at amortized cost.

### **Other income (costs)**

Material income and costs, which are not related to the normal course of business, are classified as other operating income (cost).

### **Net financing costs**

Other finance income and costs comprise foreign exchange gains and losses and contingent consideration, which are recognized in the statement of comprehensive income.

Interest income is recognized in the statement of comprehensive income as it accrues, using the effective interest method.

Dividend income is recognized in the statement of comprehensive income on the date upon which the entity's right to receive payments is established.

### **Income tax**

Income tax on the profit or loss for the year comprises current and deferred taxes. Income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is only recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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## **AdColony Holding AS Annual Report 2020**

### **Notes**

#### **Note 2. General information**

AdColony Holding AS (the Company) was established in 2016, and is part of the Otello Corporation ASA (Otello) group. Otello is listed on the Oslo Stock Exchange. The consolidated financial statements for Otello can be obtained at Otello's head office located at Gjerdrums vei 19, Oslo or at <https://www.otellocorp.com/ir>.

The Company was established as part of the reorganization of Otello Corporation ASA during 2016, and became the holding company for Otello's AdColony (Mobile advertising) segment. The Company's principal investments are in the U.S., Turkey, Ireland and the U.K.

The Company does not have any employees or a managing director. There have been no salary payments or other remuneration to the Board in 2020 or 2019.



## AdColony Holding AS Annual Report 2020

### Notes

#### Note 3. Investments in subsidiaries

Below is an overview of the investments in subsidiaries directly held by the Company as at December 31, 2020

	AdColony Holdings US Inc	AdColony Holdings Ireland Ltd	AdColony Singapore Pte Ltd	AdColony Korea Ltd	AdColony India Private Limited	AdColony UK Ltd. (WOFE)	AdColony Beijing Co. Ltd. (WOFE)
Acquisition / establishment date	08.08.2016	08.08.2016	30.09.2016	30.09.2016	28.11.2016	20.04.2017	22.06.2017
Registered office	San Mateo, USA	Dublin, Ireland	Singapore	Seoul, Korea	Gurgaon, India	London, UK	Beijing, China
Ownership and voting share	100 %	100 %	100 %	100 %	100 %	100 %	100 %
<b>(USD)</b>							
Equity at year end	619 925 497	(166 112)	(6 378 703)	859 665	450 875	(11 986 940)	(1 022 290)
Profit for the year	5 970 040	(170 886 031)	(2 278 390)	(31 768)	150 802	59 630	26 500
<b>Information relating to carrying value</b>							
Acquisition cost	200 526 369	242 438 691	2 750 222	1 871 412	-	1	-
Capital increase	122 742 502	14 295 668	3 800 000	-	1 517	6 856 126	2 479 156
Share-based payment transactions	-	-	-	-	-	-	-
Dividend	-	(164 647 506)	-	-	-	-	-
Impairment	(163 348 879)	(95 013 428)	-	-	-	(6 790 694)	-
Translation differences	(2 846 071)	2 926 574	(205 008)	(62 980)	(32)	(65 433)	(101 557)
<b>Carrying value</b>	<b>157 073 922</b>	<b>-</b>	<b>6 345 214</b>	<b>1 808 432</b>	<b>1 485</b>	<b>-</b>	<b>2 377 599</b>

	AdColony Japan LLC	AdColony GmbH	AdColony Aps	AdColony AS	AdColony AB	Advine Mobile Advertising Network Proprietary Limited	Mobilike Mobil Reklam Ve Ticaret A.S.
Acquisition / establishment date	24.10.2017	15.12.2017	15.12.2017	15.12.2017	30.04.2018	30.04.2018	26.11.2018
Registered office	Tokyo, Japan	Berlin, Germany	Copenhagen, Denmark	Oslo, Norway	Stockholm, Sweden	Cape Town, South Africa	Istanbul, Turkey
Ownership and voting share	100 %	100 %	100 %	100 %	100 %	100 %	100 %
<b>(USD)</b>							
Equity at year end	(1 940 368)	(11 705 705)	8 077 523	644 608	600 242	(864 357)	78 427
Profit for the year	(657 000)	33 010	4 949 249	(26 292)	23 161	(940)	1 318 408
<b>Information relating to carrying value</b>							
Acquisition cost	-	1	1	500 000	1	1	26 000 000
Capital increase	-	111 138	-	-	-	-	-
Share-based payment transactions	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Translation differences	-	(111 139)	(0)	(17 129)	(0)	(0)	273 989
<b>Carrying value</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>482 871</b>	<b>1</b>	<b>1</b>	<b>26 273 989</b>

	Ferriades Park SA	AdColony Poland sp z o o
Acquisition / establishment date	12.02.2009	04.03.2020
Registered office	Montevideo, Uruguay	Warsaw, Poland
Ownership and voting share	100 %	100 %
<b>(USD)</b>		
Equity at year end	(5 070 983)	21 645
Profit for the year	-	19 658



## AdColony Holding AS Annual Report 2020

### Notes

#### Information relating to carrying value

Acquisition cost	1	1 261
Capital increase	-	-
Share-based payment transactions	-	-
Dividend	-	-
Impairment	-	-
Translation differences	[0]	38
<b>Carrying value</b>	<b>1</b>	<b>1 299</b>

[USD]	2020	2019
<b>Carrying value:</b>		
Acquisition cost	474 087 961	474 086 700
Capital increase	150 286 087	148 486 087
Share-based payment transactions	-	-
Dividend	[164 647 506]	[164 647 506]
Impairment	[265 153 001]	[265 153 001]
Translation differences	[208 727]	[5 914 554]
<b>Total</b>	<b>194 364 814</b>	<b>186 657 727</b>
Check	-	-

#### Acquisition cost

During the year, the Company incorporate a new subsidiary, AdColony Poland sp.z o.o, with a net initial investment of PLN 5,000.

#### Capital increase

A capital contribution was made by the Company in cash to AdColony Singapore Pte Ltd of USD 1,800,000.

#### Impairment

Otello has carried out impairment testing as of December 31, 2020, according to IAS 36. Based on the impairment testing, the Company has not recognized an impairment loss.



## AdColony Holding AS Annual Report 2020

### Notes

#### Note 4. Other operating expenses

(USD)	2020	2019
<b>Other operating expenses</b>		
Equipment	-	(53)
Audit, legal and other advisory services	(163 586)	(69 847)
Travel expenses	-	(2 009)
Other expenses	(17 493)	(9 313)
<b>Total</b>	<b>(181 078)</b>	<b>(81 222)</b>

#### Remuneration to the statutory auditors

The reported fees are recognized as an expense in other operating expenses for the year.

(USD)	2020	2019
<b>Audit fees</b>		
Statutory audit	(8 723)	(6 255)
Tax advisory services	-	(2 843)
Assurance services	-	(4 094)
Other services	-	-
<b>Total</b>	<b>(8 723)</b>	<b>(13 192)</b>

#### Note 5. Receivables and liabilities to group companies

The table below presents a breakdown of receivables and liabilities to group companies.

(USD)	2020	2019
Non-current receivables from group companies	-	1 009
Current receivables from group companies	54	-
Non-current liabilities to group companies	(1 834 207)	-
Accounts payable to group companies	(22 395)	(3 045)
<b>Total</b>	<b>(1 856 548)</b>	<b>(2 036)</b>

#### Current receivables

As part of the incorporation of AdColony Poland sp.z.o.o, funds in excess of the initial acquisition cost were initially provided to cover any eventual bank charges on that transfer. No such bank charges were ultimately incurred and that excess has been recognised as a received from the subsidiary.

#### Non-current liabilities

In April 2020, the Company received a loan of USD 1,800,000 from AdColony Ireland Ltd, with interest and repayment terms consistent with the Group's standard arrangements. In November 2020, that loan was novated as part of a restructuring of the AdColony business. From that time, the Company is indebted to AdColony Holdings Ireland Ltd, with interest charged at the rate of 1% per annum and the loan repayable on demand.

#### Accounts payable

The accounts payable represents a balance owing to Otello Corporation ASA, incurred in the ordinary course of business, and on terms no more favourable than with third parties.

The table below presents a breakdown of transactions with other companies in the Otello Corporation ASA group.

(USD)	2020	2019
Interest income from related parties	-	297 311
Interest expense to related parties	(34 207)	-



## AdColony Holding AS Annual Report 2020

### Notes

#### Note 6. Tax

(USD)	2020	2019
<b>Current tax</b>		
Profit (loss) before income tax	146 012	(28 279 733)
Permanent differences in profit (loss)	7 062	28 517 646
Changes in temporary differences	5 743	-
<b>Basis for current tax</b>	<b>158 816</b>	<b>237 912</b>
Utilized tax losses brought forward	(27 956)	-
Group contribution received	-	-
Group contribution given	-	-
<b>Basis for tax payable on profit (loss)</b>	<b>130 860</b>	<b>237 912</b>
<b>Taxes payable on profit (loss)</b>	<b>(28 924)</b>	<b>-</b>
<b>Income tax expense</b>		
Tax payable on profit (loss)	(28 924)	-
Withholding tax expense	-	-
Change in deferred tax liability / deferred tax asset	(4 864)	5 994
Other	1 675	-
<b>Total income tax expense</b>	<b>(32 112)</b>	<b>5 994</b>
<b>Deferred tax asset (liability)</b>		
Provisions	1 287	-
Loss carried forward	-	6 150
<b>Total deferred tax asset</b>	<b>1 287</b>	<b>6 150</b>

Deferred tax asset / deferred tax liability in statement of financial position as of 31.12.

1 287 6 150

Deferred tax is calculated with 22% as of 31.12.2020 (22% as of 31.12.2019)

The statutory tax rate applicable for the year has been used in calculating deferred taxes and taxes payable based on the transaction as reported in the functional currency (Norwegian kroner). With different underlying currencies used in transactions and different exchange rates between the various reports of the financial statements, the reported tax numbers in these financial statements may not directly reconcile back to the applicable statutory rate.

#### Permanent differences

Permanent differences primarily comprised impairment losses in 2019.

#### Note 7. Financial and liquidity risk

##### Financial risk

The majority of the financial risk that the Company is exposed to relates to currency risk due to exchange rate fluctuations. The majority of the Company's revenue and lending activities are in USD and the majority of the Company's expenses are in USD and NOK.

The unrealized foreign exchange gain (loss) is estimated as the differences between exchange rates. These numbers are shown in the table below.

(USD)	2020	2019
<b>Realized / Unrealized FX gain (loss)</b>		
Realized FX gain (loss)	263 029	2 502 020
Unrealized FX gain (loss)	98 184	(2 526 885)
<b>Total</b>	<b>361 213</b>	<b>(24 864)</b>
<b>Breakdown of cash deposits by currency</b>		
USD	124 583	254 203
NOK	10 679	26 461
EUR	111 063	115 389
<b>Total</b>	<b>246 325</b>	<b>396 053</b>



## AdColony Holding AS Annual Report 2020

### Notes

#### Foreign exchange contracts

During 2020, the Company did not use forward exchange contracts to hedge its currency risk, and the Company had not entered into any foreign exchange contracts as of December 31, 2020.

#### Liquidity risk

The Company had the following liquidity reserve and credit facility as of December 31.

(USD)	2020	2019
<b>Liquidity reserve</b>		
Cash and cash equivalents	246 325	396 053
- of which restricted funds	-	-
<b>Unrestricted cash</b>	<b>246 325</b>	<b>396 053</b>

#### Credit facility

In May 2018, Otello signed an agreement for a new 3 year Revolving Credit Facility (RCF) of \$100 million with DNB Bank ASA. In March 2020, Otello signed an amendment to that agreement reducing the facility to \$50 million. In January 2021, Otello signed a further amendment increasing the facility from \$50 million to \$68.6 million. The payment guarantee that was signed in March 2020 of an amount equal to USD 18,561,118 in favour of Pedro Ripper, CEO of Bemobi, (on behalf of the former owners of Bemobi) was converted to be part of the RCF agreement. This conversion was carried out in February 2021 following the public listing of Otello's Bemobi business in Brazil. In addition, the termination date of the RCF was extended to June 30, 2021. As at December 31, 2020, \$35 million of the revolving credit facility had been drawn up.

The facility is primarily secured through a pledge in shares in Otello's subsidiaries, including AdColony Holding AS. AdColony Holding AS has not made any financial guarantees to any companies external to to Otello group in connection with this credit facility.

#### Financial liabilities

All financial liabilities are expected to be paid within 1 year of the balance date.

#### Capital management

As part of the Otello group, the Company's policy has been to maintain a high equity-to-asset ratio and to maintain a solid capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Otello possesses a business model that anticipates considerable cash inflows in the future. The Company, as part of the Otello group, has been part of the same financial covenant requirements as Otello, related to Otello's credit facility, as described above. The facility has the following financial covenants:

- i) the Leverage Ratio to be below 2.00:1
- ii) the Equity Ratio to hold the minimum level of 35%

Otello is compliant as of December 31, 2020.

### Note 8. Shareholder information

Share capital	Total	Face value (NOK)	Carrying value (NOK)
Ordinary shares	30 000	30	900 000

The Company's share capital is USD 105,273 as at December 31, 2020.

Shareholder	Shares	Ownership and voting share
Otello Corporation ASA	30 000	100 %

All ordinary shares have equal voting rights and the right to receive dividends.

During 2019, Otello Corporation ASA made non-cash, in-kind capital contributions to the Company totalling NOK 135,987,898. Of this, NOK 74,470,622 was in relation to the group contribution given in relation to the 2018 tax and NOK 61,517,276 was to allow the Company to make a similar non-cash, in-kind capital contribution to AdColony UK Limited as part of restructuring the finances of the AdColony business.



## AdColony Holding AS Annual Report 2020

### Notes

#### Note 9. Related parties

AdColony Holding AS (the Company) is ultimately owned by Otello Corporation ASA. As such, the Company is part of Otello Group (Otello Corporation ASA and its subsidiaries). Other entities in the Otello Group are considered related parties. For details of significant transactions with Otello Group entities, see Note 5.

Apart from transactions with group companies in the normal course of business, the Company did not engage in any related party transactions, including with any members of the Board of Directors or key management personnel of the Company during 2020 and 2019.

#### Note 10. Events after the reporting period

##### Definitive agreement to sell AdColony to Digital Turbine

Otello announced on February 26, 2021, that it has entered into a definitive agreement to sell AdColony to Digital Turbine, Inc. (Nasdaq: APPS) for a total estimated consideration of \$400 million.

Digital Turbine is a global mobile technology company, passionate about delivering the right content to the right person at the right time across all Android devices. The company's on-demand media platform powers frictionless app and content discovery, user acquisition and engagement, operational efficiency, and monetization opportunities. Digital Turbine's technology platform has been adopted by more than 40 mobile operators and OEMs worldwide, and has delivered more than three billion app preloads for tens of thousands of advertising campaigns. The Company is headquartered in Austin, Texas, with global offices in Arlington, Durham, Mumbai, San Francisco, Singapore and Tel Aviv.

Total estimated consideration for the acquisition is \$400 million, including a normalized amount of working capital and \$19 million in cash. Some or all of the cash will be returned to Otello subject to the achievement of certain future net revenue targets: (1) \$100 million in cash to be paid at closing (2) \$100 million in cash to be paid six months following the closing, and (3) on-target earn-out of \$200 million, to be paid fully in cash, based on AdColony achieving certain future target net revenue objectives in 2021. The earn-out portion is not capped and is subject to change based on actual results.

The transaction is supported by the Board of Directors of Otello (the "Board") as well as the management of Otello and AdColony. The Board submitted the transaction to the Otello shareholders for approval at an extraordinary general meeting which took place on March 26, 2021 (the "EGM"). The vast majority of votes represented at the EGM voted in favor of the sale. The transaction is expected to close by end of April 2021. The completion of the transaction is subject to customary closing conditions. LUMA Securities LLC acted as exclusive financial advisor and Hogan Lovells LLP served as legal advisor to Otello in conjunction with the transaction.

##### Impact of COVID-19

The world is still grappling with the direct and indirect impacts of the Covid-19 virus. In this challenging situation, the primary focus of AdColony has been the health and safety of our employees. Since mid-March, we have successfully managed to shift the vast majority of the operations to remote home offices. The operational impact has been limited to a minimum and all business activities continue to operate as before the crisis. Due to the nature of our business in AdColony, in terms of not having physical products, we are in a relatively fortunate position. Our assessment as we enter 2021 is that we have seen a continued rebound for the AdColony business since 2Q20. However, as our revenue is linked to the advertising spend of companies, we expect Covid-19 to negatively impact revenue and profit in 2021 as a whole. At this stage, it is too early to tell how great that impact will be. Ultimately, that will be dependent on the duration of the crisis, and the knock-on effect of the changed behaviour of our customers.



## **DIRECTORS' REPORT 2020** **AdColony Holding AS**

### **Nature and location of the business**

AdColony Holding AS is a fully owned subsidiary of the listed company Otello Corporation ASA (Otello). Otello is listed on the Oslo Stock Exchange. The consolidated financial statements for Otello can be obtained at Otello's head office located at Gjerdrums vei 19, Oslo or at <https://www.otellocorp.com/ir>.

The Company was established as part of the reorganization of Otello Corporation ASA during 2016 and became the holding company for Otello's AdColony (Mobile advertising) segment. The company's principal investments in the mobile advertising industry are in the U.S., Turkey, Ireland and the U.K.

The Company did not have any employees in 2020 or 2019. As from September 2017, the Company has not had a managing director.

### **Financial Summary**

#### *Result*

The Company has not had operational activity in 2020. The Company made a profit before income taxes of USD 0.1 million (2019: loss of 28.3 million). The positive result is primarily due to favourable movement in foreign exchange rates.

#### *Investments in subsidiaries*

The Company has investments in subsidiaries of USD 194.4 million (2019: 186.9 million) as of December 31, 2020. The largest investment is in AdColony Holdings US Inc, in the US, where the majority of the revenues in the Otello group's AdColony business are generated.

#### *Equity*

The Company's equity was USD 192.7 million (2019: 187.3 million) as of December 31, 2020. The equity ratio was 99% (2019: 99 %). As of December 31, 2020, the Company has interest-bearing intercompany liabilities of USD 1.8 million, but no debt to the parent company and no external debt.

#### *Cash*

As of December 31, 2020, the Company had a cash balance of USD 0.2 million (2019: 0.4 million).

### **Allocation of the profit**

The total comprehensive income for the period was a profit of USD 5.5 million. The Board of Directors recommends that no dividend be paid for the 2020 financial year. The Board proposes that of the 2020 total comprehensive profit, USD 0.1 million is allocated to other equity, and USD 5.4 million is allocated to the translation reserve.

### **Going concern**

In accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on the going concern principle.

It is the opinion of the Board of Directors that the financial statements give a true and fair view of the assets, liabilities, financial position and profits, as of December 31, 2020, of the Company.

### **Financial risk**

The majority of the financial risk that the Company is exposed to relates to currency risk due to exchange rate fluctuations. The majority of the Company's operating expenses are in NOK. The lending and borrowing activities of the Company are primarily in USD.

### **Events after the reporting period**

Otello announced on February 26, 2021, that it has entered into a definitive agreement to sell AdColony to Digital Turbine, Inc. (Nasdaq: APPS) for a total estimated consideration of \$400 million.



Digital Turbine is a global mobile technology company, passionate about delivering the right content to the right person at the right time across all Android devices. The company's on-demand media platform powers frictionless app and content discovery, user acquisition and engagement, operational efficiency, and monetization opportunities. Digital Turbine's technology platform has been adopted by more than 40 mobile operators and OEMs worldwide, and has delivered more than three billion app preloads for tens of thousands of advertising campaigns. The Company is headquartered in Austin, Texas, with global offices in Arlington, Durham, Mumbai, San Francisco, Singapore and Tel Aviv.

Total estimated consideration for the acquisition is \$400 million, including a normalized amount of working capital and \$19 million in cash. Some or all of the cash will be returned to Otello subject to the achievement of certain future net revenue targets: (1) \$100 million in cash to be paid at closing (2) \$100 million in cash to be paid six months following the closing, and (3) on-target earn-out of \$200 million, to be paid fully in cash, based on AdColony achieving certain future target net revenue objectives in 2021. The earn-out portion is not capped and is subject to change based on actual results.

The transaction is supported by the Board of Directors of Otello (the "Board") as well as the management of Otello and AdColony. The Board submitted the transaction to the Otello shareholders for approval at an extraordinary general meeting which took place on March, 26, 2021 (the "EGM"). The vast majority of votes represented at the EGM voted in favor of the sale. The transaction is expected to close by end of April 2021. The completion of the transaction is subject to customary closing conditions. LUMA Securities LLC acted as exclusive financial advisor and Hogan Lovells LLP served as legal advisor to Otello in conjunction with the transaction.

No events have occurred after the reporting date that would require the financial statements to be adjusted.

#### **Research and development**

The Company has not carried out any such activity in 2020.

#### **Working environment and equal opportunities**

The Company has no employees.

#### **Environmental declaration**

The Company does not pollute the external environment. The Company understands the importance of protecting the external environment. The Company acts in accordance with the relevant environmental laws and regulations.

#### **Outlook**

In addition to the serious implications for people's health and the healthcare services, the Coronavirus (Covid-19) is having a significant impact on businesses and economies around the world. Since early 2020, AdColony has assessed the potential risks on its business activities of Covid-19. AdColony expects Covid-19 to negatively impact revenue and profit in 2021. It is too early to have a firm opinion on how great the impacts will be. The following factors are relevant when assessing this impact:

- An expected reduction in advertising spend
- A reduction in disposable income for AdColony's customers
- A general worsening of economic conditions
- AdColony does not sell, market or distribute physical products
- AdColony's ability to serve its customers is not adversely affected by its employees not being able to operate from their offices
- Marketing spend that particularly the AdColony business is reliant upon, tends to return quickly to prior levels following financial or similar crises or downturns
- The ability of AdColony's partners and customers to meet their obligations to AdColony (including if any governmental actions designed to stimulate and support the telecom sector are introduced)

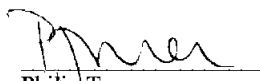
2020 was a turnaround year for AdColony where we returned to growth for both our Brand and Performance business and ended with fourth quarter with 30% + revenue growth and double-digit EBITDA margins. We expect what we saw in 2020 to continue and to accelerate further in 2021 where AdColony should see growth from both the Brand and Performance business. We also expect to




deliver the revenue growth described below with similar gross margins and limited increases in OPEX vs 2020, which should lead to a very significant jump in profitability and positive free cashflow for 2021. We expect AdColony to deliver revenue of \$250-290million in 2021 (versus \$211.4million in 2020), midpoint growth of 28%.

Oslo, 14 April, 2021

  
Roar Olbergsveen  
*Chairman*

  
Philip Tyman  
*Board member*

  
Petter Lade  
*Board member*



**Skattedirektoratet**

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	18.10.2017	26.10.2017
Telefon	Deres referanse	Vår referanse
22078139	Roar Olbergsvenn	2017/1127520

OPERA SOFTWARE ASA  
Postboks 4214 Nydalen  
0401 OSLO

**Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for AdColony Holding AS, org.nr. 917 338 078**

Vi viser til deres brev av 18. oktober 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for AdColony Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering AdColony Holding AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

**Bakgrunn**

Selskapet eies direkte av Opera Software ASA. AdColony Holding AS er et investeringsselskap som har som formål å eie Opera Software ASA's mobilreklame -og annonseringssegment (AdColony). AdColony Holding AS er et holdingselskap, som eier selskap direkte og indirekte i blant annet USA, Irland, India, Singapore, Korea, Tyskland, Sverige og Danmark. Den vesentlige andelen av virksomheten til datterselskapene skjer utenfor Norge. På bakgrunn av overnevnte er selskapets oppfatning at ingen regnskapsbrukere vil bli negativt påvirket av at årsregnskapet og årsberetningen vil bli utarbeidet på engelsk.

**Skattedirektoratets vurdering**

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som*

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	<a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a>	



*tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er eid av et aksjeselskap. Eierkretsen er begrenset. Virksomheten er internasjonal og selskapet har flere utenlandske datterselskap. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Torstein Kinden Helleland

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*