



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 991 203 672
Organisasjonsform: Aksjeselskap
Foretaksnavn: OTELLO TECHNOLOGY INVESTMENT AS
Forretningsadresse: Gjerdrums vei 19
0484 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: 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: Petter Lade
Dato for fastsettelse av årsregnskapet: 31.08.2021

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, 10.07.2022



Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	121 519	149 855
Sum inntekter		121 519	149 855
Kostnader			
Varekostnad	3	991 324	1 323 637
Stock-based compensation expense	4	7 817 691	
Avskrivning på varige driftsmidler og immaterielle eiendeler	5,6	336 671	482 303
Annen driftskostnad	8	388 254	1 168 050
Profit on sale of shares	7	-40 398 494	
Sum kostnader		-30 864 554	2 973 990
Driftsresultat		30 986 073	-2 824 135
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	9	68 540	26 760
Annen renteinntekt		2	7
Sum finansinntekter		68 542	26 767
Annen finanskostnad	11	391 759	-1 249 195
Sum finanskostnader		391 759	-1 249 195
Netto finans		-323 217	1 275 962
Ordinært resultat før skattekostnad		30 662 856	-1 548 173
Skattekostnad på ordinært resultat	10	346 739	-97 570
Ordinært resultat etter skattekostnad		30 316 117	-1 450 603
Årsresultat		30 316 117	-1 450 603
Foreign currency translation differences		6 423 610	-1 199 318
Sum resultatkomponenter for IFRS-foretak		6 423 610	-1 199 318
Totalresultat		36 739 727	-2 649 921
Overføringer og disponeringer			



Resultatregnskap

Beløp i: USD	Note	2020	2019
Overføringer til/fra annen egenkapital		36 739 727	-2 649 927
Sum overføringer og disponeringer		36 739 727	-2 649 927



Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Andre immaterielle eiendeler	5		717 434
Utsatt skattefordel	10		166 166
Sum immaterielle eiendeler			883 600
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	40 247	44 855
Sum varige driftsmidler		40 247	44 855
Finansielle anleggsmidler			
Investering i datterselskap	7	85 162 894	90 871 800
Lån til foretak i samme konsern	9	2 534 591	1 797 807
Sum finansielle anleggsmidler		87 697 485	92 669 607
Sum anleggsmidler		87 737 732	93 598 062
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		3 218	2 598
Konsernfordringer	9	47 154 429	60 358
Sum fordringer		47 157 647	62 956
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	639 031	17 705
Sum bankinnskudd, kontanter og lignende		639 031	17 705
Sum omløpsmidler		47 796 678	80 661
SUM EIENDELER		135 534 410	93 678 723

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: USD	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Selskapskapital		88 814 821	88 814 821
Annen innskutt egenkapital		10 964 742	2 525 996
Sum innskutt egenkapital		99 779 563	91 340 817
Opptjent egenkapital			
Translation reserve		6 469 431	45 821
Annen egenkapital		29 110 174	-1 205 943
Sum opptjent egenkapital		35 579 605	-1 160 122
Sum egenkapital		135 359 168	90 180 695
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld			91 865
Betalbar skatt	10	169 151	
Skyldige offentlige avgifter			-71
Kortsiktig konserngjeld	9	3 752	3 406 235
Annen kortsiktig gjeld		2 339	
Sum kortsiktig gjeld		175 242	3 498 029
Sum gjeld		175 242	3 498 029
SUM EGENKAPITAL OG GJELD		135 534 410	93 678 724



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	18.10.2017	26.10.2017
Telefon	Deres referanse	Vår referanse
22078139	Roar Olbergsvenn	2017/1127505

OPERA SOFTWARE ASA
Postboks 4214 Nydalen
0401 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Bemobi Holding AS, org.nr. 991 203 672

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 Bemobi Holding AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Bemobi 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. Bemobi Holding AS er et investeringsselskap som har som formål å eie Opera Software ASA's applikasjons- og mobilspillsegment (Bemobi). Bemobi Holding AS eier selskap direkte og indirekte i blant annet Brasil, Irland, Canada og USA. 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 tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan

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0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	skatteetaten.no/sendepost	



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



To the General Meeting of Otello Technology Investment AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Otello Technology Investment AS, which comprise statement of financial position as of 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.

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.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are 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.

*PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
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 - Otello Technology Investment AS



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

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, 30 August 2021
PricewaterhouseCoopers AS

Eivind Nilsen
State Authorised Public Accountant

(This document is signed electronically)

Note: This translation from Norwegian has been prepared for information purposes only.

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 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Nilsen, Eivind	BANKID_MOBILE	2021-08-30 12:04

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



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of the document.



DIRECTORS' REPORT 2020 Otello Technology Investment AS (formerly Bemobi Holding AS)

Nature and location of the business

Otello Technology Investment AS (formerly Bemobi 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>.

Following the reorganization of Otello Corporation ASA during 2016, Otello Technology Investment AS became the holding company for Otello's Bemobi (Apps & Games) segment. The Company's principal investments are in Brazil, Norway and Ukraine.

The Company's subsidiaries primarily generate revenues from Apps Club, a subscription-based discovery service for mobile apps. Apps Club offers a unique, "Netflix-style" subscription service for premium Android apps. Instead of selling directly to an end-user, the Companies subsidiaries typically partner with mobile operators or in some cases smartphone original equipment manufacturers (OEMs). Working with mobile operators, Bemobi's proprietary app-wrapping technology allows smartphone users access to unlimited use of premium mobile apps for a daily, weekly or monthly fee. Users pay for this service through their mobile operator billing systems.

In addition to the Apps Club platform for Android phones, Otello's Bemobi segment also has a feature phone platform, Bemobi Mobile Store, where users can access a similar subscription-based service.

The Company acquired the Bemobi Mobile Store IP from its subsidiary Apps and Games Ireland Ltd in June 2017. The acquisition cost was USD 2 million. The Company earns license revenues from this IP through a license agreement with its subsidiary Bemobi International AS which carries out marketing and sales on behalf of the company. Costs of goods sold related to this license revenue consist of technical services carried out by the company's subsidiary in Ukraine. These costs incurred by the Ukrainian subsidiary are invoiced on an arms-length basis to the company. This feature phone platform is to be phased out.

The Company did not have any employees in 2020 or 2019. The Company has not had any employees since 2017 when the existing employees were transferred to the Company's operational subsidiary Bemobi International AS in late 2017.

Financial Summary

Result

The Company made a profit before income taxes of USD 30.7 million (2019: loss of 1.5 million). The positive result is primarily due to a profit on the sale of subsidiaries as part of a restructuring of the Bemobi business.

Investments in subsidiaries

The Company has investments in subsidiaries of USD 85.2 million (2019: 90.9 million) as of December 31, 2020. Following the restructuring of the Bemobi business, the only investment is in Bemobi Mobile Tech S.A. (formerly Bemobi Midia e Entretenimento Ltda), in Brazil where the majority of the revenues in Bemobi's (Apps & Games) business are generated.

Equity

The Company's equity was USD 135.4 million (2019: 90.2 million) as of December 31, 2020. The equity ratio was 99.9 % (2019: 96.3 %). The company has no interest-bearing debt.

Cash

As of December 31, 2020, the Company had a cash balance of USD 0.6 million (2019: 0.02 million)



Allocation of the profit

The total comprehensive income for the period was a profit of USD 36.7 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 income, USD 30.3 million is allocated to other equity, and USD 6.4 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. License revenues are generated in USD. The lending and borrowing activities of the Company are primarily in USD.

Events after the reporting period

On February 9, 2021, Otello announced that Bemobi Mobile Tech S.A. ("Bemobi Brazil"), had set a price of 22.00 Brazilian real ("R\$") per common share for its IPO. Based on this price, the gross proceeds of the primary component of the IPO, will reach R\$ 1,094,117,684 (USD 203,943,536), resulting in an equity value, post-money, of Bemobi Brasil at IPO of R\$2,000,000,024 (USD 372.800.004).

On February 10, 2021, Bemobi Brazil had its first day of trading on the Bovespa stock exchange in Sao Paulo, Brazil, under the ticker "BMOB3". The Company's ownership pre-IPO was 34,553,860 shares in Bemobi, equal to 83.92% ownership, with other shareholders holding 6,622,610 shares (16.08% ownership) and hence a full sharecount of 41,176,470. The base offering for the IPO was 49,732,622 shares, hence giving a total sharecount post-IPO of 90,909,092 shares, with Bemobi's ownership reduced to 38.01%. The managers in the IPO have a greenshoe option where Bemobi could be selling up to 6 388 478 additional shares at the IPO price (R\$22) by reducing its ownership to 30.98% and resulting in a payment to Otello of up to R\$140 546 516 (approximately \$26 million).

As part of the use of proceeds in connection with the IPO, a dividend and share proceed payment of R\$ 431,637,688.80 (approximately USD 80 million) has been paid from Bemobi Brazil to Otello Technology Investment AS, of which R\$ 362,215,321.83 (approximately USD 67 million) will be paid to Otello Corporation ASA.

Information regarding the IPO of Bemobi Brazil, including the Brazilian Final Prospectus, will be available in Portuguese on the websites of Bemobi Brazil (<https://www.bemobi.com.br>), the Brazilian underwriters, the CVM and the São Paulo stock exchange.

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, Bemobi has assessed the potential risks on its business activities of Covid-19. As mentioned, Bemobi 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 Bemobi's customers
- A general worsening of economic conditions
- Bemobi does not sell, market or distribute physical products
- Bemobi's ability to serve its customers is not adversely affected by its employees not being able to operate from their offices
- Much of Bemobi's revenue is dependent on the consumption of services via mobile phones, which is expected to remain resilient during the coronavirus crisis
- The ability of Bemobi's partners and customers to meet their obligations to Bemobi (including if any governmental actions designed to stimulate and support the telecom sector are introduced)

Oslo, August 31, 2021

Lars Rahbæk Boilesen
Chairman

Petter Lade
Board member



Otello Technology Investment AS

formerly Bemobi Holding AS

Annual Report 2020

Separate Financial Statements



Otello Technology Investment AS Annual Report 2020

Statement of comprehensive income

(USD)	Note	2020	2019
Revenue	3	121,519	149,855
Total operating revenue		121,519	149,855
Developer and user acquisition cost	3	(991,324)	(1,323,637)
Payroll and related expenses, excluding stock-based compensation expens	4	-	-
Stock-based compensation expenses	4	(7,817,691)	-
Depreciation and amortization expenses	5,6	(336,671)	(482,303)
Impairment of investments in subsidiaries	7	-	-
Profit (loss) on sale of shares	7	40,398,494	-
Other operating expenses	8	(388,254)	(1,168,050)
Total operating expenses		30,864,554	(2,973,990)
Operating profit (loss)		30,986,073	(2,824,135)
Interest income		2	7
Interest income from group companies	9	68,540	26,760
Interest expense		-	-
Interest expense to group companies	9	-	-
Net other financial income (expense)	11	(391,759)	1,249,195
Net financial items		(323,217)	1,275,962
Profit (loss) before income taxes		30,662,856	(1,548,173)
Provision for taxes	10	(346,739)	97,570
Profit (loss)		30,316,117	(1,450,603)
Other comprehensive income:			
Items that may or will be transferred to profit (loss)			
Foreign currency translation differences		6,423,610	(1,199,318)
Total comprehensive income (loss)		36,739,727	(2,649,921)
Profit (loss) attributed to:			
Owners of Otello Technology Investment AS		30,316,117	(1,450,603)
Total comprehensive income (loss) attributable to:			
Owners of Otello Technology Investment AS		36,739,727	(2,649,921)



Otello Technology Investment AS
Annual Report 2020

Statement of financial position

(USD)	Note	2020	2019
Assets			
Deferred tax asset	10	-	166,166
Other intangible assets	5	-	717,434
Property, plant and equipment	6	40,247	44,855
Investments in subsidiaries	7	85,162,894	90,871,800
Non-current receivables from group companies	9	2,534,591	1,797,807
Total non-current assets		87,737,732	93,598,063
Current receivables from group companies	9	47,154,429	-
Accounts receivable from group companies	9	-	60,358
Accounts receivable	11	-	-
Other receivables		3,218	2,598
Cash and cash equivalents	11	639,031	17,705
Total current assets		47,796,678	80,661
Total assets		135,534,410	93,678,724



Otello Technology Investment AS Annual Report 2020

Statement of financial position

(USD)	Note	2020	2019
Shareholders' equity and liabilities			
Equity attributable to owners of the company	12	135,359,168	90,180,695
Total equity		135,359,168	90,180,695
Liabilities			
Current liabilities to group companies	9	-	2,000,000
Accounts payable to group companies	9	3,752	1,406,235
Accounts payable		-	91,865
Taxes payable	10	169,151	-
Public duties payable		0	(71)
Other current liabilities		2,339	-
Total current liabilities		175,242	3,498,029
Total liabilities		175,242	3,498,029
Total equity and liabilities		135,534,410	93,678,724

Oslo, 31 August, 2021

Lars Boilesen
Chairman of the board

Petter Lade
Board member



Otello Technology Investment AS Annual Report 2020

Statement of cash flows

(USD)	Note	2020	2019
Cash flow from operating activities			
Profit (loss) before taxes		30,662,856	(1,548,173)
Income taxes paid	10	-	-
Depreciation and amortization expense	5	336,671	482,303
Impairment of investments in subsidiaries	5	-	-
Changes in inventories, trade receivables, trade and other payables		(82,346)	26,667
Changes in other liabilities and receivables, net ¹⁾		(1,274,477)	1,217,209
Share-based remuneration	4	7,817,691	-
FX differences related to changes in balance sheet items		11,609	(1,233,460)
Profit (loss) on sale of shares		(40,398,494)	-
Net cash flow from operating activities		(2,926,491)	(1,055,454)
Cash flow from investment activities			
Net cash flow from investment activities		-	-
Cash flow from financing activities			
Proceeds from capital increase		-	-
Proceeds from loans from group companies	9	9,960,273	2,842,135
Repayments of loans to group companies	9	(3,490,000)	-
Issuance of loans to group companies	9	(3,321,940)	(1,840,000)
Receipts from loans to group companies	9	187,560	-
Incurred net interest (income) expense	9	(68,558)	-
Net cash flow from financing activities		3,267,335	1,002,135
Net change in cash and cash equivalents		340,844	(53,320)
Cash and cash equivalents (beginning of period)		17,705	73,376
Effects of exchange rate changes on cash and cash equivalents		280,482	(2,351)
Cash and cash equivalents ²⁾		639,031	17,705

1) This include changes in intercompany balances. See note 9 for further information.

2) Of which USD 557 (2019: 541) is restricted cash as of 12/31/2020

Please see note 9 for information about significant non-cash transactions.



Otello Technology Investment 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	160,000	88,814,821	2,525,996	(1,205,943)	45,821	90,180,695
Comprehensive income for the period						
Profit (loss) for the period		-	-	30,316,117	-	30,316,117
Other comprehensive income						
Foreign currency translation differences		-	-	-	6,423,610	6,423,610
Total comprehensive income for the period		-	-	30,316,117	6,423,610	36,739,727
Contributions by and distributions to owners						
Issues of ordinary shares related to equity increase	-	-	-	-	-	-
Dividend to equity holders						-
Total contributions by and distributions to owners		-	-	-	-	-
Other equity changes						
Tax deduction on equity issuance costs		-	-	-	-	-
Share-based payment transactions		-	8,438,746	-	-	8,438,746
Other changes		-	-	-	-	-
Total other equity changes		-	8,438,746	-	-	8,438,746
Balance as of 12/31/2020	160,000	88,814,821	10,964,742	29,110,174	6,469,431	135,359,168

Face value of the shares

The face value of the shares is NOK 110

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.



Otello Technology Investment 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 12/31/2018	160,000	89,970,694	575,064	248,949	84,868	90,879,576
Comprehensive income for the period						
Profit (loss) for the period		-	-	(1,450,603)	-	(1,450,603)
Other comprehensive income						
Foreign currency translation differences		(1,155,874)	(109)	(4,289)	(39,047)	(1,199,318)
Total comprehensive income for the period		(1,155,874)	(109)	(1,454,892)	(39,047)	(2,649,921)
Contributions by and distributions to owners						
Issues of ordinary shares related to equity increase	-	-	-	-	-	-
Dividend to equity holders						-
Total contributions by and distributions to owners		-	-	-	-	-
Other equity changes						
Tax deduction on equity issuance costs		-	-	-	-	-
Share-based payment transactions		-	1,951,041	-	-	1,951,041
Other changes		-	-	-	-	-
Total other equity changes		-	1,951,041	-	-	1,951,041
Balance as of 12/31/2019	160,000	88,814,821	2,525,996	(1,205,943)	45,821	90,180,695

Face value of the shares

The face value of the shares is NOK 110

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.



Otello Technology Investment 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.



Otello Technology Investment AS Annual Report 2020

Revenue recognition

The company earns license revenues from its ownership of the Opera mobile store IP, through a license agreement with its subsidiary Bemobi International AS which carries out marketing and sales on behalf of the company. The Company receives a license fee corresponding to 80 % of all revenues generated from this IP. The Company recognizes license revenue in the same period that the underlying revenue is generated.

Costs of goods sold

Costs of goods sold related to this license revenue consist of technical services carried out by the company's subsidiary in Ukraine. These costs incurred by the Ukrainian subsidiary are invoiced on an arms-length basis to the Company and are recognized at the same time as the associated revenues are recognized.

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.

Property, plant and equipment

Owned assets

Property, plant and equipment are recognized at cost, less accumulated depreciation (see below) and impairment losses (see accounting policy regarding impairment).

Where parts of property, plant and equipment have different useful lives, the components are depreciated separately.

Leased assets

Leases, where the Group assumes substantially all the risks and rewards of ownership, are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Expenses



Otello Technology Investment AS Annual Report 2020

concerning the upgrading of leased premises have been capitalized and are amortized over the remaining term of the contract.

Subsequent costs

The Company recognizes, in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Company, and the cost of the item can be measured reliably. All other costs are recognized in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- | | |
|---------------------------|-------------------------------|
| ▪ Leasehold improvements | Over the term of the contract |
| ▪ Machinery and equipment | Up to 10 years |
| ▪ Fixtures and fittings | Up to 5 years |

The residual value, if not insignificant, is reassessed annually.

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 calculated 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

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

Cash and cash equivalents



Otello Technology Investment AS Annual Report 2020

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.

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.



Otello Technology Investment AS Annual Report 2020

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.



Otello Technology Investment AS Annual Report 2020

Notes

Note 2. General information

Otello Technology Investment AS, formerly Bemobi Holding AS, (the Company) was established in 2007, 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>.

Following the reorganization of Otello Corporation ASA during 2016, the Company became the holding company for Otello's Bemobi (Apps & Games) segment. The Company's principal investments are in Brazil and Norway.

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.

Note 3. Revenue

The Company's subsidiaries primarily generate revenues from Apps Club, a subscription-based discovery service for mobile apps. Apps Club offers a unique, "Netflix-style" subscription service for premium Android apps. Instead of selling directly to an end user, the Companies subsidiaries typically partner with mobile operators or in some cases smartphone original equipment manufacturers (OEMs). Working with mobile operators, Bemobi's proprietary app-wrapping technology allows smartphone users access to unlimited use of premium mobile apps for a daily, weekly or monthly fee. Users pay for this service through their mobile operator billing systems.

In addition to the Apps Club platform for Android phones, Otello's Bemobi segment also has a feature phone platform, Bemobi Mobile Store, where users can access a similar subscription-based service.

The Company acquired the Bemobi Mobile Store IP from its subsidiary Apps and Games Ireland Ltd in June 2017. The acquisition cost was USD 2 million. The Company earns license revenues from this IP through a license agreement with its subsidiary Bemobi International AS which carries out marketing and sales on behalf of the company. Costs of goods sold related to this license revenue consist of technical services carried out by the company's subsidiary in Ukraine. These costs incurred by the Ukrainian subsidiary are invoiced on an arms-length basis to the company. This feature phone platform is to be phased out.

As part of the reorganization of the Bemobi business during 2020, the Company sold this IP to its subsidiary, Bemobi International AS. The sales proceeds were USD 2.4 million.

Disaggregation of revenue

In the following tables, the major revenue types are disaggregated by region.

(USD)	2020	2019
Licences/royalties		
Europe	42,852	149,855
Total	42,852	149,855
(USD)	2020	2019
Other		
Europe	78,667	-
Total	78,667	-
Total	121,519	149,855



Otello Technology Investment AS Annual Report 2020

Notes

Note 7. Investments in subsidiaries

As at December 31, 2020 the Company holds shares in one subsidiary directly, Bemobi Mobile Tech S.A (formerly Bemobi Midia e Entretenimento Ltda). The subsidiary was acquired in 2015.

The tables below provides further information on this subsidiary.

Registered office	Rio de Janeiro, Brazil
Ownership and voting share	99.99 %

(USD)	
Equity at year end	<u>30,762,189</u>
Profit for the year	<u>7,118,927</u>

Information relating to carrying value

Acquisition cost	18,900
Capital increase	82,474,732
Share-based payment transactions	1,905,607
Dividend	-
Impairment	-
Translation differences	763,654
Carrying value	85,162,894

(USD)	2020	2019
Carrying value		
Acquisition cost	18,900	1,483,303
Capital increase	82,474,732	87,812,962
Share-based payment transactions	1,905,607	2,517,638
Dividend	-	-
Impairment	-	-
Translation differences	763,654	(942,102)
Total	85,162,894	90,871,800

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. The impairment testing was based on valuations carried out as part of the Bemobi IPO process.

Apps and Games Ireland Ltd

The liquidation of Apps and Games Ireland Ltd was completed on September 3, 2020.

Tulari Spain Sociedad Ltda

As part of the reorganization of the Bemobi business during 2020, the Company sold its shares in Tulari Spain Sociedad Ltda to Open Markets AS. The sales proceeds were USD 2.2 million. This sale was settled by way of a conversion of that receivable into equity in Open Markets AS.

Open Markets AS / Bemobi International AS / Bemobi Ukraine LLC

As part of the reorganization of the Bemobi business during 2020, the Company subsequently sold its shares in Open Markets AS, Bemobi International AS and Bemobi Ukraine LLC to Bemobi Mobile Tech S.A. for USD 19.2 million, USD 30.9 million and USD 1.9 million respectively. These amounts, converted into an equivalent amount in BRL, net of prior and further amounts borrowed from Bemobi Mobile Tech S.A., remained as an outstanding receivable as of the balance sheet date.



Otello Technology Investment AS Annual Report 2020

Notes

Note 8. Other operating expenses

(USD)	2020	2019
Other operating expenses		
Rent and other office expenses	-	-
Equipment	-	-
Audit, legal and other advisory services	(307,085)	(1,149,096)
Marketing expenses	-	-
Travel expenses	-	-
Hosting expenses, excl. Depreciation cost	(58)	(54)
Other expenses	(81,112)	(18,900)
Total	(388,254)	(1,168,050)

Remuneration to the statutory auditors

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

(USD)	2020	2019
Audit fees		
Statutory audit	(11,894)	(39,233)
Tax advisory services	-	(2,843)
Assurance services	(92,738)	-
Other services	-	-
Total	(104,632)	(42,076)

Note 9. 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	2,534,591	1,797,807
Current receivables from group companies	47,154,429	-
Accounts receivable from group companies	-	60,358
Current liabilities to group companies	-	(2,000,000)
Accounts payable to group companies	(3,752)	(1,406,235)
Total	49,685,268	(1,548,069)

Non-current receivables

During the year-end December 31, 2019, the Company had entered into a number of loan agreements with its then- subsidiary company, Bemobi International AS. During the year ended December 31, 2020, the Company loaned additional amounts to Bemobi International AS totalling USD 776,000 and NOK 400,00. Of these additional amounts, USD 130,000 and NOK 400,000 was repaid in cash during the year ended December 31, 2020. As part of the reorganization of the Bemobi segment during 2020, the remaining outstanding amounts and all accrued interest were settled by way of a debt to equity conversion.

As of December 31, 2019, the Company also had an outstanding loan forwarded to its then- subsidiary company, Open Markets AS. This loan along with accrued interest was settled in cash in June 2020.

In July 2020, the Company provided a loan of USD 2,500,000 to its parent company, Otello Corporation ASA for a term of 18 months and fixed interest rate of 2.8625%. This loan remains outstanding as at balance date.

Current receivables

As part of the reorganization of the Bemobi business during 2020, the Company sold its shares in Tulari Spain Sociedad Ltda to Open Markets AS. The sales proceeds were USD 2.2 million. This sale was settled by way of a conversion of that receivable into equity in Open Markets AS.

The Company subsequently sold its shares in Open Markets AS, Bemobi International AS and Bemobi Ukraine LLC to Bemobi Mobile Tech S.A. for USD 19.2 million, USD 30.9 million and USD 1.9 million respectively. These amounts, converted into an equivalent amount in BRL, net of prior and further amounts borrowed from Bemobi Mobile Tech S.A., remained as an outstanding receivable as of balance date. As agreed between the Company and Bemobi Mobile Tech S.A., the net amount shall be paid in cash on 31 December 2021, or on such earlier date as agreed between the parties in the event of an IPO of the shares in Bemobi Mobile Tech S.A.

Current liabilities

During 2020, the Company borrowed additional amounts from its subsidiary Bemobi Mobile Tech S.A., all of which was either repaid in cash prior to balance date, or was offset against the current receivable from Bemobi Mobile Tech S.A., which arose as described above.

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 revenues and expenses with companies in the Otello Corporation ASA group.

(USD)	2020	2019
Revenue	121,519	149,855
Developer and user acquisition cost	(991,324)	(1,323,637)
Other operating expenses	(71,369)	(8,539)
Interest income	68,540	26,760
Interest expense	-	-



Otello Technology Investment AS Annual Report 2020

Notes

Note 10. Tax

(USD)	2020	2019
Current tax		
Profit (loss) before income tax	30,662,856	(1,548,173)
Permanent differences in profit (loss)	(37,890,554)	1,124,219
Changes in temporary differences	2,297	-
Basis for current tax	(7,225,401)	(423,954)
Utilized tax losses brought forward	-	-
Basis for tax payable on profit (loss)	(7,225,401)	(423,954)
Taxes payable on profit (loss)	-	-
Income tax expense		
Tax payable on profit (loss)	-	-
Withholding tax expense	-	-
Change in deferred tax liability / deferred tax asset	(166,166)	101,664
Tax payable in Brazil for restructuring	(166,085)	-
Other	(14,487)	(4,095)
Total income tax expense	(346,739)	97,570
Net deferred tax asset (liability)		
Provisions	-	-
Loss carried forward	1,098,781	166,166
Loss carried forward, not recognised in the statement of financial position	(1,098,781)	-
Total deferred tax asset	-	166,166

Deferred tax asset / deferred tax liability in statement of financial position as of 31.12. - 166,166

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.

The Company recognizes deferred tax assets related to tax losses in the statement of financial position when it is considered probable that taxable profits will be generated in future periods against which these tax loss carry forwards can be utilized. Management does not consider that sufficient taxable profits will be generated in future periods against which these tax losses can be utilized. Therefore, tax loss carry forwards are not recognized in the statement of financial position as at 31 December, 2020.

Permanent differences

Permanent differences in 2020 primarily comprises the profit from the sale of formerly directly-owned subsidiaries (now subsidiaries of the associate company, Bemobi Mobile Tech S.A.), non-taxable dividends received from formerly directly-subidiaries and non-deductible stock-based compensation expenses.
Permanent differences in 2019 primarily comprise various costs relating to a potential stock marketing listing of the Bemobi business (subsequently completed during 2021).



Otello Technology Investment AS Annual Report 2020

Notes

Note 11. 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
Realized / Unrealized FX gain (loss)		
Realized FX gain (loss)	(121,092)	3,267,596
Unrealized FX gain (loss)	(2,204,735)	(2,018,383)
Total	(2,325,827)	1,249,213

(USD)	2020	2019
Breakdown of cash deposits by currency		
USD	585,033	12,974
NOK	51,296	2,179
EUR	2,701	2,552
Total	639,031	17,705

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.

Credit risk

Credit risk principally relates to the risk of losses that the Company would suffer if a counterparty fails to perform its financial obligations. The Company's exposure to credit risk is mainly related to external receivables. Credit risk is assessed for each specific customer. Further, the Group has not experienced significant credit-related losses during this or the previous financial year. Any provisions for bad debts are determined through individual assessments by customer. These assessments are carried out by financial management.

Liquidity risk

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

(USD)	2020	2019
Liquidity reserve		
Cash and cash equivalents	639,031	17,705
- of which restricted funds	(557)	(541)
Unrestricted cash	638,474	17,164

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 Otello Technology Investment AS. Otello Technology Investment AS' has not made any financial guarantees to any companies external 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.



Otello Technology Investment AS Annual Report 2020

Notes

Note 12. Shareholder information

Share capital	Total	Face value (NOK)	Carrying value (NOK)
Ordinary shares	160,000	110	17,600,000

The Company's share capital is USD 2,058,672 as at December 31, 2020.

Shareholder	Shares	Ownership and voting share
Otello Corporation ASA	142,080	88.8 %
Former shareholders of Bemobi Mobile Tech S.A.	17,920	11.2 %

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

On May 29, 2018, Otello Technology Investment's (the Company) parent company Otello Corporation ASA (Otello), reached an agreement with the former shareholders of the Company's subsidiary in Brazil, Bemobi Midia e Entretenimento Ltda, where the majority of the revenues in Otello's Bemobi (Apps & Games) business are generated, to terminate the existing earnout agreement with Otello. As part of this agreement, part of the remainder of the earnout was converted into an interest in 11.2% of the shares in Otello Technology Investment AS.

Note 13. Related parties

Otello Technology Investment 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 9.

Apart from the agreement with the former shareholders (including board member, Pedro Ripper) of the Company's Brazilian subsidiary described in Note 12 Shareholder information, the Company did not engage in any related party transactions with any members of the Board of Directors or key management personnel of the Company during 2020 and 2019.



Otello Technology Investment AS Annual Report 2020

Notes

Note 14. Events after the reporting period

Bemobi IPO successfully completed

On February 9, 2021, Otello announced that Bemobi Mobile Tech S.A. ("Bemobi Brazil"), had set a price of 22.00 Brazilian real ("R\$") per common share for its IPO. Based on this price, the gross proceeds of the primary component of the IPO, will reach R\$ 1,094,117,684 (USD 203,943,536), resulting in an equity value, post-money, of Bemobi Brasil at IPO of R\$2,000,000,024 (USD 372,800,004).

On February 10, 2021, Bemobi Brazil had its first day of trading on the Bovespa stock exchange in Sao Paulo, Brazil, under the ticker "BMOB3". Otello's ownership pre-IPO was 34,553,860 shares in Bemobi, equal to 83.92% ownership, with other shareholders holding 6,622,610 shares (16.08% ownership) and hence a full sharecount of 41,176,470. The base offering for the IPO was 49,732,622 shares, hence giving a total sharecount post-IPO of 90,909,092 shares, with Otello's ownership reduced to 38.01%. The managers in the IPO have a greenshoe option where Otello could be selling up to 6 388 478 additional shares at the IPO price (R\$22) by reducing its ownership to 30.98% and resulting in a payment to Otello of up to R\$140 546 516 (approximately \$26 million).

As part of the use of proceeds in connection with the IPO, a dividend and share proceed payment of R\$ 431,637,688.80 (approximately USD 80 million) has been paid from Bemobi Brazil to Otello Technology Investment AS, of which R\$ 362,215,321.83 (approximately USD 67 million) will be paid to Otello Corporation ASA.

Information regarding the IPO of Bemobi Brazil, including the Brazilian Final Prospectus, will be available in Portuguese on the websites of Bemobi Brazil (<https://www.bemobi.com.br>), the Brazilian underwriters, the CVM and the São Paulo stock exchange.

Following the successful IPO of Bemobi on Bovespa in Brazil, Otello Corporation ASA ("Otello") is now a major shareholder in Bemobi Brazil with an ownership below 50%. Consequently, Bemobi Brazil's financials will not be consolidated into Otello's accounts going forward but will be booked according to the equity method.

Earn-out agreement and Security Holders agreements with Bemobi Mobile Tech S.A

As part of the acquisition agreement of Bemobi Mobile Tech S.A (formerly Bemobi Midia e Entretenimento Ltda) ("Bemobi Brazil"), an earn-out agreement was entered into with the former owners. In 2018, this earn-out agreement was renegotiated in a Security Holders agreement, with a partial cash settlement of USD 20 million and 11.2 % shares in the intermediate holding company Otello Technology Investment AS. The shares were to be held in escrow until a major transaction in relation to Bemobi Brazil should take place (a qualified sale or an Initial Public Offering "IPO"). If such a major transaction did not take place within certain deadlines, the former owners of Bemobi Brazil could require Otello Technology Investment's parent company, Otello, to acquire the shares at a fixed amount.

In January 2020, an amendment to the Security Holders agreement was agreed, regarding the deadline and fixed amount. The deadline for a major transaction was set at December 31, 2020, and the fixed amount was set at USD 18.6 million. At the same time, an RSU Award agreement was reached between Otello Technology Investment AS and Bemobi Brazil's CEO, Pedro Ripper regarding a share-based incentive program.

In January 2021, the parties again renegotiated the deadline for when an IPO could occur (at the same time removing a qualified sale as an option for a major transaction), and the conditions regarding transferring the shares in Otello Technology Investment AS. The deadline was set at February 15, 2021. The fixed amount was unchanged at USD 18.6 million. With the announcement of Bemobi Brazil's IPO on February 9, 2021, the clauses relating to the occurrence of a major transaction are no longer relevant. For more information regarding the IPO, please see Note 21 Events after the reporting date.

At the same time, the parties renegotiated the Security Holders agreement concerning the number of shares that the former owners of Bemobi Brazil were to receive. This was increased from 11.2 % to 16.083% of the shares in Otello Technology Investment AS, and shares in Bemobi Brazil also equaling 16.083%. The increase from 11.2% to 16.083% represents an additional portion agreed with Bemobi Brazil's CEO, Pedro Ripper as acknowledgement for his part in negotiations of the transaction and subsequent agreements with Otello.

Further, in January 2021, the above-mentioned RSU Award agreement with Bemobi Brazil's CEO, Pedro Ripper was agreed to be terminated. Pedro Ripper and the intermediate holding company of Otello's Bemobi business, Otello Technology Investment AS, entered into a Share Call Option agreement. This agreement ensures that shares will be granted to Pedro Ripper upon an IPO of Bemobi Brazil. The shares are not automatically forfeited if his employment terminates. However, Otello Technology Investment AS might choose to exercise the call option. In addition, Pedro Ripper and Otello Technology Investment AS entered into a Voting agreement. This agreement put in place a "lock up" of Ripper's shares and gives him voting instructions issued by Otello Technology Investment AS.

Accounting treatment in the financial statements:

The above-mentioned RSU award agreement, that was terminated in January 2021, contained vesting conditions tied to Pedro Ripper remaining as Bemobi CEO as of the applicable vesting date, to avoid forfeiture. A contingent consideration arrangement in which the payments are automatically forfeited if employment terminates, is according to IFRS 2 Share-based payments, to be recognized as remuneration for post combination services. The costs associated with the RSU award have therefore been recognized, in accordance with IFRS 2, in the statement of comprehensive income in the 2020 financial statements. Please see the tables below for further information.

The above-mentioned amendment to the Security Holders agreement made in January 2021, in which an additional portion of 4.88% of shares were granted to Bemobi Brazil CEO, Pedro Ripper, is considered to be a replacement of the terminated RSU award. This amendment should therefore be recognized as a modification of the RSU Award, and as such the costs associated with the grant will be recognized, in accordance with IFRS 2, in the statement of comprehensive income in the 2021 financial statements.

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 Bemobi 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 Bemobi, 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 Bemobi business since 3Q20. However, as our revenue is linked to subscriptions bought by consumers, 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.