Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	974 529 459
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	OTELLO CORPORATION ASA
Forretningsadresse:	Gjerdrums vei 19 0484 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Roar Olbergsveen
Dato for fastsettelse av årsregnskapet:	23.04.2021

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, 29.06.2022

Resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2,8	0	0
Annen driftsinntekt	2,8		0
Sum inntekter		**0**	**0**
Kostnader			
Lønnskostnad	4	3 600 000	3 300 000
Stock-based compensation expense	4	1 200 000	1 700 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9	700 000	600 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7		29 000 000
Annen driftskostnad	5	1 600 000	2 200 000
Sum kostnader		**7 100 000**	**36 800 000**
Driftsresultat		**-7 100 000**	**-36 800 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	8	2 720 000	3 700 000
Annen renteinntekt	3	180 000	300 000
Net financial income (expense)	3	-5 200 000	2 200 000
Dividends received	8	5 800 000	122 500 000
Profit (loss) sale of shares		-800 000	-1 000 000
Share of the profit (loss) from associated companies	7		2 100 000
Sum finansinntekter		**2 700 000**	**129 800 000**
Rentekostnad til foretak i samme konsern	8	150 000	300 000
Annen rentekostnad	3	1 250 000	1 300 000
Sum finanskostnader		**1 400 000**	**1 600 000**
Netto finans		**1 300 000**	**128 200 000**
Ordinært resultat før skattekostnad		**-5 800 000**	**91 400 000**
Skattekostnad på ordinært resultat		3 200 000	-200 000
Ordinært resultat etter skattekostnad		**-9 000 000**	**91 600 000**
Årsresultat		**-9 000 000**	**91 600 000**

Resultatregnskap

Beløp i: USD	Note	2020	2019
Foreign currency translation differences		13 400 000	-6 200 000
Sum resultatkomponenter for IFRS-foretak		13 400 000	-6 200 000
Totalresultat		**4 400 000**	**85 400 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		4 440 000	85 400 000
Sum overføringer og disponeringer		**4 440 000**	**85 400 000**

Balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		2 500 000
Sum immaterielle eiendeler			**2 500 000**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	9	1 600 000	2 200 000
Sum varige driftsmidler		**1 600 000**	**2 200 000**
Finansielle anleggsmidler			
Investering i datterselskap	7	306 200 000	297 700 000
Lån til foretak i samme konsern	7	132 800 000	124 800 000
Investeringer i tilknyttet selskap	7	10 100 000	10 100 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	7	7 700 000	5 800 000
Investeringer i aksjer og andeler		900 000	800 000
Right of use assets	10	200 000	300 000
Sum finansielle anleggsmidler		**457 900 000**	**439 500 000**
Sum anleggsmidler		**459 500 000**	**444 200 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer fra konsernselskaper	8	200 000	
Andre fordringer	11	300 000	900 000
Konsernfordringer	8	200 000	2 000 000
Sum fordringer		**700 000**	**2 900 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	3	2 700 000	1 200 000
Sum bankinnskudd, kontanter og lignende		**2 700 000**	**1 200 000**
Sum omløpsmidler		**3 400 000**	**4 100 000**

Balanse

Beløp i: USD	Note	2020	2019
SUM EIENDELER		**462 900 000**	**448 300 000**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Selskapskapital		358 200 000	358 200 000
Beholdning av egne aksjer		-74 900 000	-74 500 000
Annen innskutt egenkapital		-113 000 000	-127 500 000
Sum innskutt egenkapital		**170 300 000**	**156 200 000**
Opptjent egenkapital			
Annen egenkapital		253 300 000	262 200 000
Sum opptjent egenkapital		**253 300 000**	**262 200 000**
Sum egenkapital		**423 600 000**	**418 400 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3		20 000 000
Langsiktig konserngjeld	8	2 500 000	5 500 000
Financial lease liabilities	10	100 000	200 000
Sum annen langsiktig gjeld		**2 600 000**	**25 700 000**
Sum langsiktig gjeld		**2 600 000**	**25 700 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		35 000 000	
Leverandørgjeld		100 000	1 200 000
Skyldige offentlige avgifter		200 000	300 000
Deferred revenue	3		200 000
Financial lease liabilities	10	100 000	100 000
Other current liabilities		1 300 000	2 400 000
Sum kortsiktig gjeld		**36 700 000**	**4 200 000**
Sum gjeld		**39 300 000**	**29 900 000**

Balanse

Beløp i: USD	Note	2020	2019
SUM EGENKAPITAL OG GJELD		**462 900 000**	**448 300 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4,5	259 000 000	240 800 000
Sum inntekter		**259 000 000**	**240 800 000**
Kostnader			
Publisher and revenue share cost	5	157 100 000	137 600 000
Payroll and related expenses	6	45 900 000	50 900 000
Stock-based compensation expense	6, 16	9 700 000	3 800 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	5, 11, 12, 13, 14	23 400 000	28 100 000
Annen driftskostnad	5,7,9,11,12	32 800 000	35 300 000
Sum kostnader		**268 900 000**	**255 700 000**
Driftsresultat		**-9 900 000**	**-14 900 000**
Finansinntekter og finanskostnader			
Annen renteinntekt	5	600 000	1 000 000
Negativ goodwill			2 800 000
share of the profit (loss) from associated companies	5		2 100 000
Sum finansinntekter		**600 000**	**5 900 000**
Annen rentekostnad	5	1 400 000	1 400 000
Other financial expense	5	7 500 000	2 400 000
Sum finanskostnader		**8 900 000**	**3 800 000**
Netto finans		**-8 300 000**	**2 100 000**
Ordinært resultat før skattekostnad		**-18 200 000**	**-12 800 000**
Skattekostnad på ordinært resultat	8	5 000 000	9 800 000
Ordinært resultat etter skattekostnad		**-23 200 000**	**-22 600 000**
Årsresultat		**-23 200 000**	**-22 600 000**

Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
Foreign currency translation differences		-18 600 000	-4 100 000
Sum resultatkomponenter for IFRS-foretak		-18 600 000	-4 100 000
Totalresultat		**-41 800 000**	**-26 700 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-41 800 000	-26 700 000
Sum overføringer og disponeringer		**-41 800 000**	**-26 700 000**

Konsernets balanse

Beløp i: USD	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	11,12	12 800 000	22 400 000
Utsatt skattefordel	8	26 100 000	32 200 000
Goodwill	11,12	219 700 000	230 700 000
Sum immaterielle eiendeler		**258 600 000**	**285 300 000**
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	13	6 000 000	8 000 000
Sum varige driftsmidler		**6 000 000**	**8 000 000**
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	15	10 100 000	10 100 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	15	7 700 000	5 800 000
Investeringer i aksjer og andeler	15	800 000	900 000
Right of use assets IFRS 16	14	3 000 000	4 600 000
Lease receivables	14	0	1 900 000
Andre fordringer		400 000	500 000
Sum finansielle anleggsmidler		**22 000 000**	**23 800 000**
Sum anleggsmidler		**286 600 000**	**317 100 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	5	89 500 000	80 900 000
Andre fordringer	5	6 400 000	8 600 000
Lease receivables	14	900 000	500 000
Sum fordringer		**96 800 000**	**90 000 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	5	41 900 000	28 300 000
Sum bankinnskudd, kontanter og lignende		**41 900 000**	**28 300 000**

Konsernets balanse

Beløp i: USD	Note	2020	2019
Sum omløpsmidler		**138 700 000**	**118 300 000**
SUM EIENDELER		**425 300 000**	**435 400 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		348 100 000	348 100 000
Beholdning av egne aksjer		-69 300 000	-69 000 000
Annen innskutt egenkapital		34 200 000	40 800 000
Sum innskutt egenkapital		**313 000 000**	**319 900 000**
Opptjent egenkapital			
Annen egenkapital		-6 200 000	17 300 000
Minoritetsinteresser		-400 000	1 900 000
Sum opptjent egenkapital		**-6 600 000**	**19 200 000**
Sum egenkapital		**306 400 000**	**339 100 000**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5		20 000 000
Øvrig langsiktig gjeld	5	1 600 000	1 100 000
Lease liabilities	14	1 200 000	3 000 000
Sum annen langsiktig gjeld		**2 800 000**	**24 100 000**
Sum langsiktig gjeld		**2 800 000**	**24 100 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	5	35 000 000	
Leverandørgjeld	5	25 700 000	22 800 000
Betalbar skatt	8	2 000 000	500 000
Skyldige offentlige avgifter		1 300 000	1 400 000
Annen kortsiktig gjeld	17	47 300 000	41 700 000
Lease liabilities	14	2 800 000	4 000 000

Konsernets balanse

Beløp i: USD	Note	2020	2019
Contract liabilities	5	1 800 000	1 300 000
Contingent consideration	16	200 000	500 000
Sum kortsiktig gjeld		**116 100 000**	**72 200 000**
Sum gjeld		**118 900 000**	**96 300 000**
SUM EGENKAPITAL OG GJELD		**425 300 000**	**435 400 000**

OSLO BØRS

Opera Software ASA
v/ Stephan Brodschöll
Postboks 2648 St. Hanshaugen
0175 Oslo Børs

e-post: sbr@opera.com

Deres ref: Vår ref: 685982 Dato: 23.05.2008

OPERA - Søknad om dispensasjon fra verdipapirhandelloven § 5-13 vedrørende krav til språk ved informasjonspliktige opplysninger

Det vises til søknad fra Opera Software ASA av 7. mai 2008. I søknaden søkes det om dispensasjon fra kravet i verdipapirhandelloven § 5-13 om å rapportere informasjonspliktige opplysninger på norsk. I denne sammenheng søkes det om å benytte engelsk som språk ved rapportering av informasjon som nevnt.

Utstedere med Norge som hjemstat skal i utgangspunktet offentliggjøre opplysninger på norsk, jf. verdipapirhandelloven § 5-13 første ledd. Oslo Børs har hjemmel til å gi dispensasjon fra dette utgangspunktet, jf. forskrift 6. desember 2007 nr. 1359 om innsendelse av flaggemeldinger, offentliggjøring av flaggemeldinger og meldepliktige handler, samt delegering av myndighet til å unnta fra språkkrav etter verdipapirhandelloven (heretter benevnt "forskriften"). I forskriften § 3 heter det følgende:

> "§ 3 Delegering av dispensasjonsmyndighet fra språkkrav
>
> *Regulert marked der verdipapirene er opptatt til handel kan gjøre unntak fra kravet i verdipapirhandelloven § 5-13 første og annet ledd om å gi opplysninger på norsk. Ved vurderingen av om det skal gjøres unntak skal det legges vekt på utstederens aksjonærsammensetning, hvor byrdefullt det fremstår for utstederen å gi opplysninger på norsk i tillegg til andre språk, utstederens arbeidsspråk, og om utstederen før forskriftens ikrafttredelse har hatt dispensasjon."*

Forskriften er utarbeidet av Kredittilsynet, og i høringsnotatet av 5. november 2007 til forskriften uttalte Kredittilsynet følgende om delegeringen (høringsnotatet punkt 3):

> *"Drøftingene i verdipapirhandellovens forarbeider tilsier at kravet om at opplysninger skal gis på norsk skal være det klare utgangspunktet for utstedere med Norge som hjemstat. Forarbeidene omtaler derimot ikke aktuelle momenter som bør tas i betraktning ved utøvelsen av dispensasjonsskjønnet. Kredittilsynet mener at dispensasjon bare bør gis etter en individuell vurdering, og oppstiller noen vilkår for det regulerte markedets utøvelse av dispensasjonsskjønnet. Momenter ved vurderingen bør være aksjonærsammensetning, hvor byrdefullt det fremstår for utstederen å gi opplysninger på norsk i tillegg til andre språk,*

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Oslo Børs ASA
Tollbugata 2, N-0152 Oslo
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N-0105 Oslo
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Org.no : NO 983 268 633
Internet : www.oslobors.no

OSLO BØRS

utstederens arbeidsspråk, og hvilken tradisjon utstederselskapet har hatt (dvs om de før forskriftens ikrafttredelse har hatt dispensasjon)."

Børsen har foretatt en konkret vurdering av forholdene som er beskrevet i selskapets søknad i forhold til kriteriene i ovennevnte forskrift.

Etter børsens vurdering er de anførte forholdene tilstrekkelige for å kunne innvilge dispensasjon fra språkkravet for Opera Software ASA.

Oslo Børs har i vurderingen lagt vekt på at selskapets aksjonærsammensetning for en stor del er utenlandsk. Det vises til at selskapets aksjonærsammensetning angir ca. 30 prosent utenlandsk eierskap. Dersom det ses bort fra aksjer eid av personer i Operas ledelse, så kontrollerer aksjonærer hjemmehørende utenfor Norge 39 prosent av aksjene i selskapet. Oslo Børs har videre lagt vekt på at selskapet rapporterer på engelsk og har benyttet seg av ordningen som gjaldt frem til 31.12.2007 hvoretter selskapet kunne velge rapporteringsspråk. Børsen har dessuten lagt vekt på at selskapet nesten utelukkende opererer kommersielt utenfor Norge og at selskapet har engelsk som arbeidsspråk. Det fremstår etter en samlet vurdering byrdefullt for selskapet å rapportere på norsk.

På denne bakgrunn har Oslo Børs truffet følgende vedtak:

> Med hjemmel i forskrift 6. desember 2007 nr. 1359 § 3 første punktum innvilger Oslo Børs søknaden fra Opera Software ASA om dispensasjon fra verdipapirhandelloven § 5-13.

Vedtaket er enkeltvedtak og kan påklages til Kredittilsynet innen 3 uker fra underretning om vedtaket er kommet frem til vedkommende part, jf. forvaltningsloven §§ 28 og 29, jf. § 1. Eventuell klage stiles til Kredittilsynet og sendes til Oslo Børs.

Med hilsen
OSLO BØRS ASA

Lars Jacob Bråarud	Elisabeth Adina Dyvik
Avdelingsleder	Seniorrådgiver
Selskapsavdelingen	Selskapsavdelingen

NOREX 685982 2/2

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	09.03.2011	14.03.2011
Telefon	Deres referanse	Vår referanse
22078139	Lars Boilesen	2011/307209

OPERA SOFTWARE ASA
Postboks 2648 St. Hanshaugen
0131 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Opera Software ASA, org. nr. 974 529 459

Det vises til deres brev av 1. mars 2011 samt e-post av 9. mars i sakens anledning. Det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Opera Software ASA.

Bakgrunn
Det er i søknaden opplyst at Opera Software ASA er et internasjonalt konsern med virksomhet i mange land og med profesjonelle kontraktsmotparter. Norge er et svært lite marked for konsernet. Arbeidsspråket er engelsk og selskapet er innvilget dispensasjon fra kravet i verdipapirhandelloven § 5-13 om å rapportere informasjonspliktige opplysninger på norsk. Konsernets aksjonærer er i all hovedsak institusjonelle og profesjonelle eiere samt ansatte som i det daglige er vant til å forholde seg til engelsk som arbeidsspråk. Styret består også av ikke norsk språklige medlemmer. Den norske versjonen av årsregnskapet utarbeides kun for å tilfredsstille regnskapsloven.

Skattedirektoratets vurdering og konklusjon
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 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."

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60

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, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Selskapet er et børsselskap som er innvilget dispensasjon fra språkkravet ved Oslo Børs. Virksomheten er innen en internasjonal bransje som benytter engelsk språk ved kommunikasjon. Konsernets aksjonærer er i all hovedsak institusjonelle og profesjonelle eiere samt ansatte som i det daglige er vant til å forholde seg til engelsk som arbeidsspråk. Dette gjelder også konsernets kunder og leverandører og andre forretningsforbindelser.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Opera Software ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

I. J. Stolt-Nielsen
Inger Johanne Stolt-Nielsen
underdirektør
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

REALIZING THE POTENTIAL

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Otello Corporation ASA

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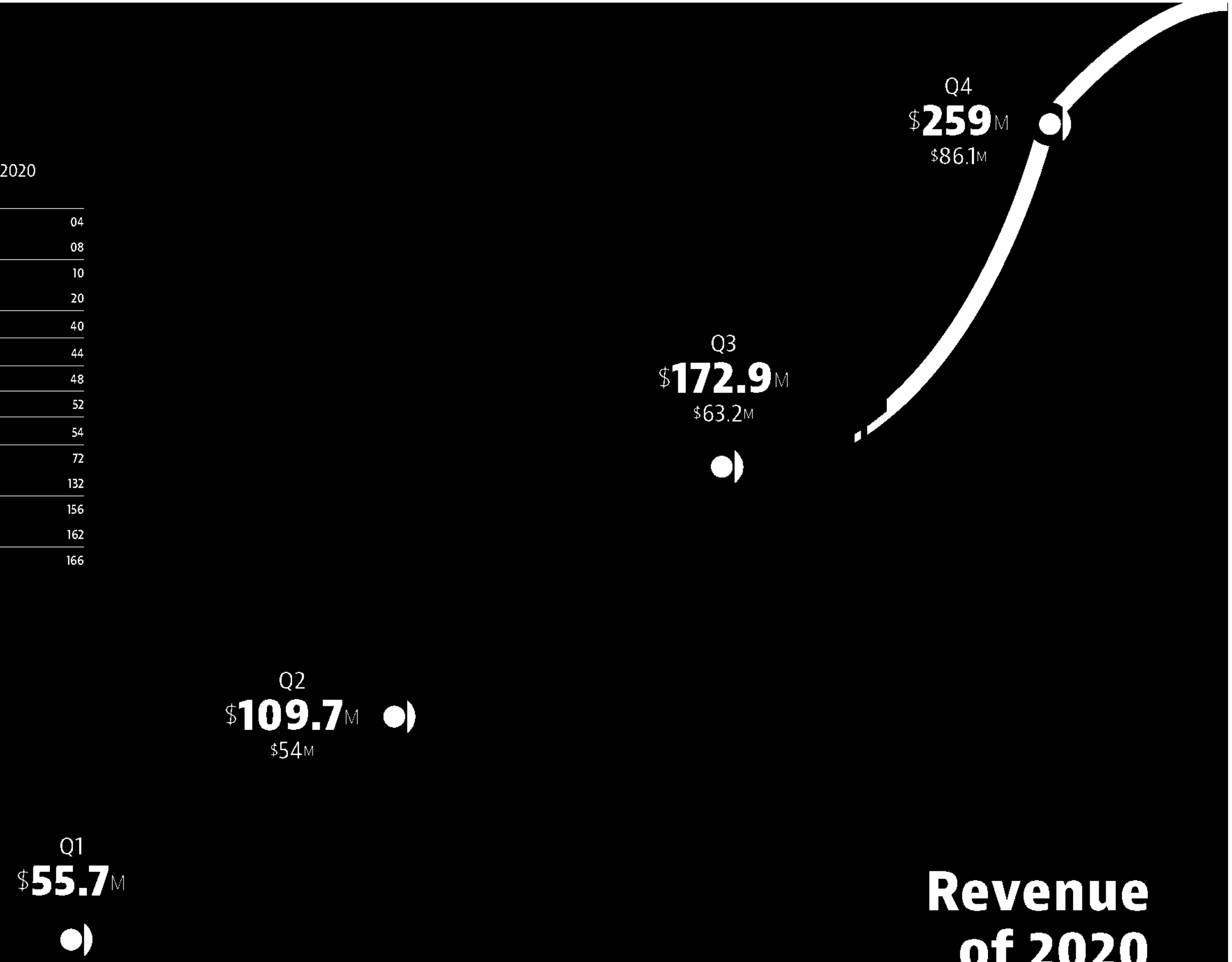
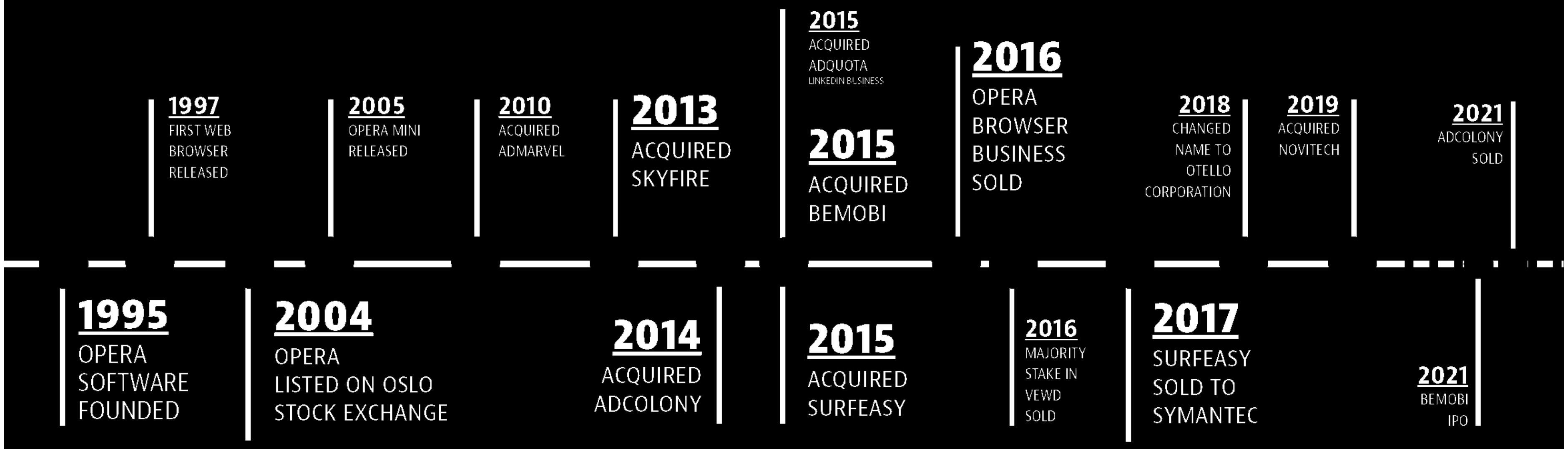
Revenue of 2020



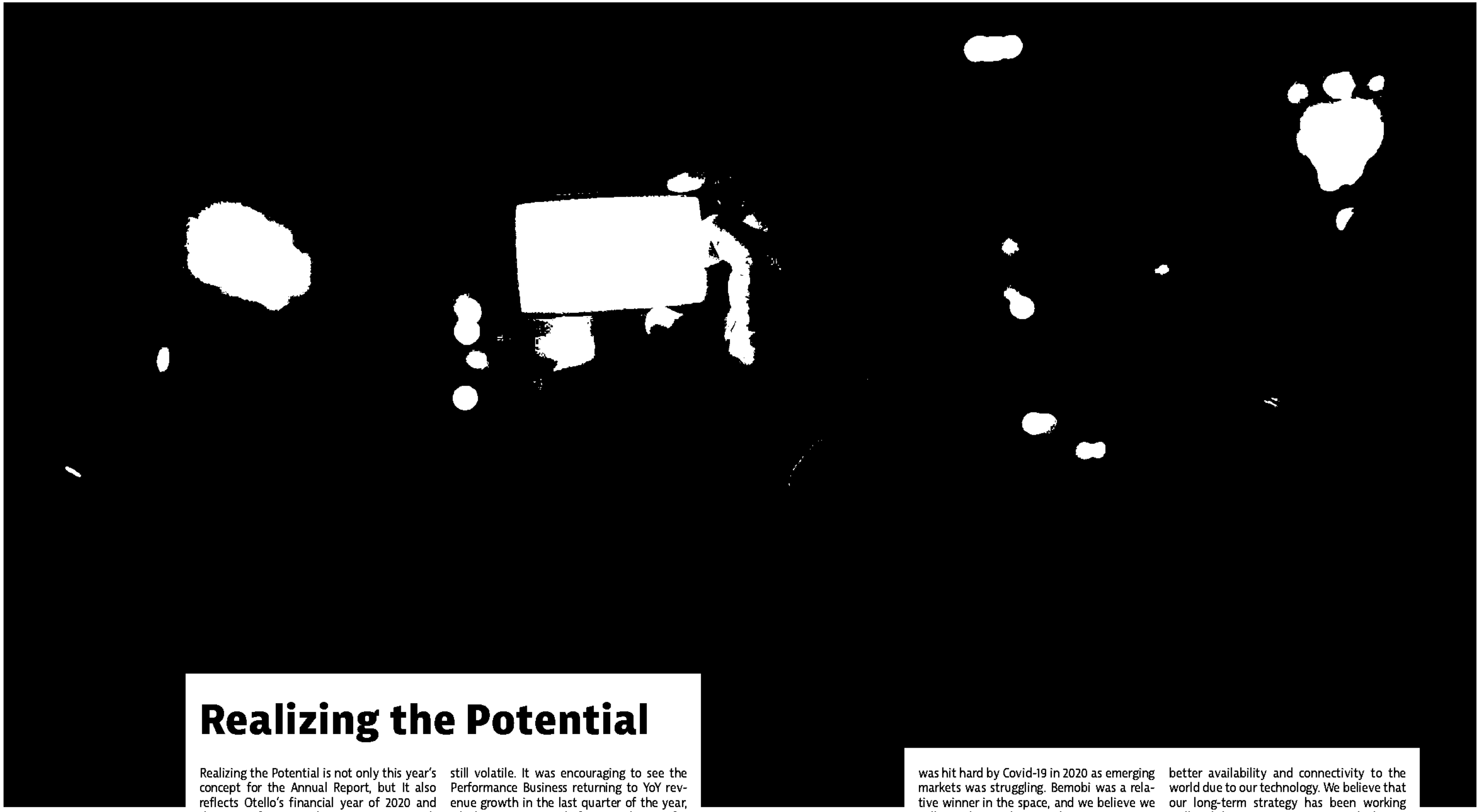


An exciting journey

As we entered 2021, two major events occurred after the reporting period. AdColony was sold to Digital Turbine and the Bemobi IPO was successfully completed.

Bemobi IPO successfully completed
On February 9, 2021, it was announced that Bemobi Mobile Tech S.A. ("Bemobi Brasil"), the parent company of Otello's activities in Brazil and internationally was successfully listed on the Bovespa stock exchange in Brazil, February 9, 2021, and had its first day of trading on February 10, 2021, on the São Paulo stock exchange ("Secondary Greenshoe") under the ticker symbol "BMOB3". The price was set of R$22.00 per common share for its Initial Public Offering (IPO), determined after completion of the bookbuilding process. Following the successful IPO of Bemobi on Bovespa in Brazil, Otello Corporation ASA is now a major shareholder in Bemobi Brazil with an ownership below 50%. Consequently, Bemobi financials will not be consolidated into Otello's accounts going forward but will be booked according to the equity method.

AdColony sold to Digital Turbine
On February 26, 2021, it was announced that AdColony was sold to Digital Turbine for a total estimated consideration of $400 million. AdColony has been a very successful turnaround over the last 3 years which was crowned with 15% YoY growth in 2020 vs 2019 and very solid EBITDA margins. We are big believers in AdColony, its people and its products, but also see the need to participate in a consolidating market where bigger is better and we believe that Digital Turbine, with its massive user base, extensive global relationships and distribution, will be uniquely positioned to benefit via the seamless integration of AdColony's mobile video advertising expertise and global brand advertiser awareness. The combination will yield a highly-differentiated and more vertically-integrated solution for the mobile advertising industry. We look forward to joining Digital Turbine to help navigate this innovation.



Realizing the Potential

Realizing the Potential is not only this year's concept for the Annual Report, but It also reflects Otello's financial year of 2020 and the start of 2021. We have seen a year with a strong growth on the heels of successful turnaround for AdColony, which posted YoY growth of 15% in 2020 vs 2019. Even more impressive is this growth put into the context of a world grappling with a pandemic. For AdColony this was the first year with growth since 2016. The Brand and Programmatic revenue continued the strong growth we saw already in 2019, while our Performance is still volatile. It was encouraging to see the Performance Business returning to YoY revenue growth in the last quarter of the year, which sets us up nicely for 2021 The cost for AdColony has been lower and the OPEX is reduced by over 50% the last 3 years and we are now at a sustainable level from where we can scale revenue. For Bemobi, we saw a co-owned channel growth in international markets consistent with our strategy. The new voice-based channels and omnichannel platform are getting traction in Brazil and are about to begin international rollout. Bemobi was hit hard by Covid-19 in 2020 as emerging markets was struggling. Bemobi was a relative winner in the space, and we believe we will exit the pandemic with a stronger company. Based on the continued success of Bemobi, Otello have pursued a separate listing of Bemobi in Brazil where did our initial filing in 4Q20 and a successful IPO in February 2021. Over the past years, we have been on a journey where Otello has been taking a lead within mobile advertising and mobile gaming. It is all about the digital and mobile life we are living. Emerging markets are getting better availability and connectivity to the world due to our technology. We believe that our long-term strategy has been working well and that we can now start to climb new mountains. This past year, we are more than happy to have climbed the mountain after periods in the valley. Otello as a brand and a company ended 2020 with a turnaround complete and with growth, and to make sure we are ready for the future, we are eager to continue the journey we are on.

CEO Letter

2020 was a very special year, but I am proud to see that we exit 2020 as a stronger organization. Despite Covid-19, Otello saw strong growth in revenue and profit vs. 2019, which is a testament to the resilience of the businesses we operate and the hard work and dedication of the teams, who were able to adjust to a new "normal" and prosper.

Key financial figures
(USD million, except earnings per share)

	2020	2019
Revenue	259.0	240.8
Gross profit	101.9	103.2
Net income [1]	(23.3)	(22.6)
Adjusted EBITDA [2)]	23.4	19.3
EBITDA	13.4	13.2
Normalized EBIT [3)]	(7.6)	(8.0)
EBIT	(10.0)	(14.9)
EPS (USD)	(0.17)	(0.16)
EPS, fully diluted (USD)	(0.17)	(0.16)
Cash flow from operating activities	19.1	(2.7)
Cash flow from investment activities	(12.4)	(16.3)
Cash flow from financing activities	10.5	14.8

FINANCIAL OVERVIEW
Otello had a strong 2020 with 8% YoY growth despite the negative impact from Covid-19 and adverse FX impact which impacted Bemobi. We ended the year with 23% growth in 4Q20 vs 4Q19. Across all metrics, we saw improvements and we are in particular happy with the strong operating cash flow which turned a negative OCF of $2.7m in 2019 to $19.1m in OCF in 2020, due to improved profitability, and good cash management.

OTELLO
Otello has maneuvered adeptly through the pandemic. The primary focus has been the health and safety of our employees. Since mid-March 2020, the Group entities successfully managed to shift the vast majority of the operations to home offices. The operational impact has been minimal, and we have managed to operate the business as we did before the crisis. Due to the nature of our business in both AdColony and Bemobi, in terms of not having physical products and being reliant on the use of consumers' mobile phones, we are in a relatively fortunate position. However, as AdColony's revenue is linked to the advertising spend of companies and Bemobi subscriptions bought by consumers, the pandemic did negatively impact revenue and profit in 2020, but it is difficult to quantify the impact.

ADCOLONY
In 2020, AdColony completed the turnaround we started in 2019, and we exited 2020 delivering our strongest quarter in over 3 years and with over 30% YoY growth in 4Q20 vs 4Q19. AdColony continued to deliver positive results despite continued Covid-19 pandemic headwinds that have significantly impacted AdColony's competitors. Thanks to industry-leading research, consumer insights, and award-winning campaigns globally, AdColony has been at the top of the conversation about mobile games and how they factor into the global consumer mindset both in general and in this specific moment in time.

AdColony has invested into its tech platform over the last 2 years, and this has enabled very strong and scalable growth for our programmatic business which ended the year with close to 100% growth over 2019. Overall, AdColony's Brand business has been very resilient and grew by over 20% in 2020 vs. 2019. Its Performance business stabilized in 2020 after several years of contraction. And AdColony's global organization is ready to take the next step and continue to grow in 2021.

On February 26, 2021, Otello entered into an agreement with Digital Turbine to sell AdColony for a total estimated consideration of $400 million that includes an earnout based on 2021 results. I believe that Digital Turbine will be a great home for AdColony due to its massive user base, extensive global relationships and distribution. Together the two companies will be able to offer a highly-differentiated and more vertically-integrated solution for the mobile advertising industry.

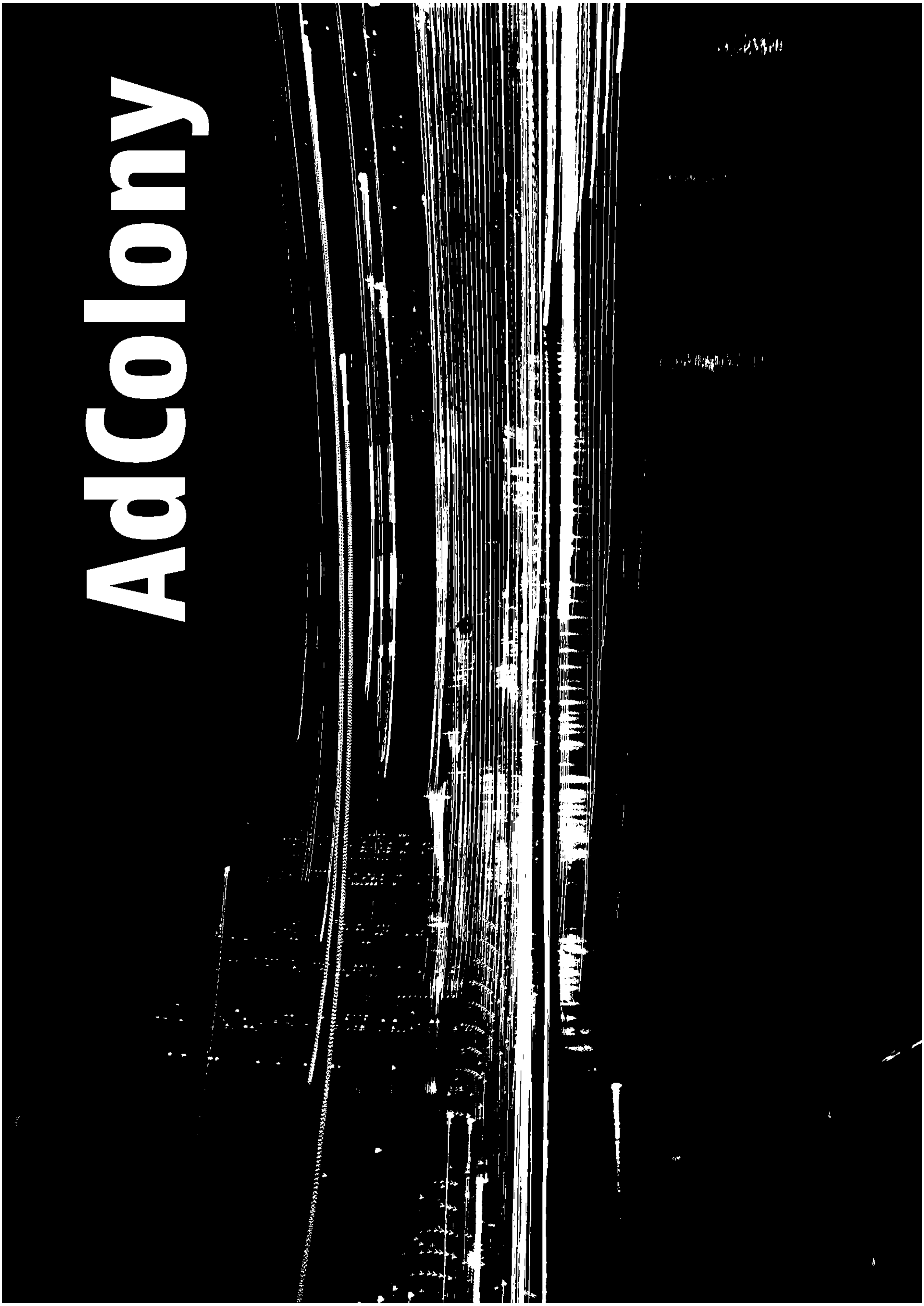
BEMOBI
Bemobi, like most emerging market companies, was initially hit hard by the pandemic, but has rebounded and was a relative winner in the market for VAS for mobile operators and has reverted to growth from 3Q20 onwards. Due to Bemobi's unique position, Otello has for some time been exploring the possibility to list the company separately. In February 2021, Bemobi went public on a over-subscribed listing on the Bovespa in Brazil.

Otello remains Bemobi's largest shareholder and is a firm believer in its prospects. The proceeds from the IPO will enable Bemobi to capitalize on its unique position in the market both organically and potentially through strategic activities.

VEWD
In 2020, the English High Court delivered its decision on remedies in Otello's dispute with MFC over the Vewd business. The Court determined that MFC should be required to purchase Otello's shares in Last Lion from Otello for the sum of $48 million and that MFC should be required to purchase the Loan Note issued in Otello's favor by a subsidiary of MFC for $5 million plus accrued interest at the time of purchase. If MFC did not purchase Otello's shares in Last Lion and the Loan Note, all of the shares in the Company were to be sold to a third party by a receiver. MFC has not purchased the shares, and Otello agreed to give MFC extra time to seek refinancing to raise funds to enable it to pay in the sums due to Otello, which proved to be unsuccessful. On March 17, 2021, MFC and Otello together with the Vewd Group's secured lender agreed that as an interim alternative to the appointment of a receiver, a special committee be appointed to sell the company or raise finance to pay Otello what it is due.

While 2020 was a challenging year, and 2021 also promises to have challenges associated with the pandemic, I feel that we are in a good position to create more shareholder value for Otello shareholders in 2021 through the AdColony earnout, our large stake in Bemobi, and a resolution to the Vewd matter.

Lars Boilesen


AdColony

AdColony in 2020

23%
GROWTH IN NEW SMARTPHONE GAMING ACTIVITY

AdColony is one of the largest mobile advertising platforms globally, with a reach of more than 1.5 billion monthly users globally. AdColony's mission is to drive business outcomes that matter for advertisers and publishers using its best-in-class mobile technology, the highest-quality mobile ad experiences, and leveraging its curated reach.

Originally founded in 2008 as a mobile app developer, AdColony has been an innovation leader in mobile advertising and monetization since Apple first introduced the App Store. AdColony is passionate about delivering the highest advertising experiences. AdColony is committed to providing an experience that makes in-app mobile advertising a win for advertisers, developers, and users alike.

AdColony is known throughout the mobile industry for its unparalleled third-party verified viewability rates, exclusive Instant-Play™ and Aurora™ HD video technologies, rich media formats, global performance advertising business, programmatic marketplace, and extensive SDK footprint in the Top 1000 apps worldwide.

THE MOBILE ADVERTISING INDUSTRY

AdColony's Place
2020 was a banner year for both AdColony and the mobile games industry in general. Most consumers globally increased their time playing mobile games last year. This is despite COVID-19 lockdowns globally giving most consumers more access to TV screens, gaming consoles, and PCs than they might have on their commute or at the workplace. Mobile surged.

When AdColony surveyed consumers globally last year, we found a 50% growth in mobile usage compared to pre-COVID times, including a 23% growth in new smartphone gaming activity. Globally, downloads were up every successive quarter of the year compared to 2019, according to app store intelligence platforms Sensor Tower and App Annie.

While "time spent" in other channels, like social media, didn't translate to ad revenue, the mobile games channel exploded. This was not a fad or short-term trend due to COVID-19 lockdowns, but an acceleration of global trends over the past decade, and 2021 will be another strong year for mobile apps and mobile gaming.

As a direct supplier of in-app inventory in the mobile space, AdColony has a distinct advantage in the face of upcoming challenges to the digital targeting status quo by Apple (AppTrackingTransparency and SKAdNetwork), as well as ongoing privacy legislation in Europe, Latin America, Asia, and the distinct possibility of a national level privacy law in the United States. Unlike middle-man programmatic SSPs, AdColony's software development kit (SDK) allows for insights and contextual signals that enable AdColony's optimization and targeting algorithms to hit advertiser KPIs even in this new, more privacy-centric landscape.

Run your mobile user acquisition campaign programmatically with the most transparent marketplace on mobile

Unleash the power of our SDK and grow with cutting edge Aurora™ Video & Playable creatives across thousands of top apps

51%

MOBILE GAMERS SKEW SLIGHTLY FEMALE INDEX HIGHER FOR AVERAGE HOUSEHOLD INCOME

For Brand Advertisers
What we call "brand advertisers" are the non-gaming ads most non-industry people think of when they think of digital ads. AdColony gives today's most prominent brand advertisers like Disney, Starbucks, Unilever, Toyota, and many more, the opportunity to reach consumers where they're spending the most time — on their mobile devices.

AdColony operates both direct and programmatically for brands worldwide, giving more options to brands and agencies. Globally, mobile gamers skew slightly female (51%), index higher for average household income (37% higher in the United States), likelihood to have a bachelor's degree or higher (nearly 2x!) and identify as the primary household decision-maker almost a third more often than the general population.

Mobile Gamers are an audience that brand advertisers want and need. AdColony has them, and thanks to its strong relationships with brands, agencies, and agency holding companies, it is the premier mobile ad network for brands on this channel.

For Mobile App User Acquisition
The term "performance" for AdColony refers to gaming app install marketers running ads to get more installs for their gaming apps. Fundamentally, the best way for today's hottest mobile games to maintain long-term growth and financial success is to acquire users in other apps. AdColony's vast network of apps using its SDK for monetization gives user acquisition (UA) managers (Performance) targeting options to find the perfect users for their own apps.

For Publishers
At the heart of AdColony's advertising business is its supply, powered primarily by its SDK. A Software Development Kit (SDK) is a package of tools app developers use to perform a task, in the case of AdColony, to show ads to a user. Promoted by AdColony's international publishing team, AdColony's first-party SDK inventory offers advertisers access to audiences and optimizations no other platform can provide and sets AdColony apart from other competitors by owning much of its supply directly. This distinction is important in a more programmatic space and gives AdColony significant value to advertisers. For publishers, the ability for AdColony's SDK to show programmatic demand in addition to direct-sold campaigns is a huge boost in revenue.

15%

REVENUE GROWTH

30%

OF CLIENTS FOR ADCOLONY'S BRAND BUSINESS WERE NEW CLIENTS

2020 Results
AdColony had a successful year with 15% revenue growth from FY2019 during an overall market downturn across the advertising industry. Revenue for each quarter increased from the same quarter in 2019.

Revenue per head in 2020 was a significant increase from previous years, despite AdColony's top-line revenue not returning to its 2016 peak. Thanks to streamlining and efficiencies in staffing, as well as a concentration on hiring and retaining the right talent, AdColony's profitability has returned. This leads to a significant increase in profitability for AdColony as a whole, as brand and programmatic revenue now makes up the greater share of AdColony's demand mix.

AdColony's teams turned conversations about mobile games from headwinds, pushing against growth and succeeding despite misconceptions, into true tailwinds, pushing results ahead and turning exploratory campaigns into ongoing spend from existing partners and many new advertisers that AdColony had never worked with before. During 2020, 30% of clients for AdColony's brand business were new clients, including well-known advertisers including Chase Bank, Sanofi, T-Mobile, Sony PlayStation, Amazon Shopping, General Mills, and McDonald's.

AdColony also continued its transformation from an ad network of mostly proprietary ad formats to a fully open and programmatic marketplace for advertisers and developers, with full support for most IAB standard formats, making it easier than ever for clients and partners to work with AdColony. This is most evident in the share of programmatic rising from 48% of total revenue in Q120, to 65% of total revenue in Q420.

2020 was the year that marketers at large started to finally pay attention to gamers, gaming, and mobile games specifically. We expect that this trend will continue during 2021 with new, more powerful phones bringing even more "mainstream" gaming brands and titles like League of Legends out of the living room. Likewise, more casual titles will keep growing as people continue to adjust to more freedom and small gaps of downtime working from home long-term. AdColony is well-positioned to take advantage of both the growth in mobile gaming and the expectation of advertisers embracing mobile gaming and in-app environments more widely.

Other key factors in the improved results for AdColony during 2020 have been the increased degree of regional cooperation, the streamlining of business processes, and a less-siloed, more cooperative business model globally.

Advertising
AdColony's primary revenue source is its in-app advertising solutions. In 2019, AdColony's brand business began to take a predominant form of revenue, and this process continued in 2020, with brand advertisers continuing to realize the power of mobile. However, Performance advertising still constitutes a significant portion of AdColony's revenue and forms a core part of its identity and business strategy for the long term.

Together, these two advertising solutions give AdColony a stronger and more diverse demand mix for its publishing partners, allowing the right ad to be delivered to the right user, at the right time, without repetitive viewings, keeping the user experience high.

Brand business
AdColony's advertising business had revenues of USD 141.2 million in 2020. Based on the relationships and momentum gained throughout 2020, we have a very positive outlook for the brand business in 2021.

70

AWARDS RECIEVED IN 2020

AdColony's individual brand regions all had a successful 2020, with growth of 23.2% in North America, 49.25% in EMEA and LATAM, and 7.47% in APAC. This growth is predominantly at the feet of AdColony's core product of on-platform, SDK-based supply (where business priorities are now decoupled from the performance business, see "Supply" update below). As advertisers realize the value in working with actual supply owners over middlemen, the percentage of off-platform supply campaigns run by AdColony has decreased over time, increasing profitability overall. This is particularly true in North America, while key partnerships in APAC, and strong reseller relationships in EMEA also drove growth in those markets.

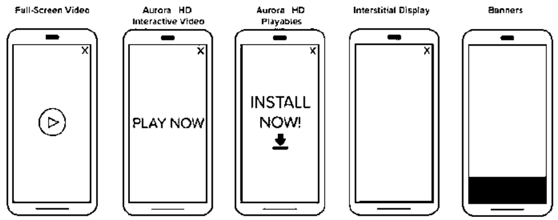
Furthermore, the alignment of all commercial regions under common leadership during 2020 brought significant improvements n positioning, messaging, and shared opportunities globally that allowed for significant growth in the face of global pandemic headwinds.

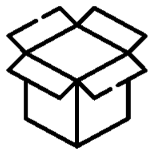
Performance business
AdColony's Performance business stabilized during 2020 with total revenues of USD 53.6 million, with almost even distribution across the year thanks to a more streamlined global leadership function and business priorities. This is a positive change from previous years when performance revenue decreased. Part of this stabilization comes on the back of investment made in the data science and engineering team in Poland, and new creative innovations that led to significantly more effective data signals and more focused algorithms, allowing for greater scale and performance optimization.

Preparation for Apple's upcoming privacy changes on the performance side of the business included the launch of AdColony BidSheet™, which allows for SKAdNetwork campaigns, as well as laying the groundwork for the eventual launch of a self-serve advertising platform in the future.

We expect these operational and commercial alignments to enable AdColony to rebuild its performance business even further in 2021.

Award-Winning Relationships
One of AdColony's historical core competencies is its strong ad creative it creates for its advertising partners. In 2020, AdColony received over 70 awards, including wins from the prestigious industry award shows, including MMA Smarties, Mob-Ex, The Drum, The Wires, and more! AdColony was also named The Network of the Year at MMA Smarties Turkey and Enabling Technology Company of the Year at MMA Smarties APAC.





2020 SAW THE INTRODUCTION OF OUR LATEST SDK VERSION 4.3 AND 4.4

Supply Update
2020 saw the introduction of our latest SDK version 4.3 and 4.4, which expanded support for display advertising, as well as full support for Apple's SKAdNetwork attribution solution and AppTrackingTransparency (ATT) framework.

Apple's continued lack of transparency and clarity around its ATT enforcement (delayed to Spring 2021) remained a roadblock for some upgrades. Still, despite these headwinds, 62% of impressions, 68% of ad spend, and 67% of margin revenue across AdColony was drawn from SDK versions 4.3 or 4.4 by the end of the year, setting up AdColony's supply for success in FY21.

The growth of advanced mediation amongst publishers has also greatly benefitted AdColony. AdColony has long been at the forefront of this space through partnerships with Fyber, MoPub, MAX, and Facebook. As the rest of the industry has caught up, advanced mediation delivered 46% of all impressions by the end of the year (up 130% for the year), 61% of ad spend (up 165% and an astounding 292% increase in margin revenue from 20Q1 to 20Q4.

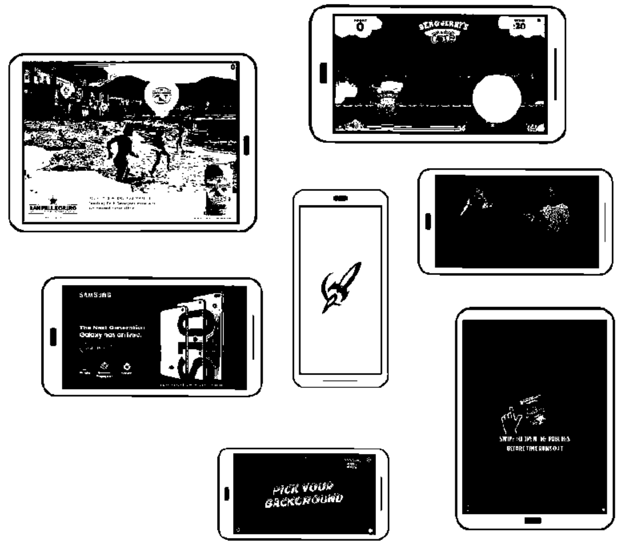
During 2020, AdColony's supply business was for the first time truly separated from its performance advertising team into a discreet business unit. This enabled supply business development to focus on the best supply targets for AdColony's overall business, rather than just those that would also make good performance advertisers. This has led to a significant uptick in the success of AdColony's direct supply advertiser relationships, as detailed in the "Advertising" update above.

This change has enabled better focus and more streamlining integration conversations, leading to significant progress over the year, including SDK integrations and long-overdue updates in apps from Zynga and EA Mobile and other wins with key integrations Scopely, GSN, UNICO, GameHive, and more.

Product & Engineering
Last year continued AdColony's innovation and planning to ensure business continuity and growth in several key areas.

After initial hires in 2019, AdColony's data science and engineering office in Warsaw, Poland, was officially launched and is now AdColony's fastest-growing office globally, with more than 20+ engineers and data scientists and continues to expand. Engineers in this office are part of the Data Science, SSP, Ad-Server, SDK, DSP, and Composer teams. This new engineering office has provided AdColony's Product & Tech organization with affordable and high-efficiency top-shelf engineering and data science talent that has helped AdColony double-down on development efforts and accelerate progress towards the product vision of becoming an open and standardized marketplace that turns advertiser goals into outcomes.

Improvements to our advanced bidding support (referred to as Advanced Bidding 3.0) delivered considerable gains in performance when bidding in advanced mediation zones thanks to new models to bid more efficiently in this inventory, resulting in improvements to margin. Thanks to these efficiencies, AdColony has seen similar SSP supply growth, which also operates on a first-price auction basis. The successful results delivered by new models in advanced bidding zones on SDK supply position AdColony to succeed in SSP inventory in 2021.



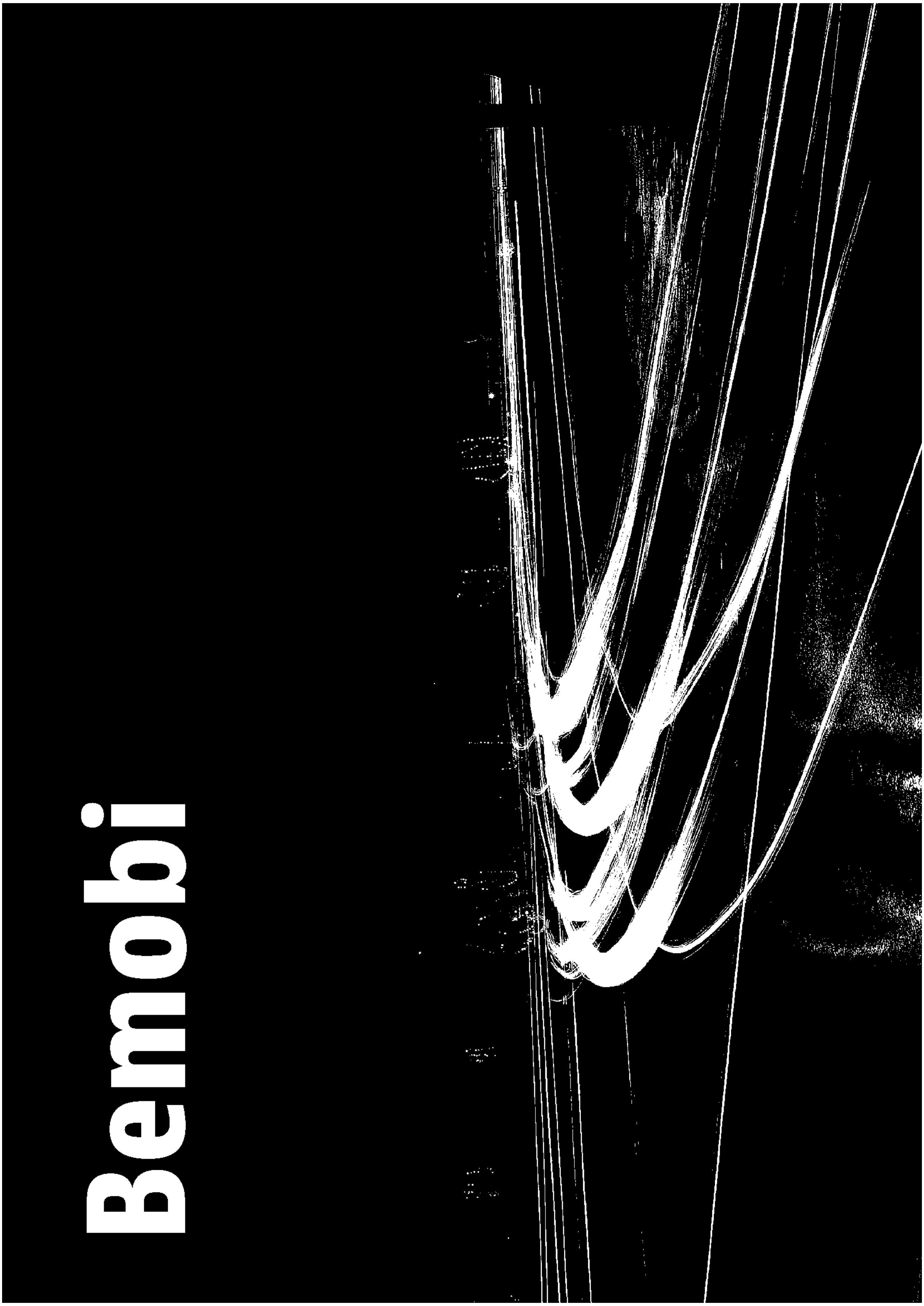
Preparing for Apple's Privacy Changes
In June 2020 and Apple announced the App Tracking Transparency (ATT) framework, which addresses Apple's concerns about Privacy by asking users whether they want to be tracked across apps and websites on a per-app basis. If users do not consent, Apple's developer terms of service prohibit any tracking, and iOS itself will not send the device's Identifier for Advertisers (IDFA) to the developer, advertisers, or other advertising or measurement parties. Apple recently announced enforcement and requirements around its new privacy framework will begin in "Spring 2021."

This change will impact AdColony in the following ways:

- AdColony currently combines the IDFA with other device signals to target users. AdColony is working on methodology to adjust data science models to bid without an IDFA around contextual targeting algorithms. Thanks to AdColony's SDK based supply system, access to many contextual signals competitive non-SDK-based competitors gives AdColony an advantage in this new landscape.
- AdColony uses IDFA to bill advertisers. AdColony has implemented new billing pipelines that support Apple's SKAdNetwork (SKAN) attribution framework, allowing advertisers to measure advertising performance without needing an IDFA.

Apple's restrictions on targeting will impact demographic and audience-based targeting on iOS devices, but the change is not universal in scope. All iOS opted-in users will be able to be targeted and measured in exactly the same way as today. The same is also true for almost all users in using Google Android devices, which make up only a little less than half of US smartphone users, but three-quarters of global users.

As mentioned in the Supply update, AdColony released two SDKs last year (4.3 and 4.4) that address the basic functionality required to support these changes. With its granular bidding, app metadata and contextual data partnerships, and proprietary bidding algorithms engineered to optimize against contextual signals, AdColony is confident its experience in this area will give advertisers an advantage as the industry makes the shift.


Bemobi

Bemobi in 2020

REACHING
2.3bn
MOBILE USERS

38
COUNTRIES

72
CARRIERS

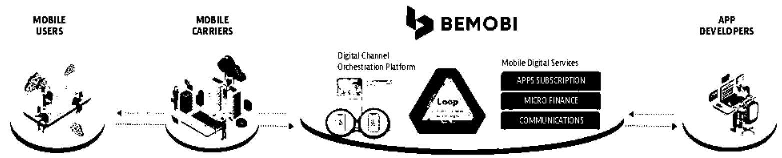
+33m
SUBSCRIBERS

Bemobi is focused on the distribution and monetization of applications (apps), games and mobile digital services in emerging market countries. Bemobi's services are currently integrated and operating with 72 mobile carriers around the world. As of year end 2020, we had 33.2 million subscribers in 38 countries and a potential base of more than 2.3 billion users, when considering all mobile phone customers of the mobile carriers with which we do business, as well as the locations where our services are already available.

Our business model is based on an innovative, low-cost subscription in the apps, games and digital service business lines, that is tailored to how most of the population in Brazil and in other emerging countries that share similar population profiles access digital services. Bemobi operates on a business-to-business-to-consumer (B2B2C) basis, as we offer our services to a company that in turn offers them to end users. We have partnerships with mobile carriers which charge for our services through pre-paid credits and/or through their regular billing features (post-paid mobile bills). We also offer a variety of microfinance services (as further explained below) to enhance the popularity of digital services.

Bemobi has developed its own proprietary digital distribution platform, complete with a low-cost expandable acquisitions channel for new users. This platform is supported by a mostly cloud-based framework, with the utilization of artificial intelligence resources to enhance its effectiveness, exemplified in the graph below:

We believe that we are in a strong position to reduce current barriers that hinder greater profitability from digital services in emerging market countries.



End-to-end platform connecting mobile users and app & game devs through mobile carriers billing

	Subscribers	Mobile Carriers	Bemobi	Apps & Games Devs
	Flow of revenue			
Key Roles	· End-users sign up to get unlimited access to the best premium apps & games	· Provides access to carrier billing · Co-brands and promotes the service · Jointly defines pricing and marketing · Pre-loads the AppsClub app into its smartphones · Zero-rate data (free)	· Provides and operates the end-to-end platform · Life-cycle process management, incl. billing management · Manages the content licensing, app security and revenue share settlement with apps & mgames developers	· Licenses the IP of the apps & games to Bemobi · Works with Bemobi on light integration process
Revenue Flow	· Pay a recurring subscription fee from mobile credit balance · Step down payment based on avaiable credit · Price varies by geograpphy	· Collects the subscription fee · Deducts its revenue share · Pays the balance to Bemobi	· Receieves the net subscription fee · Deduts costs associated with user aquisition · Keeps remaining revenue · Pays the balance to apps & games developers	· Receives a subscription fee from Bemobi

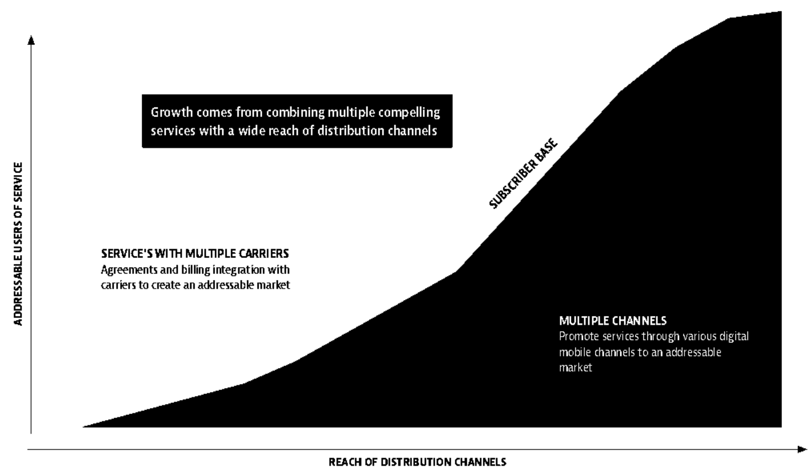
Value chain:
Bemobi's point-to-point platform connects smartphone users to digital services, apps and games in a model that can generate value for all of those involved through revenue share agreements.

Mobile carriers share their access to their customer income, creating a digital model for the collection of payments that includes and is accessible to most of the population in the countries in which we operate. Their brands are also associated with our services in order to assist in their promotion and communication, by offering an even more complete portfolio of services to their customers, which in turn generates new revenues and increases the profitability from their current customer base.

The developers of apps and games obtain their value through our recurring incremental revenues based on our digital channels. Digital developers benefit from what we believe is our innovative pricing model and ability to collect payments pursuant to which we can access a significant group of users in an effective manner, thereby resulting in recurring revenues.

Finally, our main focus is the end user, who we believe can access a complete and innovative portfolio of digital services and products at affordable prices with easier forms of payment. These are factors that have historically curtailed many end users' access to mobile entertainment apps.

Our growth strategy is based on a combination of the following features: (i) Subscription Services and (ii) Distribution Channels. As we launch a subscription service, the service becomes active on a mobile carrier with which we have a partnership. As a result, subscribers to the mobile carriers become part of the Bemobi customer base. We currently have a potential base of more than 2.3 billion users through the 72 partner carriers that hold one or more of our active services. Bemobi's aim is to expand its customer base as we partner with more mobile carriers, and expand into new geographic locations. To convert these users into paid subscribers, we use a variety of digital channels.



SUBSCRIPTION SERVICES

Once service is live with mobile carrier, excisting customers become part of Bemobi's addressable market

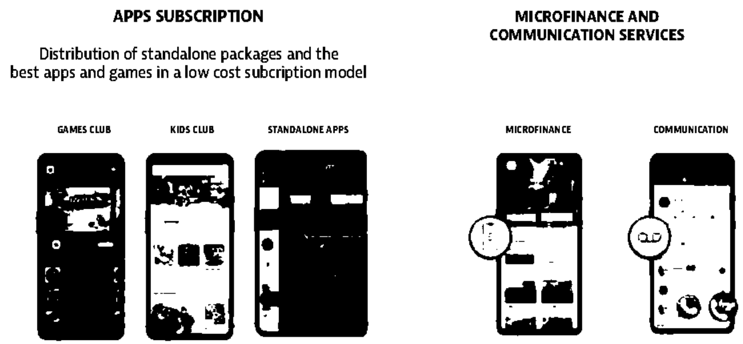
DISTRIBUTION CHANNELS

Distribution channels are needed to promote services to the addressable market at a sustainable lower cost

APPSCLUB

- Top premium paid apps in complete form without ads
- No need for a credit card
- More value for money - over US$ 10,000 of premium apps and in-app purchases for only ~US$1-2 per month
- No need for a data plan to download new apps
- 7-day free trial
- Complements the existing "Free & Pay per Download" model from Google Play
- Leverages carrier brand, saves on brand marketing

A subscription model based on real usage provides better value for consumers



New digital services developed to respond to the needs of pre-paid users at times when their balance is zero (through no credit channels), in addition creation of new monetization opportunities for the carriers.

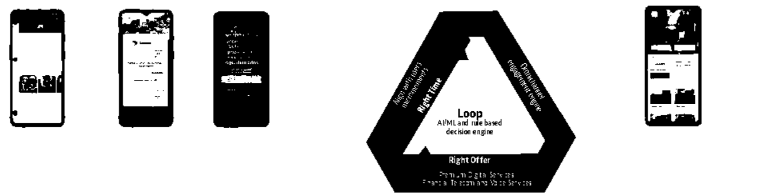
BEMOBI CURRENTLY HAS THREE LINES OF SERVICES:

Apps and Games subscriptions
Our apps and games subscriptions are our principal line of business. Hundreds of apps and games are included in our premium subscriptions, which contain no advertisements and provide users with all available functions, in exchange for a subscription at a fixed and affordable price, without the need of using credit cards. We run a number of offers that include periods of use that are free of charge for up to seven days so that customers can try out our service.

Microfinance services
We work with mobile carriers through different digital channels that are supported by a proprietary technological platform. This platform offers different solutions to prepaid customers with zero balances. The solutions are tailored to a customer's profile and current conditions, such as the sale of top-ups through electronic payments, advances on pre-paid credit, advances on data packages and advances on calls. With respect to our microfinance services, benefits are approved and granted immediately to users with zero balances, and payment is only collected on the next top-up.

Messaging & communications services
We have a point-to-point voice messaging service platform with visual access through apps and/or integrated with the SMS and WhatsApp platforms, an anti-spam block for calls and the conversion of voice calls into texts based on artificial intelligence. These services are offered in partnership with mobile carriers as an additional service, or in some cases, may be included in the customer plans offered by such carriers.

INDUSTRY STANDARDS		PROPRIETARY CHANNEL PLATFORM
MOBILE CARRIERS PROMOTIONS When a deal is signed, the mobile carrier commits to doing marketing and promotion of the new service	**PAID ONLINE CAMPAIGNS** Partnering with leading apps and web properties in emerging markets to promote Bemobi's service offering	**LOOP – AI AND DATA ANALYTICS MOBILE ORCHESTRATION** Bemobi's turnkey platform that captures users browsing and voice sessions when they are out of airtime to create a scalable digital distribution channel
- Messages campaigns (SMS/RCS) - Store promotions and bundles	- Revenue share based (e.g. Opera Mini) - Paid per acquisition - CPA	- Data driven (AI/ML) and rule based decision engine - NCND portals and interactive voice response

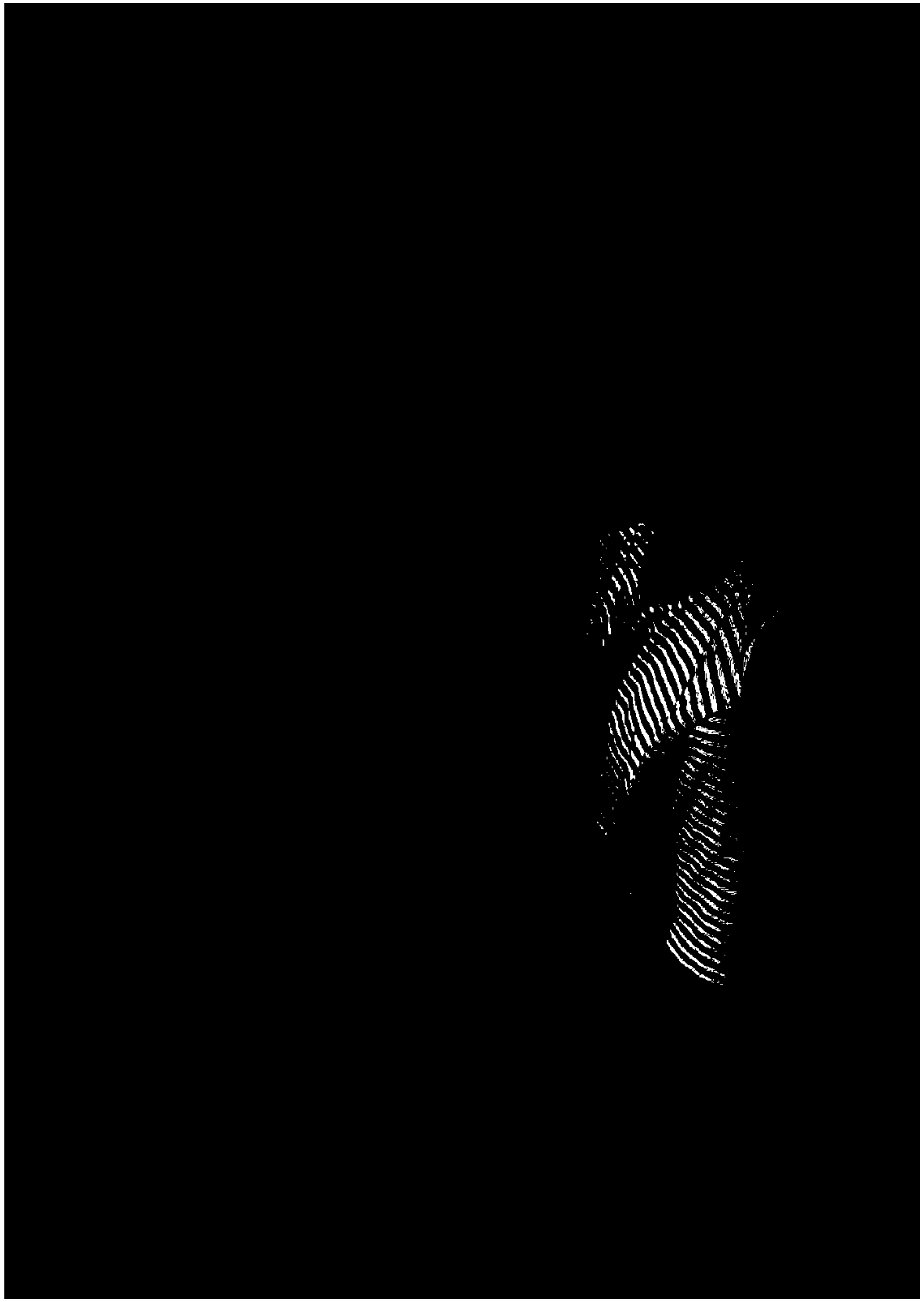


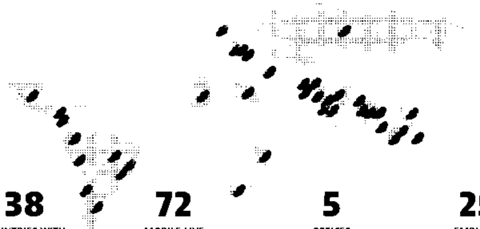
BEMOBI CURRENTLY WORKS WITH THREE TYPES OF DISTRIBUTION CHANNELS

Carrier promotions
Regarding our partnerships, carriers often run communication campaigns for our services through their channels in the following ways: (i) by sending SMS messages, (ii) Sat Push and RCS, (iii) placing banners on their websites and the marketplaces for their services, (iv) through their self-service apps and (v) by means of sales in their physical stores.

Online paid campaigns
We hold partnerships with mobile apps that use their platforms to promote our services to their users, as well as mobile manufacturers that pre-load our services in exchange for the sharing of revenues generated. We also run paid campaigns on digital mobile publicity networks, as well as Demand-Side-Platforms ("DSP") for the conversion of subscribers.

Proprietary channels platform
We developed the Bemobi Loop proprietary channel, which is currently the main distribution channel for our digital services. The Bemobi Loop channel allows mobile carriers to make good use of events in the daily lives of their users to present personalized digital channels. This creates a better digital experience and generates cross-selling opportunities, as well as sales of related services and incremental services on an expandable basis.





38 COUNTRIES WITH LIVE OPERATIONS

72 MOBILE LIVE CARRIER PARTNERS

5 OFFICES

258 EMPLOYEES IN 15 COUNTRIES

Geographic Presence
Bemobi's business outside of Brazil has been expanding at a steady pace. We currently have active operations in 38 countries, with offices in four countries (Brazil, Ukraine, Norway and India) and development centers in Brazil, Ukraine and India. In addition to our permanent offices, some of our staff were already working remotely from around the world (even prior to the COVID-19 pandemic), contributing to the diversity of our team. As of year end 2020, we have employees located in eighteen countries representing fifteen nationalities.

The majority of Bemobi's employees work at one of our offices in Brazil (Rio de Janeiro and São Paulo), where 71% of our total workforce is currently located. 15% of our workforce is located in Ukraine and 4% is located in Norway. The rest of the workforce is scattered through a variety of countries including India, the Philippines, Indonesia, Bangladesh, Vietnam and Pakistan.

In 2020, our international operations accounted for 40% of our revenues, representing an increase of 20 percentage points since 2017.

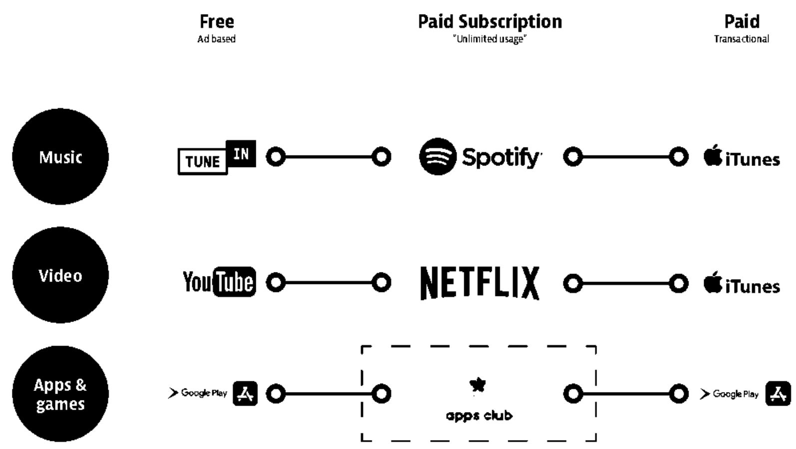
+33m SUBSCRIBERS

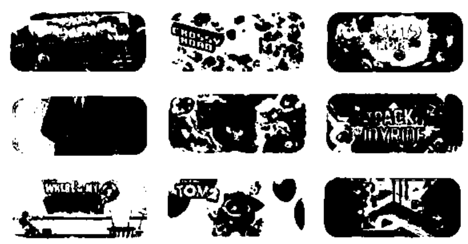
Subscriber Base
We believe that we have a significant and expanding subscriber base for our apps and games, as well as for our messaging and communications services. At year end 2020, we had 33.2 million subscribers in 38 countries, representing an increase of almost 24% since 2018.

A large portion of our revenues are generated from a subscription-based business model that was developed through mobile carriers and has an automatic renewal feature. The renewal may be scheduled to occur weekly or monthly and is paid through mobile credit balances. This service accounts for 81% of all net revenues for the year ended December 31, 2020. We believe that this service is the significant driving force behind our track-record of steady growth, as this type of contract lowers the default rates for our customers.

In addition, we offer different solutions to pre-paid customers through our microfinance services, tailored to their profiles and current conditions, including top-up sales with electronic payment, advances on prepaid credits, advances on data packages and advances on calls. With respect to our microfinance services, benefits are approved and granted immediately to users with zero balances, and the payment is only collected on the next top-up. Our microfinance services increase the loyalty of our customers, which assists in the development of recurring revenues. The share of this service in our net revenues for the year ended December 31, 2020 was 8%. We believe these services have significant growth potential.

Finally, our communications services offer a variety of messaging and call services to our users, in addition to WhatsApp, which is one of the most widely used apps for text messaging. These services accounted for 11% of our net revenues for the year ended December 31, 2020.





Our Services

Our services can be divided into three business lines: (i) apps and games subscriptions; (ii) microfinance; and (iii) communications.

We focus greatly on the content of our services. For the services in our apps and games business line, we divide them into areas that include games, kids' entertainment, health, education and others. The services in the microfinance and communications business lines provide support for mobile users at a certain point in time, tailored to their consumption cycle.

Apps and Games Subscriptions

We believe that we were the first player in the Brazilian market, and one of the earliest companies in the world to provide apps and games service (from 2013 onwards). Bemobi began its offering with Apps Club, a subscription model offering unlimited access to hundreds of apps which operates on a subscription model basis that has already been successfully implemented in the music and TV/film industry (e.g., Spotify and Netflix).

This approach offers a more inclusive model that does not require credit card payments, which were required in the early days of the services we provided in other business lines. The payments for the services are handled through mobile carriers, entered directly on the accounts of pre-paid and post-paid customers. This allows every user to sign up for the service, requiring only an Android smartphone and a mobile plan with one of the partner carriers.

What we offer to users is simple: as long as the subscriber continues to pay the service subscription fee, they will have unlimited and uninterrupted access to a set of apps with no additional costs.

The value of this approach is demonstrated by the fact that premium apps (which the user would normally have to pay to download) can be downloaded and accessed at no additional cost to customers on our platform, other than the amount already paid for the subscription. For the free-to-play apps that are downloaded at no cost (with monetization through advertisements, in-app purchases, promotional videos, etc.), all advertising is removed and additional items that are normally available only through purchases (extra lives, better weapons, upgrades, etc.) are available to subscribers at no additional cost. In addition, to ensure that our users have a continuous and interruption-free experience for both premium and free to play customers, the redirection to external websites (such as Google Play) is eliminated for subscribers.

FURTHERMORE, OUR SUBSCRIPTION MODEL CONTAINS THE FOLLOWING CHARACTERISTICS:

- All content available on the platform surpasses US$10,000 in premium apps and in-app purchases;
- A model that supplements the current Google Play model of free and paid by download apps;
- Marketing with the brand of the carrier;
- Free trial period of at least seven days;
- Segmented offers in complete packages, one for games and another for children.

The business model encompasses mobile carriers, app developers and us.

The Apps Club content consists of more than 1,200 carefully selected titles that are available through approximately 200 partners, including apps, developers and distributors.

The quality of the content is demonstrated through indicators that include: (i) titles tagged as Editor's Choice by the traditional Apple and Google apps distribution channels; (ii) titles ranking top in their respective categories, in at least one country where they are available; and (iii) titles with more than 50 million downloads on Google Play.

Notes:
(1) Titles tagged as editor's choice by Google and Apple in their respective apps stores are the recommendations of the editors, independent of their audiences or user ratings, based on individual title consultations performed by us;
(2) Titles that reach their top ranking in their respective categories for at least one period and in the country where they were published, based on consultations performed through the service App Annie;
(3) Titles with more than 50 million downloads on Google Play, based on Google Play information.

Content Partners

We currently have approximately 200 content partners comprised of developers, editors, publishers and distributors handling the supply of more than 1,200 titles. Notable among them are brands such as Disney, Rovio, Viacom, Square Enix, Toca Boca and Zepto Lab, in addition to others including world-famous names such as JetpackJoyride, CrossyRoad and AngryBirds, among many others.

Microfinance
New digital services were developed to respond to the needs of pre-paid users at times when their balance is zero (through no credit channels), in addition to the creation of new monetization opportunities for the carriers.

Microfinance Portfolio
Microfinance solutions are directly related to our proprietary distribution channels platform, presented at times when users have no credit to make calls and access the internet. They are monetization tools for carriers, removing any conflict with "blocked" customers that have no credit to use their mobile plan.

The following services constitute this portfolio:

- Digital top-up – Service for the completion of top-ups through credit or debit cards.
- Balance/Credit Advance – Service that provides a balance/credit advance to be paid at the next top- up by the customer. Additional fees are charged on the amounts that were loaned through this service.
- Data Package Advance – Service offering a data package advance to be paid at the next top-up by the customer.
- Call Advance – Service offering a minutes-package advance for customers to complete calls, to be paid at the next top-up by the customer.

The key characteristic of these services is that they are presented to customers at the right time, for example, when they are receiving a call or accessing the internet without credit. Our microfinance solutions are a major component for our growth strategy, which has already provided solid results.

Communications

Communications Portfolio
Communications services are rendered within the context of making and receiving voice calls. The Communication 2.0 concept delivers:

- Visual Voice Messages (voicemail);
- Artificial intelligence that transcribe audio messages into text;
- Integration with WhatsApp for the delivery of messages;
- Notifications for missed calls; and
- Anti-spam and caller ID (By TruecallerTM).

With this portfolio, it is possible to monitor a customer's activity online (caller ID and anti-spam) and offline (voice messages and notifications for missed calls). We have a new app under development for the integration of these functions.

Our Proprietary Distribution Channel – Bemobi Loop
Over the past few years, we have been specializing in digital service distribution through the development of a proprietary distribution platform and multichannel management of digital services. The aim of this platform is to deliver the right offers through the right channel, at the right time.

This expandable platform offers low acquisition costs to users and is supported by cloud storage and artificial intelligence.

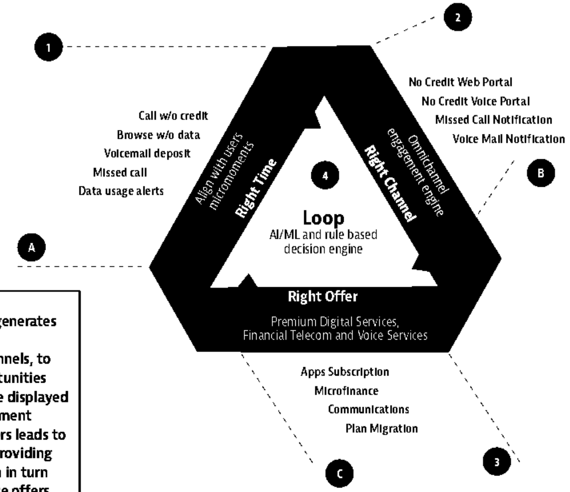
Bemobi Loop – Management of multichannel offers through artificial intelligence and data analysis
Data Analysis – Our channel platforms manage more than half a billion monthly interactions, including sales of apps and game subscriptions, messaging and communication services, and microfinance transactions. We capture the daily routine of the users of mobile carriers in order to promote our services with low acquisition costs.

Designed for mobile carriers – Bemobi Loop is based on a marketing and data analysis platform to manage offers that anticipate individual needs, allowing carriers to offer the best possible experience to every user of their networks.

Knowledge of user behavior to recommend the best offer – Bemobi Loop identifies the best offer by understanding the profile and context of each interaction with customers, offering the most suitable products within a specific context, such as top-ups or credit advances when users are making calls with no active credits.

Personalized multi-channel experience – Transforming customer voice and data navigation points of contact into relationship channels and sales of digital and telecommunications products.

The platform currently supports segmentation by different types of data input, with offers arranged by pre-set rules and dynamic



1. **Customer lifecycle and usage generates important events**
2. **We develop contextualized channels, to turn events into revenue opportunities**
3. **The most consistent services are displayed to engage users at the right moment**
4. **Users interactions with the offers leads to important insights constantly providing feedback to Bemobi Loop which in turn can then provide more attractive offers**

The following example illustrates the functioning of the platform:

A Maria during its day to day pre-paid mobile journey generates **events** that are normally treated as basic texts messages and/or error messages

B The loop platform is integrated to the core of the mobile networks systems and transforms these events into opportunities to engage with Maria through the best available **digital channel**

C The loop platform has access to Maria's profile and historical data such as top-up history, pre-paid plan, service eligibility, past preferences and through an AI and Ruled based model recommends the best set of **offers and services** to Maria

Types of inputs for segmentation		Types of Arrangement	Inventory Management
Micro-moment	*By behavior and history*	*Manual*	*Dynamic*
· Trying to use data/apps with no credit/balance · Trying to call with no credit/balance · Missed call	· Previous browsing and buying behavior · Payment history/Top-up *Pre-segmentation* · Eligibility for service · By prepaid mobile plan · By Operating System · By Subscription Status	· We and the mobile carriers define the position for each offering of services *Dynamic by conversion* · Products are arranged according to the conversion index in its respective channel	· Cost Per Click (CPC), effective Cost Per Mille (eCPM) and Cost Per Acquisition (CPA) with the possibility of setting up a budget for each of the above · Printing or selling limitation · Per time period · Balance availability

conversions, together with inventory management.

Integrated directly with Bemobi Loop, the No Credit Voice Portal and the No Data No Credit Web Portal are intended to assist in the digitization of the daily routines of the pre-paid customers of carriers when they have credit.

No Credit Voice Portal
A call management platform that transforms opportunities that are usually lost into a better user experience for customers, with opportunities for incremental revenues for carriers. The platform supports more than 200 million calls per month, transforming them into sales of telecommunications and digital services.

No Credit No Data Web Portal
This platform manages internet access attempts by customers with zero balances or attempted accesses that are beyond the limits of their data packages. It provides a personalized portal that allows customers to access services at the right moment, including the sale of top-ups, data packages and digital services.

Personalized Digital Experience for Pre-Paid Users – Developed to respond to the specific demands of each carrier, each portal can be personalized according to the carriers' brand and layout. There are twenty mobile carriers with platforms enabled by us, with approximately 500 million pre-paid users managed every month.

Several acquisition opportunities identified to bring value to our market with room for inorganic growth
The organic growth of our channels, products and services during the past few years has allowed us to pinpoint several opportunities to increase our expansion, and return to our current shareholders, through acquisitions. In 2019, Bemobi acquired certain assets from a Brazilian company, Novitech, part of Nuance Communications Inc. (one of the global leaders in voice recognition technology, listed on NASDAQ) in Brazil and Central America.

The acquisition comprised physical assets such as hardware, software and intellectual property, commercial agreements with major Brazilian and Latin American mobile carriers, as well as a certain selected employees.

Bemobi regards this is an important strategic acquisition in many aspects. It has enhanced our channel offer and our current distribution platform, bringing a more diverse set of channels to our portfolio beyond the No Credit No Data Web Portalby adding the No Credit Voice Portal. Further, it considerably raises our service distribution scale for our own services.

Together with steady and effective integration, this acquisition accelerated our learning curve for voice interface technologies (e.g., SIP, VoIP, Voice-to-Text, and others), supporting the feasibility of expansion and creating new channels and services, such as smart, personalized voice portals and microfinance services. These assets and talents have been integrated at a steady pace, supporting the feasibility of wider channel diversification for our portfolio, such as the No Credit Voice Portal, as well as extending our portfolio through the introduction of services that could be monetized on our proprietary distribution platform (i.e., Bemobi Loop).

We believe that the successful completion of this transaction demonstrates our experience and the quality of our team in identifying desirable assets, negotiating acquisitions at reasonable prices, even in competitive bidding processes, in addition to fully integrating our objectives, with positive outcomes gained in a short period of time.

Competitive Advantages
During the time that we have operated in this business, we have developed a set of competitive advantages that have steered us along a path of sustainable growth. We believe that these advantages will be crucial for our future. Those advantages are as follows:

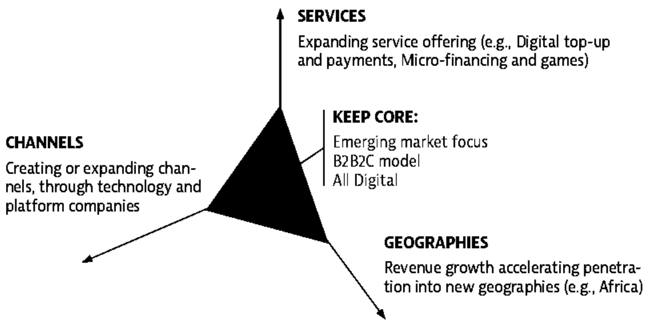
Business model based on subscriptions, optimized for emerging countries:
We have developed a business model that benefits from our experience in subscriptions, with pricing tailored to the purchasing power of each income segment, using prepaid customer billing mechanisms provided by mobile carriers to enable feasible means of payment. We have also developed highly competitive products that we believe are difficult to replicate, which have been added to our point-to-point technology platform.

An extensive base of distribution partnership and expanding market:
We have an extensive partnership base that includes many long-standing relationships. During the past few years, we have built partnerships and integrated our services, collections and distribution channels directly with 72 carriers in 38 countries. These partnerships provide us with firm control and an initial scale that allows us not only to replicate this model with more carriers, but also to create new services and channels with our current partners.

Expanding geographical diversification of revenues:
Through the development of partnerships established during the past few years, we have developed from a Brazilian company focused on the Brazilian market into an international enterprise with a global presence, leading to revenue diversification.

Proprietary digital channels platform that generate an intelligent user acquisition model, at low costs and that is expandable:
Our proprietary digital channels platform (Bemobi Loop) allows mobile carriers to make good use of events in the daily routines of their mobile users in order to present personalized digital channels, thus creating a better digital experience and opening up opportunities to cross-sell and up-sell services at low costs in expandable ways. This approach is a vital comparative advantage, as it allows us not only to develop relationships and integrate services in greater depth with our partner carriers, but also supports the feasibility of an expandable distribution channel that is also predictable at a relatively low cost.

Main drivers for the M&A Strategy is to generate shareholder value through



Ability to acquire and integrate new companies: The ample experience of our executives with mergers and acquisitions, added to our recent successful acquisition of assets from Nuance Communications puts us in a strong position to pursue new acquisitions that add value in a consistent manner.

Our Strategy

We believe that we hold a strong market position, with the continued expansion of our digital services market in emerging countries. Over the past few years, we believe we have developed a simple growth model that we have been implementing at a steady pace, striving to generate network effects whenever possible and to utilize gains that justify higher expenses on research and development (R&D) to maintain a competitive edge. In its most basic form, the model is based on the following two areas:

Subscription Services:
Our market grows as we launch more digital micro-subscription services tailored to mobile user demands in the emerging countries through our B2B2C model with mobile carriers.

Digital Channels:
Parallel to the launching of our services, we are integrating our Bemobi Loop proprietary digital channels platform which allows mobile carriers to create and manage personalized digital channels, supporting the feasibility of expandable and predictable distribution for the conversion of users into subscribers.

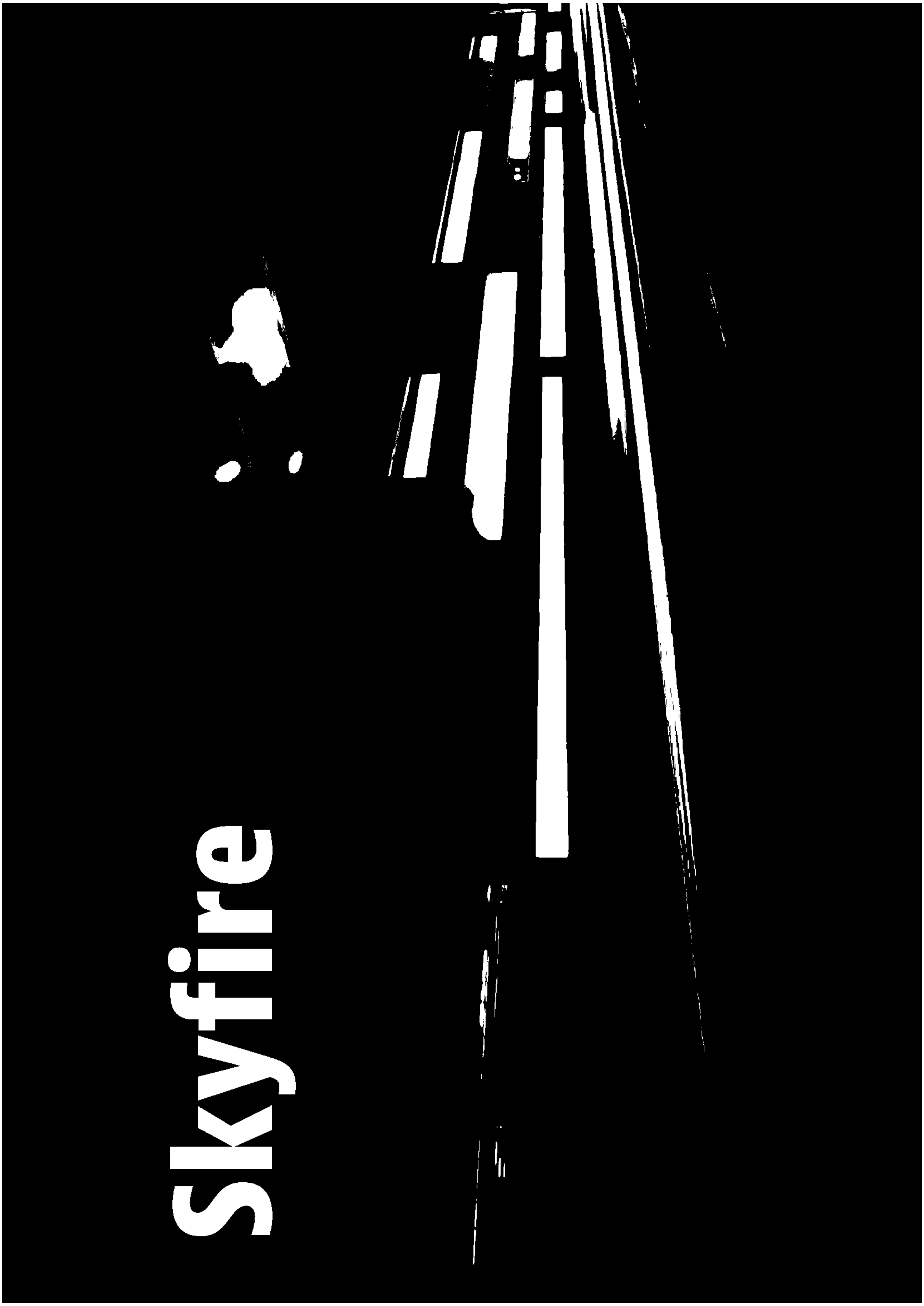
We believe the combination of these two dimensions is the foundation of our sustainable growth over the past few years and is the basis of our future growth progress.

Our opportunities for expansion are both organic and inorganic. The latter occurs through potential acquisitions that provide leverage for our strong points and the competitive advantages of our current model (only digital operations, solid B2B2C partnerships, and a focus on emerging countries, with proprietary digital channels).

Our organic growth follows three diverse paths comprised of: (i) the creation of new digital channels; (ii) the launch of new digital services; and (iii) the expansion of partnerships to new carriers in new countries.

The additional growth opportunities that we see can be summarized as follows:

- New services: launch of new services that provide leverage for cross-selling and/or up-selling opportunities for our current customer base (i.e., 33.2 million subscribers, who have signed up for our current digital channels.
- New channels: development of new digital contact points for mobile customers that could open up new sales opportunities for services.
- New geographical areas/carriers: expansion into new countries and new partnerships with carriers.


Skyfire

Skyfire in 2020

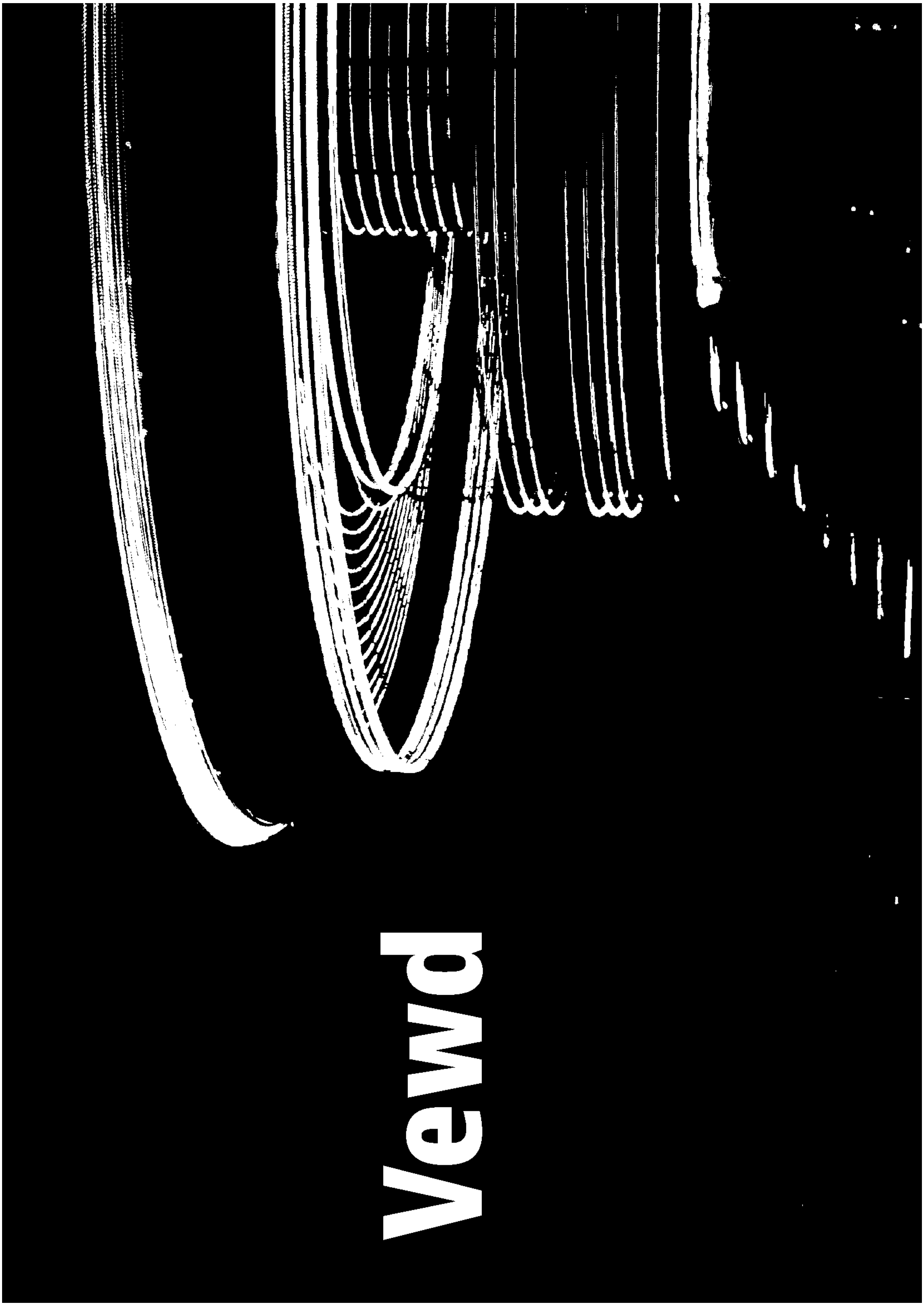
The need for speed is increasing. Today, typically 60 percent or more of total mobile data consumption is video content, putting pressure on the operator's existing network capacity. Skyfire en-ables mobile operators to optimize its network performance and quality as data traffic and the consumption of mobile video is exploding among mobile users. The unique technology also enables operators to pursue new business models and revenue streams while benefiting from increased technological flexibility as customer data is compressed.

At the same time, mobile operators face increasing downward pressure on average voice revenue per subscriber, and as competition heightens, operators around the world are looking for new sources of revenue, differentiation via data services as well as network performance and quality, and solutions to manage the explosion of mobile video and multi-media data network traffic spurred by the rapid adoption of smartphones and tablets.

Fast as a rocket
During 2017, Skyfire began marketing itself under the RocketColony name – a break from the original Skyfire name just as the company has shifted its focus to new encrypted video optimization technologies. Skyfire remains the legal name of the company.

Rocket Optimizer is Skyfire's flagship product addressing operator needs in regards to managing the explosion of mobile video data traffic. It is designed for operator deployment and it provides operators with an instant 60 percent boost in bandwidth capacity across smartphones, tablets and laptops. Rocket Optimizer allows mobile operators to leverage cloud computing to optimize and compress video and other multimedia traffic, for example on congested 3G and 4G LTE cell towers, enabling operators to boost the capacity of their networks significantly while at the same time offering better network performance and quality to their mobile customers.

In addition to optimization, Rocket Optimizer enables myriad new monetization use cases by allowing operators to set and control a target video quality for different classes of users or for different data packages. For example, an operator might ensure the highest possible video quality for "Gold" users, 480p quality video for "Silver" users and 360p video for "Bronze" users. Alternatively, a new "Free Video Off-Peak" data package could be introduced that limits video to 480p and allows unlimited video consumption in off-peak hours – thereby winning video-hungry customers from competing operators while ensuring the network is protected. These are just a few examples of the many monetization options enabled by the very flexible Rocket Optimizer system.

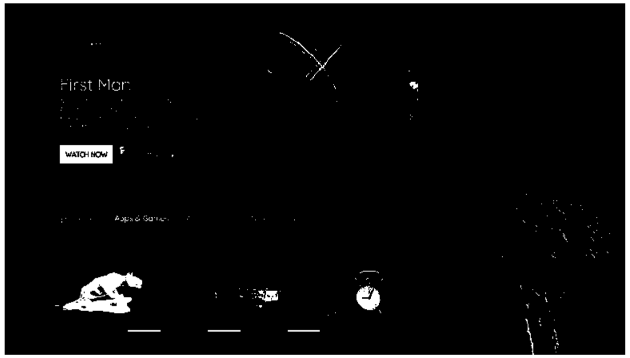

Vewd

Vewd in 2020

Vewd Software is the market leader in enabling the transition to OTT. Vewd's suite of OTT solutions enable our customers and partners to reliably, seamlessly and efficiently reach connected device viewers. We help companies like Sony, Verizon, Samsung and TiVo benefit from the growing number of consumers who watch content on connected devices.

With over 15 years experience in the connected TV device and OTT industry, we boast technological expertise to continuously satisfy the ever-evolving demands of the marketplace. Our market-leading products help enable the best streaming video services and unparalleled user experiences on all types of devices for audiences around the world.

Vewd offers proven and flexible solutions for overcoming the difficult challenges and escalating costs associated with the rapidly evolving OTT space. As experts in developing software solutions spanning client to cloud, we provide customers and partners the products they need to connect consumers with the content they love.



One size doesn't fit all
Whether you want a complete turnkey solution, or prefer to mix-and-match from a combination of Vewd's world-class products and modules, it's never been easier or more flexible to build a differentiated and modern Smart TV experience.

Deep analytics
Gain insights into how viewers interact not only with the product, but also with the apps and content available through Vewd OS. Those analytics can then be used to further test, refine and deploy new user experiences on devices.

Puts the brand in focus
An easy-to-use toolkit allows comprehensive alterations to the look, feel and branding to make every device portfolio distinct and unique.

After-sale monetization
The story doesn't have to end once the TV is sold. Vewd OS lets manufacturers share revenue after the sale, tapping into significant recurring revenue opportunities.

Investor Relations

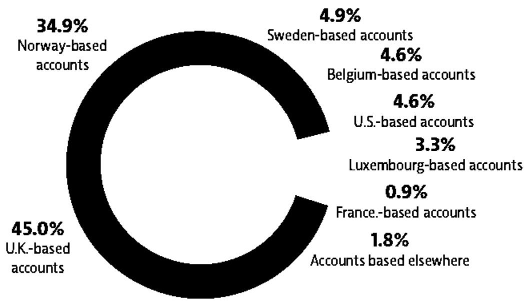
INVESTOR RELATIONS POLICY

Communication with shareholders, investors and analysts, both in Norway and abroad, is a high priority for Otello. The company's objective is to ensure that the financial markets have sufficient information about the company in order to be able to make informed decisions about the company's underlying value. Otello arranges regular presentations in Europe and the United States and holds frequent meetings with investors and analysts. Important events affecting the company are reported immediately.

KPI [2016-2020]	2016	2017	2018	2019	2020
Revenue ($ million)	532.2*	419.0**	275.4	240.7	259.0
Adjusted EBITDA ($ million)	49.4*	13.5**	9.4	19.4	23.4
Operating cash flow ($ million)	41.4*	6.7**	(0.2)	(0.2)	19.1

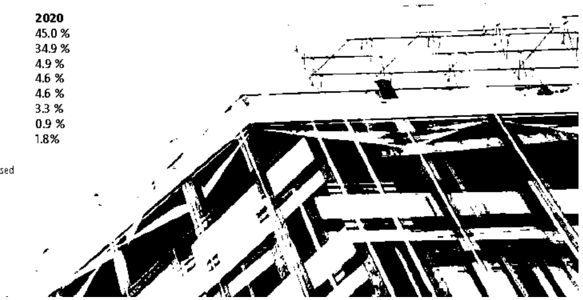
**Excluding the consumer and TV business*

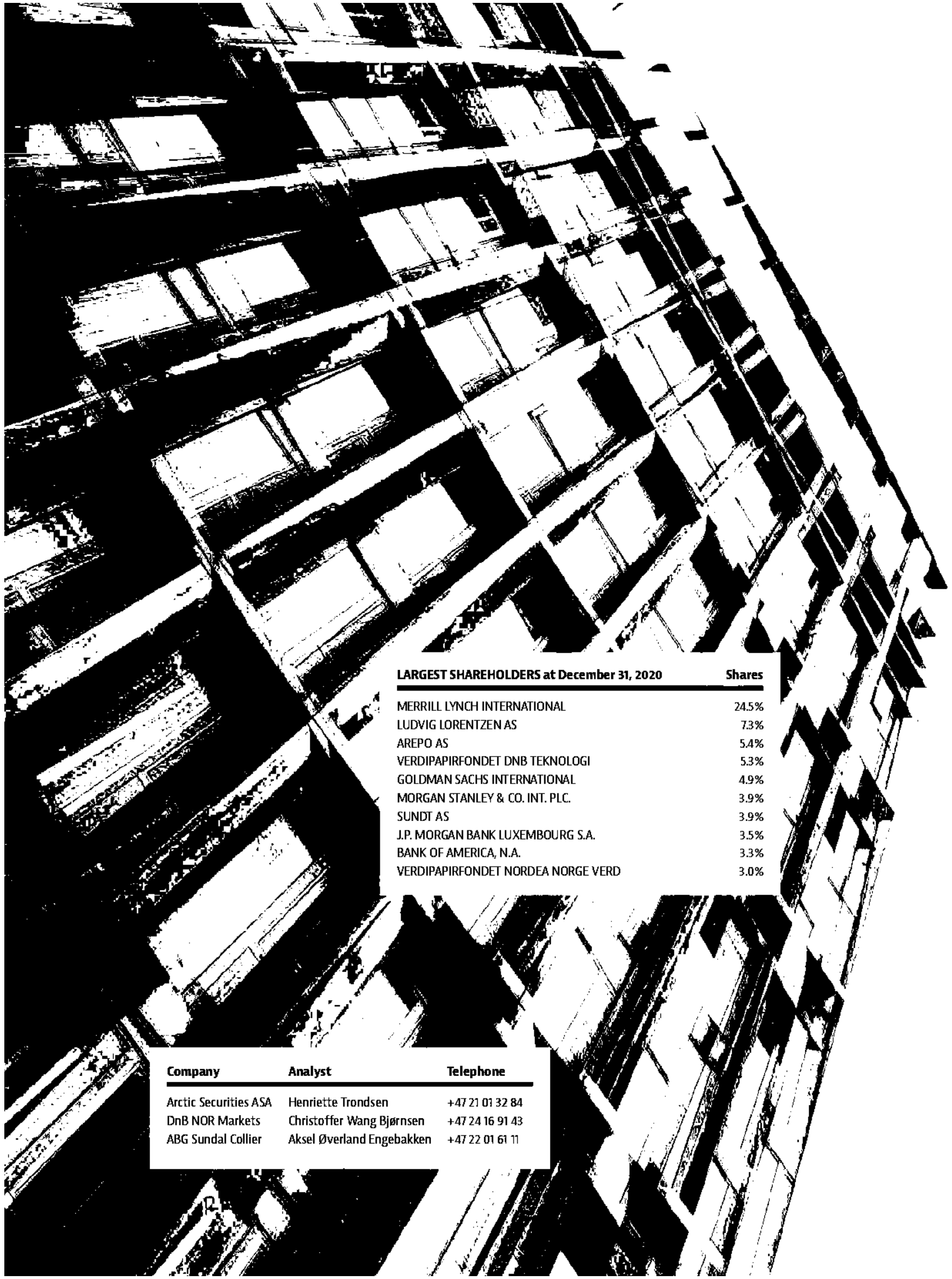
***Excluding the consumer, TV and SurfEasy businesses*



2019	Country breakdown shareholders:	2020
36.5 %	U.K.-based accounts	45.0 %
44.0 %	Norway-based accounts	34.9 %
3.8 %	Sweden-based account	4.9 %
2.0 %	Belgium-based accounts	4.6 %
0.9 %	U.S.-based accounts	4.6 %
6.8 %	Luxembourg-based accounts	3.3 %
2.8 %	France-based accounts	0.9 %
3.2 %	Accounts based elsewhere	1.8%

Adjusted EBITDA represents EBITDA excluding stock-based compensation expenses, impairment and expenses





LARGEST SHAREHOLDERS at December 31, 2020	Shares
MERRILL LYNCH INTERNATIONAL	24.5%
LUDVIG LORENTZEN AS	7.3%
AREPO AS	5.4%
VERDIPAPIRFONDET DNB TEKNOLOGI	5.3%
GOLDMAN SACHS INTERNATIONAL	4.9%
MORGAN STANLEY & CO. INT. PLC.	3.9%
SUNDT AS	3.9%
J.P. MORGAN BANK LUXEMBOURG S.A.	3.5%
BANK OF AMERICA, N.A.	3.3%
VERDIPAPIRFONDET NORDEA NORGE VERD	3.0%

Company	Analyst	Telephone
Arctic Securities ASA	Henriette Trondsen	+47 21 01 32 84
DnB NOR Markets	Christoffer Wang Bjørnsen	+47 24 16 91 43
ABG Sundal Collier	Aksel Øverland Engebakken	+47 22 01 61 11

Lars Boilesen
Chief Executive Officer

Petter Lade
Chief Financial Officer

Executive Team

Otello Corporation ASA

Lars Boilesen
Chief Executive Officer

Lars Boilesen is the Chief Executive Officer at Otello Corporation ASA, a position he has held since 2010. He also serves as CEO of Otello's subsidiary AdColony, Inc. Lars has extensive experience in the software and tech industry and has held executive positions in various corporations prior to joining Otello. He was Executive Vice President of Sales & Distribution at Opera Software ASA from 2000 to 2005 and served on the Board of Directors of Opera Software ASA from 2007 to 2009.

From 2005-2008 he was Chief Executive Officer for the Nordic and Baltic Region at Alcatel-Lucent. Lars started his career in the LEGO Group as Sales and Marketing Manager for Eastern Europe. After that, he headed the Northern Europe and Asia Pacific markets for Tandberg Data. He has been Chairman of the Board of Directors of Napatech since September 2017 and currently serves as Chairman of the Board of Directors at Cobuilder AS.

Lars holds a Bachelor's Degree in Business Economics from Aarhus Business School, and postgraduate diploma from Kolding Business School.

Petter Lade
Chief Financial Officer

Petter Lade was appointed Chief Financial Officer in January 2017. He is responsible for the financial management of the Group and oversees financial planning and analysis, treasury, M&A and investor relations. Petter comes from the position as Director, IR & Corporate Development and has held several key roles within controlling, M&A and IR since joining Otello in 2006.

Before joining Otello, Petter was Finance & Commercial Consultant at Dell EMEA and responsible for the financial and commercial element for pan-EMEA or Global Dell Managed Services (DMS) deals. Prior to that, Petter worked as Business Controller/Bid Analyst for Dell Norway. He began his career with Verdens Gang (Schibsted) as a controller.

Petter obtained a Siviløkonom degree (four year program in economics and business administration consisting of three years at bachelor level and one year at master level) from BI Norwegian Business School.

The Board of Directors

Otello Corporation ASA

André Christensen
Chairman

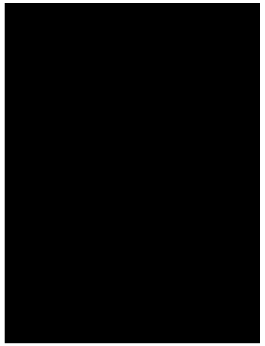
André Christensen has extensive strategic and operational experience from the Media, Internet, and High Tech industries across Europe, North America and Asia from the last 25 years. He is currently the CEO and Founder of the IPTV/OTT entertainment platform provider Firstlight Media based in Toronto/ Los Angeles/Chennai. Prior to this he headed product development for AT&T Entertainment Group following the acquisition of Quickplay Media where he was the COO and co-owner. He has also been the SVP Business Operations and Strategy at Yahoo globally after 12 years with McKinsey & Company as a partner establishing and leading the Business Technology practice in Canada as well as the Global Operating Model service line worldwide. Mr. Christensen currently holds a board position with Intermedia in Sunnyvale. He has a MSc/DiplKfm degree from University of Mannheim, Germany.

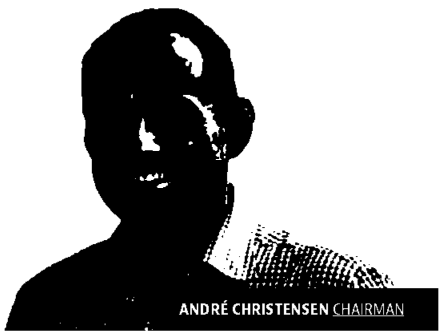
Birgit Midtbust
Board Member

Birgit Midtbust is a senior lawyer in Advokatfirmaet Schjødt AS, the largest law firm in Norway, and a member of their M&A and Capital Markets department. She joined the firm in 2007, and specializes in acquisitions and sales of companies, mergers, investment structures and ownership structures. She has a broad practice area, with main focus on oil service, offshore, maritime and technology. Birgit has advised on a substantial number of transactions involving Norwegian and foreign listed and unlisted companies. She has substantial experience with transactions and works regularly for reputable financial and industrial clients in Norway and abroad. Birgit holds a Master in law from the University of Bergen, Norway.

Maria Borge Andreassen
Board Member

Maria Borge Andreassen is Commercial Director in Jernia AS, a specialist retailer chain in Norway with approximately 130 stores. She is leading the departments responsible for space, category strategy and sourcing. Before that, Maria was part of the Executive Team in Europris, the largest discount variety retailer in Norway and listed on the Oslo Stock Exchange. In her position as the Director of Strategy and Business Development, Maria was responsible for the overall strategy, including project portfolio, new growth initiatives, OMNI channel strategy, digital roadmap and sustainability. Prior to joining Europris, Maria served as Marketing and Innovation Director in the central unit and as Corporate Business Advisor to the President and CEO of Orkla ASA, the leading Nordic based branded consumer goods company. She held internal board positions and started many new growth initiatives. Maria started her career as a consultant in McKinsey & Company, Inc., where she worked with strategy and organizational topics, and served clients in many industries in Scandinavia, UK and South Africa. Maria holds an MBA from INSEAD and a Bachelor in Business Administration from the University of Strathclyde.





ANDRÉ CHRISTENSEN CHAIRMAN

BIRGIT MIDTBUST BOARD MEMBER

MARIA BORGE ANDREASSEN BOARD MEMBER

LIN SONG BOARD MEMBER

Anooj Unarket
Board Member

Anooj Unarket is a Senior Member at Sand Grove Capital Management. Prior to Sand Grove's inception in 2014, from 2010-2014, he was a Partner and Analyst in the Event Driven division at Cheyne Capital investing in event driven situations across the capital structure. Prior to Cheyne Capital, from 2007-2010, he was a member of the European Mezzanine team at GSC Group sourcing and analysing investments in subordinated private debt in sub-investment grade companies throughout Europe. He began his career in 2005 at Merrill Lynch as an Analyst in the TMT investment banking team based in London. He graduated in 2005 with an MA (Hons) in Economics from Trinity College, University of Cambridge.

Lin Song
Board Member

Lin Song is the Co-CEO at Opera Limited, a NASDAQ listed company, and a former employee of Otello from its' former days as Opera Software ASA, beginning at the company in 2002. Lin Song has been responsible for various high-profile projects at Opera, including holding the position of Director of Delivery and Engineering in APAC. Prior to Opera's browser and consumer business being privatized and later listed on the NASDAQ, Lin Song served as its COO responsible for business operations, and since the listing has become the Co-CEO of the company. He graduated in 2004 from the University of International Business and Economics in Beijing, China.

Report from the Board of Directors

ADCOLONY
REACH MORE THAN
1.5bn
USERS GLOBALLY

In 2020, Otello delivered on its key objectives, including making AdColony adjusted EBITDA profitable and getting Bemobi ready for a separate listing. The turnaround in AdColony continued to bear fruit and we delivered revenue well above the FY 2020 guidance despite the negative impact from Covid-19. For AdColony we ended the year very strong with growth in 4Q20 up 34% vs 4Q19. For Bemobi we continued on the IPO path and in 4Q20 submitted a preliminary filing for an IPO. The IPO was significantly oversubscribed and IPO went public in Brazil in February 2021.

As we enter 2021 the world is still grappling with the direct and indirect impacts of the Covid-19 virus. In this challenging situation, the primary focus of Otello has been the health and safety of our employees. Since mid-March 2020, the Group entities have successfully managed to shift the vast majority of the operations to remote home offices. The operational impact is limited and all business activities continue to operate as before the crisis. Due to the nature of our business in both AdColony and Bemobi, in terms of not having physical products and being reliant on the use of consumers mobile phones, we are in a relatively fortunate position. However, as our revenue is linked to the advertising spend of brands and game developers (AdColony) and subscriptions bought by consumers (Bemobi), we expect Covid-19 to negatively impact revenue and profit in 2021. At this stage, it is still too early to tell how great this impact will be. Ultimately, it will be linked to the duration of the crisis and the knock-on effect of the changed behavior of our customers.

Due to the turnaround in AdColony and continued strong performance from Bemobi, Otello now finds itself in a strong financial position having limited debt and a net cash position as we enter 2021.

COMPANY OVERVIEW
Otello Corporation ASA, the parent company of the Group, is domiciled in Norway. The Company's principal offices are located at Gjerdrums vei 19, Oslo, Norway. The company is a public limited company that is listed on the Oslo Stock Exchange under the ticker OTEC.

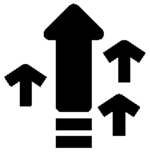
Otello's business activities comprise mobile advertising via its AdColony business, mobile app subscription services via its Bemobi business, and licensing of Rocket Optimizer™ technology via its Skyfire business.

AdColony is a global business headquartered in the United States, in addition to larger offices in Turkey and Singapore. Bemobi is headquartered in Brazil, with offices in Ukraine and Norway. The Skyfire business is based in the United States.

The following are Otello's segments as at December 31, 2020:

AdColony (Mobile Advertising)
AdColony is one of the largest mobile advertising platforms in the world with a reach of more than 1.5 billion users globally. AdColony provides an end-to-end platform for brands, agencies, publishers and application developers to deliver advertising to consumers on mobile devices around the world. AdColony delivers highly interactive and engaging advertising experiences across all mobile formats with particular strength in video and full screen interactive rich media ads.

AdColony revenue is primarily based on the activity of mobile users viewing ads through 3rd Party Publishers, such as developer applications and mobile websites. Revenue is recognized when advertising services are delivered based on the specific terms of the advertising contract, which are commonly based on the number of ads delivered, or views, clicks or actions by users of mobile advertisements.



8%
REVENUE GROWTH

Bemobi (Apps & Games)
The cornerstone of Otello's Bemobi offering is Apps Club, a leading subscription-based discovery service for mobile apps in Latin America and beyond. Apps Club offers a unique, "Netflix-style" subscription service for premium Android apps. Working with mobile operators, Bemobi's proprietary app-wrapping technology allows smartphone users access to unlimited use of premium mobile apps for a small daily, weekly or monthly fee. Users pay for this service through their mobile operator billing systems, making the service highly effective in emerging markets, where credit-card and debit-card penetration is low.

Bemobi revenue is primarily comprised of: i) subscription revenue when an Android user purchases a subscription from a "co-branded" mobile store, or a white-label operator-controlled version of the mobile store, known as Apps Club, and ii) the Bemobi Mobile Store (formerly Opera Mobile Store), a feature phone platform, when a user purchases a premium app.

See note 1 for further information regarding revenue recognition.

Corporate Costs
Corporate costs comprise primarily i) costs related to personnel working in functions that serve the Group as a whole including CEO, Board of Directors, corporate finance and accounting, legal, HR and IT, and ii) certain costs related to business combinations and restructuring processes. As from 2019, the Group has no longer reported Skyfire (Performance & Privacy) as a separate segment but rolled this into the Corporate segment due to its very limited size.

In addition, Otello has retained preferred shares equivalent to 27% of the common equity of the new parent of Vewd Software AS (formerly Opera TV AS).

FINANCIAL SUMMARY

Income statement
Otello's operating revenues grew by 8% to $259.0 million in 2020 (2019: $240.8 million), driven by a growth in the AdColony business, partly offset by a decrease in Bemobi. Operating expenses, excluding impairment and restructuring expenses, increased by 6% to $268.7 million (2019: $253.4 million), with publisher and revenue share cost increasing 14%, partly offset by lower payroll and related expenses. Otello delivered Adj EBITDA (excluding impairment and restructuring expenses) of $23.4 million (2019: $19.3 million), with significant improvement in AdColony.

A loss before income taxes (including impairment and restructuring expenses) of $-18.3 million was recognized in 2020 (2019: $-12.8 million). Provision for taxes resulted in an expense of $5.0 million in 2020 (2019: $9.8 million) The result after tax was for 2020 was $-23.3 million (2019: $-22.6 million). Basic and diluted earnings per share were both $-0.17 (2019: $-0.16).

Revenues
Otello's operating revenues grew by 8% to $259.0 million in 2020 (2019: $240.8 million).

In 2020, AdColony showed strong revenue growth of 15% vs 2019 which accelerated through the year and came in over 30% in 4Q20 vs 4Q19. Bemobi continued its global rollout but was also hit hard by Covid-19, in particular in its home market Brazil. In addition, Bemobi, which has most of its revenue in BRL, was adversely impacted by a much weaker BRL vs USD in 2020.

AdColony was the largest source of revenue in 2020, as in 2019. AdColony revenues grew by 15% compared to 2019. The increase in revenue in AdColony was mainly due to strength in our Brand business and programmatic revenue in particular. We also saw stabilization in revenue from our Performance business which has been falling since 2016 and also here delivered YoY growth in 4Q20 vs 4Q19. The investments we have made in our products paid off in 2020 and we ended the year with over 30% growth in 4Q20 vs 4Q19. Our significant cost focus has lowered the revenue break-even point substantially. We delivered $9.8m in adjusted EBITDA in 2020, up significantly from 2019. 2020 marked the end of the turn-around for AdColony and we delivered above our annual plan despite the negative impact from Covid-19.

Bemobi was heavily impacted by Covid-19 in 2020, which reduced the available spend from consumers in emerging markets as well as the closure of physicals shops making it more difficult for people to top up their pre-paid cards. The pandemic also impacted the speed of rollout of new products and services as many operators were reluctant to launch new services. Covid-19 also impacted new sales efforts and made the decision process longer for our customers. Revenue fell 16% in USD terms, but this was heavily impacted by weaker BRL vs USD. In local currency 2020 was virtually flat vs 2019. Adjusted EBITDA fell by 21% in 2020 vs 2019 also adversely impacted by FX and in addition negatively impacted by scaling of the business to roll out globally. Due to the launch of new services such as voice and financial in 2020 we saw solid growth in our subscriber base with a 16 % growth over 2019. By the end of 2020, Bemobi was working with over 70 mobile operators, the majority outside LATAM, and with a total of 34.0 million subscribers, we are well on our way to taking this Brazilian success global. Based on positive feedback from investor meetings carried out throughout 2020, we evaluated a separate listing of Bemobi. In 4Q20 we submitted our initial filing with the CVM in Brazil and Bemobi was successfully listed in Brazil on the Bovespa in February 2021 in a oversubscribed IPO.

Cash flow
Net cash flow from operating activities in 2020 totaled $19.1 million, (2019: $-2.7 million). Otello's operating cash flow was positively impacted by growth in EBITDA in AdColony and overall good cash collections and cash management.

Otello's cash balance was also impacted positively in 2020 by the drawing of $15.0 million of its credit facility. The cash balance was impacted negatively by the following: capitalized R&D of $10.3 million, payment of financial lease liabilities of $2.8 million, capex of $1.8 million, interest payments of $1.3 million and share repurchases of $0.4 million.

As of December 31, 2020, the Group had a cash balance of $41.9 million (2019: $28.3 million), and $35.0 million (2019: $20.0 million) in interest-bearing debt and thus, $6.9 million in net cash.

Balance sheet
As of 31 December 2020, the Group had total assets of $425.3 million (2019: $435.4 million). Non-current assets represented $286.6 million of this total, and primarily consisted of goodwill ($219.7 million), deferred tax assets ($26.1 million) other investments ($18.7 million), intangible assets ($12.8 million). Current assets such as cash and receivables represented $138.7 million of total assets.

The Group had total liabilities of $118.9 million as of 31 December 2020 (2019: $96.3 million), of which $116.1 million were current liabilities. Shareholders' equity was $306.4 million at the end of 2020, compared with $339.1 million at the end of the previous year. Otello's equity ratio at year end was 72% (2019: 78%).

ADCOLONY OVERVIEW AND PRODUCT UPDATE

AdColony per business area	2020	2019
Total revenues	211.4	183.9
Performance	53.6	61.8
Brand-Managed IO	80.2	65.6
Brand-Performance	16.6	27.6
Brand-Programmatic	60.9	28.9
Gross profit	69.1	63.4
Adjusted EBITDA	9.8	0.3
EBITDA	10.6	(0.6)
EBIT	(7.2)	(21.8)

AdColony: Financial Overview

Overall AdColony's revenue for 2020 was $211.4 million, up by 15 % compared to 2019, and above the 10% revenue growth we guided in February 2020. Revenue accelerated through 2020 and we delivered 34% YoY growth in 4Q20 vs 4Q19. AdColony was adjusted EBITDA profitable for 2020 as a whole and ended 4Q20 with over 10% EBITDA margin.

Total operating expenses continued to decline YoY as AdColony has continued to streamline the organization, especially in the performance business, while investing in the roles and individuals driving growth. In addition to continuing the transition to moving non-customer facing roles to lower-cost locations, AdColony continued a heavy focus on programmatic and automated delivery of our customers' ad spend.

Adjusted EBITDA amounted to $9.8 million for 2020, an improvement vs $0.3 million in 2019. Gross margin for 2020 was 32.7% versus 34.5% in 2019. Overall gross margins are impacted by the product mix shifting over to more programmatic revenues which carries slightly lower gross margins but scales very well and has a positive contribution to EBITDA.

Performance

At AdColony, the term "performance" currently encompasses both our user acquisition (UA) business and our publishing monetization business. For most mobile app developers, growing the number of users comes from advertising in other apps, and monetizing those users comes from integrating ads. The ads AdColony shows to users in those publishers' apps are a mix of both UA and brand.

AdColony's performance revenue was $53.6 million in 2020, down 13% relative to 2019, and therefore underperformed during 2019. This can also be attributed to significant growth in the performance programmatic industry, with some partners shifting spend to Performance DSPs. It is a positive sign, however, that we ended 4Q20 with growth over 4Q19, the first quarterly growth we have seen since 2016.

Overall, AdColony's performance business is looking healthier moving into 2021, with solid trends in impressions and unique views across apps in the Top 100 globally in 4Q20 versus 3Q20 and with the addition of new publishers onboarded during 2020. The unified commercial structure under a newly appointed Chief Revenue Officer and Chief Operating Officer has continued to pay fruit as the business needs have aligned behind a more unified vision. AdColony released AdColony SDK 4.4, which fully supports Apple's upcoming App Tracking Transparency and SKAdNetwork privacy-focused frameworks. Combined with SDK version 4.3 (which includes basic support for the previously mentioned features), more than 62% of impressions, 68% of ad spend, and 66% of margin revenue as of December 31 are compatible with Apple's latest updates.

Brand/Exchange

AdColony has been giving brands like Toyota, Marvel, Coca-Cola, and many more well-known brands the opportunity to reach consumers in the fastest-growing consumer channel for years thanks to our SDK via both direct-sold and particularly open exchange programmatic channels. Coupled with a strong emphasis on programmatic (built into our monetization SDK) and strong relationships with all the major advertising agency holding companies like Havas, Omnicom, Publicis, and more, AdColony's brand business has never been stronger, and is the leading factor in AdColony's continued growth and stability into the next decade. Overall, the Brand business experienced strong growth across all regions in 2020. The primary source of growth was Programmatic both PMP and Open Exchange. AdColony's Open Exchange allowed access to a vetted, high-quality audience for advertisers.

Ongoing work-from-home and other Covid-19 precautions around the globe, and especially in North America, have continued to give AdColony's brand clients opportunities to reach their target audiences at scale via mobile apps, and a general industry warming to the popularity of gaming and ubiquity of mobile gamers within their target audience.

During 2020, 30% of clients for AdColony's brand business were new clients, including well-known advertisers including Chase Bank, Sanofi, T-Mobile, Sony PlayStation, Amazon Shopping, General Mills, McDonald's, and many more.

Publishing
Publishing is AdColony's SDK monetization business and the heart of what distinguishes it from many competitors by directly supplying impressions via its SDK. In addition to managed demand from brand and performance advertisers alike, AdColony's SDK also allows programmatic demand access to its inventory, giving publishers the world over access to the highest possible demand mix via our open exchange and direct-sold campaigns.

AdColony released AdColony SDK 4.4, which fully supports Apple's upcoming App Tracking Transparency and SKAdNetwork privacy-focused frameworks. Combined with SDK version 4.3 (which includes basic support for the previously mentioned features), more than 62% of impressions, 68% of ad spend, and 66% of margin revenue as of December 31 are compatible with Apple's latest updates.

These numbers will continue to rise with additional support from a more focused publishing team, now separated from the performance team, allowing supply growth priorities to be set and accomplished around the best thing for AdColony as a whole, rather than with a significant bias toward the performance advertising business.

AdColony continues to add new supply to support our growth. Key publishers added in 2020 include Scopely, The Chive, GSN, UNICO, EA Mobile, Badoo, and many others.

Product update
In 2020, AdColony focused on planning and innovation to ensure business continuity and growth in several key areas. Improvements to our advanced bidding support (referred to as Advanced Bidding 3.0, launched in 3Q20) delivered considerable gains in performance when bidding in advanced mediation zones thanks to new models to bid more efficiently in this inventory, resulting in improvements to gross margin.

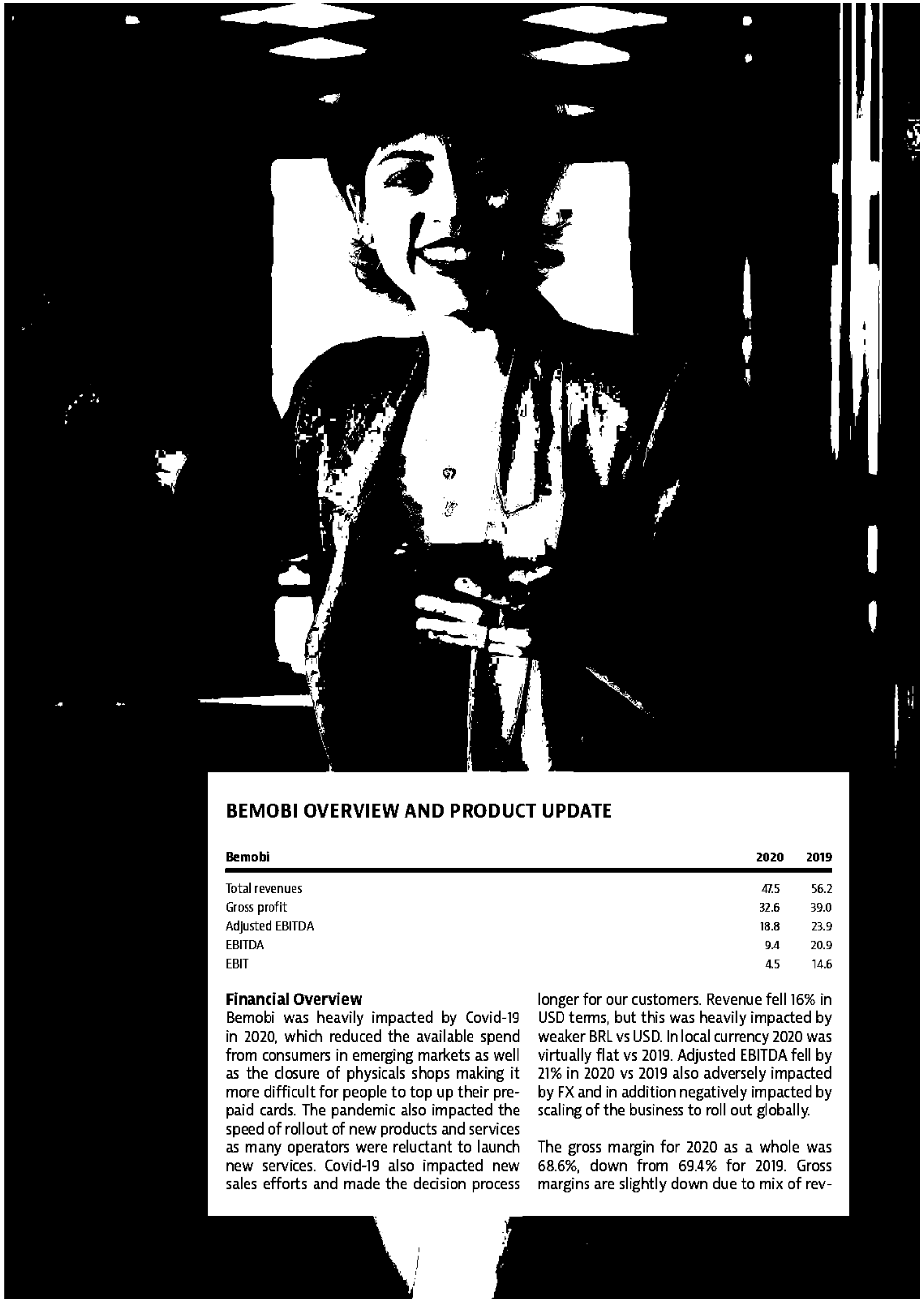
The AdColony data science and engineering-focused office in Warsaw, Poland has developed new targeting and optimization algorithms that contributed significantly to the stabilization of AdColony's performance business (see above). In November, AdColony announced BidSheet, a campaign targeting and bidding manager that allows advertisers to set up and manage campaigns quickly and efficiently using a streamlined UI and bulk bid management design.

Work around Apple's privacy changes was a significant focus for AdColony's product and engineering teams, with iOS SDK 4.3 and 4.4 both released to address Apple's latest requirements. AdColony designed and began implementing SKAdNetwork support via BidSheet™ and plans to launch BidSheet™ for SkAdNetwork in Q1 2021.

Apple announced that it will require developers in "early Spring 2021" to use the App Tracking Transparency framework to obtain consent for tracking. If users do not consent, Apple's developer terms of service prohibit any tracking, and iOS itself will not send the device's Identifier for Advertisers (IDFA) to the developer, advertisers, or other advertising or measurement parties.

Apple's restrictions on targeting will impact demographic and audience-based targeting on iOS devices, but the change is not universal in scope. All iOS opted-in users will be able to be targeted and measured in the same way as today. The same is also true for almost all users using Google Android devices, which make up only a little less than half of US smartphone users, but three-quarters of global users.

Thanks to AdColony's SDK-based supply system and access to many contextual signals, gives AdColony an advantage in this new landscape, even for opted-out users. AdColony's product team continues to work on BidSheet™, Composer™, and other products to allow clients and partners to achieve their KPIs and AdColony to maintain revenue in this new privacy-centric landscape.



BEMOBI OVERVIEW AND PRODUCT UPDATE

Bemobi	2020	2019
Total revenues	47.5	56.2
Gross profit	32.6	39.0
Adjusted EBITDA	18.8	23.9
EBITDA	9.4	20.9
EBIT	4.5	14.6

Financial Overview
Bemobi was heavily impacted by Covid-19 in 2020, which reduced the available spend from consumers in emerging markets as well as the closure of physicals shops making it more difficult for people to top up their prepaid cards. The pandemic also impacted the speed of rollout of new products and services as many operators were reluctant to launch new services. Covid-19 also impacted new sales efforts and made the decision process longer for our customers. Revenue fell 16% in USD terms, but this was heavily impacted by weaker BRL vs USD. In local currency 2020 was virtually flat vs 2019. Adjusted EBITDA fell by 21% in 2020 vs 2019 also adversely impacted by FX and in addition negatively impacted by scaling of the business to roll out globally.

The gross margin for 2020 as a whole was 68.6%, down from 69.4% for 2019. Gross margins are slightly down due to mix of revenue as well as some negative impact from Covid-19. Gross margin has been positively impacted by increased revenue from Voice (IVR) and Financial services.

Business update
The cornerstone of Otello's Bemobi offering is Apps Club, a leading subscription-based discovery service for mobile apps in Latin America and beyond. Apps Club offers a unique, "Netflix-style" subscription service for premium Android apps. Working with mobile operators, Bemobi's proprietary app-wrapping technology allows smartphone users access to unlimited use of premium mobile apps for a small daily, weekly or monthly fee. Users pay for this service through their mobile operator billing systems, making the service highly effective in emerging markets, where credit-card and debit-card penetration is low.

Bemobi is a so-called B2B2C company. Instead of selling directly to a consumer, or traditional B2C, Bemobi typically partners with large companies, mostly mobile carriers or in some cases smartphone OEMs. Through partnerships with these companies, Bemobi can offer its service to consumers. Bemobi ended 2020 with 70 active operator agreements, of which 49 are outside LATAM, making it possible to offer subscription-based services providing access to apps and games to over 2.2 billion consumers. In order to acquire new users to its subscription services, Bemobi developed and operates in partnership with mobile carriers' digital channel platforms that are highly scalable while at the same time very targeted. This mobile digital channel platform is called Bemobi Loop and it allows Bemobi to orchestrate which services are offered to each user at which time. Through this platform, Bemobi can scale its subscriber growth at a sustainable cost of acquisition in markets where traditional online media might not provide a payback.

PROVIDING ACCESS TO APPS AND GAMES TO OVER
2.2bn
CONSUMERS

Product update
Bemobi is bundling some of its key services as an integral part of core telecom data and voice packages in Brazil, sold by some of the main carriers in the country. This distribution model represents an alternative incremental revenue line that helped to drive growth and diversify the revenue mix. On the new acquisition channels development front, Bemobi is investing in expanding its No Credit and No Data web captive portal to include an interactive voice portal platform. This new interactive voice platform is now live in four of the largest carriers in Brazil and shows a lot of promise as Bemobi prepares to scale this new channel internationally. In international markets, we continue to launch Apps Clubs having launched MTN Nigeria in 2020 and also rolling out several new products. As per the end of 2020, 13 Health Clubs have now been launched in total along with 18 Kids Clubs, and we will proceed with launches in other international markets. In addition, several standalone subscription services have been launched in 2020 such as Football Zone and Football Fantasy League in Indosat Indonesia, Deals Club in Tele2 Russia and Truecaller in Robi Bangladesh. Bemobi has now launched 16 NDNC portals outside LATAM. The expansion of the NDNC portals and the new Voice Portals (both part of the broader Loop platform) are key elements in order to build a sustainable and profitable growth model for our subscription services.

INVESTMENT IN VEWD SOFTWARE (FORMERLY OPERA TV)

In 2020, the English High Court delivered its decision on remedies in Otello's dispute with MFC over the Vewd business. The Court determined that MFC should be required to purchase Otello's shares in Last Lion from Otello for the sum of $48 million and that MFC should be required to purchase the Loan Note issued in Otello's favor by a subsidiary of MFC for $5 million plus accrued interest at the time of purchase. If MFC did not purchase Otello's shares in Last Lion and the Loan Note, all of the shares in the Company were to be sold to a third party by a receiver. MFC has not purchased the shares, and Otello agreed to give MFC extra time to seek refinancing to raise funds to enable it to pay in the sums due to Otello, which proved to be unsuccessful. On March 17, 2021, MFC and Otello together with the Vewd Group's secured lender agreed that as an interim alternative to the appointment of a receiver, a special committee be appointed to sell the company or raise finance to pay Otello what it is due.

607
FULL-TIME EMPLOYEES AND EQUIVALENTS

CORPORATE OVERVIEW

Organization
At the close of 2020, the Otello group had 607 full-time employees and equivalents, compared to 596 full-time employees and equivalents at the end of 2019.

Board of Directors composition
At the Annual General Meeting on June 2, 2020, André Christensen was re-elected as the chairman of the Board of Directors, and Maria Borge Andreassen, Birgit Midtbust and Anooj Unarket were re-elected to the Board of Directors. Song Lin was elected to the Board replacing Frode Jacobsen.

Corporate governance
The Company's guidelines for corporate governance are in accordance with the Norwegian Code of Practice for Corporate Governance, dated October 17, 2018, as required by all listed companies on the Oslo Stock Exchange. Furthermore, the guidelines meet the disclosure requirements of the Norwegian Accounting Act and the Securities Trading Act. The guidelines are included separately in the annual report. Please see the section entitled "Principles of corporate governance" for further information.

Shareholders and equity-related issues
As of December 31, 2020, Otello Corporation ASA had 138,477,429 outstanding shares. As of December 31, 2020, the Group's equity was $306.4 million (parent company: $423.6 million), of which $-0.4 million is owned by Non-controlling interests. See note 16 in the consolidated financial statements for further information regarding Non-controlling interests.

Share Buyback Program
During 2020, Otello purchased 388 372 (2019: 943 691) treasury shares for $0.4 million (2019: 1.6 million) and sold 38 555 (2019: 152 691) treasury shares.

45%
OF THE SHARES WERE HELD IN U.K.-BASED ACCOUNTS

Shareholders
The Company had 4,756 (2019: 3,067) shareholders at year end. At that time, 45.0% (2019: 36.5%) of the shares were held in U.K.-based accounts, 34.9% (2019: 44.0%) in Norway-based accounts, 4.9% (2019: 3.8%) in Sweden-based accounts, 4.6% (2019: 2.0%) in Belgium-based accounts, 4.6% (2019: 0.9%) in US-based accounts and 6.0% (2019: 6.2%) in accounts based elsewhere.

Allocation of the annual profit / coverage of loss
The total comprehensive result for the period for the parent company, Otello Corporation ASA, was a profit of $4.5 million (2019: $ 85.4 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, $-8.9 million is transferred to other equity, and $13.4 million is transferred 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.

Events after the reporting period
For further information on subsequent events, see note 21 of the "Consolidated financial statements".

For further information, please see the announcements published on the Oslo Stock Exchange website (www.oslobors.no).

CORPORATE SOCIAL RESPONSIBILITY

Creating a responsible and sustainable business is an integral part of everything we do at Otello. We are committed to the highest standard of social responsibility and believe that transparency and openness are key elements in obtaining a sustainable and responsible operation.

In this part of the Board of Directors report, we describe Otello's effort and results related to corporate social responsibility (CSR). Our CSR work is focused around the following areas: Our employees, anti-corruption and the environment.

Our employees
Otello's success and innovation springs from the minds and teamwork of its employees. Our employees are our most valuable resource, and we are committed to interacting with our employees in the same way as we strive to interact with our customers, following the highest ethical standards and respect for individuality.

Equal opportunities and non-discrimination
Otello strongly condemns discrimination. We believe that people should be treated with respect and insist on fair, non-discriminative treatment, regardless of irrelevant factors such as nationality, political views, religion, sexual orientation and gender.

37
NATIONALITIES REPRESENTED WITHIN THE GROUP

We promote cultural diversity and we are proud to have 37 nationalities represented within the Group. We pride ourselves in being an international organization, where innovation and teamwork take place across borders and time zones.

We continually work to improve the gender balance in the company. At the end of 2020, 37% of the Group's staff members were women. In addition, 2 of the 5 Board of Directors of the Group are female.

The principles of equal opportunities and non-discrimination are present throughout the organization and in all company activities. When recruiting, we use assessment methods such as programming tests and test cases to give equal opportunities to all qualified applicants. Similar approaches are exercised when promoting, offering training opportunities, etc.

Labor rights at Otello
Otello respects and observes the fundamental labor rights set out in the international conventions, such as the conventions of the International Labor Organization and the United Nations.

Health and safety
At Otello, we strive to offer our staff members a safe, healthy and inspiring workplace. We have a highly international workforce, where we combine the responsiveness of a flat structure with an extreme focus on results and innovation. All employees are expected to comply with safety and health regulations that apply to our business activities.

Discrimination on the bases of sickness or disability shall not occur at Otello. We work hard to meet all our employees' needs. We offer shorter working hours and other services to accommodate our employees with disabilities or other particular needs.

Otello had an average rate of absence due to sick leave of 1.2% in the parent company in 2020 (2019: 1.2%), and an estimated rate of 1.4% for the Group as a whole (2019: 1.4%).

Anti-corruption
Otello abstains from and works actively to combat corruption and bribery. Corruption distorts economic decision-making, deters investment, undermines competitiveness and, ultimately, weakens economic growth.

There is no single, comprehensive, universally accepted definition of corruption. Therefore, each Otello employee must adhere to the existing laws and regulations in their country of operation. As a minimum, Otello's internal regulations apply to all employees. Controls are made to ensure that the rules are followed. Otello has put in place internal guidelines to help employees in their day-to-day operations. The following is an extract of these guidelines.

Bribery
No person acting on behalf of Otello shall attempt to influence someone in the conduct of their post, office or commission by offering an improper advantage. Nor shall improper advantage be offered to anyone for the purpose of influencing third parties in the conduct of their post, office, or commission. This includes all forms of facilitation payments.

Correspondingly, no person acting on behalf of Otello shall request, accept or receive an improper advantage in connection with his/her position or assignment or for the purpose of influencing a third party. Improper advantage can take different forms, including but not limited to money, objects, credits, discounts, travel, accommodation and other services.

Gifts
It is a normal part of business life to exchange business courtesies, such as meals, transportation, recreation, facilities or small gifts. Such an exchange of business courtesies must always follow local laws and regulations and not put any Otello employee in the position of a sense of obligation to return the favor, compromise professional judgment or create the appearance of compromise or corruption. Otello employees should always check with their manager or the HR department, if in doubt, and consider whether the exchange of business courtesy would be acceptable if it should become publicly known.

No person acting on behalf of Otello is allowed to accept any amount of cash or cash

equivalents (such as gift certificates or market securities and similar), regardless of the sum. Correspondingly, cash or cash equivalents may never be offered by Otello employees as a business courtesy, regardless of the sum.

Whistleblowing

Otello encourages freedom of speech and blowing the whistle on malpractice, fraud, illegality, or breaches of rules, regulations, and procedures or raising health and safety issues. Any Otello staff member making a whistleblowing report is protected from any repercussions, such as dismissal and other forms of reprisal. To secure an effective procedure, staff members may blow the whistle either in person or anonymously to the Work Environment Committee.

To improve communication and ensure that issues do not escalate to the point where they become a whistleblowing case, Otello focuses on the following practices:

- Communicate the Company's norms, values, and rules and regulations regardingethical conduct.
- Create an open atmosphere by making sure that staff members have the opportunity and possibility to meet and discuss issues in formal and informal settings.
- Discuss and put questions regarding freedom of speech and whistleblowing on the agenda in internal communications.

The Environment

Otello understands the importance of supporting the environment and seeks to prevent any negative environmental impact our activities might have. Otello has incorporated its environmental policy as a part of the Ethical Code of Conduct.

Otello is committed to using environmentally safe products in the workplace, to evaluating the consumption of energy and other resources to ensure efficient use, and to ensuring the development of environmentally protective procedures.

Otello has implemented the following guidelines and reporting schemes to ensure a high ethical standard throughout the organization.

The Ethical Code of Conduct is created to help employees, clients and business partners understand Otello's values and standards. Otello's reputation is created by the conduct of each individual staff member. Therefore, all staff members are obliged to familiarize themselves with the Ethical Code of Conduct when joining the company.

The Ethical Code of Conduct focuses on the following key areas: the rights and obligations of our employees; a healthy and safe working environment; anti-corruption; and theexternal environment.

A violation of the Ethical Code of Conduct may result in disciplinary action, up to and including termination of employment. Several of the guidelines concern actions that are also punishable offenses. The Human Resources department is responsible for following up any possible breaches.

RISK FACTORS

Otello has operations across multiple markets and is therefore exposed to a range of risks that may affect its business. Some key risks areas are discussed and described below.

Financial risk

Currency risk

Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. The majority of revenues and operating expenses are in USD. Although an increasing portion of revenues are in Brazilian real (Bemobi), Danish kroner and Turkish lira (AdColony EMEA), most of the corresponding publisher and revenue share costs, and other operating expenses from these operations are denominated in the same currency, thereby limiting Otello's exposure to some extent. Further, there is some exposure related to fluctuations in the USD v NOK exchange rate due to the amount of operating expenses in NOK, and certain items in the statement of financial position being denominated in NOK. See the tables below for a breakdown of revenues and operating expenses by currency.

Credit risk

Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations. The Group's exposure to credit risk is mainly related to external receivables. Credit risk is assessed for each specific customer. No single customer accounted for

Revenues per currency	2020 [$ million]	%	2019 [$ million]	%
USD	178.1	68.8%	160.5	66.7%
BRL	28.6	11.0%	39.2	16.3%
DKK	26.3	10.2%	15.0	6.2%
TRY	15.0	5.8%	13.2	5.5%
INR	2.2	0.9%	2.1	0.9%
Other	8.7	3.4%	10.7	4.5%
Total	259.0		240.8	

Opex per currency	2020 [$ million]	%	2019 [$ million]	%
USD	(188.3)	70.1%	(178.1)	70.3%
DKK	(19.8)	7.4%	(13.1)	5.2%
NOK	(18.9)	7.0%	(12.5)	4.9%
BRL	(17.4)	6.5%	(24.0)	9.5%
TRY	(13.5)	5.0%	(12.4)	4.9%
Other	(10.8)	4.0%	(13.2)	5.2%
Total	(268.7)		(253.4)	

more than 10% of the Group's revenue during the financial year. Further, the Group conducts much of its business with large global companies and has not experienced significant credit-related losses during this or previous financial years. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Individual assessments per customer are also carried out by financial management.

Liquidity risk
Otello considers its liquidity risk to be limited. Otello has significant liquidity reserves available through credit facilities with its primary bank.

In May 2018, Otello signed an agreement for a new 3-year Revolving Credit Facility (RCF) of $100 million with DNB Bank ASA. As at December 31, 2020, $35 million of the revolving credit facility had been drawn up. The credit 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%. The Group is compliant as of December 31, 2020.

In March 2020, Otello signed an amendment to the 3-year Revolving Credit Facility (RCF) agreement of 2018 with DNB Bank ASA, reducing the facility to $50 million. However, as part of this amendment, Otello has secured a payment guarantee of an amount equal to $18.6 million in favor of Pedro Ripper, CEO of Bemobi, in order to support the Otello's earn-out obligations under the agreement signed between Bemobi Holding AS, the holding company of Otello's Bemobi business and Bemobi's originally dated 28 May 2018 and amended on 10 January 2020. See note 16 of the consolidated financial statements for further information.

In March 2021, the payment guarantee that was signed in March 2020 as part of the above amendment of an amount equal to $18.6 million in favour of Pedro Ripper, CEO of Bemobi, (on behalf of the former owners of Bemobi) was removed. This was carried out in 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 of December 31, 2020, Otello therefore had $35.0 million in interest-bearing debt, and the cash balance was $41.9 million (parent company: $2.7 million).

Although Otello does invest its money conservatively, all our investments are subject to risk. For example, Otello's cash and other investments placed in Norwegian financial institutions are not guaranteed by the government above NOK 2 million per institution. If the financial institution were to go bankrupt, a portion of Otello's cash or investment could be lost.

Operational risk

Covid-19
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, Otello has assessed the potential risks on its business activities of Covid-19. As mentioned, Otello 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 Otello's customers
- A general worsening of economic conditions
- Otello does not sell, market or distribute physical products
- Otello'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
- 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 Otello's partners and customers to meet their obligations to Otello (including if any governmental actions designed to stimulate and support the telecom sector are introduced)

External risk factors
Our international operations expose us to additional risks that could harm our business, operating results and financial condition. In certain international markets, we have limited operating experience and may not benefit from any first-to-market advantages. Our international operations expose us to risks, arising from changes in local political, economic, regulatory, social and labor conditions, which may adversely harm our operations. Some of the markets in which Otello operates are emerging economies with potentially complex and sensitive political and social contexts. Further, any restrictions on foreign ownership and investments, as well as stringent foreign-exchange controls might prevent us from repatriating cash earned in certain foreign countries. In certain countries where Otello operates, longer payment cycles than experienced in our principal markets are the norm.

Otello's competitors include some of the largest technology, advertising, internet and telecommunication companies in the world, with significantly larger financial resources, headcount and broader distribution channels than Otello. These large companies therefore have a greater financial capacity than Otello to make strategic acquisitions, invest in new technology and research and development, market their products, and compete for customers.

Otello's revenue is dependent on expanding our user base and customer base by developing and marketing products that are more attractive than our competitors' products. If the attractiveness of our products does not continuously improve and evolve to keep pace with the industry, we will have challenges retaining our current user base and gaining new customers. Our competitors are constantly improving their products and associated services. In order to stay competitive, Otello has to invest significant resources in research and development. Investing significantly in R&D is, however, no guarantee that consumers and customers will, in fact, find our products to be attractive enough to begin or continue using them, as it is impossible to accurately predict the behavior of our consumer and business customers.

Data risk
Many of our products and services are dependent on the continuous operation of data centers and computer hosting and telecommunications equipment. If Otello's internal or our service provider IT systems fail or are damaged, or if a third party gains unauthorized access to such systems and data is lost or compromised, it could have a material impact on Otello's operations. Downtime can, for example, hurt our reputation with our customers, as well as increase the risk of damage claims and monetary penalties from our customers. If our centers or systems are subject to a security breach, customers' confidential or personal information could be obtained and used by third parties, which could have a negative impact on our brand and the market perception that we are a reliable company, as well as subjecting us to significant regulatory fines or claims or damages from our customers.

For certain business models, we depend on internal systems to collect and produce accurate statistics regarding the use of our products and services, especially for products that rely on an active user royalty model. Failures or malfunctioning of these systems can have a significant impact on our financial results. Failure to adequately back up our internal systems can also have a material impact on the running of our business.

Otello handles substantial volumes of personal data. Loss, alteration or unauthorized disclosure of such information may adversely affect the Group's business and reputation. The European Data Protection Regulation (GDPR), which entered into force in May 2018 introduces significant fines for breaches of data protection regulation in Europe.

As reported in the media, on January 14, 2020, the Norwegian Consumer Council (NCC) filed a complaint to the Norwegian Data Protection Authority (DPA) against Grindr and five other companies, including AdColony, who is a supplier to Grindr. The NCC requests that the DPA investigate certain alleged breaches of the General Data Protection Regulation (GDPR) relating to the processing of personal data about Grindr users received from Grindr through the Grindr app. As of the date of this notification, AdColony has not received any formal notification or complaint from the DPA. AdColony is currently looking into the NCC's complaint and will provide further information if and when necessary. Otello has not recognized any contingent liabilities in the interim financial statements related to this matter.

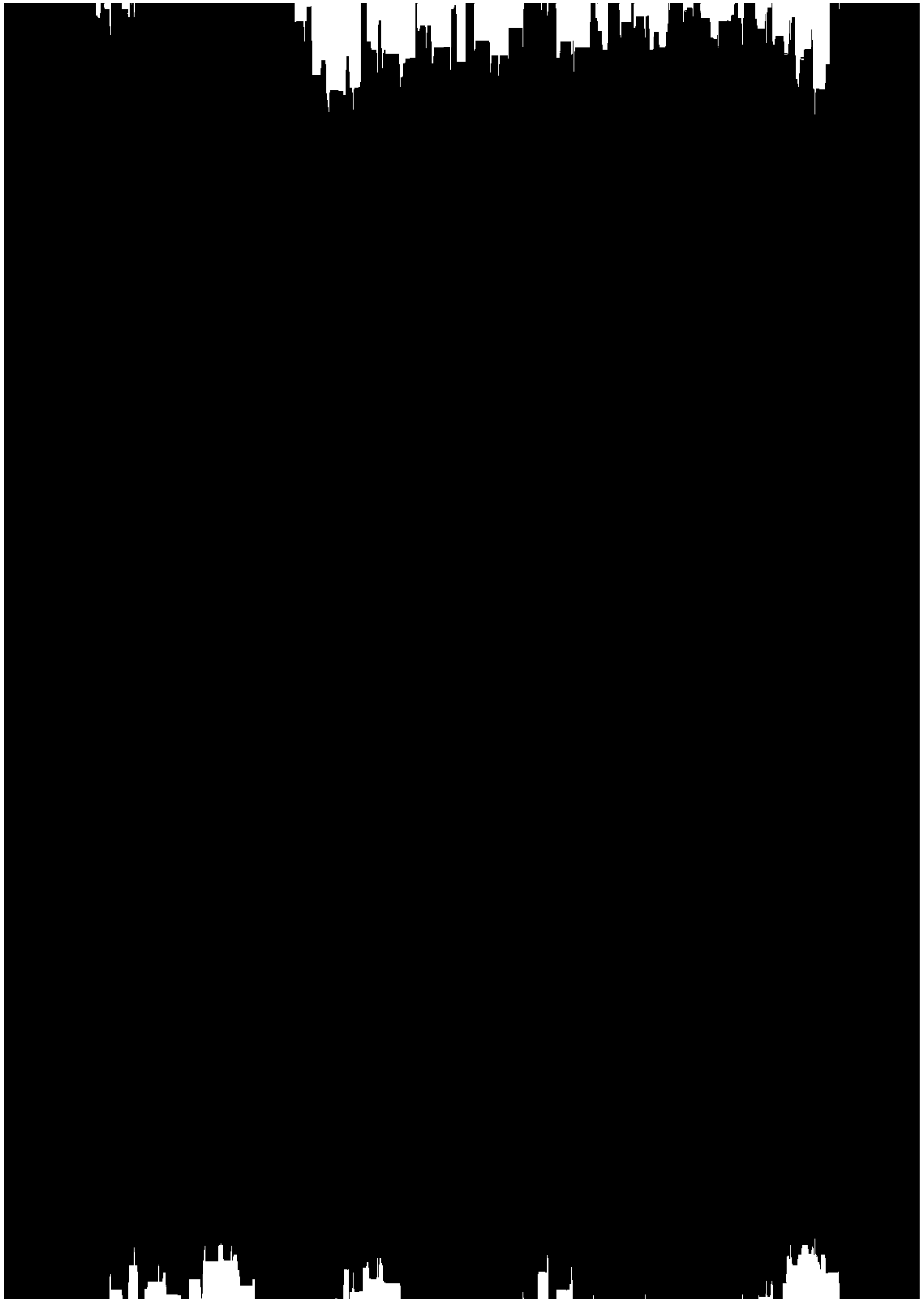
Regulatory and litigation risk
Otello's operations are subject to requirements through sector-specific laws, regulations and national licenses. Regulatory developments and regulatory uncertainty could affect the Group's results and business prospects. In several of the countries where Otello operates, the government has imposed sector-specific taxes and levies, as a measure to improve state finances. The introduction of, or increase in, sector-specific taxes and levies may impact Otello's business. Further, it is a challenge for a company the size of Otello to remain updated on all the regulatory regimes that may apply to Otello at any one time.

Otello has many customers, partners and end users around the world, and, as a result, we can be exposed to lawsuits, government investigations and other claims or proceedings on a global basis. Such lawsuits, investigations and proceedings could be related to, for example, intellectual property (issues including trademark and patent suits), labor law issues, commercial lawsuits, data protection and privacy matters, consumer law, marketing law, tax issues and so forth. All such proceedings can have a significant impact on Otello, whether or not we are ultimately successful, due to the legal cost and the internal resources we would have to employ to defend ourselves. In the event of an adverse result against Otello in such a proceeding, Otello could be required to pay significant monetary damages or fines and/or re-design our products or services, causing a material impact on Otello's business, financial results, operations and cash flow.

Intellectual property lawsuits are very common in the market within which Otello operates. Regardless of the merits of such lawsuits, they are extremely expensive to defend and litigate, and the damages awarded in such suits can be high. In addition, Otello has contractually undertaken to indemnify certain of our customers and partners, so, in the event they are sued for alleged intellectual property infringement, Otello would be required to defend them and pay their damages. Furthermore, an adverse judgment could require Otello to cease using certain technologies in our products or names for our products, requiring Otello to re-engineer or re-name our products. Compared to Otello, many of our competitors own large numbers of patents and other intellectual property rights. Although we do seek patent protection for certain innovations, we may not have sufficient protection for important innovations. Furthermore, because many large companies are able to settle intellectual property lawsuits by cross-licensing each other's technology, the fact that our patent portfolio is not as extensive as our competitors' portfolios could have a negative impact in a cross-licensing situation.

OUTLOOK
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%.

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% (currently 36%). Consequently, Bemobi financials will not be consolidated into Otello's accounts going forward, but will be booked according to the equity method.



Report from the Board of Directors

— Parent company information only

Below, please find financial information and commentary on Otello Corporation ASA, the parent company ("Company") of the Otello Group ("Group"). Please note that the numbers and comments below are only applicable to the Company and not for the Group. However, the information described above for the Group is also applicable for the Company.

FINANCIAL SUMMARY
The Company's main activities are to serve the Group as a whole, through the following functions and services: CEO, Board of Directors, corporate finance and accounting, legal, HR and IT. The Company charges some of the costs related to these functions to subsidiaries. There was limited operational activity in both 2020 and 2019. The Company had 16 full-time employees and equivalents in 2020 (2019:14).

Operating expenses decreased by 10% in 2020. This is primarily due to a decrease in stock-based compensation expenses and legal/audit fees partly offset by an increase in payroll and related expenses as the Company's headcount increased during the year. The company's operating loss excluding impairment and restructuring expenses $-7.0 million (2019: -7.8 million) is in line with operating expense due to the limited amount of revenues.

The Company reported a loss before income taxes of $5.7 million (2019: profit of 91.5 million). The prior year profit was almost entirely due to the dividend received, offset by the impairment loss recognized. The positive effect on finance items in 2020 was due to dividends received, offset by translation currency losses. The Company reported a loss for the period of $8.9 million (2019: profit of 91.6 million) with the tax expense related to a decrease in deferred tax assets that were not recognized in the statement of financial position.

Net cash flow from operating activities in 2020 totaled $-7.5 million (2019: -9.8 million). The Company's cash balance was impacted negatively in 2020 by operating losses and loans given to subsidiaries, and positively by the drawing of $15 million from the credit facility and proceeds from loans received from subsidiaries. The cash balance increased by $1.6 million in 2020. As of December 31, 2020, the Company had a cash balance of $2.7 million (2019: 1.2).

The Company has $37.5 million in interest-bearing debt at year end, the Company's equity ratio was 92% (2019: 93%).

It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2020.

Oslo, April 23, 2021

Andre Christensen
Chairman of the Board

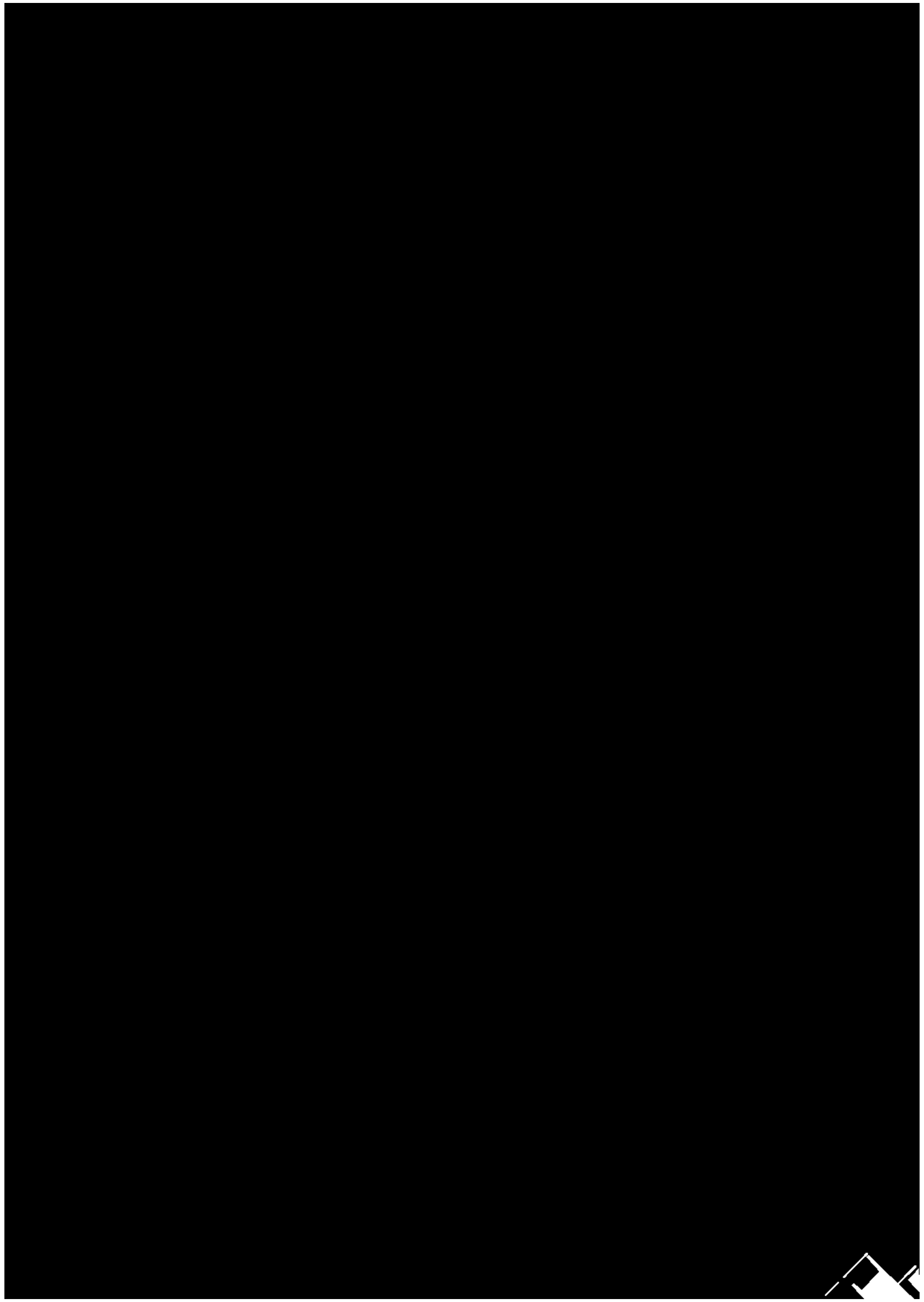
Birgit Midtbust

Song Lin

Maria Borge Andreassen

Anooj Unarket

Lars Boilesen
CEO



Statement by the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer (CEO) have reviewed and approved the Board of Directors' report and the financial statements for Otello Group and Otello Corporation ASA as of December 31, 2020, (Annual Report for 2020).

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

To the best of our knowledge:

- The consolidated financial statements and the financial statements for the parent company for 2020 have been prepared in accordance with applicable accounting standards.
- The consolidated financial statements and the financial statements for the parent company give a true and fair view of the assets, liabilities, financial position and profits as a whole as of December 31, 2020, for the Group and the parent company.
- The Board of Directors' report for the group and the parent company includes a true and fair review of:
  - The development and performance of the business and the position of the Group and the parent company
  - The principal risks and uncertainties the Group and the parent company face

Oslo, April 23, 2021

Andre Christensen *Chairman of the Board*	Birgit Midtbust	Song Lin
Maria Borge Andreassen	Anooj Unarket	Lars Boilesen *CEO*

Consolidated Group Financial Statements 2020

Otello Corporation ASA

Consolidated statement of

Comprehensive Income

(USD million, except per share amounts)	Note	2020	2019
Revenue	4, 5	259.0	240.8
Total operating revenue		**259.0**	240.8
Publisher and revenue share cost	5	(157.1)	(137.6)
Payroll and related expenses, excluding stock-based compensation expenses	6	(45.9)	(50.9)
Stock-based compensation expenses	6, 16	(9.7)	(3.8)
Depreciation and amortization expenses	5, 11, 12, 13, 14	(23.4)	(28.1)
Other operating expenses	5, 7	(32.6)	(33.0)
Total operating expenses		**(268.7)**	(253.4)
Operating profit (loss), excluding impairment and restructuring expenses		**(9.7)**	(12.6)
Impairment losses and restructuring expenses	9, 11, 12	(0.2)	(2.3)
Operating profit (loss)		**(10.0)**	(14.9)
Interest income	5	0.6	1.0
Interest expenses	5	(1.4)	(1.4)
Net FX gain (loss)	5	(6.1)	(0.6)
Other financial income (expense)	5	(1.4)	(1.8)
Negative goodwill	16	-	2.8
Interest expense related to contingent consideration	16	-	-
FX gains (losses) related to contingent consideration, net	16	-	-
Revaluation of contingent consideration	16	-	-
Share of the profit (loss) from associated companies	15	(0.0)	2.1
Net financial items		**(8.3)**	2.1
Profit (loss) before income taxes		**(18.3)**	(12.8)
Income taxes	8	(5.0)	(9.8)
Profit (loss)		**(23.3)**	(22.6)
Other comprehensive income:			
Items that may or will be transferred to profit (loss)			
Foreign currency translation differences		(18.6)	(4.1)
Total comprehensive income (loss)		**(41.9)**	(26.8)
Profit (loss) attributable to:			
Owners of Otello Corporation ASA		(23.3)	(23.7)
Non-controlling interests		(0.0)	1.1
Total comprehensive income (loss) attributable to:			
Owners of Otello Corporation ASA		(39.5)	(27.5)
Non-controlling interests		(2.4)	0.7
Earnings per share (profit/loss):			
Basic earnings per share (USD)	10	(0.17)	(0.16)
Diluted earnings per share (USD)	10	(0.17)	(0.16)

OTELLO CORPORATION

Consolidated statement of

Financial Position

USD million	Note	12/31/2020	12/31/2019
Assets			
Deferred tax assets	8	26.1	32.2
Goodwill	11, 12	219.7	230.7
Intangible assets	11, 12	12.8	22.4
Property, plant and equipment	13	6.0	8.0
Right of use assets	14	3.0	4.6
Lease receviable	14	0.0	1.9
Other investments	15	18.7	16.8
Other non-current assets		0.3	0.5
Total non-current assets		**286.6**	317.2
Accounts receivable	5	89.5	80.9
Lease receviable	14	0.9	0.5
Other receivables	5	6.4	8.6
Cash and cash equivalents	5	41.9	28.3
Total current assets		**138.7**	118.2
Total assets		**425.3**	435.4

Consolidated statement of

Financial Position

USD million	Note	12/31/2020	12/31/2019
Shareholders' equity and liabilities			
Equity attributable to owners of the company	18	306.8	337.2
Non-controlling interests	18	(0.4)	1.9
Total equity		**306.4**	339.1
Liabilities			
Deferred tax liabilities	8	0.0	0.0
Lease liabilities	14	1.2	3.0
Loans and borrowings	5	0.0	20.0
Other non-current liabilities	5	1.6	1.1
Contingent consideration, non-current	16	0.0	-
Total non-current liabilities		**2.8**	24.1
Loans and borrowings	5	35.0	-
Lease liabilities	14	2.8	4.0
Accounts payable	5	25.7	22.8
Taxes payable	8	2.0	0.5
Public duties payable		1.3	1.4
Contract liabilities	5	1.8	1.3
Stock-based compensation liability	6	0.0	0.0
Other current liabilities	17	47.3	41.6
Contingent consideration, current	16	0.2	0.5
Total current liabilities		**116.1**	72.1
Total liabilities		**118.9**	96.3
Total equity and liabilities		**425.3**	435.4

Oslo, April 23, 2021

Andre Christensen
Chairman of the Board

Birgit Midtbust

Song Lin

Maria Borge Andreassen

Anooj Unarket

Lars Boilesen
CEO

Consolidated statement of
Cash Flows

USD million	Note	2020	2019
Cash flow from operating activities			
Profit (loss) before taxes		(18.3)	(12.8)
Income taxes paid	8	5.3	(0.5)
Depreciation and amortization expense	12, 13, 14	23.4	28.1
Net (gain) loss from disposals of PP&E, and intangible assets		0.0	0.1
Impairment of intangible assets and goodwill	9, 11	-	-
Changes in inventories, accounts receivable, accounts and other payables [1]	5	1.0	(11.1)
Other net finance items		1.6	0.5
Changes in other operating working capital		(5.4)	(8.5)
Share of net income (loss) from associated companies	15	0.0	(2.1)
Share-based remuneration	6	9.5	3.6
Earnout cost and cost for other contingent payments	16	-	-
FX differences related to changes in balance sheet items		3.5	0.1
Net (gain) loss from disposals of subsidiaries and other share investments		(1.5)	0.0
Net cash flow from operating activities		**19.1**	(2.7)
Cash flow from investment activities			
Proceeds from sale of property, plant, and equipment (PP&E) and intangible assets	12, 13	(0.0)	(0.0)
Purchases of property, plant and equipment (PP&E) and intangible assets	12, 13	(1.8)	(2.5)
Capitalized development costs	12	(10.3)	(10.8)
Proceeds from disposal of subsidiaries and associated companies, net of cash disposed [1]		0.0	5.6
Purchases of subsidiaries and associated companies, net of cash acquired	16	(0.3)	(3.1)
Earnout payments	16	-	-
Net cash flow from investment activities		**(12.4)**	(10.7)
Cash flow from financing activities			
Proceeds from exercise of treasury shares (incentive program)	18	0.1	0.1
Purchase of treasury shares	18	(0.4)	(1.5)
Proceeds from issuance of shares, net (incentive program)	18	(0.0)	(0.0)
Proceeds from loans and borrowings	5	15.0	20.0
Repayments of loans and borrowings	5	(1.3)	-
Payment of finance lease liabilities, net	14	(2.8)	(3.8)
Net cash flow from financing activities		**10.5**	14.8
Net change in cash and cash equivalents		**17.2**	1.5
Cash and cash equivalents (beginning of period)		28.3	27.5
Effects of exchange rate changes on cash and cash equivalents		(3.6)	(0.6)
Cash and cash equivalents [2]		**41.9**	28.3
- of which included in cash and cash equivalents in the balance sheet		41.9	28.3
- of which included in the assets of the disposal group (assets held for sale)		-	-

[1] In 2019, Otello received $5.6 million of escrow payments. This was the final payment from the sale of SurfEasy to Symantec that took place in 2017.

[2] Of which $0.8 million (2019: $0.9 million) is restricted cash as of December 31, 2020.

Consolidated statement of
Changes in Equity

USD million (except number of shares)	Number of shares outstanding (million)	Paid-in capital	Other reserves	Reserve for treasury shares	Translation reserve	Other equity	Non-controlling interests	Total equity
Balance as of 12/31/2019	**137.9**	**348.1**	**54.9**	**(69.0)**	**(14.1)**	**17.2**	**1.9**	**339.1**
Comprehensive income for the period								
Profit (loss)		-	-	-	-	(23.3)		(23.3)
Other comprehensive income								
Foreign currency translation differences		-	-	-	(16.2)	-	(2.4)	(18.6)
Total comprehensive income for the period		**-**	**-**	**-**	**(16.2)**	**(23.3)**	**(2.4)**	**(41.9)**
Issue of share capital		(0.0)						(0.0)
Capital decrease								0.0
Treasury shares purchased	(0.4)			(0.4)				(0.4)
Treasury shares sold	0.0			0.1				0.1
Share-based payment transactions			9.5					9.5
Balance as of 12/31/2020	**137.6**	**348.1**	**64.4**	**(69.3)**	**(30.2)**	**(6.2)**	**(0.4)**	**306.4**

Non-controlling interests
On May 29, 2018, Otello Corporation ASA divested 11.2% of the shares in Bemobi Holding AS. Please see Note 4 for further information.

Share capital decrease
Reference is made to the resolution by the annual general meeting on June 4, 2019 where a resolution was passed to reduce the share capital of the parent company, Otello Corporation ASA, by cancellation of 2,000,000 treasury shares. The share capital reduction has been registered with the Norwegian Register of Business Enterprises in February 2020, and the new registered share capital of the parent company is NOK 2,769,548.58, and the total share count is 138,477,429.

Treasury shares and ordinary share
During 2020, Otello purchased 388,372 treasury shares for $0.4 million, and sold 38,555 treasury shares for $0.1 million.

During 2020, Otello issued 0 ordinary shares related to the incentive program, 0 ordinary shares related to business combinations, and 0 ordinary shares related to an equity increase. As of December 31, 2020, Otello owned 894,817 treasury shares.

Face value of the shares
The face value of the shares is NOK 0.02.

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

Reserve for treasury shares
The reserve for the Company's own shares comprises the face value cost and excess value of own shares held by the Company.

Translation reserve
The translation reserve consists of all foreign currency differences arising from the translation of the financial statements of group companies with a functional currency that is not USD.

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

Consolidated statement of
Changes in Equity

USD million (except number of shares)	Number of shares outstanding (million)	Paid-in capital	Other reserves	Reserve for treasury shares	Translation reserve	Other equity	Non-controlling interests	Total equity
Balance as of 12/31/2018	138.7	348.2	51.6	(67.6)	(10.3)	40.8	1.2	**363.9**
Comprehensive income for the period								
Profit (loss)		-	-	-	-	(23.7)	1.1	(22.6)
Other comprehensive income								
Foreign currency translation differences		-	-	-	(3.8)	-	(0.3)	(4.1)
Total comprehensive income for the period		-	-	-	(3.8)	(23.7)	0.7	**(26.8)**
Issue of share capital		(0.0)	-	-	-	-	-	(0.0)
Capital decrease		-	-	-	-	-	-	0.0
Treasury shares purchased	(0.9)	-	-	(1.6)	-	-	-	(1.6)
Treasury shares sold	0.2	-	-	0.2	-	-	-	0.2
Share-based payment transactions		-	3.4	-	-	-	-	3.4
Balance as of 12/31/2019	137.9	348.1	54.9	(69.0)	(14.1)	17.2	1.9	**339.1**

Note 1
General information

General information
The Otello Group's ("Otello") main business activities comprise mobile advertising via its AdColony business, and mobile -app subscription services via its Bemobi business. The principal activities for Otello's various business areas are described in more details in Note 4 – Operating and geographic segment information

Otello Corporation ASA (the "Company") is a public limited company domiciled in Norway. The Company's principal offices are located at Gjerdrums vei 19, Oslo, Norway. The company is listed on the Oslo Stock Exchange under the ticker OTELLO.

The consolidated financial statements of the Group for the year ended December 31, 2020, comprise the Company and its subsidiaries.

These consolidated financial statements have been approved and issued by the Board of Directors on April 23, 2020 for approval by the Annual General Meeting on June 2, 2020.

Note 2
Summary of significant accounting policies

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

New and amended International Financial Reporting Standards (IFRS) adopted by the Group
The group has applied the following standards and amendments for the first time for the reporting period commencing 01.01.2020:
- 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

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

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.

Basis of preparation
The consolidated financial statements have been prepared on a historical cost basis, and are presented in US dollars (USD), rounded to the nearest hundred thousand, unless otherwise stated. As a result of rounding differences, amounts and percentages may not add up to the total.

Except for cash-settled, share-based payment arrangements and contingent considerations recognized in business combinations, no other assets or liabilities are subsequently measured at fair value. Assets and liabilities recognized in business combinations are measured at fair value at the acquisition date according to IFRS 3. Receivables and debts are assumed to have a market value equal to the carrying amount.

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

Consolidation principles

Business combinations:
Business combinations are accounted for using the acquisition method. Subsidiaries are included in the consolidated financial statements from the date the Group effectively obtains control of the subsidiary (acquisition date) and until the date the Group ceases to control the subsidiary. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:
- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests in the acquiree, plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognized amount (generally, fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquirer's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Subsidiaries – consolidated financial statements:
Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investments in associates - associates:
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, after fair value adjustments, and to align the accounting policies of the associate with those of the Group.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. Other long-term investments in the associate are measured at amortized cost with allowances for credit losses as appropriate.

Loss of control:
Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests, and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an equity investment depending on the level of influence retained.

Intercompany balances and transactions eliminated on consolidation: Intercompany balances and transactions, any unrealized gains and losses, or income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Furthermore, the Group's component's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The company has determined that the Group's executive management group is the chief operating decision maker. See note 4 for further information.

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 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.

The functional currency for the majority of the group is USD, including the AdColony segment, whilst for the majority of the Bemobi segment, BRL is the functional currency.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from consolidation, are translated to USD at foreign exchange rates prevailing on the balance sheet date. Revenues and expenses of foreign operations are translated to USD using the approximate foreign exchange rates prevailing on the transaction date. Foreign exchange differences arising from re-translation are recognized directly in a separate component of equity.

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.

Right of use assets:
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substitution right, then the asset is not identified

- the Group has the right to obtain substantially all of the economic benefits from use of the asset thorough the period of use, and

- the Group has the right to direct the use of the asset.

As a lessee
The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Groups incremental borrowing rate.

Short term leases and leases of low-value assets:
The Group has elected not to recognize the right-of-use assets and liabilities for short-term leases of equipment and low value assets with an underlying value of USD 10,000 or less when they are new. Payments on such leases are recognized as expenses as they occur. This is not related to Financial sub-leases (see details in 2.1 above).

Subsequent costs:
The Group 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 Group, and the cost of the item can be measured reliably. All other costs are expensed 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 term of contract
· Machinery and equipment	Up to 10 years
· Fixtures and fittings	Up to 5 years
· Right of use assets	Over term of contract

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

Intangible assets

Goodwill:
Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see above.

Goodwill is recognized at cost, less any accumulated impairment losses. Goodwill is allocated to cash-generating units (CGU) or groups of CGUs and tested at least annually for impairment (see accounting policy regarding impairment). A CGU is the smallest identifiable Group of assets that generates cash inflows that are largely independent of cash inflows from other assets or Groups of assets. In order to identify whether cash flows from an asset (or a Group of assets) are independent of cash flows from other assets (or Groups of assets), management assesses various factors, including how operations are monitored. Each CGU or Group of CGUs to which goodwill has been allocated represent the lowest level in the entity where goodwill is monitored for internal management purposes. The Group of CGUs may not be larger than an operating segment.

Please see note 3 for further information regarding accounting estimates and judgments related to impairment testing.

Research and development:
Expenses related to research activities, which are expected to lead to scientific or technological knowledge and understanding, are recognized as costs in the statement of comprehensive income in the period they are incurred.

Cost of building new features, together with significant and pervasive improvements of core platforms, provided that the significant and pervasive improvements of parts or main components of core platforms will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line basis of up to 5 years.

A significant portion of the work that engineering performs is related to the implementation of the ongoing updates that are required to maintain the platforms' functionality. Examples of updates include "bug fixes", updates made to comply with changes in laws and regulations, and updates made to keep pace with the latest trends. These costs are expensed as maintenance costs.

Please see note 3 for further information regarding accounting estimates and judgments related to development costs.

Other intangible assets:
Other intangible assets that are acquired by the Group, 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 the invoiced amount less allowance for expected credit losses (see accounting policy regarding impairment).

Cash and cash equivalents:
Cash and cash equivalents comprise cash balances and call deposits.

Impairment

Financial assets:

Trade receivables
The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Individual assessments per customer are also carried out by financial management.

Loans and lease receivables
All of the entity's debt investments at amortized cost are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months' expected losses

Non-financial assets:
The carrying amounts of the Group's assets are reviewed annually 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 nevertheless tested annually.

An impairment loss is recognized whenever the carrying amount of an asset, its cash-generating unit or a group of units exceeds its recoverable amount. The cash-generating unit is considered to be the acquired companies. Please see note 11 for further information. 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 (or 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 Group'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.

Leasing
IFRS 16 requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding assets for all leases with a lease term of more than 12 months, unless the underlying asset is of low value.

Further, a lessee recognizes depreciation of the right-of-use asset (ROU asset) and interest expense on the lease liability, instead of recognizing the expenses in Other operating expenses.

For subsequent measurement, the Group remeasures the lease liability in the case of certain events taking place (e.g., a change in the lease term). Generally, the amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

Otello is using the modified approach and, therefore, only recognize leases in the statement of financial position as of January 1, 2019. Prior periods have not been restated.

Leases classified as operating leases under IAS 17:
At the date of initial application of IFRS 16, January 1, 2019, the Group recognized a lease liability for leases classified as operating leases according to IAS 17, in compliance with transition requirements. The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at January 1, 2019.

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Sublease contracts, where the Group is the lessor:
For subleasing contracts, the group recognizes a lease receivable in the statement of financial position, with a corresponding reduction in the ROU asset. Short-term and low value sublease contracts are not capitalized.

Contracts with renewal options:
Some office leases contain renewal options exercisable by the Group. The renewal options held are exercisable only by the Group, and not by the lessors. The Group includes a renewal of the contracts in the lease valuation if it is considered reasonably certain that the Group will renew the contracts. It is not considered as reasonably certain that the Group will renew any contracts for more than 3 years.

Discount rates:
Otello chose to use the modified approach for implementation of IFRS 16, and therefore use the IBR as a discount rate on the opening balance. Going forward, the IBR will be used for subsequent measurement for new contracts, as long as the implicit interest rate is not readily determined.

As a basis for the discount rate calculation, Otello has used its credit facility agreement. This bears an interest rate of LIBOR, 3 months plus a margin of 2.50 % p.a. The margin has been adjusted according to the value of a lease. Specific country-based discount rates are used.

Interest rates are, therefore, adjusted to take into account the economic environment in the country where the lease is entered into. Rates are modified with a country risk premium, and with an inflation difference compared to Norway, where the credit facility agreement is held. The range of IBRs used is 2.8 % to 16.5 %.

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

Employee benefits — Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Restructuring
A provision for restructuring costs is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been publicly announced. Further, operating losses are not provided for.

Termination benefits
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for restructuring. If benefits are not expected to be settled within 12 months of the end of the reporting period, then they are discounted.

Share-based payment transactions
The share option program allows Group employees to acquire shares of the Company. The fair value of options granted is recognized as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options, with the offsetting amount against equity. The fair value of the options granted is measured using the Black & Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

Restricted Stock Unit Plans are measured at the grant date using the current market value reduced by expected dividends paid before the vesting date, which is then further discounted.

Provisions
A provision is recognized in the statement of financial position when the Group 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.

Contingent consideration
Contingent consideration is measured at fair value using 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. Please see note 3 for further information regarding accounting estimates and judgments related to contingent considerations.

Trade and other payables
Trade and other payables are recognized at amortized cost.

Revenue recognition
The Company has the following primary sources of revenue:

- Advertising
- Application and content

Revenue comprises the fair value of the consideration for the sale of goods and services, net of value-added tax, rebates and discounts. Intercompany sales are eliminated. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service

Advertising
Advertising revenue is recognized each time a user views, or clicks a mobile ad, and/or installs a game. The performance obligations are satisfied on a point in time basis.

Advertising revenue is recognized based on certain different events and parameters;

i) when a user installs a game (i.e. a user plays a game, sees advertising, clicks on it and installs a game) based on CPI (cost per install);
ii) when a mobile ad is delivered to a user, based on CPM (cost per thousand) i.e. every 1,000 impressions of a mobile ad inside the publisher's inventory (which can be a mobile app or website);
iii) when a user plays a mobile video ad all the way to completion, based on CPCV (cost per completed video view);
iv) when a user clicks on a mobile ad, based on CPC (cost per click); i.e. after each instance when an ad is clicked inside the publisher's inventory,

For the revenue generated through Otello-owned properties, revenue is reported on a gross basis, as Otello is the principal in our transactions with advertisers. Otello is responsible for identifying and contracting with third-party advertisers, establishing the selling prices of the advertisements sold, and performing all billing and collection activities, including retaining credit risk, as well as bearing sole responsibility for fulfillment of the advertising. Accordingly, Otello acts as the principal in these arrangements and, therefore, reports revenue earned and costs incurred related to these transactions on a gross basis.

In the normal course of business, Otello acts as an intermediary in executing transactions with third parties. The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether Otello is acting as the principal or an agent in our transactions with advertisers. The determination of whether Otello is acting as a principal or an agent in a transaction involves judgment and is based on an evaluation of the terms of each arrangement. While none of the factors individually are considered presumptive or determinative, in reaching our conclusions on gross versus net revenue recognition, Otello places the most weight on the analysis of whether Otello is the primary obligor in the arrangement. For agreements where Otello has a contractual relationship with both the publisher and the associated advertisement supplier, Otello is responsible for identifying and contracting with third-party advertisers, establishing the selling prices of the advertisements sold and performing all billing and collection activities, including retaining credit risk, as well as bearing sole responsibility for fulfillment of the advertising. Accordingly, Otello acts as the principal in these arrangements and, therefore, reports revenue earned, and costs incurred related to these transactions on a gross basis. For agreements where the publisher has a direct contractual relationship with the advertiser, revenue is recognized on a net basis, as Otello is not the primary obligor and does not assume the fulfillment and credit risk.

Application and content
Application and Content revenue comprises i) Subscription revenue when a user purchases a subscription from a "co-branded" mobile store, or a white-label operator-controlled version of the mobile store, which is also known as Apps Club, and ii) the Bemobi Mobile Store (formerly OMS), when a user purchases a premium app.

When a transaction occurs in Bemobi Mobile Store, Otello collects the payment and shares a percentage of the revenue with the developer. When a transaction occurs in a "co-branded" or an operator-controlled version of the mobile store, two payment methods will exist. The user may pay using the Otello Payment Exchange, in which case Otello would collect and share a percentage of the revenue with both the operator and the developer, or the user may use a form of carrier billing, where the operator would collect the payment and share a portion of the revenue with Otello, who would in turn share a percentage of revenue with the developer. The revenue occurs on a transaction basis and is recognized in the period in which the transaction occurs.

Publisher and revenue share costs
Cost of goods sold comprises publisher costs and the cost of licenses purchased from third-party suppliers. Publisher costs consist of the agreed-upon payments Otello makes to publishers for their advertising space, in which we deliver mobile ads. These payments are typically determined in advance as either a fixed percentage of the advertising revenue we earn from mobile ads placed on the publisher's application or website or as a fixed fee for that ad space. Otello recognizes publisher cost at the same time we recognize the associated revenue. License costs are the costs of licenses purchased from third-party suppliers.

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 primarily foreign exchange gains and losses and changes in estimate of contingent consideration.

Interest income is recognized using the effective interest method.

Dividend income is recognized 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 profit or loss or other 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 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.

Please see note 3 for further information regarding accounting estimates and judgments related to deferred tax assets.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which include share options granted to employees.

Note 3
Critical accounting estimates and significant judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected within the next financial year.

Estimates and judgments are evaluated on an ongoing basis, based upon historical results and experience, consultations with experts, trends and other methods which management considers reasonable under the circumstances, as well as forecasts as to how these might change in the future.

Critical accounting estimates
The main estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are specified below.

Impairment, see note 11
In accordance with IAS 36, the Group tests annually whether goodwill has suffered any impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amounts of cash-generating units have been determined based on a value-in-use calculation for the most significant cash-generating units. see note 11 for further information on recoverable amounts.

Value in use, particularly when discounted cash flow methods are used, must in part be based on management's evaluations, including determining appropriate cash-generating units, determining the discount rate, estimates of future performance, revenue generating capacity of the assets, margins, and assumptions of the future market conditions. For assumptions used, external evidence has been taken into consideration. Discount rates have been sourced from a third-party expert.

Management compares the estimates of value in use with the market valuation for reasonableness. In addition, a retrospective analysis of forecasts used in prior years is carried out in order to provide further input for the estimates that are made regarding future cash flows.

A sensitivity analysis for changes in key assumptions and whether they would lead to an impairment loss is included in note 11.

Significant judgments
Significant judgements in applying the entity's accounting policies are specified below.

Capitalized development costs, see note 12
Cost of building new features, together with significant and pervasive improvements of core platforms, provided that the significant and pervasive improvements of parts or main components of core platforms will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line basis of up to 5 years.

On a quarterly basis, engineering work is assessed on a project basis. Projects are categorized as 1) those that have met the technological feasibility date but have not yet gone live 2) those that have launched and begun amortization, and 3) research/operations/maintenance projects. An allocation of a percentage of each employee's time across the various projects is made. Any new projects are assessed according to the criteria in IAS 38, and previously categorized projects are assessed in terms of changes in assumptions. Capitalized costs are calculated by using the time allocations made. These calculations are reviewed by management before being capitalized.

Some of the work that engineering employees perform is related to the implementation of the ongoing updates that are required to maintain the platforms' functionality. Examples of updates include "bug fixes", updates made to comply with changes in laws and regulations, and updates made to keep pace with the latest trends. These costs are expensed as maintenance expenses.

Deferred tax assets, see note 8
The recognition of deferred tax assets and liabilities requires the exercise of judgment. Otello recognizes deferred tax assets related to tax losses in the statement of financial position when it is considered probable that taxable profit will be generated in future periods against which these tax loss carry forwards can be utilized. The main part of the USD 31.0 million in recognized deferred tax assets as of December 31, 2020, relates to tax loss carry forwards in the US, and the tax effect of a merger between two Brazilian entities in 2018.

See note 8 for a breakdown of tax loss carry forwards and relevant expirations dates of these.

Contingent considerations, see note 16
The Group has previsouly entered into earnout agreements in connection with acquisitions. An analysis is given in note 16 of how the provisions related to contingent considerations have been calculated.

Discontinued operations
Due to the fact that Otello's subsidiary in Brazil, Bemobi, began a process which ultimately led to a listing of the Bemobi subsidiary in 2021, Otello has assessed whether its investment in Brazil meets the criteria of an asset held for sale or discontinued operations according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations as at December 31, 2020. IFRS 5 paragraphs 31 and 32 set out certain assessment criteria concerning whether an asset should be classified as discontinued operations. Further, IFRS 5 paragraphs 6 – 8 sets out the conditions that must be met:
1. Management is committed to a plan to sell, 2. The asset is available for immediate sale, 3. An active programme to locate a buyer is initiated 4. The sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions), 5. The asset is being actively marketed for sale at a sales price reasonable in relation to its fair value, 6. Actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

It is clear that since the formal process to work towards an IPO began in October 2020, then the above criteria 1, 3 and 5 are met as at December 31, 2020. Regarding criteria 2, the asset is not available for immediate sale as such since there further formal filing requirements as part of the IPO process are not complete. Regarding criteria 6, a process is in place for an IPO in Brazil, and as such that plan was unlikely to be changed as at December 31, 2020, although it was still not certain according to Otello that the plan, or process would not be withdrawn. This could be due to market conditions, investor feedback, and other factors.

Otello's view is that criteria 4, concerning whether an IPO is highly probably at December 31, 2020 is the most crucial factor in this overall assessment. Further, it is Otello's view that "highly probable" should be interpreted as requiring a higher level of probability than more likely than not, or more than a 50 / 50 chance of occurring. This view is backed up by the basis for conclusion in IFRS 5 BC81. It is clear that a certain level of judgment is needed to conclude what constitutes a situation having significantly higher probability of occurring than simply being more likely to occur than not.

Otello's assessment is that it cannot be concluded that the IPO was highly probable as at December 31, 2020, given the following:

1. That the second filing as part of the IPO process had not taken place as at December 31, 2020
2. That a board meeting giving formal approval to continue the process had not taken place as at December 31, 2020
3. That no significant amount of anchor investors was yet in place as at December 31, 2020

Otello is, therefore. of the opinion that its investment in Bemobi should not be classified as held for sale or discontinued operations based on an assessment of the facts and the relevant criteria according to IFRS 5 as at December 31, 2020.

Note 4
Operating and segment information

The Group's business activities comprise mobile advertising via its AdColony business, mobile-app subscription services via its Bemobi business, and licensing of Rocket Optimizer™ technology via its Skyfire business. Skyfire, due to materiality, is reported as part of Otello's corporate segment.

The following are Otello's segments as at December 31, 2020:

AdColony (Mobile Advertising)
AdColony is one of the largest mobile advertising platforms in the world with a reach of more than 1.5 billion users globally. AdColony provides an end-to-end platform for brands, agencies, publishers and application developers to deliver advertising to consumers on mobile devices around the world. AdColony delivers highly interactive and engaging advertising experiences across all mobile formats with particular strength in video and full screen interactive rich media ads.

AdColony's advertising revenue is primarily based on the activity of mobile users viewing ads through 3rd party publishers, such as developer applications and mobile websites. Revenue is recognized when Otello's advertising services are delivered based on the specific terms of the advertising contract, which are commonly based on the number of ads delivered, or views, clicks or actions by users of mobile advertisements.

See note 2 for further information regarding revenue recognition.

Bemobi (Apps & Games)
Bemobi's revenues are primarily generated from Apps Club, a subscription-based discovery service for mobile apps. Apps Club offers a unique, "Netflix-style" subscription service for premium Android apps. 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. Bemobi is a so-called B2B2C company. Instead of selling directly to a consumer, Bemobi typically partners with large companies, mostly mobile operators or in some cases smartphone original equipment manufacturers (OEMs). Through partnerships with these companies, Bemobi can offer its service to consumers.

Bemobi revenue is primarily comprised of: i) subscription revenue when an Android user purchases a subscription from a "co-branded" mobile store, or a white-label operator-controlled version of the mobile store, known as Apps Club, and ii) the Bemobi Mobile Store (formerly Opera Mobile Store), a feature phone platform, when a user purchases a premium app. This feature phone platform, acquired by Bemobi's parent Otello from the acquisition of Handster in 2011, is to be phased out.

See note 2 for further information regarding revenue recognition.

Corporate costs
Corporate costs comprise primarily i) costs related to personnel working in functions that serve the Group as a whole, including CEO/Board of Directors, corporate finance and accounting, legal, HR and IT, and ii) legal and other costs related to business combinations and restructuring processes.

The table below presents key financial figures for 2020 and 2019.

Revenue *[USD million]*	**2020**	**2019**
AdColony (Mobile Advertising)	211.4	183.9
Bemobi (Apps & Games)	47.5	56.2
Corporate	0.2	0.9
Eliminations	(0.2)	(0.3)
Total Group	**259.0**	240.8

Gross profit *[USD million]*	**2020**	**2019**
AdColony (Mobile Advertising)	69.1	63.4
Bemobi (Apps & Games)	32.6	39.0
Corporate	0.2	0.9
Eliminations	0.0	(0.0)
Total Group	**101.9**	103.2

Adjusted EBITDA *[USD million]*	**2020**	**2019**
AdColony (Mobile Advertising)	9.8	0.3
Bemobi (Apps & Games)	18.8	23.9
Corporate	(5.3)	(5.0)
Eliminations	0.0	0.0
Total Group	**23.4**	19.3

Alternative performance measures
Otello discloses alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Otello believes that the alternative performance measures provide useful supplemental information to management, investors, financial analysts and other stakeholders, and are meant to provide an enhanced insight into the financial development of Otello's business operations and to improve comparability between periods.

EBITDA and EBIT terms are presented as they are commonly used by investors and financial analysts. Certain items are excluded in the alternative performance measures Adjusted EBITDA and Normalized EBIT to provide enhanced insight into the underlying financial performance of the business operations and to improve comparability between different periods.

Alternative performance measures:

Gross profit:
This comprises revenues minus publisher and revenue share cost.

EBITDA:
This is short for Earnings before financial items, taxes, depreciation and amortization. EBITDA corresponds to Operating profit (loss), (EBIT) in the Consolidated statement of comprehensive income excluding depreciation and amortization expenses.

Adjusted EBITDA:
This represents EBITDA excluding stock-based compensation, impairment and restructuring expenses. Adjusted EBITDA corresponds, therefore, to Operating profit (loss), (EBIT) in the Consolidated statement of comprehensive income excluding depreciation and amortization, stock-based compensation, and impairment and restructuring expenses.

EBIT:
This is short for Earnings before financial items. This is presented both including and excluding impairment and restructuring expenses in the Consolidated statement of comprehensive income. In the KPIs section of this report and the reconciliation below, EBIT represents earnings before financial items including impairment and restructuring expenses, and corresponds to Operating profit (loss), (EBIT) in the Consolidated statement of comprehensive income.

See below for reconciliations from Operating profit to EBITDA and Adjusted EBITDA for all periods presented.

The table below presents a reconciliation of profit (loss) to Adjusted EBITDA.

Reconciliation of gross profit *[USD million]*	**2020**	**2019**
Total operating revenue	**259.0**	240.8
Publisher and revenue share cost	(157.1)	(137.6)
Gross profit	**101.9**	103.2

Reconciliation of operating profit (loss) to EBITDA and adjusted EBITDA *[USD million]*	**2020**	**2019**
Operating profit (loss), (EBIT)	**(10.0)**	(14.9)
Depreciation and amortization expenses	23.4	28.1
Impairment expenses	0.0	0.0
EBITDA	**13.4**	13.2
Restructuring expenses	0.2	2.3
Stock-based compensation expenses	9.7	3.8
Adjusted EBITDA	**23.4**	19.3

Revenues

Revenue by region *[USD million]*	**2020**	**2019**
USA	95.0	86.8
EMEA, excluding Norway	91.3	80.4
Brazil	28.6	39.2
Asia Pacific	28.1	26.0
Americas, excluding USA and Brazil	9.6	6.2
Norway	6.3	2.2
Total	**259.0**	240.8

The breakdown of revenue by region reflects the customer or partner's (mobile operator, OEM) country of domicile. Consequently, the revenue breakdown reflects the location of Otello's customers and partners. The breakdown above does not accurately reflect where Otello's derivative products and services are used by the end user (partner's customer).

Disaggreagation of revenues

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

Advertising (point in time) *[USD million]*	**2020**	**2019**
USA	95.0	86.2
EMEA, excluding Norway	86.7	75.7
Brazil	5.0	-
Asia Pacific	17.7	16.0
Americas, excluding USA and Brazil	2.7	4.1
Norway	6.3	2.2
Total	**213.4**	184.2

Application and content (over time) *[USD million]*	**2020**	**2019**
USA	-	-
EMEA, excluding Norway	4.1	4.6
Brazil	30.5	39.2
Asia Pacific	10.4	10.0
Americas, excluding USA and Brazil	-	2.0
Norway	(0.0)	0.0
Africa	0.5	0.1
Total	**45.5**	56.0

Unsatisfied performance obligations are not material enough to be disclosed.

Revenues from the Corporate segment (including Skyfire) are not considered material enough to be presented disaggregated.

Assets

Total assets by segment [USD million]	**2020**	**2019**
AdColony	308.1	296.5
Bemobi (Apps & Games)	92.6	113.5
Corporate (including parent company)	24.6	25.4
Total	**425.3**	435.4

Non-current assets by segment [USD million]	**2020**	**2019**
AdColony	188.9	199.9
Bemobi (Apps & Games)	51.2	65.8
Corporate (including parent company)	20.5	19.3
Total	**260.5**	284.9

Non-current assets by location [USD million]	**2020**	**2019**
Non-current assets located in Norway	22.6	21.1
Non-current assets located in United States	188.0	198.5
Non-current assets located in other countries	49.9	65.4
Total	**260.5**	284.9

The breakdown of non-current assets above does not include financial instruments and deferred tax assets.

The vast majority of the value of non-current assets is related to acquisitions. See note 11 and 12 for further information.

Note 5

Financial risk, accounts and other receivables, and financial instruments

Financial risk

Risk management in the Group is carried out by manamgement and approved by the Board of Directors. Potential risks are evaluated on a regular basis and management determines appropriate strategies related to how these risks are to be handled within the Group under the approved policies. The Group is exposed to market (currency) risk, credit risk and liquidity risk.

Currency risk

The majority of the financial risk that the Group is exposed to relates to currency risk. Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. Please note that some revenue numbers are impacted by changes in local currencies which are the basis for invoicing of customers. These effects are not specified in the table below.

	2020		*2019*	
Revenues per currency: *[USD million]*	**Revenues**	**%**	**Revenues**	**%**
USD	178.1	68.8%	160.5	66.7%
BRL	28.6	11.0%	39.2	16.3%
DKK	26.3	10.2%	15.0	6.2%
TRY	15.0	5.8%	13.2	5.5%
INR	2.2	0.9%	2.1	0.9%
Other	8.7	3.4%	10.7	4.5%
Total	**259.0**		240.8	

	2020		*2019*	
Operating expenses (OPEX) per currency: *[USD million]*	**OPEX**	**%**	**OPEX**	**%**
USD	(188.3)	70.1%	(178.1)	70.3%
DKK	(19.8)	7.4%	(13.1)	5.2%
NOK	(18.9)	7.0%	(12.5)	4.9%
BRL	(17.4)	6.5%	(24.0)	9.5%
TRY	(13.5)	5.0%	(12.4)	4.9%
Other	(10.8)	4.0%	(13.2)	5.2%
Total	**(268.7)**		(253.4)	

Conversion of the Group's revenues from foreign currencies into USD yields the following average exchange rates:	**2020**	**2019**
BRL	0.196	0.254
DKK	0.155	0.150
TRY	0.139	0.176
INR	0.014	0.014

Revenues and expenses for the current year recalculated on a constant currency basis, are presented below:

[USD million]	**Recalulated with prior year average rates**	**FX effect using prior year rates**	**Effect in %**
Revenue	270.5	11.6	4.5 %
Expenses	(275.8)	(7.1)	2.6 %

Loans and receivables
The Group as limited exposure in terms of credit risk related to loans and receivables.

Foreign exchange contracts
During 2020 and 2019, the Group did not use forward exchange contracts to hedge its currency risk, and Otello had not entered into any foreign exchange contracts as of December 31, 2020.

FX gain (loss) and other financial income (expense)
The table below shows the breakdwon of FX gains and losses, and other financial income and expense.

	2020	**2019**
FX gain	1.6	5.1
FX loss	(7.7)	(5.7)
Other finance income (expense)	(1.4)	(1.8)
Total	**(7.5)**	(2.4)

Other finance income (expense) includes $0.8 million (2019: 1.1) in legal costs related to the sale of the TV business and Otello's ongoing case regarding the potential sale of its minority stake (see notes 15 and 21 for further information).

Credit risk

Credit risk is the risk of losses that the Group would suffer if a counterparty fails to perform its financial obligations. The Group's exposure to credit risk is mainly related to external receivables. Credit risk is assessed for each specific customer. No single customer accounted for more than 10% of the Group's revenue during the financial year. Further, the Group conducts much of its business with large global companies and has not experienced significant credit-related losses during this or previous financial years. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Individual assessments per customer are also carried out by financial management.

Accounts receivable

Gross accounts receivable per currency: The numbers below are presented in local currencies (million)	**2020**	**% of gross AR**	**2019**	**% of gross AR**
USD	38.1	61.6%	31.8	60.0%
TRY	63.6	17.3%	42.4	13.4%
DKK	56.3	13.7%	29.2	8.3%
BRL	18.1	7.3%	24.6	11.6%
Other	n/a	0.2%	n/a	6.7%

The accounts receivables are converted, as of December 31, at the following exchange rates:

	2020	**2019**
TRY	0.135	0.168
BRL	0.193	0.249
DKK	0.165	0.150

Gross accounts receivable per region: *[USD million]*	**2020**	**2019**
Americas	24.1	27.3
EMEA	27.2	17.8
Asia Pacific	10.4	7.9
Total	**61.8**	53.0

Loss allowance as at December 31, 2020 and December 31, 2019 was determined as follows for both trade receivables and contract assets:

2020

[USD million]	Gross carrying amount - accounts receivable	Gross carrying amount - contract assets	Expected loss rate	Loss allowance
Current	36.5		0.5 %	(0.2)
Past due 0-30 days	11.1		0.9 %	(0.1)
Past due 31-60 days	2.7		0.0 %	(0.0)
Past due 61-90 days	2.4		15.7 %	(0.4)
More than 90 days	9.1		13.8 %	(1.3)
Total	**61.8**	**0.0**		**(1.9)**

2019

	Gross carrying amount - accounts receivable	Gross carrying amount - contract assets	Expected loss rate	Loss allowance
Current	25.0	30.3	0.6 %	(0.2)
Past due 0-30 days	13.5	-	5.9 %	(0.8)
Past due 31-60 days	4.3	-	0.0 %	(0.0)
Past due 61-90 days	2.0	-	0.2 %	(0.0)
More than 90 days	8.3	-	16.7 %	(1.4)
Total	**53.0**	**30.3**		**(2.3)**

Accounts receivables and other receivables *[USD million]*	2020	2019
Accounts receivable (including provision for bad debt)	59.9	50.6
Contract assets	29.6	30.3
Other receivables	6.4	8.6
Total	**95.9**	89

Accounts receivable represent the part of receivables that is invoiced to customers but not yet paid. Contract assets represents revenue recognized in the year which was not invoiced to the customers at year end and which will be invoiced to customers subsequent to the balance sheet date.

Other receivables

Other receivables consists of payments held in escrow related to sales and acquisitions, non-trade receivables including tax receivables, and prepayments.

Contract liabilities

Contract liabilities consist of and prepaid advertising campaigns, and prepaid license/royalty payments.

Liquidity risk

Liquidity reserve *[USD million]*	2020	2019
Cash and cash equivalents		
Cash in hand and on deposit	41.9	28.3
Less restricted funds [1]	0.8	0.9
Unrestricted cash	41.1	27.3
Unutilized credit facilities	15.0	80.0
Short-term overdraft facility	-	-
Liquidity reserve	15.0	80.0

Breakdown of cash deposits by currency *[USD million]*	2020	2019
BRL	18.0	15.4
USD	10.1	6.4
NOK	0.9	1.3
EUR	0.8	1.1
TRY	1.3	0.1
Other	10.8	4.0
Total	**41.9**	28.3

Credit Facility *[USD million]*	2020	2019
Long-term cash credit	50.0	100.0
Utilized	35.0	20.0

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 March 2021, the payment guarantee that was signed in March 2020 as part of the above amendment of an amount equal to $18.6 million in favour of Pedro Ripper, CEO of Bemobi, (on behalf of the former owners of Bemobi) was removed. This was carried out in 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.

Financial liabilities
All financial liabilities, with the exception of the non-current portion of lease liabilities, are expected to be paid within 1 year of the balance sheet date.

Net debt reconciliation
The tables below sets out an analysis of net debt and the movements in net debt for each of the periods

[USD million]	2020	2019
Cash and cash equivalents	41.9	28.3
Borrowings	(35.0)	(20.0)
Lease liabilities	(4.0)	(7.1)
Net cash	**2.9**	1.2
Cash and cash equivalents	41.9	28.3
Gross debt - fixed interest rate	-	-
Gross debt - variable interest rate	(39.0)	(27.1)
Net cash	**2.9**	1.2

[USD million]	Liabilities from financing activites Borrowings	Leases	Cash and cash equivalents
Net debt as of 1/1/2020	(20.0)	(7.1)	28.3
Additions - leases	-	(1.2)	-
Cash flow	(15.0)	4.0	17.2
Effects of exchange rate changes	-	0.3	(3.6)
Net debt as of 31/12/2020	(35.0)	(4.0)	41.9

[USD million]	Liabilities from financing activites Borrowings	Leases	Cash and cash equivalents
Net debt as of 1/1/2019	-	-	27.5
Leasing commitment IFRS 16 implementation	-	(10.0)	-
Additions - leases	-	(2.3)	-
Cash flow	(20.0)	5.3	1.5
Effects of exchange rate changes	-	-0.1	(0.6)
Net debt as of 31/12/2019	(20.0)	(7.1)	28.3

Capital management
The Group'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. The Group still possesses a business model that anticipates considerable cash flow in the future.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements

Financial instruments

Financial instruments, and contracts accounted for as such, are included in several line items in the statement of financial position and classified in categories for accounting treatment. A classification of financial instruments in Otello is presented below:

[USD million]	2020 Amortised cost	Fair value
Assets - current		
Accounts receivable	89.5	89.5
Cash and cash equivalents	41.9	41.9
Liabilities - non-current		
Loans and borrowings	0.0	0.0
Other non-current liabilities	1.6	1.6
Liabilities - current		
Accounts payable	25.7	25.7
Other current liabilities [1]	0.0	0.0
Loans and borrowings	35.0	35.0
Contingent consideration, current	0.2	0.2

[USD million]	2019 Amortised cost	Fair value
Assets - current		
Accounts receivable	80.9	80.9
Cash and cash equivalents	28.3	28.3
Liabilities - non-current		
Loans and borrowings	20.0	20.0
Other non-current liabilities	1.1	1.1
Liabilities - current		
Accounts payable	22.8	22.8
Other current liabilities [1]	0.8	0.8
Contingent consideration, current	0.5	0.5

[1] Other current liabilities represents liabilities to entities in discontinued operations. These were settled in 2020.

Note 6

Payroll expenses and remuneration to management

Payroll expenses *[USD million]*	**2020**	**2019**
Salaries and bonuses	(34.1)	(37.8)
Social security cost	(2.9)	(2.9)
Pension cost	(1.0)	(1.1)
Stock-based compensation expense, including social security cost	(9.7)	(3.8)
Insurance and other employee benefits	(2.6)	(3.7)
Payments to long-term contractual staff	(5.3)	(5.3)
Total	**(55.6)**	**(54.7)**
Average number of full time equivalents	613	546

The Norwegian companies in the Group are obligated to follow the Act on Mandatory company pensions and these companies pension schemes follow the requirement as set in the Act.

Compensation to the CEO and Chairman of the Board
The CEO has waived his rights under Section 15-16 of the Norwegian Working Environment Act of 2005 relating to employees' protection, termination of employment contracts, etc.

As compensation, the CEO is entitled to receive a termination amount of two years' base salary if the employment contract is terminated by the Company.

As of December 31, 2020, there was no existing severance agreement between Otello and the Chairman of the Board.

The Group has not given any loans or security deposits to the CEO, the Chairman of the Board or their related parties.

A bonus program exists for the senior executive team at Otello. For each individual executive, a limit is set for the amount of bonus that can be achieved. The size of the bonus payment is dependent on actual company performance compared to a set of predefined targets. The bonus program and predefined targets are approved by the Renumeration committee and the Board of Directors.

An accrual for all 2020 bonuses for senior executives has been recognized in the consolidated financial statements. Bonuses will be paid in 2021.

Share compensation program:

Otello used to have two equity-based incentives: ordinary stock options and Restricted Stock Units ("RSU").

There are no unvested RSUs left for AdColony and Otello employees as of 12/31/2020. The RSUs granted in 2020 has been grantet to Pedro Ripper and have been recognized, in accordance with IFRS 2, in the statement of comprehensive income. However, the RSU Award has been terminated and replaced in 2021. Please see note 16 for more information.

Options granted to Otello Corporation and Bemobi employees vest over four years with ¼ each year, and options granted to AdColony employees vest over three years with 1/3 each year.

Options

Weighted average exercise price
The number and weighted average exercise price of share options in Otello Corporation ASA are as follows:

	Weighted average exercise price 2020 (NOK)	**Number of options 2020 (in thousands)**	**Weighted average exercise price 2019 (NOK)**	**Number of options 2019 (in thousands)**
Outstanding at the beginning of the period	41.26	2 316	40.09	2421
Terminated (employee terminations)	-	-	-	-
Forfeited during the period	-	-	-	-
Expired during the period	36.91	(590)	22.08	(25)
Cancelled during the period	42.16	(1 448)	-	-
Exercised during the period	-	-	12	(80)
Granted during the period	18.99	3 450	-	-
Outstanding at the end of the period	20.99	3 728	41.26	2316
Exercisable at the end of the period	46.21	241	40.33	1291

The fair value of services received in return for stock options granted is measured by using the Black & Scholes option pricing model.

The expected volatility is based on historic volatility (calculated using the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information.

Share options are granted under service conditions, not market-based conditions. Such conditions are not taken into account in the grant date fair-value measurement. There are no market conditions associated with the share option grants. An annual average attrition rate of 0% is used. This average attrition rate, and the employees responsibility for paying the Company's contributions related to the options, are taken into consideration when estimating the cost of the options in accordance with IFRS 2. Given that employees have the right to exercise their options one or three years after the vesting date (depending on when the options were granted), the estimate is based on an assumption that the employees, on average, are exercising their options 18 months after the vesting date.

3 450 000 options have been granted in 2020 as replacement options for the outstanding ones for the repective employees. The aforementioned outstanding options have been cancelled (2019: no options granted).

Weighted average exercise price
The number and weighted average exercise price of share options in Bemobi Holding AS are as follows:

	Weighted average exercise price 2020 (NOK)	**Number of options 2020 (in thousands)**	**Weighted average exercise price 2019 (NOK)**	**Number of options 2019 (in thousands)**
Outstanding at the beginning of the period	9 988	3.934	9 988	3.934
Terminated (employee terminations)	-	-	-	-
Forfeited during the period	-	-	-	-
Expired during the period	-	-	-	-
Cancelled during the period	-	-	-	-
Exercised during the period	-	-	-	-
Granted during the period	9 988	0.156	-	-
Outstanding at the end of the period	9 988	4.090	9 988	3.934
Exercisable at the end of the period	9 988	2.002	9 988	0.980

The table below shows the number of options issued by Otello Corporation ASA to employees at various strike prices and exercise dates.

2020

Exercise price	TOTAL OUTSTANDING OPTIONS Outstanding options per 12/31/2020 (in thousands)	Weighted average remaining lifetime (years)	Weighted average exercise price (NOK)	VESTED OPTIONS Vested options 12/31/2020 (in thousands)	Weighted average exercise price (NOK)
0.00 - 10.00	-	-	-	-	-
10.00 - 12.30	-	-	-	-	-
12.30 - 15.00	-	-	-	-	-
15.00 - 20.00	3 450	3.67	18.99	-	-
20.00 - 25.00	-	-	-	-	-
25.00 - 30.00	-	-	-	-	-
30.00 - 35.00	-	-	-	-	-
35.00 - 40.00	-	-	-	-	-
40.00 - 45.00	213	0.87	41.27	176	40.84
45.00-	65	0.72	60.75	65	60.75
Total	**3 728**	**3.46**	**20.99**	**241**	**46.21**

2019

Exercise price	TOTAL OUTSTANDING OPTIONS Outstanding options per 12/31/2019 (in thousands)	Weighted average remaining lifetime (years)	Weighted average exercise price (NOK)	VESTED OPTIONS Vested options 12/31/2019 (in thousands)	Weighted average exercise price (NOK)
0.00 - 10.00	-	-	-	-	-
10.00 - 12.30	-	-	-	-	-
12.30 - 15.00	-	-	-	-	-
15.00 - 20.00	55	0.63	19.28	55	19.28
20.00 - 25.00	25	0.43	22.08	25	22.08
25.00 - 30.00	-	-	-	-	-
30.00 - 35.00	-	-	-	-	-
35.00 - 40.00	538	0.20	38.50	538	38.50
40.00 - 45.00	1 563	2.17	41.61	538	40.04
45.00-	135	1.72	60.75	135	60.75
Total	**2 316**	**1.63**	**41.26**	**1291**	**40.33**

Exercise price = strike price

The table below shows the date, number and achieved selling price of options exercised.

2020: No options exercised in 2020.

2019:

Date of exercise	Number of exercised options (in thousands)	Achieved selling price (NOK)
7/8/2019	25	14.86
12/10/2019	55	16.42
Total	**80**	

The table below shows the number of options issued by Bemobi Holding AS to employees at various strike prices and exercise dates.

2020

Exercise price	TOTAL OUTSTANDING OPTIONS Outstanding options per 12/31/2020 (in thousands)	Weighted average remaining lifetime (years)	Weighted average exercise price (NOK)	VESTED OPTIONS Vested options 12/31/2020 (in thousands)	Weighted average exercise price (NOK)
0.00 - 9000	0.000	-	-	0	-
9500-	4.090	2.78	9 988	2.002	9 988
Total	**4.090**	**2.78**	**9 988**	**2.002**	**9 988**

2019

Exercise price	TOTAL OUTSTANDING OPTIONS Outstanding options per 12/31/2020 (in thousands)	Weighted average remaining lifetime (years)	Weighted average exercise price (NOK)	VESTED OPTIONS Vested options 12/31/2020 (in thousands)	Weighted average exercise price (NOK)
0.00 - 9000	0	-	-	0	-
9500-	3.934	3.75	9 988	0.980	9 988
Total	**3.934**	**3.75**	**9 988**	**0.980**	**9 988**

Exercise price = strike price

The table below shows the date, number and achieved selling price of options exercised.

2020: No options exercised in 2020.

2019: No options exercised in 2019.

Restricted stock units

No RSUs were granted by Otello Corporation ASA to management and employees in 2020 or 2019.

Restricted Stock Units	2020 Shares (in thousands)	Weighted Average Exercise Price (NOK)	2019 Shares (in thousands)	Weighted Average Exercise Price (NOK)
Outstanding at the beginning of period	-	-	15	0.02
Granted	-	-	-	-
Exercised	-	-	-	-
Released	-	-	(15)	0.02
Cancelled	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Adjusted quantity	-	-	-	-
Performance adjusted		-	-	-
Outstanding at the end of period	-	-	-	-
Vested RSUs	-	-	-	-

	2020 Shares (in thousands)	Value in NOK	2019 Shares (in thousands)	Value in NOK
Weighted Average Fair Value of RSUs Granted during the period	-	-	-	-
Intrinsic value outstanding RSUs at the end of the period	-	-	-	-
Intrinsic value vested RSUs at the end of the period	-	-	-	-

There are no unvested RSUs left.

Restricted stock units

RSUs granted by Bemobi Holding AS to management and employees in 2020 or 2019.

	2020 Shares (in thousands)	Weighted Average Exercise Price (NOK)
Outstanding at the beginning of period	-	-
Granted	24	-
Exercised	-	-
Released	-	-
Cancelled	-	-
Forfeited	-	-
Expired	-	-
Adjusted quantity	-	-
Performance adjusted	-	-
Outstanding at the end of period	24	-
Vested RSUs	-	-

	2020 Shares (in thousands)	Value in NOK
Weighted Average Fair Value of RSUs Granted during the period	24	10,686.50
Intrinsic value outstanding RSUs at the end of the period	24	269,299,820.47
Intrinsic value vested RSUs at the end of the period	-	-

No RSUs were granted in 2019.

Compensation to executive management in 2020

[USD million]	Remuneration	Salary	Bonus	Other compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
Executive Manangement							
Lars Boilesen, CEO	-	0.48	0.47	0.03	0.07	-	1.05
Petter Lade, CFO	-	0.22	0.12	0.00	0.01	-	0.35
The Board of Directors							
Andre Christensen, Chairman	0.07	-	-	-	-	-	0.07
Anooj Unarket, Board Member	-	-	-	-	-	-	0.00
Birgit Midtbust, Board Member	0.03	-	-	-	-	-	0.03
Maria Borge Andreassen, Board Member	0.03	-	-	-	-	-	0.03
Song Lin, Board Member from June 4	0.01	-	-	-	-	-	0.01
Frode Jacobsen, Board Member untill June 4	0.02	-	-	-	-	-	0.02
The Nomination Committee							
Nils Foldal, Chairman	0.01	-	-	-	-	-	0.01
Jakob Iqbal, Member	0.00	-	-	-	-	-	0.00
Kari Stautland, Member	0.00	-	-	-	-	-	0.00
Total	**0.18**	**0.70**	**0.59**	**0.04**	**0.08**	**0.00**	**1.58**

Presented above are the bonuses earned in 2020 and paid in both 2020 and 2021, which are based on the 2020 results.

Members of Executive Management are included in the Company's employee pension scheme, which is a defined contribution plan.

There has been no compensation or other economic benefit provided in 2019 or 2020 to any member of the Executive Team or Board of Directors from the Company or any business owned by the Company, except that mentioned above. In 2019 and 2020, there has been no significant additional compensation given to directors with regard to special services performed outside of their normal function.

CONSOLIDATED STATEMENT

Compensation to executive management in 2019

[USD million]	Remuneration	Salary	Bonus	Other compensation	Pension compensation	Benefit exercised options/RSUs	Total compensation
Executive Manangement							
Lars Boilesen, CEO	-	0.55	0.38	0.00	0.07	0.02	1.02
Petter Lade, CFO	-	0.20	0.09	0.00	0.01	0.01	0.31
The Board of Directors							
Audun Wickstrand Iversen, Chairman until June 5	0.04	-	-	-	-	-	0.04
Andre Christensen, Board Member until June 5, Chairman from June 5	0.06	-	-	-	-	-	0.06
Frode Jacobsen, Board Member	0.04	-	-	0.00	-	-	0.04
Birgit Midtbust, Board Member	0.03	-	-	-	-	-	0.03
Maria Borge Andreassen, Board Member from June 5	0.02	-	-	-	-	-	0.02
Anooj Unarket, Board Member from June 5	-	-	-	-	-	-	0.00
Sophie Charlotte Moatti, Board Member until June 5	0.02	-	-	-	-	-	0.02
The Nomination Committee							
Nils Foldal, Chairman	0.01	-	-	-	-	-	0.01
Jakob Iqbal, Member	0.00	-	-	-	-	-	0.00
Kari Stautland, Member	0.00	-	-	-	-	-	0.00
Total	**0.22**	**0.75**	**0.47**	**0.01**	**0.07**	**0.03**	**1.55**

Presented above are the bonuses earned in 2019 and paid in both 2019 and 2020, which are based on the 2019 results.

Options to executive management 2020

There are no existing agreements regarding the dispensation of loans or security deposits to key personnel, members of the board or their related parties.

[In thousands of options]	Opening balance	Granted options	Cancelled options	Terminated options	Expired options	Exercised options	Average exercise price — A (NOK)	Closing balance	Weighted average exercise price — B (NOK)	Weighted average lifetime — C (years)	Weighted average remaining time until vesting	Intrinsic Value of outstanding options (USD million)	IFRS 2 cost for the period (USD million)
Executive Manangement													
Lars Boilesen, CEO	1 200	2 250	(900)	-	(300)	-	-	2 250	18.99	3.67	1.67	2.14	0.40
Petter Lade, CFO	285	400	(205)	-	(80)	-	-	400	18.99	3.67	1.67	0.38	0.07
Total	**1485**	**2 650**	**(1105)**	**-**	**(380)**	**-**						**2.52**	**0.48**

A — average exercise price for options executed in the financial year
B — average exercise price for the number of options held by the end of the financial year

The table below shows option and RSU grants in 2020 and option and RSU costs in 2020
(in thousands of options and RSUs, cost in USD million)

	Granted Options	2020 Cost	RSUs Granted	2020 Cost
Executive Manangement				
Lars Boilesen, CEO	2 250	0.40	-	-
Petter Lade, CFO	400	0.07	-	-
Total	2 650	0.48	-	-

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Options to executive management 2019

There are no existing agreements regarding the dispensation of loans or security deposits to key personnel, members of the board or their related parties.

[In thousands of options]	Opening balance	Granted options	Terminated options	Exercised options	Average exercise price — A (NOK)	Closing balance	Weighted average exercise price — B (NOK)	Weighted average lifetime — C (years)	Weighted average remaining time until vesting	Intrinsic Value of outstanding options (USD million)	IFRS 2 cost for the period (USD million)
Executive Manangement											
Lars Boilesen, CEO	1 200	-	-	-	-	1 200	40.87	1.70	0.35	-	0.19
Petter Lade, CFO	290	-	-	(5)	12.20	285	38.22	1.57	0.31	-	0.04
Total	**1 490**	**-**	**-**	**(5)**	**12.20**	**1 485**				**-**	**0.23**

A — average exercise price for options executed in the financial year
B — average exercise price for the number of options held by the end of the financial year

The table below shows option and RSU grants in 2019 and option and RSU costs in 2019
(in thousands of options and RSUs, cost in USD million)

	Granted Options	2019 Cost	RSUs Granted	2019 Cost
Executive Manangement				
Lars Boilesen, CEO	-	0.19	-	(0.22)
Petter Lade, CFO	-	0.04	-	-
Total	-	0.23	-	(0.22)

Shares, options, RSUs owned by members of the Board and the Chief Executive Officer as of December 31, 2020

[In thousands of shares, options and RSUs]

Name	Commission	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)	Weighted average strike price - RSUs (NOK)
Andre Christensen	Chairman	51	-	-	51	-	-
Birgit Midtbust	Board Member	-	-	-	-	-	-
Maria Borge Andreassen	Board Member	23	-	-	23	-	-
Anooj Unarket	Board Member	-	-	-	-	-	-
Song Lin	Board Member	0	-	-	-	-	-
Lars Boilesen	CEO	260	2 250	0	2 510	18.99	-
		334	**2 250**	**0**	**2 584**		

Shares, options and RSUs owned by other members of Executive Management as of December 31, 2020

[In thousands of shares, options and RSUs]

Name	Title	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)
Petter Lade	CFO	66	400	-	466	18.99
		66	400	-	466	

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Shares, options, RSUs owned by members of the Board and the Chief Executive Officer as of December 31, 2019

[In thousands of shares, options and RSUs]

Name	Commission	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)	Weighted average strike price - RSUs (NOK)
Andre Christensen	Chairman	24	-	-	24	-	-
Frode Jacobsen	Board Member	21	-	-	21	-	-
Birgit Midtbust	Board Member	-	-	-	-	-	-
Maria Borge Andreassen	Board Member	11	-	-	11	-	-
Anooj Unarket	Board Member	-	-	-	-	-	-
Lars Boilesen	CEO	258	1 200		1 458	40.87	-
		315	1 200	0	1 515		

Shares, options and RSUs owned by other members of Executive Management as of December 31, 2019

[In thousands of shares, options and RSUs]

Name	Title	Shares	Options	RSUs	Total	Weighted average strike price - options (NOK)
Petter Lade	CFO	65	285	-	350	38.22
		65	285	-	350	

OTELLO CORPORATION

Note 7
Other operating expenses

Other operating expenses *[USD million]*	2020	2019
Hosting expenses, excl. depreciation cost	(16.3)	(15.6)
Rent and other office expenses	(1.8)	(1.7)
Marketing expenses	(1.6)	(2.6)
Audit, legal and other advisory services	(4.2)	(5.1)
Purchase of equipment, not capitalized	(2.6)	(2.7)
Travel expenses	(1.0)	(3.4)
Bad debt expenses	(0.6)	2.9
Other expenses	(4.5)	(4.7)
Total	**(32.6)**	(33.0)

Auditor remuneration
The following table shows audit fees for the current and prior year. For all categories the reported fee is the recognized expense in other operating expenses for the year to the external auditor, PwC.

Audit fees *[USD million]*	2020	2019
Statutory audit	(0.6)	(0.6)
Assurance services	(0.0)	(0.0)
Tax advisory services	0.0	(0.0)
Other services	(0.2)	(0.4)
Total	**(0.8)**	(1.0)

Note 8
Taxes

[USD million]	2020	2019
Income tax expense recognized in the statement of comprehensive income:		
Current tax	(3.7)	(1.3)
Changes in deferred taxes	4.1	(0.9)
Changes in deferred taxes related to non-recognition of certain tax assets	(4.9)	(7.3)
Changes in deferred tax related to amortization of excess values from business combinations	0.6	1.2
Write down of deferred tax related to write down of intangibles from business combinations	-	0.0
Changes in deferred tax related to changes in tax rates [1]	-	0.0
Withholding tax expense	(1.2)	(1.5)
Income tax expense	**(5.0)**	(9.8)

Recognized deferred tax assets and liabilities:
Deferred tax balances presented in the statement of financial position comprise the following:

[USD million]	2020	2019
Deferred tax assets related to tax loss carryforwards	20.7	25.2
Deferred tax asset related to merger of entities in Brazil	1.4	7.1
Deferred tax assets related to other temporary differences	5.2	2.3
Deferred tax liabilities related to temporary differences	(0.0)	(0.0)
Deferred tax liabilities related to amortizable excess value from business combinations in the US [1]	-	(0.1)
Deferred tax liabilities related to amortizable excess value from business combinations outside the US [1]	(1.2)	(2.3)
Net deferred assets (liabilities)	**26.1**	32.2

[1] In the statement of financial position, deferred tax liabilities related to amortizable excess value from business combinations in the US and Brazil are netted against deferred tax assets in the same US and Brazil tax jurisdictions, respectively.

All US entities are included in a US consolidated tax group.

As of December 31, 2020, deferred tax liabilities related to amortizable excess value from business combinations outside the US of $1.2 million (2019: 2.3) are netted against deferred tax assets in the same tax jurisdiction.

Otello recognizes deferred tax assets related to tax losses in the statement of financial position when it is considered probable that taxable profit will be generated in future periods against which these tax loss carry forwards can be utilized. The tax loss carry forwards are in the US and Norway. Regarding tax loss carry forwards in the US, management has assessed forecast taxable profit for the coming years, and concluded that the amount of $7.3 million in tax loss carry forwards that were not reognized in the prior year, should also not be recognized in the current year. However, management considers that sufficient future taxable profits will be generated against which the majority of US tax loss carry forwards can be utilized. The majority of tax loss carry forwards in the US have therefore been recognized as at December 31, 2020.

Regarding Norway, management does not consider that sufficient future taxable profits will be generated in future periods against which these tax loss carry forwards can be utilized. Therefore tax loss carry forwards for Norway are not recognised in the statement of financial position as at December 31, 2020. See below for a breakdown of tax loss carry forwards and relevant expirations dates of these.

In the tables below, the set off tax (or valuation allowance) is the amount recognized that reduces the tax loss carryforwards in the US for the portion that it is more likely than not to not be utilized in future periods. These amounts relate to the acquired losses from certain business combinations that will most likely not be able to be utilized due to rules limiting the amount of acquired losses a parent company can utilize.

Deferred tax assets (liabilities) and changes during the year

2020 *[USD million]*	Balance 1/1/20	Posted to statement of comprehensive income	Posted directly to the equity	Disposals to discontinued operations	Balance 12/31/20
Property, plant and equipment	0.6	(0.0)	-	-	0.6
Intangible assets	3.2	(0.7)	-	-	2.5
Accounts receivable	0.2	(0.1)	-	-	0.1
Payroll tax on share options	(2.1)	-	1.5	-	(0.6)
Provisions and accruals	0.4	(0.1)	-	-	0.3
Other	7.1	(3.4)	-	-	3.7
Total related to temporary differences	9.4	(4.3)	1.5	-	**6.6**
Deferred tax liabilities related to amortizable excess value from business combinations	(2.4)	1.1	-	-	**(1.2)**
Tax loss carryforwards	37.9	0.3	-	-	38.2
Set off of tax (valuation allowance)	(5.4)	-	-	-	(5.4)
Tax loss carryforwards not recognized in the statement of financial position	(7.3)	(4.8)	-	-	**(12.1)**
Tax loss carryforwards recognized in the statement of financial position	25.2	(4.5)	-	-	**20.7**
Net deferred tax assets (liabilities) recognized in the statement of financial position	32.2	(7.6)	1.5	-	**26.1**

2019 *[USD million]*	Balance 1/1/19	Posted to statement of comprehensive income	Posted directly to the equity	Disposals to discontinued operations	Balance 12/31/19
Property, plant and equipment	(2.7)	3.3	-	-	0.6
Intangible assets	7.5	(4.4)	-	-	3.2
Accounts receivable	0.3	(0.1)	-	-	0.2
Payroll tax on share options	(3.4)	-	1.3	-	(2.1)
Provisions and accruals	0.5	(0.1)	-	-	0.4
Other	14.2	(7.1)	-	-	7.1
Total related to temporary differences	16.4	(8.4)	1.3	-	**9.4**
Deferred tax liabilities related to amortizable excess value from business combinations	(3.8)	1.4	-	-	**(2.4)**
Tax loss carryforwards	33.6	4.3	-	-	37.9
Set off of tax (valuation allowance)	(5.8)	0.3	-	-	(5.4)
Tax loss carryforwards not recognized in the statement of financial position	-	(7.3)	-	-	**(7.3)**
Tax loss carryforwards recognized in the statement of financial position	27.8	(2.7)	-	-	**25.2**
Net deferred tax assets (liabilities) recognized in the statement of financial position	40.5	(9.6)	1.3	-	**32.2**

Change in deferred tax asset directly posted against the equity capital *[USD million]*	2020	2019
Other changes	1.5	1.3
Total deferred taxes posted directly against the equity	**1.5**	1.3

The Group's gross tax loss carryforwards expire as follows: *[USD million]*	United States	Norway	Total
2026	0.4	-	0.4
2027	1.2	-	1.2
2032	2.1	-	2.1
2033	5.4	-	5.4
2034	1.9	-	1.9
2035	1.3	-	1.3
2036	11.6	-	11.6
2037	42.2	-	42.2
No expiration deadline	43.8	21.9	65.7
Total	109.9	21.9	**131.4**

Reconciliation of effective tax rate *[USD million]*	2020	2019
Profit (loss) before tax	(18.3)	(12.8)
Income tax using the corporate income tax rate in Norway (22% in 2020 / 22% in 2019)	4.0	2.8
Effect of changes in tax rates [1]		0.2
Effect of tax rates outside Norway different from 22% / 22%	(0.9)	(1.4)
Effect of non-taxable and non-deductible items	(2.1)	(4.1)
Deferred tax assets from previously unrecognized tax losses	-	-
Effect of non-recognition of certain deferred tax assets	(4.9)	(7.3)
Other effects	(1.2)	0.0
Total tax expense for the year	**(5.0)**	(9.8)
Effective tax rate	**27.5 %**	76.8 %

Permanent differences
Permanent differences comprise changes in the fair value of contingent considerations, amortization of acquired intangibles assets, impairment losses, share-based remuneration costs and other non-deductable costs.

Note 9
Impairment and restructuring expenses

During 2020, Otello recognized restructuring expenses in connection with a strategic cost reduction that will better align costs with revenues, and for legal and other costs related to business combinations and restructuring processes. The restructuring expenses recognised this year relate mainly to costs incurred in relation to the IPO of the Bemobi business and new restructuring projects commenced in 2019, partly offset by the release of a prior year office lease accrual.

Impairment and restructuring expenses *[USD million]*	2020	2019
Impairment expense	-	-
Salary restructuring expense	(0.7)	(0.8)
Legal and other costs related to business combinations and disposals	(1.0)	(1.4)
Other restructuring expenses	-	-
Office restructuring cost	1.4	(0.1)
Total	**(0.2)**	(2.3)

See note 11 for further information regarding impairment testing.

Note 10
Earnings per share

Earnings per share	2020	2019
Earnings (loss) per share (profit (loss)):		
Basic earnings (loss) per share (USD)	(0.17)	(0.16)
Diluted earnings (loss) per share (USD)	(0.17)	(0.16)
Shares used in earnings per share calculation	137 731 882	137 689 419
Shares used in earnings per share calculation, fully diluted	137 731 882	137 689 419

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted ordinary shares in issue during the period.

In periods with negative net income, the dilutive instruments will have an anti-dilutive effect when calculating diluted earnings per share. For this reason, there is no difference between earnings per share and diluted earnings per share for these periods.

Note 11

Goodwill and impairment testing

[USD million]	AdColony	*2020* Bemobi	Total
Acquisition cost			
Acquisition cost as of 1/1/20	273.1	48.5	321.7
Acquisitions through business combinations	-	-	0.0
FX adjustment	-	(11.0)	(11.0)
Acquisition cost as of 12/31/20	**273.1**	**37.6**	**310.7**
Accumulated impairment losses			
Accumulated impairment losses as of 1/1/20	(91.0)	0.0	(91.0)
Impairment losses	-	-	0.0
FX adjustment	-	-	0.0
Accumulated impairment losses as of 12/31/20	**(91.0)**	**-**	**(91.0)**
Carrying amount			
As of December 31, 2020	**182.2**	**37.6**	**219.7**

See impairment testing below for further information regarding CGUs.

[USD million]	AdColony	*2019* Bemobi	Total
Acquisition cost			
Acquisition cost as of 1/1/19	273.1	50.3	323.4
Acquisitions through business combinations	-	-	0.0
FX adjustment	-	(1.8)	(1.8)
Acquisition cost as of 12/31/19	**273.1**	**48.5**	**321.7**
Accumulated impairment losses			
Accumulated impairment losses as of 1/1/19	(91.0)	-	(91.0)
Impairment losses	-	-	0.0
FX adjustment	-	-	0.0
Accumulated impairment losses as of 12/31/19	**(91.0)**	**-**	**(91.0)**
Carrying amount			
As of December 31, 2019	**182.2**	**48.5**	**230.7**

Impairment testing

Otello has carried out impairment testing as of December 31, 2020, according to IAS 36. Based on the impairment testing, the Group has not recognized an impairment loss. The impairment testing for the Bemobi CGU was based on valuations carried out as part of the Bemobi IPO process.

Cash-generating units
Goodwill acquired through business combinations has previously been allocated to individual cash-generating units. The cash-generating units are AdColony and Bemobi, and are the same as these segments as presented in note 4.

Recoverable amount
The recoverable amount of assets is the higher of value in use and fair value less cost of disposal. Discounted cash flow models have been applied to determine the value in use for all the cash-generating units. Management has projected cash flows based on financial forecasts and strategy plans covering a three year period. Beyond the explicit forecast period, the cash flows are extrapolated using constant nominal growth rates.

Key assumptions
Key assumptions used in the calculation of value in use are Revenue and EBITDA margin growth rates, Nominal growth rate in terminal value, and discount rates. The following key assumptions were used in determining the value in use:

	AdColony	Bemobi
Revenue growth (average) [1]	19.9 %	2.3 %
EBITDA Margin growth (average) [2]	3.3 points	0.5 points
Discount rate after tax	7.2 %	11.6 %
Discount rate before tax	10.3 %	17.5 %
Nominal growth rate in terminal value	2.0 %	2.0 %

[1] Represents the compound annual growth rate during 2021-2023 (until the terminal year).
[2] Represents the average percentage point increase in EBITDA margin during 2021-2023.

Revenue growth (average)
Revenue growth is estimated based on current levels and expected future market development.

EBITDA Margin growth (average)
The EBITDA margin represents the operating margin before depreciation and amortization and is estimated based on the current margin level and expected future market development. Committed or implemented operational restructuring initiatives are included.

Discount rates
Discount rates are based on Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model(CAPM) methodology. The WACC calculations are based on a Global-Local approach, implying that a global risk free rate is applied as a basis (US 20Y Government bond). The inflation difference between the respective country of the specific CGU and the US is added to reflect the local risk free rate. Country risk premiums in addition to the US market risk premium are applied to correct for local risk. The discount rates also take into account gearing, the corporate tax rate, and the equity beta.

Growth rates
The expected growth rates for a cash-generating unit is derived from the level experienced over the last few years to the long-term growth level in the market the entity operates. The growth rates used to extrapolate cash flow projections beyond the explicit forecast period are based on management's past experience, and assumptions in terms of expectations for the market development in which the entity operates. The growth rates used to extrapolate cash flows in the terminal year are not higher than the expected long-term growth in the market in which the entity operates.

Sensitivity analysis related to impairment testing
For each CGU, the following changes in forecasts and key assumptions, in isolation, would result in the recoverable amount being approximately equal to the carrying amount. Any changes beyond those described below may, therefore, lead to an impairment loss:

AdColony CGU:
Discount rate after tax: [1]
An increase by 740 basis points
Future cash flows: [2]
A decrease by 62% in projected future cash flows for the 3 year forecast period
Nominal growth rate in terminal value:
No reasonable change in the nominal growth rate in the terminal value, in isolation, would result in the in the recoverable amount being approximately equal to the carrying amount.

Bemobi CGU:
Discount rate after tax: [1]
An increase by 1650 basis points
Future cash flows: [2]
No reasonable change in future cash flows, in isolation, would result in the in the recoverable amount being approximately equal to the carrying amount.
Nominal growth rate in terminal value:
No reasonable change in the nominal growth rate in the terminal value, in isolation, would result in the in the recoverable amount being approximately equal to the carrying amount.

[1] Discount rate: the changes above are for the whole period including terminal value.
[2] Future cash flows: the changes above are for the 3 year forecast period and for the extrapolation period (terminal value)

Note 12
Intangible assets

[USD million]	2020 Development	2020 Other intangible assets	2020 Total
Acquisition cost			
Acquisition cost as of 1/1/20	63.7	156.7	220.3
Additions	10.3	0.1	10.4
Reclassification	-	-	-
Disposal	-	-	-
Translation differences	(1.4)	(8.7)	(10.1)
Acquisition cost as of 12/31/20	72.5	148.1	**220.6**
Accumulated amortization and impairment losses			
Amortization and impairment losses as of 1/1/20	(51.0)	(147.0)	(197.9)
Amortization	(14.7)	(2.8)	(17.5)
Impairment losses	-	-	-
Reclassification	(0.0)	-	(0.0)
Disposal	-	-	0.0
Translation differences	0.9	6.7	7.6
Accumulated amortization and impairment losses as of 12/31/20	(64.8)	(143.1)	**(207.9)**
Net book value as of 12/31/20	7.7	5.0	**12.8**
Amortization for the year	(14.7)	(2.8)	(17.5)
Impairment losses for the year	-	-	-
Useful life	Up to 3 years	Up to 7 years	
Amortization plan	Linear	Linear	

[USD million]	2019 Development	2019 Other intangible assets	2019 Total
Acquisition cost			
Acquisition cost as of 1/1/19	53.1	154.4	207.5
Additions	10.8	4.4	15.2
Reclassification	-	-	-
Disposal	-	-	-
Translation differences	(0.2)	(2.2)	(2.4)
Acquisition cost as of 12/31/19	63.7	156.7	**220.3**
Accumulated amortization and impairment losses			
Amortization and impairment losses as of 1/1/19	(36.9)	(142.3)	(179.2)
Amortization	(14.2)	(6.3)	(20.6)
Impairment losses	-	-	-
Reclassification	-	-	-
Disposal	-	0.0	0.0
Translation differences	0.1	1.6	1.8
Accumulated amortization and impairment losses as of 12/31/19	(51.0)	(147.0)	**(197.9)**
Net book value as of 12/31/19	12.7	9.7	**22.4**
Amortization for the year	(14.2)	(6.3)	(20.6)
Impairment losses for the year	-	-	-
Useful life	Up to 3 years	Up to 7 years	
Amortization plan	Linear	Linear	

Other intangible assets
Other intangible assets relates to prior acquisitions within the AdColony and Bemobi businesses, and comprise customer relationships, customer contracts, proprietary technology and trademarks.

Development
Development is an internally developed intangible asset. Engineering salaries are the primary expense incurred in terms of costs related to research, development, and maintenance of platforms and applications. In 2020, $14.4 million (2019: 15.2) in engineering salaries were expensed in the financial statement. $10.3 million (2019: 10.8) in research and development costs were capitalized in 2020. For additional information on judgements related to capitalized R&D costs, see note 3.

Note 13
Property, plant and equipment

Property, plant and equipment *[USD million]*	2020 Fixtures and fittings	Machinery and equipment	Leasehold improvements	Total
Acquisition cost				
Acquisition cost as of 1/1/20	2.5	23.3	2.6	28.5
Additions	0.3	0.3	1.1	1.7
Reclassification	-	-	-	-
Disposal	0.0	-	0.0	0.0
Translation differences	(0.2)	(0.6)	(0.2)	(0.9)
Acquisition cost as of 12/31/20	2.7	23.1	3.6	**29.3**
Accumulated depreciation and impairment losses				
Depreciation and impairment losses as of 1/1/20	(1.6)	(17.8)	(1.0)	(20.5)
Reclassification	-	-	-	-
Depreciation and impairment losses	(0.4)	(2.3)	(0.3)	(3.1)
Disposal	(0.0)	(0.0)	-	(0.0)
Translation differences	0.1	0.1	0.0	0.2
Accumulated depreciation and impairment losses as of 12/31/20	(1.9)	(20.1)	(1.3)	**(23.3)**
Net book value as of 12/31/20	0.7	3.0	2.2	**6.0**
Depreciation for the year	(0.4)	(2.3)	(0.3)	(3.1)
Impairment losses for the year	-	-	-	-
Useful life	Up to 6 years	Up to 10 years	Up to 5 years	
Depreciation plan	Linear	Linear	Linear	

Property, plant and equipment *[USD million]*	2019 Fixtures and fittings	Machinery and equipment	Leasehold improvements	Total
Acquisition cost				
Acquisition cost as of 1/1/19	2.1	20.6	2.1	24.7
Additions	0.5	2.9	0.7	4.1
Reclassification	-	-	-	-
Disposal	(0.0)	-	(0.1)	(0.1)
Translation differences	(0.1)	(0.2)	(0.0)	(0.3)
Acquisition cost as of 12/31/19	2.5	23.3	2.6	**28.5**
Accumulated depreciation and impairment losses				
Depreciation and impairment losses as of 1/1/19	(1.3)	(14.6)	(0.8)	(16.7)
Reclassification	-	-	-	-
Depreciation and impairment losses	(0.4)	(3.2)	(0.2)	(3.9)
Disposal	(0.0)	(0.0)	-	(0.0)
Translation differences	0.0	0.0	0.0	0.1
Accumulated depreciation and impairment losses as of 12/31/19	(1.6)	(17.8)	(1.0)	**(20.5)**
Net book value as of 12/31/19	0.9	5.5	1.6	**8.0**
Depreciation for the year	(0.4)	(3.2)	(0.2)	(3.9)
Impairment losses for the year	-	-	-	-
Useful life	Up to 6 years	Up to 10 years	Up to 5 years	
Depreciation plan	Linear	Linear	Linear	

Note 14

Right-of-use assets and lease liabilities

IFRS 16 was implemented for the Group with effect as of January 1, 2019. On transition to IFRS 16, the Group recognized $10.0 million in right of use (ROU) assets and USD 10.0 million in lease liabilities. The ROU assets and lease liabilities comprise office lease contracts. For financial subleasing contracts, the Group has recognized a lease receivable in the statement of financial position, with a corresponding reduction in the ROU asset.

The movements of the Group's right of use assets, lease receivables and lease liabilities are presented below:

Lease liabilities *(USD million)*	**2020**	**2019**
Balance as of 1/1	7.1	10.0
Additions	1.2	2.3
Translation differences	(0.3)	0.1
Lease payments	(4.2)	(5.6)
Interest expense on lease liabilities	0.2	0.3
Lease liabilities as of 12/31	**4.0**	7.1
Of which:		
Current lease liabilities (less than 1 year)	2.8	4.0
Non-current lease liabilities (more than 1 year)	1.2	3.0
Balance as of 12/31	**4.0**	7.1

Right of use assets *(USD million)*	**2020**	**2019**
Balance as of 1/1	4.6	10.0
Lease receivable as of 1/1		(4.1)
Additions	1.2	2.3
Depreciation	(4.2)	(5.4)
Adjustment for depreciation related to Lease receivables	1.4	1.8
Translation differences	-	
Right of use assets as of 12/31	**3.0**	4.6

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life of each leased asset. The estimated useful life is considered to be the term of the contract for each leased asset.

Lease receivables *(USD million)*	**2020**	**2019**
Balance as of 1/1	2.4	4.1
Additions	-	0.0
Income from sublease	(1.5)	(1.8)
Interest income	0.1	0.1
Translation differences	-	0.0
Lease receivables as of 12/31	**0.9**	2.4
Of which:		
Current contract assets (less than 1 year)	0.9	0.5
Non-current contract assets (more than 1 year)	0.0	1.9
Balance as of 12/31	**0.9**	2.4

Translation differences arise due to translation of lease contracts in local currencies to USD.

IFRS 16 effects on the consolidated statement of comprehensive income for the year (USD million)	**2020**	**2019**
Operating lease expenses recognized under operating expenses decreased	(2.8)	(3.8)
Depreciation expense increased as a result of depreciation of ROU assets	2.8	3.7
Net interest expense increased as a result of recognition of the lease liability	0.2	0.2
Translation differences	(0.3)	-
Other	(0.1)	0.1
Net effect	**(0.1)**	0.1

Future lease payments
The future minimum lease payments under non-cancellable lease contracts are as follows:

Payments for leases:	**2020**	**2019**
Less than one year	2.8	4.0
Between one to five years	1.2	2.9
More than five years	0.1	0.3
Total	**4.2**	7.2

The majority of the lease liabilities relate to office leases of AdColony's offices in Seattle, San Mateo, San Francisco and New York, and Bemobi's office lease in Rio de Janeiro.

Further information about the impact of IFRS 16, 'Leases', is provided in Note 1.

Note 15

Other investments

The table below gives a breakdown of the total amount of other investments recognized.

[USD million]	2020	2019
Investments in associated companies	10.1	10.1
Loans to associated companies	7.7	5.8
Investments in other shares	0.8	0.9
Total	**18.7**	16.8

Investments in associated companies
Otello finalized an agreement on December 19, 2016 to sell its TV business ("Opera TV") for $80 million. As part of this agreement, Otello retained an approximately 27% equity interest in Last Lion Holdings Ltd, through preferred shares, which indirectly owns Opera TV through Last Lion Holdco AS. In 2017, Opera TV AS changed its name to Vewd Software AS. See note 21 for further information regarding the investment in Last Lion Holdings Ltd.

Information regarding Last Lion Holdings Ltd *[USD million]*	2020	2019
Revenue	35.3	47.1
EBIT	11.0	20.6
Net profit (loss)	(0.0)	7.7
Assets	164.4	164.4
Non-current liabilities	117.5	117.5
Current liabilities	9.3	9.3
Equity	37.5	37.5
Otello's share of equity	10.1	10.1

The investment in Last Lion Holdings Ltd is recognized using the equity method.

We have received limited information about Last Lion Holdings Ltd financials. The provided information above is therefore only uncertain estimates. However, Otello's 2020 best estimate for the net profit is $0.0m. Please see note 21 for more information.

Carrying value *[USD million]*	2020	2019
At January 1	10.1	8.0
Investment during the financial year	-	-
FX adjustment		0.1
Adjustment from prior year	-	-
Share of the profit (loss)		2.1
Elimination	-	-
Total at December 31	**10.1**	10.1

Loans to associated companies
The Group entered into a loan agreement in 2017 of $5 million with Vewd Software AS (formerly Opera TV AS). This loan is outstanding, with an accrued interest of $1.0 million, as at December 31, 2020. In addition, Otello has accrued £1.25 million to reflect the part of the Otello's cost that MFC has been ordered to pay as part of the ongoing legal proceedings between the parties. Please see note 21 for more information.

Investments in other shares
Otello owns 6.5% of the shares in Alliance Venture Spring AS and approximately 0.075% of the shares in Life360, Inc, which merged with Zen Labs, Inc during 2019. Otello owned shares in Zen Labs Inc prior to this merger. The recognised value of the shares is $0.8 million. Management has not determined the fair value of these investments, as they are not material for the Group. Alliance Venture Spring is a Norwegian venture capital firm investing in early stage technology companies. Life 360 provides location-based services, sharing and notifications application to consumers globally, including integrated driving safety features and tools like Crash Detection and Roadside Assistance. Investments in other shares are recognised at cost.

Note 16

Contingent liabilities

Earn-out agreement and Security Holders agreements with Bemobi Mobile Tech S.A
The Group acquired the Brazilian subsidiary Bemobi Mobile Tech S.A (formerly Bemobi Midia e Entretenimento Ltda) ("Bemobi Brazil") in 2015. As part of the acquisition agreement, 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 Bemobi Holding 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 Intitial Public Offering "IPO"). If such a major transaction did not take place within certain deadlines, the former owners of Bemobi Brazil could require 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 Bemobi Holding AS, the holding company of Otello's Bemobi business 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 Bemobi Holding 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 Bemobi Holding 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, Bemobi Holding 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, Bemobi Holding AS might choose to exercise the call option. In addition, Pedro Ripper and Bemobi Holding 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 Bemobi Holding AS.

Accounting treatment in the consolidated 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 consolidated 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 consolidated financial statements.

Stock-based compensation expenses by type (USD million)	2020
RSU award*)	(7.8)
Options	(1.9)
Total	(9.7)

*) Pedro Ripper

Stock-based compensation expenses per segment (USD million)	2020
Bemobi	(8.6)
AdColony	(0.0)
Otello	(1.2)
Total	(9.7)

Note 17

Other current liabilities

[USD million]	2020	2019
Accruals for publisher invoices not yet received	32.9	23.5
Accrued operating expenses	8.4	9.2
Accrued bonuses, commission and other employee benefits	5.6	5.6
Accrued restructuring costs	0.0	2.7
Other current liabilities	0.4	0.7
Total	**47.3**	41.6

Note 18

Shares and shareholder information

As of December 31, 2020, Otello had a share capital of NOK 2 769 548.58 (USD 323 954) divided into 138 477 429 ordinary shares with a nominal value of NOK 0.02 each (USD 0.002). All ordinary shares have equal voting rights and the right to receive dividends.

The Company's Annual General Meeting on June 2, 2020, authorized the Board of Directors of Otello Corporation ASA (the "Company") to acquire shares in the Company. The maximum value of the shares which the Company may acquire pursuant to the authorization is a total face value of NOK 276 954. The minimum amount which may be paid for each share acquired pursuant to this power of attorney is NOK 5, and the maximum amount is NOK 2000. The shares purchased through the share buyback program may be disposed of to meet obligations under employee incentive schemes, as part of consideration payable for acquisitions made by the Company, as part of consideration for any mergers, demergers or acquisitions involving the Company, to raise funds for specific investments, for paying down loans, or in order to strengthen the Company's capital base.

The above authorization is valid up to and including June 30, 2021.

Share capital decrease
Reference is made to the resolution by the annual general meeting on June 4, 2019 where a resolution was passed to reduce the share capital of the parent company, Otello Corporation ASA, by cancellation of 2,000,000 treasury shares. The share capital reduction has been registered with the Norwegian Register of Business Enterprises in February 2020, and the new registered share capital of the parent company is NOK 2,769,548.58, and the total share count is 138,477,429.

Treasury shares and ordinary shares
During 2020, Otello purchased 388,372 (2019: 943 691) treasury shares for $0.4 million (2019: $1.6 million), and sold 38,555 (2019: 152 691) treasury shares for $0.1 million (2019: $0.2 million).

As of December 31, 2020, Otello owned 894,817 treasury shares (December 31; 2019: 2 545 000).

During 2020, Otello issued 0 (2019: 0) ordinary shares related to the incentive program, 0 (2019: 0) ordinary shares related to business combinations, and 0 (2019: 0) ordinary shares related to an equity increase.

Dividends
Otello did not pay a dividend in 2019 or 2020.

The Board of Directors proposes that the 2020 Annual General Meeting does not approve any dividend payment.

Ownership structure
The 20 largest shareholders of Otello Corporation ASA shares as of December 31, 2020, were as follows:

	2020	2020	2019
[In thousands of shares]	**Shares**	**Owner's and voting share %**	**Owner's and voting share %**
MERRILL LYNCH INTERNATIONAL	33 896	24.5 %	0.0 %
LUDVIG LORENTZEN AS	10 093	7.3 %	8.5 %
AREPO AS	7 437	5.4 %	5.3 %
VERDIPAPIRFONDET DNB TEKNOLOGI	7 270	5.3 %	4.6 %
GOLDMAN SACHS INTERNATIONAL	6 743	4.9 %	27.5 %
MORGAN STANLEY & CO. INT. PLC.	5 404	3.9 %	0.0 %
SUNDT AS	5 342	3.9 %	5.5 %
J.P. MORGAN BANK LUXEMBOURG S.A.	4 819	3.5 %	3.5 %
BANK OF AMERICA, N.A.	4 557	3.3 %	0.0 %
VERDIPAPIRFONDET NORDEA NORGE VERD	4 141	3.0 %	2.9 %
SKANDINAVISKA ENSKILDA BANKEN AB	3 616	2.6 %	N/A
UBS AG	3 093	2.2 %	2.2 %
CACEIS BANK	2 663	1.9 %	2.0 %
SKANDINAVISKA ENSKILDA BANKEN AB	2 312	1.7 %	1.5 %
EUROCLEAR BANK S.A./N.V.	2 211	1.6 %	2.0 %
THE BANK OF NEW YORK MELLON SA/NV	1 922	1.4 %	3.8 %
VPF DNB AM NORSKE AKSJER	1 654	1.2 %	N/A
CLEARSTREAM BANKING S.A.	1 308	0.9 %	0.3 %
THE BANK OF NEW YORK MELLON SA/NV	1 287	0.9 %	N/A
VERDIPAPIRFONDET NORDEA AVKASTNING	1 231	0.9 %	0.9 %
Sum	111 001	80.2 %	70.5 %
Other shareholders	27 476	19.8 %	29.5 %
Total numbers of shares	138 477	100.0 %	100.0 %

Note 19

Related parties

Agreement with Bemobi earnout participants
Please see note 16 for details of the transaction with the Bemobi earnout participants.

Vewd (Opera TV)
The Group, as the creditor, entered into a loan agreement in 2017 of $5 million with Vewd Software AS (formerly Opera TV AS), the debtor. This loan is outstanding as at December 31, 2020. The Group holds a 27% equity interest in Last Lion Holdings Ltd, through preferred shares, which indirectly owns Vewd Software AS through Last Lion Holdco AS.

The Group has not engaged in any related party transactions with any members of the Board of Directors of Otello Corporation ASA or Otello Group executive management.

Members of the Board of Directors and Executive Management of the Group and their immediate relatives controlled 0.3% (2019: 0.3%) of the Group's voting share as per December 31, 2020.

Information regarding compensation for executive management and Board of Directors can be found in note 3. Executive Management also participate in the Group's stock option and RSU program (see note 6).

Note 20

Corporate Structure of Otello Group

Below is a list of group companies in the Otello group as at December 31, 2020:

Entity name	Location	Country	Segment	Owner and voting share
Otello Corporation ASA	Oslo	Norway	Corporate	Listed
Directly owned subsidiaries				
AdColony Holding AS	Oslo	Norway	AdColony	100%
Bemobi Holding AS	Oslo	Norway	Bemobi	88.8 %
Bemobi Holding PLC	London	United Kingdom	Bemobi	100%
Privacy & Performance Ireland Ltd	Dublin	Ireland	Corporate	100%
Indirectly owned subsidiaries				
AdAurora (Beijing) Technologies Co. Ltd (VIE)	Beijing	China	AdColony	100%
AdColony AB	Stockholm	Sweden	AdColony	100%
AdColony ApS	Copenhagen	Denmark	AdColony	100%
AdColony AS	Oslo	Norway	AdColony	100%
AdColony Beijing Co, Ltd.	Beijing	China	AdColony	100%
AdColony GmbH	Berlin	Germany	AdColony	100%
AdColony Holdings Ireland Ltd	Dublin	Ireland	AdColony	100%
AdColony Holdings US, Inc.	San Mateo	United States	AdColony	100%
AdColony India Private Ltd	Gurgaon	India	AdColony	100%
AdColony Ireland Ltd	Dublin	Ireland	AdColony	100%
AdColony Japan LLC	Tokyo	Japan	AdColony	100%
AdColony Korea Ltd	Seoul	Republic of South Korea	AdColony	100%
AdColony Poland sp.z.o.o	Warsaw	Poland	AdColony	100%
AdColony Singapore PTE. Ltd	Singapore	Singapore	AdColony	100%
AdColony UK Ltd	London	United Kingdom	AdColony	100%
AdColony, Inc.	Los Angeles	United States	AdColony	100%
Advine Mobile Advertising Network Prorietary Ltd	Cape Town	South Africa	AdColony	100%
Foriades Park SA	Montevideo	Uruguay	AdColony	100%
Hunt Mobile Ads SA de CV	Mexico City	Mexico	AdColony	100%
Huntmads SA	Buenos Aires	Argentina	AdColony	100%
Mobilike Mobil Reklam Pazarlama Ve Ticaret A.S	Istanbul	Turkey	AdColony	100%
Apps Club de Argentina SRL	Buenos Aires	Argentina	Bemobi	88.8 %
Apps Club de Chile SPA	Santiago	Chile	Bemobi	88.8 %
Apps Club de Colombia S.A.S.	Bogotá	Colombia	Bemobi	88.8 %
Apps Club del Ecuador S.A	Quito	Ecuador	Bemobi	88.8 %
Apps Club del Mexico SA de CV	Mexico	Mexico	Bemobi	88.8 %
Bemobi International AS	Oslo	Norway	Bemobi	88.8 %
Bemobi Mobile Tech S.A.	Rio de Janeiro	Brazil	Bemobi	88.8 %
LLC Bemobi Ukraine	Odessa	Ukraine	Bemobi	88.8 %
Open Markets AS	Oslo	Norway	Bemobi	88.8 %
Tulari Spain Sociedad Limitada	Madrid	Spain	Bemobi	88.8 %
Skyfire Labs, Inc.	San Mateo	United States	Corporate	100%

[1] These entities are direct or indirect subsidiaries of Bemobi Holding AS, of which Otello owns 88.8%

Note 21

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 Paolo, 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) be 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) will be paid from Bemobi Brazil to Bemobi Holding 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 financials will not be consolidated into Otello's accounts going forward but will be booked according to the equity method.

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 Otello has been the health and safety of our employees. Since mid-March, the Group entities 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 both AdColony and Bemobi, in terms of not having physical products and being reliant on the use of consumers mobile phones, we are in relatively fortunate position. Our assessment as we enter 2021 is that we have seen a continued rebound for the AdColony business since 2Q20, and a rebound since 3Q20 for the Bemobi business. However, as our revenue is linked to the advertising spend of companies (AdColony) and subscriptions bought by consumers (Bemobi), 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.

GDPR
As reported in the media, on January 14, 2020, the Norwegian Consumer Council (NCC) filed a complaint to the Norwegian Data Protection Authority (DPA) against Grindr and five other companies, including AdColony, who is a supplier to Grindr. The NCC requests that the DPA investigate certain alleged breaches of the General Data Protection Regulation (GDPR) relating to the processing of personal data about Grindr users received from Grindr through the Grindr app. As of the date of this report, AdColony has not received any formal notification or complaint from the DPA. AdColony is currently looking into the NCC's complaint and will provide further information if and when necessary. The Company has not recognized any contingent liabilities in the interim financial statements related to this matter.

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, use 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 around the end of April. 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.

Otello's case regarding the potential sale of Vewd minority stake
As reported to the market on September 14, 2018, Otello was successful in its claim in the High Court of Justice of England and Wales against Moore Frères & Co LLC ("MFC") and Last Lion Holdings Limited ("Last Lion"), arising from the refusal of the Board of Last Lion, which is controlled by appointees of MFC, to approve the sale of Otello's remaining ownership stake in Last Lion, being approximately 27% in the Vewd Software business. The judge granted Otello the injunction it sought requiring the Board to approve the buyer.

The buyer did not purchase the shares on the terms of the expired Share Purchase Agreement. Otello subsequently restored the proceedings in order to pursue alternative remedies. The High Court has now determined that MFC should be required to purchase Otello's shares in Last Lion from Otello for the sum of $48 million and that MFC should be required to purchase the Loan Note issued in Otello's favour by a subsidiary of MFC for $5 million plus accrued interest at the time of purchase (currently approximately $1 million). It is however understood that MFC's only substantial asset is its shareholding in Last Lion.

In default of compliance by MFC with the order for the purchase of Otello's shares in Last Lion and the Loan Note, all of the shares in the Company shall be sold to a third party with a receiver appointed with all necessary powers to conduct the sale with the net proceeds of a sale being applied in satisfaction of MFC's obligation to purchase the shares and the Loan Note. The court ordered that a receiver will be appointed if MFC had not purchased Otello's shares in Last Lion and the Loan Note by January 8, 2021. That deadline was extended to March 19, 2021 following agreement between MFC and Otello to allow further time for MFC to seek refinancing to raise funds to enable it to pay in full the sums due to Otello. The English High Court had ordered that the appointment of a receiver (or alternatively a special committee of the board of Last Lion Holdings Limited tasked with selling the company or raising finance) would take effect on March, 22, 2021, if Otello has not beeen paid the sums due to it by March 19, 2021.

On March 17, 2021, MFC and Otello together with the Vewd Group's secured lender reached agreement that as an interim alternative to the appointment of a receiver, a special committee (the "Special Committee") of the board of Last Lion Holdings Limited shall be appointed. The Special Committee shall be tasked with selling the company or raising finance. The agreement as to the Special Committee's terms of appointment will in due course be recorded as part of a Court order.

MFC has been ordered to pay Otello's costs of this part of the proceedings (having previously been ordered to pay and having paid the costs of the liability stage). MFC was required to make a payment to Otello in the amount of £1.25 million by 31 December 31, 2020 on account of Otello's costs but has so far failed to do so. If the total costs are not agreed, they will be assessed and determined by the Court.

If the Special Committee is successful in achieving either a sale or a refinancing at a sufficient level, Otello will receive:

(1) For its shares in Last Lion, either
(i) $48 million plus accrued interest from January 8, 2021 at US Prime interest rate plus 1% or
(ii) its pro rata share of any sale proceeds, whichever is greater; and

(2) The face value of $5 million plus accrued interest thereon in respect of the secured promissory note issued to Otello by Last Lion Management LLC, together with all sums due in respect of cost orders made during the court proceedings together with accrued interest on those cost orders.

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

Please see stock exchange announcements for further information on any subsequent events.

Parent Company Financial Statements 2020

Otello Corporation ASA

Statement of

Comprehensive Income

USD million	Note	2020	2019
Revenue	2, 8	0.0	0.0
Total operating revenue		0.0	0.0
Cost of goods sold		(0.0)	0.0
Payroll and related expenses, excluding stock-based compensation expenses	4	(3.6)	(3.3)
Stock-based compensation expenses	4	(1.2)	(1.7)
Depreciation, amortization, and impairment expenses	9	(0.7)	(0.6)
Other operating expenses	5	(1.5)	(2.1)
Total operating expenses		**(7.0)**	(7.8)
Operating profit (loss), excluding impairment and restructuring expenses		**(7.0)**	(7.8)
Impairment and restructuring expenses	7	(0.1)	(29.0)
Operating profit (loss)		**(7.1)**	(36.8)
Interest income	3, 8	2.9	4.0
Interest expenses	3, 8	(1.4)	(1.5)
Net financial income (expense)	3	(5.2)	2.2
Dividends received	8	5.8	122.5
Profit sale of shares		(0.8)	(1.0)
Share of profit (loss) from associated companies	7	0.0	2.1
Net financial items		**1.3**	128.2
Profit (loss) before income taxes		**(5.7)**	91.5
Income taxes	6	(3.2)	0.2
Profit (loss)		**(8.9)**	91.6
Other comprehensive income:			
Items that may or will be transferred to profit (loss)			
Foreign currency translation differences		13.4	(6.3)
Total comprehensive income (loss)		**4.5**	85.4
Profit (loss) attributable to:			
Owners of Otello Corporation ASA		(8.9)	91.6
Non-controlling interests		-	-
Total comprehensive income (loss) attributable to:			
Owners of Otello Corporation ASA		4.5	85.4
Non-controlling interests		-	-

PARENT COMPANY

Statement of
Financial Position

USD million	Note	12/31/2020	12/31/2019
Assets			
Deferred tax assets	6	0.0	2.5
Property, plant and equipment	9	1.6	2.2
Investments in subsidiaries	7	306.2	297.7
Right of use assets	10	0.2	0.3
Sublease receivable	10	0.0	0.0
Other investments	7	18.7	16.8
Receivables from group companies	8	132.8	124.8
Total non-current assets		**459.5**	444.2
Accounts receivable	3	0.0	0.0
Accounts receivable from group companies	8	0.2	0.0
Other receivables		0.3	0.9
Other receivables from group companies	8	0.1	2.0
Cash and cash equivalents	3	2.7	1.2
Total current assets		**3.4**	4.1
Total assets		**462.9**	448.3

OTELLO CORPORATION

Statement of
Financial Position

USD million	Note	12/31/2020	12/31/2019
Shareholders' equity and liabilities			
Equity attributable to owners of the company		423.6	418.4
Non-controlling interests		-	-
Total equity		**423.6**	418.4
Liabilities			
Non-current liabilities to group companies	8	2.5	5.5
Loans and borrowings	3	-	20.0
Financial lease liabilities	10	0.1	0.2
Total non-current liabilities		**2.6**	26.0
Loans and borrowings		35.0	-
Financial lease liabilities	10	0.1	0.1
Accounts payable		0.1	1.2
Accounts payable to group companies	8	0.0	0.0
Other current liabilities to group companies	8	0.0	0.0
Taxes payable	6	0.0	-
Public duties payable		0.2	0.3
Deferred revenue	3	0.0	0.2
Other current liabilities	3	1.3	2.4
Contingent consideration, current	11	0.0	0.0
Total current liabilities		**36.6**	4.2
Total liabilities		**39.2**	29.9
Total equity and liabilities		**462.9**	448.3

Oslo, April 23, 2021

Andre Christensen
Chairman of the Board

Birgit Midtbust

Song Lin

Maria Borge Andreassen

Anooj Unarket

Lars Boilesen
CEO

Statement of
Cash Flows

USD million	Note	1/1 - 12/31 2020	1/1 - 12/31 2019
Cash flow from operating activities			
Profit (loss) before taxes		(5.7)	91.5
Income taxes paid	6	-	-
Depreciation and amortization expense	9	0.7	0.6
Impairment of assets	7	-	29.0
Net (gain) loss from disposals of subsidiaries and other share investments	7	(1.5)	-
Dividends received	8	(5.8)	(122.5)
Other net finance items		(1.2)	(3.2)
Changes in inventories, accounts receivable, accounts and other payables [1]	8	11.4	(2.2)
Changes in other operating working capital		(2.6)	(1.4)
Share of net income (loss) from associated companies	7	-	(2.1)
Share-based remuneration	4	1.1	1.7
Earnout cost and cost for other contingent payments	11	-	-
FX differences related to changes in balance sheet items		(3.9)	(1.2)
Net cash flow from operating activities		**(7.5)**	(9.8)
Cash flow from investment activities			
Proceeds from sale of shares			
Purchases of property, plant and equipment (PP&E) and intangible assets	9	-	-
Earnout and settlement of earnout agreement payments	11	-	-
Other investments	7	(0.1)	(0.1)
Proceeds from loans received from group companies	7	2.5	12.8
Repayment of loans to group companies		(0.7)	(10.1)
Loans given to group companies	7	(5.8)	(12.2)
Net cash flow from investment activities		**(4.0)**	(9.6)
Cash flow from financing activities			
Proceeds from exercise of own shares (incentive program)		0.1	0.2
Purchase of treasury shares		(0.4)	(1.6)
Proceeds from issuance of shares, net (equity increase)		(0.0)	(0.0)
Proceeds from loans and borrowings	3	15.0	20.0
Repayments of loans and borrowings	3	(1.3)	-
Payment of finance lease liabilities, net	10	(0.1)	-
Net cash flow from financing activities		**13.1**	18.6
Net change in cash and cash equivalents		**1.6**	(0.7)
Cash and cash equivalents (beginning of period)		1.2	1.9
Effects of exchange rate changes on cash and cash equivalents		(0.1)	(0.0)
Cash and cash equivalents [2]		**2.7**	1.2

[1] This includes changes in intercompany balances. See note 8 for further information.

[2] Of which $0.2 million (2019: 0.3 million) is restricted cash as of December 31, 2020.

PARENT COMPANY

Statement of
Changes in equity

USD million	Number of shares outstanding (million)	Paid-in capital	Other reserves	Reserve for treasury shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2019	137.9	358.2	42.7	(74.5)	(170.2)	262.2	418.4
Comprehensive income for the period							
Profit for the period		-	-	-	-	(8.9)	(8.9)
Other comprehensive income							
Foreign currency translation differences		-	-	-	13.4	-	13.4
Total comprehensive income for the period		-	-	-	13.4	(8.9)	4.5
Issue of share capital		(0.0)	-	-	-	-	(0.0)
Treasury shares acquired	(0.4)	-	-	(0.4)	-	-	(0.4)
Treasury shares sold	0.0	-	-	0.1	-	-	0.1
Share-based payment transactions		-	1.1	-	-	-	1.1
Balance as of 12/31/2020	137.6	358.2	43.8	(74.9)	(156.8)	253.3	423.7

Face value of the shares
The face value of the shares is NOK 0.02.

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

Reserve for own shares
The reserve for the Company's own shares comprises the face value cost and excess value of own shares held by the Company.

Translation reserve
The translation reserve consists of all foreign currency differences arising from the translation of the financial statements of group companies with a functional currency that is not 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 CORPORATION

Statement of
Changes in equity

USD million	Number of shares outstanding (million)	Paid-in capital	Other reserves	Reserve for treasury shares	Translation reserve	Other equity	Total equity
Balance as of 12/31/2018	138.7	358.2	41.1	(73.2)	(163.9)	170.6	332.8
Comprehensive income for the period							
Profit for the period		-	-	-	-	91.6	91.6
Other comprehensive income							
Foreign currency translation differences		-	-	-	(6.3)	-	(6.3)
Total comprehensive income for the period		-	-	-	(6.3)	91.6	85.4
Issue of share capital		(0.0)	-	-	-	-	(0.0)
Treasury shares acquired	(0.9)	-	-	(1.6)	-	-	(1.6)
Treasury shares sold	0.2	-	-	0.2	-	-	0.2
Share-based payment transactions		-	1.7	-	-	-	1.7
Balance as of 12/31/2019	137.9	358.2	42.7	(74.5)	(170.2)	262.2	418.4

Note 1

General information and significant accounting principles

General information
These are the financial statements of Otello Corporation ASA, which is the holding company for the Otello Group and includes the Group Executive Management (chief operating decision-makers) and associated staff functions. See also Note 1 in the Group's consolidated financial statements.

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

These parent company financial statements have been approved and issued by the Board of Directors on April 23, 2021 for approval by the Annual General Meeting on June 2, 2021.

The explanation of the accounting policies in the Consolidated financial statements also applies to the parent company, and the notes to the consolidated financial statements will cover the parent company, with the exception of the below.

Investments in subsidiaries – parent company

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 that the dividend is approved by the general meeting.

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.

Note 2

Company activities

The Company's main activities are to serve the Group as a whole, through the following functions and services: CEO/Board of Directors, corporate finance and accounting, legal, HR and IT. The Company charges some of the costs related to these functions to subsidiaries.

The principal activities of the Group's business areas are described in more detail in Note 4 Operating and segment information in the Group's consolidated financial statements.

Note 3

Financial risk and financial instruments

Currency 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.

Breakdown of cash deposits by currency	2020	2019
NOK	0.2	1.0
USD	2.5	0.1
EUR	0.0	0.0
Other	0.0	0.0
Total	2.7	1.2

Foreign exchange contracts
During 2020 and 2019, the Company did not use forward exchange contracts to hedge its currency risk, and the Company had not entered 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.

Liquidity reserve *[USD million]*	12/31/2020	12/31/2019
Cash and cash equivalents		
Cash and cash equivalents	2.7	1.2
-of which restricted funds	0.0	0.2
Unrestricted cash	2.7	1.0

Credit Facility *[USD million]*	12/31/2020	12/31/2019
Long-term cash credit	50.0	100.0
-of which utilized	35.0	20.0

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 March 2021, the payment guarantee that was signed in March 2020 as part of the above amendment of an amount equal to $18.6 million in favour of Pedro Ripper, CEO of Bemobi, (on behalf of the former owners of Bemobi) was removed. This was carried out in 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 RCF of $50 million bear an interest rate of LIBOR, 3 months + a Margin of 2.50 % p.a. There is no utilization fee.

The payment guarantee of $18,561,118 bears an interest rate of 1.25%

On the undrawn portion of the facility, a commitment fee of 35% of the Margin will be paid.

Capital management
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 still possesses a business model that anticipates considerable cash flow in the future.

In 2020 and 2019, the Board of Directors has used its authorization to purchase treasury shares. Please see note 18 in the consolidated financial statements for more information.

Financial instruments
Financial instruments, and contracts accounted for as such, are included in several line items in the statement of financial position and classified in categories for accounting treatment. A classification of financial instruments in Otello Corporation ASA is presented below:

[USD million]	*2020* Amortised cost	Fair value
Assets - current		
Accounts receivable	0.0	0.0
Receivables from group companies	0.2	0.2
Cash and cash equivalents	2.7	2.7
Liabilities - non-current		
Loans and borrowings	-	-
Liabilities - current		
Accounts payable	0.1	0.1
Accounts payable to group companies	0.0	0.0
Other current liabilities to group companies	0.0	0.0
Other current liabilities [1]	0.0	0.0
Contingent consideration, current	0.0	0.0

[USD million]	*2019* Amortised cost	Fair value
Assets - current		
Accounts receivable	0.0	0.0
Receivables from group companies	0.0	0.0
Cash and cash equivalents	1.2	1.2
Liabilities - non-current		
Loans and borrowings	20.0	20.0
Liabilities - current		
Accounts payable	1.2	1.2
Accounts payable to group companies	0.0	0.0
Other current liabilities to group companies	0.0	0.0
Other current liabilities [1]	0.8	0.8
Contingent consideration, current	0.0	0.0

[1] Other current liabilities represents liabilities to entities in discontinued operations. These were settled in 2020.

Note 4
Payroll expense and remuneration to management

Payroll expenses *[USD million]*	2020	2019
Salaries and bonuses	(2.7)	(2.6)
Social security cost	(0.6)	(0.4)
Pension cost	(0.2)	(0.2)
Share-based remuneration including social security cost	(1.2)	(1.7)
Insurance and other employee benefits	(0.1)	(0.1)
Payments to long-term contractual staff	(0.0)	(0.1)
Total	**(4.7)**	**(5.1)**
Average number of employees	16	14

The Company has incorporated the requirements set out by the Mandatory Occupational Pensions Act ("Obligatorisk Tjeneste Pensjon").

Remuneration to key management personnel
Information about remuneration to key management personnel is given in the accompanying note 6 in the consolidated financial statements.

Share-based compensation
For details of share-based compensation, see note 6 in the consolidated financial statements.

Options
The number and weighted average exercise price of share options are as follows:

	Weighted average exercise price 2020 (NOK)	Number of options 2020 (in thousands)	Weighted average exercise price 2019 (NOK)	Number of options 2019 (in thousands)
Outstanding at the beginning of the period	40.74	2 050	39.45	2 155
Terminated (employee terminations)	-	-	-	-
Forfeited during the period	-	-	-	-
Expired during the period	36.72	(528)	22.08	(25)
Cancelled during the year	42.16	(1 448)	-	-
Exercised during the period	-	-	12.20	(80)
Granted during the period	18.99	3 450	-	-
Outstanding at the end of the period	19.47	3 525	40.74	2 050
Exercisable at the end of the period	40.84	50	39.25	1 100

3 450 000 options have been granted in 2020 as replacement options for the outstanding ones for the respective employees. The aforementioned outstanding options have been cancelled. (2019: no options granted).

The table below shows the number of options issued to employees at various strike prices and exercise dates.

2020	TOTAL OUTSTANDING OPTIONS			VESTED OPTIONS	
Exercise price	**Outstanding options per 12/31/2020 (in thousands)**	**Weighted average remaining lifetime (years)**	**Weighted average exercise price (NOK)**	**Vested options 12/31/2020 (in thousands)**	**Weighted average exercise price (NOK)**
0.00 - 10.00	-	-	-	-	-
10.00 - 12.30	-	-	-	-	-
12.30 - 15.00	-	-	-	-	-
15.00 - 20.00	3 450	3.67	18.99	-	-
20.00 - 25.00	-	-	-	-	-
25.00 - 30.00	-	-	-	-	-
30.00 - 35.00	-	-	-	-	-
35.00 - 40.00	-	-	-	-	-
40.00 - 45.00	75	1.20	41.66	50	40.84
45.00-	-	-	-	-	-
Total	**3 525**	**3.61**	**19.47**	**50**	**40.84**

2019	TOTAL OUTSTANDING OPTIONS			VESTED OPTIONS	
Exercise price	**Outstanding options per 12/31/2019 (in thousands)**	**Weighted average remaining lifetime (years)**	**Weighted average exercise price (NOK)**	**Vested options 12/31/2019 (in thousands)**	**Weighted average exercise price (NOK)**
0.00 - 10.00	-	-	-	-	-
10.00 - 12.30	-	-	-	-	-
12.30 - 15.00	-	-	-	-	-
15.00 - 20.00	55	0.63	19.28	55	19.28
20.00 - 25.00	25	0.43	22.08	25	22.08
25.00 - 30.00	-	-	-	-	-
30.00 - 35.00	-	-	-	-	-
35.00 - 40.00	475	0.20	38.50	475	38.50
40.00 - 45.00	1 425	2.20	41.66	475	40.04
45.00-	70	1.72	60.75	70	60.75
Total	**2 050**	**1.66**	**40.74**	**1 100**	**39.25**

Exercise price = strike price

The table below shows the date, number and achieved selling price of options exercised.

2020: No options exercised in 2020.

2019:

Date of exercise	**Number of exercised options (in thousands)**	**Achieved selling price (NOK)**
7/8/2019	25	14.86
12/10/2019	55	16.42
Total	**80**	

Restricted stock units
No RSUs were granted in 2020 or 2019.

	2020		2019	
Restricted Stock Units	**Shares (in thousands)**	**Weighted Average Exercise Price (NOK)**	**Shares (in thousands)**	**Weighted Average Exercise Price (NOK)**
Outstanding at the beginning of period	-	-	15	0.02
Granted	-	-	-	-
Exercised	-	-	-	-
Released	-	-	(15)	0.02
Cancelled	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Adjusted quantity	-	-	-	-
Performance adjusted	-	-	-	-
Outstanding at the end of period	-	-	-	-
Vested RSUs	-	-	-	-

	2020		2019	
	Shares (in thousands)	**Value in NOK**	**Shares (in thousands)**	**Value in NOK**
Weighted Average Fair Value of RSUs Granted during the period	-	-	-	-
Intrinsic value outstanding RSUs at the end of the period	-	-	-	-
Intrinsic value vested RSUs at the end of the period	-	-	-	-

There are no unvested RSUs left.

Note 5
Other operating expenses

Other expenses *[USD million]*	**2020**	**2019**
Audit, legal and other advisory services	(0.8)	(1.6)
Purchase of equipment, not capitalized	(0.3)	(0.3)
Travel expenses	(0.0)	(0.1)
Rent and other office expenses	(0.1)	0.2
Hosting expenses, excl. depreciation cost	(0.1)	0.0
Other expenses	(0.3)	(0.3)
Total	**(1.5)**	(2.1)

Remuneration to the statutory auditors
The following table shows audit fees for 2020 and 2019. For all categories the reported fee is the recognized expense in other operating expenses for the year to the external auditor, PwC.

Audit fees *[USD million]*	**2020**	**2019**
Statutory audit	(0.3)	(0.3)
Assurance services	0.0	-
Tax advisory services	0.0	(0.0)
Other services	0.0	(0.0)
Total	**(0.3)**	(0.3)

Note 6

Taxes

[USD million]	2020	2019
Income tax expense recognized in the statement of comprehensive income:		
Current tax	-	-
Changes in deferred taxes	(3.2)	0.2
Tax expense related to change in tax rate	-	-
Total	**(3.2)**	0.2

Recognized deferred tax assets and liabilities:
Deferred tax balances presented in the statement of financial position comprise the following:

[USD million]	2020	2019
Deferred tax assets related to tax loss carryforwards	0.0	2.3
Deferred tax assets related to temporary differences	0.0	0.2
Net deferred assets (liabilities)	**0.0**	2.5

The Company recognizes deferred tax assets related to tax losses in the statement of financial position when it is considered probable that taxable profit will be generated in future periods against which these tax losses carry forwards can be utilized. Regarding Norway, management does not consider that sufficient future taxable profits that will be generated in future periods against which the tax loss carry forward of NOK 3.8m can be utilized. Therefore tax loss carry forwards for Norway are not recognised in the statement of financial position as at December 31, 2020.

Deferred tax assets (liabilities) and changes during the year

2020 [USD million]	Balance 1/1/20	Posted to statement of comprehensive income	Posted directly to the equity	Disposals to discontinued operations	Balance 12/31/20
Accounts receivable	0.0	0.0	-	-	0.0
Provisions and accruals	0.2	(0.1)	-	-	0.1
Total	0.2	(0.1)	-	-	**0.1**
Temporary differences not recognized in the statement of financial position	-	(0.1)	-	-	(0.1)
Temporary differences recognized in the statement of financial position	0.2	(0.2)	-	-	0.0
Tax loss carryforwards	2.3	1.4	-	-	3.7
Tax loss carryforwards not recognized in the statement of financial position	-	(3.7)	-	-	(3.7)
Tax loss carryforwards recognized in the statement of financial position	2.3	(2.3)	-	-	0.0
Net deferred tax assets (liabilities) recognized in the statement of financial position	2.5	(2.5)	-	-	**0.0**

2019 [USD million]	Balance 1/1/19	Posted to statement of comprehensive income	Posted directly to the equity	Disposals to discontinued operations	Balance 12/31/19
Accounts receivable	-	0.0	-	-	0.0
Provisions and accruals	0.2	0.0	-	-	0.2
Total	0.2	0.0	-	-	**0.2**
Temporary differences not recognized in the statement of financial position	0.0		-	-	-
Temporary differences recognized in the statement of financial position	0.2	0.0	-	-	0.2
Tax loss carryforwards	4.1	(1.8)	-	-	2.3
Tax loss carryforwards not recognized in the statement of financial position	-	-	-	-	-
Tax loss carryforwards recognized in the statement of financial position	4.1	(1.8)	-	-	2.3
Net deferred tax assets (liabilities) recognized in the statement of financial position	4.3	(1.8)	-	-	**2.5**

Reconciliation of effective tax rate [USD million]		2020		2019
Profit (loss) before tax		(5.7)		91.5
Income tax using the corporate income tax rate in Norway [1]	22.0 %	1.3	22.0 %	(20.1)
Effect of changes in tax rates		0.0		0.2
Effect of deferred tax assets not recognized		0.0		0.0
Effect of non-taxable and non-deductible items		(4.4)		20.1
Total tax expense for the year		(3.2)		0.2
Effective tax rate		-54.8 %		-0.2 %

[1] The income tax rate in Norway was 22 % in 2020, and 22 % in 2019. The tax rate will remain unchanged in 2021.

Permanent differences
Permanent differences include impairment losses, dividends received, share-based remuneration, and non-deductible costs.

PARENT COMPANY

Note 7

Investments in subsidiaries, and other investments

Investments in subsidiaries
Below is an overview of the investments in subsidiaries directly held by Otello Corporation ASA as of December 31, 2020.

[USD million]	Bemobi Holding AS	AdColony Holding AS	Privacy & Performance Ireland Ltd	Bemobi Holding Plc
Segment (Group)	Bemobi	AdColony	Skyfire	Bemobi
Acquisition/establishment date	8/8/2016	6/18/2016	9/14/2016	1/24/2019
Registered office	Oslo, Norway	Oslo, Norway	Dublin, Ireland	London, UK
Ownership and voting share	88.8 %	100%	100%	100%
Equity at year end	136.5	461.0	0.6	-
Profit for the year	31.4	0.1	(0.1)	-

Information related to carrying value:	Bemobi Holding AS	AdColony Holding AS	Privacy & Performance Ireland Ltd	Bemobi Holding Plc	Total
Acquisition cost	63.0	235.0	0.2	-	298.2
Equity increase prior to current year	64.6	398.4	0.0	-	463.1
Equity increase in the current year	-	-	-	-	-
Divestment of 11.2% of the shares, prior year	(10.5)	0.0	0.0	-	(10.5)
Impairment loss prior to current year	0.0	(422.3)	0.0	-	(422.3)
Impairment loss in the current year	-	-	-	-	0.0
Group contribution prior to current year	-	(6.6)	-	-	(6.6)
Group contribution in the current year	-	0.0	-	-	0.0
Translation differences	(4.3)	(11.3)	0.0	-	(15.6)
Carrying value	112.8	193.1	0.2	-	**306.2**

Impairment loss related to the AdColony business
The Group has carried out impairment testing as of December 31, 2020, according to IAS 36. Based on the impairment testing carried out at Group level, Otello Corporation ASA ("the Company") has not recognized an impairment loss.

Divestment of 11.2% of the shares
The shares in the subsidiaries are booked at the cost of acquisition. On May 29, 2018, the Company divested 11.2% of the shares in Bemobi Holding AS. Please see note 16 of the consolidated financial statements for further information.

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Shares in subsidiaries

Below is a list of shares in subsidiaries owned by other group companies, and indirectly by the Company, as at December 31, 2020:

Entity name	Location	Segment	Country	Owner and voting share
AdAurora (Beijing) Technologies Co. Ltd (VIE)	Beijing	AdColony	China	100%
AdColony AB	Stockholm	AdColony	Sweden	100%
AdColony ApS	Copenhagen	AdColony	Denmark	100%
AdColony AS	Oslo	AdColony	Norway	100%
AdColony Beijing Co, Ltd.	Beijing	AdColony	China	100%
AdColony GmbH	Berlin	AdColony	Germany	100%
AdColony Holdings Ireland Ltd	Dublin	AdColony	Ireland	100%
AdColony Holdings US, Inc.	San Mateo	AdColony	United States	100%
AdColony India Private Ltd	Gurgaon	AdColony	India	100%
AdColony Ireland Ltd	Dublin	AdColony	Ireland	100%
AdColony Japan LLC	Tokyo	AdColony	Japan	100%
AdColony Korea Ltd	Seoul	AdColony	Republic of South Korea	100%
AdColony Poland sp.z.o.o	Warsaw	AdColony	Poland	100%
AdColony Singapore PTE. Ltd	Singapore	AdColony	Singapore	100%
AdColony UK Ltd	London	AdColony	United Kingdom	100%
AdColony, Inc.	Los Angeles	AdColony	United States	100%
Advine Mobile Advertising Network Proprietary Ltd	Cape Town	AdColony	South Africa	100%
Foriades Park SA	Montevideo	AdColony	Uruguay	100%
Hunt Mobile Ads SA de CV	Mexico City	AdColony	Mexico	100%
Huntmads SA	Buenos Aires	AdColony	Argentina	100%
Mobilike Mobil Reklam Pazarlama Ve Ticaret A.S	Istanbul	AdColony	Turkey	100%
Apps Club de Argentina SRL	Buenos Aires	Bemobi	Argentina	88.8 %
Apps Club de Chile SPA	Santiago	Bemobi	Chile	88.8 %
Apps Club de Colombia S.A.S.	Bogotá	Bemobi	Colombia	88.8 %
Apps Club del Ecuador S.A	Quito	Bemobi	Ecuador	88.8 %
Apps Club del Mexico SA de CV	Mexico	Bemobi	Mexico	88.8 %
Bemobi International AS	Oslo	Bemobi	Norway	88.8 %
Bemobi Mobile Tech S.A	Rio de Janeiro	Bemobi	Brazil	88.8 %
LLC Bemobi Ukraine	Odessa	Bemobi	Ukraine	88.8 %
Open Markets AS	Oslo	Bemobi	Norway	88.8 %
Tulari Spain Sociedad Limitada	Madrid	Bemobi	Spain	88.8 %
Skyfire Labs, Inc.	San Mateo	Corporate	United States	100%

1) These entities are direct or indirect subsidiaries of Bemobi Holding AS, of which Otello owns 88.8%

Other investments

The table below gives a breakdown of the total amount of other investments recognized.

[USD million]	2020	2019
Investments in associated companies	10.1	10.1
Loans to associated companies	7.7	5.8
Investments in other shares	0.8	0.9
Total	18.7	16.8

Please see note 15 in the Consolidated financial statements for further information regarding other investments.

Note 8

Receivables, payables and transactions

Receivables and payables
The table below presents a breakdown of receivables and payables with group companies.

Other receivables (non-current) *[USD million]*

2020	2019
132.8	124.8

Accounts receivables *[USD million]*

2020	2019
0.2	0.0

Other receivables (current) *[USD million]*

2020	2019
0.1	2.0

Liabilities (non-current) *[USD million]*

2020	2019
2.5	5.5

Accounts payable *[USD million]*

2020	2019
0.0	0.0

Other liabilities (current) *[USD million]*

2020	2019
0.0	0.0

All outstanding balances with the related parties are priced on an arm's-length basis and are to be settled in cash within five years of the reporting date. None of the balances are secured. The balances outstanding are specified as follows:

2020

Receivables from group companies *[USD million]*	
AdColony Inc (USA)	133.1
AdColony ApS (Denmark)	0.1
Other entities	0.0
Total receivables	**133.2**

Payables to group companies *[USD million]*	
Bemobi Holding AS	2.5
Other entities	0.0
Total payables	**2.5**

2019

Receivables from group companies *[USD million]*	
AdColony Inc (USA)	125.4
Bemobi Holding AS	1.1
Bemobi International AS	0.2
Other entities	0.1
Total receivables	**126.8**

Payables to group companies *[USD million]*	
Performance and Privacy Ireland Limited	5.5
Other entities	0.0
Total payables	**5.5**

Breakdown of intercompany receivables by currency:

[USD million]	2020	2019
USD	133.1	125.4
NOK	0.1	0.9
GBP	0.0	0.4
Total	**133.2**	126.8

For the largest intercompany receivables described in detail above, an interest rate of 3 month LIBOR + 130 basis points is charged.

Breakdown of intercompany payables by currency:

[USD million]	2020	2019
USD	2.5	5.5
NOK	-	0.0
SGD	0.0	-
EUR	-	-
GBP	-	-
Total	**2.5**	5.5

Transactions with group companies

Transactions *[USD million]*	2020	2019
Intercompany revenue	0.0	0.0
Intercompany costs of goods sold	(0.0)	(0.0)
Interest income from related parties	2.7	3.7
Interest expense to related parties	(0.1)	(0.3)

Loan agreement and dividend payment
The Company received dividends totalling USD 5.8 million from Performance and Privacy Ireland Ltd in 2020, which was set-off against the loan note of the same amount that Performance and Privacy Ireland Ltd held against the Company.

Note 9
Property, plant & equipment

[USD million]	2020 Machinery and equipment	Total
Acquisition cost		
Acquisition cost as of 1/1/20	5.5	5.5
Acquisitions	-	0.0
Currency differences	0.1	0.1
Acquisition cost as of 12/31/20	5.7	**5.7**
Depreciation and impairment losses		
Acquisition cost as of 1/1/20	(3.3)	(3.3)
Depreciation for the year	(0.6)	(0.6)
Currency differences	(0.1)	(0.1)
Accumulated depreciation as of 12/31/20	(4.0)	**(4.0)**
Net book value as of 12/31/20	1.6	**1.6**

[USD million]	2019 Machinery and equipment	Total
Acquisition cost		
Acquisition cost as of 1/1/19	5.6	5.6
Acquisitions	-	0.0
Currency differences	(0.0)	(0.0)
Acquisition cost as of 12/31/19	5.5	**5.5**
Depreciation and impairment losses		
Acquisition cost as of 1/1/19	(2.7)	(2.7)
Depreciation for the year	(0.6)	(0.6)
Currency differences	0.0	0.0
Accumulated depreciation as of 12/31/19	(3.3)	**(3.3)**
Net book value as of 12/31/19	2.2	**2.2**

Useful life	Up to 10 years
Depreciation plan	Linear

Note 10
Right-of-use assets and lease liabilities

During 2019, the Company signed a new lease agreement for the rental of its Oslo offices which will run from December 2019 through November 2024. The lease has a break clause after 3 years, which has been assumed to be exercised. This lease has been capitalized, and details of this are presented below.

The movements of the Company's right of use assets, contract assets and lease liabilities are presented below:

Lease liabilities (USD million)	**2020**	**2019**
Balance as of 1/1	0.3	-
Additions	-	0.3
Translation differences	(0.0)	0.0
Lease payments	(0.1)	(0.0)
Interest expense on lease liabilities	0.0	0.0
Lease liabilities as of 12/31	**0.2**	0.3
Of which:		
Current lease liabilities (less than 1 year)	0.1	0.1
Non-current lease liabilities (more than 1 year)	0.1	0.2
Balance as of 12/31	**0.2**	0.3

Right of use assets (USD million)	**2020**	**2019**
Balance as of 1/1		
Additions	0.3	0.3
Depreciation	(0.1)	(0.0)
Translation differences	-	-
Right of use assets as of 12/31	**0.2**	0.3

Depreciation is calculated on a straight-line basis over the estimated useful life of each leased asset. The estimated useful life is considered to be the term of the contract for each leased asset.

Translation differences arise due to translation of lease contracts in local currencies to USD.

IFRS 16 effects on the consolidated statement of comprehensive income for the year (USD million)	**2020**	**2019**
Interest expense	(0.0)	(0.0)
Depreciations	(0.1)	(0.0)

Future lease payments
The future minimum lease payments under non-cancellable lease contracts are as follows:

Payments for leased premises:	**2020**	**2019**
Less than one year	0.1	0.1
Between one to five years	0.1	0.4
More than five years	-	-
Total	**0.2**	0.5

The company renewed its office lease contract in Oslo during 2019.

Further information about the impact of IFRS 16, 'Leases', is provided in Note 1.

Note 11

Contingent liabilities

Earn-out agreement and Security Holders agreements with Bemobi Mobile Tech S.A
The Group acquired the Brazilian subsidiary Bemobi Mobile Tech S.A (formerly Bemobi Midia e Entretenimento Ltda) ("Bemobi Brazil") in 2015. As part of the acquisition agreement, 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 Bemobi Holding 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 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 Bemobi Holding AS, the holding company of Otello's Bemobi business 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 Bemobi Holding 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 Bemobi Holding 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, Bemobi Holding 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, Bemobi Holding AS might choose to exercise the call option. In addition, Pedro Ripper and Bemobi Holding 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 Bemobi Holding AS.

Please see note 16 in the Consolidated financial statements for further information regarding contingent liabilities.

Note 12

Related parties

Agreement with Bemobi earnout participants
Please see note 11 for details of the transaction with the Bemobi earnout participants.

Vewd (Opera TV)
The Company, as the creditor, entered into a loan agreement in 2017 of $5 million with Vewd Software AS (formerly Opera TV AS), the debtor. This loan is outstanding as at December 31, 2020. The Company holds a 27% equity interest in Last Lion Holdings Ltd, through preferred shares, which indirectly owns Vewd Software AS through Last Lion Holdco AS.

Apart from the above transactions, and for 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 Executive Management.

See note 8 for information regarding transactions with group companies.

The Group has not engaged in any related party transactions with any members of the Board of Directors of Otello Corporation ASA or Otello Group executive management.

Members of the Board of Directors and Executive Management of the Group and their immediate relatives controlled 0.3% (2019: 0.3 %) of the Group's voting share as per December 31, 2020.

Compensation for Executive Management and Board of Directors can be found in note 6 of the consolidated financial statements. Executive Management also participate in the Group's stock option and RSU program (see note 6 of the consolidated financial statements).

Note 13

Potential sale of Vewd minority stake

Otello's case regarding the potential sale of Vewd minority stake
As reported to the market on September 14, 2018, Otello was successful in its claim in the High Court of Justice of England and Wales against Moore Frères & Co LLC ("MFC") and Last Lion Holdings Limited ("Last Lion"), arising from the refusal of the Board of Last Lion, which is controlled by appointees of MFC, to approve the sale of Otello's remaining ownership stake in Last Lion, being approximately 27% in the Vewd Software business. The judge granted Otello the injunction it sought requiring the Board to approve the buyer.

The buyer did not purchase the shares on the terms of the expired Share Purchase Agreement. Otello subsequently restored the proceedings in order to pursue alternative remedies. The High Court has now determined that MFC should be required to purchase Otello's shares in Last Lion from Otello for the sum of $48 million and that MFC should be required to purchase the Loan Note issued in Otello's favour by a subsidiary of MFC for $5 million plus accrued interest at the time of purchase (currently approximately $1 million). It is however understood that MFC's only substantial asset is its shareholding in Last Lion.

In default of compliance by MFC with the order for the purchase of Otello's shares in Last Lion and the Loan Note, all of the shares in the Company shall be sold to a third party with a receiver appointed with all necessary powers to conduct the sale with the net proceeds of a sale being applied in satisfaction of MFC's obligation to purchase the shares and the Loan Note. The court ordered that a receiver will be appointed if MFC had not purchased Otello's shares in Last Lion and the Loan Note by January 8, 2021. That deadline was extended to March 19, 2021 following agreement between MFC and Otello to allow further time for MFC to seek refinancing to raise funds to enable it to pay in full the sums due to Otello. The English High Court had ordered that the appointment of a receiver (or alternatively a special committee of the board of Last Lion Holdings Limited tasked with selling the company or raising finance) would take effect on March, 22, 2021, if Otello has not been paid the sums due to it by March 19, 2021.

On March 17, 2021, MFC and Otello together with the Vewd Group's secured lender reached agreement that as an interim alternative to the appointment of a receiver, a special committee (the "Special Committee") of the board of Last Lion Holdings Limited shall be appointed. The Special Committee shall be tasked with selling the company or raising finance. The agreement as to the Special Committee's terms of appointment will in due course be recorded as part of a Court order.

MFC has been ordered to pay Otello's costs of this part of the proceedings (having previously been ordered to pay and having paid the costs of the liability stage). MFC was required to make a payment to Otello in the amount of £1.25 million by 31 December 31, 2020 on account of Otello's costs but has so far failed to do so. If the total costs are not agreed, they will be assessed and determined by the Court.

If the Special Committee is successful in achieving either a sale or a refinancing at a sufficient level, Otello will receive:

(1) For its shares in Last Lion, either
(i) $48 million plus accrued interest from January 8, 2021 at US Prime interest rate plus 1% or
(ii) its pro rata share of any sale proceeds, whichever is greater; and

(2) The face value of $5 million plus accrued interest thereon in respect of the secured promissory note issued to Otello by Last Lion Management LLC, together with all sums due in respect of cost orders made during the court proceedings together with accrued interest on those cost orders.

Note 14

Events after the reporting period

Please see Note 21 in the Consolidated Financial Statements for information concerning events after the balance sheet date.

Auditor's report

pwc

To the General Meeting of Otello Corporation ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Otello Corporation ASA, which comprise:

- The financial statements of the parent company Otello Corporation ASA (the Company), which comprise the financial position as at 31 December 2020, the 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, and

- The consolidated financial statements of Otello Corporation ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements 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 the EU.

- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group 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 the 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 and the Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the

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context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Group's business activities are largely unchanged compared to last year. Consequently *Valuation of goodwill and intangible assets* carry the same risks as the previous year, and continue to be in our focus.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of goodwill and intangible assets At the balance sheet date, the book value of goodwill and intangible assets were USD million 220 and 13 respectively distributed between two different cash generating units (CGU's). The values involved are significant and constitute a major part of total assets in the balance sheet. No impairment charge was recognized for 2020. The group operates within business sectors that experience rapid technological change and market disruptions; mobile advertising and apps & games. We focused on the valuation of goodwill and intangible assets allocated to the mobile advertising business because valuation to a large extent depends on management judgement. The earnings in this part of the business is volatile and requires considerable use of judgement to estimate. Even incremental changes to the assumptions and timing of cash flows in the estimate involved management judgement could lead to material changes in value. See further information about management's assessment in note 11 and 12 to the financial statements.	We evaluated the appropriateness of management's allocation of goodwill and intangible assets to CGU's and the Group's controls over the impairment assessment. Our procedures directed at challenging management's impairment assessment included discussing and considering the suitability of the impairment model and the reasonableness of the assumptions as well as testing of the mathematical accuracy of the model. We assessed the reliability of management's cash flow forecasts through a comparison of actual performance in previous years to previous year's forecasts. We obtained explanations from management to material deviations. We compared estimates on future cash flows to long-term plans approved by the Board of Directors. Further, we challenged management's expectations on future growth by comparing these expectations with historic results for the two CGU's. We also compared the growth assumptions with relevant external sources such as PwC's Global Entertainment & Media Outlook for growth within mobile advertising in the US. We assessed the discount rate by comparing the key components used with external market data where possible. We considered that the discount rates were within an appropriate range. We considered the appropriateness of the related disclosures, including the sensitivities provided for the discount rate and growth expectations. Finally, we considered audit evidence provided by subsequent events occurring up to the report date. Based on our testing and considerations, we were able to conclude that management's assumptions were reasonable. We evaluated the appropriateness of the related disclosures and satisfied ourselves that the disclosures appropriately explained the valuation.

(2)

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.

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 and the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

(3)

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

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

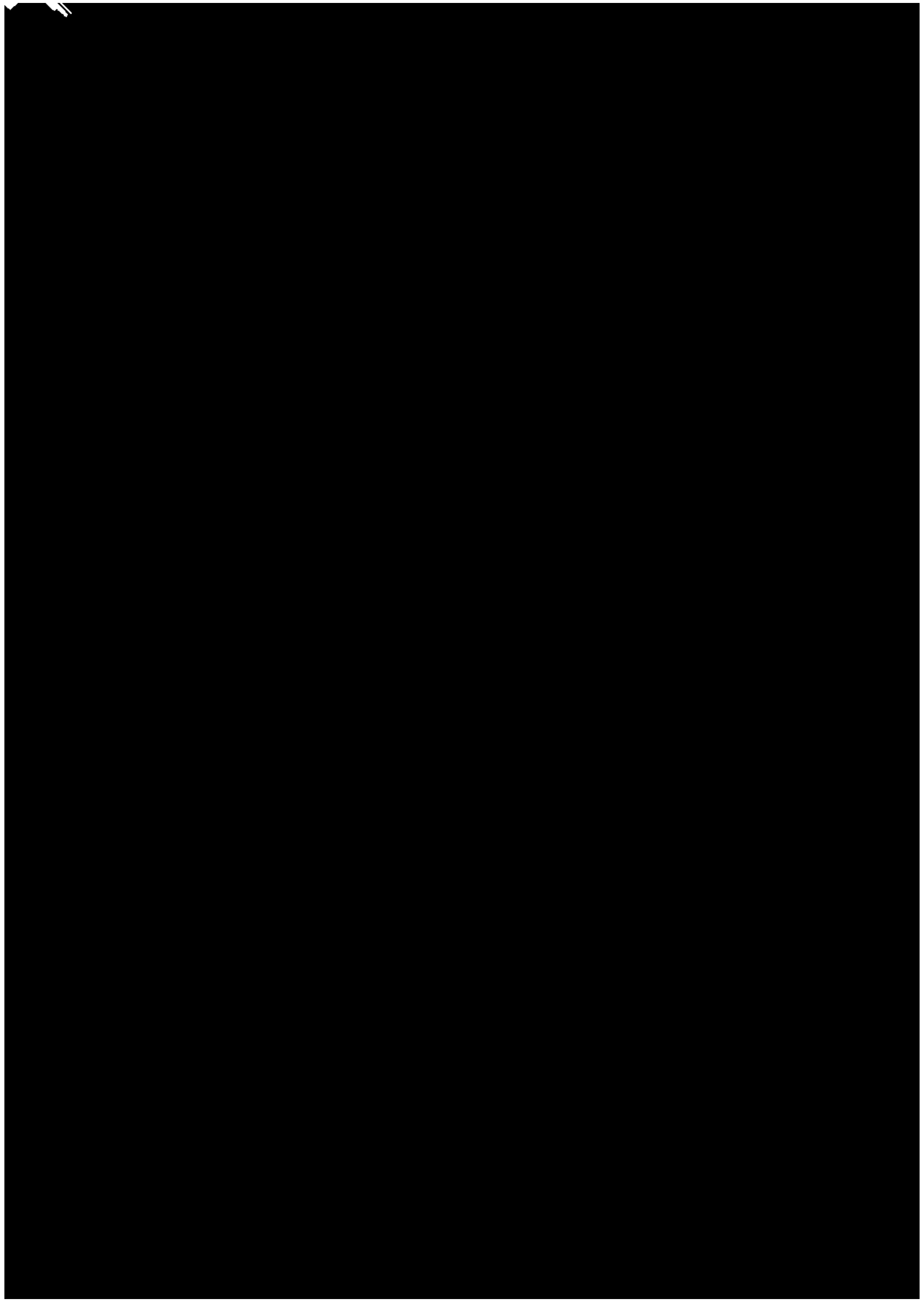
Independent Auditor's Report - Otello Corporation ASA

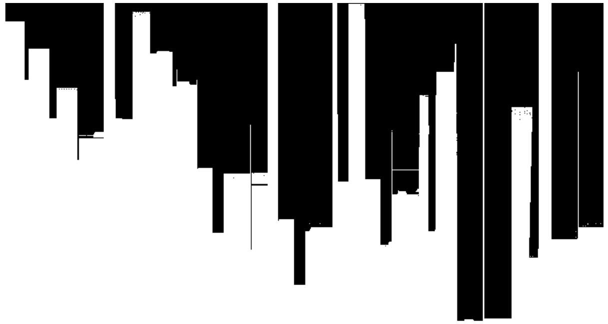
set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23 April 2021
PricewaterhouseCoopers AS

Eivind Nilsen
State Authorised Public Accountant

(This document is signed electronically)





Declaration of executive compensation policies

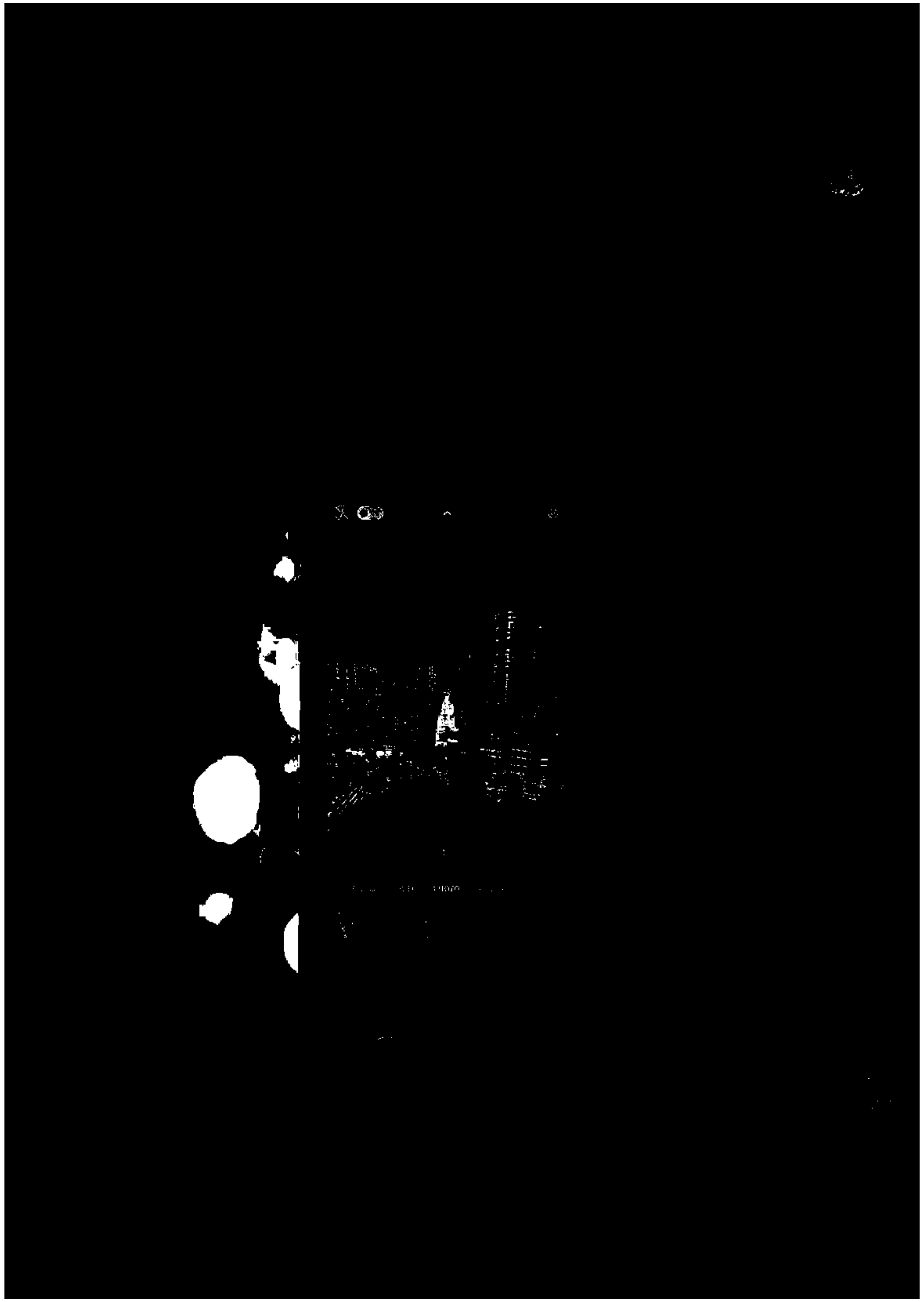
PART 1:
POLICIES AND EXECUTIVE COMPENSATION EXCEPT SHARE-BASED INCENTIVES

The Board of Directors has, in accordance with the Public Limited Liability Companies Act § 6-16a, developed policies regarding compensation for the Executive Team.

The objectives of the Executive Team compensation program are, in particular, to (i) attract, motivate, retain and reward the individuals on the Executive Team and (ii) ensure alignment of the Executive Team with the long-term interests of the shareholders. The Company's executive compensation program is intended to be performance driven and is designed to reward the Executive Team for both reaching key financial goals and strategic business objectives and enhancing shareholder value.

The most important components of Executive Team compensation are as follows: (i) base salary, (ii) cash-incentive bonus and (iii) long-term, equity-based incentives. Only the statement in Part 2 "Share-based incentives", below, will be binding for the Board of Directors.

1. Base salary
Base salary is typically the primary component of Executive Team compensation and reflects the overall contribution of the executive to the Company. The determination of base salaries for the executives considers a range of factors, including (i) job scope and responsibilities, (ii) competitive pay practices, (iii) background, training and experience of the executive, and (iv) past performance of the executive at the Company. Adjustments to base salary are ordinarily reviewed every 12 months or longer by the Board.



2. Cash incentive bonus

The Company uses a cash-incentive bonus to focus the Executive Team members on, and reward the Executive Team members for, achieving key corporate objectives, which typically involve corporate, financial and operational performance. Cash-incentive bonuses tied to strategic business objectives, which may be individual to or shared among the Executive Team members, may also be considered as part of the cash-incentive bonus. The determination of the total bonus that can be potentially earned by an executive in a given year is based on, among other factors, the executive's current and expected contributions to the Company's performance, his or her position within the Executive Team, and competitive compensation practices.

In October 2020, members of the Executive Team agreed new cash bonus structures where annual, cash bonus in based on 100-200% achievement of targets. The Board may deviate from the 200% cap. As a starting point, the cash-incentive bonus for FY 2020 for Executive Team members was, or for FY 2021 will be, based on business-/operational targets and achievements of these targets.

Further, as a condition for accepting to terminate all then existing options and replacing them with new options (as approved by the general meeting on 15 January 2021), it was also agreed that the CEO would be paid NOK 6 million and the CFO would be paid NOK 500,000 in cash bonus for 2019 and 2020, where half of the bonus would be considered part of the 2020 bonus and be taken into account when the Executive's total 2020 bonus was determined in early 2021, while half of the bonus would be considered as an extraordinary bonus.

3. Severance-payment arrangements

Pursuant to Section 15-16 second subsection of the Norwegian 2005 Act relating to Employees' Protection, CEO Lars Boilesen has waived his rights under Chapter 15 of the Act. As compensation, he is entitled to a severance payment of two years' base salary if his employment is terminated by the Company. If the CEO has committed a gross breach of his duty or other serious breach of the contract of employment, the employment can be terminated with immediate effect without any right for the CEO to the mentioned severance payment.

Except for the CEO as described above, the employment agreements for the members of the Executive Team have no provisions with respect to severance payments if a member of the Executive Team should leave his or her position, whether voluntarily or involuntarily. Severance payment arrangements, if any, will thus be based on negotiations between the Company and the relevant member of the Executive Team on a case-by-case basis.

4. Pension

Members of Executive Team participate in regular pension programs available for all employees of Company. For members of the Executive Team based in Norway, an additional pension agreement is in place. This agreement is based on a defined-contribution scheme and contributes 20% of salary over 12G.

PART 2: SHARE-BASED INCENTIVES

1. Existing programs

For members of the Executive Team, the Company currently has one ordinary stock option program in place, as most recently approved at an extraordinary general meeting held 15 January 2021.

2. Vesting criteria for existing options

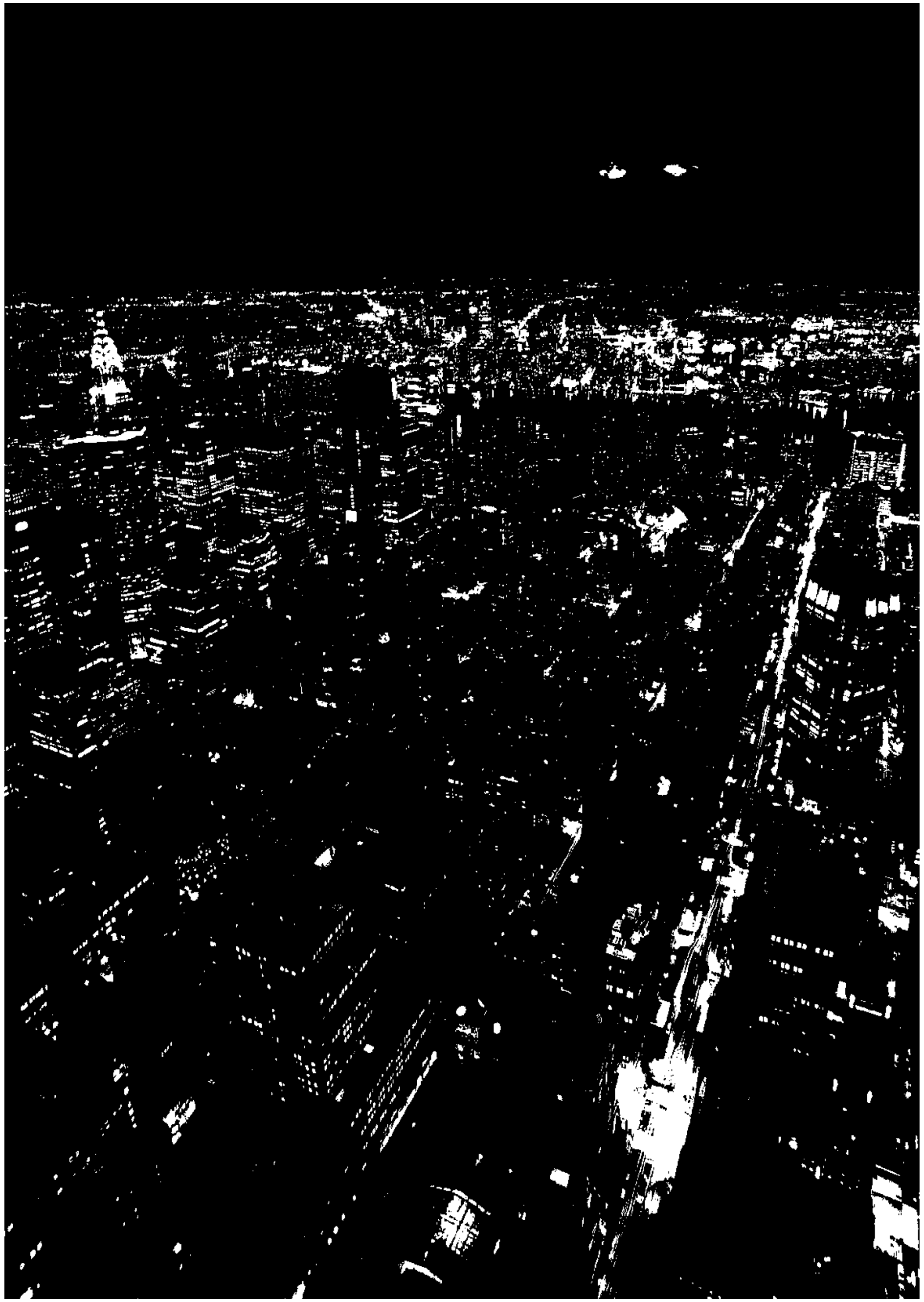
Such options vest over four years with ¼ each year.

PART 3: 2020 COMPLIANCE

In 2020, the Executive Team received base salaries and cash-incentive bonuses in line with the Executive Compensation Policy as presented to the 2020 Annual General Meeting and as set out in Part I, item 2 "Cash incentive bonus" as described above.

Total compensation earned for the Executive Team in FY 2020 is summarized in note 6 of the consolidated financial statements.

During 2020, no deviations from the existing share-based compensation programs as previously approved were made with respect to the Executive Team. New options were approved by the extraordinary general meeting held 15 January 2021.



Principles of Corporate Governance at Otello Corporation ASA

General principles, implementation and reporting on corporate governance
Otello Corporation ASA ("Otello" or the "Company") strongly believes that strong corporate governance creates higher shareholder value. As a result, Otello is committed to maintaining high standards of corporate governance. Otello's principles of corporate governance have been developed in light of the Norwegian Code of Practice for corporate governance (the "Code"), dated October 17, 2018, as required for all listed companies on the Oslo Stock Exchange. The Code is available at www.nues.no. The principles are further developed and are in accordance with section 3-3b and section 3-3c of the Norwegian Accounting Act, which can be found at https://lovdata.no/dokument/NL/lov/1998-07-17-56. Otello views the development of high standards of corporate governance as a continuous process and will continue to focus on improving the level of corporate governance.

The Board of Directors has the overall responsibility for corporate governance at Otello and ensures that the Company implements sound corporate governance. The Board of Directors has defined Otello's basic corporate values, and the Company's ethical guidelines and guidelines on corporate social responsibility are in accordance with these values.

Otello's activities
Otello holds shares in several different businesses, including (i) AdColony which helps publishers monetize their content through advertising and advertisers reach the audiences that build value for their businesses, capitalizing on a global consumer audience reach that exceeds 2 billion; (ii) Bemobi, a Mobile Media and Entertainment company which integrate people and mobile content through technology and offers a leading subscription-based discovery service for mobile apps in Latin America and beyond; (iii) Skyfire which offers cloud-based network solutions for mobile operators; and (iv) Vewd which offers OTT services in the Connected TV space.

Our business is based on close relationships with customers, partners, investors, employees, friends, and communities all over the world — relationships we are committed to developing by conducting our business openly and responsibly. Our corporate policies are developed in order to be true to this commitment.

Corporate Social Responsibility guidelines
The Board of Directors has adopted corporate social responsibility ("CSR") guidelines. These guidelines cover a range of topics and are focused around the following areas: our employees, human rights, anti-corruption and the environment. These general principles and guidelines apply to all employees and officers of the Group. See the Board of Directors report for further information.

Equity, capital structure and dividends
The Company's capital structure and financing is considered to be appropriate in terms of Otello's objectives, strategy and risk profile.

Otello's policy is to maintain a high equity ratio. Otello believes its needs for growth can be met while also allowing for a dividend distribution as long as the Company is reaching its targeted growth and cash generation levels. Dividend payments will be subject to approval by the shareholders at the Company's Annual General Meetings.

Authorizations granted to the Board of Directors to increase the Company's share capital will be restricted to defined purposes and will in general be limited in time to no later than the date of the next Annual General Meeting. To the extent that authorization to increase the share capital shall cover issuance of shares under employee share option schemes and other purposes, the Company will consider presenting the authorizations to the shareholders as separate items.

The Board of Directors may also be granted the authority to acquire own shares. Authorizations granted to the Board of Directors to acquire own shares will also be restricted to defined purposes. To the extent that authorization to acquire own shares shall cover several purposes, the Company will consider presenting the authorization to the shareholders as separate items. Such authority may by law apply for a maximum period of 2 years, and will state the maximum and minimum amount payable for the shares. In addition, an authorization to acquire own shares will state the highest nominal value of the shares which Otello may acquire, and the mode of acquiring and disposing of own shares. Otello may not at any time hold more than 10% of the total issued shares as own shares.

Equal treatment of shareholders and transactions with related parties
A key concept in Otello's approach to corporate governance is the equal treatment of shareholders. Otello has one class of shares and all shares are freely transferable (with possible exceptions due to foreign law restrictions on sale and offering of securities). All shares in the Company carry equal voting rights. The shareholders exercise the highest authority in the Company through the General Meeting. All shareholders are entitled to submit items to the agenda, and to meet, speak, and vote at the General Meeting.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital will be explained. Where the Board of Directors resolves to carry out an increase in the share capital and waive the pre-emption rights of the existing shareholders on the basis of a mandate granted to the board, an explanation will be publicly disclosed in a stock exchange announcement issued in connection with the increase of the capital.

In 2020 there have been no significant transactions with related parties. In early 2020, Otello signed an amendment to the 2018 agreement with the Bemobi earnout participants. See Note 16 of the consolidated financial statements for further information.

If the Company should enter into a not immaterial transaction with related parties within Otello or with companies in which a director or leading employee of Otello or close associates of these have a material direct or indirect vested interest, those concerned shall immediately notify the Board of Directors. Any such transaction must be approved by the Board of Directors, and where required also as soon as possible publicly disclosed to the market.

In the event of not immaterial transactions between the Company and shareholders, a shareholder's parent company, members of the Board of Directors, executive management or close associates of any such parties, the Board of Directors will arrange for a valuation to be obtained from an independent third party, unless the transaction requires the approval of the General Meeting.

Insider trading
The Company has an established and closely monitored insider trading policy. Otello employees are prohibited from trading in Otello securities based on information that is material, nonpublic information; that is, the public does not yet have access to this information, and this information may be deemed interesting for an investor to use when deciding whether to buy or sell securities. This rule also applies to other companies, where Otello employees may have access to such nonpublic information. Please note that even a tip to family and friends is considered illegal, if this should be used as a basis for buying or selling securities.

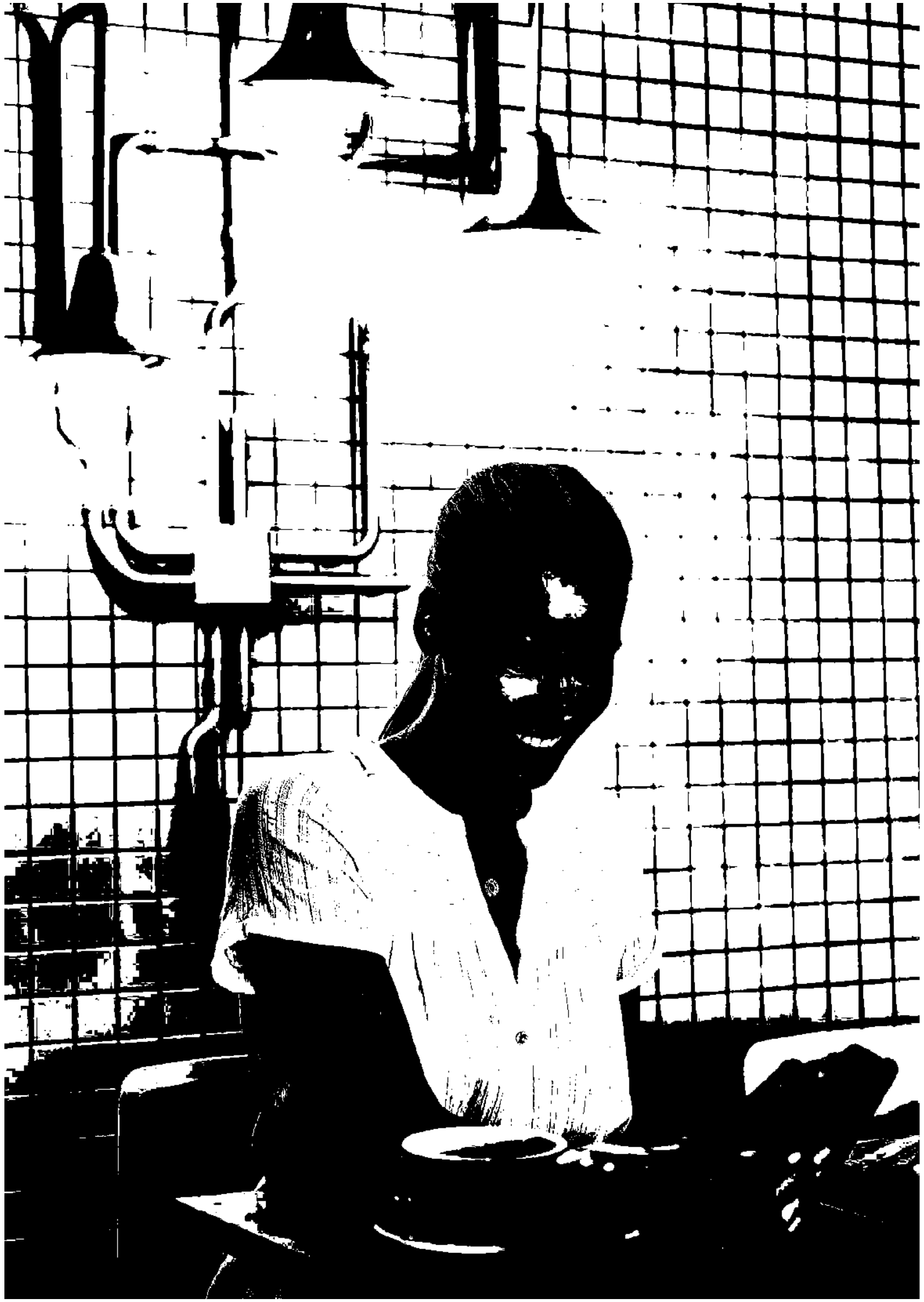
Any transaction the Company carries out in its own shares will be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way.

Freely negotiable shares
Otello has no limitations on the transferability of shares and has one class of shares. Each share entitles the holder to one vote.

General Meetings
Through the General Meeting, the shareholders exercise the highest authority in the Company. General Meetings are held in accordance with the Code. All shareholders are entitled to submit items to the agenda, meet, speak and vote at General Meetings. The Annual General Meeting is held each year before the end of June. Extraordinary General Meetings may be called by the Board of Directors at any time. The Company's auditor or shareholders representing at least five percent of the total share capital may demand that an Extraordinary General Meeting be called.

General Meetings are convened by written notice to all shareholders with known addresses no later than 21 days prior to the date of the meeting. Proposed resolutions and supporting information, including information on how to be represented at the meeting, vote by proxy and the right to propose items for the General Meeting, is generally made available to the shareholders no later than the date of the notice. According to the Company's Articles of Association, attachments to the calling notice may be posted on the Company's website and not sent to shareholders by ordinary mail. Shareholders who wish to receive the attachments may request the Company to mail such attachments free of charge. Resolutions and the supporting information are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered in the meeting.

Shareholders who are unable to be present, are encouraged to participate by proxy and a person who will be available to vote on behalf of shareholders as their proxy will be nominated. Proxy forms will allow the proxy-holder to cast votes for each item separately. A final deadline for shareholders to give notice of their intention to attend the meeting or vote by proxy will be set in the notice for the meeting. Such deadline will be set as close as possible to the date of the General Meeting and under every



circumstance, in accordance with the principles of section 5-3 of the Public Limited Companies Act.

The members of the Board of Directors, Chairman of the Nomination Committee, CEO, CFO and the auditor are all required to be present at the meeting in person, unless they have valid reasons to be absent. The Chairman for the meeting is generally independent. Notice, enclosures and protocol of meetings are available on Otello's website.

The General Meeting elects the members of the Board of Directors (excluding employee representatives), determines the remuneration of the members of the Board of Directors, approves the annual accounts and decides such other matters which by law, by separate proposal or according to the Company's Articles of Association, are to be decided by the General Meeting. The General Meeting will normally vote separately on each candidate for election for the Board of Directors, the Nomination Committee and any other corporate bodies to which members are elected by the General Meeting.

The Board of Directors may decide to allow electronic participation in General Meetings and will consider this before each General Meeting.

The minutes from General Meetings will be posted on the Company's website within 15 days after the General Meeting has been held. Information that a General Meeting has been held will be made public as soon as possible after the end of the meeting.

Nomination Committee
The Nomination Committee is a body established pursuant to the Articles of Association and shall consist of three to five members. The members and the chairperson are elected by the General Meeting. Members of the Nomination Committee serve for a two-year period but may be re-elected. Following the extraordinary general meeting held 15 January 2021, the current members of the Nomination Committee are Simon Davies (Chairperson), Kari Stautland and Jakob Iqbal. The members of the Nomination Committee are independent of the Board of Directors and executive management, however it is noted that the chairperson of the Nomination Committee is a representative of a shareholder who also is represented at the Board of Directors. Pursuant to the Articles of Association, no member of the Nomination Committee can also simultaneously be a member of the Board of Directors.

The tasks of the Nomination Committee are to propose candidates for election as shareholder-elected members of the Board of Directors and members of the Nomination Committee. The Nomination Committee is encouraged to have contact with shareholders, the Board of Directors and the Company's Chief Executive Officer as part of its work on proposing candidates for election to the Board of Directors. The Committee cannot propose its own Committee members as candidates for the Company's Board of Directors. Further, the Committee shall make recommendations regarding the remuneration of the members of the Board of Directors. Its recommendations will normally be explained, and information about proposed candidates will normally be given, no later than 21 days before the General Meeting. The tasks of the Nomination Committee are further described in the Company's Nomination Committee guidelines, as adopted by the Annual General Meeting held on June 14, 2011. Remuneration of the members of the Nomination Committee will be determined by the General Meeting. Information regarding deadlines for proposals for members to the Board of Directors and the Nomination Committee will be posted on Otello's website.

Corporate assembly
Otello does not have a corporate assembly as the employees have voted, and the General Meeting in 2010 approved, that the Company should not have a corporate assembly.

The Board of Directors
Appointed by Shareholders at the General Meeting, the Board of Directors is the central governing mechanism between shareholders and executive management. The members of the Board of Directors are selected in light of an evaluation of the Company's need for expertise, capacity and balanced decision making, and with the aim of ensuring that the Board of Directors can operate independently of any special interests and function effectively as a collegial body. At least half of the members of Board of Directors shall be independent of the Company's management and its main business connections. At least two of the shareholder-elected members of the Board of Directors shall be independent of the

Company's main shareholder(s). The current Otello Board of Directors meets these criteria. Otello's Board of Directors diligently performs its oversight function and closely monitors major developments. The principal tasks of the Board of Directors are outlined below:

- Ensuring compliance with applicable laws
- Considering the interests of Otello's different stakeholders
- Reviewing and guiding corporate strategy, major plans of action, annual budget and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures.
- Selecting, monitoring, and, when necessary, replacing key executives and overseeing succession planning
- Reviewing key executive and Board remuneration
- Monitoring and managing potential conflicts of interest of management, Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of Otello's accounting and financial reporting systems, and that appropriate systems of control are in place.
- Monitoring the effectiveness of the governance practices under which it operates and making changes as needed
- Overseeing the process of disclosure and communications
- A more in-depth description of the Board's duties can be found in the Rules of Procedure section on the Otello website: https://www.otellocorp.com/ir/board-of-directors/rules-of-procedure-for-the-board-of-directors-of-otello.

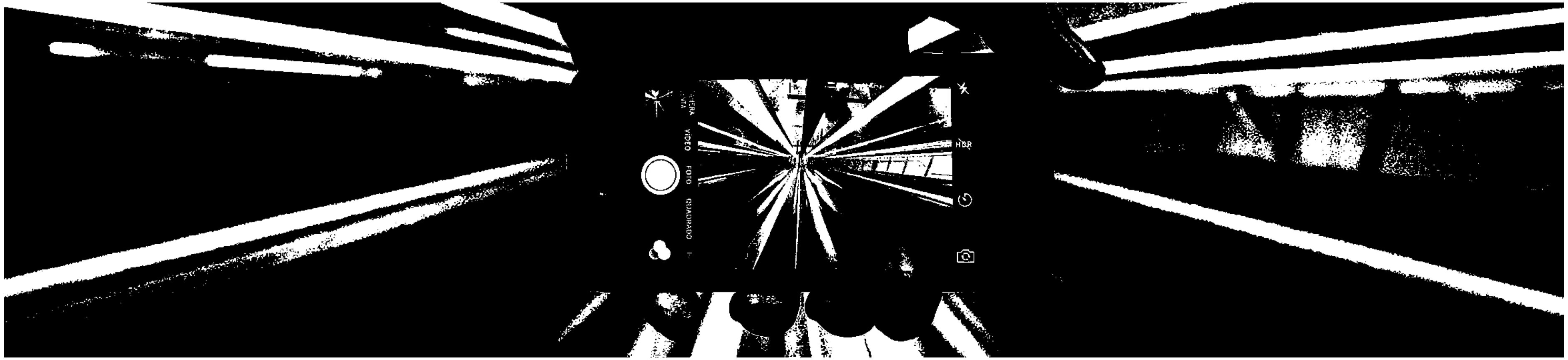
The Board of Directors is entrusted with and responsible for the oversight of the assets and business affairs of Otello in an honest, fair, diligent and ethical manner. The Board of Directors has adopted a Code of Conduct and the directors are expected to adhere to the standards of loyalty, good faith, and the avoidance of conflict of interest that follow. The Code of Conduct should be read and applied in conjunction with the Rules of Procedure as applicable at any time, and other rules and guidelines relevant to and adopted by the Board of Directors and / or the shareholders of Otello.

The Board of Directors has further established a Remuneration Committee and an Audit Committee. Currently, the Remuneration Committee and the Audit Committee each consists of two members. According to the Code, a majority of the members of each Committee should be independent from the Company. If the requirements for independence are not met, Otello will explain the reasons in our Annual Report. Currently, Anooj Unarket (Chairperson) and Maria Borge Andersen are members of the Audit Committee, and Andre Christensen (Chairperson), and Birgit Midtbust are members of the Remuneration Committee. The requirements for independence are thus met. Further, according to the Public Limited Liability Companies Act, at least one member of the Audit Committee shall have qualifications within audit or accounting, and in the Company's view both members fulfil this requirement.

The Audit Committee's main responsibilities include following up on the financial reporting process, monitoring the systems for internal control and risk management, having continuous contact with the appointed auditor, and reviewing and monitoring the independence of the auditor. The Board of Directors maintains responsibility and decision making in all such matters. Please see below under the section "Remuneration of the Executive Personnel" for information regarding the tasks to be performed by the Remuneration Committee.

The Board of Directors will consider carrying out self-evaluation processes, evaluating its work, performance and expertise annually. To the extent that such a process is carried out, it would normally also include an evaluation of the composition of the Board and the manner in which its members function, both individually and as a group, in relation to the objectives set out for its work. Any report will be more comprehensive if it is not intended for publication. However, any reports or relevant extracts there from should normally be made available to the nomination committee. The Board of Directors will also consider whether to use an external person to facilitate the evaluation of its own work.

In order to ensure a more independent consideration of matters of a material character in which the Chairman of the Board of Directors is, or has been, personally involved, such matters will be chaired by some other member of the Board of Directors.



Risk management and internal control
The Board of Directors has overall responsibility for the management of the Company. This includes a responsibility to supervise and exercise control of the Company's activities. The Board has drawn up the rules of procedure for the Board of Directors of Otello. The purpose of these rules of procedure is to set out rules on the work and administrative procedures of the Board of Directors of Otello. The Board of Directors shall, among other things, ensure that the Company's business activities are soundly organized, supervise the Company's day-to-day management, draw up plans and budgets for the Company's activities, keep itself informed on the financial position of the Company, and be responsible for ensuring that the Company's activities, accounts, and asset management are subject to adequate control. In its supervision of the business activities of Otello, the Board of Directors will ensure that:

- The Chief Executive Officer uses proper and effective management and control systems, including systems for risk management, which continuously provide a satisfactory overview of Otello's risk exposure.
- The control functions work as intended and that necessary measures are taken to reduce extraordinary risk exposure.
- There exist satisfactory routines to ensure follow-up of principles and guidelines adopted by the Board of Directors in relation to ethical behavior, conformity to law, health, safety and working environment, and social responsibility.
- Otello has a competent finance department and accounting systems, capable of producing reliable and on-time financial reports
- Directives from the external auditor are obeyed and that the external auditor's recommendations are given proper attention.

Executive Team
Otello's Board of Directors has drawn up instructions for the Executive Team of the Company. The purpose of these instructions is to clarify the powers and responsibilities of the members of the Executive Team and their duty of confidentiality.

The Executive Team conducts an annual strategy meeting with the Board of Directors. The strategy meeting focuses on products, sales, marketing, financial and organizational matters, and the corporate development strategy for the Group.

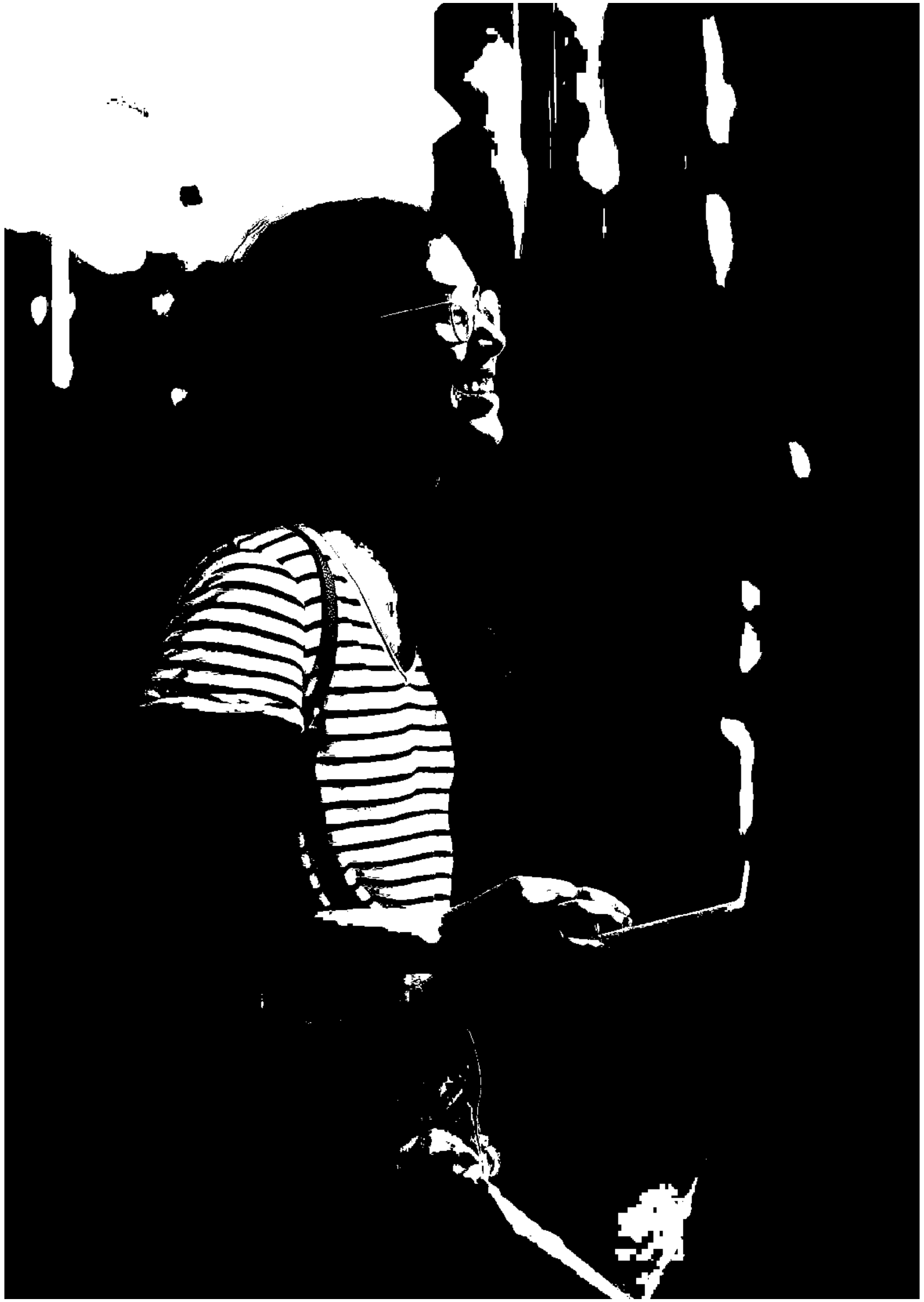
The Board of Directors has ensured that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The Company has performed a scoping of the financial risks in the Company and has established written control descriptions and process descriptions. The controls are executed on a monthly, quarterly or yearly basis, depending on the specific control. The internal controls and systems also encompass the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Board of Directors carries out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. In 2020, all Board members confirmed that they had read and complied with the Code of Conduct during the term of their directorship.

The Group's CFO is responsible for the Group's control functions for risk management and internal control. Otello publishes four interim financial statements in addition to the annual report. The financials are published on the Oslo Stock Exchange. Given the importance of providing accurate financial information, a centralized corporate control function and risk management function has been established consisting of the group corporate and business controllers. The corporate and business controller tasks are, among other things, to perform management's risk assessment and risk monitoring across the group's activities, to administer the Company's value-based management system and to coordinate planning and budgeting processes and internal controls reporting to the Board of Directors and Executive Team. The corporate and business controllers report into the CFO.

The finance department prepares financial reporting for the Group and ensures that reporting is in accordance with applicable laws, accounting standards, established accounting principles and the Board's guidelines. The finance department provides a set of procedures and processes detailing the requirements with which local reporting units must comply. The Group has established processes and a variety of control measures that will ensure quality assurance of financial reporting. A series of risk assessment and control measures have been established in connection with the preparation of financial statements. Reporting instructions are communicated to the reporting units each month, following internal meetings when the reporting units have submitted their group reports, and the business controllers have reviewed the reporting package with the purpose of identifying any significant misstatements in the financial statements. Based on the reported numbers from the reporting units, the finance department consolidates the Group numbers. Several controls are established to ensure the correctness of the consolidation, e.g., control types such as reconciliation, segregation of duties, management review and authorization.

The CFO, the Group Chief Accounting Officer and leaders of the reporting units are responsible for (i) the ongoing financial reporting and for implementing sufficient procedures to prevent errors in the financial reporting, (ii) identifying, assessing and monitoring the risk of significant errors in the Group's financial reporting, and (iii) implementing appropriate and effective internal controls in accordance with specified group requirements and for ensuring compliance with local laws and requirements. All reporting units have their own management, and the financial functions are adapted to the organization and activities. All monthly and quarterly operations reports are analyzed and assessed relative to budgets, forecasts and historical trends.

The Executive Team analyzes and comments on the financial reporting and business re-



sults of the Group on a quarterly basis. Critical issues and events that affect the future development of the business and optimal utilization of resources are identified, and action plans are put in place, if necessary.

The Audit Committee oversees the process of financial reporting and ensures that the Group's internal controls and the risk management systems are operating effectively. The Audit Committee performs a review of the quarterly and annual financial statements, which ultimately are approved by the Board of Directors.

Other guidelines and policies
As an extension of the general principles and guidelines, Otello has drawn up additional guidelines.

Information security guidelines
Otello has guidelines and information policies covering information security roles, responsibilities, training, contingency plans, etc.

Investor relations policy
Otello is committed to reporting financial results and other relevant information based on openness and taking into account the requirement for equal treatment of all participants in the securities market. To ensure that correct information be made public, as well as ensuring equal treatment and flow of information, the Company's Board of Directors has approved an Investor Relations policy. A primary goal of Otello's investor relations activities is to provide investors, capital-market players and shareholders with reliable, timely and balanced information for investors, lenders and other interested parties in the securities market, to enhance understanding of our operations.

Remuneration of the Board of Directors
Remuneration for members of the Board of Directors is a fixed annual sum proposed by the Nomination Committee and approved at the Annual General Meeting. The remuneration reflects the responsibility, qualifications, time commitment and the complexity of the tasks in general. No members of the Board of Directors (or any company associated with such member) elected by the shareholders have assumed special tasks for the Company beyond what is described in this document, and no such member (or any company associated with such member) has received any compensation from Otello other than ordinary Board of Directors remuneration. All remuneration to the Board of Directors is disclosed in Note 6 to the Annual Report.

Remuneration of executive personnel
A Remuneration Committee has been established by the Board of Directors. The Committee shall act as a preparatory body for the Board of Directors with respect to (i) the compensation of the CEO and other members of the Executive Team and (ii) Otello's corporate governance policies and procedures, which, in each case, are matters for which the Board of Directors maintains responsibility and decision making.

Details concerning remuneration of the executive personnel, including all details regarding the CEO's remuneration, are given in Note 6 to the Annual Report. The performance-related remuneration to executive personnel is subject to an absolute limit. The Board of Directors assesses the CEO and his terms and conditions once a year. The General Meeting is informed about incentive programs for employees, and, pursuant to section 6-16 a) of the Public Limited Companies Act, a statement regarding remuneration policies for the Executive Team will be presented to the General Meeting. The Board of Directors' statement on the remuneration of the Executive Team will be a separate appendix to the agenda for the General Meeting. The Company will also normally make clear which aspects of the guidelines are advisory and which, if any, are binding. The General Meeting will normally be able to vote separately on each of these aspects of the guidelines. In addition, the Board of Directors' declaration on the compensation policies of the Executive Team is included in a separate section to the Annual Report.

Information and communications
Communication with shareholders, investors and analysts is a high priority for Otello. The Company believes that objective and timely information to the market is a prerequisite for a fair valuation of the Company's shares and, in turn, the generation of shareholder value. The Company continually seeks ways to enhance our communication with the investment community.

Otello's company website (https://www.otellocorp.com/ir) provides the investment community with information about the Company, including a comprehensive investor relations section. This section includes the Company's investor relations policy, annual and quarterly reports, press releases and stock exchange announcements, share price and shareholder information, a financial calendar, an overview of upcoming investor events, and other relevant information.

During the announcement of quarterly and annual financial results, there is a forum for shareholders and the investment community to ask questions of the Company's management team. Otello also arranges regular presentations in Europe and the United States, in addition to holding meetings with investors and analysts. Important events affecting the Company are reported immediately to the Oslo Stock Exchange in accordance with applicable legislation and posted on https://www.otellocorp.com/ir. All material information is disclosed to recipients equally in terms of content and timing.

The Board of Directors has further established an investor relations policy for contact with shareholders and others beyond the scope of the General Meeting.

Takeovers
The Board of Directors endorses the recommendations of the Code. Otello's Articles of Association do not contain any restrictions, limitations or defense mechanisms on acquiring the Company's shares.

In accordance with the Securities Trading Act and the Code, the Board has adopted guidelines for possible takeovers.

In the event of an offer, the Board of Directors will not seek to hinder or obstruct takeover bids for Otello's activities or shares. Any agreement with the bidder that acts to limit the Company's ability to arrange other bids for the Company's shares will only be entered into where the Board believes it is in the common interest of the Company and its shareholders.

Information about agreements entered into between the Company and the bidder that are material to the market's evaluation of the bid will be publicly disclosed no later than at the same time as the announcement of an impending bid is published.

If an offer is made for the shares of Otello, the Board of Directors will make a recommendation as to whether the shareholders should or should not accept the offer and will normally arrange for a valuation from an independent expert.

Auditor
The auditor participates in meetings of the Board of Directors that deal with the annual accounts, as well as upon special request. Every year, the auditor presents to the Audit Committee a report outlining the audit activities in the previous fiscal year and highlighting the areas that caused the most attention or discussions with management, as well as a plan for the work related to the Company's audit. The auditor also reports on internal control observations during the conduct of the audit, including identified weaknesses and proposals for improvement. The auditor will make himself available upon request for meetings with the Board of Directors during which no member of the executive management is present at least once each year, as will the Board of Directors upon the auditor's request. The General Meeting is informed about the Company's engagement and remuneration of the auditor and for fees paid to the auditor for services other than the annual audit, and details are given in Note 7 to the Annual Report.

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