



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

|                      |                               |
|----------------------|-------------------------------|
| Organisasjonsnummer: | 974 529 459                   |
| Organisasjonsform:   | Allmennaksjeselskap           |
| Foretaksnavn:        | OTELLO CORPORATION ASA        |
| Forretningsadresse:  | Gjerdrums vei 19<br>0484 OSLO |

### Regnskapsår

|                         |                         |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.01.2021 - 31.12.2021 |
|-------------------------|-------------------------|

### Konsern

|                           |    |
|---------------------------|----|
| Mørselskap 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: | Petter Lade |
| Dato for fastsettelse av årsregnskapet:  | 02.06.2022  |

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 04.07.2023



### Resultatregnskap

| Beløp i: USD   | Note | 2021               | 2020              |
|--|------|--------------------|-------------------|
| <b>RESULTATREGNSKAP</b>                                      |      |                    |                   |
| <b>Inntekter</b>   |      |                    |                   |
| Salgsinntekt   | 2,8  | 0                  | 0                 |
| <b>Sum inntekter</b>   |      | <b>0</b>           | <b>0</b>          |
| <b>Kostnader</b>   |      |                    |                   |
| Lønnskostnad   | 4    | 4 300 000          | 4 700 000         |
| Avskrivning på varige driftsmidler og immaterielle eiendeler | 9    | 600 000            | 700 000           |
| Annen driftskostnad  | 5    | 3 000 000          | 1 500 000         |
| <b>Sum kostnader</b>   |      | <b>7 900 000</b>   | <b>6 900 000</b>  |
| <b>Driftsresultat</b>  |      | <b>-7 900 000</b>  | <b>-6 900 000</b> |
| <b>Finansinntekter og finanskostnader</b>                    |      |                    |                   |
| Renteinntekt fra foretak i samme konsern                     | 3,8  | 300 000            | 2 720 000         |
| Annen renteinntekt   | 3,8  | 0                  | 180 000           |
| Net financial income (expense)                               | 3    | 8 800 000          | -5 200 000        |
| Dividends received   | 8    | 0                  | 5 800 000         |
| Profit (loss) sale of shares                                 | 13   | 51 700 000         | -800 000          |
| <b>Sum finansinntekter</b>                                   |      | <b>60 800 000</b>  | <b>2 700 000</b>  |
| Nedskrivning av finansielle eiendeler                        | 7    | 66 400 000         |                   |
| Rentekostnad til foretak i samme konsern                     | 3,8  | 1 300 000          | 150 000           |
| Annen rentekostnad   | 3,8  | 400 000            | 1 250 000         |
| <b>Sum finanskostnader</b>                                   |      | <b>68 100 000</b>  | <b>1 400 000</b>  |
| <b>Netto finans</b>  |      | <b>-7 300 000</b>  | <b>1 300 000</b>  |
| <b>Ordinært resultat før skattekostnad</b>                   |      | <b>-15 200 000</b> | <b>-5 600 000</b> |
| Skattekostnad på ordinært resultat                           |      | 0                  | 3 200 000         |
| <b>Ordinært resultat etter skattekostnad</b>                 |      | <b>-15 200 000</b> | <b>-8 800 000</b> |
| <b>Årsresultat</b>   |      | <b>-15 200 000</b> | <b>-8 800 000</b> |
| Foreign currency translation differences                     |      | -12 000 000        | 13 400 000        |
| Sum resultatkomponenter for IFRS-foretak                     |      | -12 000 000        | 13 400 000        |



## Resultatregnskap

| <b>Beløp i: USD</b>                      | <b>Note</b> | <b>2021</b>        | <b>2020</b>      |
|--|-------------|--------------------|------------------|
| <b>Totalresultat</b>                     |             | <b>-27 200 000</b> | <b>4 600 000</b> |
| <b>Overføringer og disponeringer</b>     |             |                    |                  |
| Overføringer til/fra annen egenkapital   |             | -27 200 000        | 4 600 000        |
| <b>Sum overføringer og disponeringer</b> |             | <b>-27 200 000</b> | <b>4 600 000</b> |



### Balanse

| Beløp i: USD  | Note | 2021               | 2020               |
|---|------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                                  |      |                    |                    |
| <b>Anleggsmidler</b>  |      |                    |                    |
| <b>Immaterielle eiendeler</b>                               |      |                    |                    |
| <b>Varige driftsmidler</b>                                  |      |                    |                    |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 9    | 900 000            | 1 600 000          |
| <b>Sum varige driftsmidler</b>                              |      | <b>900 000</b>     | <b>1 600 000</b>   |
| <b>Finansielle anleggsmidler</b>                            |      |                    |                    |
| Investering i datterselskap                                 | 7    | 80 000 000         | 306 200 000        |
| Lån til foretak i samme konsern                             | 8    | 0                  | 132 800 000        |
| Investeringer i tilknyttet selskap                          | 7    | 0                  | 10 100 000         |
| Lån til tilknyttet selskap og felles kontrollert virksomhet | 7    | 0                  | 7 700 000          |
| Investeringer i aksjer og andeler                           | 7    | 900 000            | 900 000            |
| Right of use assets IFRS16                                  | 10   | 300 000            | 200 000            |
| <b>Sum finansielle anleggsmidler</b>                        |      | <b>81 200 000</b>  | <b>457 900 000</b> |
| <b>Sum anleggsmidler</b>                                    |      | <b>82 100 000</b>  | <b>459 500 000</b> |
| <b>Omløpsmidler</b>   |      |                    |                    |
| <b>Varer</b>  |      |                    |                    |
| <b>Fordringer</b>   |      |                    |                    |
| Kundefordringer   | 3    | 100 000            | 0                  |
| Andre fordringer  | 13   | 193 100 000        | 300 000            |
| Konsernfordringer   | 8    | 0                  | 400 000            |
| <b>Sum fordringer</b>                                       |      | <b>193 200 000</b> | <b>700 000</b>     |
| <b>Bankinnskudd, kontanter og lignende</b>                  |      |                    |                    |
| Bankinnskudd, kontanter og lignende                         | 3    | 78 100 000         | 2 700 000          |
| <b>Sum bankinnskudd, kontanter og lignende</b>              |      | <b>78 100 000</b>  | <b>2 700 000</b>   |
| <b>Sum omløpsmidler</b>                                     |      | <b>271 300 000</b> | <b>3 400 000</b>   |
| <b>SUM EIENDELER</b>  |      | <b>353 400 000</b> | <b>462 900 000</b> |



### Balanse

| Beløp i: USD                          | Note | 2021               | 2020               |
|---------------------------------------|------|--------------------|--------------------|
| <b>BALANSE - EGENKAPITAL OG GJELD</b> |      |                    |                    |
| <b>Egenkapital</b>                    |      |                    |                    |
| <b>Innskutt egenkapital</b>           |      |                    |                    |
| Selskapskapital                       |      | 300 000            | 300 000            |
| Beholdning av egne aksjer             |      | -5 600 000         | -74 900 000        |
| Overkurs                              |      | 156 000 000        | 357 900 000        |
| <b>Sum innskutt egenkapital</b>       |      | <b>150 700 000</b> | <b>283 300 000</b> |
| <b>Opptjent egenkapital</b>           |      |                    |                    |
| Fond                                  |      | -168 800 000       | -156 800 000       |
| Annen egenkapital                     |      | 276 100 000        | 297 100 000        |
| <b>Sum opptjent egenkapital</b>       |      | <b>107 300 000</b> | <b>140 300 000</b> |
| <b>Sum egenkapital</b>                |      | <b>258 000 000</b> | <b>423 600 000</b> |
| <b>Gjeld</b>                          |      |                    |                    |
| <b>Langsiktig gjeld</b>               |      |                    |                    |
| <b>Annen langsiktig gjeld</b>         |      |                    |                    |
| Langsiktig konserngjeld               | 8    | 90 600 000         | 2 500 000          |
| Lease liabilities                     | 10   | 200 000            | 100 000            |
| <b>Sum annen langsiktig gjeld</b>     |      | <b>90 800 000</b>  | <b>2 600 000</b>   |
| <b>Sum langsiktig gjeld</b>           |      | <b>90 800 000</b>  | <b>2 600 000</b>   |
| <b>Kortsiktig gjeld</b>               |      |                    |                    |
| Gjeld til kredittinstitusjoner        |      | 0                  | 35 000 000         |
| Leverandørgjeld                       |      | 200 000            | 100 000            |
| Skyldige offentlige avgifter          |      | 100 000            | 200 000            |
| Kortsiktig konserngjeld               | 3,8  | 2 600 000          | 0                  |
| Annen kortsiktig gjeld                |      | 1 600 000          | 1 300 000          |
| Lease liabilities                     | 10   | 100 000            | 100 000            |
| <b>Sum kortsiktig gjeld</b>           |      | <b>4 600 000</b>   | <b>36 700 000</b>  |
| <b>Sum gjeld</b>                      |      | <b>95 400 000</b>  | <b>39 300 000</b>  |
| <b>SUM EGENKAPITAL OG GJELD</b>       |      | <b>353 400 000</b> | <b>462 900 000</b> |



## Balanse

| <b>Beløp i: USD</b> | <b>Note</b> | <b>2021</b> | <b>2020</b> |
|---------------------|-------------|-------------|-------------|
|---------------------|-------------|-------------|-------------|

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### Konsernets resultatregnskap

| Beløp i: USD   | Note            | 2021               | 2020               |
|--|-----------------|--------------------|--------------------|
| <b>RESULTATREGNSKAP</b>                                      |                 |                    |                    |
| <b>Inntekter</b>   |                 |                    |                    |
| Salgsinntekt   | 4,5             | 100 000            | 100 000            |
| <b>Sum inntekter</b>   |                 | <b>100 000</b>     | <b>100 000</b>     |
| <b>Kostnader</b>   |                 |                    |                    |
| Publisher and revenue share cost                             | 5               | 0                  | -300 000           |
| Employee benefits expense                                    | 6,16            | 6 700 000          | 12 800 000         |
| Avskrivning på varige driftsmidler og immaterielle eiendeler | 11,12,<br>13,14 | 800 000            | 1 000 000          |
| Annen driftskostnad  | 5,7             | 1 900 000          | 1 700 000          |
| <b>Sum kostnader</b>   |                 | <b>9 400 000</b>   | <b>15 200 000</b>  |
| <b>Driftsresultat</b>  |                 | <b>-9 300 000</b>  | <b>-15 100 000</b> |
| <b>Finansinntekter og finanskostnader</b>                    |                 |                    |                    |
| Inntekt på investering i datterselskap og tilknyttet selskap |                 | 3 100 000          |                    |
| Annen renteinntekt   |                 | 300 000            | 3 000 000          |
| Annen finansinntekt  |                 | 7 800 000          |                    |
| <b>Sum finansinntekter</b>                                   |                 | <b>11 200 000</b>  | <b>3 000 000</b>   |
| Nedskrivning av finansielle eiendeler                        | 9,11,1<br>2,13  | 59 900 000         | 500 000            |
| Annen rentekostnad   |                 | 400 000            | 1 200 000          |
| Annen finanskostnad  |                 | 300 000            | 6 500 000          |
| <b>Sum finanskostnader</b>                                   |                 | <b>60 600 000</b>  | <b>8 200 000</b>   |
| <b>Netto finans</b>  |                 | <b>-49 400 000</b> | <b>-5 200 000</b>  |
| <b>Ordinært resultat før skattekostnad</b>                   |                 | <b>-58 700 000</b> | <b>-20 300 000</b> |
| Skattekostnad på ordinært resultat                           |                 | -7 500 000         | 3 500 000          |
| <b>Ordinært resultat etter skattekostnad</b>                 |                 | <b>-51 200 000</b> | <b>-23 800 000</b> |
| Profit (loss) from discontinued operations, net of tax       | 21              | 220 100 000        | 600 000            |
| <b>Årsresultat</b>   |                 | <b>168 900 000</b> | <b>-23 200 000</b> |



## Konsernets resultatregnskap

| <b>Beløp i: USD</b>                                      | <b>Note</b> | <b>2021</b>        | <b>2020</b>        |
|--|-------------|--------------------|--------------------|
| Foreign currency translation differences                 |             | -7 400 000         | 9 400 000          |
| Discontinued operations - reclassified to profit (loss)  |             | 0                  | -28 000 000        |
| Reclassification of foreign currency translation reserve |             | 30 200 000         | 0                  |
| Sum resultatkomponenter for IFRS-foretak                 |             | 22 800 000         | -18 600 000        |
| <b>Totalresultat</b>                                     |             | <b>191 700 000</b> | <b>-41 800 000</b> |
| <br>   |             |                    |                    |
| <b>Overføringer og disponeringer</b>                     |             |                    |                    |
| Overføringer til/fra annen egenkapital                   |             | 191 700 000        | -41 800 000        |
| <b>Sum overføringer og disponeringer</b>                 |             | <b>191 700 000</b> | <b>-41 800 000</b> |



## Konsernets balanse

| Beløp i: USD  | Note  | 2021               | 2020               |
|---|-------|--------------------|--------------------|
| <b>BALANSE - EIENDELER</b>                                  |       |                    |                    |
| <b>Anleggsmidler</b>  |       |                    |                    |
| <b>Immaterielle eiendeler</b>                               |       |                    |                    |
| Intangible assets   | 11,12 | 0                  | 12 800 000         |
| Utsatt skattefordel   | 8     | 0                  | 26 100 000         |
| Goodwill  | 11    | 0                  | 219 700 000        |
| <b>Sum immaterielle eiendeler</b>                           |       | <b>0</b>           | <b>258 600 000</b> |
| <b>Varige driftsmidler</b>                                  |       |                    |                    |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 13    | 1 000 000          | 6 000 000          |
| <b>Sum varige driftsmidler</b>                              |       | <b>1 000 000</b>   | <b>6 000 000</b>   |
| <b>Finansielle anleggsmidler</b>                            |       |                    |                    |
| Investeringer i tilknyttet selskap                          | 15    | 89 400 000         | 10 100 000         |
| Lån til tilknyttet selskap og felles kontrollert virksomhet | 15    | 0                  | 7 700 000          |
| Investeringer i aksjer og andeler                           | 15    | 900 000            | 800 000            |
| Right of use assets IFRS16                                  | 14    | 300 000            | 3 000 000          |
| Andre fordringer  |       | 600 000            | 400 000            |
| <b>Sum finansielle anleggsmidler</b>                        |       | <b>91 200 000</b>  | <b>22 000 000</b>  |
| <b>Sum anleggsmidler</b>                                    |       | <b>92 200 000</b>  | <b>286 600 000</b> |
| <b>Omløpsmidler</b>   |       |                    |                    |
| <b>Varer</b>  |       |                    |                    |
| <b>Fordringer</b>   |       |                    |                    |
| Kundefordringer   | 5     | 100 000            | 89 500 000         |
| Andre fordringer  | 5     | 193 700 000        | 6 400 000          |
| Lease receivables   | 14    | 0                  | 900 000            |
| <b>Sum fordringer</b>                                       |       | <b>193 800 000</b> | <b>96 800 000</b>  |
| <b>Bankinnskudd, kontanter og lignende</b>                  |       |                    |                    |
| Bankinnskudd, kontanter og lignende                         | 5     | 79 000 000         | 41 900 000         |
| <b>Sum bankinnskudd, kontanter og lignende</b>              |       | <b>79 000 000</b>  | <b>41 900 000</b>  |
| <b>Sum omløpsmidler</b>                                     |       | <b>272 800 000</b> | <b>138 700 000</b> |



## Konsernets balanse

| Beløp i: USD                             | Note | 2021               | 2020               |
|--|------|--------------------|--------------------|
| <b>SUM EIENDELER</b>                     |      | <b>365 000 000</b> | <b>425 300 000</b> |
| <b>BALANSE - EGENKAPITAL OG GJELD</b>    |      |                    |                    |
| <b>Egenkapital</b>                       |      |                    |                    |
| <b>Innskutt egenkapital</b>              |      |                    |                    |
| Selskapskapital                          |      | 300 000            | 300 000            |
| Beholdning av egne aksjer                |      | 0                  | -69 300 000        |
| Overkurs                                 |      | 145 900 000        | 347 800 000        |
| <b>Sum innskutt egenkapital</b>          |      | <b>146 200 000</b> | <b>278 800 000</b> |
| <b>Opptjent egenkapital</b>              |      |                    |                    |
| Fond                                     |      | -2 800 000         | -30 300 000        |
| Annen egenkapital                        |      | 207 900 000        | 58 300 000         |
| Minoritetsinteresser                     |      | 0                  | -400 000           |
| <b>Sum opptjent egenkapital</b>          |      | <b>205 100 000</b> | <b>27 600 000</b>  |
| <b>Sum egenkapital</b>                   |      | <b>351 300 000</b> | <b>306 400 000</b> |
| <b>Gjeld</b>                             |      |                    |                    |
| <b>Langsiktig gjeld</b>                  |      |                    |                    |
| Utsatt skatt                             | 8    | 10 200 000         | 0                  |
| <b>Sum avsetninger for forpliktelser</b> |      | <b>10 200 000</b>  | <b>0</b>           |
| <b>Annen langsiktig gjeld</b>            |      |                    |                    |
| Øvrig langsiktig gjeld                   | 5    | 600 000            | 1 600 000          |
| Lease liabilities                        | 14   | 200 000            | 1 200 000          |
| <b>Sum annen langsiktig gjeld</b>        |      | <b>800 000</b>     | <b>2 800 000</b>   |
| <b>Sum langsiktig gjeld</b>              |      | <b>11 000 000</b>  | <b>2 800 000</b>   |
| <b>Kortsiktig gjeld</b>                  |      |                    |                    |
| Gjeld til kredittinstitusjoner           | 5    | 0                  | 35 000 000         |
| Leverandørgjeld                          | 5    | 200 000            | 25 700 000         |
| Betalbar skatt                           | 8    | 0                  | 2 000 000          |
| Skyldige offentlige avgifter             | 17   | 200 000            | 1 300 000          |
| Annen kortsiktig gjeld                   | 17   | 2 200 000          | 47 300 000         |



## Konsernets balanse

| <b>Beløp i: USD</b>             | <b>Note</b> | <b>2021</b>        | <b>2020</b>        |
|---------------------------------|-------------|--------------------|--------------------|
| Lease liabilities               | 14          | 100 000            | 2 800 000          |
| Contract liabilities            | 5           | 0                  | 1 800 000          |
| Contingent consideration        | 16          | 0                  | 200 000            |
| <b>Sum kortsiktig gjeld</b>     |             | <b>2 700 000</b>   | <b>116 100 000</b> |
| <b>Sum gjeld</b>                |             | <b>13 700 000</b>  | <b>118 900 000</b> |
| <b>SUM EGENKAPITAL OG GJELD</b> |             | <b>365 000 000</b> | <b>425 300 000</b> |



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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.

Utsteder 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 utsteder 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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*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.

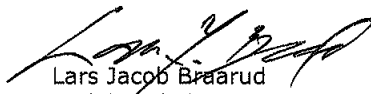
Oslo Børs har i vurderingen lagt vekt på at selskapets aksjonærsammensetning for en stor del er utenlandsk. Det vises til at selskapets aksjonærsammensetning angir ca. 30 prosent utenlandsk eierskap. Dersom det ses bort fra aksjer eid av personer i Operas ledelse, så kontrollerer aksjonærer hjemmehørende 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.

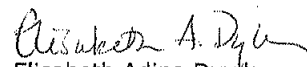
På denne bakgrunn har Oslo Børs truffet følgende vedtak:

Med hjemmel i forskrift 6. desember 2007 nr. 1359 § 3 første punktum innvilger Oslo Børs søknaden fra Opera Software ASA om dispensasjon fra verdipapirhandeloven § 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 Braarud  
Avdelingsleder  
Selskapsavdelingen

  
Elisabeth Adina Dyvik  
Seniorrådgiver  
Selskapsavdelingen



**Skattedirektoratet**

|  |                                  |                              |
|--|----------------------------------|------------------------------|
| Saksbehandler<br>Torstein Kinden Helleland | Deres dato<br>09.03.2011         | Vår dato<br>14.03.2011       |
| Telefon<br>22078139                        | Deres referanse<br>Lars Boilesen | Vår referanse<br>2011/307209 |

OPERA SOFTWARE ASA  
Postboks 2648 St. Hanshaugen  
0131 OSLO

14.03.2011

**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<br>Postboks 9200 Grønland<br>0134 Oslo<br>For elektronisk henvendelse se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a> | Besøksadresse<br>Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a><br>Org. nr: 996250318 | Sentralbord<br>800 80 000<br>Telefaks<br>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.

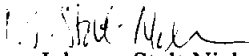
Selskapet er et børselskap som er innvilget dispensasjon fra språkkravet ved Oslo Børs. Virksomheten er innen en internasjonal bransje som benytter engelsk språk ved kommunikasjon. Konsernets aksjonærer er i all hovedsak institusjonelle og profesjonelle eiere samt ansatte som i det daglige er vant til 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

  
Inger Johanne Stolt-Nielsen  
underdirektør  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

  
Torstein Kinden Helleland



otello

# Realizing the underlying value

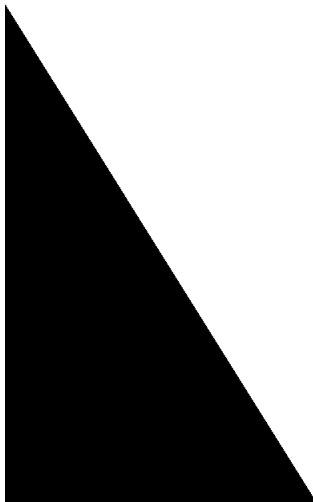
2021  
**Annual  
Report**



Otello Corporation ASA - Annual Report 2021

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## Time for a new journey



### Bemobi IPO successfully completed

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 Green shoe") 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. Before the IPO, the Company was directly controlled by Bemobi Holding AS, whose shares are totally owned by Otello Corporation ASA, a holding company listed on the Oslo Stock Exchange.



### AdColony sold to Digital Turbine

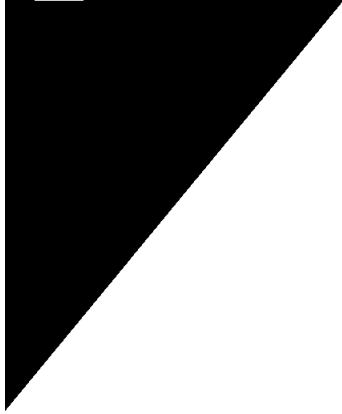
AdColony was sold to Digital Turbine for a total estimated consideration of \$400 million and the acquisition went through on the 29th April 2021. The acquisition of AdColony, a leading mobile advertising platform servicing advertisers and publishers with a reach of more than 1.5 billion monthly global users, was integral to Digital Turbine's expressed strategy to provide a comprehensive media and advertising solution for Digital Turbine's operator and OEM partners, while enriching the mobile experience for end users by delivering highly relevant content. AdColony's proprietary video technologies and rich media formats are widely viewed as best-in-class technology delivering industry-leading third-party verified viewability rates for well-known global brands. 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 underlying value

Realizing the underlying value is not only this year's concept for the Annual Report, but it also reflects Otello's financial year of 2021. The financial year was marked by two major events in the beginning of the year with the listing of Bemobi on the Bovespa stock exchange in Brazil (in February) and the sale of AdColony to Digital Turbine (in April). Just like 2020, we were hit hard by Covid-19 in 2021 as emerging markets were struggling, but we managed to realize the underlying value of our company.

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 2021 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

In 2021, Otello competed two very significant transactions, and is now positioned to return cash to its shareholders and maximize the value of its remaining asset.

### FINANCIAL OVERVIEW

Due to the sale of AdColony, Otello is treating that business as discontinued operations for 2021. The separate listing of Bemobi resulted in Otello's ownership falling below 50%. Thus, Otello is no longer consolidating Bemobi into the Otello P&L and is rather using the equity method. As a result of these transactions Otello has also been reducing its overall headcount and expenses which was down 39% in 2021 vs 2020.

The listing of Bemobi and the sale of AdColony both contributed to very strong cashflow in 2021 as well as enabling the company to repay all its interest-bearing debt. During 2021, Otello purchased 36.500.470 treasury shares for \$132.6 million which was subsequently cancelled to return cash to shareholders. As of the end of January 2022, Otello got paid the final earn-out payment from Digital Turbine relating to the sale of AdColony, which bolstered the cash position to over \$270m and a balance sheet without any meaningful liabilities or debts.

### Sale of AdColony to Digital Turbine

In 2021, Otello entered and closed an agreement with Digital Turbine to sell AdColony, and after settling the earnout, the total consideration was \$404.5 million, including a normalized amount of working capital and \$19 million in cash. Digital Turbine will be a great home for AdColony due to its massive user base, extensive global relationships, and distribution. We have seen that the

two companies have been able to offer a highly differentiated and more vertically integrated solution for the mobile advertising industry.

### Successful listing of Bemobi in Brazil

In February 2021, Bemobi went public on an oversubscribed listing on the Bovespa in Brazil. As part of the listing, Otello received a net share proceeds payment of \$37 million, dividend of \$28 million and \$6 million as part of utilization of the green shoe offering. Otello remains Bemobi's largest shareholder with 36% 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 through strategic activities. In 2021 Bemobi completed two acquisitions: the payment platform M4U and Triaxa which provides microfinance solutions.

### FUTURE

Otello has, as a result of the transactions above, and proceeds received, repaid all its debt, and launched and completed three share buyback programs accessible to all shareholders. Going forward, Otello's goal is to maximize the value of its remaining asset, Bemobi, and aggressively return the cash to shareholders, most likely through a combination of share buybacks and dividends.

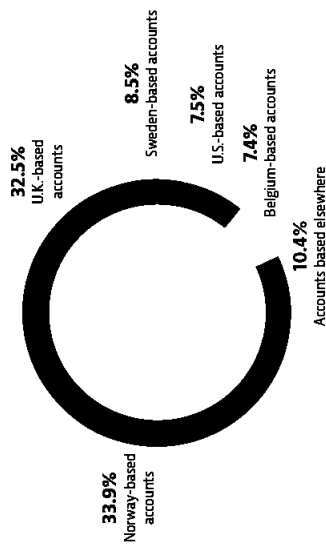
Lars Boilesen



# Investor Relations

| KPI [2017-2021]                  | 2017   | 2018  | 2019  | 2020  | 2021  |
|----------------------------------|--------|-------|-------|-------|-------|
| Revenue (\$ million)             | 419,0* | 275,4 | 240,7 | 299,0 | 01    |
| Adjusted EBITDA (\$ million)     | 13,5*  | 9,4   | 19,4  | 23,4  | (6,3) |
| Operating cash flow (\$ million) | 6,7*   | (0,2) | (0,2) | 19,1  | 4,8   |

\* Excluding the consumer, TV, and SurfEasy businesses



**Country breakdown shareholders:**

| Country                  | 2021   |
|--------------------------|--------|
| Norway-based accounts    | 33.9 % |
| U.K.-based accounts      | 32.5 % |
| Sweden-based accounts    | 8.5 %  |
| U.S.-based accounts      | 7.5 %  |
| Belgium-based accounts   | 7.4 %  |
| Accounts based elsewhere | 10.4 % |

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

**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 a range of jurisdictions and holds frequent meetings with investors and analysts.

**LARGEST SHAREHOLDERS at December 31, 2021**

| Shareholder                       | Shares |
|-----------------------------------|--------|
| GOLDMAN SACHS INTERNATIONAL       | 19.0 % |
| OTELLO CORPORATION ASA            | 10.0 % |
| BANK OF AMERICA N.A.              | 7.3 %  |
| CITIGROUP GLOBAL MARKETS LTD      | 5.8 %  |
| VERDIPAPIRØNDET DNB TEKNOLOGI     | 5.5 %  |
| CITIGROUP GLOBAL MARKETS LTD      | 5.0 %  |
| AREPO AS                          | 4.6 %  |
| THE BANK OF NEW YORK MELLON SPAIN | 4.5 %  |
| SKANDINAVISKA ENSKILDA BANKEN AB  | 3.3 %  |
| SKANDINAVISKA ENSKILDA BANKEN AB  | 3.2 %  |
| VERDIPAPIRØNDET NORDEA NORGE VERD | 3.1 %  |

| Company               | Analyst                   | Telephone       |
|-----------------------|---------------------------|-----------------|
| Arctic Securities ASA | Hennette Trondsen         | +47 21 01 32 84 |
| DnB NOR Markets       | Christopher Wang Bjørnsen | +47 24 16 99 43 |
| ABG Sundal Collier    | Aksel Øverland Engebakken | +47 22 01 61 11 |



## Executive Team

Otello Corporation ASA

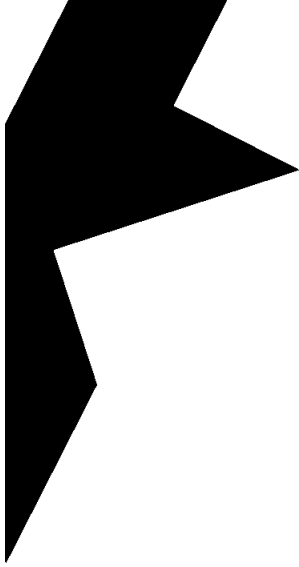


**Lars Boilesen**  
Chief Executive Officer

Lars Boilesen is the Chief Executive Officer at Otello Corporation ASA, a position he has held since 2010. 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 currently serves as the Chairman of the Board of Directors of Bemobi Mobile Tech S.A and as a Director for Norwegian Air Shuttle ASA and Airthings ASA.

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

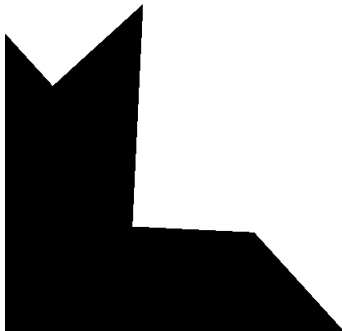


**Petter Lade**  
Chief Financial Officer

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 of 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 Sivilekonom 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.

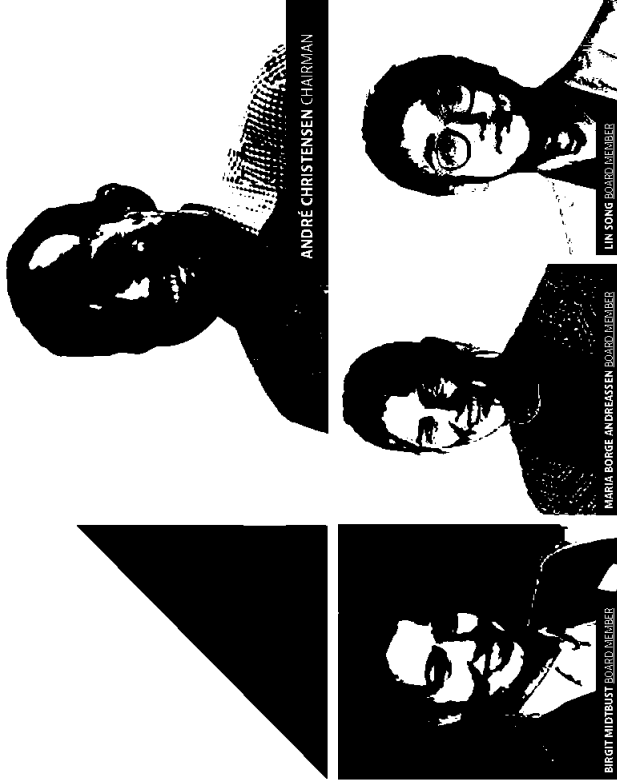
### Birgit Midtbust Board Member

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 own-

ership structures. 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 Jemina 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 OMA 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

MARIA BORGE ANDREASSEN BOARD MEMBER

BIRGIT MIDTBUST BOARD MEMBER

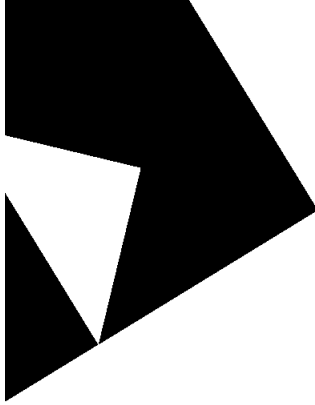
LIN SONG BOARD MEMBER

### 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

2021 was a transformational year for Otello, where we successfully completed a separate listing of Bemobi in Brazil and sold our AdColony business to Digital Turbine. Bemobi has seen several years of profitable growth and by raising additional proceeds Bemobi can further accelerate this growth through M&A. In Bemobi, Otello remains the biggest shareholder and is positive about the prospects of the business. Bemobi has recently signed two acquisitions which are expected to nearly double the revenue for the company. Otello will have an optimistic view on its financial investment in the company. The turnaround in AdColony continued to bear fruit and we delivered revenue well above our guidance for 2020 despite the negative impact from Covid-19. The turnaround and return to growth was noted in the mobile advertising space and Otello elected to sell AdColony to Digital Turbine in an all-cash deal of around \$400 million.

Otello has, as a result of the transactions above and proceeds received, already repaid all our debt, and launched and completed several rounds of share buybacks accessible to all shareholders. Going forward, the goal is to maximize the value of our remaining assets and aggressively return cash to shareholders, most likely through a combination of share buybacks and dividends.

### 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.

**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.

### FINANCIAL SUMMARY

#### Income statement (Continuing operations)

Due to the sale of AdColony, Otello is treating that business as discontinued operations for 2021. The separate listing of Bemobi resulted in Otello's ownership falling below 50%. Thus, Otello is no longer consolidating Bemobi into the Otello P&L and is rather using the equity method.

Otello's operating revenues were \$01 million in 2021 (2020: \$01 million), as both Bemobi and AdColony were treated as discontinued operations. Operating expenses, excluding impairment and restructuring expenses, decreased by 39% to \$9.3 million (2020: \$15.2 million), with a slight increase in payroll expenses more than offset by significantly lower stock-based compensation expenses. Otello delivered Adj EBITDA (excluding impairment and restructuring expenses) of -\$6.3 million (2020: -\$51 million).

A loss before income taxes (including impairment and restructuring expenses) of -\$58.7 million was recognized in 2021 (2020: -\$20.4 million). Taxes resulted in an expense of -\$7.5 million in 2021 (2020: \$2.5 million). The result after tax was for 2021 was -\$51.2 million (2020: -\$23.9 million). Basic and diluted earnings per share were both \$1.35 (2020: -\$0.17).





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.

**Transaction**  
Ottello announced in 1H21 that it had entered into a definitive agreement to sell AdColony to Digital Turbine, Inc. (Nasdaq: APPS) for a total estimated consideration of \$400 million. Digital Turbine is a global mobile technology company, passionate about delivering the right content to the right person at the right time across all Android devices. The company's on-demand media platform powers frictionless app and content discovery, user acquisition and engagement, operational efficiency, and monetization opportunities. Digital Turbine's technology platform has been adopted by more than 40 mobile operators and OEMs worldwide and has delivered more than three billion app preloads for tens of thousands of advertising campaigns. The Company is headquartered in Austin, Texas, with global offices in Arlington, Durham, Mumbai, San Francisco, Singapore, and Tel Aviv.

The total estimated consideration for the acquisition was \$400 million, including a normalized amount of working capital and \$19 million in cash. Some or all of the cash would be returned to Ottello 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 was not capped and was subject to change based on actual results. Actual, unaudited 1Q21 performance for AdColony on net revenue was at 106.55% vs. the plan agreed with Digital Turbine, which was tied to our annual guidance of \$250-290 million in Gross Revenue. Combined, the actual, unaudited 1H21 performance for AdColony on net revenue was at 101.03%. AdColony's 1H21 performance extrapolated for the full FY 2021 would yield a payout of around 105.5% of plan or around \$211 million for the earn-out portion of the payment.

**Settlement of earn-out**  
As discussed above, a portion of the sale proceeds was originally based on AdColony achieving certain future target net revenue objectives in 2021.

Ottello announced on August 30, 2021, that it had agreed to settle the earn-out with Digital Turbine at a fixed amount of \$204.5 million and that the payment date was moved forward to January 15, 2022. With this agreement, the total

**Cash flow**  
Net cash flow from operating activities in 2021 totaled \$4.8 million, (2020: \$191 million). Cash flow from investing activities amounted to \$2071 million in 2021, vs. -\$124 million in 2020, positively impacted by net proceeds from the initial and second installment from Digital Turbine's acquisition of AdColony and the disposal of Bemobi of a net total of \$179.3 million, partly offset by \$2.8 million related to CAPEX. Cash flow from financing activities was -\$169.7 million in 2021, compared to \$10.5 million in 2020. Use of cash for financing activities was mainly related to share buybacks of -\$132.6 million and repayment of all interest-bearing debt of -\$35.5 million.

As of December 31, 2021, the Group had a cash balance of \$79.0 million (2020: \$41.9 million), and no interest-bearing debt (2020: -\$35.0 million).

**Balance sheet**  
As of 31 December 2021, the Group had total assets of \$365.0 million (2020: \$425.3 million). Non-current assets represented \$92.2 million of this total and primarily consisted of other investments (mainly our 36% ownership in Bemobi) of \$90.3 million. Current assets such as cash and receivables represented \$272.8 million of total assets, of which \$79.0 million was cash and cash equivalents and \$193.7 million was other receivables (the final payment from Digital Turbine for the sale of AdColony).

The Group had total liabilities of \$13.7 million as of 31.12.2021 (2020: \$18.9 million), of which \$2.7 million were current liabilities. Shareholders' equity was \$351.3 million at the end of 2021, compared with \$306.4 million at the end of the previous year. Ottello's equity ratio at year-end was 96.2% (2020: 72.0%).

**BUSINESS OVERVIEW**

**AdColony (discontinued operations)**  
Due to the sale of AdColony to Digital Turbine, which was executed effectively 29 April 2021, the business is treated as discontinued operations for the period.

AdColony is a leading mobile advertising platform dedicated to delivering authentic advertising experiences across today's top apps. Originally founded in 2008, AdColony has been an innovation leader in mobile advertising and monetization since Apple first introduced the App Store. Founded by game developers, for game developers, AdColony is committed to delivering an experience that makes monetizing a win for advertisers, developers, and users alike. 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 curated reach. Thanks to industry-leading research, consumer insights,

sales channels and digital payments solutions, directly contributing to the growth of these companies.

More recently, Bemobi started to offer data analysis solutions for credit and fraud risk detection, using the information captured through our partnerships with telecommunications operators, financial institutions and retail companies, promoting the financial inclusion of millions of people.

Founded in 2009 in Brazil as an independent company, Bemobi has its services integrated with 88 mobile phone carriers around the world and Bemobi started to expand our partnerships to other segments such as fintech, marketplaces and wallets. Bemobi is already present in 42 countries, addressing a market of more than 2.5 billion potential users.

Bemobi works on a B2B2C (Business-To-Business-To-Consumer) white-label model, as Bemobi offers our services to a company that in turn offers them to end customers maintaining the visual identity of its brands, which guarantees our accelerated and sustainable growth as observed in recent years.

consideration for the acquisition would be \$404.5 million, including a normalized amount of working capital and \$19 million in cash. As the amount of the Earnout Payment Amount was then fixed, it was no longer considered a contingent asset as had previously been the case. Accordingly, the Earnout Payment Amount has now been booked as a receivable in the balance sheet and included in the calculation of the net profit on disposal of AdColony.

**Bemobi (discontinued operations)**  
Bemobi is a pioneering technology company in the development of solutions for the distribution of digital services to mobile phone users. Bemobi offers an innovative broad portfolio that encompasses the sale of services of: (i) subscription to apps and games in an "All You Can Eat" model, (ii) voice messages services through apps and/or integrated with SMS/WhatsApp systems, (iii) call anti-spam solutions and a series of microcredit service modalities such as (iv) balance advance for prepaid mobile users, (v) data packages advance and (vi) and call advance.

Bemobi also offers to large corporations automated platforms for managing sales campaigns and offers, digital



## Bemobi IPO

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 reached R\$ 1,094,117,684 (\$203,943,536), resulting in an equity value, post-money, of Bemobi Brazil at IPO of R\$ 2,000,000,024 (\$372,800,004).

On February 10, 2021, Bemobi Brazil had its first day of trading on the Bovespa stock exchange in Sao Paulo, Brazil, under the ticker "BMOB3". Otello's ownership in Bemobi post the IPO is 32,719,588 shares, equivalent to 35.99% of the company.

Following the successful IPO of Bemobi on Bovespa in Brazil, Otello Corporation ASA ("Otello") is now a major shareholder in Bemobi Brazil with ownership below 50%. Consequently, Bemobi financials are no longer consolidated into Otello's accounts but are booked according to the equity method. Please see note 15 of the consolidated financial statements for more information about the equity method accounting.

## Bemobi ownership

It is expected that any future sale of shares in Bemobi Brazil will be subject to capital gains tax in Brazil. Such gains are subject to progressive rates, based on the taxable profit.

Under existing tax laws, tax is payable as follows:

1. 15.0% on capital gains up to R\$ 55 million
2. 17.5% on the portion of capital gains between R\$ 55 million and R\$ 110 million
3. 20.0% on the portion of capital gains between R\$ 110 million and R\$ 330 million
4. 22.5% on the portion of capital gains over R\$ 330 million

As of reporting date, the tax cost base of Otello's remaining 35.99% shareholding in Bemobi Brazil is R\$ 242,396,152.87.

The fair value of the investment in Bemobi Brazil has been reassessed based on the share price of that business as of December 31, 2021. With a price per share of R\$ 15.23 as of that date, the carrying value of the investment has been written down by 41.4 million vs IH21.

Based on the Bemobi share price of 31.12.2021, Otello's ownership mark-to-market (fair value) was calculated to be \$39.4 million. Based on the fair value of the shares and this tax cost base, a deferred tax liability of \$10.2 million has been accrued. Thus, the net value for Otello was \$79.2 million as of 31 December 2021.

## CORPORATE OVERVIEW

### Organization

At the close of 2021, the Otello group had 6 full-time employees and equivalents, compared to 607 full-time employees and equivalents at the end of 2020.

### Board of Directors composition

At the Annual General Meeting on June 2, 2021, André Christensen was re-elected as the chairman of the Board of Directors, and Maria Borge Andreassen, Birgit Midt-bust, Song Lin and Anooj Unakret were re-elected to the Board of Directors.

### Corporate governance

The Company's guidelines for corporate governance are in accordance with the Norwegian Code of Practice for Corporate Governance, dated October 14, 2021, 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, 2021, Otello Corporation ASA had 112,299,727 outstanding shares. As of December 31, 2021, the Group's equity was \$351.3 million (parent company: \$258.0 million).

### Share Buyback Program

During 2021, Otello purchased 36,500,470 (2020: 388,372) treasury shares for \$132.6 million (2020: \$0.4 million) and sold 3,272 (2020: 38,555) treasury shares.

### Shareholders

The Company had 3,316 (2020: 4,756) shareholders at year-end. At that time, 33.9% (2020: 34.9%) of the shares were held in Norway-based accounts, 32.5% (2020: 45.0%) of the shares were held in U.K.-based accounts, 8.5% (2020: 4.9%) in Sweden-based accounts, 7.5% (2020: 4.6%) in US-based accounts, 7.4% (2020: 4.6%) in Belgium-based accounts, and 10.4% (2020: 6.0%) 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 loss of \$272 million (2020: profit of \$4.5 million). The Board will propose at the Annual General Meeting on June 2 that the Annual General Meeting grant the Board the authorization to pay dividends based on the approved 2021 annual accounts.



**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 22 of the "Consolidated financial statements".

For further information, please see the announcements published on the Oslo Stock Exchange website ([www.oslobors.no](http://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 on 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.

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.

We promote cultural diversity and we are proud to have 4 nationalities represented within the Group. We pride ourselves on 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 2021, 17% 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 0.3% in the parent company in 2021 (2020:1.2%), and an estimated rate of 1.4% for the Group as a whole (2020:1.4%).

**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 regarding ethical 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 the external 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 on 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**  
Otello will have very limited financial risk going forward as we have no operations which are consolidated into our P&L, nor do we have any interest-bearing debt.

**Currency risk**  
Both revenue and operating expenses are exposed to foreign exchange rate fluctuations. With the recent transactions, the vast majority of Otello's expenses are in NOK, while we are indirectly exposed to Brazilian real through our ownership in Bemobi. Further, the majority of Otello's cash position is held in USD so fluctuations in the USD v NOK exchange rate will impact our cash holding in NOK. See the tables below for a breakdown of revenues and operating expenses by currency.

**Credit risk**  
Otello will have very limited direct credit risk going forward as we have no operations which are consolidated into our P&L.



|              | 2021       |       | 2020       |        |
|--------------|------------|-------|------------|--------|
|              | Revenues   | %     | Revenues   | %      |
| EUR          | 0.1        | 94.3% | 0.2        | 188.3% |
| USD          | 0.0        | 5.7%  | (0.1)      | -89.2% |
| NOK          | 0.0        | 0.0%  | 0.0        | 0.8%   |
| <b>Total</b> | <b>0.1</b> |       | <b>0.1</b> |        |

|              | 2021         |       | 2020          |       |
|--------------|--------------|-------|---------------|-------|
|              | OPEX         | %     | OPEX          | %     |
| NOK          | (4.9)        | 52.3% | (13.7)        | 90.1% |
| USD          | (2.3)        | 24.8% | (1.3)         | 8.2%  |
| BRL          | (1.9)        | 20.8% | -             | 0.0%  |
| EUR          | (0.2)        | 2.0%  | (0.2)         | 1.6%  |
| GBP          | (0.0)        | 0.0%  | (0.0)         | 0.1%  |
| Other        | (0.0)        | 0.0%  | (0.0)         | 0.0%  |
| <b>Total</b> | <b>(9.3)</b> |       | <b>(15.2)</b> |       |

#### Operating expenses (OPEX) per currency (continuing operations):

#### Liquidity risk

Otello considers its liquidity risk to be limited.

Cash and cash equivalents at the end of 2021 were \$79.0 million. In 2021, Otello repaid all its interest-bearing debt and subsequently cancelled the Revolving Credit Facility (RCF) agreement with DNB Bank ASA. As of December 31, 2021, Otello has no outstanding loans payable.

The company's equity was \$351.3 million at the end of 2021, corresponding to an equity ratio of 96.2%.

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

Otello will have limited operational risk going forward as we have no operations which are consolidated into our P&L. The operational risk is limited to corporate functions as well as the management of our partly owned assets and in particular Bemobi.

#### 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



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.

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.

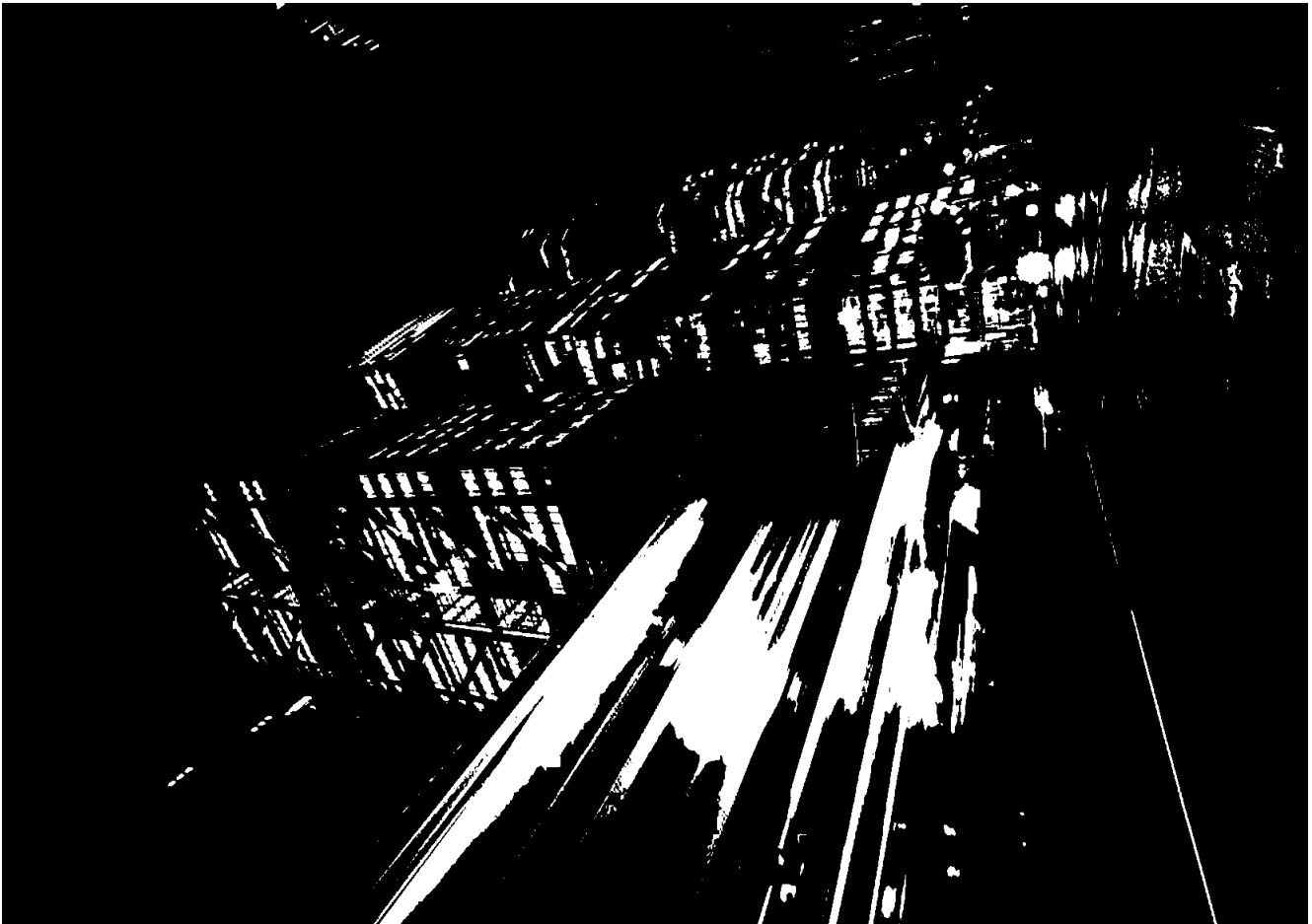
### Data risk

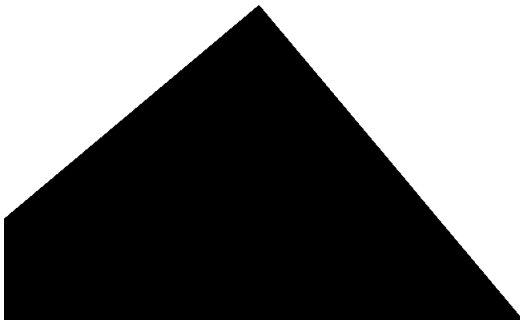
Many of our products and services are dependent on the continuous operation of data centers and computer hosting and telecommunications equipment. If Otello's internal or our service provider IT systems fail or are damaged, or if a third party gains unauthorized access to such systems and data is lost 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 regulations 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





**Directors and Officers Liability Insurance**  
Otello Corporation ASA and subsidiaries are covered by Directors and Officers liability insurance. The insurance indemnifies directors and officers for defense costs and potential legal liability arising out of claims made against them while serving on a board of directors and or as an officer. The insurance renews annually, and the sum insured was USD 25 million as per December 31, 2021.

**OUTLOOK**

Otello's strategic focus has been to build and grow companies with the ambition to create the highest possible value for our shareholders. We saw the culmination of this effort in 2021 where we were able to both IPO Bemobi on the Bovespa in Brazil at a significant premium to our initial purchase price, as well as sign and close a transaction selling AdColony to Digital Turbine.

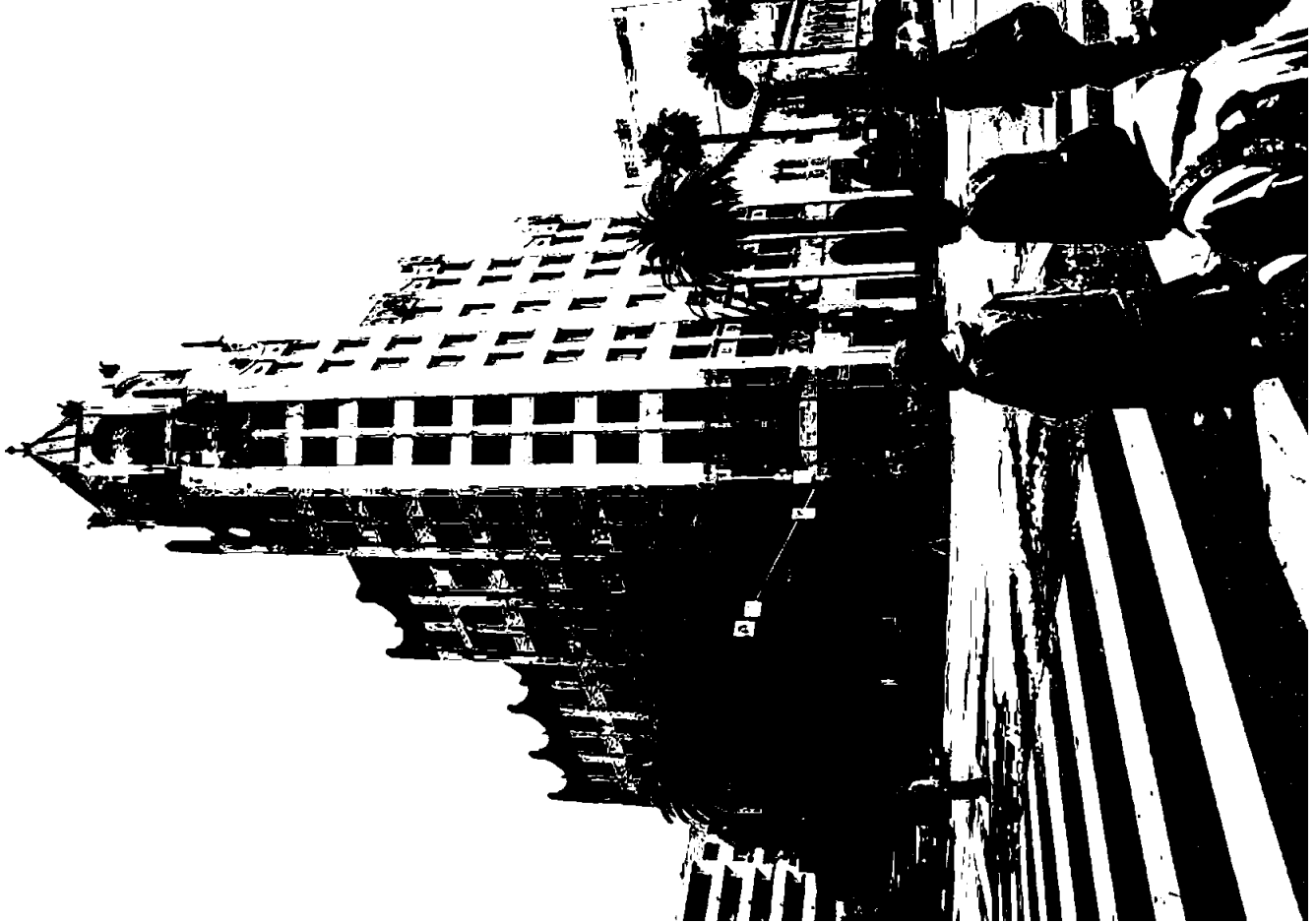
In Bemobi, Otello remains the biggest shareholder and is positive about the prospects of the business. Bemobi has recently signed two acquisitions which are expected to nearly double the revenue for the company. Otello will have an opportunistic view on its financial investment in the company.

AdColony, which was sold to Digital Turbine in April 2021, has as of this date been fully paid and consummated by Digital Turbine. As part of the transaction, Otello has Ma-

terial Indemnification-Related Post-Earnout Obligations related to the transaction. None of the Indemnification Obligations of Otello has been recognized as liabilities in the financial statement as it has yet to be confirmed whether Otello has a present obligation that could lead to an outflow of economic benefits, nor does the Indemnification Obligations of Otello meet the recognition criteria in IAS 37 as it is not probable that an outflow of economic benefits will happen at this stage. See Note 21 for additional details.

The investment in shares in Last Lion Holdings Ltd (totaling \$101 million) was written off as of December 31, 2021, following the commencement of bankruptcy proceedings against the Vevd Group. The loan, interests, and the accrued expenses related to the loan agreement with Vevd Software AS (totaling \$8.3 million) were written off as of June 30, 2021, due to the uncertainties of collectability. Otello continues, however, to pursue all of its entitlements. See notes 9 and 15 for more information.

Otello has, as a result of the transactions above and proceeds received, already repaid all our debt, and launched and completed a share buyback program accessible to all shareholders. Going forward, the goal is to maximize the value of our remaining assets and aggressively return cash to shareholders, most likely through a combination of share buybacks and dividends.





# 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 2021 and 2020. The Company had 11 full-time employees and equivalents in 2021 (2020:16).

Operating expenses increased by 14% in 2021. This is primarily due to an increase in legal/audit fees from increased corporate activity and employment-related costs. The Company's operating loss excluding impairment losses and restructuring expenses of \$79 million (2020: loss \$70 million) is in line with operating expenses due to the limited amount of revenues.

The Company reported a loss before income taxes of \$15.2 million (2020: loss \$5.7 million). The current year loss included \$66.4 million in impairment losses and restructuring

expenses (including a \$48.1 million impairment for the investment in Otello Technology Investment AS (primarily resulting from the decrease in the share price in Bemobi Mobile Tech S.A) and writedowns of \$101 million for the shares in Last Lion Holdings Ltd and \$8.2 million for the loan and receivables with View Software AS given the bankruptcy proceeding for the View Group and uncertainty in the recovery of the loan and receivables). Partly offsetting those impairments, the Company realized a profit of \$52.1 million on disposing of the AdColony business to Digital Turbine in addition to favorable FX movements.

Net cash flow from operating activities in 2021 totaled -\$6.3 million (2020: \$-7.5 million). The Company's cash balance was positively impacted in 2021 by the cash received from the sale of the AdColony business of \$185.5 million and net loans received from subsidiaries of \$71.4 million. Some of the cash inflow was used to buy back shares from investors of \$132.6 million and to repay all external debt of \$35.5 million. The cash balance increased by \$75.4 million in 2021. As of December 31, 2021, the Company had a cash balance of \$78.1 million (2020: 2.7 million).

The Company has \$90.6 million in interest-bearing debt at year-end (all owed to subsidiaries) and the Company's equity ratio was 73% (2020: 92%).

It is the Board's opinion that the annual accounts provide a true and fair view of the Company's activities in 2021.

Oslo, April 27, 2022

Andre Christensen  
Chairman of the Board

Birgit Midtbust

Song Lin

Maria Borge Andreassen

Anooj Unarket

Lars Bollvæn  
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, 2021, (Annual Report for 2021).

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 2021 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, 2021, 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 27, 2022

Andre Christensen  
Chairman of the Board

Blight Midtbust

Song Lin

Maria Borge Andreassen

Anooj Unaikeet

Lars Bolliesen  
CEO



## Consolidated statement of Comprehensive Income

| USD million, except per share amounts   | 2021           | 2020          |
|---|----------------|---------------|
| <i>Continuing operations</i>  |                |               |
| Revenue   | 0.1            | 0.1           |
| <b>Total operating revenue</b>  | <b>0.1</b>     | <b>0.1</b>    |
| Publisher and revenue share cost  | 0.0            | 0.3           |
| Employee benefits expense   | (6.7)          | (12.8)        |
| Depreciation and amortization expenses  | 6.16           | (1.0)         |
| Other operating expenses  | 11, 12, 13, 14 | (1.9)         |
|   | 5, 7           | (1.7)         |
| <b>Total operating expenses</b>   | <b>(9.3)</b>   | <b>(15.2)</b> |
| <b>Operating profit (loss), excluding impairment and restructuring expenses</b> | <b>(9.2)</b>   | <b>(15.1)</b> |
| Impairment losses and restructuring expenses                                    | (59.9)         | (0.5)         |
| 9, 11, 12, 13   |                |               |
| <b>Operating profit (loss)</b>  | <b>(69.1)</b>  | <b>(15.6)</b> |
| <b>Net financial items</b>  | <b>10.4</b>    | <b>(4.7)</b>  |
| <b>Profit (loss) before income tax</b>  | <b>(58.7)</b>  | <b>(20.4)</b> |
| Tax expense   | 7.5            | (3.5)         |
| 8   |                |               |
| <b>Profit (loss) from continuing operations</b>                                 | <b>(51.2)</b>  | <b>(23.9)</b> |
| <i>Discontinued operations</i>  |                |               |
| Profit (loss) from discontinued operations, net of tax                          | 2.01           | 0.6           |
| 21  |                |               |
| <b>Profit (loss) from discontinued operations</b>                               | <b>2.01</b>    | <b>0.6</b>    |
| <b>Profit (loss)</b>  | <b>166.9</b>   | <b>(23.3)</b> |
| <b>Other comprehensive income:</b>  |                |               |
| Items that may or will be transferred to profit (loss)                          |                |               |
| Foreign currency translation differences  | (7.4)          | 9.4           |
| Discontinued operations - reclassified to profit (loss)                         | 0.0            | (28.0)        |
| Reclassification of foreign currency translation reserve                        | 30.2           | 0.0           |
| <b>Total comprehensive income (loss)</b>  | <b>191.7</b>   | <b>(41.9)</b> |
| <b>Profit (loss) attributable to:</b>   |                |               |
| Owners of Otello Corporation ASA  | 168.9          | (23.3)        |
| Non-controlling interests   | 0.0            | (0.0)         |
| <b>Total comprehensive income (loss) attributable to:</b>                       |                |               |
| Owners of Otello Corporation ASA  | 191.7          | (39.5)        |
| Non-controlling interests   | 0.0            | (2.4)         |
| <b>Earnings (loss) per share:</b>   |                |               |
| Basic earnings per share (USD)  | 1.35           | (0.17)        |
| Diluted earnings per share (USD)  | 1.35           | (0.17)        |
| 10  |                |               |
| 10  |                |               |
| <b>Earnings (loss) per share (continuing operations):</b>                       |                |               |
| Basic earnings per share (USD)  | (0.41)         | (0.17)        |
| Diluted earnings per share (USD)  | (0.41)         | (0.17)        |
| 10  |                |               |
| 10  |                |               |



## Consolidated statement of Financial Position

| USD million                     | Note   | 12/31/2021   | 12/31/2020   |
|---------------------------------|--------|--------------|--------------|
| <b>Assets</b>                   |        |              |              |
| Deferred tax assets             | 8      | -            | 261          |
| Goodwill                        | 11     | -            | 219,7        |
| Intangible assets               | 11, 12 | -            | 12,8         |
| Property, plant and equipment   | 13     | 1,0          | 6,0          |
| Right of use assets             | 14     | 0,3          | 3,0          |
| Lease receivable                | 14     | -            | 0,0          |
| Other investments               | 15     | 90,3         | 18,7         |
| Other non-current assets        |        | 0,6          | 0,3          |
| <b>Total non-current assets</b> |        | <b>92,2</b>  | <b>286,6</b> |
| Accounts receivable             | 5      | 0,1          | 89,5         |
| Lease receivable                | 14     | -            | 0,9          |
| Other receivables               | 5      | 193,7        | 6,4          |
| Cash and cash equivalents       | 5      | 79,0         | 41,9         |
| <b>Total current assets</b>     |        | <b>272,8</b> | <b>138,7</b> |
| <b>Total assets</b>             |        | <b>365,0</b> | <b>425,3</b> |

## Consolidated statement of Financial Position

| USD million                                  | Note | 12/31/2021   | 12/31/2020   |
|--|------|--------------|--------------|
| <b>Shareholders' equity and liabilities</b>  |      |              |              |
| Equity attributable to owners of the company | 18   | 351,3        | 306,8        |
| Non-controlling interests                    | 18   | -            | (0,4)        |
| <b>Total equity</b>                          |      | <b>351,3</b> | <b>306,4</b> |
| <b>Liabilities</b>                           |      |              |              |
| Deferred tax liabilities                     | 8    | 10,2         | 0,0          |
| Lease liabilities                            | 14   | 0,2          | 1,2          |
| Other non-current liabilities                | 5    | 0,6          | 1,6          |
| <b>Total non-current liabilities</b>         |      | <b>11,0</b>  | <b>2,8</b>   |
| Loans and borrowings                         | 5    | -            | 35,0         |
| Lease liabilities                            | 14   | 0,1          | 2,8          |
| Accounts payable                             | 5    | 0,2          | 25,7         |
| Taxes payable                                | 8    | -            | 2,0          |
| Contract liabilities                         | 5    | -            | 1,8          |
| Other current liabilities                    | 17   | 2,4          | 48,6         |
| Contingent consideration, current            | 16   | -            | 0,2          |
| <b>Total current liabilities</b>             |      | <b>2,7</b>   | <b>116,1</b> |
| <b>Total liabilities</b>                     |      | <b>13,7</b>  | <b>118,9</b> |
| <b>Total equity and liabilities</b>          |      | <b>365,0</b> | <b>425,3</b> |

Oslo, April 27, 2022

Andre Christensen  
Chairman of the Board

Maria Borge-Andreassen

Bigt Midtust

Song Lin

Lars Bolliesen  
CEO

Anooj Unnakkat

## Consolidated statement of Cash Flows

|  |            | 1/1 - 12/31<br>2021 | 1/1 - 12/31<br>2020 |
|--|------------|---------------------|---------------------|
| <i>USD million</i>   |            |                     |                     |
| <b>Reconciliation of profit (loss) before taxes</b>                                  |            |                     |                     |
| Profit (loss) before income taxes  |            | (58.7)              | (20.4)              |
| Profit (loss) from discontinued operations, net of tax                               |            | 2.01                | 0.6                 |
| Tax expense, discontinued operations   |            | 3.8                 | 1.5                 |
| <b>Profit (loss) before taxes, as presented in the statement of cash flows below</b> |            | <b>165.2</b>        | <b>(18.3)</b>       |
| <b>Cash flow from operating activities</b>   |            |                     |                     |
| Profit (loss) before taxes   |            | 165.2               | (18.3)              |
| Income taxes paid  | 8          | (0.0)               | 5.3                 |
| Depreciation and amortization expense  | 12, 13, 14 | 7.0                 | 23.4                |
| Impairment of intangible assets and goodwill   | 9, 11      | 59.8                | -                   |
| Changes in accounts receivable   | 5          | 17.6                | (11.5)              |
| Changes in accounts payable  | 5          | (9.0)               | 12.6                |
| Other adjustments for which cash effects are investing or financing cash flow        | 21         | (215.7)             | 0.2                 |
| Other adjustments for non-cash items   |            | (5.7)               | (5.4)               |
| Share of net income (loss) from associated companies                                 | 15         | (3.0)               | 0.0                 |
| Share-based remuneration   | 6          | (44.1)              | 9.5                 |
| FX differences related to changes in balance sheet items                             |            | 2.7                 | 3.5                 |
| <b>Net cash flow from operating activities</b>                                       |            | <b>4.8</b>          | <b>19.1</b>         |
| <b>Cash flow from investment activities</b>  |            |                     |                     |
| Purchases of property, plant and equipment (PP&E) and intangible assets              | 12, 13     | (0.1)               | (1.8)               |
| Capitalized development costs  | 12         | (2.8)               | (10.3)              |
| Cash flows from losing control of subsidiaries                                       | 21         | 179.3               | -                   |
| Dividends received   | 21         | 30.8                | 0.0                 |
| Cash flows used in obtaining control of subsidiaries or other businesses             | 16         | -                   | (0.2)               |
| Other cash payments to acquire equity or debt instruments of other entities          | 16         | (0.1)               | (0.1)               |
| <b>Net cash flow from investment activities</b>                                      |            | <b>207.1</b>        | <b>(12.4)</b>       |
| <b>Cash flow from financing activities</b>   |            |                     |                     |
| Payments of other equity instruments   | 18         | (0.1)               | 0.0                 |
| Payments to acquire entity's shares  | 18         | (192.6)             | (0.4)               |
| Proceeds from loans and borrowings   | 5          | 0.0                 | 15.0                |
| Repayments of loans and borrowings   | 5          | (35.5)              | (1.3)               |
| Payment of finance lease liabilities, net  | 14         | (1.5)               | (2.8)               |
| <b>Net cash flow from financing activities</b>                                       |            | <b>(169.7)</b>      | <b>10.5</b>         |
| <b>Net change in cash and cash equivalents</b>                                       |            | <b>42.2</b>         | <b>17.2</b>         |
| Cash and cash equivalents (beginning of period)                                      |            | 41.9                | 28.3                |
| Effects of exchange rate changes on cash and cash equivalents                        |            | (5.1)               | (3.6)               |
| <b>Cash and cash equivalents<sup>†</sup></b>   |            | <b>79.0</b>         | <b>41.9</b>         |

<sup>†</sup> Of which \$0.1 million (2020: \$0.8 million) is restricted cash as of December 31, 2021.

## Consolidated statement of Changes in Equity

| USD million (except number of shares)                                 | Number of shares outstanding (million) | Share premium | Treasury shares | Translation reserve | Other equity | Non-controlling interests | Total equity |              |
|---|--|---------------|-----------------|---------------------|--------------|---------------------------|--------------|--------------|
| Balance as of 12/31/2020  | 1376                                   | 0.3           | 3478            | (69.3)              | (30.2)       | 58.3                      | (0.4)        | 306.4        |
| Comprehensive income for the period                                   |  |               |                 |                     |              |                           |              |              |
| Profit (loss)   |  |               |                 |                     |              | 168.9                     |              | 168.9        |
| Other comprehensive income  |  |               |                 |                     |              |                           |              |              |
| Recycling of foreign currency translation difference to profit (loss) |  |               |                 | 30.2                |              |                           |              | 30.2         |
| Foreign currency translation differences                              |  |               |                 | (2.8)               |              | (4.6)                     |              | (7.4)        |
| <b>Total comprehensive income for the period</b>                      |  |               |                 |                     |              | <b>164.3</b>              | <b>0.0</b>   | <b>151.7</b> |
| Issue of share capital  |  |               |                 |                     |              |                           |              | 0.0          |
| Capital decrease  |  | (0.1)         | (201.9)         |                     |              |                           |              | (132.6)      |
| Treasury shares purchased   | (36.5)                                 |               |                 |                     |              |                           |              | 0.0          |
| Treasury shares sold  | 0.0                                    |               | 0.0             |                     |              |                           |              | 0.0          |
| Share-based payment transactions                                      |  |               |                 |                     |              | (1.4)                     |              | (1.4)        |
| Divestment of a subsidiary  |  |               |                 |                     |              | (0.4)                     |              | 0.0          |
| <b>Balance as of 12/31/2021</b>                                       | <b>1011</b>                            | <b>0.3</b>    | <b>145.9</b>    | <b>(0.0)</b>        | <b>(2.8)</b> | <b>207.9</b>              | <b>0.0</b>   | <b>351.3</b> |

### Non-controlling interests

During 2021, Otello Corporation ASA's ownership in Bemobi was reduced to 36%. Please see Note 21 for further information.

### Share capital decrease

Reference is made to the resolution by the annual general meeting on June 2, 2021, where a resolution was passed to reduce the share capital of the parent company, Otello Corporation ASA, by the cancellation of 13,272,702 treasury shares. The share capital reduction has been registered with the Norwegian register of Business Enterprises, and the new registered share capital of the parent company was NOK 2,594,994.54, and the total share count was 1,747,997.

Reference is made to the resolution by the extraordinary general meeting on September 30, 2021, where a resolution was passed to reduce the share capital of the parent company, Otello Corporation ASA, by the cancellation of 17,450,000 treasury shares. The share capital reduction has been registered with the Norwegian register of Business Enterprises, and the new registered share capital of the parent company is NOK 2,249,994.54, and the total share count is 1,727,997.

### Treasury shares and ordinary share

During 2021, Otello purchased 36,500,470 treasury shares for \$132.6 million, and sold 3,272 treasury shares for \$0.0 million.

During 2021, 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, 2021, Otello owned 11,999,998 treasury shares.

### Face value of the shares

The face value of the shares is NOK 0.02.

### 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 option and PSU costs recognized according to the equity settled method and all other transactions, including but not limited to, total recognized income and expenses for the current period.

## Consolidated statement of Changes in Equity

| USD million (except number of shares)                                 | Number of shares outstanding (million) | Share premium | Treasury shares | Translation reserve | Other equity | Non-controlling interests | Total equity |               |
|---|--|---------------|-----------------|---------------------|--------------|---------------------------|--------------|---------------|
| Balance as of 12/31/2019  | 1379                                   | 0.3           | 3478            | (14.1)              | 721          | 1.9                       | 3391         |               |
| Comprehensive income for the period                                   |  |               |                 |                     |              |                           |              |               |
| Profit (loss)   |  |               |                 |                     |              | (23.3)                    | (0.0)        | (23.3)        |
| Other comprehensive income  |  |               |                 |                     |              |                           |              |               |
| Recycling of foreign currency translation difference to profit (loss) |  |               |                 |                     |              |                           |              | 0.0           |
| Foreign currency translation differences                              |  |               |                 | (16.2)              |              | (2.4)                     |              | (18.6)        |
| <b>Total comprehensive income for the period</b>                      |  |               |                 |                     |              | <b>(24.4)</b>             | <b>(0.0)</b> | <b>(18.6)</b> |
| Issue of share capital  |  |               |                 |                     |              |                           |              | (0.0)         |
| Capital decrease  |  | (0.0)         |                 |                     |              |                           |              | 0.0           |
| Treasury shares purchased   | (0.4)                                  |               |                 |                     |              |                           |              | (0.4)         |
| Treasury shares sold  | 0.0                                    |               | 0.1             |                     |              |                           |              | 0.1           |
| Share-based payment transactions                                      |  |               |                 |                     |              | 9.5                       |              | 9.5           |
| Divestment of a subsidiary  |  |               |                 |                     |              | (2.4)                     |              | (2.4)         |
| <b>Balance as of 12/31/2020</b>                                       | <b>1376</b>                            | <b>0.3</b>    | <b>3478</b>     | <b>(30.2)</b>       | <b>58.3</b>  | <b>0.0</b>                | <b>(0.4)</b> | <b>306.4</b>  |



## Note 1

### General information

At the beginning of 2021, the Otello Group's ("Otello") main business activities comprised mobile advertising via its AdColony business and mobile-app subscription services via its Bemobi business. Following the successful IPO of the Bemobi business in February 2021 and the sale of the AdColony business in April 2021, those businesses no longer form part of Otello's consolidated financial statements. The principal activities for Otello's reporting period are therefore limited to the operating and geographic segment information.

## 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 requirements 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 not applied any new standards or amendments to the first time for the reporting period commencing January 1, 2021.

**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

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 investee) and are recognized initially at cost; except for investments in associates arising from the loss of control of a subsidiary – refer to the "Loss of control" section below for further information). The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the identifiable intangible assets, impairment losses, 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 from 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 the segment's results are regularly reviewed by the Group's 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 at the functional currency at the foreign exchange rate prevailing on that date. Foreign exchange differences arising from 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 for the period of the year that it formed part of the group, whilst for the majority of the Bemobi segment for the period of the year that it formed part of the group, BRL is the functional currency.

#### Foreign operations:

The assets and liabilities of foreign operations, including goodwill and the value adjustments arising from consolidation, are translated to USD. The income statements of foreign operations are translated to USD. 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, and the contract also provides or the contract holder has the power to direct the use of the asset to obtain economic benefits. 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 through 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 Group's incremental borrowing rate.





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 8 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.

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 from publishers for access to the mobile app, ii) advertising revenue from a white-label operator-controlled version of the mobile store, which is also known as Apps Club, and iii) the Bemobi Mobile Store (formerly DMS), 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 "to-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**

Costs of goods sold comprises publisher costs and the cost of licenses purchased from third-party publishers. Publisher costs consist of the fixed fee and the cost of advertising space. 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 the 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 substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 Group 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. If 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:

- 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);
- 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);
- when a user plays a mobile video ad all the way to completion, based on CPCV (cost per completed video view);
- 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

## 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 within management considers reasonable means, as well as forecasts as to how these might change in the future.

#### Significant judgments

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

#### Contingent considerations, see Note 16

The Group has previously 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

As a result of the successful IPO of Bemobi in Brazil as well as the signing and closing of the AdColony sale to Digital Turbine in 2021, both Bemobi and AdColony have been treated as discontinued operations as per IFRS 5 Non-current Assets Held for Sale and Discontinued Operations as at December 31, 2021 and for the year ended December 31, 2021.

Please see Note 2 for further information regarding discontinued operations.

## Note 4

### Operating and segment information

At the beginning of 2021, the Group's business activities comprised 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, was previously reported as part of Otello's Corporate segment.

Following the successful IPO of the Bemobi business in February 2021 and the sale of the AdColony business in April 2021, those businesses no longer form part of the consolidated Group and are considered discontinued operations.

See Note 2 for further information regarding discontinued operations.

The Group is now comprised of a single Corporate segment as at December 31, 2021.

#### 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

ment 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)  | 2021   | 2020   |
|---|--------|--------|
| Total operating revenue   | 0.1    | 0.1    |
| Publisher and revenue share cost  | 0.0    | 0.3    |
| Gross profit  | 0.1    | 0.4    |
| Reconciliation of operating profit (loss) to EBITDA and adjusted EBITDA (USD million) | 2021   | 2020   |
| Operating profit (loss) (EBIT)  | (69.9) | (15.6) |
| Depreciation and amortization expenses  | 0.8    | 1.0    |
| Impairment expenses   | 59.8   | 0.0    |
| EBITDA  | (8.6)  | (14.6) |
| Restructuring expenses  | 0.1    | 0.5    |
| Stock-based compensation expenses   | 2.2    | 9.0    |
| Adjusted EBITDA   | (6.3)  | (5.1)  |

#### Assets

| Non-current assets by location (USD million)  | 2021 | 2020  |
|---|------|-------|
| Non-current assets located in Brazil          | 89.4 | 42.4  |
| Non-current assets located in Norway          | 1.9  | 22.6  |
| Non-current assets located in United States   | 0.3  | 188.0 |
| Non-current assets located in other countries | -    | 7.6   |
| Total   | 91.6 | 260.5 |

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

For investments in shares in equity-accounted associates and unrelated parties, the location is based on where those companies are based, without any tracing of the underlying location of their assets.

The vast majority of the value of non-current assets is related to acquisitions. See Note 15 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 management and approved by the Board of Directors. Potential risks are evaluated on a regular basis and management determines appropriate strategies to limit the risks 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 due to exchange rate fluctuations. 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.

|              | Revenues   | %      | Revenues   | %       |
|--------------|------------|--------|------------|---------|
| EUR          | 0.1        | 94.3 % | 0.2        | 188.3 % |
| USD          | 0.0        | 5.7 %  | (0.1)      | -89.2 % |
| NOK          | 0.0        | 0.0 %  | 0.0        | 0.8 %   |
| <b>Total</b> | <b>0.1</b> |        | <b>0.1</b> |         |

|              | OPEX         | %      | OPEX          | %      |
|--------------|--------------|--------|---------------|--------|
| NOK          | (4.9)        | 52.3 % | (13.7)        | 90.1 % |
| USD          | (2.3)        | 24.8 % | (1.3)         | 8.2 %  |
| BRL          | (1.9)        | 20.8 % | -             | 0.0 %  |
| EUR          | (0.2)        | 2.0 %  | (0.2)         | 1.6 %  |
| GBP          | (0.0)        | 0.0 %  | (0.0)         | 0.1 %  |
| Other        | (0.0)        | 0.0 %  | (0.0)         | 0.0 %  |
| <b>Total</b> | <b>(9.3)</b> |        | <b>(15.2)</b> |        |

**Conversion of the Group's revenues from foreign currencies into USD yields the following average exchange rates:**

|     | 2021   | 2020   |
|-----|--------|--------|
| EUR | 1.0984 | 1.0419 |
| NOK | N/A    | 0.1065 |

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

| [(USD million)] | Recalculated with prior year average rates | FX effect using prior year rates | Effect in % |
|-----------------|--|----------------------------------|-------------|
| Revenue         | 0.1  | (0.0)                            | -6.6 %      |
| Expenses        | (6.5)                                      | 2.8                              | -30.4 %     |

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

**Foreign exchange contracts**  
During 2021 and 2020, 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, 2021.

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

| [(USD million)]                | 2021        | 2020         |
|--------------------------------|-------------|--------------|
| FX gain                        | 13.5        | 1.9          |
| FX loss                        | (5.8)       | (7.3)        |
| Other finance income (expense) | 2.6         | 0.7          |
| <b>Total</b>                   | <b>10.4</b> | <b>(4.7)</b> |

Other finance income (expense) includes \$0.4 million (2020: 0.8) 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 Note 15 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. The Group's revenue from continuing operations is immaterial and the large majority of outstanding receivables relates to the final payment due from Digital Turbine, Inc. related to the sale of the AdColony business. That receivable was received in early 2022. Further, the Group has conducted 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)

|       | 2021 % of Gross AR | 2020 % of Gross AR |
|-------|--------------------|--------------------|
| USD   | 0.0                | 58.7 %             |
| NOK   | 0.2                | 41.3 %             |
| DKK   | 0.0                | 0.0 %              |
| BRL   | 0.0                | 0.0 %              |
| Other | n/a                | n/a                |

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

|     | 2021   | 2020   |
|-----|--------|--------|
| NOK | 0.1134 | 0.1172 |
| DKK | 0.1525 | 0.1648 |
| BRL | 0.1795 | 0.1925 |

Gross accounts receivable per region: (USD million)

|              | 2021       | 2020        |
|--------------|------------|-------------|
| EMEA         | 0.0        | 27.2        |
| Americas     | 0.0        | 24.1        |
| Asia Pacific | 0.0        | 10.4        |
| <b>Total</b> | <b>0.0</b> | <b>61.8</b> |

Loss allowance as at December 31, 2021 and December 31, 2020 was determined as follows for both trade receivables and accrued income:

| [USD million]       | 2021  |  |                    | 2020  |  |                |
|---------------------|---|--|--------------------|---|--|----------------|
|                     | Gross carrying amount - accounts receivable | Gross carrying amount - accrued income | Expected loss rate | Gross carrying amount - accounts receivable | Gross carrying amount - accrued income | Loss allowance |
| Current             | 0.0   | 0.0                                    | 0.9 %              | 0.0   | 0.0                                    | (0.0)          |
| Past due 0-30 days  | 0.0   | 0.0                                    | NA                 | 0.0   | 0.0                                    | 0.0            |
| Past due 31-60 days | 0.0   | 0.0                                    | NA                 | 0.0   | 0.0                                    | 0.0            |
| Past due 61-90 days | 0.0   | 0.0                                    | NA                 | 0.0   | 0.0                                    | 0.0            |
| More than 90 days   | 0.0   | 0.0                                    | NA                 | 0.0   | 0.0                                    | (0.0)          |
| <b>Total</b>        | <b>0.0</b>                                  | <b>0.0</b>                             |                    | <b>0.0</b>                                  | <b>0.0</b>                             | <b>(0.0)</b>   |

| [USD million]       | 2020  |  |                    | 2020  |  |                |
|---------------------|---|--|--------------------|---|--|----------------|
|                     | Gross carrying amount - accounts receivable | Gross carrying amount - accrued income | Expected loss rate | Gross carrying amount - accounts receivable | Gross carrying amount - accrued income | Loss allowance |
| Current             | 36.5  | 29.6                                   | 0.5 %              | 36.5  | 29.6                                   | (0.2)          |
| Past due 0-30 days  | 11.1  | 0.0                                    | 0.9 %              | 11.1  | 0.0                                    | (0.1)          |
| Past due 31-60 days | 2.7   | 0.0                                    | 0.0 %              | 2.7   | 0.0                                    | (0.0)          |
| Past due 61-90 days | 2.4   | 0.0                                    | 15.7 %             | 2.4   | 0.0                                    | (0.4)          |
| More than 90 days   | 9.1   | 0.0                                    | 13.8 %             | 9.1   | 0.0                                    | (1.3)          |
| <b>Total</b>        | <b>61.8</b>                                 | <b>29.6</b>                            |                    | <b>61.8</b>                                 | <b>29.6</b>                            | <b>(1.9)</b>   |

Accounts receivables and other receivables: (USD million)

|  | 2021         | 2020        |
|--|--------------|-------------|
| Accounts receivable (including provision for bad debt) | 0.0          | 59.9        |
| Contract assets  | 0.0          | 29.6        |
| Other receivables                                      | 193.7        | 6.4         |
| <b>Total</b>   | <b>193.8</b> | <b>95.9</b> |

Accounts receivable represent the part of receivables that is invoiced to customers but not yet paid. Accrued income 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 non-trade receivables and prepayments. Of this balance at December 31, 2021, USD 191.7 million represents the locked-in earnout amount recognized from the sale of AdColony to Digital Turbine, Inc. The cash for the earnout amount was received in early 2022.

**Contract liabilities**

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

**Liquidity risk**

**Liquidity reserve (USD million)**

|                             | 2021 | 2020 |
|-----------------------------|------|------|
| Cash and cash equivalents   | 79.0 | 41.9 |
| Cash in hand and on deposit | 0.1  | 0.8  |
| Less restricted funds       | 78.9 | 41.1 |

Unutilized credit facilities

|                               | 2021       | 2020        |
|-------------------------------|------------|-------------|
| Short-term overdraft facility | 0.0        | 15.0        |
| <b>Liquidity reserve</b>      | <b>0.0</b> | <b>15.0</b> |

**Breakdown of cash deposits by currency (USD million)**

|              | 2021        | 2020        |
|--------------|-------------|-------------|
| NOK          | 50.3        | 0.9         |
| USD          | 28.6        | 10.1        |
| EUR          | 0.1         | 0.8         |
| BRL          | 0.0         | 18.0        |
| TRY          | 0.0         | 1.3         |
| Other        | 0.0         | 10.8        |
| <b>Total</b> | <b>79.0</b> | <b>41.9</b> |

**Credit Facility (USD million)**

|                       | 2021 | 2020 |
|-----------------------|------|------|
| Long-term cash credit | 0.0  | 50.0 |
| Utilized              | 0.0  | 35.0 |

**Credit facility**

In January 2021, Otello signed an amendment to the 3 year Revolving Credit facility (RCF) agreement of 2018 with DNB Bank ASA, increasing the facility from \$50 million to \$68.6 million. The payment guarantee that was signed in March 2020 of an amount equal to USD 18,561,118 in favor of Pedro Ripper, CEO of Bemobi, (on behalf of the former owners of Bemobi) was converted to be part of the RCF agreement. This conversion was carried out in February 2021 following the public listing of Otello's Bemobi business in Brazil. In addition, the termination date of the RCF was extended to June 30, 2021.

During April 2021, Otello utilized some of the proceeds received from the Bemobi IPO to fully pay back all of the \$35 million of the RCF that had previously been drawn up and terminated the RCF agreement.

As at December 31, 2021, Otello has no outstanding loans payable.

**Financial liabilities**

All financial liabilities, with the exception of the non-current portion of lease liability and options liability, 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.

| <i>[USD million]</i>                | 2021        | 2020       |
|-------------------------------------|-------------|------------|
| Cash and cash equivalents           | 79.0        | 41.9       |
| Borrowings                          | 0.0         | (35.0)     |
| Lease liabilities                   | (0.3)       | (4.0)      |
| <b>Net cash</b>                     | <b>78.7</b> | <b>2.9</b> |
| Cash and cash equivalents           | 79.0        | 41.9       |
| Gross debt - fixed interest rate    | -           | -          |
| Gross debt - variable interest rate | (0.3)       | (39.0)     |
| <b>Net cash</b>                     | <b>78.7</b> | <b>2.9</b> |

| <i>[USD million]</i>             | Liabilities from financing activities | Leases       | Cash and cash equivalents |
|----------------------------------|---------------------------------------|--------------|---------------------------|
| Net debt as of 1/1/2021          | (35.0)                                | (4.0)        | 41.9                      |
| Additions - leases               | -                                     | (1.8)        | -                         |
| Cash flow                        | 35.0                                  | 5.4          | 42.2                      |
| Effects of exchange rate changes | -                                     | 0.1          | (5.1)                     |
| <b>Net debt as of 31/12/2021</b> | <b>-</b>                              | <b>(0.3)</b> | <b>79.0</b>               |

| <i>[USD million]</i>             | Liabilities from financing activities | 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          | 7.2                       |
| Effects of exchange rate changes | -                                     | 0.3          | (3.6)                     |
| <b>Net debt as of 31/12/2020</b> | <b>(35.0)</b>                         | <b>(4.0)</b> | <b>41.9</b>               |

### 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.

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

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:

| <i>[USD million]</i>              | Amortized cost | Fair value  |
|-----------------------------------|----------------|-------------|
| <b>Assets - non-current</b>       | <b>2021</b>    | <b>2020</b> |
| Financial derivatives             |                | 0.6         |
| <b>Assets - current</b>           |                |             |
| Accounts receivable               | 0.1            |             |
| Cash and cash equivalents         | 79.0           |             |
| Financial derivatives             |                | 0.6         |
| <b>Liabilities - non-current</b>  |                |             |
| Financial derivatives             |                | 0.6         |
| <b>Liabilities - current</b>      |                |             |
| Accounts payable                  | 0.2            |             |
| Loans and borrowings              | 0.0            |             |
| Financial derivatives             |                | 0.6         |
| Contingent consideration, current |                | 0.0         |
| <b>Assets - non-current</b>       | <b>2020</b>    | <b>2020</b> |
| Financial derivatives             |                | 0.0         |
| <b>Assets - current</b>           |                |             |
| Accounts receivable               | 89.5           |             |
| Cash and cash equivalents         | 41.9           |             |
| Financial derivatives             |                | 0.0         |
| <b>Liabilities - non-current</b>  |                |             |
| Financial derivatives             |                | 0.0         |
| <b>Liabilities - current</b>      |                |             |
| Accounts payable                  | 25.7           |             |
| Loans and borrowings              | 35.0           |             |
| Financial derivatives             |                | 0.0         |
| Contingent consideration, current |                | 0.2         |

## Note 6

### Payroll expenses and remuneration to management

| Payroll expenses (USD million)                                   | 2021         | 2020          |
|--|--------------|---------------|
| Salaries and bonuses   | (2.8)        | (2.9)         |
| Social security cost   | (1.2)        | (0.6)         |
| Pension cost   | (0.2)        | (0.2)         |
| Stock-based compensation expense, including social security cost | (2.2)        | (9.0)         |
| Insurance and other employee benefits                            | (0.1)        | (0.1)         |
| Payments to long-term contractual staff                          | (0.1)        | (0.1)         |
| <b>Total</b>   | <b>(6.7)</b> | <b>(12.8)</b> |
| Average number of full-time equivalents                          | 10           | 11            |

The Norwegian companies in the Group are obligated to follow the Mandatory Occupational Pensions Act and these companies' pension schemes follow the requirements as set in the Act.

#### Compensation to the CEO and Chairman of the Board

The CEO has waived his rights under Section 5-16 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, 2021, 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 Remuneration Committee and the Board of Directors.

An accrual for all 2021 bonuses for senior executives has been recognized in the consolidated financial statements. Bonuses will be paid in 2022.

Refer to the remuneration report for further information, available on Otello's website: <https://otellocorp.com/>

#### 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 December 31, 2021. The RSUs granted in 2020 were granted to Pedro Ripper and were recognized, in accordance with IFRS 2, in the statement of comprehensive income. However, that RSU Award has been terminated and replaced in 2021. Please see Note 16 for more information.

Options granted to Otello Corporation employees vest over four years with 1/4 each year. As of December 31, 2021, all options in Otello Corporation have been forfeited, expired or exercised, and there are no options outstanding at the end of the period.

Following the successful IPO of the Bomobi business, responsibility for the original Bomobi option plan transferred to Bomobi Mobile Tech S.A. and accordingly Otello Corporation was released from all obligations related to this option plan. This transfer of responsibility is recognized in the financial statements through a reversing of the previous cost that had been recognized.

As of December 31, 2021, the only outstanding options within the Group relate to the RSU Award replacement for Pedro Ripper for shares in Bomobi Mobile Tech S.A.

#### Options

Weighted average exercise price

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

|   | 2021                                  | 2020                                  |
|---|---------------------------------------|---------------------------------------|
|   | Weighted average exercise price (NOK) | Weighted average exercise price (NOK) |
|   | Number of options (in thousands)      | Number of options (in thousands)      |
| Outstanding at the beginning of the period  | 20,99                                 | 41,26                                 |
| Terminated (employee terminations)          | -                                     | -                                     |
| Forfeited during the period                 | 38,50                                 | -                                     |
| Expired during the period                   | 4,736                                 | 36,91                                 |
| Cancelled during the period                 | -                                     | 4,216                                 |
| Exercised during the period                 | 33,02                                 | -                                     |
| Granted during the period                   | -                                     | 18,99                                 |
| Outstanding at the end of the period        | -                                     | 20,99                                 |
| <b>Exercisable at the end of the period</b> | <b>0,00</b>                           | <b>46,21</b>                          |
|   |                                       | 2,316                                 |

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.

In 2021, there were no new options granted (2020: 3,450,000 options granted).

#### Weighted average exercise price

The number and weighted average exercise price of share options in Otello Technology Investment AS (formerly Bomobi Holding AS) in the original Bomobi option plan are as follows:

|   | 2021                                  | 2020                                  |
|---|---------------------------------------|---------------------------------------|
|   | Weighted average exercise price (NOK) | Weighted average exercise price (NOK) |
|   | Number of options (in thousands)      | Number of options (in thousands)      |
| Outstanding at the beginning of the period  | 9,988                                 | 9,988                                 |
| 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                                 |
| Transfer of responsibility for the plan     | 9,988                                 | -                                     |
| Outstanding at the end of the period        | -                                     | 9,988                                 |
| <b>Exercisable at the end of the period</b> | <b>-</b>                              | <b>9,988</b>                          |
|   |                                       | 3,934                                 |



The table below shows the number of options issued by Otello Corporation ASA to employees at various strike prices and exercise dates.  
2021: There were no options issued in 2021, and there are none outstanding as of 31 December 2021.

| Exercise price | TOTAL OUTSTANDING OPTIONS                         |                                       | VESTED OPTIONS                           |                                       |
|----------------|---|---------------------------------------|--|---------------------------------------|
|                | Outstanding options per 12/31/2020 (in thousands) | 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                                  | -  | -                                     |
| 20.00 - 25.00  | -   | -                                     | -  | -                                     |
| 25.00 - 30.00  | -   | -                                     | -  | -                                     |
| 30.00 - 35.00  | -   | -                                     | -  | -                                     |
| 35.00 - 40.00  | -   | -                                     | -  | -                                     |
| 40.00 - 45.00  | 713   | 0.87                                  | 716                                      | 40.84                                 |
| 45.00 -        | 65  | 0.72                                  | 65                                       | 60.75                                 |
| <b>Total</b>   | <b>3 728</b>                                      | <b>3.46</b>                           | <b>20 99</b>                             | <b>241</b>                            |

Exercise price = strike price

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

| Date of exercise | Number of exercised options (in thousands) | Achieved selling price (NOK) |
|------------------|--|------------------------------|
| 4/29/21          | 3 450                                      | 33.02                        |
| <b>Total</b>     | <b>3 450</b>                               |                              |

2020:  
No options exercised in 2020.

**Restricted stock units**

RSUs granted by Otello Technology Investment AS (formerly Bemobi Holding AS) to management and employees in 2021 or 2020.

| Restricted Stock Units                 | 2021                                  |                                 | 2020                                  |                                 |
|--|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------|
|  | Weighted average exercise price (NOK) | Number of shares (in thousands) | Weighted average exercise price (NOK) | Number of shares (in thousands) |
| Outstanding at the beginning of period | -                                     | 24                              | -                                     | -                               |
| Replaced during the period             | -                                     | (24)                            | -                                     | -                               |
| Granted during the period              | -                                     | -                               | -                                     | 24                              |
| Outstanding at the end of period       | -                                     | -                               | -                                     | 24                              |
| Vested RSUs at the end of the period   | -                                     | -                               | -                                     | -                               |

The table below shows the number of options issued by Otello Technology Investment AS (formerly Bemobi Holding AS) to employees at various strike prices and exercise dates.  
2021: There were no options issued in 2021, and there are none outstanding as of 31 December 2021.

| Weighted Average Fair Value of RSUs granted during the period | 2021                        |                                 | 2020                        |                                 |
|---|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
|   | Value in NOK (in thousands) | Number of shares (in thousands) | Value in NOK (in thousands) | Number of shares (in thousands) |
| Intrinsic value outstanding RSUs at the end of the period     | -                           | -                               | 10 686.50                   | 24                              |
| Intrinsic value vested RSUs at the end of the period          | -                           | -                               | 269 299 820                 | 24                              |
| No RSUs were granted in 2021.                                 | -                           | -                               | -                           | -                               |

The table below shows the number of options issued by Otello Technology Investment AS (formerly Bemobi Holding AS) to employees at various strike prices and exercise dates.

2021: There were no options issued in 2021, and there are none outstanding as of 31 December 2021.

| Exercise price | TOTAL OUTSTANDING OPTIONS                         |   | VESTED OPTIONS                           |                                       |
|----------------|---|---|--|---------------------------------------|
|                | Outstanding options per 12/31/2020 (in thousands) | Weighted average remaining lifetime (years) | Vested options 12/31/2020 (in thousands) | Weighted average exercise price (BRL) |
| 0.00 - 9000    | -   | -   | -  | -                                     |
| 9500 -         | 4 090   | 2.78  | 9 988.00                                 | 2.002                                 |
| <b>Total</b>   | <b>4 090</b>                                      | <b>2.78</b>                                 | <b>9 988.00</b>                          | <b>2.002</b>                          |

Exercise price = strike price

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

2021:  
No options exercised in 2021.

2020:  
No options exercised in 2020.



**Compensation to executive management in 2021**

| [USD thousands]                             | Remuneration  | Salary        | Bonus compensation | Other compensation | Pension compensation | Benefit exercised options/RSUs compensation | Total           |
|---|---------------|---------------|--------------------|--------------------|----------------------|---|-----------------|
| <b>Executive Management</b>                 |               |               |                    |                    |                      |   |                 |
| Lars Bollesen, CEO                          | -             | 615.09        | 639.66             | 34.28              | 79.87                | 3 670.35                                    | 5 039.26        |
| Petter Lade, CEO                            | -             | 233.21        | 159.91             | 2.25               | 22.40                | 652.51                                      | 1 070.27        |
| <b>The Board of Directors</b>               |               |               |                    |                    |                      |   |                 |
| Andre Christensen, Chairman                 | 76.76         | -             | -                  | -                  | -                    | -   | 76.76           |
| Anooj Uraarke, Board Member                 | -             | -             | -                  | -                  | -                    | -   | -               |
| Brigitte Midtbus, Board Member              | 35.47         | -             | -                  | -                  | -                    | -   | 35.47           |
| Maria Borge Andreassen, Board Member        | 35.47         | -             | -                  | -                  | -                    | -   | 35.47           |
| Song Lin, Board Member                      | 31.98         | -             | -                  | -                  | -                    | -   | 31.98           |
| <b>The Nomination Committee</b>             |               |               |                    |                    |                      |   |                 |
| Simon Davies, Chairman from 15 January 2021 | -             | -             | -                  | -                  | -                    | -   | -               |
| Nils Foldal, Chairman to 15 January 2021    | 0.29          | -             | -                  | -                  | -                    | -   | 0.29            |
| Jakob Iqbal, Member                         | 3.49          | -             | -                  | -                  | -                    | -   | 3.49            |
| Karl Scautland, Member                      | 3.49          | -             | -                  | -                  | -                    | -   | 3.49            |
| <b>Total</b>                                | <b>186.95</b> | <b>848.30</b> | <b>799.57</b>      | <b>36.53</b>       | <b>102.27</b>        | <b>4 322.86</b>                             | <b>6 296.48</b> |

Presented above are the bonuses earned in 2020 and paid in 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 2020 or 2021 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 2020 and 2021, there has been no significant additional compensation given to directors with regard to special services performed outside of their normal function.

**Compensation to executive management in 2020**

| [USD thousands]                             | Remuneration  | Salary        | Bonus compensation | Other compensation | Pension compensation | Benefit exercised options/RSUs compensation | Total           |
|---|---------------|---------------|--------------------|--------------------|----------------------|---|-----------------|
| <b>Executive Management</b>                 |               |               |                    |                    |                      |   |                 |
| Lars Bollesen, CEO                          | -             | 476.18        | 468.52             | 32.00              | 6.91                 | -   | 1 045.80        |
| Petter Lade, CEO                            | -             | 220.79        | 117.73             | 3.66               | 12.84                | -   | 350.41          |
| <b>The Board of Directors</b>               |               |               |                    |                    |                      |   |                 |
| Andre Christensen, Chairman                 | 70.28         | -             | -                  | -                  | -                    | -   | 70.28           |
| Anooj Uraarke, Board Member                 | -             | -             | -                  | -                  | -                    | -   | -               |
| Brigitte Midtbus, Board Member              | 32.48         | -             | -                  | -                  | -                    | -   | 32.48           |
| Maria Borge Andreassen, Board Member        | 30.88         | -             | -                  | -                  | -                    | -   | 30.88           |
| Song Lin, Board Member from June 4          | 14.64         | -             | -                  | -                  | -                    | -   | 14.64           |
| Fredrik Jacobsen, Board Member until June 4 | 17.84         | -             | -                  | -                  | -                    | -   | 17.84           |
| <b>The Nomination Committee</b>             |               |               |                    |                    |                      |   |                 |
| Nils Foldal, Chairman                       | 6.39          | -             | -                  | -                  | -                    | -   | 6.39            |
| Jakob Iqbal, Member                         | 3.19          | -             | -                  | -                  | -                    | -   | 3.19            |
| Karl Scautland, Member                      | 3.19          | -             | -                  | -                  | -                    | -   | 3.19            |
| <b>Total</b>                                | <b>178.89</b> | <b>696.96</b> | <b>586.65</b>      | <b>35.66</b>       | <b>81.94</b>         | <b>-</b>                                    | <b>1 576.10</b> |

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.

|                                  | 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) |
|----------------------------------|-----------------|-----------------|-------------------|--------------------|-----------------|-------------------|----------------------------------|-----------------|---|---------------------------------------|---|--|--|
| <i>(in thousands of options)</i> |                 |                 |                   |                    |                 |                   |                                  |                 |   |                                       |   |  |  |
| Executive Management             | 1 200           | 2 250           | (900)             | -                  | (300)           | -                 | 2 250                            | 18,99           | 3,67                                      | 3,67                                  | 1,67  | 2,14   | 0,40                                     |
| Lars Boillesen, CEO              | 285             | 400             | (205)             | -                  | (80)            | -                 | 400                              | 18,99           | 3,67                                      | 3,67                                  | 1,67  | 0,38   | 0,07                                     |
| Petter Lade, CFO                 | 1 485           | 2 650           | (1 105)           | -                  | (580)           | -                 | -                                | -               | -   | -                                     | -   | 2,52   | 0,46                                     |
| <b>Total</b>                     |                 |                 |                   |                    |                 |                   |                                  |                 |   |                                       |   |  |  |

A — average exercise price for options exercised 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 Management |                 |           |              |           |
| Lars Boillesen, CEO  | 2 250           | 0,40      | -            | -         |
| Petter Lade, CFO     | 400             | 0,07      | -            | -         |
| <b>Total</b>         | 2 650           | 0,48      | -            | -         |

**Options to executive management 2021**  
There are no existing agreements regarding the dispensation of loans or security deposits to key personnel, members of the board or their related parties.

|                                  | 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) |
|----------------------------------|-----------------|-----------------|-------------------|--------------------|-----------------|-------------------|----------------------------------|-----------------|---|---------------------------------------|---|--|--|
| <i>(in thousands of options)</i> |                 |                 |                   |                    |                 |                   |                                  |                 |   |                                       |   |  |  |
| Executive Management             | 2 250           | -               | -                 | -                  | (2 250)         | 33,02             | 33,02                            | -               | -   | -                                     | -   | -  | -  |
| Lars Boillesen, CEO              | 400             | -               | -                 | -                  | (400)           | 33,02             | 33,02                            | -               | -   | -                                     | -   | -  | -  |
| Petter Lade, CFO                 | 2 650           | -               | -                 | -                  | (2 650)         | -                 | -                                | -               | -   | -                                     | -   | -  | -  |
| <b>Total</b>                     |                 |                 |                   |                    |                 |                   |                                  |                 |   |                                       |   |  |  |

A — average exercise price for options exercised 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 2021 and option and RSU costs in 2021  
*(in thousands of options and RSUs, cost in USD million)*

|                      | Granted Options | 2021 Cost | RSUs Granted | 2021 Cost |
|----------------------|-----------------|-----------|--------------|-----------|
| Executive Management |                 |           |              |           |
| Lars Boillesen, CEO  | -               | -         | -            | -         |
| Petter Lade, CFO     | -               | -         | -            | -         |
| <b>Total</b>         | -               | -         | -            | -         |

## Shares, options, RSUs owned by members of the Board and the Chief Executive Officer as of December 31, 2021 [In thousands of shares, options and RSUs]

| Name                   | Commission   | Shares     | Options  | RSUs     | Total options (NOK) | Weighted average strike price - RSUs (NOK) |
|------------------------|--------------|------------|----------|----------|---------------------|--|
| Andre Christensen      | Chairman     | 42         | -        | -        | 42                  | -  |
| Brigitte Midtbust      | Board Member | -          | -        | -        | -                   | -  |
| Maria Borge Andreassen | Board Member | 11         | -        | 11       | -                   | -  |
| Anngjø Ljærli          | Board Member | -          | -        | -        | -                   | -  |
| Song Lin               | Board Member | 0          | -        | 0        | -                   | -  |
| Lars Bolliesen         | CEO          | 261        | -        | 261      | -                   | -  |
| <b>Total</b>           |              | <b>314</b> | <b>-</b> | <b>-</b> | <b>314</b>          |  |

## Shares, options and RSUs owned by other members of Executive Management as of December 31, 2021 [In thousands of shares, options and RSUs]

| Name         | Title | Shares    | Options  | RSUs     | Total options (NOK) | Weighted average strike price - RSUs (NOK) |
|--------------|-------|-----------|----------|----------|---------------------|--|
| Petter Lade  | CFD   | 67        | -        | -        | 67                  | 18,99                                      |
| <b>Total</b> |       | <b>67</b> | <b>-</b> | <b>-</b> | <b>67</b>           |  |

## 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 options (NOK) | Weighted average strike price - RSUs (NOK) |
|------------------------|--------------|------------|--------------|----------|---------------------|--|
| Andre Christensen      | Chairman     | 51         | -            | -        | 51                  | -  |
| Frode Jacobsen         | Board Member | -          | -            | -        | -                   | -  |
| Brigitte Midtbust      | Board Member | 23         | -            | 23       | -                   | -  |
| Maria Borge Andreassen | Board Member | -          | -            | -        | -                   | -  |
| Anngjø Ljærli          | Board Member | 0          | -            | -        | -                   | -  |
| Lars Bolliesen         | CEO          | 260        | 2.250        | 0        | 2.510               | 18,99                                      |
| <b>Total</b>           |              | <b>334</b> | <b>2.250</b> | <b>0</b> | <b>2.584</b>        |  |

## 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 options (NOK) | Weighted average strike price - RSUs (NOK) |
|--------------|-------|-----------|------------|----------|---------------------|--|
| Petter Lade  | CFD   | 66        | 400        | -        | 466                 | 18,99                                      |
| <b>Total</b> |       | <b>66</b> | <b>400</b> | <b>-</b> | <b>466</b>          |  |

## Note 7 Other operating expenses

| Other operating expenses: [USD million]   | 2021         | 2020         |
|---|--------------|--------------|
| Audit, legal and other advisory services  | (1,2)        | (0,9)        |
| Purchase of equipment, not capitalized    | (0,2)        | (0,3)        |
| Hosting expenses, excl. depreciation cost | (0,0)        | (0,1)        |
| Rent and other office expenses            | (0,0)        | (0,1)        |
| Other expenses                            | (0,4)        | (0,3)        |
| <b>Total</b>                              | <b>(1,9)</b> | <b>(1,7)</b> |

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            | 2021         | 2020         |
|-----------------------|--------------|--------------|
| Statutory audit       | (0,3)        | (0,6)        |
| Assurance services    | (0,0)        | (0,0)        |
| Tax advisory services | -            | -            |
| Other services        | (0,0)        | (0,2)        |
| <b>Total</b>          | <b>(0,3)</b> | <b>(0,8)</b> |

## Note 8 Taxes

[USD million]

|   | 2021       | 2020         |
|---|------------|--------------|
| <b>Income tax expense recognized in the statement of comprehensive income:</b>              |            |              |
| Current tax   | (0.1)      | (0.8)        |
| Changes in deferred taxes   | 7.6        | 2.2          |
| Changes in deferred taxes related to non-recognition of certain tax assets                  | 0.0        | (4.9)        |
| Changes in deferred tax related to amortization of excess values from business combinations | 0.0        | 0.0          |
| Write down of deferred tax related to write down of intangibles from business combinations  | 0.0        | 0.0          |
| Changes in deferred tax related to changes in tax rates <sup>a</sup>                        | 0.0        | 0.0          |
| Withholding tax expense   | 0.0        | 0.0          |
| <b>Income tax expense</b>   | <b>7.5</b> | <b>(3.5)</b> |

### Recognized deferred tax assets and liabilities:

Deferred tax balances presented in the statement of financial position comprise the following:

|   | 2021          | 2020        |
|---|---------------|-------------|
| Deferred tax assets related to tax loss carryforwards   | -             | 20.7        |
| Deferred tax asset related to merger of entities in Brazil  | -             | 1.4         |
| Deferred tax assets related to other temporary differences  | (10.2)        | 5.2         |
| Deferred tax liabilities related to temporary differences   | -             | (0.0)       |
| Deferred tax liabilities related to amortizable excess value from business combinations in the US <sup>a</sup>      | -             | 0.0         |
| Deferred tax liabilities related to amortizable excess value from business combinations outside the US <sup>a</sup> | -             | (1.2)       |
| <b>Net deferred assets (liabilities)</b>  | <b>(10.2)</b> | <b>26.1</b> |

<sup>a</sup> 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.

With the significant corporate transactions that were undertaken during 2021, there are several items that have affected both the calculation and the presentation of the tax assets, liabilities and expense.

For the period while Bemobi and AdColony businesses formed part of the consolidated group in 2021, their associated tax expense from their operations was calculated in the same manner as previously. However, with those businesses being deconsolidated due to a loss of control (Bemobi through moving to a less-than-controlling level of ownership as part of the IPO and AdColony through the full sale of the business), their associated tax expense has then been included as part of the separate disclosure for discontinued operations (along with the comparative figure for those businesses from 2020). Please refer to Note 2.

Any tax effects associated with the initial deconsolidation of those businesses are also included as part of the discontinued operations disclosure, and included as part of the Net gain (loss) from sale of discontinued operations figure.

As part of the original recognition of the remaining investment in Bemobi under the equity method, a deferred tax expense and liability of US\$ 19.67 million was recognized, based on the capital gains tax that would be payable in Brazil if the entire shareholding was disposed at the initial listing price of BRL 22.00. This US\$ 19.67 million tax expense forms part of the Net gain (loss) from sale of discontinued operations. The loss of the controlling interest of the Bemobi business was not otherwise subject to corporate income tax for the holding company, Otello Technology Investment AS.

The sale of the AdColony business was executed as a sale of shares of the business' holding company, AdColony Holding AS. Under Norwegian tax law, such a sale of shares is not subject to corporate income tax.

Since the loss of control of the Bemobi business, the group has continued to update the carrying value of the remaining investment based on the prevailing share market price and foreign currency rates. These subsequent movements in the carrying value of the investment are considered part of the continuing operations of the group. Based on the prevailing market value, the group also updates the associated deferred tax liability originally recorded as part of the deconsolidation. However, consistent with the movements in the market value now forming part of continuing operations, the associated movements in the deferred tax liability are also continued part of continuing operations.

Between the original IPO and booking of the original deferred tax liability and December 31, 2021, the net value of the investment in Bemobi has decreased. Accordingly, the impact of the associated reduced deferred tax liability is seen as a negative tax cost within continuing operations. Please see Note 15 for further details on the calculation of the deferred tax liability and Note 21 regarding the subsequent settlement of the deferred tax liability with the Brazilian tax authorities.

As of December 31, 2020, all US entities were included in a US consolidated tax group. As a result of the sale of the AdColony business in April 2021, the sole remaining US entity in the Group, Skyline Labs, Inc left that 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 were 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 carryforwards can be utilized. The tax loss carryforwards are in the US, Norway and Ireland. Regarding tax loss carryforwards in the US, management had assessed forecast taxable profit for the coming years, and concluded that the amount of \$2.5 million in tax loss carryforwards that were not recognized in the prior year, should also be recognized in 2020. The amount of \$2.5 million in tax loss carryforwards that were not recognized in the prior year, should also be recognized in 2020. The majority of tax loss carryforwards in the US were those that have been recognized as at December 31, 2020. Following the sale of the AdColony business in 2021, tax losses from the AdColony US tax consolidated group were retained by AdColony. Accordingly, there are no remaining US tax loss carryforwards for the Group as at December 31, 2021.

Regarding Norway, management does not consider that sufficient future taxable profits will be generated in future periods against which these tax loss carryforwards can be utilized. Therefore tax loss carryforwards for Norway are not recognized in the statement of financial position as at December 31, 2021. See below for a breakdown of tax loss carryforwards and relevant expirations dates of these.

Regarding Ireland, management does not consider that sufficient future taxable profits will be generated in future periods against which these tax loss carryforwards can be utilized. Therefore tax loss carryforwards for Ireland are not recognized in the statement of financial position as at December 31, 2021. See below for a breakdown of tax loss carryforwards 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 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 limiting the amount of acquired losses a parent company can utilize.

### Deferred tax assets (liabilities) and changes during the year

|  | Balance 1/1/21 | Posted to statement of comprehensive income | Posted directly to the equity | Disposals to discontinued operations | Balance 12/31/21 |
|--|----------------|---|-------------------------------|--------------------------------------|------------------|
| <b>2021 [USD million]</b>  |                |   |                               |                                      |                  |
| Property, plant and equipment  | 0.6            | -   | -                             | (0.6)                                | 0.0              |
| Intangible assets  | 2.5            | -   | -                             | (2.5)                                | 0.0              |
| Accounts receivable  | 0.1            | -   | -                             | (0.1)                                | 0.0              |
| Payroll tax on share options   | (0.6)          | -   | -                             | 0.6                                  | 0.0              |
| Provisions and accruals  | 0.3            | -   | -                             | (0.3)                                | 0.0              |
| Other  | 3.7            | -   | -                             | (3.7)                                | 0.0              |
| Accrual of tax on capital gain in Brazil   | 0.0            | 7.5   | -                             | (7.7)                                | (0.2)            |
| <b>Total related to temporary differences</b>  | <b>6.6</b>     | <b>7.5</b>                                  | <b>-</b>                      | <b>(24.3)</b>                        | <b>(10.2)</b>    |
| <b>Deferred tax liabilities related to amortizable excess value from business combinations</b> | <b>(1.2)</b>   | <b>-</b>                                    | <b>-</b>                      | <b>1.2</b>                           | <b>0.0</b>       |
| Tax loss carryforwards   | 38.2           | -   | -                             | (38.2)                               | 0.0              |
| Set off of tax (valuation allowance)   | (5.4)          | -   | -                             | 5.4                                  | 0.0              |
| Tax loss carryforwards not recognized in the statement of financial position                   | (12.1)         | -   | -                             | 12.1                                 | 0.0              |
| Tax loss carryforwards recognized in the statement of financial position                       | 20.7           | -   | -                             | -                                    | 0.0              |
| <b>Net deferred tax assets (liabilities) recognized in the statement of financial position</b> | <b>26.1</b>    | <b>7.5</b>                                  | <b>-</b>                      | <b>-</b>                             | <b>(10.2)</b>    |

**Note 9**

## Impairment and restructuring expenses

During 2021, Otello recognized impairment expenses in connection with its loan and investment in the Vevd Group, based on the uncertainty of recovery and the commencement of a Chapter 11 bankruptcy proceeding. The value of both the loan and the investment has been written down to zero.

See Note 15 for further information regarding the Vevd loan and investment.

Following the successful IPO of the Bemobi business on Bovespa in Brazil, the Group is now a major shareholder in Bemobi Mobile Tech S.A with an ownership of 36.0%. The investment in Bemobi Mobile Tech S.A is recognized using the equity method, and the fair value of the investment has been reassessed based on the share price of that business as of December 31, 2021.

See Note 15 for further information regarding the Bemobi Mobile Tech S.A investment.

During 2021, Otello recognized restructuring expenses in connection with a strategic cost reduction that will better align costs with revenues.

The restructuring expenses recognized this year relate mainly to the reduction in corporate staffing levels following the IPO of the Bemobi businesses and the sale of the AdColony business.

| Impairment and restructuring expenses (USD million)                  | 2021          | 2020         |
|--|---------------|--------------|
| Impairment expense   | (59.8)        | (0.1)        |
| Salary restructuring expense   | (0.1)         | (0.1)        |
| Legal and other costs related to business combinations and disposals | -             | (0.4)        |
| Office restructuring cost  | -             | -            |
| Other restructuring expenses   | -             | -            |
| <b>Total</b>   | <b>(59.9)</b> | <b>(0.5)</b> |

| Impairment expense (USD million) | Note | 2021          | 2020       |
|----------------------------------|------|---------------|------------|
| Vevd Software AS loan            | 15   | (8.3)         | -          |
| Last Lion Holdings Ltd shares    | 15   | (10.1)        | -          |
| Bemobi Mobile Tech S.A shares    | 15   | (41.4)        | -          |
| <b>Total</b>                     |      | <b>(59.8)</b> | <b>0.0</b> |

| 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            | (8.4)                                       | -                             | -                                    | 3.7              |
| <b>Total related to temporary differences</b> | <b>9.4</b>     | <b>(4.3)</b>                                | <b>1.5</b>                    | <b>-</b>                             | <b>6.6</b>       |

| Deferred tax liabilities related to amortizable excess value from business combinations        | 2021         | 2020        |
|--|--------------|-------------|
| Tax loss carryforwards   | 37.9         | 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)        | (12.1)      |
| Tax loss carryforwards recognized in the statement of financial position                       | 25.2         | 20.7        |
| <b>Net deferred tax assets (liabilities) recognized in the statement of financial position</b> | <b>(7.6)</b> | <b>26.1</b> |

| Change in deferred tax asset directly posted against the equity capital (USD million) | 2021       | 2020       |
|---|------------|------------|
| Other changes   | 0.0        | 1.5        |
| <b>Total deferred taxes posted directly against the equity</b>                        | <b>0.0</b> | <b>1.5</b> |

| The Group's gross tax loss carryforwards expire as follows (USD million) | United States | Norway      | Ireland    | Total       |
|--|---------------|-------------|------------|-------------|
| No expiration deadline   | 0.0           | 26.6        | 4.5        | 31.1        |
| <b>Total</b>   | <b>0.0</b>    | <b>26.6</b> | <b>4.5</b> | <b>31.1</b> |

| Reconciliation of effective tax rate (USD million)                                   | 2021          | 2020           |
|--|---------------|----------------|
| Profit (loss) before tax   | (58.7)        | (20.4)         |
| Income tax using the corporate income tax rate in Norway (22% in 2021 / 22% in 2020) | 12.9          | 4.5            |
| Effect of changes in tax rates <sup>a</sup>  | 0.0           | 0.0            |
| Effect of tax rates outside Norway different from 22% / 22%                          | 0.5           | (0.0)          |
| Effect of non-taxable and non-deductible items                                       | (5.1)         | (3.1)          |
| Deferred tax assets from previously unrecognized tax losses                          | 0.0           | 0.0            |
| Effect of non-recognition of certain deferred tax assets                             | (0.1)         | (4.9)          |
| Other effects  | (0.2)         | 0.0            |
| <b>Total tax expense for the year</b>  | <b>7.5</b>    | <b>(3.5)</b>   |
| <b>Effective tax rate</b>  | <b>12.8 %</b> | <b>-17.4 %</b> |

**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-deductible costs.

## Note 10

### Earnings per share

| Earnings per share   | 2021        | 2020        |
|--|-------------|-------------|
| <b>Earnings (loss) per share:</b>                            |             |             |
| Basic earnings (loss) per share (USD)                        | 1.35        | (0.77)      |
| Diluted earnings (loss) per share (USD)                      | 1.35        | (0.77)      |
| Shares used in earnings per share calculation                | 124 603 099 | 137 731 882 |
| Shares used in earnings per share calculation, fully diluted | 124 603 099 | 137 731 882 |
| <b>Earnings (loss) per share (Continuing operations):</b>    |             |             |
| Basic earnings (loss) per share (USD)                        | (0.41)      | (0.77)      |
| Diluted earnings (loss) per share (USD)                      | (0.41)      | (0.77)      |
| Shares used in earnings per share calculation                | 124 603 099 | 137 731 882 |
| Shares used in earnings per share calculation, fully diluted | 124 603 099 | 137 731 882 |
| <b>Earnings (loss) per share (discontinued operations):</b>  |             |             |
| Basic earnings (loss) per share (USD)                        | 1.77        | 0.00        |
| Diluted earnings (loss) per share (USD)                      | 1.77        | 0.00        |
| Shares used in earnings per share calculation                | 124 603 099 | 137 731 882 |
| Shares used in earnings per share calculation, fully diluted | 124 603 099 | 137 731 882 |

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted ordinary shares on 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]                                 | 2021     |        | Total   |
|---|----------|--------|---------|
|   | AdColony | Bemobi |         |
| Acquisition cost                              | 2731     | 37.6   | 310.7   |
| Acquisition cost as of 1/1/21                 | -        | -      | 0.0     |
| Acquisitions through business combinations    | (0.4)    | (2.7)  | (3.1)   |
| Translation differences                       | (272.8)  | (34.8) | (307.6) |
| Derecognized upon loss of control of business | (0.0)    | (0.0)  | (0.0)   |
| Acquisition cost as of 12/31/21               | (91.0)   | 0.0    | (91.0)  |
| <b>Accumulated impairment losses</b>          |          |        |         |
| Accumulated impairment losses as of 1/1/21    | -        | -      | 0.0     |
| Impairment losses                             | 0.4      | -      | 0.4     |
| Translation differences                       | 90.6     | 0.0    | 90.6    |
| Derecognized upon loss of control of business | 0.0      | -      | 0.0     |
| Accumulated impairment losses as of 12/31/21  | 90.6     | 0.0    | 90.6    |
| Carrying amount                               | (0.0)    | (0.0)  | (0.0)   |
| As of December 31, 2021                       | (0.0)    | (0.0)  | (0.0)   |

| [USD million]                                | 2020     |        | Total  |
|--|----------|--------|--------|
|  | AdColony | Bemobi |        |
| Acquisition cost                             | 2731     | 48.5   | 321.7  |
| Acquisition cost as of 1/1/20                | -        | -      | 0.0    |
| Acquisitions through business combinations   | -        | (11.0) | (11.0) |
| Translation differences                      | -        | -      | 0.0    |
| Acquisition cost as of 12/31/20              | 2731     | 37.6   | 310.7  |
| <b>Accumulated impairment losses</b>         |          |        |        |
| Accumulated impairment losses as of 1/1/20   | (91.0)   | -      | (91.0) |
| Impairment losses                            | -        | -      | 0.0    |
| Translation differences                      | -        | -      | 0.0    |
| Accumulated impairment losses as of 12/31/20 | (91.0)   | -      | (91.0) |
| Carrying amount                              | 182.2    | 37.6   | 219.7  |
| As of December 31, 2020                      | 182.2    | 37.6   | 219.7  |

#### Impairment testing

Otello has carried out impairment testing as of December 31, 2021, according to IAS 36. As of December 31, 2021, all previously recognized goodwill and intangible assets have been derecognized following the loss of control of both the AdColony and Bemobi businesses.

As a result of the testing, Otello has recorded impairments of three assets.

#### Investment in Bemobi Mobile Tech S.A.

The fair value of the investment in Bemobi Brazil has been assessed based on the share price of that business as of December 31, 2021. With a price per share of 15.23 Brazilian real as of that date, the carrying value of the investment has been written down by USD 41.4 million.

|   | 2020          |                         | Total   |
|---|---------------|-------------------------|---------|
|   | Development   | Other intangible assets |         |
| <i>[\$USD million]</i>  |               |                         |         |
| Acquisition cost  | 63.7          | 156.7                   | 220.3   |
| Acquisition cost as of 1/1/20                                 | 10.3          | 0.1                     | 10.4    |
| Additions   | -             | -                       | -       |
| Reclassification  | -             | -                       | -       |
| Disposal  | (1.4)         | (8.2)                   | (10.1)  |
| Translation differences                                       | -             | -                       | -       |
| 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  | -             | -                       | -       |
| 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                                     | (14.2)        | (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 2021, \$4.4 million (2020: \$4.4) in engineering salaries were expensed in the financial statements. \$3.0 million (2020: 10.5) in research and development costs were capitalized in 2021. These are all included within the expenses disclosed as part of discontinued operations.

See Note 15 for further information regarding Otello's investment in Bemobi Mobile Tech S.A.

**Investment in Last Lion Holdings Ltd**  
Following commencement of Chapter 11 bankruptcy proceedings by the lenders to the Vevud Group on December 15, 2021, Otello has assessed that it does not expect to get any value for its shares in Last Lion Holding Ltd, and has accordingly written down the value of its investment by \$10.1 million to zero as of December 31, 2021.

See Note 15 for further information regarding Otello's investment in Last Lion Holdings Ltd

**Loans to associated companies**  
The Group entered into a loan agreement in 2017 of \$5 million with Vevud Software AS (formerly Opera TV AS). This loan is outstanding, with an accrued interest of \$1.0 million to June 30, 2021. In addition, Otello had accrued £1.6 million to reflect the part of Otello's cost that MFC has been ordered to pay as part of the ongoing legal proceedings between the parties. Both the loan interests, and the accrued expenses totaling \$8.3 million were written off as of June 30, 2021 due to uncertainties of collectability and those uncertainties remain as at December 31, 2021.

See Note 15 for further information regarding Otello's loan and receivable to Vevud Software AS.

There is otherwise no indication of impairment of other assets that would require impairment tests to be conducted upon those.

## Note 12 Intangible assets

|   | 2021          |                         | Total   |
|---|---------------|-------------------------|---------|
|   | Development   | Other intangible assets |         |
| <i>[\$USD million]</i>  |               |                         |         |
| Acquisition cost  | 72.5          | 148.1                   | 220.6   |
| Acquisition cost as of 1/1/21                                 | 3.0           | 0.0                     | 3.0     |
| Additions   | -             | -                       | -       |
| Reclassification  | -             | -                       | -       |
| Disposal  | (0.6)         | (3.2)                   | (3.8)   |
| Translation differences                                       | (74.9)        | (144.9)                 | (219.8) |
| Derecognized upon loss of control of business                 | 0.0           | (0.0)                   | (0.0)   |
| Acquisition cost as of 12/31/21                               | 72.5          | 148.1                   | 220.6   |
| Accumulated amortization and impairment losses                |               |                         |         |
| Amortization and impairment losses as of 1/1/21               | (64.8)        | (143.1)                 | (207.9) |
| Reclassification  | -             | -                       | -       |
| Amortization  | (6.4)         | (0.2)                   | (6.6)   |
| Impairment losses   | -             | -                       | -       |
| Disposal  | -             | -                       | -       |
| Translation differences                                       | 0.3           | 2.2                     | 2.5     |
| Derecognized upon loss of control of business                 | 68.9          | 141.1                   | 210.0   |
| Accumulated amortization and impairment losses as of 12/31/21 | (0.0)         | (0.0)                   | (0.0)   |
| Net book value as of 12/31/21                                 | (0.0)         | (0.0)                   | (0.0)   |
| Amortization for the year                                     | (6.4)         | (0.2)                   | (6.6)   |
| Impairment losses for the year                                | -             | -                       | -       |
| Useful life   | Up to 3 years | Up to 7 years           |         |
| Amortization plan   | Linear        | Linear                  |         |

## Note 13 Property, plant and equipment

| [USD million]   | 2021                  |                         |                        | 2020   |                       |                         |                        |        |
|---|-----------------------|-------------------------|------------------------|--------|-----------------------|-------------------------|------------------------|--------|
|   | Fixtures and fittings | Machinery and equipment | Leasehold improvements | Total  | Fixtures and fittings | Machinery and equipment | Leasehold improvements | Total  |
| Acquisition cost  |                       |                         |                        |        |                       |                         |                        |        |
| Acquisition cost as of 1/1/21                                 | 2.7                   | 23.1                    | 3.6                    | 29.3   | 2.5                   | 23.3                    | 2.6                    | 28.5   |
| Additions   | 0.0                   | (0.1)                   | 0.0                    | (0.1)  | 0.3                   | 0.3                     | 1.1                    | 1.7    |
| Reclassification  | (0.0)                 | (0.0)                   | (0.0)                  | (0.0)  | -                     | -                       | -                      | -      |
| Disposal  | 0.0                   | (0.0)                   | (0.0)                  | (0.0)  | 0.0                   | -                       | 0.0                    | 0.0    |
| Translation differences                                       | (0.1)                 | (0.4)                   | (0.1)                  | (0.6)  | (0.2)                 | (0.6)                   | (0.2)                  | (0.9)  |
| Derecognized upon loss of control of business                 | (2.5)                 | (5.6)                   | (3.4)                  | (11.6) | 2.7                   | 23.1                    | 3.6                    | 29.3   |
| Acquisition cost as of 12/31/21                               | 0.1                   | 7.0                     | 0.1                    | 7.1    |                       |                         |                        |        |
| Accumulated depreciation and impairment losses                |                       |                         |                        |        |                       |                         |                        |        |
| Depreciation and impairment losses as of 1/1/21               | (1.9)                 | (20.1)                  | (1.3)                  | (23.3) | (1.6)                 | (17.8)                  | (1.0)                  | (20.5) |
| Reclassification  | 0.0                   | 0.0                     | 0.0                    | 0.0    | (0.4)                 | (2.3)                   | (0.3)                  | (3.1)  |
| Depreciation  | (0.1)                 | (0.8)                   | (0.1)                  | (1.0)  | -                     | -                       | -                      | -      |
| Impairment losses   | -                     | -                       | -                      | -      | -                     | -                       | -                      | -      |
| Disposal  | 0.0                   | 0.0                     | 0.0                    | 0.0    | (0.0)                 | (0.0)                   | 0.0                    | (0.0)  |
| Translation differences                                       | 0.1                   | 0.3                     | 0.0                    | 0.3    | 0.1                   | 0.1                     | 0.0                    | 0.2    |
| Derecognized upon loss of control of business                 | 1.9                   | 14.6                    | 1.3                    | 17.9   | (1.9)                 | (20.1)                  | (1.3)                  | (23.3) |
| Accumulated depreciation and impairment losses as of 12/31/21 | (0.1)                 | (6.0)                   | (0.1)                  | (6.1)  |                       |                         |                        |        |
| Net book value as of 12/31/21                                 | 0.0                   | 1.0                     | 0.0                    | 1.0    | 0.7                   | 3.0                     | 2.2                    | 6.0    |
| Depreciation for the year                                     | (0.1)                 | (0.8)                   | (0.1)                  | (1.0)  | (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          |        | Up to 6 years         | Up to 10 years          | Up to 5 years          |        |
| Depreciation plan   | Linear                | Linear                  | Linear                 |        | Linear                | Linear                  | Linear                 |        |

## Note 14

### Right-of-use assets and lease liabilities

As a result of the IPO of Bemobil and the sale of AdColony (see Note 2) for further information on each, the majority of the Group's lease liabilities and right of use assets, along with all of the lease receivables, have been derecognized. The lease liabilities, rights of use assets and lease receivables relating to Bemobil and AdColony have been derecognized with effect from when those businesses no longer formed part of the controlled Group. The remaining lease liability and right of use asset relate to the Group's office in Oslo, Norway.

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

| Lease liabilities (USD million)               | 2021       | 2020       |
|---|------------|------------|
| Balance as of 1/1                             | 4.0        | 7.1        |
| Additions                                     | 1.8        | 1.2        |
| Translation differences                       | (0.1)      | (0.3)      |
| Lease payments                                | (2.0)      | (4.2)      |
| Interest expense on lease liabilities         | 0.1        | 0.0        |
| Derecognized upon loss of control of business | (3.5)      | 0.2        |
| <b>Lease liabilities as of 12/31</b>          | <b>0.3</b> | <b>4.0</b> |

| Of which:  | 2021       | 2020       |
|--|------------|------------|
| Current lease liabilities (less than 1 year)     | 0.1        | 2.8        |
| Non-current lease liabilities (more than 1 year) | 0.2        | 1.2        |
| <b>Balance as of 12/31</b>                       | <b>0.3</b> | <b>4.0</b> |

| Right of use assets (USD million)                        | 2021       | 2020       |
|--|------------|------------|
| Balance as of 1/1  | 3.0        | 4.6        |
| Additions  | 1.8        | 1.2        |
| Depreciation   | (0.9)      | (4.2)      |
| Adjustment for depreciation related to lease receivables | 0.5        | 1.4        |
| Translation differences                                  | -          | 0.0        |
| Derecognized upon loss of control of business            | (3.0)      | -          |
| <b>Right of use assets as of 12/31</b>                   | <b>0.3</b> | <b>3.0</b> |

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)             | 2021       | 2020       |
|---|------------|------------|
| Balance as of 1/1                           | 0.9        | 7.4        |
| Additions                                   | -          | 0.0        |
| Income from sublease                        | (0.5)      | (1.5)      |
| Interest income                             | 0.0        | 0.1        |
| Translation differences                     | -          | 0.0        |
| Derecognized on loss of control of business | (0.9)      | 0.0        |
| <b>Lease receivables as of 12/31</b>        | <b>0.0</b> | <b>0.9</b> |

| Of which:                                      | 2021       | 2020       |
|--|------------|------------|
| Current contract assets (less than 1 year)     | -          | 0.9        |
| Non-current contract assets (more than 1 year) | -          | 0.0        |
| <b>Balance as of 12/31</b>                     | <b>0.0</b> | <b>0.9</b> |

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) | 2021         | 2020       |
|--|--------------|------------|
| Operating lease expenses recognized under operating expenses decreased                           | (0.1)        | (2.8)      |
| Depreciation expense increased as a result of depreciation of ROU assets                         | 0.1          | 2.8        |
| Net interest expense increased as a result of recognition of the lease liability                 | 0.0          | 0.2        |
| Translation differences  | 0.0          | (0.3)      |
| Other  | 0.0          | (0.1)      |
| <b>Net effect</b>  | <b>(0.1)</b> | <b>0.1</b> |

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

|                           | 2021       | 2020       |
|---------------------------|------------|------------|
| Payments for leases:      |            |            |
| Less than one year        | 0.1        | 2.8        |
| Between one to five years | 0.2        | 1.2        |
| More than five years      | -          | 0.1        |
| <b>Total</b>              | <b>0.3</b> | <b>4.2</b> |

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)]                       | 2021        | 2020        |
|---------------------------------------|-------------|-------------|
| Investments in associated companies   | 89.4        | 10.1        |
| Loans to associated companies         | 0.0         | 7.7         |
| Investments in other shares           | 0.9         | 0.8         |
| <b>Total</b>                          | <b>90.3</b> | <b>18.7</b> |
| Investments in associated companies   |             |             |
| [(USD million)]                       | 2021        | 2020        |
| Investments in Bemobi Mobile Tech S.A | 89.4        | 0.0         |
| Investments in Last Lion Holdings Ltd | 0.0         | 10.1        |
| <b>Total</b>                          | <b>89.4</b> | <b>10.1</b> |

#### Investments in Bemobi Mobile Tech S.A

Following the successful IPO of Bemobi on Bovespa in Brazil, the Group is now a major shareholder in Bemobi Mobile Tech S.A with an ownership of 36.0%. For more information regarding the IPO, please see Note 21.

It is expected that any future sale of shares in Bemobi Mobile Tech S.A will be subject to capital gains tax in Brazil. Such gains are subject to progressive rates, based on the taxable profit.

Under existing tax laws, tax is payable as follows:

- 15.0% on capital gains up to BRL 5 million
- + 7.5% on the portion of capital gains between BRL 5 million and BRL 10 million
- + 20.0% on the portion of capital gains between BRL 10 million and BRL 30 million
- + 22.5% on the portion of capital gains over BRL 30 million

As of reporting date, the tax cost base of Otello's remaining 36.0% shareholding in Bemobi Brazil is BRL 242,396,152.82. Based on the fair value of the shares and this tax cost base, a deferred tax liability of USD 10.2 million has been accrued.

#### Key financial information regarding Bemobi Mobile Tech S.A

The summary below provides key financial information for the full year 2021 as well as for the period of 2021 where Bemobi Mobile Tech S.A was accounted for as an associated company.

| [(BRL million)]                 | 2021  | 2021 from 21/02/21 |
|---------------------------------|-------|--------------------|
| Revenue                         | 488.8 | 467.8              |
| EBIT                            | 87.7  | 103.6              |
| Net profit (loss)               | 75.4  | 73.4               |
| Assets                          |       | 1,445.5            |
| Non-current liabilities         |       | 66.3               |
| Current liabilities             |       | 349.4              |
| Equity                          |       | 1,029.7            |
| Otello's share of equity in BRL |       | 370.6              |
| Otello's share of equity in USD |       | 66.5               |

#### Equity method accounting [(USD million)]

The investment in Bemobi Mobile Tech S.A is recognized using the equity method.

|  | Remaining lifetime | Full value   | Additional excess value |
|--|--------------------|--------------|-------------------------|
| Trademark  |                    | 2.6          | 2.6                     |
| Technology   |                    | 5.4          | 2.9                     |
| Customer   | 5 years            | 16.0         | 15.0                    |
| Goodwill   | 10 years           | 61.9         | 44.3                    |
| Other net assets / Other net assets (including locally booked PPA values)      |                    | 47.3         | 68.5                    |
| <b>Total fair value balance on initial recognition under the equity method</b> |                    | <b>133.2</b> | <b>133.2</b>            |
| Investment during the fiscal year  |                    |              | 0.0                     |
| FX adjustment  |                    |              | (5.4)                   |
| Share of the profit (loss)   |                    |              | 4.8                     |
| Amortization of excess values  |                    |              | (1.8)                   |
| Impairment   |                    |              | (1.4)                   |
| Elimination  |                    |              | 0.0                     |
| <b>Balance as of 12/31/2021</b>  |                    |              | <b>89.4</b>             |

On February 9, 2021, Otello announced that Bemobi Mobile Tech S.A. ("Bemobi Brazil"), had set a price of 22,000 Brazilian real ("BRL") per common share for its IPO. Based on this price, Otello engaged Dabolitte to perform a PPA valuation as outlined above. The additional excess value is amortized based on the remaining lifetime.

The fair value of the investment in Bemobi Brazil has been reassessed based on the share price of that business as of December 31, 2021.

With a price per share of 15.23 Brazilian real as of that date, the carrying value of the investment has been written down by USD 41.4 million.

#### Share of profit (loss) from associated companies

|   | 2021       |
|---|------------|
| Share of the profit (loss)                              | 4.9        |
| Amortization of excess values                           | (1.8)      |
| Elimination   | 0.0        |
| <b>Share of profit (loss) from associated companies</b> | <b>3.1</b> |

#### Investments in Last Lion Holdings Ltd

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 Vevod Software AS.

#### Otello's case regarding the potential sale of Vevod minority stake

As previously reported, Otello was successful in its claim in the High Court of Justice of England and Wales against Moore Freres & Co LLC ("MFC") and Last Lion Holdings Limited ("Last Lion"), arising from the refusal of the Board of Last Lion, which was controlled by appointees of MFC, to approve the sale of Otello's remaining ownership stake in Last Lion, being approximately 27% in the Vevod Software business. The Judge granted Otello the injunction it sought requiring the board of Last Lion to approve the buyer.

The buyer did not purchase the shares on the terms of the expired Share Purchase Agreement and the High Court determined that MFC should be required to purchase Otello's shares in Last Lion from Otello for the sum of \$28 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 (currently approximately \$1.4 million).

In default of compliance by MFC with the order for the purchase of Otello's shares in Last Lion and the Loan Note, the High Court ordered that 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.

On March 17, 2021, MFC and Otello together with the Vevod Group's secured lenders (the "lenders") under a Credit Agreement dated December 19, 2016, between Last Lion Holdco AS ("LHL"), Vevod Software AS, the lenders and Wilmington Trust National Association ("Wilmington Trust") reached an agreement that as an interim alternative to the appointment of a receiver, a special committee (the "Special Committee") of the board

of Last Lion shall be appointed. The Special Committee was tasked with selling the company or raising finance. The Special Committee was appointed on 26 April 2021 but resigned on 12 July 2021 having failed to achieve a sale.

On 15 December 2021, Vevd Software AS, and Vevd Software USA (together with LH and Vevd, the "Vevd Debtors") commenced a Chapter 11 bankruptcy proceeding with the United States Bankruptcy Court for the Southern District of New York. Otello filed a notice of appearance and a proof of claim in the bankruptcy.

On 2 February 2022, the United States Bankruptcy Court for the Southern District of New York approved the bankruptcy plan, which included a settlement (the "Settlement") between Otello and the Vevd Debtors.

The Settlement settles claims between Otello, on the one hand, and the Vevd Debtors, on the other. Pursuant to the Settlement, Otello will provide advisory services to the entity that will become the reorganized Vevd ("Reorganized Vevd") under the Vevd Debtors' Chapter 11 plan or reorganization, pursuant to an Advisory Services Agreement, for a limited term. As compensation for its services under the Advisory Services Agreement, Otello will receive an advisory fee in the total amount of \$250,000 paid out over 12 months and be entitled to 2% of any net proceeds arising from a change of control or ownership, liquidation, dissolution, or wind up of Reorganized Vevd, provided such net proceeds are over \$10 million. Additionally, pursuant to the Settlement, Otello has an option to participate in the issuance of up to \$9 million Preferred Stock of Reorganized Vevd subject to certain conditions.

As indicated previously, Otello does not expect to get any value for its shares in Last Lion after the Chapter 11 proceeding, and the value of its shares in Last Lion has accordingly been written down to zero.

The investment in Last Lion Holdings Ltd is recognized using the equity method, and booked value was \$10.1 million as of December 31, 2021. Otello had not adjusted the investment in Last Lion Holdings Ltd in 2020 or 2021 due to the fact that we have received limited information about Last Lion Holdings Ltd financials. The provided information below is therefore only uncertain estimates. Following commencement of Chapter 11 bankruptcy proceedings by the lenders to the Vevd Group on December 15, 2021, Otello has assessed that it does not expect to get any value for its shares in Last Lion Holdings Ltd, and has accordingly written down the value of its investment to zero as of December 31, 2021.

#### Information regarding Last Lion Holdings Ltd [USD million]

|                          | 2021 | 2020  |
|--------------------------|------|-------|
| Revenue                  | N/A  | 35.3  |
| EBIT                     | N/A  | 11.0  |
| Net profit (loss)        | N/A  | (0.0) |
| Assets                   | N/A  | 164.4 |
| Non-current liabilities  | N/A  | 117.5 |
| Current liabilities      | N/A  | 9.3   |
| Equity                   | N/A  | 32.5  |
| Otello's share of equity | N/A  | 10.1  |

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

#### Carrying value [USD million]

|                                      | 2021       | 2020        |
|--------------------------------------|------------|-------------|
| At January 1                         | 10.1       | 10.1        |
| Investment during the financial year | -          | -           |
| FX adjustment                        | -          | -           |
| Adjustment from prior year           | -          | -           |
| Share of the profit (loss)           | -          | -           |
| Impairment                           | (10.1)     | -           |
| Elimination                          | -          | -           |
| <b>Total at December 31</b>          | <b>0.0</b> | <b>10.1</b> |

#### Loans to associated companies

The Group entered into a loan agreement in 2017 of \$5 million with Vevd Software AS (formerly Opera TV AS). This loan is outstanding, with an accrued interest of \$1.0 million to June 30, 2021. In addition, Otello had accrued £1.66 million to reflect the part of Otello's cost that WFC has been ordered to pay as part of the ongoing legal proceedings between the parties. Both the loan, interests, and the accrued expenses were written off as of June 30, 2021 due to uncertainties of collectability and those uncertainties remain as at December 31, 2021.

#### Investments in other shares

Otello owns 1.2% 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 recognized value of the shares is \$0.9 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. Life360 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 recognized at cost.

#### Note 16

### Contingent liabilities

#### Accounting treatment of Security Holders agreements with Bemobi Mobile Tech SA in the consolidated financial statements

The RSU award agreement with Bemobi Brazil's CEO was terminated in January 2021, and 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 past combination services. The costs associated with the RSU award were therefore recognized, in accordance with IFRS 2, in the statement of comprehensive income in the 2020 consolidated financial statements.

An 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's CEO, Pedro Ripper, is a replacement of the RSU award. This amendment is not material for the Group and therefore not recognized as a contingent liability in the RSU Award, and the costs associated with the grant are recognized in accordance with IFRS 2, in the statement of comprehensive income in the 2021 consolidated financial statements. The impact of this amendment is recognized within the operating costs of discontinued operations.

#### GDPR complaint filed with the Norwegian Data Protection Authority (DPA)

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. 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 financial statements related to this matter.

Refer to Note 21 for further information on this matter, and associated and other obligations of Otello under the Share Purchase Agreement with Digital Turbine, Inc. Related to the sale of AdColony.

#### Note 17

### Other current liabilities

| [USD million]   | Note | 2021       | 2020        |
|---|------|------------|-------------|
| Public duties payable                                   |      | 0.2        | 1.3         |
| Stock-based compensation liability                      |      | 0.6        | 0.0         |
| Accrued bonuses, commission and other employee benefits | 6    | 1.2        | 5.6         |
| Accrued operating expenses                              |      | 0.3        | 8.4         |
| Accruals for publisher invoices not yet received        |      | 0.0        | 32.9        |
| Accrued restructuring costs                             |      | 0.0        | 0.0         |
| Other current liabilities                               |      | 0.0        | 0.4         |
| <b>Total</b>  |      | <b>2.4</b> | <b>48.6</b> |



Note 18

Shares and shareholder information

As of December 31, 2021, Otello had a share capital of NOK 2,245,994,54 (USD 254,787) divided into 112,299,727 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.

An Extraordinary General Meeting of the Company on January 27, 2022, 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 200,000. 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 200. 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 the purpose of paying down loans, or in order to strengthen the Company's capital base.

The above authorization is valid up to and including December 31, 2022.

Share capital decrease

Reference is made to the resolution by the annual general meeting on June 2, 2021, where a resolution was passed to reduce the share capital of the parent company, Otello Corporation ASA, by the cancellation of 13,272,027 treasury shares. The share capital reduction has been registered with the Norwegian Register of Business Enterprises, and the new registered share capital of the parent company was NOK 2,094,994,54, and the total share count was 124,749,727.

Reference is made to the resolution by the extraordinary general meeting on September 30, 2021, where a resolution was passed to reduce the share capital of the parent company, Otello Corporation ASA, by the cancellation of 12,450,000 treasury shares. The share capital reduction has been registered with the Norwegian Register of Business Enterprises, and the new registered share capital of the parent company is NOK 2,245,994,54, and the total share count is 112,299,727.

Treasury shares and ordinary shares

During 2021, Otello purchased 36,500,470 (2020: 388,372) treasury shares for \$132.6 million (2020: \$0.4 million), and sold 3,272 (2020: 38,535) treasury shares for \$0.0 (2020: \$0) million.

As of December 31, 2021, Otello owned 11,999,998 treasury shares (December 31, 2020: 894,871).

Dividends

Otello did not pay a dividend in 2020 or 2021.

The Board will propose at the Annual General Meeting on June 2 that the Annual General Meeting grant the Board the authorization to pay dividends based on the approved 2021 annual accounts.

Ownership structure

The 20 largest shareholders of Otello Corporation ASA shares as of December 31, 2021, were as follows:

|                                    | 2021           | 2021                       | 2020                       |
|------------------------------------|----------------|----------------------------|----------------------------|
|                                    | Shares         | Owner's and voting share % | Owner's and voting share % |
| <i>(in thousands of shares)</i>    |                |                            |                            |
| GOLDMAN SACHS INTERNATIONAL        | 21,362         | 19.0 %                     | 4.9 %                      |
| OTELLO CORPORATION ASA             | 11,200         | 100 %                      | 0.6 %                      |
| BANK OF AMERICA N.A.               | 8,171          | 7.3 %                      | 0.0 %                      |
| CITIGROUP GLOBAL MARKETS LTD       | 6,533          | 5.8 %                      | 0.0 %                      |
| VERDIPAPIRONDDET DNB TEKNOLOGI     | 6,200          | 5.5 %                      | 5.3 %                      |
| CITIGROUP GLOBAL MARKETS LTD       | 5,614          | 5.0 %                      | 0.0 %                      |
| AREPOS AS                          | 5,199          | 4.6 %                      | 5.4 %                      |
| THE BANK OF NEW YORK MELLON SA/NV  | 5,031          | 4.5 %                      | 1.4 %                      |
| SKANDINAVISKA ENSKILDA BANKEN AB   | 3,754          | 3.3 %                      | 0.2 %                      |
| SKANDINAVISKA ENSKILDA BANKEN AB   | 3,600          | 3.2 %                      | 2.6 %                      |
| VERDIPAPIRONDDET NORDEA NORGE VERD | 3,524          | 3.1 %                      | 3.0 %                      |
| UBS EUROPE SE                      | 3,040          | 2.7 %                      | 0.0 %                      |
| SOETE GENERALE                     | 2,831          | 2.5 %                      | 0.0 %                      |
| THE BANK OF NEW YORK MELLON SA/NV  | 2,246          | 2.0 %                      | 0.9 %                      |
| CACEIS BANK                        | 1,893          | 1.7 %                      | 1.9 %                      |
| BNP PARIBAS ARBITRAGE SNC          | 1,849          | 1.6 %                      | 0.0 %                      |
| SKANDINAVISKA ENSKILDA BANKEN AB   | 1,840          | 1.6 %                      | 1.7 %                      |
| UBS AG LONDON BRANCH               | 1,566          | 1.4 %                      | 0.0 %                      |
| BONHEUR ASA                        | 1,277          | 1.1 %                      | 0.9 %                      |
| EUROCLEAR BANK S.A./NV             | 981            | 0.9 %                      | 0.0 %                      |
| Sum                                | 97,681         | 87.0 %                     | 28.7 %                     |
| Other shareholders                 | 14,619         | 13.0 %                     | 71.3 %                     |
| <b>Total numbers of shares</b>     | <b>112,300</b> | <b>100.0 %</b>             | <b>100.0 %</b>             |

## Note 19

### Related parties

**Agreement with Bemobi earmout participants**  
Please see Note 16 for details of the transaction with the Bemobi earmout participants.

#### Bemobi

The Group holds a 36% equity interest in Bemobi Mobile Tech S.A through common shares. Please see Note 15 for further details on the status of this equity interest. The Group also continues to provide accounting and legal support to Bemobi on a transitional basis, which is priced on an arm's-length basis and all outstanding balances are settled within normal commercial terms.

#### Vevd Opera TV

The Group, as the creditor, entered into a loan agreement in 2017 of \$5 million with Vevd Software AS (formerly Opera TV AS), the debtor. This loan is outstanding as at December 31, 2021. The Group holds a 27% equity interest in Last Lion Holdings Ltd, through preferred shares, which indirectly owns Vevd Software AS, through Last Lion Holdco AS. Please see Note 15 for further details on the status of this loan and equity interest.

#### Members of the Board of Directors and Executive Management

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% (2020: 0.3%) of the Group's voting share as per December 31, 2021.

Information regarding compensation for the Board of Directors and executive management can be found in Note 6.

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, 2021:

| Entity name  | Location  | Country       | Segment   | Owner and voting share |
|--|-----------|---------------|-----------|------------------------|
| Otello Corporation ASA                                       | Oslo      | Norway        | Corporate | Listed                 |
| Directly owned subsidiaries                                  |           |               |           |                        |
| Otello Technology Investment AS (formerly Bemobi Holding AS) | Oslo      | Norway        | Corporate | 100 %                  |
| Privacy & Performance Ireland Ltd                            | Dublin    | Ireland       | Corporate | 100 %                  |
| Skyfire Labs, Inc.   | San Mateo | United States | Corporate | 100 %                  |
| Indirectly owned subsidiaries                                |           |               |           |                        |
| None   |           |               |           |                        |

## Note 21

### Discontinued operations

**Definitive agreement to sell AdColony to Digital Turbine**  
Otello announced on February 26, 2021, that it had 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 devices and platforms. The company's core competencies are in programmatic advertising, data-driven marketing, and mobile advertising, 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.

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 closed on April 28, 2021. The completion of the transaction was subject to customary closing conditions. LUMA Securities LLC acted as exclusive financial advisor and Hegan Lovells LLP served as legal advisor to Otello in conjunction with the transaction.

#### Consideration and contingent assets

Initially, the total estimated consideration for the acquisition of AdColony by Digital Turbine was \$400 million, including a normalized amount of working capital and \$19 million in cash. Some or all of the cash would be returned to Otello subject to the achievement of certain future net revenue targets. Consideration for the acquisition would be as follows: (1) \$100 million in cash paid at the Closing (the "Closing Cash Consideration Amount"); (2) \$100 million to be paid on or before the 180th day following the Closing date (the "Second Cash Consideration Amount"), less the aggregate amount of all transaction-related bonuses payable on or promptly following the time of payment; of the second Cash Consideration Amount; and an amount in cash calculated based on the net revenues earned by AdColony during the earnout period (the "Earnout Payment Amount").

Otello announced on August 30, 2021, that it had agreed to settle the earnout with Digital Turbine to a fixed amount of \$204.5 million and that the payment date was moved forward to January 15, 2022. With this agreement, the total consideration for the acquisition will be \$404.5 million, including a normalized amount of working capital and \$19 million in cash.

As the amount of the Earnout Payment Amount has now been fixed, it is no longer considered a contingent asset as had previously been the case. Accordingly, the Earnout Payment Amount has now been booked as a receivable in the balance sheet and included in the calculation of the net profit on disposal of AdColony.

The cash for the earnout payable amount was received by Otello in early 2022.

| Closing Cash Consideration Amount (USD million) | April 28, 2021 | Working Capital Adjustment |
|---|----------------|----------------------------|
| Closing Cash Consideration Amount               | 100.0          |                            |
| minus: Indebtedness Payoff Amount               | 0.0            |                            |
| minus: Transaction Expenses Amount              | (2.4)          |                            |
| minus: Closing Bonus Amount                     | (4.6)          |                            |
| minus: Closing Bonus Employer Taxes             | (0.1)          |                            |
| Estimated Working Capital Surplus / (Shortfall) | (3.3)          | (5.8)                      |
| Estimated Net Cash Surplus / (Shortfall)        | 1.9            | 3.9                        |
| Closing Payment                                 | 92.1           | (1.8)                      |



**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\$") for common share for its IPO. Based on this price, the gross proceeds of the primary component of the IPO reached R\$ 1,094,117,684 (\$203,943,536), resulting in an equity value, post-money, of Bemobi Brazil at IPO of R\$ 2,000,000,024 (\$372,800,004).

On February 10, 2021, Bemobi Brazil had its first day of trading on the Bovespa stock exchange in Sao Paulo, Brazil, under the ticker "BMOB3". Otello's ownership pre-IPO was 34,533,860 shares in Bemobi, equal to 83.92% ownership, with other shareholders holding 6,622,610 shares (16.08% ownership) and hence a full share count of 41,156,470. The base offering for the IPO was 49,732,622 shares, hence giving a total share count of 90,909,092 shares, with Otello's ownership reduced to 38.0%. The managers in the IPO had a greenshoe option where Otello could sell up to 6,388,276 additional shares at the IPO price (R\$22) by reducing its ownership to 30.96% and resulting in a gross payment to Otello of up to R\$ 140,526,516 (approximately \$26 million). The managers in the IPO sold an additional 1,834,277 of the potential 6,388,276 shares under the greenshoe option, reducing Otello's ownership in Bemobi Brazil to 33.99%. After fees and taxes, Otello Technology Investment AS (formerly Bemobi Holding AS) received net proceeds from the greenshoe option of R\$ 35,363,596.60 (approximately \$6 million).

As part of the use of proceeds in connection with the IPO, a dividend and share proceed payment of R\$ 63,637,688.80 (approximately USD 18 million), less R\$ 543,334.33 in Brazilian tax, has been paid from Bemobi Brazil to Otello Technology Investment AS, of which R\$ 462,732,821.88 (approximately USD 65 million), less the relevant share of the Brazilian tax, was paid to Otello Corporation ASA.

Information regarding the IPO of Bemobi Brazil, including the Brazilian Final Prospectus, is available in Portuguese on the websites of Bemobi Brazil (<https://www.bemobi.com.br>), the Brazilian underwriters, the CVM and the Sao 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 are no longer consolidated into Otello's accounts but are booked according to the equity method. Please see Note 15 for more information about the equity method accounting.

**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 Otello Technology Investment AS (formerly 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 Otello Technology Investment 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 Otello Technology Investment AS. The deadline was set at February 15, 2021. The fixed amount was unchanged at USD 18.6 million. With the announcement of Bemobi Brazil's IPO on February 9, 2021, the clauses relating to the occurrence of a major transaction are no longer relevant. For more information regarding the IPO, please see above.

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

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

|   | October 26, 2021 |
|---|------------------|
| <b>Second Cash Consideration Amount (USD million)</b> | <b>100.0</b>     |
| Cash Consideration Amount:                            |                  |
| minus: Transaction Expenses Amount                    | (1.9)            |
| minus: Bonus Amount                                   | (2.7)            |
| minus: Bonus Employer Taxes                           | (0.1)            |
| <b>Second Payment</b>                                 | <b>95.3</b>      |

|  | Earnout Payment Amount |
|--|------------------------|
| <b>Future Payment Amount (USD million)</b> | <b>204.5</b>           |
| Cash Consideration Amount:                 |                        |
| minus: Transaction Expenses Amount         | (4.1)                  |
| minus: Bonus Amount                        | (8.3)                  |
| minus: Bonus Employer Taxes                | (0.4)                  |
| <b>Earnout Payment</b>                     | <b>191.7</b>           |

To assist AdColony in paying bonus obligations, tied to the sale of the business, Otello provided a short-term loan of \$850,000 to AdColony, which was settled in full at the same time as the earnout payment.

**Material Indemnification-Related Post-Earnout Obligations**  
 Bemobi Brazil has assumed certain indemnification obligations of Otello Corporation ASA ("Otello") under that certain Share Purchase Agreement dated February 26, 2021 (the "SPA"), between Otello Digital Turbine, Inc., Digital Turbine Media, Inc. ("DTI") and AdColony Holding AS ("AdColony"), following the settlement of DTI's earnout obligations under the SPA. The summary below does not purport to be a complete and accurate summary of Otello's obligations under the SPA. For a complete understanding of all of Otello's obligations under the SPA, reference should be made to the full text of the SPA, which can be found at: <https://ir.digitalturbine.com/all-sec-filings/content/0001704659-21-060537/0001704659-21-060537.pdf>

None of the indemnification obligations of Otello, as presented below, has been recognized as liabilities in the financial statement as it has yet to be confirmed whether Otello has a present obligation that could lead to an outflow of economic benefits, nor does the indemnification. Obligations of Otello meet the recognition criteria in IAS 37 as it is not probable that an outflow of economic benefits will happen at this stage.

**Indemnification Obligations of Otello**

- (i) Otello is obligated to indemnify (subject to certain limitations) DTI and its affiliates for losses related to the following matters:
  - (i) breaches or inaccuracies of certain representations and warranties;
  - (ii) pre-closing and certain other taxes;
  - (iii) the operations and subsequent sale of Skyline Labs, Inc.; and
  - (iv) certain specified matters, consisting of
    - (A) an action for a claim under the Children's Online Privacy Protection Act;
    - (B) any investigation by the Federal Trade Commission with respect to certain data privacy matters;
    - (C) any investigation by the Federal Trade Commission in connection with certain data privacy matters;
    - (D) a claim for breaches of certain non-solicitation obligations of AdColony and its subsidiaries; and
    - (E) a harassment claim against a former executive of AdColony.

**GDPR complaint filed with the Norwegian Data Protection Authority (DPA)**  
 Please refer to Note 16 for information on this matter.

**Note 22**

## Events after the reporting period

Armed conflict between Ukraine and Russia. On 24 February 2022, armed conflict broke out between Ukraine and Russia. This armed conflict does not provide evidence of conditions existing at the end of the reporting period, thus classifying the break out of armed conflict as a non-adjusting event according to IAS 10. The Company has neither customers nor suppliers in either Ukraine or Russia, and has concluded that there is no need to make any adjustments to the financial statements. However, should the situation continue or escalate, the Company, like everyone else, could be affected. It is too early to calculate any likely effect of these events on the Company.

The Company may be indirectly affected by the armed conflict through its investment in Bemobi Mobile Tech SA ("Bemobi"). Bemobi has reported that approximately 5% of its revenues outside Brazil are generated in Ukraine and Russia. In addition, Bemobi has a team of 35 people based in Ukraine. It is also too early to calculate any likely effect that this will have on Bemobi's position, and accordingly on Otello.

**Cancellation of shares bought back**  
After the end of the year, Otello registered the cancellation of the 1,200,000 shares purchased in the buyback in December. After that cancellation, Otello has 10,099,777 shares on issue.

**Settlement of tax for Bemobi**  
On 20 April 2022, the Company announced that it had elected to change the investment regime for its holding of Bemobi shares from the 431 regime to the 4312 regime. Under the 4312 regime, capital gains are subject to 0% withholding tax. In order to proceed with the change, the Company has settled the tax on the capital gain based on the difference between the share market price on 31 March 2022 and the tax cost basis, based on a share price of BRL 1643, the Company has paid a total of BRL 67,394,818 (approximately \$4.4 million) in withholding tax and the Brazilian tax on financial operations (IOF).

At the time of the Bemobi IPO, the Company had recognized a deferred tax liability under the 431 regime of approximately \$79.67 million, based on the initial IPO share price of BRL 22.00. The settlement and change of investment regime means that any appreciation of the shares after the change will not be subject to further taxes on capital gains or withholding taxes.

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.

| Results of discontinued operations (USD million)                                | Note | 2021         | 2020       |
|---|------|--------------|------------|
| Revenue   |      | 80.6         | 288.9      |
| Operating expenses  |      | (71.2)       | (253.4)    |
| <b>Operating profit (loss), excluding impairment and restructuring expenses</b> |      | <b>9.4</b>   | <b>5.4</b> |
| Impairment and restructuring expenses   |      | (1.3)        | 0.2        |
| <b>Operating profit (loss)</b>  |      | <b>8.1</b>   | <b>5.7</b> |
| Net financial items (loss)  |      | (1.0)        | (3.6)      |
| Net (gain) loss from sale of discontinued operations, net of tax                |      | 216.8        | 0.0        |
| <b>Profit (loss) before income tax</b>  |      | <b>223.9</b> | <b>2.1</b> |
| Tax expense   |      | (3.8)        | (1.5)      |
| <b>Profit (loss) from discontinued operations</b>                               |      | <b>220.1</b> | <b>0.6</b> |

| Earnings (loss) per share (continuing operations): | 10   | 10   |
|--|------|------|
| Basic earnings per share (USD)                     | 1.77 | 0.00 |
| Diluted earnings per share (USD)                   | 1.77 | 0.00 |

| Cash flow information (discontinued operations): | 2021  | 2020   |
|--|-------|--------|
| Cash flow from operating activities              | 15.3  | 277    |
| Cash flow from investment activities             | 176.5 | (10.0) |
| Cash flow from financing activities              | 29.4  | (27)   |

| Effect of disposal on the financial position of the Group: (USD million)                            | AdColony     | Bemobi       | 2021         | 2020         |
|---|--------------|--------------|--------------|--------------|
| <b>Net asset and liabilities</b>  | (230.0)      | (55.6)       | (285.6)      | (265.6)      |
| Banker fees and other fees  | (24.0)       | (0.3)        | (24.3)       | (24.3)       |
| Consideration to exit participants  | 0.0          | (13.3)       | (13.3)       | (13.3)       |
| Estimated consideration, to be satisfied in cash (incl NWC adjustment)                              | 407.2        | 47.6         | 454.8        | 442.9        |
| FV assessment recognized using the equity method  | 0.0          | 132.2        | 132.2        | 132.2        |
| Estimated deferred tax liabilities on sale of shares  | 0.0          | (19.7)       | (19.7)       | (19.7)       |
| Acquisition cost  | 0.0          | (6.0)        | (6.0)        | (6.0)        |
| <b>Net profit</b>   | <b>147.2</b> | <b>100.0</b> | <b>247.2</b> | <b>247.2</b> |
| Consideration received, satisfied in cash   | 185.5        | 41.3         | 226.9        | 226.9        |
| Cash and cash equivalents disposed of   | (24.8)       | (22.8)       | (47.6)       | (47.6)       |
| <b>Net cash inflows<sup>1)</sup></b>  | <b>160.8</b> | <b>18.5</b>  | <b>179.3</b> | <b>179.3</b> |
| <sup>1)</sup> Proceeds from disposal of subsidiaries and associated companies, net of cash disposed |              |              |              |              |
| Proceeds from non-controlling interests   | 0.0          | 30.8         | 30.8         | 30.8         |
| <b>Net cash inflows<sup>2)</sup></b>  | <b>0.0</b>   | <b>30.8</b>  | <b>30.8</b>  | <b>30.8</b>  |
| <sup>2)</sup> Proceeds from disposal of subsidiaries and associated companies, net of cash disposed |              |              |              |              |



## Statement of Comprehensive Income

| USD million   | Note | 2021          | 2020         |
|---|------|---------------|--------------|
| Revenue   | 2, 8 | 0.0           | 0.0          |
| <b>Total operating revenue</b>  |      | <b>0.0</b>    | <b>0.0</b>   |
| Cost of goods sold  |      | 0.0           | (0.0)        |
| Employee benefits expense   | 4    | (4.3)         | (4.7)        |
| Depreciation and amortization expenses  | 9    | (0.6)         | (0.7)        |
| Other operating expenses  | 5    | (2.9)         | (1.5)        |
| <b>Total operating expenses</b>   |      | <b>(7.9)</b>  | <b>(7.0)</b> |
| <b>Operating profit (loss), excluding impairment and restructuring expenses</b> |      | <b>(7.9)</b>  | <b>(7.0)</b> |
| Impairment losses and restructuring expenses                                    | 7    | (66.4)        | (0.1)        |
| <b>Operating profit (loss)</b>  |      | <b>(74.3)</b> | <b>(7.1)</b> |
| Interest income   | 3, 8 | 0.3           | 2.9          |
| Interest expenses   | 3, 8 | (1.7)         | (1.4)        |
| Net financial income (expense)  | 3    | 8.8           | (5.2)        |
| Dividends received  | 8    | 0.0           | 5.8          |
| Profit sale of shares   | 13   | 51.7          | (0.8)        |
| Share of profit (loss) from associated companies                                | 7    | 0.0           | 0.0          |
| <b>Net financial items</b>  |      | <b>59.1</b>   | <b>1.3</b>   |
| <b>Profit (loss) before income taxes</b>  |      | <b>(15.2)</b> | <b>(5.7)</b> |
| Income taxes  | 6    | 0.0           | (3.2)        |
| <b>Profit (loss)</b>  |      | <b>(15.2)</b> | <b>(8.9)</b> |
| <b>Other comprehensive income:</b>  |      |               |              |
| Items that may or will be transferred to profit (loss)                          |      |               |              |
| Foreign currency translation differences  |      | (12.0)        | 13.4         |
| <b>Total comprehensive income (loss)</b>  |      | <b>(27.2)</b> | <b>4.5</b>   |
| <b>Profit (loss) attributable to:</b>   |      |               |              |
| Owners of Otello Corporation ASA  |      | (15.2)        | (8.9)        |
| Non-controlling interests   |      | -             | -            |
| <b>Total comprehensive income (loss) attributable to:</b>                       |      |               |              |
| Owners of Otello Corporation ASA  |      | (27.2)        | 4.5          |
| Non-controlling interests   |      | -             | -            |



## Statement of Financial Position

| USD million                              | Note | 12/31/2021   | 12/31/2020   |
|--|------|--------------|--------------|
| <b>Assets</b>                            |      |              |              |
| Property, plant and equipment            | 9    | 0.9          | 1.6          |
| Investments in subsidiaries              | 7    | 80.0         | 306.2        |
| Right of use assets                      | 10   | 0.3          | 0.2          |
| Other investments                        | 7    | 0.9          | 18.7         |
| Receivables from group companies         | 8    | -            | 132.8        |
| <b>Total non-current assets</b>          |      | <b>82.2</b>  | <b>459.5</b> |
| Accounts receivable                      | 3    | 0.1          | 0.0          |
| Accounts receivable from group companies | 8    | 0.0          | 0.2          |
| Other receivables                        | 13   | 193.1        | 0.3          |
| Other receivables from group companies   | 8    | 0.0          | 0.1          |
| Cash and cash equivalents                | 3    | 78.1         | 2.7          |
| <b>Total current assets</b>              |      | <b>271.2</b> | <b>3.4</b>   |
| <b>Total assets</b>                      |      | <b>353.4</b> | <b>462.9</b> |

## Statement of Financial Position

| USD million                                  | Note | 12/31/2021   | 12/31/2020   |
|--|------|--------------|--------------|
| <b>Shareholders' equity and liabilities</b>  |      |              |              |
| Equity attributable to owners of the company |      | 258.0        | 423.6        |
| <b>Total equity</b>                          |      | <b>258.0</b> | <b>423.6</b> |
| <b>Liabilities</b>                           |      |              |              |
| Non-current liabilities to group companies   | 8    | 90.6         | 2.5          |
| Financial lease liabilities                  | 10   | 0.2          | 0.1          |
| <b>Total non-current liabilities</b>         |      | <b>90.8</b>  | <b>2.6</b>   |
| Loans and borrowings                         |      | 0.0          | 35.0         |
| Financial lease liabilities                  | 10   | 0.1          | 0.1          |
| Accounts payable                             |      | 0.2          | 0.1          |
| Accounts payable to group companies          | 8    | 0.0          | 0.0          |
| Other current liabilities to group companies | 3, 8 | 2.6          | 0.0          |
| Other current liabilities                    |      | 1.7          | 1.3          |
| <b>Total current liabilities</b>             |      | <b>4.6</b>   | <b>36.6</b>  |
| <b>Total liabilities</b>                     |      | <b>95.4</b>  | <b>39.2</b>  |
| <b>Total equity and liabilities</b>          |      | <b>353.4</b> | <b>462.9</b> |

Oslo, April 27, 2022

Andre Christensen  
Chairman of the Board

Birgit Midtbust

Song Lin

Maria Borge Andreassen

Anooj Unarket

Lars Bollesen  
CEO



## Statement of Cash Flows

| USD million   | Note | 2021           | 2020         |
|---|------|----------------|--------------|
| <b>Cash flow from operating activities</b>                                    |      |                |              |
| Profit (loss) before taxes  |      | (152)          | (57)         |
| Depreciation and amortization expense   | 9    | 0.6            | 0.7          |
| Impairment of assets  | 7    | 66.4           | 0.0          |
| Net (gain) loss from disposals of subsidiaries and other share investments    | 13   | (51.7)         | (1.5)        |
| Dividends received  | 8    | 0.0            | (5.8)        |
| Other adjustments for which cash effects are investing or financing cash flow |      | 0.4            | (1.2)        |
| Changes in accounts receivable <sup>1)</sup>                                  | 8    | (0.1)          | 5.8          |
| Changes in accounts payable <sup>1)</sup>                                     |      | 0.1            | 5.6          |
| Other adjustments for non-cash items  |      | 1.3            | (2.6)        |
| Share-based remuneration  | 4    | (5.8)          | 1.1          |
| FX differences related to changes in balance sheet items                      |      | (2.4)          | (3.9)        |
| <b>Net cash flow from operating activities</b>                                |      | <b>(6.3)</b>   | <b>(7.5)</b> |
| <b>Cash flow from investment activities</b>                                   |      |                |              |
| Proceeds from sale of shares  | 13   | 185.5          | -            |
| Other cash payments to acquire equity or debt instruments of other entities   | 7    | (0.1)          | (0.1)        |
| Proceeds from loans received from group companies                             | 8    | 73.4           | 2.5          |
| Repayment of loans to group companies   | 8    | (2.0)          | (0.7)        |
| Loans given to group companies  | 8    | 0.0            | (5.8)        |
| Loans given to other companies  | 13   | (0.9)          | -            |
| <b>Net cash flow from investment activities</b>                               |      | <b>256.0</b>   | <b>(4.0)</b> |
| <b>Cash flow from financing activities</b>                                    |      |                |              |
| Payments of other equity instruments  |      | (0.1)          | 0.0          |
| Payments to acquire entity's shares   |      | (132.6)        | (0.4)        |
| Proceeds from loans and borrowings  | 3    | 0.0            | 15.0         |
| Repayments of loans and borrowings  | 3    | (35.5)         | (1.3)        |
| Payment of finance lease liabilities, net                                     | 10   | (0.1)          | (0.1)        |
| <b>Net cash flow from financing activities</b>                                |      | <b>(168.3)</b> | <b>13.1</b>  |
| <b>Net change in cash and cash equivalents</b>                                |      | <b>81.4</b>    | <b>1.6</b>   |
| Cash and cash equivalents (beginning of period)                               |      | 2.7            | 1.2          |
| Effects of exchange rate changes on cash and cash equivalents                 |      | (6.0)          | (0.1)        |
| <b>Cash and cash equivalents<sup>2)</sup></b>                                 |      | <b>78.1</b>    | <b>2.7</b>   |

<sup>1)</sup> This includes changes in intercompany balances. See Note 6 for further information.

<sup>2)</sup> Of which \$0.0 million (2020: 0.0 million) is restricted cash as of December 31, 2021.

## Statement of Changes in equity

| USD million                                      | Number of shares outstanding (million) | Issued capital | Share premium | Treasury shares | Translation reserve | Other equity  | Total equity  |
|--|--|----------------|---------------|-----------------|---------------------|---------------|---------------|
| Balance as of 12/31/2020                         | 137.6                                  | 0.3            | 357.9         | (74.9)          | (156.8)             | 297.1         | 423.7         |
| Comprehensive income for the period              |  |                |               |                 |                     | (15.2)        | (15.2)        |
| Profit for the period                            |  |                |               |                 |                     | (15.2)        | (15.2)        |
| Other comprehensive income                       |  |                |               |                 |                     |               |               |
| Foreign currency translation differences         |  |                |               |                 | (12.0)              |               | (12.0)        |
| <b>Total comprehensive income for the period</b> |  |                |               |                 | <b>(12.0)</b>       | <b>(15.2)</b> | <b>(27.2)</b> |
| Issue of share capital                           |  |                |               |                 |                     |               | 0.0           |
| Capital decrease                                 |  |                | (201.9)       | 201.9           |                     |               | 0.0           |
| Treasury shares acquired                         | (36.5)                                 | (0.1)          |               | (132.6)         |                     |               | (132.6)       |
| Treasury shares sold                             | 0.0                                    |                |               | 0.0             |                     |               | 0.0           |
| Share-based payment transactions                 |  |                |               |                 |                     | (5.8)         | (5.8)         |
| Balance as of 12/31/2021                         | 101.1                                  | 0.3            | 156.0         | (5.6)           | (168.8)             | 276.1         | 258.0         |

### Face value of the shares

The face value of the shares is NOK 0.02.

### 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 account balances that are not in USD.

### Other equity

Other equity consists of option and RSU costs recognized according to the equity settled method and all other transactions, including but not limited to, total recognized income and expenses for the current period.

## Statement of Changes in equity

| USD million                                      | Number of shares outstanding (million) | Issued capital | Share premium | Treasury shares | Translation reserve | Other equity | Total equity |
|--|--|----------------|---------------|-----------------|---------------------|--------------|--------------|
| Balance as of 12/31/2019                         | 137.9                                  | 0.3            | 357.9         | (74.5)          | (170.2)             | 304.9        | 418.4        |
| Comprehensive income for the period              |  |                |               |                 |                     | (8.9)        | (8.9)        |
| Profit for the period                            |  |                |               |                 |                     | (8.9)        | (8.9)        |
| Other comprehensive income                       |  |                |               |                 |                     |              |              |
| Foreign currency translation differences         |  |                |               |                 | 13.4                |              | 13.4         |
| <b>Total comprehensive income for the period</b> |  |                |               |                 | <b>13.4</b>         | <b>(8.9)</b> | <b>4.5</b>   |
| Issue of share capital                           |  |                | (0.0)         |                 |                     |              | (0.0)        |
| Capital decrease                                 |  |                |               |                 |                     |              | 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                                  | 0.3            | 357.9         | (74.9)          | (156.8)             | 297.1        | 423.7        |

## 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 27, 2022 for approval by the Annual General Meeting on June 2, 2022.

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, except for 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 contributions 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

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

| <i>[USD million]</i>             | 2021       | 2020         |
|----------------------------------|------------|--------------|
| FX gain (loss)                   | 8.8        | (4.9)        |
| Other financial income (expense) | 0.0        | (0.2)        |
| <b>Total</b>                     | <b>8.8</b> | <b>(5.2)</b> |

#### 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 *[USD million]*

|              | 2021        | 2020       |
|--------------|-------------|------------|
| NOK          | 50.3        | 0.2        |
| USD          | 27.8        | 2.5        |
| EUR          | 0.0         | 0.0        |
| Other        | 0.0         | 0.0        |
| <b>Total</b> | <b>78.1</b> | <b>2.7</b> |

#### Foreign exchange contracts

During 2021 and 2020, 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, 2021.

#### Liquidity risk

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

| <i>[USD million]</i>        | 12/31/2021  | 12/31/2020 |
|-----------------------------|-------------|------------|
| <b>Liquidity reserve</b>    | <b>78.1</b> | <b>2.7</b> |
| Cash and cash equivalents   | 78.1        | 2.7        |
| - of which restricted funds | 0.0         | 0.0        |
| <b>Unrestricted cash</b>    | <b>78.1</b> | <b>2.7</b> |

## Note 4

# Payroll expense and remuneration to management

| Payroll expenses [USD million]                          | 2021         | 2020         |
|---|--------------|--------------|
| Salaries and bonuses                                    | (2.8)        | (2.7)        |
| Social security cost                                    | (1.2)        | (0.6)        |
| Pension cost  | (0.2)        | (0.2)        |
| Share-based remuneration including social security cost | (0.0)        | (1.2)        |
| Insurance and other employee benefits                   | (0.0)        | (0.1)        |
| Payments to long-term contractual staff                 | (0.0)        | (0.0)        |
| <b>Total</b>  | <b>(4.3)</b> | <b>(4.7)</b> |

Average number of employees

11

16

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

**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:

|   | 2021                                  | 2020                                  |
|---|---------------------------------------|---------------------------------------|
|   | Weighted average exercise price (NOK) | Weighted average exercise price (NOK) |
| Outstanding at the beginning of the period  | 19.47                                 | 40.74                                 |
| Terminated (employee terminations)          | -                                     | -                                     |
| Forfeited during the period                 | 38.50                                 | (7.9)                                 |
| Expired during the period                   | -                                     | 36.72                                 |
| Cancelled during the year                   | -                                     | 42.16                                 |
| Exercised during the period                 | 33.02                                 | (3.450)                               |
| Granted during the period                   | -                                     | 18.99                                 |
| Outstanding at the end of the period        | -                                     | 19.47                                 |
| <b>Exercisable at the end of the period</b> | <b>0.00</b>                           | <b>4.084</b>                          |

In 2021, there were no new options granted (2020: 3.450 000 options granted).

| Credit Facility       | 12/31/2021 | 12/31/2020 |
|-----------------------|------------|------------|
| Long-term cash credit | 0.0        | 50.0       |
| - of which utilized   | 0.0        | 35.0       |

**Credit Facility**  
In January 2021, Otello signed an amendment to the 3-year Revolving Credit Facility (RCF) agreement of 2018 with DNB Bank ASA, increasing the facility from \$50 million to \$68.6 million. The payment guarantee that was signed in March 2020 of an amount equal to USD 18,562,118 in favor of Pedro Rieger, CEO of Bemobi (on behalf of the former owners of Bemobi) was converted to be part of the RCF agreement. This conversion was carried out in February 2021, following the public listing of Otello's Bemobi business in Brazil. In addition, the termination date of the RCF was extended to June 30, 2021.

During April 2021, Otello utilized some of the proceeds received from the Bemobi IPO to fully pay back all of the \$35 million of the RCF that had previously been drawn up and terminated the RCF agreement.

As at December 31, 2021, Otello has no outstanding loans payable.

**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.

In 2021 and 2020, 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 is presented below.

| [USD million]                                | Amortised cost | Fair value |
|--|----------------|------------|
|  | 2021           |            |
| <b>Assets - current</b>                      |                |            |
| Accounts receivable                          | 0.1            |            |
| Receivables from group companies             | 0.0            |            |
| Cash and cash equivalents                    | 78.1           |            |
| <b>Liabilities - current</b>                 |                |            |
| Accounts payable                             | 0.2            |            |
| Accounts payable to group companies          | 0.0            |            |
| Other current liabilities to group companies | 2.6            |            |
|  | 2020           |            |
| <b>Assets - current</b>                      |                |            |
| Accounts receivable                          | 0.0            |            |
| Receivables from group companies             | 0.2            |            |
| Cash and cash equivalents                    | 2.7            |            |
| <b>Liabilities - current</b>                 |                |            |
| Accounts payable                             | 0.1            |            |
| Accounts payable to group companies          | 0.0            |            |
| Other current liabilities to group companies | 0.0            |            |

## Note 5

### Other operating expenses

| Other expenses (USD million)              | 2021         | 2020         |
|---|--------------|--------------|
| Audit, legal and other advisory services  | (2.0)        | (0.8)        |
| Purchase of equipment, not capitalized    | (0.2)        | (0.3)        |
| Travel expenses                           | (0.2)        | (0.0)        |
| Rent and other office expenses            | (0.2)        | (0.1)        |
| Hosting expenses, excl. depreciation cost | (0.3)        | (0.3)        |
| Other expenses                            | (0.4)        | (0.3)        |
| <b>Total</b>                              | <b>(2.9)</b> | <b>(1.5)</b> |

Remuneration to the statutory auditors  
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) | 2021         | 2020         |
|--------------------------|--------------|--------------|
| Statutory audit          | (0.2)        | (0.3)        |
| Assurance services       | (0.0)        | -            |
| Tax advisory services    | 0.0          | -            |
| Other services           | (0.1)        | -            |
| <b>Total</b>             | <b>(0.3)</b> | <b>(0.3)</b> |

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

2021: There were no options issued in 2021, and there are none outstanding as of 31 December 2021.

| Exercise price | TOTAL OUTSTANDING OPTIONS                         |   | VESTED OPTIONS                           |                                       |
|----------------|---|---|--|---------------------------------------|
|                | Outstanding options per 12/31/2021 (in thousands) | Weighted average remaining lifetime (years) | Vested options 12/31/2021 (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  | 50                                       | 40.84                                 |
| 45.00 -        | -   | -   | -  | -                                     |
| <b>Total</b>   | <b>3 525</b>                                      | <b>3.61</b>                                 | <b>19.47</b>                             | <b>40.84</b>                          |

Exercise price = strike price

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

2021:

| Date of exercise | Number of exercised options (in thousands) | Achieved selling price (NOK) |
|------------------|--|------------------------------|
| 4/29/21          | 3 450                                      | 35.02                        |
| <b>Total</b>     | <b>3 450</b>                               | <b>35.02</b>                 |

2020: No options exercised in 2020.

## Note 6 Taxes

|   | 2021          |              | 2020         |
|---|---------------|--------------|--------------|
|   | [USD million] |              |              |
| Income tax expense recognized in the statement of comprehensive income: |               |              |              |
| Current tax   | -             | -            | -            |
| Changes in deferred taxes   | 0.0           | (3.2)        | (3.2)        |
| Tax expense related to change in tax rate                               | -             | -            | -            |
| <b>Total</b>  | <b>0.0</b>    | <b>(3.2)</b> | <b>(3.2)</b> |

### Recognized deferred tax assets and liabilities:

Deferred tax balances presented in the statement of financial position comprise the following:

|   | 2021          | 2020       |
|---|---------------|------------|
|   | [USD million] |            |
| Deferred tax assets related to tax loss carryforwards | 0.0           | 0.0        |
| Deferred tax assets related to temporary differences  | 0.0           | 0.0        |
| <b>Net deferred assets (liabilities)</b>              | <b>0.0</b>    | <b>0.0</b> |

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 carryforwards can be utilized.

At December 31, 2020, the tax loss carryforwards in the Company have been derecognized, since it is deemed not probable that sufficient future taxable profits will be generated against which these can be utilized.

### Deferred tax assets (liabilities) and changes during the year

|  | Balance 1/1/21     | Posted to statement of comprehensive income | Posted directly to the equity | Disposals to discontinued operations | Balance 31/12/21 |
|--|--------------------|---|-------------------------------|--------------------------------------|------------------|
|  | 2021 [USD million] |   |                               |                                      |                  |
| Accounts receivable  | 0.0                | (0.0)                                       | 0.0                           | 0.0                                  | 0.0              |
| Provisions and accruals  | 0.1                | (0.1)                                       | 0.0                           | 0.0                                  | (0.0)            |
| Total  | 0.1                | (0.1)                                       | 0.0                           | 0.0                                  | 0.0              |
| Temporary differences not recognized in the statement of financial position                    | (0.1)              | 0.1   | 0.0                           | 0.0                                  | 0.0              |
| Temporary differences recognized in the statement of financial position                        | 0.0                | 0.0   | 0.0                           | 0.0                                  | 0.0              |
| Tax loss carryforwards   | 3.7                | 0.2   | 0.0                           | 0.0                                  | 3.9              |
| Tax loss carryforwards not recognized in the statement of financial position                   | (3.7)              | (0.2)                                       | 0.0                           | 0.0                                  | (3.9)            |
| Tax loss carryforwards recognized in the statement of financial position                       | 0.0                | 0.0   | 0.0                           | 0.0                                  | 0.0              |
| <b>Net deferred tax assets (liabilities) recognized in the statement of financial position</b> | <b>0.0</b>         | <b>0.0</b>                                  | <b>0.0</b>                    | <b>0.0</b>                           | <b>0.0</b>       |

|  | Balance 1/1/21     | Posted to statement of comprehensive income | Posted directly to the equity | Disposals to discontinued operations | Balance 31/12/21 |
|--|--------------------|---|-------------------------------|--------------------------------------|------------------|
|  | 2020 [USD million] |   |                               |                                      |                  |
| Accounts receivable  | 0.0                | 0.0   | -                             | -                                    | 0.0              |
| Provisions and accruals  | 0.2                | (0.1)                                       | -                             | -                                    | 0.1              |
| Total  | 0.2                | (0.1)                                       | 0.0                           | 0.0                                  | 0.1              |
| Temporary differences not recognized in the statement of financial position                    | 0.0                | (0.1)                                       | 0.0                           | 0.0                                  | (0.1)            |
| Temporary differences recognized in the statement of financial position                        | 0.2                | (0.2)                                       | 0.0                           | 0.0                                  | 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                           | 0.0                                  | 0.0              |
| <b>Net deferred tax assets (liabilities) recognized in the statement of financial position</b> | <b>2.5</b>         | <b>(2.5)</b>                                | <b>0.0</b>                    | <b>0.0</b>                           | <b>0.0</b>       |

### Reconciliation of effective tax rate [USD million]

|   | 2021       | 2020         |
|---|------------|--------------|
| Profit (loss) before tax  | (15.2)     | (5.7)        |
| Income tax using the corporate income tax rate in Norway <sup>¶</sup> | 3.3        | 1.3          |
| Effect of changes in tax rates  | 22.0 %     | 22.0 %       |
| Effect of deferred tax assets not recognized                          | 0.0        | 0.0          |
| Effect of non-taxable and non-deductible items                        | (0.1)      | 0.0          |
| Effect of non-taxable and non-deductible items                        | (3.2)      | (4.4)        |
| <b>Total tax expense for the year</b>                                 | <b>0.0</b> | <b>(3.2)</b> |
| Effective tax rate  | 0.0 %      | -54.8 %      |

<sup>¶</sup> The income tax rate in Norway was 22 % in 2021, and 22 % in 2020. The tax rate will remain unchanged in 2022.

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

## 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, 2021.

|                                | Otello Technology Investment AS<br>(formerly Bemobi Holding AS) | Privacy & Performance<br>Ireland Ltd | Skyfire Labs, Inc. |
|--------------------------------|---|--------------------------------------|--------------------|
| Segment (Group)                | Corporate   | Corporate                            | Corporate          |
| Acquisition/establishment date | 8/8/2016  | 9/14/2016                            | 5/1/06             |
| Registered office              | Oslo, Norway  | Dublin, Ireland                      | San Mateo, USA     |
| Ownership and voting share     | 100 %   | 100 %                                | 100 %              |
| Equity at year end             | 172.7   | 0.3                                  | (36.4)             |
| Profit for the year            | 51.9  | (0.3)                                | 0.0                |

#### Information related to carrying value:

|  | Otello Technology<br>Investment AS | Privacy &<br>Performance<br>Ireland Ltd | Skyfire<br>Labs, Inc. | Total       |
|--|------------------------------------|---|-----------------------|-------------|
| Acquisition cost                                   | 63.0                               | 0.2                                     | 0.3                   | 63.6        |
| Equity increase prior to current year              | 64.6                               | 0.0                                     | 0.0                   | 64.6        |
| Equity increase in the current year                | -                                  | -                                       | -                     | -           |
| Divestment of 11.2% of the shares, prior year      | (10.5)                             | 0.0                                     | 0.0                   | (10.5)      |
| Reacquisition of 11.2% of the shares, current year | 10.5                               | 0.0                                     | 0.0                   | 10.5        |
| Impairment loss prior to current year              | 0.0                                | 0.0                                     | 0.0                   | 0.0         |
| Impairment loss in the current year                | (481)                              | 0.0                                     | 0.0                   | (481)       |
| Group contribution prior to current year           | 0.0                                | 0.0                                     | 0.0                   | 0.0         |
| Group contribution in the current year             | -                                  | -                                       | -                     | 0.0         |
| Translation differences                            | (0.1)                              | (0.0)                                   | (0.0)                 | (0.1)       |
| <b>Carrying value</b>                              | <b>79.5</b>                        | <b>0.2</b>                              | <b>0.3</b>            | <b>80.0</b> |

**Acquisition of Skyfire Labs, Inc.**  
As part of a restructuring in conjunction with the sale of the AdColony business, the Company acquired direct ownership of Skyfire Labs, Inc. from AdColony Holdings U.S., Inc. Skyfire Labs, Inc. was acquired at net asset value.

**Divestment of AdColony**  
The Company disposed of all of the shares in AdColony Holding AS (and, accordingly, all of its subsidiaries, with the exception of Skyfire Labs, Inc. As referred above) to a subsidiary of Digital Turbine, Inc. Please see Note 16 of the consolidated financial statements for more information.

**Reacquisition of shares in Otello Technology Investment AS (formerly Bemobi Holding AS)**  
As part of the transactions related to the Bemobi IPO, the Company reacquired full ownership of Otello Technology Investment AS. Please see Notes 16 and 21 of the consolidated financial statements for further information.

**Divestment of Bemobi**  
Bemobi Mobile Tech S.A. was listed on the Bovespa stock exchange in Brazil through an IPO. As part of the IPO, new shares were issued in Bemobi Mobile Tech S.A. after which the company no longer held a controlling interest. Accordingly, Bemobi Mobile Tech S.A. and its subsidiaries are no longer considered subsidiaries of the Company.

**Impairment related to the Bemobi investment**  
The Company has carried out impairment testing as of December 31, 2021. The main asset owned by Otello Technology Investment AS are the shares in Bellstedt Bemobi Mobile Tech S.A. Based on the share price of Bemobi Mobile Tech S.A. at that date and the prevailing exchange rate, the Company recognized an impairment loss. Please see Note 15 of the consolidated financial statements for more information.

**Shares in subsidiaries**  
There were no shares in subsidiaries owned by other group companies, and indirectly owned by the Company, as at December 31, 2021.

#### Other investments

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

|                                     | 2021       | 2020        |
|-------------------------------------|------------|-------------|
| <i>[USD million]</i>                |            |             |
| Investments in associated companies | 0.0        | 10.1        |
| Loans to associated companies       | 0.0        | 7.7         |
| Investments in other shares         | 0.9        | 0.8         |
| <b>Total</b>                        | <b>0.9</b> | <b>18.7</b> |

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

|  | 2021          | 2020         |
|--|---------------|--------------|
| <b>Impairment and restructuring expense [USD million]</b>            |               |              |
| Vwd Software AS loan impairment                                      | (8.2)         | -            |
| Last Lion Holdings Ltd shares impairment                             | (10.1)        | -            |
| Otello Technology Investment AS shares impairment                    | (481)         | -            |
| Legal and other costs related to business combinations and disposals | -             | (0.1)        |
| <b>Total</b>   | <b>(66.4)</b> | <b>(0.1)</b> |

**Note 8**

## Receivables, payables and transactions with group companies

**Receivables and payables**

The table below presents a breakdown of receivables and payables with group companies. (USD million)

|                                  | Accounts receivable |            | Other receivables (current) |            |
|----------------------------------|---------------------|------------|-----------------------------|------------|
|                                  | 2021                | 2020       | 2021                        | 2020       |
| Other receivables (non-current)  | 0.0                 | 132.8      | 0.0                         | 0.1        |
| <b>Liabilities (non-current)</b> | <b>90.6</b>         | <b>2.5</b> | <b>2.6</b>                  | <b>0.0</b> |
| Accounts payable                 | 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:

|   | 2021       |            | 2020        |             |
|---|------------|------------|-------------|-------------|
|   |            |            |             |             |
| <b>Receivables from group companies (USD million)</b> |            |            |             |             |
| Otello Technology Investment AS                       | 0.0        | 0.0        | 93.2        |             |
| Performance and Privacy Ireland Limited               | 0.0        | 0.0        |             | 93.2        |
| <b>Total receivables</b>                              | <b>0.0</b> | <b>0.0</b> | <b>93.2</b> | <b>93.2</b> |

|   | 2020         |            | 2021       |            |
|---|--------------|------------|------------|------------|
|   |              |            |            |            |
| <b>Receivables from group companies (USD million)</b> |              |            |            |            |
| AdColony Inc (USA)                                    | 133.1        | 0.0        | 2.5        | 0.0        |
| AdColony Aps (Denmark)                                | 0.0          | 0.0        | 0.0        | 2.5        |
| Other entities  | 0.0          | 0.0        |            |            |
| <b>Total receivables</b>                              | <b>133.2</b> | <b>2.5</b> | <b>2.5</b> | <b>2.5</b> |

**Breakdown of intercompany receivables by currency: (USD million)**

|              | 2021       | 2020         |
|--------------|------------|--------------|
| NOK          | 0.0        | 0.1          |
| USD          | 0.0        | 133.1        |
| GBP          | 0.0        | 0.0          |
| <b>Total</b> | <b>0.0</b> | <b>133.2</b> |

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)**

|              | 2021        | 2020       |
|--------------|-------------|------------|
| USD          | 93.2        | 2.5        |
| SGD          | -           | 0.0        |
| <b>Total</b> | <b>93.2</b> | <b>2.5</b> |

**Transactions with group companies (USD million)**

|                                      | 2021  | 2020  |
|--------------------------------------|-------|-------|
| Intercompany revenue                 | 0.0   | 0.0   |
| Intercompany costs of goods sold     | 0.0   | (0.0) |
| Interest income from related parties | 0.3   | 2.7   |
| Interest expense to related parties  | (1.3) | (0.1) |

**Settlement of loan receivable from AdColony, Inc**

As part of a restructuring in conjunction with the sale of the AdColony business, the non-current receivable of USD 132.8 million which was outstanding from AdColony, Inc as of December 31, 2020 was settled by way of a in-kind capital contribution to the parent company of the AdColony business, AdColony Holding AS.

**Loan agreements with Otello Technology Investment AS**

As part of the transactions involved with the IPO of the Bemobi business, the Company's subsidiary Otello Technology Investment AS took over the current liability of the company to the earnout participants in the Bemobi business. The value of this liability was initially calculated to be BRL 107.4 million, and subsequently agreed with Otello Technology Investment AS to be denominated as a loan of USD 16.0 million.

Following the IPO of the Bemobi business, Otello Technology Investment AS has loaned surplus funds to the Company for use in general business activities and to have available for potential return to investors. These funds total USD 77.4 million, comprising 3 separate loans.

All of these additional loans from Otello Technology Investment AS are subject to written loan agreements, with an interest rate of 3 month LIBOR + 250 basis points being charged.

As of December 31, 2021, the amount of USD 2.5 million that was a non-current liability to Otello Technology Investment AS as of the previous balance date, was reclassified as a current liability and repaid under the terms of that loan agreement in January 2022.

**Loan agreement with AdColony Aps**

During 2021, the Company borrowed USD 2 million on a short-term basis from AdColony Aps and repaid it during the same month without interest.

**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

|   | 2021                    |       |       |
|---|-------------------------|-------|-------|
|   | Machinery and equipment |       | Total |
| Acquisition cost                        | 5.7                     | 5.7   |       |
| Acquisition cost as of 1/1/21           | -                       | 0.0   |       |
| Acquisitions                            | (0.2)                   | (0.2) |       |
| Currency differences                    | 5.5                     | 5.5   |       |
| Acquisition cost as of 12/31/21         |                         |       |       |
| Depreciation and impairment losses      | (4.0)                   | (4.0) |       |
| Acquisition cost as of 1/1/21           | (0.6)                   | (0.6) |       |
| Depreciation for the year               | 0.1                     | 0.1   |       |
| Currency differences                    | (4.5)                   | (4.5) |       |
| Accumulated depreciation as of 12/31/21 |                         |       |       |
| Net book value as of 12/31/21           | 0.9                     | 0.9   |       |

|   | 2020                    |       |                |
|---|-------------------------|-------|----------------|
|   | Machinery and equipment |       | Total          |
| Acquisition cost                        | 5.5                     | 5.6   |                |
| Acquisition cost as of 1/1/20           | -                       | 0.0   |                |
| Acquisitions                            | 0.1                     | 0.1   |                |
| Currency differences                    | 5.7                     | 5.7   |                |
| Acquisition cost as of 12/31/20         |                         |       |                |
| Depreciation and impairment losses      | (3.3)                   | (2.7) |                |
| Acquisition cost as of 1/1/20           | (0.6)                   | (0.6) |                |
| Depreciation for the year               | (0.1)                   | (0.1) |                |
| Currency differences                    | (4.0)                   | (4.0) |                |
| Accumulated depreciation as of 12/31/20 |                         |       |                |
| Net book value as of 12/31/20           | 1.6                     | 1.6   |                |
| 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 term of 5 years, with an option to extend the term until November 2024. In November 2021, the Company chose not to exercise the option and the lease will run its full term through November 2024. 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:

|  | 2021  | 2020  |
|--|-------|-------|
| <b>Lease liabilities (USD million)</b>           |       |       |
| Balance as of 1/1                                | 0.2   | 0.3   |
| Additions  | 0.2   | -     |
| Translation differences                          | (0.0) | (0.0) |
| Lease payments                                   | (0.0) | (0.0) |
| Interest expense on lease liabilities            | 0.0   | 0.0   |
| Lease liabilities as of 12/31                    | 0.3   | 0.2   |
| Of which:  |       |       |
| Current lease liabilities (less than 1 year)     | 0.1   | 0.1   |
| Non-current lease liabilities (more than 1 year) | 0.2   | 0.1   |
| Balance as of 12/31                              | 0.3   | 0.2   |

|  | 2021  | 2020  |
|--|-------|-------|
| <b>Right of use assets (USD million)</b> |       |       |
| Balance as of 1/1                        | 0.2   | 0.3   |
| Additions                                | 0.2   | -     |
| Depreciation                             | (0.1) | (0.1) |
| Translation differences                  | 0.0   | -     |
| Right of use assets as of 12/31          | 0.3   | 0.2   |

Depreciation is calculated on a straight-line basis over the estimated useful life of each lease 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

|                  | 2021  | 2020  |
|------------------|-------|-------|
| (USD million)    |       |       |
| Interest expense | (0.0) | (0.0) |
| Depreciations    | (0.1) | (0.1) |

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

| (USD million)                        | 2021       | 2020       |
|--------------------------------------|------------|------------|
| <b>Payments for leased premises:</b> |            |            |
| Less than one year                   | 0.1        | 0.1        |
| Between one to five years            | 0.2        | 0.1        |
| More than five years                 | -          | -          |
| <b>Total</b>                         | <b>0.3</b> | <b>0.2</b> |

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 SA**  
The Group acquired the Brazilian subsidiary Bemobi Mobile Tech SA (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 Otello Technology Investment AS (formerly 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 Otello Technology Investment 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 Otello Technology Investment AS. The deadline was set at February 15, 2021. The fixed amount was unchanged at USD 18.6 million. With the announcement of Bemobi Brazil's IPO on February 9, 2021, the clauses relating to the occurrence of a major transaction are no longer relevant. For more information regarding the IPO, please see Note 21.

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

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

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.

**Bemobi**  
Through its wholly owned subsidiary, Otello Technology Investment AS (formerly Bemobi Holding AS), the Company holds a 36% equity interest in Bemobi Tech SA through common shares. Please see Note 15 in the consolidated financial statements for further details on the status of this equity interest. The Company also continues to provide accounting and legal support to Bemobi on a transitional basis, which is priced on an arm's-length basis and all outstanding balances are settled within normal commercial terms.

**Vewid (Opera TV)**  
The Company, as the creditor, entered into a loan agreement in 2017 of \$5 million with Vewid Software AS (formerly Opera TV AS), the debtor. This loan is outstanding as at December 31, 2021. The Company holds a 27% equity interest in Last Lion Holdings Ltd, through preferred shares, which indirectly owns Vewid Software AS through Last Lion Holdco AS. Please see Note 15 in the consolidated financial statements for further details on the status of this loan and equity interest.

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.

**Members of the Board of Directors and Executive Management**  
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% (2020: 0.3%) of the Group's voting share as per December 31, 2021.

Information regarding compensation for the Board of Directors and executive management 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

### Sale of AdColony

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

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

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 closed on April 28, 2021. The completion of the transaction was subject to customary closing conditions. LUMA Securities LLC acted as exclusive financial advisor and Hegan Lovells LLP served as legal advisor to Otello in conjunction with the transaction.

**Consideration and contingent assets**  
Initially, the total estimated consideration for the acquisition of AdColony by Digital Turbine was \$400 million, including a normalized amount of working capital and \$19 million in cash. Some or all of the cash would be returned to Otello, subject to the achievement of certain future net revenue targets. Consideration for the acquisition would be as follows: (i) \$100 million in cash paid at the Closing (the "Closing Cash Consideration Amount"); (ii) \$100 million to be paid on or before the 180th day following the Closing date (the "Second Cash Consideration Amount"); less the aggregate amount of all transaction-related bonuses payable on or promptly following the time of payment of the Second Cash Consideration Amount; and an amount in cash calculated based on the net revenues earned by AdColony during the earnout period (the "Earnout Payment Amount").

Otello announced on August 30, 2021, that it had agreed to settle the earnout with Digital Turbine to a fixed amount of \$204.5 million and that the payment date was moved forward to January 15, 2022. With this agreement, the total consideration for the acquisition will be \$404.5 million, including a normalized amount of working capital and \$19 million in cash.

As the amount of the Earnout Payment Amount has now been fixed, it is no longer considered a contingent asset as had previously been the case. Accordingly, the Earnout Payment Amount has now been booked as a receivable in the balance sheet and included in the calculation of the net profit on disposal of AdColony.

The cash for the earnout payable amount was received by Otello in early 2022.

| Closing Cash Consideration Amount (USD million)       | April 28, 2021          | Working Capital Adjustment |
|---|-------------------------|----------------------------|
| Closing Cash Consideration Amount                     | 100.0                   |                            |
| minus: Indebtedness Payoff Amount                     | 0.0                     |                            |
| minus: Transaction Expenses Amount                    | (2.4)                   |                            |
| minus: Closing Bonus Amount                           | (4.0)                   |                            |
| minus: Closing Bonus Employer Taxes                   | (0.1)                   |                            |
| Estimated Working Capital Surplus / (Shortfall)       | (3.3)                   | (5.8)                      |
| Estimated Net Cash Surplus / (Shortfall)              | 1.9                     | 3.9                        |
| Closing Payment                                       | 921                     | (1.8)                      |
| <b>Second Cash Consideration Amount (USD million)</b> | <b>October 26, 2021</b> |                            |
| Cash Consideration Amount                             | 100.0                   |                            |
| minus: Transaction Expenses Amount                    | (1.9)                   |                            |
| minus: Bonus Amount                                   | (2.7)                   |                            |
| minus: Bonus Employer Taxes                           | (0.1)                   |                            |
| Second Payment  | 95.3                    |                            |

### Future Payment Amount (USD million)

|                                    | Earnout Payment Amount |
|------------------------------------|------------------------|
| Cash Consideration Amount          | 204.5                  |
| minus: Transaction Expenses Amount | (4.1)                  |
| minus: Bonus Amount                | (6.3)                  |
| minus: Bonus Employer Taxes        | (0.4)                  |
| Earnout Payment                    | 191.7                  |

To assist AdColony in paying bonus obligations tied to the sale of the business, Otello provided a short-term loan of \$850,000 to AdColony which was settled in full at the same time as the earnout payment.

### Effect of disposal on the financial position of the Company: (USD million)

| Shares in subsidiaries   | AdColony |
|--|----------|
| Banker fees and other fees   | (24.0)   |
| Estimated consideration, to be satisfied in cash (incl NWC adjustment) | 401.2    |
| Net profit   | 521      |
| Consideration received, satisfied in cash                              | 185.5    |
| Net cash inflows   | 185.5    |

## Note 13

### Potential sale of Vevd minority stake

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

The buyer did not purchase the shares on the terms of the expired Share Purchase Agreement and the High 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 (currently approximately \$7.4 million).

In default of compliance by MFC with the order for the purchase of Otello's shares in Last Lion and the Loan Note, the High Court ordered that 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.

On March 17, 2021, MFC and Otello together with the Vevd Group's secured lenders (the "Lenders") under a Credit Agreement dated December 19, 2016 between Last Lion HoldCo AS ("LH"), Vevd Software AS, the Lenders and Wilmington Trust National Association ("Wilmington Trust") 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 shall be appointed. The Special Committee was tasked with selling the company or raising finance. The Special Committee was appointed on 26 April 2021 but resigned on 12 July 2021 having failed to achieve a sale.

On 15 December 2021, Vevd Software AS, and Vevd Software USA (together with LH and Vevd, the "Vevd Debtors") commenced a Chapter 11 bankruptcy proceeding with the United States Bankruptcy Court for the Southern District of New York. Otello filed a notice of appearance and a proof of claim in the bankruptcy.

On 7 February 2023, the United States Bankruptcy Court for the Southern District of New York approved the bankruptcy plan, which included a settlement (the "Settlement") between Otello and the Vevd Debtors.

The Settlement settles claims between Otello, on the one hand, and the Vevd Debtors, on the other. Pursuant to the Settlement, Otello will provide advisory services to the entity that will become the reorganized Vevd ("Reorganized Vevd") under the Vevd Debtors' Chapter 11 plan of reorganization, pursuant to an Advisory Services Agreement, for a limited term. As compensation for its services under the Advisory Services Agreement, Otello will receive an advisory fee in the total amount of \$250,000 paid out over 12 months and be entitled to 2% of any net proceeds arising from a change of control or ownership, liquidation, dissolution, or wind up of Reorganized Vevd, provided such net proceeds are over \$140 million. Additionally, pursuant to the Settlement, Otello has an option to participate in the issuance of up to \$9 million Preferred Stock of Reorganized Vevd subject to certain conditions.

As indicated previously, Otello does not expect to get any value for its shares in Last Lion after the Chapter 11 proceeding, and the value of its shares in Last Lion has accordingly been written down to zero.

## Note 14

### Events after the reporting period

**Armed conflict between Ukraine and Russia**  
On 24 February 2022, armed conflict broke out between Ukraine and Russia. This armed conflict does not provide evidence of conditions existing at the end of the reporting period, thus classifying the break out of armed conflict as a non-adjusting event according to IAS 10. The Company has reviewed the matters not applicable in relation to Ukraine or Russia, and has concluded that there is no need to make any adjustments to the financial statements. However, the situation could escalate, the Company, like everyone else, could be affected. It is too early to calculate any likely effect of these events on the Company.

The Company may be indirectly affected by the armed conflict through its investment in Bemobi Mobile Tech S.A ("Bemobi"). Bemobi has reported that approximately 5% of its revenues outside Brazil are generated in Ukraine and Russia. In addition, Bemobi has a team of 35 people based in Ukraine. It is also too early to calculate any likely effect that this will have on Bemobi's position, and accordingly on Otello.

#### Cancellation of shares bought back

After the end of the year, Otello registered the cancellation of the 11,200,000 shares purchased in the buyback in December. After that cancellation, Otello has 101,099,727 shares on issue.

#### Settlement of tax for Bemobi

On 20 April 2022, the Company announced that it had elected to change the investment regime for its holding of Bemobi shares from the 4131 regime to the 4373 regime. Under the 4373 regime, capital gains are subject to 0% withholding tax. In order to proceed with the change, the Company has settled the tax on the capital gain based on the difference between the share market price on 31 March 2022 and the tax cost basis, based on a share price of BRL 16.43. The Company has paid a total of BRL 67,334,818 (approximately \$14.4 million) in withholding tax and the Brazilian tax on financial operations (IOF).

At the time of the Bemobi IPO, the Company had recognized a deferred tax liability under the 4131 regime of approximately \$19.67 million, based on the Bemobi share price of BRL 22.00. The settlement and change of investment regime means that any appreciation of the shares after the change will not be subject to further taxes on capital gains or withholding taxes.

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.



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 balance sheet as at 31 December 2021, the income statement, 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 2021, 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 comply with applicable statutory requirements
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 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.

Our opinion is consistent with our additional report to the Audit Committee.

#### Basis for Opinion

We conducted our audit in accordance with 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, and we have fulfilled our other ethical responsibilities in accordance with the International Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 2 June 2017 for the accounting year 2017.

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Statsskattedirektoratet revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

# Auditor's report



### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

- Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report
- is consistent with the financial statements and
  - contains the information required by applicable legal requirements.
- Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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### 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 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 have changed significantly due to the divestments of Bemobi and AdCobny. Valuation of goodwill and intangible assets is, as they have been derecognized, no longer considered to be Key Audit Matters. However, Accounting for divestments contains enough inherent complexities for us to include it as a key audit matter.

#### How our audit addressed the Key Audit Matter

##### Accounting for divestments

During 2021, Otello Corporation ASA made two divestments. We performed a detailed understanding of Bemobi Brazil was listed on the Bovespa stock exchange in Sao Paulo, Brazil. Otello, via held discussions with management about the details ownership pre-IPO was over 80% which was an understanding of managements procedures to ensure IPO and subsequent sales of shares. Also, in February 2021, Otello announced that it had entered into a definitive agreement to sell AdCobny to Digital Turbine, Inc. The disposal was completed in April 2021.

The financial statements report the "profit (loss) from discontinued operations, net of tax" in the income statement which comprises the trading results from Bemobi and AdCobny up to the date of disposal, together with the profit on disposal. Management used judgement to evaluate the accounting treatment. The agreement for procedures included using data from trading in the disposal of AdCobny also included a deferred consideration which also was calculated using judgement.

We considered profit from discontinued operations to be a key area of focus due to the detailed calculations involved and judgements necessary to arrive at what accounting treatment to use.

Our procedures did not identify material errors.

See further information in note 21 where management explain the two divestments and how they have accounted for them in the financial statements.

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- 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.
- 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's 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 Audit Committee 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.

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## Report on Other Legal and Regulatory Requirements

### Report on compliance with Regulation on European Single Electronic Format (ESEF)

#### Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name "Otello Corporation ASA Annual Report 2021.zip" have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (*Verdipapirhandelsloven*) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

#### Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

#### Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We have conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

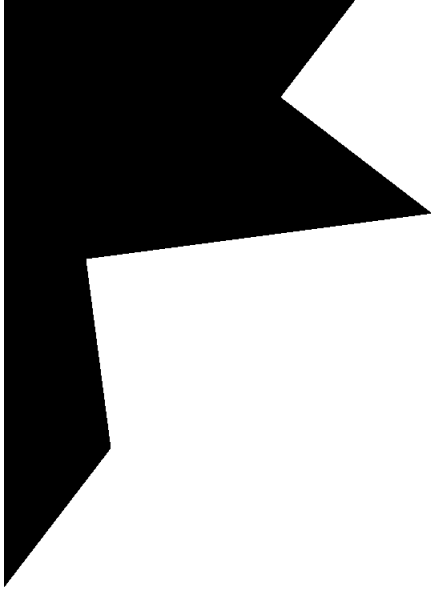
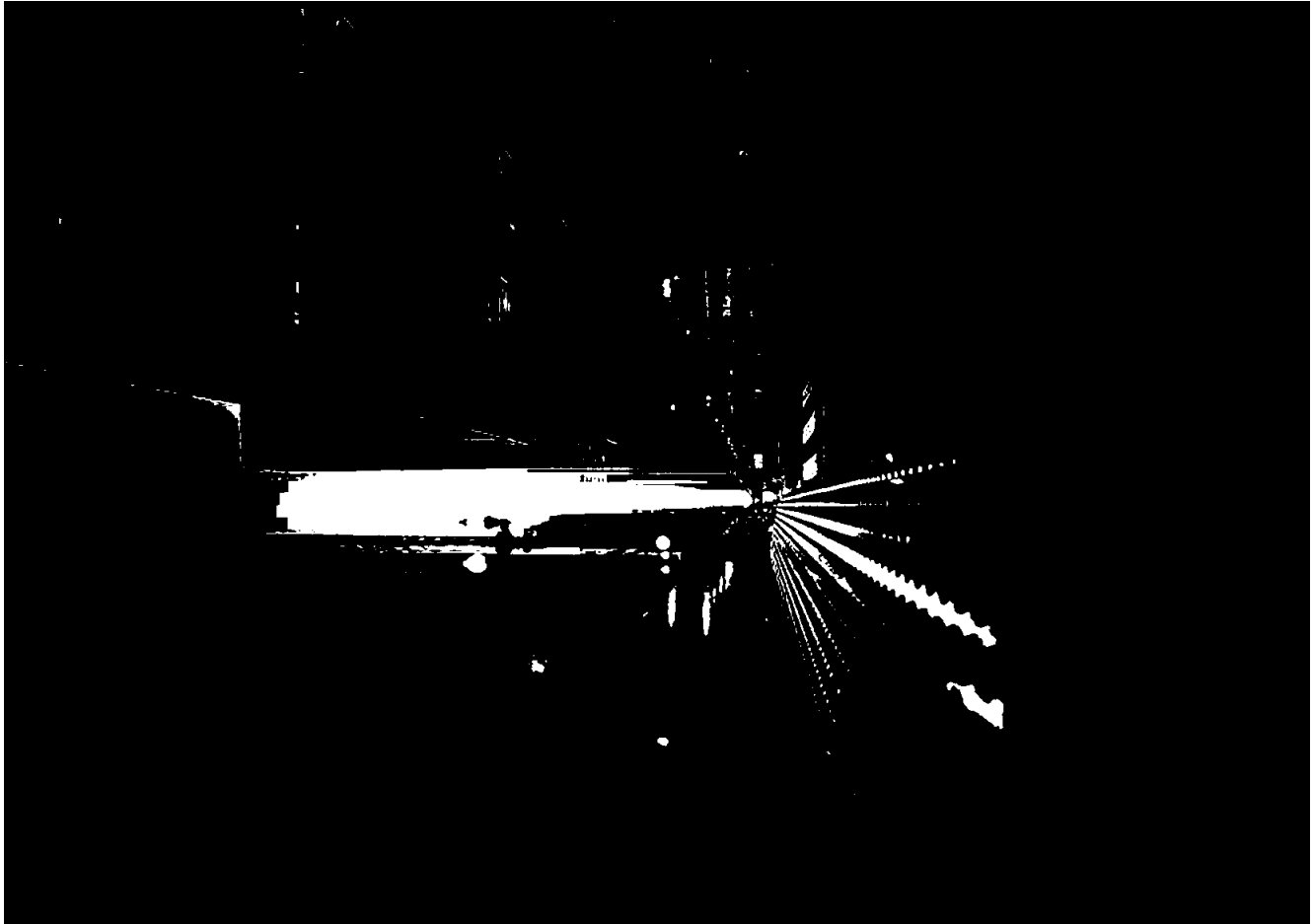
As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the XBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 27 April 2022

**PricewaterhouseCoopers AS**

**Eivind Nilssen**  
 State Authorised Public Accountant  
 (This document is signed electronically)

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## 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 Team 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 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 is 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 2021 for Executive Team members was, and for FY 2022 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.

After considering the above, the CEO was paid NOK 1.4 million and the CFO was paid NOK 850,000 in cash bonus in 2021 related to the 2020 year.

**3. Severance-payment arrangements**

Pursuant to Section 15-16 second subsection of the Norwegian 2005 Act relating to Employees' Protection, CEO Lars Bollesen 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 no ordinary stock option program or RSU program in place. The previous stock options held by the Executive Team were mandatorily exercised following the Bemobi IPO and AdColony sale.

**2. Vesting criteria for existing options**

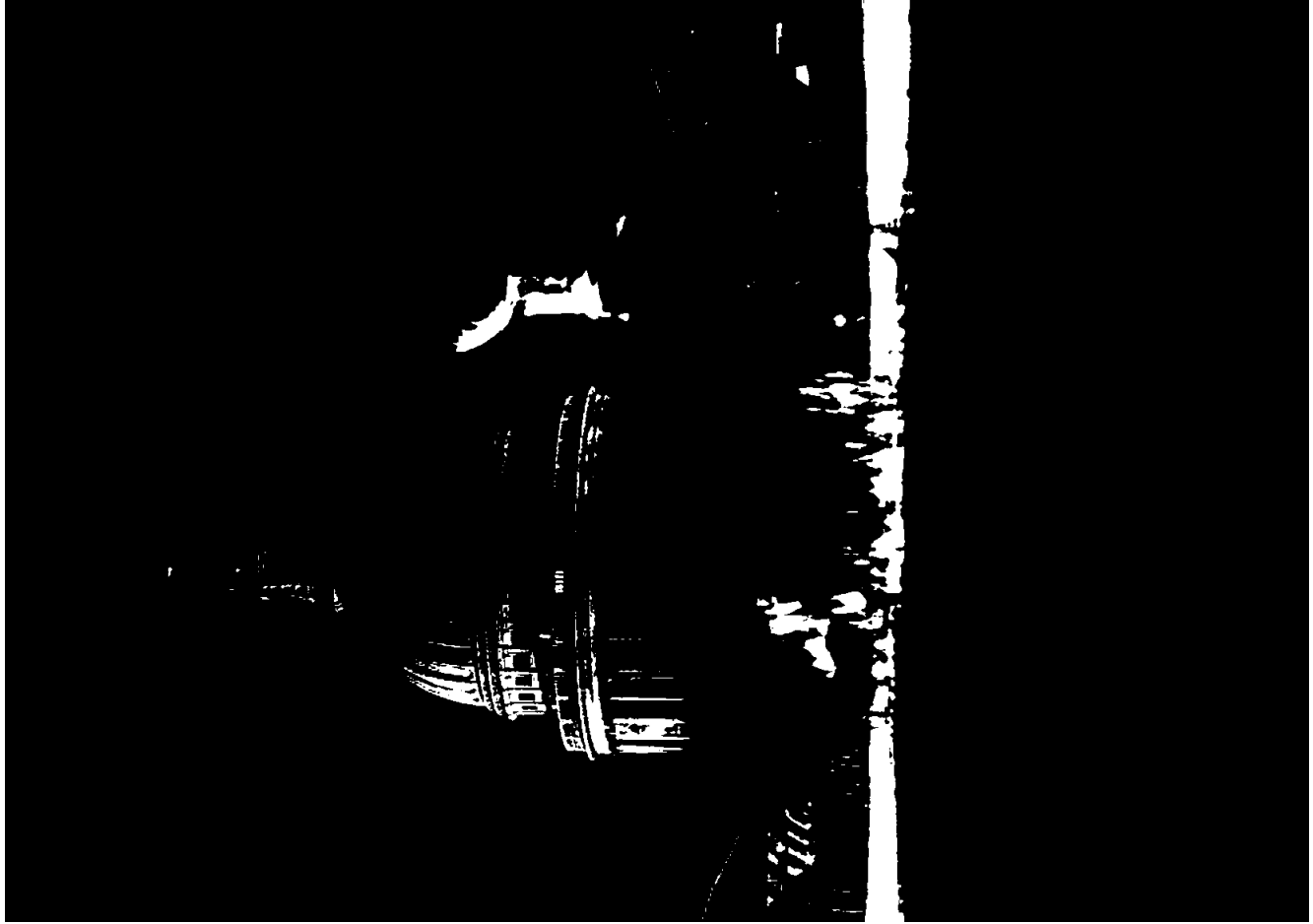
N/A

**PART 3:  
2021 COMPLIANCE**

In 2021, 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 2021 is summarized in note 6 of the consolidated financial statements.

During 2021, no deviations from the existing share-based compensation programs as previously approved were made with respect to the Executive Team. No new options have been approved since the extraordinary general meeting held 15 January 2021.





To the General Meeting of Otello Corporation ASA



## Independent auditor's assurance report on report on salary and other remuneration to directors

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Otello Corporation ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but

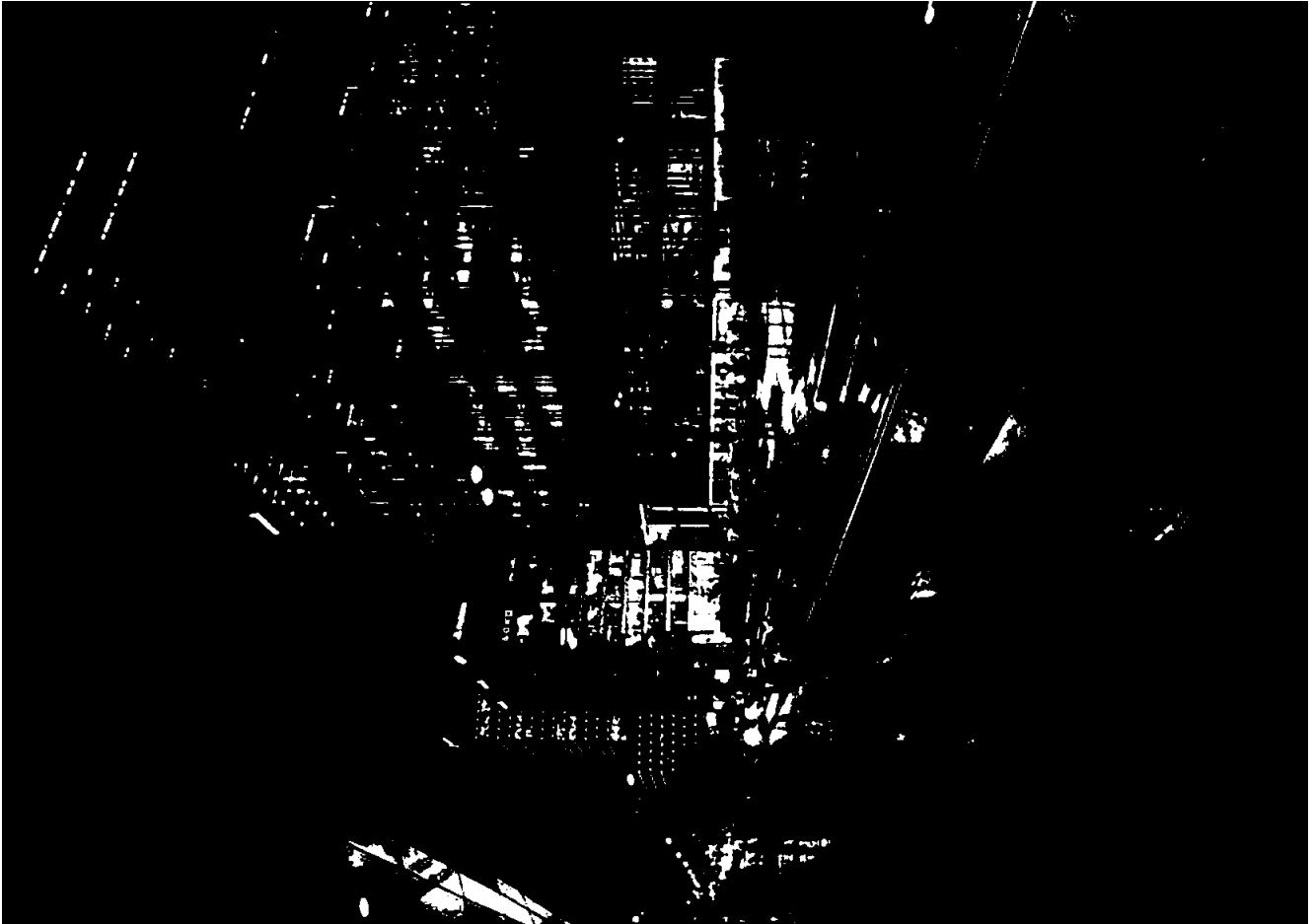
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Statustilrette revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsfører/skatt

not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 27 April 2022  
PricewaterhouseCoopers AS

Eivind Nilsen  
State Authorised Public Accountant

(2)



# Principles of Corporate Governance at Otello Corporation ASA

## General principles, implementation and reporting on corporate governance

The Board of Directors further will annually evaluate Otello's objectives, strategies and risk profiles.

**Otello's activities**

Otello holds shares in several different businesses, including (i) Bemobi, a Mobile Media and Entertainment company that integrates people and mobile content through technology and offers a leading subscription-based discovery service for mobile apps in Latin America and beyond; (ii) Skyfire which offers cloud-based network solutions for mobile operators; and (iii) Veavd 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**

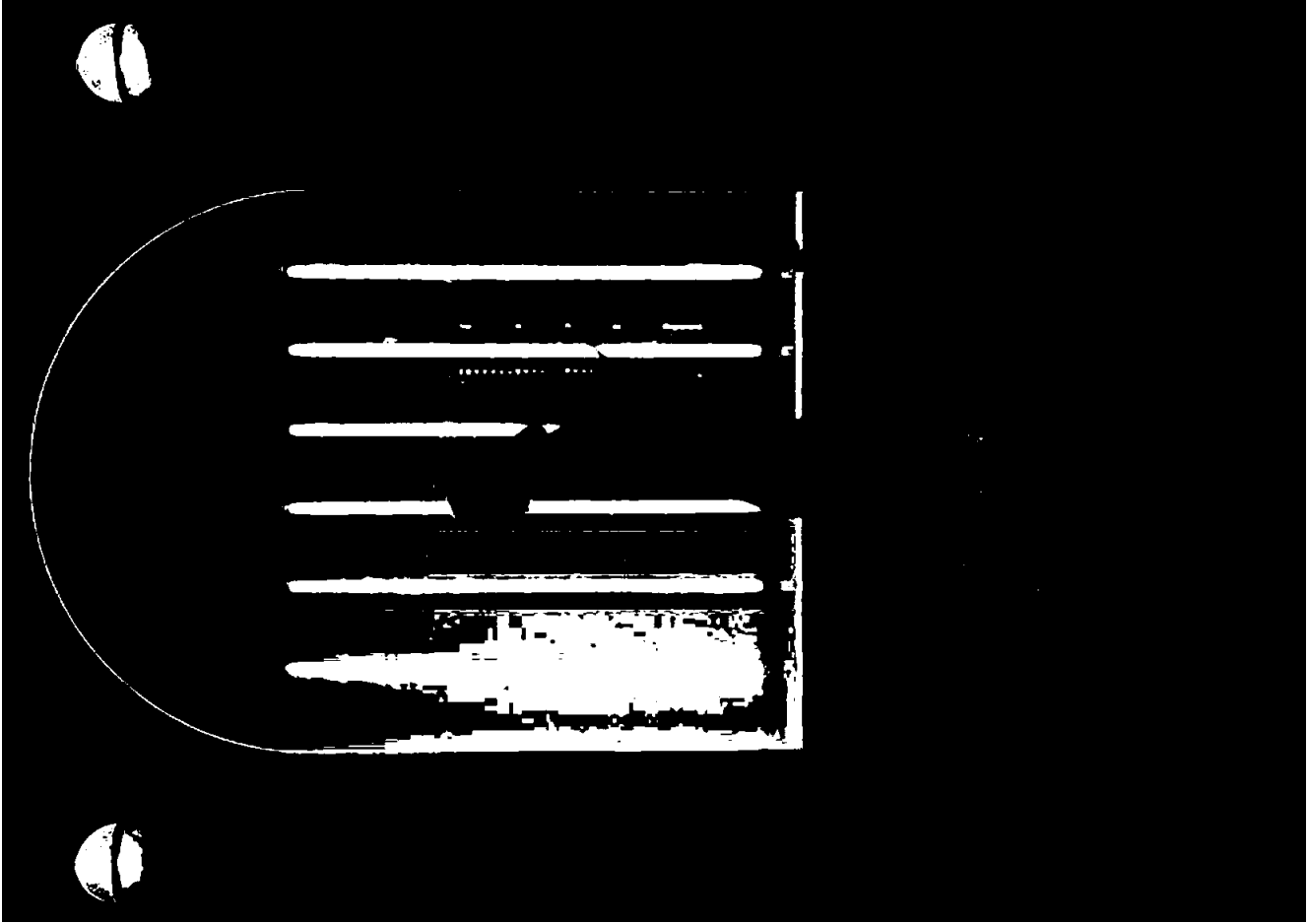
The Board of Directors has adopted corporate social responsibility ("CSR") guidelines. These guidelines cover a range of topics and are focused around the following areas: our employees, human rights, anti-corruption and the environment. These general principles and guidelines apply to all employees 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.

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.

The Board of Directors has defined clear objectives, strategies and risk profiles for Otello's business activities such that Otello creates value for shareholders in a sustainable manner. The Board of Directors considered financial, social and environmental considerations when they carried out this work.



#### Transactions with related parties

Any transactions, agreements or arrangements between the Company and its shareholders, members of the Board, members of the executive management team or close associates of any such parties will only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall, where relevant, comply with the procedures set out in the Norwegian Public Limited Liability Companies Act (the "NPLCA"). The Board of Directors will arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question is considered to be immaterial or covered by the provisions of section 3-16 of the NPLCA.

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.

#### 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

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. This dividend policy is considered clear and predictable.

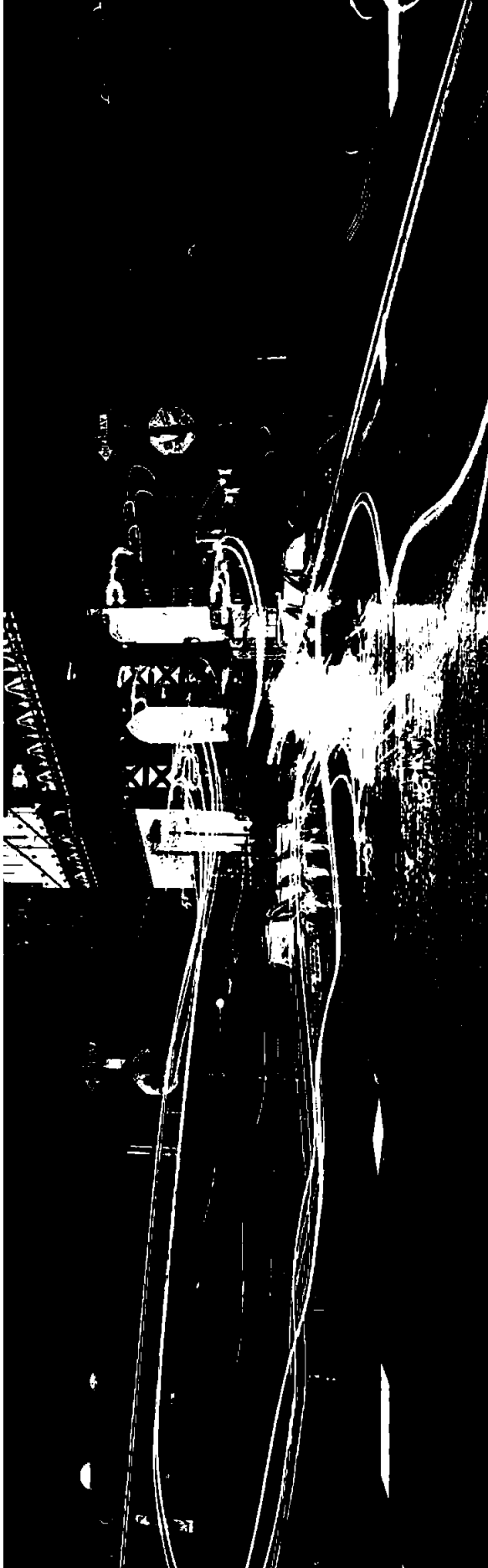
Authorizations granted to the Board of Directors to increase the Company's share capital will be restricted to defined purposes and will in general be limited in time to no later than the date of the next Annual General Meeting. To the extent that authorization to increase the share capital shall cover 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 two years, and will state the maximum and minimum amount payable for the shares. Normally, the proposed authority will be for one year or to the next annual general meeting. 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

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.



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 Board of Directors normally proposes that the General Meeting elects an independent chairman for the meeting. 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. Shareholders will normally be able to vote on each individual candidate nominated for election to 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.

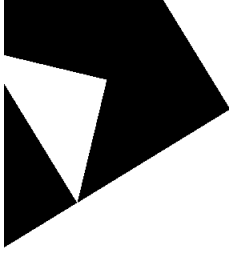
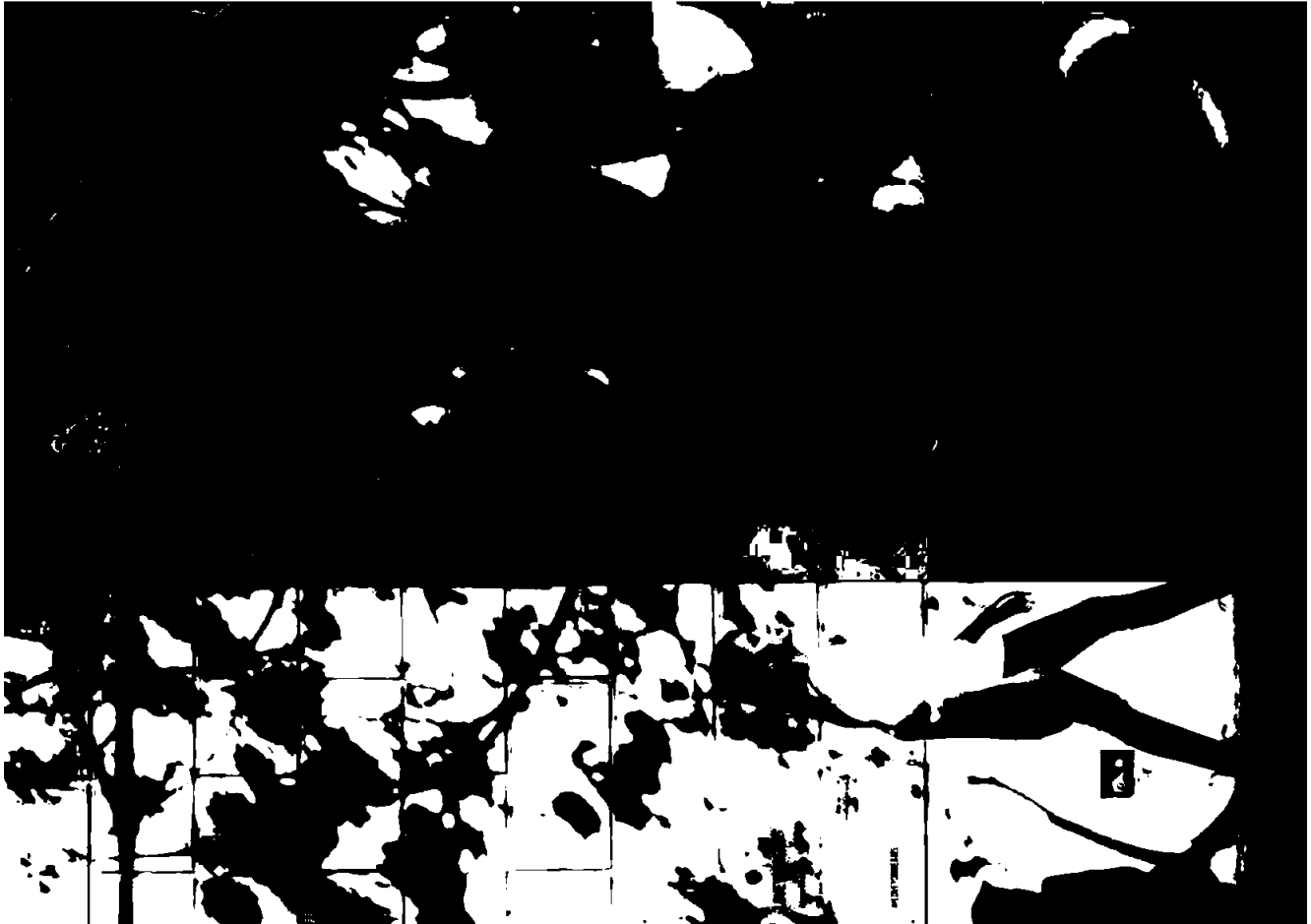
The minutes from General Meetings will be posted on the Company's website within 15 days after the General Meeting has been held. Information that a General Meeting has been held will be made public as soon as possible after the end of the meeting.

**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. The members of the Nomination Committee should be selected to take into account the interests of shareholders in general. 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 Staurland 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 Nomina-

tion 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. Members of the Board of Directors are encouraged to own shares in the Company. At least half of the members of the Board of Directors shall be independent of the Company's management and its main business connections. Members of the Board of Directors serve for a two-year period, or such shorter period as decided by the General Meeting, but directors may be re-elected. At least two of the shareholder-elected members of the Board of Directors shall be independent of the Company's main shareholder(s). The Board of Directors does not include executive personnel. The current Otello Board of Directors meets these criteria.

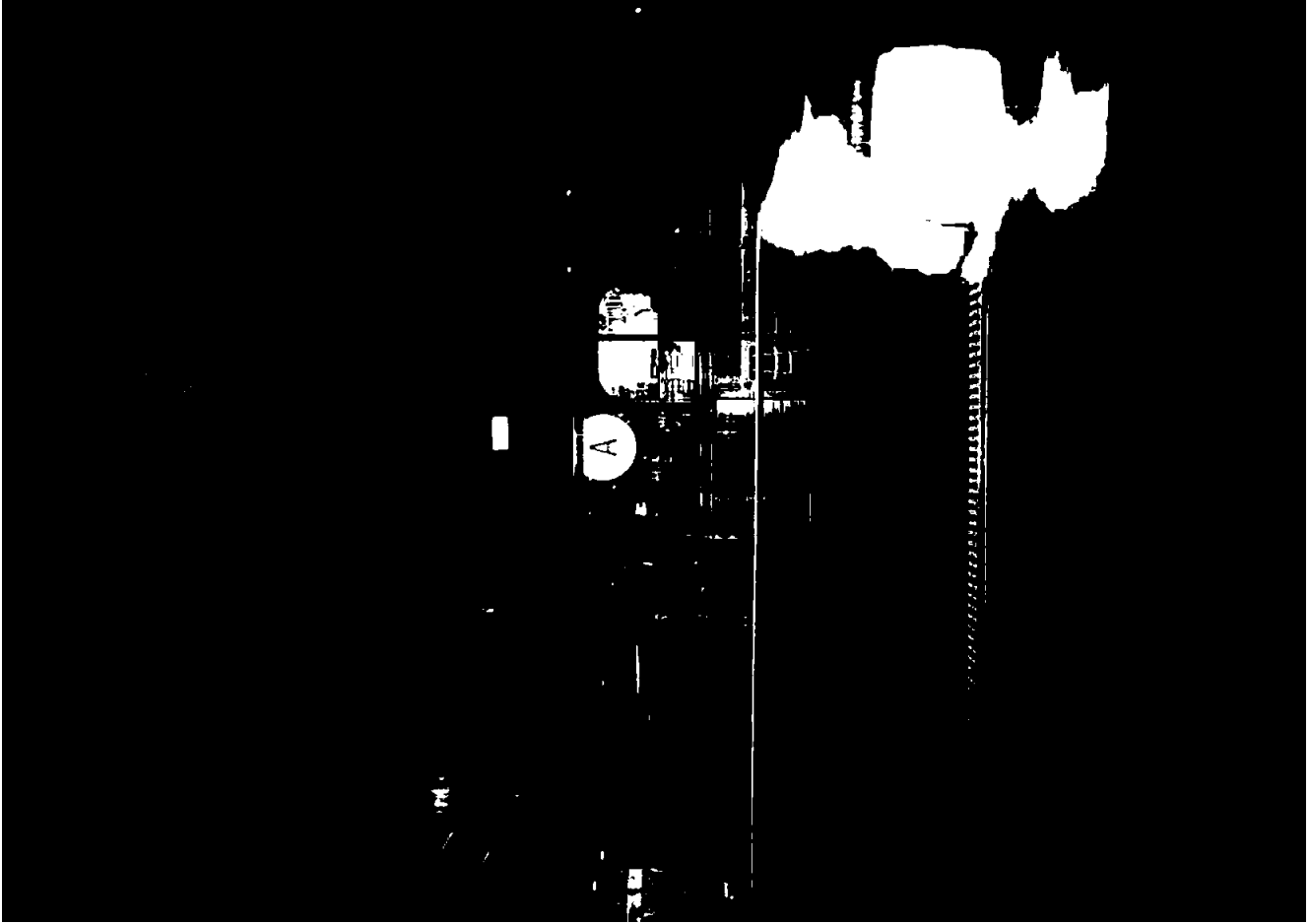
The annual report will provide information to illustrate the expertise of the members of the Board of Directors, information on their record for attendance at board meetings and it will identify which members are considered to be independent.

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/hr-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 Unarhet (Chairperson) and Maria Borge Andersen are members of the Audit Committee, and Andre Christensen (Chairperson), and Brigit Midthust 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 fulfill 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 from there 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.

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.

**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 2021, 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 two 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 head of accounting and a business controller. 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 head of accounting 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 and assurance of financial reporting. A series of risk assessment and control measures have been established in connection with the preparation of financial statements.

The CFO, the head of accounting and for implementing 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 interim financial statements are analyzed and assessed relative to budgets, forecasts and historical trends.

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 half-yearly 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 is 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 their 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. The remuneration of the Board of Directors is not linked to the Company's performance. The Company currently does not grant share options to the members of the Board of Directors. All remuneration to the Board of Directors is disclosed in Note 6 to the Annual Report.

Members of the Board of Directors and/or companies with which they are associated will normally not take on specific assignments for the Company in addition to their appointment as a member of the Board of Directors. If they nonetheless do take on such assignments, this must be disclosed to the full Board of Directors. The remuneration for such additional duties shall be approved by the Board of Directors.

#### 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 guidelines on the salary and other remuneration for executive personnel are clear and easily understood.

able, and they contribute to the Company's commercial strategy, long-term interests and financial viability. 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 of 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. The Company's reporting of financial and other information is based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

Otello's company website (<https://www.otellocorp.com/>) 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 half-yearly 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 a range of jurisdictions, 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/hr>. 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. In such situations, the Board of Directors and the Company's executive management have an independent responsibility to help ensure that shareholders are treated equally, and that the Company's business activities are not disrupted unnecessarily. The Board of Directors has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer. 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. This shall also apply to any agreement on the payment of financial compensation to the bidder if the bid does not proceed. Any financial compensation should normally be limited to the costs the bidder has incurred in making the bid.

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. The Board of Directors' statement on the offer will make it clear whether the views expressed are unanimous, and if this is not the case it will explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board of Directors will normally arrange for a valuation from an independent expert. The valuation should include an explanation, and will normally be made public no later than at the time of the public disclosure of the Board of Directors' statement.

Any transaction that is in effect a full disposal of the Company's activities should be decided by a General Meeting.

#### 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 Board of Directors will make sure that the auditor submits the main features of the plan for the audit of the Company to the Audit Committee annually. The auditor also reports at least annually 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. At meetings where the annual accounts are dealt with, the auditor shall report on any material changes in the Company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company. 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.

The Board of Directors has established guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit.



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