

FIRST-HALF REPORT

1H 2025

OTELLO CORPORATION ASA

HIGHLIGHTS

- Patents from the former Skyfire business were sold, with the first instalment of \$1,950 thousand received in the half.
- A tax case relating to 2016 was resolved with the Norwegian Tax Administration, resulting in a refund of tax paid of \$646 thousand, plus costs and interest.
- Cash distributions totaling \$7,141 thousand were received from Bemobi.
- Total equity was \$132,194 thousand as of the end June 2025, equal to 1.70 USD per share (approximately 17kr per share).
- 5,863,043 shares were bought back during the half for \$5,285 thousand (4,246,320 since the previous cancellation of shares).
- Cash and cash equivalents as of the end of June 2025 was \$14,694 thousand.

*For further information regarding Adjusted EBITDA and other alternative performance measures used by Otello, see Note 7 of the interim condensed financial statements

Key figures (USD thousands)	1H25	1H24	YTD 2025	YTD 2024
Revenue	0	0	0	0
Adj. EBITDA	(1,286)	(1,615)	(1,286)	(1,615)
EBIT	41,591	(12,445)	41,591	(12,445)
Net income	47,500	(9,063)	47,500	(9,063)
EPS (USD)	0.59	(0.10)	0.59	(0.10)

GROUP PERFORMANCE

To provide a better understanding of Otello's underlying performance, the following presentation of operating results excludes certain non-recurring and non-operational items from EBITDA, such as transaction costs, stock-based compensation, restructuring and impairment expenses, as well as other items that are of a special nature or are not expected to be incurred on an ongoing basis.

Development during the half

Total operating expenses decreased 23% percent vs 1H24, or USD 389 thousand, due to USD 294 thousand lower employee benefits expense and USD 60 thousand lower depreciation and amortization expenses.

Employee benefits expense was USD 643 thousand in the 1H25, versus USD 937 thousand in 1H24, down 31 percent from the corresponding period last year.

Depreciation and amortization expenses were zero in 1H25, down USD 60 thousand versus the corresponding period last year with the office lease having ended during 2H24.

Other operating expenses were USD 643 thousand in 1H25 (USD 678 thousand in 1H24), down 5 percent from the corresponding period last year. The USD 643 thousand of other operating expenses in 1H25 included:

Professional services	362
Insurance	88
Hardware and software	57
Office expenses	(1)
Other	137

Adjusted EBITDA and EBITDA

Adjusted EBITDA

Adjusted EBITDA was USD (1,286) thousand in 1H25, compared to USD (1,615) thousand in the corresponding period in 2024, an improvement of 20% or USD 329 thousand in 1H25 vs 1H24.

EBITDA

EBITDA was USD (1,286) thousand in 1H25, compared to USD (1,615) thousand in the corresponding period in 2024, an improvement of 20% or USD 329 thousand in 1H25 vs 1H24.

Impairment and restructuring expenses

The fair value of the investment in Bemobi Mobile Tech S.A. has been reassessed based on the share price of that business as of June 30, 2025. With a price per share of 20.54 Brazilian real as of that date, prior impairment of USD 42,877 has been reversed in 1H25.

Net financial items

Otello recognized a gain from net financial items in 1H25 of USD 5,263 thousand, compared to a gain of USD 3,382 thousand in the corresponding period last year. The 1H25 gain is driven by our share of profit of USD 3,496 thousand from our ownership in Bemobi (1H24: 3,453 thousand) and profit on disposal of patents in 1H25 of USD 2,535 thousand.

The key FX rates used during the half were:

USD:BRL

As of June 30, 2025: 5.4936

For the June period 2025: 5.5494

For the March period 2025: 5.7719

USD:NOK

As of June 30, 2025: 10.0977

For the June period 2025: 10.0577

For the March period 2025: 10.6867

Net income

1H25 net income was USD 47,500 thousand compared to USD (9,063) thousand in the corresponding period last year. The 1H25 numbers are positively impacted by a favorable reversal of part of the prior impairment in Bemobi. EPS and fully diluted EPS were USD 0.59 and USD 0.59, respectively, in 1H25, compared to USD (0.10) and USD (0.10), respectively, in 1H24.

Financial position and cash flow

Otello's net cash flow from operating activities was USD (590) thousand in 1H25, compared to USD (2,108) thousand in 1H24, due to lower costs in 1H25 and accrued costs from 2023 being paid in 1H24.

Cash flow from investment activities amounted to USD 9,091 thousand, vs USD 2,826 thousand from the corresponding half last year, driven a larger distribution being

paid by Bemobi and the first instalment from the sale of patents.

Cash flow from financing activities was USD (5,139) thousand in 1H25, compared to USD (382) thousand in 1H24. Use of cash in both periods relates primarily to share buybacks.

Cash and cash equivalents at the end of 1H25 were USD 14,694 thousand compared to USD 14,518 thousand in 1H24.

The company's equity was USD 132,194 thousand at the end of 1H25, corresponding to an equity ratio of 98.7%.

Organization

At the end of the 1H25, Otello had 3,50 full-time employees and equivalents.

BUSINESS OVERVIEW

Otello's current business activity is financial asset management. The company is the largest shareholder in Bemobi Mobile Tech S.A., a Brazilian technology company which develops and manages digital payment solutions for multiple B2B and B2C service providers. Bemobi was listed on the BOVESPA B3 stock exchange in 2021. Our 100% owned subsidiary Otello Technology Investment AS, owns 32 719 588 shares in Bemobi, equal to 38.22% ownership. Otello holds the chairmanship of Bemobi with our Board and CEO Advisor, Lars Boilesen, along with and a directorship in Bemobi with Otello's chairman, Silje Christine Augustson.

Bemobi results

Bemobi reported its 2Q25 results on August 14, 2025 (<https://ri.bemobi.com.br/en/>) with these key highlights:

- Good momentum with accelerating top line growth of + 19% YoY, with all 4 business lines posting double-digit growth; highlights include Microfinance (+27% YoY) and Payments (+26% YoY)

- Payments continued gaining traction, with TPV up +29% YoY to R\$2.5 billion, supported by the ramp-up of recent initiatives - such as Salta, Light, Copel, Enel Chile, Inspira, among others
- Adj. EBITDA accelerated to +24% YoY, to reach R\$60M, driven by operating leverage, with EBITDA Margin improving further to over 34%
- Operational cash generation reached R\$45M (+27% YoY), with a 75% cash conversion rate; ending with a strong cash position of ~R\$490M that supports our current more aggressive dividend policy while preserving inorganic growth strategy
- Launch of "Grace", a new AI-first product for Conversational Payments, automating customer service and integrated payments via WhatsApp
- New partnership with Sabesp, our first client in the Water Utilities segment and the first to adopt our full suite of solutions for a fully digital customer experience, including Payments, SaaS, and Grace AI.

Events after the end of the half

On 19 August 2025, Otello reached the maximum number of shares that could be purchased under the buyback program. Otello now owns treasury shares equal to 10% of the issued shares. An initiative to cancel these will be commenced.

OUTLOOK

Over the past few years, the operational activities in Otello have been minimal, and the main asset of Otello today is its stake in Bemobi, where it remains the largest shareholder at around 38%. Whilst Otello is positive about the prospects and fundamentals of the business, in particular due to the pivot of the business model into payment solutions, Otello has an opportunistic view on its financial investment in the company.

Otello's board aims to maximize shareholder value, through 1) short term initiatives, e.g. the continuation of the buy-back program announced on 3rd February and 16th June, and 2) longer term initiatives, e.g. strengthening our ownership engagement with Bemobi in order to maximize cash returns to shareholders.

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 had Material Indemnification-Related Post-Earnout Obligations related to the transaction. None of the Indemnification Obligations of Otello have been recognized as liabilities in the financial statement as it has not been confirmed that Otello has any obligation that could lead to an outflow of economic benefits, nor do 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.

Oslo, August 20, 2025
The Board of Directors
Otello Corporation ASA

Silje Christine
Augustson
Chairman
(sign.)

Jason
Hoida
CEO
(sign.)

Interim condensed financial statements

Consolidated statement of comprehensive income

	Note	1H 2025	1H 2024	% change	YTD 2025	YTD 2024	% change
USD thousands, except per share amounts							
Revenue		-	-	N/A	-	-	N/A
Total operating revenue		-	-	0 %	-	-	0 %
Employee benefits expense		(643)	(937)	-31 %	(643)	(937)	-31 %
Depreciation and amortization expenses		-	(60)	-100 %	-	(60)	-100 %
Other operating expenses		(643)	(678)	-5 %	(643)	(678)	-5 %
Total operating expenses		(1,286)	(1,675)	-23 %	(1,286)	(1,675)	-23 %
Operating profit (loss), (EBIT), excluding impairment gains (losses)		(1,286)	(1,675)		(1,286)	(1,675)	
Impairment gains (losses)	4	42,877	(10,770)		42,877	(10,770)	
Operating profit (loss), (EBIT)		41,591	(12,445)		41,591	(12,445)	
Share of profit (loss) from associated companies	5	3,496	3,453		3,496	3,453	
Other net financial items	5	1,767	(71)		1,767	(71)	
Profit (loss) before income tax		46,854	(9,063)		46,854	(9,063)	
Tax expense ¹⁾		646	0		646	0	
Profit (loss)		47,500	(9,063)		47,500	(9,063)	
Items that may or will be transferred to profit (loss)							
Foreign currency translation differences		9,975	1,277		9,975	1,277	
Items that will not be transferred to profit (loss)							
Foreign currency translation differences		1,046	(5,913)		1,046	(5,913)	
Total comprehensive income (loss)		58,521	(13,699)		58,521	(13,699)	
Earnings (loss) per share:							
Basic earnings (loss) per share (USD)		0.59	(0.10)		0.59	(0.10)	
Diluted earnings (loss) per share (USD)		0.59	(0.10)		0.59	(0.10)	
Shares used in earnings per share calculation		81,088,534	87,680,500		81,088,534	87,680,500	
Shares used in earnings per share calculation, fully diluted		81,088,534	87,680,500		81,088,534	87,680,500	

1) The 1H and YTD tax expense is based on an estimated tax rate for the Group.

Consolidated statement of financial position

(USD thousands)	Note	06/30/2025	06/30/2024	12/31/2024 (Audited)
Assets				
Right of use assets		-	49	-
Investments	6	118,325	80,773	69,698
Other non-current assets		650	-	-
Total non-current assets		118,975	80,823	69,698
Accounts receivable		-	13	-
Other receivables		223	236	136
Cash and cash equivalents		14,694	14,518	10,454
Total current assets		14,918	14,768	10,590
Total assets		133,893	95,590	80,288

(USD thousands)	Note	06/30/2025	06/30/2024	12/31/2024 (Audited)
Shareholders' equity and liabilities				
Equity attributable to owners of the company		132,194	94,943	129,839
Total equity		132,194	94,943	129,839
Liabilities				
Other non-current liabilities		1,166	-	939
Total non-current liabilities		1,166	0	939
Lease liabilities		-	27	-
Accounts payable		24	53	78
Other current liabilities		508	567	313
Total current liabilities		533	647	391
Total liabilities		1,699	647	1,330
Total equity and liabilities		133,893	95,590	131,170

Consolidated statement of cash flows

(USD thousands)	Note	1H 2025	1H 2024	YTD 2025	YTD 2024
Cash flow from operating activities					
Profit (loss) before taxes		46,854	(9,063)	46,854	(9,063)
Income taxes (paid) refunded		646	-	646	-
Depreciation and amortization expenses		-	60	-	60
Impairment (gains) losses recognized in profit (loss)	4	(42,877)	10,770	(42,877)	10,770
Changes in accounts receivable		-	8	-	8
Changes in accounts payable		(53)	40	(53)	40
Changes in operating accruals		424	180	424	180
Other adjustments for non-cash items		(90)	(650)	(90)	(650)
Other financial adjustments		(2,535)	(413)	(2,535)	(413)
Share of net income (loss) from associated companies	5	(3,496)	(3,453)	(3,496)	(3,453)
Interest income received		537	413	537	413
Net cash flow from operating activities		(590)	(2,108)	(590)	(2,108)
Cash flow from investing activities					
Cash flows from sale of patents		1,950	-	1,950	-
Dividends received		7,141	2,826	7,141	2,826
Net cash flow from investing activities		9,091	2,826	9,091	2,826
Cash flow from financing activities					
Payments to acquire entity's shares		(5,139)	(382)	(5,139)	(382)
Payment of finance lease liabilities, net	6	-	(54)	-	(54)
Net cash flow from financing activities		(5,139)	(436)	(5,139)	(436)
Net change in cash and cash equivalents		3,362	283	3,362	283
Cash and cash equivalents (beginning of period)		10,454	14,576	10,454	14,576
Effects of exchange rate changes on cash and cash equivalents		1,272	(979)	1,272	(979)
FX differences related to changes in balance sheet items		(395)	639	(395)	639
Cash and cash equivalents ¹⁾		14,694	14,518	14,694	14,518
- of which included in cash and cash equivalents in the balance sheet		14,694	14,518	14,694	14,518

¹⁾ Of which \$66 (06/30/2024: \$262) thousand is restricted cash and cash equivalents as of June 30, 2025.

Consolidated statement of changes in equity

(USD thousands)	Number of shares	Issued capital	Share premium	Treasury shares	Translation reserve	Other equity	Non-controlling interests	Total equity
Equity as of 12/31/2024	83,607	209	114,750	(5,811)	(9,210)	(20,981)	-	78,957
Comprehensive income (loss)								
Profit (loss)		-	-	-	-	47,500	-	47,500
Other comprehensive income (loss)								
Foreign currency translation differences		-	-	-	9,975	1,046	-	11,022
Total comprehensive income (loss)		-	-	-	9,975	48,546	-	58,521
Contributions by and distributions to owners								
Capital decrease		(21)	(6,893)	6,914	-	-	-	-
Treasury shares purchased	(5,863)	-	-	(5,285)	-	-	-	(5,285)
Total contributions by and distributions to owners	(5,863)	(21)	(6,893)	1,629	-	-	-	(5,285)
Equity as of 06/30/2025	77,743	188	107,857	(4,182)	765	27,566	-	132,194
Share capital decrease								
Reference is made to the resolution by the board on February 25, 2025, where a resolution was passed to reduce the share capital of the parent company, Otello Corporation ASA, by the cancellation of 9,109,950 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 1,639,795.58, and the total share count was 81,989,779.								
Treasury shares								
During 1H 2025, Otello purchased 5,863,043 (YTD: 5,863,043) treasury shares for \$5,285 thousand (YTD: \$5,285 thousand), and sold 0 (YTD: 0) treasury shares for \$0 thousand (YTD: \$0 thousand). As of June 30, 2025, Otello owned 4,246,320 treasury shares.								
Equity as of 12/31/2023	87,920	209	114,750	(2,610)	1,035	(4,360)	-	109,024
Comprehensive income (loss)								
Profit (loss)		-	-	-	-	(9,063)	-	(9,063)
Other comprehensive income (loss)								
Foreign currency translation differences		-	-	-	1,277	(5,913)	-	(4,636)
Total comprehensive income (loss)		-	-	-	1,277	(14,975)	-	(13,699)
Contributions by and distributions to owners								
Treasury shares purchased	(508)	-	-	(382)	-	-	-	(382)
Total contributions by and distributions to owners	(508)	-	-	(382)	-	-	-	(382)
Equity as of 06/30/2024	87,411	209	114,750	(2,993)	2,311	(19,335)	-	94,943

Notes to the condensed consolidated interim financial statements

Note 1 - Corporate information

Otello ("the Group") consists of Otello Corporation ASA ("the Company") and its subsidiaries. The Company is a public limited company domiciled in Norway. The Company is listed on the Oslo Stock Exchange under the ticker OTELLO.

The condensed consolidated interim financial statements ("interim financial statements") comprise the Company and its subsidiaries.

Note 2 - Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and accompanying interpretations. The interim financial statements do not include all the information and disclosures required for a complete set of financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2024.

The interim financial statements have not been subject to audit or review.

The interim 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.

Note 3 - Accounting policies and critical accounting estimates

Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended December 31, 2024.

Critical accounting estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2024.

Note 4 - Impairment gains (losses)

The fair value of the investment in Bemobi Mobile Tech S.A. has been reassessed based on the share price of that business as of June 30, 2025. With a price per share of 20.54 Brazilian real as of that date, a reversal of previous impairment of USD 42,877 thousand has been recognised during the first half of 2025.

Impairment gains (losses)	1H 2025	1H 2024	YTD 2025	YTD 2024
USD thousands				
Impairment gains (losses)	42,877	(10,770)	42,877	(10,770)
Total impairment gains (losses)	42,877	(10,770)	42,877	(10,770)



Note 5 - Financial items

Financial items USD thousands	1H 2025	1H 2024	YTD 2025	YTD 2024
Share of profit (loss) from associated companies	3,496	3,453	3,496	3,453
Other net financial items				
Other interest income (expense), net	537	413	537	413
Other FX gains (losses), net	(1,261)	(447)	(1,261)	(447)
Other financial income (expense), net	(44)	(37)	(44)	(37)
Profit (loss) sale of patents	2,535	-	2,535	-
Total other net financial items	1,767	(71)	1,767	(71)
Total net financial items	5,263	3,382	5,263	3,382

Note 6 - Investments

Investments	06/30/2025	06/30/2024
USD thousands		
Investments in Bemobi Mobile Tech S.A (associate)	117,505	79,996
Investments in other shares	819	777
Total	118,325	80,773

Investment 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 38.2% as of the current reporting date.

Information regarding Bemobi Mobile Tech S.A	1H 2025	1H 2024	YTD 2025	YTD 2024
BRL thousands				
Revenue	796,100	716,895	796,100	716,895
EBIT	69,900	60,301	69,900	60,301
Net profit (loss)	66,000	57,799	66,000	57,799
Assets			1,620,653	1,455,062
Non-current liabilities			79,655	52,319
Current liabilities			408,754	257,405
Equity			1,132,244	1,145,338
Otello's share of equity in BRL			407,512	412,225
Otello's share of equity in USD			84,363	85,339

Note 6 - Investments (continued)

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

Investments in Bemobi Mobile Tech S.A (associate)	06/30/2025	06/30/2024
USD thousands		
Balance as of 1/1	68,970	94,402
<i>Movements recognized through the statement of comprehensive income</i>		
Share of profit (loss) from associated companies	4,573	4,270
Amortization of excess values	(949)	(827)
Impairment	43,939	(10,737)
<i>Other movements</i>		
Dividends received	(7,498)	(2,727)
FX adjustment	8,470	(4,385)
Balance as of 06/30	117,505	79,996

A reconciliation of the cumulative reported balance of the investment in Bemobi Mobile Tech S.A is as follows.

Investments in Bemobi Mobile Tech S.A (associate)	06/30/2025	06/30/2024
USD thousands		
Balance as of 1/1		
Initial recognition under the equity method	133,198	133,198
Share of profit (loss)	30,194	20,133
Amortization of excess values	(8,418)	(5,603)
Dividends received	(13,525)	(5,616)
FX adjustment	(20,971)	(26,751)
Impairment	(2,972)	(35,364)
Balance as of 06/30	117,505	79,996

The fair value of the investment in Bemobi Mobile Tech S.A has been assessed based on the closing share price of that business as reported by Bovespa in Brazil at the end of each reporting period. The fair value is considered a Level 1 valuation

Fair value as of 06/30	122,401	79,996
-------------------------------	----------------	--------

The reported value of the investment as of the balance date in the accounts (the recoverable value) is equal to the fair value of the investment less an estimate for potential disposal costs.

Share of profit (loss) from associated companies	1H 2025	1H 2024	YTD 2025	YTD 2024
USD thousands				
Share of profit (loss)	4,421	4,282	4,421	4,282
Amortization of excess values	(925)	(830)	(925)	(830)
Share of profit (loss) from associated companies	3,496	3,453	3,496	3,453

Note 7 - Alternative performance measures

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

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

Alternative performance measures:

Gross profit:

This comprises revenues minus publisher and revenue share cost.

EBITDA:

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

Adjusted EBITDA:

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

EBIT:

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

Reconciliation of gross profit (USD thousands)	1H 2025	1H 2024	YTD 2025	YTD 2024
Total operating revenue	0	0	0	0
Publisher and revenue share cost	-	-	-	-
Gross profit	0	0	0	0
Reconciliation of operating profit (loss) to EBITDA and adjusted EBITDA (USD thousands)	1H 2025	1H 2024	YTD 2025	YTD 2024
Operating profit (loss), (EBIT)	41,591	(12,445)	41,591	(12,445)
Depreciation and amortization expenses	0	60	0	60
Impairment gains (losses)	(42,877)	10,770	(42,877)	10,770
EBITDA	(1,286)	(1,615)	(1,286)	(1,615)
Restructuring expenses	-	-	-	-
Stock-based compensation expenses	-	-	-	-
Adjusted EBITDA	(1,286)	(1,615)	(1,286)	(1,615)

Note 8 - Events after the reporting date

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

Statement by the BOD and the CEO

Unaudited – 1H 2025 report of Otello Corporation ASA

The Board of Directors and the CEO have today reviewed and approved the condensed consolidated interim financial statements ("interim report") for Otello Corporation ASA for the first half of 2025.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Norwegian disclosure requirements in accordance with the Norwegian Securities Trading Act.

The Board of Directors and the CEO consider the accounting policies applied to be appropriate. Accordingly, to the best of their knowledge and without the benefit of an audit, the interim report gives a true and fair view of the Group's assets, liabilities and financial position as of June 30, 2025, and of the results of the Group's operations and cash flows for the first half of 2025.

The Board of Directors and the CEO also consider the interim report to give a true and fair view of the information required by the Norwegian Securities Trading Act section 5–6 paragraph 4.

Oslo, August 20, 2025

The Board of Directors

Otello Corporation ASA

Silje Christine Augustson, Chairman

Frank Blaker

Lin Song

Jason Hoida, CEO

