
AdColony ApS

Bredgade 75, 4. sal, DK-1260 København K

Annual Report for 1 January - 31 December 2021

CVR No 33 35 28 24

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
20/7 2022

Michael Benjamin Miller
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of AdColony ApS for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

I recommend that the Annual Report be adopted at the Annual General Meeting.

København, 20 July 2022

Executive Board

Michael Benjamin Miller
Executive Officer

Independent Auditor's Report

To the Shareholder of AdColony ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AdColony ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company 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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, 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 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 in preparing the Financial Statements 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the

Independent Auditor's Report

disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Hellerup, 20 July 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Leif Ulbæk Jensen
State Authorised Public Accountant
mne23327

James Liang
State Authorised Public Accountant
mne34549

Company Information

The Company

AdColony ApS
Bredgade 75, 4. sal
DK-1260 København K

CVR No: 33 35 28 24
Financial period: 1 January - 31 December
Municipality of reg. office: København K

Executive Board

Michael Benjamin Miller

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK
Key figures					
Profit/loss					
Gross profit/loss	75,256	48,634	22,676	19,206	6,358
Profit/loss before financial income and expenses	71,861	44,889	18,854	14,709	1,121
Net financials	4,806	-3,683	674	190	27
Net profit/loss for the year	59,717	32,122	19,008	14,900	1,148
Balance sheet					
Balance sheet total	218,205	136,233	79,485	44,684	12,241
Equity	127,873	68,156	36,034	17,026	2,126
Investment in property, plant and equipment	54	50	-15	27	10
Number of employees	5	6	5	5	6
Ratios					
Return on assets	32.9%	33.0%	23.7%	32.9%	9.2%
Solvency ratio	58.6%	50.0%	45.3%	38.1%	17.4%
Return on equity	60.9%	61.7%	71.6%	155.6%	-120.0%

Management's Review

Key activities

The Company's principal activity is mobile advertising.

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 59,717,043, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 127,872,818.

The past year and follow-up on development expectations from last year

The company realized a positive result before tax of DKK 76,667,595 for 2021. This is a significant improvement comparing to previous years and demonstrates consistent growth.

As the Company's main activity is mobile advertising, there is no significant adverse effect of COVID-19 at the Company's business.

However, the business is exposed to the risk of one or more customers ceasing to continue engaging the Company for advertising campaigns.

The Company's policy in respect of credit risk is to monitor payments against contractual agreements for existing customers.

The risks are managed by the ultimate parent company, Digital Turbine, Inc. The Group's response to the risks is disclosed in its financial statements.

Targets and expectations for the year ahead

The Company realized a positive result before tax of DKK 76,667,595 for 2021. This is significant improvement comparing to previous years and demonstrates consistent growth.

The gross profit is expected to be at least 86% higher in 2022 comparing to 2021. The Company's outlook for the future will be neutrally to positivity affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak.

Significant events after the end of the financial year

Please refer to note 1 Subsequent events.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss		75,256,077	48,634,403
Staff expenses	2	-3,357,714	-3,679,554
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-37,195	-65,686
Profit/loss before financial income and expenses		71,861,168	44,889,163
Financial income	3	6,852,211	1,463,405
Financial expenses	4	-2,045,784	-5,146,888
Profit/loss before tax		76,667,595	41,205,680
Tax on profit/loss for the year	5	-16,950,552	-9,083,485
Net profit/loss for the year		59,717,043	32,122,195

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		54,232	37,861
Property, plant and equipment	6	54,232	37,861
Receivables from group enterprises		83,395,051	45,709,422
Deposits		54,273	54,170
Fixed asset investments	7	83,449,324	45,763,592
Fixed assets		83,503,556	45,801,453
Trade receivables		100,636,678	73,256,665
Receivables from group enterprises		2,528,877	948,488
Other receivables		1,396,000	104,310
Deferred tax asset	9	13,253	13,465
Prepayments	8	4,560	16,968
Receivables		104,579,368	74,339,896
Cash at bank and in hand		30,122,130	16,091,513
Currents assets		134,701,498	90,431,409
Assets		218,205,054	136,232,862

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		110,000	110,000
Retained earnings		127,762,818	68,045,775
Equity		127,872,818	68,155,775
Other payables		0	705,342
Long-term debt	10	0	705,342
Trade payables		65,531,331	47,873,025
Payables to group enterprises		1,232,159	4,574,464
Corporation tax		16,918,538	8,008,750
Other payables		1,538,776	3,882,546
Deferred income	11	5,111,432	3,032,960
Short-term debt		90,332,236	67,371,745
Debt		90,332,236	68,077,087
Liabilities and equity		218,205,054	136,232,862
Subsequent events	1		
Distribution of profit	12		
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	110,000	68,045,775	68,155,775
Net profit/loss for the year	0	59,717,043	59,717,043
Equity at 31 December	110,000	127,762,818	127,872,818

Notes to the Financial Statements

1 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	<u>2021</u> DKK	<u>2020</u> DKK
2 Staff expenses		
Wages and salaries	2,742,965	3,197,178
Pensions	578,897	442,008
Other social security expenses	35,852	40,368
	<u>3,357,714</u>	<u>3,679,554</u>
Average number of employees	<u>5</u>	<u>6</u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3 Financial income

Interest received from group enterprises	6,852,211	1,181,757
Other financial income	0	281,648
	<u>6,852,211</u>	<u>1,463,405</u>

4 Financial expenses

Other financial expenses	635,316	176,286
Exchange loss	1,410,468	4,970,602
	<u>2,045,784</u>	<u>5,146,888</u>

Notes to the Financial Statements

	2021 <u>DKK</u>	2020 <u>DKK</u>
5 Tax on profit/loss for the year		
Current tax for the year	16,950,340	8,008,748
Deferred tax for the year	212	1,074,737
	<u>16,950,552</u>	<u>9,083,485</u>
 6 Property, plant and equipment		
		Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 January		280,180
Additions for the year		<u>53,566</u>
Cost at 31 December		<u>333,746</u>
Impairment losses and depreciation at 1 January		242,319
Depreciation for the year		<u>37,195</u>
Impairment losses and depreciation at 31 December		<u>279,514</u>
Carrying amount at 31 December		<u>54,232</u>
 7 Fixed asset investments		
	Receivables from group enterprises <u>DKK</u>	Deposits <u>DKK</u>
Cost at 1 January	45,709,422	54,273
Additions for the year	<u>37,685,629</u>	<u>0</u>
Cost at 31 December	<u>83,395,051</u>	<u>54,273</u>
Carrying amount at 31 December	<u>83,395,051</u>	<u>54,273</u>

Notes to the Financial Statements

8 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums, subscriptions and interest.

	<u>2021</u> DKK	<u>2020</u> DKK
9 Provision for deferred tax		
Deferred tax asset at 1 January	13,465	1,088,202
Amounts recognised in the income statement for the year	<u>-212</u>	<u>-1,074,737</u>
Deferred tax asset at 31 December	<u>13,253</u>	<u>13,465</u>

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

Between 1 and 5 years	<u>0</u>	<u>705,342</u>
Long-term part	0	705,342
Other short-term payables	<u>1,538,776</u>	<u>3,882,546</u>
	<u>1,538,776</u>	<u>4,587,888</u>

11 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

12 Distribution of profit

Retained earnings	<u>59,717,043</u>	<u>32,122,195</u>
	<u>59,717,043</u>	<u>32,122,195</u>

Notes to the Financial Statements

13 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has entered a rental lease agreement with a minimum commitment in 2022 amounting to DKK 88,540.

14 Related parties

Consolidated Financial Statements

The Company is included in the Consolidated Annual Report of Digital Turbine Inc.

The consolidated financial statements in question can be obtained on the request to the ultimate parent company.

<u>Name</u>	<u>Place of registered office</u>
Digital Turbine, Inc.	110 San Antonio Street Suite 160 Austin, TX 78701 United States

Notes to the Financial Statements

15 Accounting Policies

The Annual Report of AdColony ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Digital Turbine, Inc., the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

15 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprises costs incurred to achieve the net revenue for the year, including direct and indirect costs of consumables.

Other external expenses

Other external expenses comprise cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

15 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-8	years
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Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

Notes to the Financial Statements

15 Accounting Policies (continued)

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments consist of receivables from group enterprises of DKK 83m and rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

15 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$