

## **Otello Announces Definitive Agreement to sell AdColony to Digital Turbine**

Otello announced today that it has entered into a definitive agreement to sell AdColony to Digital Turbine, Inc. (Nasdaq: APPS) for a total estimated consideration of \$400 million.

Digital Turbine is a global mobile technology company, passionate about delivering the right content to the right person at the right time across all Android devices. The company's on-demand media platform powers frictionless app and content discovery, 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.

Total estimated consideration for the acquisition is \$400 million, including a normalized amount of working capital and \$19 million in cash. Some or all of the cash will be returned to Otello subject to the achievement of certain future net revenue targets: (1) \$100 million in cash to be paid at closing (2) \$100 million in cash to be paid six months following the closing, and (3) on-target earn-out of \$200 million, to be paid fully in cash, based on AdColony achieving certain future target net revenue objectives in 2021. The earn-out portion is not capped and is subject to change based on actual results.

"AdColony has been a very successful turnaround over the last 3 years which was crowned with 15% YoY growth in 2020 vs 2019 and very solid EBITDA margins. We are big believers in AdColony, its people and its products, but also see the need to participate in a consolidating market where bigger is better," said Lars Boilesen, CEO of Otello. "AdColony is excited to join the successful team at Digital Turbine. The underlying strategic rationale for the combination is very promising. 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."

"We are extremely excited to announce the acquisition of AdColony today," said Bill Stone, CEO of Digital Turbine. "We look forward to welcoming the AdColony team to the Digital Turbine family and believe that this strategic transaction accelerates our growth and is a positive for our partners, advertisers, employees and shareholders. AdColony saw the secular tailwinds toward mobile, video and high-speed networks like 5G before most and has been able to capitalize on its vision. The ability for Digital Turbine to utilize AdColony's unique mobile advertising solutions across our vast device distribution footprint unlocks significant new monetization opportunities for the combined company's platform offerings. With the addition of AdColony, we will expand our collective experience, reach and suite of capabilities to benefit mobile advertisers and publishers around the globe. Performance-based spending trends by large, established brand advertisers present material upside opportunities for platforms with unique technology deployable across exclusive access to inventory."

The transaction is supported by the Board of Directors of Otello (the "Board") as well as the management of Otello and AdColony. The Board will submit the transaction to the Otello shareholders for approval at an extraordinary general meeting expected to take place on or about 25 March 2021 (the "EGM"). Approval will require a majority in favor among votes and shares represented at the EGM. The transaction is expected to close by end of March 2021. The completion of the transaction is subject to customary closing conditions. LUMA Securities LLC acted as exclusive financial advisor and Hogan Lovells LLP served as legal advisor to Otello in conjunction with the transaction.