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Bemobi Mobile Tech S.A.

Parent company and consolidated financial statements at September 30, 2020 and independent auditor's report

Comment on Performance

BEMOBI

Management Report/Comment on Performance

Business Highlights in 3rd quarter of 2020

Introduction

Bemobi Mobile Tech S.A. ("Company" or "Bemobi") is a company whose business model is known as B2B2C (Business-to-Business-to-Consumer). Instead of providing services directly to end consumers, by the traditional model known as B2C, Bemobi partners with major companies, especially mobile phone carriers or, in certain cases, smartphone original equipment manufacturers (OEMs). Through its partnerships with those companies, Bemobi offers services to consumers. For music and video, there are leading companies like Spotify and Netflix, which have subscription-based models. However, for apps and games, a short while ago there was no such kind of offering. It is a global market, and, with little competition from major technology players thus far, Bemobi has an edge as a pioneer, combined with a clear focus on emerging markets.

In the first nine-month period of 2020, Bemobi net revenues dropped 3.3%, from R$111.9 million to R$108.2 million. EBITDA fell approximately 4%, from R$61.1 million to R$58.8 million. However, the Company's adjusted gross margin (gross profit, not considering the impact of depreciation, amortization and personnel costs) improved by 3.5%, growing from R$83.0 million to R$85.9 million (or 5.2 p.p.). In the 3rd quarter of 2020, Bemobi recorded a decrease of 14.3% in net revenues against the same period in the previous year, while EBITDA dropped 12.2%.

Corporate restructuring

On September 30, 2020, Bemobi purchased from its direct parent company, or Bemobi Holding AS, 100% of companies Bemobi International AS, Bemobi Ukraine LLC and Open Markets AS, for the total amount of R$290,430, to be paid in cash within six months as from the date of the transaction. The value of these companies was calculated based on financial valuations carried out by external consultants, using discounted cash flow techniques.

The transaction mentioned above aims at organizing the Company's corporate structure in order to consolidate and expand its operations in other countries, as well as taking advantage of synergies in the operation and monitoring of activities, based on the One Bemobi concept.

After this transaction, the companies that used to be directly controlled by Bemobi Holding AS, are now direct and indirectly controlled by Bemobi Mobile Tech S.A.

Comment on Performance

Summary of Indicators

Bemobi Mobile Tech SA - BRL M	9M20	9M19	9M20 vs 9M19	3Q20	3Q19	3Q20 vs 3Q19
Net Revenues	108,217	111,861	-3.3%	35,569	41,502	-14.3%
Gross Profit	64,122	64,326	-0.3%	21,505	24,078	-10.7%
Adjusted Gross Margin 1	85,876	82,950	3.5%	28,624	31,484	-9.1%
Adjusted Gross Margin (%)	79.4%	74.2%	5.2 p.p.	80.5%	75.9%	4.6 p.p.
EBITDA	58,756	61,142	-3.9%	19,643	22,381	-12.2%
EBITDA Margin (%)	54.3%	54.7%	-0.4 p.p.	55.2%	53.9%	1.3 p.p.

Income Before Income Tax ("LAIR")	43,799	43,551	0.6%	14,588	9,734	49.9%
Net Income	28,468	28,264	0.7%	9,278	6,101	52.1%
Net Income Margin (%)	26.3%	25.3%	1 p.p.	26.1%	14.7%	11.4 p.p.
Cash Generation 2	48,224	41,939	15.0%	16,174	20,357	-20.5%
Cash Conversion 2	82.1%	68.6%		82.3%	91.0%	

1 Adjusted Gross Margin means Gross Profit adjusted for Depreciation and Amortization and Personnel in Cost of Services Provided.

2 Cash Generation is the result of EBITD minus Capex. Cash Conversion consists of "EBITDA - Capex" divided by "EBITDA."

Net Revenue

Bemobi Mobile Tech SA - BRL M	9M20	9M19	9M20 vs 9M19	3Q20	3Q19	3Q20 vs 3Q19
Net Revenue	108,217	111,861	-3.3%	35,569	41,502	-14.3%

Bemobi's net revenue totaled R$108.2 million in the first nine months of 2020, down 3.3% against the same period in 2019. Comparing only the 3rd quarter of both years, there was a deeper reduction of 14%, as a result of the impacts of Covid-19.

Bemobi revenues come mainly from users of prepaid mobile services, who are included in low income audiences that were economically more impacted by the lockdown, since they have lost most of their income. For this reason, their available recharge balance decreased if compared to the previous year.

On the other hand, Bemobi has a business model that includes fully digital deliveries, which enables it to be more resilient regarding the challenges imposed by Covid-19, such as social distancing. Despite the negative impact on short-term revenues, the demand was not negatively affected.

Recharge of prepaid devices should recover earlier than other expenses as soon as the lockdown is suspended, as shown by the partial recovery noticed upon the release of the emergency aid by the government.

Operating Costs and Expenses

Bemobi Mobile Tech SA - BRL M	9M20	9M19	9M20 vs 9M19	3Q20	3Q19	3Q20 vs 3Q19
Depreciation	15,261	11,609	31.5%	4,678	4,465	4.8%
Total Operating Costs and Expenses	64,722	62,328	3.8%	20,604	23,586	-12.6%
Total Operating Costs and Expenses (ex-Depreciation)	49,461	50,719	-2.5%	15,926	19,121	-16.7%
% of NOR	45.7%	45.3%		44.8%	46.1%	

Bemobi's total operating costs and expenses increased by 31.5% in 9M20 compared to 9M19. Comparing only the 3rd quarters of both years, the growth was 4.8%. Until May 2019, our acquisition of Nuance's assets had not yet occurred. Thus, we are comparing a nine-month period in 2019 that was impacted by two new lines of business that operated during five months, against a full nine-month period of costs and expenses in 2020. The comparison between the 3rd quarter in 2019 and 2020 considers this same base, and the 12.6% drop in operating costs and expenses is directly due to the 14.3% drop in net revenues.

Disregarding the depreciation amount, expenses decreased by 2.5%, comparing to the first nine months of 2020 to the same period in 2019, and the average percentage of net revenues was maintained at 45.5%. However, comparing the amounts recorded in the 3rd quarters of both years, there was a deeper drop of 16.7%.

EBITDA

Bemobi Mobile Tech SA - BRL M	9M20	9M19	9M20 vs 9M19	3Q20	3Q19	3Q20 vs 3Q19
Net Income (Loss)	**28,468**	**28,264**	**0.7%**	**9,278**	**6,101**	**52.1%**
(+) Net Financial Result	(304)	5,982	-105.1%	377	8,183	-95.4%
(+) Income and Social Contribution Taxes	15,331	15,287	0.3%	5,310	3,632	46.2%
(+) Depreciation and Amortization	15,261	11,609	31.5%	4,678	4,465	4.8%
EBITDA	**58,756**	**61,142**	**-3.9%**	**19,643**	**22,381**	**-12.2%**
EBITDA Margin	54.3%	54.7%	-0.4 p.p.	55.2%	53.9%	1.3 p.p.

Bemobi's EBITDA in the first nine months of 2020 was R$58.8 million, against R$61.1 million in the same period of 2019, or a drop of approximately 4%. The reduction was deeper if we compare only the amounts recorded in the 3rd quarter of both years. These reductions in EBITDA are due to a proportional drop in net revenues in the respective periods.

Net Income

Bemobi Mobile Tech SA - BRL M	9M20	9M19	9M20 vs 9M19	3Q20	3Q19	3Q20 vs 3Q19
Net Income (Loss)	**28,468**	**28,264**	**0.7%**	**9,278**	**6,101**	**52.1%**
Net Income Margin	26.3%	25.3%	1 p.p.	26.1%	14.7%	11.4 p.p.

Net Income for the 9-month period of 2020 was 0.7% above that recorded in the same period of 2019. The net income for the 3rd quarter of 2020 rose by 52% compared to the same period in 2019, particularly due to a substantial reduction in financial expenses with exchange rate variation on payments made in the period and subsequent capital increase.

Cash Flow

Bemobi Mobile Tech SA - BRL M	**9M20**	**9M19**	**9M20 vs 9M19**
Income before IRPJ and CSLL	43,799	43,551	0.6%
Items not affecting cash	15,430	18,728	-17.6%
Change in Working Capital	23,285	(15,095)	-254.3%
Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Income (CSLL)	(1,267)	(1,825)	-30.6%
Net Cash from operating activities	81,247	45,359	79.1%
Property and Equipment and Intangible Assets	(10,532)	(19,203)	-45.2%
Loan with related party	(37,698)	1,846	-2,142.1%
Other Investments	-	-	-
Net Cash used in investment activities	(48,230)	(17,357)	177.9%

Payment of leases	(344)	-	-
Payment of loans from related parties	-	(2,943)	-100.0%
Net Cash from financing activities	(344)	(2,943)	-88.3%
Net increase in cash and cash equivalents	**32,673**	**25,059**	30.4%

In the first nine months of 2020, the Company improved its cash generation from operating activities by approximately 79%. On the other hand, there was an important increase in cash used in investment activities as a result of a disbursement for a loan with a related party, in the amount of R$37.7 million, resulting in a net increase in cash in the amount of R$32.7 million.

Comment on Performance

Cash Generation (EBITDA- Capex)

Bemobi Mobile Tech SA - BRL M	**9M20**	**9M19**	**9M20 vs 9M19**
EBITDA	58,756	61,142	-3.9%
CAPEX	10,532	19,203	
Property and Equipment	3,412	3,486	
Intangible Assets	7,120	15,717	
Cash Generation	48,224	41,939	15.0%
Cash Conversion (%)	82.1%	68.6%	13.5 p.p.
Cash Generation (ex-Nuance)	49,309	53,419	-7.7%
Cash Conversion (%)	83.9%	87.4%	-3.4 p.p.

The Company's cash generation, measured as EBITDA minus Capex, increased by 15%, from R$41.9 million to R$48.2 million in 9M20 against 9M19. However, not considering the amounts paid for acquisition of Nuance's assets in 2019 and 2020, this value decreases by approximately 8%, but with a rate that exceeds 83%.

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Independent auditor's report

To the Board of Directors and Shareholders
Bemobi Mobile Tech S.A.

Opinion

We have audited the accompanying parent company interim financial statements of Bemobi Mobile Tech S.A. (the "Company"), which comprise the statement of financial position as at September 30, 2020 and the income statement and statements of comprehensive income for the three and nine months periods then ended, and changes in equity and cash flows for the nine months period then ended, as well as the accompanying consolidated interim financial statements of Bemobi Mobile Tech S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated statement of financial position as at September 30, 2020 and the consolidated statements of changes in equity and cash flows for the nine months period then ended, and notes to the interim financial statements, including a summary of significant accounting policies.

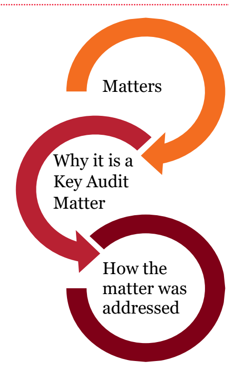
In our opinion, the parent company and consolidated interim financial statements referred to above present fairly, in all material respects, the financial position of Bemobi Mobile Tech S.A. and of Bemobi Mobile Tech S.A. and its subsidiaries as at September 30, 2020, and the financial performance and the cash flows for the three and nine months periods then ended, as well as the consolidated cash flows for the nine months period then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Interim Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and in the Professional Standards issued by the Brazilian Federal Accounting Council, 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 audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter	How the matter was addressed in the audit
Evaluation of the recoverable amount of goodwill based on future profitability (Notes 3.1 and 8)	
The Company has a significant balance of goodwill based on future profitability. The impairment test is performed at least once a year through an estimate of future cash flows for the cash-generating unit ('CGU') to which the goodwill relates. The projection of future cash flows is prepared based on budgets approved by management and considers projected internal and external information, which are sensitive to the following significant assumptions: (i) discount rate and (ii) growth in revenue and costs. Being that adverse economic conditions may cause these assumptions to show significant changes to those projected by the Company, with a consequent impact in the parent company and consolidated interim financial statements. Due to the aforementioned aspects, this matter was considered a topic of focus in our audit.	Our audit procedures included, among others, comparing the significant assumptions used in the impairment test with the Budget Plan approved by the Company, assessing the reasonableness of the calculation model and testing the mathematical accuracy of the calculations. We also carried out an assessment of the reasonableness of the significant assumptions used in the cash flow projections, including the retrospective analysis of the projections prepared by management and the sensitivity test on these significant assumptions used by management. Finally, we read the disclosures about the impairment test in the notes. As a result of the procedures described above, we consider that the measurement model and assumptions adopted by the management of the Company for purposes of evaluating the recoverability of the goodwill are reasonable, and that the disclosures in the parent company and consolidated interim financial statements are consistent with the information obtained in our audit.
Acquisition of subsidiaries (Note 1.1)	
As mentioned in note 1.1., on September 30, 2020, the management of Bemobi Mobile Tech S.A. acquired control of the companies Bemobi International AS, Bemobi Ukraine LLC and Open Markets AS, from its direct parent company Bemobi Holding AS. As this is a business combination involving entities under common control, no asset or goodwill arising from the acquisition at fair value were recorded in the assets of the Company. The difference between the agreed consideration, in the amount of R$ 290,430 thousand, and the book value of the net assets acquired of R$ 65,004 thousand, was	Our audit procedures included, among others, meetings with the main executives of Bemobi Mobile Tech S.A. and the controlling shareholder in order to gain an understanding of the transaction and its impacts, as well as reading the contracts and other documents related to the transaction. We also reconciled the amounts entered into in the contracts with the accounting records of the relevant companies acquired. Finally, we read the disclosures made in the explanatory notes.

Why it is a Key Audit Matter	How the matter was addressed in the audit
recorded in a specific account in the combined shareholder's equity, in the amount of R$ 225,426 thousand. Due to the relevance of the amounts involved and the nature of the transaction, this matter was considered a topic of focus in our audit.	We considered that the criteria adopted by management for the registration of business combinations involving entities under common control are reasonable and the disclosures in explanatory notes are consistent with the data and information obtained.

Other matters

Statements of Value Added

The parent company statement of value added for the nine months period ended in September 30, 2020, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's parent company and consolidated interim financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, this statement of value added has been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated interim financial statements taken as a whole.

Other information accompanying the parent company and consolidated interim financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated interim financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated interim financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated interim financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated interim financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), 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 parent company and consolidated interim 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 unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's responsibilities for the audit of the parent company and consolidated interim financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated interim 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 Brazilian and International Standards on Auditing 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 in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated interim 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 internal control of the Company and its subsidiaries.

- 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 ability of the Company 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 parent company and consolidated interim 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 content of the parent company and consolidated interim financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated interim 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 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.

We also provide those charged with governance 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 those charged with governance, 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.

Rio de Janeiro, October 21, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Guilherme Naves Valle
Contador CRC 1MG070614/O-5

BEMOBI MOBILE TECH S.A.

STATEMENT OF FINANCIAL POSITION
Amounts in thousands of *Reais* (R$)

		Parent Company		Consolidated
	Notes	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	4	94,419	61,746	110,116
Trade Accounts Receivable	5	24,107	49,700	86,029
Taxes Recoverable		6,460	3,084	8,025
Advances to third parties		4,370	4,866	6,959
Loan to related party	20.2		8,040	
Total current assets		129,356	127,436	211,129
NON-CURRENT ASSETS				
Other Accounts Receivable		46	38	387
Deferred Taxes	6	19,234	33,657	19,992
Investments	7	65,004		
Property, Plant and Equipment	8	13,548	10,011	13,554
Intangible Assets	9	196,448	201,752	210,483
Total Non-current Assets		294,280	245,458	244,416
TOTAL ASSETS		423,636	372,894	455,545

The accompanying notes are an integral part of the interim financial statements.

STATEMENT OF FINANCIAL POSITION
Amounts in thousands of *Reais* (R$)

		Parent Company		Consolidated
	Notes	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
LIABILITIES				
CURRENT LIABILITIES				
Labor obligations	10	11,091	9,404	14,740
Taxes recoverable	11	3,229	2,964	4,902
Accounts payable	12	5,186	7,082	31,773
Leases	13	975	421	975
Total current liabilities		20,481	19,871	52,390
NON-CURRENT LIABILITIES				
Leases	13	2,893	723	2,893
Consideration payable	1.1 e 20.2	244,920		244,920
Total non-current liabilities		247,813	723	247,813
SHAREHOLDERS' EQUITY				
Share Capital	14.1	183,391	183,391	183,391
Capital reserve	14.2	4,123	4,123	4,123
Revenues reserve	14.3	186,718		186,718
Retained earnings		6,536	164,786	6,536
Equity valuation adjustment	14.4	(225,426)		(225,426)
Total shareholders' equity		155,342	352,300	155,342
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		423,636	372,894	455,545

The accompanying notes are an integral part of the interim financial statements.

BEMOBI MOBILE TECH S.A.

INCOME STATEMENT
PERIODS ENDED SEPTEMBER 30
Amounts in thousands of *Reais* (R$)

		Parent Company			
	Notes	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 30, 2020	Jan 1, 2019 to Sep 30, 2019
Net revenues	16	35,569	41,502	108,217	111,861
Cost of services provided	17	(14,064)	(17,424)	(44,095)	(47,535)
Gross profit		21,505	24,078	64,122	64,326
General and administrative expenses	18	(6,539)	(6,161)	(20,627)	(14,793)
Operating income		14,966	17,917	43,495	49,533
Financial income	19	1,047	555	2,217	1,881
Financial expenses	19	(1,425)	(8,738)	(1,913)	(7,863)
		(378)	(8,183)	304	(5,982)
Income before income and social contribution taxes		14,588	9,734	43,799	43,551
Income and social contribution taxes	21	(5,310)	(3,633)	(15,331)	(15,287)
Net income for the period		9,278	6,101	28,468	28,264
Average number of shares/*quotas* in the period (in thousands of shares/*quotas*)	14.5	18,339,104	4,970,966	18,339,104	1,702,226
Basic and diluted earnings per share/*quota*		0.001	0.001	0.002	0.017

The accompanying notes are an integral part of the interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME
PERIODS ENDED SEPTEMBER 30
Amounts in thousands of *Reais* (R$)

		Parent Company			
	Notes	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 30, 2020	Jan 1, 2019 to Sep 30, 2019
Net income for the period		9,278	6,101	28,468	28,264
Other comprehensive income					
Total comprehensive income for the period		9,278	6,101	28,468	28,264

The accompanying notes are an integral part of the interim financial statements

BEMOBI MOBILE TECH S.A.

STATEMENT OF CHANGES IN EQUITY
Amounts in thousands of *Reais* (R$)

	Notes	Share Capital	Capital reserve	Profit reserve	Retained earnings	Unrealized fair value gain (losses)	Total
BALANCES AS OF DECEMBER 31, 2018		40,767			128,350		169,117
Capital increase through conversion of loan agreement with parent company		142,624					142,624
Net income for the period					28,264		28,264
BALANCES AS OF SEPTEMBER 30, 2019		183,391			156,614		340,005

	Notes	Share	Capital reserve	Profit reserve	Retained earnings	Unrealized fair value gain (losses)	Total
BALANCES AS OF DECEMBER 31, 2019		183,391	4,123		164,786		352,300
Creation of special dividends reserve	14			186,718	(186,718)		
Adjustment for goodwill from acquisition of jointly controlled companies	1.1 e 20.2					(225,426)	(225,426)
Net income for the period					28,468		28,468
BALANCES AS OF SEPTEMBER 30, 2020		183,391	4,123	186,718	6,536	(225,426)	155,342

The accompanying notes are an integral part of the interim financial statements.

STATEMENT OF CASH FLOWS
PERIODS ENDED SEPTEMBER 30
Amounts in thousands of *Reais* (R$)

	Notes	Parent Company 2020	Parent Company 2019	Consolidated 2020
Operating activities				
Income before income taxes		43,799	43,551	43,799
Adjustment to income before income taxes due to:				
Depreciation and amortization	8, 9	15,261	11,609	15,261
Interest on loan with related party	20.2	101	3	101
Exchange rate variations on loan with related party			7,116	
Interest on leases		68		68
(Increase) decrease in operating assets				
Trade accounts receivable		25,593	(15,308)	25,593
Taxes recoverable		(3,211)	(4,039)	(3,211)
Advances to third parties		496	(2,509)	496
Other receivables		(8)	4	(8)
Increase (decrease) in operating liabilities				
Employment-related liabilities		1,687	1,562	1,687
Taxes payable		624	4,449	624
Accounts payable		(1,896)	746	(1,896)
Cash from operations		82,514	47,184	82,514
Income and social contribution taxes paid		(1,267)	(1,825)	(1,267)
Net cash from operating activities		81,247	45,359	81,247
Investment activities				
Cash and cash equivalents received on acquisition of control				15,697
Acquisition of Property, plant and equipment and intangible assets	8, 9	(10,532)	(19,203)	(10,532)
Loans to related party	20.2	(52,657)	(35,273)	(52,657)
Receipts of loans to related party	20.2	14,959	37,119	14,959
Net cash used in investment activities		(48,230)	(17,357)	(32,533)
Financing activities				
Lease payments	13	(344)		(344)
Related-party loan payments	20.2		(2,943)	
Net cash used in financing activities		(344)	(2,943)	(344)
Net increase in cash and cash equivalents		32,673	25,059	48,370
Cash and cash equivalents:				
Opening balance		61,746	23,565	61,746
Closing balance		94,419	48,624	110,116
Net increase in cash and cash equivalents		32,673	25,059	48,370

The accompanying notes are an integral part of the interim financial statements.

STATEMENT OF VALUE ADDED
PERIODS ENDED SEPTEMBER 30
Amounts in thousands of *Reais* (R$)

	Notes	Parent Company 2020	Parent Company 2019
Revenues			
Sales of services	16	120,388	123,910
Revenues related to construction of owned assets		6,902	4,714
Inputs acquired from third parties			
Costs of services provided		(23,047)	(29,447)
Materials, electricity and third-party services		(5,651)	(4,264)
Other inputs acquired from third parties		(1,543)	(268)
Gross value added		97,049	94,645
Depreciation and amortization	17, 18	(15,261)	(11,609)
Net value added produced		81,788	83,036
Value added received in transfer			
Financial income	19	2,217	1,881
Total value added to be distributed		84,005	84,917
Value added distribution			
Personnel			
Direct compensation		(18,761)	(14,770)
Benefits		(2,655)	(2,020)
FGTS		(1,203)	(959)
		(22,619)	(17,749)
Taxes, charges and contributions			
Federal		(25,875)	(24,232)
Municipal		(5,776)	(6,244)
		(31,651)	(30,476)
Remuneration of third-party capital			
Interest		(296)	(7,509)
Rents	18	(971)	(919)
		(1,267)	(8,428)
Remuneration of own capital			
Retained earnings		(28,468)	(28,264)
		(28,468)	(28,264)
Value added distributed		(84,005)	(84,917)

The accompanying notes are an integral part of the interim financial statements.

1. OPERATIONS

Bemobi Mobile Tech S.A. ("Company" or "Bemobi") was established on August 28, 2007 and has its principal place of business at Praia de Botafogo No. 518, 9th floor, Botafogo, Rio de Janeiro, state of Rio de Janeiro (Brazil). The Company has a branch established on May 14, 2019, located at Rua Correia Dias No. 184, 1st, 2nd and 7th floors, Paraíso, São Paulo, state of São Paulo (Brazil).

On August 21, 2020, the Company completed its conversion from a limited liability company into a joint stock company. Accordingly, unlike the limited liability company, which is regulated by its articles of association and whose capital consists of *quotas*, the Company, now as a joint stock company, is regulated by its Bylaws and its capital consists of shares. As a result of that conversion process, the *quota* in the Company were converted into common shares at the ratio of one *quota* to one common share, all of which registered and with no par value.

The Company's ultimate parent company is Otello Corporation ASA, headquartered in Oslo, Norway, and listed on the Oslo stock exchange. Bemobi Holding AS, which is the Company's direct parent company, is controlled by Otello Corporation ASA as well.

The Company is a joint stock company whose purpose consists of: (i) developing technologies for cell phone applications; (ii) engaging in the business of developing software and computer software tools specifically designed for the Internet with access via mobile telephone service or by any other means characterizing mobile access, by providing design, system integration and development services, as well as provision of software solutions; (iii) providing advisory services concerning cell phone apps and developing related activities; (iv) engaging in the digital advertising business; and (v) holding interests in other companies, be it "simple" or business companies, as a partner or shareholder, whatever their purpose may be, whether in Brazil or abroad.

1.1. Corporate restructuring of controlling shareholder.

On September 30, 2020, Management signed three purchase agreements with our direct parent company Bemobi Holding AS and acquired 100% of the capital stock in the companies Bemobi International AS, Bemobi Ukraine LLC, and Open Markets AS. As a result of this transaction, Bemobi recorded in non-current liabilities the amount of R$290,430 with its parent company Bemobi Holding AS because, according to the documents singed between the parties, this amount has to be settled on December 31, 2021. This amount of R$290,430 is subject to interest at a rate of 5% p.a.

Because the Company had as of September 30, 2020 a total R$45,511 in loans receivable from Bemobi Holding AS, as of September 30, 2020, the balance stated in liabilities with that company is R$244,920, since the amount of R$45,511 was offset against the amount payable for business acquisitions, of R$290,430.

That amount of R$290,430 was determined by Management through financial valuations conducted by external advisors based on the discounted cash flow techniques (valuation). The acquired companies are engaged in the same business as is the Company, which is substantially that of developing technologies for cell phone applications. It is Management's belief that, through these acquired companies, Bemobi will be able to consolidate and expand its operations in other countries around the world, while benefiting from synergies in the operation and management of activities based on the One Bemobi concept. Additionally, according to financial valuations conducted by our external advisors, Management expects to obtain positive cash flows from the acquired companies.

Because this is a business combination involving entities under common control, no acquired identifiable intangible asset or goodwill from the fair value negotiation were recorded. The difference between the consideration agreed upon, in the amount of R$290,430, and the book value of the net assets acquired, of R$65,004, was recorded in a specific account in shareholders' equity, amounting to R$225,426.

Amounts in thousands of Reais (R$), except as indicated otherwise

Through this transaction, the companies directly controlled by Bemobi Holding AS became directly and indirectly controlled by the Company, as shown below, with Bemobi Holding AS retaining direct control of the Company.

Companies purchased and directly controlled by the Company from then on:

	Interest
Bemobi International AS (Norway)	100.00%
Bemobi Ukraine LLC (Ukraine)	100.00%
Open Markets AS (Norway)	100.00%

Business indirectly controlled by the Company, and directly controlled by Open Markets:

	Interest
Tulari Spain Sociedad Limitada (Spain)	100.00%

Business indirectly controlled by the Company and directly controlled by Tulari Spain Sociedad Limitada:

	Interest
Apps Club Del Mexico Sociedad Anonima Promotora de Capital Variable (Mexico)	100.00%
Apps Club de Chile SPA (Chile)	100.00%
Apps Club de Colombia S.A.S (Colombia)	100.00%
Apps Club de Argentina (Argentina)	100.00%

The main balances are presented in note 7.

2. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING PRACTICES

2.1. Statement of compliance

The individual and consolidated interim financial statements have been prepared and are being presented in accordance with IAS 34 - Interim Financial Reporting (CPC 21 (R1) - Interim Financial Statements) and the International Financial Reporting Standards ("IFRS"), as implemented in Brazil through the Accounting Pronouncements Committee ("CPC"), as approved by the Brazilian Securities Commission ("CVM") and the Federal Accounting Council ("CFC"). All relevant information typical of individual and consolidated interim financial statements, and only such information, is being evidenced, and corresponds to the information used in managing the Company's administration.

Preparing individual and consolidated interim financial statements requires certain critical accounting estimates, as well as judgment on the part of the Company's management in the process of applying accounting policies. Those areas requiring a higher level of judgment and having greater complexity, as well as those in which assumptions and estimates are material to the interim financial statements, are set forth in Note 3.

2.2. Measurement bases

The individual and consolidated interim financial statements have been prepared based on the historical cost, except for financial assets and liabilities adjusted to reflect measurement at fair value.

2.3. Consolidation of financial statements

The consolidated interim financial statements consider the balances of our direct and indirect subsidiaries as of the same base date and according to the same accounting policies. Where necessary, interim financial statements of subsidiaries are adjusted for compliance with the accounting policies used by the Company.

All transactions, balances, revenues, costs and expenses among the companies considered in the consolidated interim financial statements are eliminated for consolidation purposes. Since the business acquisition transaction date was September 30, 2020, only the balance sheet and cash flow balances are being consolidated as of this date. Additionally, because the business acquisition transaction took place on September 30, 2020, the consolidated balances for the comparable year ended December 31, 2019 are zeroed.

2.4. Accounting policies

The principal accounting policies used to prepare these individual and consolidated interim financial statements are set forth below or in the relevant items of these notes. The accounting policies used to prepare the individual and consolidated interim financial statements are consistent in all reported periods. Critical accounting policies used in preparing these financial statements are set forth in the respective notes. The accounting policies used in preparing the financial statements are consistent in all reported periods.

a) Functional currency and reporting currency

The items included in our individual and consolidated interim financial statements are measured using the currency of the main economic environment where the Company operates (“functional currency”). The interim combined financial statements are presented in *Reais* (“R$”), which is the Company’s functional and reporting currency.

Combined interim financial information from companies based abroad are translated to the Company’s reporting currency in accordance with Technical Pronouncement CPC 02 (R2)/IAS 21.

b) Statement of cash flows

Cash flows from operating activities are stated at the indirect method, according to item 18.b of Technical Pronouncement CPC 03 (R2)/IAS 7.

c) Segment reporting

Operating segments are entity components that develop business activities from which revenues can be derived and in connection with which expenses can be incurred. Their operating results are regularly reviewed by the chief manager of the entity’s operations, who makes decisions on use of funds and assesses the segment’s performance. In order for a segment to exist, its individualized financial information must be provided.

The chief operating decision maker at the Company, responsible for the use of funds and periodic performance assessments, is the Executive Board, which is tasked with making the Company's strategic decisions and management. While there are various activities, the chief decision maker understands that the Company represents a single business segment. All decisions concerning strategic and financial planning, purchasing, investments and use of funds are made on a single basis and considering the Company as a whole.

d) Approval of the individual and consolidated intermediate financial statements

The Company's individual and consolidated combined intermediate financial statements were approved by Management on October 21, 2020.

2.5. Coronavirus outbreak

Cases of coronavirus ("COVID-19") were first reported in December 2019 and, since then, they have spread over various countries, including Brazil. The COVID-19 outbreak developed rapidly in 2020, and measures taken to contain the virus have affected economic activity. The final impact on the global economy and on financial markets is still uncertain.

The Company's management did not identify any material uncertainties relating to any events or conditions that could cast significant doubts over the ability of the entity to continue as a going concern. To this moment, the Company has had no difficulties with its cash flow (liquidity) or seen any material decrease in revenues from its customers. There is no indication of impairment of assets or risks related to compliance with obligations.

The impacts of the pandemic on the business or financial targets have not been significant as yet, but Management is still assessing government responses and the advance of the health crisis and economic crisis arising out of the outbreak because, should there be an extended slowdown in local and regional economies, then it may affect the Company's business.

Additionally, the Company would stress that it is in compliance with all safety and health protocols set forth by the relevant authorities and agencies.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

Preparing the interim financial statements requires the use of certain critical estimates and judgment by the Company's management in the process of applying the accounting policies.

The areas that require higher levels of judgment and are more complex, posing a significant risk of causing a material adjustment in the book values of assets and liabilities over the following fiscal year, are listed below.

3.1. Goodwill due to expectation of future profitability

The goodwill due to expectation of future profitability, as set forth in Note 9, is tested for impairment-annually or with a greater frequency if any events or changes in circumstances indicate potential impairment. The recoverable amount is determined based on the calculation of the value-in-use, according to Management's estimates. As mentioned in Note 9, no impairment loss was recognized for the period.

For impairment testing purposes, assets are grouped at the lowest levels for which separately identifiable cash flows exist (cash generating units, or "CGUs"). For the purposes of this test, goodwill is allocated to the CGUs or groups of CGUs expected to benefit from the business combination from which the goodwill originated. In this case, the only CGU identified is the Company itself.

Amounts in thousands of Reais (R$), except as indicated otherwise

Accordingly, the Company's management understands that the smallest cash generating unit for goodwill impairment testing purposes covers the business as a whole, and therefore the assessment is made at the Company level. This method is in line with the Company's strategic guidance, whereby it assess its business as a whole, meaning that operating results will be regularly assessed by the chief manager of the entity's operations, who makes decisions on use of funds and assesses operating performance from the standpoint of the Company as a whole.

3.2. Income and social contribution taxes (current and deferred)

Income and social contribution taxes (current and deferred) are calculated according to the interpretations of applicable laws. In particular, any deferred tax credits on tax losses, negative basis for social contribution tax and temporary differences that are recognized in proportion to the probability that future taxable event will be available and can be used. The measurement of recoverability of deferred income tax on tax losses, negative basis for social contribution tax and temporary differences takes into consideration the estimated taxable income. Income and other taxes are calculated and recorded based on Management's interpretation of the laws.

4. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Cash and bank accounts	10,330	4,273	26,027
Financial investments (*)	84,089	57,423	84,089
Total	94,419	61,746	110,116

(*) Financial investments substantially relate to Bank Deposit Certificates ("CDBs"), which are highly liquid, short-term investments promptly convertible into a known amount of cash and subject to an insignificant risk of change in value. Returns on these investments are approximately 98% of the Interbank Deposit Certificate ("CDI") (100% of the CDI in 2019) and are invested with first-rate banks.

5. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable correspond to amounts receivable for services provided in the ordinary course of the Company's business. If the time to receive them is equivalent to one year or less (or otherwise fits the Company's regular cycle), then accounts receivable are classified in current assets. Otherwise, they are shown in non-current assets.

Trade accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, minus the expected provision for impairment losses.

Amounts in thousands of Reais (R$), except as indicated otherwise

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Services billed	10,775	26,847	43,458
Services billable	13,332	22,853	42,571

The aging of accounts receivable is shown below:

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Total	24,107	49,700	86,029
Due	24,107	49,700	86,029

The Company has no overdue amounts receivable for the reported periods, nor has it identified any forward-looking information or facts that could impact Management's expectation concerning the receipt of those amounts. Accordingly, Management believes there will be no need to set up a provision for impairment losses.

6. DEFERRED TAXES

Deferred taxes comprise social contribution tax on net profit (CSLL) and corporate income tax (IRPJ) recoverable in a future period and are substantially related to deductible temporary differences.

Tax rates for calculation of deferred taxes are 9% for CSLL and approximately 25% for IRPJ.

Deferred tax assets are recognized to the extent future taxable income is likely to be available for use to offset temporary differences based on future performance projections on the grounds of internal assumptions and future economic scenarios, which, as such, are subject to change. Deferred tax liabilities are recognized in full.

The balances of deferred tax assets and liabilities are stated at the net amount in the balance sheet where there is a legal right and the intent to offset them at the time of determination of current taxes generally related to the same legal entity and the same tax authority.

No statute of limitations applies to the operations' accumulated tax losses, but their offset is limited in future years to no more than 30% of the taxable income amount for each year.

Expected recovery terms for deferred taxes are listed below.

Amounts in thousands of Reais (R$), except as indicated otherwise

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Estimated recovery term:			
Up to 1 year	14,953	13,005	15,711
Up to 2 years	11,334	11,334	11,334
Up to 3 years	10,855	11,334	10,855
Up to 4 years	9,660	10,436	9,660
Up to 5 years		7,245	
	46,802	53,354	47,560
Temporary difference - tax amortization of goodwill	(27,568)	(19,697)	(27,568)
Total	19,234	33,657	19,992

Changes in deferred taxes for the period are shown below:

	Parent Company	Consolidated
Balance as of December 31, 2019	33,657	
Effects on amortization of acquired identifiable intangible asset (i)	(1,408)	
Effects on goodwill amortization (ii)	(7,871)	
Effects on amortization of earn-out (iii)	(7,847)	
Deductible temporary differences	2,703	
Parent company’s balance as of September 30, 2020	19,234	19,234
Effects of business acquisition (Note 1.1)		758
Consolidated balance as of September 30, 2020		19,992

(i) Amortization of acquired identifiable intangible asset recognized in Opera Software Brazil Ltda. (“Opera”), which merged into the Company on January 31, 2018, due to the process of acquisition of the Company in 2015, during which it was found that the fair value of the identified intangible assets exceeded the book value.

(ii) Goodwill amortization on expectations of future profits recognized in Opera’s statements due to the acquisition of the Company.

(iii) Amortization of consideration paid by Opera to purchase the Company.

We should point out that the Company has a history of taxable income and expects taxable income to be available in the future to be offset against those tax credit assets. These projections were made taking into consideration operating and financial cash flows, as well as the effective income and social contribution tax rate that would give rise to future taxable income to be offset.

Amounts in thousands of Reais (R$), except as indicated otherwise

Uncertain tax positions

After the January 2018 merger, the Company started to deduct the goodwill generated from the 2015 business combination for tax purposes for a period of five years. Management understands that the deductibility of goodwill for tax purposes is appropriate under the applicable laws and underpinned by the opinions of its legal counsel.

As of September 30, 2020, uncertainties about deduction of goodwill for tax purposes amounted to R$27,677 and were not provisioned. Based on the views of its internal and external legal counsel, the Company believes those uncertain positions are likely to be accepted by the tax authority.

The Company has found no such other uncertain tax treatments as could cause material liabilities to the Group. However, the Company remains subject to inspection on its income taxes in general for the years 2014 through 2019.

7. INVESTMENTS

A summary of balances stated as of September 30, 2020 by each company considered in the consolidated interim financial statements is provided below:

Direct subsidiaries:

	Assets	Shareholders' equity	Net revenues	Net income (loss)
Bemobi International AS	78,349	48,435	61,897	6,535
Bemobi Ukraine LLC	4,344	3,473	8,299	793
Open Markets AS	13,194	13,096	1,691	1,014

Indirect subsidiaries:

	Assets	Shareholders' equity	Net revenues	Net income (loss)
Tulari Spain Sociedad Limitada	11,878	11,826	2	1,200
Apps Club Del Mexico Sociedad Anonima Promotora de Capital Variable	4,905	4,062	2,206	879
Apps Club de Chile SPA	3,798	3,431	1,887	150
Apps Club de Colombia S.A.S	3,234	2,430	1,872	513
Apps Club de Argentina	233	203	24	(77)

Given that these entities were acquired by the Company on September 30, 2020, income from direct and indirect subsidiaries was not considered in the individual and consolidated interim financial statements.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment items are recognized at purchase or construction cost, net of accumulated depreciation and impairment losses.

Amounts in thousands of Reais (R$), except as indicated otherwise

Assets are depreciated by the straight-line method, as set forth in item 62 of Technical Pronouncement CPC 27/IAS 16, considering the useful life estimated by Management, and their residual values are considered to be equal to zero.

Management concluded that, for the reported periods, there is no indication that assets may have been impaired. The useful life of assets estimated by Management is as follows:

	Useful life
Computer hardware	3-5 years
Improvements in third-party properties	(*)
Furniture and fixtures	5-10 years
Electronic devices	3-5 years
Telephone devices	3-5 years
Rights to use third-party properties	3-6 years

* Useful life as per Management's estimates and contract terms, which vary from 5 to 10 years.

The net balances of property, plant and equipment are as follows:

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Computer hardware	5,846	7,802	5,852
Improvements in third-party properties	2,846	559	2,846
Furniture and fixtures	950	392	950
Electronic devices	43	40	43
Telephone devices	26	40	26
Rights to use third-party properties	3,837	1,178	3,837
Total	13,548	10,011	13,554

Changes in property, plant and equipment are as follows:

Amounts in thousands of Reais (R$), except as indicated otherwise

	Parent Company						Consolidated
	Dec 31, 2019				Sep 30, 2020	Effects of business acquisition (Note 1.1.)	Sep 30, 2020
	Balance	Addition	Disposals	Transfer	Balance	Addition	Balance
Cost							
Computer hardware	10,824	422			11,246	169	11,415
Improvements in third-party properties	810	2,348			3,158		3,158
Furniture and fixtures	570	624			1,194		1,194
Electronic devices	102	18			120		120
Telephone devices	91				91		91
Rights to use third-party properties	1,212	2,962			4,174		4,174
Subtotal	13,609	6,374			19,983	169	20,152
Accumulated depreciation							
Computer hardware	(3,022)	(2,378)			(5,400)	(163)	(5,563)
Improvements in third-party properties	(251)	(61)			(312)		(312)
Furniture and fixtures	(178)	(66)			(244)		(244)
Electronic devices	(62)	(15)			(77)		(77)
Telephone devices	(51)	(14)			(65)		(65)
Rights to use third-party properties	(34)	(303)			(337)		(337)
Subtotal	(3,598)	(2,837)			(6,435)	(163)	(6,598)
Total, net	10,011	3,537			13,548	6	13,554

9. INTANGIBLE ASSETS

Intangible assets are recognized at cost, net of accumulated amortization and impairment.

Assets are amortized by the straight-line method considering the useful life estimated by Management, and their residual amounts are considered to be equal to zero.

Assets subject to amortization are tested for impairment whenever any events or changes in circumstances indicates that the book value may not be recoverable. An impairment loss is recognized where the book value of an asset exceeds its recoverable amount, which represents the fair value of the asset minus its selling costs or its value-in-use, whichever the higher.

Management concluded that, for the reported periods, the recoverable amount of the assets is higher than or the same as their book value. For this reason, Management understands that recognizing an impairment loss is not necessary.

The net balances of intangible assets are as follows:

Amounts in thousands of Reais (R$), except as indicated otherwise

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Acquired identifiable intangible asset (i)	16,034	22,506	16,034
Technology		2,067	
Relationships with customers	16,034	20,278	16,034
Brand		161	
Goodwill due to expected future profitability	154,933	154,933	154,933
Platforms developed	12,409	15,954	23,084
Software purchased from third parties	6,170	8,359	9,530
Platforms under development	6,902		6,902
Total	196,448	201,752	210,483

(i) In 2015, as part of the acquisition of the Company by its former parent company, Opera, which merged into the Company on January 31, 2018, certain intangible assets were identified, to wit:

Technology - Technology assets consist of the Company's application platform, with apps being constantly developed. The technology is used in all services provided by the Company and, therefore, will ensure a competitive edge for the next several years. As of September 30, 2020, the technology amount is fully amortized.

Agreements and Relationships with Customers - These include: (i) agreements with customers, especially those signed with the top-four telephone service carriers, which are automatically renewed every three years, the most significant of which being that with Oi Participações, which has been renewed in the past several years, being amortized in two years (as of December 31, 2019, this balance was fully amortized); (ii) relationships with customers exist where the entity has information and gets in touch with its customers on a regular basis. Since these relationships are formally established by service agreements, an active customer portfolio has been consolidated. Accordingly, relationships with customers was considered an intangible asset acquired through the transaction and separated from contacts with customers, being amortized in 8 years.

Brand - Considering the brand's recognition by the market, especially regarding existing customers, as well as the economic benefits related to the Bemobi brand, it was considered an intangible asset.

(ii) Software maintenance costs are recognized as expenses as they are incurred. Development costs of new applications and improvements directly attributable to the platforms and software are recognized as intangible assets where capitalization criteria are met. Directly attributed costs that are capitalized as part of the software are substantially related to costs incurred in connection with employees directly allocated to software development.

These intangible assets under development represent the cost of projects still under development until they become operational, at which point the will be transferred to the relevant accounts for these operating assets. Then, these assets start being amortized based on their respective useful lives. In fact, these intangible assets were tested for impairment on September 30, 2020 and December 31, 2019, and no adjustment is required.

Amounts in thousands of Reais (R$), except as indicated otherwise

Changes in intangible assets are as follows:

	Parent Company						Consolidated
	Dec 31, 2019				Sep 30, 2020	Effects of business acquisition (Note 1.1.)	Sep 30, 2020
	Balance	Addition	Disposals	Transfer	Balance	Addition	Balance
Cost							
Acquired identifiable intangible asset	40,674				40,674		40,674
Goodwill due to expected future profitability	154,933				154,933		154,933
Platforms developed	25,831	1			25,832	13,468	39,300
Software purchased from third parties	10,731	217			10,948	8,269	19,217
Platforms under development		6,902			6,902		6,902
Subtotal	232,169	7,120			239,289	21,737	261,026
Accumulated amortization							
Acquired identifiable intangible asset	(18,168)	(6,472)			(24,640)		(24,640)
Goodwill due to expected future profitability							
Platforms developed	(9,877)	(3,546)			(13,423)	(2,793)	(16,216)
Software purchased from third parties	(2,372)	(2,406)			(4,778)	(4,909)	(9,687)
Subtotal	(30,417)	(12,424)			(42,841)	(7,702)	(50,543)
Total, net	201,752	(5,304)			196,448	14,035	210,483

Amounts in thousands of Reais (R$), except as indicated otherwise

As required by the accounting standard, the Company tests goodwill for impairment annually. Management understands that the smallest cash-generating unit for impairment testing is at the entity's own level. This method is in line with the Company's strategic guidance in terms of investments and commercial actions, and also in terms of our sources of revenue and costs.

The Company's management tested the goodwill for impairment on September 30, 2020, and the calculation method adopted was the value-in-use, with key assumptions summarized as follows:

- Growth in revenues and margin of approximately 3% per year (3% per year in 2019), which is in line with the Company's business plan and expected growth in demand from customers and has been prepared for 5 years.

- Increase in general and administrative expenses, which is in line with the inflation projected for Brazil and with the increase in expenses based on the Company's business plan. The Company's estimated inflation for these operating expenses was 4% per year on average (4% per year in 2019), and is in line with the projections prepared by institutions that are representative of the market.

- Because this is a business set up for an indefinite period, a nominal perpetuity growth rate for cash flows has been estimated at 2% per year (2.5% per year in 2019) in relation to the level of knowledge of the business in the last several years and based on Management's past experience.

- Capital expenditure ("CAPEX") in the amount of R$13 million per year, which is in line with the Company's business plan.

- The discount rate for projected cash flows was 11.6% per year (16.3% per year in 2019). The equivalent discount rate for the same value-in-use without an income tax payment flow effect is 17,6% per year (24.7% per year in 2019).

The result of the impairment testing run on September 30, 2020 pointed to no need for a provision for impairment losses.

The useful lives of assets, as estimated by Management, are as follows:

	Useful life
Acquired identifiable intangible asset	2-8 years
Platforms developed (*)	3-5 years
Software purchased from third parties	3-5 years

* Platforms internally developed by the Company. The useful lives of these assets are reassessed annually by the Company's management.

10. LABOR OBLIGATIONS

The balances correspond to the Company's usual obligations in connection with employee compensation and relevant payroll charges. There are no overdue amounts payable for the reported periods.

Amounts in thousands of Reais (R$), except as indicated otherwise

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Provision for vacation pay	2,003	1,563	2,673
Provision for profit-sharing	3,540	4,716	6,231
Salaries payable	1,409	993	1,409
National Institute of Social Security payable	1,876	861	1,876
Unemployment Compensation Fund payable	514	288	514
Withholding Income Tax payable	478	681	766
Other	1,271	302	1,271
Total	11,091	9,404	14,740

11. TAXES PAYABLE

The balances correspond to the Company's usual obligations in connection with taxes payable, except for the payroll charges classified in the preceding item. There are no overdue amounts payable for the reported periods.

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
Corporate Income and Social Contribution Tax (IRPJ and CSLL)	907		907
Social Security Funding Contribution (COFINS)	889	827	889
Social Integration Program (PIS)	192	155	192
Tax on Services (ISS)	1,194	1,951	1,194
Taxes payable abroad			1,673
Other	47	31	47
Total	3,229	2,964	4,902

12. ACCOUNTS PAYABLE

The balances correspond to the Company's usual obligations substantially in connection with trade accounts payables. There are no overdue amounts payable for the reported periods.

	Parent Company		Consolidated
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020
License cost provision (i)	2,747	3,563	23,543
Service and material suppliers (ii)	2,297	3,034	8,106
Other	142	485	124
Total	5,186	7,082	31,773

(i) Amount payable as license cost to application and software developers. These amounts are paid at a percent rate set forth in the relevant agreements.

Amounts in thousands of Reais (R$), except as indicated otherwise

(ii) In the consolidated statement, these are substantially related to accounts payable for third-party services for operating the companies abroad.

13. LEASES

As of September 30, 2020, the Company has two lease agreements on third-party properties that are subject to Technical Pronouncement CPC 06 (R2)/IFRS 16.

One agreement, regarding the property used by the Company's branch in São Paulo, State of São Paulo, was signed in November 2019 for a three-year term and with no purchase option.

In the third quarter of 2020, the Company signed and registered the other agreement, which refers to the new property to be used as the Company's headquarters in Rio de Janeiro, State of Rio de Janeiro, as from September 2020. The agreement is valid for 6 years, with no automatic renewal. Due to this agreement, the Company recorded, as of September 30, 2020, assets and liabilities in the amount of R$2,963. This recognized amount was measured, discounting the minimum contractual payments remaining at present value, and using the incremental funding rate of 8.86% per year, according to the remaining contractual period.

The amounts recognized in the period for this agreement were as follows:

	Parent Company	
	Sep 30, 2020	Dec 31, 2019
Right to use third-party property (property and equipment)	4,174	1,212
Accumulated depreciation of right to use third-party property (property and equipment)	(337)	(34)
Total assets	3,837	1,178
Leases payable (current liabilities)	975	421
Leases payable (non-current liabilities)	2,893	723
Total liabilities	3,868	1,144

	Parent Company			
	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 30, 2020	Jan 1, 2019 to Sep 30, 2019
Depreciation of right to use (expense)	101		303	
Interest on leases (expense)	21		68	
Total income	122		371	
Payments of lease principal	94		276	
Payments of lease interest	21		68	
Total payments	115		344	

Amounts in thousands of Reais (R$), except as indicated otherwise

14. SHAREHOLDERS' EQUITY

14.1. Share capital

The Company's share capital as of September 30, 2020, as fully subscribed and paid-in, is represented by 18,339,103,855 common shares, all of which are registered and with no par value. The share capital breaks down as follows:

	Sep 30, 2020		Dec 31, 2019	
	Shares	Stake	Units	Stake
Bemobi Holding AS	18,339,103,855	100.00%	18,339,103,855	100.00%
Total	18,339,103,855	100.00%	18,339,103,855	100.00%

As set forth in note 1, on August 21, 2020, the Completed its conversion from a limited liability company into a joint stock company. As a result of that conversion process, the *quotas* were converted into shares at the ratio of one *quota* to one common share, all which registered and with no par value.

14.2. Capital Reserve

As of September 30, 2020, the Company has a capital reserve amounting to R$4,123. This amount refers to services provided by Company employees, but which will be paid with stock options from the Company's parent company.

The stock option program, as approved by the controlling shareholders on October 1, 2018, allows Company employees to buy shares in the Company's parent company. The fair value of the stock options granted is recognized as an expense for employees, with a corresponding increase in shareholders' equity.

The fair value of the options granted is measured by the Black & Scholes method, taking into consideration the terms and conditions under which the options were granted.

As of September 30, 2020, the total shares granted under the plan related to the Company is 1,152, at an exercise price of NOK 9,988/BRL 4,914, being the same for all tranches.

The option period is five years, or from the date of grant—October 1, 2018—until October 1, 2023.

The vesting period is four years, commencing on the date the plan is granted and ending on the deadline October 1, 2022, during which the option vesting conditions must be met. The stock option vesting period will be subject to the limit of 25% in the first year, 25% in the second year, 25% in the third year, and 25% in the fourth year.

The Company has formally agreed with its parent company, Bemobi Holding S.A., that the expenses of the stock options plan of its operations in Brazil for the nine-month period ended September 30, 2020 are under the responsibility of the parent company.

Additionally, we should mention that there were no new grants in 2020.

14.3. Profit Reserve

On August 14, 2020, the Company resolved on the proposal to distribute total retained earnings calculated up to July 31, 2020. The effective payment of these dividends is strictly conditioned on the Initial Public Offering ("IPO") that the Company intends to hold until December 31, 2020. Therefore, as the IPO is not under the management's control, the amount of R$186,718 will be recorded in a special reserve account for dividends payable under shareholders' equity.

14.4. Equity valuation adjustment

Represents the amount of R$225,426 regarding the difference between the consideration agreed, in the value of R$290,430, and the book value of net assets purchased, in the amount of R$65,04, as per the details of the company acquisition transaction disclosed in Note 1.1.

14.5. Earnings per share/*quota*

The average number of share/*quotas* (in thousands) in the reported periods is as follows:

Average number of *quotas* as of December 31, 2018	40,767
Quotas issued on September 5, 2019 (capital increase)	17,066,200
Quotas issued on September 23, 2019 (capital increase)	1,232,137
Number of *quotas as* of September 30, 2019	18,339,104
Number of shares as of September 30, 2020	18,339,104
Average number of shares from Jul 1, 2019 to Sep 30, 2019	4,970,966
Average number of shares from Jan 1, 2019 to Sep 30, 2019	1,702,226
Average number of shares from Jan 1, 2020 to Sep 30, 2020	18,339,104

Basic and diluted earnings per share/*quota* in the reported periods are as follows:

	Parent Company			
	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 30, 2020	Jan 1, 2019 to Sep 30, 2019
Net income for the period	9,278	6,101	28,468	28,264
Average number of shares/*q*uotas (in thousands of shares/*q*uotas)	18,339,104	4,970,966	18,339,104	1,702,226
Basic and diluted earnings per share/*q*uota	0.001	0.001	0.002	0.017

15. FINANCIAL INSTRUMENTS

Identification

The Company's relevant financial assets and liabilities are as follows: cash and cash equivalents (see Note 4), trade accounts receivable (see Note 5), accounts payable (see Note 12) and loan with related party (see Note 20.2).

Amounts in thousands of Reais (R$), except as indicated otherwise

Classification

According to the definition provided for in Technical Pronouncement CPC 48/IFRS 9, the Company's material financial instruments may be classified as financial assets subsequently measured at amortized cost and financial liabilities subsequently measured at amortized costs—see table below.

Fair value

The carrying amounts of the Company's financial instruments classified as subsequently measured at amortized cost substantially approach their fair values.

The balances are summarized below.

	Parent Company		Consolidated	
	Sep 30, 2020	Dec 31, 2019	Sep 30, 2020	Dec 31, 2019
Financial assets measured at amortized cost				
Cash and cash equivalents	94,419	61,746	110,116	
Trade accounts receivable	24,107	49,700	86,029	
Loan to related party		8,040		
Financial liabilities measured at amortized cost				
Accounts payable	5,186	7,082	31,773	
Labor obligations	11,091	9,404	14,740	
Leases	3,868	1,144	3,868	
Earn-outs	244,920		244,920	

Financial risk management

The Company's business exposes it to certain financial risks—market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk. Risk management is conducted by the Company's financial department according to policies approved by the executive board for exchange rate risk, interest rate risk, credit risk, liquidity risk, and investments of surplus cash.

The primary risks related to the Company's operation are listed below:

a) Credit Risk

Credit risk relates to the possibility that the Company may incur losses due to non-receipt by its customers. As previously mentioned, the Company's operating activities are substantially carried out in the mobile telephone service segment, so the Company shows a certain concentration of its revenues and accounts receivable on only a few customers, and out of Brazil's top-four mobile telephone service carriers, Oi Móvel S.A., Telefônica Brasil S.A. and CLARO S.A. combined represent 94% of the Company's revenues as of September 30, 2020 (93% as of September 30, 2019).

Amounts in thousands of Reais (R$), except as indicated otherwise

The Company's management understands that, for the reported periods, this is an irrelevant risk because the Group's top customer are major telephone carriers in Brazil, and the Company has no history of losses on accounts receivable.

b) Liquidity risk

The Company's cash and liquidity requirements are monitored by the financial department, with cash requirements determined based on future commitments made to suppliers, employees and others, as well as to keep up an appropriate level of working capital for the operations.

This risk is related to the possibility that the Company may incur losses due to the need to settle its assets in unfavorable situations.

The Company's management understands that, for the reported periods, this is an irrelevant risk because the Company's capital is appropriately managed relative to its operations, and balances of cash and cash equivalents are maintained with major financial institutions.

c) Market risk

Market risk is related to the possibility that the Company may incur losses arising out of fluctuations in market prices of financial instruments due to changes in exchange rates or interest rates, among other reasons.

The Company's management understands that, for the reported periods, the risks to which the Company is exposed substantially arise from factors related to interest rates, especially fluctuations in the Interbank Deposit Certificate (CDI) rate, at which financial investments are remunerated. This potential impact arising out of volatility in interest and exchange rates is periodically assessed to support the decision-making process regarding the risk management strategy.

The Company holds no derivative financial instruments for the reported periods.

The following table breaks down the Company's non-derivative financial liabilities for the period remaining from the balance sheet until the contractual maturity dates.

	Parent Company			
	Less than 1 year	From 1 to 5 years	Above 5 years	Total
As of September 30, 2020				
Trade accounts payable and other obligations	16,277			16,277
Leases	975	2,893		3,868
Earn-outs	244,920			244,920
As of December 31, 2019				
Trade accounts payable and other obligations	16,486			16,486
Leases	421	723		1,144

Amounts in thousands of Reais (R$), except as indicated otherwise

	Consolidated			
	Less than 1 year	From 1 to 5 years	Above 5 years	Total
As of September 30, 2020				
Trade accounts payable and other obligations	46,513			46,513
Leases	975	2,893		3,868
Earn-outs	244,920			244,920
As of December 31, 2019				
Trade accounts payable and other obligations				
Leases				

On September 30, 2020, the primary market risk arising out of the Company's financial instruments relates to financial investments (see Note 4), and refers to the drop of CDIs. As provided for in CVM Instruction No. 475, dated December 17, 2008, the table reflecting a sensitivity analysis is provided below:

Transaction	Risk	Probable Scenario	Scenario II	Scenario III
Financial investments	Fall in CDI Rate	2,977	2,233	1,488

Probable Scenario: Considering that the accumulated annual CDI rate for the past 12 months, as of this reference date, will remain stable (CDI: 3.54% p.a.); the effects that would be recorded in the financial statements for the next 12 months would be a financial income of approximately R$2,977.

Scenario II: Considering a 25% deterioration in relation to the probable scenario.

Scenario III: Considering a 50% deterioration in relation to the probable scenario.

16. NET REVENUES

Revenues comprise the fair value of consideration received or receivable for services provided in the ordinary course of the Company's business. Revenues are stated net of taxes, returns, rebates and discounts.

The Company recognizes revenues when control of the service is transferred to the customer, the revenue amount can be reliably measured, and future economic benefits are likely to flow into the entity. The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction, and specifications of each sale.

The Company's key customers are the top-four mobile telephone service carriers in the Brazilian market. The main services provided by the Company result from apps and various services for use on mobile devices, such as Apps Club, Mobile Couponing, and various digital platforms. Among these, the Company's principal product is Apps Club, a platform serving as a club for apps that enable users to access a catalog of paid apps for the premium segment based on weekly or monthly subscriptions.

The relevant agreements allow telecommunications carriers to offer their customers mobile apps developed by the Company, giving them a subscription-based right to access the app IP. While these agreements include other services provided together with the right to access the IP, these other services are not distinct and, therefore, do not represent a separate performance obligation.

Amounts in thousands of Reais (R$), except as indicated otherwise

Accordingly, upon assessing criteria for recognition of performance obligations under CPC 47/IFRS 15, Management concluded that the revenue is to be recognized over time, as it is over time that the Company transfers control over the service provided. Revenues to be billed between the billing date and the month's end (unbilled revenues) are identified, processed and recognized in the month when the service was provided.

	Controladora			
	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 1, 2020	Jan 1, 2019 to Sep 1, 2019
Services provided	39,556	46,282	120,388	123,910
Gross revenues	39,556	46,282	120,388	123,910
Taxes on revenues (*)	(3,987)	(4,780)	(12,171)	(12,049)
Net revenues	35,569	41,502	108,217	111,861

(*) Income taxes consist of Tax on Services (ISS), the contribution to the Social Integration Program (PIS), and Social Security Funding Contribution (COFINS).

Out of Brazil's top-four mobile telephone service carriers, Oi Móvel S.A., Telefônica Brasil S.A. and CLARO S.A. combined represent 94% of the Company's revenues as of September 30, 2020 (93% as of September 30, 2019).

17. COSTS OF SERVICES PROVIDED

	Parent Company			
	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 1, 2020	Jan 1, 2019 to Sep 1, 2019
Commissions, license costs and acquisition of media	6,945	10,017	22,341	28,911
Laborcosts	4,204	4,122	11,735	8,768
Depreciation and amortization	2,915	3,285	10,019	9,856
Total	14,064	17,424	44,095	47,535

Amounts in thousands of Reais (R$), except as indicated otherwise

18. GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company			
	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 1, 2020	Jan 1, 2019 to Sep 1, 2019
Depreciation and amortization (i)	1,764	1,180	5,242	1,753
Labor expenses	2,360	2,535	7,838	7,159
Third-party services (i)	1,691	1,367	5,093	2,631
Travel expenses	23	256	357	941
Lease (ii)	379	530	1,205	919
Other taxes	122	67	285	181
Other expenses	200	226	607	1,209
Total	6,539	6,161	20,627	14,793

(i) The increase in expenses with depreciation and amortization and third-party services results from the Company's expansion, including the opening of the São Paulo branch, in the State of São Paulo.

(ii) Refers to the payment of lease agreements for a period of less than 12 months or with low value (less than R$20).

19. FINANCIAL INCOME AND EXPENSES

	Parent Company			
	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 1, 2020	Jan 1, 2019 to Sep 1, 2019
Financial income				
Earnings from financial investments	389	521	1,551	1,760
Exchange variations (i)	616		622	
Other revenues	42	34	44	121
	1,047	555	2,217	1,881
Financial expenses				
Exchange variations (ii)		(8,582)		(7,374)
Other expenses	(1,425)	(156)	(1,913)	(489)
	(1,425)	(8,738)	(1,913)	(7,863)
Total	(378)	(8,183)	304	(5,982)

(i) Refers to positive exchange variations on accounts receivable from companies abroad.

Amounts in thousands of Reais (R$), except as indicated otherwise

(ii) Exchange variation expenses in 2019 were substantially due to loans payable to related parties, which were settled by September 2019.

20. RELATED PARTIES

20.1. Key management key personnel

The total compensation of the Company's Executive Board in the 3rd quarter of 2020 was R$700 (R$756 in the 3rd quarter of 2019), adding up to R$2,009 by September 30, 2020 (R$1,510 by September 30, 2019).

20.2. Transactions with related parties

In the periods presented, the Company carried out transactions with the following related parties:

September 30, 2020	Assets	Liabilities	Revenues	Costs and expenses
Bemobi Holding AS		244,920		(101)
		244,920		(101)

December 31, 2019	Assets	Liabilities	Revenues	Costs and expenses
Bemobi Holding AS	8,040		123	
	8,040		123	

As of September 30, 2020, the Company has considerations payable to its parent company, Bemobi Holding AS, in the net amount of R$244,920, that are subject to an interest rate of 5% p.a., without foreign exchange variation.

The amount payable of R$244,920 is the net result between (i) the amount of R$290,430 regarding the acquisition of companies Bemobi International AS, Bemobi Ukraine LLC and Open Markets AS, as per Note 1.1, which should be settled until December 31, 2021; and (ii) the amount of R$45,511 to be received by the Company regarding the five loans granted to Bemobi Holding AS until September 30, 2020, which was offset by the transaction for acquisition of these companies.

Amounts in thousands of Reais (R$), except as indicated otherwise

21. INCOME TAXES

The Company calculates its income taxes based on the taxable income system.

The reconciliation of expenses for IRPJ and CSLL is as follows.

	Parent Company			
	Jul 1, 2020 to Sep 30, 2020	Jul 1, 2019 to Sep 30, 2019	Jan 1, 2020 to Sep 1, 2020	Jan 1, 2019 to Sep 1, 2019
Income before income taxes	14,588	9,734	43,799	43,551
Combined tax rate of CSLL and IRPJ	34%	34%	34%	34%
	4,960	3,310	14,892	14,807
Adjustments to the combined tax rate:				
Other adjustments	350	323	439	480
CSLL and IRPJ	5,310	3,633	15,331	15,287
CSLL and IRPJ current	899	(462)	907	1,573
CSLL and IRPJ deferred	4,411	4,095	14,424	13,714
	5,310	3,633	15,331	15,287

22. INSURANCE

The Company has insurance policies taken out with renown insurance companies in Brazil and that consider the nature and degree of the risk involved. The coverages of these policies are written in accordance with the purposes established by the Company, the practice of corporate risk management and the limitations imposed by the insurance market. The Company's assets directly related to its operations are included in the insurance coverage taken out.

23. TRANSACTIONS THAT DO NOT INVOLVE CASH OR CASH EQUIVALENTS

Acquisition of 100% of the capital stock in companies

As set forth in note 1.1, on September 30, 2020, the Company's management signed three purchase agreements with its direct patent company Bemobi Holding AS, and acquired 100% of the capital stock of Bemobi International AS, Bemobi Ukraine LLC and Open Markets AS for the total amount of R$290,430. This amount was not considered in the preparation of the statement of cash flows, since it did not represent an outflow of cash or cash equivalents.

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