

Q1 2021 Results

Jón Björnsson, CEO

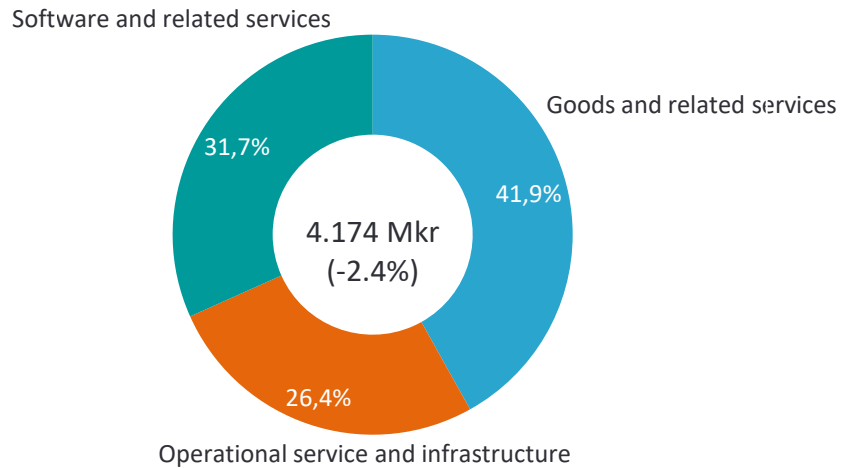
Gunnar Petersen, CFO





Revenue

✓ YoY breakdown of revenue and growth

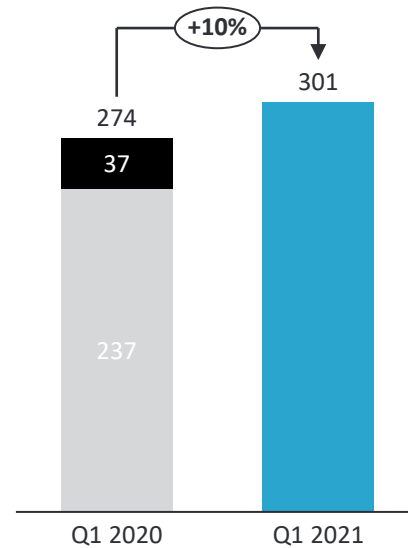


Revenue growth	Q1 2020	Q1 2021
Goods and related services	38.8%	5.2%
Software and related services	5.8%	9.0%
Operational service and infrastructure	15.9%	-21.4%



EBITDA

✓ Q1 2021 and 2020 comparison in ISKm



EBITDA%	Q1 2020	Q1 2021
EBITDA%	5.5%	7.2%
EBITDA%*	6.4%	7.2%



Summary

✓ Revenue

- ✓ Small decline in revenue due to higher infrastructure sales last year
- ✓ Continued revenue growth in end-user equipment
- ✓ Good growth in own software

✓ Earnings

- ✓ Good profitability in end-user equipment
- ✓ Good profitability in software
- ✓ Operating expenses going down
- ✓ Strong quarter at Tempo

✓ Outlook

- ✓ Project status remains strong
- ✓ Travel-related solutions will likely see pick up in revenues

Clear strategy

- ✓ Sound quarter
 - ✓ Underlying sales growth and strengthening in core segments despite a modest decline of 2.4%.
 - ✓ Almost 80% of staff still working remotely.
 - ✓ Increased movement in the IT market.
- ✓ We follow a clear strategy
 - ✓ The company has defined its core segments and embarked on a journey to further strengthen them.
 - ✓ Internal organization has changed in line with strategic areas of focus.
 - ✓ Strong emphasis on streamlining, increasing the company's flexibility and improving its ability to achieve change faster.
 - ✓ Social priorities will play a major role in Origo's operations in the future. Our responsibility to our customers, employees and the community needs to be at the forefront.



**Staff
Q1 2021**

26% female and 74% male



**New hires
Q1 2021**

52% female and 48% male



**Job satisfaction
Q1 2021**

4.2 out of 5.0



**tCO2 Scope 1
Q1 2021**

23t (-12%)



**Sorting rate
Q1 2021**

73.4% (+6.7)

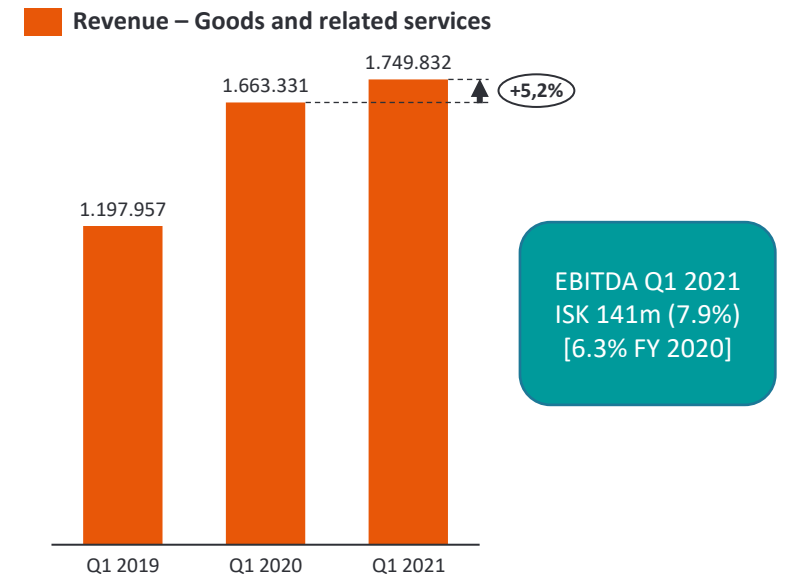


**Recycling rate
Q1 2021**

73.1% (+7.4)

Goods and related services – Continued Sales Growth

- ✓ 5% sales growth on top of the 38% increase seen last year
- ✓ Considerable challenges on the purchase side due to global conditions
 - ✓ Inventory levels too low in some key products due to shortages
- ✓ Record results at Tölvutek
- ✓ Online sales increased 55%, accounting for about 27% of total sales in the segment versus 17% last year
- ✓ Overall the outlook is quite good
 - ✓ Exciting innovations in the product focus for the year.
 - ✓ Continued development of remote solutions for enterprises.
 - ✓ Online store makes it easier for companies to get better terms and increased service.
 - ✓ Service-related solutions have started to yield increased revenue and improved results, partly thanks to strategic adjustments.

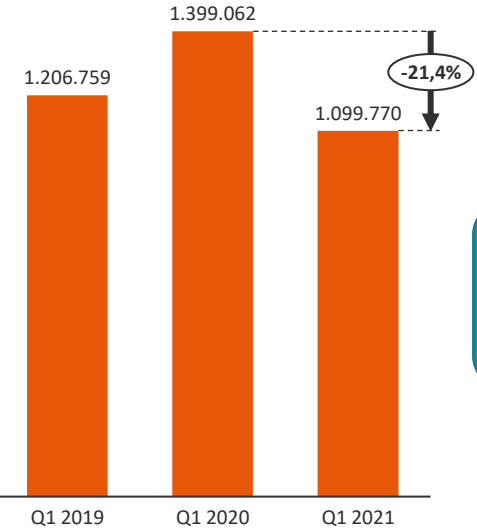


Operational service and infrastructure – Working on Changes



- ✓ Acquired 100% interest in Syndis
 - ✓ Acquisition of Iceland’s most successful security solutions company, which will merge with Origo’s own strong security team under the name Syndis.
 - ✓ Security solutions are a core part of Origo’s operations and the acquisition will make the company a leader in IT security, which is one of the fastest growing sectors in IT.
 - ✓ A strong unit that offers comprehensive digital security services and consulting and develops protection against cyber attacks and identify theft, to name a few of its services.
- ✓ Acquired 30% interest in Datalab
 - ✓ The aim is to strengthen data-driven services and smart solutions. Methods that include the use of AI and data science are used to automate business processes, improve the user experience, increase sales, reduce uncertainty, risk and cost, and increase operational efficiency.
- ✓ Very low infrastructure sales
- ✓ The development of Origo’s data centre environment will be completed in Q2
 - ✓ Reykjanes – Korputorg – Blönduós: We can offer geographical separation of systems and data, as well as operating and monitoring customer services in the cloud
 - ✓ We see opportunities in the utilization of green energy and the development that has taken place in domestic data centres, there is an increased demand for HPC clusters and we are preparing to service customers both in Iceland and abroad

Operational Service and infrastructure



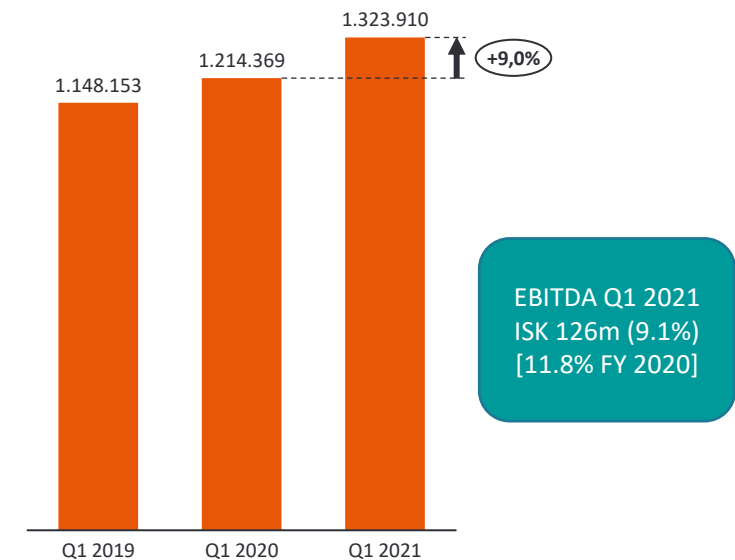
EBITDA Q1 2021
ISK 35m (2.8%)
[5.0% FY 2020]

Continued Investment in Own Software

- ✓ 44% increase in revenue from own software
- ✓ Product Lab – SaaS-focused innovation
 - ✓ 68% revenue increase from start-ups compared to last year
 - ✓ Paxflow: The first third-party owned solution launched in the Bókun marketplace
- ✓ Health solutions
 - ✓ Continued Covid-related projects
 - ✓ Marketing of the Smásaga home nursing app is going well and work is underway to further expand the app's functionality for use in hospitals
- ✓ Kjarni expanded
 - ✓ 5 versions in Q1 2021 following technical design sprints at the end of 2020 that simplify development
 - ✓ Attendance system, additions to the admin website – holidays, salaries, recruitment, etc
- ✓ Strong growth at Unimaze
- ✓ Enterprise solutions
 - ✓ Three products for Business Central available in Microsoft app source and the fourth solution will arrive in Q2
 - ✓ Good project status for SAP and SAP S/4HANA



Software and related services



Tempo – Very Strong Quarter

32% revenue growth and 32% EBITDA

- ✓ 43% increase in EBITDA
- ✓ 8% growth in new customers from year-end 2020
- ✓ 17% increase in the number of Tempo resellers from Q1 2020

Priorities for Q2

- ✓ Further investment in product features and options to connect to other Tempo products
- ✓ Focus on automation function in Tempo Timesheets

Priorities going forward

- ✓ Strong financial position and the company is prepared for further growth. Continued examination of acquisition opportunities to further strengthen Tempo's position as a leader in digital time tracking.
- ✓ Maintain investment in technology to be able to track time everywhere.
- ✓ Enhance Tempo's position outside of Atlassian
- ✓ Mark Lorian hired as CEO



✓ TEMPO TIMESHEETS

Time tracking made easy



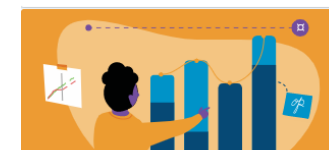
✓ TIMESHEET REPORTS AND GADGETS

Lightweight Time Reporting for Jira



✓ TEMPO PLANNER

The perfect tool for resource management



✓ TEMPO BUDGETS

Extensive financial tracking in Jira



at COST TRACKER

Simple cost tracking for Timesheets Cloud



globe TEMPO SUITE

Seamless migration from Server to Cloud

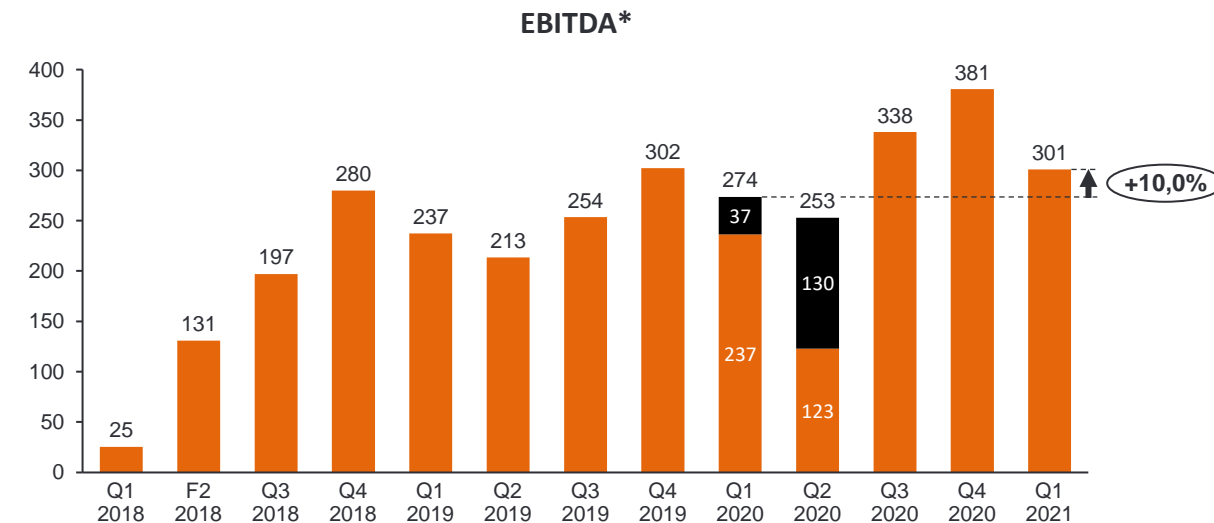
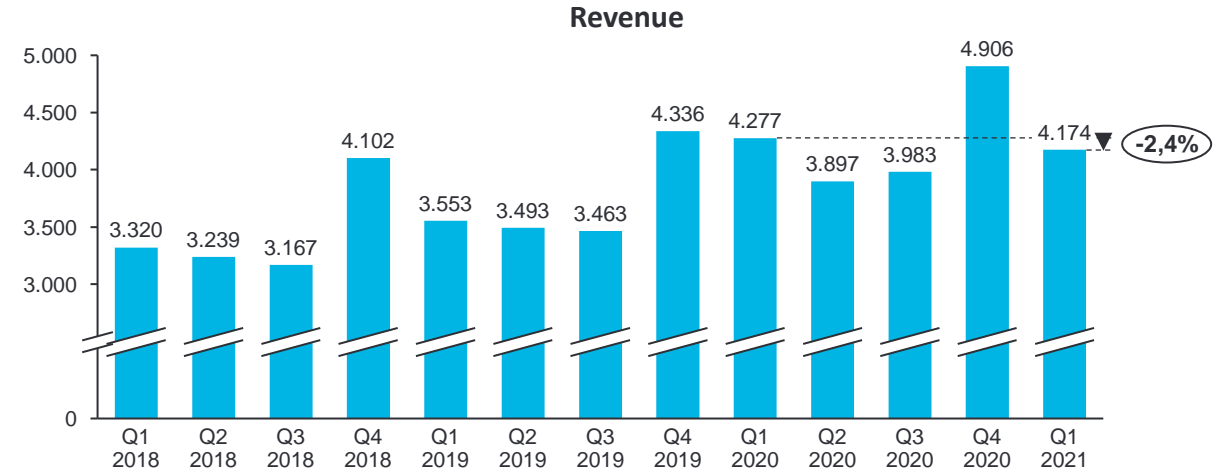
Finances

Gunnar Petersen, CFO



Income Statement Q1 2021 – Lower Revenue but Higher EBITDA

- ✓ **2.4% decline in revenue**
 - ✓ Revenue of ISK 4.2bn
 - ✓ Revenue growth in Software and Related Services as well as End-User Equipment and Related Services
 - ✓ Decline in revenue in Managed Services and Infrastructure
- ✓ **Profit margin of 26.2% versus 24.6% last year**
 - ✓ Gross profit of ISK 1,094m versus ISK 1,050mkr in Q1 2020
- ✓ **Operating costs of ISK 986m**
 - ✓ Operating costs as a percentage of revenue 23.6% versus 23% in the prior year period
- ✓ **EBITDA of ISK 301m**
 - ✓ EBITDA is 7.2% versus *6,4% last year
 - ✓ Good EBITDA in Software and Related Services as well as Goods and Related Services
 - ✓ EBITDA in Operational Services and Infrastructure down from last year



Income Statement Q1 2021 - Operating profit up from Last Year

- ✓ **Net financial expenses of ISK 16m**
 - ✓ An ISK 100m foreign exchange loss in the prior year quarter
- ✓ **Large increase in the earnings of Tempo, an Origo associate**
- ✓ **Translation difference in respect of subsidiaries and associates was negative by ISK 18m in Q1 2021**
 - ✓ A positive figure of ISK 460m last year; this is largely due to the interest in Tempo
- ✓ **Total comprehensive income in the period of ISK 163m**

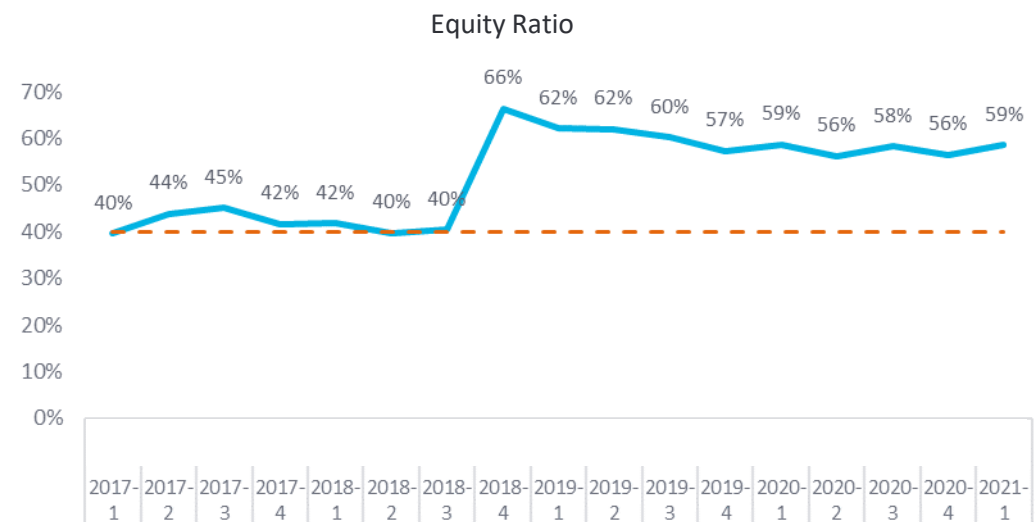
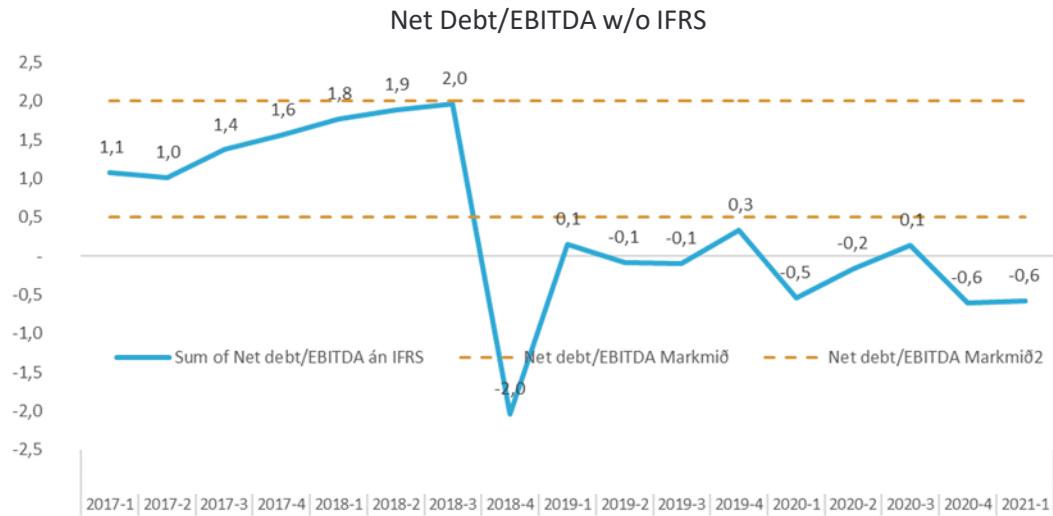
In ISK million	1.1.-31.3. 2021	1.1.-31.3. 2020	%
Goods and services sold	4,174	4,277	-2.4%
Cost of goods and services sold	(3,079)	(3,227)	-4.6%
Gross profit	1,094	1,050	4.2%
<i>Gross profit/revenue (%)</i>	26.2%	24.6%	
Operating expenses	(986)	(983)	0.3%
Operating profit	108	68	59.8%
<i>Operating profit/revenue (%)</i>	2.6%	1.6%	
Net financial expense	(16)	(126)	
Share of profit of associate	103	11	
Income tax	(14)	12	
Profit (loss) for the period	181	(35)	
Other comprehensive income	(18)	460	
Total comprehensive income for the period	163	425	
EBITDA	301	237	
<i>EBITDA%</i>	7.2%	5.5%	

No Major Balance Sheet Changes

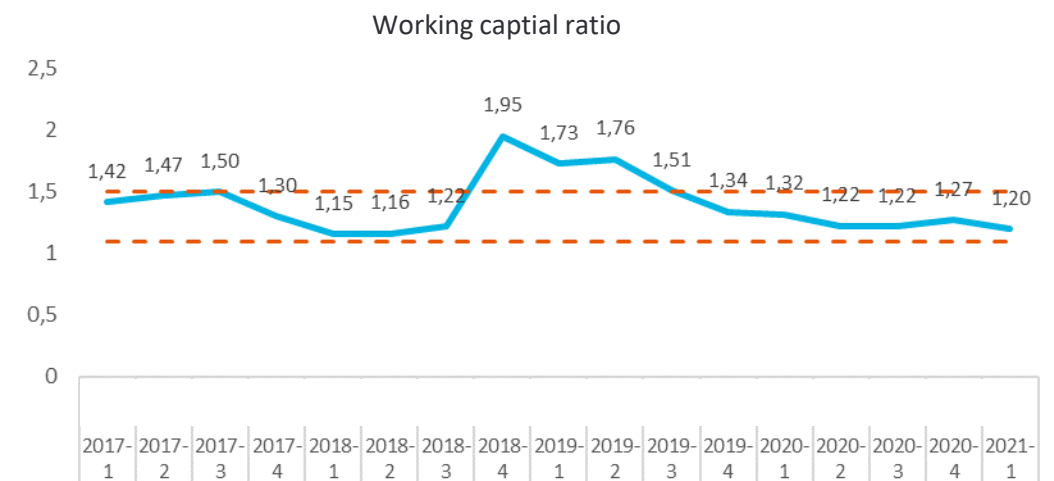
- ✓ Non-Current assets up by ISK 202m in Q1 2021
 - ✓ ISK 129m increase in investment in an associate
 - ✓ ISK 185m increase in intangible assets
- ✓ Current assets down by ISK 317m in the first quarter
 - ✓ Trade receivables and other receivables down by ISK 278m
- ✓ Strong balance sheet and the company is well positioned to support further revenue growth

In ISK million	31.03.2021	31.12.2020
Property and equipment	1,771	1,876
Intangible assets	3,091	2,906
Deferred income tax asset	0	5
Investment in associate	3,070	2,941
Securities and other long-term receivables	298	300
Non-Current assets	8,230	8,028
Inventories	1,404	1,453
Trade receivables and other receivables	1,432	1,710
Cash and cash equivalents	1,184	1,173
Current assets	4,019	4,336
Total assets	12,249	12,364
Total Equity	7,176	7,012
Non-current loans and borrowings	596	641
Lease liability	1,121	1,304
Deferred income tax liability	10	0
Non-Current liabilities	1,727	1,945
Next year payment of lease liability	382	326
Current loans and borrowings	86	102
Trade payables and other payables	2,878	2,978
Current liabilities	3,346	3,406
Total equity and liabilities	12,249	12,364

Sound Balance Sheet

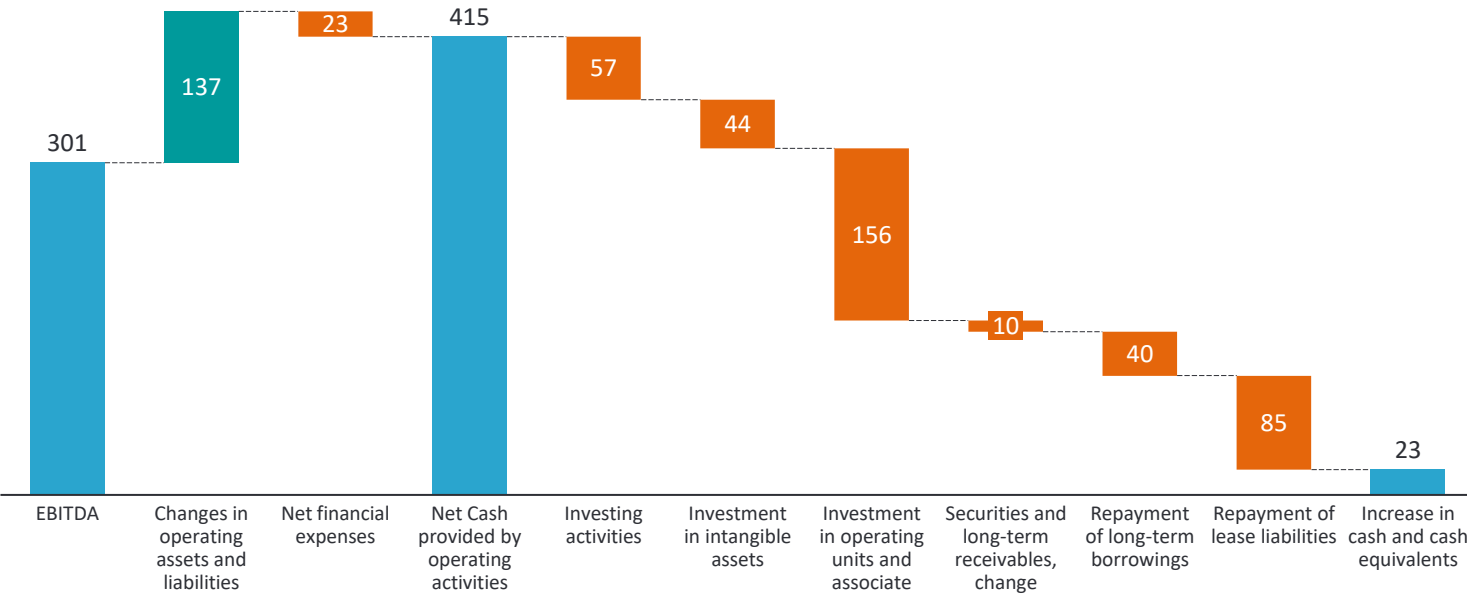


In ISK million	31.03.2021	31.12.2020
Non-Current assets	8,230	8,028
Current assets	4,019	4,336
Total assets	12,249	12,364
Equity	7,176	7,012
Non-Current liabilities	1,727	1,945
Current liabilities	3,346	3,406
Total equity and liabilities	12,249	12,364



Strong Cash Flow

- ✓ Q1 profit of ISK 181m before translation difference
- ✓ Depreciation of ISK 193m
- ✓ Net financial expenses of ISK 16m
- ✓ Changes in operating items positive by ISK 137m
- ✓ Cash from operations was ISK 415m
- ✓ Investments of ISK 267m
 - ✓ ISK 57m in property and equipment
 - ✓ ISK 44m in intangible assets
 - ✓ ISK 125m in operating units less cash acquired
 - ✓ ISK 31m in associate
- ✓ Repayment of lease liabilities of ISK 85m
- ✓ Cash and cash equivalents up by ISK 23m



Outlook



Areas of focus

- ✓ Greater emphasis on units independence
- ✓ Focus on optimisation and flexibility
- ✓ Changes in the Operational services and infrastructure section of Origo's operations
- ✓ Continued investment in own software and strengthening of the leading position of core units
- ✓ New strategic approach to sales and marketing



Environment

- ✓ Large transformation projects in the pipeline
- ✓ Information security and data handling have become vital components of business operations
- ✓ The travel industry will hopefully recover
- ✓ Investment in IT-related companies expected to continue



Questions

