

Origo hf. – Origo hf. sells its holding in Tempo -

Reykjavík, October 5, 2022

This evening an agreement was reached on a binding purchase agreement between Origo hf. (Origo) and Diversis Tempo Holdings II, LLC, a company managed by the US technology investment fund Diversis Capital (Diversis) regarding Origo's sale of its entire holding in Tempo Ultimate Parent, LLC (Tempo) to Diversis. Origo's holding in Tempo was just below 40%.

The value of Tempo in the transaction (Enterprise Value) is about USD 600 million. Under the purchase agreement, Origo will receive a cash payment of USD 195 million in consideration for its ownership stake.

Origo's estimated profit from the sale is about USD 156 million, considering the book value and transaction expenses.

It is clear that the sale of Tempo will have a significant positive effect on Origo's balance sheet, as liquidity will be strengthened and the potential for internal and external growth will be significant. Origo's board and management will work on a proposal for the allocation of proceeds, which will be presented to shareholders in the near future.

Hjalti Þórarinnsson, chairman of the board of directors of Origo:

"This is an important milestone for Origo and Tempo after a 15-year journey. A major step was taken in November 2018 when Origo sold a majority stake in the company to Diversis Capital with the aim of bringing in co-investors with international experience to accelerate the company's growth and increase value for Origo's shareholders.

The journey that Origo set out with Diversis as a partner has been completed with great success. The value of Tempo has increased eightfold since the fall of 2018. Origo's profitability from this transaction is exceptional and Origo's shareholders are realizing great value."

Jón Björnsson, CEO of Origo:

"For years, Origo has placed great emphasis on innovation and software development as part of the company's culture and operations. Tempo started as an idea by Origo employees in 2008 and has grown and prospered since then.

The sale of a majority stake in the company to Diversis Capital in 2018 turned out to be a very good decision by Origo. Diversis' success with Tempo has exceeded expectations. Tempo is now at a certain crossroads in its journey after the acquisition of two new companies, which

more than doubles the company's size.

Tempo's journey clearly shows how excellent staff, Icelandic ingenuity, support from owners and the government can create great value in the software sector. Origo continues to develop game-changing solutions like Tempo has done, and we hope that more software products can have the same successful career as Tempo.

We wish the employees of Tempo and Diversis all the best and give our thanks for the cooperation over the last few years and hopefully the company will continue to grow and prosper as before."

Origo's advisors in the transaction were LOGOS, AGC Partners and McGuireWoods. The transaction will be explained in more detail at Origo's investors meeting on Monday, October 31.

More information about Diversis Capital <http://diversiscapital.com/>

More information about Tempo <https://www.tempio.io/>

More information about Origo hf. <https://www.origo.is/>

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Attachments

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