

Origo hf.
Condensed Consolidated Interim
Financial Statements*
31 March 2021

*These condensed consolidated interim financial statements are translated from the original which is in Icelandic. Should there be discrepancies between the two versions, the Icelandic version will take priority over the translated version.

Origo hf.
Borgartún 37
105 Reykjavík

Reg. no. 530292-2079
Origo hf.

Contents

| | |
|---|---|
| Endorsement and Statement by the Board of Directors and the CEO | 3 |
| Consolidated Statement of Comprehensive Income | 4 |
| Consolidated Statement of Financial Position | 5 |
| Consolidated Statement of Changes in Equity | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Consolidated Financial Statements | 8 |

Endorsement and Statement by the Board of Directors and the CEO

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34. The statements include the consolidated accounts of Origo hf. and its subsidiaries. The Group consists of five companies. The consolidated interim financial statement is neither audited nor reviewed by the groups auditors.

According to the statement of comprehensive income, profit amounted to ISK 163 million for the period 1 January - 31 March 2021. Sale of goods and services amounted to ISK 4,174 million during the period. According to the statement of financial position, the Group's equity at the end of the period amounted to ISK 7,176 million.

In the first quarter the Company purchased 30% holding in the technology company Datalab ehf. which develops solutions based on artificial intelligence technology and provides services on the utilization of such solutions. At the end of March the Company purchased 100% of the holdings in the cyber security company Syndis ehf. With the purchase the cyber security solutions of Origo and Syndis will merge under the Syndis brand. The purpose of the acquisition is to create a strong entity that offers comprehensive cyber security services and develops protection against cyber attacks, data - and identity theft.

In the past twelve months, the Board of Directors and management of Origo hf. have taken measures to prepare the Company for the circumstances created by the Covid-19 pandemic and its economic consequences. The Company is well positioned to cope with these unprecedented conditions, both in terms of its ability to make the necessary adjustments to customer services and its financial and liquidity position.

Nevertheless, given the great uncertainty surrounding the economic outlook over the next few months, it is still necessary to exercise extreme caution by further reinforcing the Company's long-term position. The measures taken by management are first and foremost aimed at ensuring business continuity in order to minimise disruption to Origo's services. The Company currently services a number of businesses and institutions which play a socially important role, including related to the Icelandic health care system, civil protection, transport, financial services and retail. Secondly, specific measures will be taken to ensure that the Company will have sufficient financial strength and liquidity to meet the unforeseen circumstances referred to above. As part of these measures, it was decided at the Company's annual general meeting this past March not pay dividends related to the Company's operations in 2020.

Statement by the Board of Directors and the CEO

According to our best knowledge the consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and it is the Board of Directors' and the CEO's opinion that the consolidated interim financial statements give a true and fair view of the consolidated interim financial performance of the Group for the period 1 January to 31 March 2021, its assets, liabilities and consolidated financial position as at 31 March 2021 and its consolidated cash flows for the period 1 January to 31 March 2021.

Furthermore, it is the Board of Director's and the CEO's opinion that the consolidated interim financial statements and the Endorsement by the Board of Directors and the CEO gives a fair view of the development and performance of the Group's operations and its position and describes the principal risks and uncertainties faced by the Group.

The Board of Directors and the CEO of Origo hf. have today discussed the consolidated interim financial statements of the Company for the period 1 January - 31 March 2021 and confirm them by means of their signatures.

Reykjavík, 29 April 2021

Board of Directors:

Hjalti Þórarinnsson

Auður Björk Guðmundsdóttir

Guðmundur Jóhann Jónsson

Hildur Dungal

Ívar Kristjánsson

CEO:

Jón Björnsson

Consolidated Statement of Comprehensive Income

1 January to 31 March 2021

| | Notes | 2021 1.1.-31.3. | 2020 1.1.-31.3. |
|---|-------|--------------------|--------------------|
| Sales of goods and services | 5 | 4.173.512 | 4.276.762 |
| Cost of goods sold and cost of services..... | | (3.079.475) | (3.226.519) |
| Gross profit | | 1.094.037 | 1.050.243 |
| Operating expenses | | (985.901) | (982.573) |
| Operating profit | | 108.136 | 67.670 |
| Finance income | | 13.854 | 5.969 |
| Finance expenses | | (29.490) | (131.994) |
| Net finance expense | 6 | (15.636) | (126.025) |
| Share of profit of associates | | 102.643 | 10.751 |
| Profit (loss) before income tax | | 195.143 | (47.604) |
| Income tax | | (14.278) | 12.141 |
| Profit (loss) for the period | | 180.865 | (35.463) |
| Other comprehensive income: | | | |
| Foreign currency translation differences for foreign operations | 8 | (17.558) | 459.997 |
| Total comprehensive income for the period | | 163.307 | 424.534 |
| EBITDA | | 300.898 | 236.507 |
| Profit (loss) attributable to: | | | |
| Shareholders of the Company | | 179.378 | (38.652) |
| Non-controlling interests | | 1.487 | 3.189 |
| Profit (loss) for the period | | 180.865 | (35.463) |
| Total comprehensive income attributable to: | | | |
| Shareholders of the Company | | 161.820 | 421.345 |
| Non-controlling interests | | 1.487 | 3.189 |
| Total comprehensive income for the period: | | 163.307 | 424.534 |
| Earnings (loss) per share: | | | |
| Basic earnings (loss) per share (ISK) | | 0,42 | (0,08) |
| Diluted earnings (loss) per share (ISK) | | 0,40 | (0,08) |

Consolidated Statement of Financial Position

1 January to 31 March 2021

| | Notes | 31.3.2021 | 31.12.2020 |
|---|--------------|------------------|-------------------|
| Assets: | | | |
| Property and equipment | | 1.771.364 | 1.875.914 |
| Intangible assets | 7 | 3.091.316 | 2.906.019 |
| Deferred income tax asset..... | | 0 | 4.797 |
| Investment in associate | | 3.069.548 | 2.940.938 |
| Securities and long-term receivables..... | | 297.545 | 300.288 |
| Non-current assets | | 8.229.773 | 8.027.956 |
| Inventories | | 1.403.505 | 1.453.309 |
| Trade receivables and other receivables | | 1.431.653 | 1.709.999 |
| Cash and cash equivalents | | 1.183.891 | 1.172.714 |
| Current assets | | 4.019.049 | 4.336.022 |
| Total assets | | 12.248.822 | 12.363.978 |
| Equity: | | | |
| Share capital | | 434.857 | 434.857 |
| Share premium | | 121.456 | 121.456 |
| Reserves | 8 | 3.141.928 | 3.133.371 |
| Retained earnings | | 3.447.323 | 3.294.060 |
| Equity of shareholders in the parent company | | 7.145.564 | 6.983.744 |
| Non controlling interest | | 30.179 | 28.692 |
| Total Equity | | 7.175.743 | 7.012.436 |
| Liabilities: | | | |
| Non-current loans and borrowings | | 595.775 | 640.789 |
| Lease liability..... | | 1.121.187 | 1.304.446 |
| Deferred income tax liability..... | | 9.618 | 0 |
| Non-Current liabilities | | 1.726.580 | 1.945.235 |
| Next year payment of lease liability..... | | 381.970 | 326.193 |
| Current loans and borrowings | | 86.336 | 102.469 |
| Trade payables and other payables | | 2.878.193 | 2.977.645 |
| Current liabilities | | 3.346.499 | 3.406.307 |
| Total liabilities | | 5.073.079 | 5.351.542 |
| Total equity and liabilities | | 12.248.822 | 12.363.978 |

Consolidated Statement of Changes in Equity

1 January to 31 March 2021

| | Share Capital | Share premium | Reserves | Retained earnings | Equity of shareholders in the parent company | Non- controlling interest | Total equity |
|--|------------------|------------------|------------------|----------------------|---|---------------------------------|------------------|
| 1 January - 31 March 2021 | | | | | | | |
| Equity at 31 December 2021 ... | 434.857 | 121.456 | 3.133.371 | 3.294.060 | 6.983.744 | 28.692 | 7.012.436 |
| Total comprehensive income for the period | | | (17.558) | 179.378 | 161.820 | 1.487 | 163.307 |
| Transferred to restricted reserves .. | | | 26.115 | (26.115) | 0 | | 0 |
| Equity at 31 March 2021 | <u>434.857</u> | <u>121.456</u> | <u>3.141.928</u> | <u>3.447.323</u> | <u>7.145.564</u> | <u>30.179</u> | <u>7.175.743</u> |
| 1 January - 31 March 2020 | | | | | | | |
| Equity at 31 December 2020 ... | 436.105 | 152.936 | 2.632.498 | 3.568.871 | 6.790.410 | 26.969 | 6.817.379 |
| Total comprehensive income for the period | | | 459.997 | (38.652) | 421.345 | 3.189 | 424.534 |
| Transferred to restricted reserves .. | | | 79.921 | (79.921) | 0 | | 0 |
| Acquisition of treasury shares .. | (1.248) | (31.480) | | | (32.728) | | (32.728) |
| Equity at 31 March 2020 | <u>434.857</u> | <u>121.456</u> | <u>3.172.416</u> | <u>3.450.298</u> | <u>7.179.027</u> | <u>30.158</u> | <u>7.209.185</u> |

Consolidated Statement of Cash Flows

1 January to 31 March 2021

| | Notes | 2021 1.1.-31.3. | 2020 1.1.-31.3. |
|--|-------|--------------------|--------------------|
| Operating activities: | | | |
| Profit (loss) for the period | | 180.865 (| 35.463) |
| Adjustments for: | | | |
| Depreciation | | 192.762 | 168.837 |
| Net finance expenses | 6 | 15.636 | 126.025 |
| Share of loss of associate | | (102.643) | (10.751) |
| Income tax | | 14.278 (| 12.141) |
| | | <u>300.898</u> | <u>236.507</u> |
| Changes in operating assets and liabilities: | | | |
| Inventories, decrease | | 40.407 | 144.545 |
| Trade receivables and other receivables, decrease (increase) | | 350.573 (| 39.025) |
| Trade payables and other payables, decrease | | (254.331) | (21.471) |
| Changes in operating assets and liabilities | | <u>136.649</u> | <u>84.049</u> |
| Interest income received | | 6.562 | 5.969 |
| Interest expenses paid | | (29.490) | (31.990) |
| | | (22.928) | (26.021) |
| Net cash provided by operating activities | | <u>414.619</u> | <u>294.535</u> |
| Investing activities: | | | |
| Investment in property and equipment | | (57.234) | (23.347) |
| Investments in operating units less cash acquired | | (125.098) | 0 |
| Investment in associate | | (31.038) | 0 |
| Investment in intangible assets | 7 | (43.820) | (63.587) |
| Securities and long-term receivables, change | | (9.494) | (1.008) |
| Investing activities | | <u>(266.684)</u> | <u>(87.942)</u> |
| Financing activities: | | | |
| Acquisition of treasury share | | 0 (| 32.728) |
| Repayment of long-term of borrowings | | (39.667) | (14.922) |
| Repayment of lease liabilities | | (85.278) | (87.184) |
| Financing activities | | <u>(124.945)</u> | <u>(134.834)</u> |
| Increase in cash and cash equivalents | | 22.990 | 71.759 |
| Effect of exchange rate fluctuations on cash held | | (11.813) | 2.279 |
| Cash and cash equivalents at beginning of the year | | <u>1.172.714</u> | <u>825.847</u> |
| Cash and cash equivalents at the end of the period | | <u>1.183.891</u> | <u>899.885</u> |
| Non cash investment and financing activities | | | |
| Investment in operating units | | (160.000) | 0 |
| Unpaid purchasing price | | 160.000 | 0 |

Notes

1. Reporting entity

Origo hf. ("the Company") is a limited company domiciled in Iceland. The address of the Company's registered office is Borgartún 37, Reykjavík. The consolidated interim financial statements include the interim financial statements of the Company and its subsidiaries, together referred to as the "Group" and individually as "Group entities".

The Company's aim is to provide its customers complete solutions in the field of information technology with developing software, providing hardware and software, office equipment and technical services.

2. Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34. The condensed interim financial statements of Origo hf. do not include all of the information required in complete annual financial statements and should be read together with the Group's 2020 annual financial statements.

The Company's Board of Directors approved its interim financial statements on the 29. of April 2021.

3. Significant accounting policies

The same accounting policies are followed in preparing the interim financial statements as were used in preparing the Group's annual financial statements for 2020. The annual financial statements can be obtained from the Company or its website, www.origo.is, and on the website of OMX Nordic Exchange in Iceland, www.nasdaqomxnordic.com.

The interim financial statements are prepared in Icelandic krónur (ISK), which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand. The statements have been prepared on the historical cost basis except company's buildings are recorded at a remeasured value which is the fair value on the day of remeasurement less accumulated depreciation.

4. Estimates and judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

5. Segment reporting

| | Goods and related services | Operational service and infrastructure | Software, and related services | Total |
|---|----------------------------|--|--------------------------------|------------|
| 1 January - 31 March 2021 | | | | |
| Sales of goods and services | 1.749.832 | 1.099.770 | 1.323.910 | 4.173.512 |
| Segment result (EBITDA) | 140.622 | 34.599 | 125.677 | 300.898 |
| Depreciation | (33.239) | (84.645) | (74.878) | (192.762) |
| Net finance expense | | | | (15.636) |
| Share of profit of associate | | | | 102.643 |
| Income tax | | | | (14.278) |
| Profit for the period | | | | 180.865 |
| Foreign currency translation differences for foreign operations | | | | (17.558) |
| Total comprehensive income for the period | | | | 163.307 |

Notes, contd.:

5. Segment reporting, contd.:

| | Goods and related services | Operational service and infrastructure | Software and related service | Total |
|--|----------------------------------|--|------------------------------------|------------|
| 1 January - 31 March 2020 | | | | |
| Sales of goods and services | 1.688.813 | 1.374.857 | 1.213.092 | 4.276.762 |
| Segment result (EBITDA) | 73.092 | 71.242 | 92.173 | 236.507 |
| Depreciation | (29.630) | (77.918) | (61.289) | (168.837) |
| Net finance expense | | | | (126.025) |
| Share of profit of associate | | | | 10.751 |
| Income tax | | | | 12.141 |
| Loss for the period | | | | (35.463) |
| Foreign currency translation differences for foreign operations | | | | 459.997 |
| Total comprehensive income for the period | | | | 424.534 |

6. Finance income and expense

Finance income are specified as follows:

| | 2021 1.1-31.3. | 2020 1.1-31.3. |
|------------------------------|-------------------|-------------------|
| Interest income | 6.562 | 5.969 |
| Net currency income | 7.292 | 0 |
| Total financial income | 13.854 | 5.969 |

Finance expenses are specified as follows:

| | | |
|-------------------------------|-----------|------------|
| Interest expense | (29.490) | (31.990) |
| Net currency loss | 0 | (100.004) |
| Total financial expense | (29.490) | (131.994) |
| Net finance expense | (15.636) | (126.025) |

7. Intangible assets

Intangible assets, amortisation and impairment losses are specified as follows:

| | Goodwill | Software | Total |
|---|-----------|-----------|-----------|
| Cost | | | |
| Balance at 1.1.2020 | 2.018.198 | 1.252.750 | 3.270.948 |
| Investments in internal software | 0 | 184.337 | 184.337 |
| Investments during the year | 0 | 113.872 | 113.872 |
| Transferred | 0 | 18.280 | 18.280 |
| Effect of movements in exchange rates | 41.255 | 0 | 41.255 |
| Balance at 31.12.2020 | 2.059.453 | 1.569.239 | 3.628.692 |
| Effects of acquisition of operating units | 226.360 | 0 | 226.360 |
| Investments in internal software | 0 | 40.000 | 40.000 |
| Investments during the period | 0 | 3.820 | 3.820 |
| Effect of movements in exchange rates | (16.576) | 0 | (16.576) |
| Balance 31.3.2021 | 2.269.237 | 1.613.059 | 3.882.296 |
| Amortisation and impairment losses | | | |
| Balance at 1.1.2020 | 137.481 | 288.574 | 426.055 |
| Impairment | 85.115 | 0 | 85.115 |
| Amortisation | 0 | 211.503 | 211.503 |
| Balance at 31.12.2020 | 222.596 | 500.077 | 722.673 |
| Amortisation | 0 | 68.307 | 68.307 |
| Balance at 31.3.2021 | 222.596 | 568.384 | 790.980 |

Notes, contd.:

7. Intangible assets, contd.:

| | Goodwill | Software | Total |
|---------------------------|-----------------|-----------------|--------------|
| Carrying amounts | | | |
| 1.1.2020 | 1.880.717 | 964.176 | 2.844.893 |
| 31.12.2020 | 1.836.857 | 1.069.162 | 2.906.019 |
| 31.3.2021 | 2.046.641 | 1.044.675 | 3.091.316 |
| Depreciation ratios | | 10 - 25% | |

A part of Origo hf.'s operations is developing and selling software. In accordance with international financial reporting standards ISK 40 million were booked as assets as a result of the group's development software. When estimating the values of development costs, costs are measured from the day a projects fulfils all requirements for capitalisation. Other development cost is moved to expenses when incurred.

Intangible assets developed within the group are booked at historical costs minus the accumulated depreciation as if a purchased asset. The booked value of intangible assets is reviewed in order to estimate possible impairment. If there is a possible impairment the recoverable amount of the asset is revalued. Impairment tests for goodwill are conducted at least once a year.

8. Equity

Reserves are specified as follows:

| | Translation Reserve | Restricted share reserve | Capitalized R&D reserve | Total |
|--------------------------------|--------------------------------|-------------------------------------|--|--------------|
| Balance at 1.1.2020 | 170.273 | 2.336.940 | 125.285 | 2.632.498 |
| Change during the period | 459.997 | 19.336 | 60.585 | 539.918 |
| Balance at 31.3.2020 | 630.270 | 2.356.276 | 185.870 | 3.172.416 |
| Balance at 1.1.2021 | 326.009 | 2.541.424 | 265.938 | 3.133.371 |
| Change during the period | (17.558) | 6.300 | 19.815 | 8.557 |
| Balance at 31.3.2021 | 308.451 | 2.547.724 | 285.753 | 3.141.928 |

The Company's share capital according to its Articles of Association amounts to ISK 435 million. Each share has the nominal value of one ISK. One vote is attached to each share in the Company. The Company holds treasury shares in the nominal value of ISK 0.1 million, recognised as decrease in equity.

Notes, contd.:

9. Other matters

In the past twelve months, the Board of Directors and management of Origo hf. have taken measures to prepare the Company for the circumstances created by the Covid-19 pandemic and its economic consequences. The Company is well positioned to cope with these unprecedented conditions, both in terms of its ability to make the necessary adjustments to customer services and its financial and liquidity position.

Nevertheless, given the great uncertainty surrounding the economic outlook over the next few months, it is still necessary to exercise extreme caution by further reinforcing the Company's long-term position. The measures taken by management are first and foremost aimed at ensuring business continuity in order to minimise disruption to Origo's services. The Company currently services a number of businesses and institutions which play a socially important role, including related to the Icelandic health care system, civil protection, transport, financial services and retail. Secondly, specific measures will be taken to ensure that the Company will have sufficient financial strength and liquidity to meet the unforeseen circumstances referred to above. As part of these measures, the Board of Directors decided at the Company's annual general meeting this past March not pay dividends related to the Company's operations in 2020.

10. Financial Ratios

Financial ratios for the consolidated interim financial statements:

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | 1.1.-31.3. | 1.1.-31.3. |
| Statement of comprehensive income: | | |
| Inventory turnover - Cost of goods sold / Inventory at end of period | 5,4 | 4,8 |
| Receivables turnover - Receivables at end of period / Sales of goods and services | 21 | 23 |
| Salary and salary related expenses / Sales of goods and services | 43,7% | 41,3% |
| Operating expenses / Sales of goods and services | 23,6% | 23,2% |
| EBITDA / Sales of goods and services | 7,2% | 5,5% |
| Profit for the period / Sales of goods and services | 2,6% | 1,6% |
| Statement of financial position: | | |
| Current ratio | 1,20 | 1,32 |
| Equity ratio | 58,6% | 58,7% |

Notes, contd.:

Quarterly statements

Summary of the Group's results by quarters:

| | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sales of goods and services | 4.173.512 | 4.906.077 | 3.982.747 | 3.896.760 | 4.276.762 |
| Cost of goods sold and cost of sold services | <u>(3.079.475)</u> | <u>(3.674.722)</u> | <u>(2.983.187)</u> | <u>(2.962.659)</u> | <u>(3.226.519)</u> |
| Gross profit | 1.094.037 | 1.231.355 | 999.560 | 934.101 | 1.050.243 |
| Operating expense | <u>(985.901)</u> | <u>(1.066.237)</u> | <u>(856.888)</u> | <u>(978.835)</u> | <u>(982.573)</u> |
| Operating profit (loss) | 108.136 | 165.118 | 142.672 | (44.734) | 67.670 |
| Finance income | 13.854 | 5.722 | 7.591 | 11.511 | 5.969 |
| Finance Expense | <u>(29.490)</u> | <u>(13.155)</u> | <u>(58.272)</u> | <u>(12.080)</u> | <u>(131.994)</u> |
| Net finance expense | <u>(15.636)</u> | <u>(7.433)</u> | <u>(50.681)</u> | <u>(569)</u> | <u>(126.025)</u> |
| Share of profit in associate..... | 102.643 | 72.455 | 13.097 | 35.240 | 10.751 |
| Profit (loss) before income tax | <u>195.143</u> | <u>230.140</u> | <u>105.088</u> | <u>(10.063)</u> | <u>74.681</u> |
| Income Tax | <u>(14.278)</u> | <u>(28.524)</u> | <u>(15.392)</u> | <u>6.263</u> | <u>12.141</u> |
| Profit (loss) for the period | <u>180.865</u> | <u>201.616</u> | <u>89.696</u> | <u>(3.800)</u> | <u>(35.463)</u> |
| Other comprehensive income | | | | | |
| Foreign currency translation differences for foreign operations | <u>(17.558)</u> | <u>(254.882)</u> | 182 | <u>(49.561)</u> | 459.997 |
| Other comprehensive income (loss) for the period | <u>(17.558)</u> | <u>(254.882)</u> | 182 | <u>(49.561)</u> | 459.997 |
| Total comprehensive income (loss) for the period | <u>163.307</u> | <u>(53.266)</u> | <u>89.878</u> | <u>(53.361)</u> | <u>424.534</u> |
| EBITDA | 300.898 | 380.619 | 338.227 | 123.132 | 236.507 |