



Q3 2021 Results

Jón Björnsson, CEO

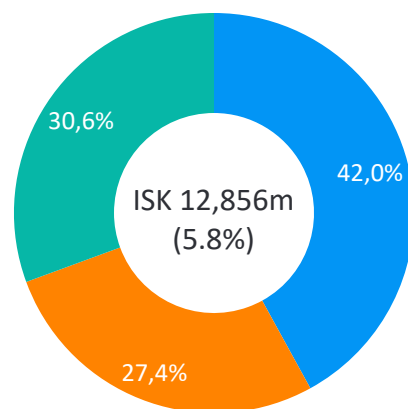
Gunnar Petersen, CFO

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Revenue

✓ YoY revenue breakdown and growth



■ End-user equipment
■ Operational service and infrastructure solutions
■ Software

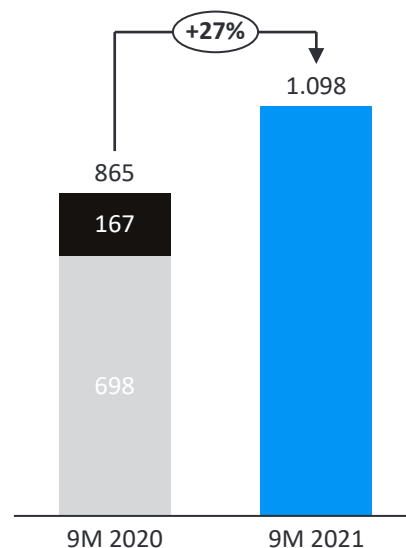
Revenue growth	9M 2020	9M 2021
End-user equipment	19.8%	17.2%
Software	7.3%	7.1%
Managed services	19.6%	-9.1%

*Adjusted for one-time costs



EBITDA

✓ 9M 2021 and 9M 2020 comparison in ISKm



EBITDA%	9M 2020	9M 2021
EBITDA%	5,7%	8,5%
EBITDA%*	7,1%	8,5%



Summary

✓ Revenue

- ✓ 5.8% 9M revenue growth from 2020
- ✓ 17% growth in end-user equipment
- ✓ 33% growth in own software
- ✓ Decline in Operational service and infrastructure solutions due to lower product sales during the period

✓ Earnings

- ✓ Good results in end-user equipment
- ✓ Improved results at in Operational service and infrastructure solutions
- ✓ Excellent results at Tempo in the first 9 months of the year

✓ Outlook

- ✓ The project status remains goods
- ✓ Exciting position of a number of software products
- ✓ Uncertain impact from supply shortage in Q4
- ✓ Origo well positioned to take advantage of opportunities

Clear strategy

✓ Operational priorities

- ✓ Accelerate changes in sales focus through new channels.
- ✓ Productization, packaging and clearer responsibility for each service.

✓ We follow clear future goals

- ✓ The Company has defined its core segments and embarked on a journey to further strengthen them and increase the ability to accelerate changes. This calls for a clearer product offering.
- ✓ The experience and success of customers is paramount.
- ✓ We are systemically investing in people, frameworks and technologies that can enhance the success and experience of our customers.
- ✓ Emphasis on measurable results, whether in product development, customer access, performance or social responsibility.
- ✓ Improving society through technology is the Company's core objective and the Company is launching many exciting projects related to this goal.



Staff
9M 2021

29% female and 71% male



New hires
9M 2021

44% female and 56% male



Job satisfaction
9M 2021
4.3 of 5.0



tCO2 Scope 1
9M 2021
67t (0%)



Sorting rate
9M 2021
75% (+4,2)



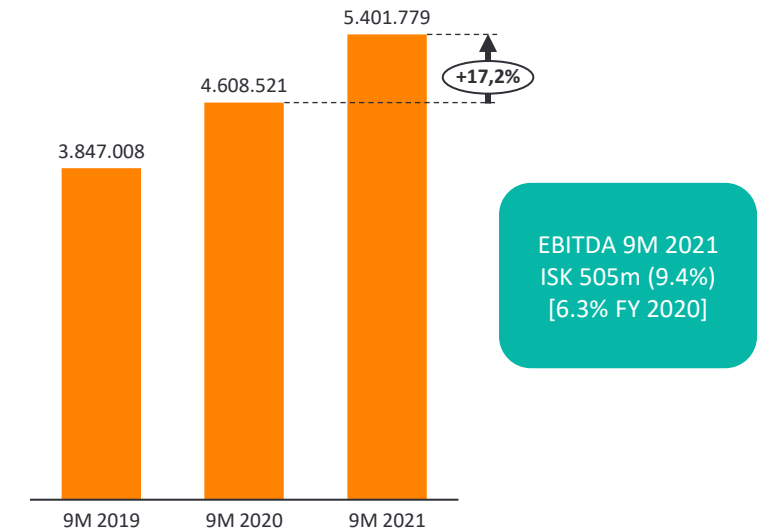
Recycling rate
9M 2021
69% (+0,5)

End-User Equipment – Excellent Results

- ✓ 14% revenue growth in Q3 and 17% in the first 9 months of the year.
- ✓ Online sales up 76% in the first 9 months of the year, accounting for about 30% of the unit's turnover versus 17% last year.
- ✓ Continued good results at Tölvutek and strong sales increase in Q3.
- ✓ Persistent supply shortage still a problem.
- ✓ Overall, the outlook is quite good
 - ✓ The unit is now competing with fairly strong comparative figures from last year.
 - ✓ Increased possibilities for green solutions in end-user equipment and Origo has now started accepting older products for resale and recycling.
 - ✓ Further investment in the online store will provide a better interface, increased information and help with Origo's green focus.
 - ✓ The acquisition of a 70% stake in Eldhaf was approved by the Competition Authority in mid-October and Origo joined the company's shareholder group on 19.10.21. This will further enhance the strong product offering of End-user equipment with brands like Apple and Garmin.



Revenue – End-User Equipment and Related Services



Operational service and infrastructure solutions

– Focus on the Cloud and Automation

✓ Improved results despite revenue decline

- ✓ 1.6% revenue growth in Q3 and 9% revenue decline in the first 9 months of the year.
- ✓ 18% improvement in Q3 results compared to 2020 and 7% EBITDA margin in the first 9 months of the year.
- ✓ Infrastructure sales and changes in the service offering explain the lower sales and improvement in results in Q3 2021.

✓ Strong focus on revenue transformation and simplifying the product range

- ✓ Service desk and on-site services combined in the Service Center to ensure improved communication from first contact.
- ✓ A mixed approach to cloud services for larger enterprises, while the Origo Léttský and total managed services are available for smaller enterprises.
- ✓ Closing or transforming older services with low economies of scale or obsolete infrastructure.

✓ Syndis Öryggislausnir has begun operating based on the envisaged plan with a focus on consulting, operations contracts and software development

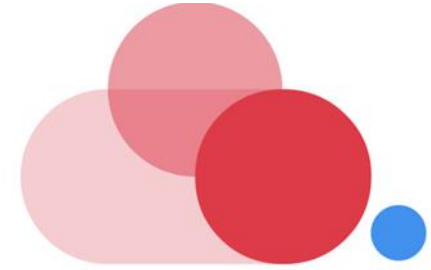
- ✓ Syndis Software has been launched with a focus on software development in the field of security, working with some of the intellectual property that existed in Syndis.
- ✓ A significant proportion of Syndis' revenue now comes from abroad.

✓ Origo assisted TM in designing an insurance category that insures companies against financial losses that may result from cyber attacks.

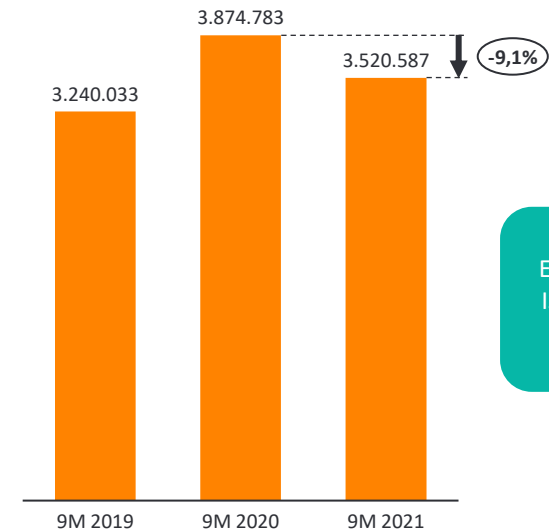
Léttský

Léttský er ný skýjalausnir sem hentar litlum og meðalstórum fyrirtækjum. Leyfðu okkur að sjá um tæknimálin á meðan þú einbeittir þér að daglegum rekstri.

FÁ RÁÐGGJÖF →



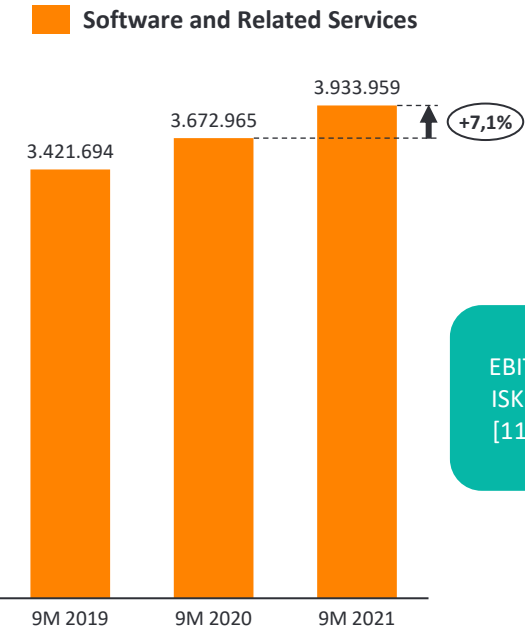
Managed Services and Infrastructure



EBITDA 9M 2021
ISK 248m (7.1%)
[5.0% FY 2020]

Strong Growth in Software Development

- ✓ **2% revenue growth in Q3 and 7% revenue growth in the first nine 9 months**
- ✓ **33% increase in revenue from own software in first nine months (28% in Q3)**
- ✓ **Start-up development – SaaS-focused innovation**
 - ✓ 52% revenue growth in start-ups in Q3 vs. last year and 49% growth in 9M 2021 vs. 9M 2020
 - ✓ Justly Pay, a new SaaS solution that helps companies achieve equal pay certification, was launched in the month.
- ✓ **Continued work for Digital Iceland**
- ✓ **Health solutions**
 - ✓ All health institutions in Iceland have decided to use the home nursing app Smásaga and the aim is to complete the implementation in the coming weeks.
 - ✓ An app for hospitals and nursing homes has also been well received and is now undergoing user testing.
 - ✓ The sale of a Saga drug management unit which greatly enhances drug administration safety is going well.
 - ✓ Covid-related projects can be expected to decrease.
- ✓ **Results at Applicon Sweden considerably down from the prior year quarter**
 - ✓ Strong comparative figures due to implementation projects last year.
 - ✓ Applicon’s sales pipeline is looking quite good and the changes that the new management has implemented are beginning to take shape.
- ✓ **Enterprise solutions**
 - ✓ Good revenue growth in the quarter, especially for own software, which now accounts for more than 20% of total sales.
 - ✓ The project status is generally good with an increased focus on strengthening knowledge and securing projects in the area of business intelligence, where exciting solutions are in.

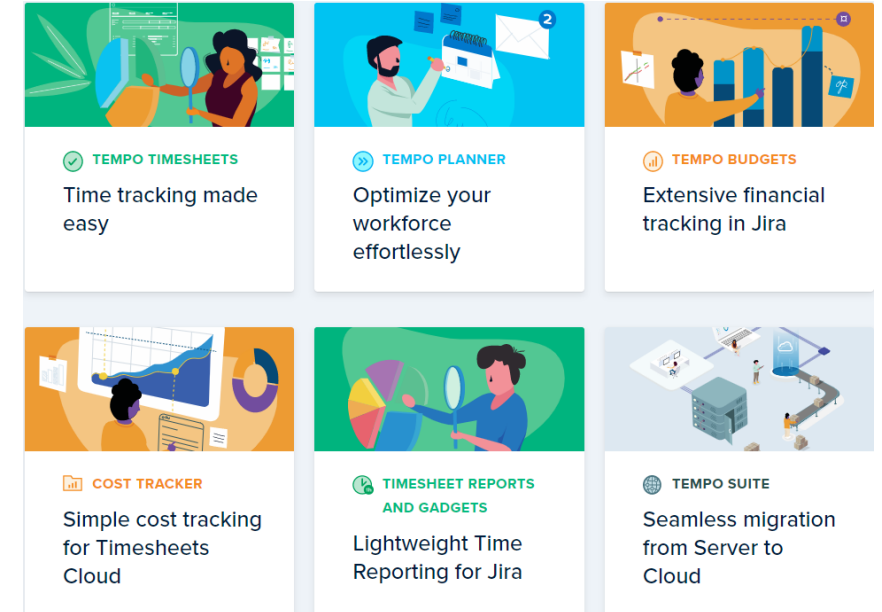


Tempo – Further Improvement

- ✓ **37% revenue growth and 25% EBITDA in Q3**
 - ✓ 36% increase in revenue in first 9M and 27% EBITDA.
 - ✓ 84% increase in EBITDA from Q3 2020.

- ✓ **Q3 highlights**
 - ✓ Increased focus on larger customers (1,000+ users) and a better partner program bearing fruit.
 - ✓ 60% of new sales come from the partner program.
 - ✓ Improved user satisfaction with Tempo reflected in higher star ratings.
 - ✓ Lower churn rate.
 - ✓ Success in improving the base product and connecting to other tools.

- ✓ **Key points of focus for the long term**
 - ✓ Strengthen Tempo's position as a leading time tracking solution through increased marketing and user trials.
 - ✓ Maintain investment in technology that offers the ability to record time everywhere, including general software development tools.
 - ✓ Increase Tempo's presence outside Atlassian.



Finances

Gunnar Petersen, CFO



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Income Statement Q3 2021

– Increase in EBITDA and Continued Strong Revenue Growth

6.9% YoY revenue growth

- Revenue of ISK 4.3bn.
- Strong revenue growth at End-User Equipment and Related Services, or 14%.
- Also strong revenue growth at software units in Iceland, or around 16%.
 - Own software products 28% of revenue growth.
- Considerable quarterly revenue decline at Applicon AB.
 - Decent YTD revenue growth.
- Smaller revenue growth at Managed Services and Infrastructure.

Profit margin of 26.8% versus 25.1% last year

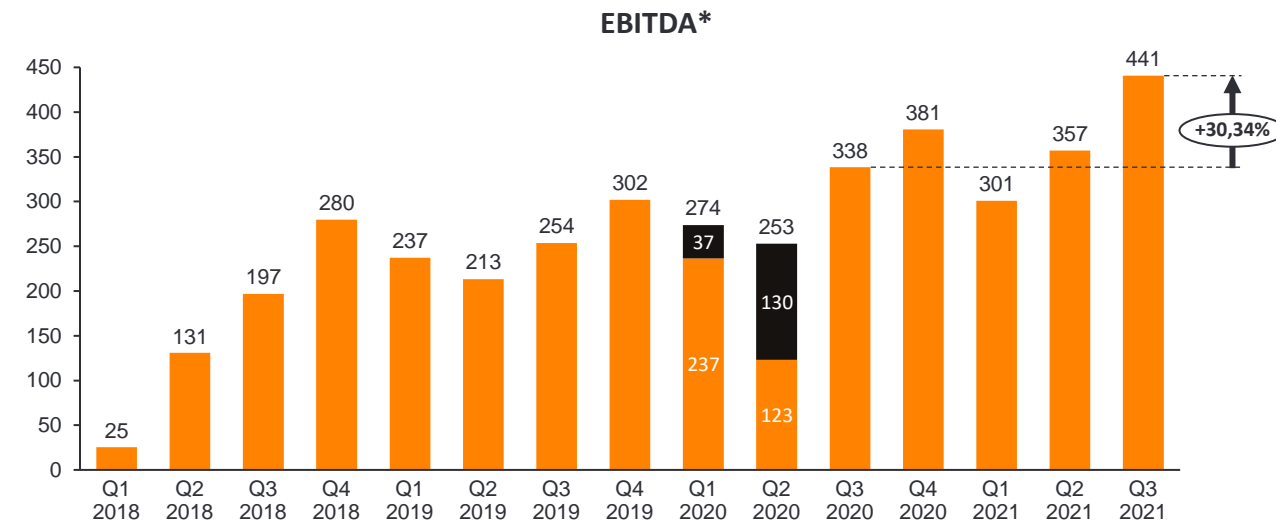
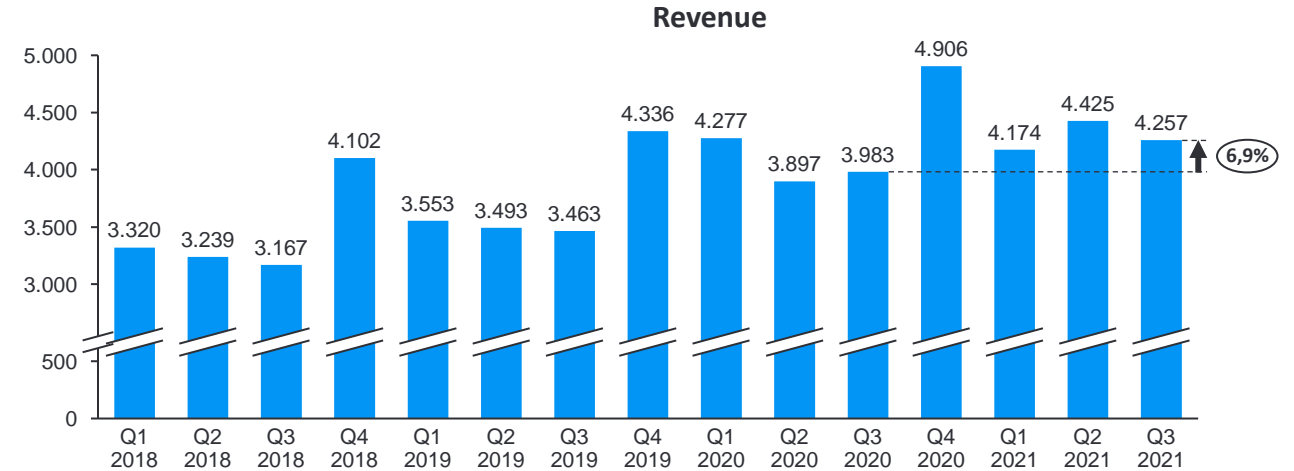
- Gross profit of ISK 1,142m versus ISK 1,000m in Q3 2020.

Operating costs of ISK 938m

- Operating costs as a percentage of revenue 22% versus 21.5% in the prior year period

EBITDA of ISK 441m, up 30% from Q3 last year

- EBITDA% is 10.4% versus 8.5% last year
- Continued EBITDA increase in End-User Equipment and Related Services
- EBITDA in Operational services and infrastructure solutions up from last year
- Lower EBITDA at Applicon AB impacts the results of Software and Related Services



Income Statement Q3 2021

- Operating Profit Up from Last Year

- ✓ **Revenue** up 7% YoY
- ✓ **Gross profit** up 14% YoY
- ✓ **Operating profit** up ISK 62m from the prior year
 - ✓ *Up around 22% YoY
- ✓ **Translation difference** in respect of subsidiaries and associates was positive by ISK 172m in Q3
 - ✓ A positive figure of ISK 0.1m last year; this is largely due to the interest in Tempo
- ✓ **Q3 net profit** of ISK 365m, versus ISK 90m last year

In ISK million	Q3 2021	Q3 2020
Goods and services sold	4,257	3,983
Cost of goods and services sold	(3,116)	(2,983)
Gross profit	1,142	1,000
<i>Gross profit/revenue (%)</i>	26.8%	25.1%
Operating costs	(938)	(857)
Operating profit	204	143
<i>Operating profit/revenue (%)</i>	4,7%	3,6%
Net financial expenses	(36)	(51)
Share of profit of associate	60	13
Income tax	(36)	(15)
Profit for the period	192	90
Other comprehensive income	172	0
Net profit for the period	365	90
EBITDA	441	338
<i>EBITDA%</i>	10.4%	8.5%

Income Statement 9M 2021

- Revenue Growth and Improved Earnings

- ✓ **Operating profit** up by ISK 304m from the prior year
 - ✓ One-time items impacted the 2020 results
 - ✓ *27% YoY increase in operating profit
- ✓ **Net financial expenses** of ISK 69m, versus ISK 177m last year
 - ✓ Exchange rate losses under financial expenses in 2020
- ✓ Significant YoY increase in the **profit of an associate** (Tempo)
- ✓ **Translation difference** in respect of subsidiaries and associates was positive by ISK 84m in the period
 - ✓ A positive figure of ISK 410m last year; this is largely due to the interest in Tempo.
- ✓ **Net profit** of ISK 612m in the period, versus ISK 461m last year

In ISK million	9M 2021	9M 2020
Goods and services sold	12,856	12,156
Cost of goods and services sold	(9,503)	(9,172)
Gross profit	3,354	2,984
<i>Gross profit/revenue (%)</i>	26.1%	24.5%
Operating costs	(2,884)	(2,818)
Operating profit	469	165
<i>Operating profit/revenue (%)</i>	3.6%	1.4%
Net financial expenses	(69)	(177)
Share of profit of associate	210	59
Income tax	(83)	3
Profit for the period	527	50
Other comprehensive income	85	411
Net profit for the period	612	461
EBITDA	1,098	698
<i>EBITDA%</i>	8.5%	5.7%

*After adjusting for one-time costs in 2020

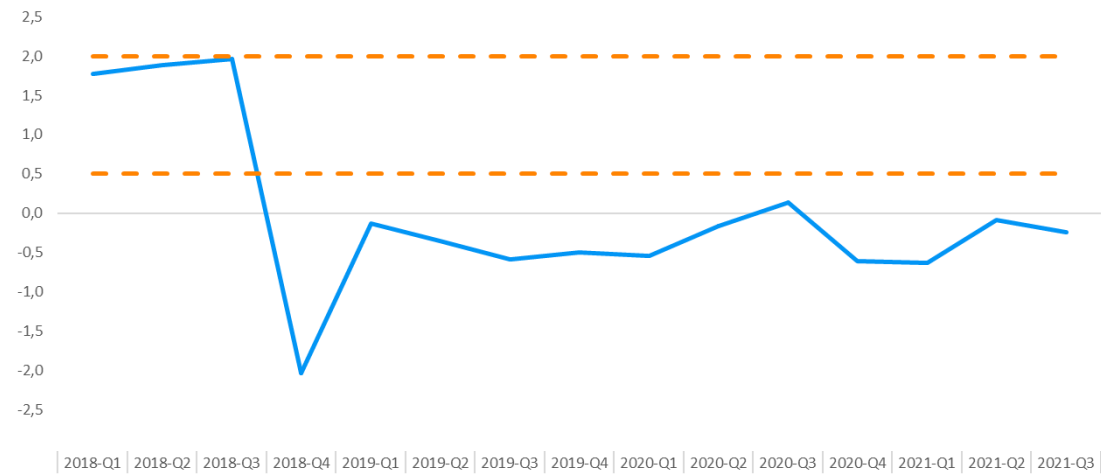
Equity Up during the Year

- ✓ **Fixed assets** up by ISK 745m in the first nine months of the year
 - ✓ Tangible assets up by ISK 249m
 - ✓ The increase is due to changes in leases
 - ✓ Interest in an associate up by ISK 333m
 - ✓ Intangible assets up by ISK 163m
- ✓ **Current assets** down by ISK 20m in the first nine months of the year
 - ✓ Inventory up by ISK 171m
 - ✓ Cash down by ISK 256m
- ✓ **Strong balance sheet** and the Company well positioned to support further revenue growth
 - ✓ Equity ratio of 58.4% versus 56.5% at year-end 2020
 - ✓ Working capital ratio of 1.31, versus 1.27 at year-end 2020

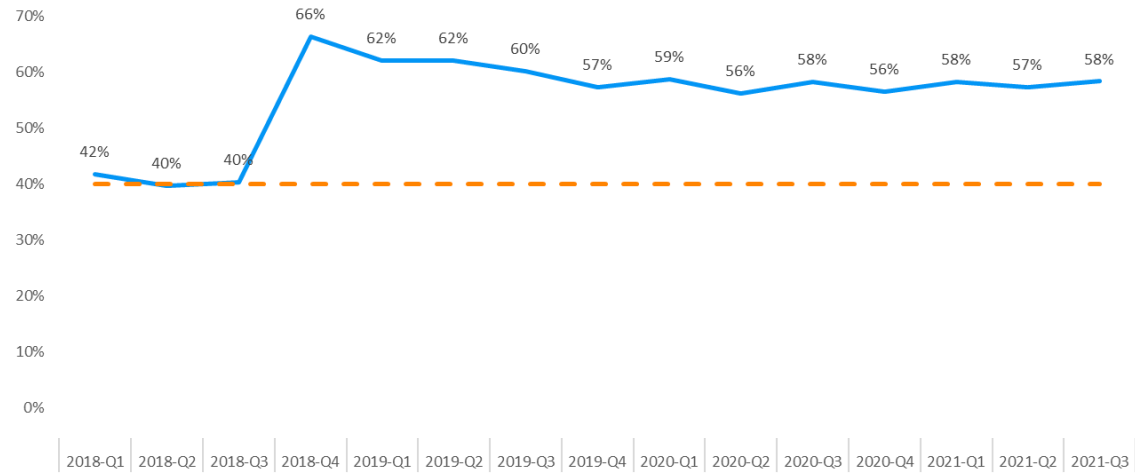
In ISK million	30.09.2021	31.12.2020
Tangible assets	2,125	1,876
Intangible assets	3,069	2,906
Income tax asset	0	5
Interest in associate	3,274	2,941
Securities and other long-term claims	305	300
Non-current assets	8,773	8,028
Inventory	1,624	1,453
Trade and other receivables	1,775	1,710
Cash	917	1,173
Current assets	4,316	4,336
Total assets	13,089	12,364
Equity	7,639	7,012
Interest-bearing long-term liabilities	563	641
Lease liabilities	1,513	1,304
Deferred income tax liability	69	0
Long-term liabilities	2,145	1,945
Payments due next year on lease liabilities	424	326
Interest-bearing short-term liabilities	84	102
Trade and other payables	2,797	2,978
Short-term liabilities	3,305	3,406
Total equity and liabilities	13,089	12,364

Strong Balance Sheet

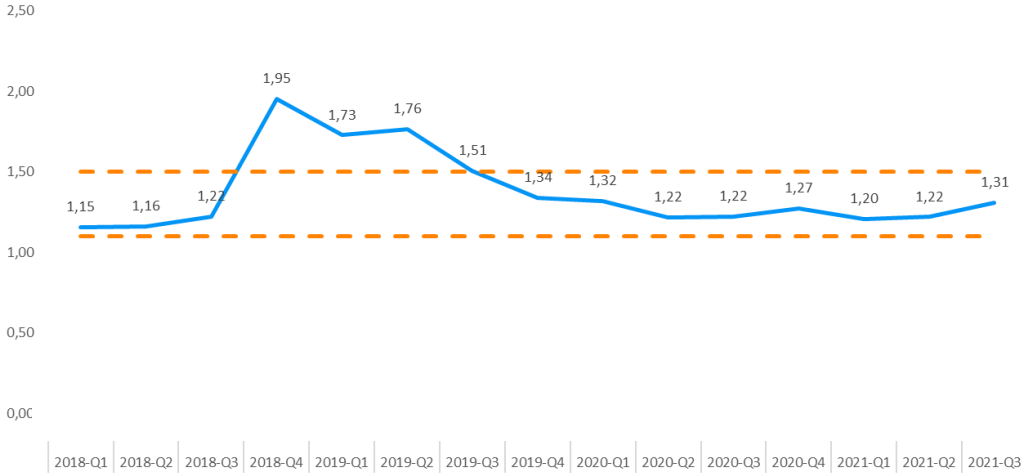
Net Debt/EBITDA (Excl. IFRS)



Equity Ratio



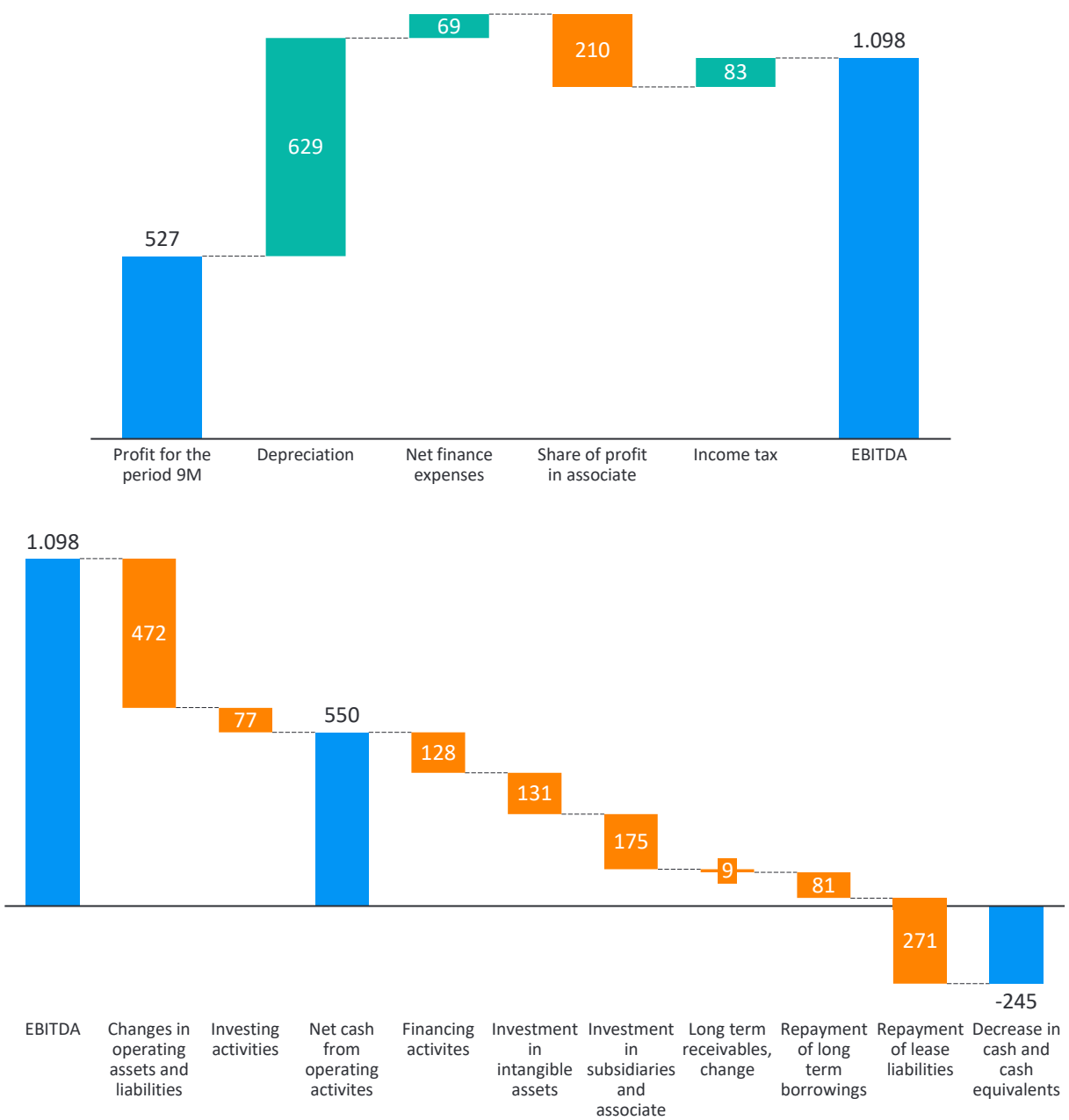
Current Ratio



In ISK million	30.09.2021	31.12.2020
Fixed assets	8,773	8,028
Current assets	4,316	4,336
Total assets	13,089	12,364
Equity	7,639	7,012
Long-term liabilities	2,145	1,945
Short-term liabilities	3,305	3,406
Total equity and liabilities	13,089	12,364

Strong Cash Flow

- ✓ **9M profit** of ISK 527m before translation difference
- ✓ **Depreciation** of ISK 629m
- ✓ **Net financial expenses** of ISK 69m
- ✓ **Share in the profit of associates** ISK 210m
- ✓ **Changes in operating items** negative by ISK 472m
- ✓ **Cash from operations** ISK 550m
- ✓ **Investments** of ISK 442m
 - ✓ ISK 128m in tangible assets
 - ✓ ISK 131m in intangible assets
 - ✓ ISK 175m in business units net of cash
- ✓ **Lease liabilities** of ISK 271m
- ✓ **Cash down** by ISK 245m



Outlook



Points of focus

- ✓ Accelerate changes in sales focus through new channels.
- ✓ Transformation of Origo's managed services.
- ✓ Continued investment in own software and strengthening of position through increased productization, packaging and clearer responsibility for each service.
- ✓ Systematic investment in frameworks and technology that can enhance the success and experience of our customers.



Environment

- ✓ Favorable environment for information systems and software and digital development.
- ✓ The project status remains good.
- ✓ Information security and data handling have become key aspects of our operations.
- ✓ Some delays could occur in infrastructure sales due to product shortages at suppliers.
- ✓ Opportunities in the market to strengthen our units.



Questions?

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