



1H Results 2022

Jón Björnsson, CEO

Gunnar Petersen, CFO

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Revenue

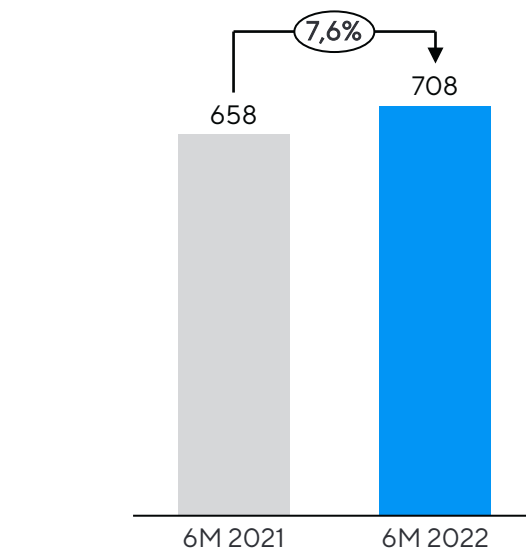
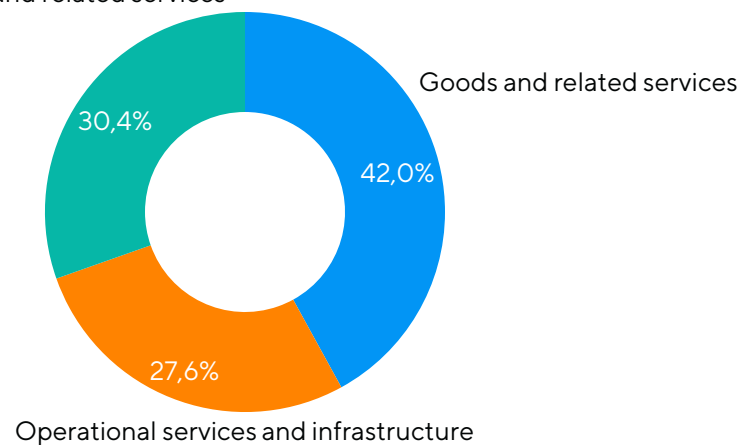
EBITDA



YoY breakdown of revenue and growth

2022 and 2021 comparison in ISKm

Software, and related services



Revenue growth	6M 2021	6M 2022
Goods and related services	18.9%	10.3%
Software and related services	9.5%	2.1%
Operational services and infrastructure	-13.9%	10.4%

EBITDA%	6M 2021	6M 2022
EBITDA%	7,6%	7,6%

Our priorities



Staff
6M 2022
29% female
71% male



New hires
6M 2022
38% female
62% male



Job satisfaction
6M 2022
8.1 of 10



tCO2 Scope 1
6M 2022
31t (-30%)



Sorting rate
6M 2022
56% (-17)

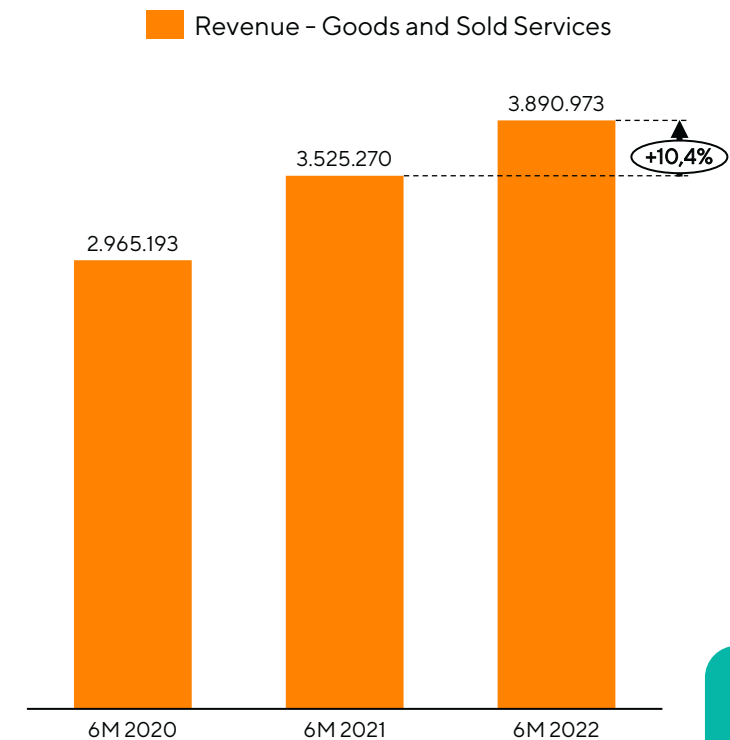


Recycling rate
6M 2022
72,5% (+1.7)

Goods and Related Services

Strong operations in first half of the year

- Revenue up 10.4% in first 6 months of the year. Irregular product flow due to the war in Ukraine caused a minor slowdown in the latter part of the period.
 - Profitability improved by 15% in the first half of the year and the improvement was maintained in the latter part of the period despite irregular product flow.
- Strong revenue growth in the beginning of Q3 which is in line with what we have been seeing over the past few months.
- Online sales up 2.0% in the first 6 months of the year, accounting for about 26.5% the unit's turnover versus 28.1% last year
- Tölvutek continues to perform well despite the Covid-driven sales increase slowing somewhat.
- Overall the outlook is quite good
 - Product flow is normalising.
 - The tourism industry is driving a considerable increase in equipment sales.
 - Service revenue rising due to increased activity in printing solutions.

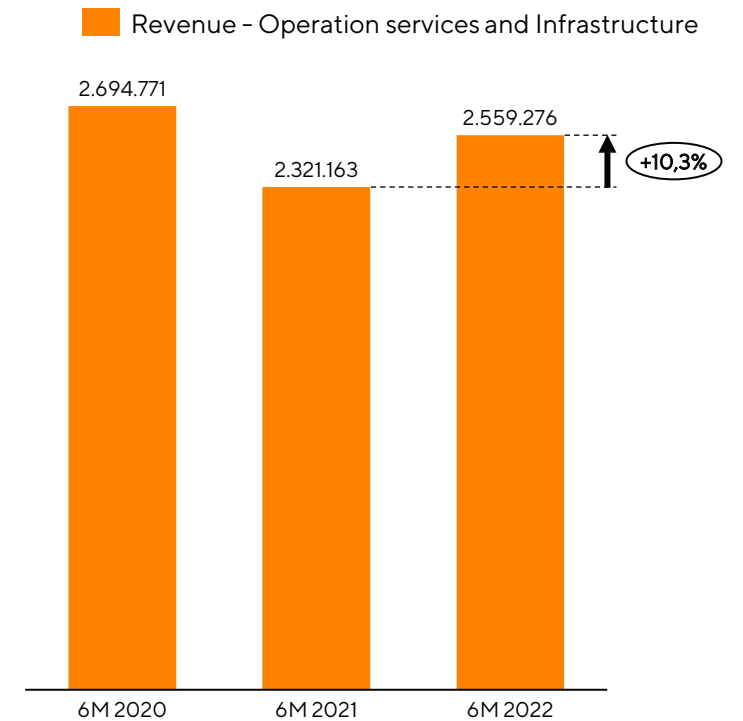


EBITDA 6M 2022
ISK 355m (9.1%)
[9.3% FY 2021]

Operational services and infrastructure

First steps following new strategy

- Revenue up 10.3% in first 6 months of the year.
 - EBITDA profit for the business segment similar to last year
 - 138% improvement in 1H at Origo Service Solutions which is the core of Operational services and infrastructure.
- Strong transformation phase completed delivering a more robust product offering alongside increased expertise.
- Good project status in core operations.
- We are investing in three exciting future projects that have come out of Origo Service Solutions over the past 2 years.
 - Significant revenue increase at Syndis which is investing substantially in an exciting software project in the area of IT security where the focus is on assessing how vulnerable enterprises are to cyber attacks.
 - Origo is a 50% owner of the company Responsible Compute which was established following positive results of testing of large algorithms in sustainable HPC cloud solutions.
 - Datalab is a start-up company in the area of data exploitation.

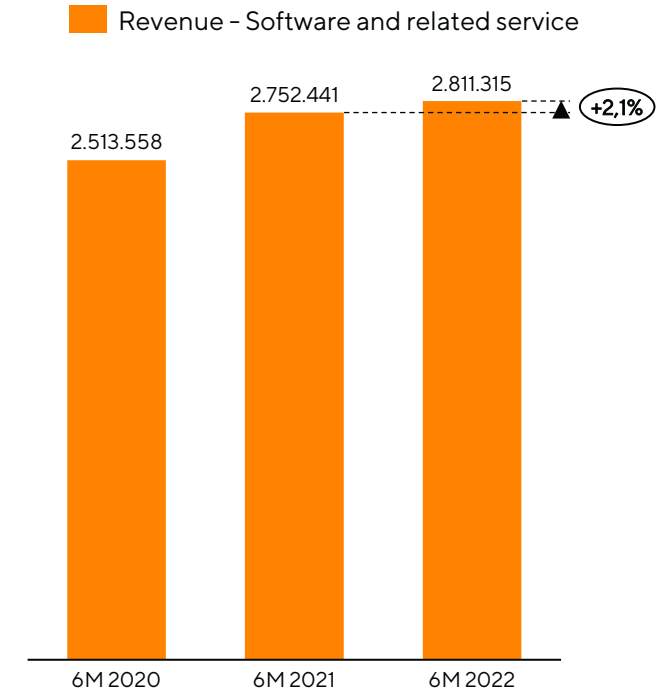


EBITDA 6M 2022
ISK 121m (4.8%)
[7.0% FY 2021]

Software and related services

Sustainability and more discipline in product creation

- Software revenue up 2.1% in first 6 months of the year. Slight slowdown in early summer.
 - Revenue from own software up 13% in 1H and accelerating in the latter part of the period.
- Revenue at Applicon declined more than 17.2% from 1H 2021 but similar operating results.
- Revenue of the electronic business solution company Unimaze up 21% in the first half of the year.
- We have now combined digital solutions, digital development and core software units into one software unit with increased emphasis on enterprises and institutions, while keeping software for the healthcare and travel sectors as separate units.
- Revenue from Covid-related projects declined at Healthcare Solutions in the second half of the period, but revenue from health-related own software increased 19% YoY.
- Significant revenue increase at Booking Factory and Caren. Servado being phased out.
- The project status going into the autumn is good as we continue to strengthen own software products.



EBITDA 6M 2022
ISK 231m (8.2%)
[9.6% FY 2021]



Tempo – Focus on Revenue Growth

- Revenue up 25% in 1H.
- Gross revenue of USD 46m in the first six months
- 28% adjusted EBITDA in the first six months.
- 2022 somewhat affected by market uncertainty due to the war in Ukraine and inflation.
- Focus on combining the teams of the three brands to achieve higher revenue, increased quality and proportionally lower operating costs.
- Roadmunk operations undergoing restructuring
- The focus this year will be on revenue growth.
- Successful investments have delivered a stronger network of partners.
- Exciting new products like Tempo One on the horizon.



**Tempo valið „partner of the Year“ 2021 hjá Atlassian Enterprise App Services*

Finances

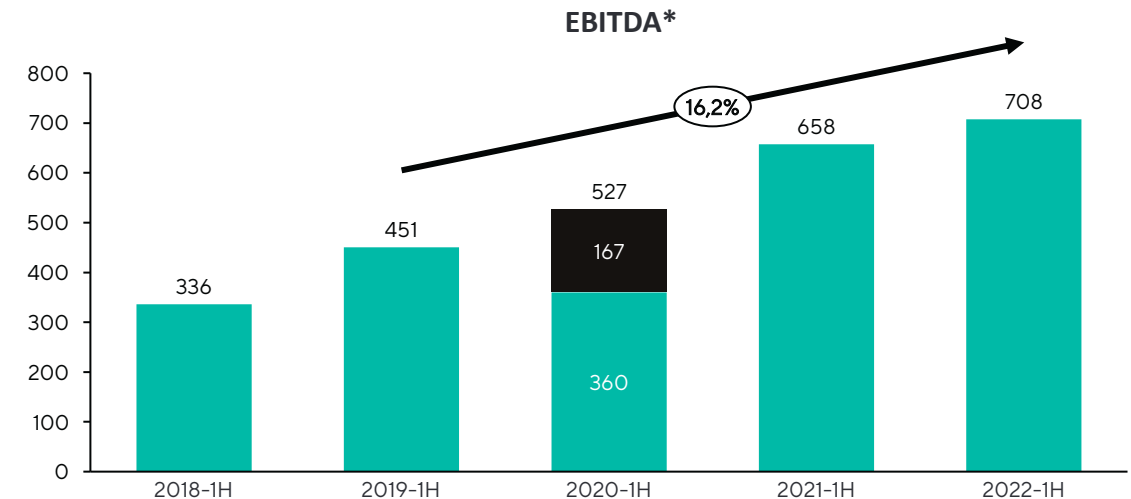
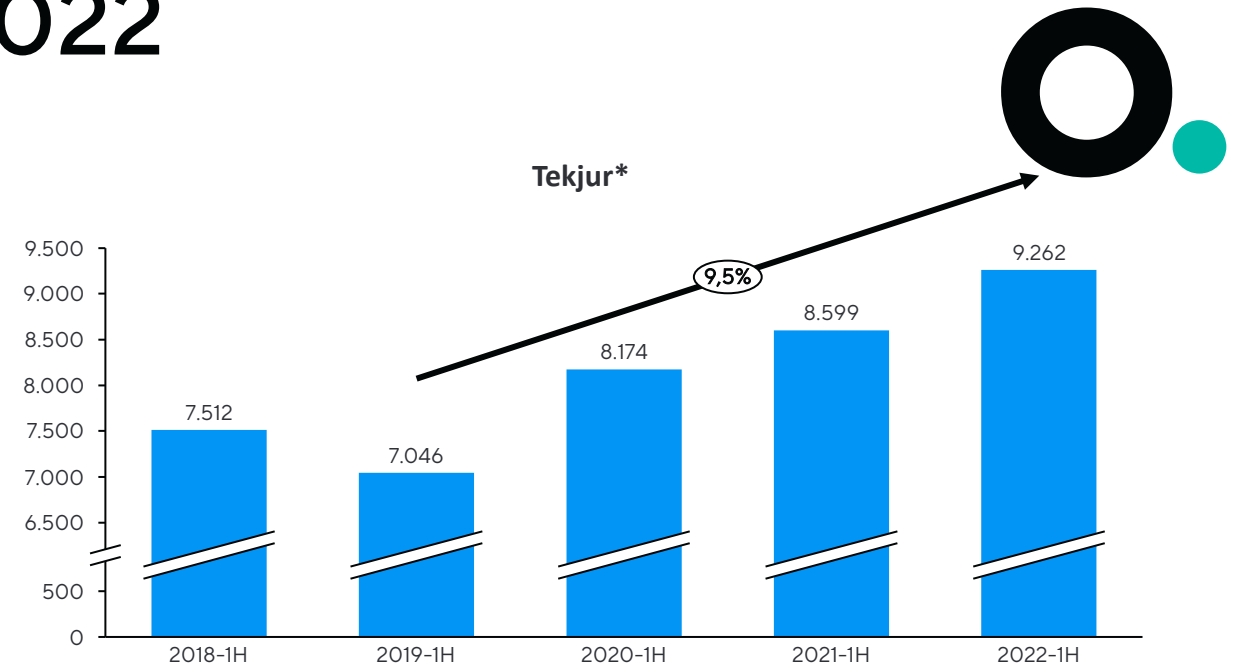
Gunnar Petersen, CFO



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Income Statement 6M 2022

- **7.7% YoY revenue growth**
 - Revenue of ISK 9bn
 - 10.3% growth in Goods and Related services
 - 2.1% growth in Software and Related Services
 - 10.4% growth in Operational Services and Infrastructure
- **Profit margin of 27.1% versus 25.7% last year**
 - Gross profit of ISK 2,506m versus ISK 2,212m in prior year period
- **Operating costs of ISK 2,284m**
 - Operating costs as a percentage of revenue at 24.7% versus 22.6% in the prior year period
 - Effects of new companies
- **EBITDA of ISK 708m**
 - EBITDA% unchanged from the prior year at 7.6%
 - EBITDA% in Goods and Related Services 9.1% versus 8.8% last year
 - EBITDA in Operational Services and Infrastructure up from last year, but with similar margin at 4.8%
 - EBITDA% in Software and Related Services down from last year at 8.2% due to impact from Applicon AB and less demand in Healthcare solutions after very busy COVID period



*Adjusted for one-time costs. Revenue and EBITDA do not include figures from Tempo which was part of the Group until November 2018

Income Statement 6M 2022

- Revenue up 7.7% YoY



- Revenue up 7.7% from prior year
- Gross profit up 13.3% from prior year
- Operating profit down ISK 43m from prior year
- Impact from associates ISK 427m in the first half of the year
 - Strong first half at Tempo
 - 25% revenue growth and *28% EBITDA margin
- Translation difference in respect of subsidiaries and associates was positive by ISK 26m in the first half
 - Last year there was a negative translation difference of ISK 88m, largely due to the stake in Tempo
- Net profit in the first half of ISK 562m, versus ISK 247m in the prior year

In ISK million	6M 2022	6M 2021
Goods and services sold	9.262	8.599
Cost of goods and services sold	(6.755)	(6.387)
Gross profit	2.506	2.212
<i>Gross profit/revenue (%)</i>	<i>27,1%</i>	<i>25,7%</i>
Operating costs	(2.284)	(1.946)
Operating profit	223	266
<i>Operating profit/revenue (%)</i>	<i>2,41%</i>	<i>3,1%</i>
Net financial expenses	(83)	(33)
Share of profit of associate	427	150
Income tax	(31)	(47)
Profit for the period	535	335
Other comprehensive income	26	(88)
Net profit for the period	562	247
EBITDA	708	658
<i>EBITDA%</i>	<i>7,6%</i>	<i>7,6%</i>

Equity up for the year

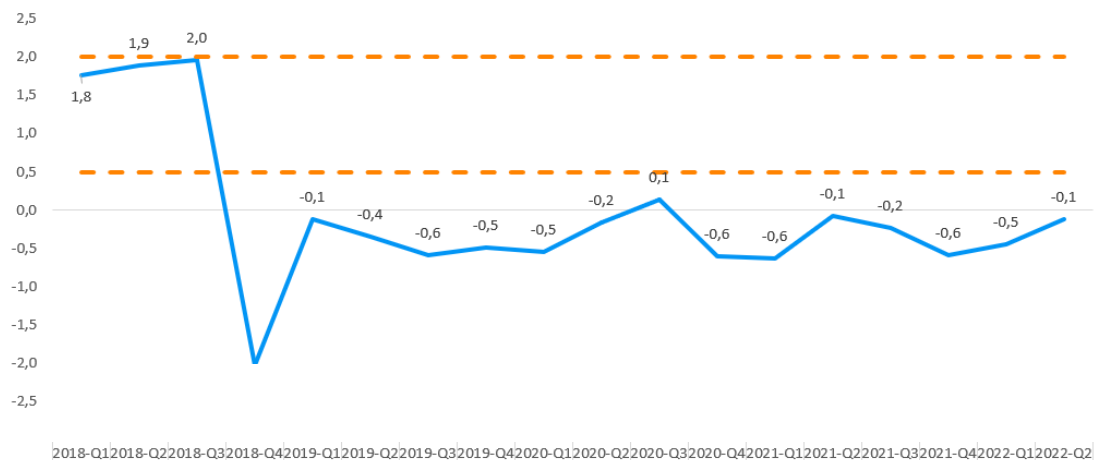
- **Fixed assets** up ISK 412m from year-end 2021.
 - The increase is largely due to an ISK 455m increase in interest in associates
- **Current assets** down ISK 687m from year-end 2021.
 - Cash down by ISK 626m
 - Repurchase of own shares for ISK 300m
 - Trade and other receivables down by ISK 606m
 - Unusually low at end of period
- **Strong balance sheet** and the Company well equipped to support further revenue growth
 - Equity ratio of 60.0%, as compared to 57.4% at year-end 2021
 - Working capital ratio of 1.48, as compared to 1.42 at year-end 2021

In ISK million	30.06.2022	31.12.2021
Tangible assets	2,271	2,245
Intangible assets	3,090	3,171
Income tax asset	9	9
Interest in associate	4,446	3,991
Securities and other long-term claims	337	326
Non-current assets	10,154	9,742
Inventory	1,831	1,776
Trade and other receivables	1,715	1,832
Cash	1,169	1,795
Current assets	4,715	5,402
Total assets	14,869	15,144
Equity	8,925	8,619
Interest-bearing long-term liabilities	894	950
Lease liabilities	1,716	1,675
Deferred income tax liability	143	108
Long-term liabilities	2,752	2,733
Payments due next year on lease liabilities	413	417
Interest-bearing short-term liabilities	121	112
Trade and other payables	2,657	3,263
Short-term liabilities	3,191	3,793
Total equity and liabilities	14,869	15,144

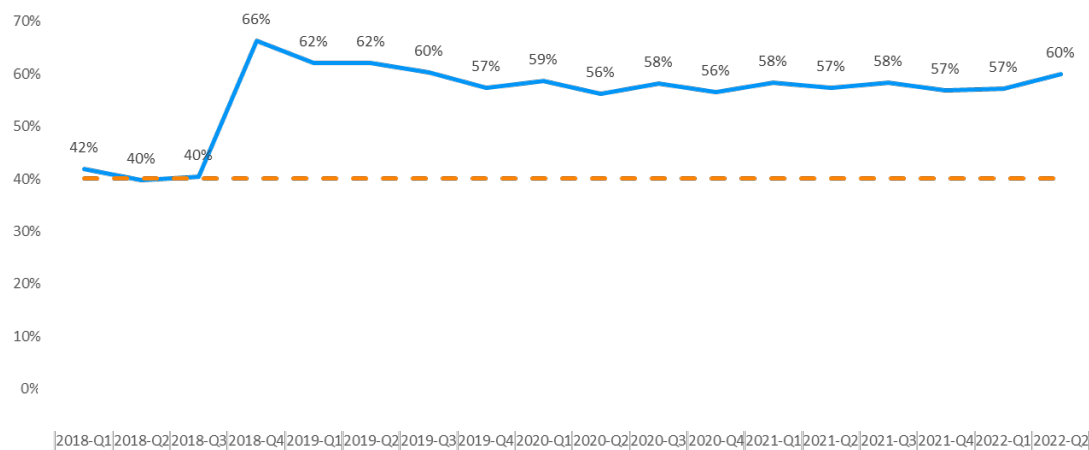
Strong Balance Sheet



Net Debt/EBITDA (w/o IFRS)

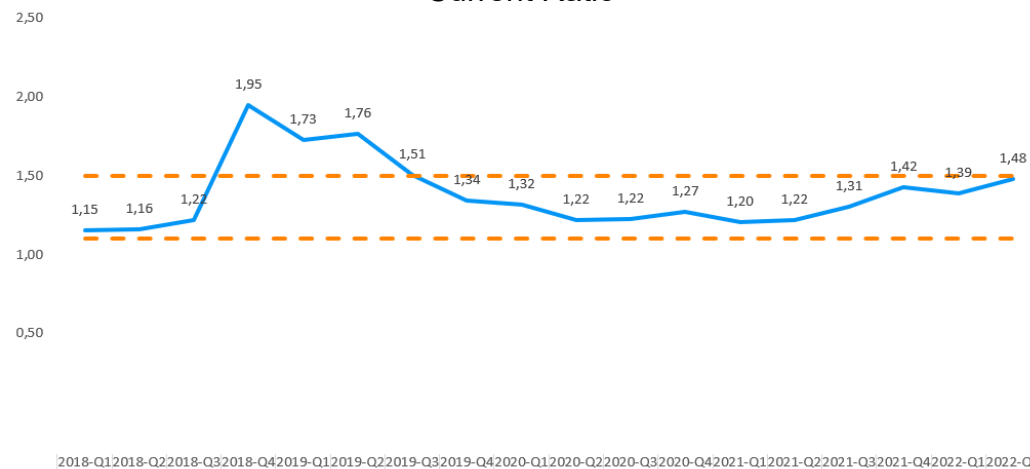


Equity Ratio



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Equity	8,925	8,619
Long-term liabilities	2,752	2,733
Short-term liabilities	3,191	3,793
Total equity and liabilities	14,869	15,144
Working capital ratio	1.48	1.42
Equity ratio	60.0%	56.9%

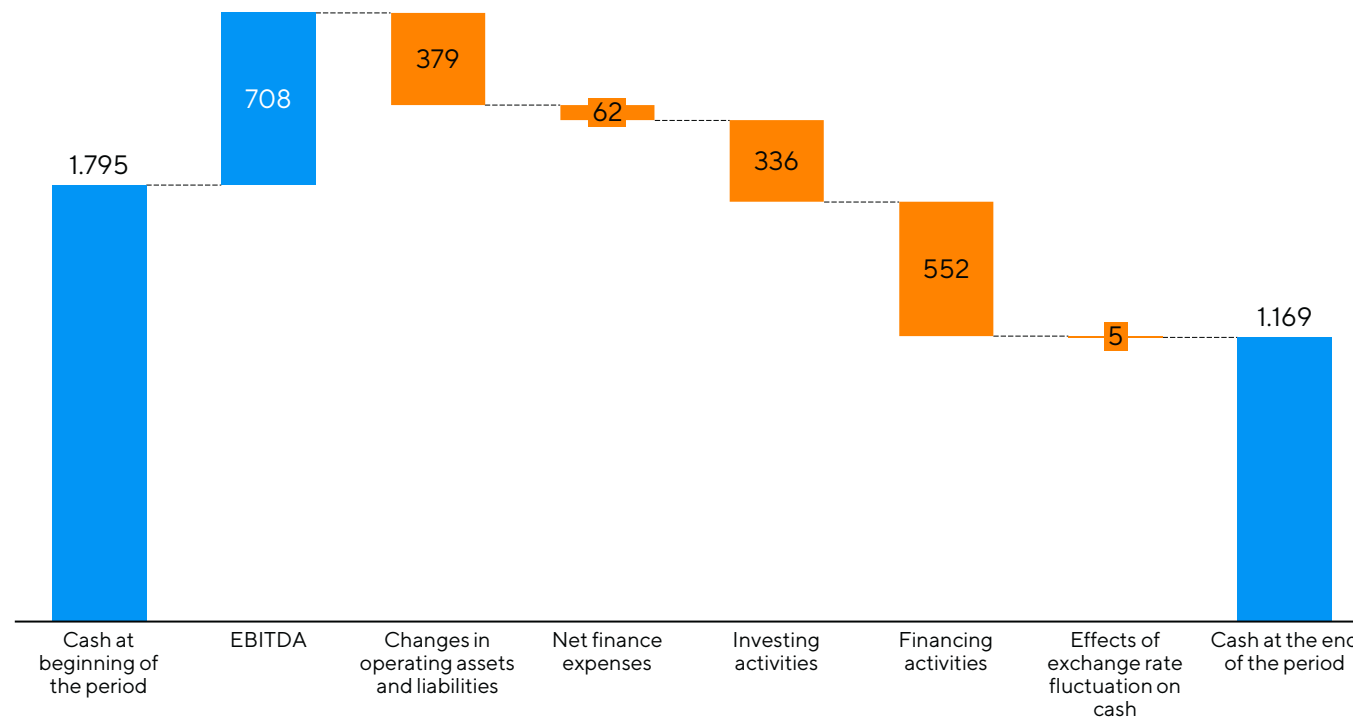
Current Ratio



Strong Cash Flow



- Profit for the year before translation difference ISK 535m
- Depreciation ISK 485m
- Share in profit of associates ISK 427m
- Changes in operating items negative by ISK 379m
 - Trade and other receivables down by ISK 606m
 - Unusually low at end of period
- Cash from operations ISK 267m
- Investments ISK 336m
 - ISK 142m in tangible assets
 - ISK 100m in intangible assets
 - ISK 19m in business units and associates
 - ISK 70m change in other short-term liabilities
- Financing activities ISK 552m
 - ISK 300m share repurchases
 - ISK 200m repayment of lease liabilities
- Decrease in cash ISK 620m



Outlook




Priorities

- Successful transformation of Operational Services and infrastructure, creating opportunities.
- Leveraging our strength in the equipment market for further growth.
- Increased productisation and highlighting our advantage in helping enterprises with their digital transformation needs.
- Creating a stronger framework for more product development within software development.



Environment

- Favourable environment for information technology and software and digital development.
- The project status remains good.
- Several opportunities in the market to strengthen the Company's units.



Q&A

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