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FOLIO acquisition strengthens TM Software's Tempo

Market leader in enterprise time tracking and planning for Atlassian's JIRA gains financial portfolio management capabilities to create powerful end-to-end solution

REYKJAVIK, Iceland — December 11, 2014 — TM Software, a subsidiary of Nyherji hf., today announced that it has entered into a definitive agreement to acquire FOLIO in a undisclosed cash transaction from Kitologic Inc., a Montreal-based developer, based upon revenue targets for the forthcoming 3 years. The deal will combine the award-winning Tempo Timesheets, Tempo Planner, and Tempo Books solutions with leading financial management solution, FOLIO, also powered by the Atlassian JIRA platform. The acquisition of Folio will support continued revenue growth for Tempo products; in the first three quarters of 2014 Tempo grew by 86% compared with the previous year, with total revenue of approximately \$5 million to the end of Q3.

TM Software's Tempo Timesheets, Tempo Planner, and Tempo Books solutions deliver time tracking, planning, budgeting, and reporting capabilities with real-time business analytics seamlessly to both on-premise and cloud-hosted JIRA instances. Launched in 2008, Tempo Timesheets was the top Atlassian Marketplace add-on in FY 2012, and was the top-grossing add-on in FY 2013, while Tempo Planner was the top-grossing new add-on in FY 2014. More than 6,000 organizations in over 100 countries, including Disney, eBay, Amazon, AT&T, Oracle, BMW, Dell, and Pfizer, use Tempo to work more effectively and efficiently.

Launched in 2013, FOLIO for JIRA enables powerful real-time cost, revenue, and profitability forecasting within the JIRA platform. It has already been adopted by hundreds of major enterprises, including Volkswagen, Neiman Marcus, Warner Bros., Boeing, and NASA, to budget and track projects, portfolios, and programs with Earned Value Management (EVM). FOLIO was developed by the creators of JIRA Agile, formerly GreenHopper, the leading agile development tool, which was acquired by Atlassian in 2009. FOLIO was the grand prizewinner of Atlassian's Codegeist 2013 competition.

"We are pleased to welcome FOLIO and its portfolio financial management solutions to the Tempo product family. With this acquisition, Tempo will offer a powerful, complete suite of PPM solutions with seamless JIRA integration into the Atlassian Marketplace," said Agust Einarsson, CEO of TM Software, "We also welcome FOLIO's three founders to the rapidly growing Tempo family. Their significant experience, demonstrable success, and innovative strengths fit perfectly with our ambitious and talented team."

"Our team at Kitologic is very excited to be merging our efforts with TM Software. We are entirely confident that the synergy between FOLIO and the Tempo suite of tools for the enterprise will provide Atlassian's customers with the best and most complete portfolio management solution on the market," said Jean-Christophe Huet, CEO of Kitologic, Inc.

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ABOUT TM SOFTWARE AND TEMPO

TM Software, the creator of Tempo, is headquartered in Reykjavik, Iceland, and is a wholly owned enterprise software development and application managed services subsidiary of Nýherji hf. (NASDAQ OMX: NYHR.IC).

Tempo is a recognized leader in project and portfolio management solutions for JIRA and JIRA Agile, with customers ranging from small startups to large-scale distributed and Fortune 50 enterprises with more than 10,000 Tempo users.

Tempo has partnered with more than 80 Atlassian Experts around the globe for resale, training, and consultancy in local languages. To learn more about Tempo partners or becoming a partner, please visit: www.tempoplugin.com/partners

FOLIO and Tempo licenses for JIRA start at \$10 per year. Free evaluations and license purchases are available via the Atlassian Marketplace. For large deployments, Tempo offers enhanced support, JIRA Data Center compatibility, end-user and administrator training, and participation in best-practice webinars. For more information, visit www.tempoplugin.com

The acquisition combines complementary strengths intended to offer customers a solution with unprecedented, market-leading capabilities in both project and portfolio management (PPM) and professional services automation (PSA) for Atlassian's popular issue and project tracking JIRA platform.

Together, FOLIO and Tempo will help businesses to drive and enhance ROI, organizational efficiency and strategic decision making, through enabling teams to stay on track, improving communication and transparency. FOLIO and Tempo solutions support businesses from SMEs to the largest enterprises, facilitating agile and lean processes, including those operating within the Scaled Agile Framework (SAFe).

Key advantages offered by the new combined platform will include:

- Offer sound financial foundations, including real-time, relevant business analytics, enabling managers to quickly identify escalating risks, react to them, and know immediately if issues have been mitigated.
- Deliver portfolio financial capabilities in JIRA, including the ability to define and manage high-level objectives and other organizational efforts, including time, money, and people.
- Maintain, support and evolve the current FOLIO and Tempo product lines to deliver scalable and robust project and portfolio management solutions to the Atlassian Marketplace.
- Preserve and continue the value of customers' investments by delivering product and technological advancements in both product lines.
- Leverage the innovative and technological strengths of both companies to increase profit, growth, customer reach and retention.

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ABOUT NYHERJI HF

Nyherji hf. (NASDAQ OMX: NYHR.IC) is an established Nordic IT services provider with offices in Iceland and Sweden. For over two decades the company has been a world-class technology supplier, application developer, systems integrator, facilities manager and expert business process consultancy, with corporate roots that can be traced back to 1899 and the inception of “office machines”. Nyherji aims to be the technology partner of choice for businesses, from the smallest to the largest enterprises. With expertise in understanding and linking the needs of enterprise customers to competitive technology solutions, Nyherji uses its deep knowledge of mission-critical processes, hardware and application requirements, to focus on government and industries sectors with high support needs such as healthcare, financial services, logistics and aviation. For more information, please visit www.nyherji.is/english/investor-relations/

FORWARD LOOKING STATEMENTS

Statements in this press release that are not based on historical facts are forward-looking statements. Although such statements are based on management’s current estimates and expectations, forward-looking statements are inherently uncertain. We therefore caution the reader that there are a variety of factors that could cause business conditions and results to differ materially from what is contained in our forward-looking statements, and that we do not undertake to update any forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement.

CONTACT INFORMATION**TM SOFTWARE / TEMPO SALES**

Jessica VanderVeen
Marketing Director
jessie@tmsoftware.com
Tel: (+354) 545 3048

NYHERJI INVESTOR RELATIONS

Gunnar Petersen
Chief Financial Officer
gunnar.petersen@nyherji.is
Tel: (+354) 825 9001

CORPORATE ENQUIRIES

Nyherji hf.
Borgatun 37
105 Reykjavik, Iceland
Switchboard: (+354) 569 7700