



Q3 2017

Gaute Engbakk, CEO
Marius Drefvelin, CFO

TECH STEP

“Making work mobile”

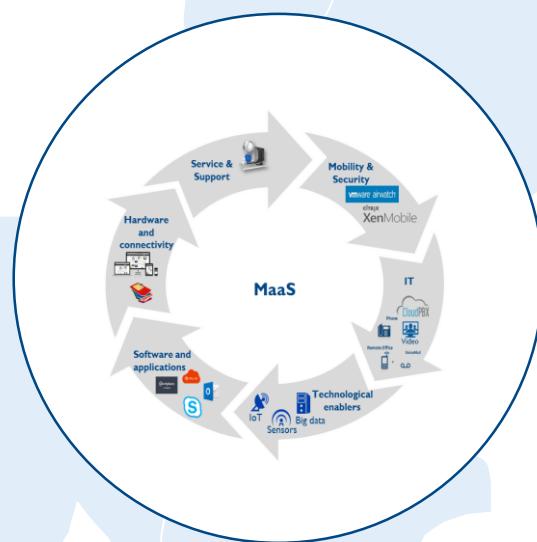
Techstep built to serve expanding market for digital workplace and mobile solutions in the Nordics

A mobile native company...



A mobile native solutions provider tailored for expanding Nordic market market for digital workplace and mobile solutions

... launching Mobile-as-a-Service...



Built Mobile-as-a-Service solution consisting of hardware and value adding software and services for private and public enterprises – financing/subscription (OPEX) based

... to a large-scale customer base



Acquired 8 and est. 1 company since Q3'16 | Built high quality customer and large scale end-user base | Listed on Oslo stock exchange

Highlights Q3 2017

Operations

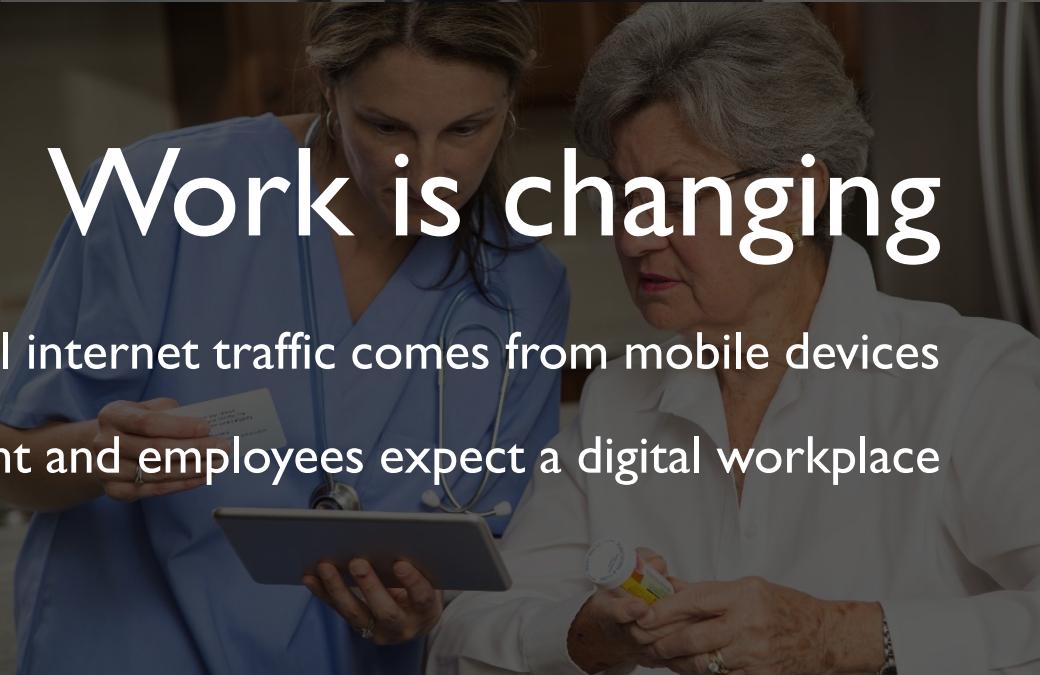
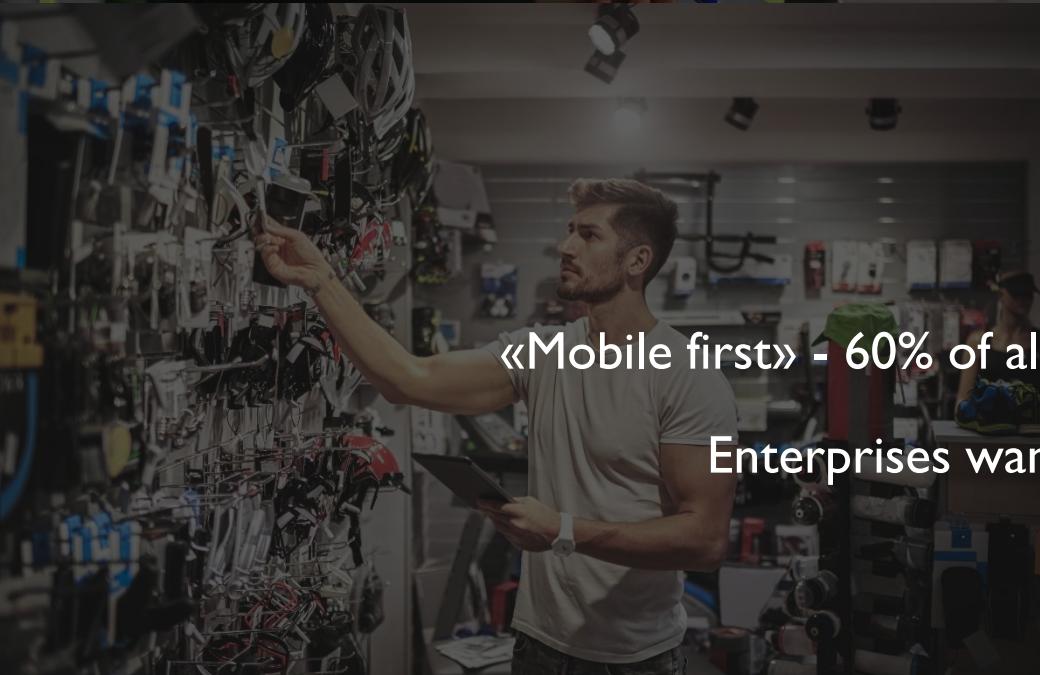
- Organic growth in end-users of 15% YTD to 600,000+
- Started to deliver and win joint customer bids to cross-Nordic customers
- Won four material, public tenders with new customers

Financials

- Revenue growth of 36% to NOK 181 million (NOK 133 million)
 - Driven by acquisitions and organic growth in Solutions
- EBITDA adjusted NOK 9.8 million (NOK 4.1 million)
 - Driven by acquisitions, Solutions revenue and increase in gross margin

Outlook

- Delivered three MaaS pilots, now ready to launch to customers in Q4-17
- Establish Mytos in Sweden
- Cross company and Nordic integration



Work is changing

«Mobile first» - 60% of all internet traffic comes from mobile devices

Enterprises want and employees expect a digital workplace

Significant market opening up in the Nordics – driven by digitization agenda

2016:
 1,3m B2B phone subscriptions

Example of B2B products and solutions and products



Addressable market 2020¹⁾:

~2m users

2016:
 3,2m B2B phone subscriptions

Example of B2B products and solutions and products

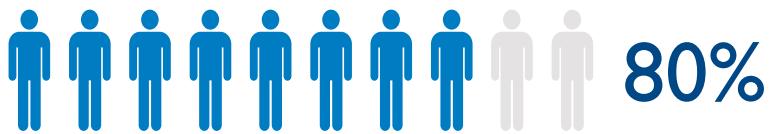


Addressable market 2020¹⁾:

~ 5m users

*In addition: Highly attractive Nordic multinationals
(win at home, follow abroad)*

Although majority of workforce is mobile in nature, mobility solutions mostly present in 'stationary' jobs



"More than 80% of the Norwegian workforce requires some mobility or higher"

 1,678,000  491,000  419,000

 = high mobility  = some mobility  = little mobility

Industry sector	Mobility	# people
Agriculture, forestry and fishing		58 753
Mining and quarrying		59 994
Manufacture		215 521
Electricity, water supply, sewerage, waste management		29 639
Construction		207 492
Wholesale and retail trade		349 128
Transportation and storage		138 614
Accommodation and food service activities		86 117
Information and communication		88 199
Financial and insurance activities		46 839
Real estate, professional, scientific and technical activities		161 247
Administrative and support service activities		120 678
Public adm., defense, soc. security		163 153
Education		209 533
Human health and social work activities		532 683
Other service activities		99 002
Unspecified		21 112

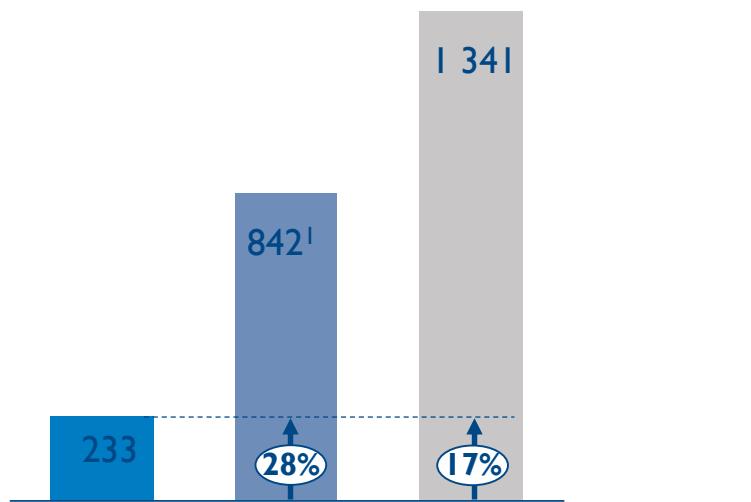
 = high mobility  = some mobility  = little mobility

Significant installbase – mobile first

Techstep serves ~30% of Telenor's B2B customers in Norway and delivers EMM solutions to 20% of all employees in the top 45 largest companies in Sweden

B2B mobile market in Norway

Number of subscriptions



Enterprise Mobile Management solutions in Sweden

% of large companies

20%
of employees working in the top 45¹ largest companies in Sweden

Techstep

telenor

Total B2B



Handelsbanken

SKANSKA



Techstep has just launched MaaS to customers!



MaaS GÖR ATT VERKSAMHETEN

- ✓ får översikt över dem totala mobilkostnaderna
- ✓ kan ge ett forutsägbart och enhetligt erbjudande till alla anställda
- ✓ sparar tid och pengar

MaaS GÖR ATT ANSTÄLLDA

- ✓ kan använda samma mobil privat och på jobbet
- ✓ kan välja modell och datapaket
- ✓ kan använda jobbtelefonen med gott samvete

TECHSTEP Connected teknologi MYIOS ptraidice bke TELECOM nordialog

CHANGE HAS HAPPENED

60%

Of all Internet traffic is via mobile in 2017

f **Instagram** **Snaps** **YouTube**

4 av 5 largest media in Norway are social media

TECHSTEP
We make the work-life mobile

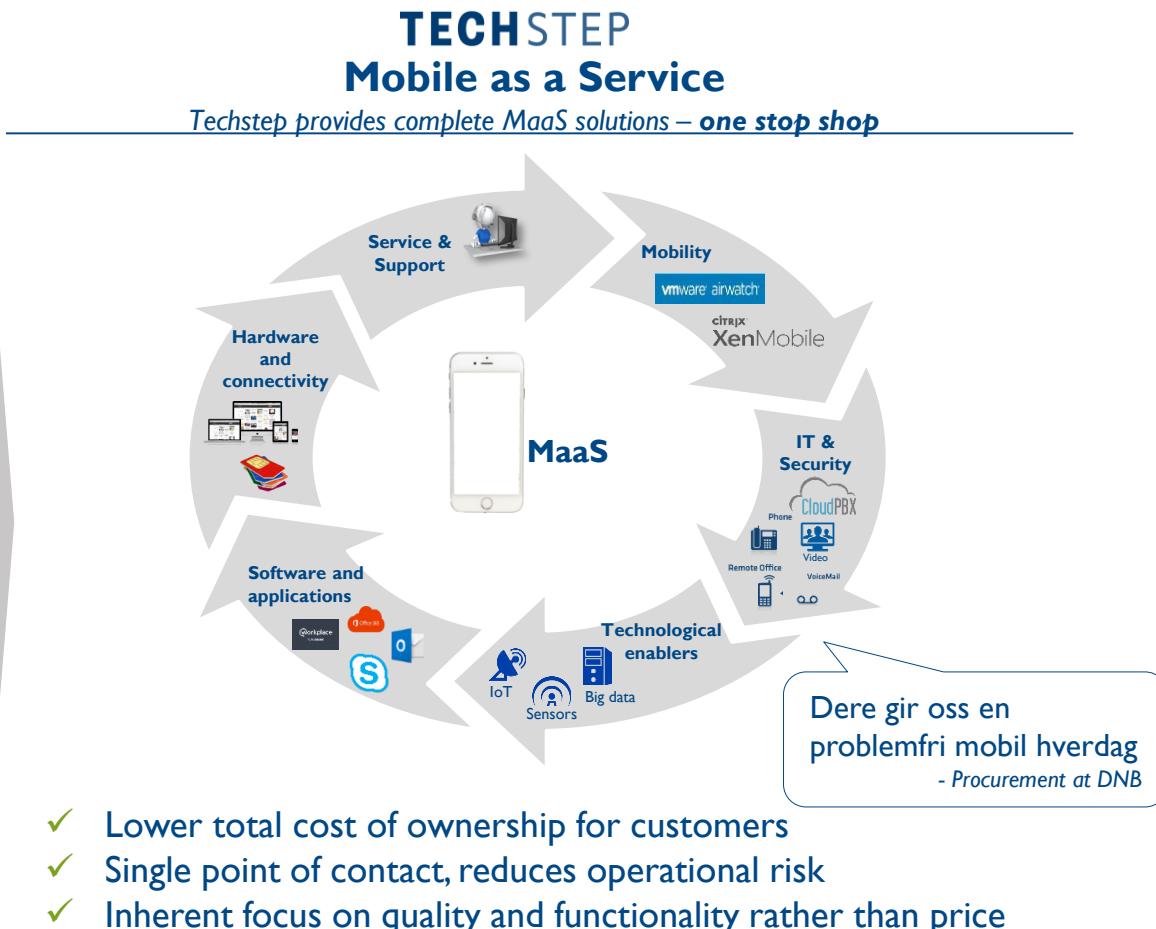
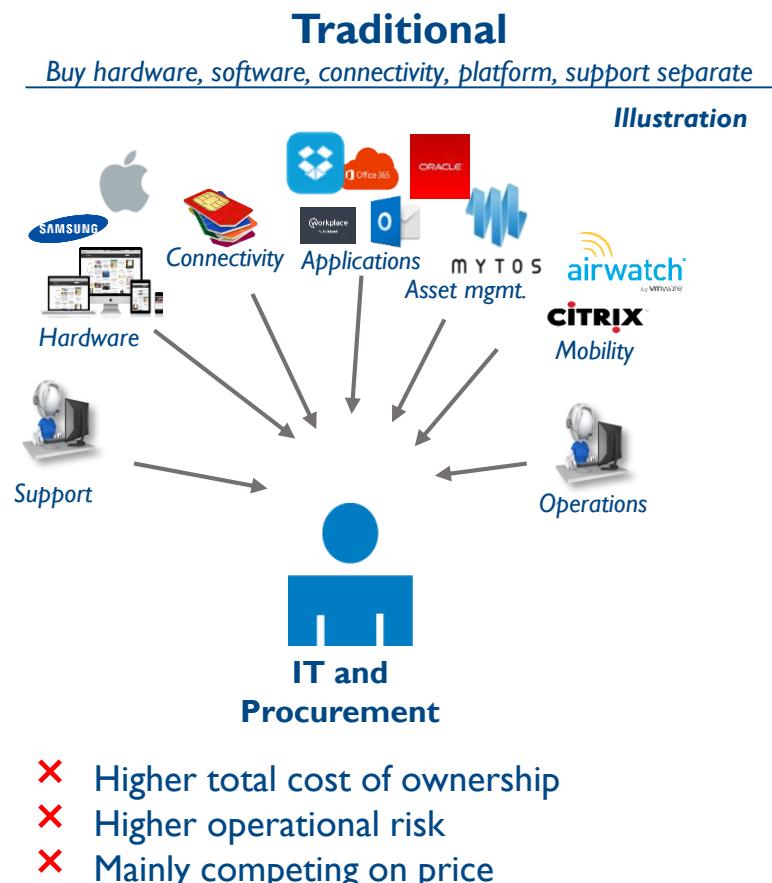
“ Vi får ikke flydd uten deres løsninger!

Thomas Kleive,
mobilitetsansvarlig SAS

TECHSTEP
We make the work-life mobile

Customer value proposition – “one stop shop” Mobile as a Service

Techstep delivers a complete stack of solutions that provides an improved total-cost-of-ownership (TCO) and lower risk to the customer



DNB and SAS are two companies leading in digitization

Case study – DNB

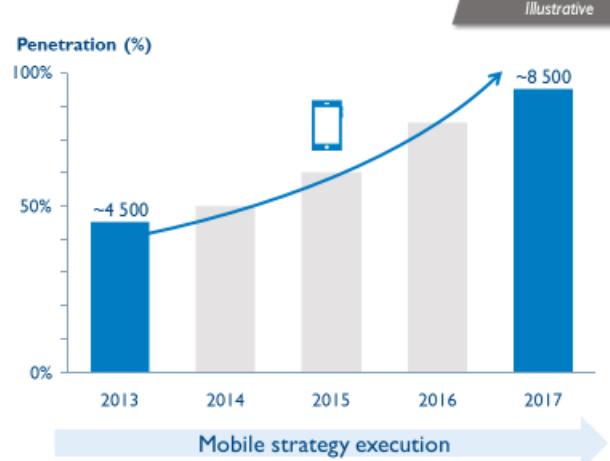
As a part of a vision towards a mobile workplace, DNB now offers mobile devices with mobility solutions to almost all their employees

“One-phone concept”



Before:
No mobile strategy. Mix of fixed and mobile solutions for different employees (fixed/mobile/IP etc.)

Now:
A clear vision for creating a mobile work environment with a mobile first thinking and access to business applications



Case study - SAS

Example of solution delivered to SAS: Digitization of the value chain



Background

Physical instruction manuals of ~42-60 kg. Updated every 6 months.



Perform calculations on iPad (e.g. fuel optimization just before take off)

Plan and improve efficiency before, during and after a flight

Improve customer experience / service awareness related to the Eurobonus program

Solutions delivered by Techstep

- Hardware and device management with SLA¹
- 2nd and 3rd line support
- Enterprise mobility management solutions
- Provisioning and single sign on
- Security
- Licenses (3rd party SW)
- Application deployment and management
- API integration
- Mobile story line – organizational preparation and acceptance
- Advisory

Solution enabled by Techstep



Meny – Move from the back office to storefront



Three screenshots of the Meny kiosk software interface. The top screenshot shows the homepage with the Meny logo and links for "Meny kiosk", "Meny", "Meny Bistro", "Meny Mat", and "Meny Matbistro". The middle screenshot shows the "Driftsoppfølging" (Operational Monitoring) dashboard with various status indicators and buttons for "Avslutt drift", "Åpne drift", "Vedlikehold", "Opprett rapport", and "Avslutt rapport". The bottom screenshot shows the "Varehovedgrupper" (Product Head Groups) and "Planlagtmedring" (Planned Change) modules, where users can manage product categories and plan changes for specific stores.

Storebrand – Mobile First!

Make your Monday feel like Sunday!



storebrand

- I Storebrand har vi valgt å kalle HR-strategien for "**People first, digital always**"
- Vi utvikler nå alle våre digitale tjenester ut i fra at det skal fungere best på mobil, **for å treffe de ansatte der de er**
- Mobile first tvinger oss til å gjøre ting **enkelt, kort og to the point**
- **Fremragende brukeropplevelse** på mobil er et kriterium ved valg av systemer, senest gjort ved anskaffelse av kompetanseplattform og HCM-system
- Intranettet vårt er et eksempel på **en tjeneste som vil dø ut** dersom vi ikke får den over på mobile first. "Ingen" har tid til å lese nyheter ved pc-en

Storebrand-anskaffelser og mobile first i 2017

HCM – Human Capital Management



People analytics platform
pulsmålinger



LMS - Learning Management System



team's conversations –
historisk kunnskapsbase



Nordialog/Techstep – tjenester til Storebrand

Sikkerhet og kontroll	airwatch Sikkerhetspolicier Deployment
CYOD Valgfrihet for bruker	Behov er brukerstørt Egenandelstjeneste
Operator tjenester	Administrasjon av Telenor tjenester Simkort håndtering
Livssyklus tjenester	Resirkulerig Sikker avhengig Restverdi håndtering
Telefonitjenester	Zisson Wave katastroføløsning MBN løsninger Skype integrasjon
Service	Service løsning med prioritet Integrert logistikk, låneterminaler
Support	24/7 support for nøkkelpersonell Support for IT Slutbruker support



Other players in the business – will create a pull from customers towards digitization

SPARTE MYE PÅ «MOBIL SOM TJENESTE»

Mange bedrifter har for lengst satt ut drift og vedlikehold av PC-parken. Nå kan du gjøre det samme med mobiler og nettbrett.

26. oktober 2017

Del artikkelen:   



Telia Større foretag Produkter & Tjänster Support Kontakta oss

Digital transformation Digitala arbetsplatser Framtidens kundmöte

DEN DIGITALA ARBETSPLATSEN

Gränsen mellan den fysiska och virtuella arbetsmiljön suddas ut och detta skapar nya förutsättningar för ett effektivare och flexiblare arbetsliv.



Søk 

Smart Kommune

Digitalisering og mobilitet i kommunen



≡ Meny ⚙ Søk 

Logg inn

Digitale lösningar skapar enklare arbetsdag för hjälper din komm

E-helse

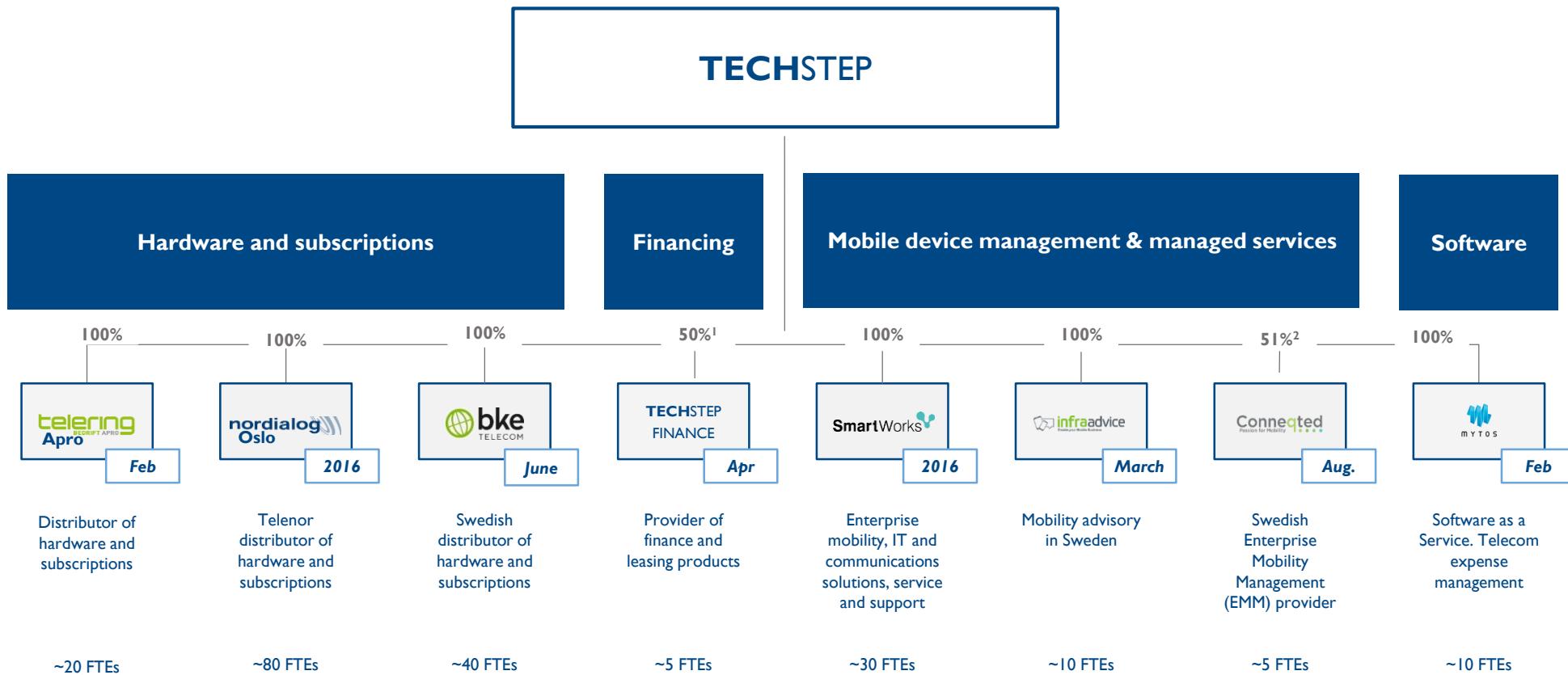
Digitalisering i helse- og omsorgssektoren

Digitalisering av arbetsprosesser øker effektiviteten i en stadig mer presset helsektor. Mobile og digitale løsninger gir tryggere og mer fornøyde ansatte og pasienter. For å møte utfordringen med en aldrende befolkning og fortsatt å kunne tilby helsetjenester av den kvalitet vi forventer, er digitalisering en nødvendighet.



Building Techstep

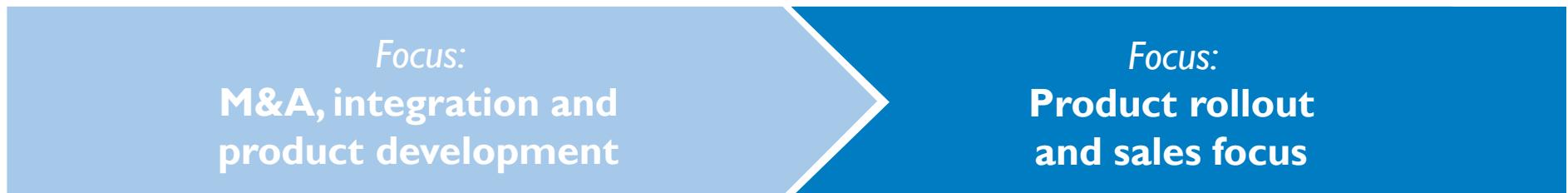
Techstep has acquired key companies with hardware and solutions business



¹) Techstep has an option to acquire the remaining shares in Connected on certain conditions

Company progress towards becoming a Nordic enabler of the digital workplace

2017



Q1

- Acquisition of Mytos
- Acquisition of Infra Advice
- Acquisition of Apro
- Equity issue of NOKm 100

Q2

- Initiate integration of acquired companies
- MaaS pilot customers
- In process to acquire BKE
- Initiated cross sales efforts

Q3

- Full MaaS launch Norway
- Launch of Mytos' asset management solution
- In process to acquire Conneqted

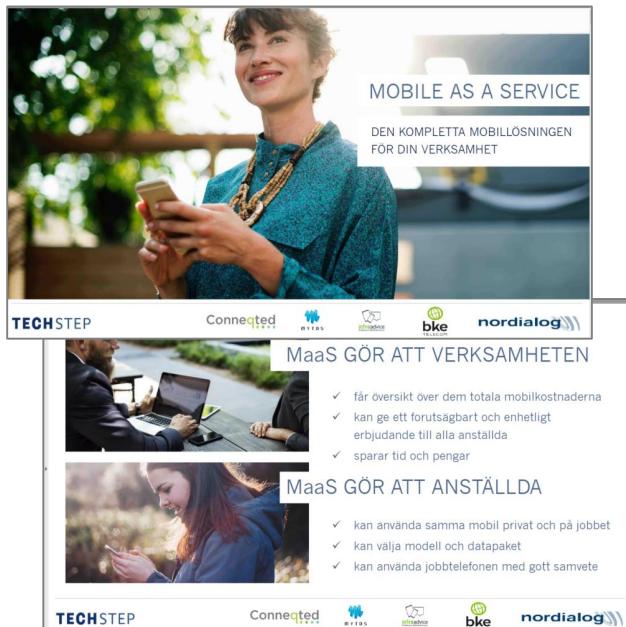
Q4

- Enable financing (leasing) in Sweden
- Launch of MaaS in Sweden
- Launch of new vertical solutions
- Launch of Mytos in Sweden

Expected positive effect on profitability

Techstep has taken several significant steps in Q3 2017

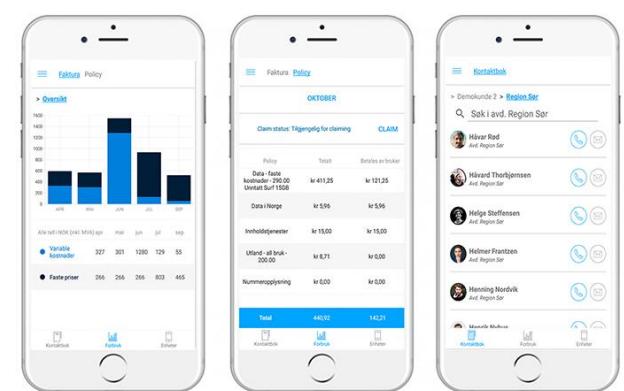
Launched MaaS to customers..



..entered Sweden with Mytos..

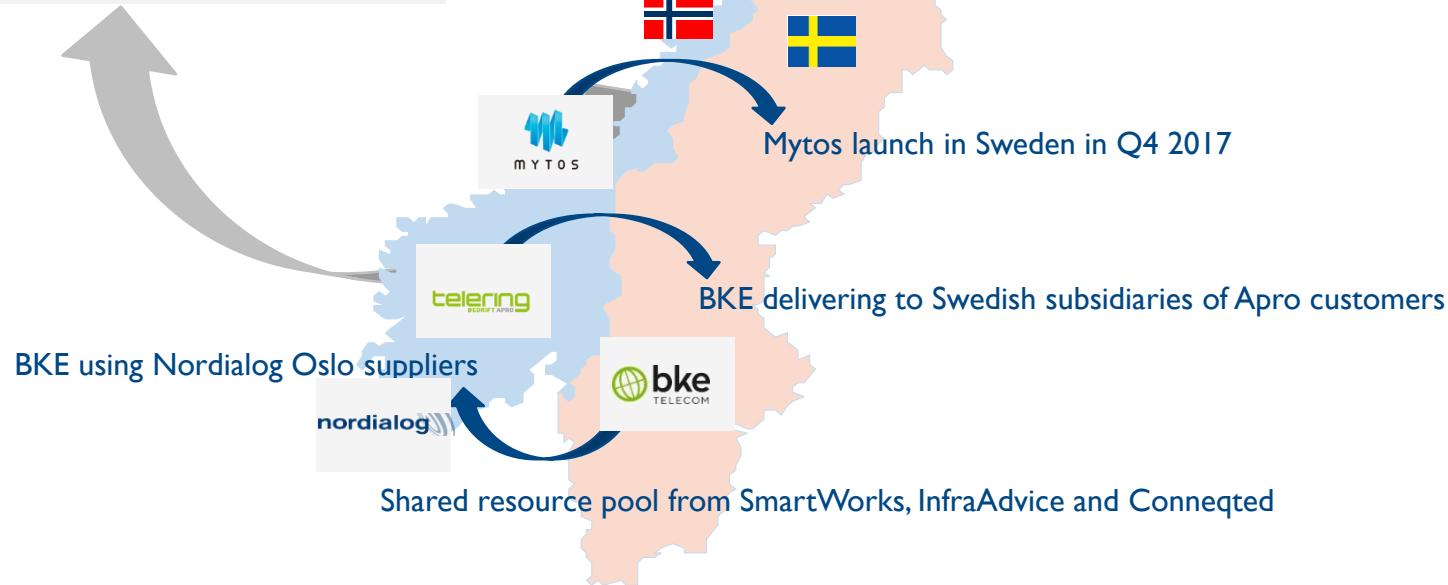


.. and launched a new Mytos app!



Techstep entities started to deliver and win joint customer bids to cross-Nordic customers

Techstep is delivering solutions to global customers originating from the Nordics



Nordialog/SmartWorks/BKE/InfraAdvice/Conneqted - joint bids to cross-Nordic customers

Financials



Financial summary Q3 2017

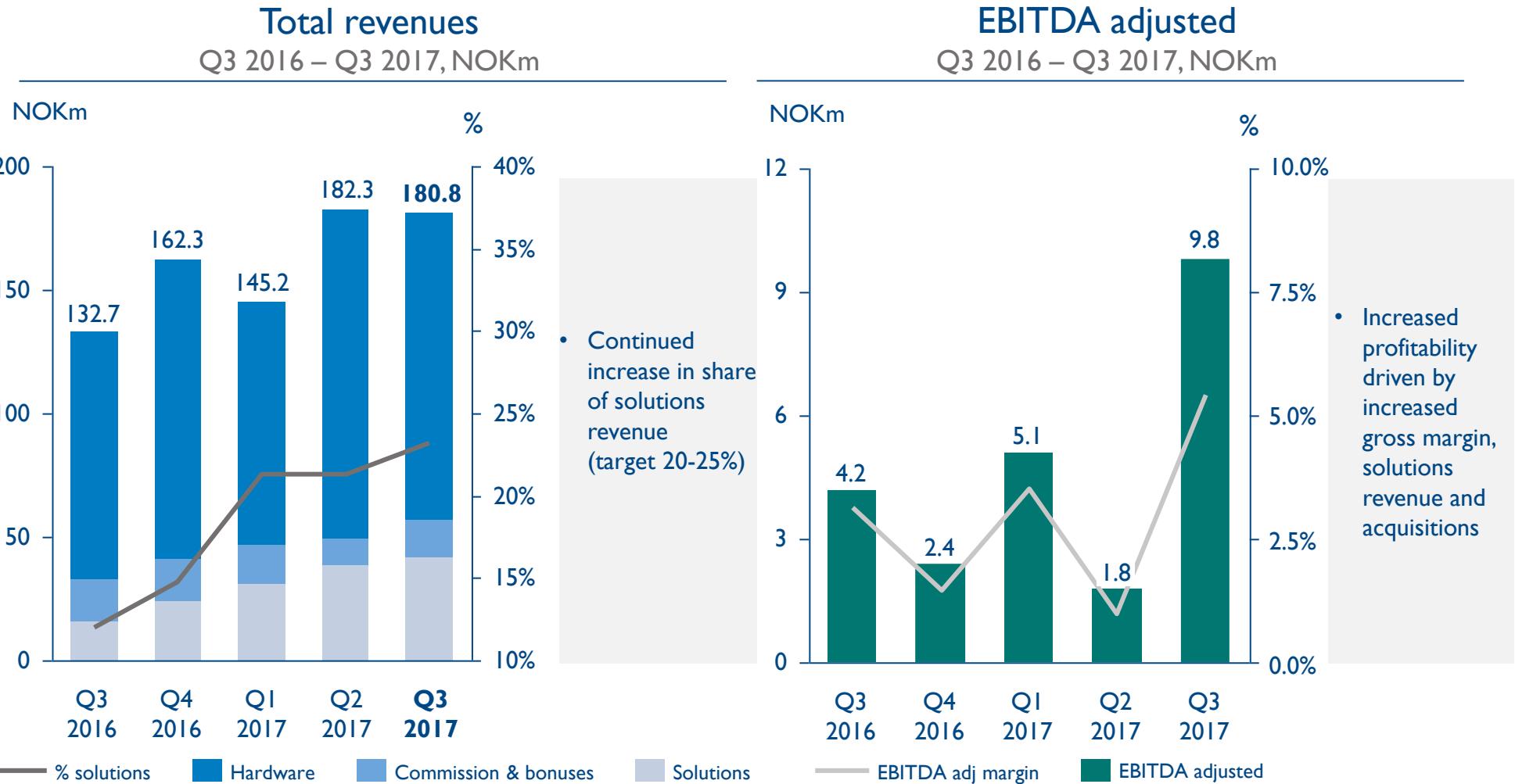
Key figures (reported)

(amounts in NOK 1 000)

	Q3 2017	Q3 2016	YTD 2017	FY 2016
Revenue	180 811	132 676	508 248	573 498
Adjusted EBITDA ¹⁾	9 800	4 139	16 669	13 078
Adjusted EBITA ¹⁾	9 535	3 925	15 748	12 175
Adjusted EBIT ¹⁾	3 893	202	1 156	(6 808)
EBITDA	6 569	(9 639)	(700)	(4 433)
EBITA	6 304	(9 853)	(1 620)	(5 336)
EBIT	662	(13 576)	(16 212)	(24 319)
Adjusted EBITDA margin (%)	5.4 %	3.1 %	3.3 %	2.3 %
Adjusted EBITA margin (%)	5.3 %	3.0 %	3.1 %	2.1 %
Hardware, commission and bonuses, share of revenue (%)	77 %	88 %	78 %	88 %
Solutions, share of revenue (%)	23 %	12 %	22 %	12 %
Total assets	737 686	398 073	737 686	508 409
Cash	27 086	6 162	27 086	81 692
Equity	477 576	12 496	477 576	260 294
Employees	214	133	214	121

- Revenue growth driven both by acquisitions and organic growth
- 22% underlying reduction in commission & bonuses
- Despite this, an improvement in EBITDA adjusted margin to 5.4% vs. 3.1%
- EBITDA adj. of NOK 16.7m YTD-17, includes growth investments and transformation activities

Revenue and EBITDA adjusted development Q3 2016 – Q3 2017



Revenue development in Hardware and Solution Q3 2016 – Q3 2017

Reported hardware revenue

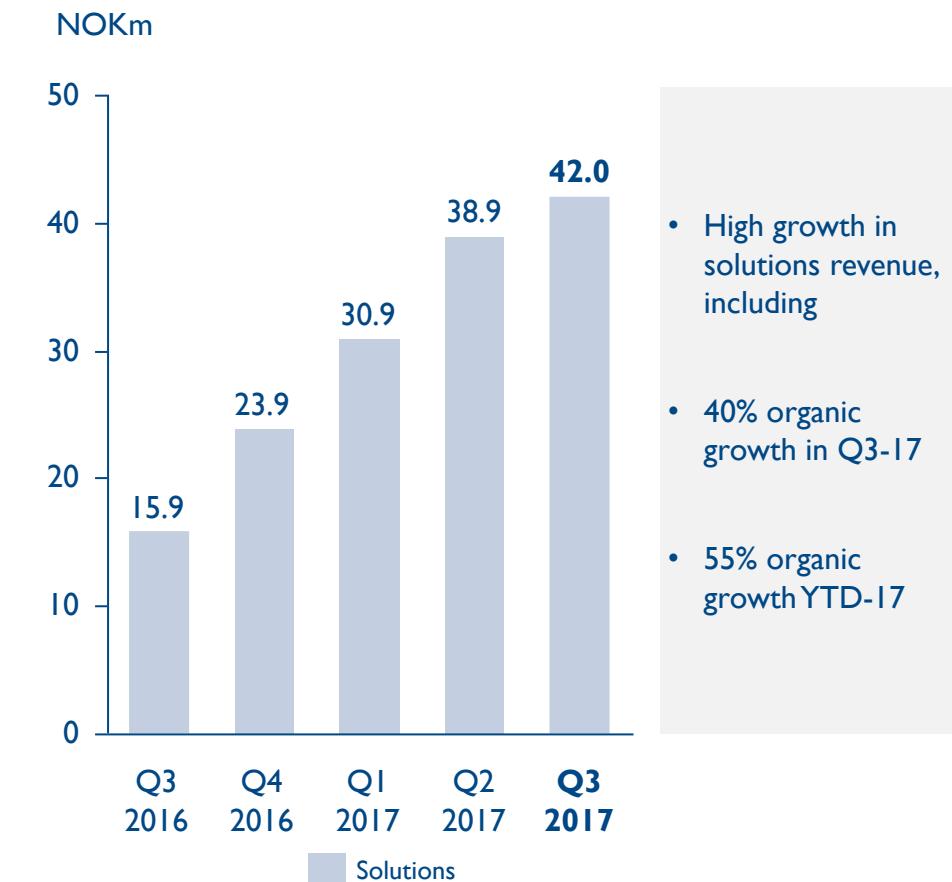
Q1 2016 – Q3 2017, NOKm



- Increase in hardware through acquisitions, off-set by an underlying decrease of 6.7%

Reported solutions revenue

Q1 2016 – Q3 2017, NOKm



- High growth in solutions revenue, including
- 40% organic growth in Q3-17
- 55% organic growth YTD-17

Consolidated income statement

Consolidated income statement

(amounts in NOK 1 000)

	Q3 2017	Q3 2016	YTD 2017	2016
Revenue	180 588	131 394	506 734	570 526
Other revenue	223	1 282	1 515	2 972
Total revenue	180 811	132 676	508 248	573 498
Cost of goods sold	(124 264)	(92 199)	(353 533)	(405 210)
Salaries and personnel costs	(33 575)	(25 336)	(94 654)	(104 041)
Other operational costs	(13 461)	(11 003)	(43 681)	(51 169)
Share of profit (loss) in joint ventures	289	-	289	-
Gross operating profit	9 800	4 139	16 669	13 078
Depreciation	(265)	(214)	(920)	(903)
Amortization	(5 642)	(3 723)	(14 593)	(18 984)
Other income and expenses	(3 231)	(13 778)	(17 368)	(17 511)
Operating profit (loss)	662	(13 576)	(16 212)	(24 319)
Technical loss				(21 217)
Remeasurement on equity interests	(5 356)	-	(5 356)	
Financial income	62	54	4 600	1 008
Financial expense	(773)	(1 804)	(2 502)	(6 126)
Profit before taxes	(5 404)	(15 326)	(19 470)	(50 654)
Income taxes	3 844	2 929	4 901	5 954
Net income	(1 561)	(12 397)	(14 569)	(44 700)

- Share of profit joint venture relates to contribution from Techstep Finance
- Re-measurement on equity interest relates to a 50% ownership in Nordialog Asker made in 2012; the remaining 50% was acquired in February 2017 at a lower price, resulting in a one-off adjustment

Balance sheet

Amounts in NOK 1 000	Q3 2017	Q3 2016	2016
Intangible assets	512 515	275 216	272 350
Tangible assets	10 535	3 346	3 159
Financial assets	35 995	20 130	41 829
Inventories	15 620	10 173	9 526
Accounts receivable	122 855	65 707	83 250
Other receivables	13 080	17 338	16 603
Cash and cash equivalents	27 086	6 162	81 692
Total assets	737 686	398 073	508 409
Total equity	477 576	12 496	260 294
Deferred tax	10 575	6 049	-
Non-current interest bearing debt	-	16 875	12 656
Other non-current debt	46 484	-	-
Current interest bearing liabilities	71 028	47 568	113 721
Accounts payable	76 310	47 423	62 050
Tax payable	6 114	12 968	9 338
Public taxes, provisions	17 312	26 455	14 007
Other current liabilities	32 288	53 896	36 342
Total equity and liabilities	737 686	398 073	508 409

- Intangible assets include goodwill of NOK 444m and customer relations of NOK 68m
- Increase in accounts receivable due to higher volume and acquisitions
- Other non-current debt includes earn-out and vendor note for the BKE acquisition, NOK 35m and a long term loan in BKE of NOK 8m
- Current interest bearing liabilities include factoring NOK 31.8m and drawn credit facility of NOK 26.8m
- Current cash position of NOK 27m

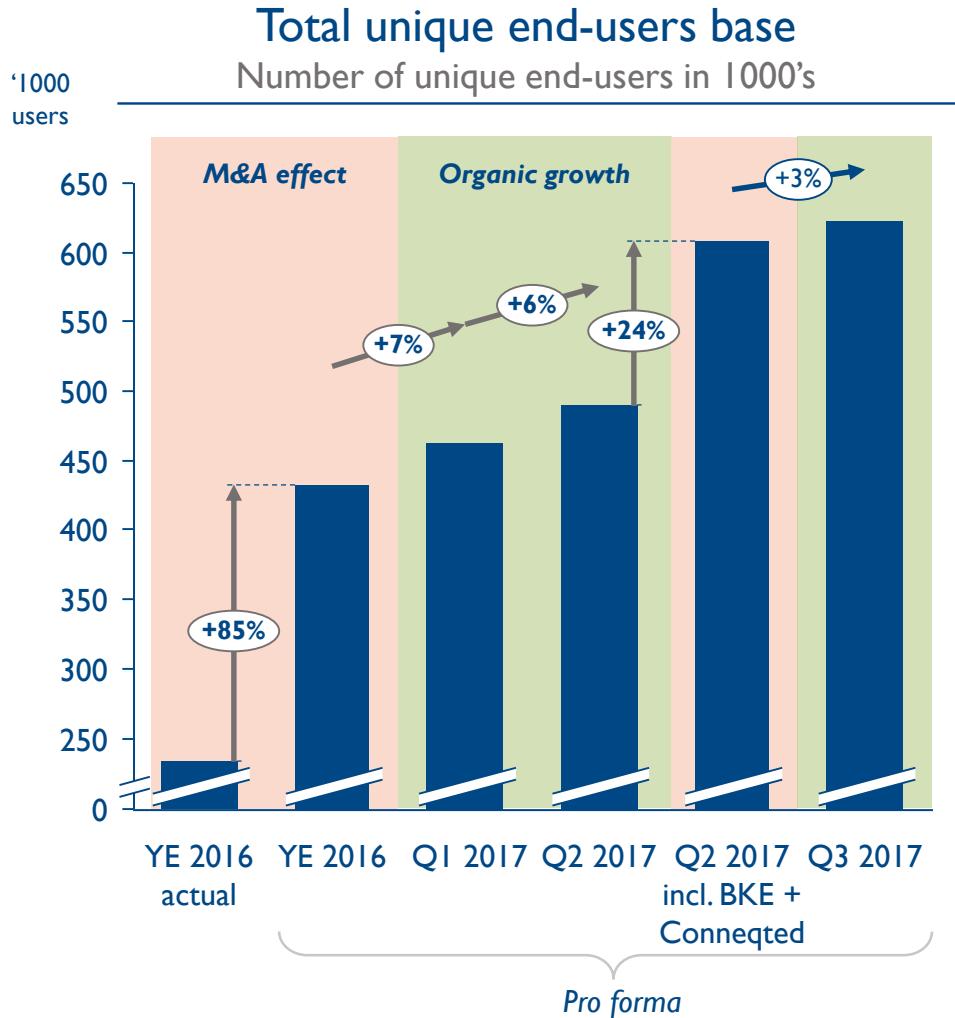


Techstep growth platform

Solid customer base spanning across the Nordics includes both public and private sector



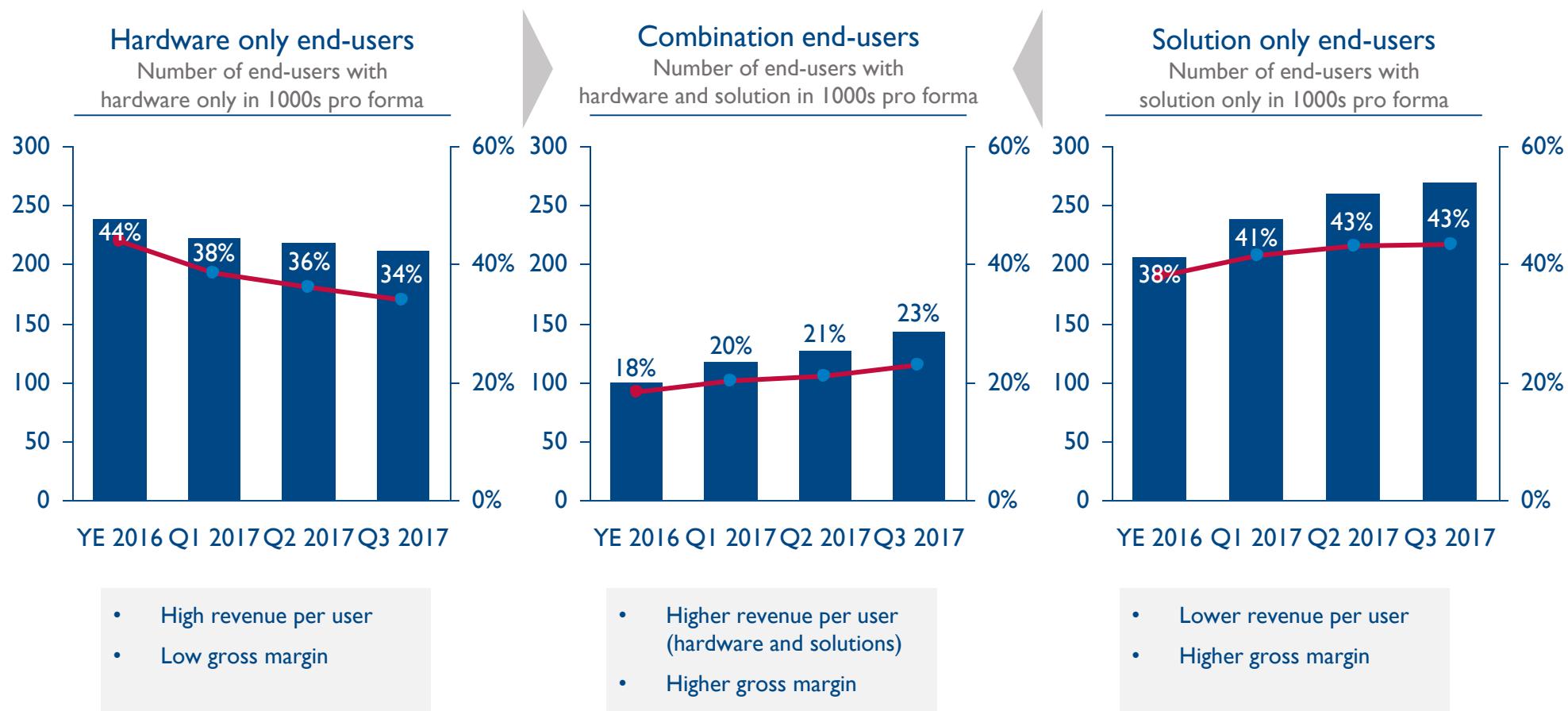
Growth of unique end-users



- Organic end-user growth of ~15% YTD primarily driven by organic growth in solution
- Just beginning to see effects from cross sales that will increase ARPU

Solid user growth is a platform for future revenue and profitability growth

Solid cross-sell potential as only 23% of Techstep's unique end-users have a combined hardware and solution today

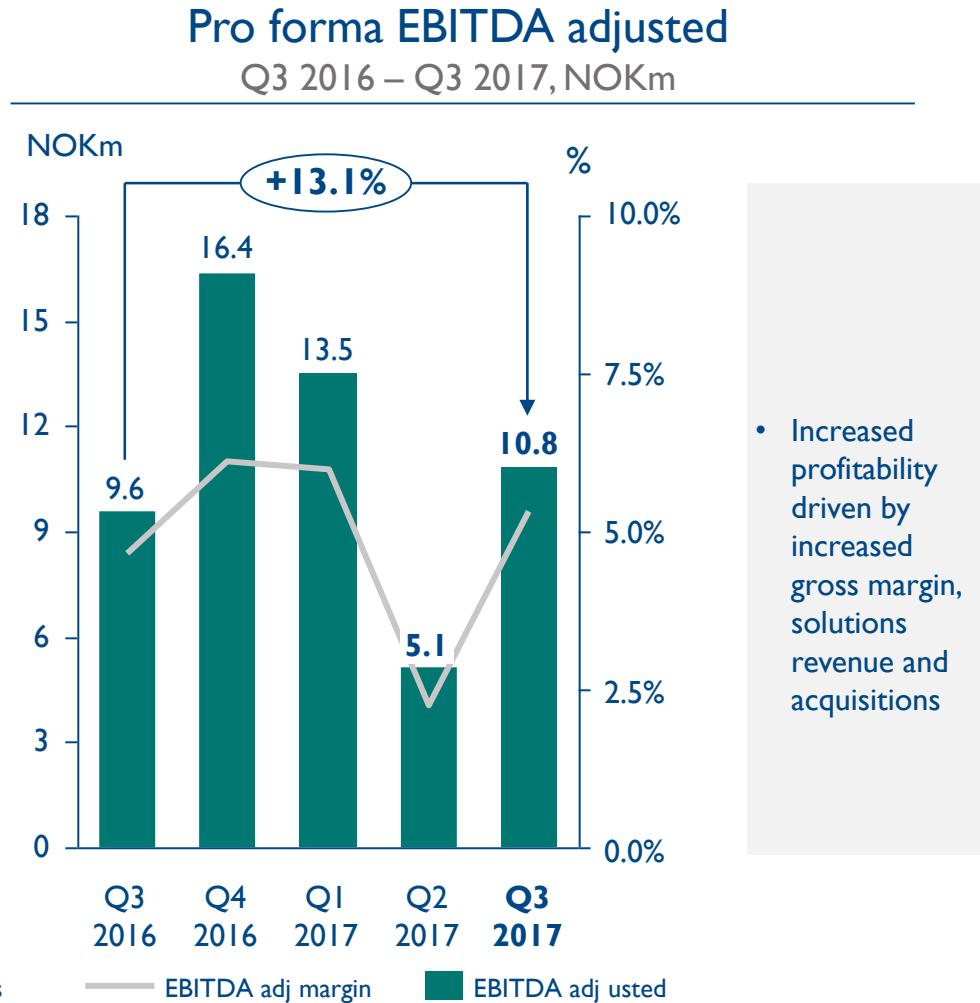
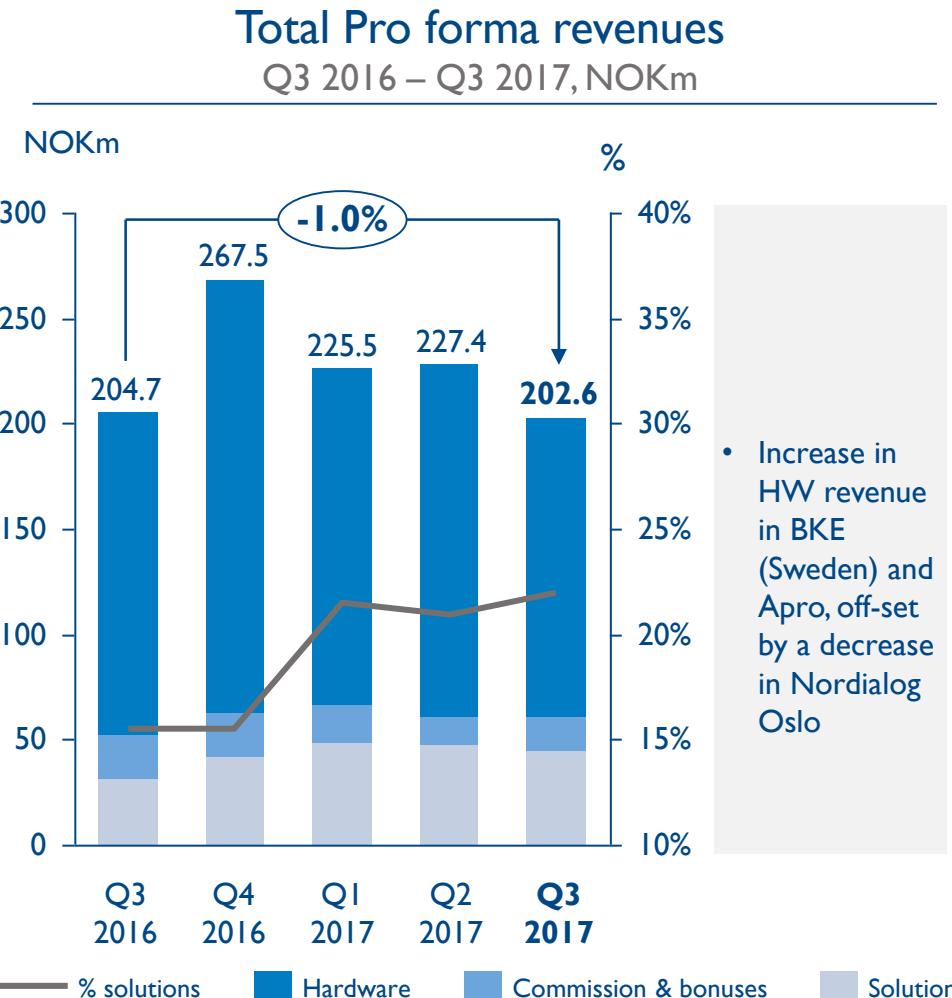


Summary

- Spent Q3'16-Q3'17 developing offerings and preparing for growth – OSE listing, M&A, consolidation, transformation and organisational development
- 6,000 customers today, organic YTD'17 growth in end-users of 15% to 600,000+
- Prioritized long term growth over short term profitability in order to take the market position as the Nordic enabler of making work mobile
- Started integration cross Nordic
- Techstep built to serve expanding market for digital workplace and mobile solutions:
 - solid existing customer base,
 - new solutions that we now deliver into the market,
 - experience growing demand for our solutions,
 - sales and delivery capacity in place

Appendix

Revenue and EBITDA adjusted development Q3 2016 – Q3 2017

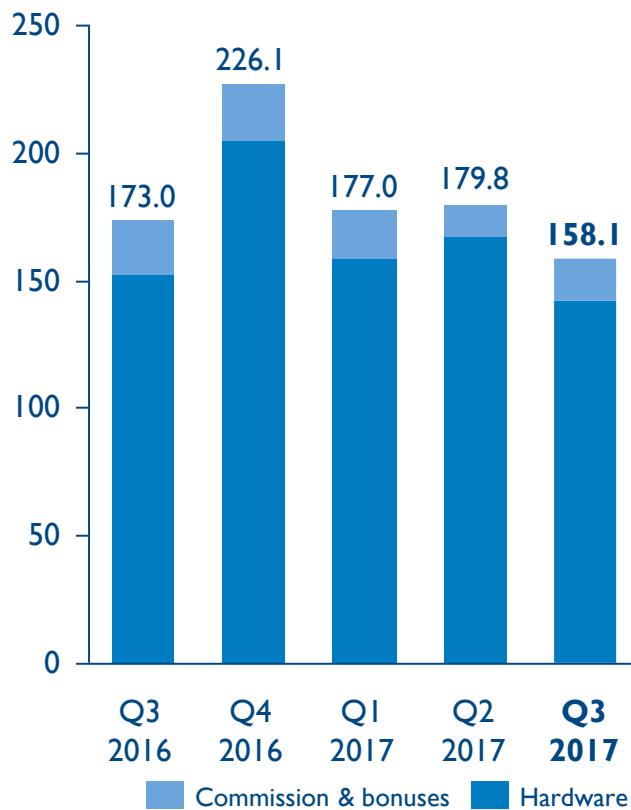


Revenue development in Hardware and Solution Q3 2016 – Q3 2017

Pro forma hardware revenue

Q3 2016 – Q3 2017, NOKm

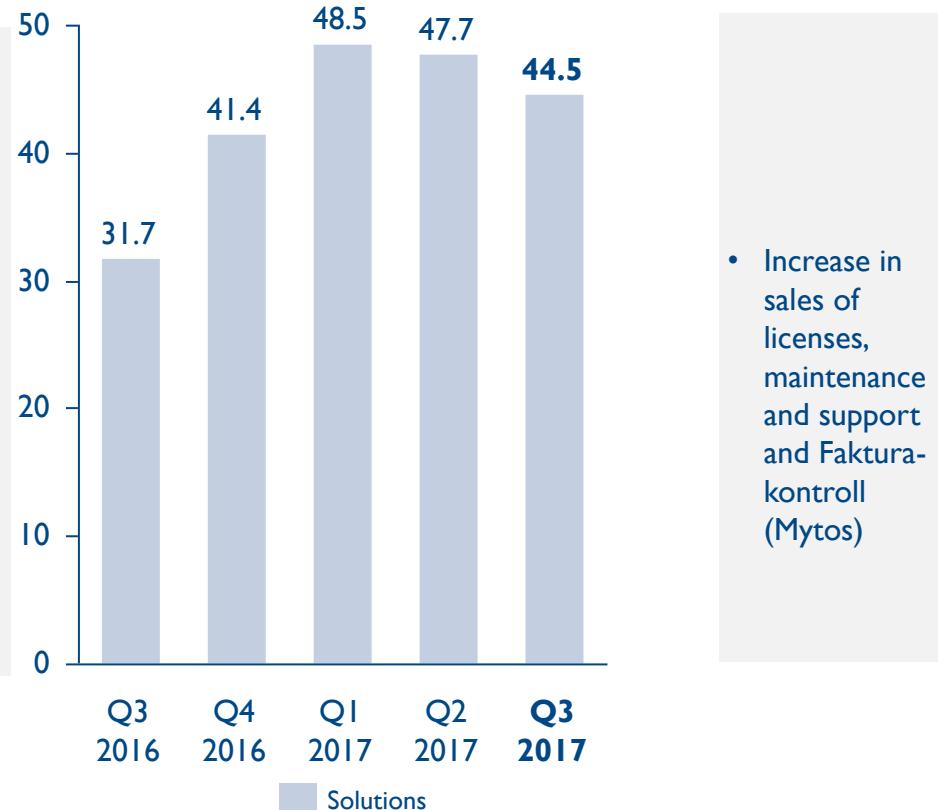
NOKm



Pro forma solution revenue

Q3 2016 – Q3 2017, NOKm

NOKm



Appendix

Top 20 shareholders at 13 November 2017

NAME	SHAREHOLDING	% SHARE
DATUM AS	31 829 142	21.76%
MIDDELBORG INVEST AS	29 066 931	19.87%
PALOS NORGE AS	11 666 667	7.98%
SKANDINAViska ENSKILDA BANKEN AB	4 991 128	3.41%
CIPRIANO AS	4 651 375	3.18%
DOVRAN INVEST AS	3 763 372	2.57%
JYST INVEST AS	3 763 372	2.57%
SKARESTRAND INVEST AS	3 763 372	2.57%
TINDE INDUSTRIER AS	3 763 372	2.57%
TIGERSTADEN AS	3 300 000	2.26%
ZONO HOLDING AS	3 000 007	2.05%
SÅ&HØSTE AS	2 925 936	2.00%
TVENGE TORSTEIN INGVALD	2 700 000	1.85%
NOMO HOLDING AS	1 946 253	1.33%
NORDIALOG ENSJØ AS	1 946 253	1.33%
UNIFIED AS	1 849 457	1.26%
VERDIPAPIRFONDET DNB SMB	1 838 929	1.26%
RAKNES HOLDING AS	1 649 348	1.13%
SONGA TRADING INC	1 438 596	0.98%
ARCTIC FUNDS PLC	1 304 673	0.89%
Total number owned by top 20	121 158 183	82.84%
Other shareholders	25 093 606	17.16%
Total number of shares	146 251 789	100%

Management team



Gaute Engbakk – CEO

Mr Engbakk is an experienced change leader from working many years in Accenture with large international companies. He joined Techstep in November 2016. In Accenture, he worked in a variety of markets and industries and built up a division within analytics and information management. Engbakk led Creuna AS, a significant Nordic player within digital solutions, branding and advertising during 2010-2014, and during 2014-2016 he was the CEO of Gambit Hill & Knowlton Strategies.



Inge Paulsen – Chief Operating Officer

Mr Paulsen is an experienced executive manager with a proven track record from companies like Clear Channel, Eltel Networks/Sønnico Tele, Infratek/Hafslund, Implement and Accenture. His broad experience comes from heading strategic business development projects in venture businesses or turn around cases as well as holding various executive positions responsible for profit & loss. Paulsen joined Techstep in May 2017.



Marius Drefvelin – CFO

Mr Drefvelin joined Techstep in January 2017 and was previously the Group CFO of Creuna, a leading Nordic technology and communications consultancy firm with 350 employees. He has been with Creuna since 2012. During 2010-2012, he was a financial advisor at Deloitte, working with mergers, acquisitions and IPOs. Before this, he worked at Jebsen Asset Management from 2007-2009. During 2001-2007, Drefvelin worked at KPMG, also working with transactions.



Erik Haugen – Chief Commercial Officer

Mr Haugen is an international business professional, bringing with him broad commercial experience within finance, telecommunications, consumer electronics, the entertainment licencing industry, as well as IT. He has 20 years experience, whereof 12 from London, working with sales, marketing, business development and management for companies such as Pioneer, Sony Ericsson, Norwegian Air Shuttle ASA and Lindorff AS (now Intrum). Haugen joined Techstep in October 2017.



Mads Vårdal – Chief Innovation Officer

Mr Vårdal has been with companies within the Techstep sphere for more than eleven years. He came from a central position in Teki Solutions AS and has been a leading figure for the development of SmartWorks. He has previously had a leading position in Nordialog Skøyen AS and CEO in Buskerud Tele AS.

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