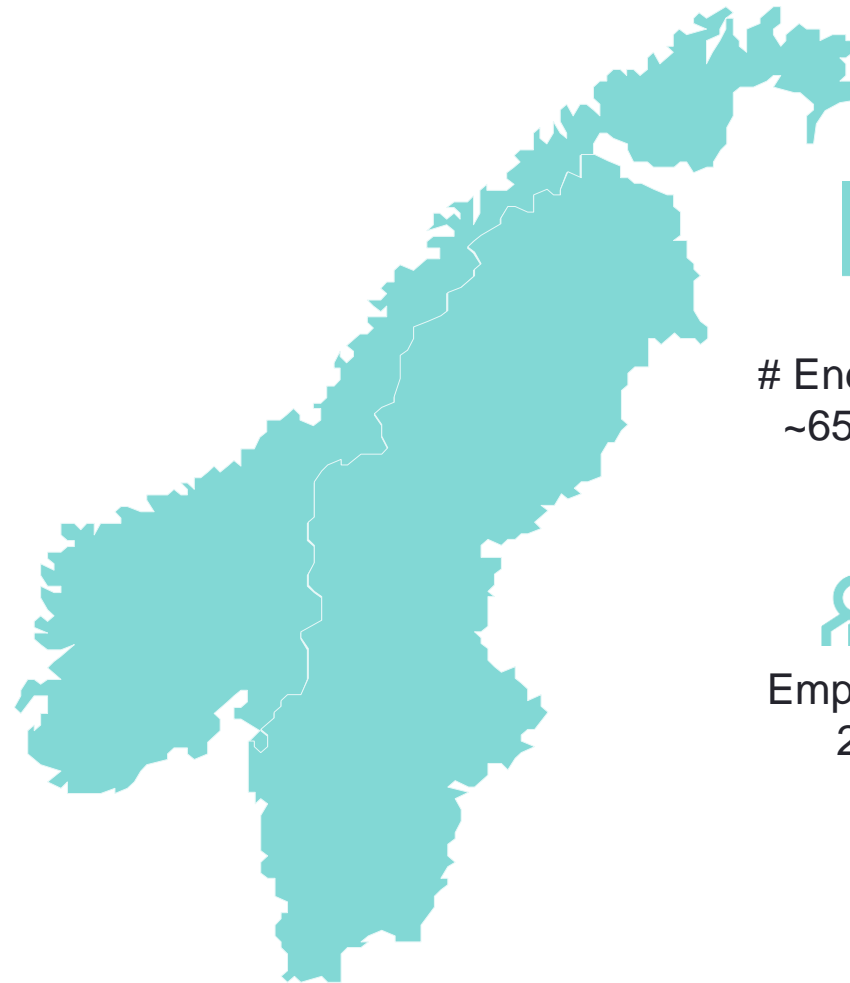


# **Q3 2018 presentation**



# Techstep serves public and private enterprises with mobile solutions

- Providing enterprise customers with mobile solutions from the leading vendors
- Bundle hardware and value-adding software and services into subscription based solutions, delivered as a managed service
- Market consolidator, building solutions platform through organic innovation, acquisitions and partnerships
- Main office in Oslo, Norway
- Listed on the Oslo Stock Exchange



# End-users  
~658,000



# Customers  
~6,000



Employees  
225



YTD 2018  
revenues  
NOK~747m

**TECHSTEP**

# Leading brands and enterprises make work mobile with our offering



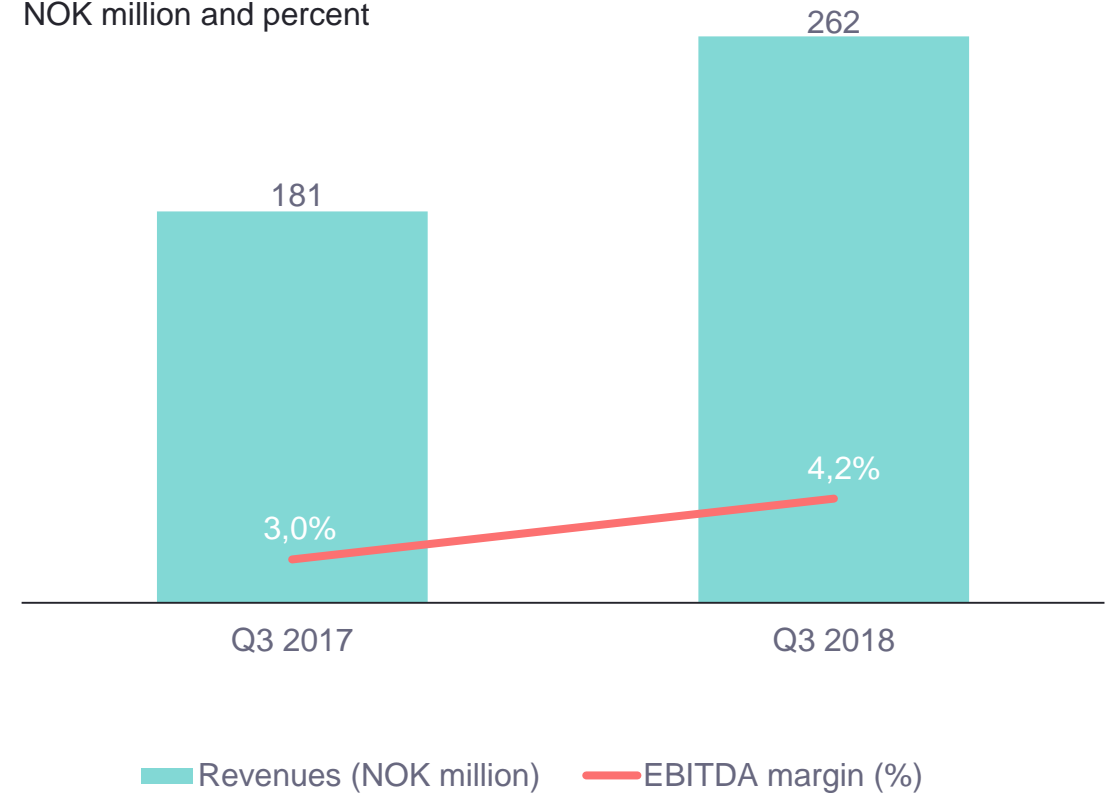
Note: Selected customers only

**TECHSTEP**

# Highlights Q3 2018

- Revenue growth of 45% year-over-year, driven primarily by growth in Norway
- EBITDA margin 4.2%, up from 3.0% in Q3 2017
- Awarded new contracts with a potential total value of NOK 242m in Q3 and NOK 765m YTD 2018
- Completed acquisition of Wizer AS, enabling Techstep to provide high-end cyber security solutions

**Revenue and EBITDA-margin**  
NOK million and percent



# Financials



# Key figures

NOK 1 000	Q3 2018	Restated* Q3 2017	YTD 2018	Restated* YTD 2017	FY 2017
Revenues	261 596	180 811	746 763	508 248	789 473
EBITDA	10 945	5 392	28 734**	(2 444)	(735)
EBITA	10 574	5 127	27 520**	(3 364)	(2 125)
EBIT	5 583	(515)	13 149**	(17 969)	(23 147)
EBITDA margin (%)	4.2%	3.0%	3.8%**	(0.5%)	(0.1%)
EBITA margin (%)	4.0%	2.8%	3.7%**	(0.7%)	(0.3%)
Total Assets	749 023	676 478	749 023	676 478	765 477
Cash	43 201	70 645	43 201	70 645	35 278
Equity	492 575	459 058	492 575	459 058	450 110

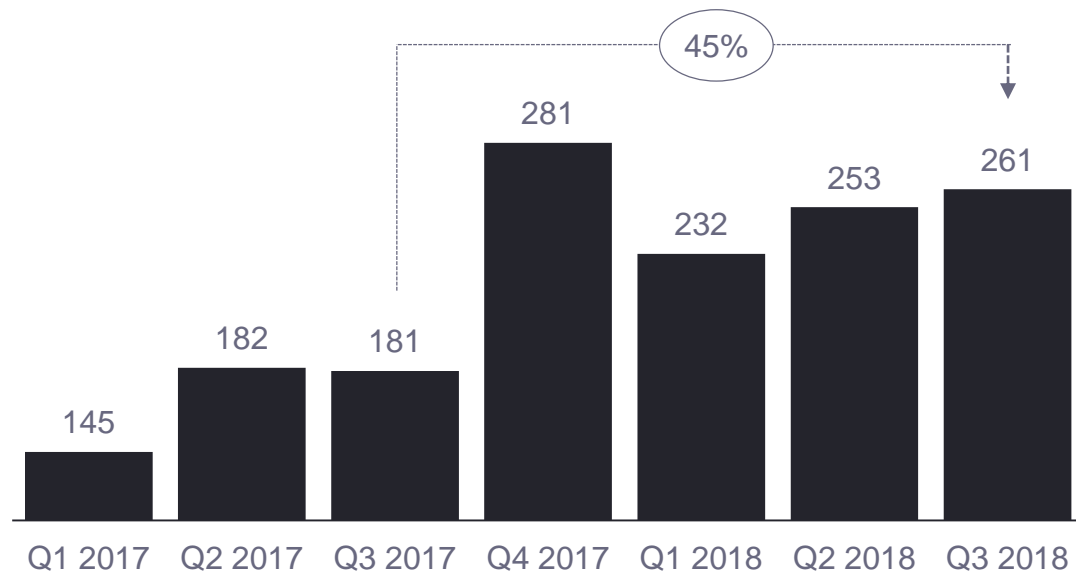
\*Restatement of previous equity interests in Nordialog Asker and granted share options to executive management. For details, see note 6 in the Financial Report for Q3 2018

\*\* Includes a reduction of a contingent liability of NOK 10 million related to BKE Telecom AB in Q2 2018. For details, see note 7 in the Financial Report for Q2 2018.

Note: Figures include M&A costs and other one-offs of NOK 3.2 million in Q3 2017 and NOK 26.3 million in 2017.

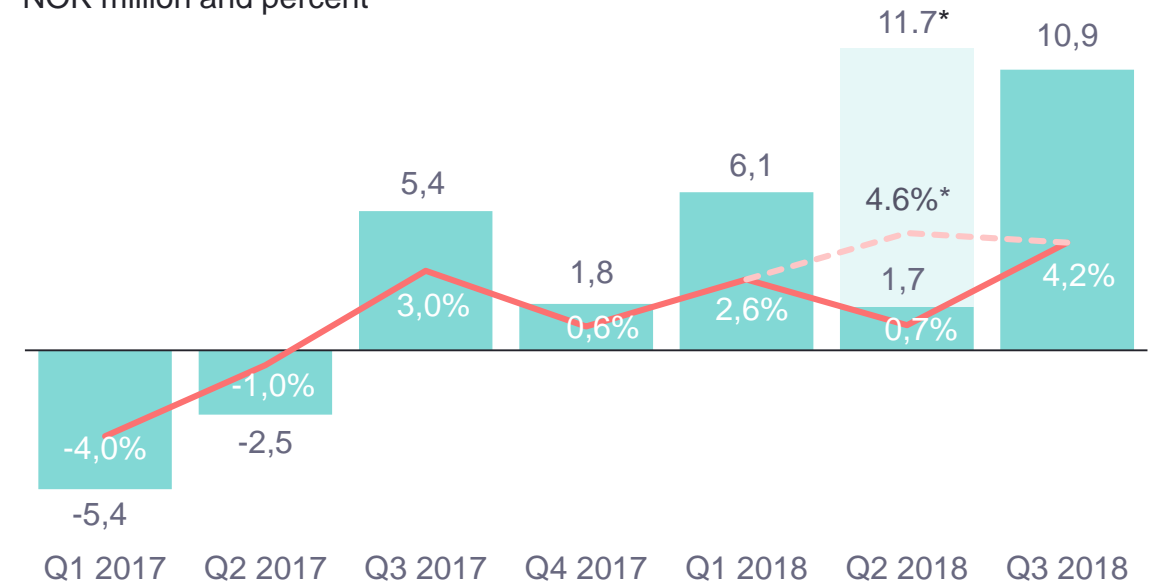
# Revenue and profitability

Revenue  
NOK million



- Revenue growth driven by growth in Norway
- Norway ~81% of revenue, Sweden ~19%
- Seasonality impacting Q4 in particular

EBITDA and EBITDA margin  
NOK million and percent

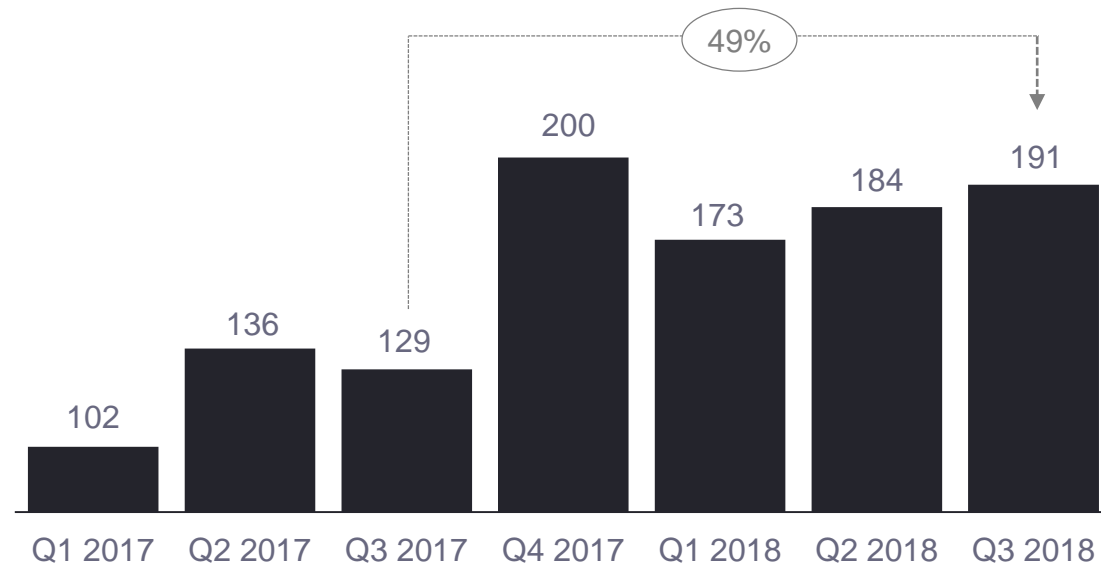


- Improved EBITDA level, but continues to reflect growth investments and integration costs
- Improving performance in Norway, underperforming in Sweden

\* EBITDA includes a reduction of a contingent liability related to the acquisition of BKE Telecom AB of NOK 10 million.

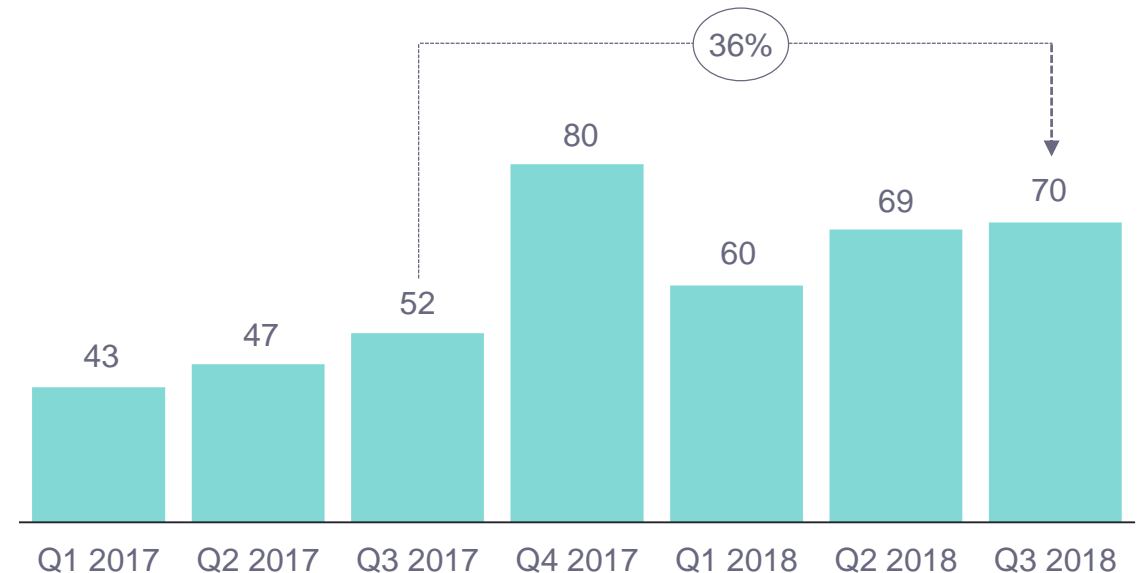
# Hardware and solutions revenue

**Hardware revenue\***  
NOK million



- 49% growth year-over-year
- Growth primarily in Norway

**Solutions revenue\***  
NOK million



- 36% growth year-over-year
- Continued growth, mostly in Norway

\* Includes related commission and bonus

# Income statement

NOK 1 000		Restated*		Restated*	
	Q3 2018	Q3 2017	YTD 2018	YTD 2017	FY 2017
Revenue	261 596	180 588	744 286	506 734	786 242
Other revenue	-	223	2 477	1 515	3 231
<b>Total revenue</b>	<b>261 596</b>	<b>180 811</b>	<b>746 763</b>	<b>508 248</b>	<b>789 473</b>
Cost of goods sold	(189 704)	(124 264)	(535 276)	(353 533)	(559 656)
Salaries and personnel costs	(42 602)	(34 752)	(141 649)	(96 506)	(144 943)
Other operational costs	(18 694)	(13 461)	(51 275)	(43 681)	(59 451)
Share of profit (loss) in joint ventures	349	289	138	396	223
Depreciation	(371)	(265)	(1 214)	(920)	(1 390)
Amortisation	(4 992)	(5 642)	(14 371)	(14 605)	(21 022)
Other income and expenses	(0)	(3 231)	10 034	(17 368)	(26 381)
<b>Operating profit (loss)</b>	<b>5 583</b>	<b>(515)</b>	<b>13 149</b>	<b>(17 969)</b>	<b>(23 147)</b>
Remeasurement on equity interests	-	-	-	(5 356)	(5 356)
Financial income	163	62	486	4 494	6 211
Financial expense	(1 133)	(773)	(3 937)	(2 503)	(29 230)
<b>Profit before taxes</b>	<b>4 612</b>	<b>(1 226)</b>	<b>9 698</b>	<b>(21 334)</b>	<b>(51 523)</b>
Income taxes	(861)	1 844	770	2 901	3 846
<b>Net income</b>	<b>3 751</b>	<b>620</b>	<b>10 468</b>	<b>(18 433)</b>	<b>(47 677)</b>

\* Restatement of previous equity interests in Nordialog Asker and granted share options to executive management. For details, see note 6 in the Financial Report for Q3 2018

# Balance sheet

NOK 1 000	Q3 2018	2017
Intangible assets	517 459	513 900
Tangible assets	10 815	9 115
Financial assets	10 842	20 155
Inventories	17 496	20 715
Accounts receivable	125 362	156 663
Other receivables	23 848	18 766
Cash and cash equivalents	43 201	35 278
<b>Total assets</b>	<b>749 023</b>	<b>765 477</b>
Total equity	492 575	450 110
Deferred tax	7 998	10 428
Non-current interest-bearing debt	7 023	23 551
Other non-current debt	4 856	22 277
Current interest-bearing liabilities	80 789	67 604
Accounts payable	88 342	116 765
Tax payable	115	4 586
Public taxes, provisions	19 995	19 657
Other current liabilities	47 330	50 498
<b>Total equity and liabilities</b>	<b>749 023</b>	<b>765 477</b>

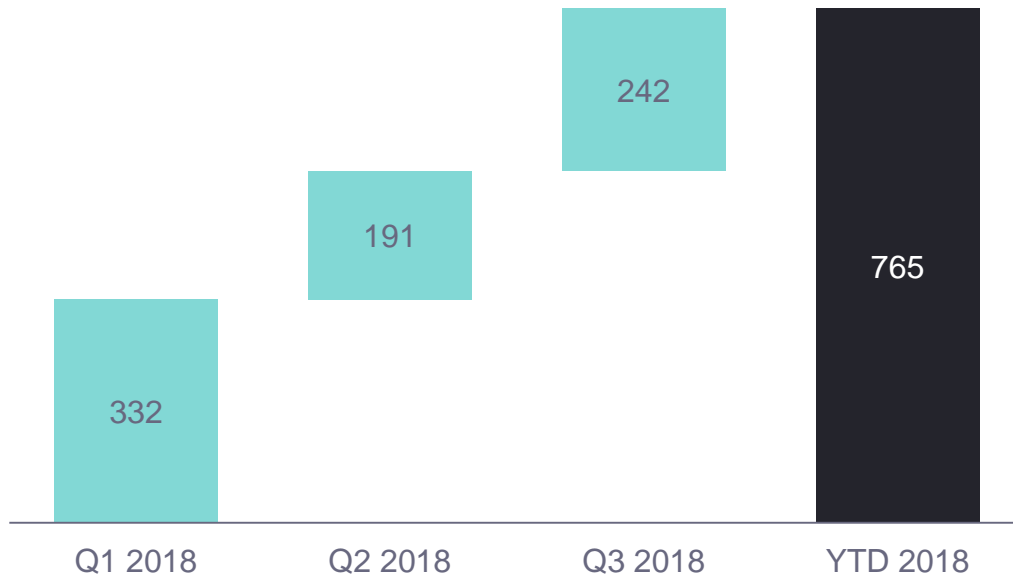
- Intangible assets include goodwill of NOK 453m and customer relations of NOK 65m
- Equity ratio of 66%
- Non-current interest-bearing debt include a property loan of NOK 7m related to Techstep Sweden (BKE)
- Current interest-bearing liabilities include factoring of NOK 36m, bank overdraft of NOK 25m, vendor note of NOK 14m and term loan of NOK 5.6m
- Positive cash flow from operations of NOK 3m

# Operations



# Quarterly and YTD sales update

**New contracts awarded YTD 2018**  
Potential value in NOK million



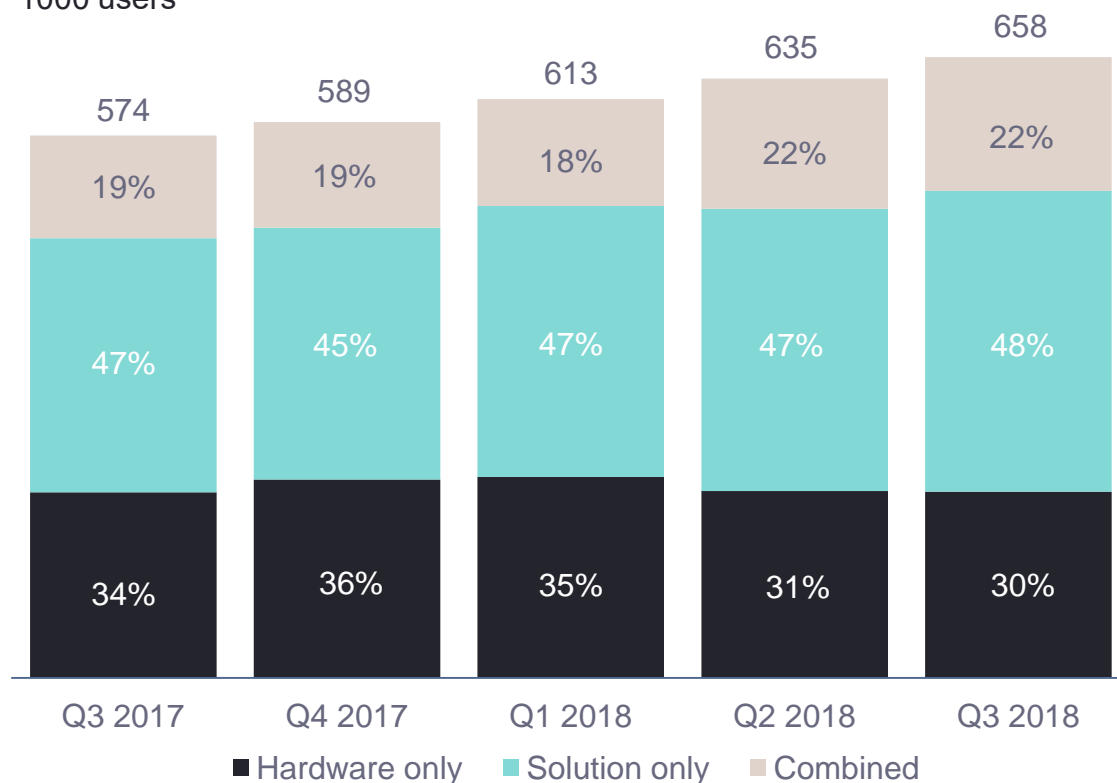
## Key Q3 contract



- Framework agreement for delivery of mobile solutions comprising mobile phones and tablets, related equipment, and operating and support services to Difi's organisations and their employees
- 2 years-duration + options of 2 years extension with semi-annual renewal
- Potential contract value of NOK 200 million (excl. options)

# Large end-user base platform for growth

Total unique end-users base  
'1000 users



- End-user growth of ~14% year-over-year
- Increase in solutions-only users and combined users, according to the strategy
- A solid customer base across various industries in the private and public sectors
- Just beginning to see effects from cross sales

Note: From Q2 2018, the development in end-users is based on reported figures, not pro forma. Consequently, the effect of acquisitions is included in accordance with the completion of the transaction.



# Techstep brings Meny merchants' to the front office

Meny has implemented a solution where tablets and mobile phones are used to digitalise some of the key processes in their stores.

Meny's store manager is able to perform several tasks with a tablet that previously was carried out back office. With Techstep's solution, the store manager can spend more time with customers and staff.

Techstep delivers hardware and a management solution that enables a secure, efficient and consistent handling of content and applications of all devices, across all stores.



# Techstep simplifies Nettbuss drivers' workplace

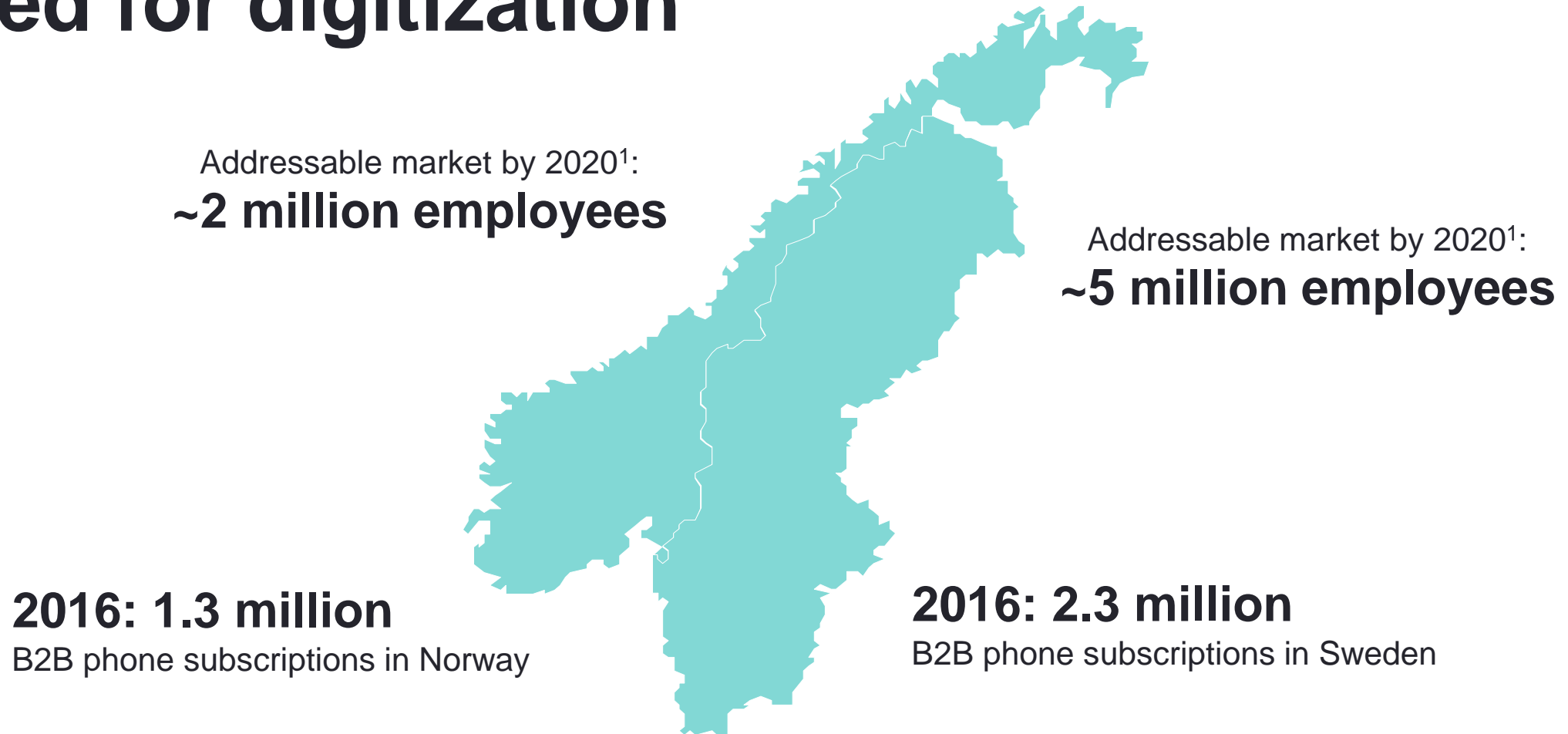


More than 3,000 bus drivers will get a tablet, a personal tool which will improve quality of their daily routines, increase efficiency and provide a platform for learning.

Techstep will deliver the solution as a service, including hardware, software and support (MaaS).



# Significant market potential driven by the need for digitization



Note: 1) CAGR 10%

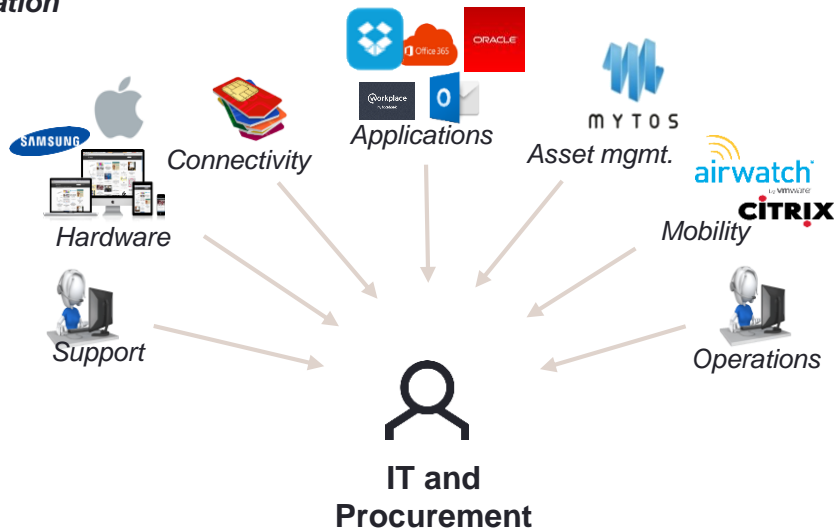
**TECHSTEP**

# A complete stack of solutions to make work mobile

## Traditional

*Buy hardware, software, connectivity, platform, support separate*

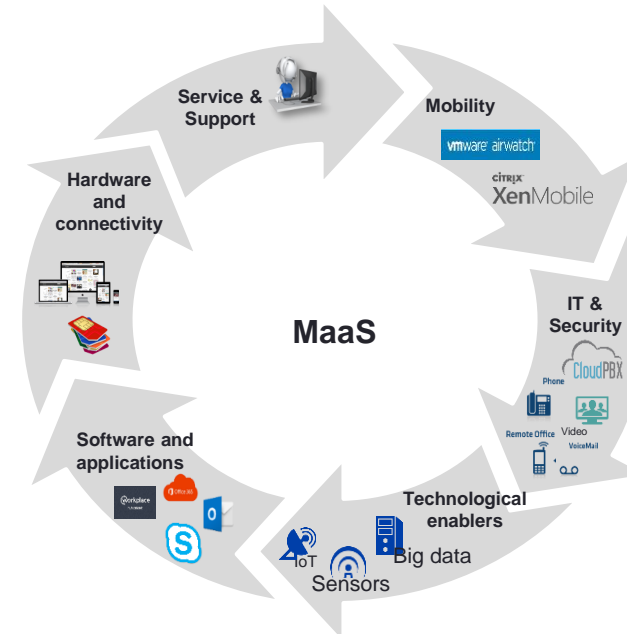
### Illustration



- ✗ Higher total cost of ownership
- ✗ Higher operational risk
- ✗ Mainly competing on price

## TECHSTEP Mobile as a Service

*A "one stop shop" solution for the digital workplace*



- ✓ Lower total cost of ownership for customers
- ✓ Single point of contact, reduces operational risk
- ✓ Inherent focus on quality and functionality rather than price

**TECHSTEP**

# Mobile device security high on the agenda

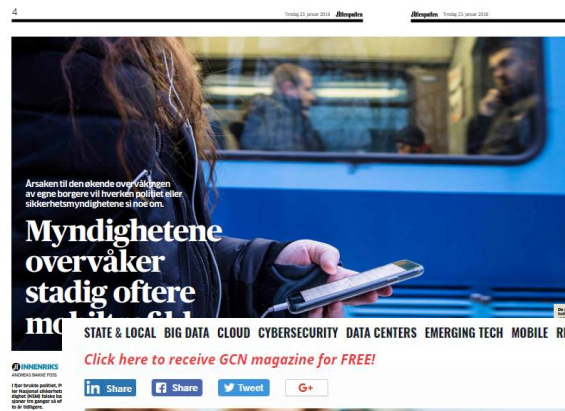


## Healthworld 2018 - fokus på sikkerhet og effektivisering

Årets konferanse er den syvende i rekken, og i år er et spennende program i stille diagnose på IT i helsenorge.

**JAN BIRKELAND**  
Sjef, sikkerhetsavdelingen

Healthworld 2018, et arrangement i regi av Computerevent, setter i år sikkerhet på agendaen og effektivisering i sentrale norske bedrifter. Flere spennende foredrag med Christian Sandberg, direktør i Direktoratet for e-helse og Digitaliseringsdirektøren, er til slutt på 5 diskusjoner.

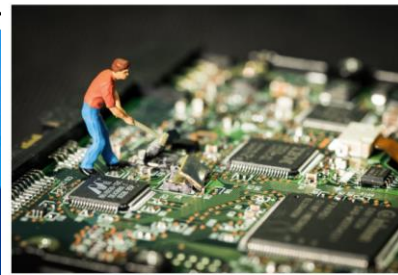


## Phishing protection boosts mobile security

By Patrick Marshall Oct 31, 2018

As any cybersecurity expert will testify, the weakest link in an organization's security is humans. And one of the most common human cyber-failings is clicking on malicious links.

## SHIFTER



## IT-folk mangler kunnskap om sikkerhet: – Et kraftig varsku, sier Tekna-president

## Sandberg-effekt: Rush etter enkle mobiltelefoner

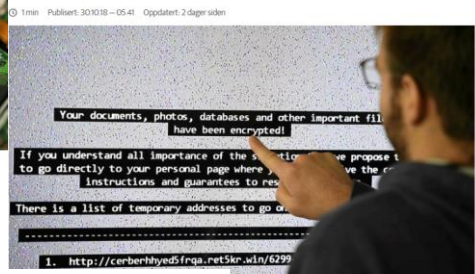
Per Sandbergs Iran-tur har skjerpet norske leders mobile sikkerhetsrutiner. Leverandørene opplever et rush etter disse typer mobiltelefoner.



Bahareh Letnes og Per Sandberg. Foto: Helge Junge / NTB scapix

## Rapport: Nordmenns frykt på internett har økt

Tre av fire nordmenn mener at de utsetter seg for risiko når de er på nett, og frykten er økende. Blant annet har redselen for å bruke nettbank økt kraftig.



Risiko på internett. (Foto: Damien Meyer/AFP/NTB Scapix)

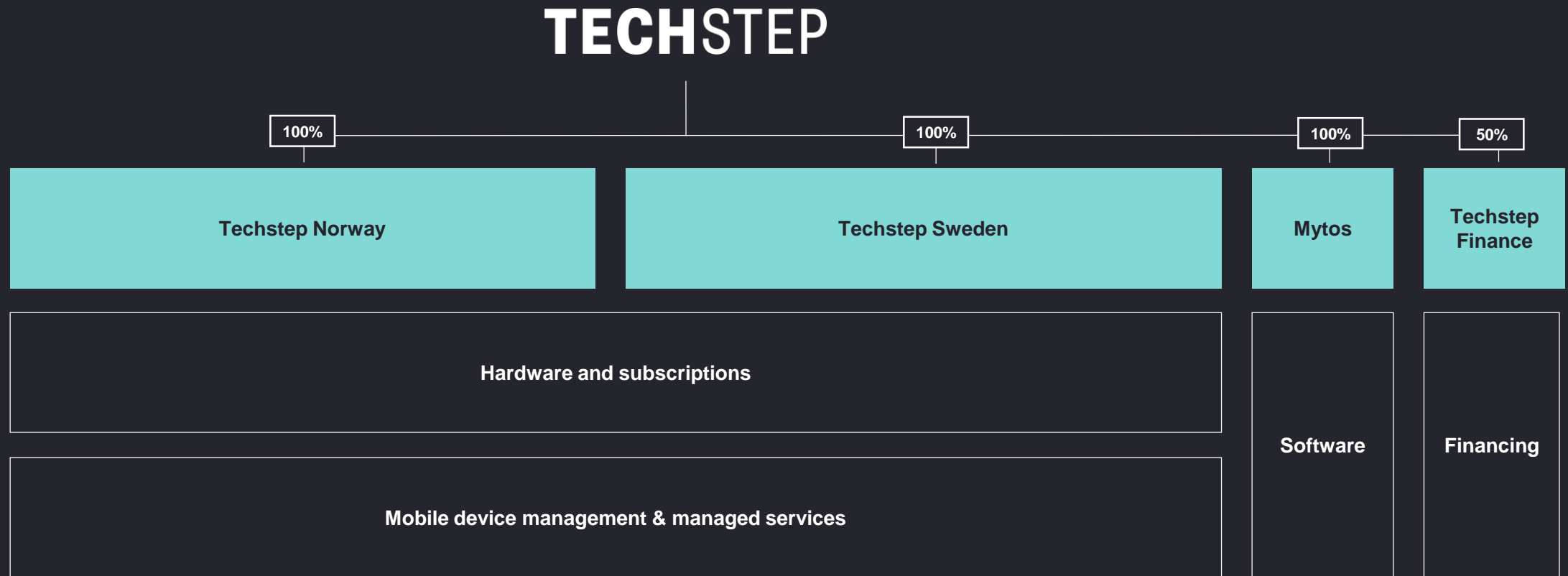
og digital sikkerhetskultur fra Norsk

# Priorities

- Increase profitability
- Integrate acquired companies
- Align everyone behind one brand
- Build a shared, strong company culture



# Aligning behind one brand with simplified structure



# Summary & outlook



- 45% total revenue growth
- EBITDA margin continues to reflect growth investments and integration costs
- Awarded contracts of 765 mill YTD
- Integration and consolidation of acquired companies key to continue growth and strengthen profitability

# Appendix



# Top 20 shareholders at 12 November 2018

NAME	SHAREHOLDING	% SHARE
DATUM AS	31 817 975	20.00%
MIDDELBORG INVEST AS	30 517 764	19.19%
DNB NOR MARKETS, AKSJEHAND/ANALYSE	9 753 955	6.13%
SKANDINAVISKA ENSKILDA BANKEN AB	7 428 108	4.67%
CIPRIANO AS	4 968 835	3.12%
TIGERSTADEN AS	4 000 000	2.51%
PALOS NORGE AS	3 966 667	2.49%
TINDE INDUSTRIER AS	3 763 372	2.37%
RUGZ A/S	3 299 470	2.07%
ZONO HOLDING AS	3 000 007	1.89%
SÅ&HØSTE AS	2 925 936	1.84%
TVENGE TORSTEIN INGVALD	2 700 000	1.70%
SKARESTRAND INVEST AS	2 563 097	1.61%
J.P. MORGAN BANK LUXEMBOURG S.A.	2 301 706	1.45%
NOMO HOLDING AS	1 946 253	1.22%
NORDIALOG ENSJØ AS	1 946 253	1.22%
DOVRAN INVEST AS	1 863 372	1.17%
UNIFIED AS	1 849 457	1.16%
VERDIPAPIRFONDET DNB SMB	1 719 434	1.08%
RAKNES HOLDING AS	1 649 348	1.04%
Total number owned by top 20	123 981 009	77.95%
Other shareholders	35 076 011	22.05%
Total number of shares	159 057 020	100.00%

# Management team



**Jens Haviken – CEO**

Mr. Haviken is an experienced executive within consulting, managed services, software and hardware distribution. He has a proven track record of developing, rebuilding and streamlining operations of companies in the ICT sector. Prior positions held by Haviken includes VP Services and Solutions and Country Manager at Dustin Group AB (publ). and various Director roles at Microsoft and Accenture.



**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, Mr. Drefvelin worked at KPMG, also working with transactions.



**Inge Paulsen – Chief Operations 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.



**Erik Haugen – Chief Commercial Officer**

Mr Haugen is an international business professional, bringing with him broad commercial experience. He spent twelve years in London working with focus on sales, marketing and business management for companies like Pioneer and Sony Ericsson. Subsequently he moved into finance and professional services sales at Lindorff AS (now Intrum) in 2011 where he has been responsible for strategic sales, key account management and business development for a large portfolio of clients within telecoms, utilities, trade, SME and public sector.



**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.

# Board of Directors

## **Einar J. Greve – Chairman of the board (since 2016)**

Mr. Greve has served on the Board in Techstep since November 2016. Mr. Greve works as a strategic advisor at Cipriano AS and has previously worked as partner of Wikborg Rein & Co and as Partner of Arctic Securities ASA. Mr. Greve has held and holds various positions as chairman or director in several listed and unlisted companies. He holds a degree in law (cand.jur) from the University of Oslo

## **Kristian Lundkvist – Board member (since 2016)**

Mr. Lundkvist has served on the Board of Techstep since November 2016. Mr. Lundkvist is the CEO and founder of Middelborg AS, a corporation with roots from the retail business in the telecom industry, which has grown into a diversified holding company including investments in real estate, equities, and shipping. Middelborg AS is a long-term industrial owner who actively participates in the value creation of the companies in the portfolio, especially business development, optimization of capital structures and networking. His directorships are including but not limited to NRC Group ASA (board member), Middelborg AS (chairman) and Folksom (board member).

## **Stein Erik Moe - Board member (since 2016)**

Mr. Moe has served on the Board of Techstep since November 2016. Mr. Moe is the CEO and co-founder of Gture AS, a digital services company. Mr. Moe has over 27 years of experience with Accenture, and was a global lead in the Technology, Media and Communication division. He has led large-scale projects and transformations, cross strategy, technology, organization and business processes. His directorships are including but not limited to Gture AS (Chairman), Gvalueinvest AS (Deputy Chairman), GoDigitalChina AS (board member) and Digitread AS (Board member). He holds a degree in Computer Science from the University of Strathclyde in Glasgow, and courses from BI Norwegian Business School.

## **Ingrid E. Leisner - Board member (since 2016)**

Ms. Leisner has served on the Board in Techstep since January 2016. Ms. Leisner's directorships over the last five years include current board positions in Storage Group ASA, Spectrum ASA, Maritime and Merchant ASA. Ms. Leisner has a background as a trader of different oil and gas products in her 15 years in Statoil ASA. Her years of experience and skills within business strategy, M&A, management consulting and change management has been very valuable when serving on the board of several companies listed on Oslo Børs. She holds a Bachelor of Business degree with honors from the University of Texas in Austin.

## **Anders Brandt - Board member (since 2018)**

Mr. Brandt has more than 20 years of experience in international entrepreneurship, technology, venture capital and digital services. He is managing partner in the venture capital fund Idekapiital, and has co-funded and exited numerous companies including DinSide, OMG, Viken Fibernett, Mytos, Meshtech and Bubbly Group. Brandt has 14 years of board experience of listed companies on Oslo Børs and Nasdaq Stockholm, whereof several tech companies.

## **Toril Nag - Board member (since 2018)**

Ms. Nag is Group Executive Vice President, responsible for customer service and the telecommunications business area of the Lyse Group. She holds extensive experience in telecom and digital service, as well as banking and finance. She has held a number of board appointments in technology, energy and R&D-related companies, and her directorships includes Dolphin Group ASA, IKT-Norge, Kolumbus AS and Altibox AS. Nag is a qualified civil engineer in Computer Science from the University of Strathclyde and has further education in management from the Norwegian Business School BI.

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