

# Making work mobile

TECHSTEP

Q4 2021 Presentation

11 February 2022



TECHSTEP

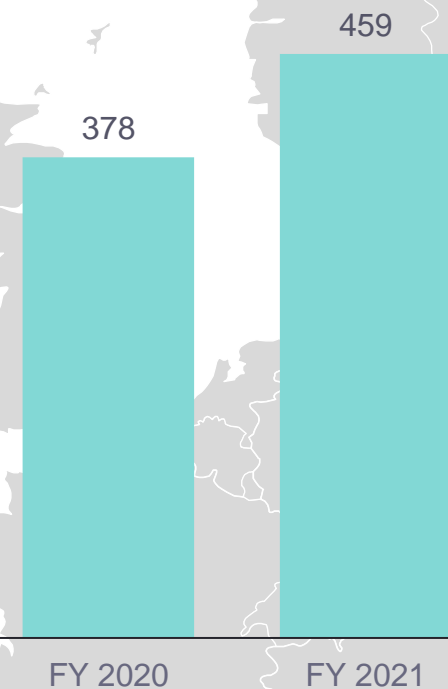
# Highlights 2021

- Increased momentum with 33 new managed mobility service contracts in 2021, vs. 17 contracts in 2020
- Recurring revenues annualized of NOK 266 million, including Own Software, Advisory & Services and Hardware-as-a-Service<sup>1</sup>
- 21% increase in gross profit FY 2021 to NOK 459 million
- EBITDA adjusted FY 2021 of NOK 69 million, reflecting the ongoing restructuring and transformation
- Streamlined operations with the sale of the voice and contact centre business for NOKm 66 million in Q4 2021



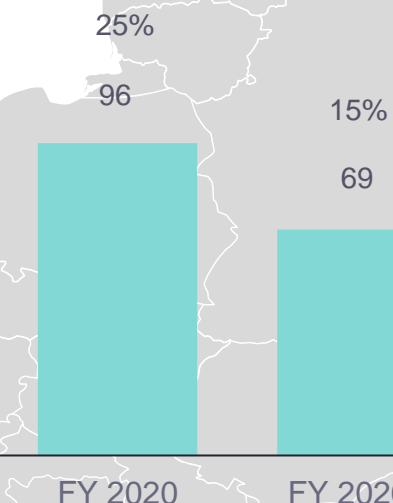
## Gross profit

NOK million



## EBITDA adjusted

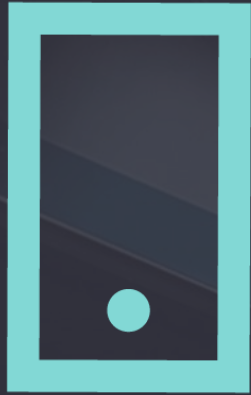
NOK million, EBITDA/GP %



1) \*Recurring revenue includes Own Software, Advisory & Services and Hardware-as-a-Service with contracts of 24 months or more except mobile expenses management (MEM) white label (with three months notice before year-end)

\*The figure above is based on the recognised recurring revenue isolated each quarter, annualised. Advisory & Services includes third party software.

# Evolving Techstep



## SmartControl

Manage & Control your devices & software Easily & Securely



## SmartWorks

Increase Quality & Efficiency through tailormade industry solutions



## SmartDevice

Sustainable, Affordable & Freedom to choose





# SmartControl

Manage and control your devices easily and securely



# SmartWorks

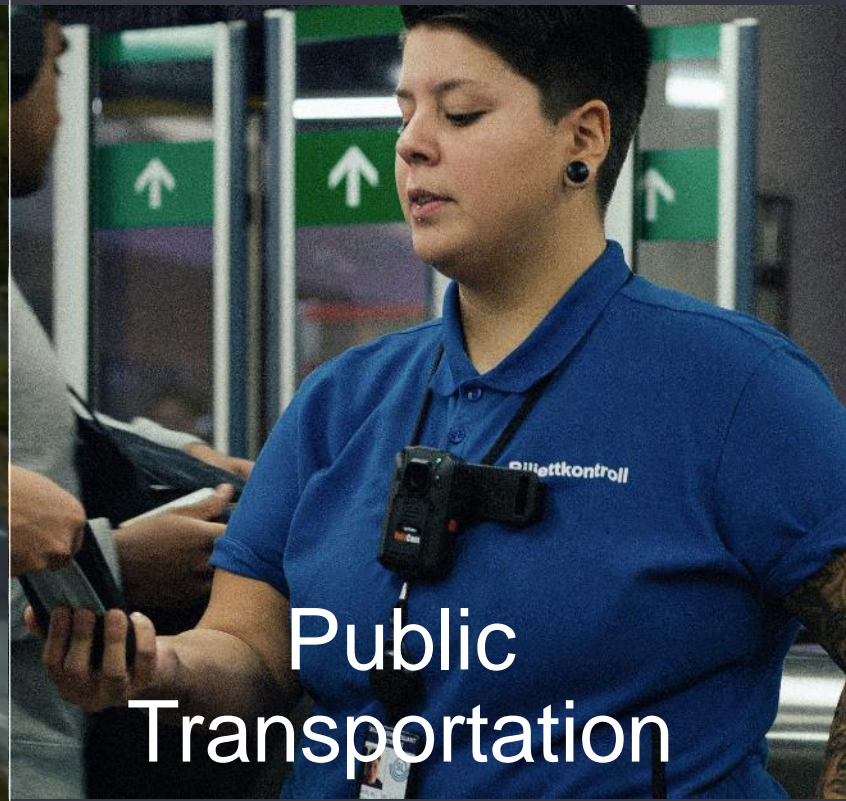
Increase Quality & Efficiency through tailormade industry solutions

Complete solution including application for route planning and parcel handing



Logistics &  
Transportation

Ticket scanning, work planning  
and mobile point of sale



Public  
Transportation

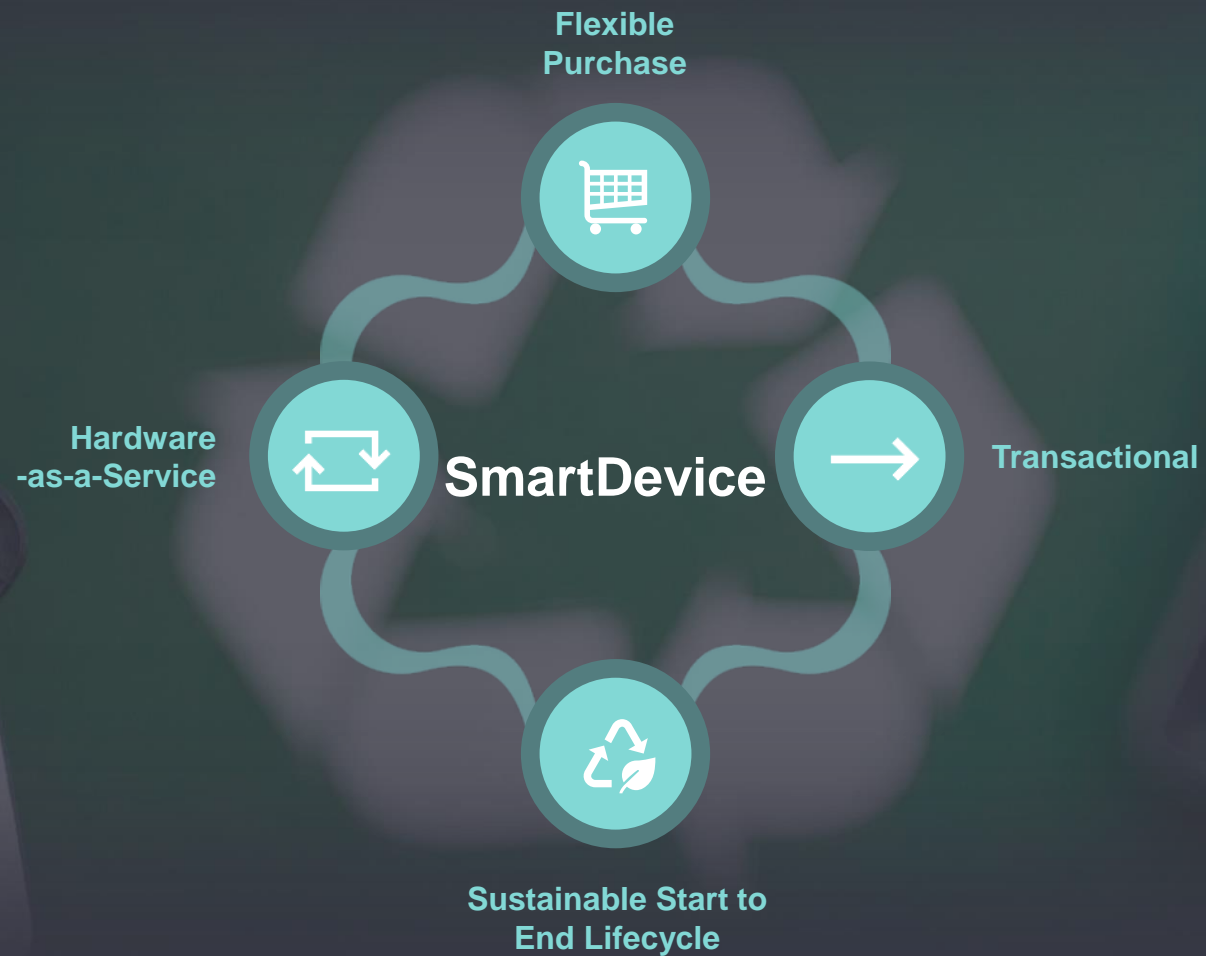
Employees do admin work on  
mobile devices while in-store



Retail

# SmartDevice

Sustainable, Affordable & Freedom to choose

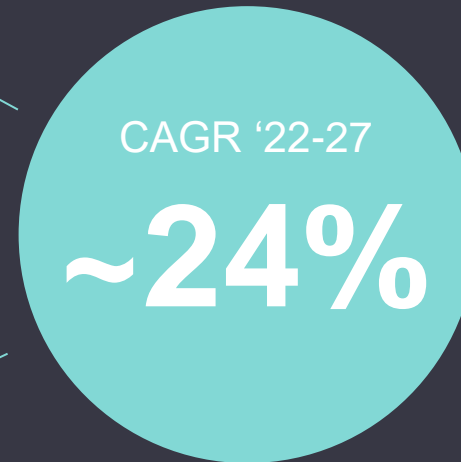


# Growing demand for managed mobility services

Rapid **increase in smartphone and data usage** – further supported by 5G

## Managed Mobility Services Market<sup>1</sup>

**Retail** and **healthcare** is expected to reach a CAGR of 27% and 26% by '27, respectively



Increased focus on **data privacy** and **security** both on a personal and corporate level

Focus on **sustainability** and careful life-cycle handling of devices

Increased **migration from On-Prem to Cloud**, with expected CAGR '22-27 of 28% in the cloud market

Mordor Intelligence Definition: Managed mobility services (MMS) are defined as the procurement, deployment, and management of mobile devices and apps and PC software and services, connecting out-of-office workers to the enterprise environment. Allied services' options range from short-term post-go-live assistance to long-term application operations. Managed mobility services involve the management of mobile devices, networks, systems, and applications. The scope of the study is limited only to the services offered in the market for mobility management, and the cloud-based segment includes the hybrid deployment within the scope.

<sup>1</sup>The global managed mobility service market (henceforth, referred to as the market studied) was valued at USD 3462.1 million in 2021, and it is expected to reach USD 12427.1 million by 2027, registering a CAGR of 24.27% (henceforth, referred to as the forecast period).



# Sales

Q4 2021





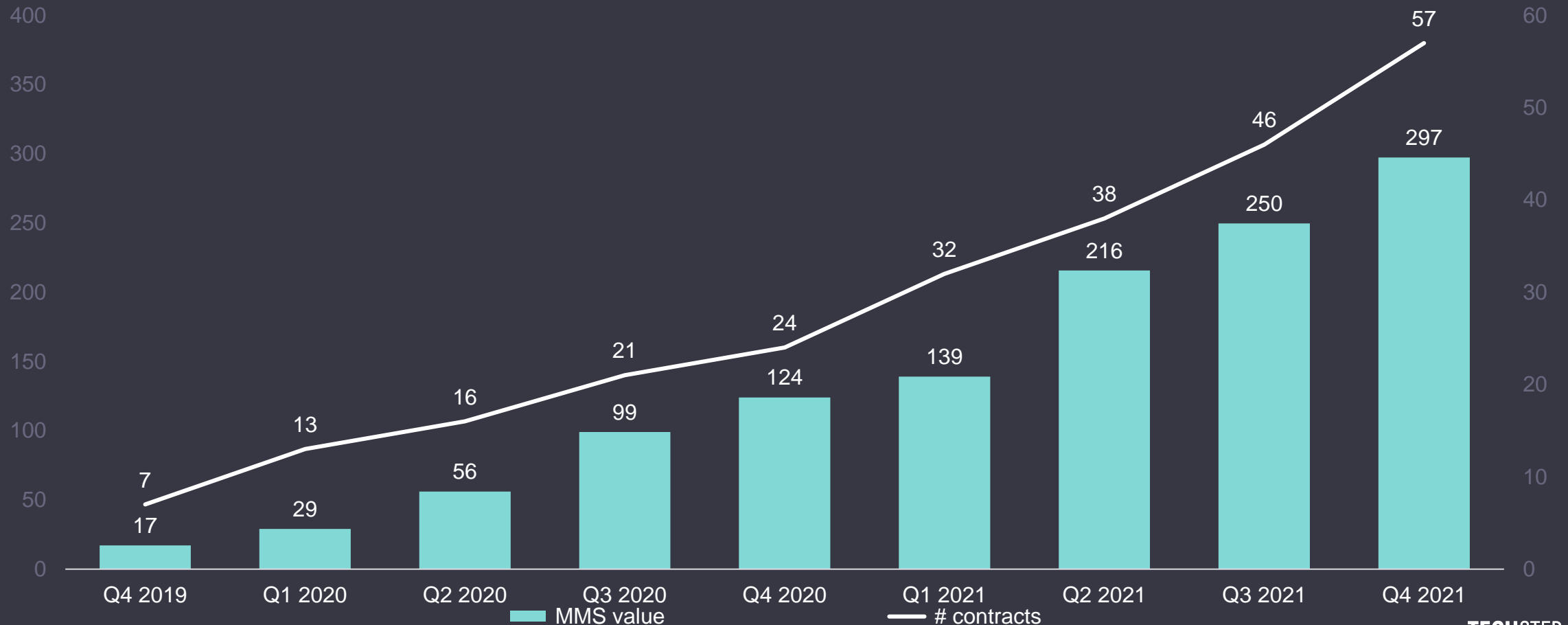
# Increased momentum in MMS wins with 19 in the second half of 2021

## Total value of new MMS contracts

Cumulative value in NOK million

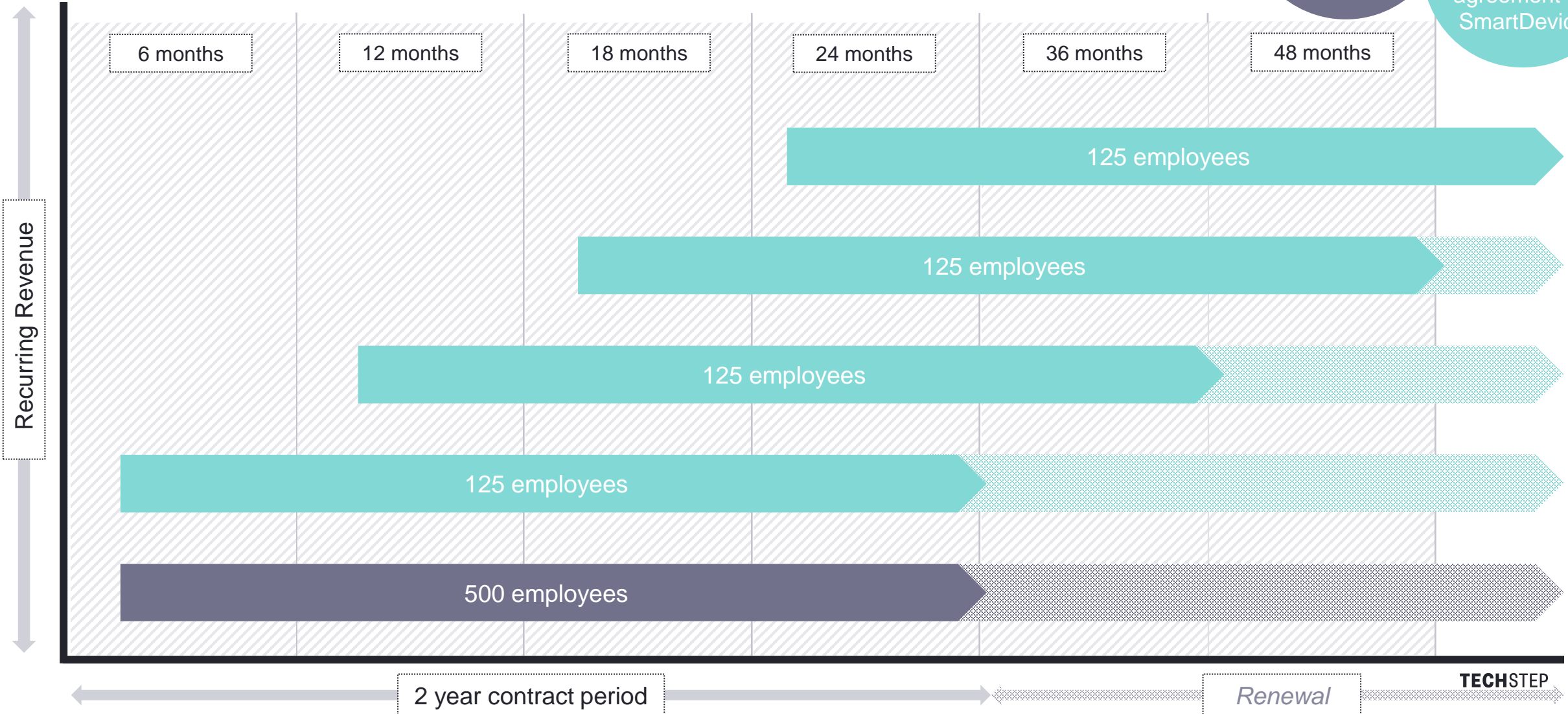
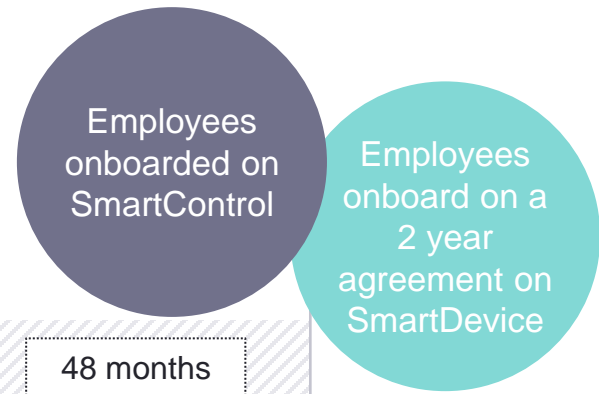
## Total new MMS contracts

Cumulative number of new contracts



# A typical customer enrolment journey

A customer with 500 employees that has bought SmartControl and SmartDevice



# Adding new brands and organisations

Q4 2021:



11

New Managed Mobility Services contracts



+12,600

New managed devices



Selected Existing:





# Signed software agreement with DNB for 9,000 users

- DNB is Norway's largest financial services group and offers a wide array of financial products and services
- Techstep will deliver cloud-based mobility software solution to 9,000 DNB employees, already equipped with mobiles
- Providing administrative control of mobile hardware and employee self-service for support and cost control
- Simplifying and streamlining the management of mobiles through the lifecycle, as well as reducing cost and improving sustainability
- Two-year contract, with a significant share of recurring revenues

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SmartControl

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9,000  
Users





# Expansion of Software agreement with Magyar Posta

- Magyar Posta is the largest post and parcel service in Hungary
- Long-term customer since 2018, renewing and expanding current agreement with our solution SmartControl
- Techstep to provide our own SaaS software solution and consultancy services for software configuration and implementation on mobile devices
- Ensure effective device sharing for Magyar Posta's in-the-field workforce and that apps, roles, and policies are optimized for performance and data protection

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SmartControl

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# Financials

Q4 2021

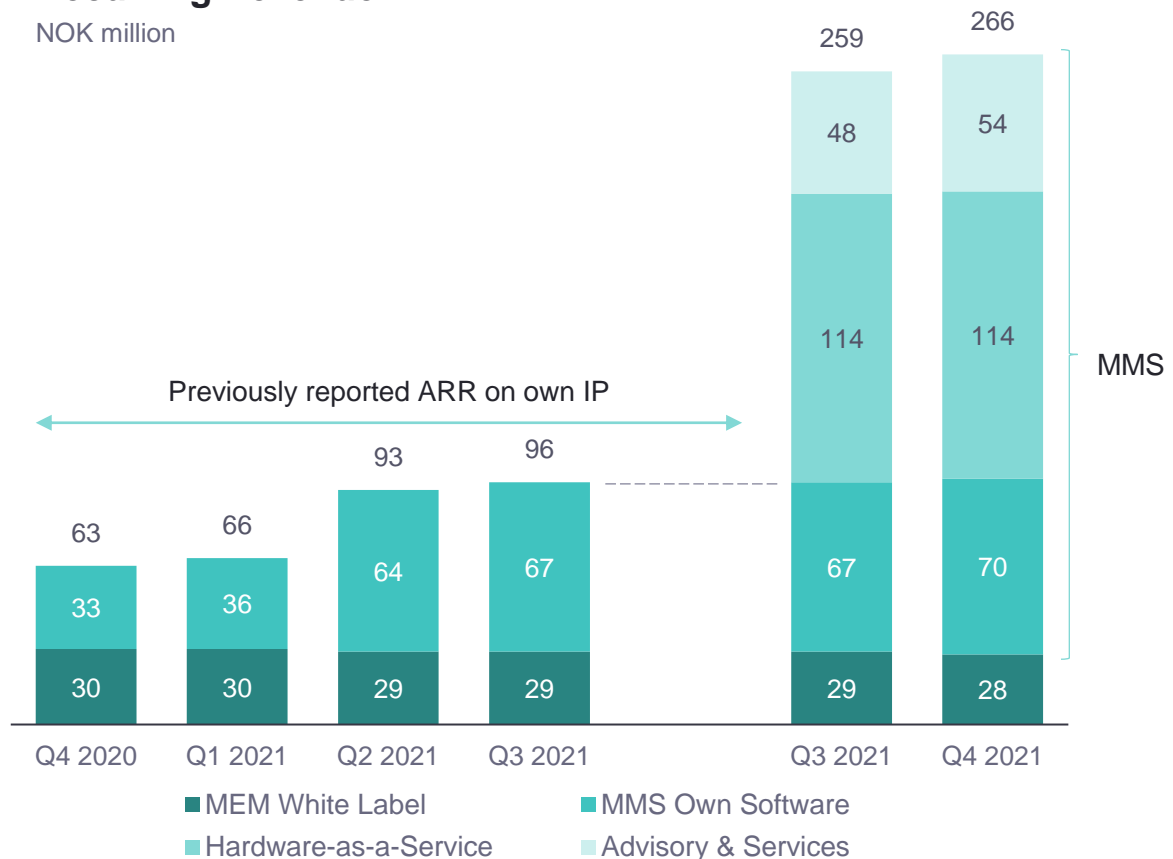




# Transforming to a recurring revenue business model

## Recurring Revenue\*

NOK million



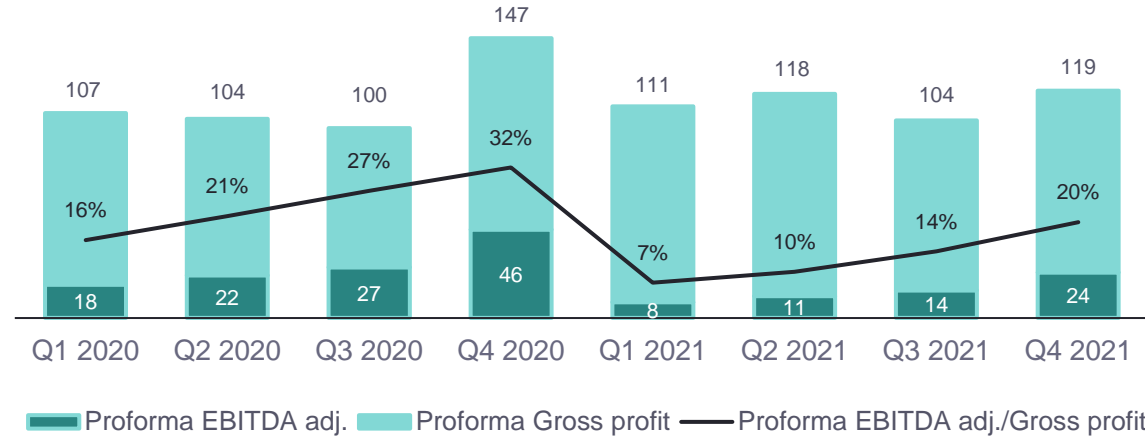
Reporting on all recurring revenue to reflect ongoing focus and transformation

- Of NOK 266 million, NOK 98 million is ARR on own software
- 54% growth on own software in 2021, including the acquisition of Famoc in Q3 2021
- Proforma growth of 18% for the year on MMS related software
- Growth in Advisory & Services due to increase in managed services contracts in Sweden
- Overall gross margin of ~95% from recurring revenue business

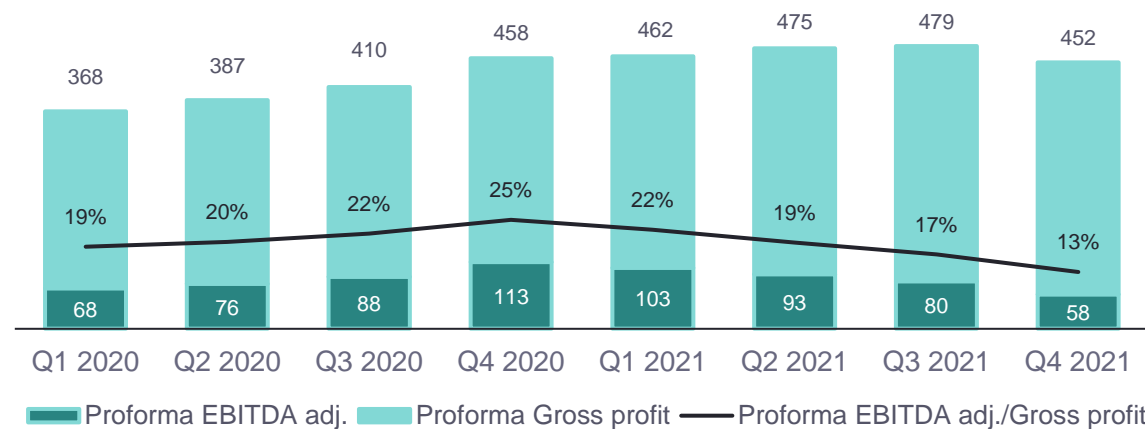
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 \*The figures above are based on the recognised recurring revenue isolated each quarter, annualised.  
 Advisory & Services includes third party software

# Proforma gross profit and EBITDA adj. development

Gross profit, EBITDA adj. and in % of GP (NOK million)



Gross profit, EBITDA adj. and in % of GP – LTM (NOK million)



- Positive trend in 2021; increase in gross profit, EBITDA and gross profit to EBITDA conversion each quarter
  - increase in own software
  - increased efficiency through reduced operational costs
- Streamlining of operations, selling the voice and contact center business for NOK 65.7 million
  - Gross profit NOK 22 million in 2021
  - Reduced profitability the last years (non-core and reduction in operator commissions)
- Long-term focus to increase EBITDA conversion

# Key figures

(Amounts in NOK 1 000)	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenues	384 117	399 284	1 304 907	1 142 866
Annual Recurring Revenue - own IP (ARR)	97 473	63 329	97 473	63 329
Gross profit	122 905	148 506	459 481	378 287
EBITDA adjusted <sup>1)</sup>	25 300	50 598	69 231	95 640
EBITDA	23 437	54 615	52 043	104 455
EBITA	(5 448)	14 049	(56 023)	17 122
EBIT	(23 817)	3 580	(110 498)	(10 771)
Net profit (loss) for the period	(25 799)	(10 884)	(98 565)	(23 557)
EBITDA adj. margin (%)	6.6%	12.7%	5.3%	8.4 %
EBITDA rep. margin (%)	6.1%	13.7%	4.0%	9.1 %
EBITA margin (%)	-1.4%	3.5%	-4.3%	1.5 %
EBIT margin (%)	-6.2%	0.9%	-8.5%	(0.9 %)
Net profit (loss) for the period (%)	-6.7%	-2.7%	-7.6%	(2.1 %)
Cash	50 350	27 203	50 350	27 203
Net interest-bearing debt	121 601	166 838	121 601	166 838
Capex <sup>2)</sup>	23 913	7 812	48 882	21 386

1) EBITDA adjusted excludes non-recurring items such as M&A and restructuring costs-

2) Capex includes software development and IT related capex, and not hardware-as-a-service to customers, booked as capex under IFRS 16.

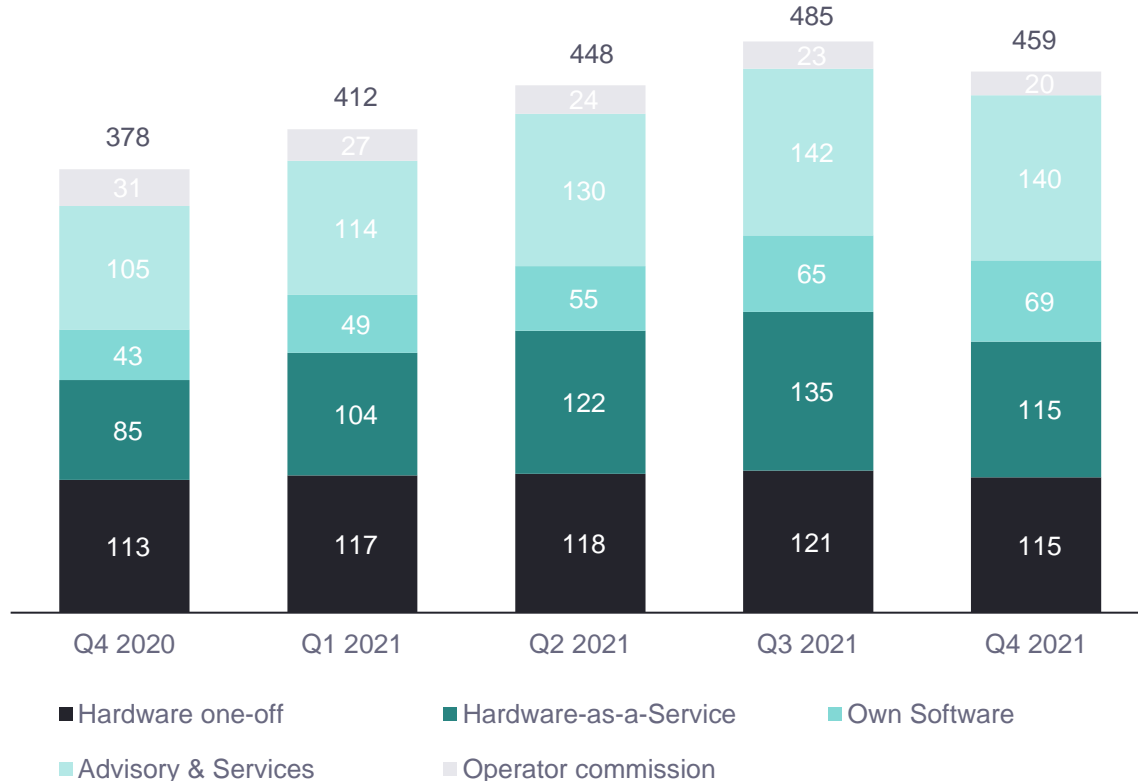
The Optidev acquisition is included in the financial statements from Q4 2020 and the Famoc acquisition is included in the financial statements from Q3 2021

- Delivery of transactional hardware backlog in Q4 2021 relating to previous periods caused by supplier shortage, resulting in lower gross margin
- Q4 2020 included Hardware-as-a-Service periodization effect of NOK 15 million relating to previous quarters the same year
- Increase in amortisation mainly due to intangible assets from acquisitions
- Reduction in net debt to NOK 121 million, as compared to NOK 182 million in Q3 2021 due to divestment of non-core business.



# Reported gross profit development by segment

**Gross Profit - last twelve months rolling**  
NOK million



- Mixed development in Managed Mobility Services segments
- Increase in Own Software
- Advisory & Services remained flat
- Small decline in Hardware-as-a-Service if adjusting for the Q4 2020 periodization effect
- Focus on rolling out the Managed Mobility Services offering to grow gross profit going forward

# Balance sheet

(Amounts in NOK 1 000)	31.12.2021	31.12.2020
Intangible assets	784 268	733 263
Tangible assets	179 363	173 617
Financial assets	1 814	213
Inventories	17 477	28 158
Accounts receivable	230 229	203 083
Other receivables	31 602	33 594
Cash and cash equivalents	50 350	27 203
<b>Assets classified as held for sale</b>	24 482	
<b>Total assets</b>	<b>1 319 585</b>	<b>1 199 131</b>
Total equity	559 642	563 451
Deferred tax	17 181	27 659
Non-current interest-bearing debt	97 357	108 539
Other non-current debt	43 601	54 488
Current interest-bearing liabilities	74 593	85 502
Accounts payable	193 833	154 442
Tax payable	( 1 169)	(750)
Public taxes, provisions	39 577	39 756
Other current liabilities	294 970	166 044
<b>Total equity and liabilities</b>	<b>1 319 585</b>	<b>1 199 131</b>

- Equity ratio at 42%
- Intangible assets are mainly goodwill of NOK 595 million and customer relations and technology of NOK 184 million
- Tangible assets consist of Hardware-as-a-Service to customers of NOK 149 million and right-of-use assets of NOK 30 million from premises and IT licenses
- Non-current interest-bearing debt includes acquisition loans of NOK 61 million and seller's credit of NOK 32 million
- Proceeds of NOK 65.7 million from the sale of the voice and contact center business; reducing net interest-bearing debt and booked as deferred revenue (NOK 40.2 million) and other current liabilities (NOK 24.5 million). Net gain in Q1 2022 of NOK 40.2 million

# Cash flow

(Amounts in NOK 1 000)	Q4 2021	Q4 2020	FY 2021	FY 2020
<b>Net cash flow from operational activities</b>	9 589	48 849	125 199	71 120
<b>Net cash used on investment activities</b>	30 948	(105 014)	(181 270)	(170 361)
<b>Net cash flow from financing activities</b>	(49 023)	(12 918)	81 382	79 619
<b>Net change in cash and cash equivalents</b>	(8 485)	(69 083)	25 310	(19 622)
Cash and cash equivalents at beginning of period	59 163	54 920	27 203	44 588
Effects of exchange rate changes on cash and cash eq.	( 329)	(1 733)	(2 164)	2 236
<b>Cash and cash equivalents at end of the period</b>	<b>50 350</b>	<b>(15 896)</b>	<b>50 350</b>	<b>27 203</b>

- Net cash inflow from operating activities includes a negative effect of NOK 14 million from an increase in working capital
- Net cash flow from investment is largely due to proceeds from sale of business of NOK 65 million, offset by capital expenditures related to software development and IT investments NOK 24 million.
- Cash and cash equivalents NOK 50 million at year-end

# Outlook and summary

Q4 2021





# Purpose-built to make mobile work smarter

**A leader in  
Managed Mobility  
Services (MMS)**

**+** Geographical  
expansion

**M&A**

- IP and software
- Customer base
- Market position

**+** On-board  
new  
customers

**+** Convert  
existing  
customers  
to MMS



# Targeting strong Managed Mobility Services in 2021

	<b>KPI</b>	<b>FY 2021</b>	<b>Medium Term</b>
<b>Managed Mobility Services</b>	New MMS contracts	33	<b>&gt; 30</b>
	Origo user growth	23%	<b>&gt; 100%</b>
<b>Financials</b>	Gross profit growth	21%	<b>20-25%</b>
	EBITDA adj./Gross profit	15%	<b>20-25%</b>
	Development capex	NOKm 49	<b>NOKm 35-40</b>

# Summary

- Sharp focus on product, sales and marketing to drive recurring revenue growth
- Launching new product portfolio in March 2022
- New CFO and CMO aligned with Techstep's software-led growth strategy and focus on the customer journey and product offering







# Q&A

## Techstep ASA Q4 2021 results

11 February, 10:00 CET

Join us here: [\[link\]](#)

Submit questions via Teams chat function,  
or send e-mail to [ir@techstep.no](mailto:ir@techstep.no)



# Making work mobile

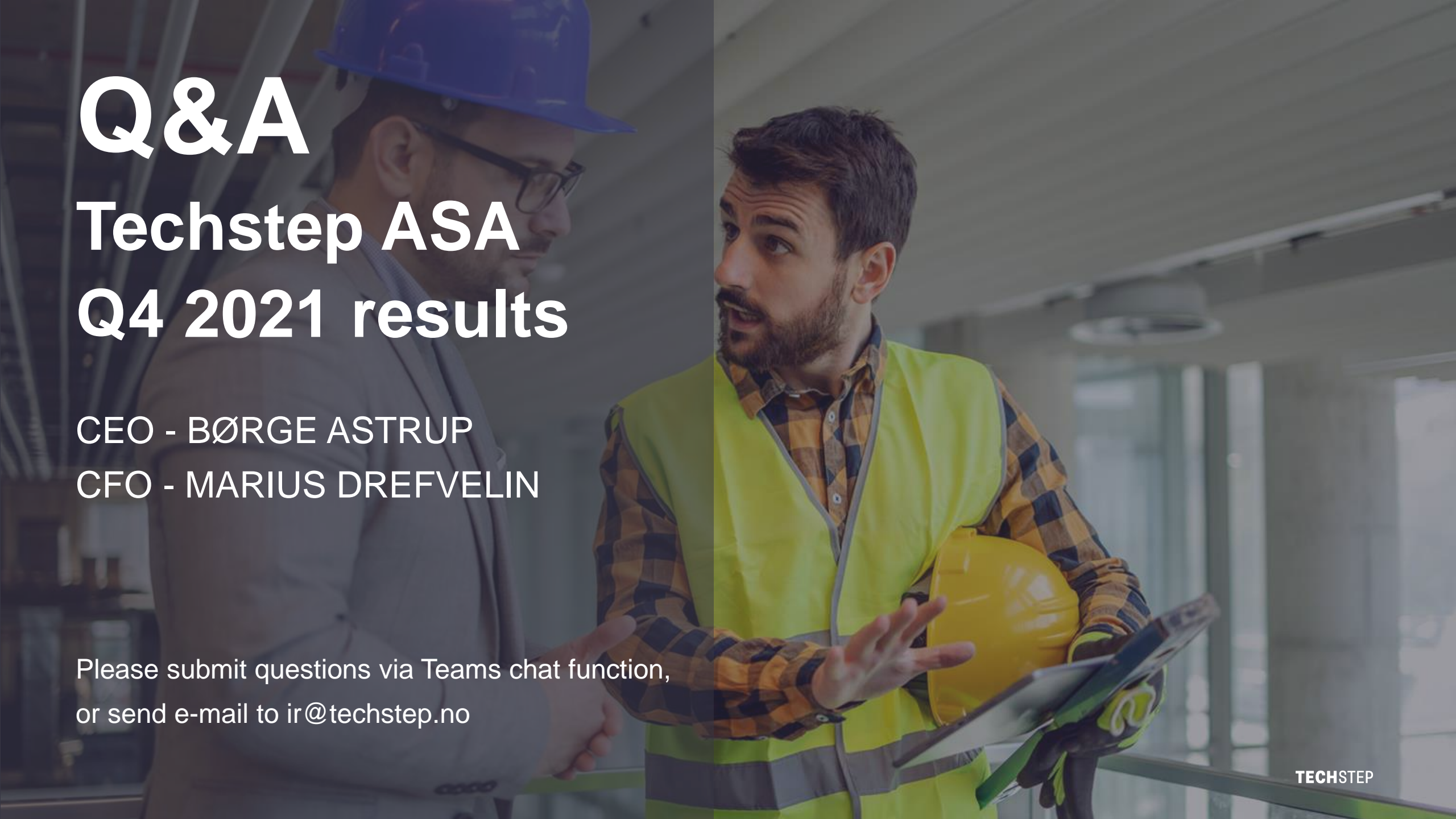
Q4 2021 Q&A Session

11 February 2022 at 10:00 CET

Please submit questions via Teams chat function,  
or send e-mail to [ir@techstep.no](mailto:ir@techstep.no)



**TECHSTEP**



# Q&A

## Techstep ASA

### Q4 2021 results

CEO - BØRGE ASTRUP

CFO - MARIUS DREFVELIN

Please submit questions via Teams chat function,  
or send e-mail to [ir@techstep.no](mailto:ir@techstep.no)

# Appendix

# Management team (1/2)



## **Børge Astrup – Chief Executive Officer**

Børge is an experienced business leader committed to creating a winning working environment. Børge Astrup has experience as the CEO of Puzzel, an international fast-growing cloud contact center software (CCaaS) company, as well as the managing director of Intelcom Group. He has also held various management positions at Visma, the leading European provider of core business software.



## **Marius Drefvelin – Chief Financial Officer**

Mr. Drefvelin joined Techstep in January 2017 and was previously the CFO of Creuna, a leading Nordic technology and communications consultancy, for five years. Prior to this, he worked nine years as a consultant within mergers, acquisitions and IPOs.



## **Ellen Skaarnæs – Chief HR Officer**

Mrs. Skaarnæs is an experienced, strategic and business-oriented HR leader with a keen focus on delivering results and adding value to the business. She has a broad background from international organizations at both strategic and operational level. With her 13 years in Shell as HR advisor to Managing Director, and 5 years at Coca-Cola Enterprises as Ass. she brings an extensive experience from Performance- and Talent management and Change management in addition to solid leadership and coaching experience.



## **Gunnar Aasen – Chief Revenue Officer**

Gunnar Aasen is a commercial leader with substantial C-level experience at driving international B2B market penetration and commercial change, delivering growth from existing and new customers via direct sales and channels. Mr. Aasen comes from the position as CCO of Puzzel and member of the Executive Board, a fast-growing cloud contact center software (CCaaS) company. He has also held various management positions at SuperOffice and Loxysoft with experience from Management of Sales & Marketing and Customer Relationship, Enterprise Software and Telecommunications.



## **Bartosz Leoszewski – Chief Technology Officer**

Mr. Leoszewski is an experienced IT and software leader and entrepreneur. He is experienced in building software products and their strategy, setting a long-term technology direction with cybersecurity always at the forefront. As a software engineer in 2006 Mr. Leoszewski co-founded Famoc, where he was first responsible for product development and engineering as Chief Technology Officer, and in 2012 transitioned to a CEO role. Famoc was acquired by Techstep in 2021.



# Management team (2/2)



## **Fredrik Logenius – Chief Commercial Officer**

Mr Logenius is a first-mover, entrepreneur and an experienced executive within the information technology and services industry. His skill set is broad and based on entrepreneurship and strategy, agile methodologies, software development and mobile solutions. Mr Logenius was awarded Entrepreneur of the Year 2020 in Borås due to business achievements as Managing Director in Optidev AB.



## **Mads Vårdal – Chief Product Officer**

Mr Vårdal has been with companies within the Techstep sphere for more than 11 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.



## **Erik Haugen – Chief Transformation Officer**

Mr Haugen is an international business professional, bringing with him broad commercial experience. He spent twelve years in London working with 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.

# Board of Directors

## **Jens Rugseth – Chairman of the board (since 2019)**

Jens Rugseth is a co-founder and Chairman of the Board of Crayon Group ASA and Link Mobility Group ASA. He has been a serial founder of a number of companies within the IT-sector over the past 30 years. Mr. Rugseth has also held the position of Chief Executive Officer in some of the largest IT-companies in Norway, including ARK ASA, Cinet AS and Skrivervik Data AS. Mr. Rugseth studied business economics at the Norwegian School of Management. Jens Rugseth is a Norwegian citizen, currently residing in Oslo, Norway.

## **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 Idekapital, and has co-funded and exited numerous companies including DinSide, OMG, Viken Fibernet, 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.

## **Harald Arnet - Board member (since 2021)**

Mr. Arnet has served on the Board in Techstep since September 2021. Mr. Arnet has more than 30 years of experience in national and international finance, industrial and financial investments. He is the CEO of Datum AS, one of the Company's larger shareholders, and has held several board positions in listed and non-listed companies, including Kahoot! AS, NRC Group ASA and several companies within the Datum group. He holds a master's degree from University of Denver and London Business School.

## **Ingrid 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 Xplora Technologies AS, Storage Group ASA, Norwegian Air Shuttle ASA, Maritime and Merchant ASA. Ms. Leisner has a background as a trader of different oil and gas products in her 15 years in Equinor 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 honours from the University of Texas in Austin.

## **Melissa Mulholland - Board member (since 2021)**

Ms. Mulholland is Chief Executive Officer of Crayon, a worldwide digital transformation expert. Prior to Crayon, Melissa spent 12 years at Microsoft, leading strategy and business development through cloud transformation. Prior to Microsoft, she spent two years at Intel Corporation, driving a cross-company analysis into the effectiveness of using recycled chips for solar technology. She has authored 12 books focused on how to build a business in the Cloud and is a board advisor for SHE, Europe's largest gender equality conference. Ms. Mulholland holds an MA in Business Administration and Strategic Management from Regis University in Colorado.

# Largest shareholders

Investor	Number of shares	% of top 20
DATUM AS <sup>1</sup>	36 615 646	17.5%
KARBON INVEST AS <sup>2</sup>	21 804 349	10.4%
MIDDELBORG INVEST AS	20 414 507	9.7%
SWEDBANK AB	18 965 827	9.0%
DNB NOR BANK ASA	9 287 800	4.4%
VERDIPAPIRFONDET DNB SMB	7 519 773	3.6%
CIPRIANO AS	4 538 498	2.2%
ALUNDO INVEST AS	4 000 000	1.9%
SAXO BANK A/S	3 047 315	1.5%
TORSTEIN TVENGE	3 000 000	1.4%
TIGERSTADEN AS	3 000 000	1.4%
BRIDGE CAPITAL AS	2 513 317	1.2%
NORDHOLMEN AS	2 075 608	1.0%
ADRIAN AS	2 038 851	1.0%
GIMLE INVEST AS	2 020 077	1.0%
UNIFIED AS	1 969 264	0.9%
PIKA HOLDING AS	1 956 512	0.9%
NORDIALOG ENSJØ AS	1 946 253	0.9%
SABINUM AS	1 802 813	0.9%
ZONO HOLDING AS <sup>3</sup>	1 801 938	0.9%
<b>Total number owned by top 20</b>	<b>150 318 348</b>	<b>71.7%</b>
<b>Total number of shares</b>	<b>209 629 830</b>	<b>100.0%</b>

Shareholder lists are provided by Oslo Market Solutions with data from EURONEXT VPS Updated 31 December 2021.

<sup>1)</sup> Datum AS is controlled by deputy board member Jan Haudemann-Andersen. Board member Harald Arnet is the CEO and board member in Datum AS.

<sup>2)</sup> Karbon Invest AS is owned by chairman of the board Jens Rugseth

<sup>3)</sup> Zono Holding AS is owned by Duo Jag AS 0.93%

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