techstep

We make mobile technology
work for you

Q3
2025 Report

Highlights Q3 2025

All-time high recurring revenue annualized and stable profitability

- Recurring revenue annualised increased by 4% y/y to all-time high NOK 340m, driven by 17% growth in Advisory & Service
- Net gross profit margin at 37%, up 2 ppt from third quarter last year
- EBITA adj., at NOK 11.0m. affected by investments in efficiency improvements ERP etc.

Solid commercial momentum continues

- Agreed new agreement with Sykehuspartner in November, effective from 1 January 2026, for comprehensive management of clinical devices to all hospitals in Helse Sør-Øst RHF
- Signed a strategic partnership with Pradeo in November to deliver a combined MDM and MTD solution for the European market
- Signed final agreement with Fonua in November, with planned roll-out to the first customers in Q4
- The strategic partner agreement with Telia is now operational
- Signed and launched an exciting partnership with welfare ISV Tellu

Sharpening strategic focus

- Potential divestment of a solution area

"In the third quarter of 2025, Techstep maintained steady profitability and demonstrated strong commercial momentum. Recurring revenue continued to rise and ended the quarter on an all-time high, especially driven by our managed services. The company achieved a notable improvement in its profit margins, although adjusted EBITA was lower due to ongoing investments in efficiency, such as ERP and DCOM. Techstep strengthened its market position through several important new and renewed agreements—including Sykehuspartner, Telia, Fonua, Tellu and Pradeo. The company also broadened its European presence by securing key industry certifications. These accomplishments, together with ongoing cost optimization and a strategic focus on high margin recurring revenues, reinforce Techstep's path toward becoming Europe's leading mobile and circular technology company.," says Morten Meier, CEO of Techstep.

About Techstep

Techstep is a mobile & circular tech company, enabling organisations to operate efficiently, securely and more sustainably by combining devices, software and expertise to meet customers' business and ESG goals. We are a leading provider of managed mobility services in Europe, serving more than 2,100 customers in Europe with an annual revenue of NOK 1.1 billion in 2024. The company is listed on the Oslo Stock Exchange under the ticker TECH. To learn more, please visit www.techstep.io.

Key Figures

(Amounts in NOK 1 000)	Q3 2025	Q3 2024	YTD 2025	YTD 2024	FY 2024
Revenues	222 407	237 609	718 382	760 030	1 072 556
Recurring Revenue Annualised [1)]	340 167	325 725	340 167	325 725	330 576
ARR Own Software [1)]	122 787	125 045	122 787	125 045	128 285
Net gross profit [2)]	81 355	81 877	255 449	252 285	346 803
Net gross profit margin [3)]	36.6 %	34.5 %	35.6 %	33.2 %	32.3%
EBITDA adjusted	38 564	41 913	102 701	104 170	153 613
EBITA adjusted	11 041	14 200	17 601	18 408	39 756
EBIT	-6 384	-3 451	-33 433	-34 921	-34 653
Net profit (loss) for the period	-8 533	-6 090	-40 165	-33 617	-45 696
EBITDA adj. margin (%)	17.3 %	17.6 %	14.3 %	13.7 %	14.3%
EBITA adj. margin (%)	5.0 %	6.0 %	2.5 %	2.4 %	3.7%
EBIT margin (%)	-2.9 %	-1.5 %	-4.7 %	-4.6 %	-3.2%
Net profit (loss) for the period (%)	-3.8 %	-2.6 %	-5.6 %	-4.4 %	-4.3%
Cash flow from operating activities	1 508	48 157	57 672	65 159	136 484
Cash flow from investment activities	-29 122	-36 362	-82 652	-88 437	-142 823
Cash flow from financing activities	19 205	-11 408	8 091	-38 352	-40 288
Cash	13 136	15 660	13 136	15 660	30 776
Net interest-bearing debt	155 006	147 391	155 006	147 391	108 540
Capex	-6 936	-6 242	-23 105	-19 494	-29 520
Employees	257	256	257	256	258

[1)] Annualised recurring revenues include revenues from Own Software, Device-as-a-Service and Advisory and Services. Reported annualised recurring revenues are based on contracts for 12 or more months and calculated as invoiced contractual revenues the last month times 12.
[2)] Net gross profit is defined as total revenue less cost of goods sold and depreciation from Device-as-a-Service.
[3)] Net gross profit margin is net gross profit of revenues.

Operational review

Main developments

In 2024 and continuing into 2025, Techstep has primarily focused on three elements to drive profitability: to transfer customers to a recurring revenue business model and high margin products and services; to develop, recruit and expand the indirect channel for Own Software and Managed Services; and to continue to optimise and re-position the organisation and reduce the cost base.

The results for the third quarter are below expectations, as the transformation is taking longer time than anticipated. But Techstep has throughout third quarter of 2025 continued the transformative work towards delivering on these goals:

- Recurring revenues annualised at the end of September 2025 grew by 4% year over year,
- the strategic partnership agreements across Europe and the deliveries to the health sector in Norway are progressing positively although at a slower rate than anticipated,
- the profitability is improving with 2% improvement in gross margin
- Cost optimization continues, and there is strong progress on building the new rig for further expansion with new ERP, dCom and other core services.

Total revenues in the quarter decreased with 6% year over year. This is mainly due to the decline in device sales and contracts with very low margin. However, the profitability is increasing as Techstep is tuning the commercial model. Net gross profit margin was 37% in the third quarter, vs. 35% in third quarter last year. Due to decline in device volumes, the share of higher margin products and services increase, driving margin growth. In addition, Techstep has increased margins on Devices after focusing its sales strategy on profitable contracts rather than volume-based contracts over the past year. A large unprofitable public sector framework agreement for delivery of iPads have expired and Techstep chose not to participate in the new tender where the potential for earnings is very low. Consequently, revenues year over year will decline, while profitability will increase.

Over the last three years, the cost base has been considerably reduced. The number of employees at the end of the quarter was 257, in line with last year, while other operating expenses in the quarter decreased with 13% year over year, as cost reductions more than offset inflation and the company's efficiency investments in new ERP and commercial IT systems. Going forward, Techstep will continue to focus on rightsizing the cost-base and increase efficiency.

Partner Channel

The partner sales channel is an important channel for distribution of highly scalable solutions such as Own Software and Managed Services. With new and stricter legislations and stakeholder pressure for sustainable and circular tech solutions, Techstep experiences a growing interest in its Device Lifecycle Management platform, as IT service providers are looking for more sustainable and cost-efficient ways to manage their customers' large device estates.

During the third quarter, focus has been to further develop and build strong relationships with the partners signed during 2024 and the first half year, as well as actively recruiting new partners across our markets.

In June, the strategic Cooperation Agreement with Telia was signed. This partnership represents access to new customer segments and expansion of existing customers, to deliver and operate some of our highly scalable solutions and services. The services have during Q3 been developed and finalized and are now ready to be launched to the marked by Telia.

In Q1 this year, Techstep announced that it has entered a letter of intent (LOI) with Fonua, a leading IT vendor with strong presence in Ireland and more recently also entered the UK market. This contract is now signed, and we have during Q3 been focusing on the onboarding for this new partner. We are now ready to launch and together with Fonua, we aim to onboard their two first customers to the platform in December this year. With this new partnership, Fonua will adopt Techstep's Lifecycle platform as their standard solution for Device Lifecycle Management, enhancing operational efficiency and customer experiences.

The previously announced partner agreements with devicenow and ICE are progressing well, increasing number of end customers are added each week on the platform, but the number of devices added are increasing at a slower rate now in the first periods of operation. The technical development and the co-sell activities of the partnership continue, and the growth expectations are unchanged, but the time to acceleration has taken longer time than anticipated..

The fastest growing software category is the Techstep Essentials Mobile Device Management (MDM) solutions. This software enables organizations to monitor, manage, and secure their employees' devices in an efficient way. Demand for MDM is being driven by multiple factors, including the current geopolitical climate, the rising need to access and process company data on the move, the growing inclusion of field and frontline workers equipped with mobile devices, and tightening regulatory requirements.

During Q3, we have been working on extending our Essentials MDM solution with Mobile Treat Defense security capabilities, and in November Techstep signed and entered into a strategic partnership with Pradeo, a European leader in mobile security, to deliver a combined mobile device management (MDM) and mobile threat defense (MTD) solution for the European market. For Techstep, this is a natural step forward in making mobile technology work securely for its customers and partners. Techstep's partnership with Pradeo reflects a shared commitment to delivering solutions that are European-built, GDPR-compliant, and designed to keep data under regional control.

More than just compliance, this collaboration ensures technology that is developed, operated, and supported entirely within Europe, giving organisations confidence in transparency and trust. Customers also benefit from flexible deployment options - on-premises, private and public cloud — tailored to their security and operational needs.

The collaboration expands Techstep´s reach across Europe and reinforces its growth strategy of scaling through a strong partner network. In addition to the new partnership, Techstep has achieved CCN certification in Spain, a distinction granted by the National Cryptologic Centre (Centro Criptológico Nacional, CCN). Techstep is currently the only UEM vendor holding this certification, offering a unique first-mover advantage as organisations in the public and private sectors increasingly adopt CCN-approved technologies. Together, the Pradeo partnership and CCN certification mark another step in Techstep's European expansion journey, building on its commitment to deliver secure, compliant, and scalable mobility solutions across Europe.

Direct Channel

Techstep's direct sales encompass the entire portfolio across software, hardware and services, through the direct sales teams in the Nordics and serving private enterprises and public sectors in the home markets.

From July 1st, Techstep went live with a renewed agreement with Equinor, managing and operating Equinor's mobile estate, consisting of almost 40.000 IOS devices. The agreement includes delivery of software, consulting, management and 24/7 support.

In the second quarter of 2025, Techstep prolonged the exclusive umbrella agreement with Sykehusinnkjøp until July 1st 2027. Last quarter, Techstep has together with Sykehuspartner and the new hospital built in Drammen, gone from pilots and PoC's to fully operational service deliveries, and signed the new agreement with Sykehuspartner covering all hospitals and health institutions within the Health South-East region. This agreement replaces the interim agreement and covers the "Fully Managed Clinical Devices" service, including hardware, software, and services, such as procurement, staging, administration, management and support. The new agreements will be effective from January 1st 2026 and are expected to rapidly grow with new hospitals and user groups added to the service every month.

The foothold in the public sector in Sweden has further been strengthened during Q3 through awarded agreements with Borås municipality and Norrkõping municipality. The two agreements cover the delivery of mobile devices, accessories and services with an estimated value of up to SEK 40 million a year, and with respective 4- and 3-years agreements. Both customers are now onboard, and deliveries started during Q3, with increasing volumes into Q4.

Optimising the organisation and cost base

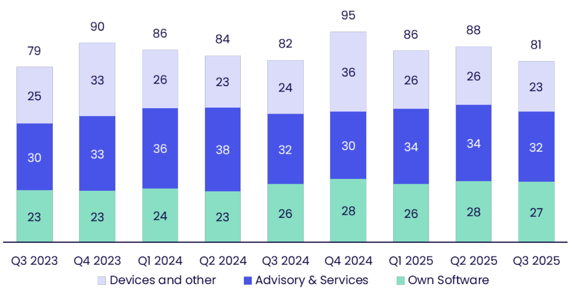
Techstep is in a strategic transformation towards more recurring, scalable and profitable product offerings, and the past years have been marked by streamlining business operations and optimising the company's cost base, which efforts has continued into 2025. Up until recently, downscaling on personnel and cost reducing initiatives were the main focus. In 2025, Techstep is focusing on becoming more cost-efficient and improving use of AI and automation across our departments. Several larger projects to change and improve the internal IT architecture, ERP system and commerce platforms are among key initiatives. The ERP system's partial rollouts during the second quarter were successful. When finalized, these projects will contribute to substantially increased efficiency in the organization, and the subsequent retirement of legacy IT systems will further reduce the running cost base. The implementation projects are progressing according to plan, and finalization is expected in the first half of 2026.

Revenue streams

Techstep continues to focus on upselling and converting existing customers from transactional to recurring services. The goal is to increase customer value through own software and offer managed services to add further efficiency and security to customers.

Total revenues in the third quarter this year was NOK 222 million, a decrease of 6% year over year, driven by a decline in transactional device sales. However, the net gross profit in the quarter was in line with last year at NOK 81 million, as the net gross profit margin increased with 2 ppt to 37% year over year.

Net gross profit per revenue stream



Devices & Other

Revenue from Devices & Other, both transactional and as-a-service, declined by 13% y/y to NOK 140 million for the quarter. The decline in revenues is mainly in the Norwegian market (-16% year over year), due to the expired public sector frame agreement for delivery of Ipads.

In Sweden, Device revenues decreased with 4% y/y in the quarter, with an increase in margins of 6 ppt, driven by highly profitable contracts. For the Swedish and Norwegian markets in total, the net gross margin was 15.9%, up from 14.8% in Q3 last year.

Advisory & Services

Revenue from Advisory & Services was NOK 52 million for the quarter, increasing 13% from third quarter last year, while the net gross profit for the period was NOK 32 million, the same as last year. The gross margin decreased from 68% to 61%, driven by changes in the product mix in the quarter compared to last year, as the share of Consulting revenues declined compared to last year, while lower margin 3rd Party Software sales increased. Consulting revenues and 3rd Party Software sales will fluctuate over time as these are non-recurring, ad-hoc revenues related to implementation projects or service and maintenance requests or sold as stand-alone software.

Own Software

Revenue from Own Software was NOK 30 million for the quarter, in line with third quarter last year, while the margin increased from 86% to 91%, resulting in a net gross profit increase of 4%. The essentials MDM product line drives the positive development as well as growth in the Lifecycle platform primarily due to the Sykehuspartner agreement.

Recurring revenue

Total recurring revenue consists of contractually recurring revenue within the revenue segments Own Software, Advisory & Services and Device-as-a-Service.

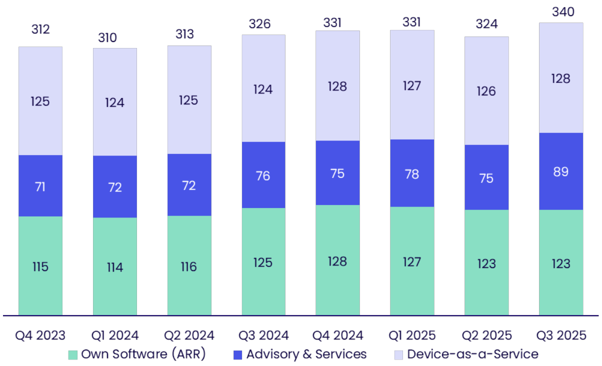
Reported recurring revenue represents future contractual annual revenues. Recurring revenue from Device-as-a-Service is measured as contracts with a duration of 24 months or more, with monthly incurred revenue annualised. Annual recurring revenue from Advisory & Services is calculated as contractual monthly revenue from contracts with a duration of 12 months or more, annualised. Annual recurring revenue from Own Software is calculated as contractual monthly revenue annualised. Only contracts where invoicing to customers has commenced are included.

In Q3, recurring revenues annualised grew by 4% year over year to NOK 340 million. Contracts for Own Software decreased by 2%, as a result of decline in the Telecom Expense category, linked to the historical agreement with Telenor. This is a legacy system that has been sold mainly through Telenor, and the partner agreement with Telenor are expiring and will represent lower revenues going forward. We've seen this decline during the last quarters, so we have made the platform operator agnostic and can offer the Telecom Expense capabilities now with all major operators in Norway, as well as continued support for Telenor, but with a direct Techstep agreement instead. The other products within our own software categories continue to grow with positive momentum.

Customer churn on legacy own software is expected as a result of tuning the commercial strategy towards international expansion. There will naturally be changes in the customer base with some quarter-to-quarter volatility and churn in recurring revenue contracts as Techstep shifts the commercial strategy by refocusing the product offering and expanding the number of product partners. Throughout this transition, Techstep expect some volatility as the changes take effect.

Recurring revenue contracts within Advisory & Services grew with 17% primarily driven by the newly implemented contract with Equinor, announced last days of second quarter. Contracts for Device-as-a-service grew with 3%, which is a positive development given the decline in transactional device volume in the period, a positive signal that the as-a-service model is attractive to our customers.

Recurring revenue - annualised



Financial review

The interim financial information has not been subject to audit. Figures in brackets refer to the corresponding quarter in 2024 for profit and loss and cash flow items, and year-end 2024 figures for balance sheet items.

Profit and loss

Techstep had total revenue of NOK 222.4 million in the third quarter of 2025, a decrease of NOK 15.2 million (-6%) from the corresponding quarter last year. The decline is primarily caused by the expiration of a device-only frame agreement Techstep decided not to pursue renewal of. In the third quarter, despite declining revenues, the net gross profit was NOK 81.3 million, a decrease of only 1% year over year, corresponding to a net gross margin of 37%, an increase of 2 ppt from last year.

Total operating costs, including salaries and personnel costs increased with 4% to NOK 67.1 million, compared to third quarter last year. The increase was a result of general price increases and salary adjustments in 2025, partly offset by continued cost optimisation effects. Techstep is currently driving two major system implementation projects. These projects will add additional temporary costs to the result. The ERP and ecommerce platform projects are expected to contribute to considerable efficiency gains when finalized.

Depreciation of tangible assets, including Device-as-a-service, was NOK 27.5 million, in line with last year.

EBITA adjusted in the quarter was NOK 11.0 million, a decrease of 22% from the corresponding period last year.

Amortisation in third quarter increased by 5% to NOK 17.5 million, as capitalization on development costs for the partner agreements increased towards the end of last year. Included in the total amount is amortization of purchased technology and customer contracts, with NOK 7.4 million. These assets will be fully amortized in the first half of 2026, and total amortization in the income statement will be reduced with approximately this amount per quarter from there on.

Operating loss in Q3 was NOK 6.4 million, vs. NOK 3.4 million in the same period in 2024.

Net financial items were negative at NOK 3.7 million (NOK -5.4 million) in the quarter. Financial items include interest expenses, and currency effects from the fluctuation of NOK versus EUR and SEK, in addition to changes in the fair value of the interest rate swap in the amount of NOK 0.5 million in Q3 2025 vs. NOK -1.2 million last year.

Net loss in the period was NOK 8.5 million (NOK -6.1 million).

Financial position

At the end of the third quarter of 2025, total assets were NOK 1 128.3 million, compared to NOK 1 177.4 million as at 31 December 2024.

Intangible assets include deferred tax assets, goodwill and customer relations and technology, and accounted for NOK 747.3 million (NOK 770.9 million). The decrease from last year is due to amortisation of customer relations and technology, both purchased and developed, and a reduction in deferred tax asset. Goodwill constitutes NOK 638.0 million of total intangible assets. Technology and customer contracts purchased through M&A amounted to NOK 6.8 million at the end of the quarter and is expected to be fully amortized during first half of 2026.

Total tangible assets were NOK 190.7 million (NOK 199.4 million), including NOK 158.8 million (NOK 167.4 million) in capitalised devices under Device-as-a-Service and NOK 31.9 million (NOK 32.0 million) in other tangible assets, which include right-of-use assets such as premises and other capitalised equipment.

Total inventories and receivables were NOK 170.8 million (NOK 176.1 million) at the end of the quarter. Compared to same quarter last year, accounts receivables increased with NOK 16 million, while revenues in the quarter decreased comparably. This is due to complications from the ERP implementation in the quarter, affecting the distribution of customer invoices which required a larger share of invoices to be reissued at the end of the quarter this year. This error is now fixed and distribution of invoices and payment from customers are back on track.

Total equity at the end of Q3 2025 was NOK 539.2 million (NOK 570.6 million), corresponding to an equity ratio of 48% (48%).

Total non-current liabilities were NOK 108.5 million at the end of the third quarter, vs. NOK 178.1 million at the end of 2024. The decrease relates to reclassification of long-term borrowings of NOK 103.0 million to current interest-bearing borrowings at 30 September. The Group was in breach with loan covenants at the end of the third quarter, and although a waiver for the covenant breach has been received from the lender, IFRS requires the long-term loans to be classified as short term on balance sheet date..

Total interest-bearing borrowings, including short term debt and drawn credit facilities, was NOK 168.1 million as per the end of September 2025, up from NOK 139.3 million at the end of 2024.

Net interest-bearing debt was NOK 155.0 million, an increase of NOK 46.5 million since the end of 2024.

Total current liabilities were NOK 480.6 million (NOK 428.6 million). The increase is primarily due to the reclassification of borrowings. Accounts payables have decreased with NOK 40 million to NOK 135.8 million since year end, due to seasonal effects. Other current liabilities of NOK 89.5 million (NOK 78.0 million) includes public duties and general cost accruals.

Cash flow third quarter

Net cash flow from operating activities was NOK 1.5 million in the quarter (NOK 48.2 million). Change in net working capital was NOK -34.8 million, vs. NOK 10.2 million in Q3 last year. The change in working capital in 2025 vs last year is due to a very positive development in working capital in the second quarter this year, in addition to temporary negative effects on the level of outstanding receivables due to the current ERP change.

Net cash outflow from investment activities in the quarter was NOK 29.1 million (NOK 36.3 million). Investment activities consist of capital expenditures for equipment related to Device-as-a-Service, net of gains from end of lease and investments in Own Software and IT. The level of investments in Own Software in Q3 was NOK 6.9 million, in line with last year, while investments in Device-as-a-Service items, decreased with NOK 8.2 million to NOK 21.8 million, net of gains from end-of-lease.

Net cash flow from financing activities was NOK 19.2 million (NOK -11.4 million) in the quarter and consists primarily of net proceeds from credit facilities of NOK 30.0 million (NOK -0.2 million), repayment of long-term debt of NOK 3.8 million, interest payments of NOK 3.8 million and lease repayments of NOK 3.2.

Cash and cash equivalents decreased by NOK 8.4 million (NOK +0.4 million) in the quarter, to NOK 13.1 million.

Related parties

There were no material transactions with related parties during Q3 2025.

Risk and uncertainties

Techstep's business activities entail exposure to changes in market conditions, as well as operational and financial developments. Techstep strives to take an active approach to risk management through monitoring and mitigation initiatives of identified risks, based on the ISO principles. Below is a summary of the main risks identified for Techstep in the next three to six months.

The global economic situation has faced continually increasing challenges over the past years, with slowing growth and higher inflation in Techstep's key markets. Techstep has a large base of public sector and large corporate customers, which are less vulnerable to volatile market conditions. Techstep has not seen any material market impact from recent macroeconomic factors including tariff threats, and the Group does not import from or sell goods to the US, which would be affected by the proposed tariffs.

Mobile devices have a complex, multifaceted supply chain with increased risk of disruptions such as component shortage, various production, logistics and transportation challenges occurring along the value chain i.e. due to political or economic instability, climate change or shortage of raw materials. In case of new supply chain disruptions, Techstep may experience delays in device deliveries which may negatively impact sales of other products and solutions. Hence, Techstep continues to maintain close cooperation with key suppliers to ensure timely deliveries.

Techstep's operations, revenues and profits are dependent on its ability to generate sales through existing and new customers and strategic partnerships. Techstep operates in a competitive market segment, and the Group's success depends on its ability to meet changing customer preferences, to anticipate and respond to market and technological changes, and develop effective and collaborative relationships with its customers and partners. Techstep continues to focus on improving and scale its product offering, reducing customer implementation time, and becoming a software and solution-driven growth business, yielding higher cash flow and profit from operations, and transforming into a recurring revenue business model. The operational risk mainly relates to the ongoing turnaround and transformation process, including commercialisation of the product portfolio and keeping key personnel and necessary competence.

Techstep's liquidity risk is related to a mismatch between cash flows from operations and financial commitments. Techstep is transforming itself from a transactional business model to a software-led recurring revenue model, which leads to postponed cash inflows, negatively affecting the liquidity of the Group. Investments in simplification and standardisation of the company's product portfolio and solutions, new organisational capabilities and acquisitions and integration, have furthermore increased the company's debt over time. The Group's liquidity is closely monitored by management and the Board of Directors. If the need arises, the Group has access to multiple funding sources during the transformation process.

For more information on Techstep's risk factors and risk management, reference is made to the Board of Directors report in the Annual Report for 2024 and the investor presentation from 9 October 2024, both available from www.techstep.io/investor.

Sustainability

Techstep's mission is to make positive changes to the world of work; freeing people to work more effectively, securely and sustainably. The company's sustainability agenda is an essential part of the company's mission, underscored by its commitment to UN Global Compact and Science Based Targets.

Over the past years, Techstep has strengthened its focus on environmental, social and governance (ESG), risk and compliance, with clearer priorities and a dedicated and stronger team in place. The organisation has implemented management practices based on the ISO standard, leading to ISO 9001 (quality), 14001 (environment) and ISO 27001 (information security) certifications.

More information on Techstep's sustainability efforts can be found in the company's Annual Report for 2024, available from www.techstep.io.

Outlook

Techstep serves more than 2 100 customers across industries in both the private and public sector in Europe, managing more than 3 million devices, and was highlighted as a recognised Managed Mobility service provider in Gartner's latest market guide. Techstep's goal is to become the leading mobile & circular technology company in Europe for customers that want to work smarter, securely and more sustainable.

Techstep believes that the market for mobile and circular technology solutions and services will continue to increase due to digitalisation, stricter regulation and growing complexity alongside a rapidly evolving security threat landscape. The company considers itself well positioned as enterprises and public sector organisations need help to manage their mobile device portfolio in a sustainable way and keep their mobile ecosystem up to date.

Techstep's performance in the last quarter has been below expectations. The strategic investment in the partner channel has taken longer time to materialize than anticipated, and there has been delays in the rollout of clinical devices under the Sykehuspartner agreement. Techstep will not reach its financial goals for 2025, but the long-term growth expectations are unchanged.

At the same time, there is strong commercial momentum across both direct and indirect sales channels, and the progress is positive in both areas. Techstep see great interest in and potential for growth in Europe for the Techstep MDM software, and. as the pipeline matures, the growth is expected to escalate.

Leaving 2025, Techstep will uphold its long term growth ambitions, The announced strategic divestment of the Business Critical Mobility area (see note 8 Events after balance sheet date) will substantially change the organization and enable Techstep to sharpen the focus on core business, emphasizing its strengths and growth potential while becoming more operational efficient.

Condensed Financial information

Consolidated Income statement

(Amounts in NOK 1000)	Note	Q3 2025	Q3 2024	YTD 2025	YTD 2024	FY 2024
Revenue	2, 3	222 145	237 152	717 606	759 236	1 071 092
Other revenue		262	457	776	795	1 464
Total revenues		**222 407**	**237 609**	**718 382**	**760 030**	1 072 556
Cost of goods sold		-116 770	-131 314	-388 163	-432 414	-625 531
Salaries and personnel costs		-48 697	-43 300	-160 503	-156 873	-208 959
Other operational costs		-18 375	-21 081	-67 015	-66 574	-84 453
Depreciation	5	-27 524	-27 714	-85 099	-85 762	-113 857
Amortisation		-17 524	-16 677	-51 722	-49 555	-68 970
Other income and expenses		100	-974	687	-3 774	-5 439
Operating profit (loss)		**-6 384**	**-3 451**	**-33 433**	**-34 921**	-34 653
Financial income		242	77	579	810	1369
Financial expense		-3 902	-5 521	-11 484	-11 584	-171 60
Profit before taxes		**-10 044**	**-8 895**	**-44 339**	**-45 696**	-50 444
Income taxes		1 511	2 805	4 174	12 078	4 749
Net profit (loss) for the period		**-8 533**	**-6 090**	**-40 165**	**-33 617**	-45 696
Net income attributable to						
Shareholders of Techstep ASA		-8 533	-6 090	-40 165	-33 617	-45 696
Earnings per share in NOK:						
Basic		-0.25	-0.19	-1.17	-1.06	-1.42
Diluted		-0.25	-0.19	-1.17	-1.06	-1.42

The interim financial information has not been subject to audit or review.

Consolidated statement of comprehensive income

(Amounts in NOK 1 000)	Note	Q3 2025	Q3 2024	YTD 2025	YTD 2024	FY 2024
Net profit (loss) for the period		**-8 533**	**-6 090**	**-40 165**	**-33 617**	**-45 696**
Items that may be reclassified to profit and loss						
Exchange differences on translating foreign operations		-1 480	13 510	6 403	12 618	10 519
Income tax related to these items		-	-	-	-	-
Other comprehensive income		**-1 480**	**13 510**	**6 403**	**12 618**	**10 519**
Total comprehensive income		**-10 014**	**7 420**	**-33 762**	**-21 000**	**-35 177**
Total comprehensive income attributable to						
Non-controlling interests		-	-	-	-	-
Shareholders of Techstep ASA		-10 014	7 420	-33 762	-21 000	-35 177

The interim financial information has not been subject to audit or review.

Consolidated statement of financial position

ASSETS	Note	Q3 2025	Q3 2024	2024
Non-current assets				
Deferred tax asset		11 741	21 564	14 122
Goodwill		638 035	634 209	632 108
Customer relations and technology		97 571	134 387	124 657
Sum intangible assets		**747 347**	**790 160**	**770 887**
Assets related to Device-as-a-Service	5	158 787	146 254	167 408
Other tangible assets	5	31 926	29 110	32 000
Sum tangible assets		**190 713**	**175 364**	**199 408**
Sum financial assets		**6 309**	**3 198**	**169**
Total non-current assets		**944 369**	**968 723**	**970 464**
Inventories		4 019	3 997	4 663
Trade receivable		124 564	108 269	134 745
Other receivables		42 188	38 628	36 711
Total inventories and receivables		**170 771**	**150 895**	**176 119**
Cash and cash equivalents	6	13 136	15 660	30 776
Total current assets		**183 906**	**166 555**	**206 895**
Total assets		**1 128 276**	**1 135 278**	**1 177 360**
EQUITY AND LIABILITIES				
Share capital	4	34 407	31 629	34 407
Other equity		504 765	523 775	536 200
Total equity		**539 172**	**555 405**	**570 607**
Deferred tax		2 889	10 846	7 227
Non-current interest-bearing borrowings	7	-	118 027	114 315
Financial derivatives		1 183	2 966	1 307
Non-current liabilities related to Device-as-a-Service		79 973	17 299	39 476
Other non-current debt		24 435	15 054	15 794
Total non-current liabilities		**108 481**	**164 191**	**178 119**
Current interest-bearing borrowings	7	168 142	45 024	25 000
Trade payable		135 768	128 883	175 792
Current liabilities related to Device-as-a-Service		87 165	154 894	149 770
Other current liabilities		89 548	86 881	78 071
Total current liabilities		**480 624**	**415 682**	**428 633**
Total liabilities		**589 104**	**579 873**	**606 752**
Total equity and liabilities		**1 128 276**	**1 135 278**	**1 177 360**

The interim financial information has not been subject to audit or review.

Consolidated statement of changes in equity

(Amounts in NOK 1 000)	Share capital	Other paid-in capital	Other equity	Reval. Reserve	Total equity capital
Equity as at start of 2024	**31 629**	**979 246**	**-437 812**	**635**	**573 697**
Profit for the period	-	-	-45 696	-	-45 696
Other comprehensive income	-	-	-	10 519	10 519
Total comprehensive income for the period	**-**	**-**	**-45 696**	**10 519**	**-35 177**
Transactions with owners in their capacity as owners:					
Proceeds from issuance of shares net of transaction costs	2 778	25 613	-	-	28 391
Share-based payments	-	-	3 697	-	3 697
Equity as at end of 2024	**34 407**	**1 004 859**	**-479 812**	**11 154**	**570 607**
Equity as at start of 2025	**34 407**	**1 004 859**	**-479 812**	**11 154**	**570 607**
Profit for the period	-	-	-40 165	-	-40 165
Other comprehensive income	-	-	-	6 403	6 403
Total comprehensive income for the period	**-**	**-**	**-40 165**	**6 403**	**-33 762**
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	2 327	-	2 327
Equity as 30 September 2025	**34 407**	**1 004 859**	**-517 650**	**17 557**	**539 172**

The interim financial information has not been subject to audit or review.

Consolidated statement of cash flow

(Amounts in NOK 1000)	Note	Q3 2025	Q3 2024	YTD 2025	YTD 2024	FY 2024
Profit before tax		-10 044	-8 895	-44 339	-45 696	-50 444
Depreciation equipment and other fixed assets	5	24 841	24 926	76 891	76 879	102 430
Depreciation right-of-use assets	5	2 683	2 787	8 208	8 883	11 428
Amortisation		17 524	16 677	51 722	49 555	68 970
Share-based payments		877	759	2 327	2 708	3 697
Financial Instruments and other		-735	1 957	275	89	-1 376
Gain from sale of PPE reclassified to investment activities		-3 051	-1 555	-9 945	-5 649	-9 874
Net exchange differences	5	688	-2 531	1 966	-1 711	-1 233
Taxes paid		0	0	0	-961	-961
Interest expense (revenue) reclassified to investing/financing activities		3 490	3 859	10 275	10 646	13 672
Changes in net operating working capital		-34 765	10 173	-39 708	-29 586	176
Net cash flow from operational activities		**1 508**	**48 157**	**57 672**	**65 159**	**136 484**
Payment for acquisition of subsidiaries net of cash acquired		-607	-217	-2 233	-1 463	-4 330
Payment for equipment and other fixed assets	5	-25 974	-32 050	-82 280	-77 133	-123 756
Payment for intangible assets		-6 936	-6 242	-23 105	-19 494	-29 520
Proceeds from sale of property, plant and equipment		4 154	2 070	24 387	8 843	13 414
Interest received		242	77	579	810	1 369
Net cash used on investment activities		**-29 122**	**-36 362**	**-82 652**	**-88 437**	**-142 823**
Proceeds from issuance of shares		0	0	0	-	28 391
Proceeds from borrowings		29 991	-246	39 679	-4 899	-
Repayment of borrowings		-3 750	-3 750	-11 250	-11 250	-40 079
Lease repayments		-3 195	-3 478	-9 441	-10 748	-13 414
Interest paid		-3 842	-3 935	-10 897	-11 456	-15 186
Net cash flow from financing activities		**19 205**	**-11 408**	**8 091**	**-38 352**	**-40 288**
Net change in cash and cash equivalents		**-8 409**	**386**	**-16 889**	**-61 631**	**-46 627**
Cash and cash equivalents at beginning of period		21 604	15 362	30 776	77 459	77 459
Effects of exchange rate changes on cash and cash equivalents		-60	-88	-751	-168	-57
Cash and cash equivalents at end of period	6	**13 136**	**15 660**	**13 136**	**15 660**	**30 776**

The interim financial information has not been subject to audit or review.

Notes to the consolidated financial statements

Note 1. Accounting principles

Techstep (the Group) consists of Techstep ASA (the Company) and its subsidiaries. Techstep ASA is a limited liability company, incorporated in Norway. The consolidated interim financial statements consist of the Group. As a result of rounding differences, numbers or percentages may not add up to the total.

The interim consolidated financial statements are prepared under International Financial Reporting Standards (IFRS) for the periods presented. The interim financial report is presented in accordance with IAS 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information and disclosures required in the Annual Financial Statements and should be read in conjunction with the Group's Annual Financial Statements for 2024. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2024. This report has not been audited.

Note 2. Segments

Over the last years, Techstep has been through a major transition in order to unlock profitability and growth. Historically consisting of 10 acquisitions and 47 different products, the company has transformed and streamlined the organisation and its product solutions, through mergers and disposals of products or services outside the strategic roadmap.

The Group regularly reports revenue, net gross profit and adjusted EBITA to the Board of Directors and the Groups executive management (the Group's chief operating decision makers). Currently, Techstep's product offering range from individual device needs to complete transformative solutions in three different revenue streams, and the Groups strategic goal is to grow recurring high margin and highly scalable revenue streams profitably. To measure performance against strategic goals, the key performance measure is net gross profit per product solution. As the revenue streams are generated, and the Groups resources are utilised across all legal entities and geographical markets, where it is not possible nor reasonable to allocate resources to the different revenue streams, the second key performance indicator is EBITA adjusted on a group level.

Consequently, Techstep's current segment is the Group results on a total level.

Note 3. Disaggregation of revenues

In the following tables, Total revenue and net gross profit is disaggregated by major revenue streams across the commercial markets.

Q3 2025	Norway	Sweden/ Denmark	Poland	Eliminations	Group
Revenues					
Devices	98 788	41 786	-	-149	**140 425**
Advisory & Services*	22 419	29 556	-162	191	**52 004**
Own Software	11 409	7 040	11 469	-201	**29 716**
Other revenues	2	265	2	-8	**262**
Total	**132 618**	**78 647**	**11 309**	**-167**	**222 407**
Net Gross Profit					
Devices	13 913	8 426	-	29	**22 368**
Advisory & Services*	17 126	14 801	-162	-67	**31 697**
Own Software	10 659	5 897	10 539	**-**	**27 096**
Other revenues	-11	207	2	-5	**193**
Total	**41 687**	**29 330**	**10 379**	**-42**	**81 355**

Q3 2024	Norway	Sweden/ Denmark	Poland	Eliminations	Group
Revenues					
Devices	117 425	43 753	-	-377	**160 801**
Advisory & Services*	19 150	27 717	129	-892	**46 103**
Own Software	11 673	7 526	11 245	-195	**30 249**
Other revenues	0	191	278	-14	**456**
Total	**148 248**	**79 187**	**11 652**	**-1 478**	**237 610**
Net Gross Profit					
Devices	16 774	6 186	-	791	**23 751**
Advisory & Services*	13 415	17 922	129	82	**31 548**
Own Software	10 868	6 234	8 663	391	**26 156**
Other revenues	2	148	278	-6	**422**
Total	**41 059**	**30 490**	**9 070**	**1 258**	**81 877**

YTD 2025	Norway	Sweden/ Denmark	Poland	Eliminations	Group
Revenues					
Devices	331 717	139 212	-	-4 124	**466 806**
Advisory & Services*	64 281	99 369	264	-4 210	**159 705**
Own Software	36 869	21 572	33 254	-600	**91 095**
Other revenues	63	1 213	2	-502	**776**
Total	**432 931**	**261 366**	**33 520**	**-9 435**	**718 382**

Net Gross Profit					
Devices	42 745	29 665	-	1 858	**74 268**
Advisory & Services*	44 811	56 683	264	-1 866	**99 892**
Own Software	34 530	17 798	28 343	65	**80 736**
Other revenues	51	997	2	-498	**552**
Total	**122 137**	**105 143**	**28 609**	**-441**	**255 448**

YTD 2024	Norway	Sweden/ Denmark	Poland	Eliminations	Group
Revenues					
Devices	386 305	133 929	-	-1 260	**518 974**
Advisory & Services*	64 297	93 840	302	-3 272	**155 167**
Own Software	34 069	21 813	29 789	-577	**85 094**
Other revenues	159	392	278	-35	**795**
Total	**484 830**	**249 974**	**30 370**	**-5 144**	**760 030**
Net Gross Profit					
Devices	48 134	22 997	-	1 890	**73 021**
Advisory & Services*	46 896	57 307	302	818	**105 324**
Own Software	31 456	17 708	22 929	1 168	**73 261**
Other revenues	159	263	278	-22	**678**
Total	**126 644**	**98 275**	**23 510**	**3 854**	**252 284**

FY 2024	Norway	Sweden/ Denmark	Poland	Eliminations	Group
Revenues					
Devices	533 203	215 456	-	-1 713	746 947
Advisory & Services*	84 741	125 079	706	-4 584	205 941
Own Software	46 363	29 158	43 454	-771	118 204
Other revenues	187	1 049	278	-50	1 464
Total	**664 494**	**370 742**	**44 438**	**-7 118**	**1 072 556**
Net Gross Profit					
Devices	70 028	35 245	-	2 891	108 164
Advisory & Services*	59 193	73 581	706	2 155	135 635
Own Software	43 009	23 512	33 665	1 554	101 740
Other revenues	175	844	278	-35	1 263
Total	**172 405**	**133 182**	**34 649**	**6 565**	**346 803**

**Commission and third-party software are included in Advisory & Services*

Note 4. Share capital and shareholders

The company's share capital as at 30 September 2025 was NOK 34 407 158, divided into 34 407 158 ordinary shares with a par value of NOK 1.00.

Each share gives the right to one vote at the company's annual general meeting. At the time of this report, Techstep holds 192 treasury shares.

Techstep's 20 largest shareholders as at 30 September 2025 were as follows:

Shareholder	# of shares	Ownership %
DATUM AS	6 646 415	19.3 %
KARBON INVEST AS	5 329 459	15.5 %
VALSET INVEST AS	4 154 768	12.1 %
AS CLIPPER	1 160 084	3.4 %
CAMIKO AS	1 062 427	3.1 %
Swedbank AB	1 010 920	2.9 %
STEENCO AS	1 000 000	2.9 %
CIPRIANO AS	950 794	2.8 %
SPECTER INVEST AS	650 000	1.9 %
KRAG INVEST AS	602 390	1.8 %
Saxo Bank A/S	488 662	1.4 %
ROSLAND, GLENN LIVAR	409 906	1.2 %
GIMLE INVEST AS	407 096	1.2 %
TVENGE	300 000	0.9 %
ANDRESEN, NILS GABRIEL	277 525	0.8 %
NORDHOLMEN AS	238 372	0.7 %
PIKA HOLDING AS	214 346	0.6 %
DATUM VEKST AS	211 246	0.6 %
ADRIAN AS	203 886	0.6 %
SÆLE, FINN ØRJAN RISMYHR	200 000	0.6 %
Total number owned by top 20	**25 518 296**	**74.2 %**
Total number of shares	**34 407 158**	**100 %**

1) Karbon Invest AS is owned by the Board member Jens Rugseth.
2) Specter Invest AS is owned by Board Observer Steinar Hoen.

Share option grant

At 30 September 2025, the total number of outstanding share options was 3 582 112.

On 4 April 2025, the Board of Directors of Techstep ASA resolved to grant share options in connection with the company's 2025 share option programme. A total of 1 360 000 share options has been granted, of which 970 000 to primary insiders.

For information on the share option programme for previous years please see the Remuneration report for 2024 which is available from the website www.techstep.io/investor.

Overview of shares and share options held by members of the management group as at 30 September 2025:

Name	Position	Shares	Share options
Morten Meier *	CEO	50 000	700 000
Ellen Solum	CFO	15 402	550 000
Claes Widestadh	Chief Operations Officer	102 568	130 000
Terje Bjørnsen	Chief Commercial Officer	0	100 000
Bartosz Leoszewski	Chief Technology Officer	41 336	244 065
Sheena Lim	Chief Marketing Officer	2 134	244 065
Suzanne Almbring	Chief People & Culture Officer	2 394	80 000

* Additionally, to directly owned shares, Mia Unhjem Meier, a close associate of Morten Meier owns 50 000 shares

Overview of shares held by members of the Board of Directors as at 30 June 2025:

Name	Position	Shares (direct/indirect)
Michael Jacobs	Chairman	50 000
Ingrid Leisner**	Board member	60 157
Harald Arnet***	Board member	63 439
Jens Rugseth*	Board member	4 929 459
Melissa Mulholland	Board member	0
Steinar Hoen****	Board observer	650 000

* Jens Rugseth holds shares through the ownership of Karbon Invest AS

** Ingrid Leisner holds shares through the partial ownership of Duo Jag AS

*** Harald Arnet holds shares through partial ownership in Hermia AS

**** Steinar Hoen holds shares through the ownership of Specter Invest AS

Note 5. Property, plant and equipment

(Amounts in NOK 1 000)	Right-of-use assets	Other fixed assets	Total other tangible assets	Equipment [1]
Carrying amount 1 January 2024	**24 245**	**7 265**	**31 510**	**159 501**
Additions	11 843	4 330	16 173	123 756
Depreciation	-11 461	-2 208	-13 669	-100 222
Disposals	0	-2 329	-2 329	-16 618
Translation differences	210	105	315	991
Carrying amount 31 December 2024	**24 837**	**7 163**	**32 000**	**167 408**
Carrying amount 1 January 2025	**24 837**	**7 163**	**32 000**	**167 408**
Additions	4 707	2 169	6 875	78 280
Depreciation	-8 208	-2 122	-10 330	-74 769
Disposals	-33	-762	-795	8 437
Translation differences	3 986	189	4 175	-20 567
Carrying amount 30 September 2025	**25 288**	**6 637**	**31 926**	**158 788**

1) Equipment comprises mobile phones, tablets and other equipment where the Group is the lessor.

Note 6. Cash and cash equivalent

(Amounts in NOK 1 000)	**Q3 2025**	**Q3 2024**	**FY 2024**
Cash at bank and in hand,	13 136	15 660	30 776
Of which is restricted	2 791	3 119	3 663

As at 30 September 2025 NOK 20 million of the Group's available credit facilities has been utilised.

Note 7. Borrowings

Overview of outstanding loans and credits:

	Q3 2025			**Q2 2024**			**FY 2024**		
(Amounts in NOK 1 000)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Bank loan	147 994	-	147 994	45 000	118 027	163 027	25 000	114 315	139 315
Bank overdraft	20 148	-	20 148	24	-	24	-	-	-
Total	**168 142**	**-**	**168 142**	**45 024**	**118 027**	**163 051**	**25 000**	**114 315**	**139 315**

The bank loan consists of a Term Loan A and Term Loan B of NOK 75 million each and a Revolving Credit Facility of NOK 30 million. The Bank overdraft is short term credit lines that consists of an overdraft facility of NOK 25 million and a seasonal facility of NOK 20 million.

The Term Loan A matures over 5 years, with quarterly straight-line amortisations, while the Term Loan B matures in 5 years.

The annual interest rates are:

- TLA/RCF: NIBOR 3m + 285bps
- TLB: NIBOR 3m + 305bps
- Overdraft/seasonal: NIBOR 3m + 250bps

In connection with the refinancing in 2023, Techstep ASA entered into an interest rate hedge agreement, where interest payments for 75% of the long-term borrowings are secured at a NIBOR base of 4.47% p.a. The duration of the agreement is for 5 years.

The Group was not in compliance with the loan covenant requirements as at 30 September 2025 but secured a waiver for the breach after the balance sheet date.

Sustainability Linked Loan

In July 2024, Techstep added Sustainability features to the loan terms connected to three KPIs, which may give a discount of up to 5 bps on margin if the three KPIs are reached, or penalty of up to 5 bps if the KPIs are not reached. The KPI performance, which relates to reduction of greenhouse gas emissions (scope 1 and 2), supplier due diligence and cybersecurity training, will be evaluated on an annual basis. The two latter KPIs will be replaced by new KPIs for the last two years of the loan period.

Note 8. Subsequent events

On November 25, Techstep announced the partnership with Tellu, and independent software vendor specializing in welfare Technology. This collaboration introduces a fully managed device-as-a -service solution designed to support digital home visits for patients throughout Norway. By leveraging Tellu's innovative application for digital supervision and Techstep's lifecycle management platform, the solution offers a turnkey service that includes: Tablets-as-a-service for care teams, Lifecycle management through Techstep's platform, Device configuration and application setup, and Unified endpoint management via Techstep Essentials MDM. First orders are already placed, with rapid expansion expected as municipalities adopt this integrated approach to healthcare delivery.

On November 26, Techstep announced the signed agreement with Fonua, with reference to the Stock Exchange Release on February 12 this year. The agreement will introduce Techsteps device lifecycle management platform, to new markets in Ireland and the UK. The first two customers are scheduled to onboard in December 2025, and additional customers will follow in subsequent quarters. The commercial model includes a license price per device per month.

On November 27, Techstep announced that it had entered into a non-binding term sheet regarding a potential divestment of its Business Critical Mobility business (the "BCM Business") to IDnet AB, a subsidiary of Lexit Group AS, (the "Transaction"), with negotiations having progressed to an advanced stage.

The BCM Business was acquired as part of Techstep's acquisition of OptiDev AB in 2021 and represents a market segment separate from the company's core operations. The contemplated divestment aligns with Techstep's intention to streamline operations and sharpen focus on its primary business areas.

The Transaction is expected to be structured as a carve-out of the BCM Business and transferred by way of an asset sale or a share transfer following completion of a carve-out into a newly established company. The parties are in the final stages of the carve-out process, and Agreement is expected to be concluded in December. Completion of the Transaction is subject to satisfactory completion of the ongoing due diligence, execution of a definitive purchase agreement containing customary terms and closing conditions, including completion of the carve-out and regulatory approvals. The parties anticipate that the Transaction will close early Q1-2026, however, no assurances can be given that the Transaction will be consummated as set out in the non-binding term sheet or at all.

The Company plans to apply the Transaction proceeds toward the repayment of its interest-bearing debt.

Alternative performance measures

Techstep Group's financial information is prepared in accordance with International Financial Reporting Standards (IFRS). In addition, it is management's intention to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of Techstep's performance, but not instead of the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies. The principles for measuring the alternative performance measures are in accordance with the principles used both for segment reporting in Note 2 and internal reporting to Group Executive Management (chief operating decision makers) and are consistent with financial information used for assessing performance and allocating resources.

Gross profit

Gross profit is defined as total revenue less cost of goods sold.

Net gross profit

Net gross profit is defined as total revenue less cost of goods sold and depreciation from Device-as-a-Service.

Gross margin

Gross margin is defined as total revenue less cost of goods sold and depreciation from Device-as-a-Service, divided by total revenue.

EBITDA

Earnings before interest, tax, depreciation, amortisation and impairment. The EBITDA margin presented is defined as EBITDA divided by total revenue.

EBITDA adjusted

Earnings before interest, tax, depreciation, amortisation and impairment adjusted for transactions of a non-recurring nature. Such non-recurring transactions include, but are not limited to restructuring costs, gains or losses related to the sale of subsidiaries, acquisition-related costs and other non-recurring income and expenses. The EBITDA adjusted margin presented is defined as EBITDA adjusted divided by total revenue.

EBITA

Earnings before interest, tax, amortisation and impairment The EBITA margin presented is defined as EBITA divided by total revenue.

EBITA adjusted

Earnings before interest, tax, amortisation and impairment adjusted for transactions of a non-recurring nature. Such non-recurring transactions include, but are not limited to restructuring costs, gains or losses related to sales of subsidiaries, acquisition-related costs and other non-recurring income and expenses. The EBITA adjusted margin presented is defined as EBITA adjusted divided by total revenue.

EBITA conversion

EBITA conversion rate is EBITA adjusted divided by net gross profit, and is a performance indicator to measure profitability vs net gross profit.

EBIT

Earnings before interest and tax (EBIT) is useful to users with regard to Techstep's financial information in evaluating operating profitability on a cost basis as well as the historic cost related to past business combinations and capex. The EBIT margin presented is defined as EBIT divided by Total revenue.

Device revenue

Device revenue is defined as revenue from sales of tangible goods and related discounts from suppliers and partners.

Device's share of revenue is the Device revenue divided by Total revenue.

Advisory & Services revenue

Revenue from Advisory & Services includes revenue from advisory, support and maintenance services, and sales of third-party software licenses including related commission.

Advisory & Services share of revenue is the revenue from Advisory & Services divided by Total revenue.

Own Software revenue

Revenue from Own Software includes revenue from the right to access and use software developed by Techstep (Own Software).

Own Software share of revenue is the revenue from Own Software divided by Total revenue.

Net interest-bearing debt (NIBD)

Net interest-bearing debt is non-current interest-bearing borrowings plus current interest-bearing borrowings less cash and cash equivalents.

Equity ratio

Equity ratio is defined as Total equity divided by Total equity and liabilities.

Capital expenditure (Capex)

Capital expenditure is the same as payment for property, plant and equipment and intangible assets.

Recurring Revenue Annualised

Reported Recurring revenue annualised represents future contractual annual revenue from Own Software, Advisory & Services and Device-as-a-Service. Revenues are based on contracts for 12 or more months and calculated as last months invoiced contractual revenues times 12 months. Contracts where invoicing to customers has not commenced at the reporting date, are not included in the calculation.

APM's in the income statement	Q3 2025	Q3 2024	YTD 2025	YTD 2024	FY 2024
Total revenue	222 407	237 609	718 382	760 030	1 072 556
Cost of goods sold	-116 770	-131 314	-388 163	-432 414	-625 531
Gross profit	**105 637**	**106 295**	**330 219**	**327 617**	**447 025**
Gross margin	**47.5 %**	**44.7 %**	**46.0 %**	**43.1 %**	**41.7 %**
Salaries and personnel costs	-48 697	-43 300	-160 503	-156 873	-208 959
Other operational costs	-18 375	-21 081	-67 015	-66 574	-84 453
Other income	128	215	726	794	1 104
Other expenses	-28	-1 189	-39	-4 568	-6 542
EBITDA	**38 664**	**40 940**	**103 388**	**100 396**	**148 175**
Depreciation	-27 524	-27 714	-85 099	-85 762	-113 857
EBITA	**11 140**	**13 226**	**18 289**	**14 634**	**34 318**
Amortisation	-17 524	-16 677	-51 722	-49 555	-68 970
EBIT	**-6 384**	**-3 451**	**-33 433**	**-34 921**	**-34 652**
Net gross profit					
Gross profit	105 637	106 295	330 219	327 617	447 025
Depr. Device-as-a-service	-24 282	-24 418	-74 769	-75 332	-100 222
Net gross profit	**81 355**	**81 877**	**255 449**	**252 285**	**346 803**
Net gross margin	36.6 %	34.5 %	35.6 %	33.2 %	32.3 %
EBITDA adjusted					
EBITDA	38 664	40 940	103 388	100 396	148 175
Other income	-128	-215	-726	-794	-1 104
Other expense	28	1 189	39	4 568	6 542
Adjusted EBITDA	**38 564**	**41 913**	**102 701**	**104 170**	**153 613**
EBITA adjusted					
EBITA	11 140	13 226	18 289	14 634	34 318
Other income	-128	-215	-726	-794	-1 104
Other expense	28	1 189	39	4 568	6 542
EBITA adjusted	**11 041**	**14 200**	**17 601**	**18 408**	**39 756**
EBITA conversion rate					
EBITA adjusted	11 041	14 200	17 601	18 408	39 756
Net gross profit	81 355	81 877	255 449	252 285	346 803
EBITA adjusted conversion rate	**13.6 %**	**17.3 %**	**6.9 %**	**7.3 %**	**11.5 %**

APM's in the Statement of financial position	Q3 2025	Q3 2024	FY 2024
NIBD			
Cash and cash equivalents	13 136	15 660	30 776
Non-current interest-bearing borrowings	102 994	118 027	114 315
Current interest-bearing borrowings	65 148	45 024	25 000
NIBD	**155 006**	**147 391**	**108 540**
Equity ratio			
Total equity	539 172	555 405	570 607
Total equity and liabilities	1 128 276	1 135 278	1 177 360
Equity ratio	**47.8 %**	**48.9 %**	**48.5 %**

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