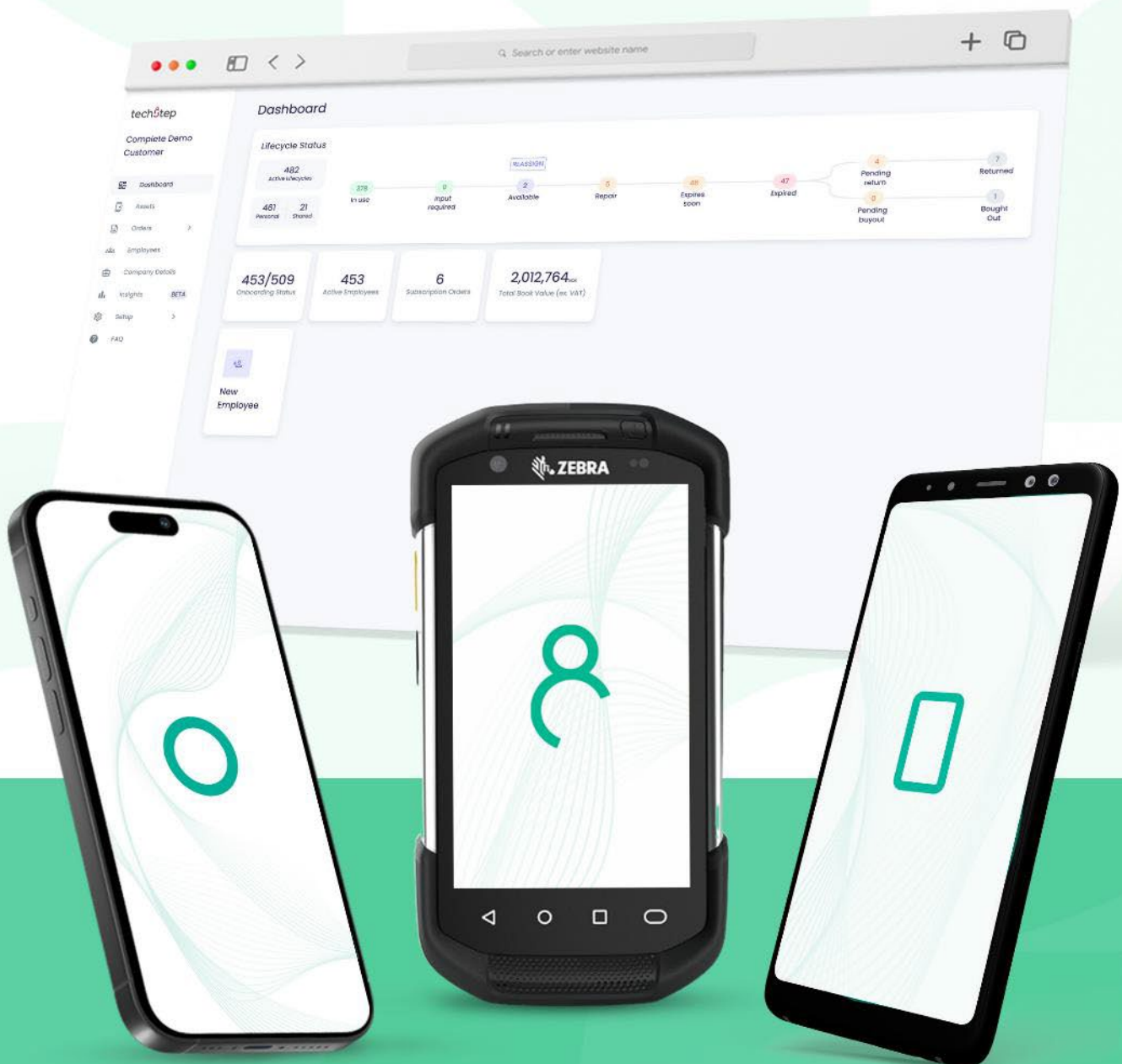


# Q4 Report

We make mobile technology work for you



# Highlights Q4 2024

## **Profitability improving for the quarter and full-year 2024**

- Recurring revenue annualised increased by 6%y/y, driven by 11% growth in Own Software
- Net gross profit margin at 30%, in line with the same quarter last year
- Continued improvement in EBITA adj. , up 100% y/y in Q4
- Positive cashflow from operations of NOK 71.3m

## **Solid commercial momentum continues**

- Growth across all three markets for hardware and software
- Softness in Advisory & Services within transactional consulting

## **Strategic agreements progressing according to plan**

- Fully operational with partner devicenow and roll-out on budget
- First customer onboarded with partner ICE (Norwegian mobile operator)
- Signed LOI with new IT vendor partner covering the UK and Ireland with intention to integrate Techstep's Device Lifecycle Management (signed Q1 2025)

"As we close the fourth quarter, I am proud to share that Techstep has delivered a solid finish to 2024, marked by continued profitability improvements and solid commercial momentum. Recurring revenue reached record highs, driven by a 11% year-over-year growth in our Own Software segment, while our net gross profit remained stable resulting in a 100% higher EBITA adj. compared to last year. Within hardware, we grew across all markets, with Sweden making a strong comeback and Poland and Europe maintaining their solid performance. We continue with the positive development with our partner strategy, with devicenow fully operational and the first successful onboarding of a customer with partner ICE. Recently, we also signed a new LOI with an IT vendor covering the UK and Ireland. As we enter 2025, we are confident in our trajectory to become Europe's leading mobile and circular technology company, supported by our team's dedication and the continued trust of our customers and partners.", comments Morten Meier, CEO of Techstep.

## About Techstep

Techstep is a mobile & circular technology company, enabling organisations to perform smartly, securely, and 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 2023. The company is listed on the Oslo Stock Exchange under the ticker TECH. To learn more, please visit [www.techstep.io](https://www.techstep.io).

## Key Figures

(Amounts in NOK 1 000)	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenues	312 525	299 860	1 072 556	1 089 491
Recurring Revenue Annualised <sup>1)</sup>	330 576	312 142	330 576	312 142
ARR Own Software <sup>1)</sup>	128 285	115 348	128 285	115 348
Net gross profit <sup>2)</sup>	94 518	89 658	346 803	353 919
Net gross profit margin <sup>3)</sup>	30.2 %	29.9 %	32.3 %	32.5 %
EBITDA adjusted	49 444	37 186	153 613	137 496
EBITA adjusted	21 348	10 664	39 756	29 892
EBIT	268	(8 018)	(34 653)	(36 498)
Net profit (loss) for the period	(4 461)	(5 298)	(38 078)	(44 546)
EBITDA adj. margin (%)	15.8 %	12.4 %	14.3 %	12.6 %
EBITA adj. margin (%)	6.8 %	3.6 %	3.7 %	2.7 %
EBIT margin (%)	0.1 %	(2.7 %)	(3.2 %)	(3.4 %)
Net profit (loss) for the period (%)	(1.4 %)	(1.8 %)	(3.6 %)	(4.1 %)
Cash flow from operating activities	71 326	75 498	136 484	155 560
Cash flow from investment activities	(54 386)	(33 831)	(142 823)	(128 514)
Cash flow from financing activities	(1 936)	(33 029)	(40 288)	(12 730)
Cash	30 776	77 459	30 776	77 459
Net interest-bearing debt	108 540	101 218	108 540	101 218
Capex	(10 027)	(8 667)	(29 520)	(33 920)
Employees	258	267	258	267

<sup>1)</sup> Annualised recurring revenues includes 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.

<sup>2)</sup> Net gross profit is defined as total revenue less cost of goods sold and depreciation from Device-as-a-Service.

<sup>3)</sup> Net gross profit margin is net gross profit of revenues.

## Operational review

### Main developments

In 2024 Techstep has focused on primarily three elements to drive profitability: to transfer customers to a recurring revenue business model and high margin products and services; to develop the partner channel for own software and managed services; and to continue to optimise the organisation and reduce the cost base.

Techstep continued to deliver on these targets in the fourth quarter of 2024. Recurring revenues annualised for the quarter grew by 6% year over year, the strategic partnership agreements announced throughout the year are progressing according to plan, and the profitability is improving with cost focus on operations and investments.

On the commercial side, sales activity picked up in all markets (Norway, Sweden, Poland and Europe) compared to previous periods. Total revenues increased with 4% year over year for the quarter, continuing the trend from third quarter after several quarters with declining revenues.

Both in Norway and Sweden, Device sales showed positive development in the quarter, although margins were below expectations in both markets. Revenues from own software in the Nordic market is showing momentum with 9% y/y growth, while the Polish market continued the very positive trend from previous quarters with 57% growth in total revenues y/y from upsell on existing partner relations and new customer agreements.

### Refocused commercial strategy and sales activity

Entering 2024, Techstep launched a refocused commercial strategy and go-to-market model focusing on partner sales. Part of this includes a revised indirect business model, where partner sales is an important channel for highly

scalable solutions such as Own Software and managed services. With new and stricter legislation 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.

### Partner sales

Our indirect sales continue to grow and gain ground across Europe, both domestic partners in the Nordics, but also partners and resellers with global reach.

In September 2024, Techstep successfully onboarded the first devicenow customer to the Lifecycle platform, according to plan. Leaving 2024, the partnership is fully operational, and several additional customers are onboarded the platform.

This milestone follows the strategic partnership agreement entered in Q1 2024 with devicenow, a global provider of subscription-based IT devices, aimed at introducing Techstep's Lifecycle management platform to a wider customer base worldwide. Devicenow, which has a global reach across 190 countries, serves several major global customers. This partnership allows Techstep to increase its global reach whilst devicenow can add further great value to their offering through the Lifecycle platform. Additionally, the partnership includes opportunities for incorporating Techstep's managed services into devicenow's portfolio.

In October, Techstep signed the strategic partnership agreement with the Norwegian mobile operator ICE, for introducing Techstep's Own software and managed services to their B2B customers. In Q4, the first customer with ICE was onboarded, in line with the plan.

In February 2025, Techstep announced that it has entered a letter of intent with a leading IT

vendor, marking its strategic entry into the Ireland and UK markets. With this partnership the vendor will adopt Techstep's Lifecycle platform as their standard solution for Device-as-a-Service (DaaS) offerings, enhancing operational efficiency and customer experiences.

Both companies are committed to going live with the Lifecycle platform this year with customers onboarded in the fourth quarter. The commercial model includes a license price per device per month.

### Direct sales

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 sector in the home markets.

Techstep manages mobility for all types of work scenarios, covering both knowledge workers and frontline workers, and any hybrid combination.

Our solutions streamline everything from planning and procurement to device lifecycle management and circularity. This includes over-the-air enrolment, logistics, sustainable recycling, and best practice device management and security.

Techstep empowers knowledge workers in a sustainable and cost-efficient way with an automated and self-service driven solution to increase their productivity and manage their entire mobile estate,

The frontline workers are equipped with mobility solutions to boost workforce productivity with our end-to-end mobile solutions including industry specific application, providing fully managed mobility for your organizations needs and the people performing at the edge of your business.

The commercial strategy includes increased focus on the public sector, both through upselling on existing agreements and by winning new tenders. The previously announced pilot project with Sykehuspartner is steadily progressing forward. The ambition is to deliver a completely managed mobility service, including devices, lifecycle management and managed services for all office and clinical devices in the Health South-East region. Several pilots have been rolled out to hospitals and departments, and Techstep aims to finalize the full scope of deliveries to fully manage business critical devices serving their 82 000 users in the region. The final comprehensive service contract is expected to be finalized during Q1, with a phased roll out over the next years. In parallel, we continue to roll out devices and services to selected projects, both new hospitals and health institutions in the region. This will accelerate further in the coming months and through-out 2025.

Strong momentum from the Tradebroker frame agreement that went live in October continued during Q4, growing and expanding existing customers, as well as onboarding new customers.

### Optimising the organisation and cost base

Techstep is in the middle of a strategic transformation, and the past years have been marked by streamlining business operations and optimising the company's cost base. Since the initial NOK 90-100 million cost optimisation plan was launched in Q4 2022, Techstep has successfully reduced costs with above NOK 130 million due to reductions in full-time employees, less use of external consultants and streamlining of internal IT costs. Simultaneously, the roll-out of a modern ERP system is progressing across the Group, with the aim to further raise efficiency and reduce costs. In parallel, Techstep continues with optimising processes and streamlining workflows under a unified management system and raise

standards by integrating sustainability in policies and processes.

## Revenue streams

Techstep continues to focus on upselling and converting existing customers from transactional to recurring sales. 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 fourth quarter this year was NOK 313 million, an increase of 4% year over year, continuing the quarterly y/y growth in revenues which started in Q3 this year after several quarters with declining revenues.

Net gross profit in Q4 2024 was NOK 95 million, vs. NOK 90 million last year, constituting a margin of 30.2% vs. 29.9% last year.

### Net gross profit per revenue stream



## Devices & Other

Revenue from Devices & Other, both transactional and as-a-service, grew by 3% y/y to NOK 228 million for the quarter. The growth in revenues is a result of a continued growth in Sweden, where device revenues increased with 10% in Q4 this year. In Norway, total revenues from devices, including device as a service was slightly down with 1%. Total sales of devices in the period increased with 2% in Norway, as a larger share of device sales was Device-as-a-service compared to last year. Increasing the share of Device-as-a-service will temporary decrease the device revenues recognized in the period but will generate recurring revenues in

the next 24-36 months, in line with the strategy of transitioning to an as-a-service mobile technology provider.

The net gross profit margin was 15.4%, slightly up from 14.9% in Q4 last year.

## Advisory & Services

Revenue from Advisory & Services was NOK 51 million for the quarter, down 2% from the corresponding quarter last year, due to less consulting revenues in the quarter, partly offset by a slight growth in 3<sup>rd</sup> party software revenues.

Net gross profit for the period was NOK 30 million, a decline of NOK 3 million from last year. The gross margin decreased from 65% to 60%, driven by higher costs for aftermarket services and lower margins on 3<sup>rd</sup> party software sales.

## Own Software

Revenue from Own Software was NOK 33 million for the quarter, an increase of 24% since Q4 last year, and up 9% from the previous quarter. All products within Own software has shown positive growth in the quarter, but Essentials MDM, which is distributed through partners throughout Europe from the Polish office, performed particularly well with a 53% growth y/y.

Revenues from own software in the quarter includes revenues from the previously announced partner channel/sales agreements, but with negligible amounts, as invoicing commenced in the latter part of the quarter.

## Recurring revenue

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

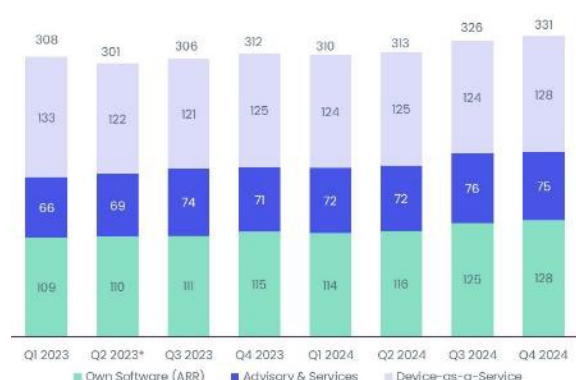
Reported recurring revenue represents future contractual annual revenues. Recurring revenue from Device-as-a-Service is measured as contracts with a duration of 24



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. Techstep includes only contracts where invoicing to customers has commenced.

In Q4, recurring revenues annualised grew by 6% year over year to NOK 331 million. Contracts for Own Software increased by 11%, Advisory & Services grew with 5% and contracts for Device-as-a-service grew with 2%.

### Recurring revenue – annualised



## Financial review

*The interim financial information has not been subject to audit. Figures in brackets refer to the corresponding quarter in 2023 for profit and loss items, and year-end 2023 figures for balance sheet items.*

### Profit and loss fourth quarter

Techstep had total revenue of NOK 312.5 million in the fourth quarter of 2024, an increase of NOK 13 million, or 4% from the corresponding quarter last year. The growth continues from the third quarter this year, which was the first quarter in two years where revenues increased quarter over quarter. In Q4, the growth is due to substantial increase in revenues from own

software as well as continued growth in device revenues.

Net gross profit in the quarter was NOK 94.5 million, up from NOK 89.7 million last year, corresponding to a net gross margin at 30.2% an increase of 0.3 ppt from last year.

Salaries and personnel costs increased with 5% to NOK 52.1 million in Q4 vs. same quarter last year. The increase is due to salary adjustments and sales commission schemes, offset by the general reduction in number of headcounts. Other operational costs decreased with 29% to NOK 17.9 million due to cost savings initiatives

and capitalization of project costs related to the internal IT architecture.

The net effect on total operating costs, including personnel costs, is a decrease of 7% y/y to NOK 70.0 million. In 2024, Techstep initiated further investments in IT infrastructure, hereunder transition to a state-of-the art cloud ERP platform for the entire group companies, to be able to further optimise and streamline the organization. These investments are expensed on a running basis, but can yield considerable efficiency gains in the future.

Depreciation of tangible assets, including Device-as-a-service, increased with 6% to NOK 28.1 million, due to increased volume of assets for device-as-a-service.

EBITA adjusted in the quarter was NOK 21.3 million, an increase of 100% from the corresponding period last year.

Amortisation in Q4 increased by 15% to NOK 19.4 million and includes additional impairment of NOK 3.7 million related to old IT infrastructure retired in 2024.

Adjustment items excluded from EBITA adjusted of NOK 1.7 million in the quarter, are included in other income and expenses and consist of restructuring costs related to the cost reduction efforts.

Operating profit in Q4 was NOK 0.3 million, vs a loss of NOK 8.0 million in the same period in 2023.

Net financial items were negative at NOK 5.0 million (NOK -7.8 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 1.3 million in the fourth quarter of 2024.

Net loss in the period was NOK 4.5 million (NOK -5.3 million).

## Financial position

At the end of the fourth quarter of 2024, total assets were NOK 1 179 million, compared to NOK 1 270 million as at 31 December 2023.

Intangible assets include deferred tax assets, goodwill and customer relations and technology, and accounted for NOK 772.3 million (NOK 798.3 million). The decrease from last year is due to currency translation effects on goodwill, offset by amortisation of customer relations and technology, both purchased and developed. Goodwill constitutes NOK 632.1 million of total intangible assets. Purchased technology and customer contracts amounted to NOK 28.5 million at the end of Q4 and is expected to be fully amortized during first half of 2026.

Total tangible assets were NOK 199.4 million (NOK 191.0 million) including NOK 167.4 million (NOK 159.5 million) in capitalised devices under Device-as-a-Service to customers and NOK 32.0 million (NOK 31.5 million) in other tangible assets, which include right-of-use assets such as premises and other capitalised equipment.

Total inventories and receivables were NOK 176.1 million (NOK 200.2 million) at the end of the quarter. The decrease is due to reduction in trade receivables of NOK 24.3 million, as the device sales peak in the fourth quarter in 2024 was in beginning/mid quarter in 2024 vs. towards the end of the quarter in 2023.

Total equity at December 31 2024 was NOK 578.3 million (NOK 573.7 million), corresponding to an equity ratio of 49% (45%). On 9 October 2024, Techstep successfully completed a private placement of net NOK 28.4 million after transaction costs, by issuing 2,777,777 new ordinary shares at NOK 10.80 per share.

Total non-current liabilities were NOK 170.4 million at the end of the quarter, vs. NOK 183.9 million at the end of 2023. The reduction relates to repayment of debt and reduction in deferred taxes, offset by an



increase in deferred revenues related to device-as-a-service. Total borrowings per the end of Q4 was NOK 139.3 million, reduced with NOK 39.3 million from NOK 178.7 million at the end of 2023.

Net interest-bearing debt was NOK 108.5 million, an increase of NOK 7.3 million since the end of 2023, caused by the working capital effects on cash in 2024, as the cash position at the end of 2023 was exceptionally high driven by movements in trade working capital.

Total current liabilities were NOK 430.1 million (NOK 513.2 million). The decrease primarily due to the movement in trade payables due to timing of device sales in the quarter vs. fourth quarter of 2023, as well as NOK 23.8 million reduction in current interest-bearing borrowings. Current liabilities related to Device-as-a-Service of NOK 149.8 million (NOK 167.2 million) includes buy-back obligations and deferred revenues from the Device-as-a-Service revenue segment. Other current liabilities of NOK 79.5 million (NOK 98.9 million) include public duties and general cost accruals.

### Cash flow fourth quarter 2024

Net cash flow from operating activities was NOK 71.3 million in the quarter (NOK 75.5 million). Change in net working capital was NOK 29.8 million, vs. NOK 44.0 million in 2023. The change in working capital movement is driven by the timing of device sales in the quarter, as well as renegotiated payment terms for larger frame agreements.

Net cash outflow from investment activities in Q4 was NOK 54.4 million (NOK 33.8 million) and

consists of capital expenditures for equipment related to Device-as-a-Service of NOK 49.5 million (NOK 28.4 million) and investments in Own Software and IT of NOK 10.0 million (NOK 8.7 million).

Net cash flow from financing activities was NOK -1.9 million (NOK -33.0 million) in the quarter and consists primarily of repayment of borrowings of NOK 23.9 million, interest of NOK 3.7 million and lease repayments, offset by the net proceeds from the share issue in October of NOK 28.4 million. In the fourth quarter last year, net proceeds and repayment of borrowings in the quarter was NOK 24.3 million with interest payments of NOK 6.0 million.

Cash and cash equivalents increased by NOK 15.0 million in the fourth quarter, up from NOK 15.7 million in the previous quarter to NOK 30.8 million. Techstep also has additional liquidity of NOK 45 million available through the bank facilities.

### Related parties

There were no material transactions with related parties during Q4 2024.

## 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.

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. The private placement completed in October 2024 has given Techstep proceeds to fund and accelerate the scalable business and strengthened the company's liquidity buffer. 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 2023 and the investor presentation from 9 October 2024, both available from [www.techstep.io/investor](http://www.techstep.io/investor).

## Outlook

Techstep serves more than 2 100 customers across industries in both the private and public sector in Europe, and is recognised by Gartner as the only challenger in the Magic Quadrant for Managed Mobility Services. 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 signed several frame agreements with public sector organisations during 2023 and 2024, with opportunities for upselling products and services. There are indications that the customers' readiness is slower than anticipated and upsell on these agreements and new public sector agreements is a focus area in 2024 together with the revised partner strategy. During 2024, Techstep signed several strategic partnership agreements to boost sales and scalability of Techstep's own software. These agreements represent opportunities for significant growth in a steeply growing market. Moving into 2025, the expansion in the partner channel is developing according to plan and is expected to gradually materialise during the next years.

Techstep has successfully delivered on the cost optimisation programme announced in late

2022 and continued with the strict cost focus in 2024. By aligning Techstep's organisation and cost base with a more simplified portfolio and extracting synergies from acquired companies, cost reductions of more than 30% have been effectuated since Q4 2022. Ensuring continued optimisation of Techstep's underlying cost base continues into 2025. At the same time, there is a need for investments and upgrades of the IT infrastructure to increase efficiency and further reduce costs going forward, and these investments will continue through 2025.

As the first half of 2024 was highly affected by the decline in device sales, 2024 closed with a 2% decrease in total revenues and net gross profit. However, the decline in revenues turned in the second half of 2024, and moving into 2025 recurring revenue contracts are record high. Going forward, profitable growth will be driven through increased margins by upselling more value-adding products and services in the Scandinavian market, as well as expanding the European reach through new and existing partner channels. Transitioning into the new partner channels is progressing well but is taking somewhat longer time than first anticipated, and the predictability of timing of the ramp up is uncertain. In addition, the large and broad contract with Sykehuspartner is unfortunately still behind schedule going into the new year.

Consequently, Techstep is revising its ambitions for 2025, and expect to grow recurring revenues annualised by 15-25%, net gross profit growth of 12-18% and an EBITA adj. conversion of 13-18%.

## Business overview

*Note that from the Q4 2023 report, Hardware & Other and Hardware-as-a-Service has been renamed Mobile Devices & Other and Device-as-a-Service, respectively.*

### Business activities and strategy

Built on a decade of telecoms and mobile technology expertise, Techstep was established in 2016. Through several acquisitions, Techstep has solidified its presence in Scandinavia and later expanded into European markets through Poland. Positioning as a mobile technology specialist and a circular tech enabler, the company's overarching business strategy centres on combining mobile devices with proprietary and/or licencing software and expertise, helping organisations to work smarter and more sustainably. The goal is to be the leading mobile & circular technology company in Europe.

Techstep serves more than 2 100 enterprise customers across different industries and sectors, helping both office workers and frontline workers optimise their work. Based on Techstep's unique mix of competence and partnerships, Techstep has been recognised by Gartner as a challenger in the global quadrant for Managed Mobility Services.

While the company's primary market remains Scandinavia, where its full product portfolio is readily accessible through direct sales and partnerships with both private enterprises and the public sector, its strategic go-to-market focus extends across Europe, led from Poland. Through strategic partner programmes with mobile service providers, distributors and other complimentary channel partners, Techstep will offer standardised and scalable solutions, either as stand-alone offerings or bundled with

partners' solutions, facilitating broader market penetration and customer reach.

### The market opportunity

Mobile technology is one of the fastest-growing industries globally, with digitalisation reshaping industries and work processes. Within this evolving landscape, Techstep addresses key organisational challenges, including infrastructure management, cost reduction, sustainability, and security.

Techstep aligns with Gartner's definition of Managed Mobility Services (MMS) as the integration of mobile devices, software, and services into a unified offering that enhances operational efficiency. Going beyond traditional MMS, Techstep incorporates strategic advisory, software development, and device lifecycle management to optimise mobile technology use and sustainability. Gartner's recognition of Techstep as a global challenger in 2023 highlights its strong market position and commitment to transforming workplace mobility. With a presence in nearly 90 countries, Gartner's research reinforces Techstep's role in driving digital transformation across Europe.

Market trends indicate growth opportunities. According to Gartner, the global MMS market is expected to grow at CAGR by 3,4% from 2023-28, with Norway, Sweden and Poland seeing higher growth at 4,7- 4,8% in the same period<sup>1</sup>. Additionally, the increasing focus on device sustainability and circularity, driven by stricter regulations and stakeholder demands, is set to disrupt the industry. <sup>2</sup> By 2028, 70% of organizations will adopt a managed device lifecycle offering, up from less than 20% in 2024. This shift presents major opportunity for Techstep to lead in sustainable mobility

<sup>1</sup> Gartner Services Forecast, Q4 2024

<sup>2</sup> Market Guide for Managed Device Lifecycle Services, July 2024

solutions, ensuring organisations meet both operational and environmental goals.

## Product offering

Techstep's product offering range from individual device needs to complete transformative solutions, encompassing software, devices and advisory services packaged into cohesive products.

Central to its offering, are strategic partnerships with top-tier device manufacturers and mobile technology software providers. Leveraging this strong foundation, Techstep adds comprehensive managed services that encompass the entire device lifecycle. This includes proactive device management and robust security services, ensuring optimal performance and safeguarding against potential threats.

By integrating its own software with managed services and expert advisory, Techstep delivers best-practice outsourced mobile technology solutions. Techstep has a big cluster of mobile and circular technology expertise in Scandinavia strategizing, planning, developing, and implementing new ways of working.

Whether bundling the entire stack together or delivering individual components based on customer requirements and maturity, everything is offered as-a-service or transactional for maximum flexibility.

The streamlined approach encompasses ready-to-go devices, lifecycle management, and security solutions, so that customers can effortlessly scale their mobile technology usage within an outsourced model, thereby improving circularity and optimising efficiency and productivity.

## Revenue streams

Techstep is transforming its business model from transactional revenue to a recurring revenue model. This will enhance financial predictability for Techstep, while at the same

time ensuring better value for customers by providing them with continuous service rather than one-off transactions. Today, Techstep has the following three main revenue streams:

### "Mobile devices & Other"

Revenue from the sale of devices and related accessories. Sold as transactional, one-time sales or "as-a-service" with recurring revenues committed for 24 months or more. Low margin contribution but are often the entry point for selling additional products and solutions.

### "Advisory & Services"

Revenue from specialised advisory and support and maintenance services. Sold as one-time projects based on fixed hourly rates or "as-a-service" with a minimum 12-month recurring revenue commitment. Medium to high gross margin contribution. Also include revenue from sale of third-party software licences including related commission.

### "Own Software"

High margin revenue (>85%) from own-developed software platforms sold as recurring contracts with a minimum of a 12-month commitment. The current portfolio consists of four software products; Lifecycle management platform for automated device lifecycle management; Expense, which is simplified management of mobile subscription costs; Essentials MDM which is an affordable and straightforward mobile devices management tool; and Business critical mobility which is custom apps for mobile data capture and workflows.

## 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 27001 (information security) certifications.

Subsequently, Techstep has further improved its EcoVadis sustainability rating performance to Gold-level, placing Techstep among the top 5% of more than 130 000 companies evaluated globally.

More information on Techstep's sustainability efforts can be found in the company's Annual Report 2023, available from [www.techstep.io](http://www.techstep.io).



## Consolidated Income statement

(Amounts in NOK 1000)	Note	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenue	2, 3	311 856	299 863	1 071 092	1 088 970
Other revenue		669	(3)	1 464	521
<b>Total revenues</b>		<b>312 525</b>	<b>299 860</b>	<b>1 072 556</b>	<b>1 089 491</b>
Cost of goods sold		(193 117)	(187 834)	(625 531)	(644 460)
Salaries and personnel costs		(52 086)	(49 641)	(208 959)	(207 964)
Other operational costs		(17 879)	(25 199)	(84 453)	(99 571)
Depreciation	5	(28 095)	(26 522)	(113 857)	(107 603)
Amortisation		(19 415)	(16 811)	(68 970)	(64 915)
Other income and expenses		(1 664)	(1 871)	(5 439)	(1 476)
<b>Operating profit (loss)</b>		<b>268</b>	<b>(8 018)</b>	<b>(34 653)</b>	<b>(36 498)</b>
Financial income		1 603	762	5 581	10 456
Financial expense		(6 620)	(8 592)	(21 372)	(33 509)
<b>Profit before taxes</b>		<b>(4 749)</b>	<b>(15 848)</b>	<b>(50 444)</b>	<b>(59 552)</b>
Income taxes		288	10 551	12 366	15 006
<b>Net profit (loss) for the period</b>		<b>(4 461)</b>	<b>(5 298)</b>	<b>(38 078)</b>	<b>(44 546)</b>
<b>Net income attributable to</b>					
Non-controlling interests		-	-	-	-
Shareholders of Techstep ASA		(4 461)	(5 298)	(38 078)	(44 546)
<b>Earnings per share in NOK:</b>					
Basic		(0.13)	(0.17)	(1.18)	(1.43)
Diluted		(0.13)	(0.17)	(1.18)	(1.43)

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

## Consolidated statement of comprehensive income

(Amounts in NOK 1 000)	Note	Q4 2024	Q4 2023	FY 2024	FY 2023
<b>Net profit (loss) for the period</b>		<b>(4 461)</b>	<b>(5 298)</b>	<b>(38 078)</b>	<b>(44 546)</b>
<b>Items that may be reclassified to profit and loss</b>					
Exchange differences on translating foreign operations		(2 035)	16 004	10 583	32 899
Income tax related to these items		-	-	-	-
<b>Other comprehensive income</b>		<b>(2 035)</b>	<b>16 004</b>	<b>10 583</b>	<b>32 899</b>
<b>Total comprehensive income</b>		<b>(6 495)</b>	<b>10 706</b>	<b>(27 495)</b>	<b>(11 647)</b>
<b>Total comprehensive income attributable to</b>					
Non-controlling interests		-	-	-	-
Shareholders of Techstep ASA		(6 495)	10 706	(27 495)	(11 647)

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

## Consolidated statement of financial position

ASSETS	Note	2024	2023
<b>Non-current assets</b>			
Deferred tax asset		15 558	13 092
Goodwill		632 108	624 173
Customer relations and technology		124 657	160 991
<b>Sum intangible assets</b>		<b>772 323</b>	<b>798 256</b>
Assets related to Device-as-a-Service	5	167 408	159 501
Other tangible assets	5	32 000	31 511
<b>Sum tangible assets</b>		<b>199 408</b>	<b>191 012</b>
<b>Sum financial assets</b>		<b>169</b>	<b>3 917</b>
<b>Total non-current assets</b>		<b>971 900</b>	<b>993 185</b>
Inventories		4 663	10 502
Trade receivable		134 745	159 067
Other receivables		36 711	30 586
<b>Total inventories and receivables</b>		<b>176 119</b>	<b>200 155</b>
Cash and cash equivalents	6	30 776	77 459
<b>Total current assets</b>		<b>206 895</b>	<b>277 614</b>
<b>Total assets</b>		<b>1 178 795</b>	<b>1 270 799</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	4	34 407	31 629
Other equity		543 882	542 067
<b>Total equity</b>		<b>578 289</b>	<b>573 697</b>
Deferred tax		9 220	14 674
Non-current interest-bearing borrowings	7	114 315	129 927
Financial derivatives		1 307	4 092
Non-current liabilities related to Device-as-a-Service		39 476	19 316
Other non-current debt		6 118	15 916
<b>Total non-current liabilities</b>		<b>170 437</b>	<b>183 924</b>
Current interest-bearing borrowings	7	25 000	48 750
Trade payable		175 792	198 353
Current liabilities related to Device-as-a-Service		149 770	167 231
Other current liabilities		79 507	98 845
<b>Total current liabilities</b>		<b>430 069</b>	<b>513 179</b>
<b>Total liabilities</b>		<b>600 506</b>	<b>697 103</b>
<b>Total equity and liabilities</b>		<b>1 178 796</b>	<b>1 270 799</b>

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
<b>Equity as at start of 2023</b>	<b>305 131</b>	<b>690 906</b>	<b>(392 252)</b>	<b>(32 266)</b>	<b>571 520</b>
Profit for the period	-	-	(44 546)	-	(44 546)
Other comprehensive income	-	-	-	32 899	32 899
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(44 546)</b>	<b>32 899</b>	<b>(11 647)</b>
Proceeds from issuance of shares net of transaction costs	1 116	13 722	-	-	14 838
Reverse share split	(274 618)	274 618	-	-	-
Share-based payments	-	-	(1 014)	-	(1 014)
<b>Equity as at end of 2023</b>	<b>31 629</b>	<b>979 246</b>	<b>(437 812)</b>	<b>633</b>	<b>573 697</b>
<b>Equity as at start of 2024</b>	<b>31 629</b>	<b>979 246</b>	<b>(437 812)</b>	<b>633</b>	<b>573 697</b>
Profit for the period	-	-	(38 078)	-	(38 078)
Other comprehensive income	-	-	-	10 583	10 583
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(38 078)</b>	<b>10 583</b>	<b>(27 495)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments	-	-	3 697	-	3 697
Proceeds from issuance of shares net of transaction costs	2 778	25 613	-	-	28 391
<b>Equity as at end of 2024</b>	<b>34 407</b>	<b>1 004 859</b>	<b>(472 193)</b>	<b>11 216</b>	<b>578 289</b>

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

## Consolidated statement of cash flow

(Amounts in NOK 1000)	Note	Q4 2024	Q4 2023	FY 2024	FY 2023
Profit before tax		(4 749)	(15 848)	(50 444)	(59 552)
Depreciation equipment and other fixed assets	5	25 550	22 976	102 430	93 498
Depreciation right-of-use assets	5	2 545	3 546	11 428	14 106
Amortisation		19 415	16 811	68 970	64 915
Share-based payments		989	(2 705)	3 697	(1 014)
Financial Instruments and other		(1 465)	4 204	(1 376)	4 204
Gain from sale of PPE reclassified to investment activities		(4 225)	(903)	(9 874)	(9 269)
Net exchange differences	5	477	-	(1 233)	4 252
Taxes paid		-	(805)	(961)	(2 386)
Interest expense (revenue) reclassified to investing/financing activities		3 026	4 183	13 672	13 584
Changes in net operating working capital		29 761	44 039	177	33 225
<b>Net cash flow from operational activities</b>		<b>71 326</b>	<b>75 498</b>	<b>136 484</b>	<b>155 560</b>
Payment for equipment and other fixed assets	5	(49 490)	(28 376)	(128 086)	(112 733)
Payment for intangible assets		(10 027)	(8 667)	(29 520)	(33 920)
Proceeds from sale of property, plant and equipment		4 571	3 002	13 414	17 071
Interest received		559	211	1 369	1 068
<b>Net cash used on investment activities</b>		<b>(54 386)</b>	<b>(33 831)</b>	<b>(142 823)</b>	<b>(128 514)</b>
Proceeds from issuance of shares		28 391	230	28 391	230
Proceeds from borrowings		-	-	-	178 313
Repayment of borrowings		(23 930)	(24 314)	(40 079)	(161 075)
Lease repayments		(2 666)	(2 989)	(13 414)	(15 263)
Interest paid		(3 730)	(5 956)	(15 186)	(14 935)
<b>Net cash flow from financing activities</b>		<b>(1 936)</b>	<b>(33 029)</b>	<b>(40 288)</b>	<b>(12 730)</b>
<b>Net change in cash and cash equivalents</b>		<b>15 004</b>	<b>8 638</b>	<b>(46 627)</b>	<b>14 316</b>
Cash and cash equivalents at beginning of period		15 660	67 832	77 459	61 119
Effects of exchange rate changes on cash and cash equivalents		112	989	(57)	2 024
<b>Cash and cash equivalents at end of period</b>	6	<b>30 776</b>	<b>77 459</b>	<b>30 776</b>	<b>77 459</b>

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.

#### 1. ACCOUNTING PRINCIPLES

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 2023. 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 2023. 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.

Currently, the product offerings are streamlined into three different revenue streams. The organisation and the profitability measurement has been changed from purely legal and geographical to a functional matrix organisation, measuring performance on the product portfolio. The revenue streams are generated, and the Group's resources are utilised, across the different legal entities and geographical markets. Management reporting now consists of measuring the performance of the product portfolio on a gross contribution level across markets, while the net profitability (EBITA) is measured on the group level.

From Q4 2023, Techstep changed the segment reporting in line with management's profitability measurements. Techstep's current segment is therefore 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.

	Norway		Sweden/ Denmark		Poland		Eliminations		Group	
Q4 2024	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP
Devices	146 899	21 895	81 526	12 248	-	-	(452)	1 001	227 973	35 144
Advisory & Services*	20 443	12 297	31 240	16 274	403	403	(1 312)	1 337	50 774	30 311
Own Software	12 294	11 554	7 345	5 804	13 665	10 736	(194)	386	33 110	28 479
Other revenues	28	15	656	582	-	-	(15)	(13)	669	584
<b>Total</b>	<b>179 664</b>	<b>45 761</b>	<b>120 767</b>	<b>34 907</b>	<b>14 068</b>	<b>11 139</b>	<b>(1 974)</b>	<b>2 709</b>	<b>312 525</b>	<b>94 518</b>

	Norway		Sweden/ Denmark		Poland		Eliminations		Group	
Q4 2023	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP
Devices	148 989	18 065	74 327	14 435	-	-	(2 128)	565	221 188	33 065
Advisory & Services*	19 909	13 380	33 262	16 324	53	53	(1 328)	3 742	51 896	33 499
Own Software	11 499	10 628	6 558	5 309	8 915	6 646	(193)	514	26 779	23 097
Other revenues	149	149	548	548	-	-	(700)	(700)	(3)	(3)
<b>Total</b>	<b>180 545</b>	<b>42 222</b>	<b>114 695</b>	<b>36 616</b>	<b>8 968</b>	<b>6 699</b>	<b>(4 348)</b>	<b>4 121</b>	<b>299 860</b>	<b>89 658</b>

	Norway		Sweden/ Denmark		Poland		Eliminations		Group	
FY 2024	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP
Devices	533 203	70 028	215 456	35 245	-	-	(1 713)	2 891	746 947	108 164
Advisory & Services*	84 741	59 193	125 079	73 581	706	706	(4 585)	2 155	205 941	135 635
Own Software	46 363	43 009	29 159	23 512	43 454	33 665	(771)	1 554	118 204	101 740
Other revenues	187	175	1 048	844	278	278	(50)	(35)	1 464	1 263
<b>Total</b>	<b>664 494</b>	<b>172 406</b>	<b>370 742</b>	<b>133 182</b>	<b>44 438</b>	<b>34 649</b>	<b>(7 118)</b>	<b>6 565</b>	<b>1 072 556</b>	<b>346 803</b>

	Norway		Sweden/ Denmark		Poland		Eliminations		Group	
FY 2023	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP	Revenue	NGP
Devices	551 078	79 543	231 880	35 867	-	(6)	(7 138)	6 200	775 820	121 604
Advisory & Services*	79 155	55 926	129 744	77 820	338	338	(3 572)	3 527	205 667	137 612
Own Software	48 251	45 568	27 168	21 491	32 819	25 588	(755)	1 536	107 483	94 182
Other revenues	388	388	868	868	-	-	(735)	(735)	521	521
<b>Total</b>	<b>678 873</b>	<b>181 424</b>	<b>389 660</b>	<b>136 046</b>	<b>33 158</b>	<b>25 920</b>	<b>(12 199)</b>	<b>10 528</b>	<b>1 089 491</b>	<b>353 919</b>

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

## Note 4. Share capital and shareholders

On 9 October 2024, Techstep successfully completed a private placement of NOK 30 million by issuing 2,777,777 new ordinary shares at NOK 10.80 per share.

After the share issue, the company's share capital as at 31 December 2024 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 at 31 December 2024 were as follows:

Shareholder	# of shares	Ownership %
DATUM AS	6 296 415	18,3 %
KARBON INVEST AS <sup>1)</sup>	4 755 546	13,8 %
VALSET INVEST AS	2 530 000	7,4 %
Swedbank AB	2 524 685	7,3 %
CAMIKO AS	1 073 082	3,1 %
STEENCO AS	869 566	2,5 %
AS CLIPPER	869 566	2,5 %
CIPRIANO AS	759 916	2,2 %
SPECTER INVEST AS	652 500	1,9 %
VERDIPAPIRFONDET DNB SMB	628 206	1,8 %
Saxo Bank A/S	483 023	1,4 %
GIMLE INVEST AS	407 096	1,2 %
Sbakkejord AS	363 134	1,1 %
TIGERSTADEN AS	325 000	0,9 %
TORSTEIN TVENGE	300 000	0,9 %
NILS GABRIEL ANDRESEN	260 191	0,8 %
TIGERSTADEN MARINE AS	250 000	0,7 %
NORDHOLMEN AS	238 372	0,7 %
NORDNET LIVSFORSIKRING AS	235 704	0,7 %
PIKA HOLDING AS	214 346	0,6 %
Total number owned by top 20	24 036 348	69.9 %
Total number of shares	34 407 158	100 %

1) Karbon Invest AS is owned by the Board member Jens Rugseth

### Share option grant

On 9 April 2024, the Board of Directors of Techstep ASA resolved to grant share options in connection with the company's 2024 share option programme. A total of 1 800 000 share options were granted, of which 910 000 to primary insiders. The grant was approved by the Annual General Meeting on 29 May 2024.

The granted options vest 1/3 each year from 9 April 2024 and are fully vested on 9 April 2027. The options must be exercised within 5 years. The exercise price per share is NOK 8.75 (year 1), NOK 10.90 (year 2) and NOK 13.60 (year 3), respectively. The exercise price will be adjusted for any dividends paid or accrued before exercise. The exercise of share options can be settled in cash or with new shares.

At 31 December 2024, the total number of outstanding share options was 2 405 445.

For information on the share option programme for previous years please see the Remuneration report for 2023 which is available from the website [www.techstep.io/investor](http://www.techstep.io/investor).

**Overview of shares and share options held by members of the management group as at 31 December 2024:**

Name	Position	Shares	Share options
Morten Meier *	CEO	50 000	350 000
Ellen Solum	CFO	15 402	350 000
David Landerborn	Chief Operations Officer	32 497	282 966
Bartosz Leoszewski	Chief Technology Officer	41 336	164 065
Sheena Lim	Chief Marketing Officer	2 134	164 065
Suzanne Almbring	Chief People & Culture Officer	2 394	-

\* 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 31 December 2024:**

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

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

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

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

## Note 5. Property, plant and equipment

(Amounts in NOK 1 000)	Right-of-use assets	Other fixed assets	Total other tangible assets	Equipment <sup>1)</sup>
<b>Carrying amount 1 January 2023</b>	<b>29 737</b>	<b>7 620</b>	<b>37 357</b>	<b>160 706</b>
Additions	7 890	4 133	12 023	108 600
Depreciation	(14 106)	(2 386)	(16 492)	(91 112)
Disposals	(542)	(2 631)	(3 173)	(22 177)
Translation differences	1 266	529	1 795	3 484
<b>Carrying amount 31 December 2023</b>	<b>24 245</b>	<b>7 265</b>	<b>31 511</b>	<b>159 501</b>
<b>Carrying amount 1 January 2024</b>	<b>24 245</b>	<b>7 265</b>	<b>31 511</b>	<b>159 501</b>
Additions	12 061	4 330	16 390	123 756
Depreciation	(11 428)	(2 208)	(13 636)	(100 222)
Disposals	(319)	(2 329)	(2 648)	(16 618)
Translation differences	278	105	383	991
<b>Carrying amount 31 December 2024</b>	<b>24 837</b>	<b>7 164</b>	<b>32 000</b>	<b>167 408</b>

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)	Q4 2024	2023
Cash at bank and in hand,	30 776	77 459
Of which is restricted	3 663	3 957

As at 31 December 2024 NOK 10 million of the Group's available credit facilities has been utilised.

## Note 7. Borrowings

On 12 September 2023, Techstep refinanced all its outstanding loans and credit facilities with Nordea Bank.

Overview of outstanding loans and credits:

	Q4 2024			FY 2023		
(Amounts in NOK 1 000)	Current	Non-current	Total	Current	Non-current	Total
Seller's credit related to business combinations	-	-	-	-	-	-
Bank loan	25 000	114 315	139 315	48 750	129 927	178 677
Bank overdraft	-	-	-	-	-	-
<b>Total</b>	<b>25 000</b>	<b>114 315</b>	<b>139 315</b>	<b>48 750</b>	<b>129 927</b>	<b>178 677</b>

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, 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 in compliance with the loan covenant requirements as at 31 December 2024.

### 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**

In February 12<sup>th</sup> 2025, Techstep announced that it has entered into a Letter of Intent with a leading IT vendor, marking its strategic entry into the Ireland and UK markets.

With this partnership the vendor will adopt Techstep's Lifecycle platform as their standard solution for Device-as-a-Service (DaaS) offerings, enhancing operational efficiency and customer experiences.

Lifecycle platform is Techstep's own software for automated device lifecycle management and enables streamlined management of device lifecycles, from purchase and onboarding to offboarding and recycling, allowing the IT Vendor to deliver innovative, sustainable practices.

Both companies are committed to going live with the Lifecycle platform this year with customers onboarded in the fourth quarter. The commercial model includes a license price per device per month.

## 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	Q4 2024	Q4 2023	FY 2024	FY 2023
Total revenue	312 525	299 860	1 072 556	1 089 491
Cost of goods sold	(193 117)	(187 834)	(625 531)	(644 460)
Gross profit	119 408	112 026	447 025	445 031
Gross margin	38,2 %	37,4 %	41,7 %	40.8 %
Salaries and personnel costs	(52 086)	(49 641)	(208 959)	(207 964)
Other operational costs	(17 879)	(25 199)	(84 453)	(99 571)
Other income	72	99	866	494
Other expenses	(1 737)	(1 970)	(6 305)	(1 970)
EBITDA	47 779	35 315	148 175	136 019
Depreciation	(28 095)	(26 522)	(113 857)	(107 603)
EBITA	19 684	8 794	34 317	28 416
Amortisation	(19 415)	(16 811)	(68 970)	(64 915)
EBIT	268	(8 018)	(34 653)	(36 498)
Net gross profit				
Gross profit	119 408	112 026	447 025	445 031
Depr. Device-as-a-service	(24 890)	(22 368)	(100 222)	(91 112)
Net gross profit	94 518	89 658	346 803	353 919
Net gross margin	30,2 %	29,9 %	32,3 %	32.5 %
EBITDA adjusted				
EBITDA	47 779	35 315	148 175	136 019
Other income	(72)	(99)	(866)	(494)
Other expense	1 737	1 970	6 305	1 970
Adjusted EBITDA	49 444	37 186	153 613	137 496
EBITA adjusted				
EBITA	19 684	8 794	34 317	28 416
Other income	(72)	(99)	(866)	(494)
Other expense	1 737	1 970	6 305	1 970
EBITA adjusted	21 348	10 664	39 756	29 892
EBITA conversion rate				
EBITA adjusted	21 348	10 664	39 756	29 892
Net gross profit	94 518	89 658	346 803	353 919
EBITA adjusted conversion rate	22.6 %	11.9 %	11.5 %	8.4 %
APM's in the Statement of financial position			2024	2023
NIBD				
Cash and cash equivalents			30 776	77 459
Non-current interest-bearing borrowings			114 315	129 927
Current interest-bearing borrowings			25 000	48 750
NIBD			108 540	101 218
Equity ratio				
Total equity			578 289	573 697
Total equity and liabilities			1 178 796	1 270 799
Equity ratio			49,1 %	45,1 %



Techstep ASA  
Brynsalléen 4  
0667 Oslo  
+47 915 233 37

[www.techstep.io](http://www.techstep.io)