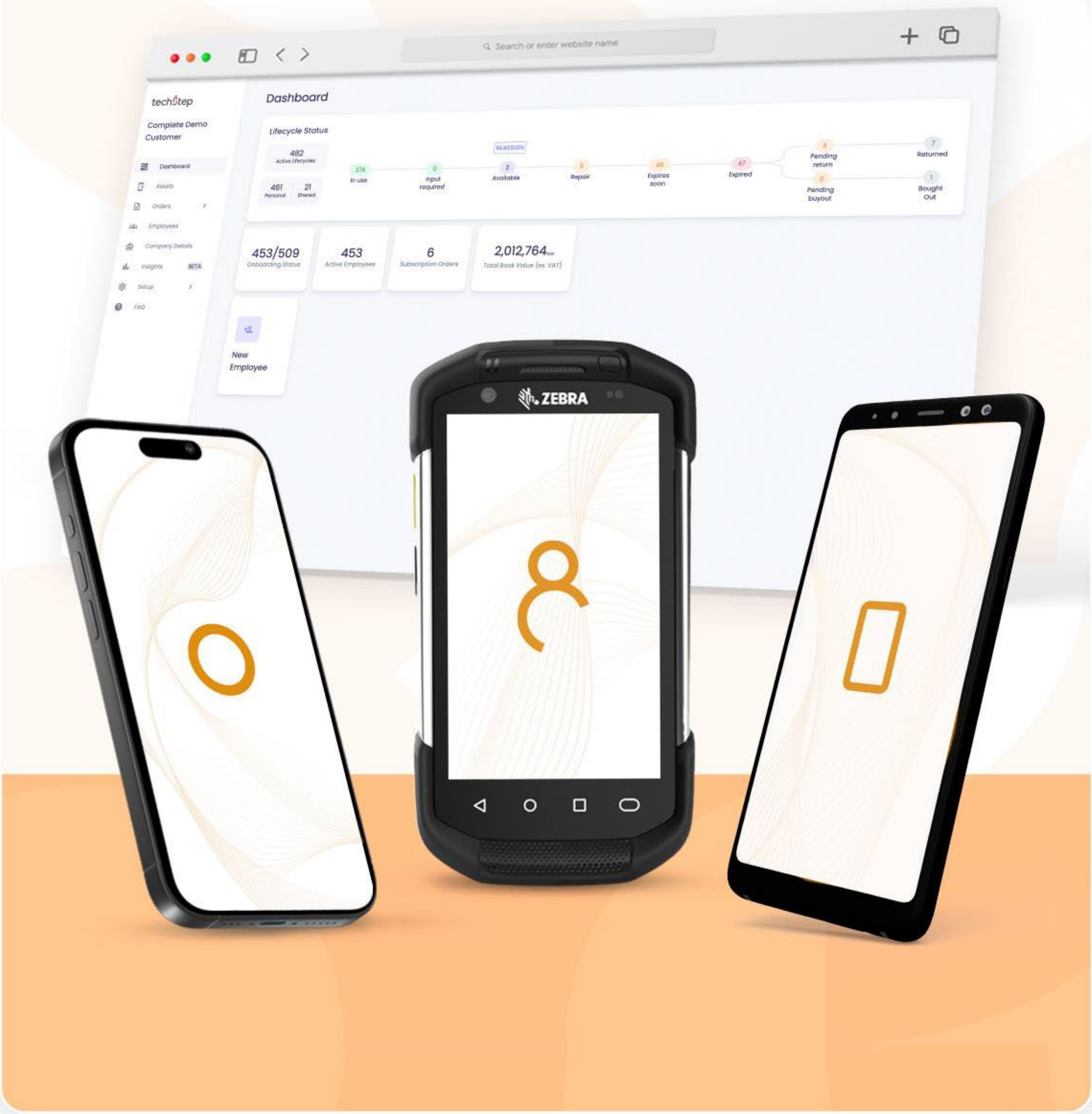
techstep

Q1 Report

We make mobile technology work for you



Highlights Q1 2025

Improving profitability

- Recurring revenue annualised increased by 7%y/y to NOK 331 million, driven by 11% growth in Own Software
- Net gross profit margin at 35%, up 1 ppt from first quarter last year
- Continued improvement in EBITA adj. , up 43% y/y to NOK 2.3 million
- Positive cashflow from operations of NOK 2.2 million, an improvement of NOK 16m y/y

Solid commercial momentum continues

- Solid traction in the Tradebroker agreement with new customers and upsell on existing customers
- Enter into an extensive agreement with LKAB for managing their entire mobility estate with effect from March
- Strong momentum across Europe with our Techstep Essentials Mobile Device Management software

Strategic agreements progressing according to plan

- Prolonged the exclusive Sykehusinnkjøp agreement for two additional years and signed agreement with Sykehuspartner HF (HSØ RHF) for the delivery, asset lifecycle management and support of clinical mobile devices from Q2
- Signed LOI with new IT vendor partner covering the UK and Ireland with intention to integrate Techstep's Device Lifecycle Management
- Signed new LOI with a Nordic Telecom operator with the intention of adding Techstep services and capabilities into their customer offerings
- Partnership with devicenow and ice progressing according to plan

"As we reflect on the first quarter of 2025 - which also marks the first full year for me as CEO, I am pleased to report that Techstep has maintained and accelerated its positive commercial and financial momentum from 2024. We continue to develop and optimize our organization, as well as tuning our strategic direction, for growth and scalability. For the 10th consecutive quarter, we delivered positive EBITA adj. with an improvement of 43% year-over-year. We are continuing the onboarding of customers through our strategic partners and have reached an important milestone when we recently started to deliver on our major agreement with Sykehuspartner, under the exclusive agreement umbrella with Sykehusinnkjøp, which also has been prolonged for two additional years. As we advance through 2025, we remain dedicated to our mission of becoming Europe's leading mobile and circular technology company. Our team's dedication, combined with the trust of our customers and partners, positions us well to achieve our strategic objectives." 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 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)	Q1 2025	Q1 2024	FY 2024
Revenues	248 745	256 111	1 072 556
Recurring Revenue Annualised [1)]	331 125	310 134	330 576
ARR Own Software [1)]	126 550	113 815	128 285
Net gross profit [2)]	86 110	86 404	346 803
Net gross profit margin [3)]	34.6 %	33.7 %	32.3 %
EBITDA adjusted	31 010	31 302	153 613
EBITA adjusted	2 263	1 585	39 756
EBIT	(14 413)	(14 474)	(34 653)
Net profit (loss) for the period	(16 419)	(12 524)	(45 696)
EBITDA adj. margin (%)	12.5 %	12.2 %	14.3 %
EBITA adj. margin (%)	0.9 %	0.6 %	3.7 %
EBIT margin (%)	(5.8 %)	(5.7 %)	(3.2 %)
Net profit (loss) for the period (%)	(6.6 %)	(4.9 %)	(4.3 %)
Cash flow from operating activities	2 235	(13 449)	136 484
Cash flow from investment activities	(31 244)	(29 798)	(142 823)
Cash flow from financing activities	10 788	(14 995)	(40 288)
Cash	11 782	19 587	30 776
Net interest-bearing debt	144 811	151 588	108 540
Capex	(8 757)	(7 002)	(29 520)
Employees	257	267	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 the partner channel for Own Software and Managed Services; and to continue to optimise the organisation and reduce the cost base.

In the first quarter of 2025, Techstep has successfully delivered on these targets:

- Recurring revenues annualised for the quarter grew by 7% year over year,
- the strategic partnership agreements announced in 2024 are progressing according to plan, and new LOI's are signed in Q1 and into Q2 this year
- the profitability is improving with cost focus on operations and investments. Total operating costs, including personnel costs in the first quarter of 2025 decreased with 1% y/y.

Total revenues in the quarter decreased with 3% year over year. This was driven by decline in Device sales in Norway due to one expired frame agreement for delivery of devices. However, this agreement represented very low margins, and as such, the net gross profit in the first quarter was stable y/y at NOK 86 million, despite the decline in revenues.

In line with the strategy, revenues from Own Software continued to grow, with 11% y/y in the quarter, where all 4 software portfolios showed positive development.

Within Advisory & Services, total revenues declined with 2% y/y, due to variations in transactional revenues such as aftermarket Services and 3rd Party Software revenues. The recurring part of Advisory & Services revenues showed a positive development, where the annualized recurring revenue at the end of the quarter grew by 8% y/y.

Refocused commercial strategy and sales activity

In the beginning of 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 2024, Techstep successfully onboarded the first devicenow customer to the Lifecycle platform. Leaving 2024, the partnership is fully operational, and in the first quarter of 2025 the volume is increasing according to plan. Substantial onboarding that will have a material impact on revenues is not expected until the end of the year and into 2026.

In October last year, 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. At the end of the year, the first customer with ICE was onboarded, and the partnership is progressing according to plan. Escalation of subscriptions and users are expected towards the end of the year.

In February 2025, Techstep announced that it has entered into a letter of intent (LOI) 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. The cooperation is progressing as planned towards a final agreement, and 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. The partnership is similar to the cooperation with devicenow.

In April 2025, Techstep entered into a new LOI with a Nordic Telecom operator with the intention of adding Techstep services and capabilities into their customer offerings. This potential partnership represents access to new customer segments and existing customers, to deliver and operate some of our highly scalable offerings around security, lifecycle management and managed services.

Our fastest growing software category in Q1, but also with significant growth during 2024, is our Techstep Essentials Mobile Device Management (MDM) solutions. This software enables organizations to monitor, manage, and secure their employees' devices in an efficient way. This emerging trend is caused by several reasons, like the geopolitical situation around us, increased need to access and process company data while on the move, inclusion of more field and frontline users with mobile devices, as well as regulatory requirements we need to adhere to.

We are actively recruiting new partners in several new and strategically interesting markets across Europe to strengthen our reach and local presence. We see great momentum across several countries, with strong support from different partners and distributors. Currently the largest opportunities lie in Spain, Hungary, Poland with increased momentum in other countries as well, but we've also seen growing interest and won large agreements in our Nordic direct market.

Our current pipeline represents more devices than we currently operate. In Spain alone, the addressable market we're now targeting, represents more than half a million devices. And the first larger public customer is now being deployed and onboarded, together with our distributor MS4B and Vodafone Spain as the partner.

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.

In H2 in 2024, Techstep was awarded a renewed frame agreement with Tradebroker, the Norwegian procurement agency for larger enterprises, covering delivery of mobile devices, accessories, related services and solutions. The renewal of the frame agreement replaced an agreement that Techstep share with another supplier. The new agreement offers exclusivity to Techstep. In the first quarter of 2025, Techstep continues to deliver on this agreement, upselling additional services to existing customers in addition to attracting new leads. Widerøe Ground Handling was in the quarter enrolled with new Samsung devices on a new MDM system, managed by Techstep.

In April, Techstep announced that it had entered into an extensive agreement with LKAB, one of Sweden's most historically significant industrial companies. Under the agreement, Techstep will be responsible for managing LKAB's growing mobility initiatives in a secure, efficient and sustainable manner, delivering Management Services, 3rd Party Software and support, and development of their mobile estate.

In Q2 2025, Techstep prolonged the exclusive umbrella agreement with Sykehusinnkjøp, as well as signed a new agreement with Sykehuspartner covering the delivery and management of devices to be rolled out to hospitals in the South-East region starting Q2.

Up to and including Q1 2025, Techstep has been delivering services under a project agreement, covering the first hospitals in the POC period. The new agreement from Q2 until the end of 2025 will expand the number of devices and agreed services, and the financial implications for Techstep will be an increase in recurring revenues in addition to increased consulting revenues. The final comprehensive service contract covering deliveries from 2026 and onward is expected to be signed at the end of 2025. With this agreement in place Techstep will deliver fully managed services to Sykehuspartner and all the hospitals in the region under a fully managed services contract.

Optimising the organisation and cost base

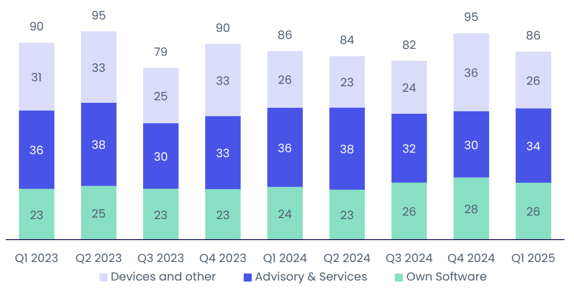
Techstep is in the middle of a strategic transformation, and the past years have been marked by streamlining business operations and optimising the company's cost base, efforts that are continuing into 2025. Until recently, downscaling on personnel and cost reducing initiatives was the main focus. Going forward, Techstep is focusing on becoming more cost-efficient and improving automation. Several larger projects to change and improve the internal IT architecture, ERP system and commerce platforms are among key initiatives. When finalized, these projects will contribute to substantially increase efficiency in the organization, and the subsequent retirement of legacy IT systems will further reduce the running cost base. Techstep's expectation is that these new systems will be live gradually through 2025, and finalization in the second half of 2026.

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 first quarter this year was NOK 249 million, a decrease of 3% year over year, driven by a decline in transactional device sales. However, the net gross profit in the quarter was in line with Q1 last year at NOK 86 million, as the net gross profit margin increased with 1 ppt to 35%.

Net gross profit per revenue stream



Devices & Other

Revenue from Devices & Other, both transactional and as-a-service, declined by 5% y/y to NOK 164 million for the quarter. The decline in revenues is primarily in Norway, due to an expired frame agreement for delivery of Ipads to Oslo Kommune. This agreement represented very low margins, and a decision was made not to participate in the tender for a new frame agreement when the existing agreement expired, in line with Techstep's strategy of focusing on higher margin contracts. Additionally, there are effects from the postponement of deliveries of devices to Helse Sør-Øst, as the new agreement for roll-out and management of new devices for Helse Sør-Øst through the cooperation with Sykehuspartner, has taken time to finalize.

In Sweden, Device revenues increased slightly with 3% y/y in the quarter, but with decline in margins of 2ppt. For the Swedish and Norwegian markets in total, the net gross margin was 15.9%, up from 15.0% in Q1 last year.

Advisory & Services

Revenue from Advisory & Services was NOK 55 million for the quarter, slightly down from NOK 56 million in the corresponding quarter last year, while the net gross profit for the period was NOK 34 million, a decline of NOK 2 million from last year. The gross margin decreased from 65% to 62%, driven by higher costs for aftermarket services and lower margins on 3rd Party Software sales.

Own Software

Revenue from Own Software was NOK 30 million for the quarter, an increase of 11% since Q1 last year, but down 8% from the previous quarter. All products within Own Software have shown positive growth y/y in the quarter. However, compared to Q4 last year, the decline was caused by less sold perpetual licences of Essentials MDM, which is distributed through partners throughout Europe.

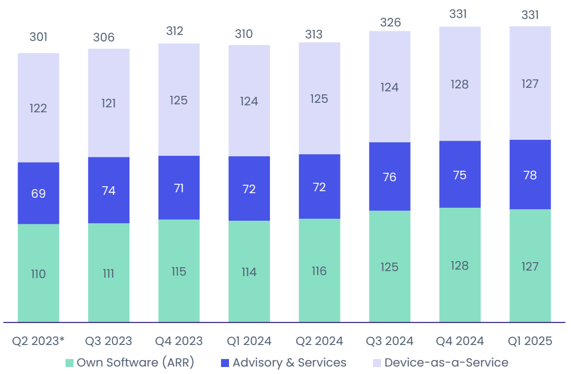
Recurring revenue

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 Q1, recurring revenues annualised grew by 7% year over year to NOK 331 million. Contracts for Own Software increased by 11%, Advisory & Services grew with 8% and contracts for Device-as-a-service grew with 2%. Compared to Q4 last year, recurring revenues is unchanged, although there is a slight decrease (1%) in Own Software and Device-as-a-Service, and a 4% increase in the Advisory & Services revenues. This is due to the newly announced agreement with LKAB for managed mobility services for the next 36 months.

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 first quarter

Techstep had total revenue of NOK 248.7 million in the first quarter of 2025, a decrease of NOK 7 million (-3%) from the corresponding quarter last year. The decline is primarily caused by the expiration of a device-only frame agreement Techstep has decided not to pursue renewal of. In the first quarter, despite declining revenues, the net gross profit was NOK 86.1 million. This was in line with last year, and corresponds to a net gross margin of 34.6%, an increase of 0.9 ppt from last year.

Salaries and personnel costs decreased by 2% to NOK 55.8 million in Q1 vs. same quarter last year. The decrease was due to general reduction in headcount, offset by salary adjustments. Other operational costs was NOK 24.5 million in Q1 2025, vs. NOK 24.0 million in Q1 last year. Continued cost savings initiatives drive the running cost base further down, however Techstep is currently driving two major internal system implementation projects, adding additional temporary costs to the result. The ERP and ecommerce platform projects are expected to contribute to considerable efficiency gains when finalized in the coming years.

The net effect on total operating costs, including personnel costs, is a decrease of 1% y/y to NOK 80.3 million.

Depreciation of tangible assets, including Device-as-a-service, was NOK 28.7 million, slightly down from NOK 29.7 million last year.

EBITA adjusted in the quarter was NOK 2.3 million, an increase of 43% from the corresponding period last year.

Amortisation in Q1 increased by 4% to NOK 16.9 million as capitalization on development costs for the partner agreements increased in Q4 last year as well as in the current quarter. Included in the total amount is amortization of purchased technology and customer contracts, with NOK 7.2 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 Q1 was NOK 14.4 million, vs NOK 14.5 million in the same period in 2024.

Net financial items were negative at NOK 3.5 million (NOK -2.3 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 -0.4 million in Q1 2025 vs. NOK 1.6 million last year.

Net loss in the period was NOK 16.4 million (NOK -12.5 million).

Financial position

At the end of the first quarter of 2025, total assets were NOK 1 126 million, compared to NOK 1 177 million as at 31 December 2024.

Intangible assets include deferred tax assets, goodwill and customer relations and technology, and accounted for NOK 766.7 million (NOK 770.9 million). The decrease from last year is due to amortisation of customer relations and technology, both purchased and developed. Goodwill constitutes NOK 635.8 million of total intangible assets. Purchased technology and customer contracts amounted to NOK 21.4 million at the end of the quarter and is expected to be fully amortized during first half of 2026.

Total tangible assets were NOK 201.6 million (NOK 199.4 million) including NOK 168.5 million (NOK 167.4 million) in capitalised devices under Device-as-a-Service to customers and NOK 33.1 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 146.0 million (NOK 176.1 million) at the end of the quarter. The decrease is primarily due to reduction in trade receivables of NOK 23.0 million, due to seasonal fluctuations in revenues.

Total equity at Q1 2025 was NOK 558.0 million (NOK 570.6 million), corresponding to an equity ratio of 49% (48%).

Total non-current liabilities were NOK 189.3 million at the end of the quarter, vs. NOK 178.1 million at the end of 2024. The increase relates to non-current liabilities related to device-as-a-service, offset by repayment of debt and reduction in deferred taxes. Total borrowings, including short term part and drawn credit facilities per the end of Q1 was NOK 156.6 million, up from NOK 139.3 million at the end of 2024.

Net interest-bearing debt was NOK 144.8 million, an increase of NOK 36.3 million since the end of 2024, as the cash flow from operations in the first quarter is low as a result of normal seasonal variations in working capital.

Total current liabilities were NOK 379.0 million (NOK 428.6 million). The decrease is primarily due to the movement in trade payables due to seasonal effects, in addition to reduction in the current part of liabilities related to Device as a service. This item includes buy-back obligations and deferred revenues from the Device-as-a-Service revenue segment. Other current liabilities of NOK 99.7 million (NOK 78.0 million) include public duties and general cost accruals.

Cash flow first quarter 2025

Net cash flow from operating activities was NOK 2.2 million in the quarter (NOK -13.5 million). Change in net working capital was NOK -24.4 million, vs. NOK -42.4 million in Q1 2024. The working capital movement in 2025 is at a normal level considering that the first quarter is a seasonally weak quarter, while last year's working capital movement was exceptional negative.

Net cash outflow from investment activities in Q1 was NOK 31.2 million (NOK 29.8 million) and consists of capital expenditures for equipment related to Device-as-a-Service, net of gains from end of lease of NOK 21.6 million (NOK 23.0 million) and investments in Own Software and IT of NOK 8.7 million (NOK 7.0 million).

Net cash flow from financing activities was NOK 10.8 million (NOK 15.0 million) in the quarter and consists primarily of repayment of borrowings and drawdown on credit facilities of net positive NOK 17.1 million, interest payments of NOK 3.2 million and lease repayments of NOK 3.0. In the first quarter last year, net proceeds and repayment of borrowings in the quarter was NOK 7.7 million, with interest payments of NOK 3.6 million.

Cash and cash equivalents decreased by NOK 18.9 million in the quarter, from NOK 30.8 million in the previous quarter to NOK 11.8 million. Techstep also has additional liquidity of NOK 25 million available through the bank facilities.

Related parties

There were no material transactions with related parties during Q1 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.

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.

Outlook

Techstep serves more than 2 100 customers across industries in both the private and public sector in Europe and highlighted by Gartner in their latest market guide as a recognised Managed Mobility service provider, managing more than 3 million devices across Europe. 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 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.

During 2023 and 2024, Techstep signed several frame agreements, letter of Intents and commercial agreements with both public sector organizations and strategic partners. In 2025, additional partners are being signed, such as the UK IT vendor and the Nordic telecom operator, representing considerable growth opportunities. 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.

There is strong momentum across Europe on Mobile Device Management (MDM). Effects from global security threats and economic instability fuel demand, and Techstep see great interest in and potential for growth in Europe for the Techstep MDM software, partially driven by the new certification in Spain.

The agreement with Sykehuspartner represents an extensive opportunity to contribute to the digitalization of the Norwegian Health sector. The initial distribution of devices will start in the second quarter with expected ramp-up towards the end of the year and into 2026.

For 2025 Techstep expects a net gross profit growth of 12-18%, an EBITA adj. conversion of 13-18%, and a growth in recurring revenues annualised at the end of the year of 15-25% y/y.

Condensed Financial information

For the 3 months ended 31 March 2025

Consolidated Income statement

(Amounts in NOK 1000)	Note	Q1 2025	Q1 2024	FY 2024
Revenue	2, 3	248 632	255 823	1 071 092
Other revenue		113	287	1 464
Total revenues		**248 745**	**256 111**	**1 072 556**
Cost of goods sold		(137 466)	(143 723)	(625 531)
Salaries and personnel costs		(55 763)	(57 060)	(208 959)
Other operational costs		(24 506)	(24 026)	(84 453)
Depreciation	5	(28 747)	(29 717)	(113 857)
Amortisation		(16 876)	(16 199)	(68 970)
Other income and expenses		200	140	(5 439)
Operating profit (loss)		**(14 413)**	**(14 474)**	**(34 653)**
Financial income		178	282	1 369
Financial expense		(3 627)	(2 608)	(17 160)
Profit before taxes		**(17 862)**	**(16 799)**	**(50 444)**
Income taxes		1 442	4 276	4 749
Net profit (loss) for the period		**(16 419)**	**(12 524)**	**(45 696)**
Net income attributable to				
Non-controlling interests		-	-	-
Shareholders of Techstep ASA		(16 419)	(12 524)	(45 696)
Earnings per share in NOK:				
Basic		(0.48)	(0.40)	(1.42)
Diluted		(0.48)	(0.40)	(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	Q1 2025	Q1 2024	FY 2024
Net profit (loss) for the period		**(16 419)**	**(12 524)**	**(45 696)**
Items that may be reclassified to profit and loss				
Exchange differences on translating foreign operations		3 234	5 448	10 519
Income tax related to these items		-	-	-
Other comprehensive income		3 234	5 448	10 519
Total comprehensive income		**(13 185)**	**(7 076)**	**(35 177)**
Total comprehensive income attributable to				
Non-controlling interests			-	
Shareholders of Techstep ASA		(13 185)	(7 076)	(35 177)

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

Consolidated statement of financial position

ASSETS	Note	Q1 2025	Q1 2024	2024
Non-current assets				
Deferred tax asset		14 051	15 809	14 122
Goodwill		635 796	627 874	632 108
Customer relations and technology		116 834	153 675	124 657
Sum intangible assets		**766 681**	**797 358**	**770 887**
Assets related to Device-as-a-Service	5	168 481	154 189	167 408
Other tangible assets	5	33 148	32 551	32 000
Sum tangible assets		**201 629**	**186 741**	**199 408**
Sum financial assets		**178**	**3 993**	**169**
Total non-current assets		**968 488**	**988 091**	**970 464**
Inventories		3 976	5 722	4 663
Trade receivable		111 707	141 775	134 745
Other receivables		30 350	36 651	36 711
Total inventories and receivables		**146 033**	**184 147**	**176 119**
Cash and cash equivalents	6	11 782	19 587	30 776
Total current assets		**157 815**	**203 734**	**206 895**
Total assets		**1 126 304**	**1 191 825**	**1 177 360**
EQUITY AND LIABILITIES				
Share capital	4	34 407	31 629	34 407
Other equity		523 565	535 733	536 200
Total equity		**557 973**	**567 362**	**570 607**
Deferred tax		5 817	13 456	7 227
Non-current interest-bearing borrowings	7	110 760	1 406	114 315
Financial derivatives		1 130	2 344	1 307
Non-current liabilities related to Device-as-a-Service		55 374	20 303	39 476
Other non-current debt		16 223	18 793	15 794
Total non-current liabilities		**189 304**	**56 302**	**178 119**
Current interest-bearing borrowings	7	45 834	169 768	25 000
Trade payable		129 299	138 968	175 792
Current liabilities related to Device-as-a-Service		104 160	159 692	149 770
Other current liabilities		99 734	99 733	78 071
Total current liabilities		**379 027**	**568 161**	**428 633**
Total liabilities		**568 331**	**624 463**	**606 752**
Total equity and liabilities		**1 126 304**	**1 191 825**	**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	-	-	(16 419)	-	(16 419)
Other comprehensive income	-	-	-	3 234	3 234
Total comprehensive income for the period	**-**	**-**	**(16 419)**	**3 234**	**(13 185)**
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	551	-	551
Equity as 31 March 2025	**34 407**	**1 004 859**	**(495 680)**	**143 88**	**557 973**

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

Consolidated statement of cash flow

(Amounts in NOK 1000)	Note	Q1 2025	Q1 2024	FY 2024
Profit before tax		(17 862)	(16 799)	(50 444)
Depreciation equipment and other fixed assets	5	26 073	26 515	102 430
Depreciation right-of-use assets	5	2 674	3 202	11 428
Amortisation		16 876	16 199	68 970
Share-based payments		551	742	3 697
Financial Instruments and other		17	(1 593)	(1 376)
Gain from sale of PPE reclassified to investment activities		(3 169)	(2 530)	(9 874)
Net exchange differences	5	(1 777)	(614)	(1 233)
Taxes paid		(0)	0	(961)
Interest expense (revenue) reclassified to investing/financing activities		3 256	3 813	13 672
Changes in net operating working capital		(24 403)	(42 383)	177
Net cash flow from operational activities		**2 235**	**(13 449)**	**136 484**
Payment for equipment and other fixed assets		(1 102)	(110)	(4 330)
Payment for equipment related to Device-as-a-service	5	(25 953)	(26 892)	(123 756)
Payment for intangible assets		(8 757)	(7 002)	(29 520)
Proceeds from sale of property, plant and equipment		4 389	3 924	13 414
Interest received		178	282	1 369
Net cash used on investment activities		**(31 244)**	**(29 798)**	**(142 823)**
Proceeds from issuance of shares		-	-	28 391
Proceeds from borrowings		20 834	-	-
Repayment of borrowings		(3 750)	(7 656)	(40 079)
Lease repayments		(3 023)	(3 710)	(13 414)
Interest paid		(3 273)	(3 629)	(15 186)
Net cash flow from financing activities		**10 788**	**(14 995)**	**(40 288)**
Net change in cash and cash equivalents		**(18 221)**	**(58 242)**	**(46 627)**
Cash and cash equivalents at beginning of period		30 776	77 459	77 459
Effects of exchange rate changes on cash and cash equivalents		(773)	369	(57)
Cash and cash equivalents at end of period	6	**11 782**	**19 587**	**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.

Q1 2025	Norway	Sweden/ Denmark	Poland	Eliminations	Group
Revenues					
Devices	116 841	49 202	-	(2 287)	**163 756**
Advisory & Services*	19 647	37 150	258	(2 494)	**54 561**
Own Software	12 543	7 453	10 510	(191)	**30 316**
Other revenues	61	431	-	(380)	**113**
Total	**149 093**	**94 235**	**10 768**	**(5 352)**	**248 745**
Net Gross Profit					
Devices	14 966	9 681	-	1 336	**25 982**
Advisory & Services*	12 132	22 075	258	(437)	**34 028**
Own Software	11 710	5 649	8 303	404	**26 066**
Other revenues	48	362	-	(377)	**34**
Total	**38 856**	**37 767**	**8 561**	**926**	**86 110**

Q1 2024	Norway	Sweden/ Denmark	Poland	Eliminations	Group
Revenues					
Devices	125 401	47 853	-	(660)	**172 595**
Advisory & Services*	23 001	36 634	46	(3 784)	**55 897**
Own Software	11 234	7 949	9 119	(970)	**27 332**
Other revenues	156	150	-	(20)	**287**
Total	**159 791**	**92 586**	**9 166**	**(5 434)**	**256 111**
Net Gross Profit					
Devices	15 090	10 469	-	247	**25 805**
Advisory & Services*	17 265	20 651	46	(1 773)	**36 190**
Own Software	10 353	6 950	7 267	(389)	**24 182**
Other revenues	156	88	-	(17)	**226**
Total	**42 864**	**38 157**	**7 314**	**(1 932)**	**86 404**

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**	**(7118)**	**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 31 March 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 at 31 March 2025 were as follows:

Shareholder	# of shares	Ownership %
DATUM AS	6 296 415	18.3 %
KARBON INVEST AS	4 755 546	13.8 %
VALSET INVEST AS	3 440 431	10.0 %
Swedbank AB	2 501 035	7.3 %
CAMIKO AS	1 132 488	3.3 %
CIPRIANO AS	950 794	2.8 %
STEENCO AS	869 566	2.5 %
AS CLIPPER	869 566	2.5 %
SPECTER INVEST AS	653 600	1.9 %
VERDIPAPIRFONDET DNB SMB	592 706	1.7 %
Saxo Bank A/S	488 155	1.4 %
GIMLE INVEST AS	407 096	1.2 %
TVENGE	300 000	0.9 %
ANDRESEN	260 191	0.8 %
TIGERSTADEN MARINE AS	250 000	0.7 %
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	200 000	0.6 %
Total number owned by top 20	24 835 439	72.2 %
Total number of shares	34 407 158	100 %

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

Share option grant

At 31 March 2025, the total number of outstanding share options was 2 067 835.

On 4 April 2025, the Board of Directors resolved to grant share options. See note 8 subsequent events for details.

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 31 March 2025:

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 March 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

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

** Ingrid Leisner holds shares through the partial 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 [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	-	(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	3 657	1 037	4 693	26 019
Depreciation	(2 674)	(905)	(3 578)	(25 163)
Disposals	-	(284)	(284)	(936)
Translation differences	186	130	316	1 155
Carrying amount 31 March 2025	**26 005**	**7 142**	**33 147**	**168 481**

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)	Q1 2025	Q1 2024	FY 2024
Cash at bank and in hand,	11 782	19 587	30 776
Of which is restricted	2 370	2 623	3 663

As at 31 March 2025 NOK 30 million of the Group's available credit facilities has been utilised.

Note 7. Borrowings

Overview of outstanding loans and credits:

	Q1 2025			Q1 2024			FY 2024		
(Amounts in NOK 1 000)	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Bank loan	45 000	110 760	155 760	169 768	1 406	171 174	25 000	114 315	139 315
Bank overdraft	834	-	834	0	0	-	0	-	-
Total	**45 834**	**110 760**	**156 594**	**169 768**	**1 406**	**171 174**	**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, 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 March 2025.

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

Commercial agreements

On 3 April 2025, Techstep announced that it had entered into an extensive agreement with LKAB, one of Sweden's most historically significant industrial companies. Under the agreement, Techstep will be responsible for managing LKAB's growing mobility initiatives in a secure, efficient, and sustainable manner. Techstep will deliver, manage and support their entire mobile estate with mobile devices, experience and security management. The agreement initially spans three years and covers LKAB's entire mobile estate.

Grant of share options

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 have been granted, of which 790 000 to primary insiders.

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	Q1 2025	Q1 2024	FY 2024
Total revenue	248 745	256 111	1 072 556
Cost of goods sold	(137 466)	(143 723)	(625 531)
Gross profit	**111 279**	**112 388**	**447 025**
Gross margin	**44.7 %**	**43.9 %**	**41.7 %**
Salaries and personnel costs	(55 763)	(57 060)	(208 959)
Other operational costs	(24 506)	(24 026)	(84 453)
Other income	200	140	1 104
Other expenses	(0)	-	(6 542)
EBITDA	**31 210**	**31 442**	**148 175**
Depreciation	(28 747)	(29 717)	(113 857)
EBITA	**2 463**	**1 725**	**34 317**
Amortisation	(16 876)	(16 199)	(68 970)
EBIT	**(14 413)**	**(14 474)**	**(34 652)**
Net gross profit			
Gross profit	111 279	112 388	447 025
Depr. Device-as-a-service	(25 169)	(25 984)	(100 222)
Net gross profit	**86 110**	**86 404**	**346 803**
Net gross margin	34.6 %	33.7 %	32.3 %
EBITDA adjusted			
EBITDA	31 210	31 442	148 175
Other income	(200)	(140)	(866)
Other expense	0	-	6 305
Adjusted EBITDA	**31 010**	**31 302**	**153 613**
EBITA adjusted			
EBITA	2 463	1 725	34 317
Other income	(200)	(140)	(866)
Other expense	0	-	6 305
EBITA adjusted	**2 263**	**1 585**	**39 756**
EBITA conversion rate			
EBITA adjusted	2 263	1 585	39 756
Net gross profit	86 110	86 404	346 803
EBITA adjusted conversion rate	**2.6 %**	**1.8 %**	**11.5 %**

APM's in the Statement of financial position	Q1 2025	Q1 2024	FY 2024
NIBD			
Cash and cash equivalents	11 782	19 587	30 776
Non-current interest-bearing borrowings	110 760	1 406	114 315
Current interest-bearing borrowings	45 834	169 768	25 000
NIBD	**144 811**	**151 588**	**108 540**
Equity ratio			
Total equity	557 973	567 362	570 607
Total equity and liabilities	1 126 304	1 191 825	1 177 360
Equity ratio	**49.5 %**	**47.6 %**	**48.5 %**

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