



Techstep presentation

September 2017

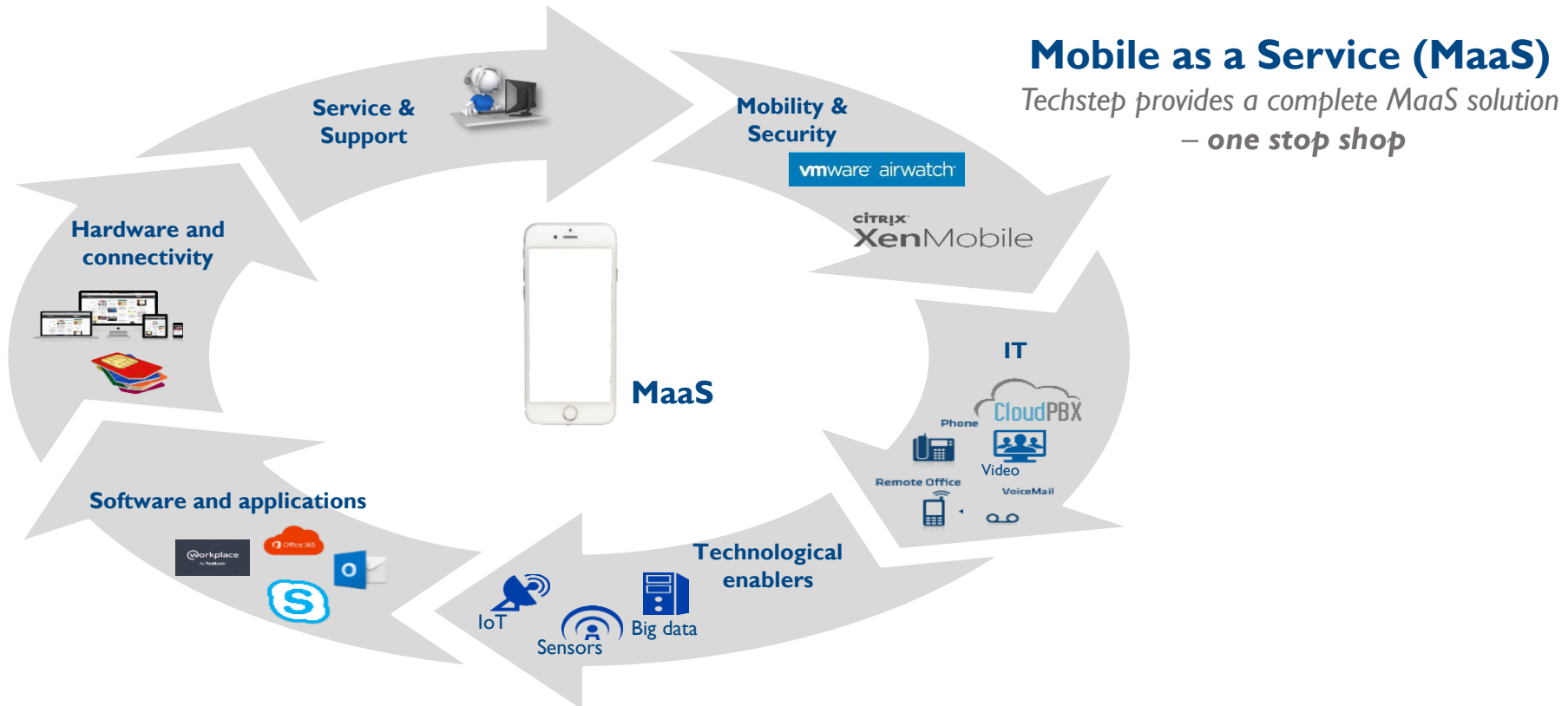
TECHSTEP

“Making work mobile”

Techstep provides a complete stack of mobile solutions through subsidiaries and partners

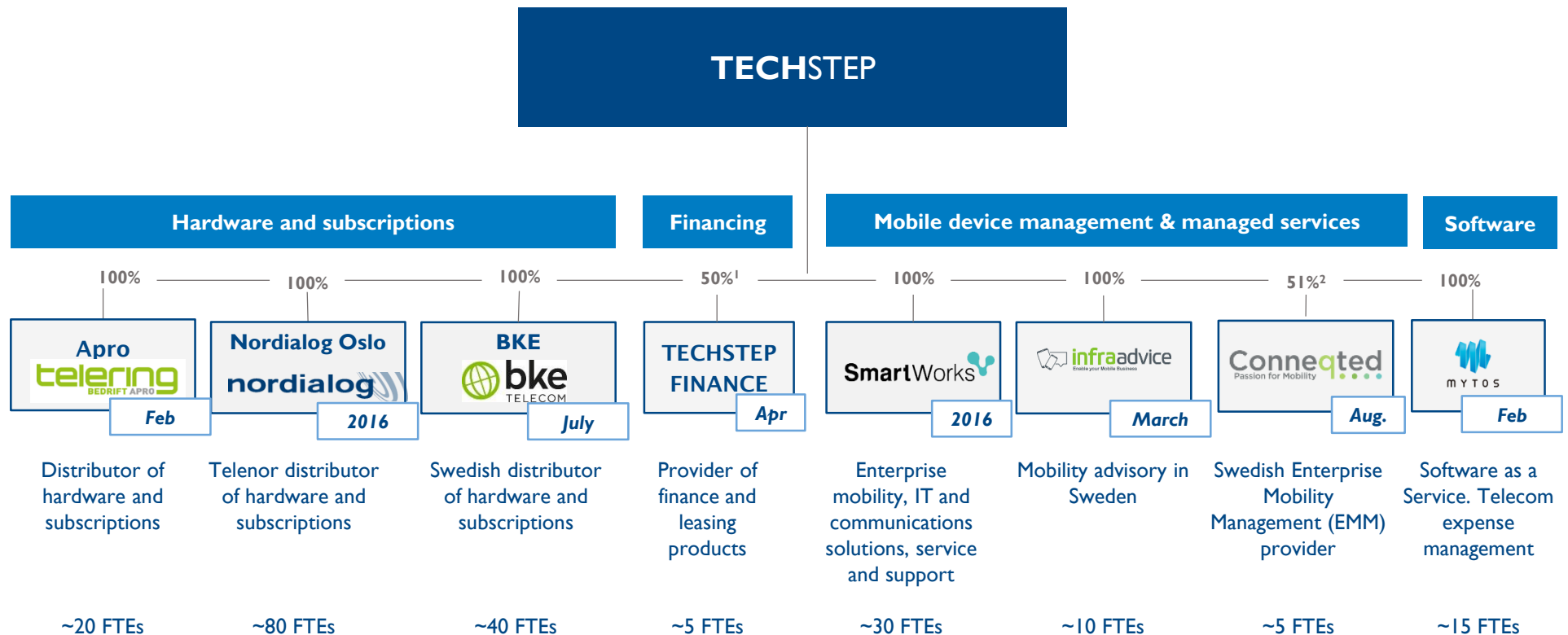
Why Techstep

Techstep's vision is to be the leading enabler of the digital workplace in the Nordics, *making work mobile*. We have the strongest sales and distribution network and deliver the best quality of solutions within mobility, IT and communication



Techstep is positioning itself as a leading Nordic enabler of the digital workplace

Simplified company structure



Introduction & Summary

Market

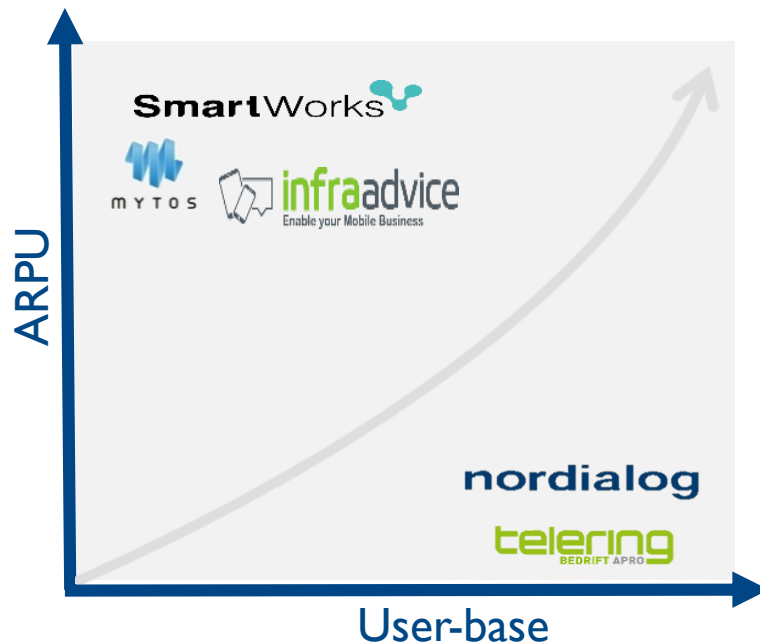
Platform and Solutions

End-user Base

Strategy Execution

Techstep's M&A strategy based on two dimensions – increase customer base and increase ARPU

Growth dimensions

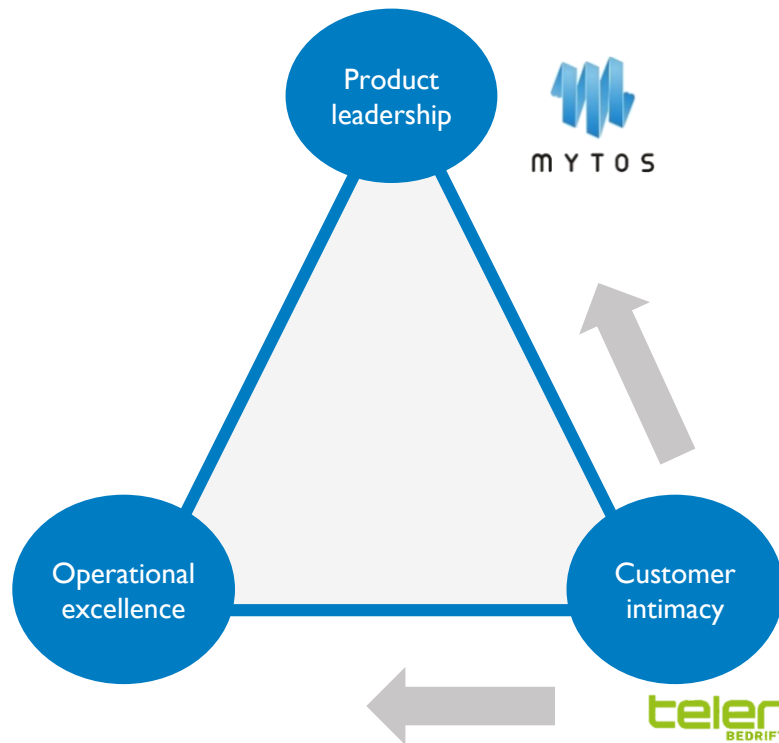


Revenue impact NOK

ARPU / month NOK	500	600	700	800	900	1000
500	3 000 000	3 600 000	4 200 000	4 800 000	5 400 000	6 000 000
450	2 700 000	3 240 000	3 780 000	4 320 000	4 860 000	5 400 000
400	2 400 000	2 880 000	3 360 000	3 840 000	4 320 000	4 800 000
350	2 100 000	2 520 000	2 940 000	3 360 000	3 780 000	4 200 000
300	1 800 000	2 160 000	2 520 000	2 880 000	3 240 000	3 600 000
250	1 500 000	1 800 000	2 100 000	2 400 000	2 700 000	3 000 000
200	1 200 000	1 440 000	1 680 000	1 920 000	2 160 000	2 400 000
150	900 000	1 080 000	1 260 000	1 440 000	1 620 000	1 800 000
	500	600	700	800	900	1000
User-base in 1000s						

3bNOK equals an ARPU of 350NOK to 700 000 users

We come from a customer intimacy background, and this is what we should nurture, but work to become more efficient and unique in our offering



Product leadership

Offering customers leading-edge products and services that consistently enhance the customer's use or application of the product,

Operational excellence

Providing customers with reliable products or services at competitive prices and delivered with minimal difficulty or inconvenience

Customer intimacy

Segmenting and targeting markets precisely and then tailoring offerings to match exactly the demands of customers



Techstep's strategy builds upon three key assumptions



B2B mobility services demand is growing

- Increased demand for mobile solutions at work
- Managed mobile services 27% CAGR (2015-2019)

One stop shop

- Lower total cost of ownership (TCO) to customers
- Single point to contact lower customers' risk
- Our advantage is the entry point of mobile devices

“As a service”

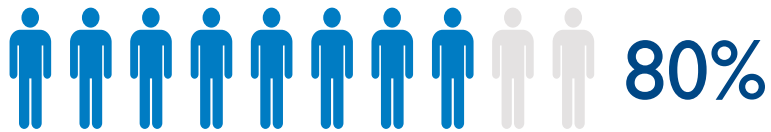
- From CAPEX to OPEX business models
- Lower risk related to rapidly changing technologies

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Customer Value Proposition

Although majority of workforce is mobile in nature, mobility solutions mostly present in ‘stationary’ jobs

 = high mobility  = some mobility  = little mobility



“More than 80% of the Norwegian workforce requires some mobility or higher”



“People do not put their phone down then go find a desktop to do something. They use their phone.”

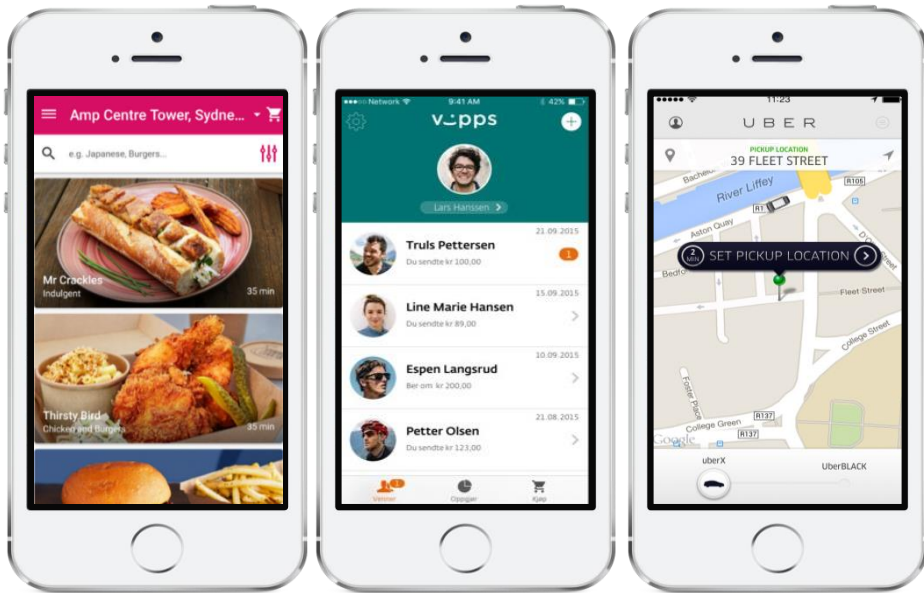
– Paul Cousineau, director of mobile shopping at Amazon.com

Industry sector	Mobility	# people
Agriculture, forestry and fishing		58 753
Mining and quarrying		59 994
Manufacture		215 521
Electricity, water supply, sewerage, waste management		29 639
Construction		207 492
Wholesale and retail trade		349 128
Transportation and storage		138 614
Accommodation and food service activities		86 117
Information and communication		88 199
Financial and insurance activities		46 839
Real estate, professional, scientific and technical activities		161 247
Administrative and support service activities		120 678
Public <u>adm.</u> , defense, soc. security		163 153
Education		209 533
Human health and social work activities		532 683
Other service activities		99 002
Unspecified		21 112

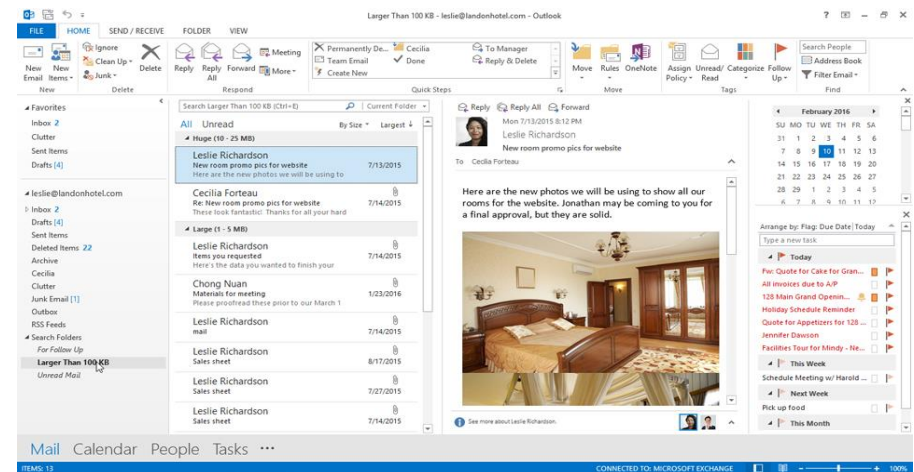
 = high mobility  = some mobility  = little mobility

Consumers accustomed to advanced mobile solutions; businesses to follow suit

Consumer solutions



Business solutions



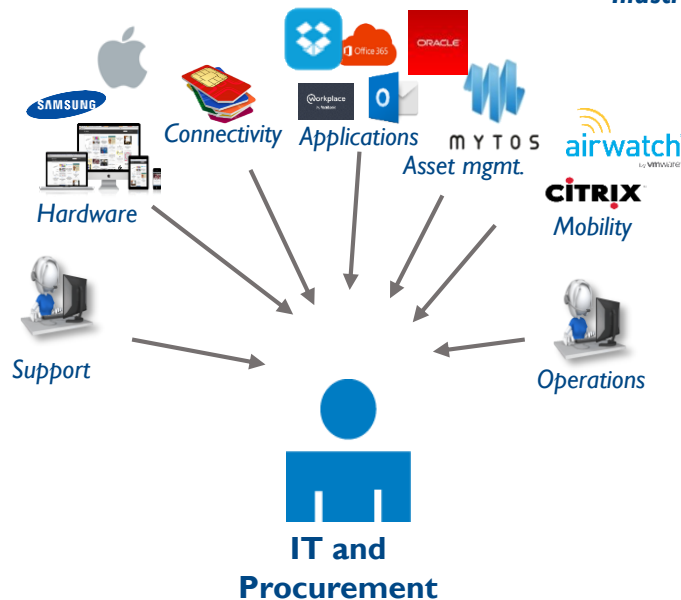
'Work is the place I go to use old technology'

Techstep delivers a complete stack of solutions that provides an improved total-cost-of-ownership (TCO) and lower risk to the customer

Traditional

Buy hardware, software, connectivity, platform, support separate

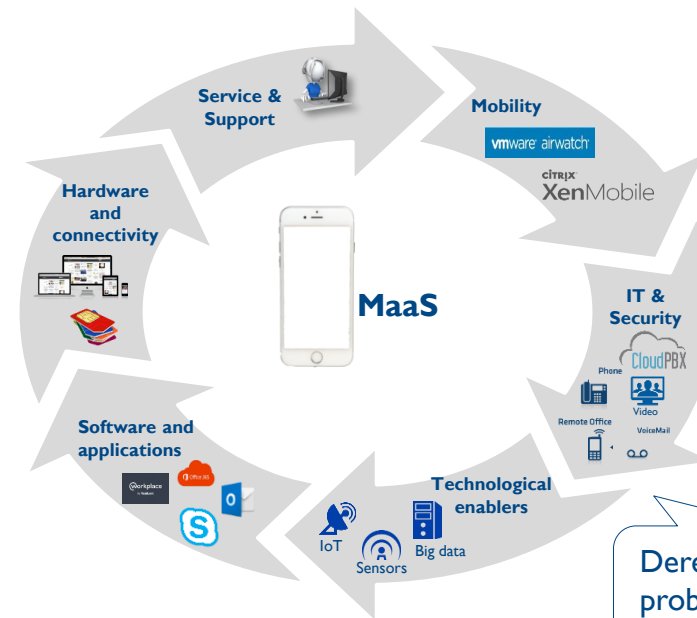
Illustration



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

TECHSTEP Mobile as a Service

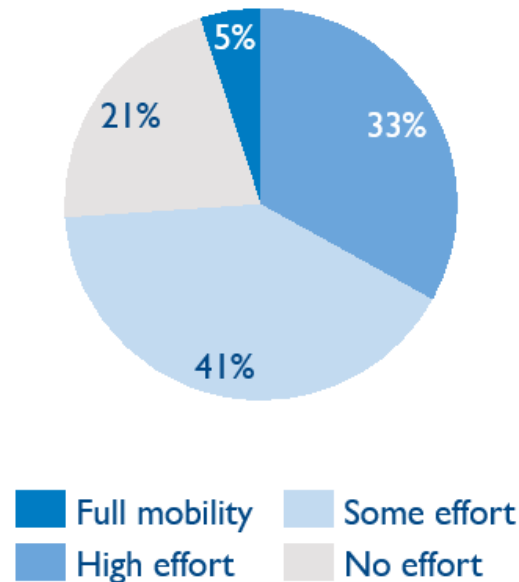
Techstep provides complete MaaS solutions – one stop shop



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

Digitization and enterprise mobility management is a key concern for companies, ~80% have already initiated some degree of solutions, however only 5% are fully succeeding

Definitions



Techstep has the opportunity to leverage on companies' increasing need for mobility

Companies' level of mobility solutions

Full mobility

- Easy access to all internal and external resources via platforms, and fostering collaboration in networks with partners and customers



High effort

- Defined strategy, vision and ambition for enterprise managed mobility services
- Employees can access most material offsite and normally work remotely



Some effort

- Some units have independent strategies for mobile work
- Employees can work offsite accessing prioritized content



No effort

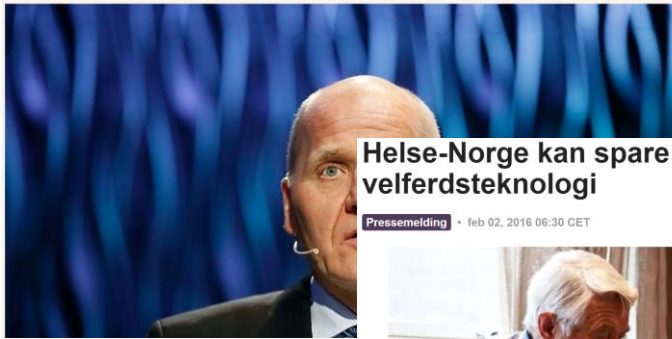
- No strategy for enterprise managed mobility services
- Walkover apps from consumer
- ByoA, bring your own app



Digitization and mobility is on everybody's mind

Telenor-sjef Sigve Brekke: – Telenor kan være borte om ti år

Telenor-sjef Sigve Brekke sier han nettopp har begynt på en maraton for Telenor. Han sier de skal vinne, men hvis de ikke lykkes, kan de være borte om ti år.



DNB-sjefen tror antall ansatte blir halvert

Rune Bjerke sier DNBs 10.000 ansatte og tillitsvalgte er heldige om de er flere enn 5.000 om fem år, og at det er et under om de er mer enn 5.000 om ti år.



Helse-Norge kan spare 23 milliarder i året med velferdsteknologi

Pressemelding • feb 02, 2016 06:30 CET



Kommunal- og moderniseringsminister Jan Tore Sanner sammen med Ulfar Páll, Minister of Entrepreneurship i Estland, og Jon Gunnarsson, minister for Transport and Local Government i Island, under konferansen Digital North. (Bildet: Freydis Johansson/Forbild, Microsoft)

Norden og Baltikum skal samarbeide om digitalisering

Et møte mellom politikere fra Norden og Baltikum på Fornebu endte i en felles erklæring der målet er å etablere en digital region.



Statsminister Erna Solberg (Høyresprekkest), (Bildet: Gunn Kallstad / NTB scaprio)

REVIDERT NASJONALBUDSJETT Regjeringen vil belønne kommuner som utvikler IT-løsninger som kan brukes av andre

AV KURT LERANGER | PUBLISERT: 15. JAN 2017 - 13:28



Du er her: Forsiden • Aktuelt •

1,2 milliarder kroner til digitalisering, digitaliseringsgevinster tilbake til statskassa

Statsbudsjettet 2017:

1,2 milliarder kroner til digitalisering, digitaliseringsgevinster tilbake til statskassa

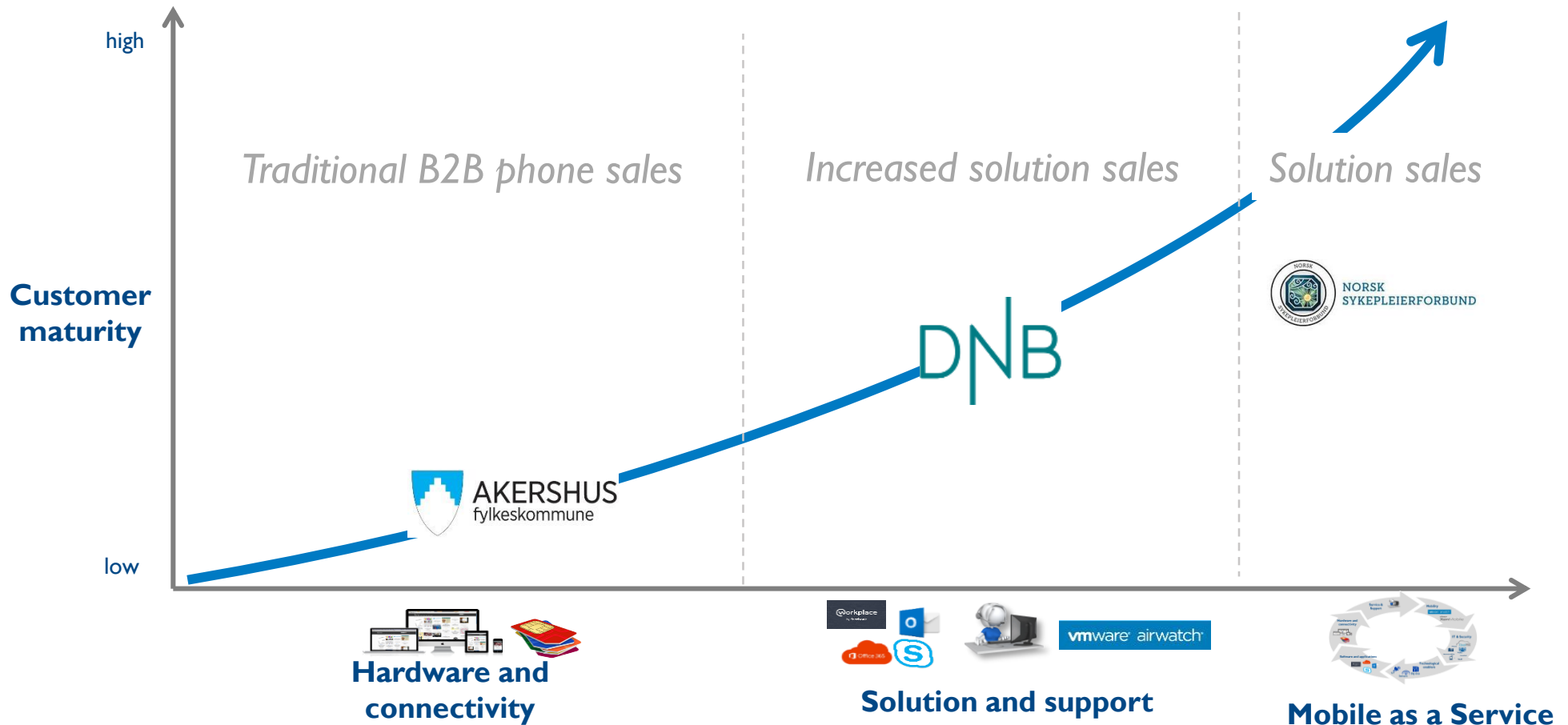
Slik kan byggenæringen spare 30 milliarder på digitalisering



MOBILE SLIDERS: Her ser du hvordan mobiltelefoner kan brukes til å etablere en digital region. (Bildet: Freydis Johansson/Forbild, Microsoft)

Nå blir mobilen like viktig som passet ditt

Customers are on a trajectory towards full mobility, however the pace will depend on the customers maturity



As a part of a vision towards a mobile workplace, DNB now offers mobile devices with mobility solutions to almost all their employees

“One-phone concept”

DNB

Before:

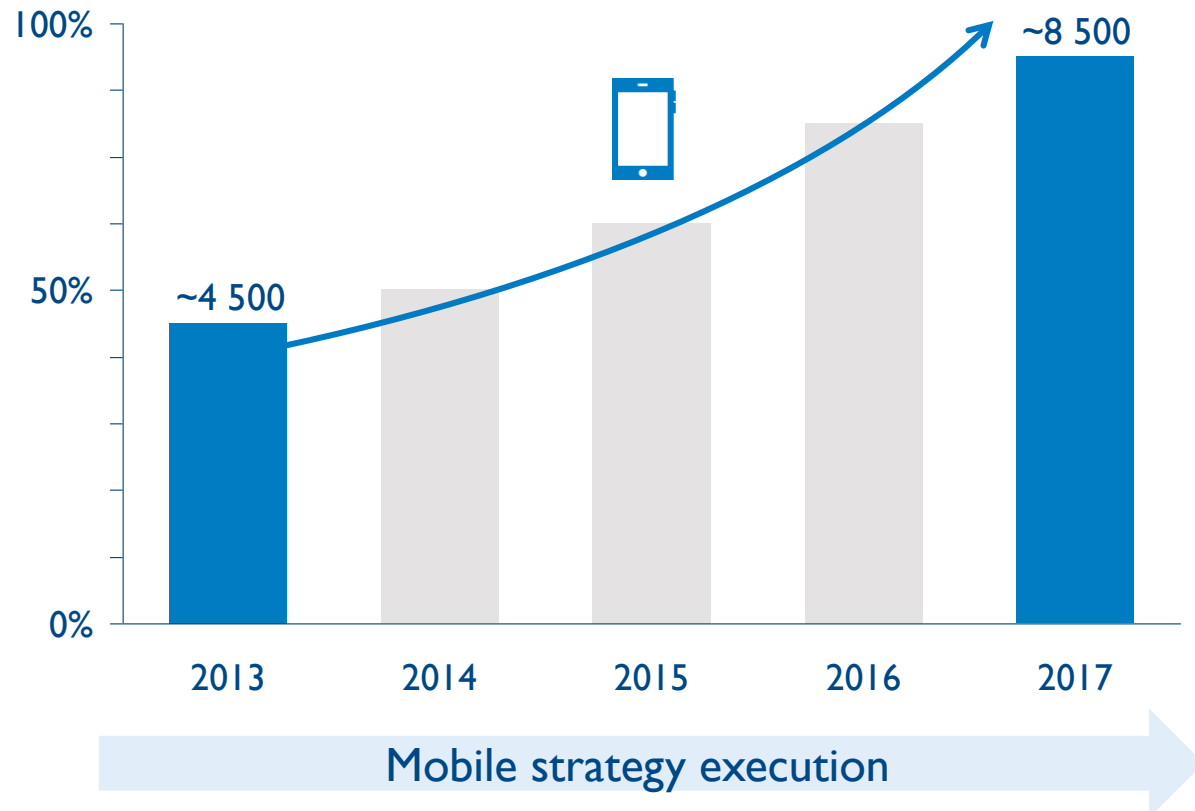
No mobile strategy. Mix of fixed and mobile solutions for different employees (fixed/mobile/IP etc.)

Now:

A clear vision for creating a mobile work environment with a mobile first thinking and access to business applications



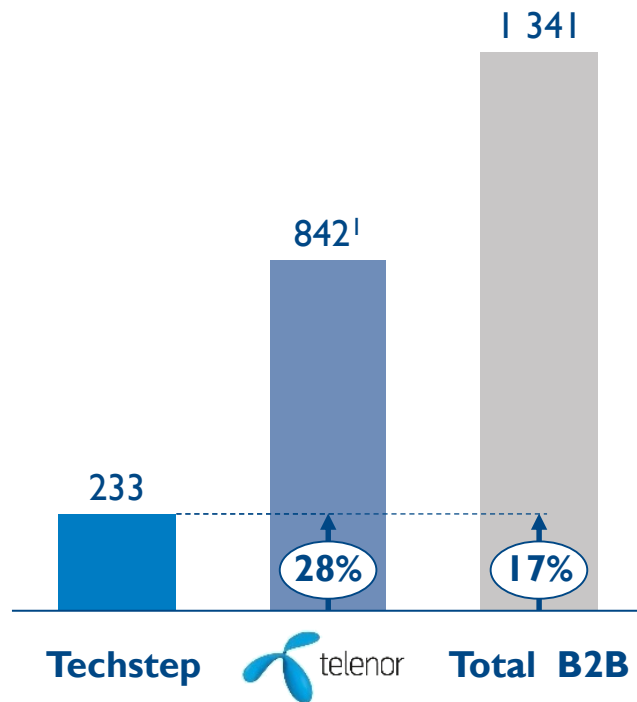
Penetration (%)



Techstep serves ~30% of Telenor's B2B customers in Norway and delivers EMM solutions to 20% of all employees in the top 45 largest companies in Sweden

B2B mobile market in Norway

Number of subscriptions



Enterprise Mobile Management solutions in Sweden

% of large companies

20%

of employees working in the top 45¹ largest companies in Sweden

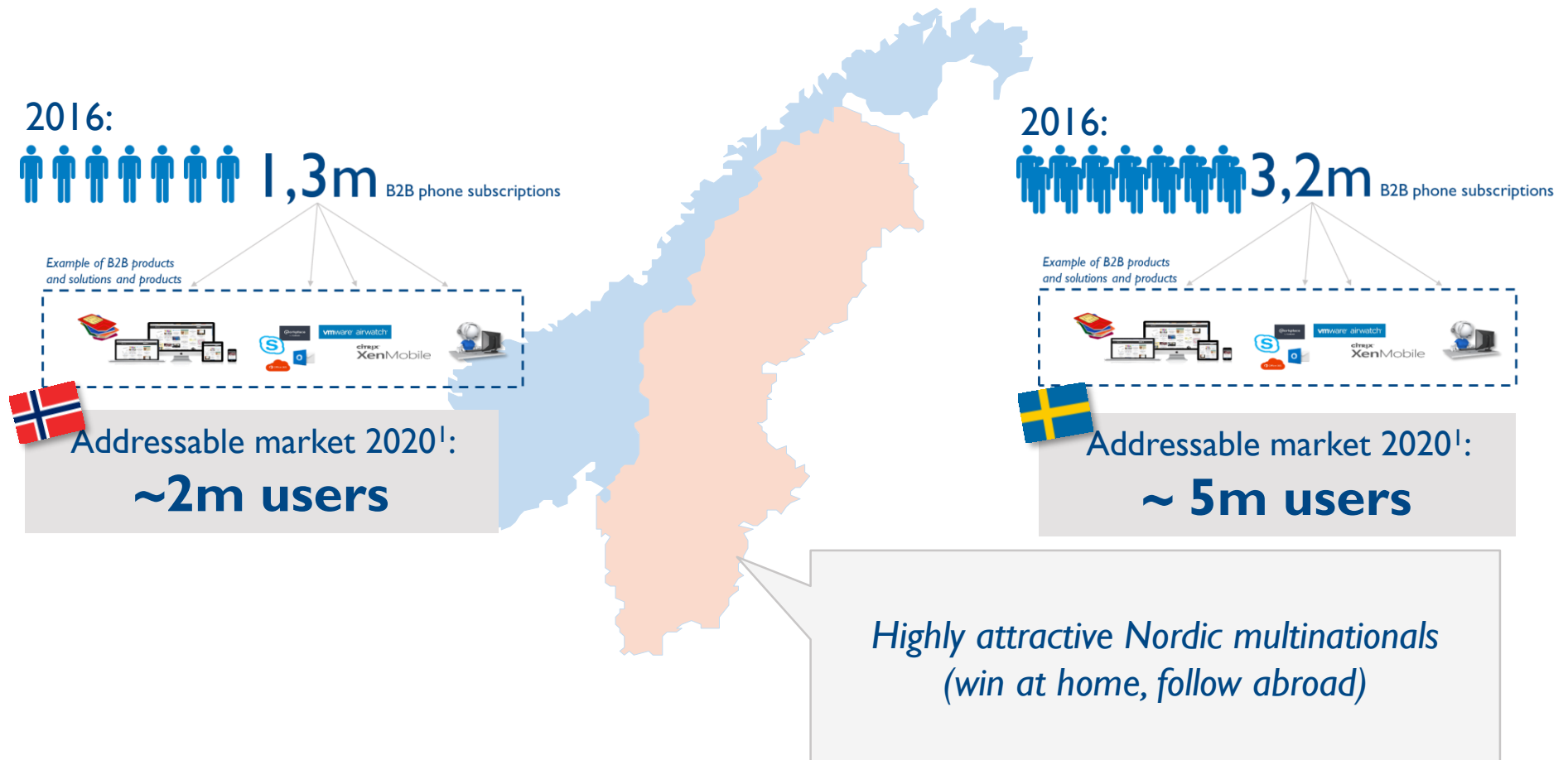


Handelsbanken

SKANSKA



The Swedish B2B-phone market is 2-3 times larger than the Norwegian, and users are expected to grow



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Execution on Strategy

Status Q2 2017

Company progress towards becoming a Nordic enabler of the digital workplace

2017

Focus:
**M&A, integration and
product development**

Focus:
**Product rollout
and sales focus**

Q1

- ✓ Acquisition of Mytos
- ✓ Acquisition of Infra Advice
- ✓ Acquisition of Apro
- ✓ Equity issue of NOKm 100

Q2

- ✓ Initiate integration of acquired companies
- ✓ MaaS pilot customers
- ✓ In process to acquire BKE
- ✓ Initiated cross sales efforts

Q3

- Full MaaS launch Norway
- Launch of Mytos' asset management solution
- Launch of Mytos in Sweden

Q4

- Launch of Techstep Finance in Sweden
- Launch of MaaS in Sweden
- Launch of new vertical solutions

**Expected positive effect
on profitability**

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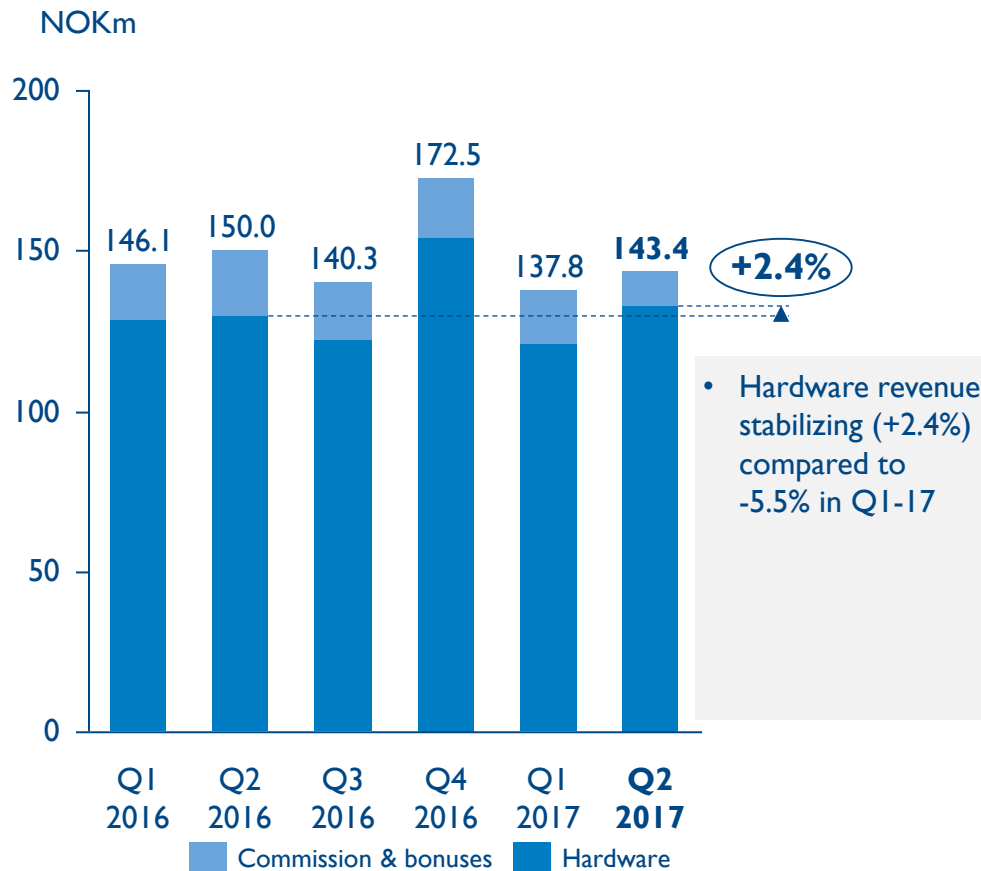
Financials

Status Q2 2017

Revenue development in Hardware and Solution Q1 2016 – Q2 2017

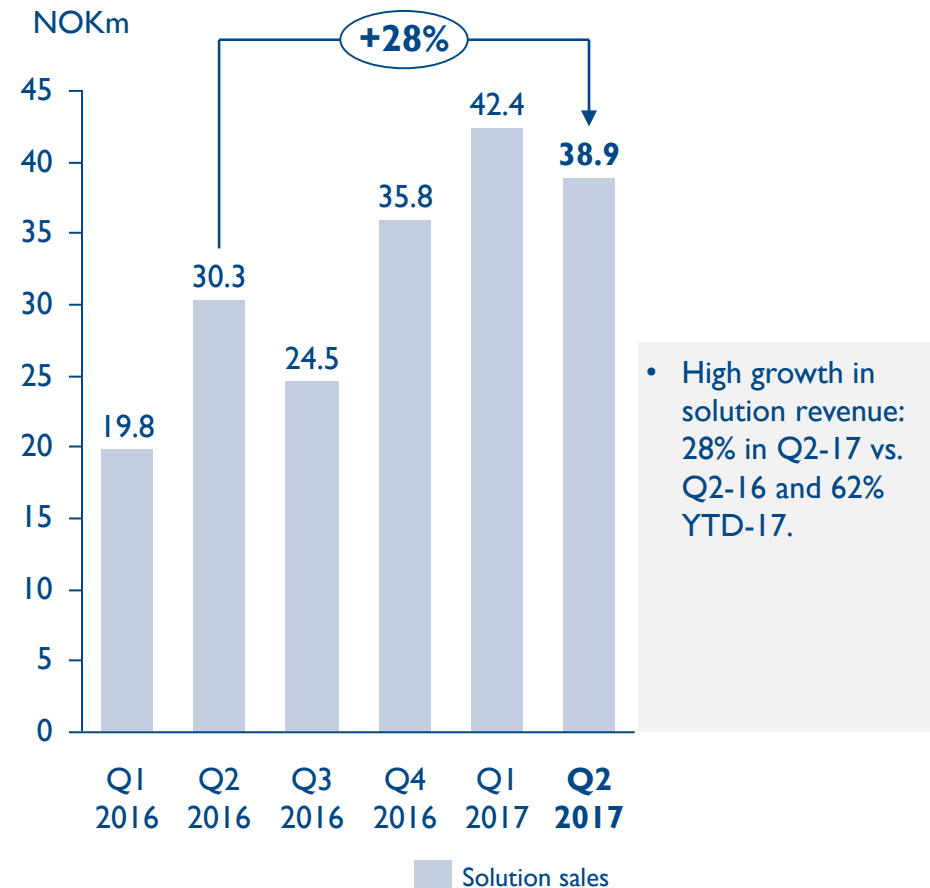
Pro forma hardware revenue

Q1 2016 – Q2 2017, NOKm



Pro forma solution revenue

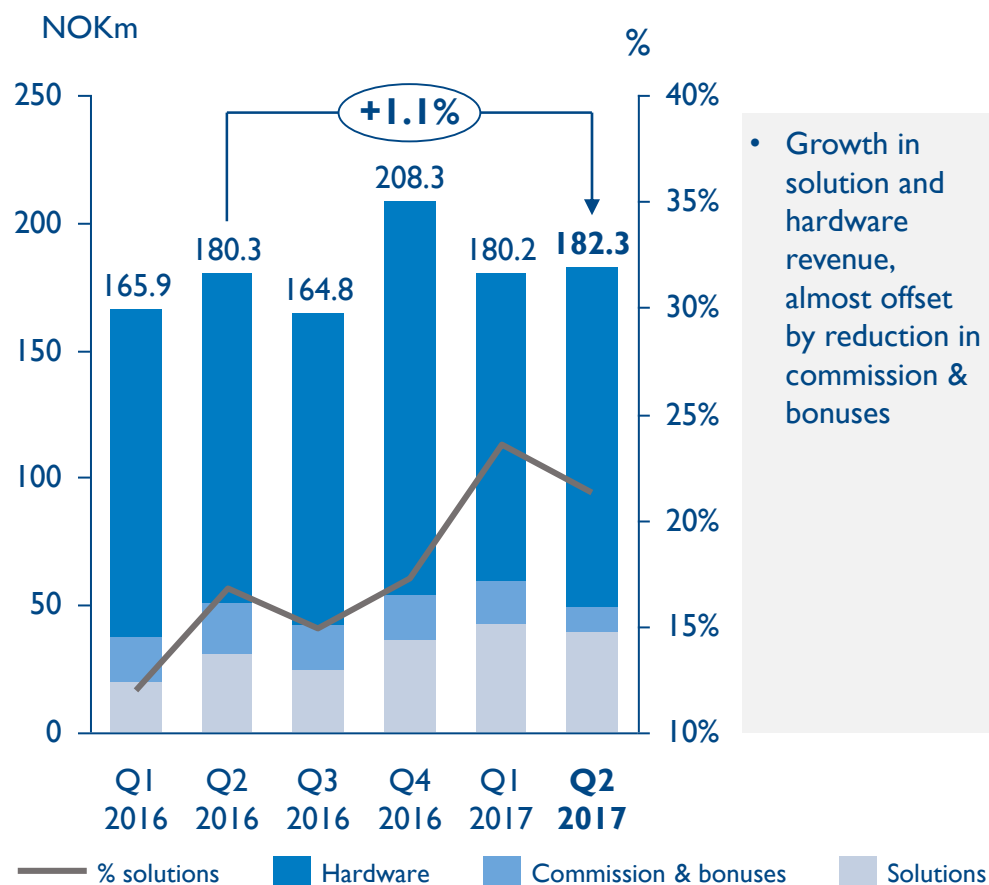
Q1 2016 – Q2 2017, NOKm



Revenue and EBITDA development Q1 2016 – Q2 2017

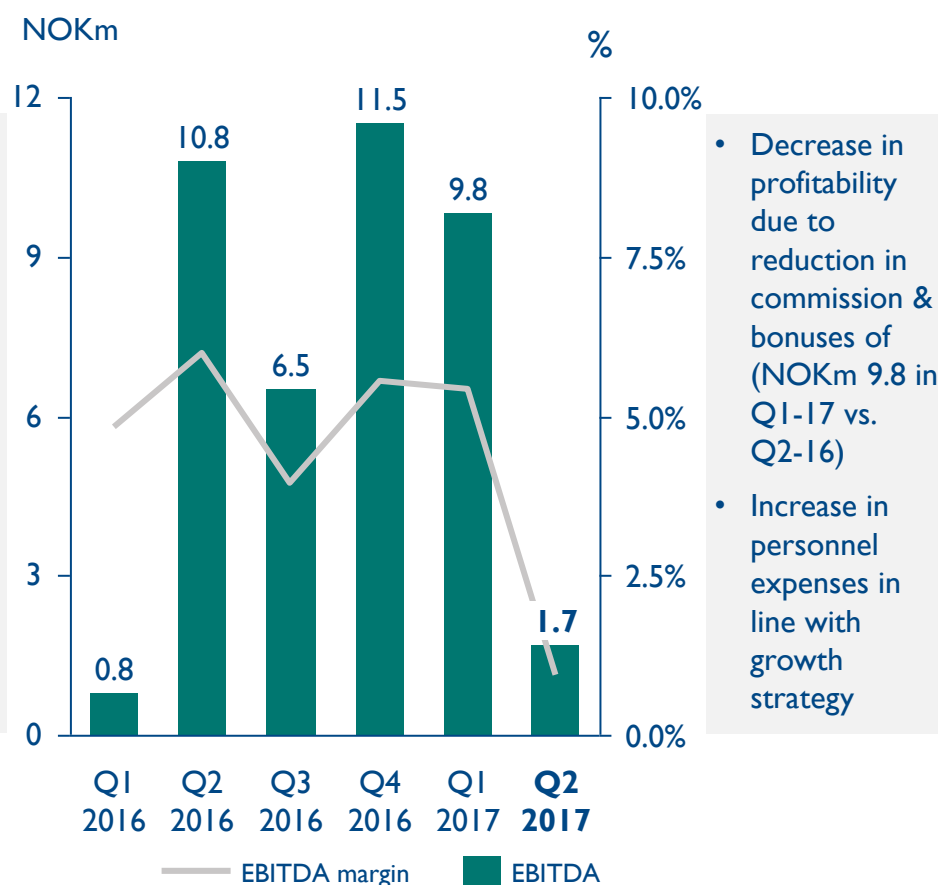
Total Pro forma revenues

Q1 2016 – Q2 2017, NOKm

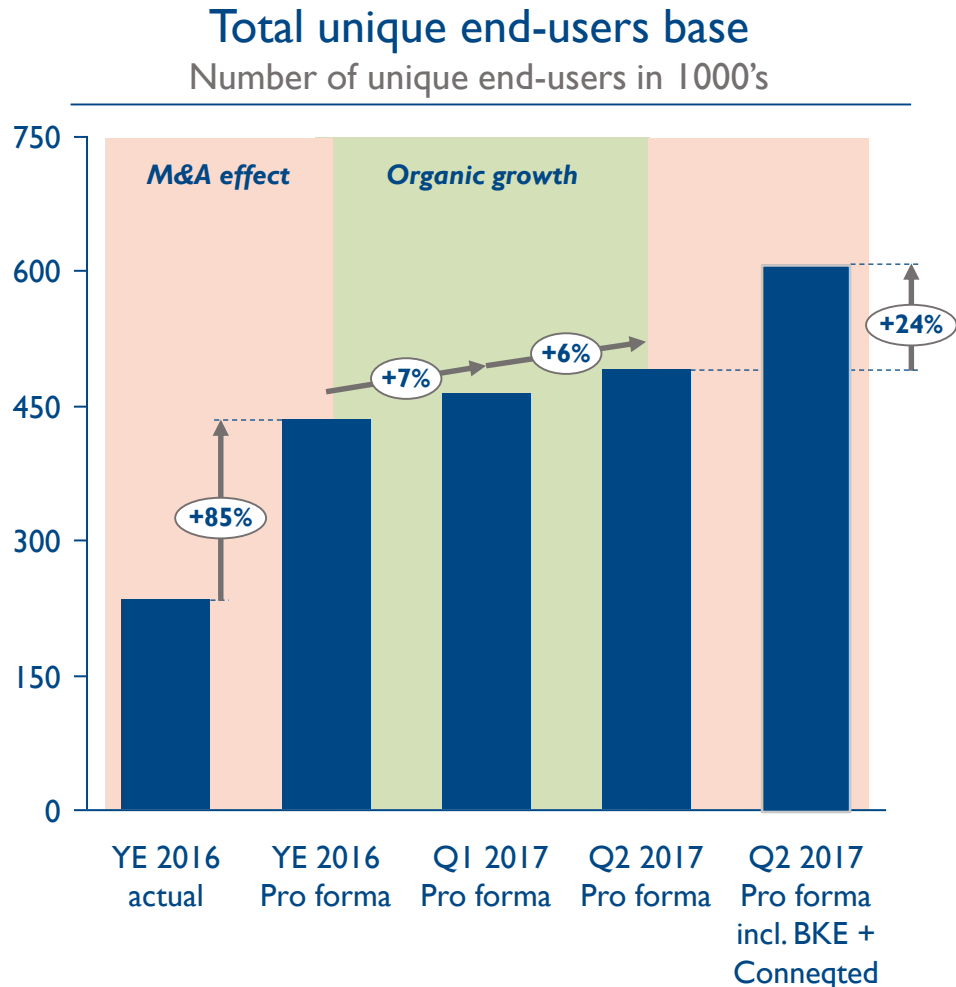


Pro forma EBITDA

Q1 2016 – Q2 2017, NOKm



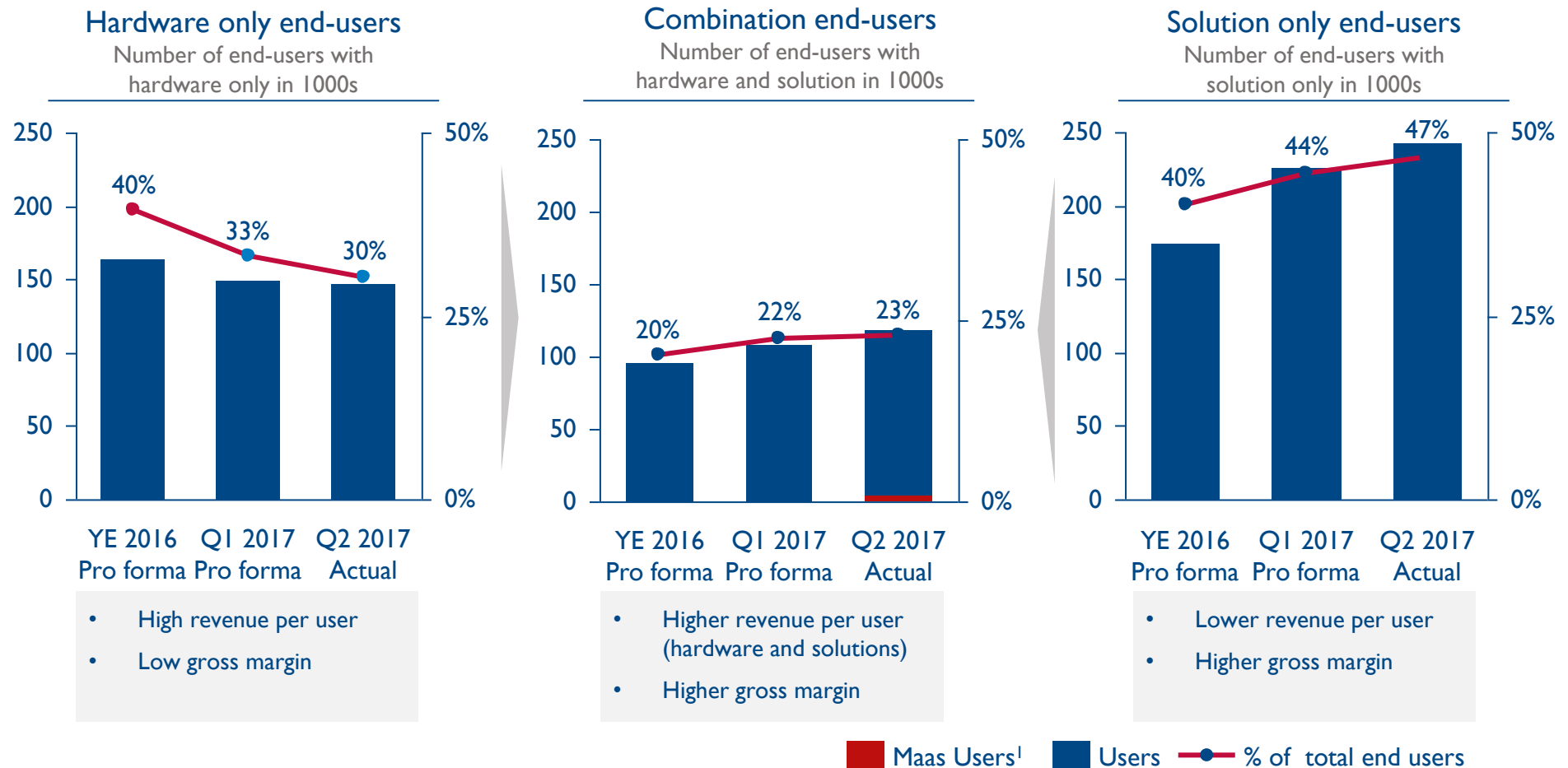
Organic growth of unique end-users around 6% per quarter



- Organic end-user growth of 6% in Q2 (annualized CAGR ~ 30%)
- Primarily driven by organic growth in solution
- Effect of cross-sales still limited
- Including BKE and Connected end-user base ~600k users (compared to ~230k end-users in YE 2016)

Solid user growth is a platform for future revenue and profitability growth

Solid cross-sell potential as only 23% of Techstep's unique end-users have a combined hardware and solution today



Solid customer base spanning across the Nordics includes both public and private sector



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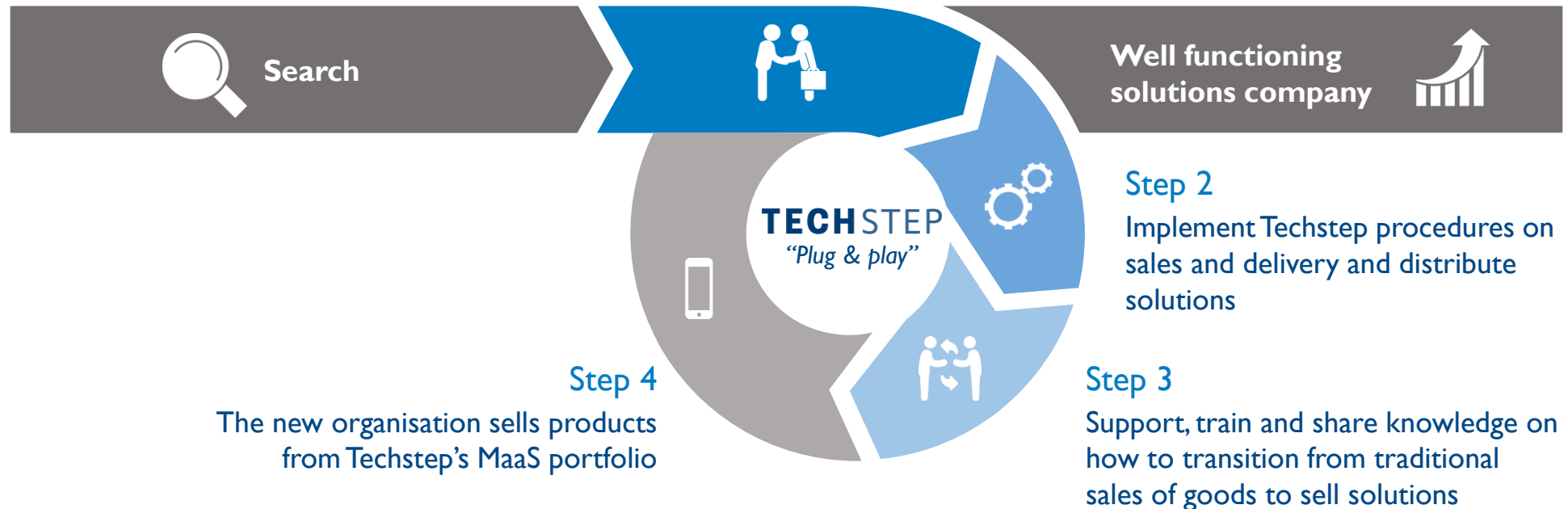
Techstep expansion

Cross sales, integration and future M&A

By establishing standardised processes, Techstep can reach customers and partners more effectively

Step 1

Acquire hardware vendor



Summary of Techstep

- Growth in sales Q1-2 2016 to 2017 in both hardware and solutions, more than 60% organic growth in number of users
- Prioritized long term growth over short term profitability in order to take the market position as Nordic enable of making work life mobile
- Focus on scaling up delivery, centralize, and build shared solutions across Techstep – and cross sell
- Acquired two more interesting companies, BKE Telecom and Conneqted, in line with our strategy – makes us Pan-Nordic
- Going forward, focus this second half of 2017 will be organic growth and profitability