

Webstep Q3 2017: Investing in new services and adding growth capacity

Oslo, 16 November 2017: Webstep ASA reports continued high demand and stable revenue growth in the third quarter of 2017. Revenues grew both in Sweden and in Norway, while EBITDA was impacted by slightly lower utilisation. Recruitment activity was high and represents investment in expertise and capacity to secure future growth within core services as well as new services.

Consolidated revenues in the third quarter of 2017 grew by 4.9 per cent from the corresponding quarter last year and amounted to NOK 124.9 million. "We are pleased to see that demand for IT experts remains high, particularly within core digitalisation services. We have a solid backlog of high-end expert deliveries and we are continuously recruiting to meet the demand and realise our growth ambitions. In addition, we have taken important steps to grow our expertise within new services such as Machine Learning, IoT and Analytics", says CEO Kjetil Bakke Eriksen.

EBITDA for the quarter was NOK 7.1 million, compared to NOK 9.4 million last year. The third quarter was characterised by a high number of employees in the onboarding phase. Employees were replaced and investments were made to secure future growth capacity, especially for new services. This had a slightly negative impact on utilisation, mainly due to longer sales processes for new services.

EBITDA for the first nine months of 2017 was NOK 51.5 million, compared to NOK 52.0 million in the same period of 2016. The EBITDA decrease is a consequence of the lower capacity utilisation and extra personnel costs for employees in the onboarding phase, as well as investment in new services.

The Initial Public Offering (IPO) of the company's shares was announced on 26 September and successfully completed on 11 October. The financial position has been substantially strengthened after the IPO. The gross proceeds raised in the transaction were NOK 120 million.

The overall market outlook is very robust, following the general trend with high investment activity in digitalisation of private and public sector. This is expected to drive continued high demand for Webstep's offering of IT expertise. The company will have a strong focus on employer branding and recruitment going forward in order to increase future growth capacity. Recruitment of 27 new employees took place in Q3. These will be onboarded mainly during Q4 and Q1 and will increase the billable capacity when entering 2018.

Presentation details

A presentation of the results will take place at 09:00 am CET today, at Sparebank1 Markets, Olav V's gate 5, 0161 Oslo

Please register directly to corporateaccess@sb1markets.no.

The interim report and the presentation are enclosed and will also be available at
<https://investor.webstep.com/Investors>

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About Webstep:

Webstep ASA and its subsidiaries form the Webstep Group, a high-end provider of IT consultancy services in Norway and Sweden. Since its incorporation in 2000, the Webstep Group has offered IT services designed to address its customers' software needs by creating functional custom-made digital tools and applications optimizing the customers' business strategies. Webstep aims to be at the forefront of the technological development and to assist its customers in their digitalisation through the offering of cutting-edge IT expertise. The Webstep Group's core digitalisation offering consists of digitisation, cloud implementation, migration and integration, in addition to its other core focus areas Internet of Things (IoT), machine learning and analytics. An

important part of the Webstep Group's strategy is to employ and offer only senior IT consultants with significant experience. As of 30 June 2017, the Webstep Group employed 393 employees, of which 350 were IT consultants. For more information visit www.webstep.com (<http://www.webstep.com>).

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.