

TECHSTEP

“We make your work life mobile”

Company Presentation

18 October 2016

Cautionary note regarding forward-looking statements and other risk factors

This presentation includes “forward-looking” statements, including, without limitation, projections and expectations regarding Techstep’s future financial position, business strategy, plans and objectives. All forward-looking statements are based on information available to the company, and views and assessments of the company, as of the date of this presentation. Techstep expressly disclaims any obligation or undertaking to release any updates or revisions of the forward-looking statements contained herein to reflect any change in the Techstep’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “seek to” and similar expressions, as they relate to the Techstep, its subsidiaries or its management, are intended to identify forward-looking statements. Techstep can give no assurance as to the correctness of such forward-looking statements and forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance and achievements of Techstep and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Techstep’s present and future business strategies and the environment in which Techstep and its subsidiaries operate. Factors that could cause the Techstep’s actual result, performance or achievements to materially differ from those in the forward-looking statements, include but are not limited to, competition, technology, products, liquidity risks, loss of key employees, intellectual property rights, ability to develop new products and/or raise additional capital.

The information on slide 4 – 15 is based on the assumption of completion of the Teki Gruppen Transaction. The acquisition of Teki Gruppen’s shares and shareholder loans in Teki Solutions is subject to acceptance in an extraordinary general meeting and customary closing conditions, and any applicable third party transfer restrictions on the Teki Solution shares related to the transaction.

Background and the transactions

The Zono transaction: Completed

- On 1 July 2016 Techstep agreed to acquire 100% of the shares in Zono AS in a Share Exchange Agreement, under which the consideration for the shares takes the form of Techstep consideration shares. The transaction was approved at the extraordinary general meeting held 23 August 2016 completed 15 September 2016
- Zono AS is wholly owned by Zono Holding AS, a company controlled by Middelborg and certain other investors including Datum AS and Cipriano AS. Zono's assets include 24.22% ownership in Teki Solutions AS, 5.12% ownership in Kjedehuset AS and approximately MNOK 55 in cash and cash equivalents
- The transaction was financed through issuance of approximately 58 million new shares

The Birdstep AB transaction: Completed

- On 7 April 2016, Techstep announced the completion of the sale of Birdstep AB to Smith Micro
- In relation to the transaction, Techstep entered into a partnership agreement with Smith Micro to among other things continue the use of the Birdstep technology in the Nordics

The Teki Gruppen transaction: Subject to acceptance EGM

- On 1st July 2016 Techstep entered into an Agreement in Principle conditional on dd with Teki Gruppen AS to acquire an additional ~54% in Teki Solutions AS and shareholder loans from Teki Gruppen AS in exchange for shares to be issued by Techstep
- On 5 October Techstep and Teki Gruppen entered into a firm share purchase agreement, subject to acceptance at an EGM, scheduled for 4th November, and certain customary closing conditions
- The transaction will increase Techstep's ownership in Teki Solutions AS with 53.94% to 78.16%.
- The proposed consideration for the transaction is in full Techstep shares at a share price of NOK 4,30 as agreed in the Agreement in Principle. If accepted by the EGM, sellers will receive approx. 30.1m shares in Techstep or 29.33%
- The board of Techstep has further expressed the intention to present an offer to acquire the shares and shareholder loans from the remaining shareholders in Teki Solutions on the same terms and conditions as in the Teki Gruppen transaction. Subject to full acceptance, this would result in further approx. 7.3m shares in Techstep

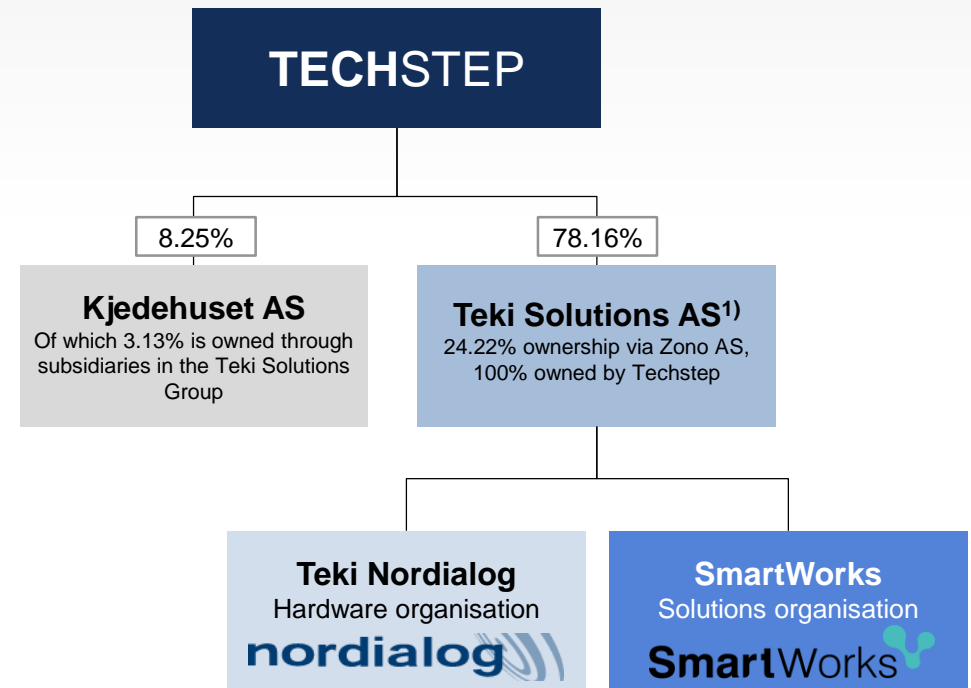
Techstep in brief

About Techstep

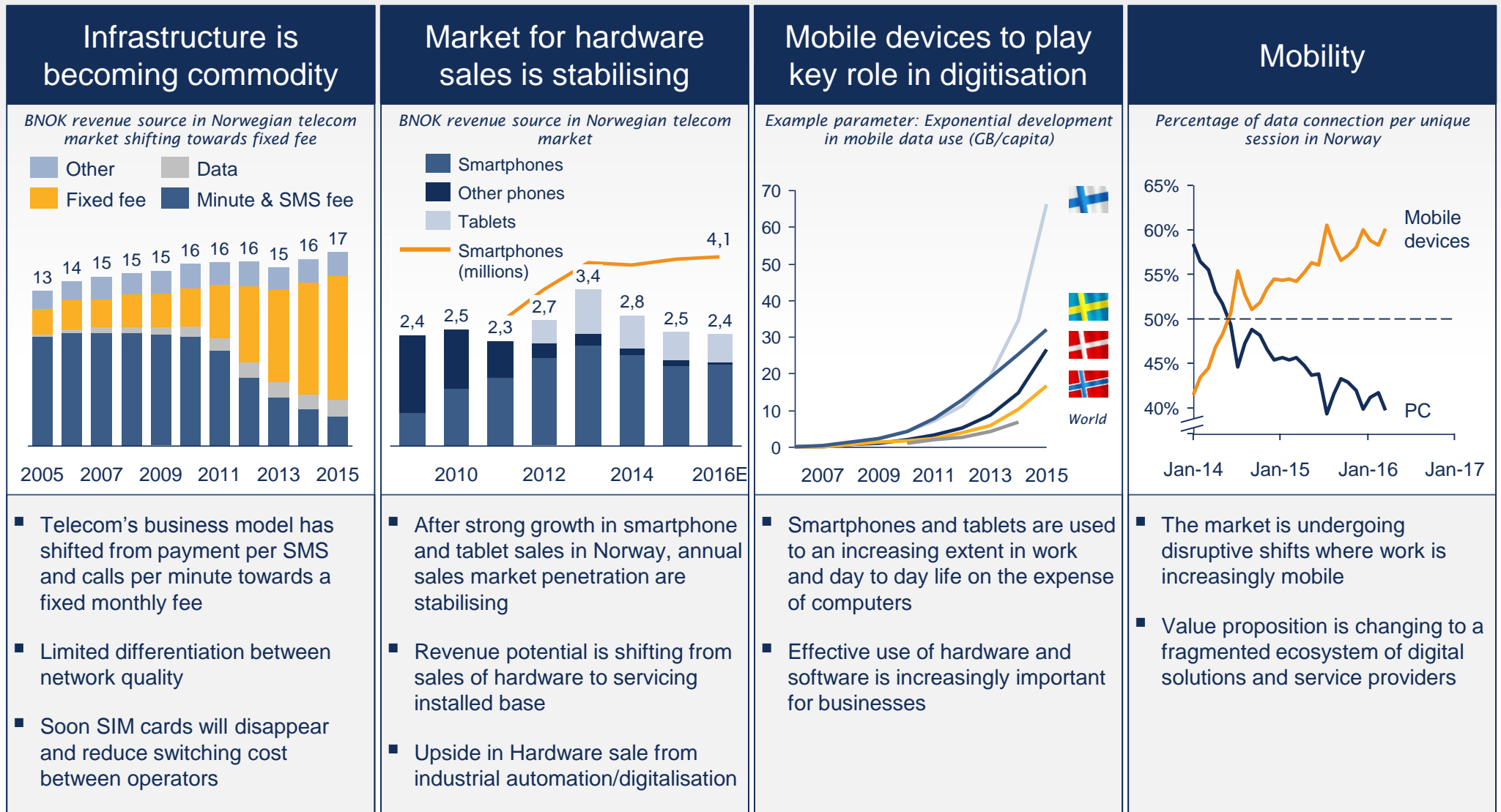
- Through the two transactions, Techstep will establish itself as a leading B2B provider mobility and communications services in Norway
- Nordialog is Telenor's key distribution channel of devices and subscriptions to the Norwegian business segment:
 - Teki Solutions accounts for ~60% of the total Nordialog distribution volume in Norway
 - Teki Solutions operates through 10 business centres located in eastern Norway and currently employs ~100
- Smartworks delivers services and solutions within the "Enterprise Mobility Management":
 - Offers mobility digitalisation solutions through 3rd party software, among others Smith Micro, where Techstep's previous technology is a key delivery area
 - Located in Oslo and currently employs ~30
- The group has a combined customer base of ~3 600 companies and ~220 000 end users
- Kjedehuset is Telenor's franchise organisation of which Teki Nordialog is a franchisee

Company structure

Simplified to key operational units subject to completion of the Teki Gruppen transaction



The telecom industry is facing a paradigm shift



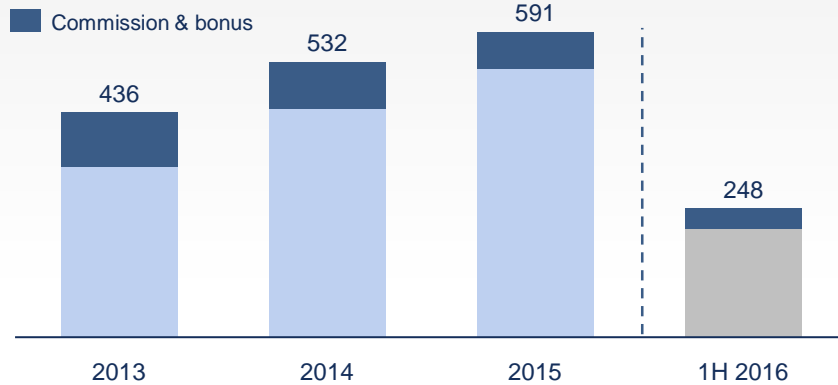
Power balance is shifting from infrastructure to providing value added services

Segment overview

Teki Solutions AS Group unaudited pro-forma IFRS adjusted figures¹⁾

Hardware (low gross margin)

Revenue (MNOK)



Offering

Terminal sales



- B2B sales of mobile phones, tablets and related hardware

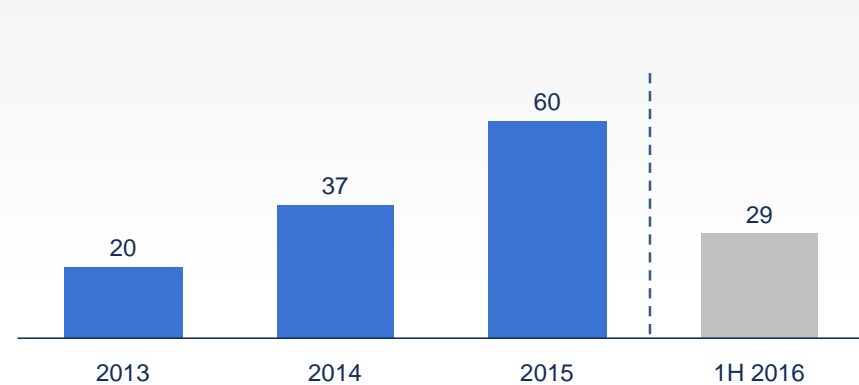
Subscriptions



- Commission and bonus from operator

Solutions (high gross margin)

Revenue (MNOK)



Offering

Design & integration



- Solution design
- Advisory services

Implementation



- Project management
- Communication
- Training
- Track effectiveness

Operations & support



- Operation
- Device & app mgmt.
- Support
- Customer center

Key components

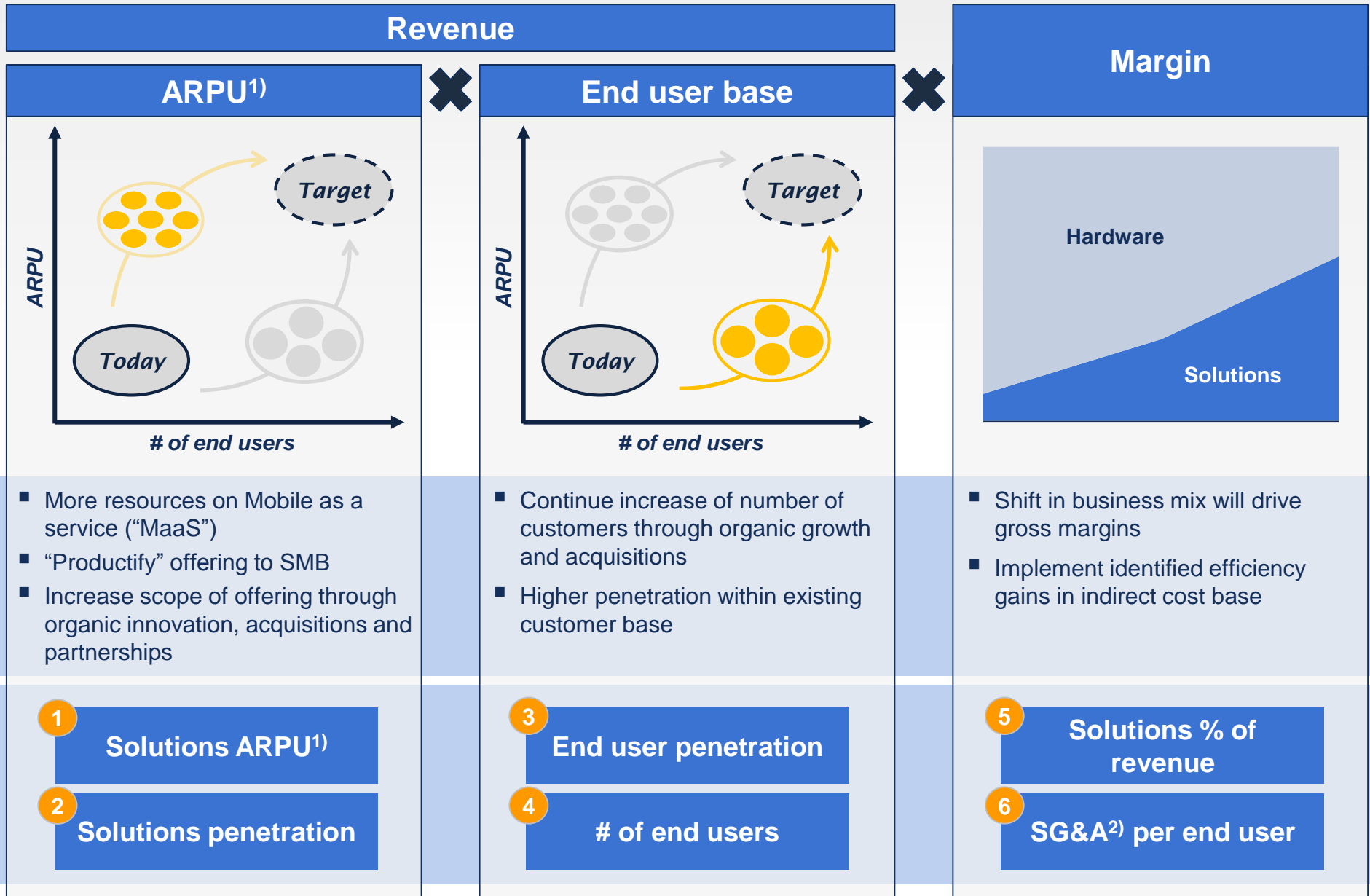
- Security & mobility applications
- AAA²⁾
- Call center solutions
- Video communication
- Office 365 & Hosted Lync
- Servers & networks

Techstep aims to become a fully integrated digital solutions provider

Close ties to a highly attractive customer base: ~3 600 companies with a total of more than 220 000 users. Top 20 customers per July 2016:



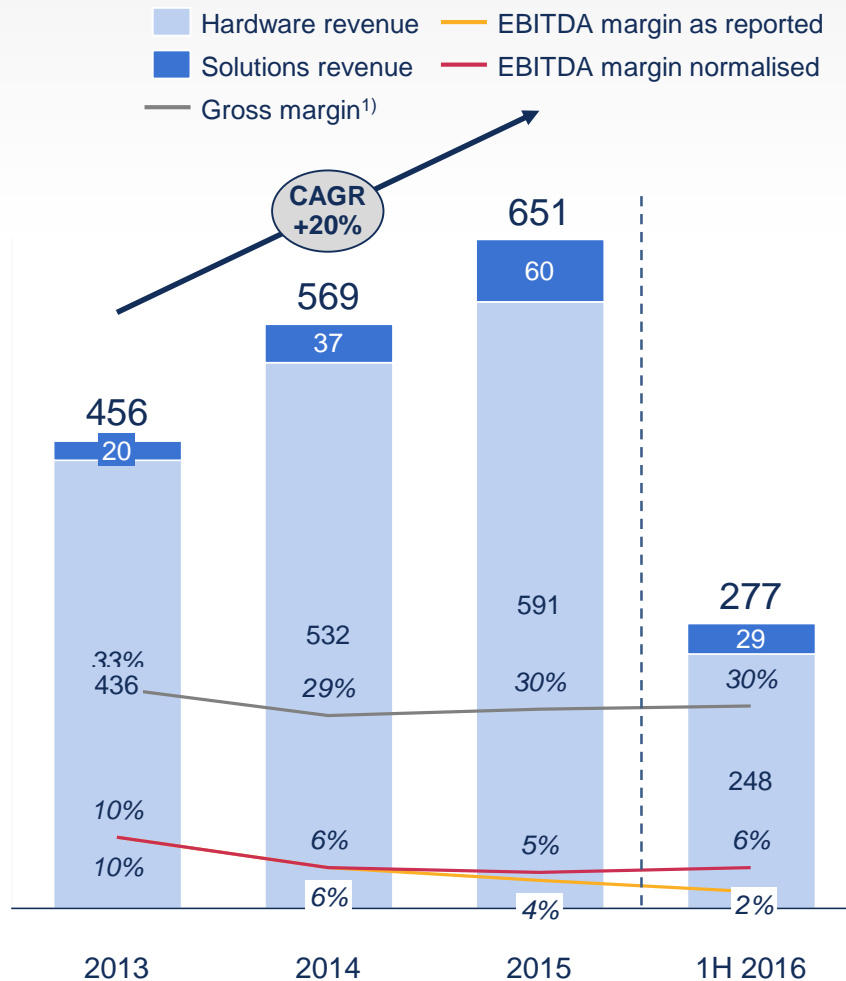
Three key value drivers going forward with multiplicative effect



Strong historic growth, but pressured margins

Teki Solutions Group: Key P&L elements 2013-1H 2016

MNOK, unaudited pro-forma IFRS adjusted figures
Teki Solutions Group does not include Techstep ASA overhead



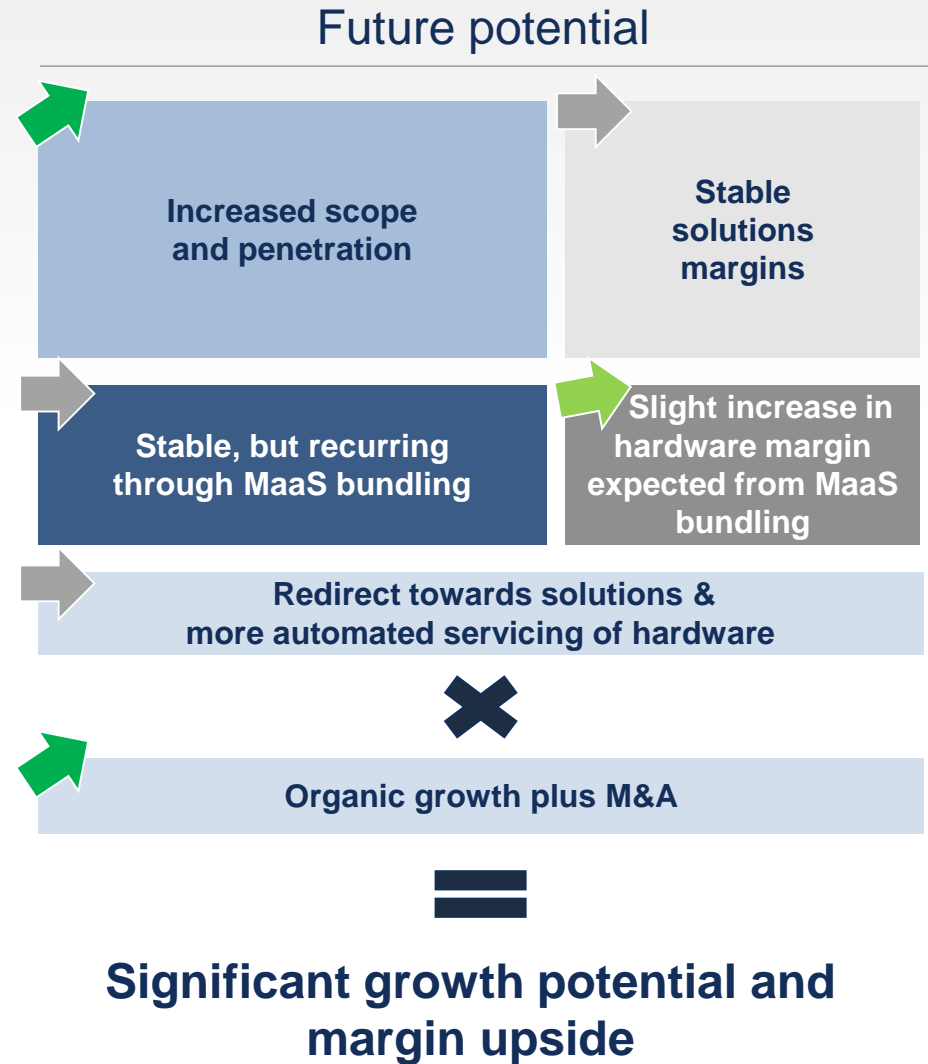
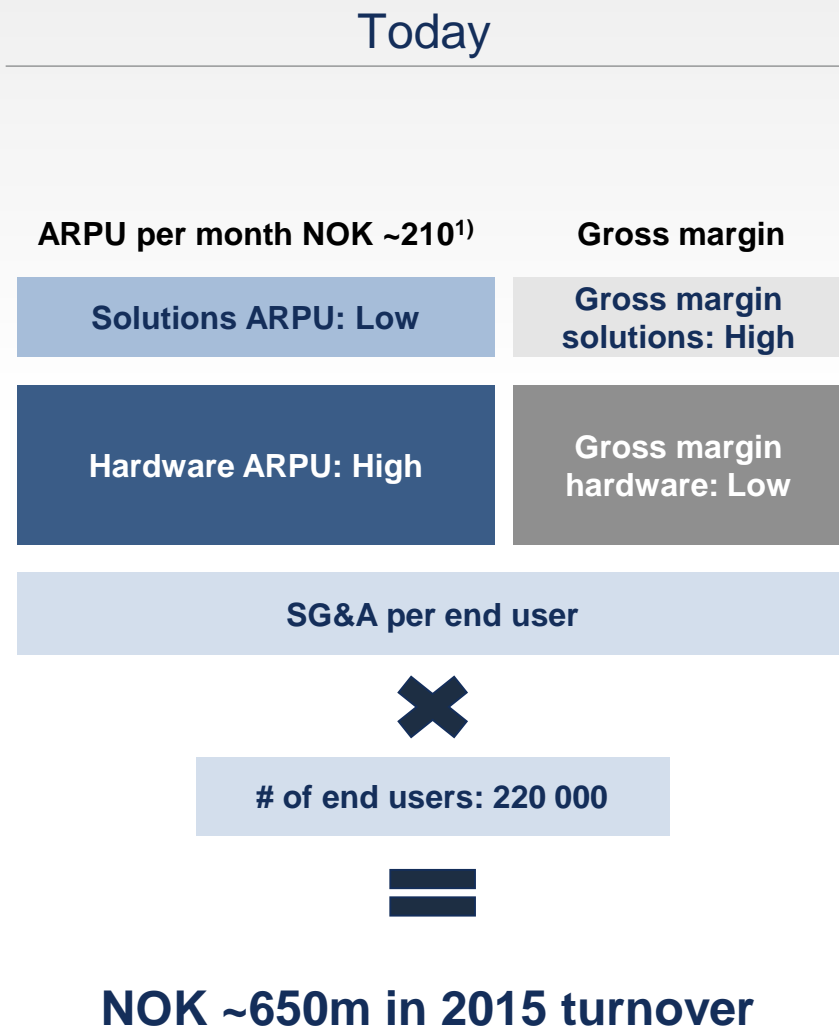
Comments

- Solutions have experienced high growth in revenues in the period 2013-2015 with a CAGR of more than 70%
- Hardware has also experienced growth, albeit at a lower rate of ~20%
- Along with other franchisers, Teki Solutions has seen commission and bonus from Telenor and Kjedehuset decrease in recent which has contributed to lower margins and profitability
- Flat overall gross margin in recent years, but two offsetting effects:
 - Increasing solutions revenue with significantly higher gross margins
 - Decreasing margins within hardware
- Several cost efficiency measures identified to reduce indirect OPEX with expected recurring effect from 2017
 - Normalisation in 2015 due to extraordinary expenses of MNOK 9 mostly from development costs for Solutions

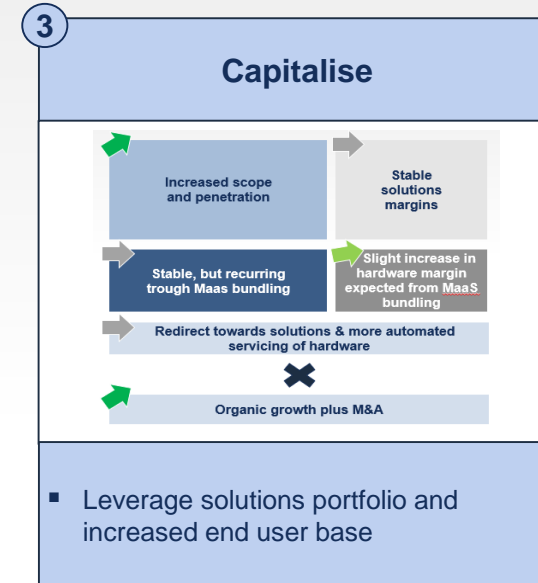
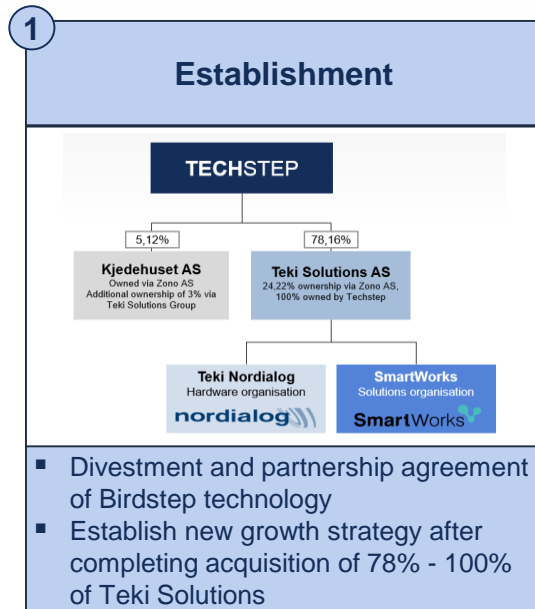
Growth performance indicators, 1H 2016

# of end users Hardware and solutions	End user penetration Overall share of employees	Solutions % of revenue
~220 000	~22%	~10,5%

Key sources of value creation in growth strategy



Techstep's growth plan



Techstep management

Current Techstep mgmt.

- Fredrik Johansson, COO and acting CFO

Additional Techstep group management after closing of the transactions



Gaute Engbakk, New CEO

- Mr. Engbakk is an experienced change leader, both from working many years in Accenture with large, international companies and as CEO of Creuna and CEO of Gambit Hill & Knowlton Strategies. He has in-depth IT and communications experience from various industry verticals. Engbakk owns shares in Zono Holding AS, which represents an indirect ownership equivalent to approx. 583 000 Techstep shares, corresponding to 0.6% after completion of the Teki Gruppen transaction



Mads Vårdal, Chief Innovation Officer (currently in Teki Solutions)

- Mr. Vårdal has more than ten years industry experience. He came from a central position in Teki Solutions AS and has been a leading figure for the development of Smartworks. He has previously had a leading position in Nordialog Skøyen AS and CEO in Buskerud Tele AS



Rune Midthaug, CEO of Teki Solutions

- Mr. Midthaug has been CEO in Teki Solutions since 2014. He has 20 years experience from the Telecom industry including various leadership positions in Telenor Mobil and Mobildatakjeden AS and well has CFO in Kjedehuset from 2005 to 2014. Rune has an BBA from The University of Texas in Austin



Tom Edman, CEO of Smartworks

- Mr. Edman leads the services company SmartWorks. Before that, he held a head of product position in TDC. He has held the positions of head of sales in Telenor focusing on enterprise customers as well as growing Telenor's business in emerging markets

Techstep Board of Directors

Current Techstep BoD

- Ian Jenks, Chairman of the board
- Ingrid Leisner, board member
- Tore Traseth, board member

Board of directors proposed elected at the upcoming EGM

Einar J. Greve, *Chairman*

- Mr. Greve has experience from several years as partner in Wikborg Rein and Arctic Securities and the founder of Cipriano AS. He holds and has held several board positions in listed and unlisted companies, and currently serves as Chairman in Weifa ASA, Axactor ASA and Bionor Pharma ASA. Greve is a shareholder in Zono Holding AS indirectly owning approx. 2.9m shares Techstep, corresponding to approximately 2.8% after completion of the Teki Gruppen transaction.

Kristian Lundkvist, *Board member*

- Mr. Lundkvist is the CEO and founder of Middelborg AS. Lundkvist holds various positions as Chairman of the Board and Board member related to Middelborg's investments including NRC Group ASA. Current Chairman of Teki Solutions and Board member of Kjedehuset. Lundkvist is the majority shareholder of Zono Holding AS through Middelborg AS, indirectly owning approx. 31.6m Techstep shares, corresponding to approximately 30.8% after completion of the Teki Gruppen transaction.

Ingrid Leisner, *Board member*

- Ms. Leisner has previously worked as Head of Portfolio Management for Electric Power in Statoil Norge AS. She also has a background as a trader of different oil and gas products in her 15 years in Statoil ASA. She has served on the board of several companies listed on the Oslo Stock Exchange

Svein Ove Brekke, *Board member*

- Mr. Brekke was one of the co-founders of Nordialog Oslo, part of the Teki Solutions group. He also sits on the Board of Kjedehuset. Brekke is a minority shareholder in Teki Gruppen AS through Walan Invest AS. His indirect ownership will be equivalent to approx. 7.5m Techstep shares, corresponding to approximately 7.3%, after completion of the Teki Gruppen transaction.

Stein Erik Moe, *Board member*

- Mr. Moe has 27 years of experience with Accenture, and was a global lead in the Technology, Media and Communications division. He has led large scale projects and transformations, - cross strategy, technology, organisation and business processes. Currently he is chairman and co-founder of Gture, a digital services company.

Two additional board members to be proposed

Pro forma shareholder overview

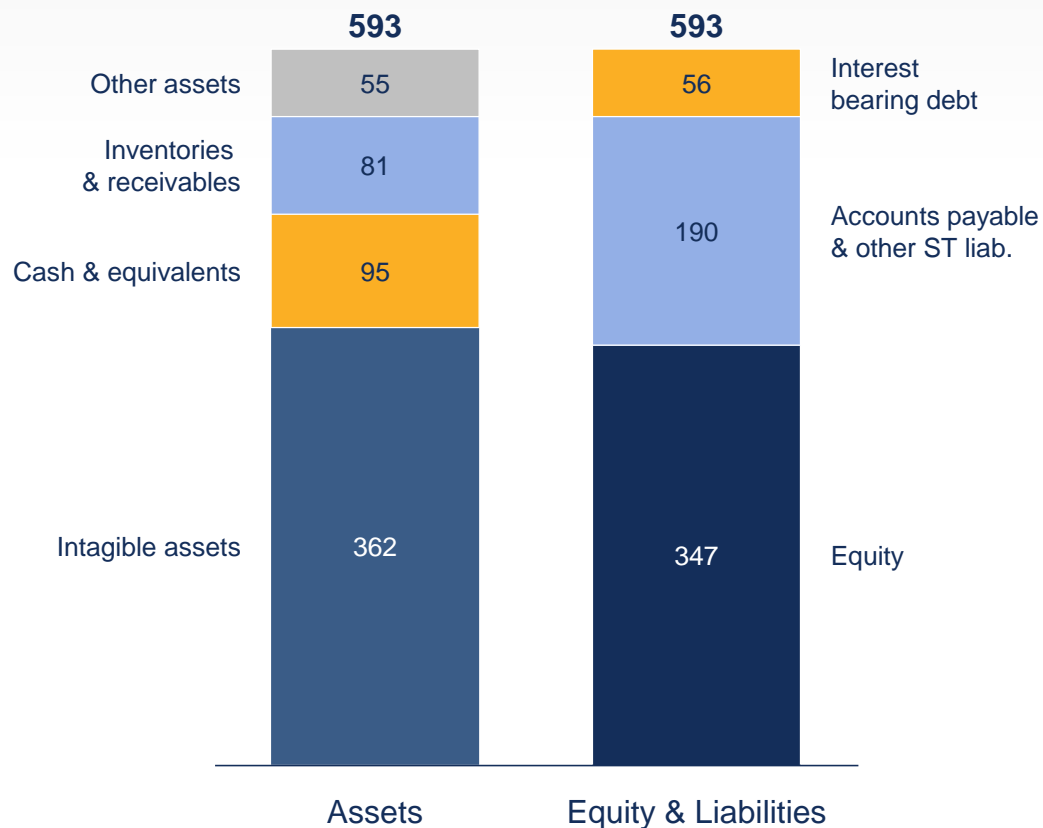
Largest 15 shareholders per 11 October 2016	Current ownership	After the Teki Gruppen transaction
Zono Holding AS ¹⁾	86.56 %	61.18 %
Walan Invest AS	-	7.33 %
Sandvik Invest AS	-	7.33 %
Dovran Holding AS	-	7.33 %
Stenslet Holding AS	-	7.33 %
Intelco Concept AS JPMorgan Chase Bank	1.38 %	0.98 %
Vinterstua AS	1.10 %	0.78 %
MP Pensjon PK	1.06 %	0.75 %
Petroleum Invest	0.67 %	0.47 %
Strømmland Sivert Nøtsund	0.54 %	0.38 %
Fres AS c/o DNB Luxembourg	0.37 %	0.26 %
Gleff AS	0.35 %	0.25 %
Nordnet Bank AB	0.31 %	0.22 %
SO Invest AS	0.23 %	0.16 %
Nordnet Livforsikring AS	0.18 %	0.13 %
Other shareholders	7.24 %	5.12 %
Total outstanding shares	72 420 175	102 473 663
Treasury shares	1 914	1 914
Total shares	72 422 089	102 475 577

Should an offer be made on the remaining shares and shareholder loans in Teki Solutions on the same general terms as the Teki Gruppen transaction, minority shareholders in Teki Solutions will, at full acceptance, receive approx. 7.3m shares in Techstep and dilute existing shareholders accordingly, increasing the free float

Illustrative balance sheet

Techstep group illustrative balance sheet, 1H 2016

*MNOK consolidated on 100% basis
Pro-forma adjusted for equity issue in Zono AS of NOK 55m completed after 1H*



Comments

- High cash conversion
 - Teki Solutions entered into a financial factoring agreement in 2015 that reduced working capital level
 - Limited CAPEX requirements
- In addition to the cash balance of MNOK 95, Techstep has an undrawn credit facility of MNOK 15
- → Total cash and cash & liquidity reserves of MNOK ~110 within the Techstep group to support strategic initiatives going forward
- Note: The balance sheet is based on a preliminary conversion of Teki Solutions Group accounts from NGAAP to IFRS in which changes primarily relate to allocation of goodwill from historic acquisitions in the Teki Solutions Group. A final version of this conversion may affect the level of intangible assets and in turn reduce the level of the book equity

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Q3 Report: *25th November 2016*

Q4 Report: *23rd February 2017*

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