

Q4

PRESENTATION OF FOURTH QUARTER AND ANNUAL RESULTS FOR 2015

Acting CEO and CFO Roar Østbø



HIGHLIGHTS

Q4

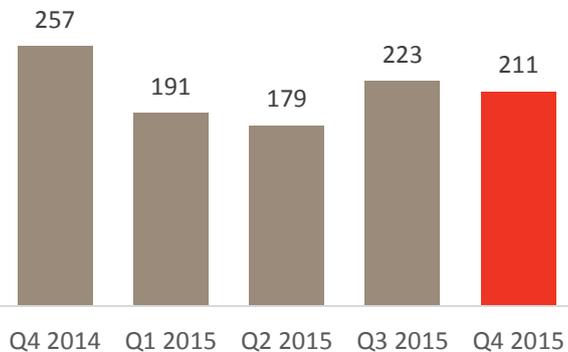
- Revenues in the fourth quarter were NOK 211 million (258), down 18.0% QoQ
- EBITDA NOK - 71 million, (-33.6% margin) normalised EBITDA NOK 9 million before non-recurring restructuring cost of NOK 80 million
- Positive cash flow from operations, increased cash at hand since Q3
- Order intake of NOK 210 million
- Initiated the Q-FREE ITS Transformation programme

2015

- Revenues NOK 804 MNOK up 2 % YoY
- ATMS increased revenues of 88% YoY, pro forma growth rate 25%
- Order intake NOK 1,070 million and backlog of NOK 748 million

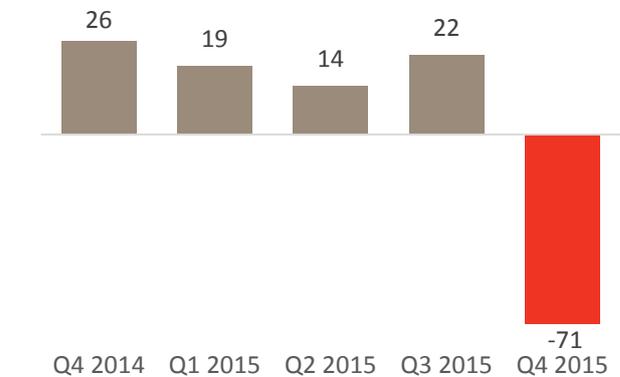
REVENUES LAST 5 QUARTERS

MNOK



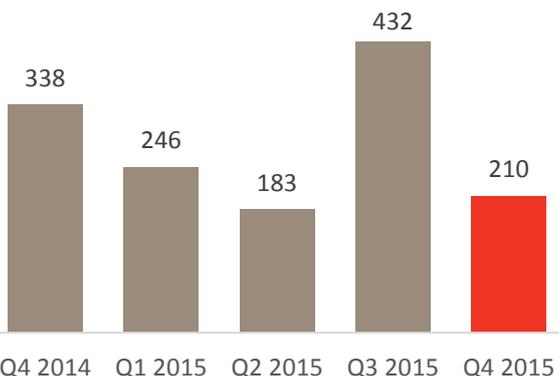
EBITDA LAST 5 QUARTERS

MNOK



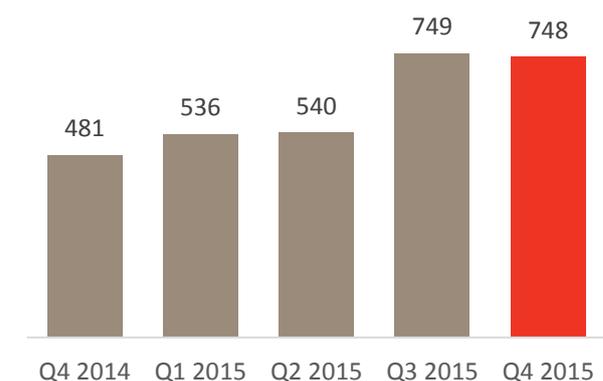
ORDER INTAKE LAST 5 QUARTERS

MNOK



ORDER BACKLOG LAST 5 QUARTERS

MNOK



FINANCIAL REVIEW

KEY FIGURES

NOK 1.000	Q4 2015	Q4 2014	Q/Q-%	FY 2015	FY 2014	Y/Y-%
Revenues	211 199	257 697	-18,0%	803 525	788 584	1,9%
Gross profit	127 442	178 064	-28,4%	571 173	506 411	12,8%
Gross margin - %	60,3%	69,1%		71,1%	64,2%	
Operating expenses	198 499	151 885	30,7%	587 149	421 666	39,2%
EBITDA	-71 057	26 179	-371,4%	-15 976	84 745	
EBITDA margin	-33,6%	10,2%		-2,0%	10,7%	
Depreciation, amortisation and impairment	79 239	21 834	262,9%	144 482	76 309	89,3%
Operating profit - EBIT	-150 296	4 345		-160 458	8 436	
EBIT margin	-71,2%	1,7%		-20,0%	1,1%	
Pre-tax profit	-160 989	-18 171		-182 098	-16 369	
Profit margin	-76,2%	-7,1%		-22,7%	-2,1%	
EPS	-2,31	-0,38		-2,78	-0,41	

REVENUES

The Q-Free Group generated revenues of NOK 211 million in the fourth quarter of 2015, down 18 percent from NOK 258 million in the fourth quarter of 2014.

GROSS PROFIT

Gross profit for the quarter ended at NOK 127 million (178), corresponding to a gross margin of 60%, down from 69 % from Q4 2014. The lower gross margin is due to write down of inventory related to the impairment of Tolling technology.

OPERATING EXPENSES

Operating expenses amounted to NOK 198 million in the fourth quarter. This is up from NOK 149 million in the previous quarter, and up from NOK 152 million in the fourth quarter 2014. The higher operating expenses follow the restructuring process and we have during the fourth quarter implemented actions that will reduce our annual cost base some NOK 70 million. These actions include organisational changes, reduction in the Management team and optimisation of investments in sales and technology development.

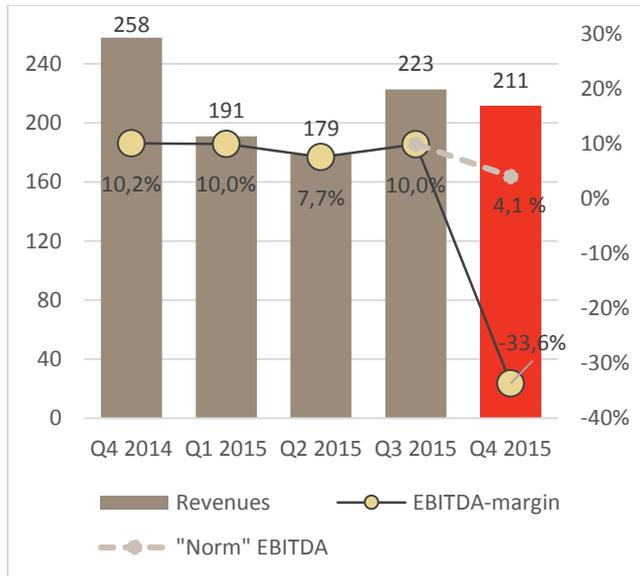
OPERATING PROFITS

Reported EBITDA in the fourth quarter 2015 ended at negative NOK 71 million, significantly down from NOK 26 million in the same quarter last year, and down from NOK 22 million in the third quarter 2015. The EBITDA decrease is explained by restructuring costs of NOK 80 million related to the Q-Free ITS transformation programme and normalised EBITDA amounts to NOK 9 million in the quarter.

Depreciation and amortisation was at NOK 79 million in the quarter (22). The increase reflects an impairment of Tolling technology of NOK 55 million.

Operating profit (EBIT) ended at negative NOK 150 million in the quarter (4), heavily impacted by the described restructuring process. This is NOK 155 million less than the corresponding quarter last year, and a decrease of NOK 148 million from the previous quarter. Normalised EBIT before non-recurring cost and impairment amounts to NOK – 15 million.

QUARTERLY REVENUES AND EBITDA MARGIN
MNOK & %



NET FINANCIAL ITEMS

Net financial items were negative NOK 11 million in the quarter, compared to a negative NOK 23 million in the same quarter last year. This is mainly related to lower financial costs due to currency fluctuations on working capital items and currency fluctuations on liabilities related to the future earn-out payments related to the ATMS acquisitions.

PROFITS

Reported pre-tax profit for the period was negative NOK 161 million, compared to a pre-tax profit of negative NOK 18 million in the fourth quarter 2014. Earnings per share was negative NOK 2.31 in the quarter (-0.38).

PROFIT AND LOSS 2015

Group revenues for full year 2015 amounted to NOK 804 million, up from NOK 789 million in 2014.

Full year gross profit ended at NOK 571 million, compared to NOK 506 million in 2014, corresponding to an increase of 13 percent.

Operating expenses amounted to NOK 587 million for 2015, up from NOK 422 million in 2014. NOK 80 million of the increase is explained by non-recurring restructuring costs in Q4-15.

EBITDA ended at negative NOK 16 million (+85) while operating profit (EBIT) ended at negative NOK 160 million (+8). Normalised EBITDA before non-recurring cost and impairment amounts to NOK 64 million while normalised operating profit (EBIT) ended at negative NOK 25 million in 2015.

Net financial items amounted to negative NOK 21 million for the year compared to negative NOK 25 million for last year.

Pre-tax profit for FY 2015 ended at negative NOK 182 million (- 16).

Reported earnings per share was NOK -2.78 (-0.41).

CASH FLOW

Net cash flow from operating activities was positive NOK 20 million in the fourth quarter of 2015. This compares to a positive NOK 60 million in the fourth quarter of 2014. The change partly reflects the lower profitability in the quarter, in addition to increased working capital. During the previous quarter, cash flow from operating activities was negative NOK 11 million.

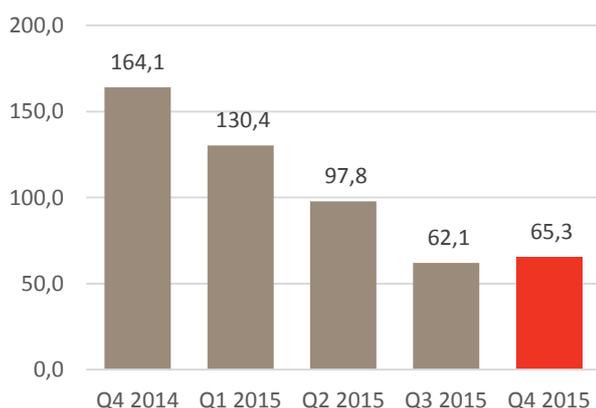
Net cash flow from investing activities was negative NOK 16 during the period (-38), mainly reflecting NOK 14 million in investments in technology projects. During the third quarter of 2015, cash flow from the investment activities was negative NOK 16 million.

Net cash flow from financing activities was 0 NOK during the period, unchanged from last year.

This gave a net increase in cash and cash equivalents of NOK 3 million in the quarter (+23), leaving the cash balance at the end of 2015 at NOK 65 million, up from NOK 62 million as at September 30 2015, and down from NOK 164 million twelve months earlier.

QUARTERLY CASH FUNDS

MNOK



Net cash flow from operating activities for 2015 was NOK -17 million (+60). Net cash flow from investing activities was NOK -123 million (-172), including NOK 15 million on the acquisition of Open Roads, NOK 8 million on the acquisition of Traffiko, NOK 18 million on the acquisition of Intelight, NOK 12 million on earn out payments related to the acquisition of TDC Systems, NOK 4 million on earn out payments related to the acquisition of Traffic Design, NOK 5 million on earn-out payment relating to the acquisition of TCS and NOK 61 million

on investments in technology and other fixed assets. Net cash flow from financing activities during 2015 was NOK 42 million (2) due to a new long term loan.

BALANCE SHEET

Total assets stood at NOK 997 million (984) at the end of the fourth quarter of 2015, down from NOK 1.087 million at the end of the third quarter 2015.

Total equity stood at NOK 416 million (529), down from NOK 554 million in the previous quarter. The decrease from the last quarter is due to loss in the period. The equity ratio was 42 percent (54), down from 51 percent at the end of the third quarter of 2015.

EQUITY PER SHARE

NOK

5.94

Non-current liabilities were NOK 167 million (193), compared to NOK 306 million from the end of the previous quarter. This reduction compared to the previous quarter is due to a reclassification of a bullet loan from Danske Bank (NOK 150 million) from long term liabilities to short term liabilities. Q-Free were in breach on the covenants at the end of 2015, but this has been sorted out in 2016.

Current liabilities was NOK 414 million at the end of the fourth quarter (262), up from NOK 228 million at the end of Q3 2015. The increase is explained by the same reclassification as mentioned in the above section.

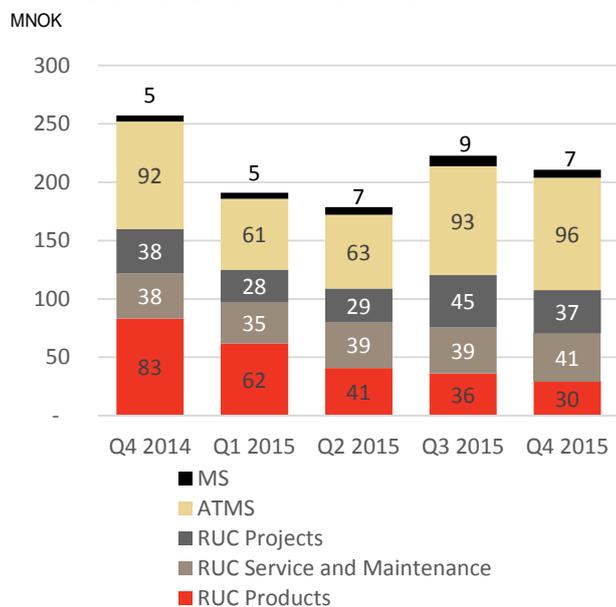
Net working capital (defined as current assets excluding cash less current liabilities) amounted to negative NOK 110 million at the end of the quarter (33) because of the reclassification of the bullet loan. This corresponds to negative 10 percent of last 12 months revenues. At the end of the third quarter 2015, net working capital was NOK 119 million, or 15 percent of revenues recent 12 months revenues. The ratio will vary between quarters depending on revenue composition and timing of payments.

Interest bearing debt to financial institutions was NOK 150 million (100) at the end of the period and is included in the net current working capital caused by the reclassification from non-current to current debt. Available unused credit facilities is NOK 150 million at the end of 2015.

The liquidity ratio was 0.9 at the end of the fourth quarter, compared to 1.8 both at the end of the corresponding period last year and at the end of the third quarter 2015.

OPERATIONAL REVIEW

QUARTERLY REVENUES BUSINESS AREAS



TOLLING

MNOK	Q4 2015	Q3 2015	Q4 2014
Revenues			
- Products	29.6	36.3	83.3
- Service & Maintenance	41.1	39.3	38.4
- Projects	37.0	44.9	38.2
TOLLING Revenues	107.6	120.5	159.8
TOLLING EBITDA	-24.2	12.1	14.7
TOLLING EBITDA-margin (%)	-22.5%	10.0%	9.2%

The Tolling business area, including Products, Projects and Service & Maintenance, remains the largest contributor to overall revenues in Q-Free, representing 51 percent of overall revenues in the fourth quarter. Following the strategic change and severe market conditions, and the build-up of additional activities within ATMS and Managed Services, the tolling share of revenues has been steadily decreasing in the recent quarters. In the third quarter this year the Tolling share of total revenues were 54 percent.

Revenues within the Products segment ended at NOK 30 million, down from 83 million in the corresponding quarter 2014. The revenues in the fourth quarter were mainly related to tag-deliveries in France, Australia, Chile and Portugal. During the quarter, Q-Free entered an agreement for deliveries of tags in Chile at NOK 32 million.

Revenues from Service and maintenance remained stable during the quarter, and were mainly related to on-going contracts in Portugal, Sweden, Norway and Australia. Q4 2015 revenues ended at NOK 41 million, slightly up from NOK 39 million in Q3 2015 and NOK 38 million in the corresponding quarter 2014.

Within Projects, the activity is positively affected by recent wins in Norway, and the on-going tail on the Norwegian central system. Q-Free started also on the project won in Chile during the third quarter. Revenues in the quarter ended at NOK 37 million, down from NOK 45 million in the previous quarter and down from NOK 38 million in the corresponding period last year.

Q4 2015 EBITDA for the RUC segment ended at NOK -24.2 million (14.7) highly impacted by the restructuring cost.

ADVANCED TRANSPORTATION MANAGEMENT SYSTEMS (ATMS)

MNOK	Q4 2015	Q3 2015	Q4 2014
ATMS Revenues	96.1	93.0	92.1
ATMS EBITDA	-36.2	9.9	12.3
ATMS EBITDA-margin (%)	-37.4%	10.7%	13.3%

Q-Free is seeking to expand its platform for future revenue generation, while increasingly focusing our efforts on certain geographies and sub-segments.

During 2014 and 2015, the company made several acquisitions within the ATMS-segment, building a product and service platform for addressing new markets and continued growth. These acquisitions have strengthened Q-Free's presence in the US, and is strategically a good match with existing RUC activities as it both complement and balance our offering portfolio.

During the fourth quarter in 2015, revenues from the ATMS activities amounted to NOK 96 million, up from NOK 93 million in the previous quarter. During the third quarter in 2015, ATMS revenues amounted to NOK 92 million.

The increased revenues improved the earnings within the segment, however ATMS was also impacted by non-recurring restructuring cost and EBITDA ended at NOK -36 million during the period (12). In the previous quarter EBITDA within ATMS was positive by NOK 10 million.

During the last few quarters, order intake from the ATMS activities has increased significantly, and during the fourth quarter ATMS' share of revenues accounted for 46 percent of overall revenues, up from 42 percent in Q3 2015 and 36 percent in Q4 2014. This reflects Q-Free's increasing focus on this area and the revenue development is in line with the company's expectations to continue to grow the revenue base moving forward.

MANAGED SERVICES (MS)

MNOK	Q4 2015	Q3 2015	Q4 2014
MS Revenues	6.7	9.2	5.1
MS EBITDA	-10.7	0.3	-0.8
MS EBITDA-margin (%)	-159.4%	2.8%	-15.5%

The MS business area is in the process of defining and building a portfolio of managed services offerings. Q-Free is currently delivering two MS projects, and pursuing several leads.

Q4 2015 revenues for Managed Services amounted to NOK 7 million, down from NOK 9 million in Q3 2015 and up from NOK 5 million in Q4 2014.

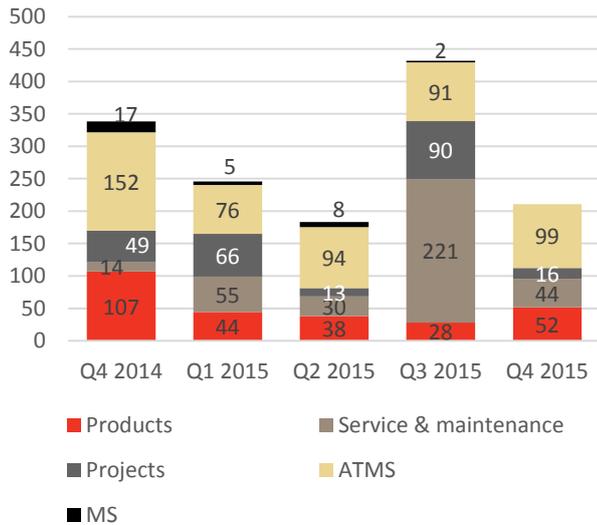
EBITDA ended at NOK -10.7 million (-1) during the period, also impacted by restructuring cost.

ORDER INTAKE AND BACKLOG
(MANAGED SERVICES FIGURES INCLUDED IN PROJECTS)

During the fourth quarter, Q-Free announced orders of NOK 83 million while total order intake during the period amounted to NOK 210 million, down from NOK 432 in the previous quarter, and NOK 338 million in Q4 2014.

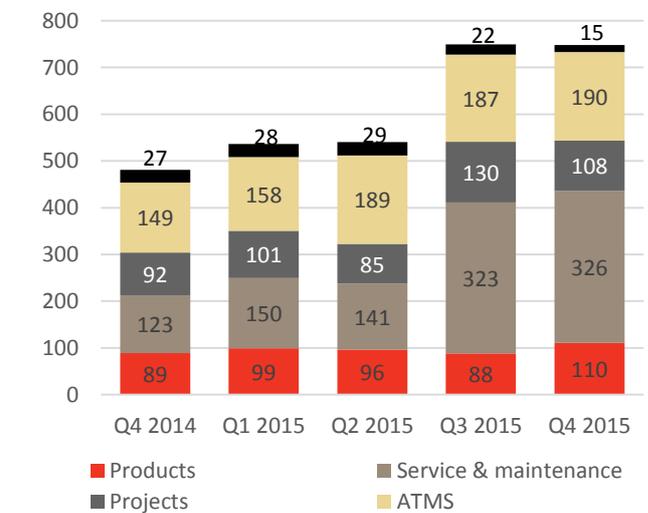
Distributed by business areas, Service & Maintenance accounted for NOK 326 million, or 44 percent of total order back log. ATMS accounted for NOK 190 million, (25 percent), Projects for NOK 108 million (14 percent), while Products accounted for NOK 110 million (15 percent). Order back log for Managed Services at the end of 2015 stood at NOK 15 million, representing some 2 percent of the Groups total order backlog.

QUARTERLY ORDER INTAKE BY BUSINESS AREA
MNOK



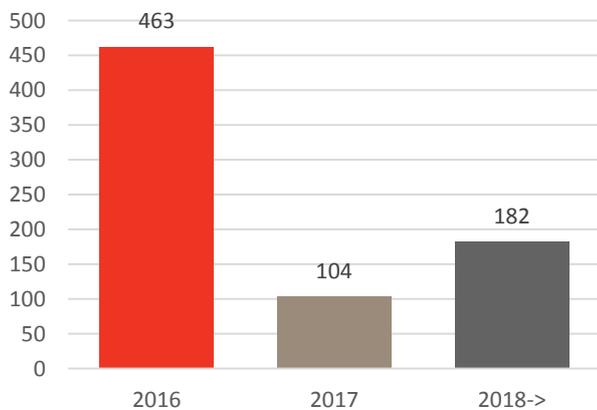
The Group's order backlog at the end of 2015 was NOK 748 million, significantly up from NOK 481 by the end of the corresponding period last year, and on the same level as the previous quarter.

QUARTERLY ORDER BACKLOG BY BUSINESS AREA
MNOK



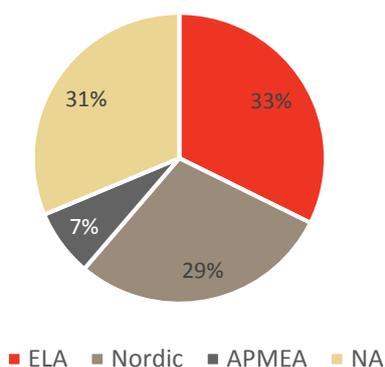
NOK 4
63 million of the backlog is due for delivery in 2016.

ORDER BACK LOG DISTRIBUTION AS OF 31.12.15
MNOK

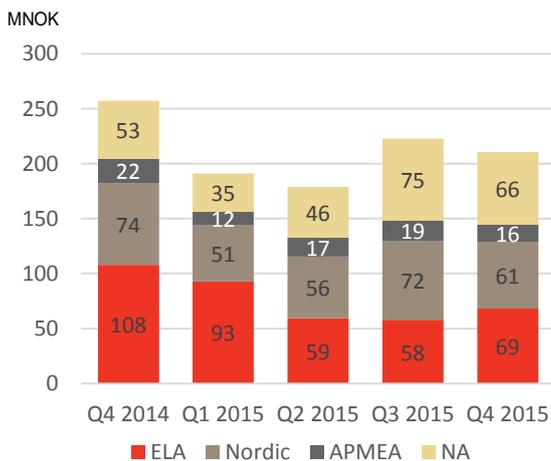


MARKET REVIEW

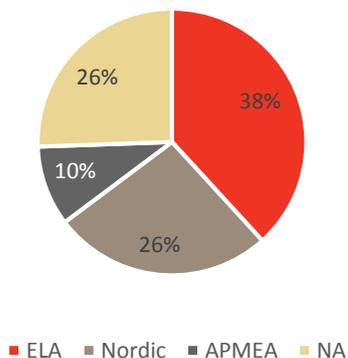
Q4 2015 REVENUE DISTRIBUTION BY REGION (%)



QUARTERLY REVENUES BY REGION



Q4 2015 ORDER INTAKE DISTRIBUTION BY REGION (%)



EUROPE AND LATIN AMERICA (ELA)

Revenues in the ELA region amounted to NOK 69 million in the quarter, up from NOK 58 million in the previous quarter and down from NOK 108 million in Q4 2014. Order intake in the region amounted to NOK 79 million during the period, down from NOK 241 million in Q3 2015. Total order backlog for the Europe and Latin America region stood at NOK 318 million by the end of the quarter.

While the region accounted for 33 percent of overall revenues during the period, ELA accounted for 38 percent of total order intake, and by the end of the period, Europe and Latin America accounted for 42 percent of the Q-Free Group's total order backlog.

During the quarter, Q-Free TDC was awarded Traffic Management contracts at a value of NOK 24 million for Weigh-In-Motion systems.

In Brazil Q-Free received an order of 60,000 RFID tags during the quarter.

In Chile, Q-Free was awarded an order for tags from Vespucio Norte Express at a value of NOK 32 million.

Q-Free is currently involved in a number of project tenders across Europe, and based on the increasing activity the region is expected to return as a key market for Q-Free in 2016.

THE NORDICS (NORDIC)

Revenues in the Nordic region amounted to NOK 61 million in the quarter, down from NOK 72 million in the previous quarter and NOK 74 million in the corresponding period last year. Order intake amounted to NOK 56 million during the period, down from NOK 88 million in Q3 2015.

During the quarter, Q-Free received tolling orders from the Norwegian Public Roads Administration (NPRA) in "Bypakke Grenland" at a value of NOK 27 million.

The Nordic region accounted for 29 percent of overall revenues in the quarter, while the region accounted for 26 percent of overall order intake. By the end of the period, The Nordics represented 26 percent of Group order backlog.

Project activity is picking up in the region both in Norway and Sweden, and Q-Free continues to deliver Service & Maintenance in Sweden, relating to the Stockholm and Gothenburg installations.

ASIA, MIDDLE EAST AND AFRICA (APMEA)

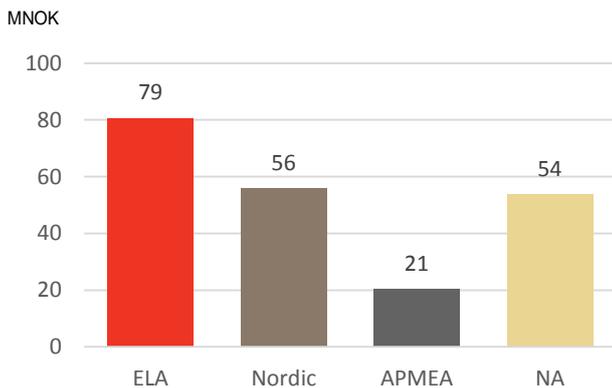
Revenues in the APMEA region amounted to NOK 16 million in the fourth quarter, slightly down from NOK 19 million in the previous quarter and down from NOK 22 million in the fourth quarter of 2014. Order intake ended at NOK 21 million, compared to NOK 27 million in the previous quarter.

During the period, Q-Free was awarded the first small Traffic Management contracts in the region.

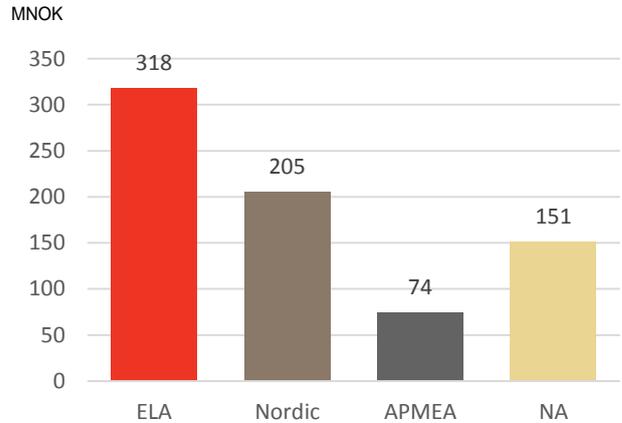
The APMEA region accounted for 7 percent of overall revenues and 10 percent of total order intake in the quarter. By the end of the period, APMEA represented 10 percent of Group order backlog.

Q-Free is currently involved in significant project tenders in the region and additional tenders are expected to come to market in the coming quarters.

Q4 2015 ORDER INTAKE BY REGION



ORDER BACKLOG BY REGION AS OF 31.12.15



NORTH AMERICA (NA)

The revenues for the period amounted to NOK 66 million in the fourth quarter. This is down from NOK 75 million in the previous quarter and up from NOK 53 million in the fourth quarter of 2014.

During the period, Q-Free was awarded a contract for Weigh-in-motion (WIM) services and equipment in the region.

Order intake ended at NOK 54 million during the quarter. This is down from NOK 75 million in the third quarter, and NOK 90 million in the corresponding period last year.

The share of Group revenues from North America continue to increase, and in Q4 the region accounted for 31 percent. Order intake from North America accounted for 26 percent during the period, and by the end of the period the region accounted for 26 percent of the Q-Free Group's total order backlog.

Q-Free is increasingly positive with regards to the prospects in the North American market, both within Tolling and Traffic Management. Q-Free was after the end of the quarter awarded a strategic important Tolling Contract from TransCore on the Central Florida Expressway at a value of NOK 45 million.

OUTLOOK

Q-Free is currently moving through a transition period. 2015 has demonstrated that the Tolling product market remains tough. However, the company experiences increased tendering and project activity for Tolling systems. Within ATMS Q-Free experienced growth both organic and through acquisitions. Order intake during 2015 has been good and the order backlog into 2016 is satisfactory.

Q-Free Board of Directors and management are not satisfied with the financial performance during 2015. The implemented restructuring and transformation into an ITS company will make Q-Free more financial robust and profitable in 2016 and onwards.

The Board of Directors and Management decided during the fourth quarter to initiate the next steps in the transformation of Q-Free from a Road User Charging company into a fully integrated ITS-company. Q-Free has, during the last few years acquired eight companies in order to broaden the technology and customer base. To maximise the potential of our assets, Q-Free decided to take further actions to

streamline the company and reduce the fixed cost base and investment level in order to extract synergies and reduce activities in some areas. These actions included organisational changes, reduction in the Management team and organisation, and optimisation of investments in sales and technology development. After the implementation of this in 2015, these actions amounted to a reduction in annual costs of NOK 65-70 million for 2016 and onwards. This will significantly improve our profitability and financial robustness going forward. These initiatives will further strengthen our ability to become an ITS company with competitive solutions addressing the global ITS market. Moving forward, Management will focus on developing a sound commercial and operational platform to support further growth. Furthermore, Q-Free will bring to market joint offerings, leveraging technologies from various parts of the Q-Free technology portfolio. These will primarily be in the areas of Tolling, Parking Management and Traffic Management. Q-Free aims to continue the transformation and build a profitable growth company serving the global ITS market.

FINANCIAL STATEMENTS

The condensed interim consolidated financial statements per 31.12.15 (unaudited):

- Interim consolidated income statement
- Interim consolidated statement of comprehensive income
- Balance sheet
- Cash Flow Statement
- Statement of changes in equity
- Key figures
- Notes to financial statements

INTERIM CONSOLIDATED INCOME STATEMENT

NOK 1.000	Note	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenues		211 199	257 697	803 525	788 584
Cost of goods sold		83 757	79 633	232 352	282 173
Payroll expenses		100 603	77 721	304 419	230 917
Other operating expenses		97 896	74 164	282 730	190 750
Total operating expenses		282 256	231 518	819 501	703 839
EBITDA		-71 057	26 179	-15 976	84 745
Depreciation, amortisation and impairment	8, 10	79 239	21 834	144 482	76 309
EBIT		-150 296	4 345	-160 458	8 436
Financial income	9	14 451	12 003	76 999	29 763
Financial expenses	9	-25 144	-34 519	-98 639	-54 568
Net financial items		-10 693	-22 516	-21 640	-24 805
Profit before tax		-160 989	-18 171	-182 098	-16 369
Tax expenses	10	-755	-8 085	-12 600	-10 589
Profit for the period		-161 744	-26 256	-194 698	-26 958
Attributable to :					
Minority interests		0	-24	0	1 802
Equity holders of the parent		-161 744	-26 232	-194 698	-28 760
Profit		-161 744	-26 256	-194 698	-26 958
Number of employees		429	399	429	399
Gross margin		60,3 %	69,1 %	71,1 %	64,2 %
EBITDA margin		-33,6 %	10,2 %	-2,0 %	10,7 %
EBIT margin		-71,2 %	1,7 %	-20,0 %	1,1 %
Profit margin		-76,2 %	-7,1 %	-22,7 %	-2,1 %
EPS (NOK)		-2,31	-0,38	-2,79	-0,42
EPS, diluted (NOK)		-2,31	-0,38	-2,78	-0,41

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK 1.000	Note	Q4 2015	Q4 2014	FY 2015	FY 2014
Profit for the period		-161 744	-26 256	-194 698	-26 958
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	10	25 440	50 754	72 983	64 572
Net (loss)/gain on available-for-sale financial assets		-20	1 217	-3 370	1 217
- Income tax effect		0	0	0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:		25 420	51 971	69 613	65 789
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gains (losses) on defined benefit plans		-695	-9 638	-695	-9 638
- Income tax effect		0	0	0	0
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-695	-9 638	-695	-9 638
Total comprehensive income for the period		-137 019	16 077	-125 780	29 193

BALANCE SHEET - ASSETS

NOK 1.000	Note	31.12.2015	30.09.2015	30.06.2015	31.03.2015	31.12.2014
Development	8, 10	214 526	271 767	263 598	208 991	215 036
Goodwill	10	367 465	357 877	328 811	237 933	227 969
Deferred tax assets	10	0	0	0	12 285	15 349
Total intangible assets		581 991	629 644	592 409	459 209	458 354
Machinery, fixtures and fittings		43 854	46 303	48 854	49 819	51 799
Total fixed assets		43 854	46 303	48 854	49 819	51 799
Shares		660	671	545	8 984	13 001
Pension funds		0	0	0	0	0
Other long term receivables		1 592	1 192	794	2 420	2 158
Total financial fixed assets		2 252	1 863	1 339	11 404	15 159
Total non - current assets		628 097	677 810	642 602	520 432	525 312
Inventories		81 378	92 927	74 646	62 610	48 223
Total inventories		81 378	92 927	74 646	62 610	48 223
Accounts receivables		149 606	166 062	143 172	136 312	167 378
Work in progress		44 269	54 688	36 219	61 425	56 903
Other receivables		28 616	33 531	25 446	22 606	21 857
Total receivables		222 491	254 281	204 837	220 343	246 138
Cash		65 349	62 134	97 752	130 362	164 133
Total current assets		369 218	409 342	377 235	413 315	458 494
Total assets		997 315	1 087 152	1 019 837	933 747	983 806

BALANCE SHEET - EQUITY & LIABILITIES

NOK 1.000	Note	31.12.2015	30.09.2015	30.06.2015	31.03.2015	31.12.2014
Subscribed share capital		26 627	26 627	26 627	26 627	26 143
Share premium reserve		439 350	439 350	439 350	439 350	426 956
Other paid in capital		20 529	20 529	20 529	20 529	20 529
Total paid in capital		486 506	486 506	486 506	486 506	473 628
Other equity	10	-70 007	67 012	49 245	55 680	55 773
Total retained equity		-70 007	67 012	49 245	55 680	55 773
Total equity		416 499	553 518	535 751	542 186	529 401
Pension liabilities		18 775	18 293	18 293	18 293	18 293
Deferred tax	10	12 630	14 173	3 881	19 808	19 808
Debt to financial institutions		0	150 000	150 000	100 000	100 000
Other non-current liabilities		135 894	123 322	108 373	56 439	54 460
Total non-current liabilities		167 299	305 788	280 547	194 540	192 561
Debt to financial institutions		150 000	0	0	0	0
Accounts payable		77 913	77 001	67 120	61 691	74 155
Tax payable		2 051	1 885	4 382	5 752	8 201
Public duties payable		19 713	11 006	14 528	16 365	19 721
Advance payments customers		12 576	5 518	11 790	9 922	18 914
Other short term debt		151 264	132 436	105 719	103 291	140 853
Total current liabilities		413 517	227 846	203 539	197 021	261 844
Total liabilities		580 816	533 634	484 086	391 561	454 405
Total equity and liabilities		997 315	1 087 152	1 019 837	933 747	983 806

CASH FLOW STATEMENT

NOK 1.000	Q4 2015	Q4 2014	FY 2015	FY 2014
Earnings before tax	-160 989	-18 171	-182 098	-16 369
Taxes paid	-4 475	-2 817	-19 272	-10 198
Depreciation / impairment	79 239	21 834	144 482	76 309
Other operational items	106 192	59 629	39 644	13 569
Cash flow from operating activities	19 967	60 475	-17 244	63 310
Investments intangible assets	-15 673	-40 483	-56 240	-60 587
Investments tangible assets	-1 079	2 665	-8 620	-8 487
Acquisition of a subsidiary, net of cash acquired	0	0	-63 434	-103 406
Other investments	0	0	4 881	0
Cash flow from investment activities	-16 752	-37 818	-123 413	-172 480
Proceeds from new loans	0	0	50 000	0
Down payments of debt to financial institutions	0	0	-8 127	0
Share issue	0	0	0	0
Other financial items	0	0	0	1 826
Cash flow from financing activities	0	0	41 873	1 826
Net change in cash and cash equivalents	3 215	22 657	-98 784	-107 344
Cash and cash equivalents per 01.01.	62 134	141 476	164 133	271 477
CASH AND CASH EQUIVALENTS	65 349	164 133	65 349	164 133

STATEMENT OF CHANGES IN EQUITY

NOK 1.000	Equity attributable to equity holders of the parent							Total	Non controlling interests	Total equity
	Subscribed share capital	Share premium reserves	Other paid in Capital	Other equity	Foreign currency translation reserve	Actuarial gains and losses	Available-for-sale reserve			
Equity per 31.12.14	26 144	426 956	20 529	14 814	49 223	-11 570	3 305	529 401	0	529 401
Total comprehensive income for the period	0	0	0	-194 698	72 983	-695	-3 370	-125 780	0	-125 780
Share issue arising from acquisitions	484	12 394	0	0	0	0	0	12 878	0	12 878
Equity per 31.12.15	26 627	439 350	20 529	-179 884	122 206	-12 265	-65	416 499	0	416 499
Equity per 31.12.13	25 830	415 553	20 529	43 574	-15 349	-1 932	2 088	490 294	20 789	511 084
Total comprehensive income for the period	0	0	0	-28 760	64 572	-9 638	1 217	27 391	1 802	29 193
Share issue arising from acquisitions	314	11 402	0	0	0	0	0	11 716	0	11 716
Sale of non-controlling interests	0	0	0	0	0	0	0	0	-22 591	-22 591
Equity per 31.12.14	26 144	426 956	20 529	14 814	49 223	-11 570	3 305	529 401	0	529 401

KEY FIGURES

	Q4 2015	Q4 2014	31.12.2015	31.12.2014
Operating profit / EBIT per share (NOK)	-2,14	0,06	-2,30	0,12
Operating margin (%)	-71,2 %	1,7 %	-20,0 %	1,1 %
EPS (NOK)	-2,31	-0,38	-2,79	-0,42
EPS, diluted (NOK)	-2,31	-0,38	-2,78	-0,41
Cash flow per share (NOK)	0,28	0,88	-0,25	0,92
Equity per share (NOK)	5,97	7,72	5,97	7,72
Equity ratio (%)	41,8 %	53,8 %	41,8 %	53,8 %
Liquidity ratio	0,9	1,8	0,9	1,8
Average number of shares	70 070 552	68 798 142	69 781 209	68 574 155
Average number of shares diluted	70 070 552	69 848 142	70 155 182	69 499 497

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1 – GENERAL

The consolidated condensed interim financial statements for the fourth quarter preliminary full-year result 2015 was approved by the Board of Directors at its meeting on February 9 2016.

Q-Free is a leading global supplier of products and solutions within Road User Charging and Advanced Transportation Management Systems. The Q-Free Group has approximately 430 employees with offices in 20 countries and presence on all continents. The Q-Free head office is in Trondheim, Norway. Q-Free is listed on Oslo Stock Exchange under the ticker QFR.

NOTE 2 – STATEMENT OF COMPLIANCE

These consolidated interim financial statements for the fourth quarter 2015, combined with other relevant financial information in this report, have been prepared in accordance with the regulations of the Oslo Stock Exchange and the requirements in IAS 34. These condensed consolidated interim financial statements for the quarter and 2015, have not been audited or subject to review by the Group's auditor. The financial statements do not include all of the information required for a full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2014. The consolidated financial statements for 2014 is available upon request from the company's registered office in Trondheim or at our website, www.q-free.com.

NOTE 3 – ACCOUNTING PRINCIPLES

The consolidated financial statements of the Q-Free Group for the fourth quarter and preliminary full-year result 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The Group has used the same accounting policies and standards as in the consolidated financial statements as at December 31 2014.

NOTE 4 – USE OF ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates can result in outcome that requires a material adjustment to the carrying amount of the assets or liability affected in future periods.

NOTE 5 – EVENTS AFTER THE BALANCE SHEET DATE

No significant events, which are not mentioned in this report, have occurred since the balance sheet date.

NOTE 6 – FORWARD LOOKING STATEMENTS

This report contains statements regarding the future in connection with Q-Free's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Outlook" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profit and development deviating substantially from what have been expressed or implied in such statements. These factors include the risk factors described in a separate section in this report.

NOTE 7 – OPERATING SEGMENTS

TOLLING

The TOLLING area (Road User Charging), including Products, Projects and Service & Maintenance, remains the largest contributor to overall revenues in Q-Free, representing 58 percent of overall revenues as at 31.12.15. Following the strategic change and the following build-up of additional activities within AMTS and Managed Services, this share is expected to steadily decreasing in the next quarters.

MNOK	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Products	29.6	36.3	40.9	61.8	83.3
Service & maintenance	41.1	39.3	39.2	35.1	38.4
Projects	37.0	44.9	28.8	28.2	38.2
TOLLING Revenues	107.6	120.5	108.9	125.1	159.8
EBITDA TOLLING	-24.2	12.1	17.1	19.4	14.7
<i>EBITDA-% TOLLING</i>	<i>-22.5%</i>	<i>10.0%</i>	<i>15.7%</i>	<i>15.5%</i>	<i>9.2%</i>

ADVANCED TRANSPORTATION MANAGEMENT SYSTEMS (ATMS)

Q-Free is continuously seeking to expand its platform for future revenue generation. During 2014 and 2015 the company made several acquisitions within the ATMS-segment, building a product and service platform for further addressing new markets and continued growth. These acquisitions have strengthened our presence in the US, and is a strategically good match with existing TOLLING activities. We have received ATMS orders for 272 MNOK from North American customers during 2015.

MNOK	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
ATMS Revenues	96.1	93.0	63.2	60.6	92.1
EBITDA ATMS	-36.2	9.9	-1.3	1.0	12.3
<i>EBITDA-% ATMS</i>	<i>-37.7%</i>	<i>10.7%</i>	<i>-2.1%</i>	<i>1.6%</i>	<i>13.3%</i>

MANAGED SERVICES (MS)

The MS business area is in the process of defining and building a portfolio of defined managed services offerings. Q-Free are currently delivering two MS projects, and are pursuing leads in all regions.

MNOK	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
MS Revenues	6.7	9.2	6.6	5.2	5.1
EBITDA MS	-10.7	0.3	-2.1	-1.2	-0.8
<i>EBITDA-% MS</i>	<i>-159.4%</i>	<i>2.8%</i>	<i>-31.9%</i>	<i>-23.6%</i>	<i>-15.5%</i>

NOTE 8 – DEPRECIATIONS, AMORTISATIONS AND IMPAIRMENTS

NOK 1.000

Depreciations, amortisations and impairments	Q4 2015	Q4 2014	FY 2015	FY 2014
Capitalised development cost	9 503	9 652	44 844	33 966
Impairment development cost	55 523	0	55 523	0
Capitalised acquired development cost	10 685	6 783	27 550	20 811
Other	3 528	5 399	16 565	21 532
Total	79 239	21 834	144 482	76 309

Specifications of capital expenditures, balance sheet	Q4 2015	Q4 2014	FY 2015	FY 2014
Capitalised development cost	13 097	40 483	53 664	60 587
Capitalised acquired development cost	556	51 020	146 501	191 366
Other	1 079	-2 665	8 620	8 487
Total	14 732	88 838	208 785	260 440

NOTE 9 – FINANCIAL ITEMS

NOK 1.000

Financial items	Q4 2015	Q4 2014	FY 2015	FY 2014
Realised agio / disagio	-3 356	-6 942	-16 011	-9 359
Unrealised agio / disagio	1 651	1 645	9 650	2 291
Currency effects earn-out	567	-5 950	-3 555	-5 950
Change earn-out	-6 935	-8 303	-6 935	-8 303
Other financial income	-2 058	6 343	5 381	12 996
Other financial expenses	-562	-9 309	-10 170	-16 480
Total	-10 693	-22 516	-21 640	-24 805

NOTE 10 – CHANGES RELATED TO PREVIOUS QUARTERS

Any goodwill arising on the acquisition of a foreign company and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign company shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign company and shall be translated at the closing rate. We have previously converted currency on the time of the acquisition, and treated the effects in NOK.

We have implemented the currency effects as at 31.12.2015 and restated previous quarters.

NOK 1.000

Changes related to previous quarters	31.12.14	Adjust.	Restated 31.12.14	31.03.15	Adjust.	Restated 31.03.15	30.06.14	Adjust.	Restated 30.06.15	30.09.15	Adjust.	Restated 30.09.15
Development	202 777	12 259	215 036	193 870	15 121	208 991	248 796	14 802	263 598	245 810	25 957	271 767
Goodwill	192 885	35 084	227 969	192 885	45 048	237 933	284 158	44 653	328 811	284 158	73 719	357 877
Deferred tax assets	18 680	-3 331	15 349	16 435	-4 150	12 285	0	0	0	0	0	0
Total assets	414 342	44 012	458 354	403 190	56 019	459 209	532 954	59 455	592 409	529 968	99 676	629 644
Other equity (OCI)	11 761	44 012	55 773	-339	56 019	55 680	-6 614	55 859	49 245	-25 356	92 368	67 012
Deferred tax	19 808	0	19 808	19 808	0	19 808	285	3 596	3 881	6 865	7 308	14 173
Total equity and liabilities	31 569	44 012	75 581	19 469	56 019	75 488	-6 329	59 455	53 126	-18 491	99 676	81 185

The effects on depreciation and tax expenses in the profit for 2014 and previous quarters in 2015 are immaterial and for that reason we have not restated the profit previous quarters.

RISK FACTORS

Q-Free is an international technology company exposed to a number of different risk factors. The following outlines the most prominent operational and financial risk factors and the main risk-mitigation actions and measures:

PROJECT RISK

Q-Free's order backlog include elements of demanding and complex large-scale project deliveries, which may involve considerable risk in terms of timing and costs. Q-Free holds in-depth knowledge of customer requirements as well as the boundaries of its own project capabilities, and seeks to reduce risk in contract negotiations. Historically, exposure to large contracts has been significant, and in recent years a large contract in Australia was cancelled. To mitigate risk and stabilise revenues moving forward, Q-Free has refocused its approach, targeting a higher number of small- and mid-sized opportunities.

POLITICAL RISK

Tolling projects and some ATMS projects are normally directly or indirectly subject to governmental concessions, and the company is exposed to political risk from lead identification through contract awards to final project implementation.

Political risk often correlates with the scope and size of the project, such that large projects hence entail relatively more risk than smaller projects. The broadened scope of business in the tolling market is expected to mitigate this risk, and the entry into the ATMS market will add new revenue streams less exposed to political risk.

TECHNOLOGY RISK

Q-Free is exposed to quality risk both related to the quality of own work and the quality of deliveries from subcontractors. Q-Free attempts to mitigate this risk through internal auditing and a non-conformance reporting system ensuring that employees carry out their work in accordance with well-defined processes. Q-Free clearly states its quality expectations in contracts with subcontractors and carries out regular quality reviews.

The management and board of directors performs quarterly risk reviews on a group level, and make the provisions necessary to cater for possible financial implications of identified risks.

CURRENCY RISK

Q-Free reported revenues of NOK 804 million in 2015, of which NOK 615 million were generated outside of Norway, leaving Q-Free with a considerable exposure to foreign currencies. Q-Free operates businesses outside of Norway and buys a substantial share of equipment and components abroad. This mitigated the Group's net foreign currency

exposure to approximately 10 percent of revenues in 2015. The Group's most important trading currencies are NOK, USD, EUR and GBP.

Q-Free's policy is to limit currency risk while actively assessing various currencies' importance as competitive parameters. The Group strategy is to compare estimated future sales and purchases and hedge the net cash flow in the foreign currency by using forward / future contracts.

CREDIT RISK

Risk related to our customers' ability to fulfil their financial obligations is generally considered to be low, given that the Group's main customers are oftentimes government-controlled entities, or relatively large and solid private companies. The company has historically had a low bad debt to accounts receivables ratio.

Sovereign risk related to governments failing to honour their debt obligations may have increased in several markets, although Q-Free has to date not incurred any losses on debt to any government-related entity in any market.

The Group seeks to conduct business with parties with an acceptable credit record. The Group has guidelines to ensure that outstanding amounts are kept below given credit limits and that sales are made only to customers with no history for significant credit problems.

When Q-Free enters a new market, the credit risk will be assessed in each individual case and appropriate actions like letters of credit, Norwegian Export Credit Agency guarantees, advance payments, or other similar tools are being used in order to reduce credit risk.

The Group has no significant credit risk linked to any individual contracting party or to contracting parties that may be regarded as a group due to similarities in credit risk. The Group has not provided any guarantees for third parties' liabilities.

INTEREST RATE RISK

The interest level has significant influence on the consolidated profit. To ensure predictability the Group has preferred short-term interest rates (NIBOR 3 months plus a small mark-up) on its debt. Deposits are linked to the same underlying rate to mitigate the risk related to changes in the NIBOR.

LIQUIDITY RISK

The Q-Free ASA Group's strategy is to hold sufficient cash, cash equivalents or credit facilities at any time to be able to finance its operations and planned investments over the next three years. Surplus cash funds are deposited in banks with

the purpose of securing an acceptable, low-risk return on the invested capital.

The Board of Directors assesses the liquidity at the end of 2015 to be sufficient to cover the company's planned operations and investment requirements. Strict execution of the announced cost reductions as well as management of working capital are critical mitigating factors to fulfil the above requirements.

RISK OF CORRUPTION

Q-Free ASA operates in some geographies and industries exposed to corruption. Q-Free has established a Code of Conduct, as well as conducted a corruption risk analysis and devised an awareness programme to increase awareness and limit our exposure. For further information, please see our CSR report.

KEY INFORMATION

Q-FREE ASA

POB 3974 Leangen
7443 Trondheim
Norway

Homepage: www.q-free.com
Email: info@q-free.com
Telephone: +47 73 82 65 00
Organisation number: NO 935 487 242
Founded: 1984

HQ visitors address: Strindfjordvegen 1,
7053 Ranheim,
Norway

FINANCIAL CALENDAR

First quarter 2016: 28.04.2016
Second quarter 2016: 18.08.2016
Third quarter 2016: 27.10.2016
Fourth quarter 2016: 14.02.2017

BOARD OF DIRECTORS

Charlotte Brogren	Acting Chairman of the Board
Anders Endre Nybø	Acting Vice Chairman of the Board
Jan Pihl Grimnes	Board member
Ragnhild Wahl	Board member
Anders Hagen	Employee elected Board member
Sissel Lillevik Larsen member	Deputy Employee elected Board member

MANAGEMENT

Roar Østbø	Acting CEO and CFO
Jos Nijhuis	CTO
Morten Andersson	COO
Per Fredrik Ecker	VP APMEA
Morten Andersson	VP ELA
Pål-Rune Johansen	VP Nordic
Alan Allegretto	VP NA

INVESTOR RELATIONS

CFO, Roar Østbø
roar.ostbo@q-free.com
Cell: +47 932 45 175

