

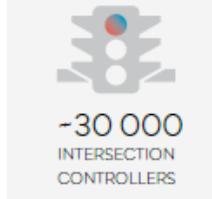
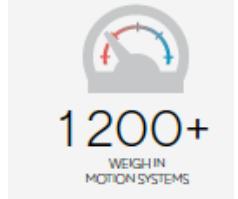
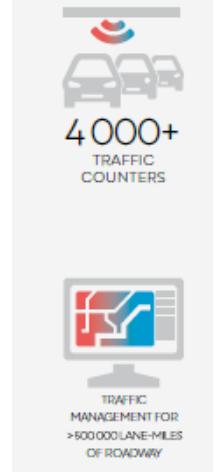
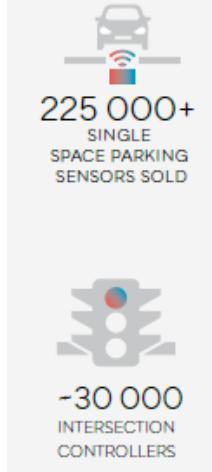
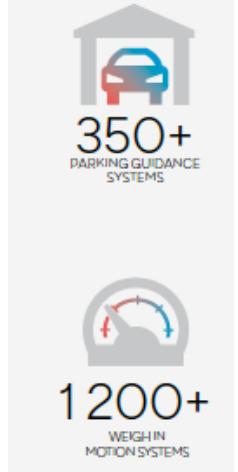
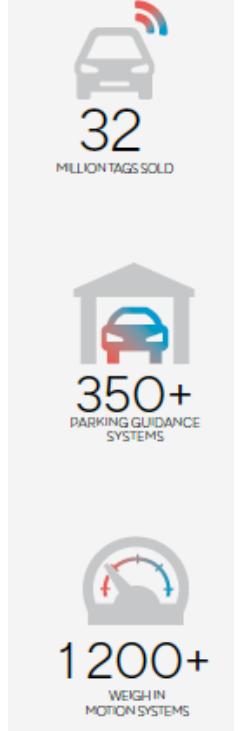
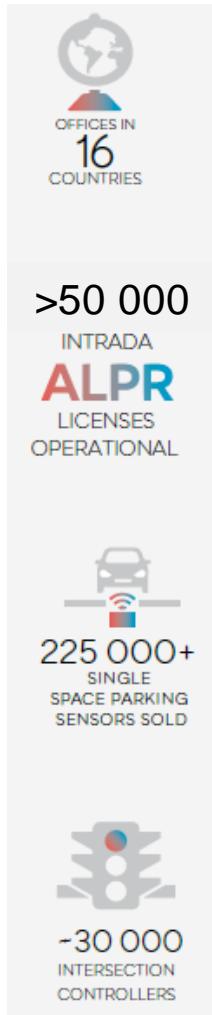
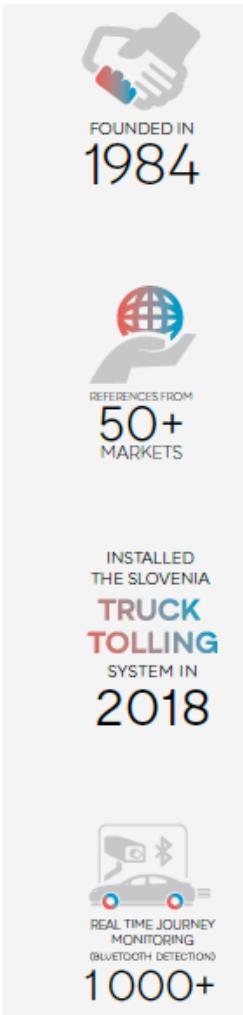
Q4

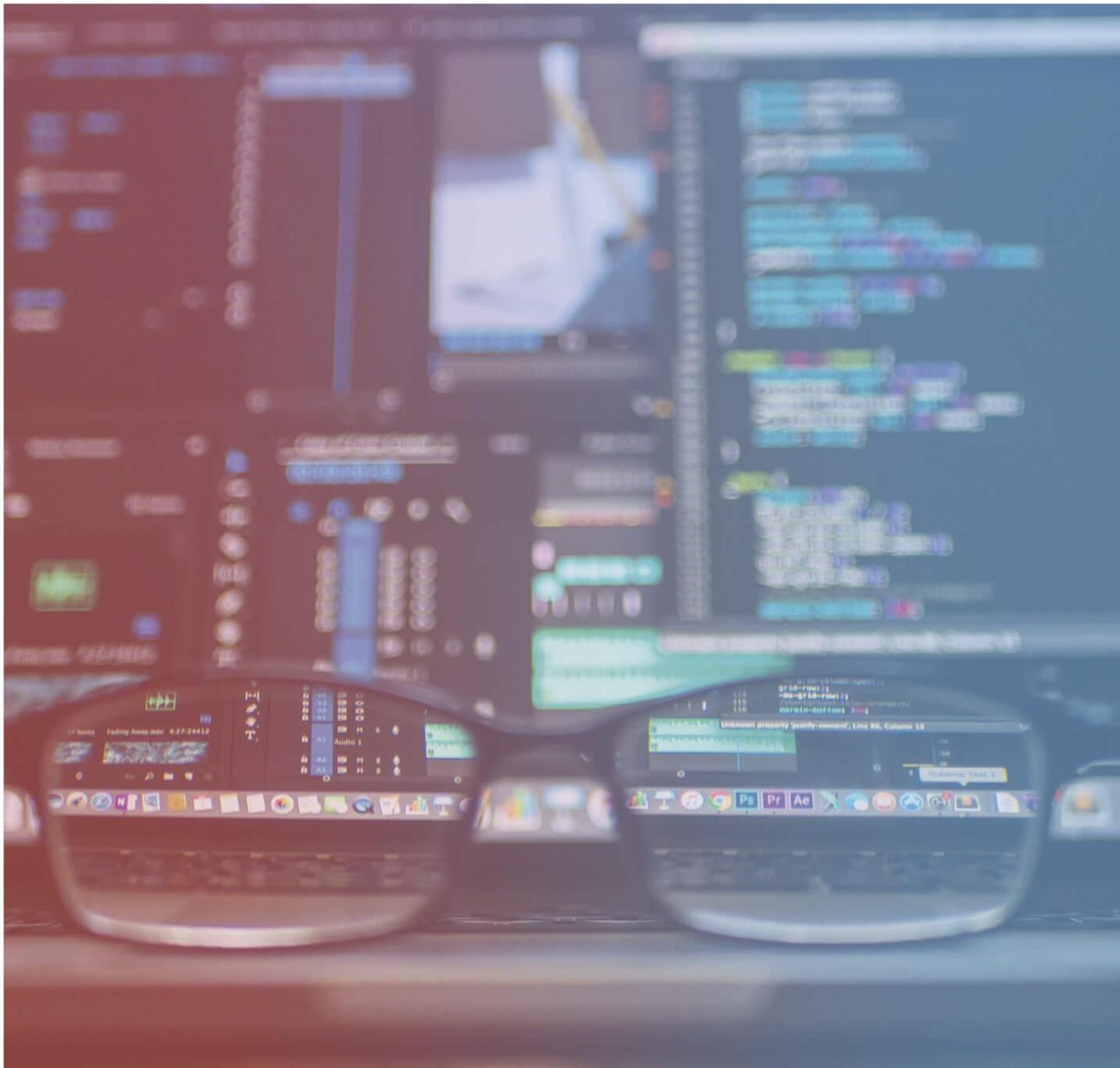
PRESENTATION OF FOURTH QUARTER AND PRELIMINARY FULL YEAR 2019 RESULTS

President & CEO Håkon Volldal



Q-FREE AT A GLANCE





OUR PORTFOLIO



Tolling

- DSRC Tags & Readers
- ALPR/ANPR Solutions
- Electronic Toll Collection
- Congestion Charging



Parking

- Parking Guidance
- Parking Access Control



Infomobility

- Weigh in Motion
- Traffic Counters
- Cycle & Pedestrian Detection
- Journey Time Monitoring
- Weather & Air-Quality Monitoring



Urban

- Traffic Controllers
- Centralized Traffic Controller SW
- Co-Operative ITS



Inter-urban

- Advanced Traffic Management
- Traffic Information
- Ramp Metering
- Truck Parking





SUMMARY

HIGHLIGHTS

FOURTH QUARTER 2019

- 246 MNOK in revenues, up 2% YoY driven by parking and inter-urban segments
- 11 MNOK in reported EBITDA and 15 MNOK in adjusted EBITDA (6% margin) compared to 9 MNOK and 22 MNOK respectively in Q4-18
- 236 MNOK in order intake including a 75 MNOK tolling contract in Thailand
- 46 MNOK in net cash flow from operations and 11 percent reduction in net interest-bearing debt
- 32 MNOK impairment of parking assets related to decision to divest parking and infomobility assets

FULL YEAR 2019

- 962 MNOK in revenues, up 8% YoY driven by tolling, parking and inter-urban segments
- 73 MNOK in reported EBITDA and 71 MNOK in adjusted EBITDA (7% margin) compared to 71 and 89 MNOK respectively in 2018
- 950 MNOK in order intake compared to 972 MNOK in 2018 (1065 MNOK and BtB of 1.1 including ALPR frame agreement in the US)
- 1 080 MNOK in order backlog (excluding frame agreements), versus 1128 MNOK at the end of 2018
- 25 MNOK in net cash flow from operations

SUMMARY FINANCIALS

MNOK	Q4 2019	Q4 2018	YoY Change
Revenues	246	241	+1.8%
Gross contribution	137	151	-9.2%
<i>Gross margin</i>	55.9%	62.6%	-6.7pp
OPEX	122	129	-5.2%
Adj. EBITDA	15	22	-32%
<i>Margin</i>	6.1%	9.2%	-3.1pp
Non-recurring items	-5	-13	
EBITDA	11	9	+22%
<i>Margin</i>	4.3%	3.6%	+0.7pp
EBIT	-35	-3	

FY 2019	FY 2018	YoY Change
962	889	+8.3%
542	569	-4.7%
56.4%	64.1%	-7.7pp
471	480	-1.8%
71	89	-20.1%
7.4%	10.0%	-2.6pp
2	-18	
73	71	+2.2%
7.6%	8.0%	-0.4pp
-28	24	

An aerial photograph of a city's highway system. The highway has multiple lanes in each direction, with several cars and a few trucks visible. To the right of the highway are several modern skyscrapers with glass and steel facades. In the background, there are more buildings and what appears to be a bridge or another part of the highway system.

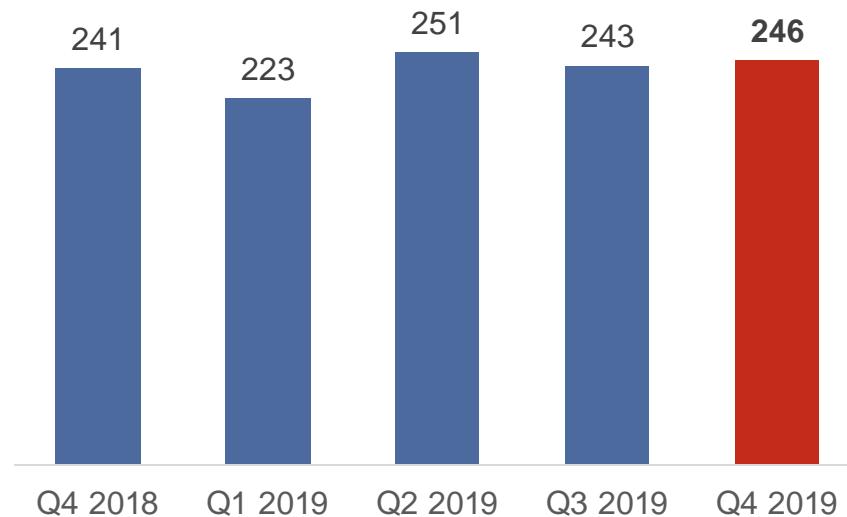
FINANCIAL UPDATE



REVENUE DEVELOPMENT

QUARTERLY REVENUES

NOK million

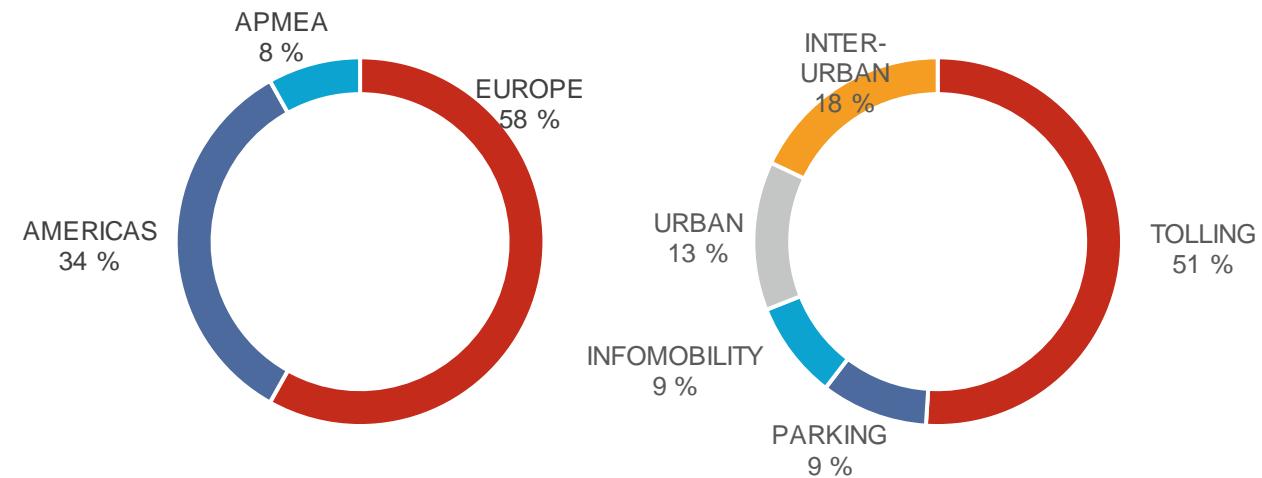


Revenues up 2% from Q4 2018

- Tolling revenues up 3% YoY
- Non-tolling revenues up 1% YoY

Q4-19 REVENUES PER REGION/BUSINESS AREA

Percent



- EUROPE is the largest region with 58% of revenues. Nominally, revenues increased YoY in all regions except AMERICAS
- Non-tolling businesses accounted for 49% of revenues in the quarter, down from 50% in Q4-18

SEGMENT REVENUE DETAILS

NOK million

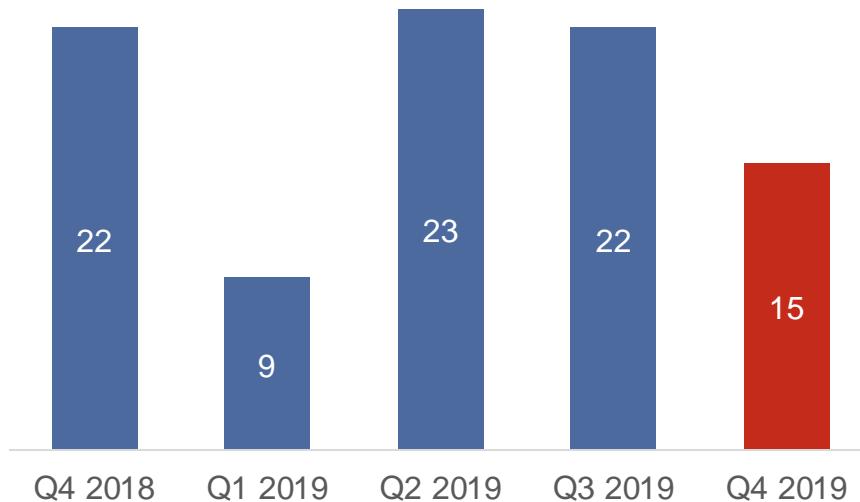
SEGMENT	Q4-19	Q4-18
Tolling	125	121
Parking	23	13
Infomobility	21	26
Urban	32	49
Inter-Urban	44	33
REVENUES	246	241

FY 2019	FY 2018	YoY change
536	481	+11%
71	52	+37%
78	78	0%
143	157	-9%
134	121	+11%
962	889	+8%

EBITDA DEVELOPMENT

EBITDA EXCL. NON-RECURRING ITEMS

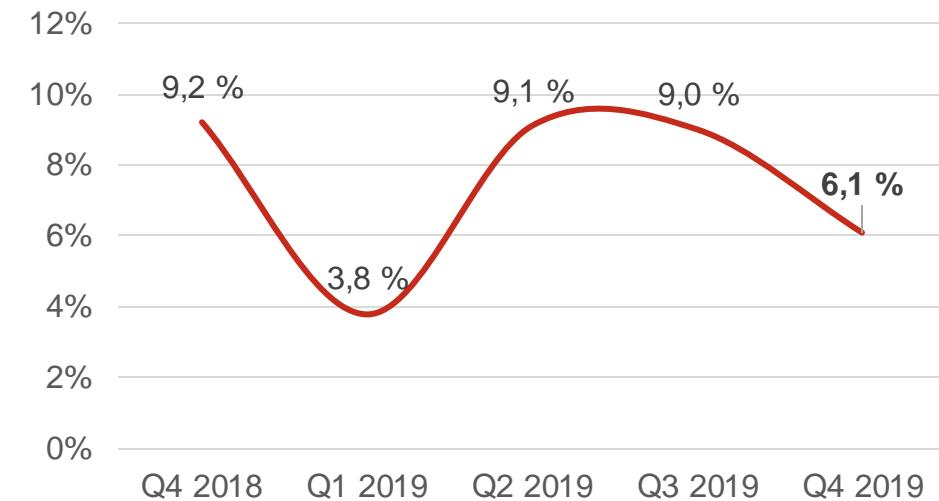
NOK million



- YoY EBITDA decreased due to low SW sales in Urban
- Q4-18 and Q4-19 have been adjusted with 13.5 and 4.5 MNOK respectively in non-recurring items

EBITDA MARGIN EXCL. NON-RECURRING ITEMS

Percent



- 2019 EBITDA negatively impacted by several low-margin tolling projects that are now finalized and low urban SW sales

SEGMENT EBITDA DETAILS

NOK million

SEGMENT	Q4-19	Q4-18
Tolling	8	18
Parking	5	0
Infomobility	0	4
Urban	0	11
Inter-Urban	8	2
Global Functions	-7	-12
Adj. EBITDA	15	22
Non-recurring	-4	-13
EBITDA	11	9

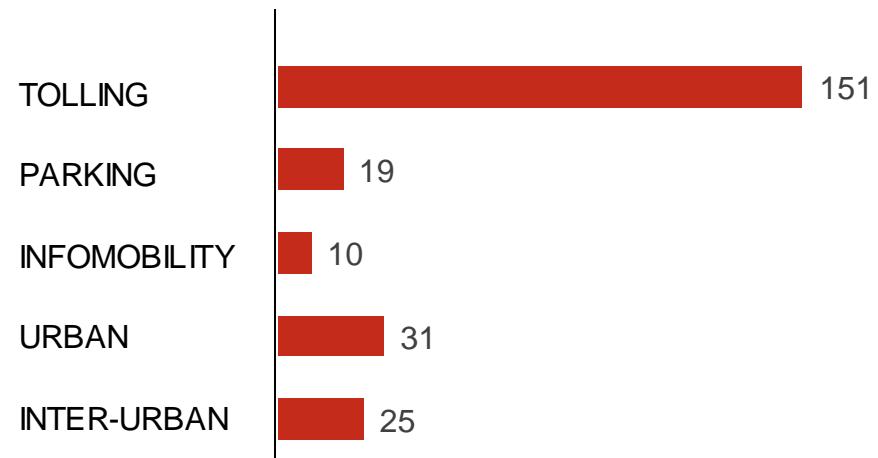
FY 2019	FY 2018	YoY change
77	83	-8%
-5	-13	
5	10	-51%
4	30	-88%
24	16	+43%
-34	-38	
71	89	-20%
2	-18	
73	71	+2%

ORDER INTAKE

ORDER INTAKE & BOOK-TO-BILL PER QUARTER
NOK million / ratio



ORDER INTAKE BREAKDOWN IN Q4-19
NOK million



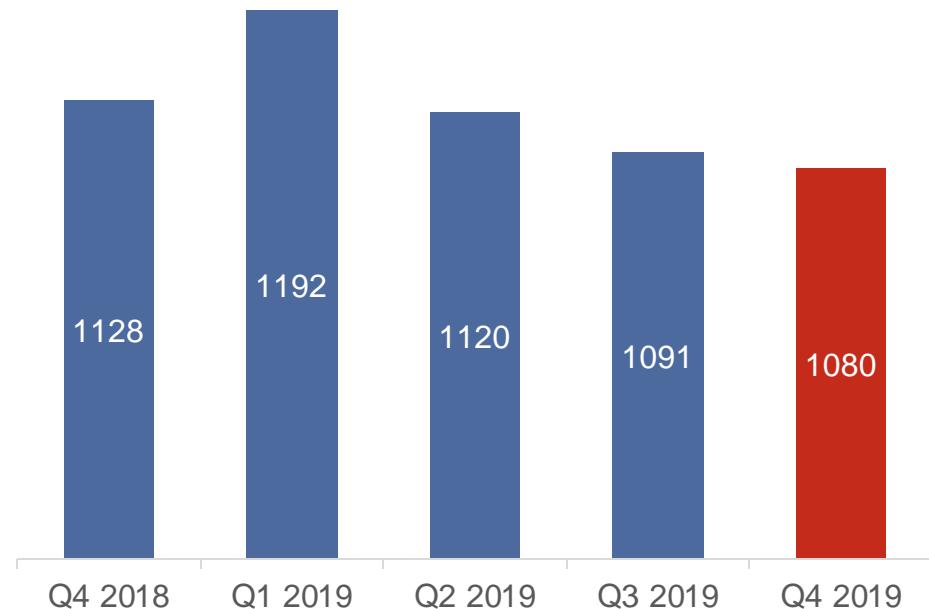
- Order intake in the quarter driven by 75 MNOK contract in Thailand
- The book-to-bill ratio for 2019 as a whole was 0.99, 1.1 if we include the ALPR frame agreement in the USA in Q3-19

- Tolling represented 64% of total order intake in the quarter, non-tolling 36%

ORDER BACKLOG

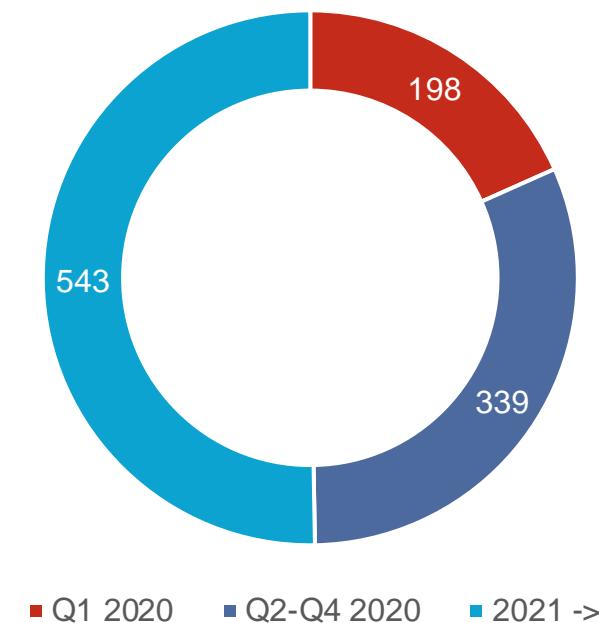
ORDER BACKLOG

NOK million



EXPECTED DELIVERY SCHEDULE

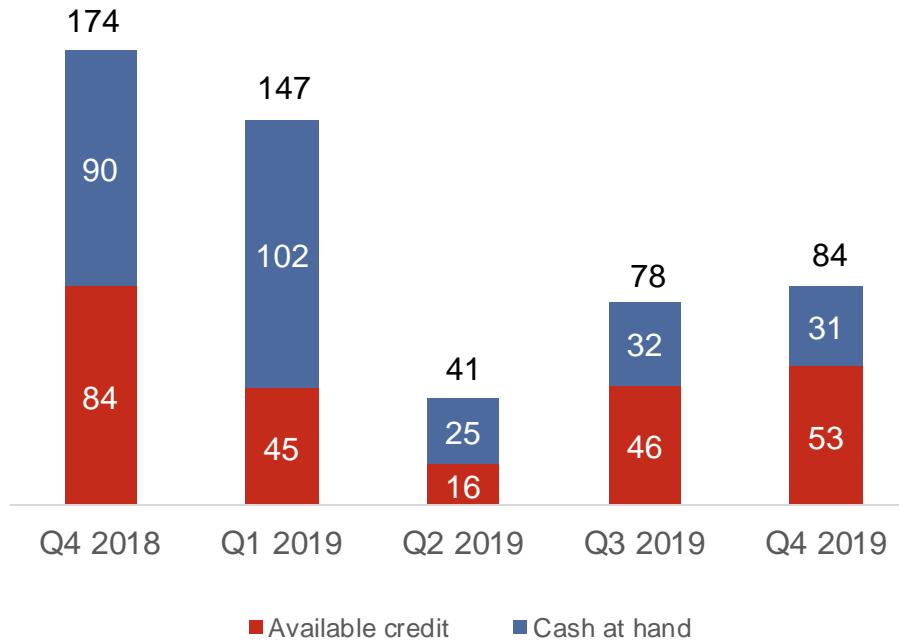
NOK million



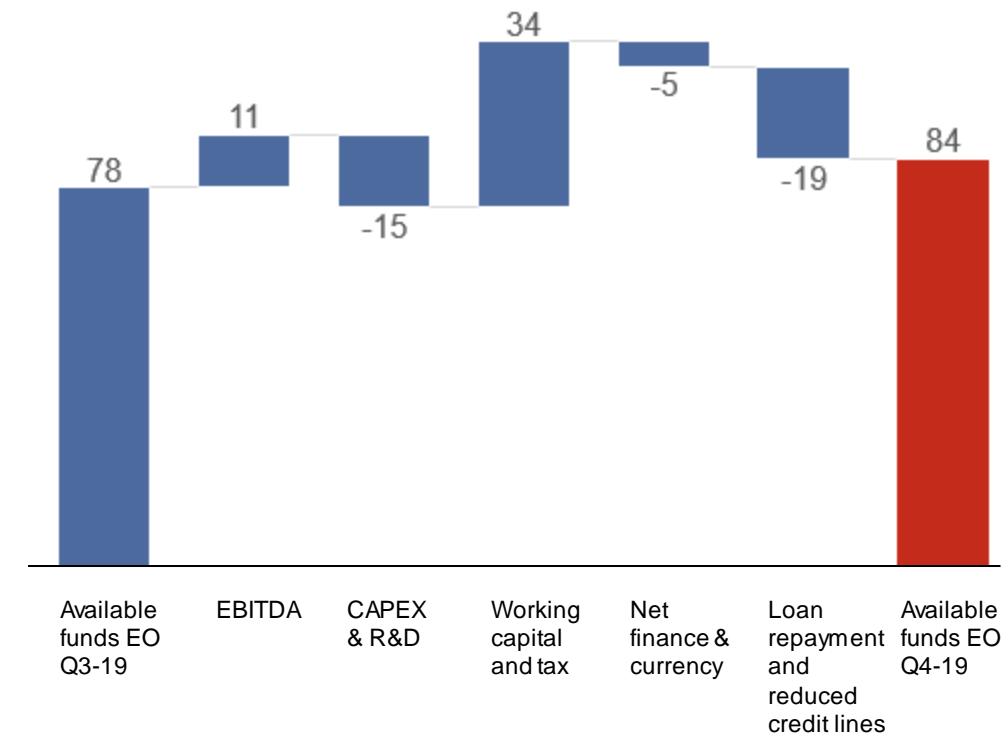
- Frame contracts with no committed minimum volume are NOT included in the backlog

CASH FLOW AND AVAILABLE CREDIT/CASH

AVAILABLE CREDIT AND CASH AT HAND
NOK million



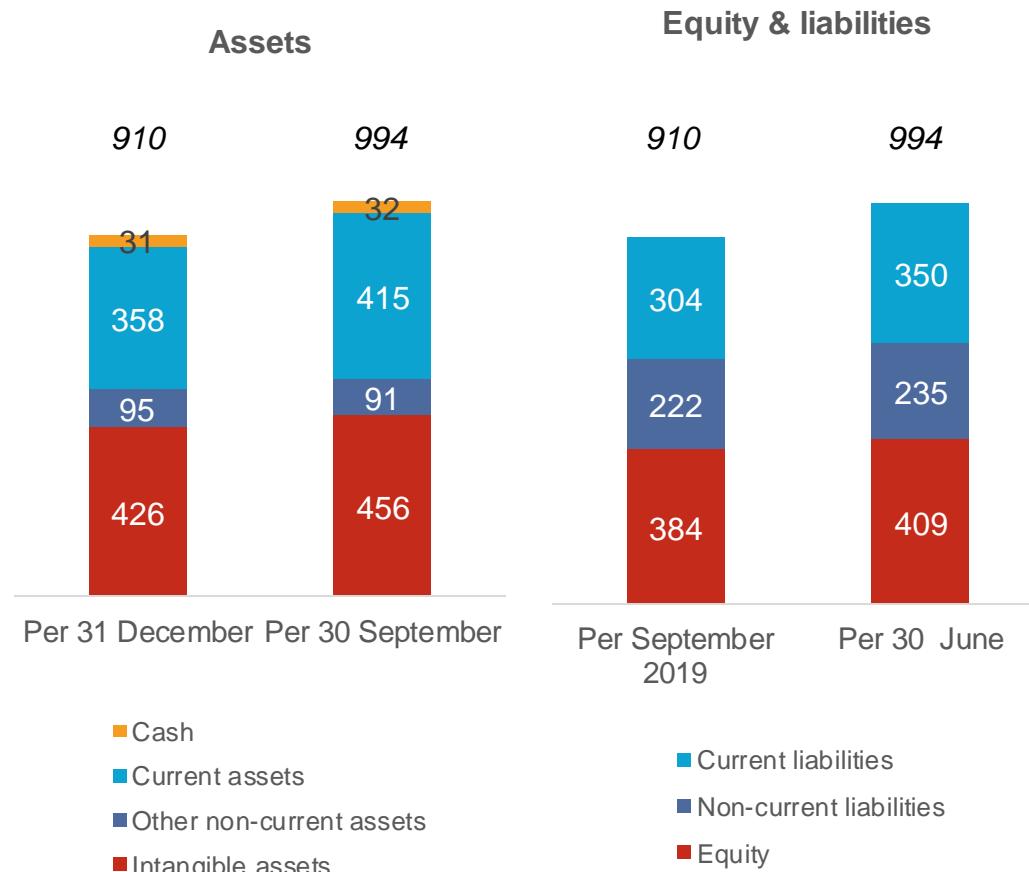
RECONCILIATION OF Q4 AND Q3-19 AVAILABLE FUNDS



BALANCE SHEET AND NIBD

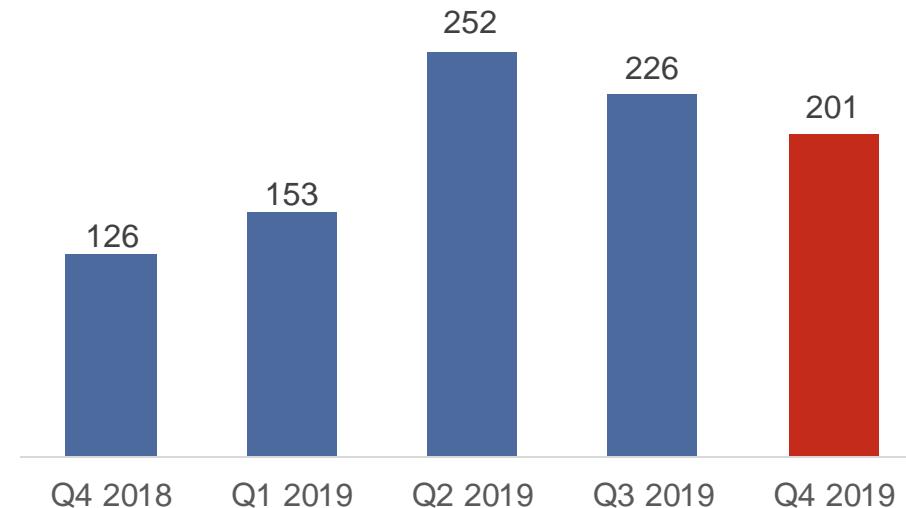
BALANCE SHEET ITEMS

NOK million



NET INTEREST BEARING DEBT

NOK million



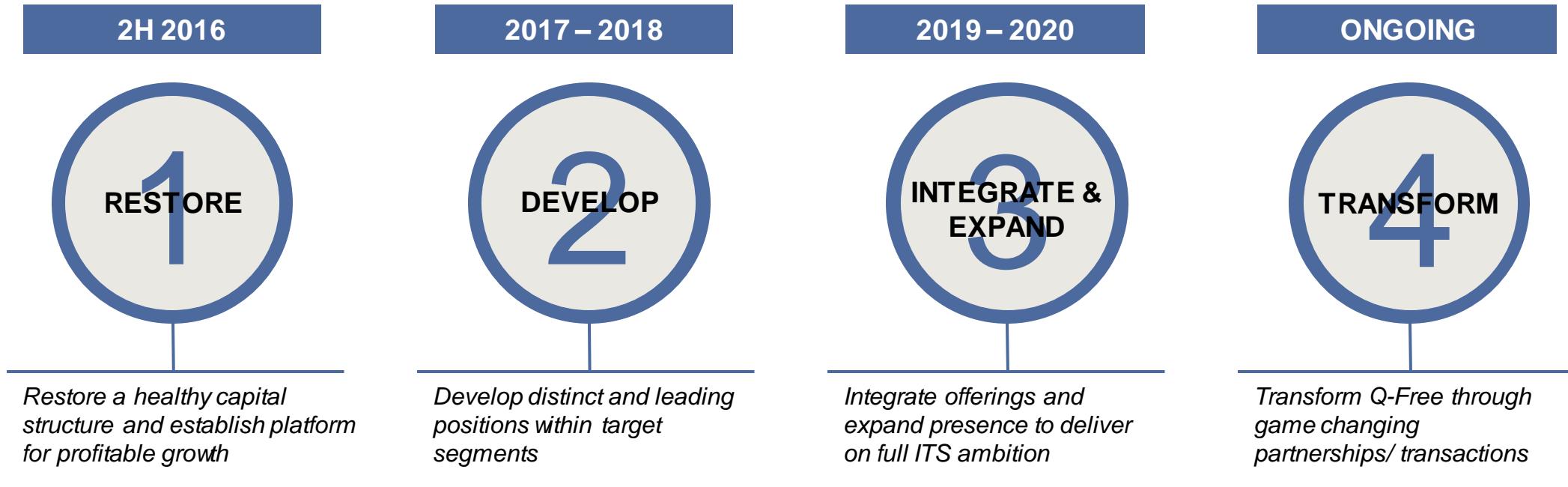
- NIBD decreased in Q4-19 due to strong cash management
- NIBD/EBITDA ratio is within loan covenant

An aerial photograph of a dark asphalt road with white dashed lines, curving through a dense forest. Three cars are visible on the road: a blue car on the top left, a white car in the middle, and a white car on the bottom right. The surrounding area is filled with green and brown foliage.

OUTLOOK



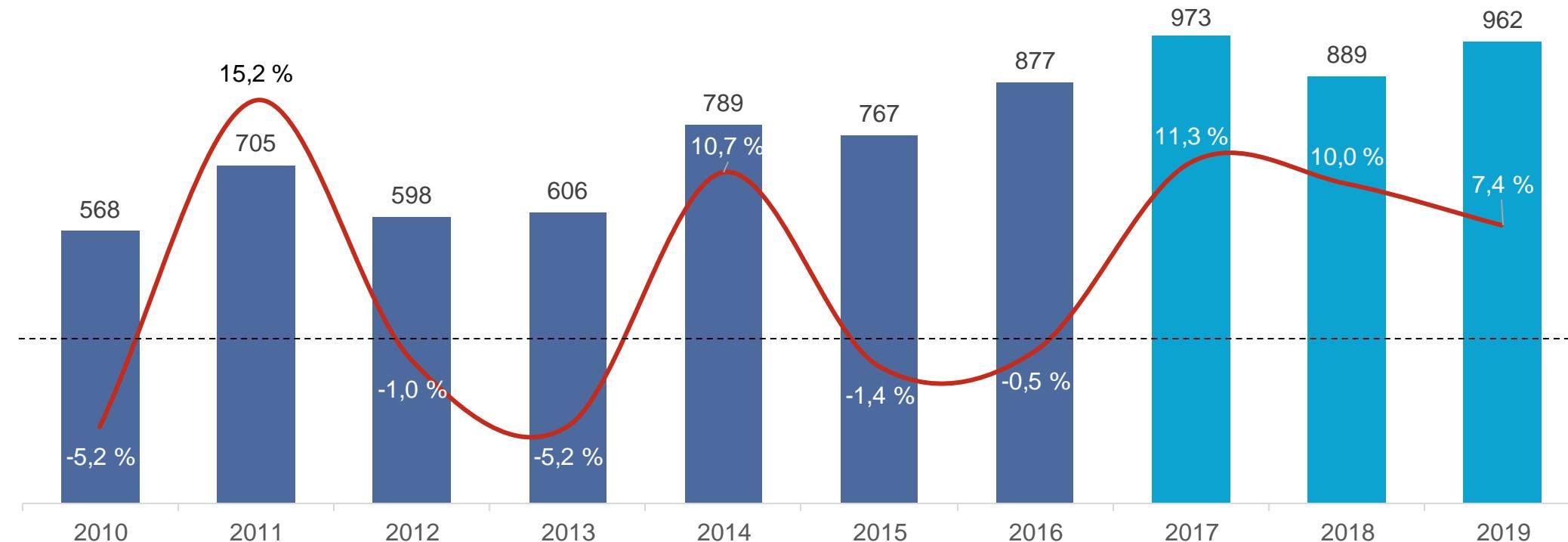
OUR 2016-2020 STRATEGIC PLAN



Q-FREE HAS DELIVERED POSITIVE EBITDA FOR 3 CONSECUTIVE YEARS SINCE THE 2016 RESTRUCTURING

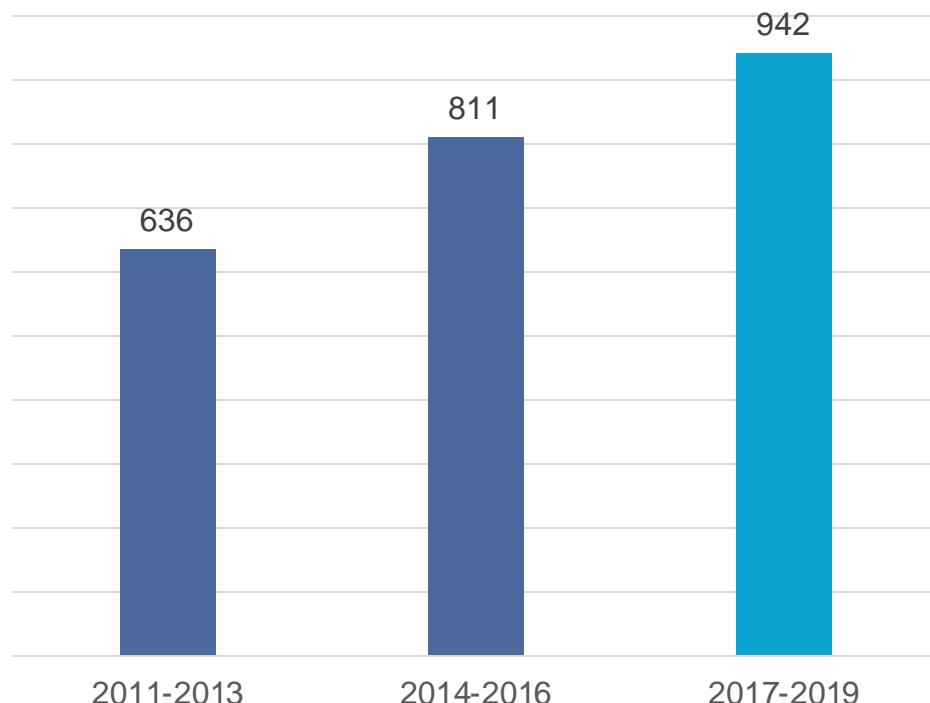
ANNUAL REVENUES AND ADJ. EBITDA MARGIN

MNOK / Percent, Year End December 31st

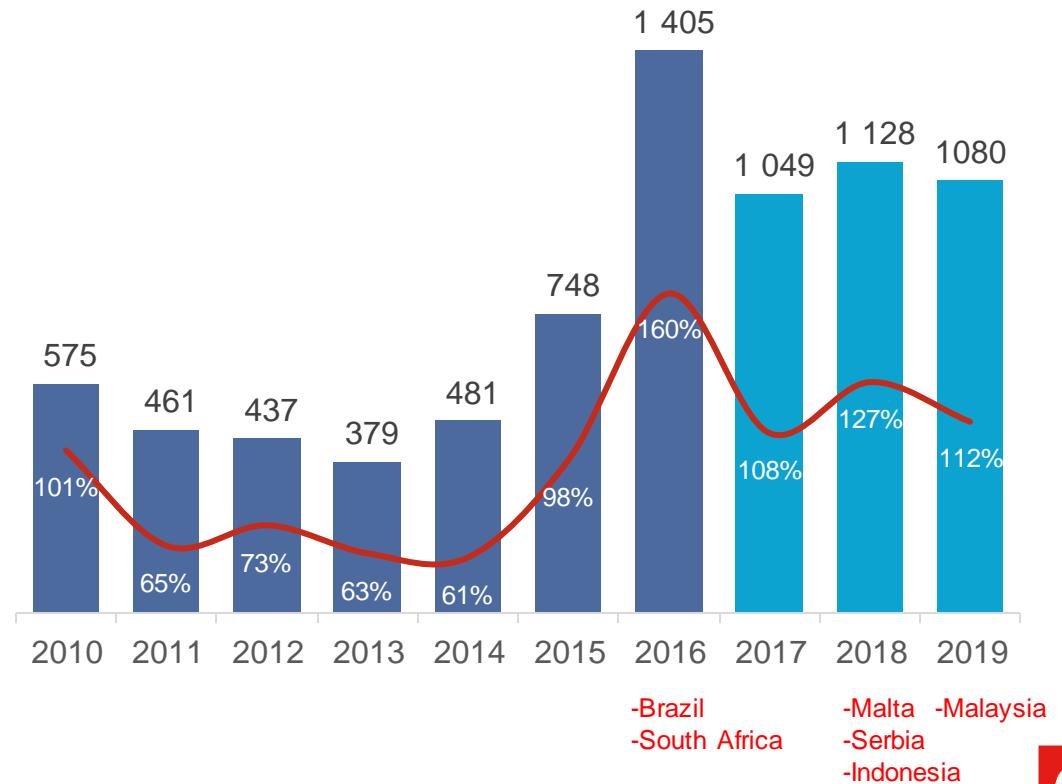


REVENUES AND BACKLOG HAVE GROWN DESPITE A REDUCED GEOGRAPHICAL FOOTPRINT

AVERAGE ANNUAL REVENUES
MNOK



BACKLOG END OF YEAR / BACKLOG-REVENUE RATIO
MNOK/Percent



SEVERAL KEY CONTRACTS HAVE BEEN WON DURING THE PAST 3 YEARS



Nationwide truck tolling system, Slovenia



Toll collection system for Great Belt Bridge, Denmark



Toll collection system for Ruta 68, Chile



ALPR border control system, Norway



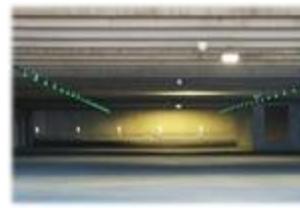
Toll collection system for Cross City Tunnel, Australia



New statewide ATMS for Virginia DOT, USA



New statewide ATMS for Iowa DOT, USA



PGS for 5 Charles Schwab garages, USA



G-DOT Connected Vehicle deployment, USA



Toll collection system for TU in Queensland, Australia



Large tag orders from France, Chile, Portugal, Russia, Thailand, Australia, Norway etc.



Roadside solutions for ferry operators, Norway



Intrada Insight for MassDOT, CFX, FTE, MDX, TXDOT etc. in the USA



AutoPass Central System extensions, Norway



Toll collection system for Don Muang Tollway, Thailand



Digital Tacograph orders



WIN RATE ON TARGET CONTRACTS ABOVE 10 MNOK IN 2019

>60% of value

WE HAVE BUILT/MAINTAINED TOP MARKET POSITIONS IN 3 OUT OF 5 TARGET SEGMENTS

MARKET POSITIONS BY ANNUAL REVENUES IN RELEVANT TARGET MARKETS



Top 2



Top 10



Top 10



Top 5



Top 3

DSRC only

PGS only

North America only

HIGH LEVEL EVALUATION OF 2016-2020 STRATEGIC PLAN

WHAT HAS WORKED



WHAT HAS NOT WORKED



OUR UPDATED 2020-2023 STRATEGIC PLAN



WE AIM TO REDUCE PORTFOLIO COMPLEXITY TO IMPROVE FOCUS AND RESOURCE ALLOCATION

1
FOCUS

	TOLLING	PARKING (old TCS)	INFOMOBILITY (old TDC)	URBAN (Intelight)	INTER-URBAN (Open Roads)
Acc. 2017-2019 revenues	1666	104	182	428	327
Acc. 2017-2019 EBITDA	300	2	12	51	28
Market position	Top 2	Top 10	Top 10	Top 5	Top 3

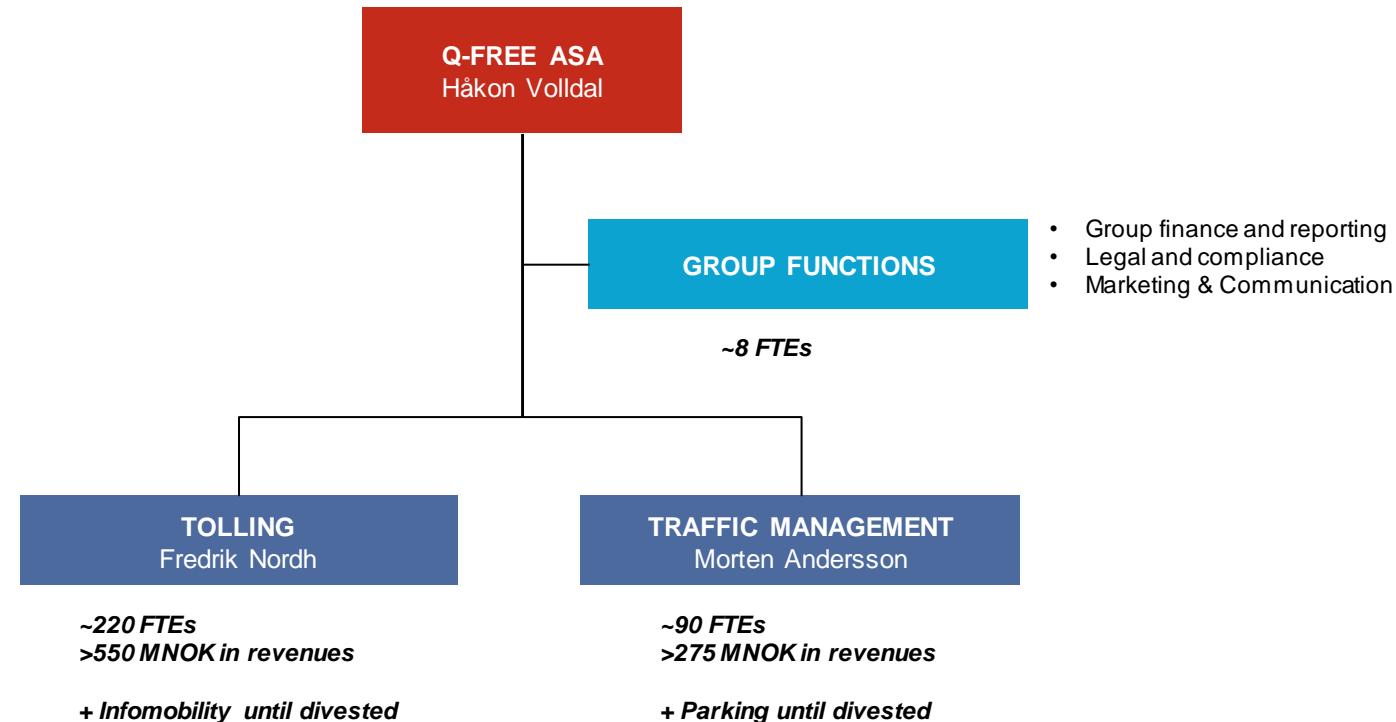
Q-Free will seek to divest TCS and TDC

Q-Free will merge Urban and Inter-Urban into 1 business area



Q-FREE ASA WILL BE A LEAN «HOLDING» COMPANY FOR 2 AUTONOMOUS BUSINESS UNITS

1
FOCUS



A COMPLETE AND ATTRACTIVE TOLLING OFFERING!

Products	ALPR SW	Back-office SW	System Integration (projects)	Service and maintenance
<ul style="list-style-type: none"> DSRC tags DSRC roadside transceivers DSRC handheld transceivers/tacographs Imaging systems 	<ul style="list-style-type: none"> Intrada ALPR firmware/licences Intrada Synergy Server (solution incl. multiple OCR engines, fingerprinting etc.) Intrada Insight (Synergy Server + manual image review) 	<ul style="list-style-type: none"> Operational Back-Office (roadside transaction processing and business rules) CS Norway (commercial and operational BO for AutoPASS in Norway) 	<ul style="list-style-type: none"> MLFF systems incl. congestion charging and truck tolling «Speed gantry» solutions DSRC-based payment solutions for ferries New RUC concepts 	<ul style="list-style-type: none"> 24/7 remote monitoring from NOC Responsive and preventive field service Data reporting and analyses
~150-175 MNOK/year	~50 MNOK/year	~70 MNOK/year	~100-200 MNOK/year	~130-150 MNOK/year



SLOVENIA: THE FULL OFFERING IN ACTION



- >300 000 OBUs in circulation
- ~115 charging points and ~15 enforcement gantries with roadside equipment
- Mobile enforcement solutions
- Operational back-office + integration with commercial back-office
- Service & maintenance on long-term contract

TOLLING EXPANSION OVER TIME

INDICATIVE



2020-2021: Grow in existing markets

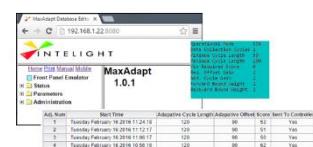
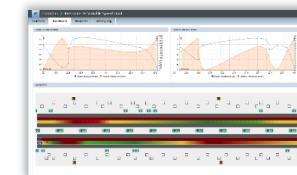
- Protect established core markets like Norway, Sweden, Portugal, Slovenia etc.
- Deliver signed projects and win additional contracts in growth markets like Australia, Thailand, Spain, Chile and Denmark
- Continue ALPR expansion in the USA
- Prepare for Baltics market entry and potential other promising greenfield markets

2022-2023: Enter selected new markets

- Continue expansion in Thailand/Australia
- Win and start delivery of first Baltics project(s) (truck tolling and congestion charging)
- Opportunistic expansion in other markets with appropriate scope and funding (Ukraine, Croatia)
- Expand Intrada Insight (ALPR) solution beyond the US and Nordics
- Pilot first distance-based RUC scheme in Europe

A UNIQUE TRAFFIC MANAGEMENT OFFERING

Urban HW products	Urban SW solutions	Inter-Urban SW solutions
<ul style="list-style-type: none"> Traffic Signal Controllers <ul style="list-style-type: none"> 2070 Controllers NEMA Controllers 1C Controller Units Advanced Traffic Controller Cabinets 	<ul style="list-style-type: none"> MaxTime (local SW) MaxView ATMS (central SW) Enhancements <ul style="list-style-type: none"> RampMeter Analytics Adaptive CV 	<ul style="list-style-type: none"> Open TMS (ATMS platform) Enhancements <ul style="list-style-type: none"> Active TM / Corridors Signal Integration LaneAware Event Management
~10 MUSD	~6-8 MUSD	~10-12 MUSD



GEORGIA, USA: OUR URBAN SHOWCASE

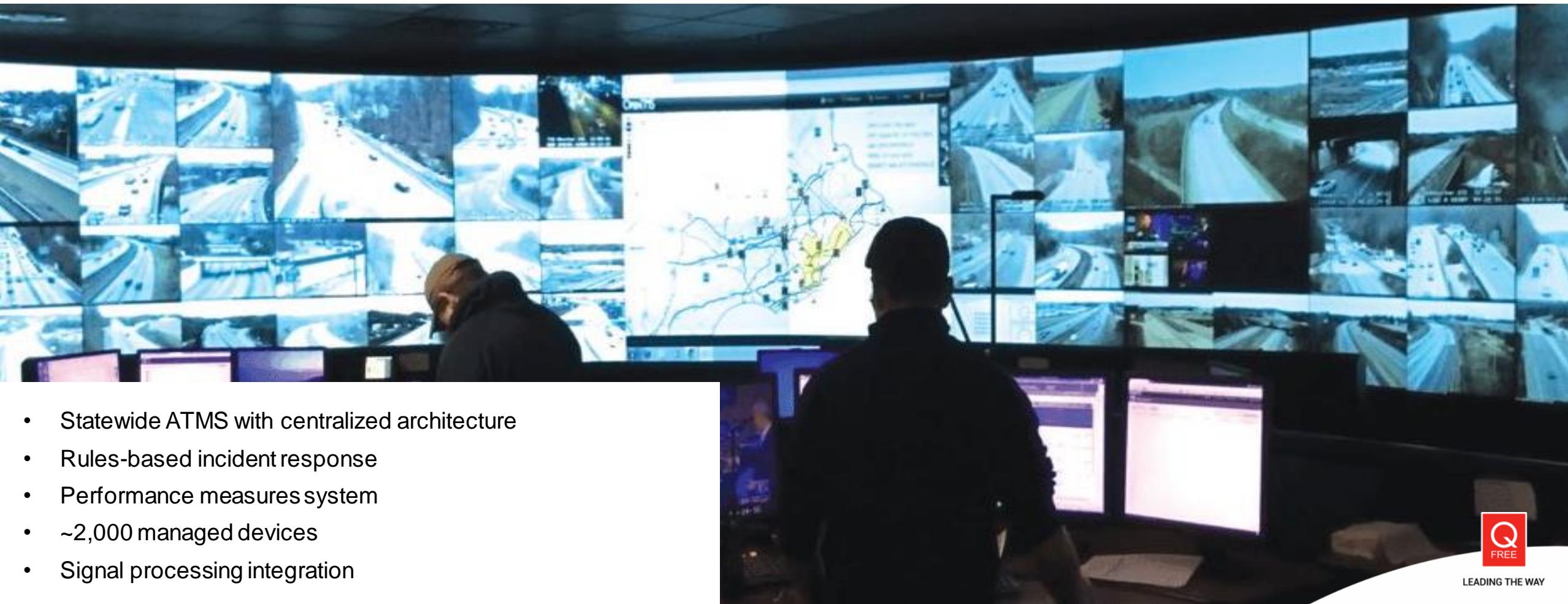


- ~10 000 signalised intersections
- Unified signal operations across multiple jurisdictions using MAXVIEW central SW
- Real-time signal adjustments to optimize performance based on actual roadway conditions
- Automated monitoring and alerting
- CV deployment



LEADING THE WAY

PENNSYLVANIA, USA: AN ADVANCED STATEWIDE ATMS



- Statewide ATMS with centralized architecture
- Rules-based incident response
- Performance measures system
- ~2,000 managed devices
- Signal processing integration

TRAFFIC MANAGEMENT EXPANSION OVER TIME

INDICATIVE



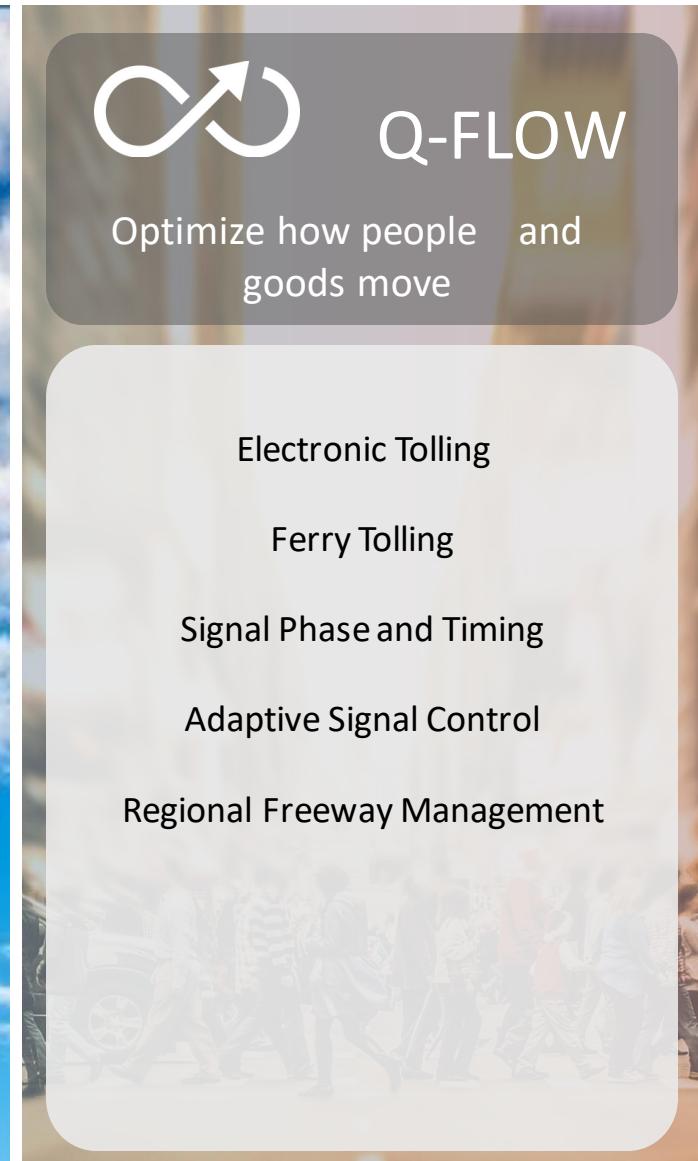
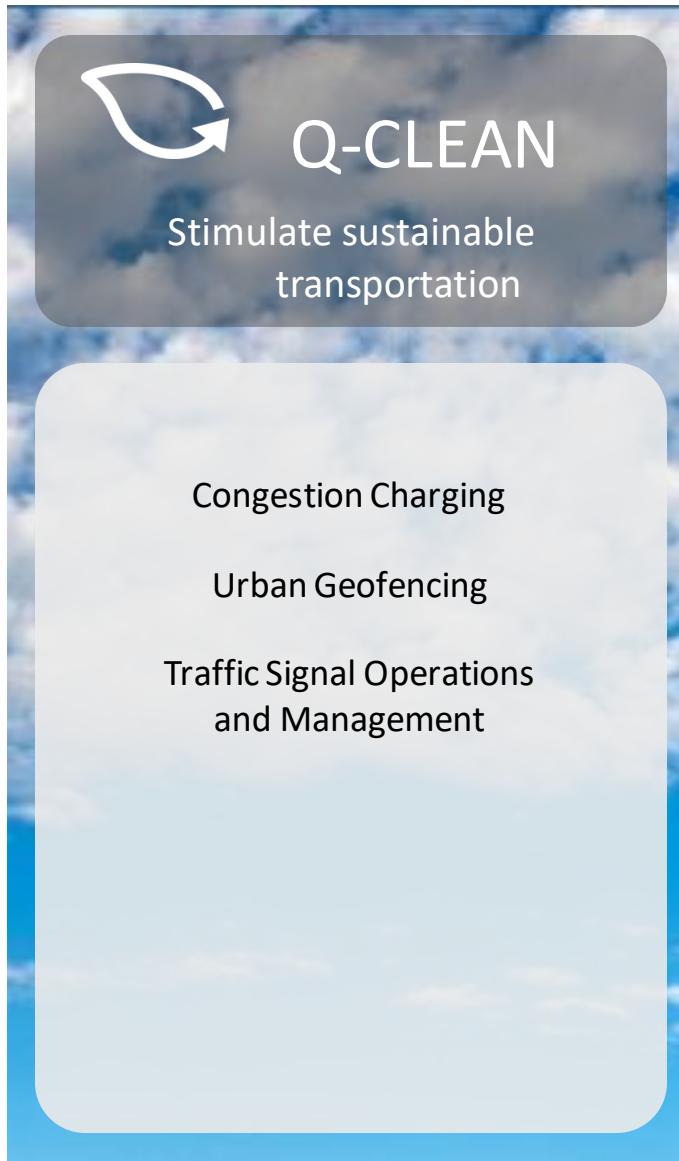
2020-2021: Grow in existing + new markets in the US

- Fortify position in key ATMS markets like Virginia, West Virginia, Pennsylvania
- Deliver IowaDOT ATMS contract and a handful of new statewide systems
- Push Open TMS enhancements in NY/NJ, California etc.
- Grow presence in key urban markets like Georgia, Texas, Washington, Oregon and Florida
- Win a signal management contract in Eastern Europe
- Deliver Integrated multi-city ATMS system (Open TMS + MaxView)

2022-2023: Expansion to selected markets outside the US

- Continue expansion statewide expansion for both Open TMS and MaxView
- Solidify our market position as the leader in Multi-City integrated ATMS systems
- Establish overseas partnerships and establish resources outside the US to grow new markets

OUR COMMITMENT REMAINS THE SAME!

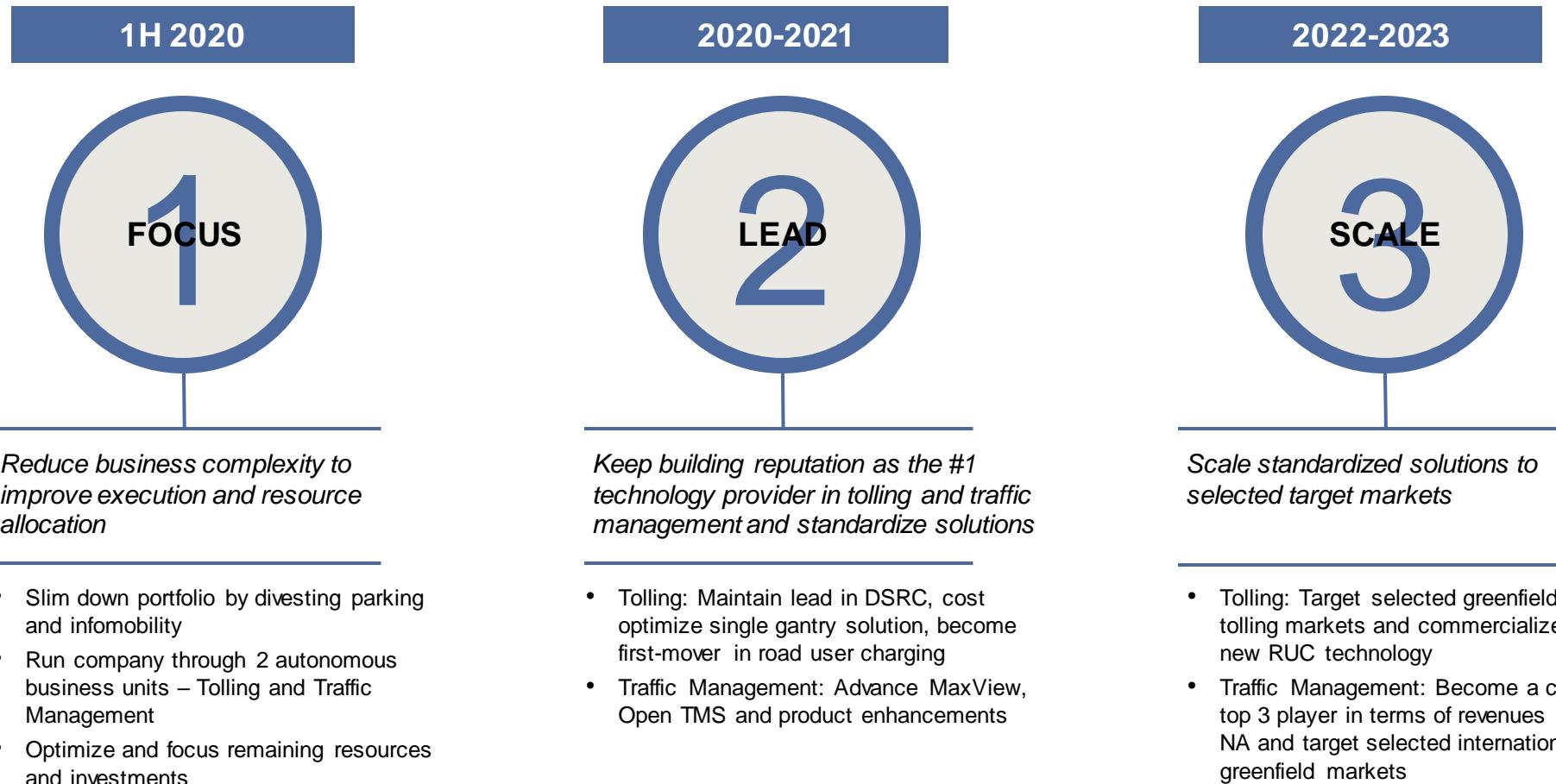


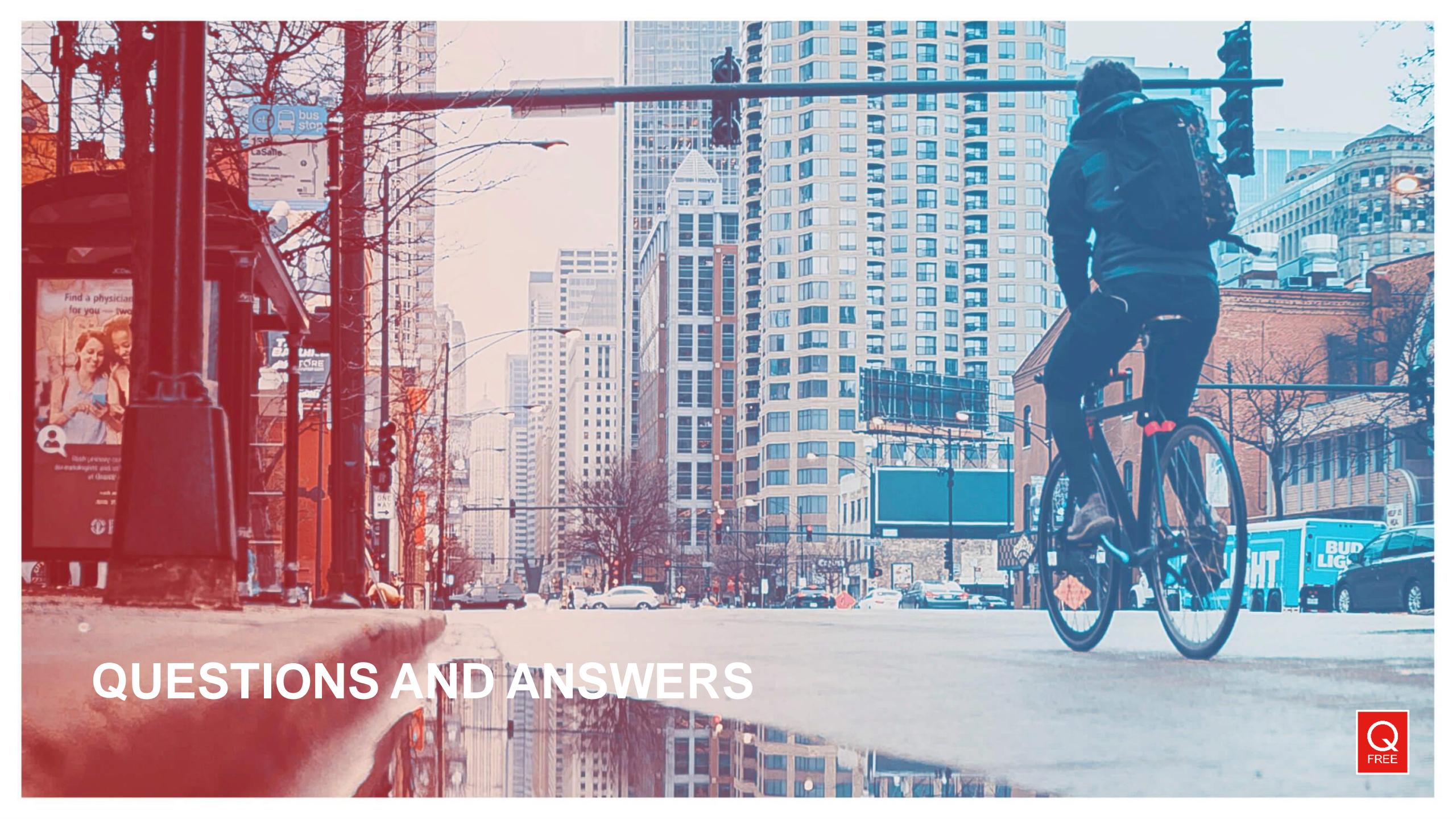
VALUE OF KNOWN TOLLING AND TRAFFIC MANAGEMENT
CONTRACTS ABOVE 10 MNOK TO BE AWARDED IN 2020

>1.7 bn NOK



OUR UPDATED 2020-2023 STRATEGIC PLAN





QUESTIONS AND ANSWERS

Q
FREE



HEADQUARTERS
Q-FREE ASA

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ACC. No.: 6402.05.33518

Register of business
enterprises NO 935 487 242

