

## STATEMENT REGARDING MANDATORY OFFER FROM RIEBER & SØN AS

This statement is made by the board of directors (the "**Board**") of Q-Free ASA ("**Q-Free**") in accordance with Section 6-16 of the Norwegian Securities Trading Act in connection with the mandatory offer from Rieber & Søn AS ("**Rieber & Søn**") to acquire all the issued and outstanding shares in Q-Free not already owned by Rieber & Søn, against a consideration of NOK 4.70 in cash per share (the "**Offer**"), made in the offer document dated 14 January 2021 (the "**Offer Document**").

Rieber & Søn is represented on the Board of Q-Free by Trond Valvik, who holds the position as the chairman of the Board. Trond Valvik has served as a Board member since 2017 and was appointed chairman of the Board at the annual general meeting of Q-Free held on 28 May 2020. Trond Valvik is currently employed at Rieber & Søn as Investment Director. Trond Valvik has not participated in the assessment of the Offer or related discussions in the Board of Q-Free or in the issue of this statement. The Oslo Stock Exchange has, in its capacity as take-over authority of Norway pursuant to Section 6-16 (4) of the Norwegian Securities Trading Act, decided that the Board, without the chairman of the Board Trond Valvik, may submit the statement on behalf of Q-Free.

### INTRODUCTION

Q-Free is a global innovator in intelligent transportation systems that improve traffic flow, road safety, and air quality. With an open, collaborative approach to tolling, traffic and active transportation management, Q-Free works with customers and partners on every continent to digitize infrastructure and overcome modern mobility challenges for the greater good of society. Q-Free is headquartered in Trondheim, Norway, has annual revenues of approximately NOK 1 billion and employs approximately 400 transportation innovators, experts, and enthusiasts.

On 15 December 2020, Rieber & Søn acquired 12,066,917 shares in Q-Free ASA at a price of NOK 4.70 per share. Through this acquisition, and as announced in a stock exchange announcement on 15 December 2020, Rieber & Søn's ownership in Q-Free increased to 36,632,919 shares, representing 41.06% of the issued share capital and the associated voting rights. As a result of this share acquisition Rieber & Søn passed the threshold for triggering a mandatory offer pursuant to Chapter 6 of the Norwegian Securities Trading Act. Further, on 5 January 2021, Rieber & Søn exercised its conversion right in Q-Free's NOK 80,000,000 Unsecured Subordinated Convertible Bond Issue on 5 January 2021. As a result of the above, Rieber & Søn owns 50,258,397 shares, representing 46.44% of the share capital and votes in Q-Free (including shares issued or to be issued pursuant to conversion requests from holders of convertible bonds received prior to the publication of this statement).

In the announcement on 15 December 2020, Rieber & Søn announced its intention to make a mandatory offer for the remaining shares in Q-Free within four weeks. On 14 January 2021, Rieber & Søn made the Offer, on the terms as further specified in the Offer Document.

The Offer Document has been approved by the Oslo Stock Exchange in accordance with Section 6-14 of the Norwegian Securities Trading Act and shall have been submitted to all shareholders of Q-Free with known residence, except for shareholders who reside in a jurisdiction where the Offer cannot be legally made.

Below is a short summary of the Offer based on the information in the Offer Document.

## **FURTHER DETAILS ON THE OFFER**

The price offered in the Offer is NOK 4.70 per share in cash.

The acceptance period for the Offer is from and including 15 January 2021 to and including 12 February 2021 at 16:30 CET. Rieber & Søn may, subject to approval by the Oslo Stock Exchange, extend the acceptance period, one or more times, so that the aggregate acceptance period amounts to a total of up to six weeks (in which case it will expire on 26 February 2021). According to the Offer Document, settlement is expected to take place as soon as reasonably possible, and no later than two weeks after expiry of the acceptance period, i.e. no later than 26 February 2021 (subject to extension of the acceptance period, in which case settlement of the Offer will be made no later than 9 March 2021 assuming maximum extension of the acceptance period).

The Board calls attention to the fact that the acceptance of the Offer by the shareholders will be irrevocable, and that the acceptance thus cannot be withdrawn once the receiving agent for the Offer has received the acceptance.

The Offer is not subject to any conditions.

The Offer will be financed with existing funds and committed bank loans available to Rieber & Søn. Rieber & Søn has in accordance with Section 6-10 (7) of the Norwegian Securities Trading Act provided a bank guarantee, issued by DNB Bank ASA, covering Rieber & Søn's obligation to pay for the shares to be purchased pursuant to the Offer. The wording of the bank guarantee is set out in Schedule 1 to the Offer Document.

The obligation to make a repeated mandatory offer pursuant to Section 6-6 of the Norwegian Securities Trading Act does not apply if Rieber & Søn, as a result of the Offer, becomes the owner of shares representing 50% or more of the voting rights in Q-Free. If Rieber & Søn does not obtain an aggregate holding of shares representing 50% or more of the voting rights in Q-Free in connection with the Offer, Rieber & Søn will, however, be required under Chapter 6 of the Norwegian Securities Trading Act to make a new mandatory offer if it subsequently acquires additional shares in Q-Free and thereby reaches or passes the 50% threshold.

If Rieber & Søn, as a result of the completion of the Offer, or otherwise, acquires and becomes the owner of 90% or more of the shares and an equivalent part of the voting rights which may be cast at the general meeting, then Rieber & Søn will have the right to resolve (and the remaining shareholders in Q-Free will have the right to require) a compulsory acquisition of the shares in Q-Free. In such event, Rieber & Søn may also on certain terms complete a compulsory acquisition of the shares that are not owned by Rieber & Søn without first carrying out a mandatory offer pursuant to the preceding paragraph. The Board of Q-Free notes that the Offer Document states that Rieber & Søn intends to make such compulsory acquisition of shares in Q-Free if Rieber & Søn, as a result of the Offer or otherwise, acquires and holds 90% or more of the total issued shares representing 90% or more of the voting rights in Q-Free. Further, the Offer Document states that Rieber & Søn, in the event that the Offer results in Rieber & Søn becoming the owner of shares representing more than 90% of the voting rights in Q-Free, intends to apply for a delisting of Q-Free.

## **THE OFFER'S SIGNIFICANCE FOR THE COMPANY**

Rieber & Søn has informed in the Offer Document that Rieber & Søn, following the completion of the Offer and depending on the number of shares acquired by Rieber & Søn pursuant to the Offer, reserves the right to propose that the general meeting of Q-Free applies to the Oslo Stock Exchange for a delisting of the shares in Q-Free. Such proposal requires the approval from at least 2/3 of the votes and share capital represented at the general meeting. In the event that the general meeting of Q-Free resolves to

apply for a delisting of Q-Free, the Oslo Stock Exchange will make the final decision on whether or not the shares shall be delisted pursuant to the provisions set out in the Oslo Rulebook II – Issuer rules Section 2.10.2 (3).

The Board of Q-Free notes that with its current shareholding Rieber & Søn is able to veto any decisions at the general meeting of Q-Free requiring 2/3 majority of the votes and capital (such as amendments to Q-Free's articles of association (*Nw: vedtekter*), including changes in Q-Free's share capital). The Board further notes that in the event that Rieber & Søn reaches an ownership of 50% of the share capital through the Offer or otherwise, Rieber & Søn is able to decide upon matters at the general meeting requiring a majority of the votes (such as election of board members and members of the nomination committee and proposals to distribute dividend). Finally, the Board notes that in the event that Rieber & Søn reaches 2/3 of the share capital through the Offer or otherwise, Rieber & Søn is able to decide upon matters at the general meeting requiring 2/3 majority of the votes and share capital (such as any amendments to Q-Free's articles of association, including changes in share capital, and the resolution to apply for a delisting of the shares as described above).

Due to lack of presence by shareholders at general meetings, the real influence by shareholders has historically been higher than their formal ownership shares, so also at Q-Free's general meetings.

## **EMPLOYEES**

Rieber & Søn informs in the Offer Document that the Offer itself will not have legal, economic or work-related consequences for the employees of Q-Free. Further, it is stated in the Offer Document that Rieber & Søn does not have any immediate plans to make changes to Q-Free's workforce, or changes that would have legal, economic or work-related consequences for the employees, following the completion of the Offer.

No separate statement from the employees of Q-Free has been made at the date of this statement.

## **ASSESSMENT AND RECOMMENDATION**

The Board has reviewed the Offer Document and evaluated factors that the Board considers material for the assessment of whether the Offer should be accepted by the shareholders of Q-Free.

Sparebank 1 Markets AS ("SB1M") has been engaged as financial adviser to Q-Free in connection with the Offer, and has submitted a fairness opinion dated 20 January 2021. SB1M has assessed the Offer based on various generally accepted valuation methods and the conclusion reflects SB1M's assessment of fair market value of the Q-Free shares at the time of the statement. The methodologies include review of the recent share price development and trading levels, also considering the liquidity and turnover levels, assessment of the relative valuation of Q-Free compared to similar publicly traded companies including the metrics EV-to-Sales and EV-to-EBITDA, and also taking into account Q-Free's relative positioning versus these companies, and certain other factors such as the management's track-record and market outlook. SB1M concludes that the Offer is below the fair market value of the Q-Free shares. The fairness opinion from SB1M is attached to this statement.

The Board notes that Rieber & Søn in the Offer Document states that it reserves the right to propose that the general meeting of Q-Free applies to the Oslo Stock Exchange for a delisting of the shares in Q-Free and that it is Rieber & Søn's intention to do so in the event that Rieber & Søn passes the 90% threshold through the Offer. Furthermore, Rieber & Søn informs that it has no immediate plans to make changes to Q-Free's workforce. Other than that, the Board notes that no specific comments are made with regard to future structural changes or concrete plans for the future business of Q-Free.

The Board also notes that as at the date hereof, Rieber & Søn controls 46.44% of the shares in Q-Free (ref above). Based on Rieber & Søn's current shareholding, and possibly increased holding upon completion of the Offer, Rieber & Søn is likely to have a significant influence over the election of directors to the Board and other matters that shall be put to a vote for shareholders, ref. the Board's notes to this effect above.

The Board also refers to the fact that the offer price of NOK 4.70 per share represents a discount of 2.08% to the closing price for the Q-Free share on the Oslo Stock Exchange on 14 December 2020 (which was the last trading day before announcement of Rieber & Søn's intention to make a mandatory offer of the remaining shares in Q-Free). Moreover, the offer price represents a discount of approximately 2,0%, 1,9% and 4,8% to the volume-weighted average price of the Q-Free share on the Oslo Stock Exchange for the 3 month, 6 month and 12 month periods ending on 14 December 2020, respectively. The offer price is below what the Board considers to be the historical average acquisition premium in public cash offers in the Norwegian market.

Based on *inter alia* the above circumstances, including SB1M's assessment of the Offer from a financial point of view, it is the Board's overall assessment that the Offer is below the fair value of the Q-Free shares. Based on this, the Board of Q-Free does not recommend the shareholders of Q-Free to accept the Offer.

The Board notes that Rieber & Søn is likely to have a significant influence over Q-Free, and there can be no assurance as to the future trading price of Q-Free's shares. The liquidity in the shares, and thus the possibility for the other shareholders to be able to sell shares, may also be reduced when an increasing number of shares is controlled by the largest owner. The Offer represents a liquidity event for shareholders looking to monetize their position in Q-Free. The Board strongly advises shareholders to carefully review their options in the light of the factors set out herein and any other available information, and to make an independent evaluation whether or not to accept the Offer.

This statement is unanimous.

Board member Snorre Kjesbu has informed the Board that he does not intend to accept the Offer with respect to shares held by him. Board member Ingeborg Molden Hegstad has informed the Board that Imsight AS, which is a company controlled by her, does not intend to accept the Offer. Board member Geir Bjørlo has informed the Board that Illuminator AS, which is a company controlled by him, does not intend to accept the Offer. The Q-Free CEO, Håkon Volldal, has informed the Board that Bright Future AS, which is a company controlled by him, does not intend to accept the Offer. The other Board members that have submitted this statement do not directly or indirectly hold shares.

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20 January 2021

The Board of Directors of Q-Free ASA