



Q2 SECOND QUARTER 2021

SECOND QUARTER AND
FIRST HALF YEAR
RESULTS 2021



A photograph of a young couple on a white bicycle. The woman, in the foreground, is laughing and looking towards the man. The man, in the background, is smiling and looking at her. They are both wearing casual summer clothing: the woman in a striped t-shirt and denim shorts, and the man in a denim jacket and t-shirt. The setting appears to be an outdoor area with greenery and a building in the background.

THE PRIME MOVER IN
TRAFFIC TECHNOLOGY

Highlights

Q2 2021

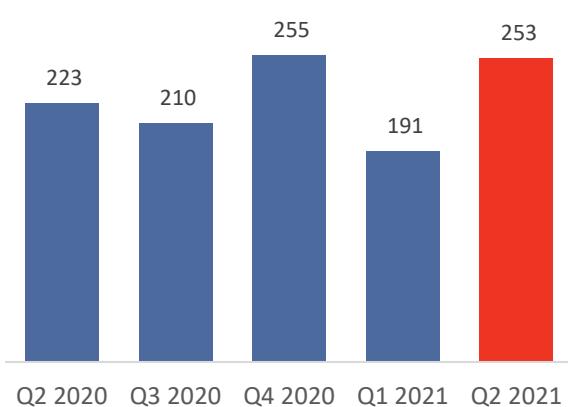
- 253 MNOK in revenues, up 13% from 223 MNOK in Q2-20. Adjusted for discontinued business revenues were up 17%
- 35 MNOK in EBITDA (14% margin), up from 26 MNOK (12% margin) in Q2-20
- 29 MNOK in cash flow from operations, up from 24 MNOK in Q2-20
- 151 MNOK in order intake, down 11% YoY

H1 2021

- 444 MNOK in revenues, up 5% from 424 MNOK in H1-20. Adjusted for discontinued business revenues were up 8%
- 48 MNOK in EBITDA (11% margin), up from 18 MNOK (4% margin) in H1-20
- 24 MNOK in cash flow from operations, up from 11 MNOK in H1-20
- 585 MNOK in order intake, up 50% YoY
- 1221 MNOK in order backlog, up 17% YoY

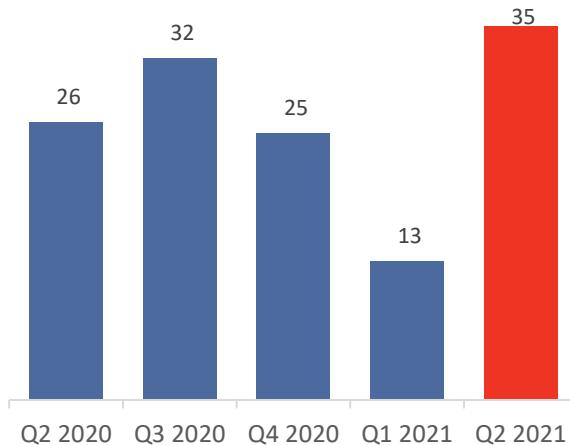
REVENUES LAST 5 QUARTERS

MNOK



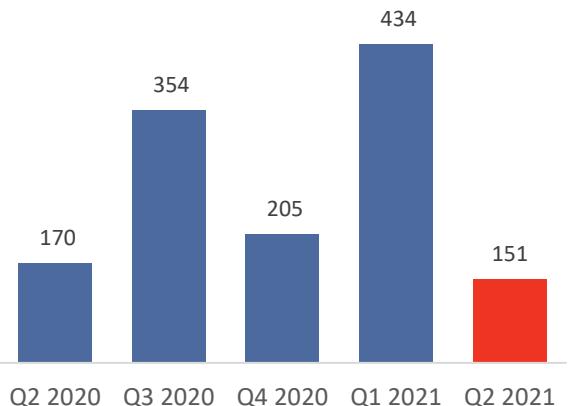
EBITDA LAST 5 QUARTERS

MNOK



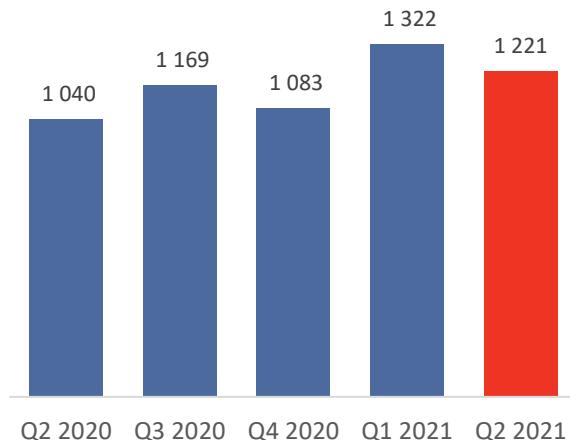
ORDER INTAKE LAST 5 QUARTERS

MNOK



ORDER BACKLOG LAST 5 QUARTERS

MNOK



Financial review

KEY FIGURES

NOK 1.000	Q2 2021	Q2 2020	Y/Y-%	H1 2021	H1 2020	Y/Y-%	FY 2020
Revenues	252 633	222 709	13,4%	444 118	424 239	4,7%	889 305
Gross contribution	151 641	136 649	11,0%	282 551	263 878	7,1%	545 145
Gross margin - %	60,0%	61,4%		63,6%	62,2%		61,3%
Operating expenses	117 100	110 529	5,9%	234 682	245 628	-4,5%	469 368
EBITDA	34 541	26 120	32,2 %	47 869	18 250	162,3%	75 777
EBITDA margin	13,7%	11,7%		10,8%	4,3%		8,5%
Depreciation and amortisation	14 956	16 196	-7,7%	29 408	31 897	-7,8%	64 039
Impairment	0	0		0	0		20 538
Gain on disposal of assets	0	0		-252	0		0
Operating profit - EBIT	19 585	9 924		18 713	-13 647		-8 800
EBIT margin	7,8%	4,5%		4,2%	-3,2%		-1,0%
Profit before tax	15 839	1 247		11 742	-11 181		-32 446
Profit margin	6,3%	0,6%		2,6%	-2,6%		-3,6%
Profit after tax from continuing operations	14 321	-5 065		10 243	-18 499		-40 995
Profit after tax	14 321	-5 065		10 243	-18 499		-40 995
Profit for the period	14 321	-5 065		10 243	-18 499		-40 995
EPS	0,13	-0,06		0,09	-0,21		-0,56
Number of employees	360	389		378	378		378

Profit and loss second quarter 2021

Q-Free generated total revenues of 253 MNOK in the second quarter of 2021, up 13 percent from Q2-20. Adjusted for discontinued business, the increase was 17 percent. Tolling revenues ended at 161 MNOK, an increase of 19 percent from Q2-20. S&M and software revenues increased, whereas system and product revenues decreased. Traffic Management revenues ended at 91 MNOK, up 13 percent from Q2-20. Higher hardware controller sales and weigh-in-motion deliveries were the key drivers behind the increase.

Gross contribution was up 11 percent to 152 MNOK compared to 137 MNOK in Q2-20. The gross margin decreased by 1 percentage point from Q2-20 due to product mix effects.

Operating expenses in Q2-21 amounted to 117 MNOK compared to 111 MNOK in Q2-20. The increase is explained by temporary salary cuts implemented in Q2-20 as a proactive response to negative impact from the Covid-19 pandemic. Salaries were normalized during Q4-20.

EBITDA in the quarter ended at 35 MNOK (14 percent margin), up from 26 MNOK in Q2-20 (12 percent margin). The improvement was driven by increased revenues and partly offset by increased costs.

Depreciation and amortization in Q2-21 ended at 15 MNOK compared to 16 MNOK in Q2-20.

Operating profit (EBIT) in the first quarter ended at 20 MNOK compared to 10 MNOK in Q2-20.

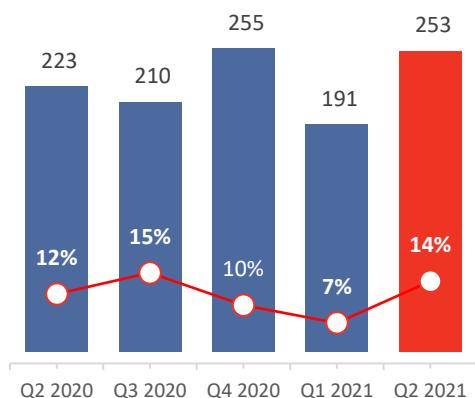
Net financial items in the quarter were negative by -4 MNOK, compared to -9 MNOK in Q2-20. Currency effects and reduced interest expenses explain the improvement.

Reported pre-tax profit ended at 16 MNOK, up from 1 MNOK in Q2-20.

Earnings per share was 0.13 NOK in the second quarter of 2021 versus -0.06 NOK in Q2-20.



QUARTERLY REVENUES AND EBITDA MARGIN
MNOK & Percent



Q-Free divested its remaining Parking assets at the end of Q1-21, and the "Assets held for sale"-segment was discontinued from Q2-21. Hence, the reporting for Q2-21 comprises solely the activities in the Tolling and Traffic Management segments.

Profit and loss first half 2021

Accumulated revenues for first half 2021 amounted to 444 MNOK, up 5 percent from 424 MNOK in H1-20. Adjusted for discontinued business, the increase was 8 percent. Tolling delivered a positive YoY growth of 3 percent whereas Traffic Management delivered 17 percent.

Gross contribution for the first six months ended at 283 MNOK, an increase of 19 MNOK from the corresponding period in 2020. Gross margins are slightly up from last year, with an increase of 1 percentage point.

Operating expenses in H1-21 were 235 MNOK, down 11 MNOK compared to the first half of 2020.

EBITDA in the first half of 2021 amounted to 48 MNOK compared to 18 MNOK in H1-20. The EBITDA margin in H1-21 was 11 percent versus 4 percent in H1-20. Operating profit (EBIT) ended at 19 MNOK versus -14 MNOK in H1 2020.

Net financial items were -7 MNOK during the first six months of 2021 compared to 2 MNOK in the corresponding period of 2020. Pre-tax profit in H1-21 was 12 MNOK compared to -11 MNOK in H1 2020.

Balance sheet

Total assets as of 30 June 2021 were 903 MNOK, up from 824 MNOK at the end of Q1-21 and down from 918 MNOK as of Q2-20. Total assets are influenced by the de-recognition of parking assets sold in Q1-21, offset by increased non-current and current assets during the quarter.

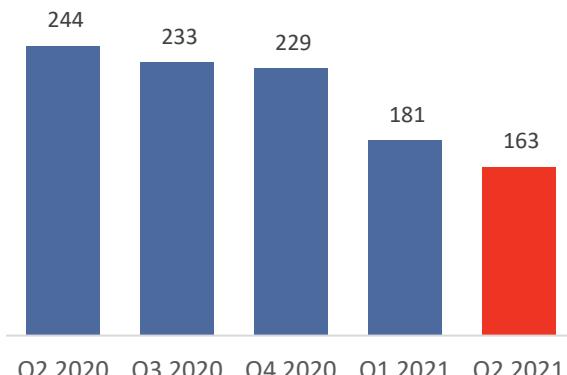
Total equity ended at 393 MNOK, up from 370 MNOK at the end of Q1-21 and up from 387 MNOK at the end of Q2-20. The equity ratio was 44 percent, down from 45 percent at the end of Q1-21 and up from 42 percent at the end of Q2-20.

Non-current liabilities ended at 252 MNOK, up from 187 MNOK at end of Q1-21 and down from 300 MNOK at the end of Q2-20. During the quarter, Q-Free has renegotiated the financing agreement with its main bank, resulting in a more favourable payment structure on the bank borrowings, and impacting the classification between non-current and current borrowings. For more information on the new financing agreement, refer to note 4 in the interim financial statements.

Current borrowings to financial institutions were 19 MNOK at the end of the second quarter 2021, down from 67 MNOK at the end of Q1-21 and down from 46 MNOK at Q2-20. Granted, but unused, credit facilities were 100 MNOK at the end of Q2-21, up from 91 MNOK at the end of Q1-21 and on the same level as of Q2-20.

Net interest-bearing debt ended at 163 MNOK, down from 181 MNOK in Q1-21 and 244 MNOK at the end of Q2-20. The reduction from Q1-21 is mainly explained by repayment of borrowings in the quarter and increased cash on hand. The reduction from Q2-20 is mainly explained by the conversion of the convertible bond, which took place in Q1-21.

QUARTERLY NIBD
MNOK



Current liabilities were 258 MNOK at the end of the quarter, down from 267 MNOK at the end of Q1-21, and up from 231 MNOK in Q2-20.

Net working capital (defined as current assets excluding cash less current liabilities excluding current borrowings) amounted to 127 MNOK at the end of Q2-21, up from 122 MNOK at the end of Q1-21 and down from 197 MNOK in Q2-20. Compared to the corresponding period last year, net working capital was positively impacted by the de-recognition of assets held for sale in Q1-21. The working capital ratio based on 12-month trailing revenues ended at 14 percent at end of Q2-21, on the same level as in Q1-21 and down from 22 percent at the end of Q2-20.

During Q2-21 Q-Free amended the contract with its main bank. The amendment secures Q-Free improved commercial terms, a more reasonable covenant structure, and significantly reduced minimum repayment over the next few years, securing available funds for reinvestment in the business. Further, the long-term debt will be partially converted from NOK to EUR and USD, reducing the net currency exposure in the balance-sheet.

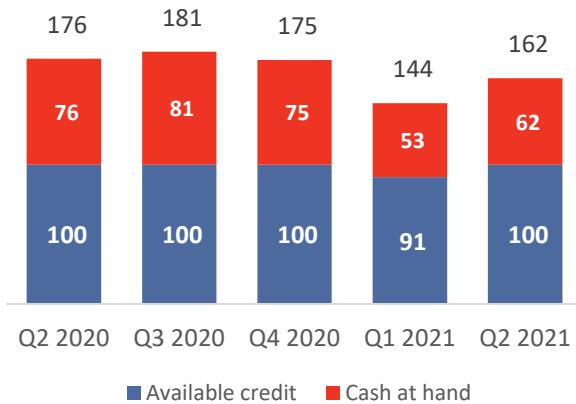
Cash flow

Net cash flow from operating activities was 29 MNOK in Q2-21 compared to 24 MNOK in Q2-20.

Net cash flow from investing activities was -5 MNOK in Q2-21 compared to -38 MNOK in Q2-20. In Q2-20 Q-Free acquired the remaining shares in Intelight.

Net cash flow from financing activities was -16 MNOK in Q2-21 versus 54 MNOK in Q2-20. Repayment of borrowings in Q2-21 and new debt issued in Q2-20 explain the decrease.

QUARTERLY AVAILABLE CREDIT AND CASH AT HAND MNOK

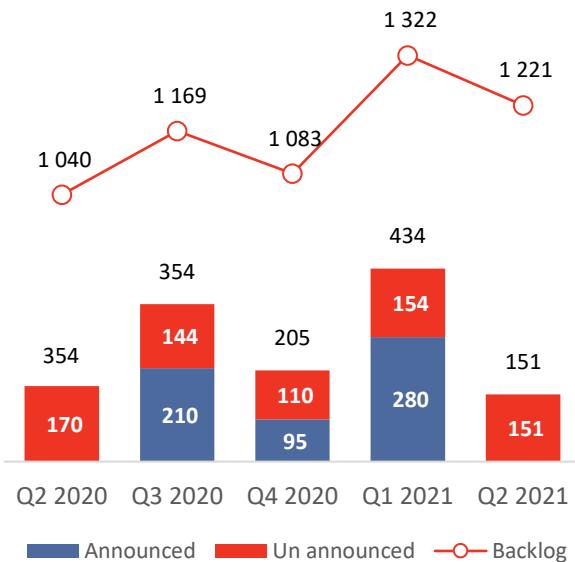


Q-Free had 162 MNOK in available funds at the end of Q2-21, down from 176 MNOK at the end of Q2-20 and up from 144 MNOK at the end of Q1-21.

Order intake and backlog

Total reported order intake in the second quarter of 2021 was 151 MNOK compared to 170 MNOK in Q2-20. Book-to-bill in the quarter ended at 0.59. Order intake was comprised of several small contracts in both Tolling and Traffic Management.

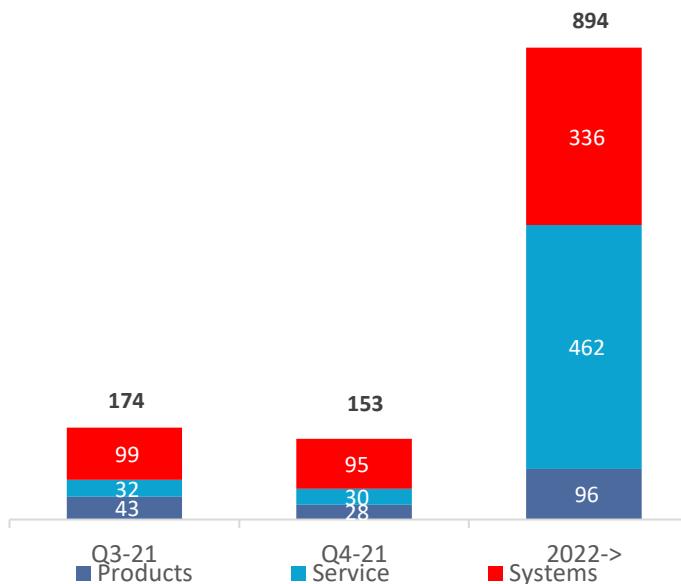
ORDER BACKLOG AND ORDER INTAKE MNOK



The order backlog at the end of Q2-21 was 1 221 MNOK, up from 1 040 MNOK at the end Q2-20 and down from 1 322 MNOK at the end of the previous quarter. 174 MNOK of the backlog is scheduled for delivery in Q3-21, 153 MNOK in Q4-21, and 894 MNOK in 2022 and beyond.

In terms of revenue mix, the order backlog is composed of 14 percent product deliveries, 43 percent service and maintenance contracts, and 43 percent system projects.

ORDER BACKLOG COMPOSITION MNOK



Segment overview

Q-Free's segment structure per Q2 2021:

OFFERING



Tolling

- Electronic Toll Collection
- Congestion Charging
- Road User Charging
- ALPR/ANPR enforcement
- DSRC Tags & Readers



Traffic Management

- Regional Freeway Management & Advanced Traffic Management Systems (ATMS)
- Traffic Signal Operations and Management
- Weigh-in-Motion
- Traffic Counting and Classification

KEY MARKETS

Europe
Norway
Sweden
Denmark
Portugal
Spain
Slovenia
Russia

Americas
USA
Chile

Asia Pacific
Australia
Thailand

Europe
UK
Ukraine

Americas
USA
Canada
Mexico
Brazil

Asia Pacific
Australia



Tolling

- Electronic Toll Collection
- Congestion Charging
- Road User Charging
- ALPR/ANPR enforcement
- DSRC Tags & Readers

REVENUES AND MARGINS

Tolling revenues in Q2-21 amounted to 161 MNOK, up from 136 MNOK in Q2-20. Revenues from S&M and software sales increased, whereas revenues from system projects and product sales decreased.

Tolling achieved an EBITDA of 35 MNOK in Q2-21, up 10 MNOK from Q2-20. The increase was driven by higher revenues.

ORDER INTAKE AND BACKLOG

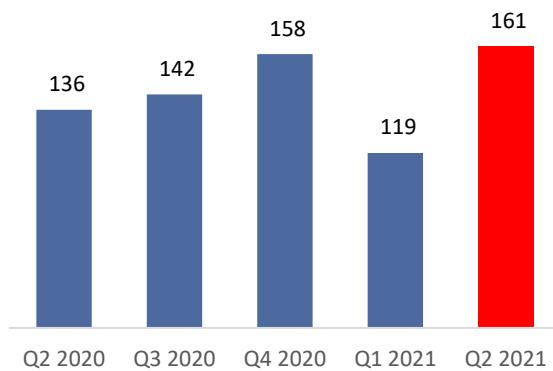
Q-Free booked Tolling contracts worth 96 MNOK in the quarter. The order intake consisted of various small and medium-sized orders.

The order backlog ended at 996 MNOK, up from 889 MNOK in Q2-20. Product deliveries accounted for 5 percent of the backlog value and are typically sold with short lead-times, while the remaining 95 percent consisted of system projects and long-term service & maintenance contracts.

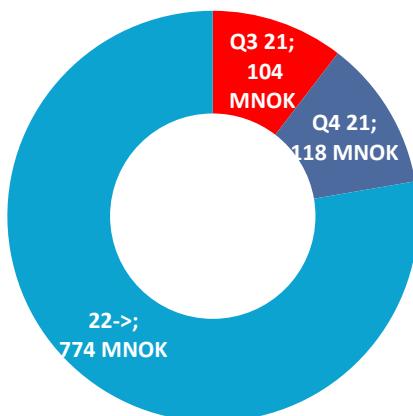
TOLLING REVENUES AND EBITDA MNOK

	Q2-21	Q2-20	H1-21	H1-20
REVENUES	161	136	280	272
EBITDA	35	25	55	38

LAST 5 QUARTERS TOLLING REVENUES MNOK



TOLLING ORDER BACKLOG DISTRIBUTION MNOK



TOLLING ORDER BACKLOG & ORDER INTAKE MNOK





Traffic Management

- Regional Freeway Management & Advanced Traffic Management Systems (ATMS)
- Traffic Signal Management
- Weigh-in-Motion & Traffic Counting and Classification

The business formerly known as the “Infomobility segment”, which was classified as “assets held for sale” throughout 2020, has been integrated into the Traffic Management segment with accounting effect from January 1, 2021. Comparable figures for the previous accounting periods have been restated correspondingly.

REVENUES AND MARGINS

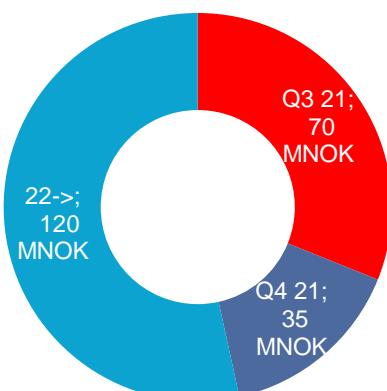
Traffic Management revenues ended at 91 MNOK in Q2-21, up from 81 MNOK in Q2-20. The increase was due to higher sale of traffic controllers and weigh-in-motion systems.

EBITDA ended at 9 MNOK in the quarter compared to 14 MNOK in Q2-20. The decrease was mainly due to product mix effects and higher operating expenses.

ORDER INTAKE AND BACKLOG

Q-Free booked Traffic Management contracts in the quarter worth 55 MNOK compared to 126 MNOK in Q2-20. The order intake comprised several small and medium-sized orders in the US and Europe. The order backlog ended at 225 MNOK.

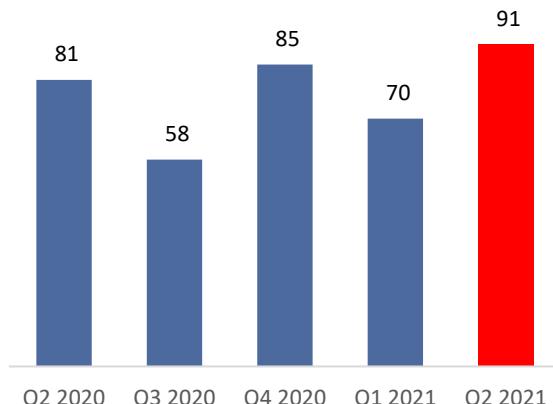
TRAFFIC MANAGEMENT ORDER BACKLOG DISTRIBUTION MNOK



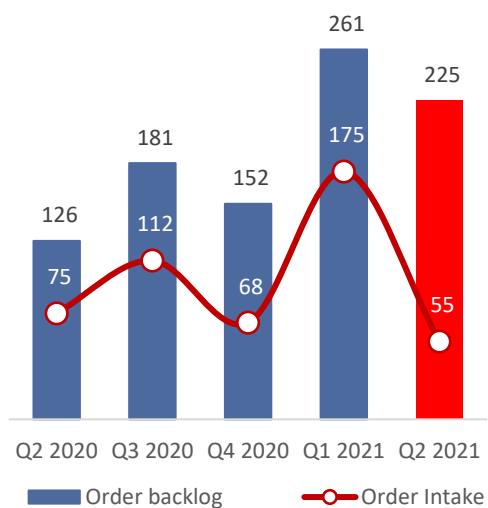
TRAFFIC MANAGEMENT REVENUES AND EBITDA MNOK

	Q2-21	Q2-20	H1-21	H1-20
REVENUES	91	81	161	138
EBITDA	9	14	13	4

LAST 5 QUARTERS TRAFFIC MANAGEMENT REVENUES MNOK



TRAFFIC MANAGEMENT ORDER BACKLOG & ORDER INTAKE MNOK



Outlook

Q-Free has communicated an ambition to generate double-digit organic revenue growth (reported revenues adjusted for discontinued business and currency fluctuations) and EBITDA margin in 2021.

In the first six months of 2021 the organic growth rate was 16 percent. The backlog is solid, the 2021 opportunity pipeline is attractive, and Q-Free's win rate on targeted contracts in the past 12 months has been 67 percent. However, the Covid-19 pandemic is currently causing some supply chain issues, in particular for microcontrollers. Q-Free expects that sales of Tolling tag will negatively impacted in the second half of 2021. Thus, if large deliveries must be pushed to 2022 it might soften the revenue growth rate in the second half of the year. Importantly, orders will not be lost as the entire industry is facing similar challenges, but revenue recognition could be postponed.

Q-Free reiterates its ambition to deliver an EBITDA margin above 10 percent in 2021. The year-to-date margin is 11 percent, and the current revenue mix and gross margin structure combined with cost control give the company some leeway on margins.

Looking further into the future, Q-Free reiterates its financial goals for 2025. An average annual growth rate in excess of 10 percent will lead to 2025 revenues of 1.3-1.5 billion NOK. Several European markets are now considering the introduction of nationwide tolling schemes, predominantly for heavy goods vehicles. In addition, the planned 1.2 trillion USD infrastructure bill could lead to improved market conditions for the Traffic Management business in the important US market.

The expected increase in high-margin software revenues combined with improved scalability of Q-Free's solutions will enable margin expansion from current levels. Hence, in 2025 Q-Free aims to deliver an EBITDA margin in the 15-20 percent range and an EBIT margin in the 10-15 percent range.



Consolidated financial statements

STATEMENT OF PROFIT OR LOSS

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

INDEX OF NOTES

- 1 General information & Accounting policies
- 2 Operating Segments
- 3 Revenue
- 4 Borrowings
- 5 Net financial items
- 6 Assets held for sale

ALTERNATIVE PERFORMANCE MEASURES

Interim condensed consolidated statement of profit or loss

30 JUNE 2021

Amounts in TNOK	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue from customers	3	252 633	222 709	444 118	424 239	889 305
Total operating revenue		252 633	222 709	444 118	424 239	889 305
Cost of goods sold		66 073	64 604	109 472	114 751	236 609
Project contractor expenses		34 919	21 456	52 095	45 610	107 551
Employee benefit expenses		82 653	76 689	169 305	173 417	331 338
Other operating expenses		34 447	33 840	65 377	72 211	138 030
Total operating expenses		218 092	196 589	396 248	405 989	813 528
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		34 541	26 120	47 869	18 250	75 777
Depreciation of property, plant and equipment		7 464	7 597	14 906	14 866	30 315
Amortisation of intangible assets		7 492	8 599	14 502	17 031	33 724
Impairment of intangible assets and PP&E		-	-	-	-	20 538
Gain on disposal of assets		-	-	252	-	-
Total depreciation, amortization and impairment		14 956	16 196	29 156	31 897	84 577
Earnings before interest and taxes (EBIT)		19 585	9 924	18 713	-13 647	-8 800
Financial income	5	4 181	9 036	8 331	49 111	56 865
Financial expenses	5	-7 927	-17 713	-15 302	-46 645	-80 511
Net financial items	5	-3 746	-8 677	-6 971	2 466	-23 646
Profit before tax		15 839	1 247	11 742	-11 181	-32 446
Tax expense		-1 518	-6 312	-1 499	-7 318	-8 549
Profit / (-) loss for the year from continuing operations		14 321	-5 065	10 243	-18 499	-40 995
Profit / (-) loss for the year on discontinued operations, net of tax						
Profit / (-) loss for the period		14 321	-5 065	10 243	-18 499	-40 995
Earnings per share		0,13	-0,06	0,09	-0,21	-0,56
Diluted earnings per share		0,13	-0,06	0,09	-0,21	-0,56

The interim financial information has not been subject to audit or review.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income

30 JUNE 2021

Amounts in TNOK	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Profit / (-) loss for the period		14 321	-5 065	10 243	-18 499	-40 995
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		6 610	-28 613	-2 525	37 740	-15 790
Other comprehensive income for the period, net of tax		6 610	-28 613	-2 525	37 740	-15 790
Total comprehensive income for the period, net of tax		20 931	-33 678	7 718	19 241	-56 785

The interim financial information has not been subject to audit or review.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

30 JUNE 2021

Amounts in TNOK	Note	Q2 2021	Q2 2020	FY 2020
ASSETS				
Deferred tax assets		20 466	4 573	18 823
Intangible assets		77 764	94 629	65 286
Goodwill		282 642	296 122	266 576
Property, plant and equipment	1	87 552	64 758	63 311
Non-current receivables		6 782	-	-
TOTAL NON-CURRENT ASSETS		475 206	460 082	413 997
Inventories		75 889	41 865	38 450
Contract assets		93 798	98 247	93 560
Accounts receivable		170 177	113 707	109 945
Other current assets		26 549	37 623	28 030
Cash and cash equivalents		61 606	76 147	74 961
Assets held for sale	6	-	90 192	91 003
TOTAL CURRENT ASSETS		428 019	457 781	435 949
TOTAL ASSETS		903 225	917 863	849 946

Interim condensed consolidated statement of financial position

30 JUNE 2021

Amounts in TNOK	Note	Q2 2021	Q2 2020	FY 2020
EQUITY AND LIABILITIES				
Subscribed share capital		42 273	33 905	33 905
Share premium		649 939	578 307	578 307
Other paid-in capital		23 189	21 140	21 223
Retained earnings		-322 367	-245 926	-320 320
TOTAL EQUITY		393 034	387 426	313 115
Non-current borrowings	4	206 400	208 400	179 200
Convertible bond		-	65 940	69 983
Non-current financial liabilities	1	45 791	25 200	20 271
Total non-current liabilities		252 191	299 540	269 454
Current borrowings	4	18 600	46 100	54 300
Advance payments from customers		24 022	12 512	11 050
Accounts payable		71 125	49 016	58 220
Taxes payable		6 999	1 434	3 555
Public duties payable		12 873	14 877	14 118
Current financial liabilities	1	19 419	20 186	20 110
Other current liabilities		104 962	69 181	78 868
Liabilities held for sale	6	-	17 592	27 157
Total current liabilities		258 000	230 897	267 377
TOTAL LIABILITIES		510 191	530 437	536 831
TOTAL EQUITY AND LIABILITIES		903 225	917 863	849 946

The interim financial information has not been subject to audit or review.

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

30 JUNE 2021

Amounts in TNOK	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Cash flow from operations					
Profit before tax	15 839	1 247	11 742	-11 181	-32 446
Paid taxes	-	-338	-110	-3 276	-5 330
Depreciation and impairment of property, plant and equipment	7 464	7 597	14 906	14 866	30 315
Amortisation and impairment of intangible assets	7 492	8 599	14 502	17 031	-
Gain on disposal of assets	-	-	-252	-	54 262
Accrued interest expense	-	383	225	668	4 934
Share-based payment expense	-	-84	-	-149	-233
<i><u>Working capital adjustments:</u></i>					
Changes in inventory	-11 680	7 076	-18 083	9 786	18 337
Changes in contract assets	-6 937	91	1 168	3 650	8 991
Changes in accounts receivable	-39 435	35 860	-32 005	14 294	2 093
Changes in advance payments from customers	940	3 818	8 929	11 152	10 840
Changes in accounts payable	13 998	-45 059	574	-64 175	-47 058
Changes in other items	41 460	4 992	22 237	18 820	21 882
Net cash flow from operations	29 140	24 182	23 833	11 486	66 587
Cash flow from investing activities					
Investments in PP&E and intangible assets	-5 222	-5 312	-11 997	-10 967	-24 011
Acquisition of a subsidiary, net of cash acquired	-	-32 491	-	-32 491	-32 491
Cash flow from investing activities	-5 222	-37 803	-11 997	-43 458	-56 502
Cash flow from financing activities					
Cash proceeds from borrow ings	-	82 000	9 011	117 064	117 064
Cash proceeds from convertible bond	-	75 777	-	75 777	75 777
Repayment of borrow ings	-9 011	-94 585	-17 511	-94 585	-115 585
Payments of lease liabilities	-5 235	-5 883	-10 810	-11 011	-22 875
Interest received	-	174	377	203	1 217
Interest paid	-1 716	-3 764	-3 752	-7 017	-13 905
Cash flow from financing activities	-15 962	53 719	-22 685	80 431	41 693
Effect on cash and cash equivalents of changes in foreign exchange rates	705	-6 502	-2 506	-3 363	-7 868
Net change in cash and cash equivalents for the period	8 661	33 596	-13 355	45 096	43 910
Cash and cash equivalents beginning of period	52 945	42 551	74 961	31 051	31 051
Cash and cash equivalents end of period	61 607	76 147	61 607	76 147	74 961

The interim financial information has not been subject to audit or review. The accompanying notes are an integral part of the interim condensed consolidated financial statements.



Interim condensed consolidated statement of changes in equity

30 JUNE 2021

Amounts in TNOK

	Subscribed share capital	Share premium	Other paid-in capital	Retained earnings	Currency translation differences, net of tax	Total
Total equity 31.12.2020	33 905	578 307	31 950	-401 960	70 912	313 115
Profit / (-) loss for the period	-	-	-	10 243	-	10 243
Other comprehensive income	-	-	-	-	-2 525	-2 525
Total comprehensive income for the period	33 905	578 307	31 950	-391 717	68 387	320 833
Share-based payment expense	-	-	1 966	-	-	1 966
Convertible bond conversion	8 368	71 632	-10 727	963	-	70 236
Total equity 30.06.2021	42 273	649 939	23 189	-390 754	68 387	393 034
Total equity 31.12.2019	33 905	578 307	21 223	-360 965	85 031	357 502
Profit / (-) loss for the period	-	-	-	-40 995	-	-40 995
Other comprehensive income	-	-	-	-	-14 119	-14 119
Total comprehensive income for the period	33 905	578 307	21 223	-401 960	70 912	302 388
Convertible bond issue			10 727			10 727
Total equity 31.12.2020	33 905	578 307	31 950	-401 960	70 912	313 115

The interim financial information has not been subject to audit or review.

On May 19, 2020, The Company issued Convertible Bonds at a par value of tNOK 80 000. In accordance with IAS 32, the proceeds were split between a debt element valued at fair market value, while the residual (option element for conversion right) was considered equity. Net after deduction for transaction cost, the debt was valued at tNOK 65 050 at time of issue, while the equity was valued at net tNOK 10 727. Accrued interest was added to the debt.

The Bonds were not listed. In Q1-21 all bond-holders representing the nominal tNOK 80 000 loan converted their bonds to shares, resulting in an increase in equity of tNOK 70 236.



Notes to the condensed interim financial statements Q2 2021

NOTE 1 – GENERAL INFORMATION & ACCOUNTING POLICIES

The Q-Free Group provides leading technology solutions to the global ITS market. Q-Free has 362 employees, is headquartered in Trondheim Norway, and has local offices in 14 countries around the world. Q-Free ASA is a Norwegian public limited liability company, and has been listed on the Oslo Stock Exchange under the ticker QFR since 2002.

Basis of preparation

These consolidated interim financial statements for Q2 2021 and the first half year of 2021, 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 have not been audited or been subject to review by the Group's auditor. The financial statements do not include all the information required for the full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2020. The consolidated financial statements for 2020 are available upon request from the company's registered office in Trondheim or at our website, www.q-free.com. The consolidated condensed interim financial statements were approved by the Board of Directors at its meeting on 08 July 2021.

The preparation of the Q-Free Group's consolidated financial statements requires management to make judgements, 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 outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.

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

As a result of rounding differences, numbers or percentages may not add up to the total.

Accounting policies

The interim condensed consolidated financial statements of the Q-Free Group for Q1 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) in accordance with IAS 34 *Interim Financial Reporting*. The Group has used the same accounting policies and standards as in the consolidated financial statements as of 31 December 2020.



NOTE 2 OPERATING SEGMENTS

The Group discloses operating segment information under IFRS 8 *Operating Segments*, which requires the entity to identify segments according to the organisation and reporting structure used by management. Operating segments are components of a business that are evaluated regularly by the chief operating decision maker for the purpose of assessing performance and allocating resources. The Group's chief operating decision maker is the members of the corporate management team.

The operating segments are determined based on how resources and investments are allocated within the Group, as well as on differences in the nature of the operations, solutions, products and services. As of January 1 2020, the Group changed the segment reporting from the previously five segments Tolling, Parking, Urban, Inter-Urban and Infomobility to the two segments Tolling and Traffic Management. Parking is classified as held for sale. The "Infomobility" business, which was classified as held for sale throughout 2020, has been included in the Traffic Management segment with accounting effect from January 1, 2021. Comparative figures for the previous accounting periods have been restated correspondingly. Refer to note 2. Consequently, the Group manages its operations in two segments:

Segment	Products offered within the segment
Tolling	DSRC tags and readers, ALPR and image based solutions, Electronic toll collection systems (multilane free-flow, truck tolling and congestion charging)
Traffic Management	Regional Freeway Management and Advanced Management Traffic Systems (ATMS), Traffic Signal Management, Weight in motion, Traffic Counting and Classification

Global Functions do not represent a separate segment but are expenses that are not relevant to allocate to specific segments. Global functions include corporate services, such as management and Group finance services at the Q-Free headquarters. These expenses are reported in a separate column as shown in the table below.



NOTE 2 OPERATING SEGMENTS

SEGMENTS	TOLLING		Traffic Management		Assets held for sale		Global functions		TOTAL	
Amounts in TNOK	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Revenue from customers	161 478	136 176	91 154	80 964	0	5 570	-	0	0	
Revenue from customers	161 478	136 176	91 154	80 964	0	5 570	-	0	0	
Cost of goods sold	33 341	36 490	32 731	23 628	0	4 486	0	0	0	
Project contractor expenses	31 692	19 231	3 227	1 352	0	874	0	0	0	
Gross Contribution	96 445	80 455	55 196	55 984	0	210	-	0	0	
Gross margin - %	59,7 %	59,1 %	60,6 %	69,1 %	0,0 %	3,8 %				
Total OPEX	61 309	55 831	46 009	42 482	0	4 575	9 782	7 640	117 100	110 528
EBITDA	35 136	24 624	9 187	13 502	0	-4 366	-9 782	-7 640	34 541	26 121
EBITDA margin	21,8 %	18,1 %	10,1 %	16,7 %	0,0 %	-78,4 %			13,7 %	11,7 %
Depreciation and amortisation	9 737	9 298	5 219	6 648	0	250	0	0	14 956	16 197
EBIT	25 399	15 326	3 968	6 854	0	-4 615	-9 782	-7 640	19 585	9 924
EBIT margin	15,7 %	11,3 %	4,4 %	8,5 %	0,0 %	-82,9 %			7,8 %	4,5 %

The comparative figures as reported before and after the reclassification of Infomobility into Traffic Management are shown in the table below.

SEGMENTS	TOLLING		Traffic Management		Assets held for sale		Global functions		TOTAL				
	Amounts in TNOK	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020		
Revenue from customers	280 460	272 443		161 192	138 169	2 466	13 627	0	-	0			
Cost of goods sold	52 709	67 471		56 254	40 507	509	6 772	0	0		109 472	114 751	
Project contractor expenses	48 116	40 060		3 841	1 575	137	3 974	0	0		52 095	45 610	
Gross Contribution	179 634	164 912		101 097	96 087	1 820	2 881	0	-	0		282 551	263 879
Gross margin - %	64,0 %	60,5 %		62,7 %	69,5 %	73,8 %	21,1 %					63,6 %	62,2 %
Total OPEX*	124 131	126 452		88 048	92 306	3 609	9 714	18 893	17 158		234 682	245 629	
EBITDA	55 503	38 460		13 049	3 781	-1 789	-6 833	-18 893	-17 158			47 869	18 250
EBITDA margin	19,8 %	14,1 %		8,1 %	2,7 %	-72,6 %	-50,1 %					10,8 %	4,3 %
Depreciation and amortisation	18 235	17 828		11 102	13 565	71	504	252	0			29 156	31 897
EBIT	37 268	20 632		1 947	-9 784	-1 860	-7 337	-18 641	-17 157			18 713	-13 647
EBIT margin	13,3 %	7,6 %		1,2 %	-7,1 %	-75,4 %	-53,8 %					4,2 %	-3,2 %

NOTE 2 OPERATING SEGMENTS CONT.

SEGMENTS	TOLLING		TRAFFIC MANAGEMENT after reclassification of "Infomobility"	TRAFFIC MANAGEMENT before reclassification of "Infomobility"	HELD FOR SALE after reclassification of "Infomobility"	HELD FOR SALE before reclassification of "Infomobility"	GLOBAL FUNCTIONS		TOTAL	
	Q2 2020	Q2 2020					Q2 2020	Q2 2020	Q2 2020	Q2 2020
Amounts in TNOK	Q2 2020	Q2 2020							Q2 2020	Q2 2020
Revenue from customers	136 176	136 176	80 964	68 032	5 570	18 501			222 709	222 709
Cost of goods sold	36 490	36 490	23 628	19 260	4 486	8 854			64 604	64 604
Project contractor expenses	19 231	19 231	1 352	1 046	874	1 179			21 456	21 456
Gross Contribution	80 455	80 455	55 984	47 726	210	8 468	-	-	136 650	136 650
Gross margin - %	59,1 %	59,1 %	69,1 %	70,2 %	3,8 %	45,8 %			61,4 %	61,4 %
Total OPEX*	55 831	57 680	42 482	35 415	4 575	9 794	7 640	7 640	110 528	110 528
EBITDA before non-recurring items	24 624	22 775	13 502	12 311	-	4 366	-	1 325	-	7 640
EBITDA margin	18,1 %	16,7 %	16,7 %	18,1 %	-78,4 %	-7,2 %			11,7 %	11,7 %
Depreciation and amortization*	9 298	7 526	6 648	5 521	250	3 150			16 197	16 197
EBIT before non-recurring items	15 325	15 249	6 854	6 790	-	4 615	-	4 475	-	7 640
EBIT margin	11,3 %	11,2 %	8,5 %	10,0 %	-82,9 %	-24,2 %			4,5 %	4,5 %

SEGMENTS	TOLLING		TRAFFIC MANAGEMENT after reclassification of	TRAFFIC MANAGEMENT before reclassification of "Infomobility"	HELD FOR SALE after reclassifi- cation of	HELD FOR SALE before reclassifi- cation of	GLOBAL FUNCTIONS		TOTAL	
			H1 2020	H1 2020	H1 2020	H1 2020	H1 2020	H1 2020	H1 2020	H1 2020
Amounts in TNOK	H1 2020	H1 2020							H1 2020	H1 2020
Revenue from customers	272 443	272 443	138 169	105 932	13 627	45 864			424 240	424 240
Cost of goods sold	67 471	67 471	40 508	29 848	6 772	17 432			114 751	114 751
Project contractor expenses	40 061	40 061	1 576	1 046	3 974	4 502			45 610	45 610
Gross Contribution	164 912	164 912	96 086	75 037	2 881	23 930	-	-	263 879	263 879
Gross margin - %	60,5 %	60,5 %	69,5 %	70,8 %	21,1 %	52,2 %			62,2 %	62,2 %
Total OPEX	126 452	129 984	92 306	75 955	9 714	22 533	17 158	17 158	245 629	245 629
EBITDA before non-recurring items	38 460	34 928	3 780	-	918	-	6 833	1 398	-	18 249
EBITDA margin	14,1 %	12,8 %	2,7 %	-0,9 %	-50,1 %	3,0 %				4,3 %
Depreciation and amortization	17 828	14 470	13 565	11 150	504	6 277			31 897	31 897
EBIT before non-recurring items	20 632	20 457	-	9 786	-	12 067	-	7 337	-	4 879
EBIT margin	7,6 %	7,5 %	-7,1 %	-11,4 %	-53,8 %	-10,6 %				-3,2 %

*In order to reflect the actual payments of rental premises in the segments, the allocation key applied on lease payments and depreciation of Right of Use assets have been changed from January 1, 2021. Comparative figures for Total OPEX and Depreciation and amortization have been restated and are shown in the table above.

NOTE 3 REVENUES

Revenue from customers is disaggregated in the table below by type of product or project category, by the timing of the reception of revenue, and by segment.

Disaggregation of revenue from customers

Amounts in TNOK	TOLLING		TRAFFIC MANAGEMENT		ASSETS HELD FOR SALE		TOTAL	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Revenue from customers	161 478	136 176	91 154	80 964	-	5 570	252 633	222 709
At a point in time revenue recognition								
Product deliveries (not related to projects)	36 480	31 707	36 776	29 661	-	133	73 257	61 501
Total at a point in time revenue recognition	36 480	31 707	36 776	29 661	-	133	73 257	61 501
Over time revenue recognition								
Service & Maintenance	42 966	40 687	14 011	13 877	-	315	56 978	54 879
System Projects (includes over-time product deliveries related to projects)	82 031	63 783	40 367	37 425	-	5 121	122 398	106 329
Total over time revenue recognition	124 998	104 469	54 378	51 302	-	5 437	179 376	161 208

Amounts in TNOK	TOLLING		TRAFFIC MANAGEMENT		ASSETS HELD FOR SALE		TOTAL	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Revenue from customers	280 460	272 443	161 192	138 169	2 466	13 627	444 118	424 240
At a point in time revenue recognition								
Product deliveries (not related to projects)	62 421	62 235	71 288	54 980	844	584	134 552	117 799
Total at a point in time revenue recognition	62 421	62 235	71 288	54 980	844	584	134 552	117 799
Over time revenue recognition								
Service & Maintenance	81 518	77 406	20 437	19 043	235	665	102 190	97 114
System Projects (includes over-time product deliveries related to projects)	136 521	132 802	69 467	64 146	1 388	12 379	207 376	209 326
Total over time revenue recognition	218 039	210 208	89 904	83 189	1 622	13 044	309 566	306 440

NOTE 4 BORROWINGS

Type	Effective interest		30.06.2021	30.06.2020	31.12.2020
	rate % *****	Maturity***			
Non-current					
Nordea - Term loan***	3,20 %	30.06.2024	51 282	37 500	25 000
Nordea - Term loan***	3,20 %	30.06.2024	58 118	37 730	29 230
Nordea - Term loan***	3,16 %	30.08.2026	82 000	77 900	69 700
Nordea - Revolving Credit Facility (RCF)	3,20 %	30.06.2024	15 000	55 270	55 270
Total non-current borrowings			206 400	208 400	179 200
Convertible bond					
Convertible bond (NIBOR + 4%)	12,53 %	19.05.2023	-	65 940	69 983
Current					
Nordea - Term loan***	3,20 %	30.06.2024	8 718	25 000	25 000
Nordea - Term loan***	3,20 %	30.06.2024	9 882	17 000	17 000
Nordea - Term loan***	3,16 %	15.02.2022	-	4 100	12 300
Nordea - Credit line**	-	-	-	-	-
Total current borrowings			18 600	46 100	54 300
Total borrowings			225 000	320 440	303 483

* The facility is partly guaranteed by GIEK as part of the Norwegian government's Covid-19 support packages.

** Credit line is renewed annually. Cost of facility is partially interest on actual overdraft with an additional overdraft facility fee.

***Following an amendment to the contract with the main bank, these facilities will be converted to new facilities in Q3-21. The new facilities are a tNOK 44 000 term loan, a tEUR 2 000 term loan, a tUSD 3 500 term loan, and a tNOK 50 000 multicurrency facility. The conversion will not have significant cash impact.

****Maturity date is based on the amended contract with the main bank. The termination date is subject to extension options.

*****Interest rates will be reduced following the conversion of the facilities.

Convertible Bond

On May 19, 2020 the Company issued Convertible Bonds at a par value of tNOK 80 000. In accordance with IAS 32, the proceeds were split between a debt element valued at fair market value, while the residual (option element for conversion right) was considered equity. Net after deduction for transaction cost, the debt was valued at tNOK 65 050 at time of issue, while the equity was valued at net tNOK 10 727. Accrued interest was added to the debt. The Bonds were not listed.

Under IAS 32, all interest on nominal amount was charged to the debt proportion of the convertible bond. For accounting purposes, the effective interest was therefore significantly higher than the nominal interest.

On December 15, Rieber & Søn AS increased their ownership in Q-Free past 33,3%. This triggered a "change of control event" for the holders of convertible bonds, enabling the bond-holders to convert the bonds to shares at a price of 3,6329 per share. In Q1-21 all bond-holder representing the nominal tNOK 80 000 loan have converted their bonds to shares, resulting in an increase in equity of tNOK 70 236.



Debt covenants

Following an amendment to the financial contract with its main bank in June 21, the following loan covenants apply:

There is a minimum equity ratio covenant of 35%, where equity ratio is defined as equity subordinated loans divided on total assets.

The leverage ratio should not exceed 3.50. Leverage ratio is calculated as long term borrowings plus short term borrowings plus lease-obligation less cash and cash equivalents divided on 12M EBITDA.

Capital expenditure should not exceed tNOK 45 000, measured annually. "Right of use Assets" under IFRS16 is not considered CAPEX for this purpose.

All financial covenants are subject to clauses for possible "repair" either before or after the date of measurement. In addition to financial covenants mentioned above, the contract contains other covenants that are considered common for similar contractual relationships. This includes limitations on acquisitions, disposals, change of control and conditions related to continued listing.

The effective interest rate of selected facilities/borrowings will in the future be dependent on the leverage ratio.

NOTE 5 NET FINANCIAL ITEMS

Amounts in TNOK				
Financial items	Q2 2021	Q2 2020	H1 2021	H1 2020
Interest income	-115	174	262	203
Realised exchange rate differences	3 794	5 191	7 000	10 839
Unrealised exchange rate differences	501	0	1 069	38 069
Fair value change in contingent consideration and other liabilities*	-	3 671	-	-
Financial income	4 181	9 036	8 331	49 111
Interest expense	-325	-1 286	-841	-4 081
Interest on borrowings	-1 716	-3 320	-3 499	-5 572
Interest on convertible bond	-	-	-253	-
Realised exchange rate differences	-2 184	-5 618	-4 149	-8 380
Unrealised exchange rate differences	-2 995	-3 719	-4 753	-22 965
Other financial expense	-707	-3 770	-1 808	-5 647
Financial expense	-7 927	-17 713	-15 302	-46 645
NET FINANCIAL ITEMS	-3 746	-8 677	-6 971	2 466

* Change in contingent consideration and other liabilities is explained by currency effects on the liability for the purchase of the remaining shares of Intelight Inc. The remaining shares in Intelight Inc. was purchased during Q2-20. The currency effect on settlement is classified as realized exchange rate differences.

NOTE 6 ASSETS HELD FOR SALE

Amounts in TNOK	30.06.2021	30.06.2020	31.12.2020
ASSETS			
Deferred tax assets	-	8 624	-
Development, goodwill	-	36 653	34 025
Property, plant and equipment	-	4 111	6 502
Inventories	-	24 492	19 356
Contract assets	-	2 060	1 406
Accounts receivable	-	12 264	28 227
Other current assets	-	1 987	1 487
ASSETS HELD FOR SALE	-	90 191	91 003

Amounts in TNOK	30.06.2021	30.06.2020	31.12.2020
LIABILITIES			
Non-current financial liabilities	-	2 223	3 739
Accounts payable	-	4 418	12 331
Public duties payable	-	3 023	3 111
Other current liabilities	-	7 928	7 975
LIABILITIES HELD FOR SALE	-	17 592	27 157

ALTERNATIVE PERFORMANCE MEASURES

The Group presents some financial performance measures in its annual report which are not defined according to IFRS. The Group is of the opinion that these measures provide valuable complementary information to investors and the Group's management since they facilitate the evaluation of the Group's performance. As every Group does not calculate financial performance measures in the same manner, these are not always comparable with measures used by other companies. These financial performance measures should therefore not be regarded as a replacement for measures as defined according to IFRS.

Gross contribution:

Defined as Revenue from customers reduced with Cost of goods sold and Project contractor expenses. Project contractor expenses are included in Gross Contribution since they are heavily correlated with project and service revenues.

Project contractor expenses:

Project contractor expenses include costs for external consultants and / or services that are consumed under project executions and service and maintenance work.

Gross margin:

Defined as Revenue from customers reduced with Cost of goods sold and Project contractor expenses in percentage of revenues.

Amounts in TNOK

Gross contribution and gross margin	Q2 2021	Q1 2021	H1 2021	H1 2020	FY 2020
Revenue from customers	252 633	222 709	444 118	424 239	889 305
Cost of goods sold	-66 073	-64 604	-109 472	-114 751	-236 609
Project contractor expenses	-34 919	-21 456	-52 095	-45 610	-107 551
Gross contribution	151 641	136 649	282 551	263 878	545 145
Gross margin	60,0 %	61,4 %	63,6 %	62,2 %	61,3 %

EBITDA / EBIT:

The Group considers EBITDA / EBIT to be normal accounting terms, but they are not included in the IFRS accounting standards. EBITDA is an abbreviation for Earnings Before Interest, Taxes, Depreciation and Amortisation. The Group uses EBITDA in the income statement as a summation line for other accounting lines. These accounting lines are defined in our accounting principles, which are part of the financial statements for 2020. The same applies for EBIT.

EBITDA margin:

Defined as Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) in percentage of revenues.

Amounts in TNOK

EBITDA margin	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Revenue from customers	252 633	222 709	444 118	424 239	889 305
EBITDA	34 541	26 120	47 869	18 250	75 777
EBITDA margin	13,7 %	11,7 %	10,8 %	4,3 %	8,5 %

EBIT margin:

Defined as Earnings Before Interest and Taxes (EBIT) in percentage of revenues.

Amounts in TNOK

EBIT margin	Q2 2021	Q2 2020	H1 2021	H1 2020
Revenue from customers	252 633	222 709	444 118	424 239
EBIT	19 585	9 924	18 713	-13 647
EBIT margin	7,8 %	4,5 %	4,2 %	-3,2 %

Non-recurring items:

The Group defines non-recurring items as one-time costs, not related to the actual reporting period. Restructuring costs and settlement of disputes are classified as non-recurring items.

Amounts in TNOK

Non-recurring items	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Impairment	-	-	-	-	20 538
Non-recurring items in EBIT	-	-	-	-	20 538

Net Interest Bearing Debt (NIBD):

Long term borrowings plus short term borrowings less cash and cash equivalents.

Amounts in TNOK

Net Interest Bearing Debt	Q2 2021	Q2 2020	31.12.2020
Non-current borrowings from financial institutions	206 400	208 400	179 200
Convertible bond	-	65 940	69 983
Current borrowings from financial institutions	18 600	46 100	54 300
Gross Interest Bearing Debt	225 000	320 440	303 483
Cash and cash equivalents	61 606	76 147	74 961
Net Interest Bearing Debt	163 394	244 293	228 522

For the avoidance of doubt, NIBD does not include lease obligations according to IFRS16.

Net working capital:

Defined as Current assets excluding Cash less Current liabilities and excluding Current borrowings.

Amounts in TNOK

Net Working Capital	Q2 2021	Q2 2020	31.12.2020
Inventories	75 889	41 865	38 450
Contract assets	93 798	98 247	93 560
Accounts receivable	170 177	113 707	109 945
Other current assets	26 549	127 815	119 034
Current Assets (excl Cash and cash equivalents)	366 413	381 634	360 988
Advance payments from customers	24 022	12 512	11 050
Accounts payable	71 125	49 016	58 220
Taxes payable	6 999	1 434	3 555
Public duties payable	12 873	14 877	14 118
Current financial liabilities	19 419	20 186	20 110
Other current liabilities	104 962	86 773	106 025
Intelight share purchase liability	-	-	-
Current liabilities (excl Current borrowings from financial institutions)	239 400	184 797	213 077
Net Working Capital	127 013	196 837	147 911

Working capital ratio:

Defined as Current assets excluding Cash less Current liabilities and excluding Current borrowings and the Intelight share purchase liability classified as Current financial liabilities in percentages of last 12 months Revenue from customers.

Amounts in TNOK

Working Capital ratio	Q2 2021	Q2 2020	31.12.2020
12 months Revenue from customers	879 260	912 592	880 339
Net Working Capital	127 013	196 837	147 911
Working Capital ratio	14,4 %	21,6 %	16,8 %

Equity ratio:

Equity ratio is defined as equity proportion of total assets and shows financial leverage.

Amounts in TNOK

Equity ratio	Q2 2021	Q2 2020	31.12.2020
Total equity	393 034	387 426	313 115
Total assets	903 225	917 863	849 946
Equity ratio	43,5 %	42,2 %	36,8 %

For the purpose of covenant calculation on the loans from financial institutions, the debt element of the convertible bond is considered equity. Hence, an equity ratio for covenant calculation purposes is provided below.

Amounts in TNOK

Equity ratio for covenant calculation purposes	Q2 2021	Q2 2020	31.12.2020
Total equity. Debt element of convertible bond considered equity	393 034	453 366	383 098
Total assets	903 225	917 863	849 946
Equity ratio for covenant calculation purposes	43,5 %	49,4 %	45,1 %

Order intake:

Order intake is defined as total amount of all signed new contracts received in a defined period.

Order backlog:

Order backlog is defined as total amount of signed contracts to be delivered in future periods.

The order backlog is calculated as shown below:

Prior period's backlog

- + Received new orders
- ÷ This periods revenues
- + / ÷ Currency adjustments
- = End backlog reporting period

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and the CEO have today considered and approved the condensed financial statements for the first half of 2021 and the financial information in this report that is relevant for the first half of 2021.

The report for the first half of 2021 has been prepared in accordance with IAS 34 Interim Financial Statements and additional disclosure requirements as stated in the Norwegian Verdipapirhandeloven (Securities Trading Act).

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half of 2021 gives a true and fair view of the Q-Free Group's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge the report provides a fair review of important events in the period and their effects on the condensed set of financial statements, with a description of the principal risks and uncertainties that the Q-Free Group is facing that may have a material effect on the financial position or results for the Q-Free Group.

Oslo, 08 July 2021.

The Board of Directors and

Chief Executive Officer of Q-Free ASA

Trond Valvik	Chairman of the Board
Snorre Kjesbu	Vice Chairman of the Board
Lene Diesen	Member
Karin Sandsjö	Member
Geir Bjørlo	Member
Brage Blekken	Employee elected member
Yngve Halmø	Employee elected member
Håkon Rypern Volldal	President & CEO





HEADQUARTERS
Q-FREE ASA

Strindfjordvegen 1
7053 Ranheim
Norway

Postal Address
Pob 3974 Leangen
7443 Trondheim
Norway

Tel.:+47 73 82 65 00
Fax:+47 73 82 65 01

info@q-free.com
www.q-free.com

twitter.com/qfreeasa
linkedin.com/qfreeasa

Bank: Nordea Bank Abp, filial i Norge
ACC. No.: 6402.05.33518

Register of business
enterprises NO 935 487 242

