



Q1
FIRST QUARTER
2022

THE PRIME MOVER IN
TRAFFIC TECHNOLOGY

DISCLAIMER

The following presentation (“Presentation”) does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in Q-Free ASA (“The Company”). The release, publication or distribution of this Presentation in certain jurisdictions may be restricted by law, and therefore persons in such jurisdictions in to which this Presentation is released, published or distributed should inform themselves about, and observe, such restrictions.

This Presentation includes and is based, on forward-looking information and contains statements regarding the future in connection with The Company’s growth initiatives, outlook, strategies and objectives. All forward-looking information and statements in this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for The Company. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects”, “believes”, “estimates” or similar expressions. Important factors may lead to actual profits, results and developments deviating substantially from what has been expressed or implied in such statements. Although The Company believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation. The Company is making no representation or warranty, expressed or implied, as to accuracy, reliability or completeness of the Presentation, and neither The Company nor any of its directors, officers or employees will have any liability to Relevant Persons or any other persons resulting from its use.

The Presentation is not intended to provide, and should not be relied upon for, legal, tax, regulatory, financial, accounting or investment advice. The Presentation does not purport to be complete on any topic addressed. Q-Free does not intend to update the information after its distribution, even in the event that the information becomes materially inaccurate. Certain information contained in the Presentation includes calculations or figures which have been prepared by Q-Free and have not been audited or verified by a third party. Use of different methods for preparing, calculating or presenting information may lead to different results and such differences may be material.



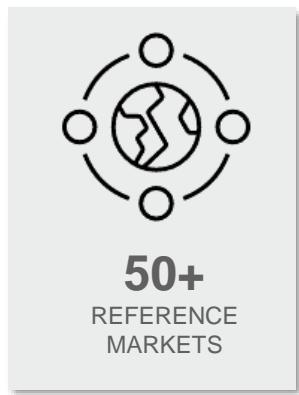
The prime mover in intelligent traffic solutions

*Together, we create sustainable
smart cities where people,
goods, and data travel safely
and efficiently*



Q-FREE AT A GLANCE

KEY FACTS



PRESENCE AND FOOTPRINT

AMERICAS



Sales: ~30%
FTEs: ~25%

EUROPE



Sales: ~60%
FTEs: ~65%

APMEA



Sales: ~10%
FTEs: ~10%

A HISTORY OF PRIME MOVER PROJECTS

1 COMMERCIAL BREAKTHROUGH

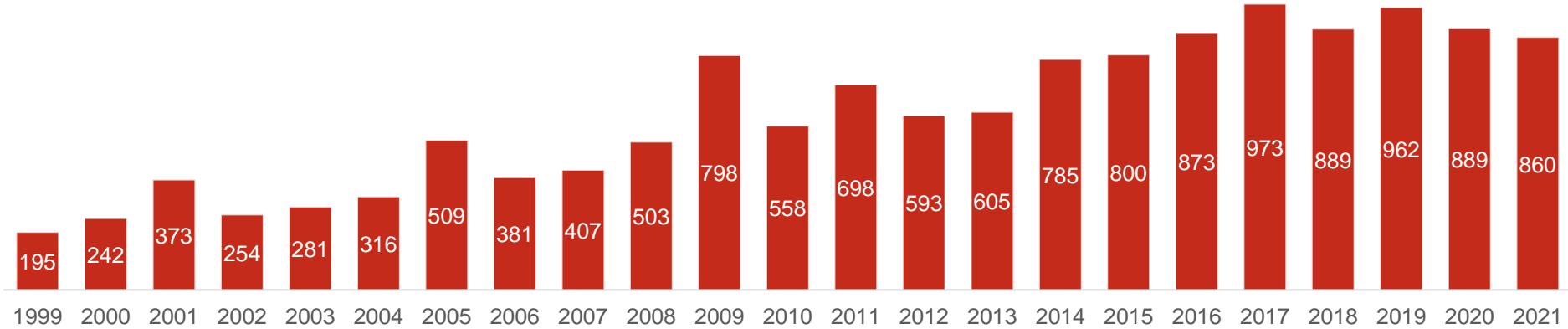
2 INTERNATIONAL TOLLING EXPANSION

3 ITS M&A TRANSFORMATION

4 PORTFOLIO & MARKET OPTIMIZATION

1984 Company founded as Micro Design	1990 Delivered Oslo toll cordon	1993 First 5.8 GHz system delivered to Portugal	2005 First congestion tax system (Stockholm)	2009 Won Slovakia, Portugal and Thailand	2012 Acquired TCS International	2015 Acquired TDC, Traffic Design, Open Roads	2016 Won Slovenia and VDOT contracts	2020 Delivered Queensland MLFF
1988 First free flow tolling system delivered		1996 First MLFF system delivered to Austria	2008 Entered the ALPR business through acquisition of Dacolian	2012 Delivered Gothenburg congestion tax system	2013 Acquired Elkom	2016 Acquired Intelight and Traffiko, won GDOT	2017-2019 Close-downs/ divestments, won ferry contracts / Norway	2021 Delivered CDOT and major Portugal upgrade

Revenue development
mNOK



A PURPOSE BASED ON INTELLIGENT SOLUTIONS FOR EFFICIENT, SAFE, AND SUSTAINABLE TRANSPORTATION

KEY MOBILITY CHALLENGES

CONGESTION

INRIX: USD 53bn in annual cost in the US in 2021



ACCIDENTS

WHO: 1.35 million lives lost per year globally



POLLUTION

WHO: 18% of global CO₂ emissions from road vehicles



OUR SOLUTIONS



Q-FLOW

Optimize how people and goods move

- Regional Freeway Management
- Traffic Signal Operations and Management
- Electronic Toll Collection and Congestion Charging



Q-SAFE

Make roads and travel safe

- Incident Management
- Connected Intersections
- ALPR Enforcement
- Weigh-in-motion
- Smart Digital Tachographs



Q-CLEAN

Stimulate sustainable transportation

- Congestion charging and Low-emission zones
- Traffic Signal Operations and Management
- Bicycle and pedestrian monitoring



LEADING POSITIONS IN TOLLING AND TRAFFIC MANAGEMENT

TOLLING



On-board units (tags) and transceivers



Turnkey tolling systems



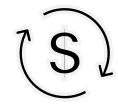
Back-office SW systems for transaction processing



SW solutions for image processing (ALPR)



~225
FTEs



~600
Revenue
(NOKm)



~80%
Europe
(revenue share)



~7%
Americas
(revenue share)

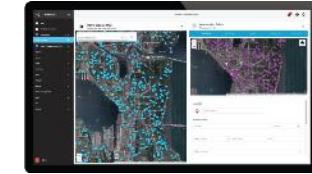


~12%
RoW
(revenue share)

TRAFFIC MANAGEMENT



Traffic signal controllers and local SW



Centralized traffic signal management SW platform



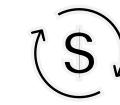
Freeway management SW platform (ATMS)



Traffic counting, classification and weigh-in-motion systems



~120
FTEs



~300
Revenue
(NOKm)



~22%
Europe
(revenue share)



~75%
Americas
(revenue share)



~4%
RoW
(revenue share)



SIGNIFICANT GLOBAL IMPACT AND LEGACY

TOLLING



Congestion charging
in Stockholm and
Gothenburg



Toll collection
systems (MLFF) in
Norway



Nationwide truck
tolling system (MLFF)
in Slovenia



Toll collection
systems (MLFF) in
Portugal and Spain



Toll collection
systems (MLFF) in
Australia



Tolling speed gantries
in Bangkok, Thailand



Toll collection system
for Great Belt Bridge,
Denmark



Automated License
Plate Recognition
systems in USA



Toll collection system
in Santiago, Chile

TRAFFIC MANAGEMENT



Statewide ATMS for
Virginia DOT



Statewide ATMS for
West Virginia DOH



Statewide ATMS for
Colorado DOT



First integrated freeway &
signal Management with
single SW for PennDOT



Statewide signal
management for
Georgia DOT



Adaptive Traffic Signal
Control in Washington



Nationwide automatic
traffic counting
equipment in the UK

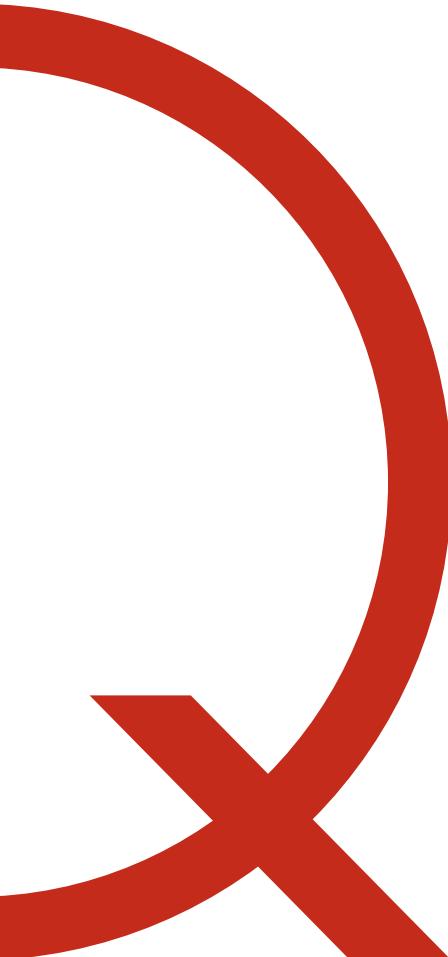


High-speed weigh-in-
motion with
enforcement in Ukraine



Cycle monitoring and
priority network
in Scotland





INVESTMENT HIGHLIGHTS

- 1** Large addressable global market
- 2** Leading position in DSRC-based tolling globally and traffic management in North America
- 3** Industry-leading technology and unique references
- 4** 350 industry professionals with unrivalled experience and know-how
- 5** Clear strategic plan to exploit market opportunities
- 6** Attractive financials with increasing ARR and margins

A wide-angle photograph of a coastal road in a rugged, mountainous region. The road, which appears to be a single-lane asphalt path, stretches from the foreground into the distance, eventually meeting a larger road. It is bordered by a rocky embankment on the left and a grassy, slightly overgrown slope on the right. The landscape is dominated by large, dark, craggy mountains in the background, with patches of snow or ice clinging to their peaks. In the middle ground, a large body of water, likely a fjord or a large lake, is visible, dotted with numerous small, flat-topped islands or rock formations. The sky is a vibrant blue, filled with large, wispy white clouds that are catching the light from the sun, which is visible as a bright spot in the upper left corner. The overall scene is one of natural beauty and tranquility, with the road serving as a focal point for the viewer's eye.

SUMMARY & HIGHLIGHTS

FINANCIAL HIGHLIGHTS Q1-22 (Q1-21)

REVENUES:
216 MNOK (191)
+13%

ADJ. EBITDA*:
16 MNOK (13)
+22%

ORDER INTAKE:
507 MNOK (434)
+17%

**CASH FLOW FROM
OPERATIONS:**
35 MNOK (-5)

ARR:
280 MNOK (229)
+22%

ADJ. EBIT*:
3 MNOK (-1)

ORDER BACKLOG:
1 379 MNOK (1 332)
+4%

NIBD/EBITDA:
1.2

* Excludes 6 MNOK in non-recurring items related to potential losses in Ukraine

>500 MNOK ORDER INTAKE AND SEVERAL KEY CONTRACT WINS IN THE QUARTER

SPAIN:



- Contracts for roadside equipment deliveries in Northern Spain
- ~50 MNOK in project revenues (2022) and recurring S&M revenues

ÅLESUND:



- Contract to deliver roadside equipment for Bypakke Ålesund
- >2.5 MNOK in ARR over 15 years

TRONDHEIM:



- Contract to deliver roadside equipment for Miljøpakke Trondheim
- ~8 MNOK in ARR over 15 years

TROMSØ:



- Contract to deliver roadside equipment for Tenk Tromsø
- >4 MNOK in ARR over 15 years

NORWAY (E6++):



- Contract to deliver roadside equipment for E6 and regional roads with Vegamot
- >2 MNOK in ARR over 15 years

PORTUGAL:



- Contract to deliver on-board units to Via Verde
- ~100 MNOK in product sales over 3 years

NEW US SaaS CONTRACT SIGNED IN APRIL

ADDITIONAL AGREEMENT WITH KEY STATEWIDE ATMS CUSTOMER IN THE USA

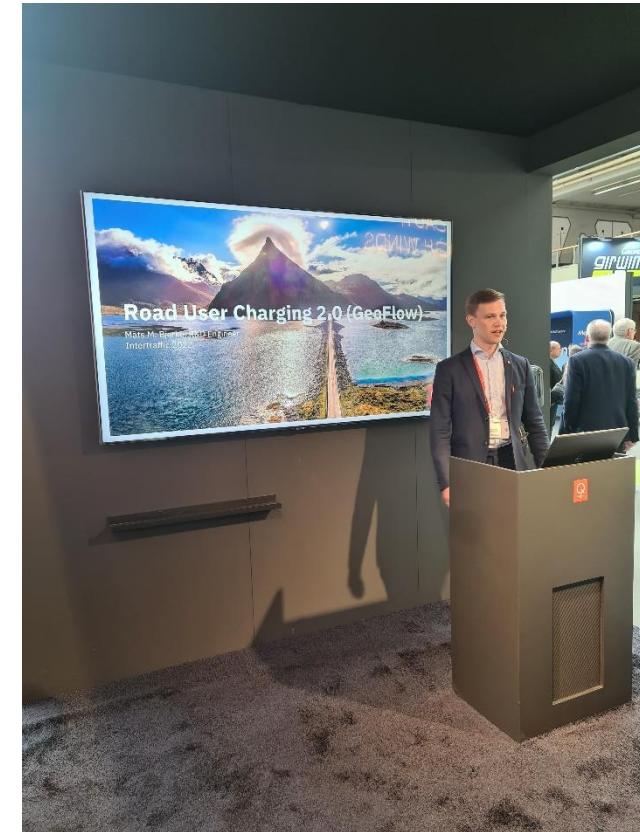
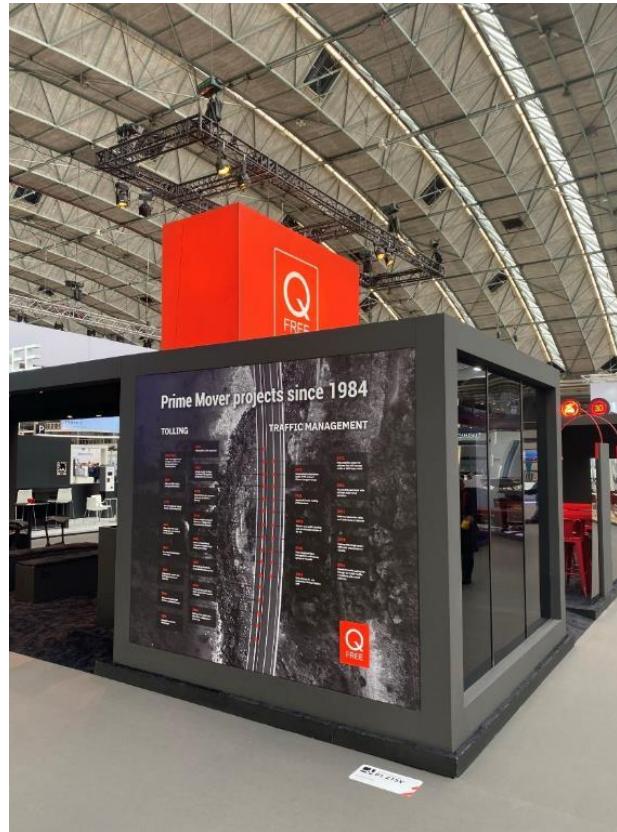


- Agreement adds scope to provide cloud infrastructure hosting and respective cloud support for Q-Free's OpenTMS solution
- Initial agreement from April 2022 until June 2023 to test system. Total value of the initial contract is ~28 MNOK
- Contract highly likely to be prolonged for several years upon successful completion of initial 15-month period



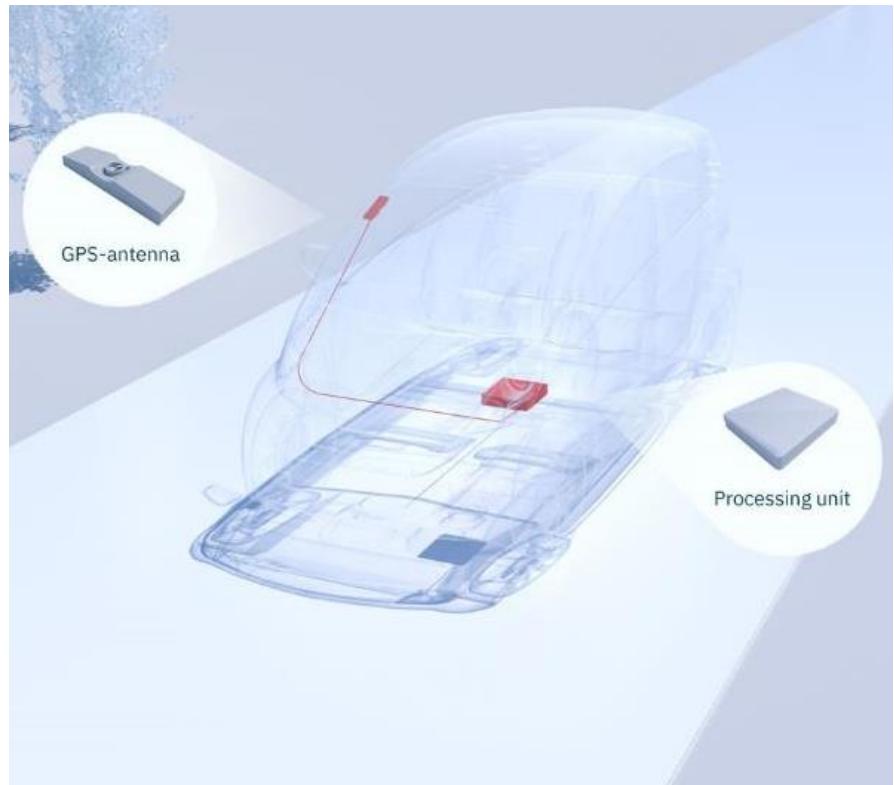
SALES AND MARKETING ACTIVITIES PICKING UP AFTER COVID-19

INTERTRAFFIC 2022 IN AMSTERDAM 29 MARCH TO 1 APRIL



ROAD USER CHARGING (RUC) PILOT IN NORWAY IS LIVE

PILOT IN TRONDHEIM TO TEST Q-FREE'S NEW ROAD USER CHARGING ON-BOARD UNIT AND CENTRAL PROCESSING UNIT



- Pilot started in April 2022 in cooperation with NPRA and SINTEF
- ~200 private vehicles are equipped with Q-Free's new RUC technology and ~400 unique users will participate
- 3-month system verification and data collection period
- Opportunities to simulate different RUC schemes based on collected data (fee structure, differentiated prices for different vehicle types, time of travel etc.)

FINANCIAL UPDATE



FINANCIAL SUMMARY

KEY FIGURES

NOK million	Q1 2022	Q1 2021	YoY Change	FY 2021
Revenues	216	191	12.6%	860
...of which recurring	70	57	21.9%	
Gross contribution	135	131	3.5%	550
Gross margin	62.9%	68.4%	-5.5 pp	64.0%
Normal OPEX	119	118	1.4%	444
Ukraine provisions	6	-		
Reported EBITDA*	10	13	-24.9%	106
Adjusted EBITDA	16	13	21.5%	106
Adj. EBITDA margin	7.5%	7.0%	0.5 pp	12.3%
EBIT*	-3	-1		50
EBIT margin	-1.5%	-0.5%	-1.0 pp	5.8%
EPS*	-0.05	-0.04		0.53

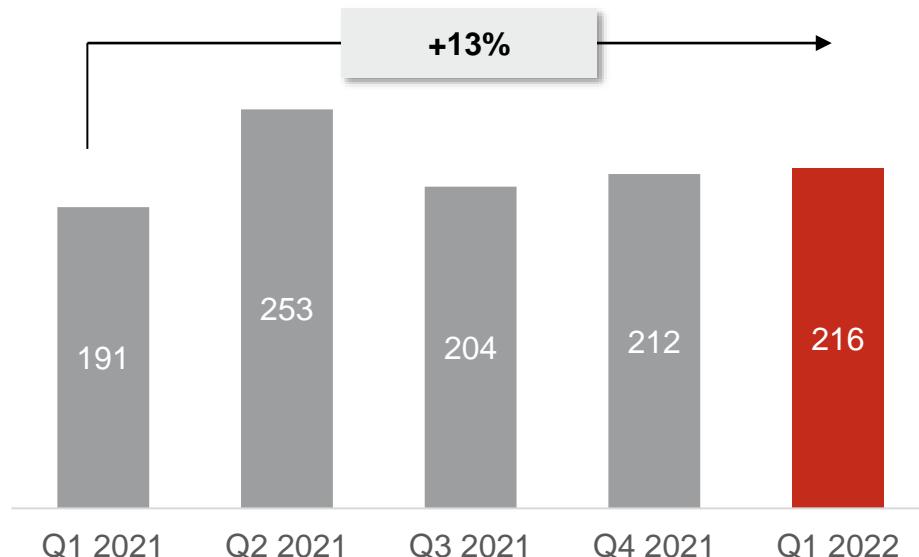
* Not adjusted for 6.2 MNOK in non-recurring items related to Ukraine provisions



REVENUE DEVELOPMENT

QUARTERLY REVENUES

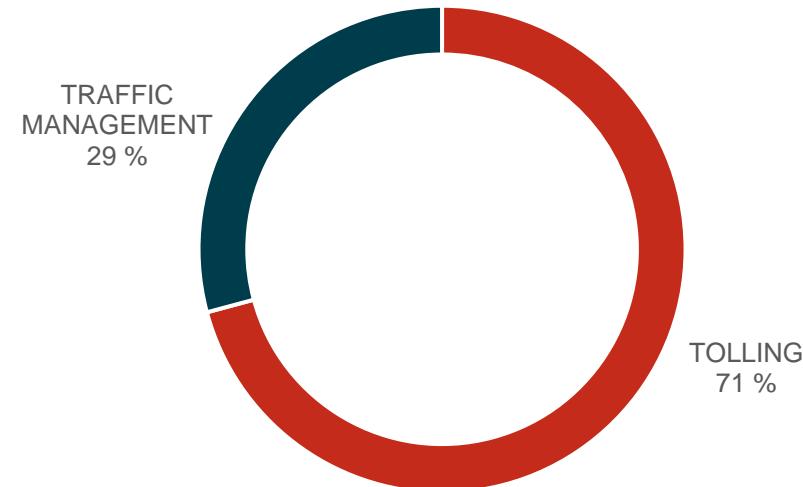
NOK million



Solid YoY growth due to high project activity in Tolling

Q1-22 REVENUES PER BUSINESS AREA

Percent

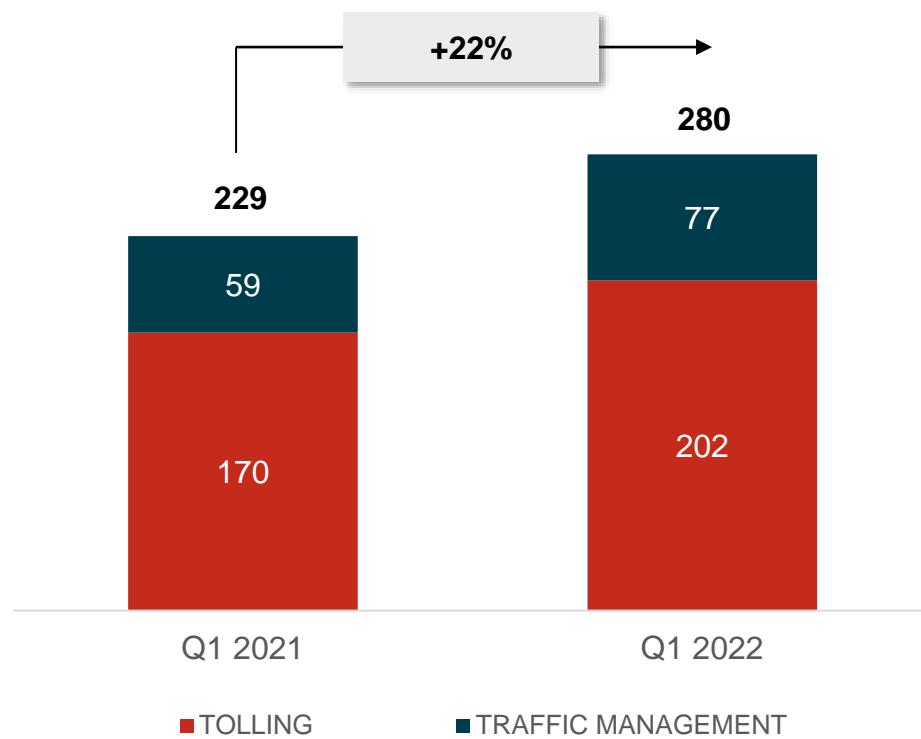


Traffic Management's share of revenues below normal level due to the war in Ukraine

ARR DEVELOPMENT

ANNUAL RECURRING REVENUES (ARR)

NOK million (annualized based on quarterly recurring revenues)



NEW CONTRACTS INCREASING FUTURE ARR



ÅLESUND:

>2.5 MNOK/year



TRONDHEIM:

~8 MNOK/year



TROMSØ:

>4 MNOK/year



NORWAY (E6++):

>2 MNOK/year



US SaaS agreement
(signed in April):

~20 MNOK/year



SEGMENT REVENUE DETAILS

KEY FIGURES

NOK million

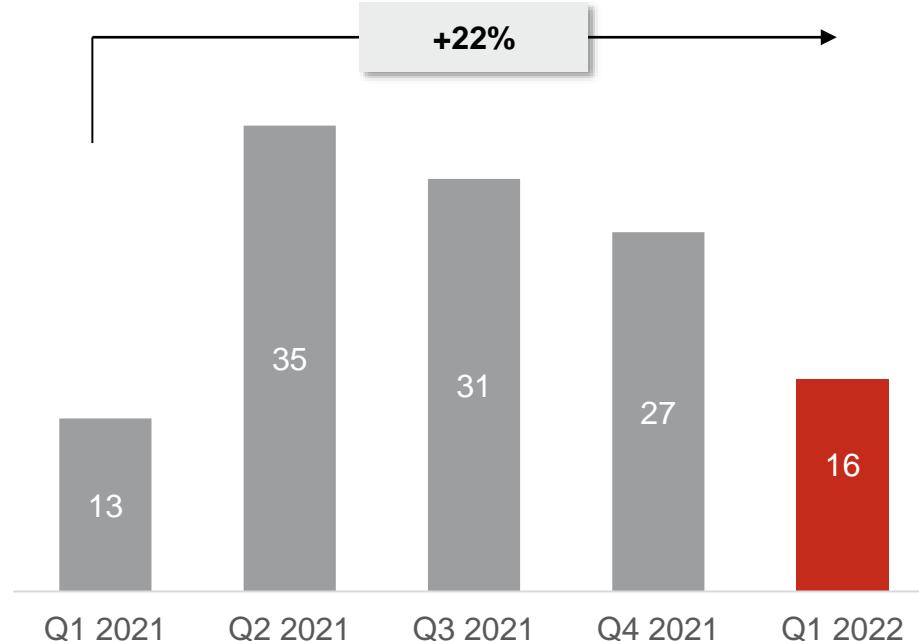
SEGMENT	Q1-22	Q1-21	YoY Change	FY 2021
Tolling	153	119	28%	553
Traffic Management	63	70	-10%	305
Assets held for sale	-*	2*		2*
REVENUES	216	191	13%	861

* Parking assets divested in Q1-21

EBITDA DEVELOPMENT

EBITDA EXCL. NON-RECURRING ITEMS

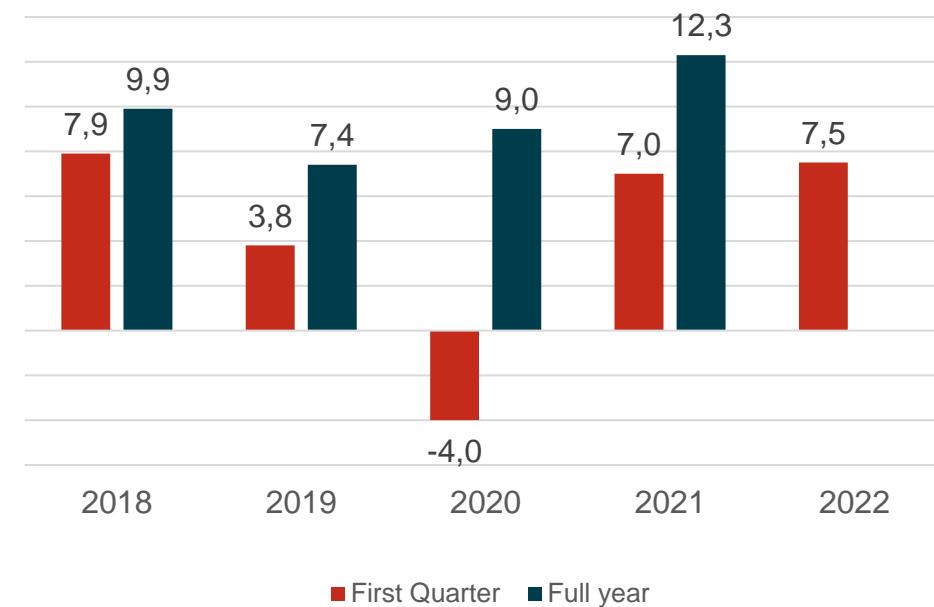
NOK million



Q1-22 adjusted for 6 MNOK in provisions for accounts receivables in Ukraine

EBITDA MARGIN EXCL. NON-RECURRING ITEMS

Percent



Q1 is seasonally the weakest quarter in Q-Free

SEGMENT EBITDA DETAILS

KEY FIGURES

NOK million

SEGMENT	Q1-22	Q1-22	Margin change	FY 2021
Tolling	27	20	+0.5 pp	114
Traffic Management	-7*	4	-6.0 pp	22
Assets held for sale**	0	-2	-	-2
Group Functions	-10	-9	-	-29
EBITDA	10*	13	0 pp	106

* Not adjusted for 6.2 MNOK in non-recurring items related to Ukraine provisions

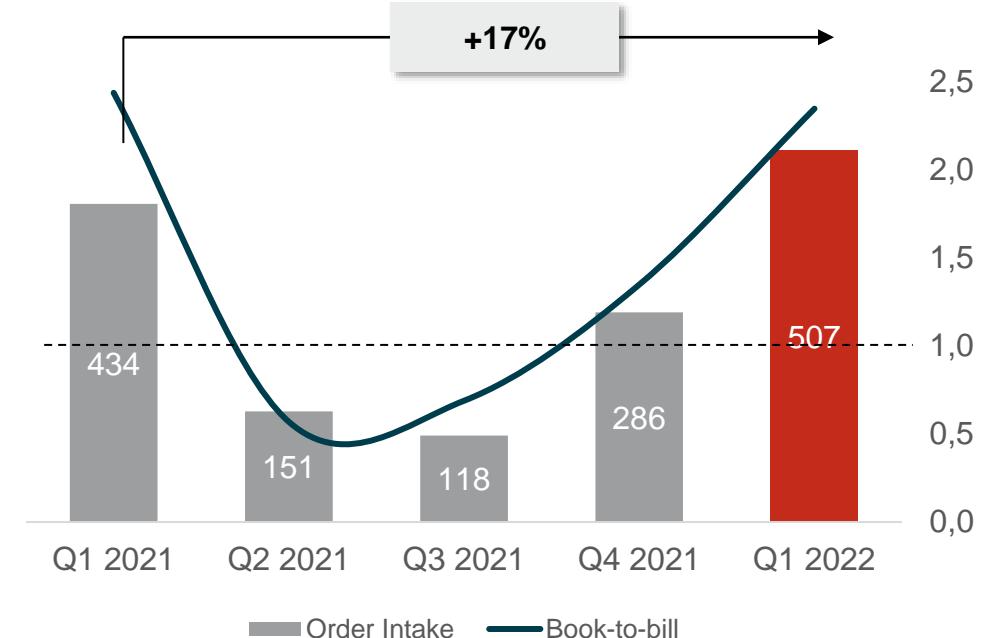
** Parking assets divested in Q1-21



ORDER INTAKE DEVELOPMENT

ORDER INTAKE & BOOK-TO-BILL PER QUARTER

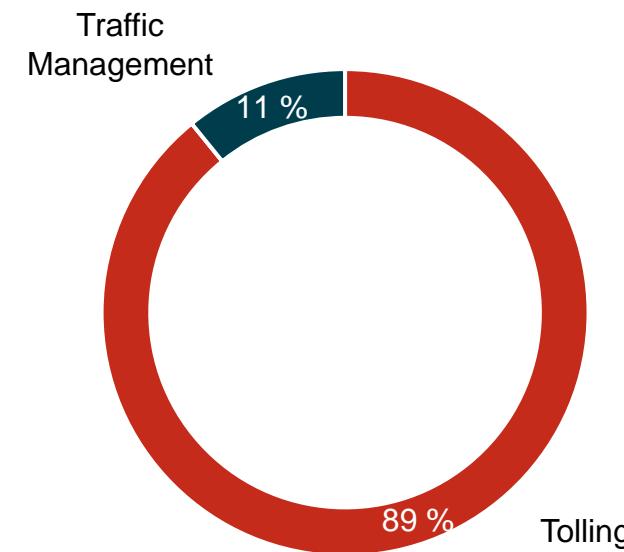
NOK million / ratio



Contracts with a total value of ~250 MNOK awarded to Q-Free, but not yet signed

Q1-22 ORDER INTAKE PER BUSINESS AREA

Percent

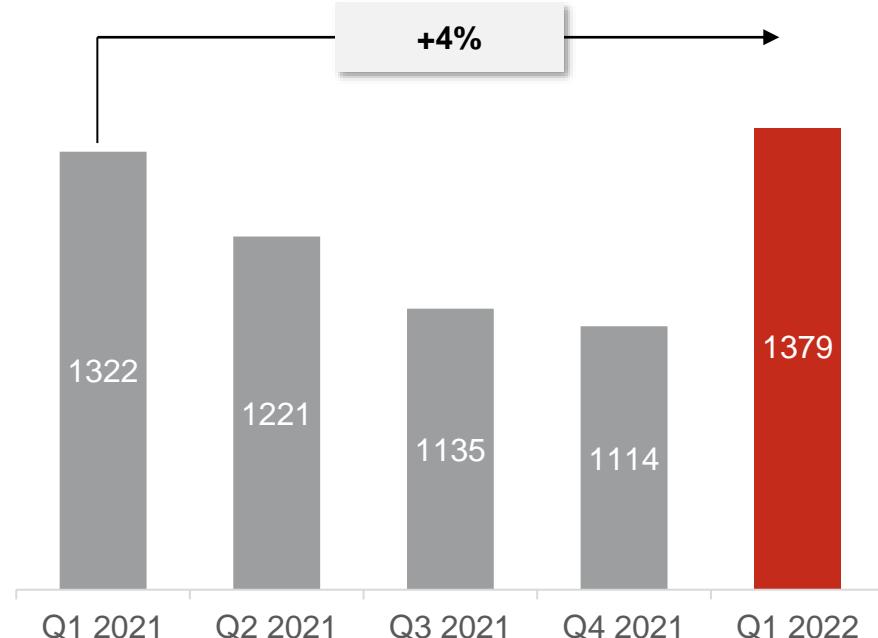


Traffic Management's share of order intake below normal level due to the war in Ukraine

ORDER BACKLOG DEVELOPMENT

ORDER BACKLOG

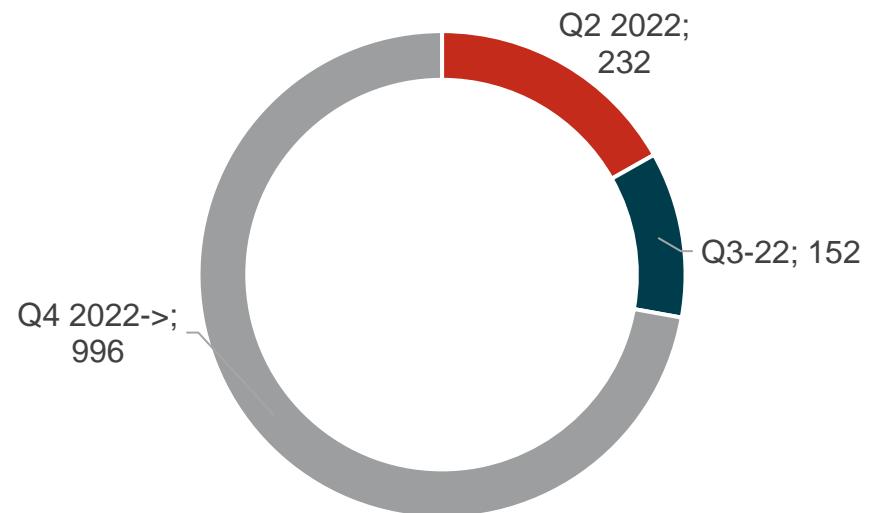
NOK million



Frame contracts with no committed minimum volumes are not included in the backlog

EXPECTED DELIVERY SCHEDULE

NOK million



Covid-19 and the war in Ukraine might cause changes to the planned delivery schedule

CASH FLOW AND AVAILABLE FUNDS

CASH FLOW

NOK million

FROM OPERATIONS:

35 MNOK (-5)

FROM INVESTING:

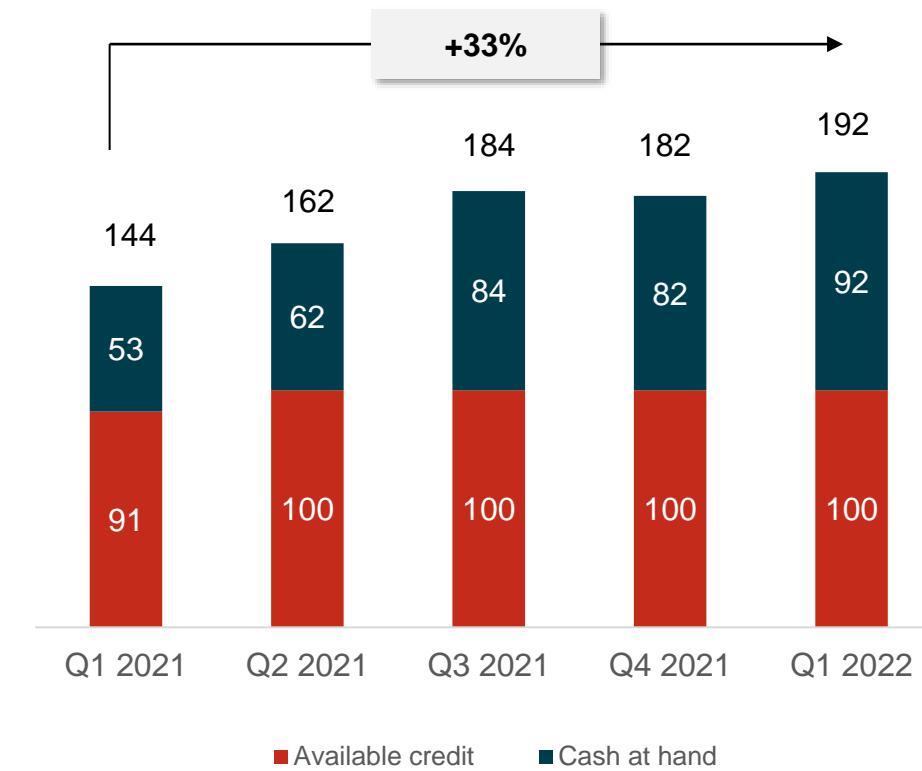
-12 MNOK (-7)

FROM FINANCING:

-12 MNOK (-7)

AVAILABLE CREDIT AND CASH AT HAND

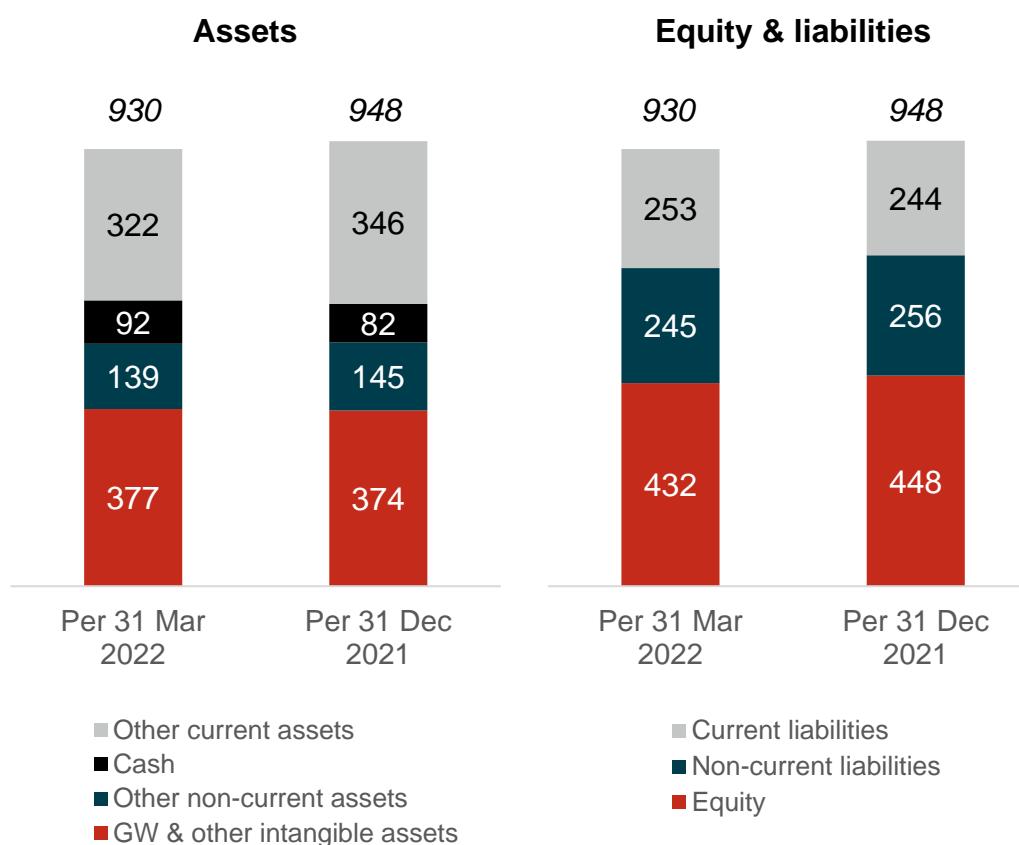
NOK million



BALANCE SHEET

BALANCE SHEET COMPOSITION

NOK million



KEY BALANCE SHEET RATIOS

EQUITY RATIO (Q1-21):

46% (45%)

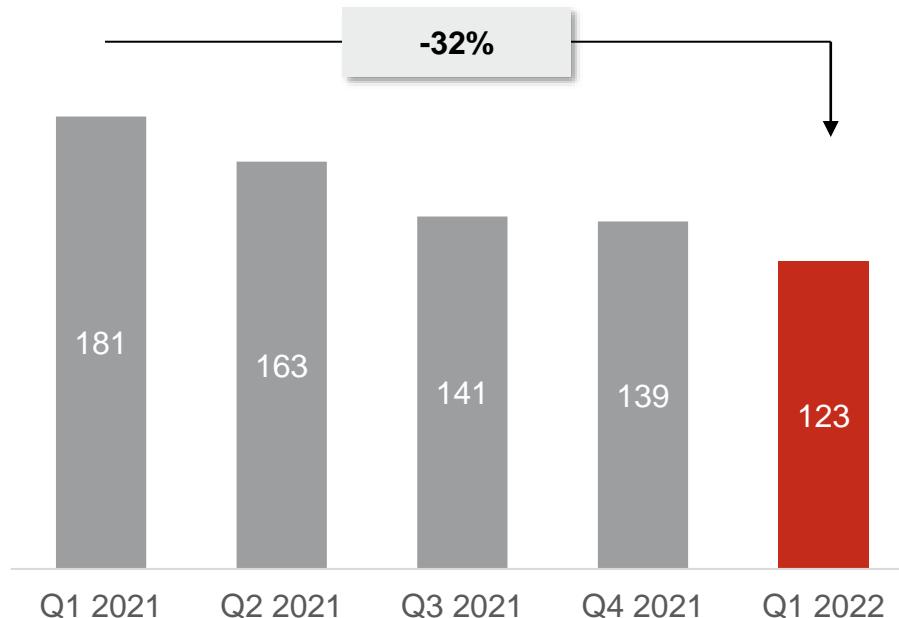
WORKING CAPITAL RATIO (Q1-21):

10% (14%)

NET INTEREST BEARING DEBT

NET INTEREST BEARING DEBT

NOK million



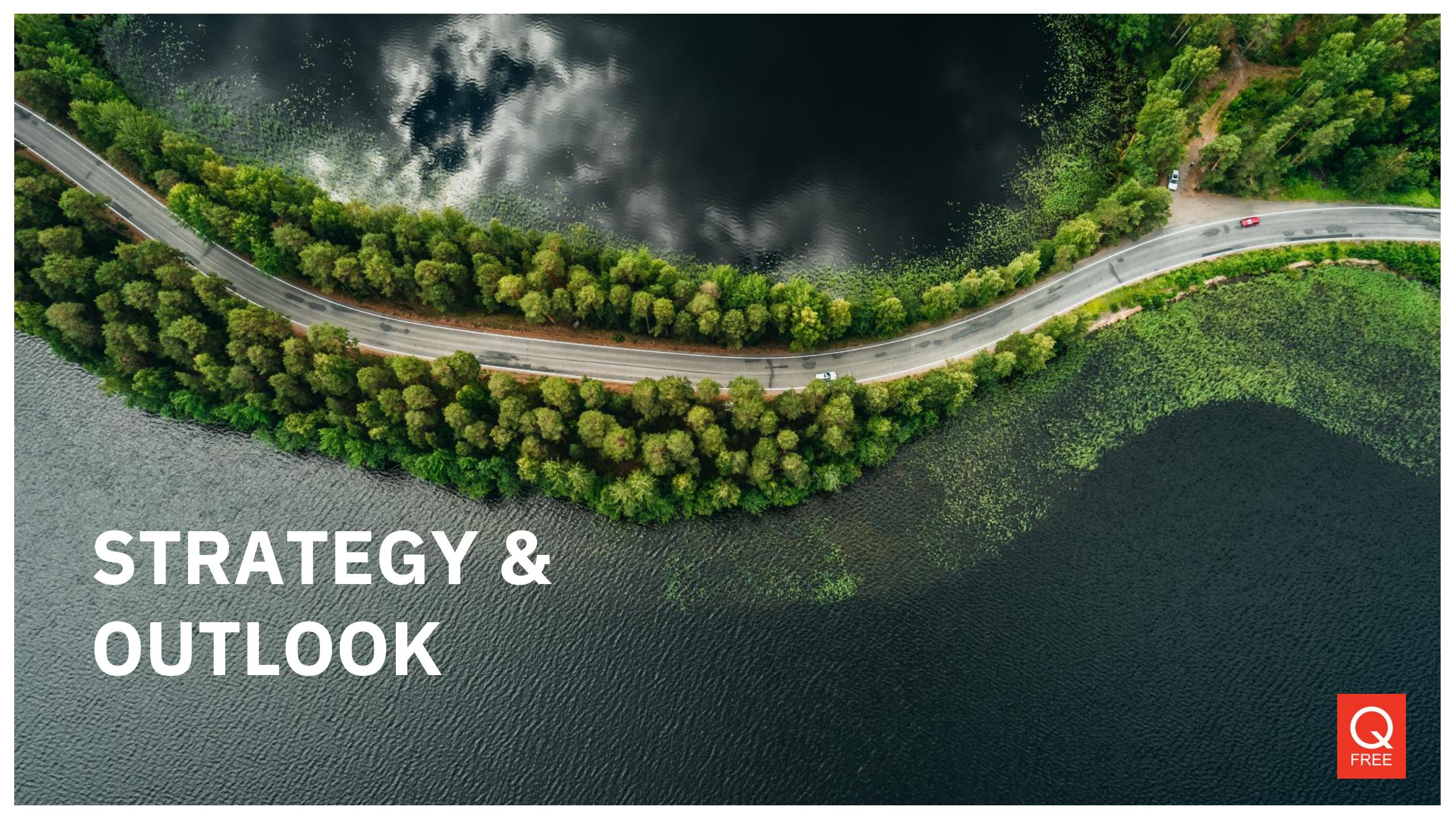
KEY DEBT RATIOS/FIGURES

12 MONTH NIBD/EBITDA:

1.2

NET FINANCIAL ITEMS:

-2 MNOK (-3)

An aerial photograph of a winding road through a dense forest. The road curves from the top left towards the center, then down towards the bottom right. The forest is a mix of green and yellowish trees. In the foreground, there is a large, dark, textured area that appears to be a lake or a very large field. The overall scene is a mix of natural beauty and human-made infrastructure.

STRATEGY & OUTLOOK



OUR STRATEGIC PLAN

2018-2020



Reduce business complexity to optimize resource allocation and improve execution

2020-2022



Build a strong presence in existing core markets and a reputation as the prime mover in traffic technology



2022-2024

Scale standardized solutions to selected, new target markets



A LARGE AND GROWING ADDRESSABLE MARKET

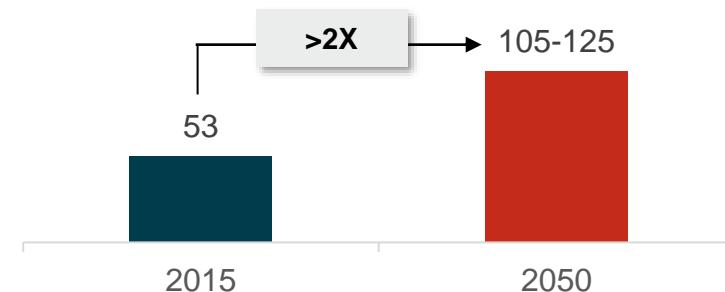
3
SCALE

ESTIMATES

GROWTH DRIVERS

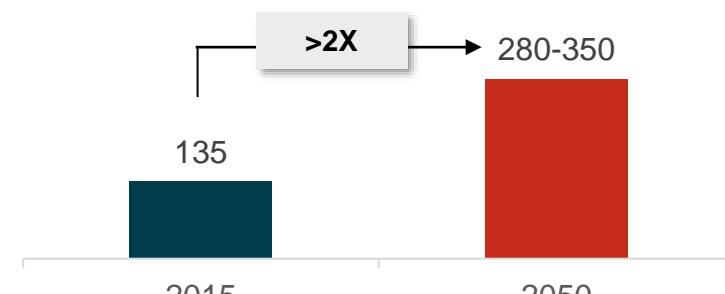
Passenger kilometers (people)

Billion km



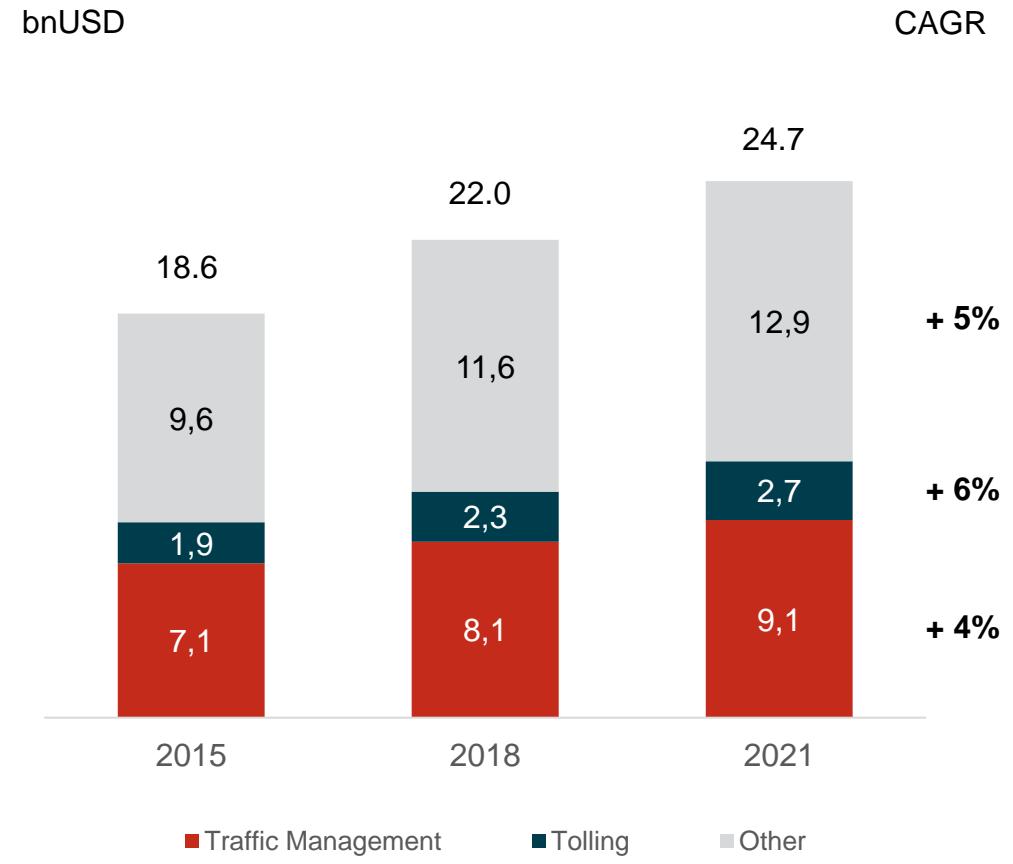
Ton kilometers (goods)

Trillion tons



GLOBAL ITS ROADWAYS MARKET BY APPLICATION

bnUSD



Source: McKinsey & Company, 2021

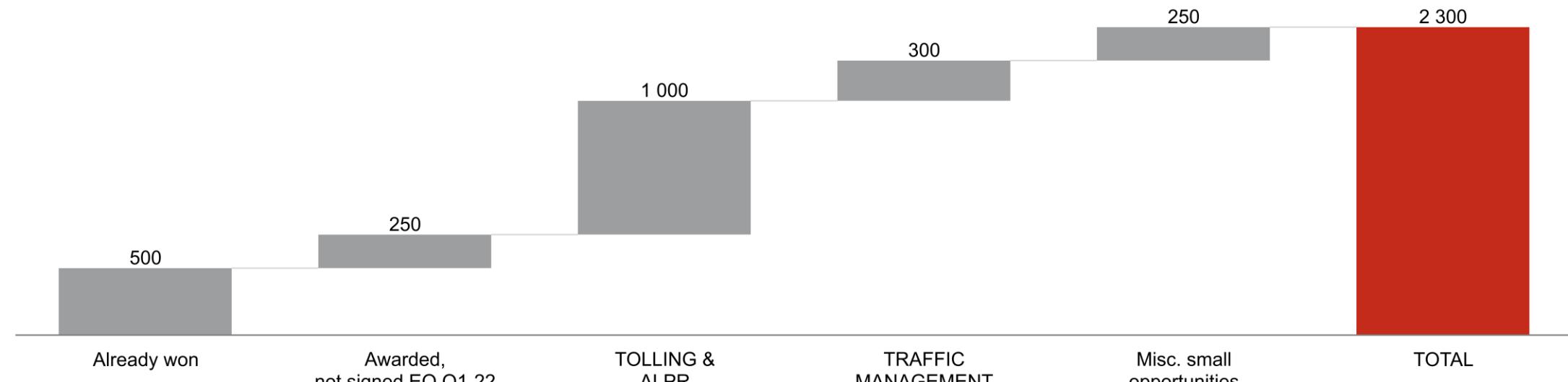
ATTRACTIVE SHORT-TERM OPPORTUNITY PIPELINE



ESTIMATES

ADDRESSABLE OPPORTUNITIES EXPECTED TO BE TENDERED/AWARDED IN 2022

NOK million



- Ålesund
- Trondheim
- Tromsø
- E6++
- Spain roadside
- Portugal tags

- 28 MNOK TM SaaS contract in USA (signed in April)
- TM SW in USA
- Tolling S&M ARR in Europe
- ALPR ARR SW in USA

- Norway
- Sweden
- Spain
- Portugal
- France
- Australia
- Thailand
- Chile

- North Carolina
- Utah
- Virginia
- Alabama
- Maryland
- Portland
- Louisiana

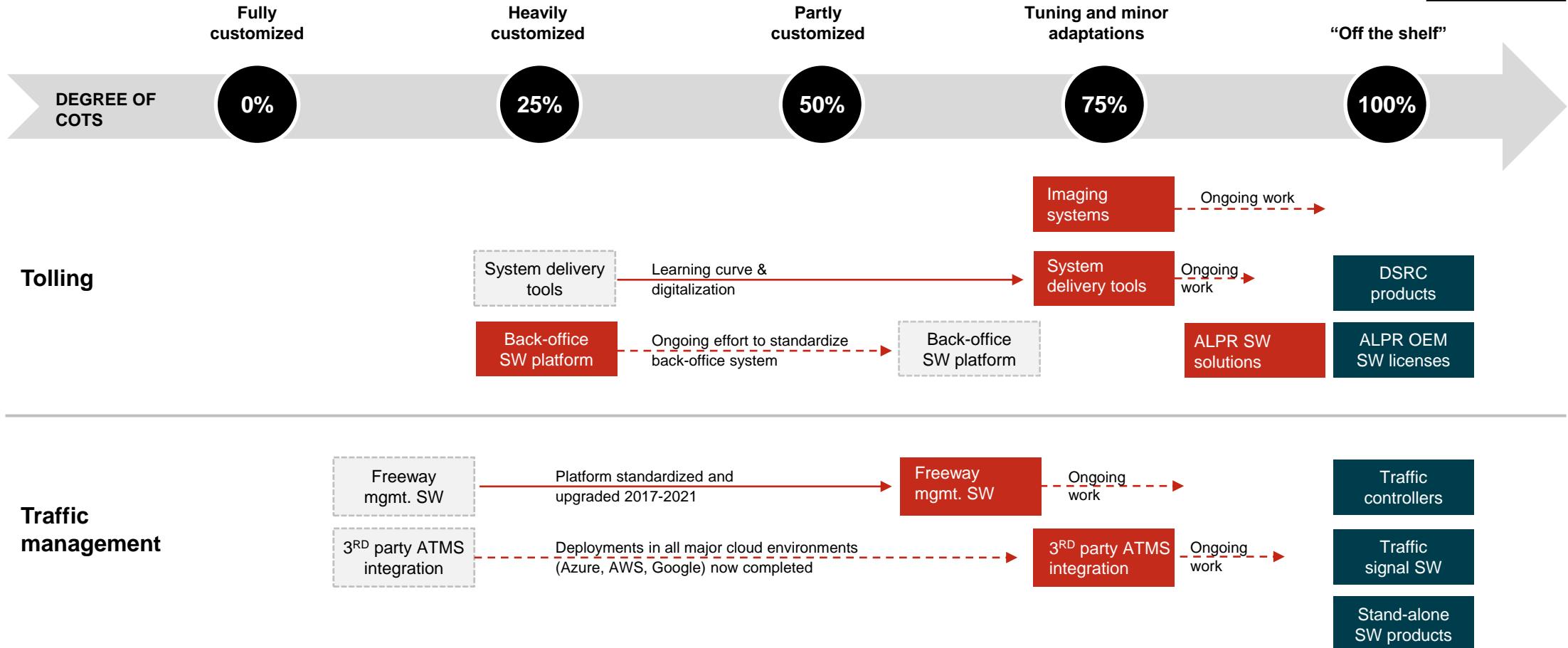
- S&M upsales
- ALPR OEM SW
- Misc. TM change orders
- Misc. Infomobility
- Misc. tags



INCREASED SCALABILITY OF OFFERING ENABLES MARKET EXPANSION

3
SCALE

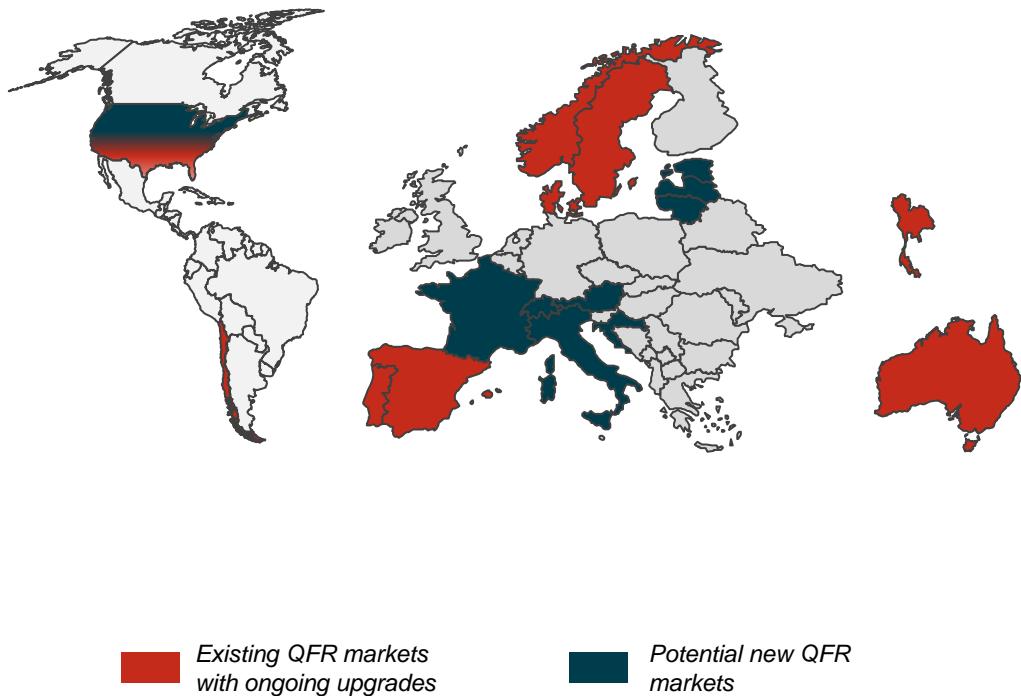
ILLUSTRATIVE



SEVERAL POTENTIAL TARGET MARKETS ARE OPENING UP

3
SCALE

MARKET EXPANSION OPPORTUNITIES



France  Nationwide upgrade of tolling infrastructure to MLFF solutions

Lithuania  New nationwide truck (HGV) tolling system + congestion charging

Latvia  New nationwide truck (HGV) tolling system + congestion charging

Estonia  New nationwide truck (HGV) tolling system + congestion charging

Croatia  New nationwide truck (HGV) tolling system

Austria  New nationwide truck (HGV) tolling system

Switzerland  Road User Charging

Italy  Tag and roadside market deregulated

INTERNAL SALES ORGANIZATION BEING RAMPED UP

3
SCALE

KEY RECRUITMENT AREAS



ALPR SW sales resources



ATMS SW sales resources



Sales resources in new markets

STATUS AND PLANS

- ✓ New head of global ALPR license sales hired and onboarded
 - 1-2 new sales resources in the US to be added
 - 1-2 new sales resources in Europe to be added

- ✓ New head of Inter-Urban sales recruited and onboarded
- ✓ New head of Urban sales recruited and onboarded
- ✓ 2-3 new Urban regional sales manager recruited and onboarded
 - A couple of new SW sales resources in the US to be added

- New hires pending future contract wins in new markets





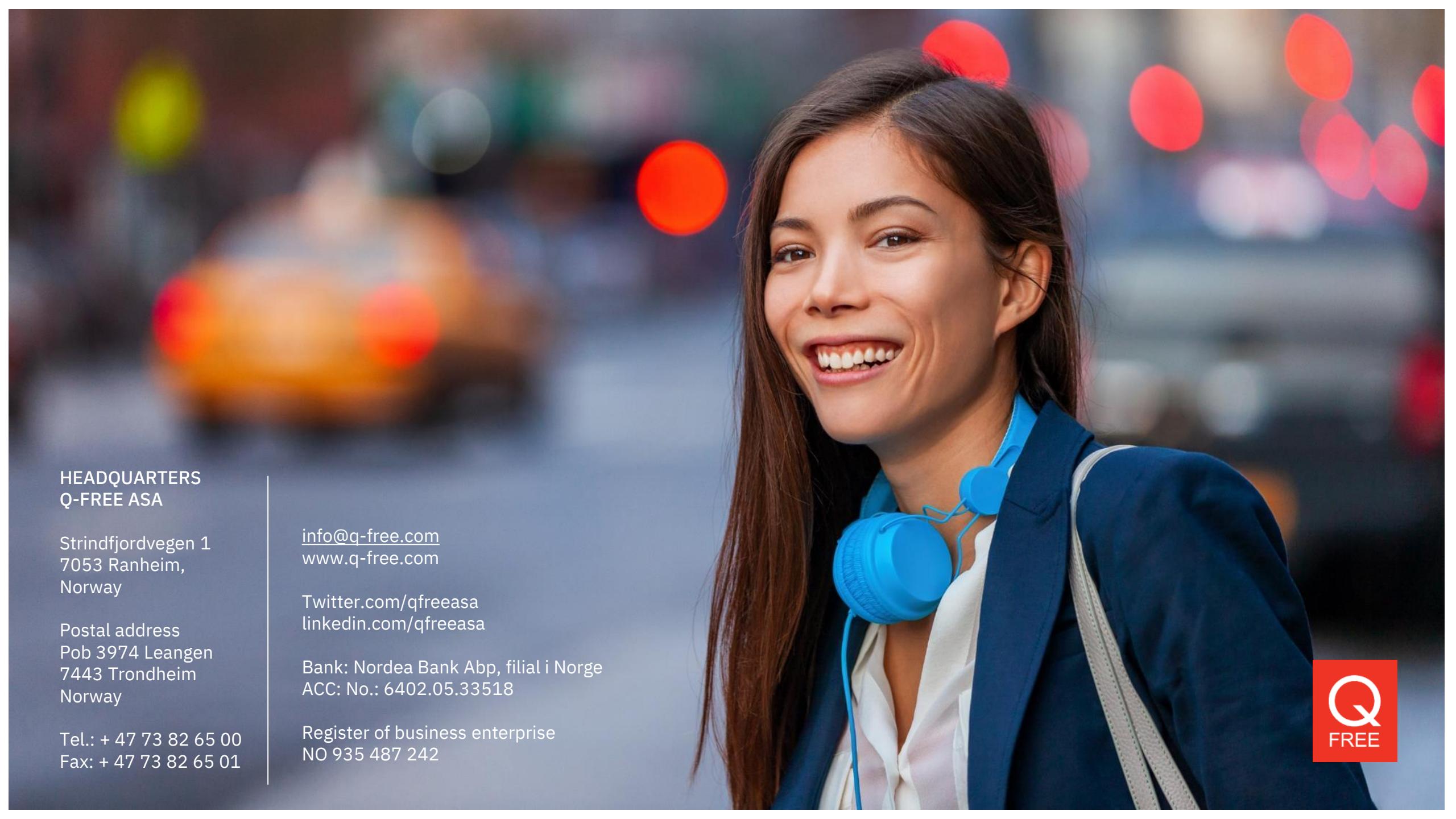
CEO TRANSITION

- Håkon Volldal will leave Q-Free on 30 June after serving almost 6 years as CEO
- Process ongoing to appoint new CEO, interesting Scandinavian and international candidates identified
- CFO Trond Christensen may step in as interim CEO if needed to bridge the period until a new permanent CEO is on board



Q&A





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 enterprise
NO 935 487 242

