

To the shareholders of Q-Free ASA

Strindfjordvegen 1
7053 Ranheim

Attention: The Board of Directors

Oslo, 27 October 2023

Q-Free ASA - Independent Statement regarding the Mandatory Offer

1 BACKGROUND AND INTRODUCTION

KWC AS (“**KWC**”) has been engaged by Q-Free ASA (“**Q-Free**” or “**Company**”) in connection with the mandatory offer (“**Mandatory Offer**” or “**Offer**”) by Juniper Holdco AS (“**Offeror**”), a company ultimately owned 70% by Guardian Smart Infrastructure Partners UGP, LLP (“**GSIP**”) and 30% by Rieber & Søn AS (“**Rieber**”), to acquire all issued and outstanding shares in the Company pursuant to chapter 6 of the Norwegian Securities Trading Act (the “**NSTA**”), as set out in the Offer Document (“**Offer Document**”) dated 26 October 2023.

The Offer is launched by the Offeror in concert with the Company’s Board of Directors. Therefore, Oslo Børs, in its capacity as take-over supervisory authority, have therefore decided that the statement from Q-Free on this offer shall be made by an independent expert to be engaged by Q-Free, as required by §6-16(4) of the NSTA. In relation to this, the Company’s Board of Directors has engaged KWC AS (“**KWC**”) as an independent third party to provide a fairness opinion and independent assessment of the Offer (“**Independent Statement**”) on behalf of the Company. This Independent Statement, prepared by KWC, is designed to fulfill the requirements of §6-16(1).

Besides the board of directors’ joint recommendation, all primary insiders’ potential acceptance of the Offer will be announced as mandatory notifications in line with the Company’s ordinary practice.

2 MANDATORY OFFER

As of 3 October, the Offeror owns a total of 69,843,934 shares in the Company, corresponding to an aggregate ownership of approximately 62.78%. These shares were sold to the Offeror by Rieber in accordance with a transaction agreement dated 26 September, triggering the Offeror’s obligation to submit a Mandatory Offer for the 41,400,482 remaining shares in the Company. The Offer price for these shares is NOK 12.00 per share (“**Offer Price**”) and corresponds to a total market capitalization for Q-Free of MNOK 1,335. Independent statement

KWC will receive a fee for its services on delivery of this Statement, based on the number of hours incurred and standard hourly fee rates. No employee of KWC owns shares or has any personal or financial interest in Q-Free or Rieber or the consequences of the Offer, other than the performance of this engagement.

3 PURPOSE OF THIS STATEMENT

The purpose of this Statement is to provide all shareholders in the Company with an independent assessment as to whether the Mandatory Offer is “fair” from a financial point of view and comment as necessary on other matters as required by §6-16(1) of the NSTA.

4 SCOPE OF OUR WORK

It should be noted that KWC has previously issued an Independent Statement regarding the Q-Free shares in connection with a mandatory offer from Rieber dated 24 November 2022. At this time Rieber presented an offer of NOK 6.20 per share for all the remaining outstanding shares in Q-Free. Both the Company’s Board of Directors and KWC¹ recommended that the shareholders did not accept this offer. However, Rieber received acceptances to acquire a further 13,774,651 shares and votes in Q-Free. In addition to the 56,069,283 Q-Free shares Rieber owned prior to the 2022 mandatory offer, this resulted in a total shareholding for Rieber of 69,843,934 shares. The sale of this shareholding to the Offeror triggered the Mandatory Offer under consideration here.

In making our assessment of the Offer we have reviewed the Offer Document and considered the Offer Price and other terms from several perspectives relative to an assessment of Fair Market Value in the circumstances. We have sought to obtain support for our conclusions using information from a variety of sources. In this connection we have conducted certain valuation analyses using widely accepted valuation principles and methodologies. The scope of our work can be summarized as follows:

- Considered the background to, and the specific events and transactions in an historical perspective leading up to the date of the Offer Document.
- Considered the trading history and share price development of the Company’s shares on the Oslo Stock Exchange since the mandatory offer in November 2022.
- Reviewed research analyst forecasts, valuations, recommendations, and target prices for Q-Free during 2022 and through to July 2023. In this regard we note that ABG Sundal Collier analyses of the Company, the latest dated 7 July 2023, are commissioned research. After July 2023 no analyst reports have been prepared.
- Reviewed pricing of relevant transactions and other M&A activities that we have identified, implying, or indicating the potential equity value of Q-Free.
- Analyzed historical acquisition and control premiums for companies listed on the Oslo Stock exchange.
- Analyzed and reviewed pricing and valuation multiples for comparable listed companies, so called peer group analysis.
- Performed our own discounted cash flow analyses based on discussions with Company management, analyst projections and our own assessments.
- Considered such other factors and performed such other analyses as deemed appropriate in the circumstances.

We have considered the results of all the above in arriving at our conclusions. The evaluations supporting our conclusions contain subjective elements, including our own best effort estimates derived from the information obtained and our experience in valuation matters.

¹ <https://newsweb.oslobors.no/message/577595>

In this connection we have received all the information that we have requested from the Company.

We have not conducted any independent verification of the information in the Offer Document. For the purposes of this Statement, we have assumed that all information in the Offer Document is correct, complete in all material respects, and not misleading. We have also relied on, and assumed, without independent verification, the accuracy and completeness of the information made available to us by the Company and by third parties in this connection.

We have not evaluated any tax or legal issues related to the Company or its shareholders. Our Statement is based on financial, economic, market and other relevant information available at the date of the Offer Document published on 26 November 2023 and up to the date of this Statement.

5 SHARE PRICE DEVELOPMENT

Since the mandatory offer in November 2022 the Company's share price has fluctuated between NOK 5.32 per share and NOK 6.40, with a closing share price on 26 September 2023 (the last closing price before announcement of the Offeror's intention to launch the Offer) of NOK 5.94. Following the announcement of the Offeror's intention to launch the Offer on 26 September 2023 however, the share price migrated quickly towards the Offer Price level of NOK 12.00 per share.

6 IMPACT OF THE OFFER ON THE COMPANY, SHAREHOLDERS AND EMPLOYEES

6.1 COMMERCIAL RATIONALE

The Offeror has stated in the Offer Document that:

"The Company is highly regarded, particularly for its edge technology solutions, in the rapidly growing market for intelligent transportation services designed to ease congestion, reduce pollution, and improve the quality of life for commuters, professional drivers and fleet operators in the key global markets the Company serves. Through the partnership between Guardian and Rieber, the Offeror aims to contribute to the Company's further growth, both financially and through their networks, particularly in North America, in order to solidify and enhance Q-Free's position as a leading Intelligent Transportation Systems ("ITS") company. There are no specific plans for reorganization of the Company or the Group"

6.2 CONSEQUENCES FOR EMPLOYEES

Further, the Offeror has stated in the Offer Document that the Offer will not in itself have legal, economic or work-related consequences for the employees in the Company. The Offeror does not have any plans to make changes to the Company's workforce following the completion of the Offer.

The employees have not made any separate statement regarding the Offer.

6.3 CONSEQUENCES FOR SHAREHOLDERS

It should be noted that since The Offeror already holds shares representing more than 50% of the voting rights in the Company there is no further obligation under Chapter 6 of the NSTA to make any new mandatory offer as the result of subsequent share purchases. The Offeror will still need to comply with flagging rules if its shareholding reaches 2/3 and 90% of the votes as a result of acquisition of shares in accordance with the NSTA §4.2(1).

If, as a result of the Offer, or otherwise, the Offeror acquires and holds more than 90% or more of the total issued shares representing 90% or more of the voting rights in the Company, then the Offeror will have the right (and each remaining shareholder in the Company would have the right to require the Offeror) to initiate a compulsory acquisition (squeeze-out) of remaining shares not already

owned by the Offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act and Section 6-22 of the NSTA.

Any application for de-listing will be approved or rejected by the Oslo Stock Exchange in accordance with the Oslo Stock Exchange continuing obligations for stock exchange listed companies.

KWC has not received any information to indicate that the Offeror's statements are in any way incomplete or incorrect. However, we are not able to make any further assessment of the consequences of accepting the Offer.

7 ASSESSMENT AND EVALUATION OF THE OFFER

7.1 OFFEROR'S POSITION

The Offeror is a newly established legal entity reflecting the joint ownership of shares in Q-Free by Rieber and GSIP.

Rieber is a family-owned investment company with an industrial legacy. Rieber seeks to serve as an active partner for management in developing the business, for the benefit of employees, owners and society at large.

Rieber has been an investor in the company since 2016, gradually increasing its investment to obtain the 62.78% shareholding recently transferred to the Offeror.

GSIP is part of Toronto based Guardian Capital Group Limited. With approximately CAD 56.5 billion of assets under management and administration as of 30 March 2023, GSIP has been managing institutional assets since 1962, executing investment strategies on behalf of pension plans, insurers, foundations, endowments, family offices and mutual funds around the world. Guardian does not control any companies that directly compete with Q-Free.

Rieber has stated that *"[Rieber] aims to be a driving force in further developing Q-Free also for the years to come and, through Guardian, has identified a partner that is believed to have the potential to significantly contribute to the Company's growth, both financially and through its network, particularly in North America. This strategic collaboration is intended to solidify and enhance Q-Free's position as a leading Intelligent Transportation Systems (ITS) company"*.

7.2 INFORMATION AND PROCESS

We have not identified any information to suggest that the Offer process has been anything other than an arm's length market transaction.

In this context it should be noted that the members of Q-free's board of directors have recused themselves from providing a fairness opinion in respect of the Company's shareholders, as the Mandatory Offer is launched in concert and agreement with the Company's Board of Directors.

The Company report for the second quarter 2023 was published on 6 July 2023. We have enquired of management as to whether there is any price sensitive information available to the Board of Directors which is not in the public domain at the date of this Statement and received confirmation that this is not the case.

We are unaware of any new information or circumstances up to the date of this Statement which has a material impact on our conclusions.

8 KWC ANALYSES

Set out below is a summary of the various analyses conducted in arriving at our conclusions and recommendations. It should be noted that we concluded that a minimum Fair Market Value in

connection with the previous mandatory offer in November 2022 was in the range of NOK 7.5 – 9.0 without recognition of any potential strategic acquisition premium.

8.1 DISCOUNTED CASH FLOWS

Discussions with management and our own DCF analyses support a current stand-alone financial value for 100% of Q-Free of NOK 8-10 per share for all of the outstanding shares.

The Offer Price of NOK 12 per share therefore reflects a premium to this measure of Fair Value for control of Q-Free in the range of 20 - 50 %.

8.2 MARKET MULTIPLES

A review of peer group market multiples indicates a Fair Market Value of approximately NOK 8.40 per share which is in the middle of our range of DCF values, indicating a broadly similar implied premium in respect of the Mandatory Offer. The Fair Market Value based on market multiples has been calculated by benchmarking Q-Free to various peer group financial measures for the last twelve months (LTM). The analysis has included the following measures: EV/Sales, EV/EBITDA, EV/EBIT and P/B. We have not considered P/E as a relevant measure due to Q-Free's negative EPS over the twelve months through to Q2 2023.

Note that peer group company size and share liquidity differences should also be taken into account in such peer group analyses. Q-Free has a significantly lower market capitalization and trading liquidity than the peer group median, which are not factored into this analysis. All things being equal this would indicate a lower value for Q-Free.

8.3 SHARE PRICING

With reference to market capitalization in the context of the Oslo Stock Exchange, Q-Free is a “small cap” share with limited free float and concentrated ownership where the Offeror following acquisition of Rieber's shareholding controls 62.78% of the shares in continuity. As a result, Q-Free has not been a particularly interesting company in a capital markets perspective and has historically had little or no independent analyst coverage.

All the above factors are value inhibiting, which all things being equal would suggest that market pricing for individual shares is at a significant discount to Fair Market Value. In addition, pricing may reflect the impact and influence of the previous mandatory offer at NOK 6.2 per share.

8.4 ACQUISITION AND CONTROL PREMIUMS

Q-Free operates in markets with competing technologies in both of its key business segments. This provides an attractive backdrop for acquisitions and industry consolidation.

There has been significant M&A activity in the industry in recent years. We have reviewed available information which supports and is consistent with our general market observations regarding acquisition and control premiums. Our assessment of these specific matters would imply a Fair Market Value for financial control of Q-Free in the range NOK 10 – 12 per share.

We have reviewed historical acquisition premiums over the past 10 years in the Norwegian public market which provides objective support for the fact that fair market values for control positions are substantial and in the average and median range of 20-30% above observed market prices.

Financial control premiums (resolution of minority “discount” implicit in observed share prices) are generally lower than strategic (industrial and synergistic motivations) control premiums, However, the relative impact of financial control premiums tend to be situational, and thus differ significantly from share to share.

The historical prices observed for the Company's shares after the mandatory offer in November 2022 should be considered in view of the fact that Rieber has had a controlling ownership position over a prolonged period. Therefore, all share transactions in the Company's shares have been exchanges of de facto minority positions, whereby all shareholders other than Rieber, were subject to a controlling shareholder. Thus, our view is that a relevant control premium for the Company is probably in the higher end of the observed range of acquisition premiums (i.e., due to resolution of a relatively significant minority "discount").

8.5 BROKER RESEARCH AND ANALYSIS

Our review of analyst reports as well as analysis of peer group pricing are consistent with our conclusions. Note that the latest analyst report published by ABG Sundal Collier on 7 July is commissioned research.

These analyses provide some third-party support that the share has been consistently undervalued and that the Offer Price reflects Fair Market Value in the circumstances.

9 CONCLUSIONS AND RECOMMENDATIONS TO THE SHAREHOLDERS OF Q-FREE

Based on a holistic and therefore judgmental evaluation of all the matters set out above, we have concluded that a Fair Market Value for 100% control of Q-Free in the range of NOK 9.0 -11.0 per share.

Therefore, we are of the opinion that the terms of the Mandatory Offer are fair from a financial point of view, and thus represents a full and fair arm's length price for all the outstanding shares of Q-Free. The Offer can therefore be recommended to shareholders on this basis.

However, this Statement is not intended to be and shall not constitute or be construed as a recommendation to individual shareholders of Q-Free, as to whether to accept the Offer from the Offeror or not, and each shareholder remains solely responsible for their own decisions based on their own circumstances.

We recommend that shareholders study the Offer Document and draw their own conclusions. Furthermore, we recommend that shareholders seek advice from professional advisers with respect to tax and other consequences of accepting or not accepting the Offer.

On behalf of KWC AS

Simen B. Weiby

Partner