



DNB MARKETS SME CONFERENCE

CEO Thomas Falck

8 APRIL 2014



Disclaimer

This presentation has been prepared by Q-Free ASA (the “Company”) for information purposes only.

The presentation and its content are strictly confidential. Receipt of this presentation is personal, and the presentation and its contents may not be reproduced, redistributed or passed on, directly or indirectly to any other person or published or reproduced directly or indirectly, in whole or in part, by any medium or in any form for any purpose. Specifically, the presentation may not be distributed, forwarded or published, directly or indirectly, in whole or in part, in or into the United States, Canada, Australia or Japan, or in any other jurisdiction in which such distribution, or publication would be prohibited by applicable law.

The information contained in this presentation does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for or purchase the securities discussed herein in any jurisdiction, nor does it constitute a recommendation regarding the securities of the Company. The contents of the presentation are not to be construed as legal, business, investment or tax advice, and each recipient should consult with its own professional advisors for any such matters. Neither this presentation nor any part of it shall form the basis of, or be relied upon in connection with any offer or investment, or act as an inducement to enter into any contract or commitment whatsoever.

Specifically, this presentation and the information contained herein are not an offer of securities for sale in the United States and are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”)). The securities in the Company have not been and will not be registered under the Securities Act.

The presentation is the sole responsibility of the Company. The presentation does not give a complete account of the Company, its affairs, financial status or otherwise or the securities issued by the Company. The information may be subject to updating, completion, revision and amendment and such information may change materially. No representation or warranty, express or implied, is or will be made by the Company, its advisors, parent or subsidiary undertakings of any of the foregoing or any such person’s affiliates, directors, officers or employees, or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation and any reliance you place on them will be at your sole risk. Without prejudice to the foregoing, the Company, its advisors, parent or subsidiary undertakings of any of the foregoing and any such persons’ affiliates, directors, officers or employees do not and will not accept any liability whatsoever for any loss howsoever arising, directly or indirectly, from use of this presentation or its contents or otherwise arising in connection therewith. The Company is under no obligation to update or keep current the information contained in this presentation and any opinions expressed in it are subject to change without notice.

This presentation contains certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions. The forward-looking statements contained in this presentation, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are uncertain and subject to risks. A multitude of factors can cause actual events to differ significantly from any anticipated development. Neither the Company or its advisors nor any parent or subsidiary undertakings of any of the foregoing or any such person’s affiliates, directors, officers or employees make any guarantees that the assumptions underlying such forward-looking statements are free from errors nor does any of the foregoing accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments.

The presentation is disclosed pursuant to, and is governed by, Norwegian law and regulations. Any dispute arising out hereof shall be resolved in Norway, with the ordinary courts of Norway as legal venue.

Agenda

- **Introduction to Q-Free**
- **Strategic positioning**
- **ATMS**
- **RUC**
- **Summary and Outlook**
- **Additional information**

Q-Free – A pioneer in Road User Charging

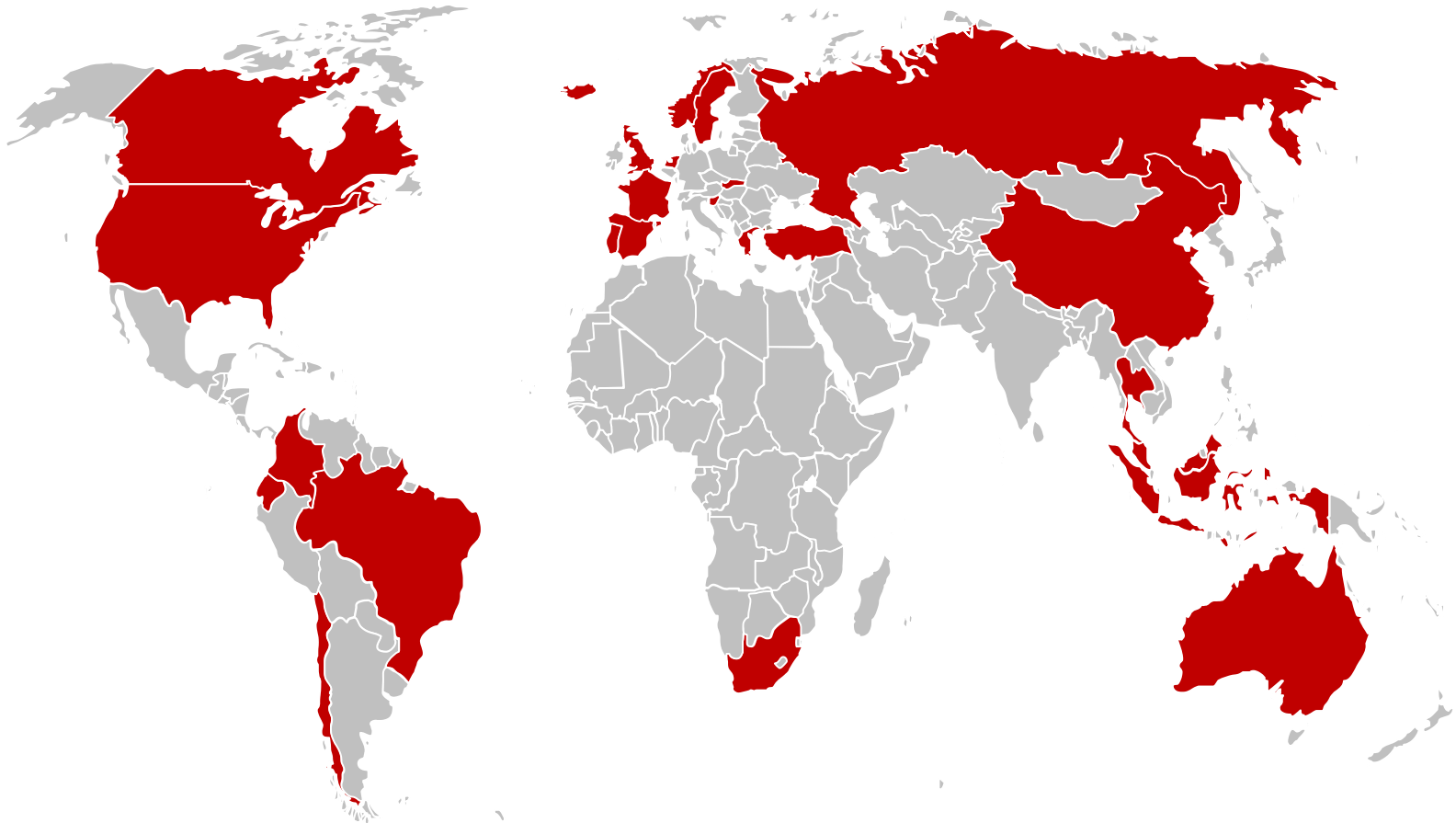
- 
- Leading global supplier with unique portfolio of solutions for Road User Charging and Advanced Transportation Managements Systems
 - Well positioned in a mega trend, driven by market demand for infrastructure financing, environmental friendly solutions, congestion management and improved efficiency of manual solutions
 - Represented in 16 countries, headquartered in Trondheim, Norway, ~350 employees
 - Revenues of NOK 606 million in 2013
 - Listed on the Oslo Stock Exchange (QFR) – market capitalization of ~ NOK 1 billion

Q-Free vision

**Our vision is to be the globally preferred partner
within**

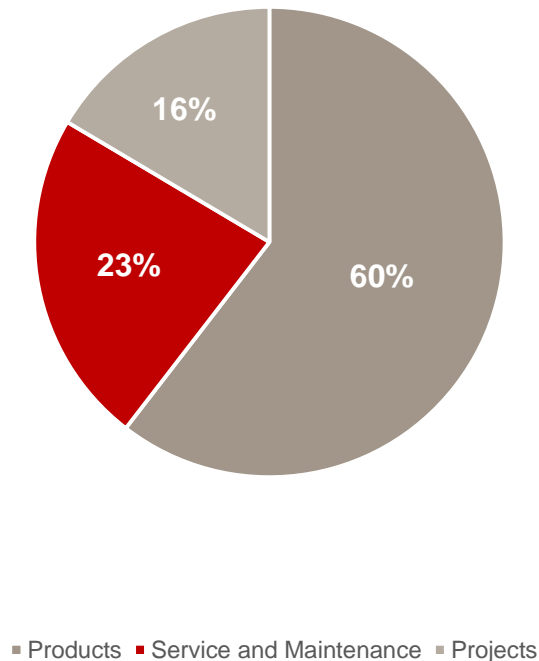
**Intelligent Transport Systems
and provide world-wide leadership in
Road User Charging
and
Advanced Transportation Management**

Wide geographic reach and key references

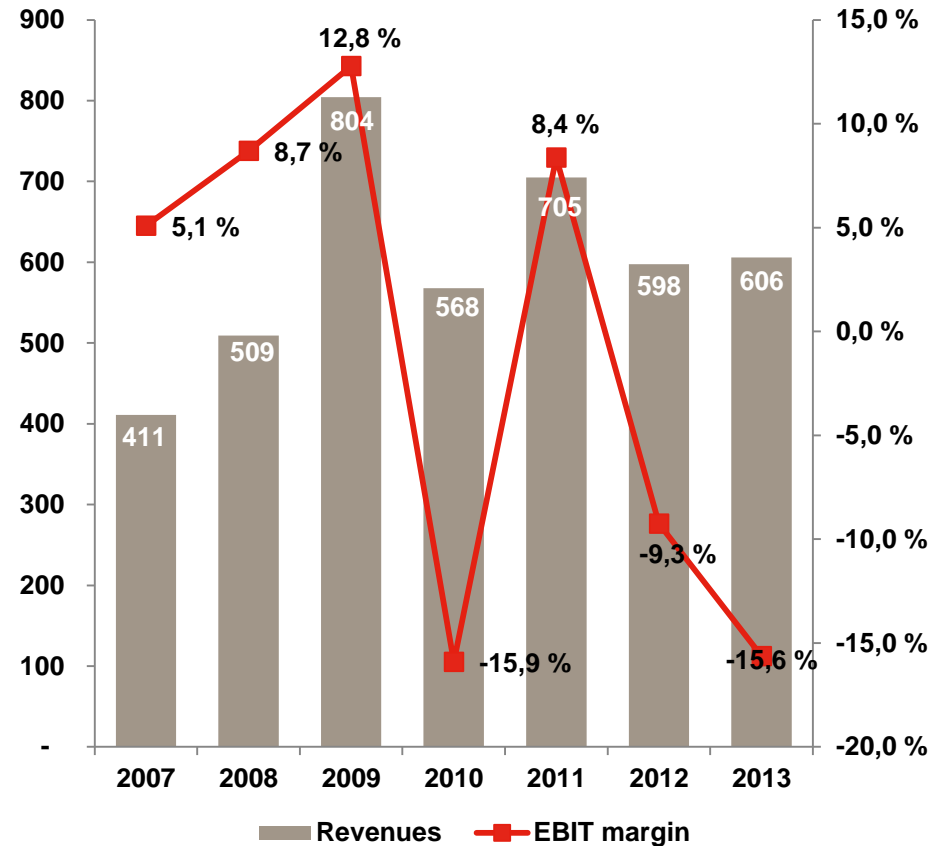


Revenue split and historical development

Business mix 2013

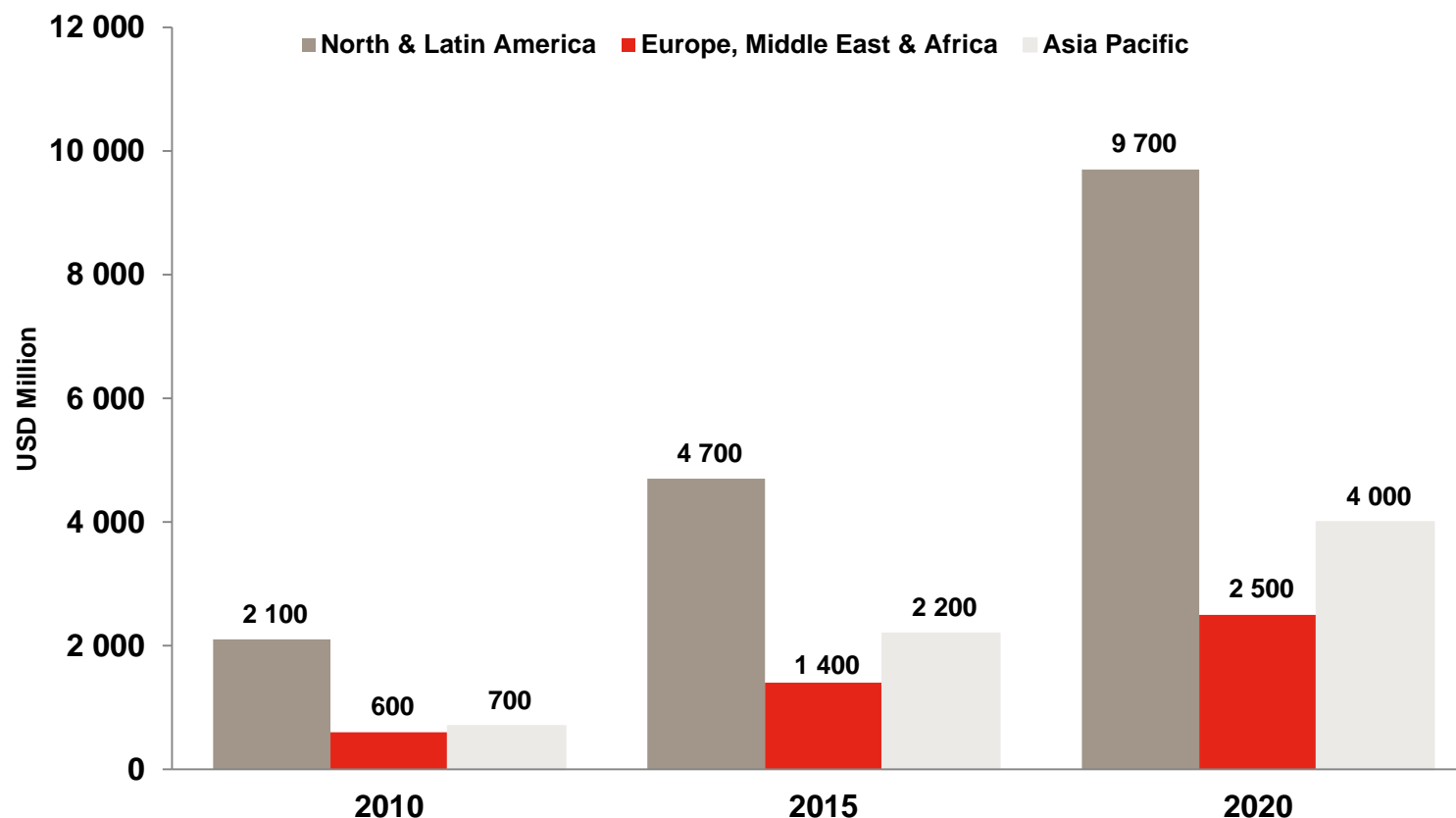


Revenues and EBIT margin



Strategic positioning

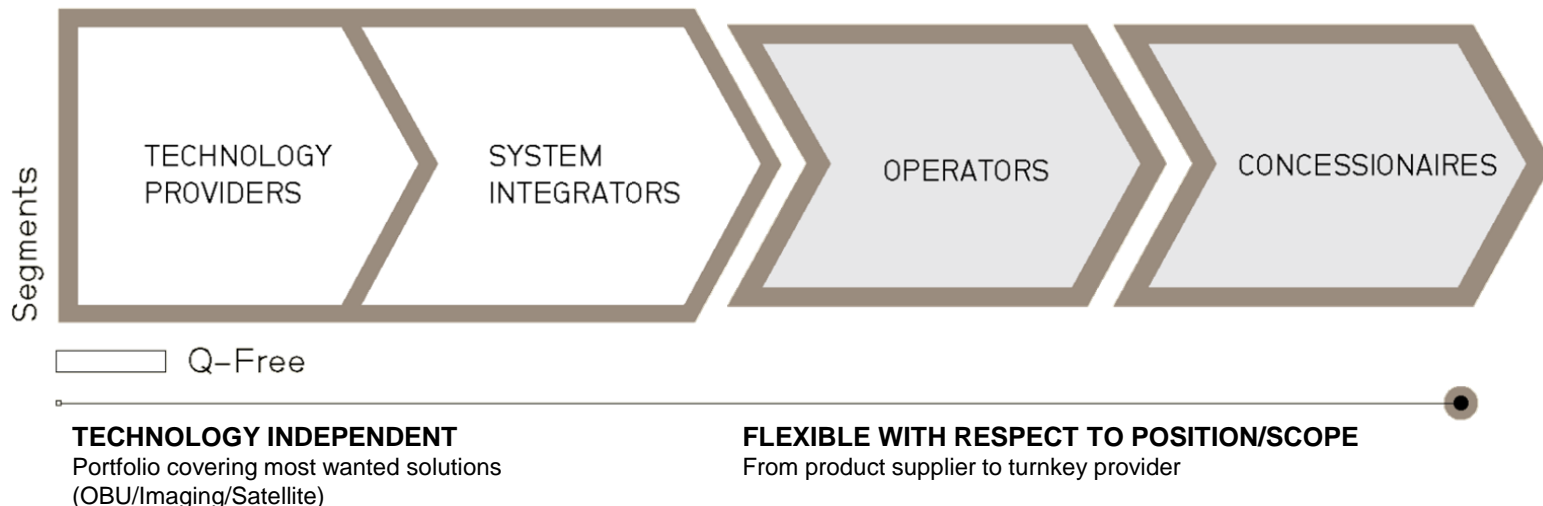
Road User Charging- A global megatrend



Source : Innova Consulting 2011

The Road User Charging Market

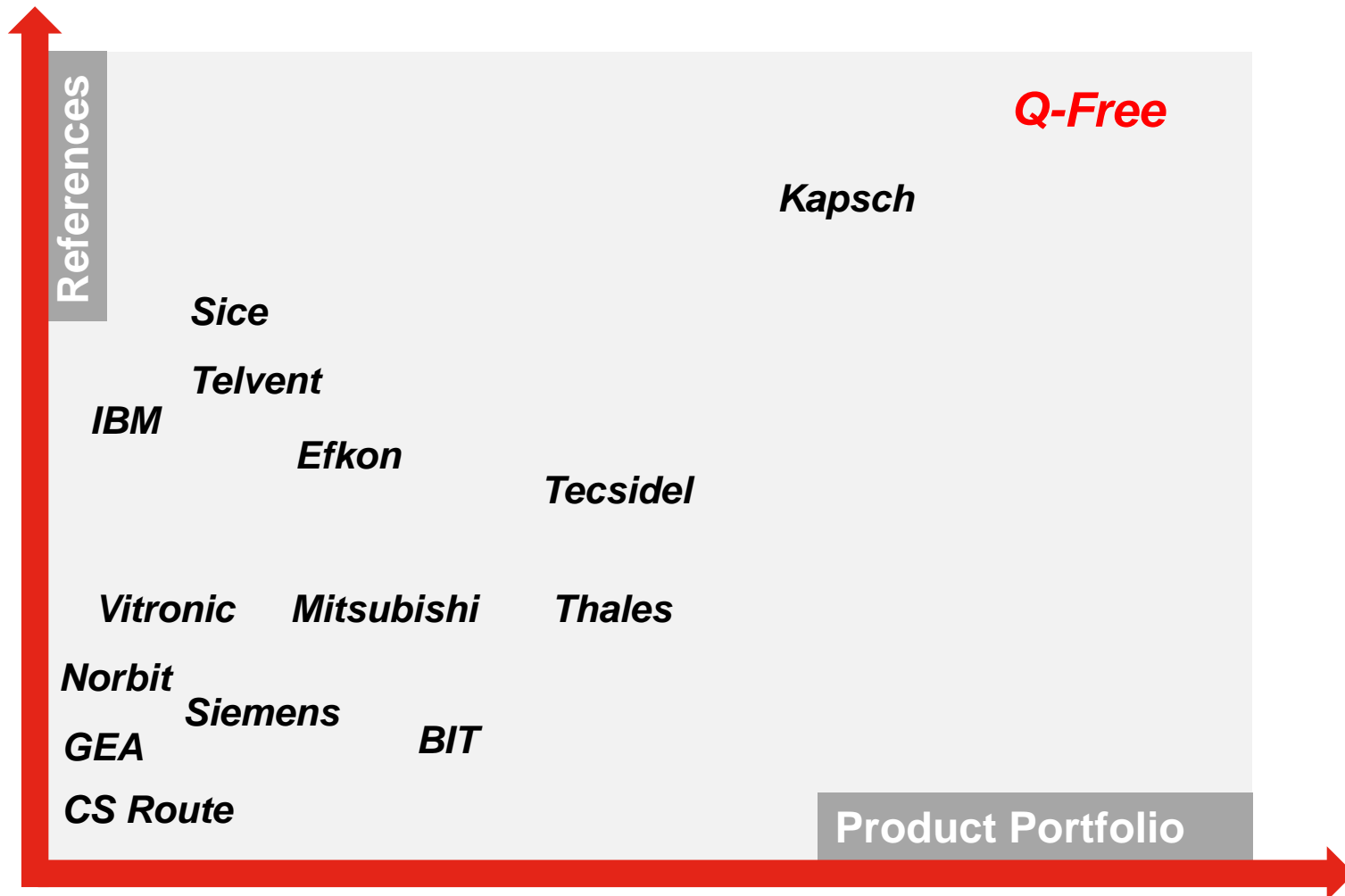
- Strong drivers for Road User Charging (RUC) solutions
 - Financing construction and maintenance of infrastructure
 - Congestion management
 - Improved efficiency of existing RUC solutions
- Q-Free is a market leader in its focus areas



Competitive Scene

Multi-lane Free-Flow RUC systems and product supply (ex. US)

11



Strategy developments

- Products and Service & Maintenance revenues are increasing, and the Profit Improvement Program has lowered the revenue break-even level
- Still needs to address the slow flow of new RUC projects, as this undermines the basis for future revenue generation
- Q-Free's focus has been on larger projects and contracts, and we need to broaden our focus in the current market
- Initiated "Q-Free Strategy and Collaboration project" (QSC) to increase customer focus and broaden the scope of business
 - Seeking to strengthen our market focus and position
 - Expand the addressable market and get closer to our customers
 - Increase internal cooperation and efficiency

Market drivers - megatrend

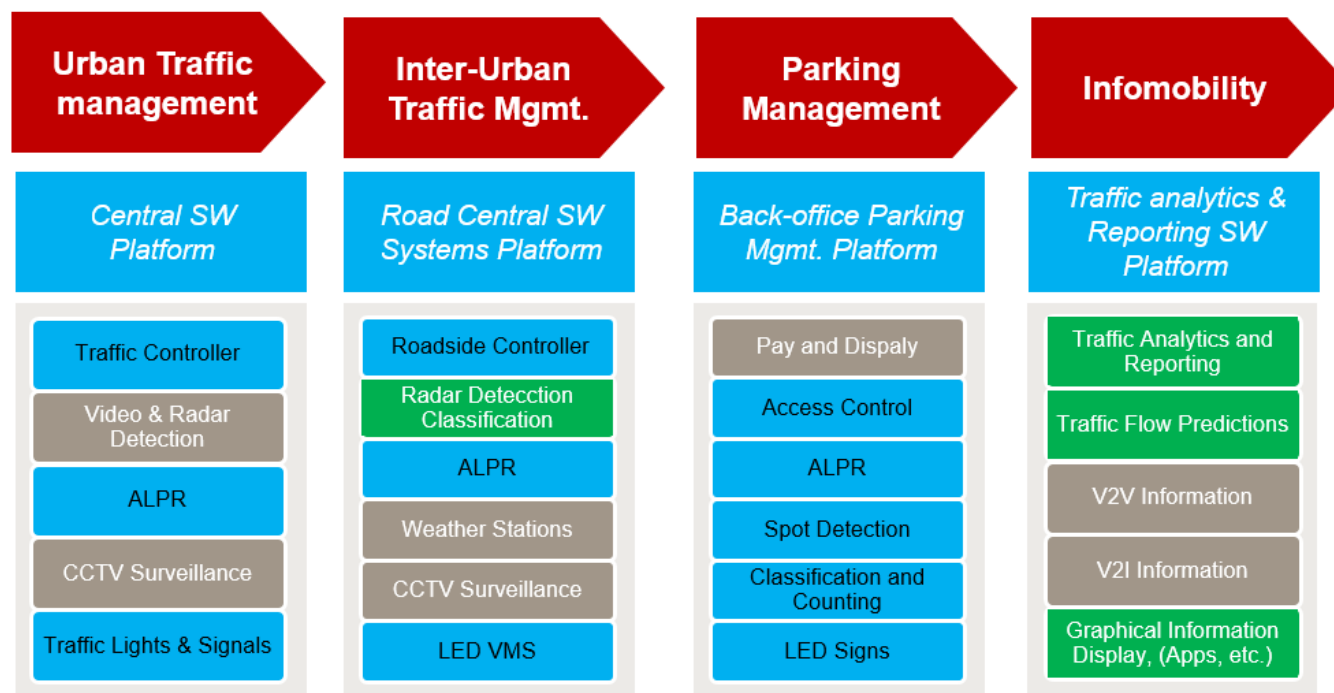
- City managers have historically used fee collection systems to fund government, infrastructure and more recently means of public transportation
- Ongoing urbanisation drives wealth increase
- Increase in the number and sizes of cities, cars and transportation needs
- New implications emerge:
Congestion → Pollution → Accidents → Great costs to society

Upcoming major shifts in the market

- Political shift in focus from «fee collection» to «traffic management»
- Car manufacturers are shifting focus from passive to active security
- Creates opportunities for innovative companies like Q-Free to collect data and provide information to traffic managers and motorists in real-time, which offers more efficient and secure flow of traffic
- Q-Free is therefore broadening the scope into Advanced Traffic Management Systems (ATMS) and Intelligent Traffic Systems (ITS)

Q-Free's ATMS portfolio

15
→

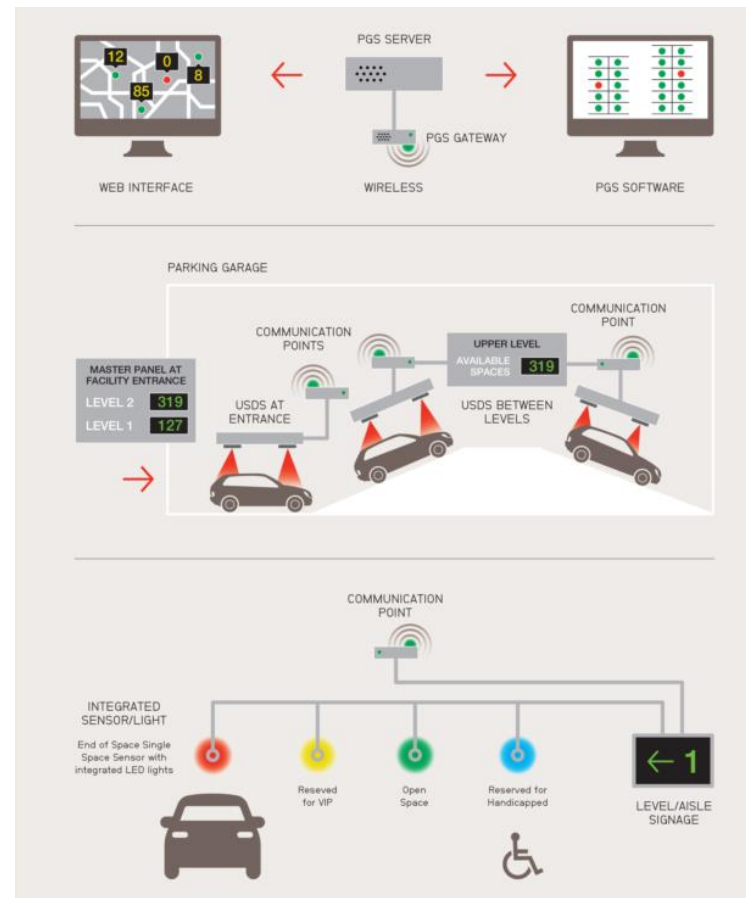


- Increasing exposure towards a USD 200+ billion market and growing fast
- The acquisition of TDC strengthens Q-Free's position within the ATMS market
- TDC has an integrated solution portfolio, which complements Q-Free's ATMS portfolio
- Q-Free is taking an important step in the direction of integrating the value chain

TCS International

- Shown continuously improvement in the underlying business since acquisition in 2012
- Revenues of NOK 35 million in 2013
 - All-time high order intake and deliveries in fourth quarter 2013
- Market leader in Parking Guidance in North America
- Directing drivers to available parking in public parking garages, airports, shopping centres, casinos, convention centres, etc.
- A team of 15 design engineers, software specialists and sales people

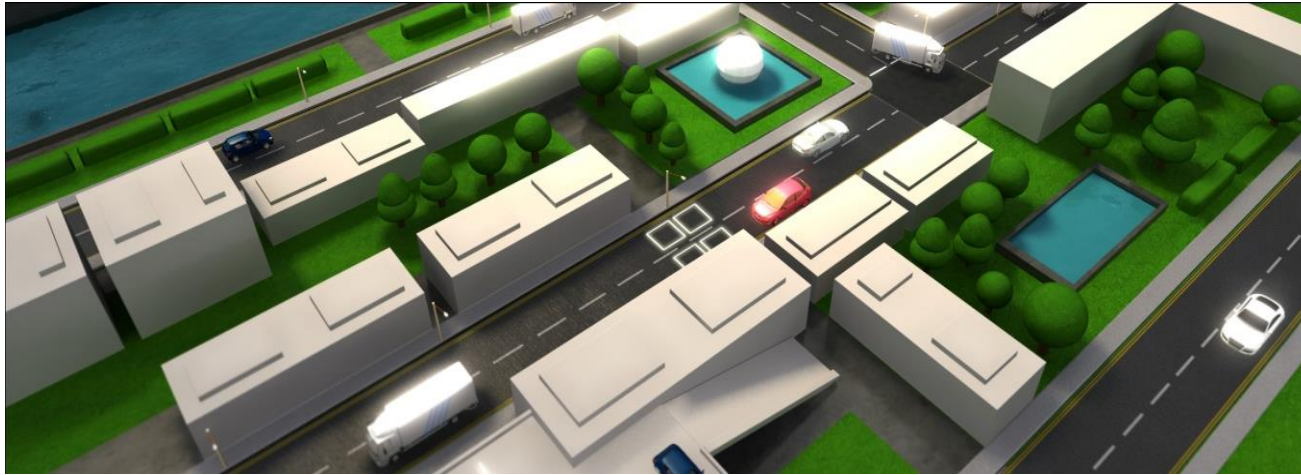
TCS wireless level counting and single space system



TDC Systems

17
→

Traffic Data Collection, Traffic Monitoring and Vehicle Weigh-in-Motion Systems



- Established in 1998, North Somerset, England
- 40 employees, with offices in the UK, Australia and Malaysia
- Acquisition is in line with Q-Free's long term strategy of building a strong position within the ATMS market

Weigh-In-Motion,
Vehicle Classification



Traffic and Cycle
Counting



Journey Time
Monitoring



Air Quality Monitoring



Q-Free products and offering-RUC

RUC Systems	Products	Traffic Management
<ul style="list-style-type: none"> • Single- and Multilane tolling systems • Enforcement for satellite-based Truck Tolling • Central Systems • Service & Maintenance 	<p>Tags</p> <ul style="list-style-type: none"> • DSRC Tags • Satellite tags <p>Road Side equipment</p> <ul style="list-style-type: none"> • DSRC readers • High-performance imaging system <p>Video and still-image processing</p> <ul style="list-style-type: none"> • Automatic License Plate Recognition software (ALPR) 	<ul style="list-style-type: none"> • Electronic law enforcement systems • Parking and Access control • Traffic Statistics

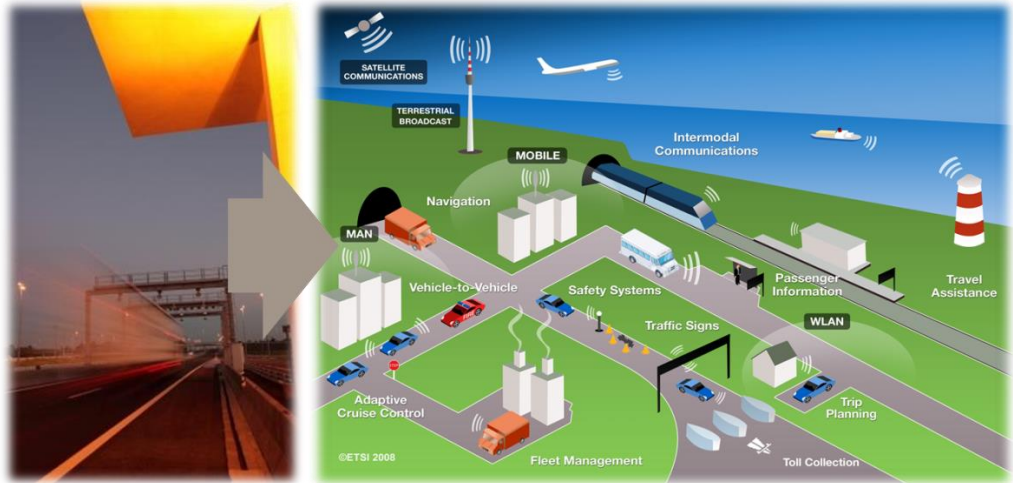


Positioning for the next Era

Strategy:

- Experienced and dedicated management team
- Expand the application area
- Team up with key partners
- Acquire complementary companies
- Increase recurring revenues and add growth potential

Advanced Transportation Management Systems



Positioning Q-Free for a future converged market in
Intelligent Transport Systems

Summary and Outlook

Summary and Outlook

- Long-term RUC outlook remains positive, with opportunities in all the main regions
 - Positive development in Products and Services & Maintenance revenue
 - Slow inflow of new projects
 - Taking steps to strengthen our market focus and position, and increase collaboration and effectiveness
- Continuing efforts to build a new business line within ATMS
 - Positive development in 2013
 - Acquisition of TDC in 1Q 2014



Google search phrase: «Jakarta traffic»

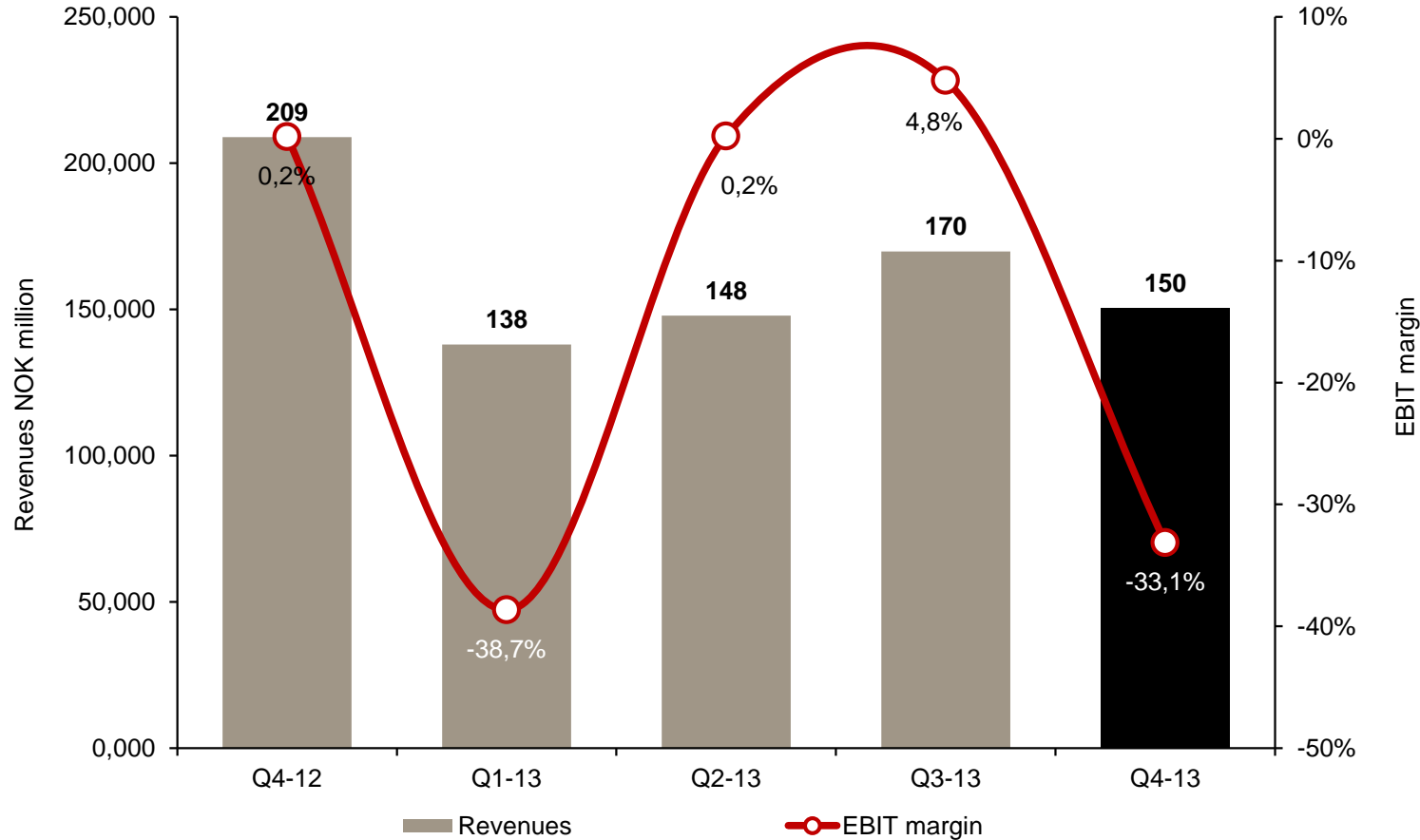
Q-A



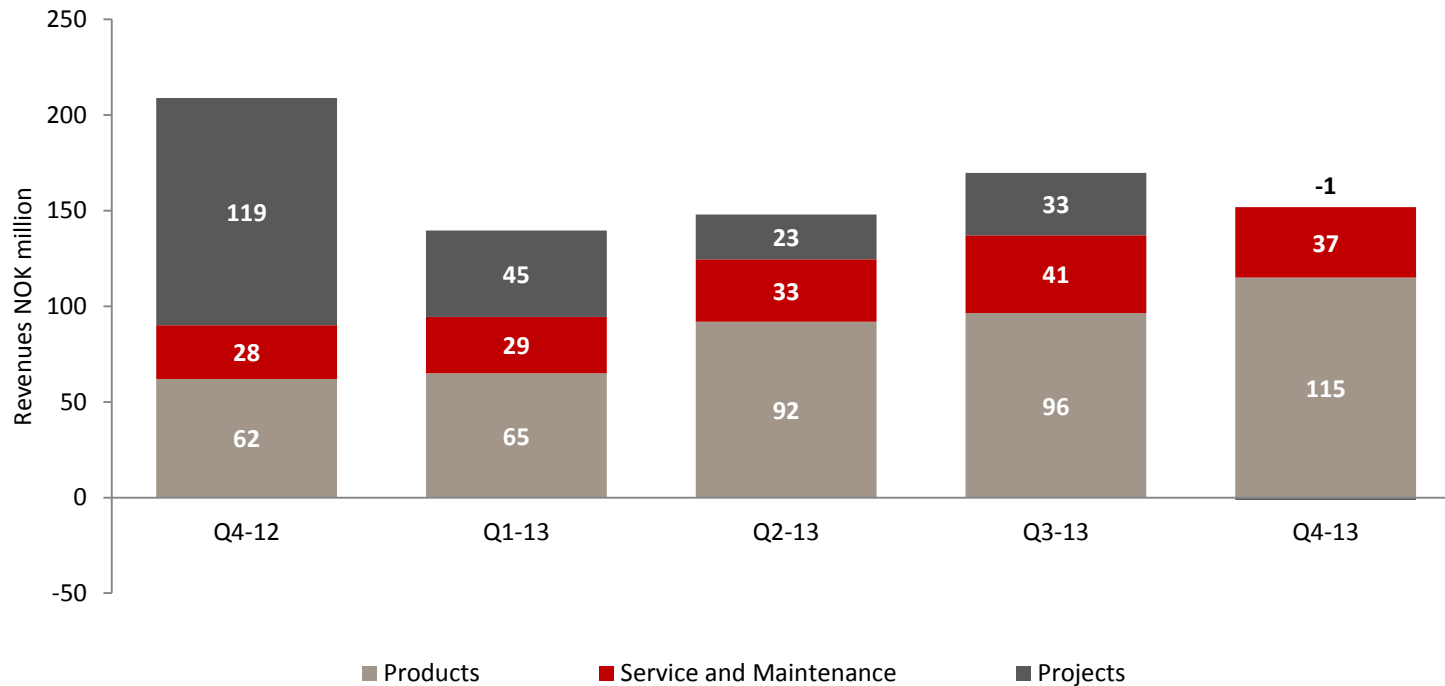
Additional information

Financials Q4-13

Revenues and EBIT margin



Revenues per Business Area



MNOK	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13
Products	62	64	92	96	114
Service and Maintenance	28	29	33	41	37
Projects	119	45	23	33	-1
TOTAL	209	138	148	170	150

31.12.12	31.12.13	y/y-%
230	367	60 %
107	140	31 %
261	100	-62 %
598	607	2 %

Profit and Loss Statement

NOK 1.000	Q4 2013	Q4 2012	Q/Q-%	31.12.2013	31.12.2012	Y/Y-%
Revenues	150 352	208 927	-28.0 %	606 072	597 532	1.4 %
Gross profit	98 451	133 414	-26.2 %	381 281	370 442	2.9 %
Gross margin - %	65.5 %	63.9 %	n.m.	62.9 %	62.0 %	n.m.
Operating expenses	132 317	121 173	9.2 %	413 080	376 434	9.7 %
Operating profit - EBITDA	-33 866	12 241	n.m.	-31 799	-5 992	n.m.
EBITDA margin	-22.5 %	5.9 %	n.m.	-5.2 %	-1.0 %	n.m.
Depreciation, amortisation and impairment	15 947	11 893	34.1 %	62 914	49 315	27.6 %
Operating profit - EBIT	-49 814	348	n.m.	-94 713	-55 307	n.m.
EBIT margin	-33.1 %	0.2 %	n.m.	-15.6 %	-9.3 %	n.m.
Pretax profit	-47 684	9 066	n.m.	-97 959	-44 624	n.m.
Profit margin	-31.7 %	4.3 %	n.m.	-16.2 %	-7.5 %	n.m.
EPS	-1.07	0.16		-1.65	-0.51	

- Revenues positively impacted by sixth consecutive quarter of growth in the product segment
- Cancellation of Australia project had negative impact of NOK 18 million on revenues and NOK 54 million on EBIT in Q4
- Adjusted for one off cost, FY EBITDA was NOK 53 million and FY EBIT NOK -10 million



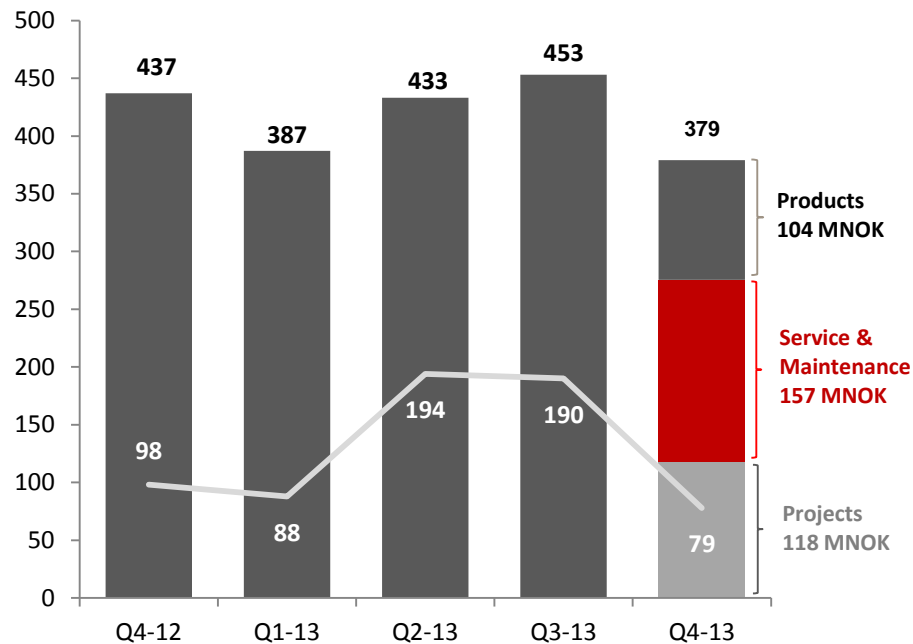
Cash flow statement

NOK 1.000	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	31.12.13	31.12.12
Net cash flow from operations	86 788	-22 971	-61 209	26 270	25 343	-32 567	-19 887
Net cash flow from investments	-43 039	-18 897	-10 454	-9 806	-20 546	-61 919	-79 229
Net cash flow from financing	677	-344	-435	1 105	-3 853	-3 527	28 819
Net change in cash in the period	44 826	-42 212	-72 098	15 353	944	-98 013	-70 297
Cash opening balance	324 665	369 491	327 279	255 181	270 534	369 491	439 788
Cash closing balance	369 491	327 279	255 181	270 534	271 477	271 477	369 491

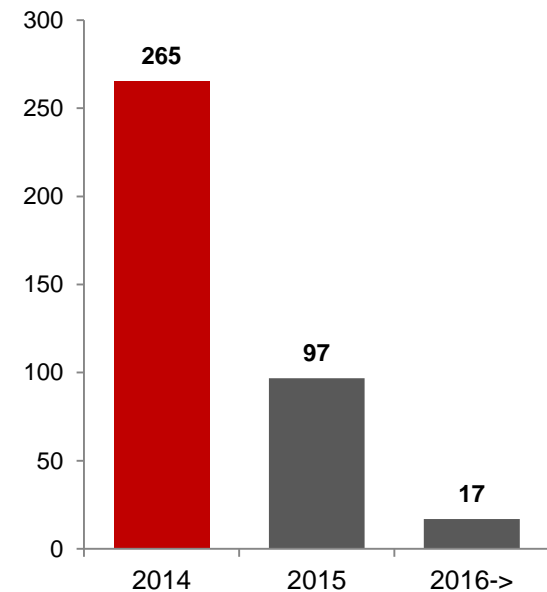
- Cash flow from operations reflecting positive EBITDA and stable net working capital
- Technology investment in Elcom in Serbia NOK 10 million and Development Projects of NOK 11 million
- Cash funds increased NOK 1 million during fourth quarter 2013

Order backlog and delivery schedule

Order backlog and order intake



Backlog distribution



Major shareholders per 4 April 2014

30



SHAREHOLDER	% OWNERSHIP
Kapsch Trafficcom AG ERSTE GROUP BANK AG	14,56
ODIN NORGE	7,50
KAPSCH TRAFFICCOM AG	5,19
SKAGEN VEKST	4,68
J.P. Morgan Chase Ba SPECIAL TREATY LENDI	3,24
VERDIPAPIRFONDET DNB	3,21
VERDIPAPIRFONDET DNB	3,17
ANDRESEN LARS ODDGEIR	2,40
VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	2,39
REDBACK AS	2,20
STOREBRAND VEKST JPMORGAN EUROPE LTD,	2,14
VERDIPAPIRFONDET EIK	1,91
STOREBRAND NORGE I JPMORGAN EUROPE LTD,	1,58
VPF NORDEA SMB C/O JPMORGAN EUROPE	1,57
MONS HOLDING AS	1,53
HOLBERG NORDEN VERDIPAPIRFONDET V/HOLBERG FONDSFORVA	1,47
HOLBERG NORGE VERDIPAPIRFONDET V/HOLBERG FONDSFORVA	1,47
KLP AKSJE NORGE VPF	1,40
VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	1,24
STATOIL PENSJON C/O JP MORGAN CHASE	1,09

Management



Thomas Falck
CEO

Thomas Falck has held the position of CEO since 2014. Falck has an MBA from the Darden Graduate School of Business Administration, and was educated at the Royal Norwegian Naval Academy and the Norwegian Defence University College (Forsvarets Høgskole). Falck has an extensive background in business development. Previously, he has been a partner in Verdane Capital as well as CEO of Visma Marine ASA. He is currently a board member of a number of privately held and publicly listed companies.



Morten Dammen
Acting VP R&D RUC

Morten Dammen has been working in Q-Free since 2007, holding the position as Research Director OBU. Dammen has a Master Degree in Electronics from NTNU, and has extensive knowledge and experience in Q-Free RUC technologies. This is his second period in the company. He also worked in Q-Free from 1998 to 2001. From 2001 to 2007, Dammen worked in Nordic Semiconductor ASA as a Senior Project Manager.



Stein-Tore Nybrodahl
Human Resource Manager

Stein-Tore Nybrodahl (born 1965) is Q-Free's Human Resource Manager and started with the company in 2006. He holds a Master's degree in Business (Copenhagen Business School, Denmark, 1992) and successfully completed the senior executive program INSEAD in France (1993). He has extensive HR and strategy experience having held various senior management roles at Telenor (Norway), where he became director of strategy and HR development. At Q-Free, Mr. Nybrodahl is responsible for the management and development of human resources.



Roar Østbø
Chief Financial Officer (CFO)

Born 1961, Roar Østbø has been employed in Q-Free ASA since 2009. Østbø came from the same position in Aqualyng Group and has previously held the CFO position in the publicly listed companies Q-Free ASA and Corrocean ASA, and in the oil service company Reslab AS and Sintef. Mr Østbø is a Certified Public Accountant from the Norwegian School of Economics and Business Administration (1988) and has also worked as auditor in Arthur Andersen & Co.



Per Ecker
Vice President Sales

Per Ecker (born 1969) has been with the company since 2007. He comes from the position as Sales Director in Siemens Mobile Networks (1992 - 2007) with responsibility for Eastern European markets in particular. Mr. Ecker has extensive experience from international sales both in Asia and Europe. He is educated by The Norwegian Army Officers Training School (1986-1989) as Second Lieutenant in Electronics.



Morten Andersson
VP ATMS

Morten Andersson (born 1957) was employed in 2012 as VP ATMS in Q-Free ASA. Andersson has held similar positions in Peek and Swarco, and have more than 30 years of experience in the Traffic Management industry.



Henrik F. Stoltenberg
Vice President Business Development & M&A

Vice President Business Development & M&A Henrik F. Stoltenberg (born 1960) comes from the position as Group Executive Vice President, responsible for the daily operation of JAI Group (Denmark), and with focus on implementing the corporate strategy. Mr. Henrik F. Stoltenberg holds a HD Degree from Business School Copenhagen. He has been Chief Financial Officer and member of the management team in JAI since 2006. Henrik F. Stoltenberg has previously also been finance director at Merkantildata A/S and Bruhn A/S.



Marianne Sandal
Vice President Operation

Marianne Sandal has been with the company since 2006. She holds an engineering degree from the University of Bergen (1988), in addition to credits within management from Norwegian School of Management (BI). Marianne Sandal has been working in Nera Networks since 1988, has extensive experience in project management, and since 2003 she has been heading the world wide operation activity of Nera.

Board of Directors



Terje Christoffersen
Chairman of the Board

Terje Christoffersen is a partner i Interforum Partners. Han has more than 30 years management experience for listed Norwegian and foreign companies within the IT and telecom businesses, with focus on the North European market. Christoffersen has been the CEO of Hewlett-Packard in Northern Europe and Chairman of the Board in NetCom ASA, managed Telia Sonera's operations in Denmark and been on the Executive Group Management of Telia Sonera. Christoffersen has a MBA from Universität zu Köln (1978)



Jan Pihl Grimnes
Board Member

Jan Pihl Grimnes is through his company Redback AS investing in the IT, petroleum and mining industries. He holds 2,29% of the shares in Q-Free ASA. Grimnes founded Technoguide AS, and holds several board positions both in listed and non-listed companies. Grimnes holds an MBA from the Norwegian School of Economics and Business Administration and a MSc. from the Norwegian University of Science and Technology.



Charlotte Brogren
Board Member

Charlotte Brogren is General Director of Verket för innovationssystem, VINNOVA, a Swedish governmental administration authority, organised under the Ministry of Trade. Brogren has previously held management positions in the R&D organisation of ABB and been Group Vice President of ABB Robotics. Brogren is a Chemical engineer and holds a PhD from Lunds Tekniska Högskola (1997). Brogren is Chairman of the Board of Industrifonden, and member of the Board of HMS AB and Post- och telestyrelsen.



Frank Aune
Employee elected Board Member

Frank Aune has been working in Q-Free since 2006. Aune holds a MSc in Electronics and Telecommunication and holds the position as Head of R&D Security.



Selma Kveim
Board Member

Selma Kveim is General Manager and Chairman in Inbuca AS. Kveim is a board member and a member of the audit committee in PSI Group ASA and has also position as member of the board in several unlisted companies in Norway. She is a former board member in Goodtech ASA. Kveim has 25 years of experience within the IT-industry, in leading positions within sales and market, latest as Vice President Channel business (Europe, Middle East and Africa) in Fujitsu Siemens Computers. She previously has held several different positions in Hewlett Packard. She has worked abroad for 15 years and has been living in four different European countries. Kveim is educated from The Norwegian Business School (Handelshøyskolen BI). Selma Kveim is resident in Grimstad. Kveim has 5,500 shares in Q-Free ASA.



Sissel Lillevik Larsen
Employee elected Board Member

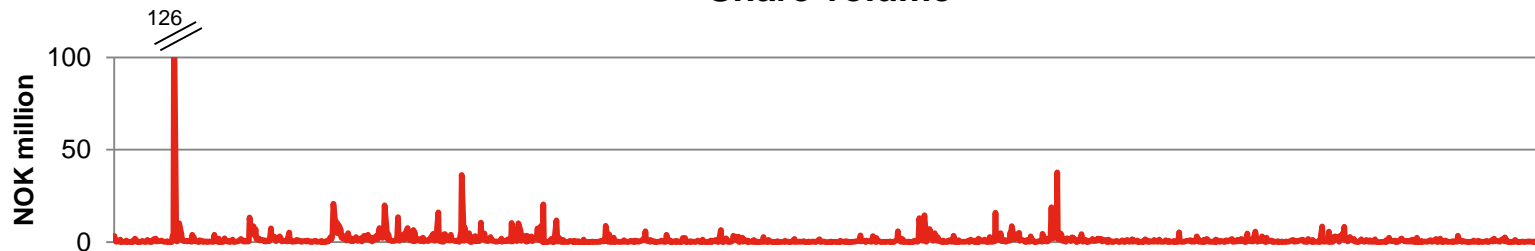
Mrs Lillevik Larsen has been with Q-Free ASA since 2000 and holds the position as Technical project manager

Share price and volume traded

Share price (NOK)



Share volume



Analysts

DNB

Christer Roth

(+47) 24 16 91 81

christer.roth@dnb.no

Carnegie

Ola Reitan Nordtømme

(+47) 22 00 93 55

orn@carnegie.no

SEB

Peder Strand

(+47) 21 00 85 20

peder.strand@seb.no

Sparebank 1 Markets

Tore Tønseth

(+47) 958 06 277

tore.tonseth@sb1markets.no

Arctic Securities

Per Gunnar Nordahl

(+47) 21 01 32 11

per.gunnar.nordahl@arcticsec.no